

OPERATIONS REPORT

4th Quarter 2007

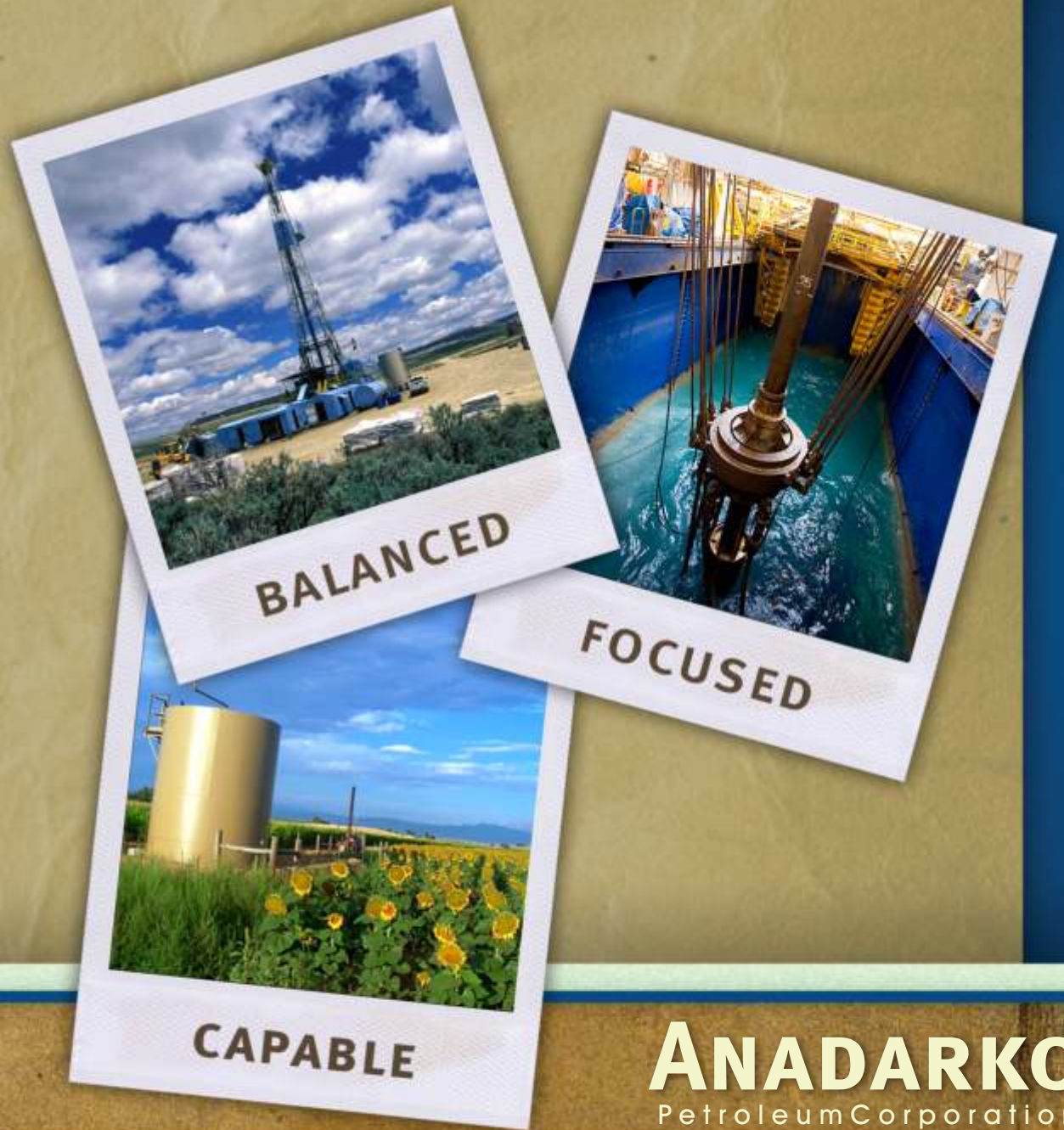
Investor Relations:

John Colglazier
Vice President
john.colglazier@anadarko.com
832.636.2306

Chris Campbell, CFA
Manager
chris.campbell@anadarko.com
832.636.8434

Kristin Stomberg
Manager
kristin.stomberg@anadarko.com
832.636.1156

Forward Looking Statement	2
Overview	3
Gulf of Mexico	4-7
Rockies	8-9
Southern Region	10
International / Frontier	11-12



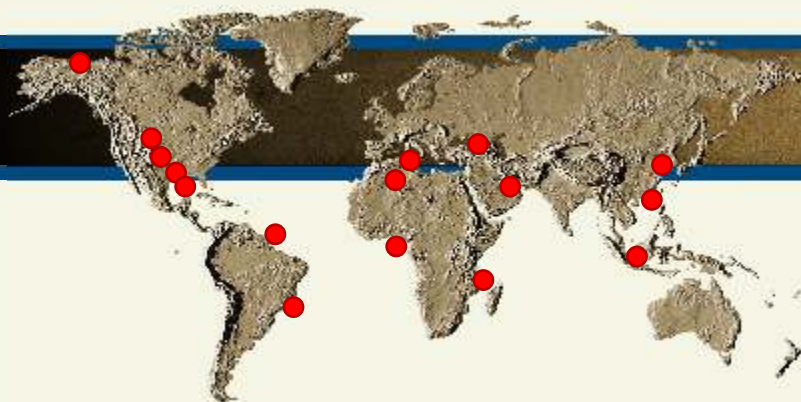
ANADARKO
Petroleum Corporation

Forward Looking Statement



This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Anadarko believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this presentation. Anadarko cannot guarantee that it will successfully execute on its drilling and development plans or meet its production guidance. See “Risk Factors” in the company’s 2006 Annual Report on Form 10-K and other public filings and press releases. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.

Overview



During 2007, Anadarko announced a change in the method of accounting for its oil and gas exploration and development activities from the full cost to the successful efforts method. All relevant information in this report is presented based on the successful efforts method of accounting.

– CAPITAL SPENDING –

The capital program totaled \$997 million during the quarter, of which \$705 million (71%) was dedicated to ongoing U.S. E&P activity. Full-year capital expenditures were \$3.99 billion with approximately 19% spent on exploration.

Capital Spending		
	4Q07	3Q07
	\$ MM	\$ MM
<i>Rockies</i>	309	262
<i>Southern Region</i>	158	97
LOWER 48*	467	359
<i>Alaska</i>	17	9
<i>Gulf of Mexico</i>	221	214
TOTAL U.S.*	705	582
INTERNATIONAL*	99	64
<i>Midstream</i>	133	203
RETAINED OPERATIONS	937	849
<i>Divested Properties</i>	5	1
<i>Capitalized Items / Other</i>	55	-24
TOTAL COMPANY	997	826

*E&P Activity Only

– RIG ACTIVITY –

4Q07 Rig Activity			
	Operated	Non-Operated	Total
<i>Rockies</i>	21	57	78
<i>Southern Region</i>	25	7	32
LOWER 48	46	64	110
<i>Alaska</i>	0	0	0
<i>Gulf of Mexico</i>	6	3	9
TOTAL U.S.	52	67	119
INTERNATIONAL	3	5	8
TOTAL COMPANY	55	72	127

– VOLUMES –

Production volumes for the 4th Qtr were 53 MMBOE, which exceeded guidance (50-52 MMBOE).

Net Volumes				
	4Q07		3Q07	
	Gas	Liquids	Gas	Liquids
	MMcf/d	MBbl/d	MMcf/d	MBbl/d
<i>Rockies</i>	909	41	849	40
<i>Southern Region</i>	589	23	566	22
LOWER 48	1,498	64	1,415	62
<i>Alaska</i>	0	22	0	22
<i>Gulf of Mexico</i>	522	68	240	68
TOTAL U.S.	2,020	154	1,655	152
INTERNATIONAL	0	83	0	75
<i>Midstream</i>	-7	3	-8	5
RETAINED OPERATIONS	2,013	240	1,647	232
<i>Divested Properties</i>	0	0	-10	5
TOTAL COMPANY	2,013	240	1,637	237

Gulf of Mexico



	Net Volumes			
	4Q07		3Q07	
	MMcf/d	MBbls/d	MMcf/d	MBbls/d
TOTAL*	522	68	240	68

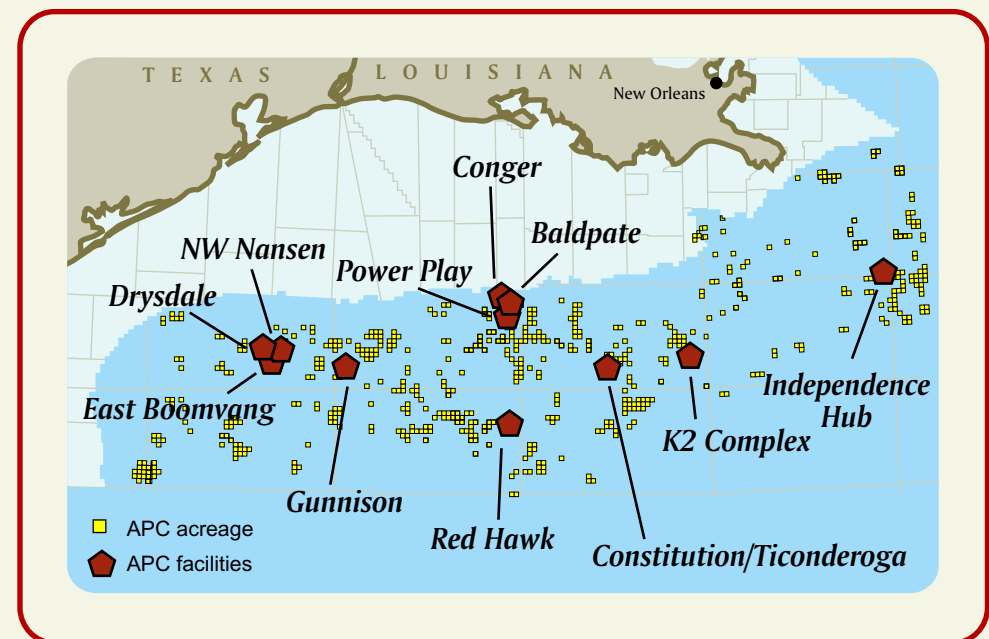
*E&P Activity Only

– PRODUCING PROPERTIES –

K2 Complex

Green Canyon 561/562/605/606/518/563/607 (APC 42% WI)
 Green Canyon 608 (Marco Polo Field - APC 100% WI Suprasalt)

- An Integrated Project Team (IPT) was formed with unit partners during 2007. The IPT continues to make progress in its evaluation to determine the optimum enhanced oil recovery (EOR) technique for the field. Extensive lab testing, reservoir simulation and facilities pre-front-end engineering design (FEED) are under way on various nitrogen injection and waterflood scenarios. Evaluation of both EOR methods will continue until one is found to be clearly more effective than the other. A decision should be made before the end of 2008.
- The downdip delineation well, GC 561#2, was spud late in the 4th Qtr and will be drilled to a measured depth of more than 30,000 feet, providing valuable data on the continuity and reservoir quality of the M-14 and M-20 sands.
- During the 1st Qtr of 2008, a platform rig is scheduled to begin a two-well to three-well program at Marco Polo, including the completion of the GC 608 A-7, which was successfully drilled in 2007.



– PRODUCING PROPERTIES (CONT.) –

Boomvang

East Breaks 643/642/688/598/599 (APC 30% WI)

- During the 1st Qtr 2008, Anadarko expects to spud a satellite exploration well in the East Boomvang area, Block 688.

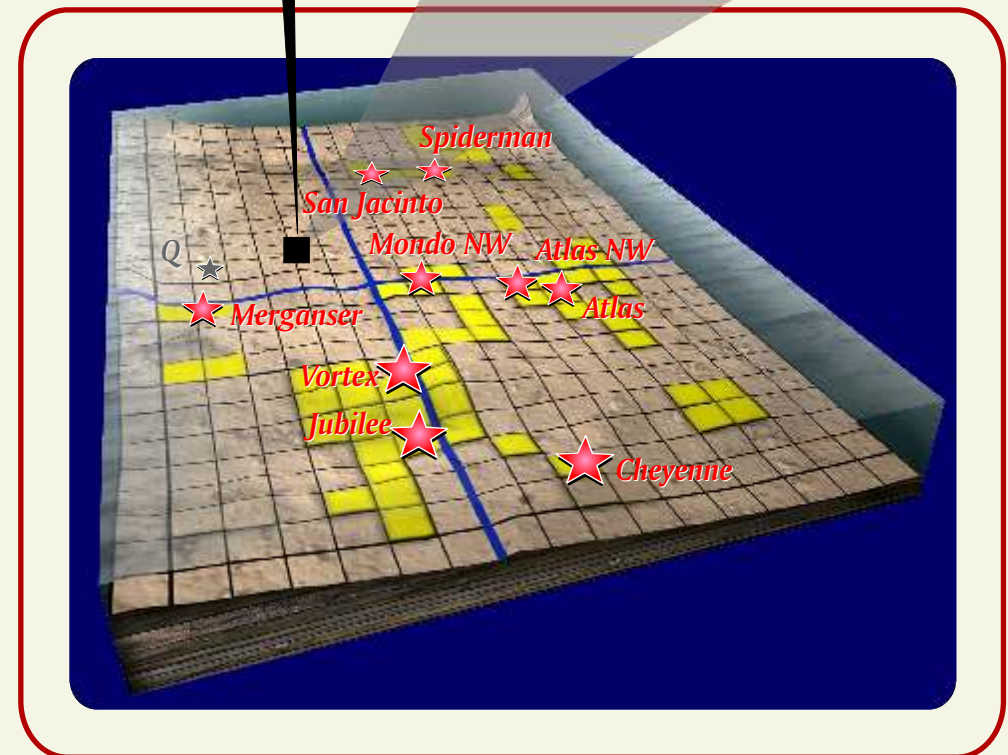
Nansen

East Breaks 558/602/646/689/690 (APC 50% WI)

- During the 4th Qtr 2007, installation of the four-well subsea tieback system for the Northwest Nansen discovery was completed with first production expected during the 1st Qtr 2008.
- During the first half of 2008, Anadarko plans a two-well recompletion program for the A-2 and A-4 wells.

Independence Hub

- Independence Hub achieved first production on July 19. Fifteen wells from the 10 anchor fields have now been brought on production, including five in the 4th Qtr 2007. Independence Hub was one of the most significant milestones of the year, with startup occurring on time and on budget. Further, Anadarko maintained a fairly aggressive production ramp-up schedule, and was able to achieve its goal of 1 Bcf/d. The current run rate is in the range of 850 to 900 MMcf/d, which represents more than 1% of total daily U.S. natural gas supply.





– PRODUCING PROPERTIES (CONT.) –

Ticonderoga

Green Canyon 768 (APC 50% WI)

- Connection of GC 768 #3 and #1 ST 4 wells to the Constitution facility is currently in progress. Production is expected during the 1st Qtr 2008.

Gunnison

Garden Banks 667/668/669 (APC 50% WI)

- During the 1st Qtr, Anadarko spud a new development well, GB 677#2, in the Gunnison field. The well is located in the western portion of the field and will target multiple proven-pay horizons. Production is expected in the 2nd Qtr 2008.

– MAJOR DEVELOPMENTS –

Conger

Garden Banks 215 (APC 25% WI)

- Anadarko recently finished drilling and completion operations on the GB 215 #4 ST02 well (Hess operated). The well encountered significant pay in the target CM-2 reservoir and tested 21 MMcf/d and 6,800 BOPD (gross). Anadarko anticipates the well to be on line during the 1st Qtr.

Red Hawk

Garden Banks 877 (APC 50% WI)

- During the 4th Qtr, installation of additional gas compression capacity at the Red Hawk spar was completed.
- Anadarko is planning a recompletion in the 1st Qtr of 2008 on the GB 877 #1 ST2 well.

Power Play

Garden Banks 258/302 (APC 45% WI)

- Anadarko finished completion operations during the 4th Qtr for the Power Play discovery announced in 2006. First production is anticipated during the 2nd Qtr 2008. Power Play will be a subsea tieback to the Baldpate facility.

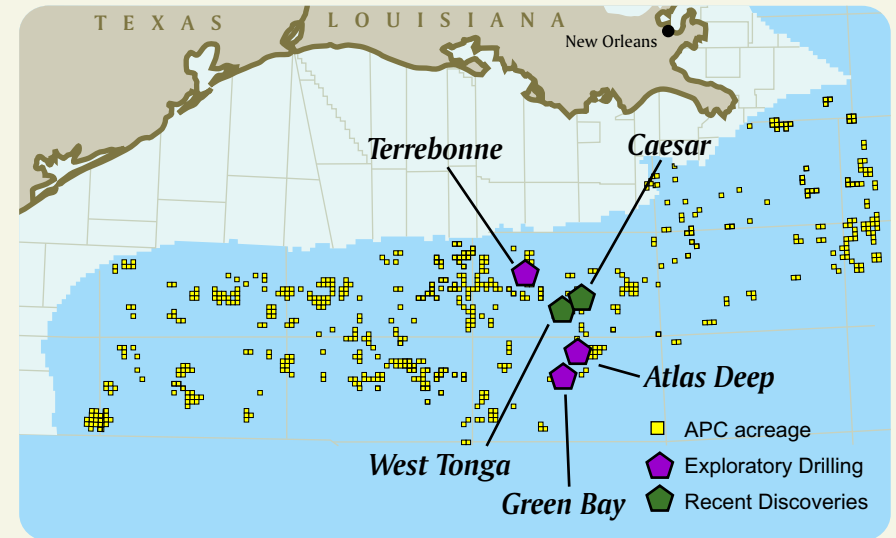
Gulf of Mexico

– EXPLORATION –

- Anadarko announced an oil discovery at its West Tonga prospect on Green Canyon block 726 in the deepwater Gulf of Mexico. The discovery well, located in approximately 4,700 feet of water, was drilled to a total depth of 25,680 feet and encountered more than 350 feet of net oil pay in three high-quality subsalt Miocene sands. Anadarko is the operator with 37.5% working interest with partners StatoilHydro (25% WI), Chevron (20.5% WI) and Shell (17% WI).

The Caesar Tonga Integrated Project Team was formed and completed an initial development study on a subsea tieback of the Caesar Tonga Complex to the Constitution spar. Anadarko's working interest in Caesar is 20%.

- Atlas Deep #1 (Walker Ridge 155), a Middle to Lower Miocene test, was drilled to a total measured depth of 27,582 feet and was temporarily abandoned. Remaining potential is being evaluated through the integration of seismic and well results. Anadarko is the operator with a 68% working interest with partners Repsol E&P USA Inc. (20% WI) and Ridgewood Energy Corporation (12% WI).
- The Terrebonne prospect (Green Canyon 452), which spud during the 4th Qtr with an Upper and Middle Miocene target, was drilled to a total depth of 26,597 feet and was plugged and abandoned. Anadarko had a 33% working interest in the well, with partners Woodside Energy (operator, 42% WI) and Plains (25% WI).
- Anadarko is currently drilling the Green Bay prospect (Walker Ridge 372 #1), which spud in December 2007. The well is targeting the Lower Tertiary, with an anticipated total depth of 30,500 feet. Anadarko is the operator with a 25% working interest, with partners StatoilHydro (40% WI), Devon (23% WI), Conoco (10% WI) and Nippon (2% WI).



Rockies



TIGHT GAS	
Natural Buttes	182
Wattenberg	172
Pinedale/Jonah	77
Wamsutter	72
Other	102
CBM	300
EOR	4
TOTAL*	909

Net Volumes				Capital 4Q07 \$ MM	Rig Activity 4Q07		Gross Completed Wells 4Q07	
4Q07		3Q07			Oper.	Non-Op.	Expl.	Dev.
MMcf/d	MBbls/d	MMcf/d	MBbls/d					
182	2	198	1	80	8	3	0	43
172	16	164	16	54	5	0	0	17
77	1	54	0	33	0	18	0	45
72	6	82	8	13	1	7	0	24
102	3	94	4	11	1	2	0	23
300	1	252	0	84	6	27	0	50
4	12	5	11	34	0	0	0	0
909	41	849	40	309	21	57	0	202

★ EOR ★ Tight Gas ★ CBM

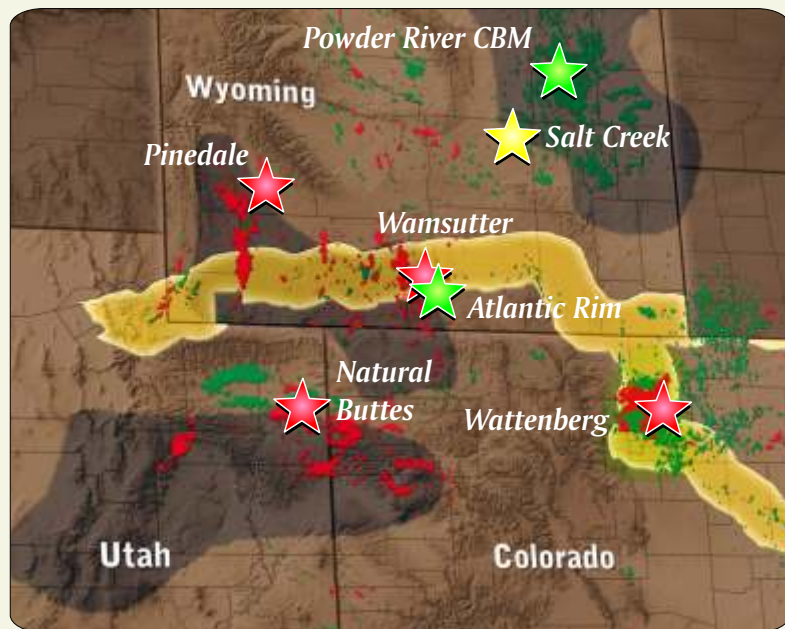
*E&P Activity Only

During the 4th Qtr, third-party curtailments from the Cheyenne Plains pipeline resulted in slightly lower volumes in the Greater Natural Buttes area compared with the 3rd Qtr.

– TIGHT GAS DEVELOPMENT –

Greater Natural Buttes

- The Greater Natural Buttes area continued to set production records. A new gross single-day operated production record of almost 245 MMcf/d was achieved.
- During the 4th Qtr, the third 10-acre-spacing well program was drilled, with completion operations scheduled for the 2nd Qtr 2008.
- The Chapita gas processing plant became operational in December, adding 250 MMcf/d processing capacity. The plant is also the origination point for the new 400 MMcf/d Kanda Lateral pipeline, which began operations in the 4th Qtr.



Wattenberg

- During 2007, Anadarko conducted almost 600 fracs, including new completions, recompletions, re-fracs and tri-fracs. There were six operated rigs in the field and 238 gross operated wells drilled.
- The 2007 performance of Anadarko's Niobrara recompletion and re-frac program exceeded expectations and is allowing for optimization of initial completion strategies in Anadarko's new wells.
- At year end, in the Powder River Basin, Anadarko had six operated rigs and 24 non-operated rigs running. During 2007, Anadarko drilled 227 operated and 457 non-operated wells.
- In the Atlantic Rim area, Anadarko drilled 33 operated wells, with four operated rigs running, and participated in 37 non-operated wells during 2007.

Pinedale/Jonah

- Anadarko participated in 188 completions during 2007. Six wells are currently undergoing completion operations. Another 16 wells were awaiting completion at the end of the 4th Qtr.
- Two operators of Anadarko's Pinedale projects, in which Anadarko has an aggregate 10% working interest, have either received or applied for permits for 5-acre drilling on approximately 4,000 acres. This is expected to increase the overall field recovery and add to Anadarko's proven reserve base.

– COALBED METHANE DEVELOPMENT –

- During the 4th Qtr, the first phase of the Fort Union Expansion project was completed, which enabled a new gross daily production record of 522 MMcf/d in the Powder River Basin. In conjunction with the expansion, Anadarko has increased the rate at which it can de-water coals in the Powder River area and produced almost 300 MBbl/d of water by year end. Anadarko expects its total water-handling capacity to increase to 550 MMbl/d.



Southern Region



	Net Volumes				Capital 4Q07 \$ MM	Rig Activity 4Q07		Gross Completed Wells 4Q07	
	4Q07		3Q07			Oper.	Non-Op	Expl.	Dev.
	MMcf/d	MBbls/d	MMcf/d	MBbls/d					
Haley*	104	0	108	0	5	8	5	4	6
Ozona	40	1	42	1	4	1	0	0	16
Mid-Continent	63	0	59	0	3	0	0	0	0
Bossier	158	0	157	0	20	4	0	0	9
Carthage	77	5	80	5	24	6	0	0	28
Chalk	50	13	31	11	27	4	2	0	6
S. Texas / Other	97	4	89	5	75	2	0	0	6
TOTAL**	589	23	566	22	158	25	7	4	71

*The information shown represents the effects of Anadarko's agreement with Chesapeake Energy.

**E&P Activity as Reported

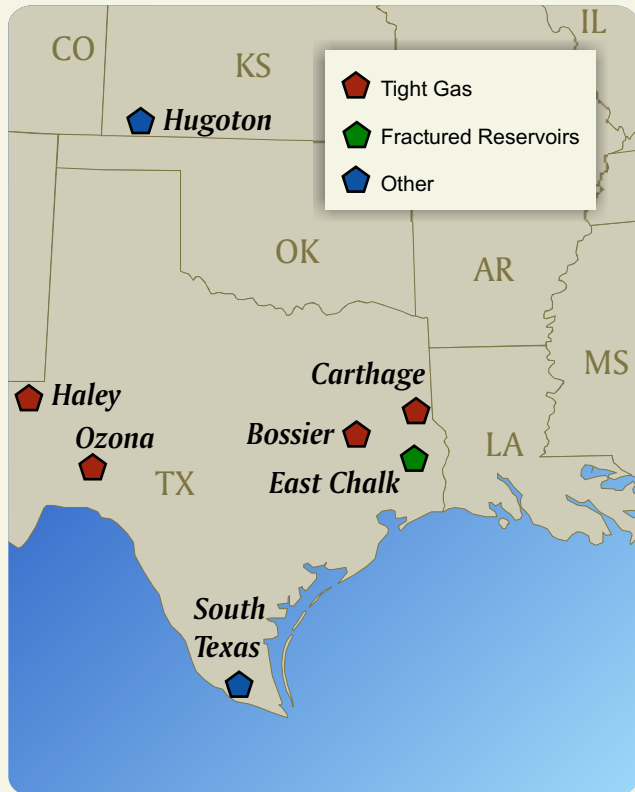
– DEVELOPMENT –

Haley / Delaware Basin

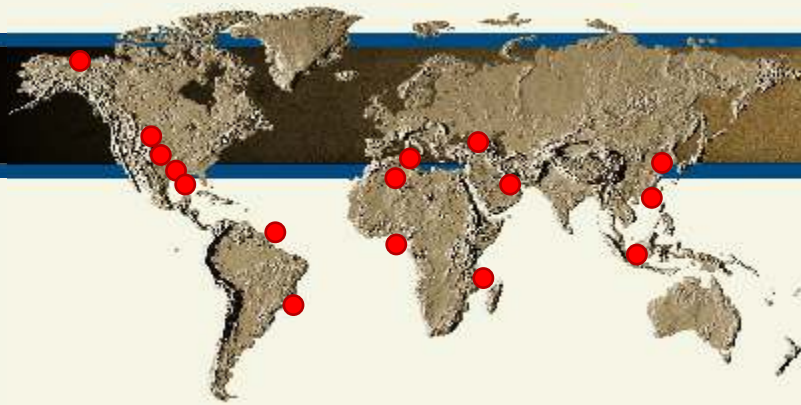
- During 2007, Anadarko entered into an arrangement with Chesapeake Energy. The partnership had 13 rigs running in the Delaware Basin during the 4th Qtr, with nine wells spud and 10 wells completed.

Carthage

- Anadarko ran six rigs during the 4th Qtr with 25 wells spud and 28 wells completed. This activity included Anadarko's second horizontal well, which spud in late November. The well results, which are expected during the 1st Qtr, may lead to the dedication of a full-time rig for horizontal development throughout 2008.



International / Frontier



	Net Volumes		Capital
	4Q07	3Q07	4Q07
	MBbls/d	MBbls/d	\$ MM
Alaska	22	22	17
Algeria	67	66	21
China	16	9	12
Other	0	0	66
TOTAL*	105	97	116

*E&P Activity Only

– DEVELOPMENT –

Alaska

- Average gross oil production for Colville River during the 4th Qtr was approximately 119 MBbl/d (22 MBbl/d net). Development drilling continued with one rig drilling two Alpine wells and two Nanuq wells. During the 1st Qtr, the rig will move to Fiord to drill up to five wells before moving to the Qannik development for the remainder of 2008.
- Construction continues for various modules in connection with the Qannik development, with initial production anticipated to begin in late 2008.

Brazil

- Anadarko was named operator of the Peregrino project.
- In Brazil's Bid Round 9, Peregrino partners Anadarko and StatoilHydro were high bidders on two adjacent blocks to Anadarko's Peregrino block. These two new blocks provide field extension opportunities.

Algeria

- During the 4th Qtr, gross oil production from the Hassi Berkine South and the Ourhoud Central Processing Facilities was 451 MBbl/d.
- Development drilling continued on the Ourhoud field, with one production well and one water-injection well drilled during the quarter.

China

- Oil production during the 4th Qtr averaged 49 MBOPD (gross). Production increased over 3rd Qtr volumes, following completion of planned maintenance shut-in and infrastructure repairs, as well as the early hook-up of the successful development wells in CFD 11-1.
- During the 4th Qtr, the Bohai 8 Rig moved to the CFD 11-1 field to continue development drilling, prior to going to dry dock in early November for rig maintenance. The rig will resume development drilling in the CFD 11-6/12-1S field in the 1st Qtr 2008.

– EXPLORATION –

Algeria

- During the 4th Qtr, two appraisal wells, BBKS-4 and -5, were drilled in Block 404a. Both are being evaluated. Anadarko has a 50% working interest in the wells.



Brazil

- The Serpa prospect in the Espírito Santo Block 24 was spud in the 4th Qtr and is currently drilling towards a total depth of 19,500 feet. Anadarko has a 30% working interest with partners Petrobras (operator, 40% WI) and EnCanBrazil Ltda (30% WI).

Trinidad

- The Bruce 1 well, located in Block 3a, reached a total depth of 8,297 feet and was plugged and abandoned as an uneconomic oil discovery. Anadarko has a 40% working interest with partners Talisman Ltd. (operator, 40% WI) and Petrotrin (20% WI).

China

- Anadarko acquired 685 miles of a planned 1,243-mile seismic survey in the South China Sea deepwater Block 43/11. Operations were suspended due to seasonal weather, and activity is expected to resume during the 1st Qtr 2008.

Ghana

- During the quarter, the partnership acquired a 578-square-mile, high-resolution 3D survey over the Mahogany and Hyedua discoveries in the West Cape Three Points (APC 34% WI) and Tano Deep (APC 20% WI) Blocks. The new data will be used in field development plans as well as satellite exploration. Rigs have been contracted for a four-well appraisal and exploration program. The first well is currently being drilled. Partners in the discoveries include Kosmos, Tullow, Sabre and E.O. Group.