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## NEWS

### **ANADARKO ANNOUNCES \$1.55 BILLION JOINT VENTURE IN THE EAGLEFORD SHALE**

**HOUSTON**, March 21, 2011 – Anadarko Petroleum Corporation (NYSE: APC) today announced it has signed a joint-venture agreement with a subsidiary of Korea National Oil Corporation (KNOC), whereby KNOC will earn approximately one-third of Anadarko’s interest in the company’s Maverick Basin assets, located in southwest Texas, for approximately \$1.55 billion, effective Jan. 1, 2011.

“This transaction demonstrates the substantial embedded value of our Eagleford acreage position assembled primarily in the higher-margin condensate window of the play, while further enhancing our capital efficiency in a tax-effective manner,” Anadarko President and Chief Operating Officer, Al Walker said. “We have expanded our midstream infrastructure and established various service agreements concurrent with our drilling pace in the Eagleford Shale, leading Anadarko to become the largest producer in the play during the fourth quarter of 2010. As a result, almost all of our completed wells are on line, with approximately 75 percent of our sales volumes comprised of liquids. As announced in February, we plan to further accelerate the value of this play by increasing our operated rig count from nine to ten early in the second quarter of this year. We are very pleased to welcome KNOC as our partner in this development and hope we will be able to pursue other investments together in the future.”

Under the terms of the agreement, KNOC’s \$1.55 billion investment will be made entirely in the form of a carry, funding approximately 100 percent of Anadarko’s 2011 post-closing capital costs in the basin, and up to 90 percent thereafter until the carry is exhausted, which is expected to occur by year-end 2013. KNOC will also reimburse Anadarko for net cash outflows, relative to their acquired interest, subsequent to the effective date, which are expected to be approximately \$50 million. In exchange, KNOC will receive:

- Approximately 80,000 net acres in the liquids-rich Eagleford Shale play
- Approximately 16,000 additional prospective net acres for the deeper dry-gas Pearsall Shale, as well as Pearsall opportunities underlying the aforementioned Eagleford acreage

KNOC may also elect, no later than 30 days post-closing, to participate as a partner with an approximate 25-percent working interest in the associated gathering systems and facilities, by paying its share.

Closing of the transaction, anticipated to occur during the second quarter, is subject to applicable regulatory approvals and other contractual conditions. Anadarko's advisors on the transaction were Jefferies & Company, Inc. and Deutsche Bank Securities Inc.

A map of Anadarko's Maverick Basin acreage is available under the "Media Center/Anadarko News" tab at [www.anadarko.com](http://www.anadarko.com).

Anadarko Petroleum Corporation's mission is to deliver a competitive and sustainable rate of return to shareholders by exploring for, acquiring and developing oil and natural gas resources vital to the world's health and welfare. As of year-end 2010, the company had approximately 2.42 billion barrels-equivalent of proved reserves, making it one of the world's largest independent exploration and production companies. For more information about Anadarko, please visit [www.anadarko.com](http://www.anadarko.com).

*This news release 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 news release, including Anadarko's drilling risks, the ability to execute on production and development plans and the ability to consummate the transactions described in this news release. See "Risk Factors" in the company's 2010 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.*

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