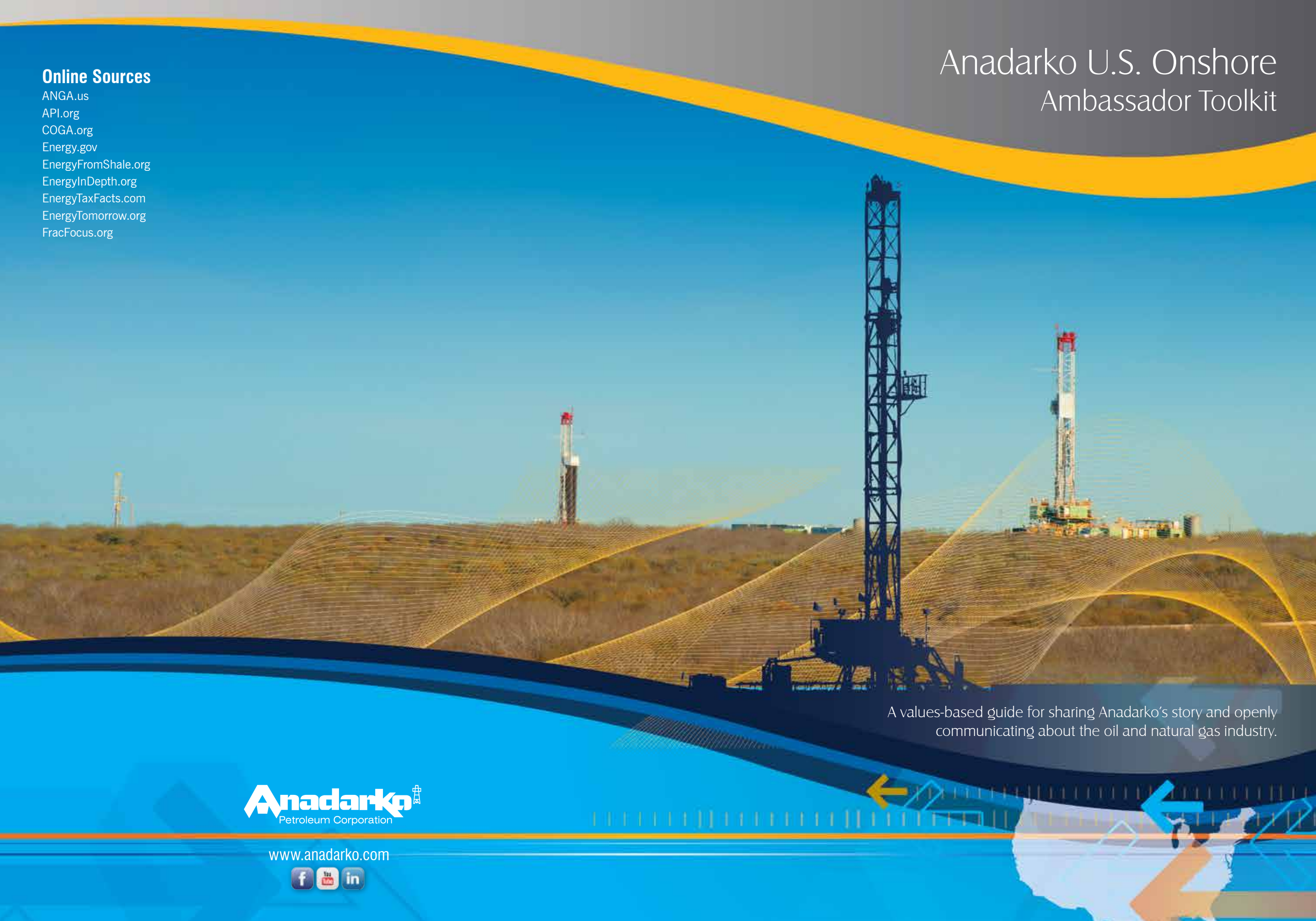


Online Sources

ANGA.us
API.org
COGA.org
Energy.gov
EnergyFromShale.org
EnergyInDepth.org
EnergyTaxFacts.com
EnergyTomorrow.org
FracFocus.org

Anadarko U.S. Onshore Ambassador Toolkit



A values-based guide for sharing Anadarko's story and openly communicating about the oil and natural gas industry.



www.anadarko.com



ANADARKO CORE VALUES

Integrity and Trust

We will

- Act with the highest ethical standards
- Honor our promises and obligations to work, family, faith and community
- Admit mistakes and accept accountability

We will not

- Tolerate dishonesty and intimidation
- Punish intelligent business risk taking

Servant Leadership

We will

- Serve others
- Place the success of others above our own
- Exhibit personal humility and professional courage

We will not

- Rely on power and authority
- Take individual credit for team success
- Blame individuals for bad team decisions

People and Passion

We will

- Recognize and reward strong performance
- Respect diversity in thought, practice and culture
- Create a high energy work environment
- Learn and continuously develop ourselves and others
- Think big – Innovate

We will not

- Accept apathy or cynicism
- Allow enthusiasm to overwhelm reason

Commercial Focus

We will

- Understand and execute our strategy
- Safeguard the long-term interests of shareholders
- Maintain high standards for health, safety and the environment
- Act responsibly with company assets

We will not

- Sacrifice long-term value for short-term gain
- Use the excuse, “we’ve always done it that way”

Open Communication

We will

- Communicate freely, clearly and concisely
- Listen for understanding
- Encourage diverse opinions and constructive debate

We will not

- Knowingly mislead or intentionally withhold information

TABLE OF CONTENTS

- 1| Key Messages About Energy
- 2| Hydraulic Fracturing: The Truth
- 3| Air Quality
- 4| Water
- 5| Regulations
- 6| Investing in Our Communities
- 7| Oil and Natural Gas by the Numbers
- 8| Truth Versus Fiction: Oil and Natural Gas Profits and Taxes Versus Other Industries
- 9| Products Derived from Oil and Natural Gas
- 10| American Energy Transformation
- 11| What Can I Do?



We must recognize and appreciate the essential role energy plays in our modern lives.

1| Key Messages About Energy

Energy is fundamental to modern life.

Oil and natural gas are the building blocks for thousands of products we use, and natural gas is a cleaner generator of electricity – the power needed to light, heat and cool American homes. Modern economies are dependent on a reliable, affordable energy supply, and they are further strengthened through energy security.

The U.S. has abundant resources of oil and clean-burning natural gas. In the last several years, the country has experienced an energy revival. The tremendous oil and natural gas resources found in the U.S. have positioned the nation to benefit through economic growth, increased domestic jobs, lower electricity costs while reducing the country's dependence on foreign sources of energy.



The confluence of horizontal drilling and hydraulic fracturing technologies has created new opportunities to develop unconventional oil and natural gas resources around the nation.

TAKEAWAYS

- Affordable energy is fundamental to modern life – it is as important as air, food and water.
- Oil and natural gas are used to make or power practically every product we touch every day.
- Every step in oil and natural gas development is highly regulated by multiple state and federal agencies across the U.S.
- Oil and natural gas development supports millions of jobs and provides tax revenue that funds public schools, local emergency management and a variety of municipal, state and federal programs and services.
- The men and women who work in the oil and natural gas industry provide a valuable and essential resource to America.

Why is the Oil and Natural Gas Industry Important to America?

U.S. Jobs

- **9.8** million jobs supported by the oil and natural gas industry
- **\$224** billion in wages paid to U.S. industry employees in 2011
- **\$598** billion generated in associated labor income
- **2.7** million jobs gained from 2002 thru 2012 through oil and natural gas activity

U.S. Economy

- **\$85** million paid daily to the U.S. Treasury in federal income taxes, royalty payments and other fees in 2012
- **8%** of the entire U.S. economy supported by industry
- **\$545** billion contributed to the economy through capital investments, wages and dividends by the oil and natural gas industry in 2011
- **\$1,200** gained by U.S. households from low natural gas prices

Source: API, Moody's Analytics, PricewaterhouseCoopers, LLP

“

“Rising U.S. oil and natural gas production is having a bigger impact on the U.S. economy than estimated a couple years ago.”

– John Larson, IHS Energy

“The emergence of shale gas and tight oil in the U.S. demonstrates, once again, how innovation can change the balance of global economic and political power.”

– Daniel Yergin, Pulitzer Prize Winning Author

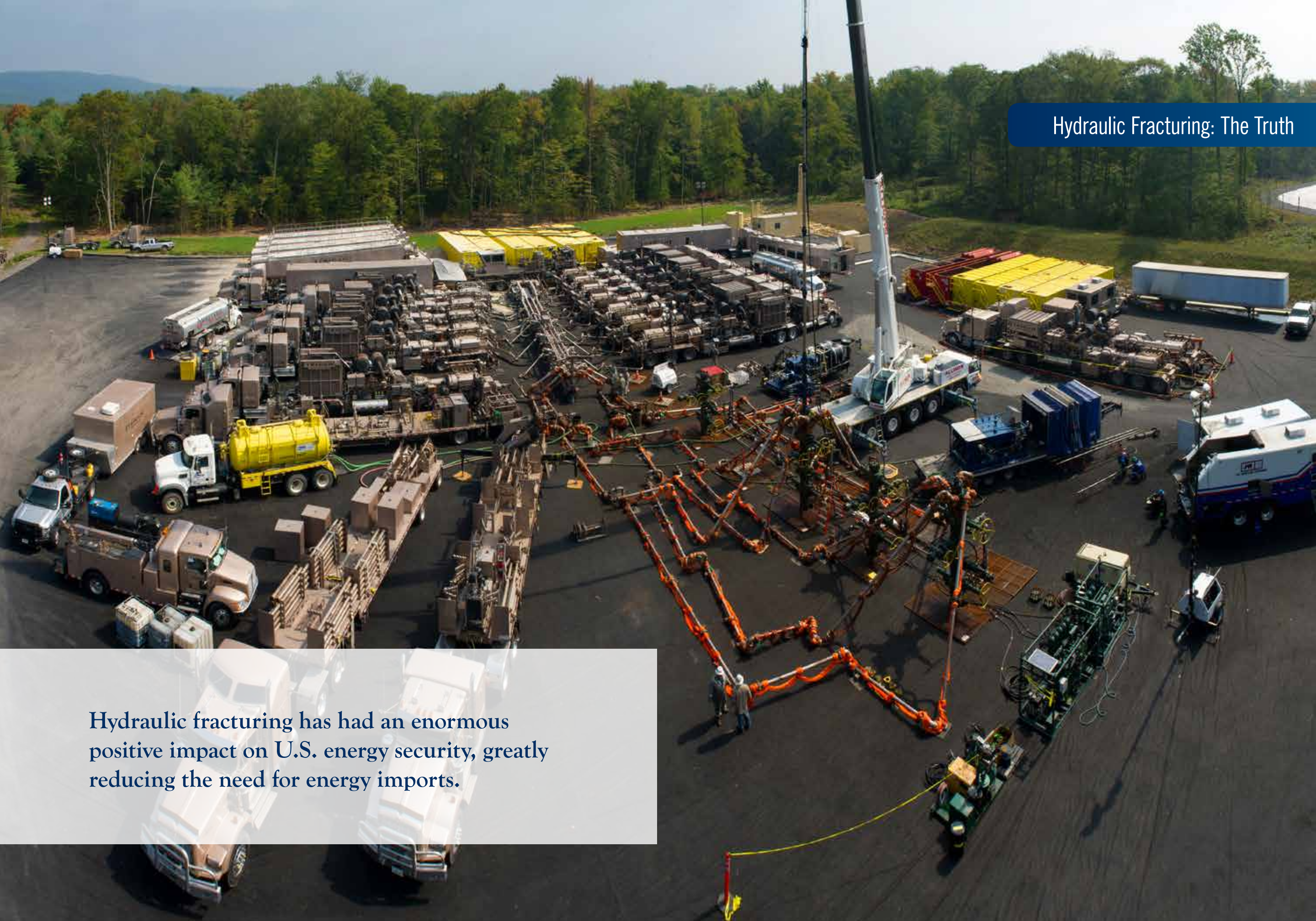
“Advanced technologies for crude oil and natural gas production are continuing to increase domestic supply and reshape the U.S. energy economy as well as expand the potential for U.S. natural gas exports.”

– Adam Sieminski, U.S. EIA Administrator

”

Hydraulic Fracturing: The Truth

Hydraulic fracturing has had an enormous positive impact on U.S. energy security, greatly reducing the need for energy imports.



2| Hydraulic Fracturing: The Truth

Hydraulic fracturing is not new.

Hydraulic fracturing is a highly engineered technology first developed in the 1940s to enhance production of oil and natural gas from tight rock formations miles beneath the earth's surface. "Fracking" technology has improved and evolved over 60 years and has been applied to more than 1.2 million wells drilled in the U.S.

- A temporary process, typically lasting 3 to 5 days per well
- Separated from ground water by more than a mile of rock
- Regulated by multiple state and federal agencies
- Supervised by highly trained engineers and technicians

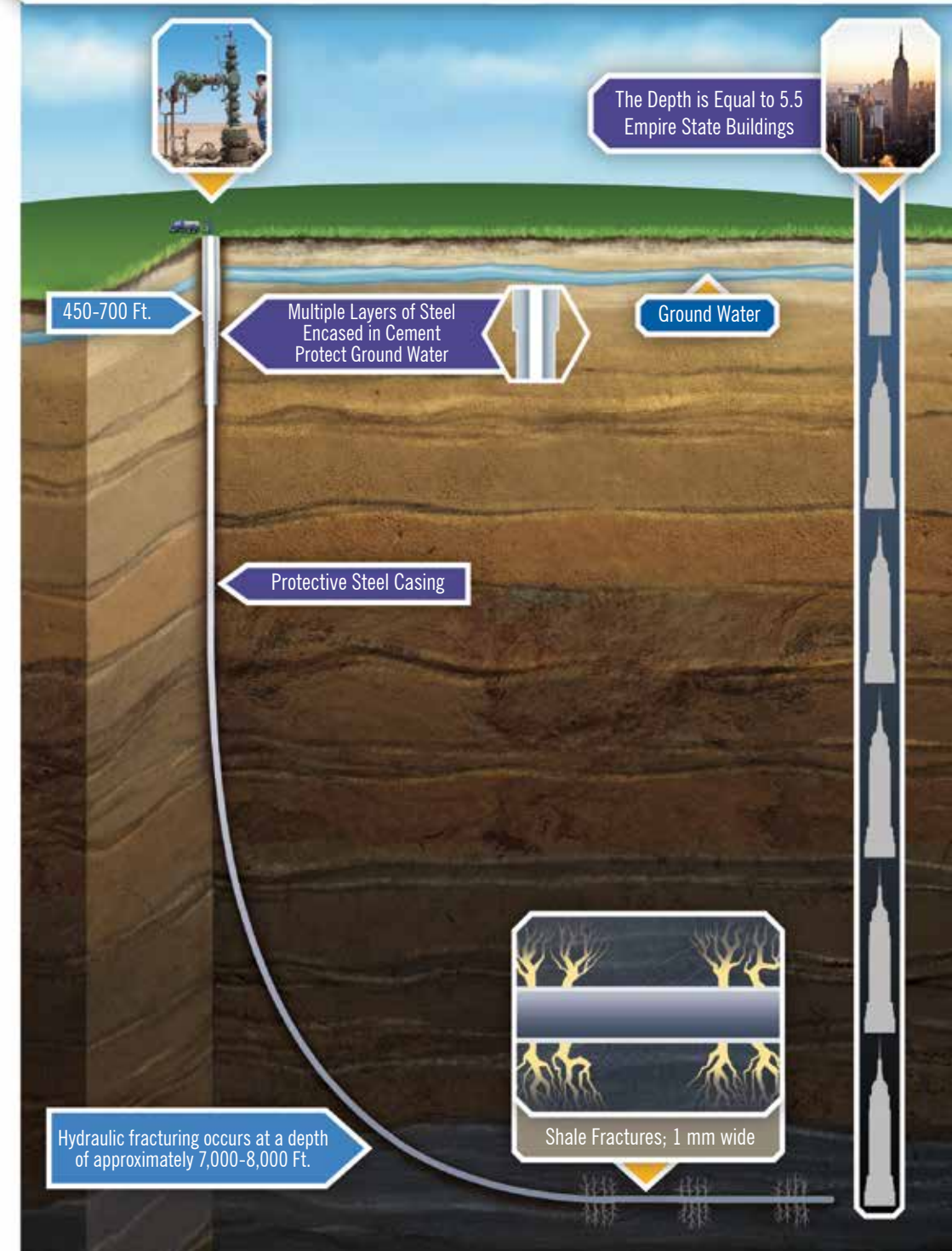


- More than 90% of oil and natural gas currently produced in the U.S. onshore is done using hydraulic fracturing.
- 60% to 80% of all wells drilled in the U.S. in the next 10 years are expected to require hydraulic fracturing.
- Without hydraulic fracturing, as much as 80% of oil and natural gas from tight rock formations would be inaccessible.

Source: CRS Report for Congress, January 2013, FracFocus.org, API

HOW DOES HYDRAULIC FRACTURING WORK?

In hydraulic fracturing, a mixture of water, sand and additives is pumped under high pressure down the wellbore to create hairline fractures that form a pathway for oil and natural gas to be produced.

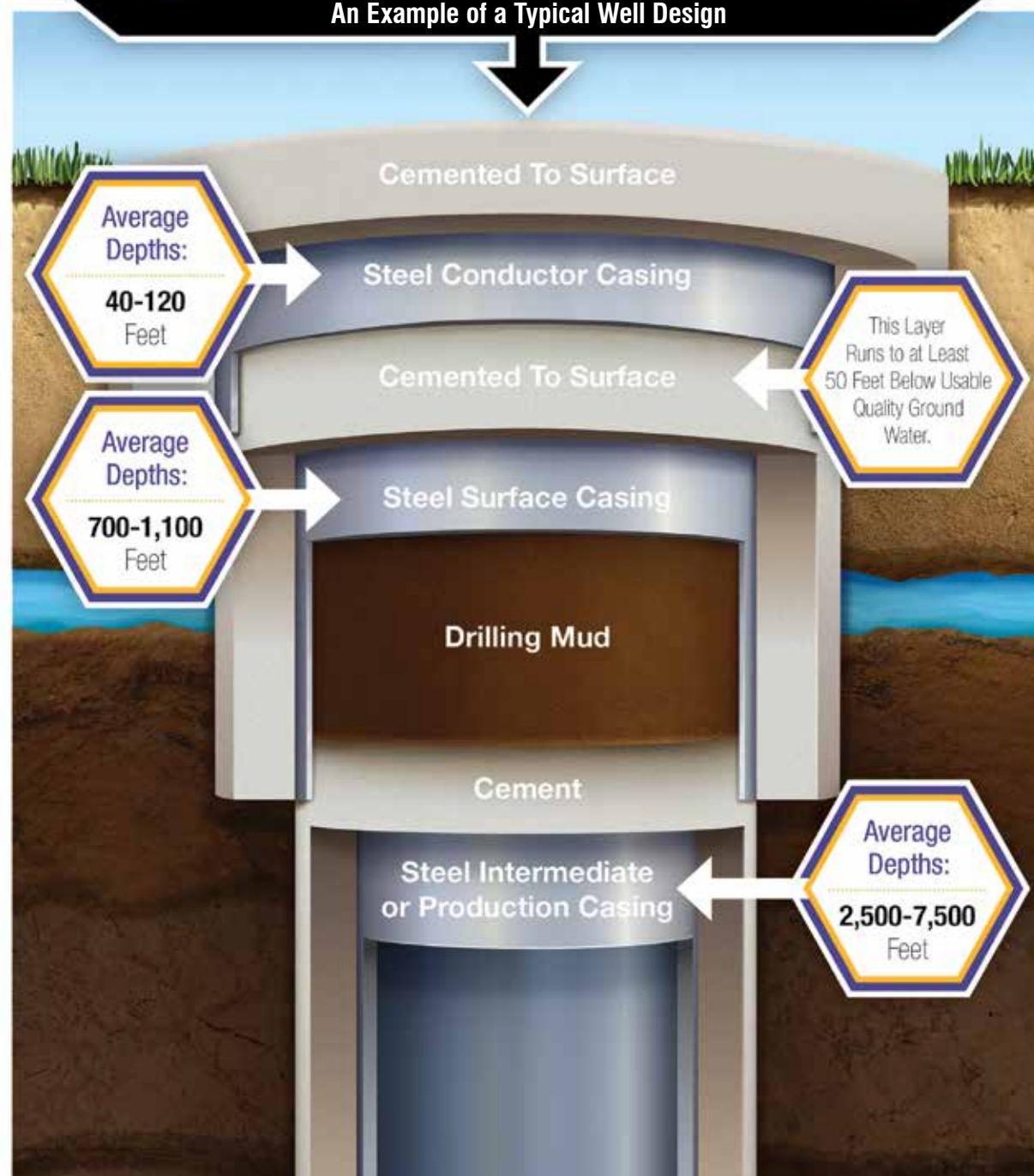


Source: Adapted with Permission from Texas Oil & Natural Gas Association, © 2010

Proper Well Construction Protects Groundwater

Wells are constructed with multiple layers of steel pipe, also called casing, and cement to protect groundwater. During wellbore construction, the casing and cement are routinely tested onsite to ensure integrity, and then the well is equipped with sensitive monitoring equipment for 24-hour observation throughout each well's production life.

An Example of a Typical Well Design

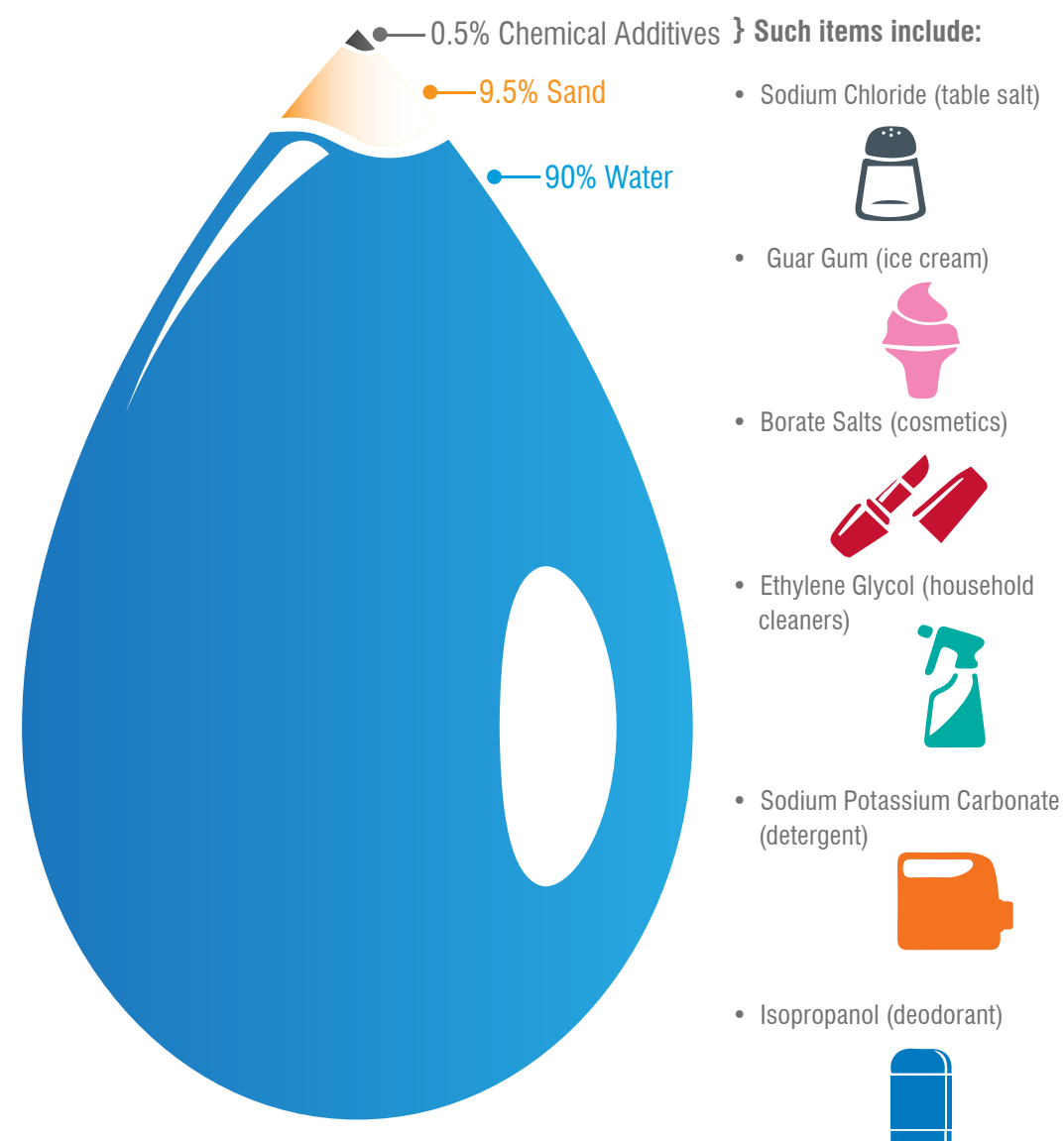


Source: Adapted with Permission from Texas Oil & Natural Gas Association, © 2010

Understanding Hydraulic Fracturing Fluid

In hydraulic fracturing, operators use a mixture of water, sand and additives pumped under high pressure to create fissures within targeted formations. The sand props open those fissures to allow oil and natural gas to flow, while the additives reduce friction, prevent bacteria formation and inhibit scale.

Additives used in hydraulic fracturing vary according to geology and are commonly found in household items. Each of the ingredients used in the hydraulic fracturing process is **shared on the website FracFocus.org**.



Source: Groundwater Protection Council, API



Simply put, you cannot have the oil and natural gas production levels now being realized in the U.S. without hydraulic fracturing.

TAKEAWAYS

- The combination of horizontal drilling and hydraulic fracturing has revolutionized oil and natural gas production in the U.S.
- Hydraulic fracturing enhances production of oil and natural gas from older wells and increases new production from formations once thought impermeable.
- Without hydraulic fracturing, Americans would likely pay significantly higher utility bills each month, pay more for raw materials and other consumer goods.
- Hydraulic fracturing is making energy security a reality for the U.S.

“

“[F]racking has been done safely for decades.”

– Sally Jewell, U.S. Interior Secretary,
Obama Administration, 2013

“In no case have we made a definitive determination that the fracking process has caused chemicals to enter groundwater.”

– Lisa Jackson, former U.S. EPA Administrator, 2012

“U.S. mastery of hydraulic fracturing and horizontal drilling techniques has led to a slump in energy imports from some OPEC nations.”

– Bloomberg, May 2013

”

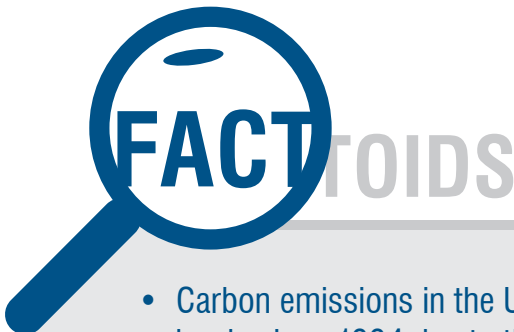
In 2013, carbon emissions in the U.S. dropped to their lowest levels since 1994 due to the increase in natural gas-fired electricity generation. - U.S. EPA

3| Air Quality

Natural gas is the cleanest-burning hydrocarbon on the planet.

Most pollution in the U.S. is driven by the transportation and utility sectors. By expanding natural gas for vehicles instead of gasoline and diesel, crude oil consumption could be reduced by 25%, emissions lessened by 20% and greenhouse gases lowered by up to 30%.

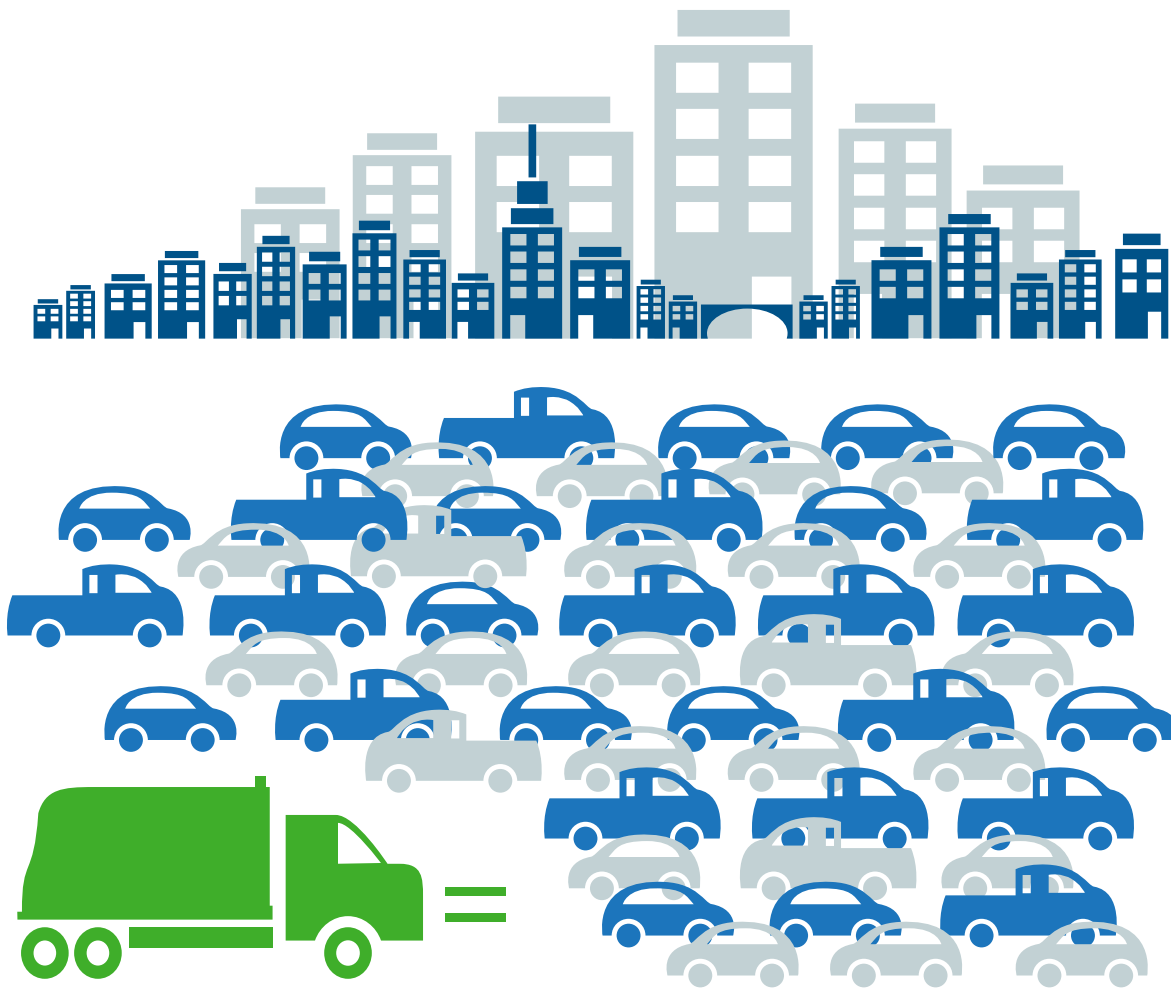
With increased natural gas-fired electricity generation in the electric power sector, sulfur dioxide (SO₂) emissions could be reduced by 55%, mercury emissions lowered by 30% and greenhouse gas emissions reduced by 15%.



- Carbon emissions in the U.S. are at their lowest levels since 1994 due to the increase in natural gas for electric-power generation.
- Total CO₂ emissions in the U.S. will remain below their 2005 levels between now and 2040 due to increasing natural gas use.
- The U.S. is the second largest natural gas producer in the world and yet has less than 1% of the world’s NGVs in use.
- Producing electricity from natural gas creates 36% to 47% lower emissions than producing electricity from coal.

Source: U.S. EIA, U.S. EPA, Committee on Energy and Natural Gas Resources, U.S. Senate, 2012

WHAT WE CAN DO

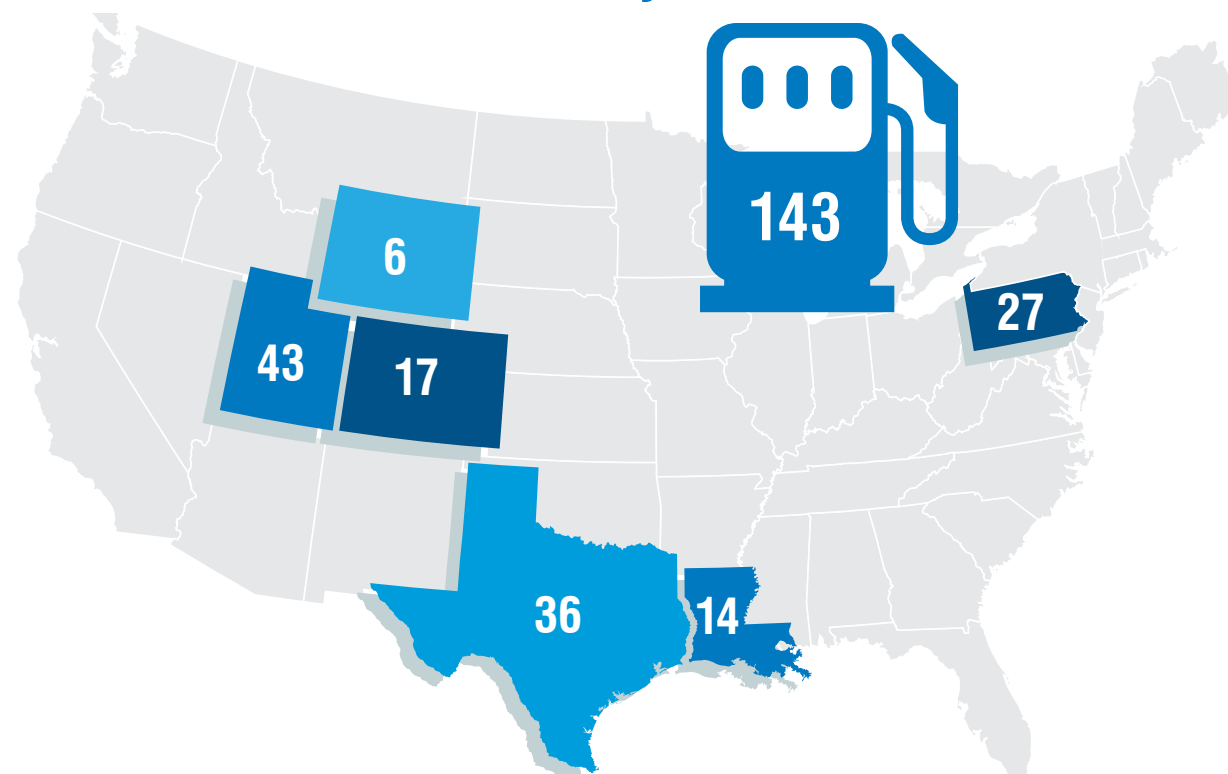


Converting one heavy-duty waste truck from diesel to natural gas ... Offers the emissions-reduction equivalent of removing 325 vehicles from the road.

Source: America’s Natural Gas Alliance



CNG Fueling Stations in States with Anadarko Activity



Locate a public CNG Fueling Station near you at www.afdc.energy.gov.

TAKEAWAYS

- Natural gas emits less CO₂ and local pollutants than other fuel sources.
- Producers are increasing the use of clean-burning natural gas in their own operations to reduce air emissions.
- Utilizing natural gas for base-load power will help reduce emissions from electricity generation.

“

“Natural gas is an extraordinary resource in this country. In just a few years, based on new technology [of fracking], we’re at a point where we can think about natural gas for power generation and transportation. That’s huge because it can be 40% less carbon intense. I’m an environmentalist. I want to see it developed, and I want to see it developed well.”

– Lisa Jackson, former U.S. EPA Administrator, 2012

“The production of shale gas enables economies to use natural gas for power generation, which is among the cheapest and fastest ways to reduce CO₂ emissions and other air pollutants from energy production.”

– Jeffrey Frankel, Professor, Harvard University

“Natural gas ... is the bridge fuel that can power our economy with less of the carbon pollution that causes climate change.”

– U.S. President Barack Obama, State of the Union Address, January 2014

”

Water sourcing for oil and natural gas development is highly regulated through local, state and federal permitting processes.

4| Water

Water is vital to all life.

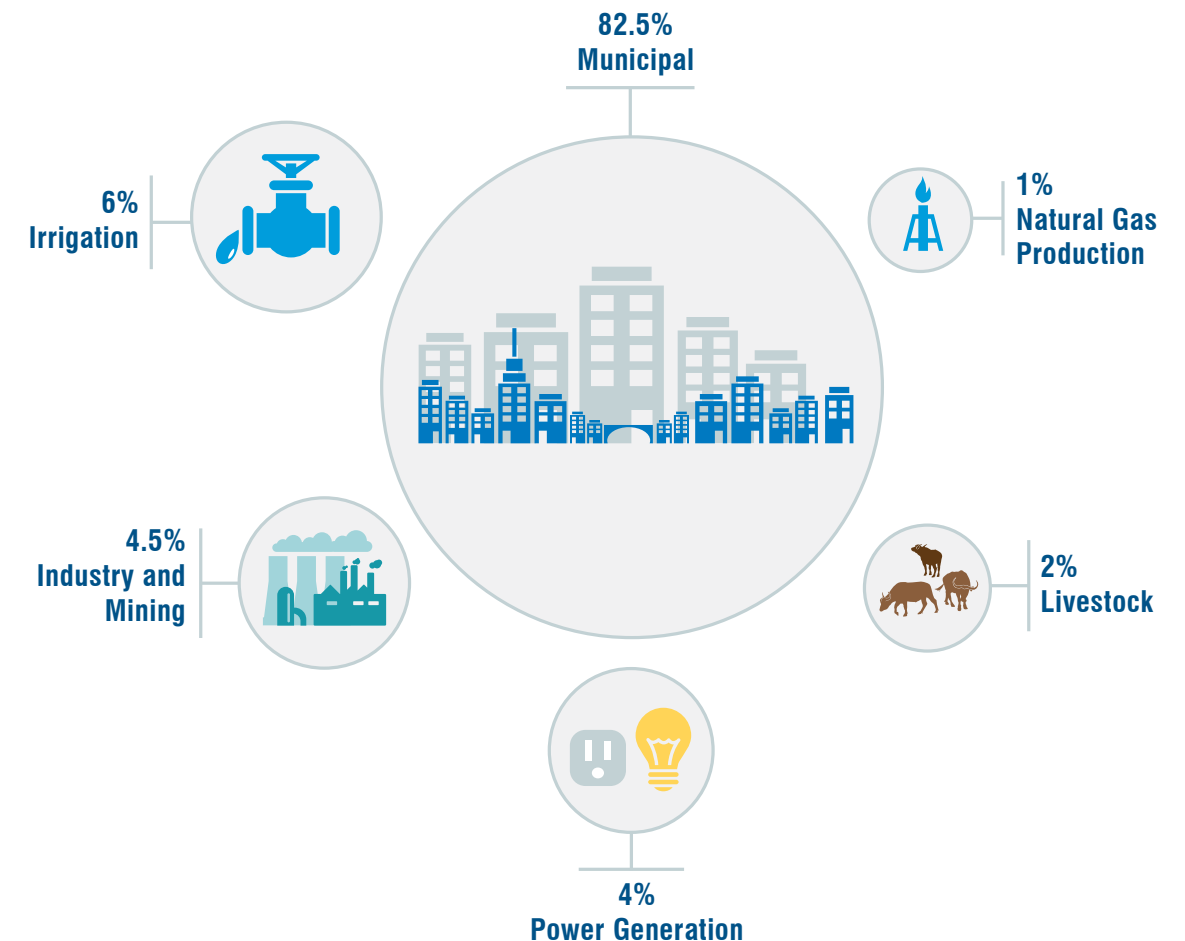
Prudent water management and conservation is essential for our communities and our industry.

Water use in oil and natural gas development occurs primarily during the drilling and hydraulic fracturing phases. During drilling, water is used to cool the drill bit and provide a mechanism to bring drill cuttings to the surface. During hydraulic fracturing, water is pumped under high pressure down the wellbore to create hairline fractures in targeted formations that create a pathway for oil and natural gas to be produced.



Putting Water Use in Context

The amount of water used in shale development is a fraction of the total usage for agricultural, industrial and recreational purposes.



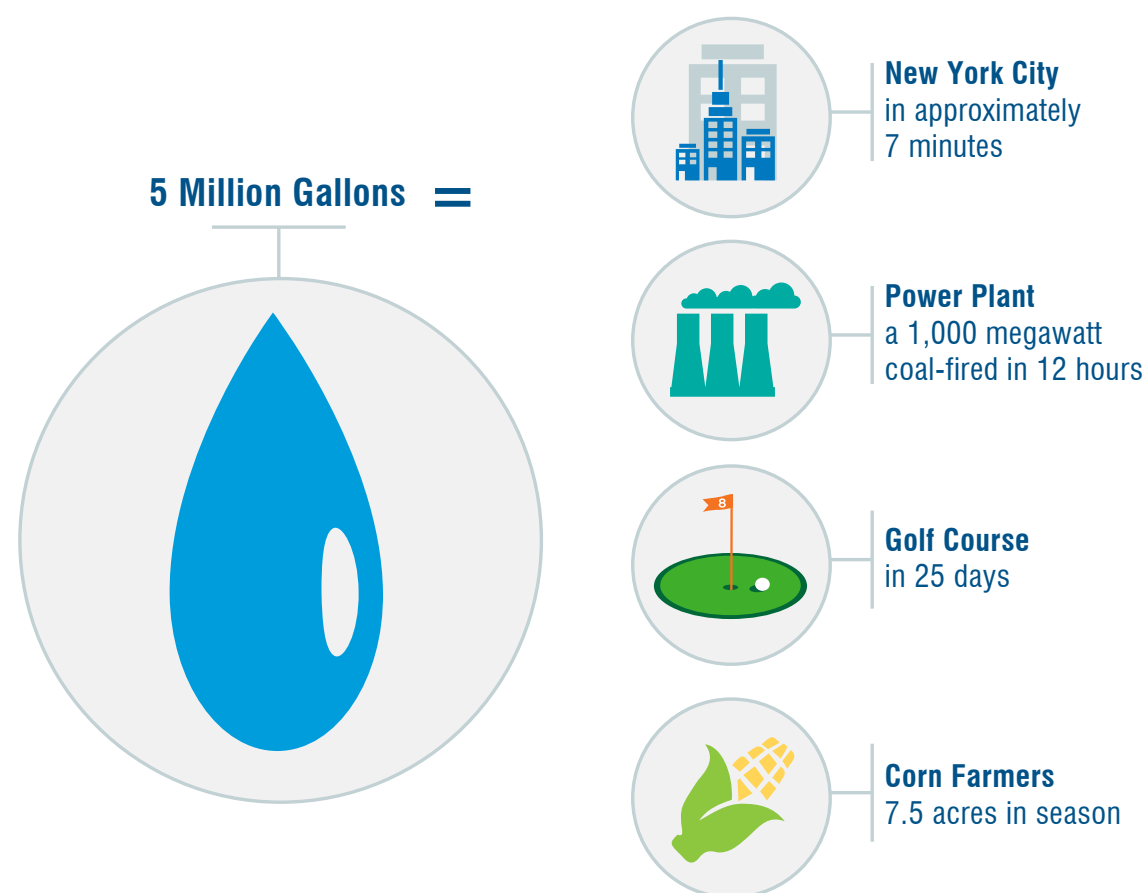
Source: International Gas Union

Water Use in Hydraulic Fracturing

- Water acts as the primary carrier fluid in hydraulic fracturing.
- Water and sand make up more than 99.5% of the fluid used to hydraulically fracture a well.
- The industry is working to reduce water consumption by improving hydraulic fracturing techniques and by recycling and reusing water when feasible.

How Much is 5 Million Gallons of Water?

The 3 - 5 million gallons of water needed to drill and fracture a typical deep shale gas well is equivalent to the amount of water consumed by:



Source: Groundwater Protection Council, Chesapeake Energy



Water Sources for Hydraulic Fracturing

The sourcing and use of water in hydraulic fracturing is regulated by multiple local, state and federal agencies. Sources of water vary by asset and include:

- Leased or purchased from municipal supplies
- Transferred or leased as water rights, such as agricultural water rights
- Fully consumable water, including leased or purchased non-potable water
- River basin or non-tributary groundwater
- Produced water (non-tributary)

Recycling Water from Hydraulic Fracturing Operations

Flowback from hydraulic fracturing treatments and produced water from producing wells can both be recycled for use in future operations.

Protecting Drinking Water

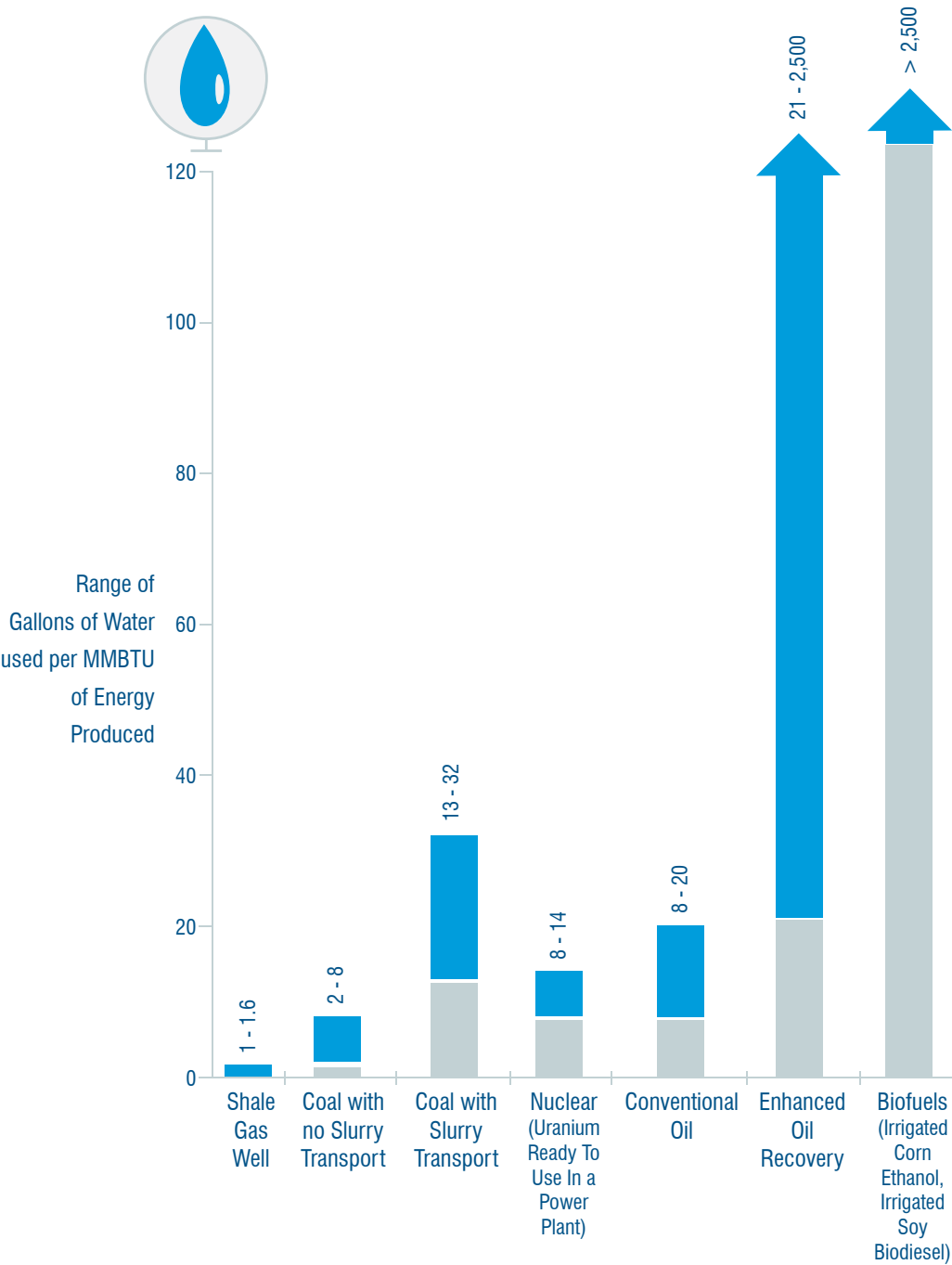
Drinking water must be protected. Anadarko meets and often exceeds industry standards to protect groundwater, following the regulations developed by local, state and federal agencies.

To protect water, Anadarko:

- Conducts baseline water-quality testing
- Constructs wells with multiple layers of steel pipe and cement
- Drills wells with compressed air, water or water-based drilling fluids
- Applies liners and protective berms to pad sites during drilling and hydraulic fracturing
- Performs extensive contractor trainings to ensure awareness of policies and regulations

Water Use for the Same Amount of Energy

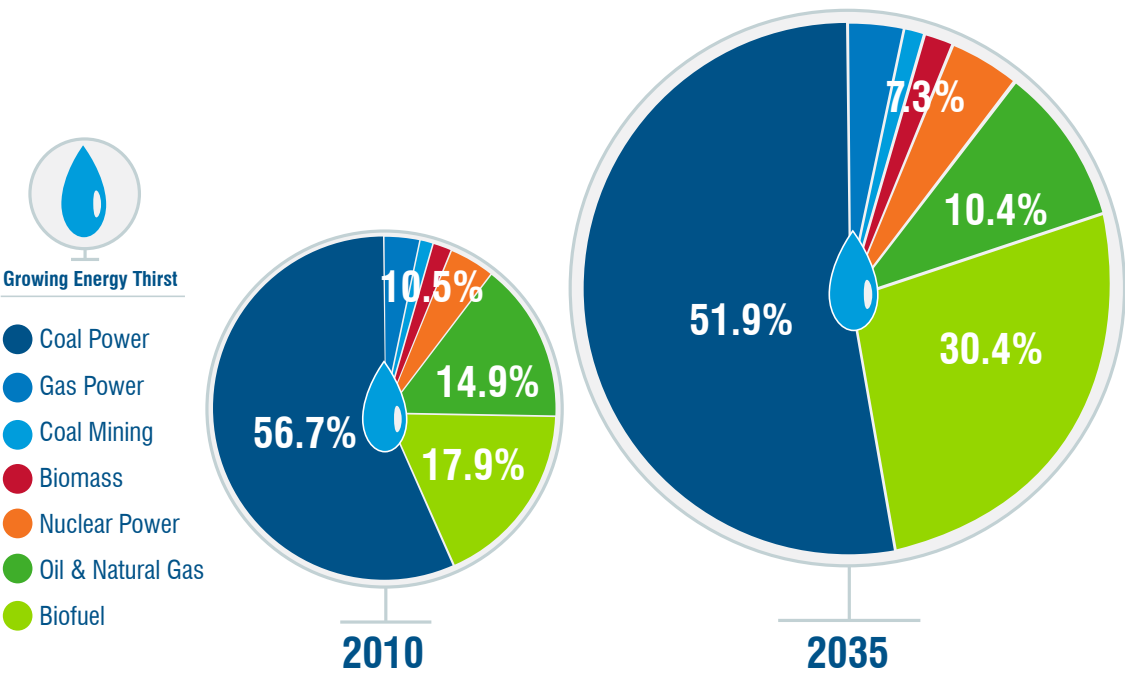
Shale gas development requires less water to produce the same amount of energy than many other forms of energy.



Source: International Gas Union, Groundwater Protection Council

Future Water Consumption for World Energy Production

Although the amount of water consumed for world energy production is on track to double by 2035, water consumed for hydraulic fracturing is projected to have minimal demand.



Source: International Energy Agency, Adapted from National Geographic

TAKEAWAYS

- All forms of energy require freshwater for production.
- Effective water management is essential for all industries and communities.
- Natural gas development from shale formations requires the least amount of water to produce the same amount of energy compared to other energy resources.
- Sourcing of water is highly regulated through stringent local, state and federal permitting processes.
- Water used in natural gas development is a fraction of the total water usage for agricultural, industrial and recreational purposes.

Oil and natural gas activity is subject to extensive federal, state and local regulations.

5| Regulations

Every step of oil and natural gas development is highly regulated.

Comprehensive and robust regulations already exist for nearly every aspect of oil and natural gas development, including hydraulic fracturing. Many other regulations address land use, wildlife, traffic and occupational safety.

Partnering to Conduct Processes Safely

In each operating area, regulations governing oil and natural gas development can be enforced by numerous levels of government, making strong working relationships and open communication with area leadership and regulators essential for operators.

Federal Regulatory Oversight

Oil and natural gas activity is subject to federal, state and local regulations that govern every aspect of industry operations, from initial permits to worker safety to wastewater disposal. Federal rules governing industry activity include:

The Clean Water Act	Regulates surface water discharges and storm-water runoff.
The Clean Air Act	Sets rules for air emissions from engines, gas-processing equipment and other sources associated with drilling and production activities.
The Safe Drinking Water Act	Regulates the disposal of fluid waste deep underground (far below fresh water supplies and separated by approximately one mile of impermeable rock).
The National Environmental Policy Act	Requires permits and environmental impact assessments for drilling on federal lands.
The Occupational Safety and Health Act	Sets standards to help keep workers safe. These include requiring Material Safety Data Sheets to be maintained and readily available onsite for any chemicals used by workers at that location.
The Emergency Planning and Community Right-to-Know Act	Requires storage of regulated chemicals in certain quantities to be reported annually to local and state emergency responders.

Federal Agencies Regulating Onshore Oil and Natural Gas Activity

- Department of the Interior
- Department of Energy
- Department of Transportation
- Department of Labor
- Department of the Treasury
- Environmental Protection Agency
- Federal Energy Regulatory Commission

Source: America’s Natural Gas Alliance



State-Based Regulation

States currently lead the day-to-day oversight of oil and natural gas development because they have on-the-ground personnel and expertise to safeguard local air, land and water. State-level enforcement is considered essential because development varies and is customized according to local geology, populations, available resources and conditions.

Colorado	Colorado Oil and Gas Conservation Commission
Louisiana	Louisiana Department of Natural Resources
Pennsylvania	Pennsylvania Department of Conservation and Natural Resources
Texas	Railroad Commission of Texas
Utah	Utah Department of Natural Resources
Wyoming	Wyoming Oil and Gas Conservation Commission

Source: America’s Natural Gas Alliance

TAKEAWAYS

- Every step of oil and natural gas development is highly regulated by multiple agencies.
- Open communication with regulators is essential to conduct processes safely.
- Government policies should maintain the industry’s ability to develop and produce vital oil and natural gas resources within the U.S.
- The oil and natural gas industry maintains a steadfast commitment to safe and responsible operations to ensure communities are protected.

“

“We know that natural gas can safely be developed, and to the credit of the industry there are many companies that are leaning into this challenge and promoting best practices for safer and more efficient production. That’s not always widely noticed or appreciated, but it’s a fact.”
– Heather Zichal, Leading Energy and Climate Adviser to President Obama, 2012

”



Investing in Our Communities

The natural gas industry contributes more than
\$380 billion annually to the U.S. economy. - ANGA

6| Investing in Our Communities

Industry activity benefits every American.

The U.S. oil and natural gas industry is a significant contributor to the financial health of cities and states and a source of funding for benefits that affect every American across the country.

With oil and natural gas production increasing in the U.S., the country has a tremendous opportunity to greatly reduce its dependence on energy imports from foreign countries, while increasing domestic capital investment, promoting job creation and decreasing energy costs for consumers.

TAX REVENUE THAT SUPPORTS OUR COMMUNITIES

- Public Schools
- State and National Parks
- Public Transportation
- Municipal and State Services
- Environmental Protection
- Local Governments
- Transportation and Road Maintenance
- Public Safety Agencies
- State Rainy Day and Permanent Funds
- Water Districts and Management
- Child Protective Services
- Medicaid and State Health Programs
- Disaster Recovery





Energy that Powers Our Nation

- 57% of all homes in the U.S. are powered with natural gas.
- An average \$1,200 savings per household was realized from surging natural gas production in 2013.
- 70% of all oil produced in the U.S. is directed to fuels used in transportation.

Activity that Benefits Our States

Oil and natural gas producing states have some of the largest year-end budget balances according to the National Association of State Budget Officers. Among Anadarko's activity areas that top the list are Colorado, Texas and Wyoming.

- \$1.2 billion invested monthly by industry to Texas' economy
- \$406 million distributed by industry to local Pennsylvania communities in impact fees in 2013
- \$29.5 billion contributed by industry annually to Colorado's economy



- In 2012, the oil and natural gas industry paid more than \$600 million in property taxes, accounting for nearly 9% of all property taxes paid that year.
- The natural gas industry contributes more than \$380 billion annually to the U.S. economy.
- By 2040, natural gas is expected to account for 35% – the largest share – of electricity generation in the U.S.

Source: Energy Tax Facts, Independent Petroleum Association of America, ANGA, U.S. Energy Information Administration



“[Energy companies] invest back in our community. They support the schools, they support our historical society, they support the food bank, the cancer society here in Weld County ... The list just goes on how they invest back into the community.”

– Barbara Kirkmeyer, Weld Co. Commissioner, Colorado

“You deserve a stronger currency, stronger financial markets, a better role within the global financial system because you are not dependent [on imported oil].”

– John McIntyre, Brandywine Global Investment Management

“The [2012 Pennsylvania State Tax] data demonstrate that major economic benefits from Marcellus Shale development are going to local residents, regardless of the presence of nonlocal workers.”

– Timothy Kelsey, Professor, Penn State University





Oil and Natural Gas
by the Numbers

“The unconventional oil and gas revolution is not only an energy story it is also a very big economic story that flows throughout the U.S. economy in a way that is only now becoming apparent.” - David Yergin, IHS Energy

7| Oil and Natural Gas by the Numbers



IN AMERICA

30 States have seen employment rise by 50% in the last decade from oil and natural gas activity

\$2.5
TRILLION in state and federal tax revenue expected by 2035

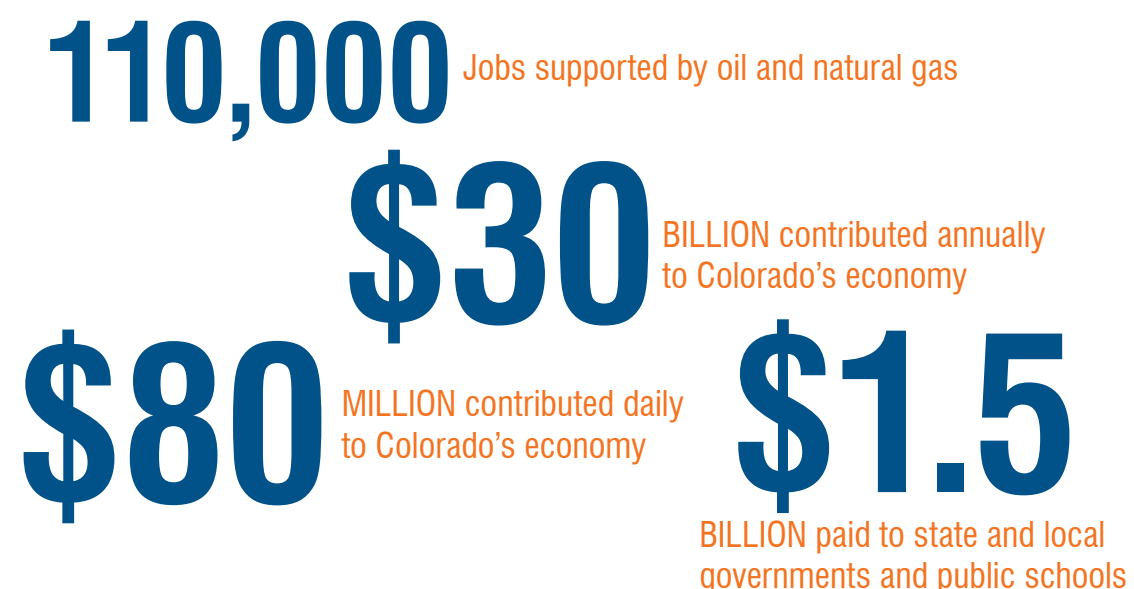
9.8 MILLION jobs supported by the oil and natural gas industry

\$1,200
Average savings per household due to lower natural gas prices

\$85 MILLION generated daily from industry royalties, lease sales and taxes

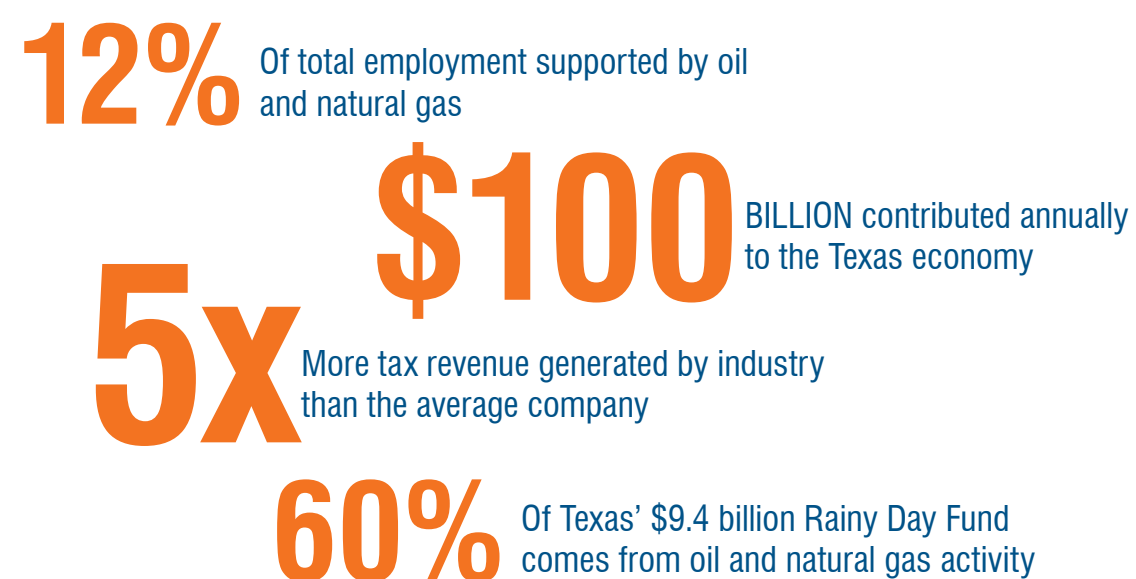
Source: API, IHS Global Insight

COLORADO



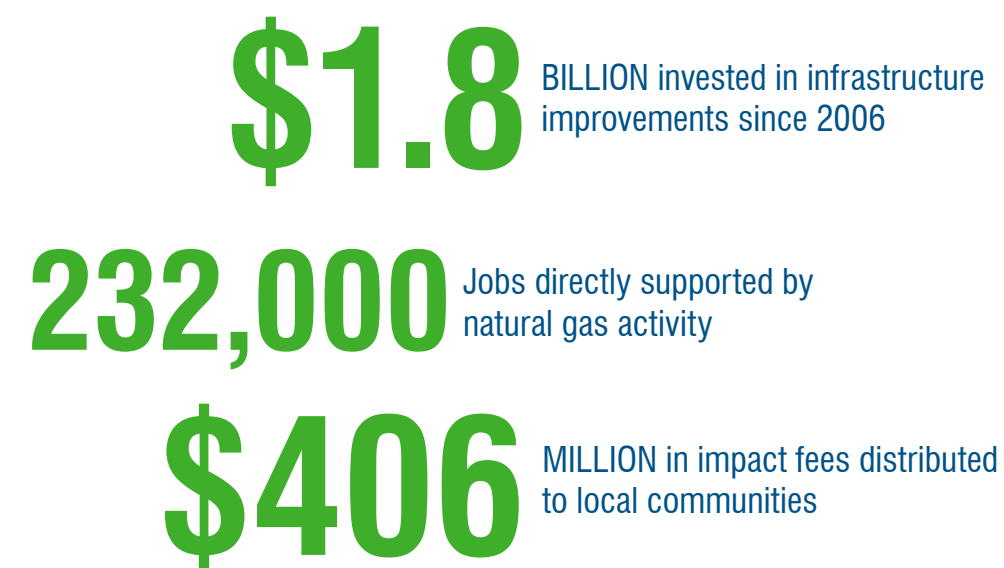
Source: Colorado Oil and Gas Association

TEXAS



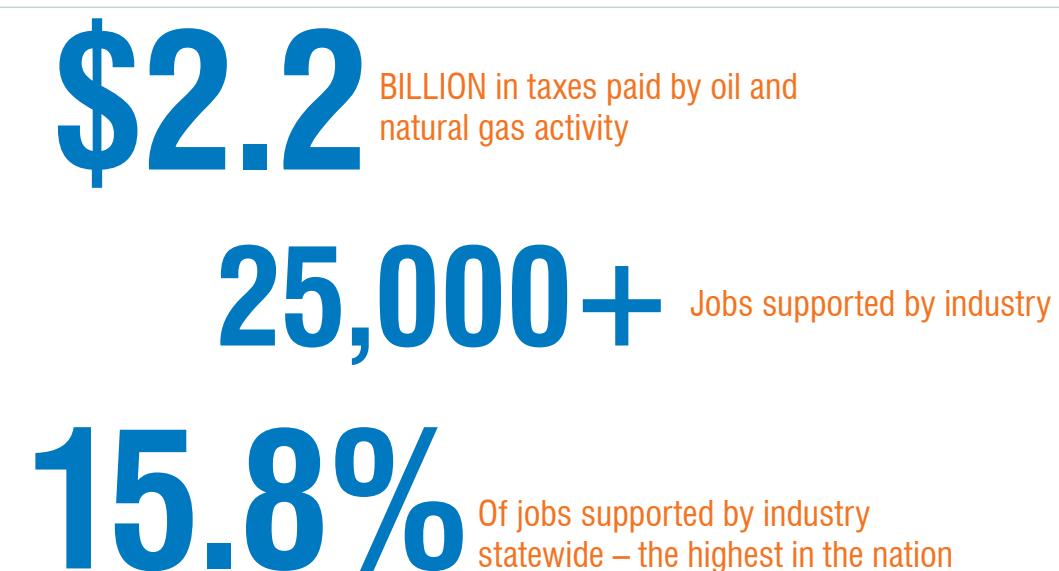
Source: IHS Global Insight, ANGA, Texas Comptroller of Public Accounts

PENNSYLVANIA

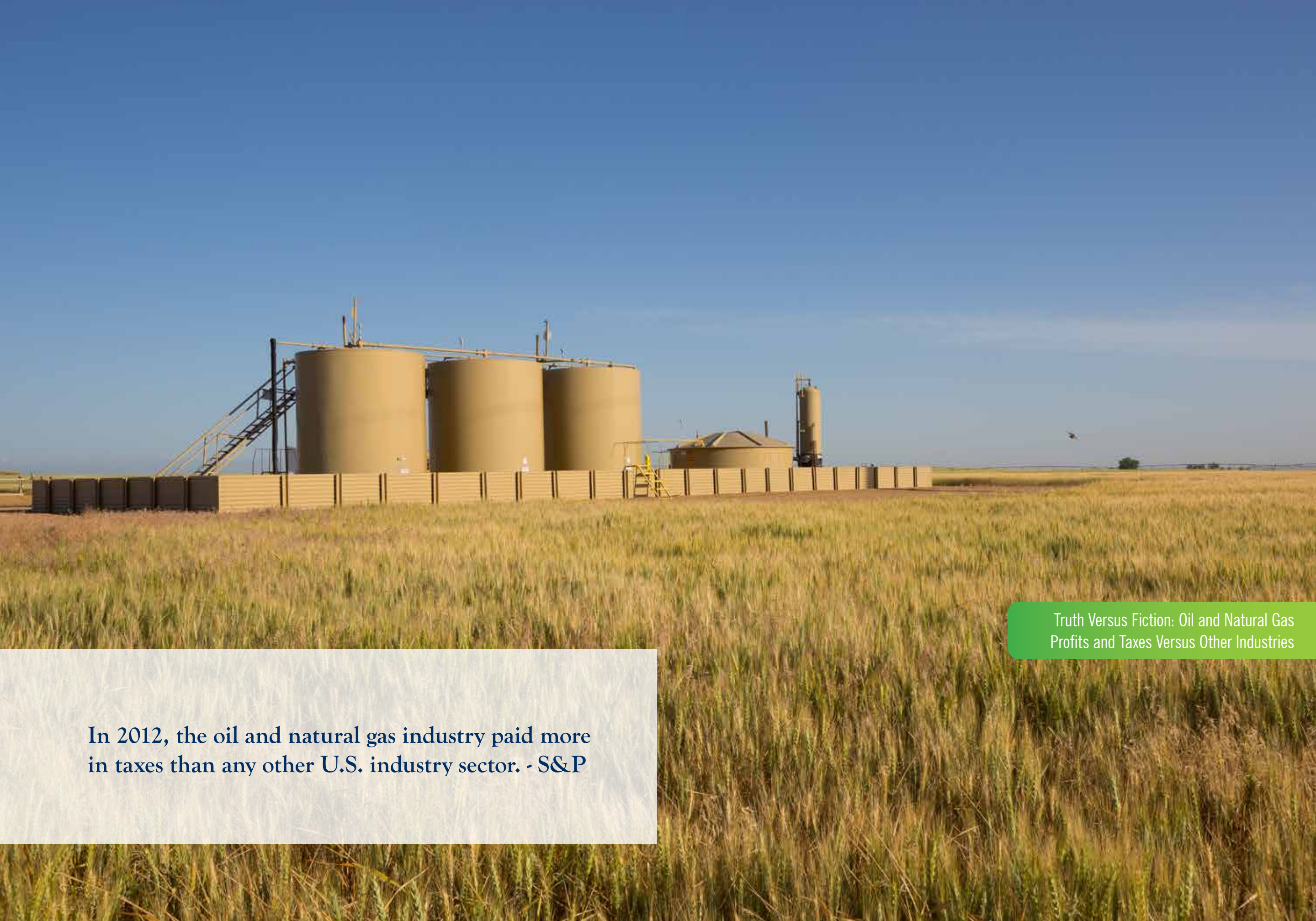


Source: Pennsylvania Public Utility Commission, Marcellus Shale Coalition, Pennsylvania Department of Labor & Industry

WYOMING



Source: Petroleum Association of Wyoming, ANGA, U.S. Chamber of Commerce, IHS Global Insight



Truth Versus Fiction: Oil and Natural Gas
Profits and Taxes Versus Other Industries

In 2012, the oil and natural gas industry paid more
in taxes than any other U.S. industry sector. - S&P

8| Truth Versus Fiction: Oil and Natural Gas Profits Versus Other Industries

Q - Is “Big Oil” Driving Up Gasoline Prices?
A - Gasoline prices are based on the global price of crude determined by buyers and sellers in the global market.

Gasoline, Diesel and Crude Oil Prices

The rise and fall of gasoline and diesel prices tracks changes in the cost of crude oil. These changes are determined on the global market by worldwide demand for, and supply of, crude oil. Crude oil prices are set globally through the daily interactions of thousands of buyers and sellers in both physical and futures markets and reflect participant’s knowledge and expectations of supply and demand – not directly by any energy company.

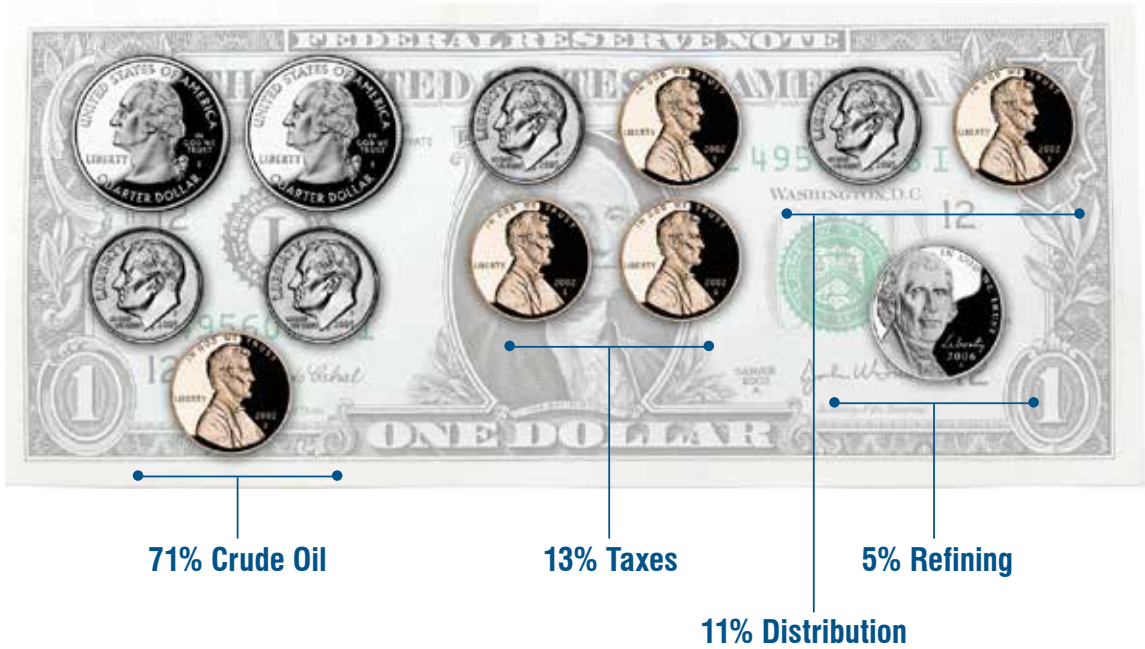


Source: NYMEX (WTI Crude Oil) and AAA (Gasoline and Diesel)



What Consumers are Paying at the Pump

The largest single component of retail gasoline prices is crude oil. At a price of \$100 per barrel, a standard 42-gallon barrel translated to approximately \$2.50 per gallon at the pump. Excise taxes add another \$0.50 cents per gallon on average nationwide, so the price per gallon is already at \$3 or more even before adding the cost of refining, transportation and marketing.



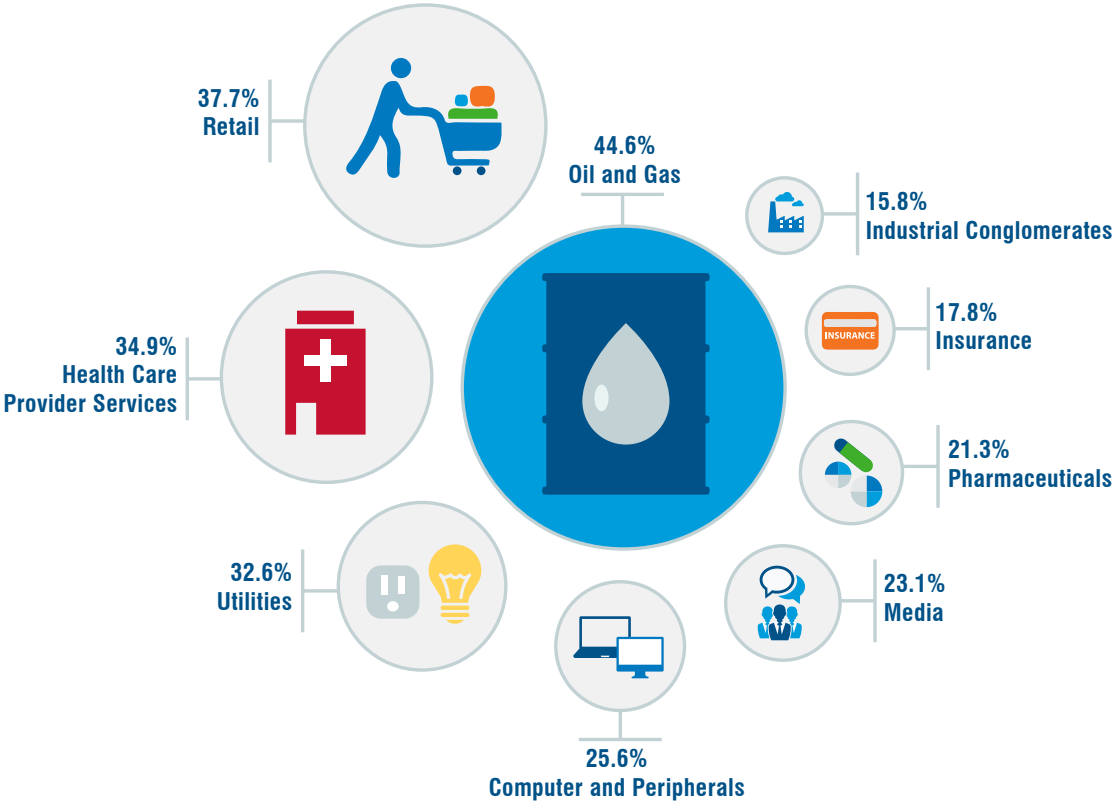
Source: EIA estimate based on average price of \$3.54 per gallon (as of October 2013).

Q - Are Oil and Natural Gas Companies Paying their Fair Share?

A - In 2012, the oil and natural gas industry paid more in taxes than any other U.S. industry sector. On average, the industry pays more than \$85 million each day to the U.S. treasury in taxes, royalties and other fees.

Effective Tax Rates Among Industries

U.S. oil and natural gas companies pay considerably more to the federal government than the average manufacturing company. In 2012, the effective income tax rate for the oil and natural gas industry averaged 44.6% compared to 25.6% for other S&P Industrial companies.



Source: Standard & Poor's Research Insight, API, S&P 500

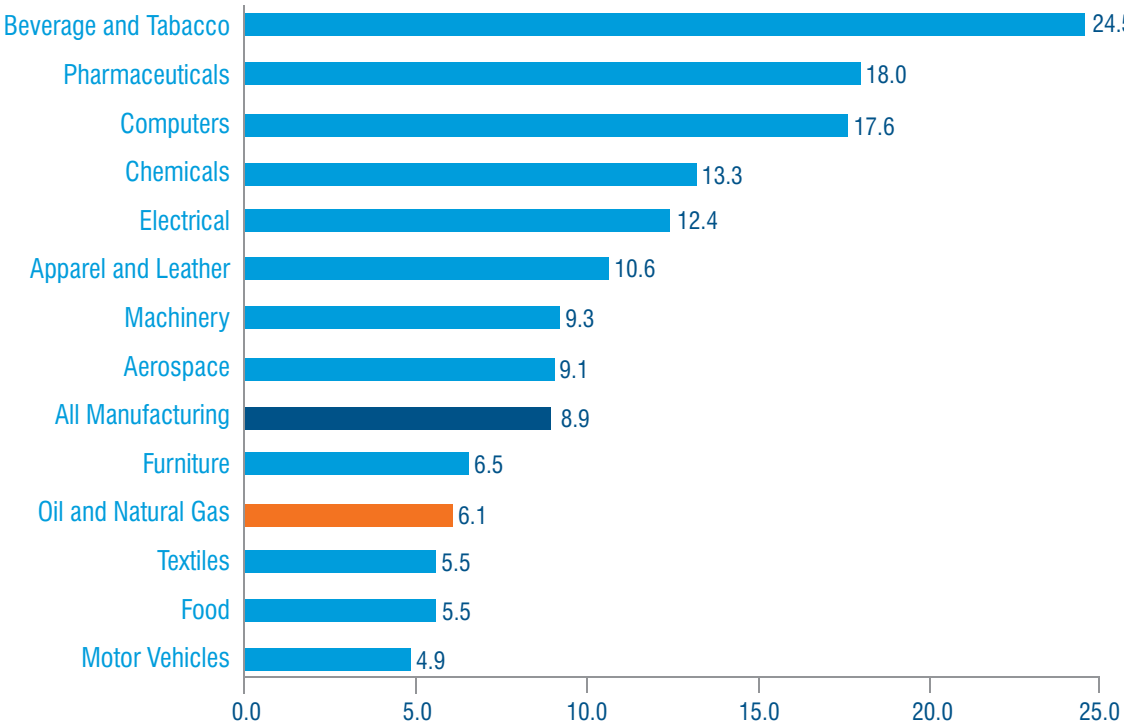
Q - Why is the Government “Subsidizing” Oil and Natural Gas Companies when their Profits are so High?

A - Oil and natural gas companies are permitted to deduct the cost of business in the same way as other industries, and it is misleading to call these deductions “subsidies.”

Putting Earnings in Context

Since its inception, the U.S. tax code has enabled corporate taxpayers to recover costs and to be taxed only on net income. These cost-recovery mechanisms should in no way be confused with subsidies, i.e. direct government spending.

Third Quarter 2013 Earnings by Industry (cents of net income per sales dollar)

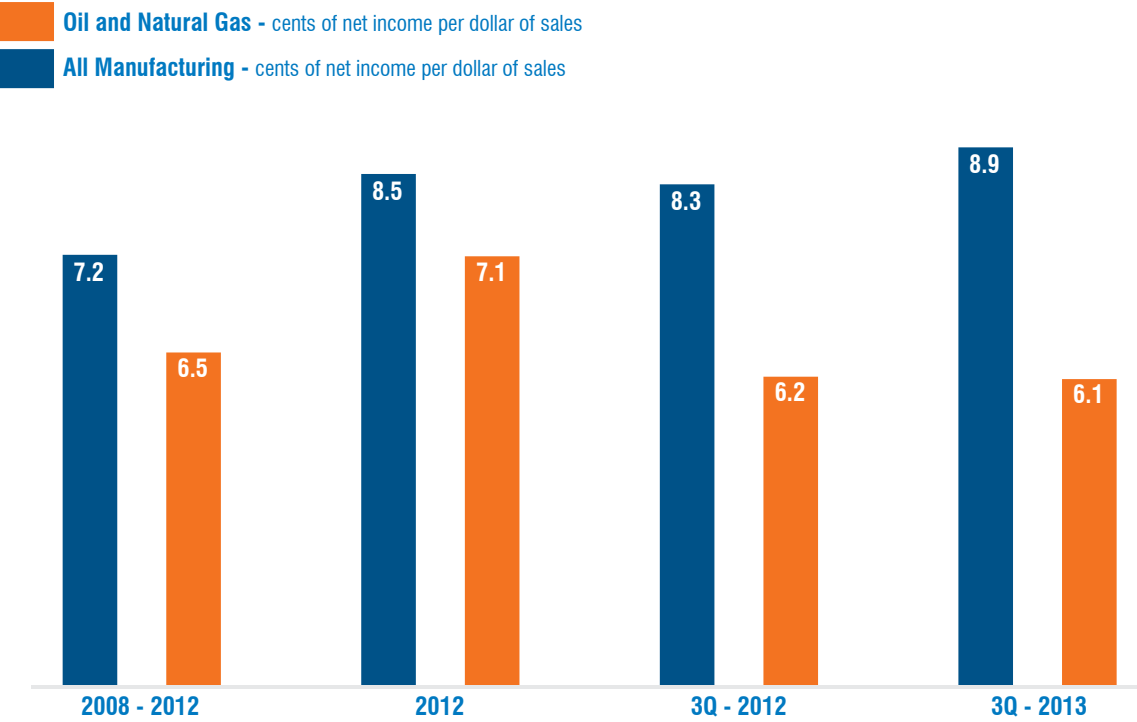


Source: Based on company filing with the federal government as reported by U.S. Census Bureau for U.S. Manufacturing Industries and Standard & Poor's Research Insight for Oil and Natural Gas.



Total Profits do not Tell the Whole Story

In the last five years, the earnings of oil and natural gas companies have been lower than all manufacturing. In 2012, the oil and natural gas industry earned 7.1 cents for every dollar of sales. All manufacturing earned 8.5 cents for every dollar of sales.



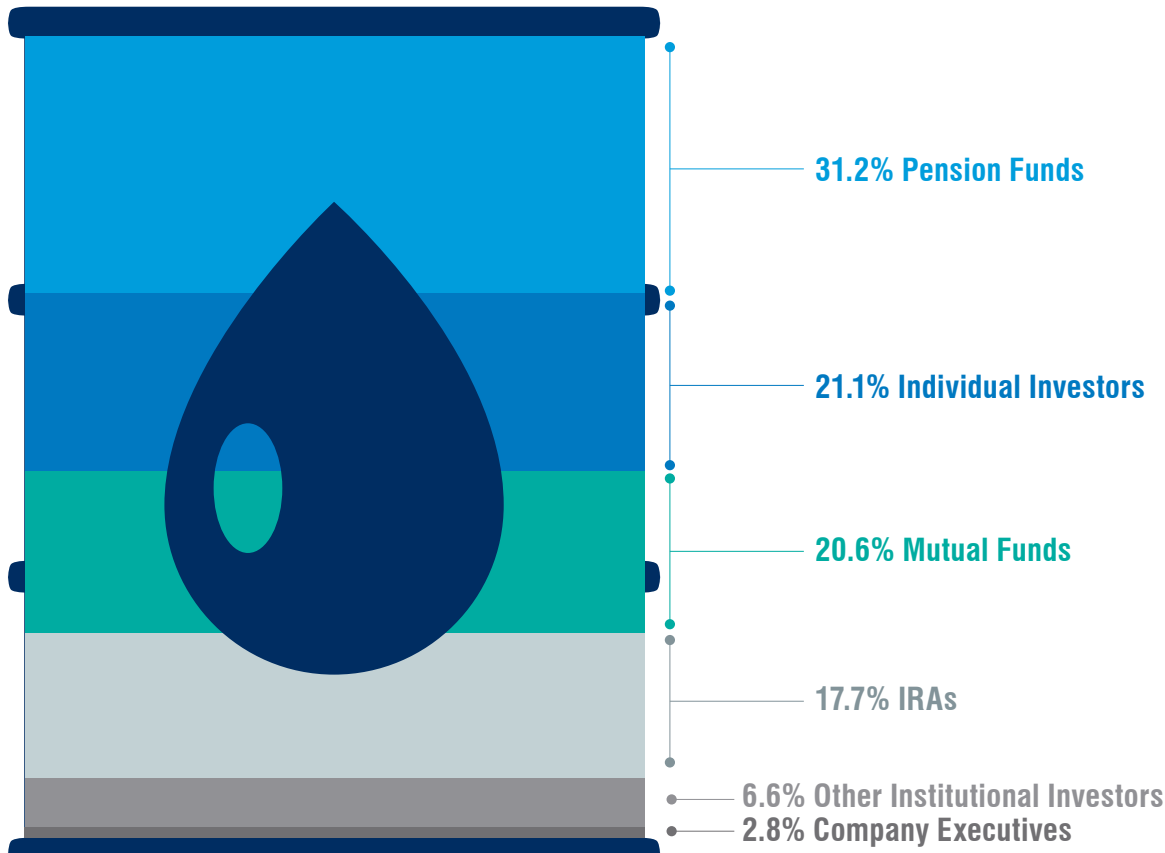
Source: U.S. Census Bureau for U.S. Manufacturing and Standard & Poor’s Research Insight for Oil and Natural Gas

Q - Who Cares if we Increase Taxes for the Oil and Natural Gas Industry?

A - You should, if you have a 401(k), pension plan or other retirement investment.

Who Owns the Oil and Natural Gas Industry?

If you have a mutual fund account — and 52 million U.S. households do — there’s a good chance it invests in oil and natural gas company stocks. Additionally, if you have an IRA or personal retirement account — like 49 million other U.S. households — there’s a good chance it invests in oil and natural gas company stocks. A recent study shows energy stocks performed better than all other stocks in state public pension funds.



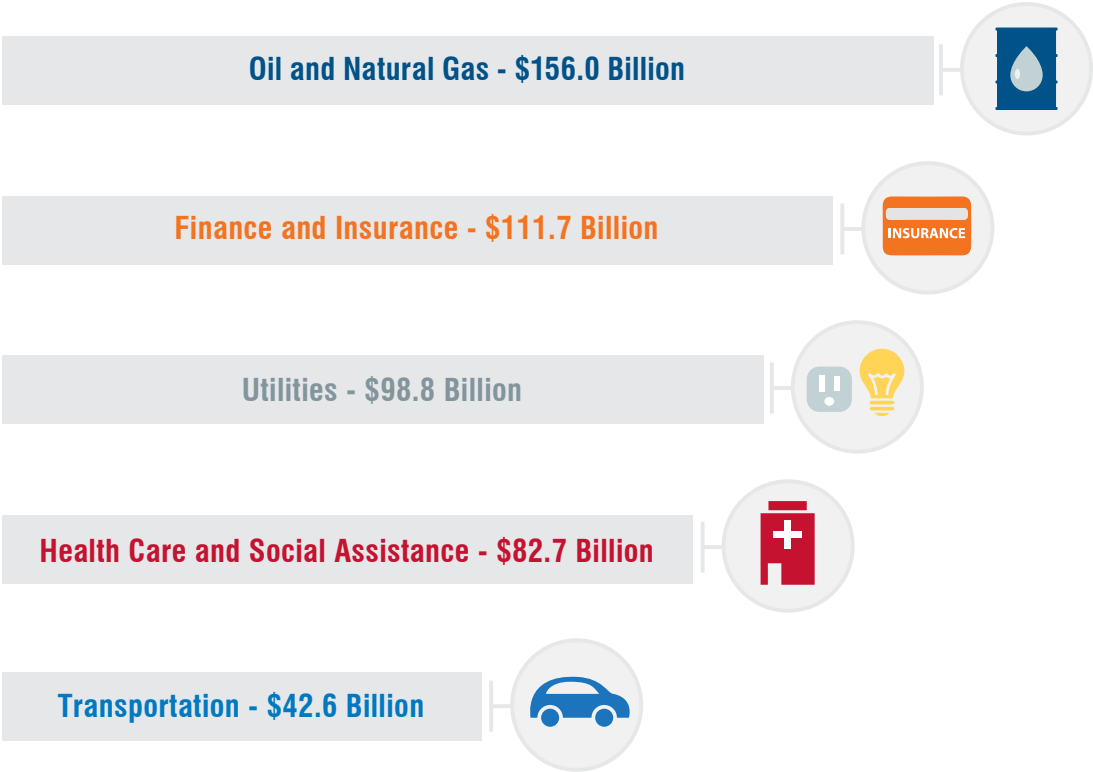
Source: API; Sonecon, October 2011

Q - Our National Debt is Too High; Shouldn't Oil and Natural Gas Companies Pay More in Taxes?

A - The oil and natural gas industry contributes more than \$30 billion a year on average to the federal government in the form of taxes, rents and royalties.

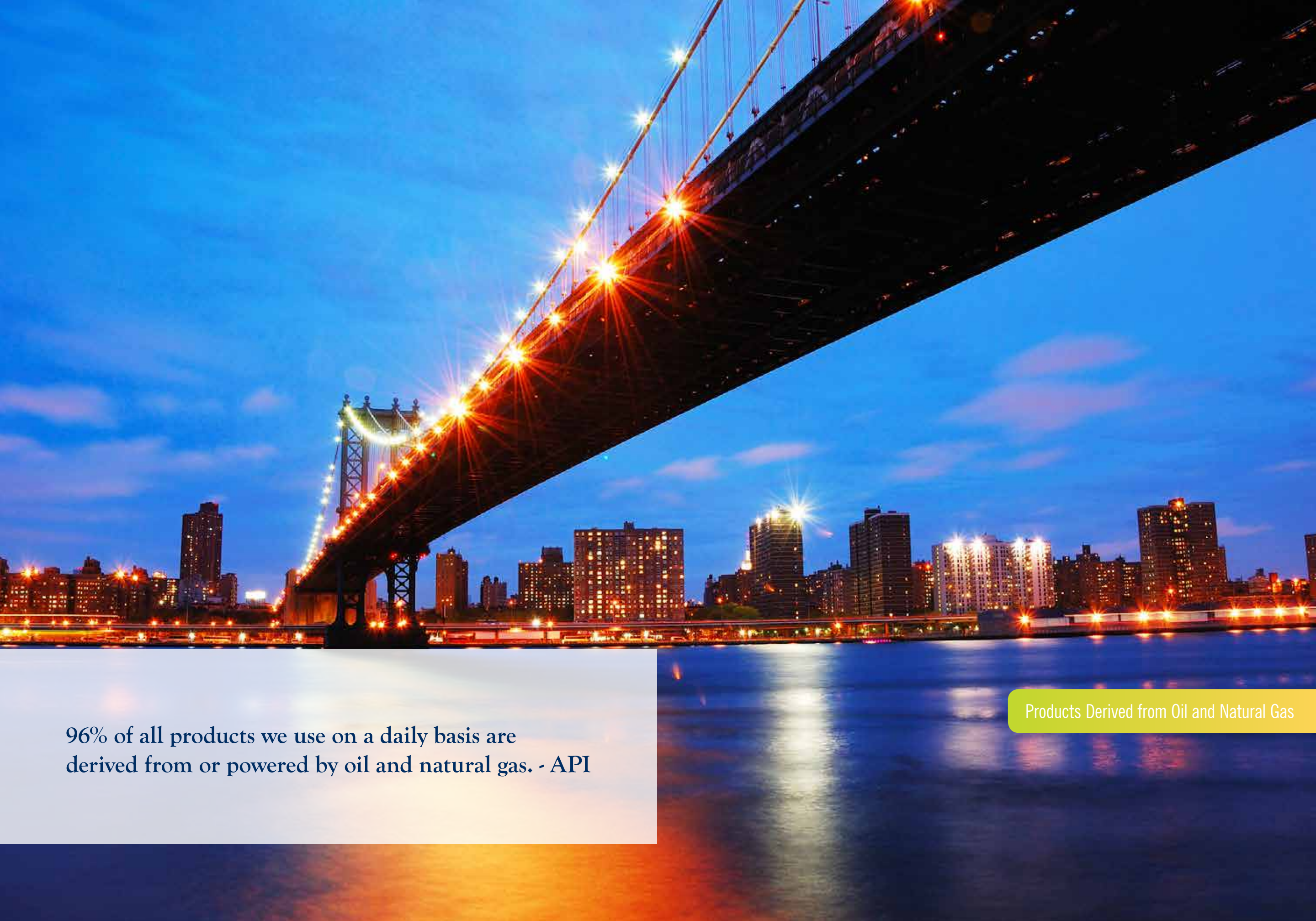
Average Capital Investment in the U.S. by Industry

Since 2000, the oil and natural gas industry has invested more than \$2.7 trillion in capital projects to meet the growing demand for energy in the U.S. The industry delivers more than \$85 million per day in revenue to the federal government, supports more than 9.8 million American jobs and accounts for more than \$1.2 trillion to the U.S. GDP — all while having an effective tax rate 60% greater than the average for other industries. Higher taxes on any business reduce capital investment and discourage job creation.



Source: API, 2012; Census Bureau Annual Capital Expenditure Survey, 2010





96% of all products we use on a daily basis are derived from or powered by oil and natural gas. - API

Products Derived from Oil and Natural Gas

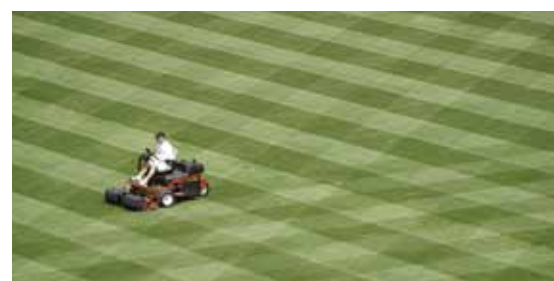
9 | Products Derived from Oil and Natural Gas


There are thousands of products that get their start from oil and natural gas, including the resources produced by Anadarko across the U.S. onshore every day.



Plastics • Synthetic Fibers • Synthetic Rubbers • Carbon Black • Medicines • Waxes • Cosmetics • Fuels • Natural Gas • Propane

- | | | | |
|---------------------------|-----------------------------|----------------------------|-------------------|
| • electricity | • bandages | • athletic shoes | • insulation |
| • neonatal incubators | • sterilized packaging | • balloons | • asphalt |
| • hoses/tubing | • Vaseline | • swim floats | • siding |
| • adhesive | • Kevlar | • life jackets | • appliances |
| • monitoring equipment | • helmets | • goggles | • PVC piping |
| • rubber gloves | • uniforms | • flip-flops | • hoses |
| • salves/gels | • safety glasses | • swim caps | • carpet/flooring |
| • medicines | • communication equipment | • umbrellas | • roof/tar |
| • antibiotics | • bullet-proof glass | • kayaks | • furniture |
| • radiological dyes/films | • skis/snowboards | • surf boards | • fertilizer |
| • surgical equipment | • outer/base-layer clothing | • sand buckets | • inks |
| • syringes | • ski wax | • fishing line | • paint |
| • heart valves | • lip wax | • elastic | • crayons |
| • pacemakers | • powered ski lifts | • cycle tires/tubes/brakes | • candles |
| • joint replacements | • gloves | • glasses | • soap |
| • antiseptics | • water bottles | • seat cushions | • matches |
| • oxygen masks | • performance apparel | • bungee cord | • toys |



A photograph of a brown horse standing in a lush green field. In the background, an oil drilling rig is visible against a clear blue sky. The horse is facing slightly to the left but looking towards the camera. The field is tall and green, and there are trees in the distance.

“America is closer to energy independence than we’ve been in decades.” - U.S. President Barack Obama

American Energy Transformation

10| American Energy Transformation

Every president over the last 40 years has encouraged Americans to become less dependent on foreign oil through conservation and alternative fuels.

Gone are the days of threatened and crippling oil embargoes and complete dependence on imports. Through the combination of horizontal drilling and hydraulic fracturing, the U.S. is now poised to surpass the Middle East in oil production by 2015.

By 2024, the U.S., together with oil from Canada, could meet 100% of its liquid fuel needs through safe, reliable, North American sources — cementing its status as an energy-secure country in an energy-hungry world.

Source: U.S. Energy Information Administration, Wood Mackenzie, API



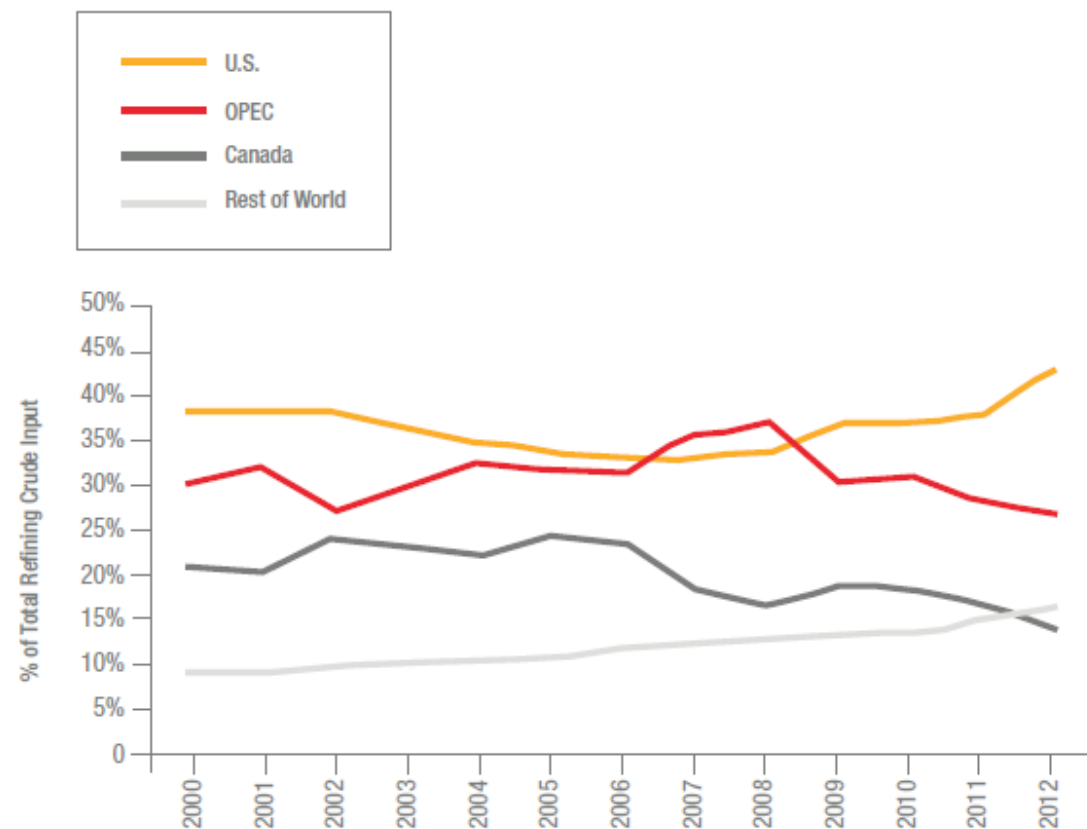
- In 2013, the U.S. exceeded Russia in oil and natural gas production.
- In 2011, the U.S. became a net exporter of petroleum products for the first time since 1949.
- U.S. crude oil production jumped to historic levels in 2013.
- In 2013, U.S. consumers paid one-third less than Europeans for home heating and electricity.

Source: Wall Street Journal, U.S. Department of Energy, U.S. EIA, 2013



Crude Oil Inputs to U.S. Refineries on the Rise

American oil imports have been declining since 2005. In November 2013, the U.S. decreased crude oil imports by \$40 billion as a result of surging oil production from horizontal drilling and hydraulic fracturing. While the U.S. imported less oil from foreign countries, domestic oil production to U.S. refineries increased to their highest levels in 2013.

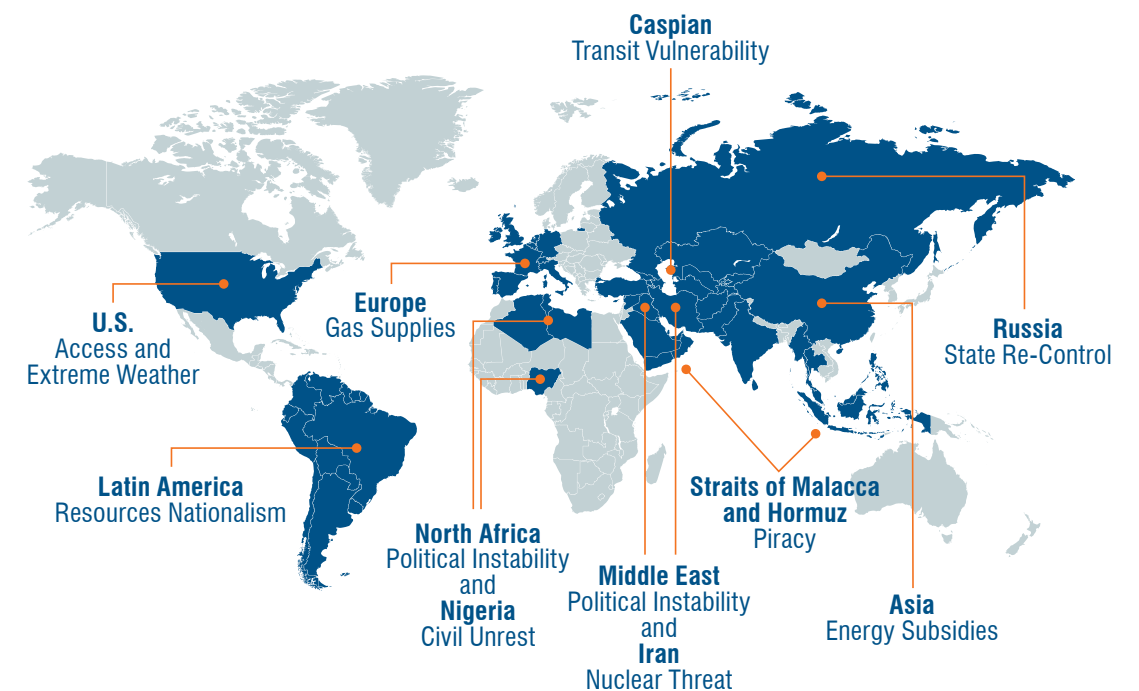


Source: API calculations based on EIA Petroleum and Other Liquids Data; Deutsche Welle, "The energy revolution 'Made In America,'" July 27, 2013; U.S. Department of Commerce, American Petroleum Institute



Accumulating Risks to the Development of Oil and Natural Gas

The world is not running out of energy resources, but there are accumulating risks to continuing oil and natural gas production around the globe. These risks create real challenges for countries needing a reliable source to supply their energy needs.



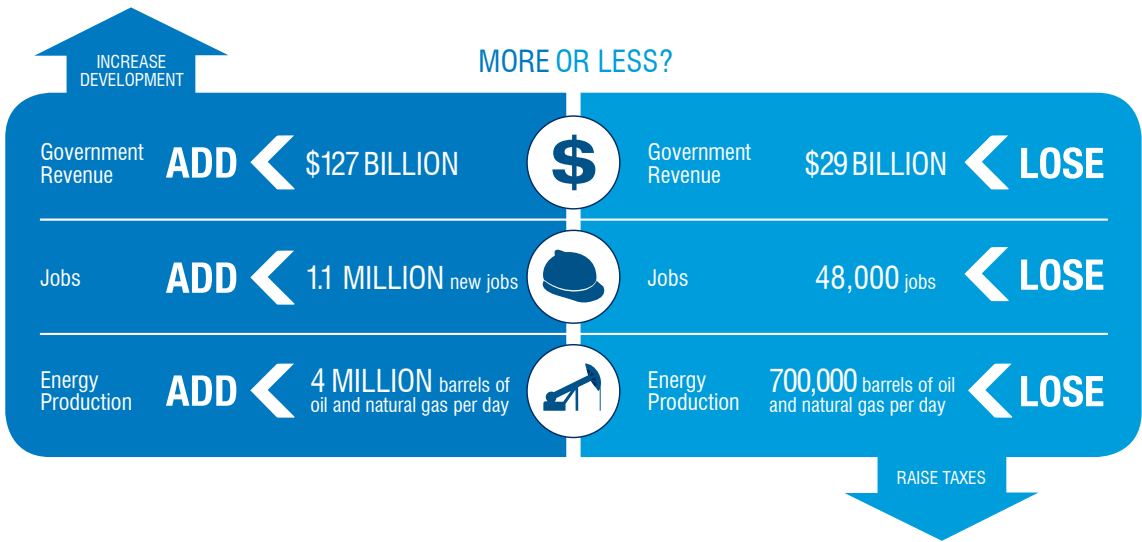
Source: National Petroleum Council, Energy In Depth



The Choice is Clear and American Energy is the Answer

Washington is facing a clear budget choice and a clear choice on energy policy. Higher oil and natural gas industry taxes and impractical regulations on hydraulic fracturing could reduce government revenue, eliminate jobs and cut domestic production. Increasing oil and natural gas development means more revenue, more jobs and more production to enhance U.S. energy security.

Economic Impact of Policy Choices



Source: API, Wood Mackenzie Energy Consulting

“

“A nation that fails to secure the energy its citizens and its economic engine need to keep functioning leaves itself vulnerable to external contingencies in a dangerous and uncertain world, and to the whims of foreign leaders and other actors who may not always have its interests at heart.”
– General James Jones, Former National Security Advisor to President Obama

”



We can continue to live in an age of energy abundance if we have the political will to pursue it.

11| What Can I Do?

Helpful Tips for Communicating with Your Elected Officials

Find Your Elected Officials

Before you can actively engage in the political process, you need to know your elected officials. Learning about your municipal, county, state and federal leaders is an essential first step in contributing to the conversation.

Write Your Elected Officials

Writing a letter is one of the most effective ways to communicate your concerns to your elected officials. Writing a letter is simple and the most popular method of reaching an elected official. In today's world, emails are also encouraged.

Call Your Elected Officials

Telephone calls to your elected official's office have the benefit of immediacy. While the need to be brief works against providing much supporting information, telephone calls are effective when time is short.

Visit Your Elected Officials

A key goal in grassroots advocacy is to develop a long-term relationship with your elected official. A personal meeting, ideally while your elected official is in his/her district office, is the best way to build that relationship and communicate your views on an issue.



Attend Town Halls

Town halls are an opportunity for constituents to interact directly with their elected officials. Share your opinions and ask questions about specific issues face-to-face with your elected official at their next town hall.

Your VOTE Counts

Through voting, you are making the ultimate statement and expressing your support or opposition of an elected official and his/her policies and actions. Before casting your ballot in any election, make sure you have the facts. Visit your candidates' websites and other resources to find reliable information on their policy views and voting history. Decide for yourself whether or not you agree, and **MAKE YOUR VOICE HEARD THROUGH YOUR VOTE.**

The best advocate for the oil and natural gas industry is **YOU**.

- ☒ Passionate about your job?
- ☒ Enjoy consistent and affordable access to electricity?
- ☒ Use one of the thousands of products our industry generates?
- ☒ Proud to have an essential resource produced in America?

Then share your feelings with your elected official.

