

# Anadarko is providing for today, innovating for tomorrow

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**S**afely producing the energy our world needs in a manner that protects the environment and public health, and supports our communities, is at the heart of Anadarko Petroleum Corporation. Among the world's largest independent oil and natural gas exploration and production companies, Anadarko's 4,900 employees worldwide share a commitment to always act with integrity and trust, servant leadership, a commercial focus and open communication, and a belief that energy is fundamental to physical existence; as important as clean air, water and food.

Anadarko is recognized for its leading deep-water exploration, production and project-management expertise worldwide. Leveraging technology that often rivals space programs, Anadarko ranks in the top five for number of wells drilled in water depths of greater than 1,500 meters and is the second most active driller in water depths of greater than 2,300 meters, according to IHS Energy. Today, the company is transferring its knowledge and skill sets, which include pioneering three generations of deep-water spar floating production facilities and the largest and deepest offshore natural gas processing facility ever installed in the Gulf of Mexico, to its operations in Mozambique.

Safety and environmental protection are paramount for Anadarko. When undertaking a new project, Anadarko works to engage stakeholders to gain a clear understanding of the environmental and cultural considerations of an area. Then, the company creates a balanced plan to protect the locations in which it operates and applies the strictest of standards; our own policies and principles, international standards or an individual country's regulations.

Anadarko has been active in Africa for nearly 25 years and currently holds interest in approximately 40 million gross acres in 10 African nations. In 2006, Anadarko became one of the first oil and natural gas companies to sign an Exploration and Production Concession with Mozambique, when its subsidiary, Anadarko Moçambique Area 1, acquired a material interest in the 2.6-million-acre Offshore Area 1 in the deep-water Rovuma Basin. At the time,

the Rovuma Basin held significant hydrocarbon potential; however, it was a "frontier" opportunity due to the under-explored nature of the deep water. Today, it is one of the most promising basins in the world as a result of Anadarko and its partners making four of the largest hydrocarbon discoveries in all of Africa in 2010 and 2011, and launching what has been described as a transformational opportunity for Mozambique, Anadarko and its partners.

Headquartered near Houston, Texas, Anadarko's portfolio of assets includes premier positions in shales and resource plays onshore in the United States. The company also is a leading deep-water producer in the Gulf of Mexico, and has production in Alaska, Algeria, Ghana and China, with additional exploration opportunities in West, East, and South Africa, as well as Brazil, New Zealand and the South China Sea. The company has established Mozambique office locations in Maputo, Pemba, Palma and Mocímboa da Praia. In anticipation of the growing work force necessary to support a project of this scale, Anadarko is advancing conceptual designs for multiple-train LNG (liquefied natural gas) plant in the Cabo Delgado Province, while partnering with other businesses in the construction of a new five-story office building in Maputo. In total, Anadarko's current activities in the Offshore Area 1 and approximate 3-million-acre position onshore in Mozambique are supporting more than 1,000 jobs in the country, a number that is expected to grow considerably with the development of LNG facilities, subsea and offshore equipment and associated infrastructure.

As the company and its partners work to deliver this world-scale opportunity in Mozambique, Anadarko is calling upon its experienced staff to apply the knowledge gained through years of industry-leading project-management results to ensure the safe and cost-efficient development of the massive natural gas resources it has discovered in Mozambique's deep-water Rovuma Basin. **E**

To learn more about Anadarko, visit:  
[www.anadarko.com](http://www.anadarko.com);  
[www.youtube.com/anadarkotv](http://www.youtube.com/anadarkotv).





MOZAMBIQUE



# Keynote Remarks

BY AL WALKER

PRESIDENT AND CHIEF EXECUTIVE OFFICER



AL WALKER

"At Anadarko, we view the opportunity to partner with Mozambique and contribute to its rapidly growing economy as a privilege."

Freedom, independence and prosperity are potent words revered by all people. Each evokes one of the most powerful emotions for human beings – hope. In 1992, after almost three decades of conflict, hope was restored for the people of Mozambique with the signing of the General Peace Agreement (GPA). Twenty years of peace and stability have passed as we recognize the anniversary of the signing of the GPA, and today hope is continuing to grow. Under the leadership of His Excellency Armando Emilio Guebuza, Mozambique is proving to be a country blessed with an abundance of natural resources. The recent discoveries of vast quantities of natural gas, coal and precious and semi-precious minerals are creating transformational opportunities for economic growth, unprecedented foreign investment, capacity building, revenue generation and continued prosperity for the people of Mozambique.

At Anadarko, we view the opportunity to partner with Mozambique and contribute to its rapidly growing economy as a privilege. We have long recognized the powerful ability of oil and natural gas development to elevate entire nations to a better standard of living, with improved infrastructure, education, access to health care and long-term employment. This potential is also recognized by school children in Palma Village where Anadarko has established one of its field offices. The sixth- and seventh-grade students at Escola Unidade and Escola Primária 16 de Junho voted to name Anadarko's massive natural gas discovery in the deepwater Rovuma Basin, the "Prosperidade" field.

The Prosperidade field is located in more than 1,500 meters of water, approximately 56 kilometers offshore Cabo Delgado. Based on the results of our exploration, appraisal drilling, and testing program, we estimate this field, spanning approximately 260 square kilometers, holds at least 17 trillion cubic feet (Tcf) of recoverable natural gas, and we estimate it could hold as much as 30 Tcf or more. To put these numbers into context, that's enough recoverable natural gas to transform Mozambique into the world's third-largest exporter of LNG (liquefied natural gas) over the coming years. Four of the discovery wells in the Prosperidade field –

Windjammer, Barquentine, Lagosta and Camarão – were among the largest discoveries in all of Africa during 2010 and 2011.

As a result of these discoveries, Anadarko and its partners are working to advance an onshore commercial LNG development near Palma that will initially consist of two 5-million-tonne-per-annum liquefaction trains, with the expectation of adding additional liquefaction trains in future years. The Prosperidade field is unquestionably one of the world's most important natural gas discoveries in the last decade, and developing it will likely require the largest foreign investment in Mozambique's history, exceeding the country's total current GDP.



His Excellency Armando Emilio Guebuza, President of Mozambique visits Anadarko's Independence Hub floating production facility in the Gulf of Mexico.

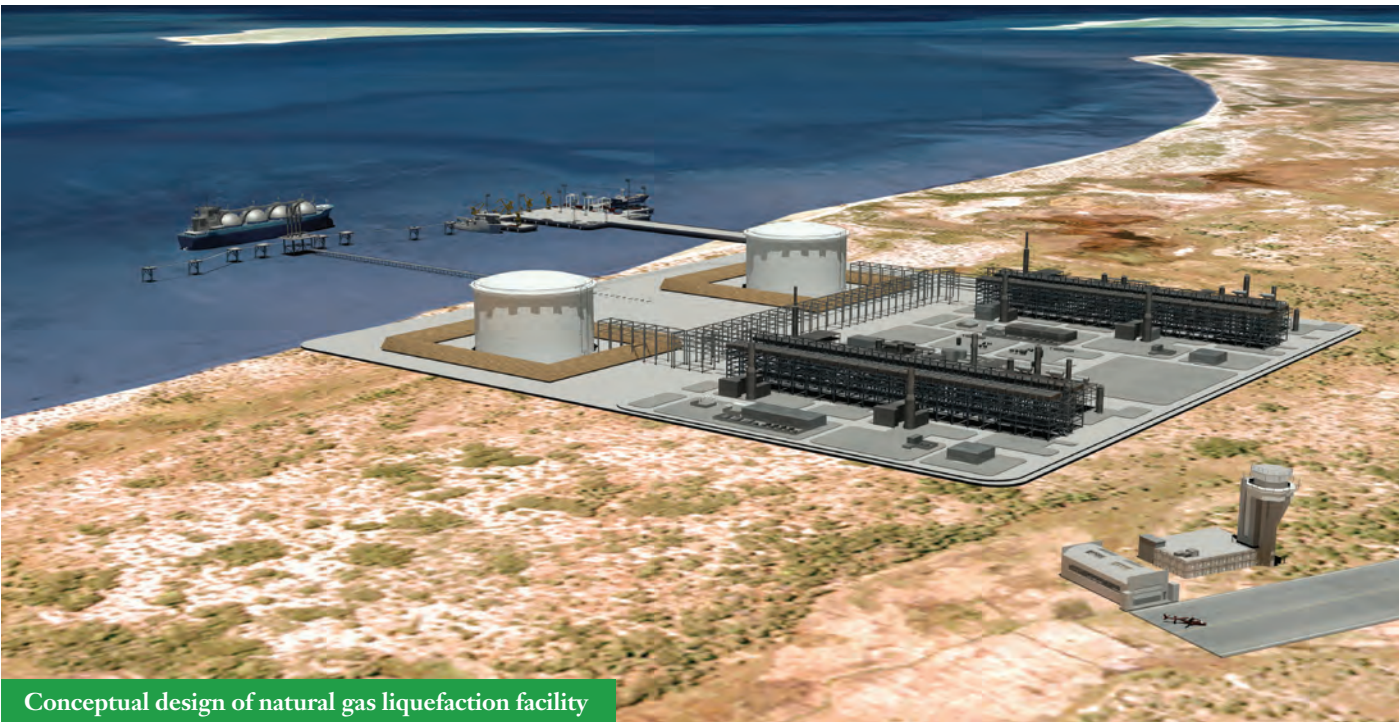
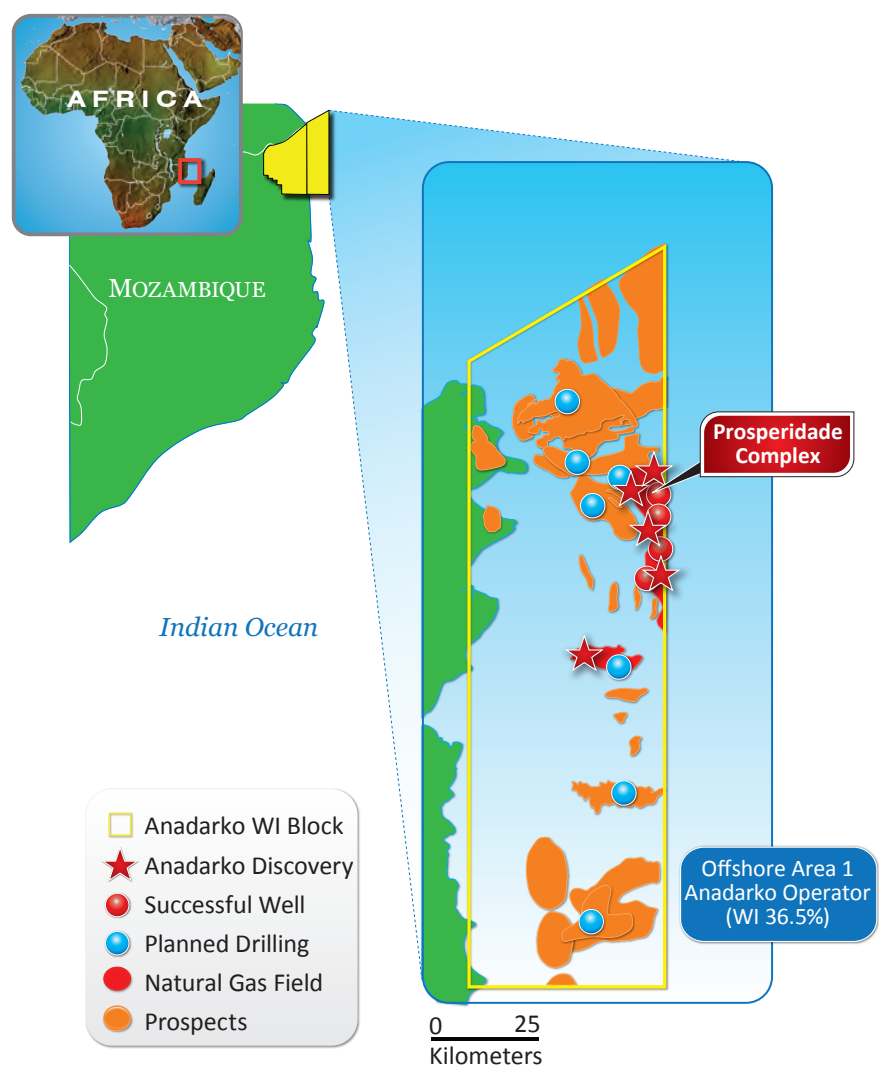
Beyond Prosperidade, we believe there is the opportunity for even more petroleum resources to be found in the 2.6-million-acre Offshore Area 1. Our partnership has identified more than 20 additional exploration prospects and leads in the offshore block and is continuing an active exploration program in these areas. Additionally, Anadarko holds interest in more than 3 million acres onshore in northern Mozambique and is utilizing science and seismic data to enable a better understanding of the geologic features and subsurface potential.

Deep water is an environment where Anadarko is a recognized global leader in terms of exploration and project management, and we conduct our business with strict adherence to a well-established set of core values and ethics. This belief requires that we, along

with our contracting companies, operate in a manner that maintains high standards for health, safety and the environment. We also work to ensure that our operations support socio-economic developments to benefit the communities in which we work. We recognize the importance of collaborating with the Government of Mozambique, NGOs, development organizations, and other partners and stakeholders toward the goal of sustainable social benefits. This includes goals of establishing comprehensive training programs, such as our partnership with the Eduardo Mondlane University in Maputo, as well as building the capacity of local Mozambicans, who over time will be ready to lead these social projects well into the future.

Developing natural resources of this scale will require a collaborative effort across various levels of government, industry and many other stakeholders. We are grateful for the productive relationship established with the Government of Mozambique, and we are appreciative of the unwavering support this project has received from President Guebuza, the Minister of Mineral Resources, Esperança Bias, the National Institute of Petroleum (INP) and our partner, Empresa Nacional de Hidrocarbonetos, E.P. (ENH). We look forward to continuing to advance this project safely and in a manner that protects the environment, generates tangible economic and social benefits for the people of Mozambique, fuels hope for a bright future and is worthy of the name it has been given.

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Conceptual design of natural gas liquefaction facility



# ANADARKO is ...

Advancing one of the most important natural gas discoveries of the last ten years, with significant long-term benefits for Mozambique.

**The world-class LNG project in Mozambique's offshore Rovuma Basin represents a tremendous economic opportunity for Mozambique to become one of the world's leading LNG exporting countries, generating:**

- Substantial tax and profit-sharing revenues for Mozambique
- Infrastructure and quality-of-life improvements for Mozambique's people
- Direct and indirect employment opportunities for Mozambicans
- Significant, long-term direct foreign investment

Anadarko is committed to conducting operations safely and in a manner that protects Mozambique's unique environment. Adhering to our core values of integrity and trust, servant leadership and open communication, we are grateful for the opportunity to partner with the people of Mozambique in developing this energy resource.



# The Mozambique Opportunity

By JOHN PEPPER

MOZAMBIQUE COUNTRY MANAGER, ANADARKO



"Ensuring the development, production and export of these tremendous natural resources are used for the betterment of Mozambique is a central component of the Mozambique LNG project."

The prudent and responsible development of energy resources has unmatched potential for driving economic activity, promoting new educational opportunities, creating direct and indirect employment opportunities and elevating societies to a higher standard of living. This is how Anadarko views the opportunities associated with Mozambique LNG.

The current estimates of the size of the natural gas resources discovered to date by Anadarko and its partners in the Offshore Area 1 of the deep-water Rovuma Basin (17 to 30-plus trillion cubic feet) easily support a world-scale liquefied natural gas (LNG) development capable of producing well in excess of 10 million tonnes per annum. Ensuring the development, production and export of these tremendous natural resources are used for the betterment of Mozambique is a central component of the Mozambique LNG project.

Currently, Anadarko and its partners are working on pre-development activities in the Cabo Delgado Province to commercialize the natural gas resources discovered in the Prosperidade complex offshore Mozambique. These activities will include the need to hire many workers and secure services from a broad range of companies and providers. Following official commitment to the development by the Government

of Mozambique, significant activity associated with this large-scale project is expected to advance and require thousands of workers, providing services both locally and abroad. With these anticipated opportunities, we recognize the need to develop and maintain a healthy, safe, educated and competent workforce.

The project's staff and contractors will be expected to cooperatively develop opportunities and the necessary skills for a long-term local workforce. This means making a commitment to workforce development, supplier development and community investment. We view workforce development as creating local job opportunities and training people in construction trades, technical and professional skills that will be needed during the construction phase, for ongoing operations and future opportunities. Supplier development entails sharing knowledge and skills aimed at increasing the capabilities of local suppliers to meet global standards and qualify for contracts. In terms of community investment, we will work with stakeholders to improve living standards in the communities impacted by the Mozambique LNG project, and in cooperation with the government, enhance opportunities for local populations to achieve greater prosperity by focusing investments in the areas of health, education and the environment. Each of these areas is described in more detail in the "Shared Priorities" section.





"At Anadarko, CSR (Corporate Social Responsibility) is about articulating a mission and set of values to which our organization must always adhere. Sustainability lies in the enduring nature of our values and the objectives of our mission. We will act with integrity, respect and protect the environment, serve our communities, and be mindful of the safety and health of those around us, and we will pursue the development of energy resources at a competitive cost for the welfare of a global society."



### OUR SHARED PRIORITIES

Anadarko strives to conduct its business around the world with strict adherence to a well-established set of core values and ethics requiring that it and its contracting companies operate in a manner that, "maintains high standards for health, safety, the environment and compliance with applicable laws." We support socio-economic developments to benefit communities in which we work. To successfully attain these objectives, including positive and sustainable social benefits, we believe the collaboration and support of the Government of Mozambique, NGOs, development organizations, and other partners and stakeholders will be essential, and Anadarko is ready to do its part to bring about the success for these goals. By "sustainable," we mean that the objective of our social projects is to have lasting benefits and to put in place methods by which the beneficiaries can eventually become self-sufficient. One of our goals is to build the capability of local Mozambicans who, over time, will be ready to assume responsibility for and in many cases, lead these social projects.

As Anadarko advances the commercialization of the Prosperidade complex, Mozambique LNG and potential future discoveries, we will continue to progress and implement social-investment programs within a defined framework consistent with Anadarko's corporate philosophy. This framework complements and is aligned with the priorities identified in Mozambique's Action Plan for the Reduction of Absolute Poverty (PARPA), the elements identified in the United Nations Millennium Development Goals, as well as the project identified Social Impact Assessment.

As mentioned previously, this framework includes three focus areas, which are described below:

- **Health:** Investing in programs with the goal of ensuring and protecting the health of our workforce, as well as improving the health of the communities near our operations.

- **Education:** Targeting investments toward programs that develop skills and enhance knowledge in order to expand opportunities and maximize local content.
- **Environment:** Taking action to preserve the natural environment by protecting land, air and water, while working to also enhance the business environment that benefits the community and the project.

### OUR SHARED PRIORITIES IN ACTION

As mentioned above, Anadarko's social-investment programs will evolve and grow as the Mozambique LNG project grows. However, even though the project is still in the very early stages, prior to reserve certification and sanction, Anadarko and its partners are already making investments in each of the areas described above that will have lasting benefits. A few examples of these programs are listed below.

#### Health

In 2011, we began a partnership with Partners for Pediatric Progress, an NGO focused on providing pediatric healthcare and training pediatric healthcare providers. We intend to continue and expand this effort with future plans that include increasing the number of practicing physicians and launching an infection-control program that could extend into other Mozambique communities in coming years. Additional support to healthcare includes a vector-control program to combat malaria in the Palma region, the donation of an ambulance to the Palma Hospital, and plans to bring a physician to Palma to support project employees and the local community.

We will be conducting a Community Health Impact Assessment in 2012 to help us identify specific health needs in the proposed project area. Supporting healthcare development in Cabo Delgado is a priority, and the assessment will help the partnership design appropriate projects in collaboration with the Ministry of Health and local officials.

#### Education

In March 2012, we announced a collaborative agreement with Eduardo Mondlane University (UEM) in Maputo, aimed at developing expertise and support for improvements to university educational programs in engineering and the geosciences. This multi-stage program is being initiated through an assessment that was completed in March by internationally renowned engineering programs at the University of Oklahoma and Texas A&M University. The assessment identified current conditions and potential improvements for

UEM's engineering and geoscience programs. It also provides a clear path toward developing a sustainable curriculum that can produce the caliber of graduates at UEM needed to fill important roles in the energy industry and keep top talent in Mozambique.

In Palma Village, Anadarko worked with sixth- and seventh-grade students at Escola Unidade and Escola Primária 16 de Junho who helped select "Prosperidade" as the name for the deep-water discovery complex. The students also received supplies and informational material about oil and natural gas, how it is formed, found, developed, produced and transported. The company also is active with local schools and various programs that provide school supplies and equipment throughout its operating areas.



#### Environment (Natural and Business)

Protecting our natural world is paramount in all of our operations, and Anadarko is widely recognized for its efforts to minimize emissions to protect air quality, utilize technology to reduce our presence on the surface, and implement best practices to ensure water is unaffected. Anadarko is a Founding Member of The Climate Registry, the American Carbon Registry and recently participated in the Carbon Disclosure Project's 2011 Water Report. We also believe for a project to be truly sustainable, we must seek opportunities to improve the natural environment where we can, and this includes securing protected areas for wildlife and assisting with efforts to provide clean water to local villages.

Beyond the natural environment, we will strive to ensure the Mozambique LNG project benefits the business environment, too. As an example, we've commissioned an agricultural feasibility study in Cabo Delgado with the international NGO Technoserve. The study will culminate

in recommendations regarding the development of agricultural projects in the community that can enable local production of high-quality foods and increase its commercial sustainability. The objective of the resulting program will be to support commercial development in the agricultural sector in Cabo Delgado, focusing on key constraints such as access to commercial markets, access to rural infrastructure and services, and extension services. Expected outcomes include more productive yields in cash crops, greater employment opportunities in the agricultural sector, and increased economic opportunities by linking growers to commercial buyers.

Mozambique LNG also has the potential to bring meaningful economic growth to the Palma district and Cabo Delgado Province as a whole. We recognize the need to support the local and provincial governments as they develop forward-looking regional plans to anticipate the needs of an increased population in the area. This effort will build on the Palma Town plan, completed in 2011, and will support the anticipated Palma District Plan by promoting alignment with project development plans and by providing additional resources and expertise.

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