Anadarko Purchases Pinnacle Gas Treating, Inc.

Houston, Jan. 4, 2001 – Anadarko Petroleum Corporation (NYSE: APC) has acquired the stock of Pinnacle Gas Treating, Inc., a wholly owned subsidiary of Western Gas Resources, Inc., for $38 million.

Pinnacle owns and operates a natural gas pipeline and treating plant serving the East Texas area, where Anadarko is developing the Bossier sand gas play. Anadarko is currently running 33 drilling rigs in the Bossier, making it the single most actively drilled play in North America.

Anadarko will continue to operate the assets under the Pinnacle name, and Pinnacle’s 16 employees will be employed by Anadarko.

“This acquisition will give us increased flexibility in how we ship and market our Bossier gas, as well as improve the service we can offer to other shippers,” said John N. Seitz, Anadarko President and Chief Operating Officer. “The Pinnacle pipeline tracks the Bossier trend through four East Texas counties. As gas volumes in the area continue to grow, we’ll be able to expand the system right along with it.”

The Pinnacle pipeline runs from Franklin to Bethel through portions of Freestone, Anderson, Leon and Robertson counties. It consists of 60 miles of large-diameter pipe, 40 miles of small diameter laterals and spurs, and a 60-mile fuel re-delivery system. The pipeline currently can carry as much as 500 million cubic feet of gas a day. The treating plant at Bethel removes carbon dioxide and hydrogen sulfide from the gas and has a current capacity of approximately 300 million cubic feet a day. Anadarko is currently shipping approximately 275 million cubic feet of gas a day through the Pinnacle pipeline and Bethel plant.

Anadarko plans to expand the Bethel plant capacity to meet demands from growing activity levels and volumes in the area.
Houston-based Anadarko Petroleum Corporation is one of the world’s largest independent E&P companies, with 1.94 billion energy equivalent barrels of proved reserves. Domestically, it has core operations in Texas, Louisiana, the Mid-Continent and Rocky Mountain regions, Alaska, and in the shallow and deep waters of the Gulf of Mexico. Internationally, it has operations in Algeria, Tunisia, Canada, Guatemala and Venezuela.

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Except for historical information, all other information in this presentation consists of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those projected, anticipated or implied. The most significant of these risks and uncertainties are described in Anadarko’s SEC filings and reports and exhibits to those reports, and include (but are not limited to) the costs and difficulties related to the integration of acquired businesses, commodity pricing and demand, exploration and operating risks, development risks, and the costs and other effects of governmental regulation and legal and administrative proceedings. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.

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