

CSIS

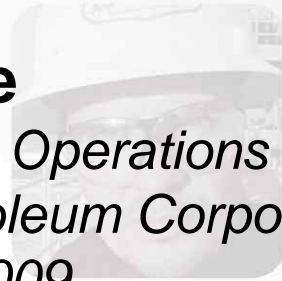
Unlocking the Potential of Domestic Gas Resources: Making the Unconventional Conventional



Presentation by:

Julie Struble

*Vice President, Operations
Anadarko Petroleum Corporation
February 24, 2009*



Shale Gas Plays – “Size of the Prize”



<u>Shale Play</u>	<u>Total Resource, TCF*</u>	<u>Recoverable Potential, TCF*</u>
Barnett	~170	~45 (~25% Recovery)
Fayetteville	~50	~25 (~50% Recovery)
Woodford	~25	~10 (~40% Recovery)
Haynesville	~700	~200 (~30% Recovery)

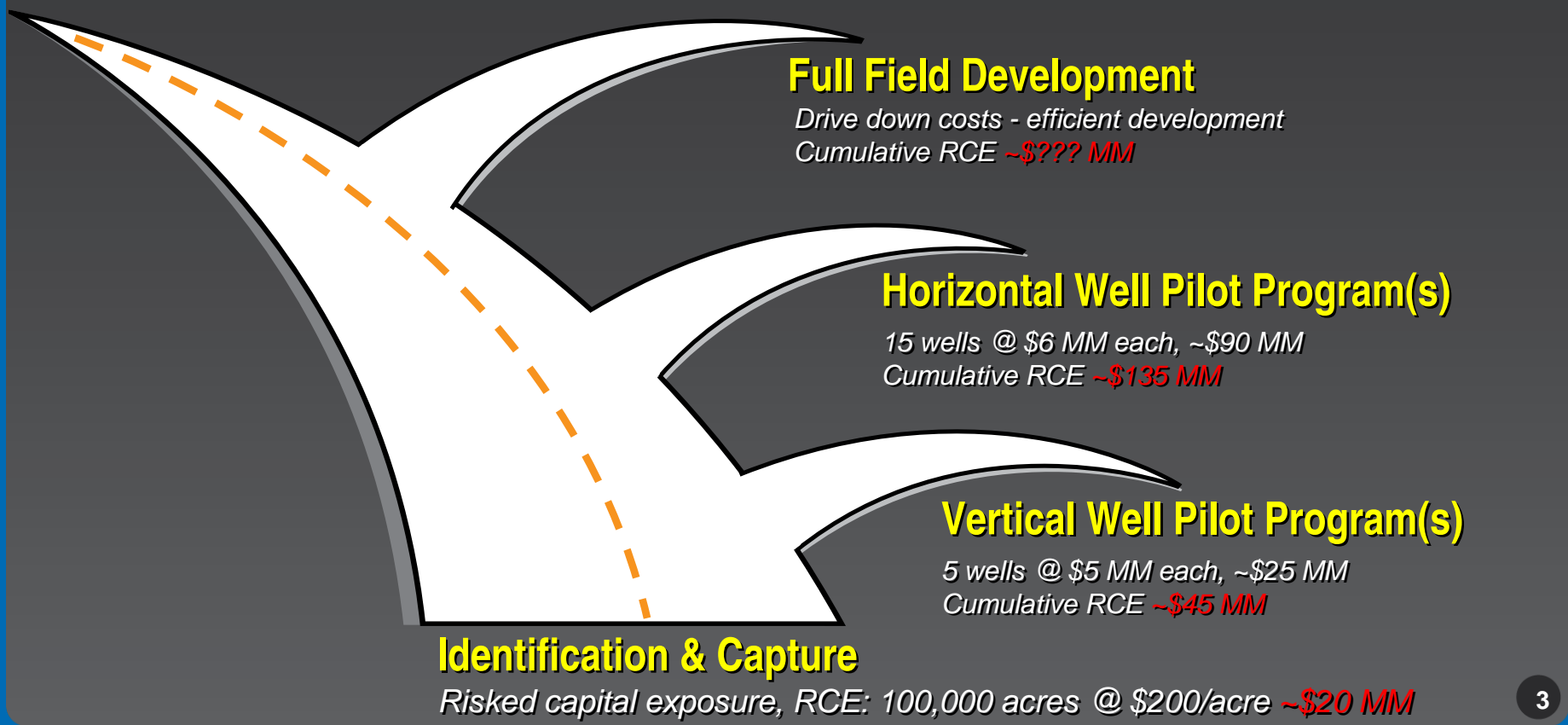
*Obtained from various public data sources



Developing A Shale Gas Play

Concurrently with Pilot Programs, Preparations for Full Development Begins

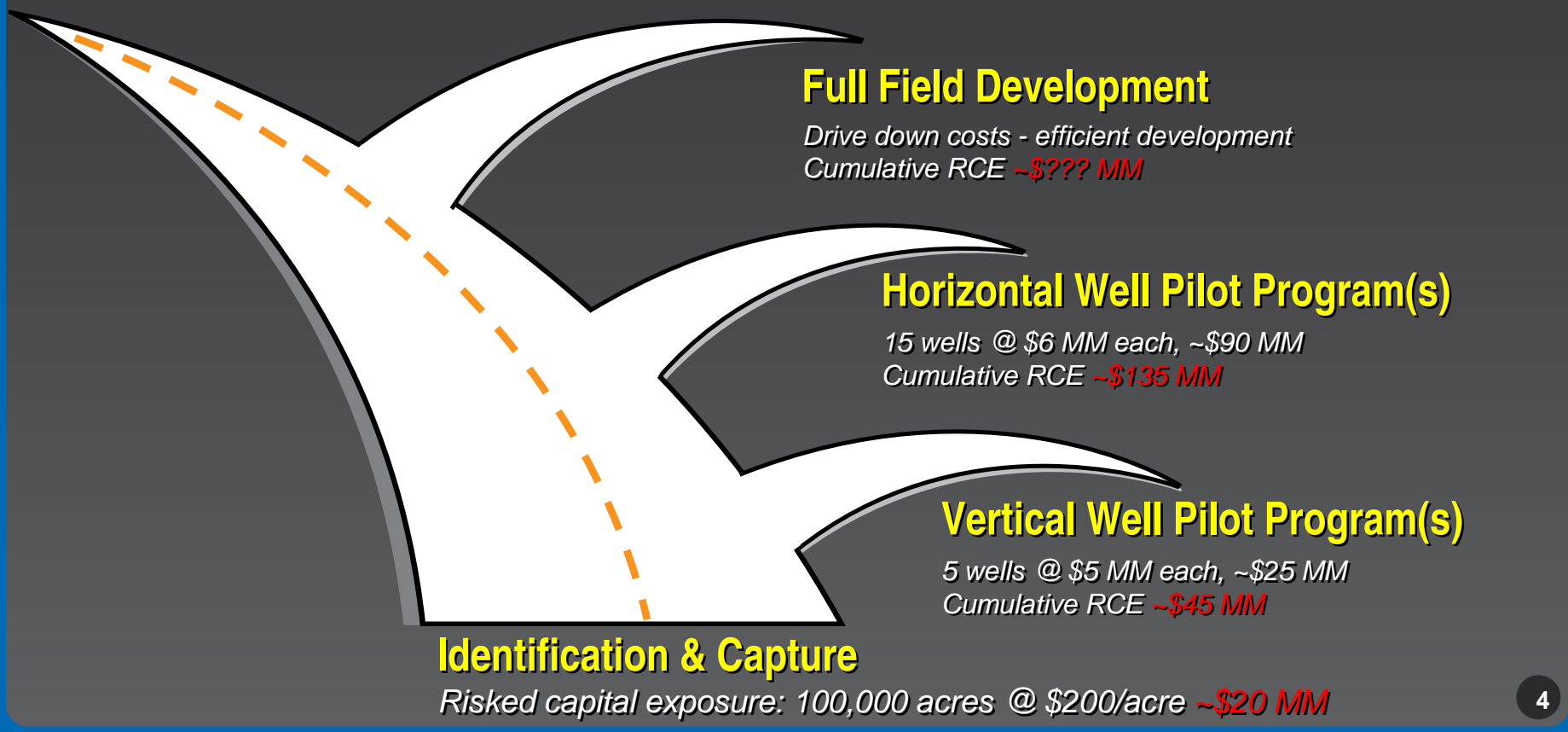
*Regulatory
Marketing Infrastructure
Services Infrastructure*





Developing A Shale Gas Play

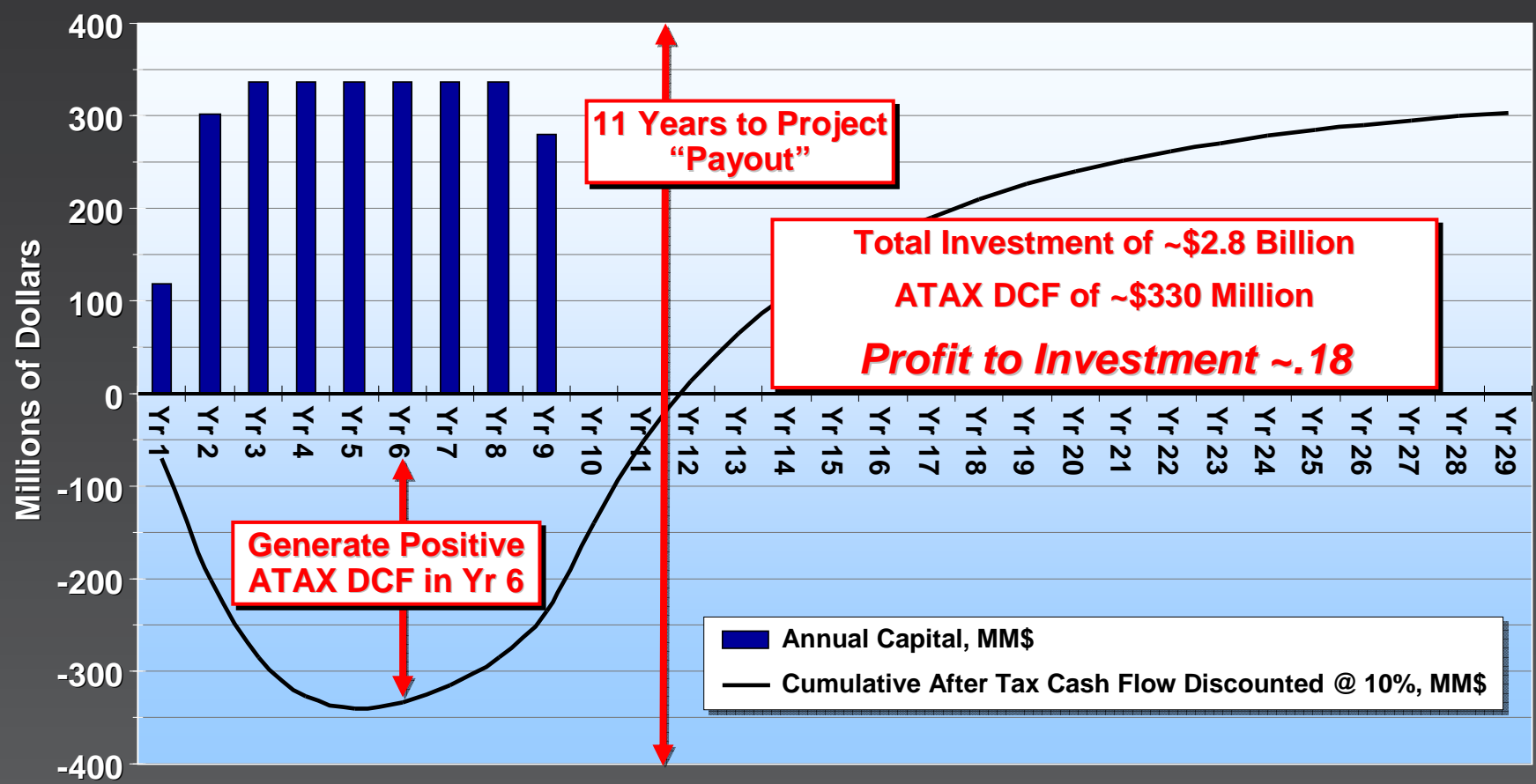
VALUE GENERATION "Commercial Success"





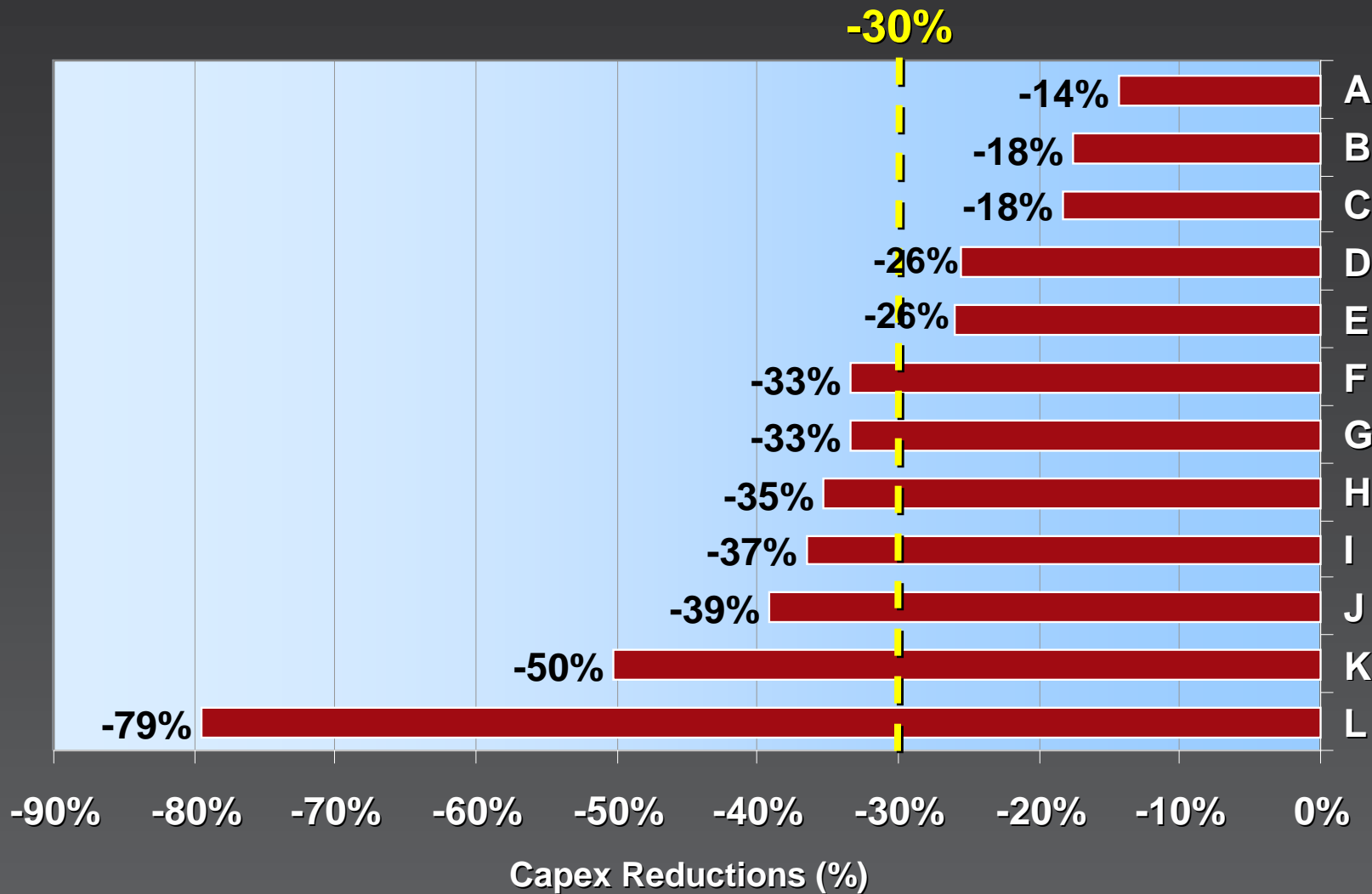
“Barnett-Type” Shale Gas Program {Example Only}

\$6.50/MMBTU NYMEX Gas Price
10 Rigs - 1000 Wells





Announced 2009 Industry Capex Reductions

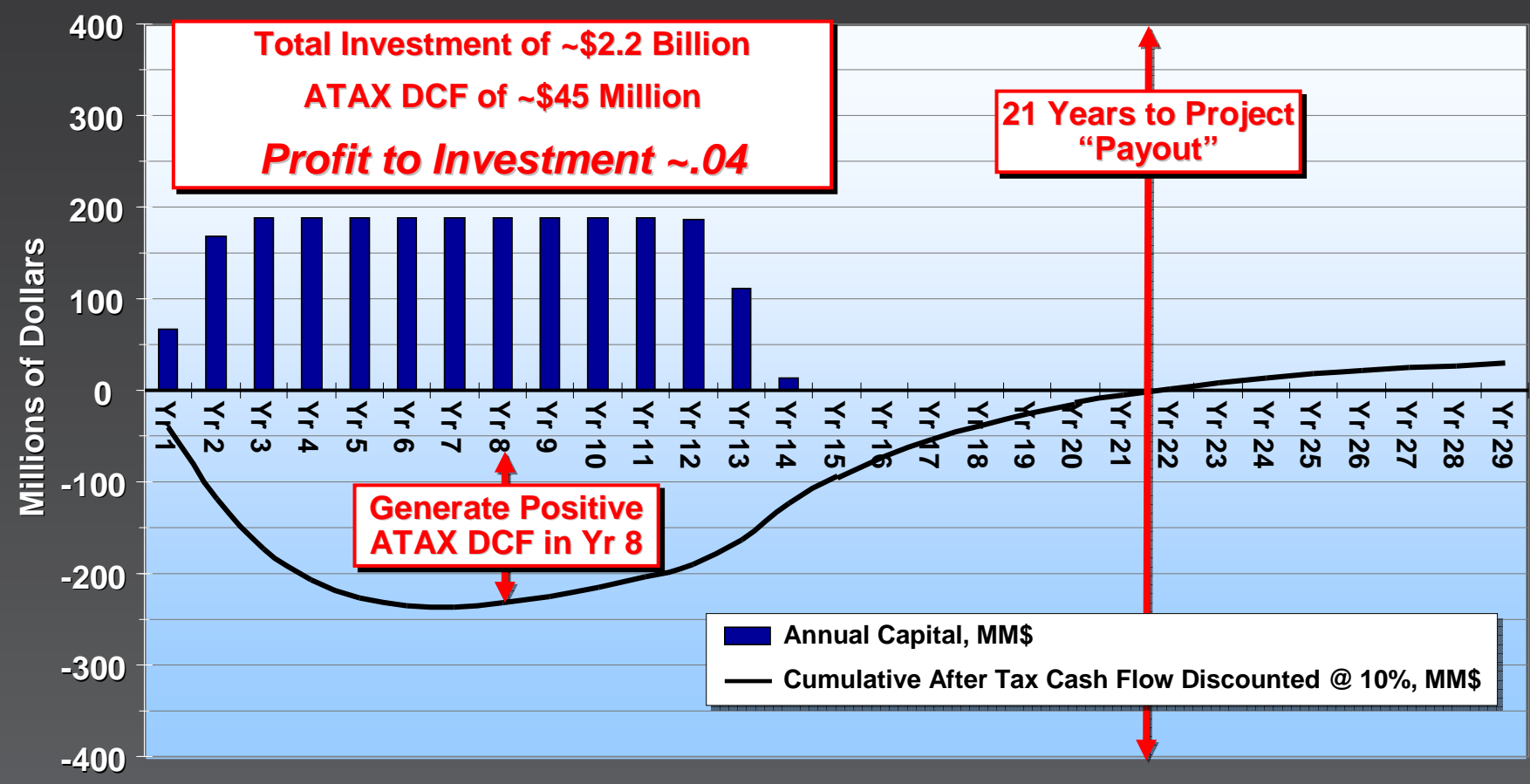




“Barnett-Type” Shale Gas Program {Example Only}

\$4.50/MMBTU NYMEX Gas Price

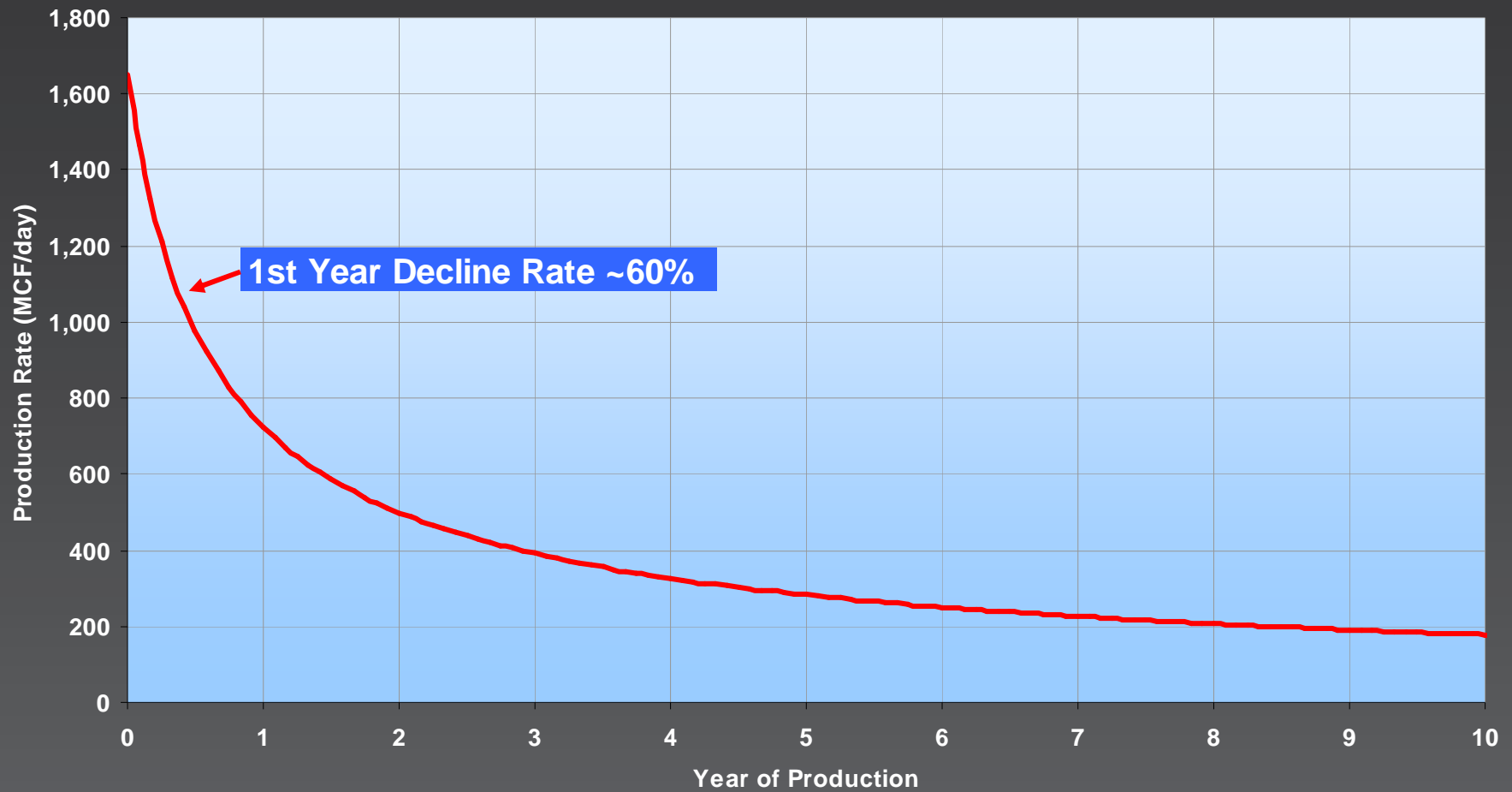
7 Rigs (Reflects 30% Reduction In Corporate Funding) - 1000 Wells



“Barnett-Type” Shale Gas Program {Example Only}



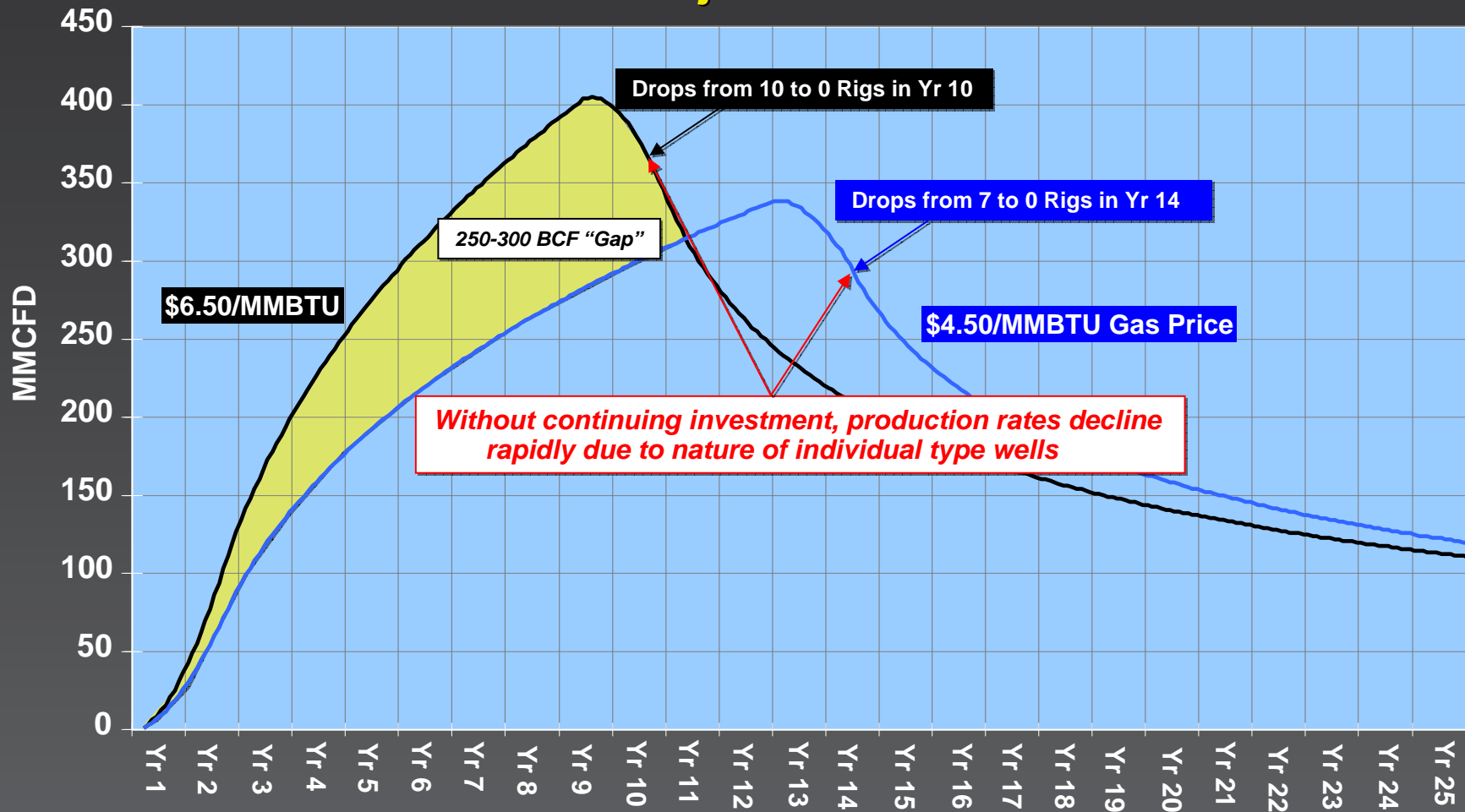
"Barnett-Type" Individual Well Production Profile





“Barnett-Type” Shale Gas Program {Example Only}

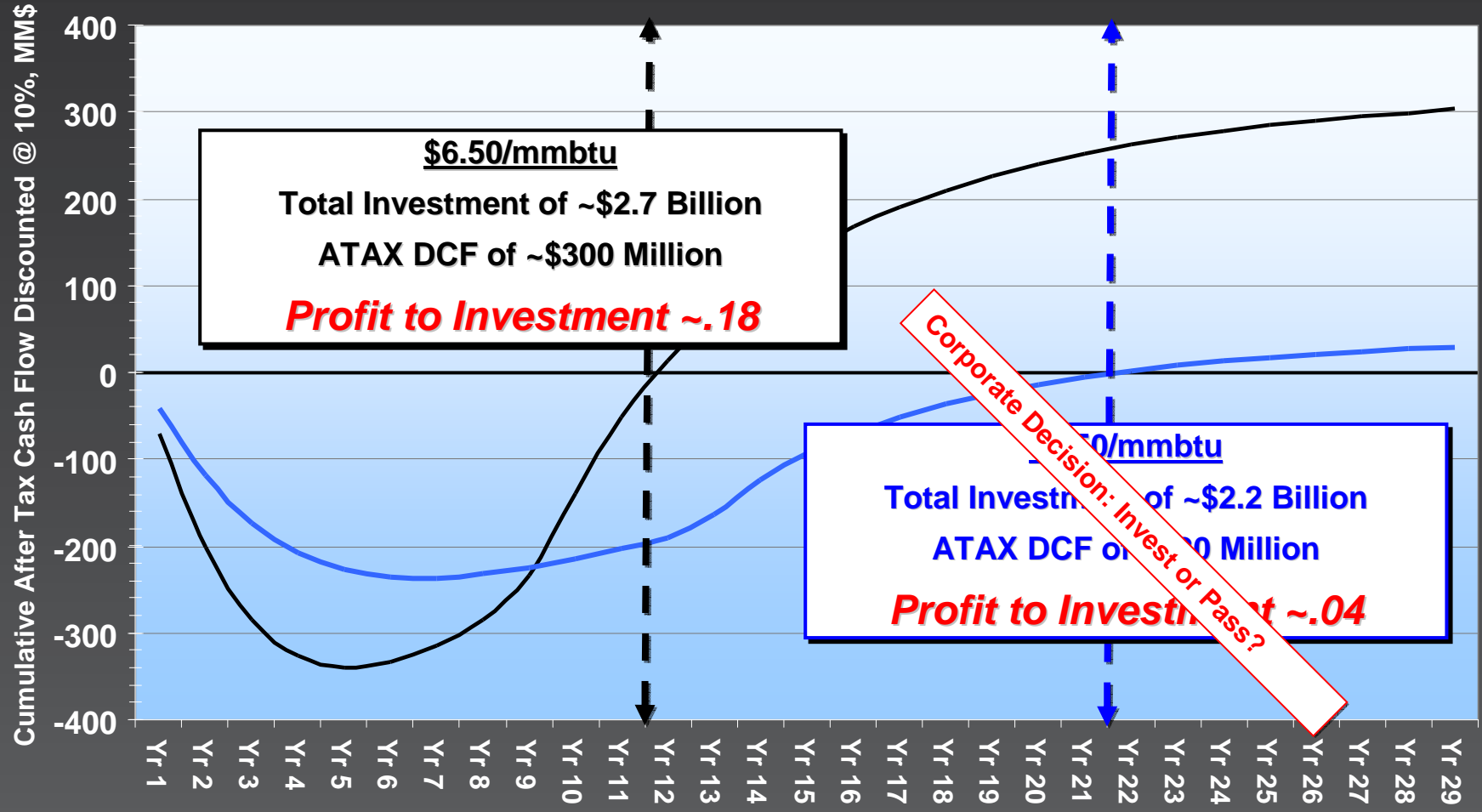
Total Project Production Forecast





“Barnett-Type” Shale Gas Program {Example Only}

Cumulative DCF Over Time



Impact of Shale Gas Plays On U.S. Economy



Barnett Shale Contribution*

- ▲ \$5 Billion Annually
- ▲ 55,000 Permanent Jobs in North Texas
- ▲ Estimated Over 20 Years...
 - ~\$750 Million in Lease Bonuses
 - ~\$1 Billion in Property Tax Revenues

**Barnett Shale Energy Education Council*