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Anadarko International Energy Company

Financial Statements

For the Years Ended December 31, 2005 and 2004

(Unaudited)

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Anadarko International Energy Company  
Statement of Income  
(Unaudited)

<i>thousands</i>	Years Ended December 31	
	<u>2005</u>	<u>2004</u>
Revenues	\$ <u>---</u>	\$ <u>---</u>
Costs and Expenses		
General and administrative	13,010	4,443
Other Taxes	7	---
Impairments related to oil and gas properties	<u>16,824</u>	<u>---</u>
Total	<u>29,841</u>	<u>4,443</u>
Loss Before Income Taxes	(29,841)	(4,443)
Income Tax Benefit	<u>(8,698)</u>	<u>(1,552)</u>
Net Loss	\$ <u><u>(21,143)</u></u>	\$ <u><u>(2,891)</u></u>

See accompanying notes to financial statements.

Anadarko International Energy Company

Balance Sheet

(Unaudited)

<i>thousands</i>	December 31, 2005	December 31, 2004
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$       ---	\$        1
Accounts receivable - other	31	---
Accounts receivable - affiliates	---	---
Other current assets	269	---
Total	<u>          300</u>	<u>          1</u>
<b>Properties and Equipment</b>		
Original cost	1,168	10,730
Less accumulated depreciation, depletion and amortization	---	---
Net properties and equipment - based on the full cost method of accounting for oil and gas properties	<u>          1,168</u>	<u>         10,730</u>
<b>Other Assets</b>	<u>          5,432</u>	<u>          ---</u>
<b>Total Assets</b>	<u>\$       6,900</u>	<u>\$       10,731</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$       1,051	\$        905
Accounts payable - affiliates	16,450	---
Total	<u>         17,501</u>	<u>          905</u>
<b>Other Long-term Liabilities</b>		
Deferred income taxes	<u>          ---</u>	<u>          90</u>
<b>Stockholders' Equity</b>		
Common stock, par value \$.01 per share (1,000 shares authorized and issued as of December 31, 2004 and 2003)	---	---
Paid-in capital	14,988	14,182
Retained earnings	(25,589)	(4,446)
Total	<u>         (10,601)</u>	<u>          9,736</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$       6,900</u>	<u>\$       10,731</u>

See accompanying notes to financial statements.

Anadarko International Energy Company  
Notes to Financial Statements  
For the Years Ended December 31, 2005 and 2004  
(Unaudited)

**1. Summary of Accounting Policies**

**General** Anadarko International Energy Company (Company) is engaged in international exploration for liquid hydrocarbons. The Company is a wholly owned subsidiary of Anadarko Global Holdings Company.

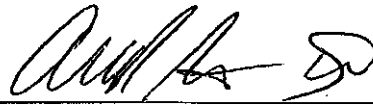
- 2. Properties and Equipment** The Company uses the full cost method of accounting for exploration activities as defined by the U.S. Securities and Exchange Commission. Under this method of accounting, the costs for unsuccessful, as well as successful, exploration and development activities are capitalized as properties and equipment. This includes any internal costs that are directly related to exploration and development activities but does not include any costs related to production, general corporate overhead or similar activities.

During 2005, the Company recorded an impairment of \$16,824,000 related to unsuccessful exploration activities. As of December 31, 2005 and 2004, oil and gas properties include costs of \$1,168,000 and \$10,730,000 which were excluded from capitalized costs being amortized, respectively. These amounts represent costs associated with unproved properties. The Company excludes all costs until proved reserves are found or until it is determined that the costs are impaired. All costs excluded are reviewed at least quarterly to determine if impairment has occurred. The amount of any impairment is transferred to the costs being amortized.

Anadarko International Energy Company  
Signature

I hereby attest that the attached balance sheets of Anadarko International Energy Company as of December 31, 2005 and 2004 and the statements of income for the years ended December 31, 2005 and 2004 are true and correct to the best of my knowledge.

December 7, 2006



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Allyn R. Skelton  
Controller