ANADARKO IN MOZAMBIQUE
OUR VALUES IN ACTION

2014

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Anadarko and its Area 1 partners aim to develop a world-class liquefied natural gas (LNG) project that directly benefits the people of Mozambique, act as a good neighbor and contribute a new source of cleaner energy to the world. Operating in a sustainable manner and giving back to the communities where we operate is our responsibility and our commitment.

This edition of "Anadarko in Mozambique" focuses on our values in action and the theme of partnership. We are proud to be a partner for the first-of-its kind petroleum engineering program at Eduardo Mondlane University. We support Partners for Pediatric Progress, which has helped train the first pediatric surgeon in Mozambique. We partner with the local communities in Palma district in Cabo Delgado for workforce training and partner with Mozambican businesses to position to supply goods and services to the Project.

Above all, we are privileged to be partners with the people of Mozambique in this transformational opportunity to develop the natural gas resources that can provide shared benefits for the nation.

**OUR CORE VALUES**

**Integrity and Trust**
Anadarko is committed to acting with the highest ethical standards. We honor our promises and obligations to work, family, faith and community.

**Servant Leadership**
The success of others is a higher priority than our own. We pledge to exhibit personal humility and professional courage.

**People and Passion**
We recognize and reward strong performance, and respect diversity in thought, practice and culture.

**Commercial Focus**
Anadarko safeguards the long-term interest of our shareholders and maintains high standards for health, safety and the environment.

**Open Communication**
We are committed to operating in a transparent fashion and listening for understanding - an essential element to building trust with our stakeholders.

"We achieve sustainability by living our core values of integrity and trust, servant leadership, open communication, people and passion and commercial focus, all of which guide our activities and decisions."

Al Walker - Chairman, President & CEO, Anadarko Petroleum Corporation
The Eduardo Mondlane University (UEM) Masters of Science in Petroleum Engineering (MSPE) program is the first of its kind in Mozambique. The MSPE program, sponsored by Anadarko and its Area 1 partners, is being collaboratively developed by UEM engineering and geology faculty, Anadarko subject-matter experts and U.S. professors from leading petroleum engineering programs. This program represents a unique approach to the development of sustainable petroleum education programs in Mozambique, as it enables petroleum capability building within the country.

Changing Lives
The post-graduate program was officially launched in February 2014 at the UEM Faculty of Engineering. The launch event also served to recognize the 22 students who completed their pre-requisite core Petroleum Engineering (PE) program coursework in 2013.

The inaugural group of 22 MSPE students is entirely made up of full-time working professionals employed by various companies, representing several Mozambican provinces including Maputo, Cabo Delgado and Nampula. After completing their research dissertation, the students will be part of an elite group of individuals with a UEM Masters of Science in Petroleum Engineering degree – the first graduates with this credential in the history of Mozambique.

In February 2014, the UEM PE program enrollment doubled in size when a second group began their Core PE coursework. This new class of students consists of 60 percent full-time professionals and 40 percent students direct from undergraduate engineering programs. Upon successful completion of the Core program in December 2014, this group of students will begin their Master’s studies in February 2015.

Global Attention
The Society of Petroleum Engineers (SPE) formally recognized the UEM MSPE program through the formation of an SPE student chapter – the first ever in Mozambique. Additionally, the MSPE will be featured at the Society of Petroleum Engineers (SPE) African Health, Safety, Security and Environment and Social Responsibility Conference later this year. Two premier energy industry events have also featured the MSPE program, the Mozambique GetEnergy workshop and the GetEnergy Global Conference in London.

Lasting Influence
Although the first class has just begun its Masters coursework, the influence of the MSPE is being felt as other UEM technical degree programs contemplate similar engagements with industry partners. Anadarko and its partners are supporting the delivery of a world-class petroleum education for students, and its positive influence on the development of related degree programs at the Eduardo Mondlane University.
UEM, with the support of Anadarko and its Area 1 partners, has initiated a professor development program in petroleum education. This program is the first of its kind in Mozambique that focuses on building local petroleum mastery for its instructors.

To promote long-term sustainability of the MSPE program, UEM has focused on the selection and development of a small cadre of Petroleum Engineering (PE) professors. These individuals were chosen based upon their extensive engineering and geoscience backgrounds, passion for learning and commitment to the success of the MSPE students.

Throughout their development, UEM PE professors are presented with a variety of opportunities to enhance understanding of the petroleum industry. These opportunities include knowledge sharing workshops, apprenticeships with U.S. professors from leading petroleum engineering and geoscience programs, field visits and industry meetings and conferences. All experiences are designed to provide the UEM PE professors with experience in real-world petroleum industry issues and applications.

A recent example of hands-on education occurred in June 2014. Professor Rui Sitoe, UEM petroleum engineering course director and drilling lecturer, participated in a 10-day rig training program. Professor Sitoe’s rig training experience was made possible by the start of the Mozambique 2014 onshore drilling campaign near Mocimboa da Praia. Through the program, Professor Sitoe developed subject matter knowledge and confidence through direct contact with physical equipment first-hand and through conversations with a variety of industry experts; this allowed him to consolidate theory and receive illustrated examples of topics referred to in class lectures.

Responsible for the planning and execution of the rig training program are Anadarko contributors from Drilling Operations, Drilling and Completions Engineering and Operations Geology.

Based on the value of experiential education and the importance of PE professors integrating real-life experiences into their teaching materials, similar efforts are being planned for the Reservoir and Production Operations professors. These developmental opportunities will continue to serve as critical resources to UEM Professors in all MSPE subject areas. The capability-building of UEM PE professors is essential to supporting long-term PE program sustainability and vital to producing skilled and employable MSPE students.

“...I interacted with people from many areas. I grasped concepts from the basic structure of the rig to the functions of the rig systems and components, including equipment, tools, people and ancillary operations. The most significant portion of the training was on drilling equipment working principles.”

– Professor Rui Sitoe
Anadarko and its partners are committed to the recruitment and career development of Mozambican citizens for all phases of the LNG park development. The Project has already recruited engineers and technicians to be integral members of the world-class team that will responsibly operate and maintain the future LNG facility. These select trainees come from a variety of backgrounds, including electrical, mechanical and chemical engineering; have worked in different industries, such as mining, aviation and manufacturing; and represent different provinces including Sofala, Inhambane, Manica and Cabo Delgado.

Since March 2013, the trainees have undergone an extensive, custom training program developed by Anadarko to prepare them for their future roles. Training topics have included all aspects of health and safety, gathering and liquefying natural gas, plant operations, project management, leadership and English language skills.

Frederico Viola, an experienced electrical engineer, said of the program, “It is a challenge to live up to the high expectations of what we are supposed to deliver, and what this project will deliver to Mozambique and to the world. But it is a good challenge.”

The trainees have learned about LNG and the oil and natural gas industry in its entirety, spending significant time in the United States at Anadarko’s headquarters. Additionally, they visited deepwater platforms in the Gulf of Mexico, underwent training in Louisiana and attended technical conferences across the United States.

Aniceto Mangue, an electrical engineer with several years of work experience, reflected on what has made this experience unique: “At Anadarko, the corporate values are not just written on paper – they are actually lived and put in practice. It makes us proud to be part of this project.” Leonel Chissico, who previously worked in mining, added that Anadarko’s core values are being carried on in the project: “People and Passion” – people are passionate about what they do, and that is why they are here.”

“I am happy for the opportunity to develop myself and contribute to my country.”

— Hugo Figueroendo, Mechanical Engineer
So far these young men have demonstrated the leadership qualities that we feel will create value in the facility as well as the management phase of this very important project.”

– Aaron Davis, Operations Trainee Supervisor
As the Project continues to advance, so does Anadarko’s need for qualified and trained individuals to assist in construction and of the LNG plant associated activities. Dedicated to providing work readiness and skills training for local community members of the Afungi peninsula, Anadarko continues to implement training modules in its “Work Well, Live Well” program in Palma district in Cabo Delgado – the location of the future LNG park.

The training modules emphasize safety as the top priority, including working with hand tools and wearing protective equipment. Other training topics include functional literacy, life skills and personal and occupational health.

One group of trainees learned construction skills, team building and project-management skills through an exercise in cement block making. The blocks produced are being used in infrastructure around camp facilities such as walkways.

The training center added an alumni refresher program to serve the nearly 500 students who have already graduated and are listed on a labor database utilized by the Project and its contractors to fill open positions. Half of the trainees are women, and approximately 1,000 trainees will complete the course by the end of 2014.
Mr. and Mrs. Abdala from Afungi have been hired to work for the Project. Mr. Abdala explains how this has changed their lives:

“...My life was very hard before. I was struggling to guarantee everyday subsistence for my wife and children. I am a fisherman and this does not provide me with enough money to support my family. Now, life is better because I am working as a helper for the Seismic Acquisition Team. My wife, too, is working. She is a bush cutter. Now my wife and I receive a monthly income. It is easier to cover our monthly expenses...”
Shared Opportunities
Anadarko and its Area 1 partners are currently implementing a Supplier Development Program (SDP) to ensure Mozambican companies have access to business opportunities generated by the Project. A large-scale project such as the LNG park will be designed and built by multiple engineering and construction contractor firms – all of which have different requirements for their supply chains. One of the most important contributions of the SDP is the creation of a centralized database of registered and vetted suppliers in all relevant sectors. The database currently houses more than 600 suppliers in diverse sectors such as civil engineering, construction, warehousing, catering and transportation.

Shared Awareness
The Project also has hosted several “supplier awareness events” to bring together local suppliers, business associations, banking institutions and company representatives to share information on the Project and upcoming employment opportunities in targeted sectors. In addition to events in Maputo and Pemba in 2013, the Project recently hosted events in Beira, Tete, Nampula and Nacala to expand information about the oil and natural gas sector to other parts of Mozambique. These events are held in collaboration with industry associations and government institutions, including the Institute for Promotion of Small and Medium Sized Enterprises (IPEME) and the Investment Promotion Center (CPI). Awareness conferences will continue around the country as the Project advances.

Building Capacity
The SDP has created two informational publications, including a “Guide to Doing Business with the Oil and Gas Industry” and an “Access to Finance Guide” to assist Mozambican companies that are bidding for work in the early construction phase of this project. Additionally, the Project will host training sessions for small- and medium-sized businesses on topics such as health, safety and environment, contracting process, invoicing, quality control, business planning and ethics to meet the high international standards of the oil and natural gas industry.
Creating Jobs

The SDP has helped Mozambican companies win contracts with the Project. One Mozambican-owned company, Planos & Vedações, Lda. has nearly 10 years of experience building and installing quality fences. The owners recognized the potential opportunities in the oil and natural gas industry and also discovered that bidding on such projects presents a new set of challenges such as rigorous due diligence processes in a complex legal environment. The SDP provided technical assistance on how to complete the necessary paperwork and applications.

As a result, Planos & Vedações, Lda. won a contract providing an opportunity for employment of 20 new staff members while growing this business for future projects. Co-owner Sheinaze Sulemane said, “the [SDP] program helped us to understand the steps that we needed to take in order to successfully compete for contracts in the oil and gas industry,” and that her company “looks forward to participating in any future training that the program has to offer.”
Ramping up Pediatric Care in Mozambique

A million to one. That was the ratio of children to trained pediatricians in Mozambique prior to 2007 when the University of California, Los Angeles (UCLA) introduced the Partners for Pediatric Progress (PPP) initiative. The partnership focuses on acute training needs such as pediatric surgery, intensive care and neonatology within the Department of Pediatrics at Maputo Central Hospital and the UEM School of Medicine.

Since its inception, PPP has made a significant and sustainable impact on improving the quality and availability of medical care provided for the children of Mozambique, while simultaneously building strong, bilateral relationships with hospital leadership and the UEM medical school leadership. In 2011, PPP was awarded a grant for ongoing training activities by the U.S. Centers for Disease Control.

That same year, Anadarko and its Area 1 partners began supporting PPP as part of the Project’s social investment efforts aimed at helping to improve healthcare in Mozambique. This enabled PPP to hire a full-time U.S.-trained pediatrician and UCLA faculty member to be based in Maputo.

The partnership has facilitated training in Maputo from UCLA specialists with expertise in the fields of pediatric radiology, cardiology, neonatology, infectious diseases and intensive care, while also coordinating exchange trips for Mozambican physicians to spend time at the UCLA medical campus. PPP also supported the training of Mozambique’s first pediatric surgeon. Today, Mozambique has nearly 70 qualified pediatricians – up from 10 in 2007 – and two qualified pediatric surgeons, with another three pediatric surgeons currently undergoing training.

Expanding Pediatric Medical Training to Palma

Building upon the success of training specialists in Maputo and with the support of the local and provincial health directorates, PPP and the Project introduced pediatric training earlier this year to the district of Palma in Cabo Delgado – where the mortality rate for ages five and under is approximately 30 percent higher than the national average.

With support of the Project, PPP is expanding medical training to Palma district doctors, medical technicians, nurses, midwives and community health workers with a focus on pediatric care. In total, the training will be provided to all staff members of the six health centers and community-based health workers in the Palma district, eventually reaching nearly 90 healthcare providers in the district.

As a result of the interactive nature of the training, mentorships are being formed and knowledge is being shared amongst the healthcare community of the Palma district.

After the first round of training, staff members have learned the steps for basic newborn care and resuscitation. Training topics include the global program “Helping Babies Breathe,” a neonatal resuscitation and essential new-born care training, which has proven to successfully reduce neonatal mortality by up to 50 percent in similar settings. Upcoming training sessions will focus on high-burden pediatric diseases such as parasitic infections, anemia, malnutrition, respiratory and diarrhea illness and malaria. Health centers also receive training materials and essential medical supplies.

Partners for Pediatric Progress Milestones in Mozambique:

- Supported training for first pediatric surgeons in Mozambique
- Provided technical support for a National Blood Transfusion Program, with training sessions in Maputo, Beira and Nampula
- Supported the development and implementation of a dedicated neonatal resuscitation program at Maputo Central Hospital
- Developed an Infection Control Program at Maputo Central Hospital
I’m so glad you came here and trained me because now I can help, and I know what to do when a baby needs my help after he or she is born.”

– Training participant in Quionga Village, Palma District, Cabo Delgado
More than 200 million cases of malaria are estimated to occur around the world each year. In 2012, that translated into 627,000 deaths caused by the disease, mostly among African children. In 2007, to highlight the need for continued investment and sustained political commitment for malaria prevention and control, the World Health Assembly established the 25th of April as World Malaria Day.

In Palma district, where malaria is the leading cause of death – especially among children – World Malaria Day was marked by a collaborative effort between the Palma District Directorate of Health (DDS), the community, Anadarko and its partners, to “Invest in the Future – Defeat Malaria.”

To help raise awareness on malaria prevention strategies, the Palma DDS organized sports events, a voluntary rapid malaria test and a quiz about malaria prevention to help the community.

Malaria is Preventable

Malaria is preventable and curable. Malaria is caused by a parasite transmitted by mosquito bites. Symptoms of malaria include fever, chills, headaches, sweats, fatigue, nausea and vomiting, diarrhea, dry cough and muscular aches. If not treated, malaria can be fatal, so it is important to seek medical attention if experiencing symptoms.

**Bite Prevention:** Always sleep under a mosquito net if possible and ensure that there are no spaces where mosquitoes can enter. Insecticide-treated nets form a protective barrier around people sleeping under them because the insecticide repels mosquitoes and can kill them. Pregnant women and children should especially sleep under an insecticide-treated mosquito net at night.

**Best Practices:** Standing water is the perfect breeding ground for mosquitoes. Rain water creates puddles and accumulates in open containers such as buckets, cans, trash or pottery. Reduce standing water by dumping out any water that has collected and clear trash away from around your home – this can help reduce the mosquito population.
Two years ago, villagers in the Niassa National Reserve gathered around a scenic patch of land, empty except for bush and hippopotamus paths. Traditional leaders approved the site of a new initiative by the Niassa Lion Project (NLP) that would bring jobs and skills training to the communities that live side by side with lions, leopards and elephants.

The Niassa National Reserve in northern Mozambique is one of the last great wild places on earth. The NLP serves to secure and conserve lions and other large carnivores in the reserve by promoting coexistence between people and wildlife. As lions are the top of the food chain, successful lion conservation means preserving the wilderness. While acknowledging the cost to these communities, the NLP’s vision is to recognize the potential of substantial ecological, cultural and economic benefits to the people of the Niassa reserve and all of Mozambique.

A Vision for Conservation and Coexistence

The NLP dreamed of building an environmental and skills training center for the people of the Niassa National Reserve where they could learn about their natural heritage and new skills for employment, thereby reducing threats of illegal hunting, poaching and unsustainable farming. Recognizing the sensitive link between community and effective wildlife preservation, the NLP engaged local stakeholder from the very beginning.

Anadarko and its partners recognized the importance of preserving Mozambique’s lion population and natural heritage through conservation and education, and offered initial support towards the construction of the educational center. One architect who donated her time and expertise, two experienced builders, more than 40 workers, more than 2,000 bundles of thatching grass and two years later, those former hippo paths are now the site of NLP’s Mariri Environmental and Skills Training Center.

Brick by Brick

The Center is run by Mozambicans for Mozambicans. It has been built by a construction team composed entirely of local villagers using locally sourced, affordable materials whenever possible. Moreover, for every brick made for the Center, another brick is made for community projects such as adult education classrooms and water tanks. The construction workers, some of whom may have formerly resorted to poaching, learned a wide variety of new skills, including carpentry, masonry and thatching. These villagers now boast certificates documenting their practical training that will enable them to seek formal employment when construction of the Center is completed at the end of 2014.

The Center is currently focused on three major activities: conducting bush visits, providing conservation training and hosting skills development workshops, including a course on conservation agriculture. The goal of the Center is to promote coexistence with the unique wildlife by providing locally relevant, practical skills training and education.
When one of the strongest storms on record swept across the Mozambique Channel, homes, schools, bridges and roads were destroyed. In late March 2014, Tropical Cyclone Hellen brought unusually heavy rains to the Cabo Delgado area, affecting more than 2,500 families and approximately 12,000 people across the province.

Anadarko and its Area 1 partners previously worked with Save the Children with a $500,000 contribution to provide relief during the 2013 floods in the Zambezia province. After Tropical Cyclone Hellen, Anadarko worked quickly with government and NGOs to help coordinate a response effort for flood-affected communities as soon as needs were assessed by the local government.

On behalf of the Project, Anadarko worked with the National Institute for Disaster Management (INGC) and Provincial departments to provide food goods, water purification supplies, sand bags to prevent further road erosion and construction materials for rebuilding homes. The Project also worked with a local grassroots non-governmental organization (NGO), Kulima, to supply hygiene kits, addressing the immediate needs for health and sanitation to prevent water-borne diseases. The kits included mosquito nets, temporary latrine materials, soap and buckets.
Open Houses in Key Project Areas Foster Open Dialogue

Holding Open Houses
More than 350 people representing the national and provincial Government, national directorates and institutions, donor agencies, foreign embassies, development organizations, civil society, engineering and construction companies, academic institutions, media representatives, small- and medium-sized enterprises and many other role-players in the oil and natural gas industry recently attended Open Houses hosted by Anadarko to learn more about the Project and engage in meaningful conversations.

Project representatives were on hand to listen and provide information on the Project and its benefits, construction activities, national content, social investment, environmental and social management, and health, safety and environment practices.

The Project was commended for its transparency, and stakeholders voiced their appreciation for the opportunity to interact with the Project leadership team on strategic matters of importance to the Project’s development, and also to the development of the country.

Gathering at the Nkutano
On the Afungi peninsula in Palma District of Cabo Delgado, the location of the future LNG park, Open Houses were conducted in the village “nkutanos” (meeting places) dedicated to Project-community engagement. The events were conducted by the Project’s Community Relations team who delivered information in the preferred language of each community, including Swahili, Kimwani, Makonde, Makwe and Portuguese. Community participation and open discussion were encouraged.

Ten community-level Open House meetings were conducted in ten villages, with an estimated total attendance of 750 people. Communities indicated that they valued the meetings and encouraged continued engagement on a range of topics.

The Open House Information series confirms the Project’s commitment to open communication and a thoughtful stakeholder-engagement process. The long-term goal is to secure positive, lasting relationships between stakeholders, especially local communities, and the Project.
To celebrate International Children’s Day in June, Anadarko organized a “fun day” for students of the Farol primary school in Palma.

Project partners contributed tools including a water pump, computer, agricultural tools and a sewing machine to an orphanage serving 100 young girls.
In Pemba, children from a nearby primary school toured the Anadarko facility, met with local staff and learned about health and safety.
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Anadarko
Mitsui & Co., Ltd.

PTTEP

Rovuma Area 1 Onshore Block

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