



First-Quarter 2024

Financial and Operational Supplement

May 1, 2024

APA
Corporation

Notice to Investors

Certain statements in this earnings supplement contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 including, without limitation, expectations, beliefs, plans, and objectives regarding anticipated financial and operating results, asset divestitures, estimated reserves, drilling locations, capital expenditures, price estimates, typical well results and well profiles, type curve, and production and operating expense guidance included in this earnings supplement. Any matters that are not historical facts are forward looking and, accordingly, involve estimates, assumptions, risks, and uncertainties, including, without limitation, risks, uncertainties, and other factors discussed in our most recently filed Annual Report on Form 10-K, recently filed Quarterly Reports on Form 10-Q, recently filed Current Reports on Form 8-K available on our website, www.apacorp.com, and in our other public filings and press releases. These forward-looking statements are based on APA Corporation's (APA) current expectations, estimates, and projections about the company, its industry, its management's beliefs, and certain assumptions made by management. No assurance can be given that such expectations, estimates, or projections will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results, or other expectations expressed in this earnings supplement, including the company's ability to meet its production targets, successfully manage its capital expenditures and to complete, test, and produce the wells and prospects identified in this earnings supplement, to successfully plan, secure necessary government approvals, finance, build, and operate the necessary infrastructure, and to achieve its production and budget expectations on its projects.

Whenever possible, these "forward-looking statements" are identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "continues," "could," "estimates," "expects," "goals," "guidance," "may," "might," "outlook," "possible," "potential," "projects," "prospects," "should," "would," "will," and similar phrases, but the absence of these words does not mean that a statement is not forward-looking. Because such statements involve risks and uncertainties, the company's actual results and performance may differ materially from the results expressed or implied by such forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Unless legally required, we assume no duty to update these statements as of any future date. However, you should review carefully reports and documents that the company files periodically with the Securities and Exchange Commission.

Cautionary Note to Investors: The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable, and possible reserves that meet the SEC's definitions for such terms. We may use certain terms in this earnings supplement, such as "resource," "resource potential," "net resource potential," "potential resource," "resource base," "identified resources," "potential net recoverable," "potential reserves," "unbooked resources," "economic resources," "net resources," "undeveloped resource," "net risked resources," "inventory," "upside," and other similar terms that the SEC guidelines strictly prohibit us from including in filings with the SEC. Such terms do not take into account the certainty of resource recovery, which is contingent on exploration success, technical improvements in drilling access, commerciality, and other factors, and are therefore not indicative of expected future resource recovery and should not be relied upon. Investors are urged to consider carefully the disclosure in APA's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 available at www.apacorp.com or by writing at: 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056 (Attn: Corporate Secretary). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov.

Certain information may be provided in this earnings supplement that includes financial measurements that are not required by, or presented in accordance with, generally accepted accounting principles (GAAP). These non-GAAP measures should not be considered as alternatives to GAAP measures, such as net income, total debt or net cash provided by operating activities, and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used at other companies. For a reconciliation to the most directly comparable GAAP financial measures, please refer to APA's first quarter 2024 earnings release at www.apacorp.com and "Non-GAAP Reconciliations" of this earnings supplement.

None of the information contained in this document has been audited by any independent auditor. This earnings supplement is prepared as a convenience for securities analysts and investors and may be useful as a reference tool. We may elect to modify the format or discontinue publication at any time, without notice to securities analysts or investors.

1Q 2024 Key Metrics

	1Q 2024
Reported Production	389 Mboe/d
Adjusted Production ⁽¹⁾	320 Mboe/d
Cost Incurred in Oil and Gas Property	\$717 Million
Upstream Capital Investment ⁽²⁾	\$568 Million
Net Cash Provided by Operating Activities	\$368 Million
Adjusted EBITDAX ⁽²⁾	\$1,235 Million
Free Cash Flow ⁽²⁾	\$99 Million
Diluted Earnings Per Share	\$0.44
Adjusted Earnings Per Share ⁽²⁾	\$0.78

(1) Excludes production attributable to Egypt tax barrels and noncontrolling interest.

(2) For a reconciliation to the most directly comparable GAAP financial measure, please refer to the Non-GAAP Reconciliations. Please refer to the glossary of referenced terms for definitions of Free Cash Flow and Upstream Capital Investment.

APA Strategic Framework

Remain Committed to Oil and Gas

Oil and gas production is APA's core competency and will drive best returns for shareholders

Build and Grow a High-Quality Portfolio

APA seeks a diverse and balanced portfolio with scale

Maintain Financial Discipline

APA manages costs, protects the balance sheet and returns cash to shareholders

Deliver Top Operational Performance

Across safety, execution, environmental responsibility and risk management

Recent Highlights

Continued Permian strength drove
U.S. oil volumes above guidance



Adjusted production⁽¹⁾⁽²⁾ of **320 MBOE/D**
Adjusted oil production⁽¹⁾⁽²⁾ of **156 MBO/D**

Returned **\$176 Million** to shareholders in
1Q24 through dividends and share buybacks



Repurchased **\$100 Million** of stock at an
average price of **\$33.27** per share in 1Q24

Closed acquisition of **Callon Petroleum**
on April 1, 2024



Transaction enhances Permian oil leverage
Raising cost synergy estimate to **\$225MM**

New development & exploration program
progressing **across the portfolio**



Suriname: Targeting FID by YE 2024
Alaska: Oil discovered at King Street #1

(1) For a reconciliation to the most directly comparable GAAP financial measure, please refer to the Non-GAAP Reconciliations. Please refer to the glossary of referenced terms for definitions of Free Cash Flow and Upstream Capital Investment.

(2) Excludes production attributable to tax barrels and noncontrolling interest.



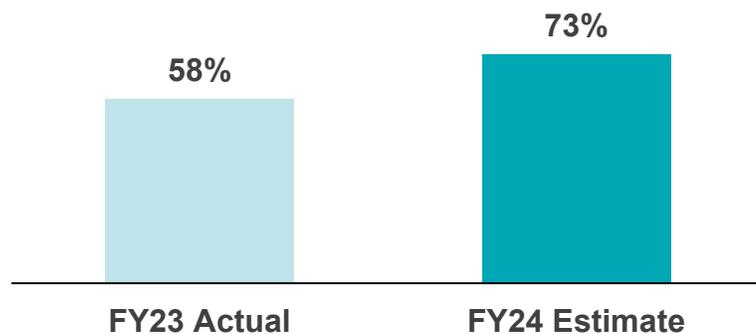
Callon Integration and Guidance

Callon Acquisition Enhances Permian Oil Leverage

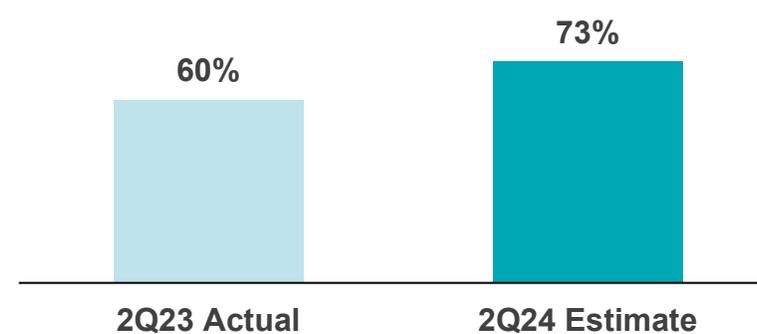
First APA planned, drilled, and completed wells on Callon legacy acreage expected to be placed on production in 4Q24

	4Q23 APA Standalone	4Q24 Estimate	% Change
U.S. Oil Production (Mbo/d)	84	152	81%
Permian Rig Count	6	~10	67%
Net Permian Unconventional Acres	322,000	467,000	45%

APA Permian % of Total Upstream Capex



APA Permian % of Total Adjusted BOE Production



Increasing Callon Cost Synergy Estimates by 50%

	Estimated Annual Run-Rate Savings		Commentary / Timing
	Initial Estimate (Jan-2024)	Updated Estimate (May-2024)	
Overhead	~\$55 million	~\$70 million	<ul style="list-style-type: none"> – Additional savings identified post-close – Expect to realize ~75% of run-rate savings by the end of 2Q24
Cost of Capital	~\$40 million	~\$40 million	<ul style="list-style-type: none"> – Immediately realized 25% on initial debt refinancing – Fully realized when the debt is termed out or paid off
Operational (LOE+DC&F)	~\$55 million	~\$115 million	<ul style="list-style-type: none"> – High-grade service providers; leverage economies of scale – Eliminate extra casing strings and reduce drilling days – Surface economies such as gas lift utilization and facility design
Total	~\$150 million	~\$225 million	<ul style="list-style-type: none"> – Plan to achieve vast majority of synergy run-rate by year-end 2024

Capital efficiency uplift to provide significant upside beyond cost synergies in 2025+

Guidance

FY 2024 guidance reflects APA standalone for 1Q24; includes Callon for 2Q24-4Q24

	2Q 2024	FY 2024	Commentary
Production (Mboe/d)			
United States.....	303	293	Reflects curtailments of ~50 MMcf/d of gas & ~5 mb/d of NGL in 2Q24
Egypt (Reported) ⁽¹⁾	128	130	Reduction of full-year guidance due to PSC impact of higher oil strip
North Sea.....	34-36	35-37	
Total Reported Production ⁽¹⁾	465-467	458-460	
Less: Egypt Tax Barrels ⁽¹⁾	35	34	
Less: Egypt Noncontrolling Interest ⁽¹⁾	31	32	
Total Adjusted Production ⁽¹⁾	399-401	392-394	
Total Adjusted Oil Production (Mbo/d) ⁽¹⁾	203	198	Expect 4Q24 total adjusted oil production to average ~222 Mbo/d
United States Oil Production (Mbo/d).....	137	130	Expect 4Q24 U.S. oil production to average ~152 Mbo/d
Upstream Capital Investment (\$ in millions) ⁽²⁾	\$890	\$2,700	
Upstream Lease Operating Expense (\$ in millions).....	\$460	\$1,675	
General & Administrative Expense (\$ in millions).....	\$125	\$435	Estimated run-rate of \$110MM per quarter by year-end 2024
Gathering, Processing & Transmission Expense (\$ in millions).....	\$120	\$450	
Net Gain (Loss) on Oil and Gas Purchases and Sales (\$ in millions) ⁽¹⁾	\$100	\$230	
North Sea Current Tax Expense (\$ in millions) ⁽¹⁾	\$85	\$365	

(1) Guidance based off 4/25/2024 strip pricing assumptions (\$80.60 WTI; \$2.38 Henry Hub).

(2) Refer to glossary of referenced terms for definition of Upstream Capital Investment.

1Q 2024 Asset Update

Differentiated Large Cap Independent with Diverse Asset Base

1Q 2024 Global Portfolio

Global

389,157 BOE/D
Reported Production

51% / 15% / 34%
Oil / NGL / Gas

33 Gross, 33 Net
Drilled & Completed Wells

23
Average Rigs

United States

214,050 BOE/D
Reported Production

39% / 26% / 35%
Oil / NGL / Gas

10 Gross, 10 Net
Drilled & Completed Wells

6
Average Rigs

International

175,107 BOE/D
Reported Production

66% / 1% / 33%
Oil / NGL / Gas

23 Gross, 23 Net
Drilled & Completed Wells

17
Average Rigs



Permian	Short-cycle asset base with predictable oil production and capital productivity; Strong free cash flow generation
Egypt	PSC structure is more resilient to downside oil price volatility; Strong free cash flow generation
North Sea	Harvesting free cash flow with portfolio optionality
Suriname	Progressing differentiated large-scale organic oil opportunity; Additional exploration opportunities
Alaska / Uruguay	Recent entries offer large-scale exploration upside over time

U.S. Update

Asset Highlights

- Permian program continues to deliver strong results
- Asset integration underway; currently running 11 Permian rigs
 - 2Q and 3Q Callon legacy wells will primarily reflect changes APA has made to completion design and schedule
 - APA planned, designed, drilled and completed wells will begin to come online in the fourth quarter
- Midland Basin: Averaged 3.5 rigs; placed 10 wells on production in 1Q24
 - Completed \$63MM acquisition of acreage primarily contiguous to APA
- Delaware Basin: Averaged 2.5 rigs; no wells placed on production in 1Q24
 - Will conduct simulfrac operations in 2Q24 on Gar Unit in Reeves County
 - Curtailing natural gas in response to extreme Waha basis differentials

1Q 2024 Asset Stats



214,050 BOE/D
Reported Production



39% / 26% / 35%
Oil / NGL / Gas

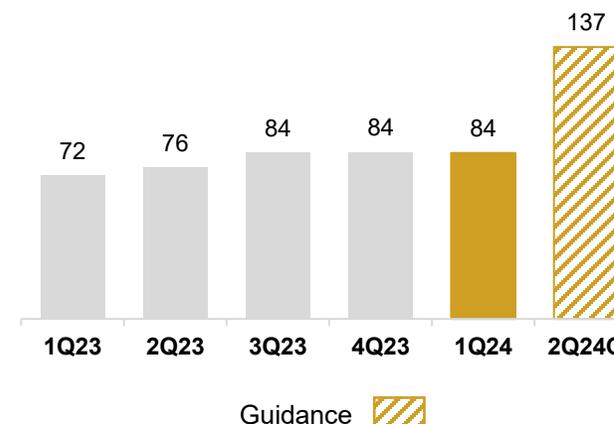


10 Gross, 10 Net
Drilled & Completed Wells



6
Avg Rigs

Net Oil Production, MBO/D



Egypt Update

Asset Highlights

- Drilling program performed in line with first-quarter expectations
 - Average drilling days, well connection timing and oil IP's in line with plan
- Adjusted oil production slightly below guidance due to PSC impacts of rising oil prices in March
- Drilling success rate of 74% (17 of 23 wells) in 1Q24
- 2024 efficiency initiatives continue to be focused on workovers, recompletions and base production management
 - Expect to average 15 drilling rigs in 2Q24, down from 17 in the first quarter

1Q 2024 Asset Stats



135,140 BOE/D

Reported Production



64% / 0% / 36%

Oil / NGL / Gas



23 Gross, 23 Net

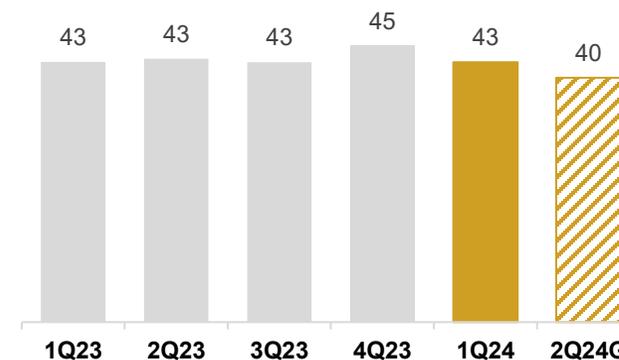
Drilled & Completed Wells



17

Avg Rigs

Adjusted Oil Production, MBO/D



Guidance

North Sea Update

Asset Highlights

- First-quarter production slightly below guidance, impacted by a decrease in average facility run time in March
- Platform maintenance turnarounds scheduled during the second and third quarters
 - Full production expected to resume by the fourth quarter
 - Impacts of turnaround are included in APA's 2Q and full-year guidance
- Portfolio of technically attractive drilling prospects that are not currently economic under U.K. EPL tax framework

1Q 2024 Asset Stats



39,967 BOE/D

Reported Production



75% / 3% / 22%

Oil / NGL / Gas



0 Gross, 0 Net

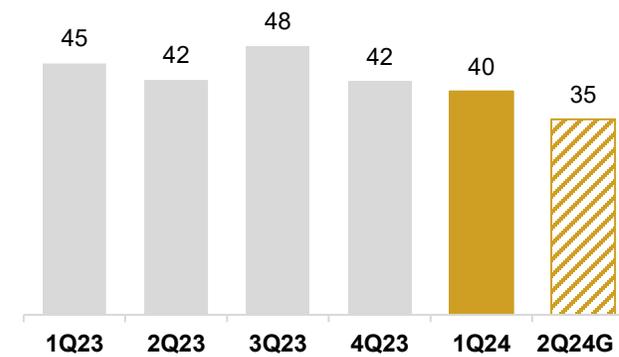
Drilled & Completed Wells



0

Avg Rigs

Net Production, MBOE/D



Guidance

*Represents midpoint of 34-36 guidance range

Exploration Portfolio Update

Suriname (Block 58)

- Targeting FID by year-end 2024

Alaska (Lagniappe JV)

- King Street #1 confirmed working petroleum system in APA's JV leasehold; discovered high-quality oil in two target zones
- Sockeye #1 and Voodoo #1 unable to reach target objectives in the allotted seasonal time window
- Assessing next steps for the 2025 winter drilling season



Appendix

Cash Return Summary

	2021	2022	2023	1Q24	Total
Shares Repurchased (MM)	31.2	36.2	8.7	3.0	79.1
Average Stock Repurchase Price	\$27.14	\$39.34	\$37.81	\$33.27	\$34.12
Share Repurchases (\$MM)	\$847	\$1,423	\$329	\$100	\$2,699
Dividends (\$MM)	\$52	\$207	\$308	\$76	\$643
Total Cash Return (\$MM)	\$899	\$1,630	\$637	\$176	\$3,342
Free Cash Flow (\$MM)	\$1,823	\$2,458	\$965	\$99	\$5,345
% Free Cash Flow Returned	49%	66%	66%	178%	63%
Total Bond Debt Reduction (\$MM)	(\$1,708)	(\$1,436)	(\$74)	--	(\$3,218)

Upstream Capital Investment

(\$ in millions)	1Q 2024
United States*	\$419
Egypt (excluding noncontrolling interest)	\$137
North Sea	\$6
Suriname	\$6
Upstream Capital Investment Total	\$568

*United States capital includes ~\$70 million of Alaska exploration spend

Egypt Production Detail

	4Q 2023			1Q 2024		
	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	141,953	466,403	219,687	137,972	457,248	214,180
Reported Production	92,365	309,814	144,001	86,768	290,227	135,140
% Gross	65%	66%	66%	63%	63%	63%
Less: Tax Barrels	24,559	84,495	38,642	23,012	78,506	36,096
Net Production Excluding Tax Barrels	67,806	225,319	105,359	63,756	211,722	99,044
% Gross	48%	48%	48%	46%	46%	46%
Less: Noncontrolling Interest	22,602	75,106	35,120	21,252	70,574	33,015
Adjusted Production	45,204	150,212	70,239	42,504	141,148	66,029
% Gross	32%	32%	32%	31%	31%	31%

MBOE/D	2022				2023				2024
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q24
Gross Production	235	235	219	233	232	227	223	220	214
Reported Production	150	144	134	151	147	144	139	144	135
Adjusted Production	68	64	62	71	71	70	66	70	66
Brent Oil Benchmark Pricing	\$98	\$112	\$97	\$89	\$82	\$78	\$86	\$83	\$82

Glossary of Referenced Terms

- **Upstream Capital Investment:** Includes exploration, development, gathering, processing, and transmission capital, capitalized overhead, and settled asset retirement obligations. Excludes capital investment for property acquisitions, capitalized interest, non-cash asset retirement additions and revisions, and Egypt noncontrolling interest.
- **Free Cash Flow:** Cash flow from operations before changes in operating assets and liabilities (including Egypt minority interest and KNTK cash dividends)
 - **Minus:**
 - Upstream Capital Investment (including Egypt minority interest)
 - Non-oil and gas capital investment
 - Distributions to noncontrolling interest (Egypt)
 - Non-reimbursable Gulf of Mexico decommissioning costs
- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in APA Corporation's Form 10-K.



APA Exploration Portfolio

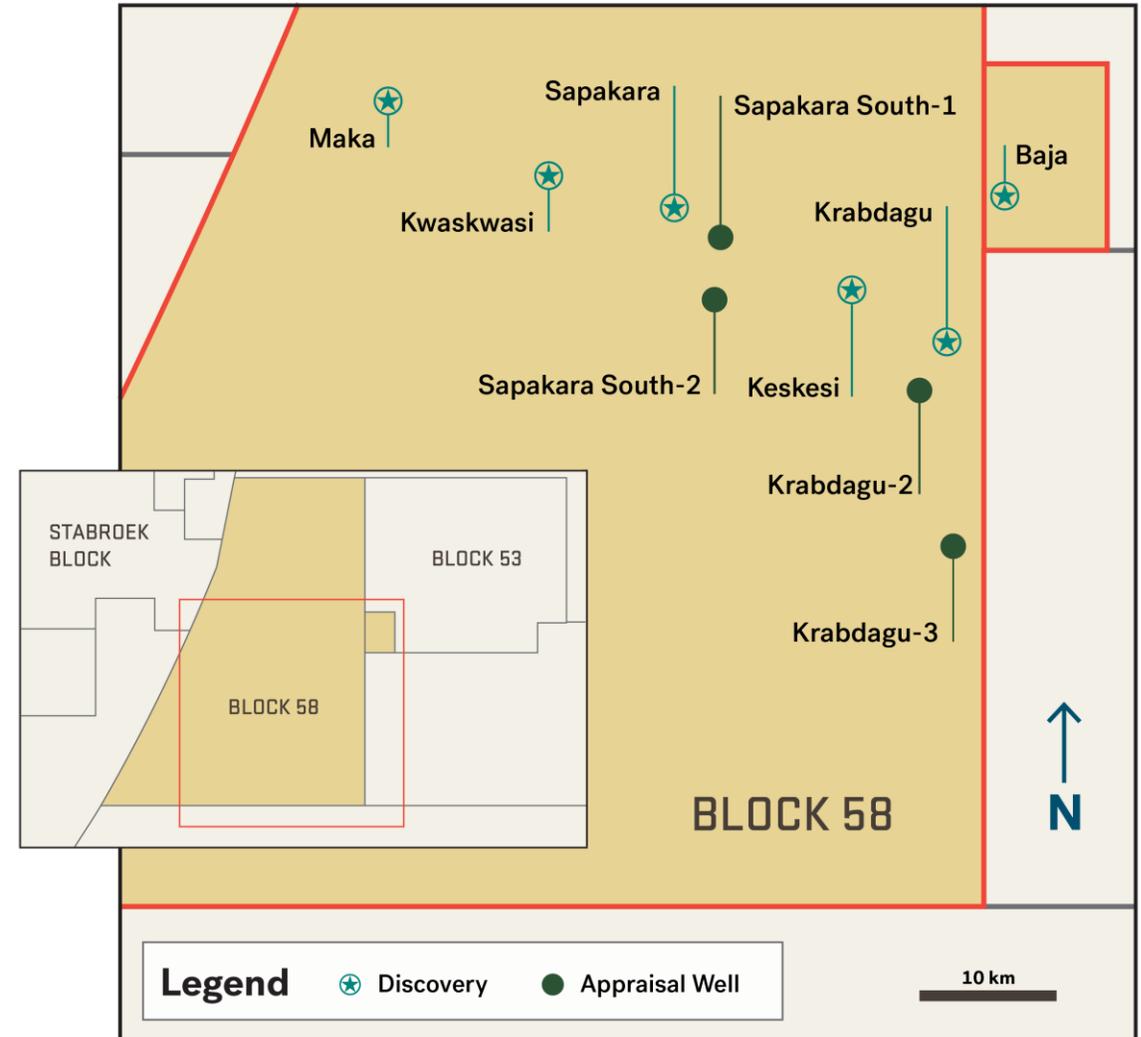
Suriname Update

Block 58 (TotalEnergies Operated)

- **Announced Oil Hub Project** at Sapakara and Krabdagu in Fall of 2023
 - FEED study progressing on 200 MBO/D FPSO project
 - Underpinned by an estimated 700 million barrels of recoverable oil resource at Sapakara and Krabdagu
 - Targeting FID by year-end 2024

Block 53 (APA Operated)

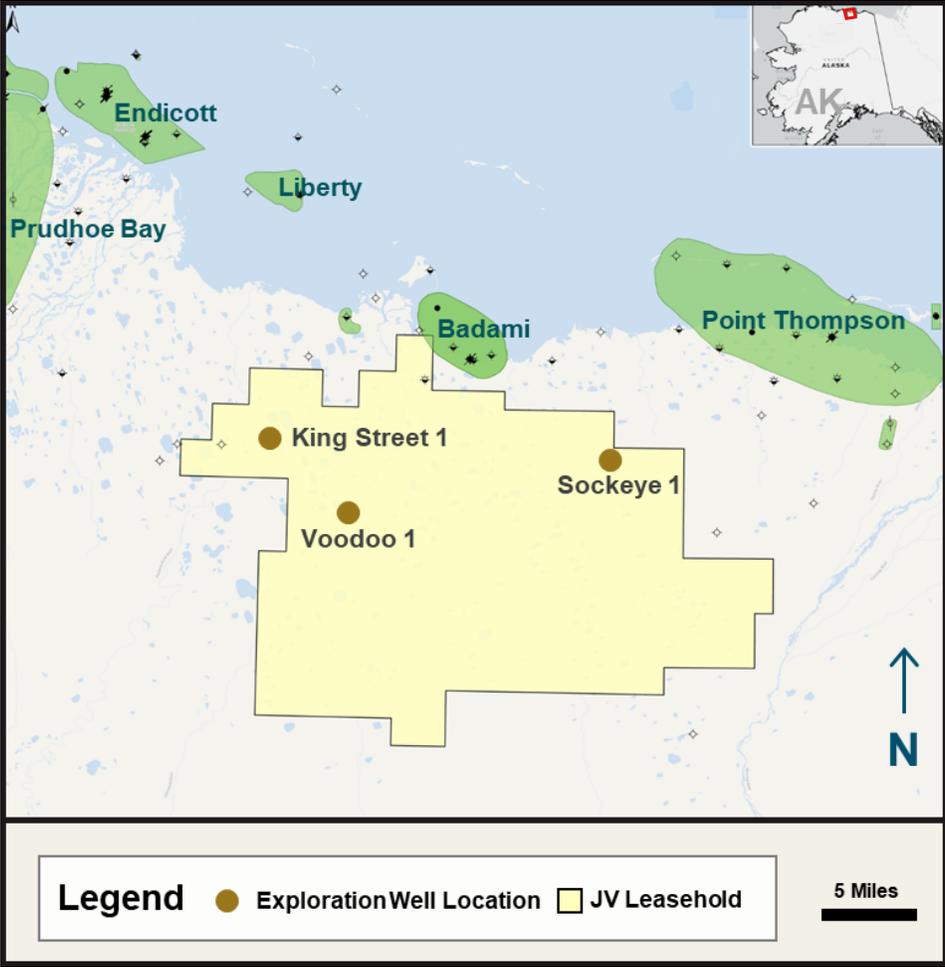
- Assessing next steps for Baja discovery
- Relinquished most of Block 53, retained southwest portion of the block encompassing Baja



Alaska Update

Exploration Joint Venture (North Slope, Alaska)

- Established Joint Venture between APA (50%), Lagniappe Alaska, LLC (25%) and Santos Ltd (25%)
- 275,000 gross acre position situated on state lands



Note: Lagniappe Alaska, LLC is a subsidiary of Armstrong Oil & Gas.

Uruguay Update

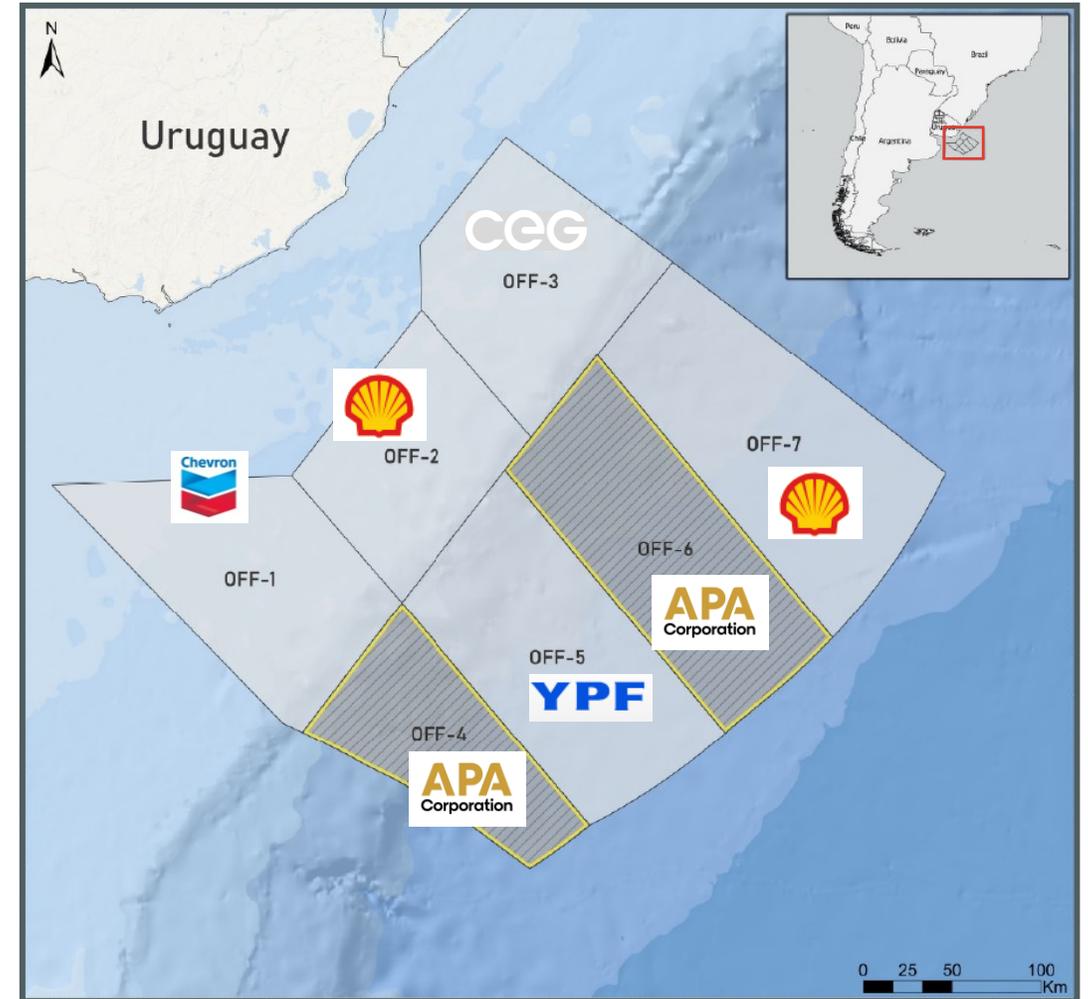
OFF-6 (100% Working Interest, APA Operated)

- 16,500 km² (~4.1 million acres)
- Exploration well obligation

OFF-4 (50% Working Interest, APA Operated)

- Working interest partner with Shell (50% / 50%)
- 10,000 km² (~2.5 million acres)
- Planning underway to conduct seismic acquisition

No drilling planned in 2024



Non-GAAP Reconciliations

Non – GAAP Reconciliation

Adjusted Earnings

Reconciliation of Income Attributable to Common Stock to Adjusted Earnings

Our presentation of adjusted earnings and adjusted earnings per share are non-GAAP measures because they exclude the effect of certain items included in Income Attributable to Common Stock. Management believes that adjusted earnings and adjusted earnings per share provides relevant and useful information, which is widely used by analysts, investors and competitors in our industry as well as by our management in assessing the Company's operational trends and comparability of results to our peers.

Management uses adjusted earnings and adjusted earnings per share to evaluate our operating and financial performance because it eliminates the impact of certain items that management does not consider to be representative of the Company's on-going business operations. As a performance measure, adjusted earnings may be useful to investors in facilitating comparisons to others in the Company's industry because certain items can vary substantially in the oil and gas industry from company to company depending upon accounting methods, book value of assets, capital structure and asset sales and other divestitures, among other factors. Management believes excluding these items facilitates investors and analysts in evaluating and comparing the underlying operating and financial performance of our business from period to period by eliminating differences caused by the existence and timing of certain expense and income items that would not otherwise be apparent on a GAAP basis. However, our presentation of adjusted earnings and adjusted earnings per share may not be comparable to similar measures of other companies in our industry.

	For the Quarter Ended March 31, 2024				(\$ in millions)	For the Quarter Ended March 31, 2023			
	Before Tax	Tax Impact	After Tax	Diluted EPS		Before Tax	Tax Impact	After Tax	Diluted EPS
	Net income including noncontrolling interests (GAAP)	\$ 447	\$ (235)	\$ 212		\$ 0.70	\$ 810	\$ (484)	\$ 326
Income attributable to noncontrolling interests	145	(65)	80	0.26	150	(66)	84	0.27	
Net income attributable to common stock	302	(170)	132	0.44	660	(418)	242	0.78	
Adjustments: *									
Asset and unproved leasehold impairments	10	(2)	8	0.03	5	(3)	2	-	
Valuation allowance and other tax adjustments	-	16	16	0.05	-	130	130	0.41	
Gain on extinguishment of debt	-	-	-	-	(9)	2	(7)	(0.02)	
Unrealized derivative instrument (gain) loss	8	(2)	6	0.02	(33)	7	(26)	(0.08)	
Loss on previously sold Gulf of Mexico properties	66	(14)	52	0.17					
Kinetik equity investment mark-to-market loss	9	-	9	0.03	32	(6)	26	0.08	
Drilling contract termination charges	-	-	-	-	13	(10)	3	0.01	
Transaction, reorganization & separation costs	27	(8)	19	0.06	4	(1)	3	0.01	
Gain on divestitures, net	(7)	2	(5)	(0.02)	(1)	-	(1)	-	
Adjusted earnings (Non-GAAP)	\$ 415	\$ (178)	\$ 237	\$ 0.78	\$ 671	\$ (299)	\$ 372	\$ 1.19	

*The income tax effect of the reconciling items are calculated based on the statutory rate of the jurisdiction in which the discrete item resides.

Non – GAAP Reconciliation

Adjusted EBITDAX

Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDAX

Management believes EBITDAX, or earnings before income tax expense, interest expense, depreciation, amortization and exploration expense is a widely accepted financial indicator, and useful for investors, to assess a company's ability to incur and service debt, fund capital expenditures, and make distributions to shareholders. We define adjusted EBITDAX, a non-GAAP financial measure, as EBITDAX adjusted for certain items presented in the accompanying reconciliation. Management uses adjusted EBITDAX to evaluate our ability to fund our capital expenditures, debt services and other operational requirements and to compare our results from period to period by eliminating the impact of certain items that management does not consider to be representative of the Company's on-going operations. Management also believes adjusted EBITDAX facilitates investors and analysts in evaluating and comparing EBITDAX from period to period by eliminating differences caused by the existence and timing of certain operating expenses that would not otherwise be apparent on a GAAP basis. However, our presentation of adjusted EBITDAX may not be comparable to similar measures of other companies in our industry.

	(\$ in millions)		
	For the Quarter Ended		
	March 31,	December 31,	March 31,
	2024	2023	2023
Net cash provided by operating activities	\$ 368	\$ 1,030	\$ 335
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	15	28	17
Current income tax provision	300	316	346
Other adjustments to reconcile net income (loss) to net cash provided by operating activities	(10)	(71)	(30)
Changes in operating assets and liabilities	459	(23)	511
Financing costs, net	76	77	81
Transaction, reorganization & separation costs	27	4	4
Adjusted EBITDAX (Non-GAAP)	<u>\$ 1,235</u>	<u>\$ 1,361</u>	<u>\$ 1,264</u>

Non – GAAP Reconciliation

Cash Flow Before Changes in Operating Assets & Liabilities and Free Cash Flow

Reconciliation of Net Cash Provided by Operating Activities to Cash Flows from Operations before Changes in Operating Assets and Liabilities and Free Cash Flow

Cash flows from operations before changes in operating assets and liabilities and free cash flow are non-GAAP financial measures. APA uses these measures internally and provides this information because management believes it is useful in evaluating the company's ability to generate cash to internally fund exploration and development activities, fund dividend programs, and service debt, as well as to compare our results from period to period. We believe these measures are also used by research analysts and investors to value and compare oil and gas exploration and production companies and are frequently included in published research reports when providing investment recommendations. Cash flows from operations before changes in operating assets and liabilities and free cash flow are additional measures of liquidity but are not measures of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing, or financing activities. Additionally, this presentation of free cash flow may not be comparable to similar measures presented by other companies in our industry.

	(\$ in millions)	
	For the Quarter Ended	
	March 31,	
	2024	2023
Net cash provided by operating activities	\$ 368	\$ 335
Changes in operating assets and liabilities	459	511
Cash flows from operations before changes in operating assets and liabilities	\$ 827	\$ 846
Adjustments to free cash flow:		
Upstream capital investment including noncontrolling interest - Egypt	(637)	(556)
Decommissioning spend on previously sold Gulf of Mexico properties	(30)	-
Non oil and gas capital investment	9	(1)
Distributions to Sinopec noncontrolling interest	(70)	(17)
Free cash flow	\$ 99	\$ 272

Non – GAAP Reconciliation

Segment Cash Flows

Reconciliation of Net Cash Provided by Operating Activities to Cash Flows from Continuing Operations before Changes in Operating Assets and Liabilities

Cash flows from operations before changes in operating assets and liabilities is a non-GAAP financial measure. Apache uses it internally and provides the information because management believes it is useful for investors and widely accepted by those following the oil and gas industry as a financial indicator of a company's ability to generate cash to internally fund exploration and development activities, fund dividend programs, and service debt. It is also used by research analysts to value and compare oil and gas exploration and production companies and is frequently included in published research when providing investment recommendations. Cash flows from operations before changes in operating assets and liabilities, therefore, is an additional measure of liquidity but is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing, or financing activities.

	(\$ in millions)			
	For the Quarter			
	Ended March 31, 2024			
	<u>North Sea</u>	<u>Egypt</u>	<u>U.S. and Other</u>	<u>Consolidated</u>
Net cash provided by operating activities	\$ (23)	\$ 348	\$ 43	\$ 368
Changes in operating assets and liabilities	49	59	351	459
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 26</u>	<u>\$ 407</u>	<u>\$ 394</u>	<u>\$ 827</u>

Non – GAAP Reconciliation

Net Debt

Reconciliation of Debt to Net Debt

Net debt, or outstanding debt obligations less cash and cash equivalents, is a non-GAAP financial measure. Management uses net debt as a measure of the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand.

	(\$ in millions)			
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Current debt	\$ 2	\$ 2	\$ 2	\$ 2
Long-term debt	5,178	5,186	5,582	5,574
Total debt	5,180	5,188	5,584	5,576
Cash and cash equivalents	102	87	95	142
Net debt	\$ 5,078	\$ 5,101	\$ 5,489	\$ 5,434

Non – GAAP Reconciliation

Upstream Capital Investment

Reconciliation of Costs Incurred to Upstream Capital Investment

Management believes the presentation of upstream capital investments is useful for investors to assess APA's expenditures related to our upstream capital activity. We define capital investments as costs incurred for oil and gas activities, adjusted to exclude property acquisitions, asset retirement obligation revisions and liabilities incurred, capitalized interest, and certain exploration expenses, while including amounts paid during the period for abandonment and decommissioning expenditures. Upstream capital expenditures attributable to a one-third noncontrolling interest in Egypt are also excluded. Management believes this provides a more accurate reflection of APA's cash expenditures related to upstream capital activity and is consistent with how we plan our capital budget.

	(\$ in millions)	
	For the Quarter Ended	
	March 31,	
	2024	2023
Costs incurred in oil and gas property:		
Asset and leasehold acquisitions		
Proved	\$ 56	\$ 1
Unproved	7	6
Exploration and development	654	566
Total Costs incurred in oil and gas property	\$ 717	\$ 573
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	\$ 717	\$ 573
Property acquisitions	(62)	-
Asset retirement obligations settled vs. incurred - oil and gas property	4	6
Capitalized interest	(7)	(6)
Exploration seismic and administration costs	(15)	(17)
Upstream capital investment including noncontrolling interest - Egypt	\$ 637	\$ 556
Less noncontrolling interest - Egypt	(69)	(61)
Total Upstream capital investment	\$ 568	\$ 495



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