First-Quarter 2023

Financial & Operational Supplement

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, 2022 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 2023 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 2023 Key Metrics

	1Q 2023
Reported Production	394 Mboe/d
Adjusted Production[(1)]	318 Mboe/d
Cost Incurred in Oil and Gas Property	$573 Million
Upstream Capital Investment[(2)]	$495 Million
Net Cash Provided by Operating Activities	$335 Million
Adjusted EBITDAX[(2)]	$1,264 Million
Free Cash Flow[(2)]	$272 Million
Diluted Earnings Per Share	$0.78
Adjusted Earnings Per Share[(2)]	$1.19

(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.

APA Corporation Strategy

Foundation For Long-Term Success

- Prioritize long-term, full-cycle returns through capital allocation
- Invest to sustain/slightly grow global production from pre-pandemic levels
- Focused on immediate and actionable ESG opportunities most relevant to our industry and APA

Disciplined Financial Approach

- Return a minimum of 60% of Free Cash Flow to shareholders through a competitive base dividend and share repurchases
- Aggressively manage cost structure
- Continue to strengthen the balance sheet & achieve investment grade credit rating among multiple rating agencies

Leveraging Diversified Portfolio

- Diversify risk through a balanced commodity profile and geographic pricing points
- Maintain flexibility to re-allocate capital within portfolio in response to commodity price opportunity
- Retain capability to build inventory through exploration or acquire & exploit

Recent Highlights

Generated $272 Million of Free Cash Flow[1] in 1Q23

1Q23 Upstream Capital Investment[1] of $495 Million

Returned 81% ($220 Million) of Free Cash Flow to Shareholders in 1Q23

Repurchased $142 Million of Stock & $74 Million of Bonds (88% of Par)

Execution Across Portfolio Drives Strong 1Q23 Results

Adjusted Production[2] of 318 MBOE/D
Adjusted Oil Production[2] of 152 MBO/D

Progressing Towards Oil-Hub Development on Block 58 Offshore Suriname

Appraisal Operations Ongoing at Krabdagu

(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.

1Q Asset Update

APA Corporation

1Q 2023 Global Portfolio

GLOBAL

394,249 BOE/D Reported Production	**50% / 15% / 35%** Oil / NGL / Gas	**44 Gross, 43 Net** Drilled & Completed Wells[(1)]	**26** Avg Rigs

UNITED STATES

201,580 BOE/D
Reported Production

36% / 28% / 36%
Oil / NGL / Gas

17 Gross, 17 Net
Drilled & Completed Wells[(1)]

5
Avg Rigs

INTERNATIONAL

192,669 BOE/D
Reported Production

65% / 1% / 34%
Oil / NGL / Gas

27 Gross, 26 Net
Drilled & Completed Wells[(1)]

21
Avg Rigs[(2)]

(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) Includes two rig average in Suriname.

U.S. Update

ASSET HIGHLIGHTS

- Strong drilling performance across Southern Midland & Delaware Basins; production declined sequentially as expected due to completion cadence
- **Southern Midland Basin**: Averaged 2 rigs; placed 14 wells on production in 1Q23; majority of wells came online late in the quarter as scheduled
  - Anticipate placing 10 wells on production in 2Q23
- **Delaware Basin**: Averaged 3 rigs; no new wells placed on production in 1Q23
  - Anticipate placing 11 wells on production in 2Q23
- **Alpine High:** placed 3-well pad on production in late 1Q23
  - Reducing lean gas activity for remainder of 2023 in response to weak Waha natural gas prices
- On track to meet 2023 ESG goals
  - Air: Convert > 2,000 pneumatic devices to reduce methane emissions in U.S. Onshore
  - Water: Utilize at least 50% recycled produced water for completions in U.S. Onshore

1Q 2023 ASSET STATS

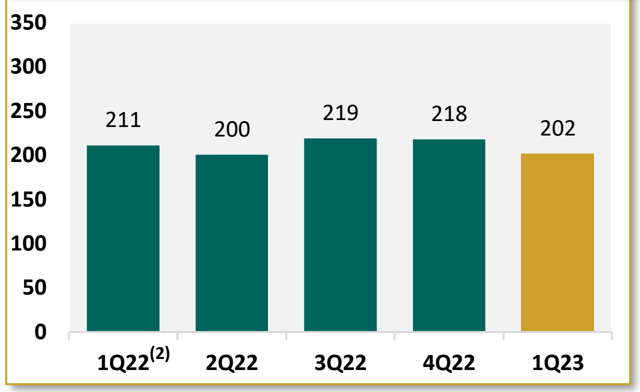
201,580 BOE/D
Reported Production

36% / 28% / 36%
Oil / NGL / Gas

17 Gross, 17 Net
Drilled & Completed Wells(1)

5
Avg Rigs

NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) Includes approximately 5 Mboe/d of production from the 1Q'22 Delaware Basin minerals sale.

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Egypt Update

ASSET HIGHLIGHTS

- 1Q23 gross oil production and well completions in-line with expectations
- Drilling success rate of 73% (19 of 26 wells) in 1Q23
- Activity picking up in 2Q23 with a 40% increase in new well connections & a 50% increase in recompletions
- Gross gas production expected to decline throughout 2023 with minimal planned gas activity

1Q 2023 ASSET STATS

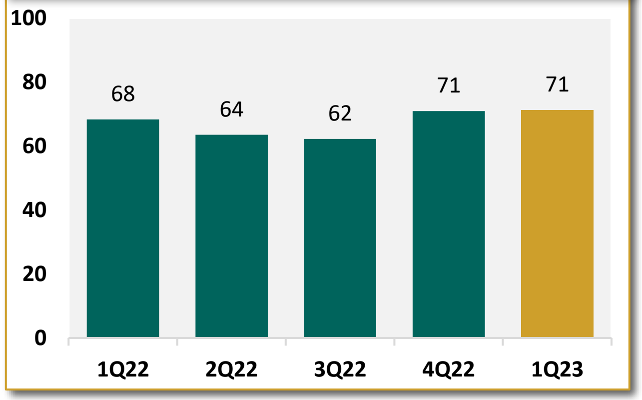
147,186 BOE/D
Reported Production

60% / 0% / 40%
Oil / NGL / Gas

26 Gross, 25 Net
Drilled & Completed Wells[(1)]

17
Avg Rigs

ADJUSTED PRODUCTION MBOE/D [(2)]



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) Excludes production attributable to tax barrels and noncontrolling interest.

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North Sea Update

ASSET HIGHLIGHTS

- Platform operating efficiencies at both Beryl and Forties above 1Q23 expectations
- Brought online BKSW subsea development well in late 1Q23, ahead of schedule
- Anticipate 2Q23 production in-line to slightly down from the first quarter due to planned maintenance and turnaround activity
- Plan to release Ocean Patriot semi-submersible rig around mid-year

1Q 2023 ASSET STATS

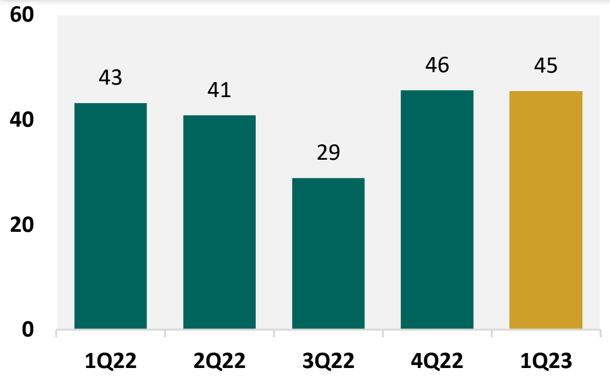
45,483 BOE/D
Reported Production

82% / 3% / 15%
Oil / NGL / Gas

1 Gross, 1 Net
Drilled & Completed Wells

2
Avg Rigs

NET PRODUCTION MBOE/D



APA Corporation

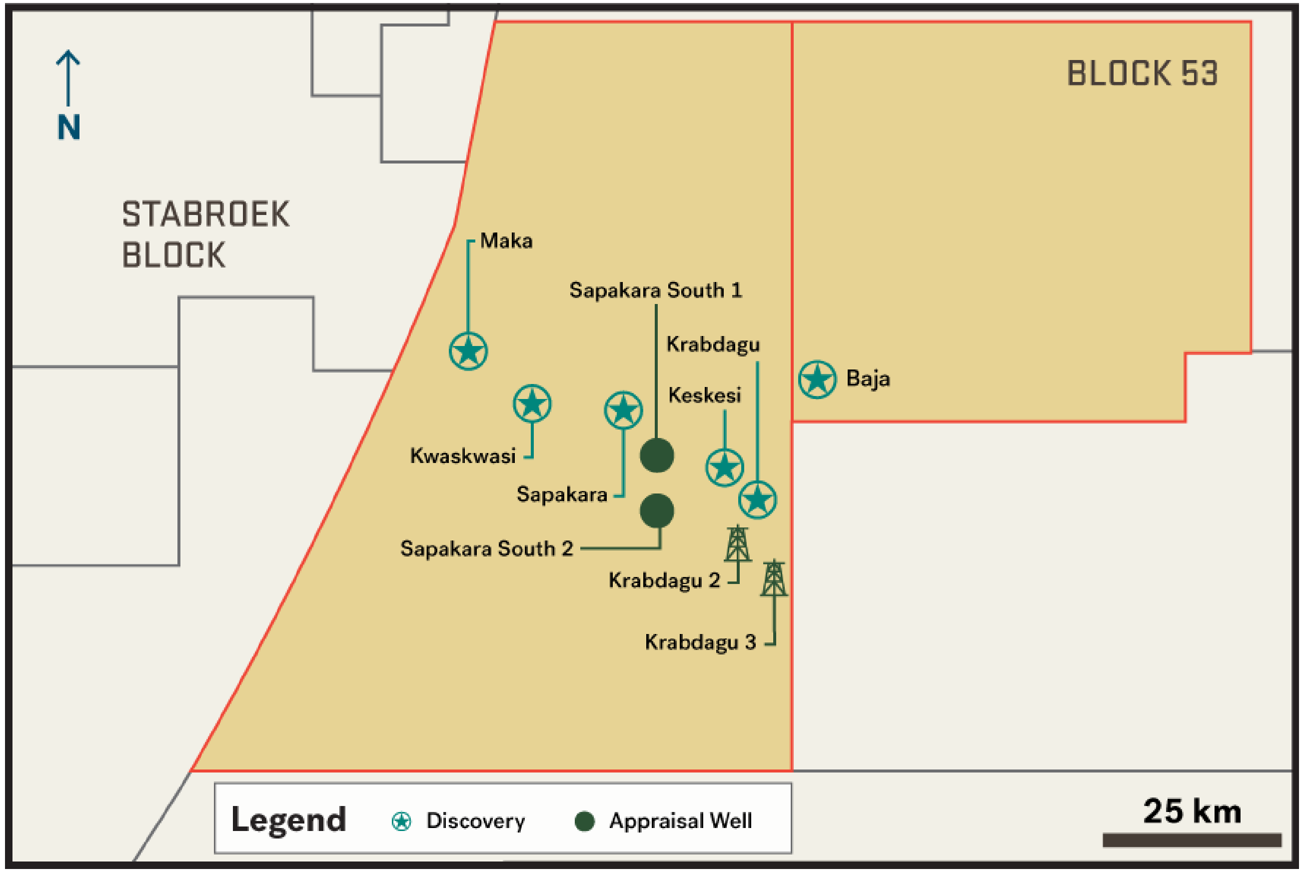
Suriname Update

Block 58 (APA 50% WI, TTE Operated)

- Progressing toward oil-hub development project at **Sapakara / Krabdagu** area
  - Estimated combined in place oil resource at Sapakara and Krabdagu-1 > 800 MMBbls
- Currently appraising **Krabdagu** discovery; expected to add incremental oil resource
  - **Krabdagu-2:** completed flow test and conducting pressure build-up analysis
  - **Krabdagu-3:** currently drilling with flow test planned

Block 53 (APA 45% WI)

- Assessing next steps at **Baja** discovery



Guidance

	2Q 2023	FY 2023[1]	Commentary
Production (Mboe/d)			
United States	212 (35% oil)	217 (36% oil)	Excludes impact of future gas curtailments in event of continued Waha price weakness
Egypt (Reported)	143 (61% oil)	143 (64% oil)	
North Sea	43-45 (80% oil)	44 – 48 (79% oil)	
Total Reported Production	398 – 400	404 – 408	
Less: Egypt Tax Barrels	41	40	
Less: Egypt Noncontrolling Interest	34	34	
Total Adjusted Production	323 – 325	330 – 334	
Total Adjusted Oil Production (Mbo/d)	150	159	
Upstream Capital Investment ($ in millions)[2]	$520	$1,900 - $2,000	FY reduced to reflect less gas-directed activity in the Permian. Excludes non-oil & gas capital of ~$70 million associated with corporate office consolidation, Egypt regional office move, and related IT spend
Upstream Lease Operating Expense ($ in millions)	$385	$1,500	
DD&A ($ in millions)	$360	$1,500	
General & Administrative Expense ($ in millions)	$110	$425	
Gathering, Processing & Transmission Expense ($ in millions)	$90	$370	
Net Gain (Loss) on Oil and Gas Purchases and Sales ($ in millions)	$25	$100	Updated for basis differentials as of 5/2/2023; excludes cash impact of basis hedges
North Sea Current Tax Expense ($ in millions)	$100	$550 - $575	

Note: Guidance reflects 4/21/2023 strip pricing assumptions.

(1) Full-year guidance unchanged (issued 2/22/2023) unless otherwise noted.

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

Appendix

APA Corporation

Cash Return Summary

	2021	2022	1Q 2023	Total
Shares Repurchased (MM)	31.2	36.2	3.7	71.0
Average Stock Repurchase Price	$27.14	$39.34	$38.93	$33.96
Share Repurchases ($MM)	$847	$1,423	$142	$2,412
Dividends ($MM)	$52	$207	$78	$337
Total Cash Return ($MM)	$899	$1,630	$220	$2,749
Free Cash Flow ($MM)	$1,823	$2,458	$272	$4,553
% Free Cash Flow Returned	49%	66%	81%	60%
Total Bond Debt Reduction ($MM)	($1,708)	($1,436)	($74)	($3,218)

1Q 2023 Share Repurchases

1.1mm shares at $45.96[1]

2.5mm shares at $35.85

Repurchased $2.4 Billion of Shares (~19% of Outstanding Shares) & Eliminated $3.2 Billion in Bond Debt Since YE 2020

(1) Represents shares repurchased in late-December 2022 that settled in January 2023.

APA Corporation

Gas Sales Contract with Cheniere[1]

- **Contract Start: 8/1/2023**
- **Contract Volume: 140 MMcf/d**
- **2H 2023 Cash Flow Impact: $175 Million[2] (5 months of cash flow)**

Annualized Cash Flow Sensitivities			
LNG Basket Price	$10	$20	$40
Houston Ship Channel Price	$2.50	$4.00	$6.00
Cash Flow Impact ($MM)	$130	$500	$1,250

(1) The Company will purchase third party natural gas to sell and deliver to Cheniere.
(2) As of 5/1/2023 strip.

APA Corporation

Upstream Capital Investment

($ in Millions)		1Q23
United States…………………………………………..........	$	291
Egypt (excluding noncontrolling interest)…………….....		123
North Sea…………………………………………………….		54
Suriname……………………………………………............		27
Upstream Capital Investment Total……………	$	495

For a reconciliation of Cost Incurred to Upstream Capital Investment please refer to the Non-GAAP Reconciliations.

Egypt: Production Detail

	4Q 2022			1Q 2023		
	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	139,587	559,401	232,821	140,764	545,049	231,606
Reported Production	88,716	373,911	151,034	87,794	356,350	147,186
% Gross	64%	67%	65%	62%	65%	64%
Less: Tax Barrels	26,136	111,134	44,659	23,965	98,422	40,369
Net Production Excluding Tax Barrels	62,579	262,777	106,375	63,829	257,927	106,817
% Gross	45%	47%	46%	45%	47%	46%
Less: Noncontrolling Interest	20,860	87,592	35,458	21,276	85,976	35,606
Adjusted Production	41,719	175,184	70,917	42,553	171,952	71,211
% Gross	30%	31%	30%	30%	32%	31%

	2021				2022				2023
MBOE/D	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Gross Production	237	233	229	235	235	235	219	233	232
Reported Production	119	114	111	115	150	144	134	151	147
Adjusted Production	63	61	58	60	68	64	62	71	71
Brent Oil Benchmark Pricing	$61	$69	$73	$80	$98	$112	$97	$89	$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)
  - Minus:
    - Upstream capital investment (including Egypt minority interest)
    - Non-oil and gas capital investment
    - Distributions to noncontrolling interest (Egypt)

- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in APA Corporation's Form 10-K for the year ended December 31, 2022.

Non-GAAP Reconciliations

APA Corporation

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.

($ in millions)

	For the Quarter Ended March 31, 2023				For the Quarter Ended March 31, 2022			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income including noncontrolling interests (GAAP)	$ 810	$ (484)	$ 326	$ 1.05	$ 2,298	$ (352)	$ 1,946	$ 5.61
Income attributable to noncontrolling interests	150	(66)	84	0.27	227	(94)	133	0.38
Loss attributable to Altus preferred unit limited partner	-	-	-	-	(70)	-	(70)	(0.20)
Net income attributable to common stock	660	(418)	242	0.78	2,141	(258)	1,883	5.43
Adjustments: *								
Asset and unproved leasehold impairments	5	(3)	2	-	4	(1)	3	0.01
Valuation allowance and other tax adjustments **	-	130	130	0.41	-	(205)	(205)	(0.59)
(Gain) / loss on extinguishment of debt	(9)	2	(7)	(0.02)	67	(14)	53	0.15
Unrealized derivative instrument gain	(33)	7	(26)	(0.08)	(15)	(5)	(20)	(0.06)
Kinetik equity investment mark-to-market (gain) / loss	32	(6)	26	0.08	(24)	-	(24)	(0.07)
Drilling contract termination charges	13	(10)	3	0.01	-	-	-	-
Transaction, reorganization & separation costs	4	(1)	3	0.01	14	(3)	11	0.03
Gain on divestitures, net	(1)	-	(1)	-	(1,176)	125	(1,051)	(3.03)
Adjusted earnings (Non-GAAP)	$ 671	$ (299)	$ 372	$ 1.19	$ 1,011	$ (361)	$ 650	$ 1.87

***The income tax effect of the reconciling items are calculated based on the statutory rate of the jurisdiction in which the discrete item resides.**
****Includes $174 million related to the remeasurement of the December 31, 2022 U.K. deferred tax liability in connection with the Energy (Oil and Gas) Profits Levy Act 2022.**

APA Corporation

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, 2023	December 31, 2022	March 31, 2022
Net cash provided by operating activities	$ 335	$ 1,413	$ 891
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	17	34	33
Current income tax provision	346	343	392
Other adjustments to reconcile net income (loss) to net cash provided by operating activities	(30)	(18)	29
Changes in operating assets and liabilities	511	(369)	263
Financing costs, net	81	76	85
Transaction, reorganization & separation costs	4	5	14
Adjusted EBITDAX (Non-GAAP)	$ 1,264	$ 1,484	$ 1,707

APA Corporation

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, 2023	For the Quarter Ended March 31, 2022
Net cash provided by operating activities	$ 335	$ 891
Changes in operating assets and liabilities	511	263
Cash flows from operations before changes in operating assets and liabilities	$ 846	$ 1,154
Adjustments to free cash flow:		
Upstream capital investment including noncontrolling interest - Egypt	(556)	(410)
Non oil and gas capital investment	(1)	-
Distributions to Sinopec noncontrolling interest	(17)	(69)
Upstream free cash flow	$ 272	$ 675

APA Corporation

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, 2023			
	North Sea	Egypt	U.S. and Other	Consolidated
Net cash provided by operating activities	$ 109	$ 178	$ 48	$ 335
Changes in operating assets and liabilities	(5)	224	292	511
Cash flows from operations before changes in operating assets and liabilities	$ 104	$ 402	$ 340	$ 846

APA Corporation

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, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Current debt	$ 2	$ 2	$ 125	$ 125
Long-term debt	5,796	5,451	5,404	5,160
Total debt	5,798	5,453	5,529	5,285
Cash and cash equivalents	154	245	268	282
Net debt	$ 5,644	$ 5,208	$ 5,261	$ 5,003

APA Corporation

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, 2023	For the Quarter Ended March 31, 2022
Costs incurred in oil and gas property:		
Asset and leasehold acquisitions		
Proved	$ 1	$ 9
Unproved	6	11
Exploration and development	566	419
Total Costs incurred in oil and gas property	$ 573	$ 439
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	$ 573	$ 439
Property acquisitions	-	-
Asset retirement obligations settled vs. incurred - oil and gas property	6	7
Capitalized interest	(6)	(3)
Exploration seismic and administration costs	(17)	(33)
Upstream capital investment including noncontrolling interest - Egypt	$ 556	$ 410
Less noncontrolling interest - Egypt	(61)	(49)
Total Upstream capital investment	$ 495	$ 361

APA Corporation

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2000 Post Oak Blvd, Suite 100
Houston, TX 77056-4400

apacorp.com