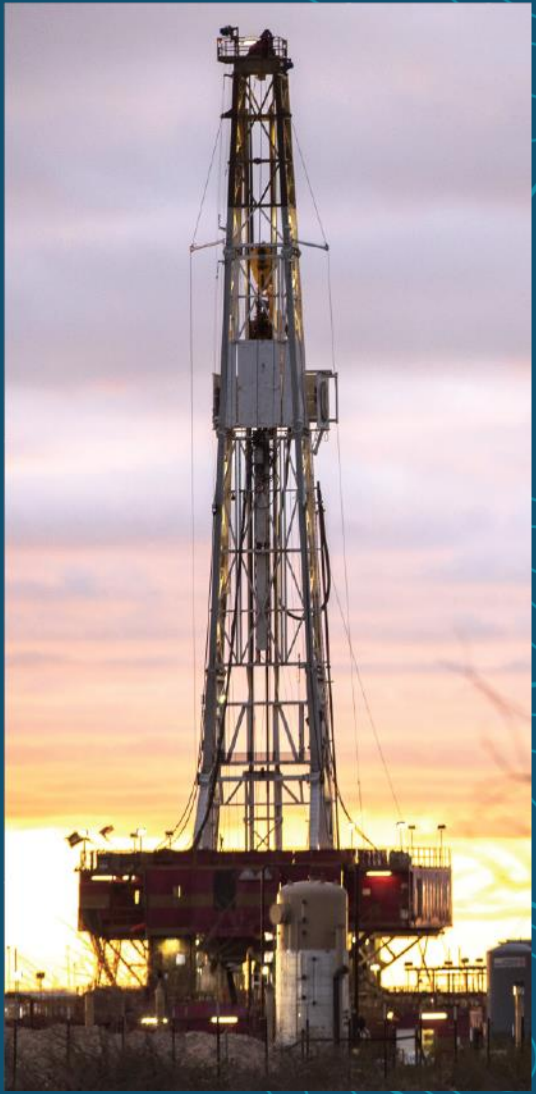
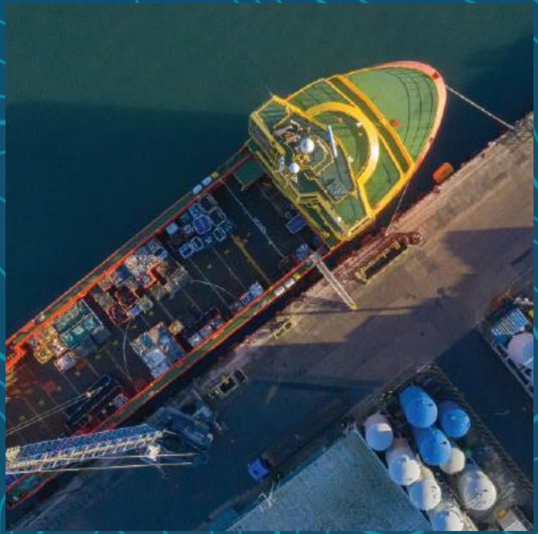
Fourth-Quarter 2020

Financial & Operational Supplement

Apache





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.apachecorp.com, and in our other public filings and press releases. These forward-looking statements are based on Apache Corporation's (Apache) 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, Apache'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," "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, Apache'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 Apache 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. Apache 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 Apache 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 Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (and Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 when filed) available from Apache at www.apachecorp.com or by writing Apache 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 Apache's fourth quarter 2020 earnings release at www.apachecorp.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. Apache may elect to modify the format or discontinue publication at any time, without notice to securities analysts or investors.

4Q and Full-Year 2020 Key Metrics

	4Q 2020	FY 2020
Reported Production	411 Mboe/d	440 Mboe/d
Adjusted Production[(1)]	365 Mboe/d	394 Mboe/d
Cost Incurred in Oil and Gas Property	$257 Million	$1,211 Million
Upstream Capital Investment[(2)]	$189 Million	$988 Million
Net Cash Provided by Operating Activities	$498 Million	$1,388 Million
Adjusted EBITDAX[(2)]	$630 Million	$2,192 Million
Diluted Earnings (Loss) Per Share	($0.04)	($12.86)
Adjusted Earnings (Loss) Per Share[(2)]	($0.05)	($1.08)

(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.

Apache's Strategy

Foundation For Long-Term Success

- Prioritizing returns over production growth
- Positioning the balance sheet and portfolio for increasing cash returns to investors
- ESG leadership through focused approach, continuous improvement & key stakeholder engagement

Leveraging Diversified Portfolio

- Balanced commodity profile and geographic pricing points diversify risk
- Directing a significant percentage of capital budget to longer-term, large scale opportunities in Suriname
- Reinitiating measured level of activity in the U.S.

Disciplined Financial Approach

- Aggressively managing cost structure
- Moderating capital investment during periods of low commodity prices
- Retaining cash to reduce debt

ESG Leadership: Primary Areas of Focus

We focus our ESG efforts in areas that are: core to our business, important to stakeholders, and where we are capable of having a material impact

		ESG Vision	2021 Compensation Goal
E	AIR	Be at forefront of industry's efforts to measure, disclose and mitigate emissions	Eliminating routine U.S. onshore flaring and targeting < 1% flaring intensity in the U.S.
E	WATER	Preserve freshwater resources and leverage technology to maximize water reuse	Targeting freshwater consumption < 20% of total water consumed in the U.S.
S	COMMUNITIES +PEOPLE	Provide fulfilling and rewarding careers for our employees and create shared value in the communities where we operate	Further progress Apache's diversity & inclusion programs
G	GOVERNANCE	• 20% of 2021 annual incentive compensation plan is tied to ESG and safety goals • Enhanced disclosures to more closely align with TCFD • Performance measured against S&P 500 as well as broad index of upstream and major-integrated producers	

2021 Plan Commentary

2021 Plan

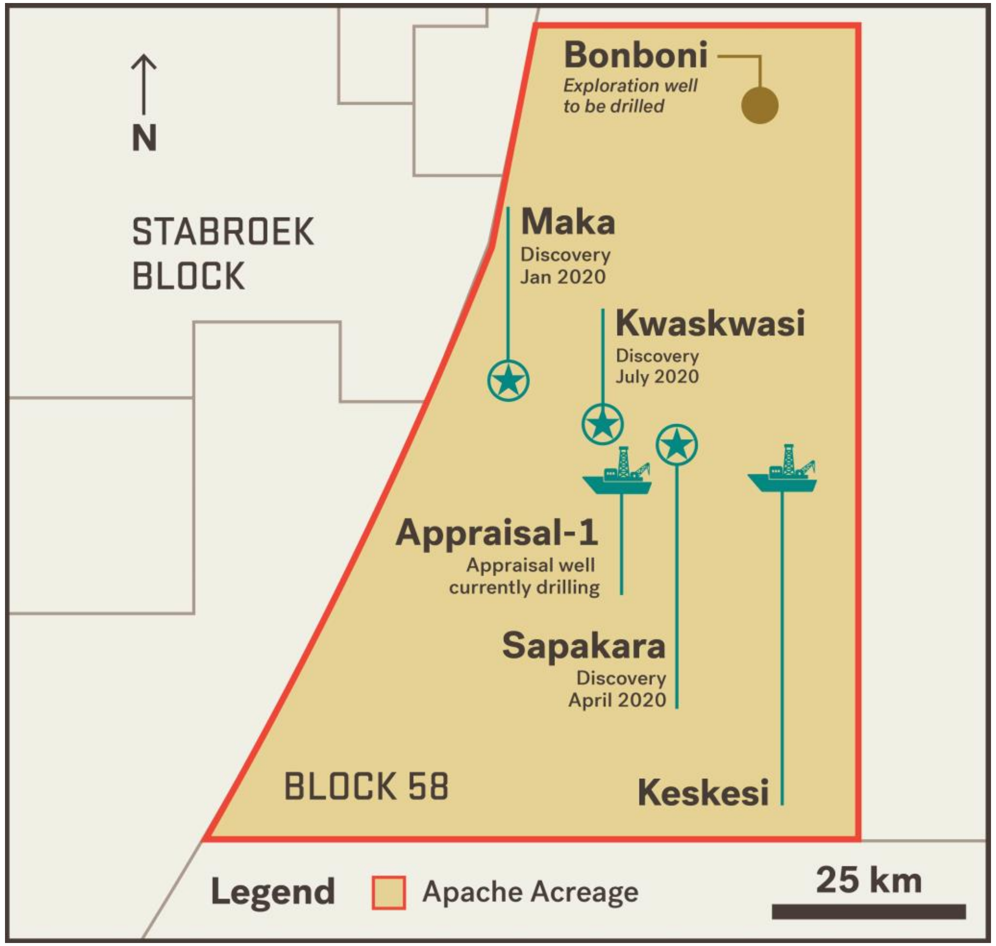
- Established upstream capital budget of $1.1 billion
  - 35% U.S. / 45% International
  - 20% Exploration (Suriname)
- Based on a WTI oil price of $45 per barrel and Henry Hub gas price of ~$3.00
- Capital program more than fully funded by internally generated cash flow
- Retain free cash flow for debt reduction

Regional Activity

- 2 rig appraisal & exploration program in Suriname
- 5 rig program in Egypt
- 1 floating rig / 1 platform crew in the North Sea
- Permian DUC completion program
- Added 1 Permian rig in February; expecting 2nd rig mid-year
- Targeted testing in East Texas Austin Chalk play

Block 58 Offshore Suriname Update

- Announced fourth discovery at **Keskesi East-1** in January
  - Currently drilling to deeper Neocomian-aged targets
- 2021 **Exploration Program** moving towards northern portion of block, next prospect: Bonboni
- **Appraisal Program** with TOTAL targeting FID by year-end and first oil by 2025
  - First well to appraise aspects of both Kwaskwasi and Sapakara discoveries
  - Spud in early February using the Maersk Developer
- Maersk Valiant set to arrive in next few months



1Q21 Guidance

	New
Production (Mboe/d)	
United States……………………………………………………	~204
International (Adjusted)………………………………………	120
Total Adjusted Production…………………………………	324
United States Oil (Mbo/d)…………………………………	~64
Upstream Capital Investment ($ in millions)[(1)]…………………	$300
Upstream Lease Operating Expense ($ in millions)…………………	$285
DD&A ($ in millions)…………………………………………	$375
General & Administrative Expenses ($ in millions)…………………	$75
North Sea Current Tax Expense ($ in millions)…………………	$40

Production Commentary
U.S. production decline from 4Q20 largely attributable to weather downtime & completion schedule cadence
International adjusted production decline from 4Q20 attributable to impact of higher prices on Egypt's PSC cost recovery mechanism and operational downtime in the North Sea

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

2021 Guidance

	New
Production (Mboe/d)	
United States……	220 – 225
International……	170 – 175
Reported Production……	390 – 400
Less: Egypt Tax Barrels……	17
Less: Egypt Noncontrolling Interest……	33
Total Adjusted Production……	340 – 350
United States Oil (Mbo/d)……	74
Upstream Capital Investment ($ in millions)[1]……	$1,100
Capital Mix %: United States / International / Exploration……	35% / 45% / 20%
Upstream Lease Operating Expense ($ in millions)……	$1,200
DD&A ($ in millions)……	$1,525
General & Administrative Expenses ($ in millions)……	$315
North Sea Current Tax Expense ($ in millions)……	$150

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

4Q Asset Update

4Q 2020 Global Portfolio

GLOBAL

410,758 BOE/D
Reported Production

47% / 18% / 35%
Oil / NGL / Gas

10 Gross, 10 Net
Drilled & Completed Wells(1)

8
Avg Rigs

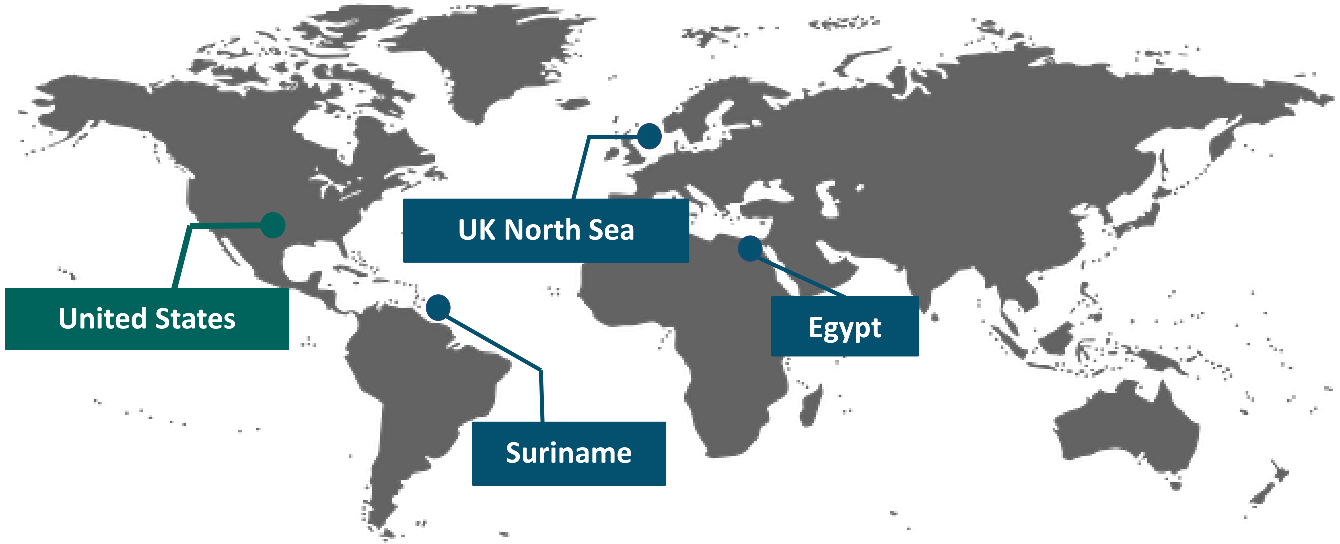
UNITED STATES

232,975 BOE/D
Reported Production

32% / 30% / 38%
Oil / NGL / Gas

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

0
Avg Rigs



INTERNATIONAL

177,783 BOE/D
Reported Production

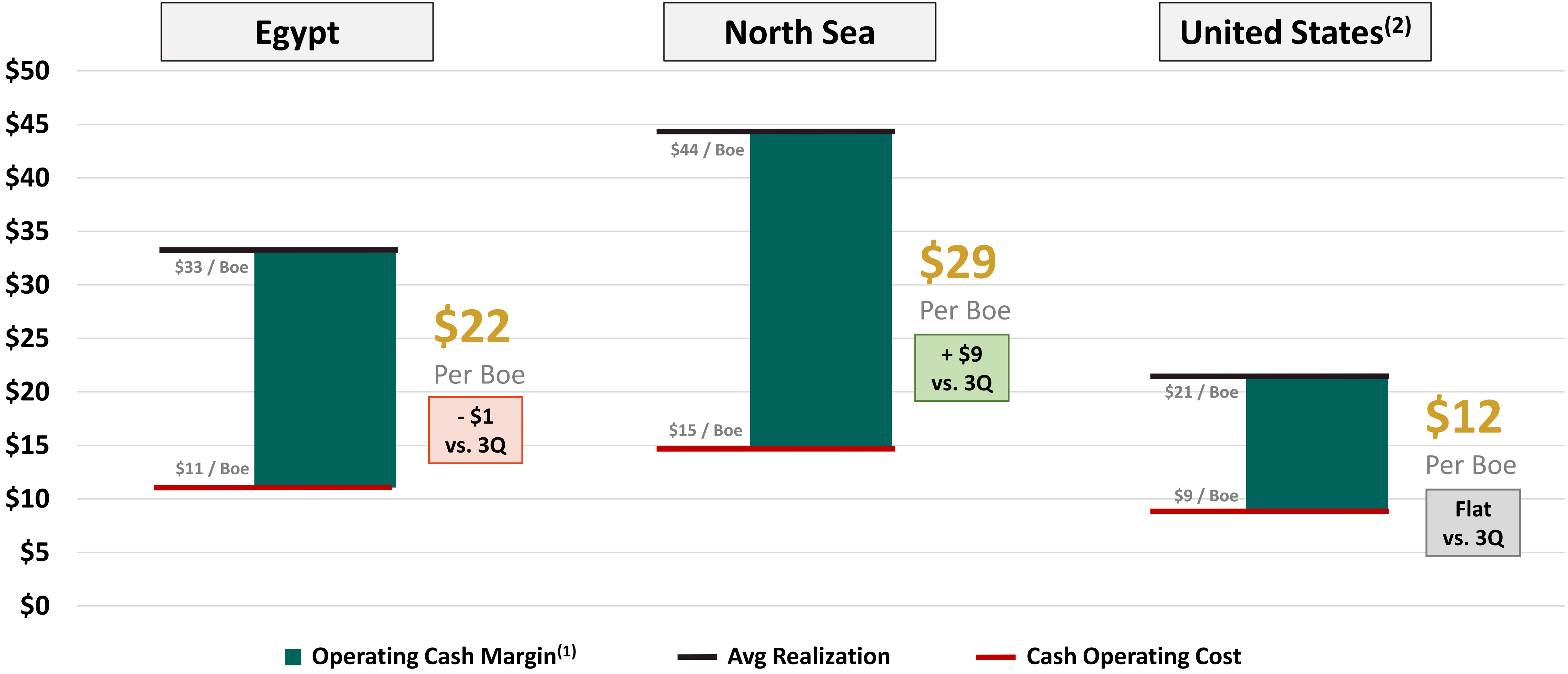
68% / 1% / 31%
Oil / NGL / Gas

9 Gross, 9 Net
Drilled & Completed Wells(1)

8
Avg Rigs(2)

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

4Q 2020 Operating Cash Margins



(1) Operating cash margins calculated as price realizations less lease operating expenses, gathering, processing, & transmission costs, and taxes other than income.
(2) Excludes Altus.

4Q Egypt Update

ASSET HIGHLIGHTS

- Gross production decline reflects activity reductions in 2020
  - Reduced rig count by ~50% from 1Q'20
  - Decline rate expected to moderate in 2021
- Adjusted production down 8% versus 3Q primarily due to PSC cost recovery impact of improving oil prices and lower gross production
- Drilling program success rate of 100%
  - Encountered 88 feet of high-quality oil pay at Tayim-North prospect
    - Waiting on infrastructure to evaluate additional drilling potential

ASSET STATS

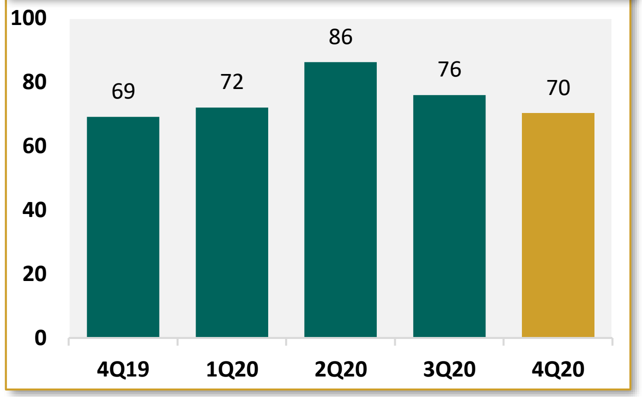
115,876 BOE/D
Reported Production

60% / 1% / 39%
Oil / NGL / Gas

9 Gross, 9 Net
Drilled & Completed Wells(1)

5
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.

4Q North Sea Update

ASSET HIGHLIGHTS

- Production increased 4% in the quarter due to workover timing
- Maintaining 1 floating rig / 1 platform crew (↓ 1 crew in 1Q20)
- Oil discovery in the Tertiary play at Losgann well, offset to Aker BP's Froskelår discovery
  - Part of a longer-term Tertiary development opportunity near existing infrastructure at Beryl
- Extensive maintenance turnarounds planned for 2Q/3Q 2021

ASSET STATS

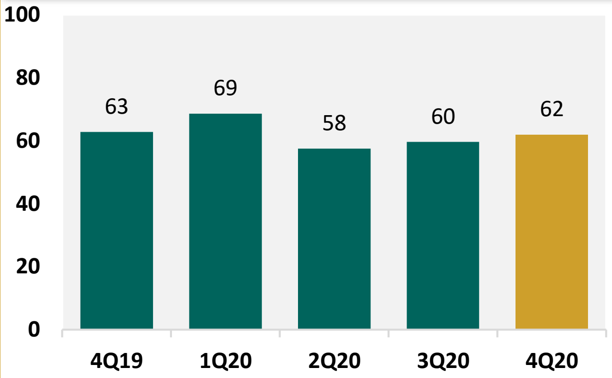
61,907 BOE/D
Reported Production

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

0 Gross, 0 Net
Drilled & Completed Wells(1)

2
Avg Rigs

NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.

4Q U.S. Update

ASSET HIGHLIGHTS

- Permian curtailments (including Alpine High) were ~11,500 Boe/d (30% oil)
- Initiated DUC completion program in mid-November
  - Meaningful flowback of first Permian oil wells to begin in March
  - Completed 2 DUCs at Alpine High with initial flowback in January
    - 5 additional completions planned for this Spring
- Resuming measured Permian drilling program with 1st rig added in February and 2nd rig expected by mid-year
- Recently added rig to drill 4 wells in the Austin Chalk oil play; holds acreage position and preserves optionality

ASSET STATS

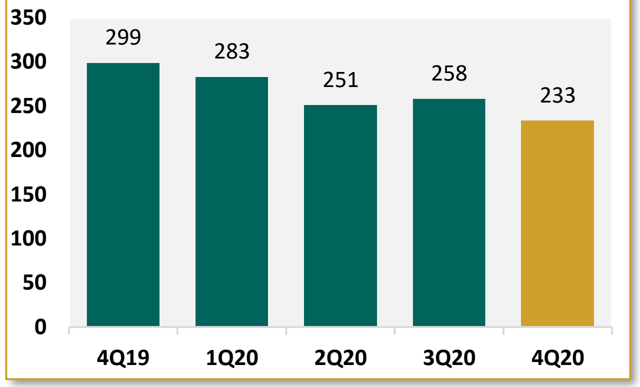
232,975 BOE/D
Reported Production

32% / 30% / 38%
Oil / NGL / Gas

1 Gross, 1 Net
Drilled & Completed Wells[1]

0
Avg Rigs

NET PRODUCTION MBOE/D

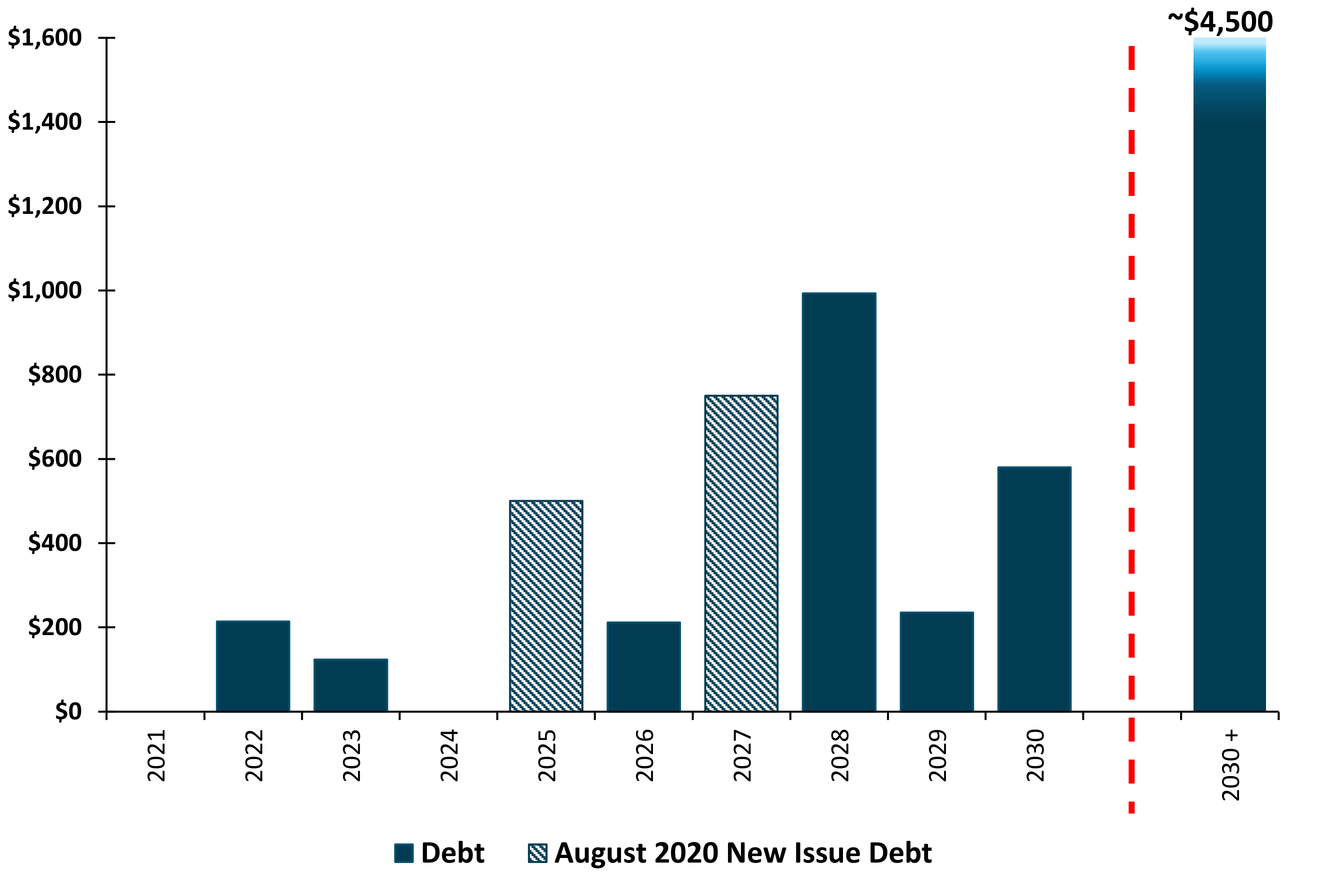


(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.

Appendix

Balance Sheet Progress in 2020

Updated Debt Maturity Profile ($MM)(1)



- Repurchased debt in 2020 at favorable pricing
- Issued $1.25BN of 5- and 7-year notes at sub 5% coupons in 3Q20
- Use of debt financing proceeds(2):
  - ~$638MM cash tender for notes in 3Q20
  - ~$420MM open market debt repurchases in 2Q-4Q20 at a 29% average discount to par ($588MM par value)
  - ~$183MM of notes called in 4Q20, eliminating ’21 maturities
- Ended 2020 with $238MM cash(3) and only $150MM borrowed on APA credit facility

Net Debt(3) Held Relatively Flat With YE 2019

(1) Amount outstanding is as of 12/31/2020, excludes Altus, borrowings on $4BN revolving credit facility, finance lease obligations, and is before unamortized discount and debt issuance costs.
(2) Excludes cash paid for accrued interest and broker fees.
(3) Excludes Altus.

Commodity Hedging Program

Open Commodity Derivative Positions As of February 23, 2020					
Production Period	**Trade Type**	**Index**	**Units**	**Daily Volume**	**Weighted Avg Price $ / Unit**
Natural Gas Basis Hedges					
April 2021 – December 2021	Basis Swap	IF Waha / IF HSC	MMBtu	136,655	($0.36)
January 2022 – December 2022	Basis Swap	IF Waha / IF HSC	MMBtu	120,000	($0.37)

Credit Facility Profile

$4 Billion Revolving Credit Facility	
Facility Type	Senior Unsecured
Maturity	March 2024
Borrowing Capacity	Up to $4 billion
Letter of Credit Sublimit	Up to $3 billion ($2BN committed)
Financial Covenant[1]	Adj Debt/Cap < 60%
Accordion Option	$1 billion
Extension Options Remaining	1-year option (Apache's option)

- Apache's $4 BN committed credit facility for general corporate purposes, matures March 2024
  - Unsecured facility held by 18 banks, 17 of which are 'A' rated or higher
  - No ratings triggers[2] or collateral requirements
  - Not subject to borrowing base redetermination
- Altus (Altus Midstream LP) has an $800 MM committed credit facility for general corporate purposes, matures November 2023
  - Unsecured and not guaranteed by Apache

(1) Adjusted debt-to-capital ratio is calculated per the terms of the credit facility and excludes effects of non-cash write-downs, impairments, and related charges occurring after June 30, 2015. At 12/31/20, this ratio was 32%.
(2) No drawdown restrictions or prepayment obligations in the event of a decline in credit ratings.

Upstream Capital Investment

($ in Millions)	1Q20	2Q20	3Q20	4Q20	YE20
United States……………………………………………………..	$ 261	$ 52	$ 6	$ 40	$ 359
Egypt (Apache's interest only)…………………………….	99	79	65	64	307
North Sea………………………………………………………..	51	52	40	46	189
Suriname………………………………………………………..	31	33	30	39	133
Upstream Capital Investment Total…………..	$ 442	$ 216	$ 141	$ 189	$ 988

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

Egypt: Production Detail

	3Q 2020			4Q 2020		
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	161,116	649,566	269,377	142,366	617,465	245,277
Reported Production	79,804	286,744	127,595	69,932	275,662	115,876
% Gross	50%	44%	47%	49%	45%	47%
Less: Tax Barrels	9,896	23,245	13,771	7,508	18,874	10,654
Net Production Excluding Tax Barrels	69,908	263,500	113,825	62,424	256,788	105,222
% Gross	43%	41%	42%	44%	42%	43%
Less: Noncontrolling Interest	23,303	87,833	37,942	20,808	85,596	35,074
Adjusted Production	46,605	175,667	75,883	41,616	171,192	70,148
% Gross	29%	27%	28%	29%	28%	29%

	2018				2019				2020			
MBOE/D	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Production	330	342	338	335	332	322	301	300	295	281	269	245
Reported Production	154	154	153	136	145	131	131	126	117	127	128	116
Adjusted Production	80	80	78	74	79	72	72	69	72	86	76	70
Brent Oil Benchmark Pricing	$67	$75	$76	$69	$64	$68	$62	$62	$50	$33	$43	$45

Glossary of Referenced Terms

- **Upstream Capital Investment**: Includes exploration, development, gathering, processing, and transmission capital, capitalized overhead, and settled asset retirement obligations, and excludes capitalized interest, non-cash asset retirement additions and revisions, and Egypt noncontrolling interest, in each case associated with Apache’s upstream business.

- **Free Cash Flow**: Excess cash flow from operations before working capital changes after upstream capital investment, distributions to noncontrolling interest and dividend payments. The impacts of ALTM are excluded from this definition, as development of the ALTM midstream assets is separately funded by ALTM.

- **Cash Flow Neutrality**: Free Cash Flow equal to zero.

- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in Apache’s Form 10-K for the year ended December 31, 2019.

Non – GAAP Reconciliations

Non – GAAP Reconciliation

Adjusted Earnings (Quarter to Date)

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 December 31, 2020				For the Quarter Ended December 31, 2019			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income (loss) including noncontrolling interests (GAAP)	$ 70	$ (15)	$ 55	$ 0.15	$ (3,035)	$ (212)	$ (3,247)	$ (8.61)
Income (loss) attributable to noncontrolling interests	37	(12)	25	0.07	(191)	(96)	(287)	(0.77)
Income attributable to Altus preferred unit limited partner	20	-	20	0.05	16	-	16	0.05
Net income (loss) attributable to common stock - Basic	13	(3)	10	0.03	(2,860)	(116)	(2,976)	(7.89)
Effect of dilutive securities **	(26)	-	(26)	(0.07)	-	-	-	-
Net income (loss) attributable to common stock - Diluted	(13)	(3)	(16)	(0.04)	(2,860)	(116)	(2,976)	(7.89)
Adjustments: *								
Asset and unproved leasehold impairments	24	(5)	19	0.05	3,245	(682)	2,563	6.78
Noncontrolling interest impact on Altus impairments	-	-	-	-	(269)	57	(212)	(0.56)
Noncontrolling interest & tax barrel impact on Egypt adjustments	(1)	-	(1)	-	-	-	-	-
Valuation allowance and other tax adjustments	-	(7)	(7)	(0.01)	-	655	655	1.74
Gain on extinguishment of debt	(8)	2	(6)	(0.02)	-	-	-	-
Unrealized derivative instrument gain, net	(55)	11	(44)	(0.12)	(8)	1	(7)	(0.02)
Noncontrolling interest on Altus preferred units embedded derivative	8	(1)	7	0.02	(1)	-	(1)	-
Effect of dilutive securities **	26	-	26	0.07	-	-	-	-
Transaction, reorganization & separation costs	10	(2)	8	0.02	33	(7)	26	0.07
(Gain)/loss on divestitures, net	(8)	1	(7)	(0.02)	(23)	5	(18)	(0.04)
Drilling contract termination charges	1	-	1	-	-	-	-	-
Adjusted earnings (Non-GAAP)	$ (16)	$ (4)	$ (20)	$ (0.05)	$ 117	$ (87)	$ 30	$ 0.08

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

**The assumed conversion of Altus' Preferred Unit limited partner is primarily associated with unrealized gains on the Preferred Unit embedded derivative. These amounts are antidilutive for the year ended 2020 and on an adjusted fourth quarter basis.

Non – GAAP Reconciliation

Adjusted Earnings (Year to Date)

Reconciliation of Income Attributable to Common Stock to Adjusted Earnings

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($ in millions)

	For the Year Ended December 31, 2020				For the Year Ended December 31, 2019			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net loss including noncontrolling interests (GAAP)	$ (4,840)	$ (64)	$ (4,904)	$ (12.98)	$ (3,008)	$ (674)	$ (3,682)	$ (9.77)
Loss attributable to noncontrolling interest	(83)	(37)	(120)	(0.32)	44	(211)	(167)	(0.44)
Income attributable to Altus preferred unit limited partner	76	-	76	0.20	38	-	38	0.10
Net loss attributable to common stock - Basic	(4,833)	(27)	(4,860)	(12.86)	(3,090)	(463)	(3,553)	(9.43)
Effect of dilutive securities **	-	-	-	-	-	-	-	-
Net loss attributable to common stock - Diluted	(4,833)	(27)	(4,860)	(12.86)	(3,090)	(463)	(3,553)	(9.43)
Adjustments: *								
Asset and unproved leasehold impairments	4,602	(856)	3,746	9.90	3,568	(750)	2,818	7.45
Noncontrolling interest impact on Altus impairments	-	-	-	-	(271)	57	(214)	(0.56)
Noncontrolling interest & tax barrel impact on Egypt adjustments	(172)	(7)	(179)	(0.47)	-	-	-	-
Valuation allowance and other tax adjustments	-	925	925	2.45	-	854	854	2.27
(Gain)/Loss on extinguishment of debt	(160)	34	(126)	(0.33)	75	(16)	59	0.16
Unrealized derivative instrument losses, net	87	(18)	69	0.19	44	(11)	34	0.10
Noncontrolling interest on Altus preferred units embedded derivative	(8)	2	(6)	(0.02)	(1)	-	(1)	(0.01)
Transaction, reorganization & separation costs	54	(12)	42	0.11	50	(11)	39	0.11
Gain on divestitures, net	(32)	9	(23)	(0.06)	(43)	9	(34)	(0.09)
Drilling contract termination charges	7	(2)	5	0.01	-	-	-	-
Adjusted Earnings (Non-GAAP)	$ (455)	$ 48	$ (407)	$ (1.08)	$ 332	$ (331)	$ 2	$ 0.00

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

**The assumed conversion of Altus' Preferred Unit limited partner is primarily associated with unrealized gains on the Preferred Unit embedded derivative. These amounts are antidilutive for the year ended 2020 and on an adjusted fourth quarter basis.

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			For the Year Ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net cash provided by operating activities	$ 498	$ 304	$ 778	$ 1,388	$ 2,867
Adjustments:					
Exploration expense other than dry hole expense and unproved leasehold impairments	14	17	16	63	129
Current income tax provision	56	58	146	176	660
Other adjustments to reconcile net income to net cash provided by operating activities	(57)	(31)	(15)	(102)	(50)
Changes in operating assets and liabilities	2	97	42	186	3
Financing costs, net	107	111	97	427	387
Transaction, reorganization & separation costs	10	7	33	54	50
Adjusted EBITDAX (Non-GAAP)	$ 630	$ 563	$ 1,097	$ 2,192	$ 4,046

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 continuing 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.

	For the Quarter Ended December 31, 2020			
	North Sea	Egypt	U.S. and Other	Consolidated
	($ in millions)			
Net cash provided by operating activities	$ 108	$ 223	$ 167	$ 498
Changes in operating assets and liabilities	28	(29)	3	2
Cash flows from operations before changes in operating assets and liabilities	$ 136	$ 194	$ 170	$ 500

	For the Year Ended December 31, 2020			
	North Sea	Egypt	U.S. and Other	Consolidated
	($ in millions)			
Net cash provided by operating activities	$ 360	$ 782	$ 246	$ 1,388
Changes in operating assets and liabilities	50	16	120	186
Cash flows from operations before changes in operating assets and liabilities	$ 410	$ 798	$ 366	$ 1,574

Non – GAAP Reconciliation

Cash Flow From Operations Before Changes in Operating Assets and Liabilities

Reconciliation of Net Cash Provided by Operating Activities to Cash Flows from 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			For the Year Ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net cash provided by operating activities	$ 498	$ 304	$ 778	$ 1,388	$ 2,867
Changes in operating assets and liabilities	2	97	42	186	3
Cash flows from operations before changes in operating assets and liabilities	$ 500	$ 401	$ 820	$ 1,574	$ 2,870

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. The Altus Midstream LP credit facility is unsecured and is not guaranteed by Apache or any of Apache’s other subsidiaries.

($ in millions)

	December 31, 2020			December 31, 2019		
	Apache Upstream	Altus Midstream	Apache Consolidated	Apache Upstream	Altus Midstream	Apache Consolidated
Current debt	$ 2	$ -	$ 2	$ 1	$ 10	$ 11
Long-term debt	8,146	624	8,770	8,159	396	8,555
Total debt	8,148	624	8,772	8,160	406	8,566
Cash and cash equivalents	238	24	262	241	6	247
Net debt	$ 7,910	$ 600	$ 8,510	$ 7,919	$ 400	$ 8,319

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 Apache's expenditures related to our upstream capital activity. We define capital investments as costs incurred for oil and gas activities, adjusted to exclude 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 Apache's cash expenditures related to upstream capital activity and is consistent with how we plan our capital budget.

($ in millions)

	For the Quarter Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Costs incurred in oil and gas property:				
Acquisitions				
Proved	$ -	$ 1	$ 7	$ 8
Unproved	1	14	4	57
Exploration and development	256	533	1,200	2,464
Total Costs incurred in oil and gas property	$ 257	$ 548	$ 1,211	$ 2,529
Reconciliation of Costs incurred to Upstream capital investment:				
Total Costs incurred in oil and gas property	$ 257	$ 548	$ 1,211	$ 2,529
Asset retirement obligations settled vs. incurred - oil and gas property	(22)	110	(5)	153
Capitalized interest	-	(8)	-	(32)
Exploration seismic and administration costs	(14)	(16)	(63)	(129)
Less noncontrolling interest - Egypt	(32)	(44)	(155)	(155)
Total Upstream capital investment	$ 189	$ 590	$ 988	$ 2,366