



Apache Announces North Sea Discoveries With Estimated Net Reserves Of 50 Million To More Than 70 Million Barrels

HOUSTON, Oct. 30, 2015 /PRNewswire/ -- Apache Corporation (NYSE, Nasdaq: APA) today announced significant discoveries on two exploration wells in the Beryl area of the U.K. North Sea. The company also drilled two significant development wells in the Beryl area, from which no reserves have been previously booked. Additionally, Apache announced a large discovery at its Seagull prospect, which lies approximately 50 miles south of the company's Forties Field, the largest oil field in the U.K. North Sea.

The K and Corona wells are the first exploratory prospects drilled by Apache in the Beryl area. Each discovery proves a separate geologic concept that helps to de-risk additional drilling locations. Apache estimates the K and Corona discoveries, combined with the success at Seagull, represent likely net recoverable reserves of 50 million to more than 70 million barrels of oil equivalent (MMboe). Future appraisal drilling will enable the company to further define the upside potential beyond 70 MMboe. Apache's proved reserves in the North Sea at yearend 2014 were approximately 140 MMboe.

"Apache's exploration program in the high-potential Beryl area is off to an exceptional start. The success of our first two exploration wells at Beryl, combined with the Seagull discovery, could increase our total North Sea proved reserve base by more than 50 percent. Importantly, results obtained from the wells announced today emphasize the quality of our seismic surveys and the accuracy of our geologic model in the Beryl area," Thomas E. Voytovich, Apache's executive vice president - International and Offshore and E&P Technology, said. "Our large discovery at Seagull will likely have a longer investment time-horizon as it may require dedicated production facilities, but it is expected to have a very meaningful impact on Apache's medium- and long-term production in the region. We look forward to discussing the economics and details of these discoveries, along with a review of our extensive North Sea prospect inventory during our North Sea Region webcast Nov. 17."

Details of the five discovery wells include:

- **K Discovery** - After the initial discovery with the 9/19B-18 well in June 2015, Apache successfully drilled two sidetracks into adjacent fault blocks in the Beryl area. In total, this discovery includes more than 1,500 feet of high-quality, oil-bearing sands within the Beryl, Linnhe, Nansen and Cormorant formations, across three distinct fault blocks. Apache is the operator of this discovery with a 55 percent WI, and partner Shell has the remaining 45 percent.
- **Corona Discovery** - The 9/18a-39A Corona exploration well, also located in the Beryl area, tested Apache's first Tertiary-aged injectite prospect. The well was drilled to a true total vertical depth subsea (TVDSS) of 6,411 feet and logged 225 feet total vertical depth (TVD) net pay in excellent reservoir-quality sandstone. Apache has a 100 percent working interest (WI) in this discovery.
- **Beryl ACN Development Well** - Drilled from the Beryl Alpha platform, the ACN development well encountered 131 feet TVD net pay in the Nansen and 40 feet TVD net pay in the Eiriksson formations. The well was successfully completed in the Nansen and came online Oct. 8, 2015 at a test rate of 11,194 barrels of oil per day (Bpd) and 30.4 million cubic feet of natural gas per day (MMcfd). Apache holds a 60.55 percent WI in the well, and partner Shell has the remaining 39.45 percent.
- **Nevis Central L4S Development Well** - The L4S pilot well, also located in the Beryl area, was drilled to a TVDSS of 9,298 feet and logged 114 feet TVD net pay in the Triassic Lewis formation. The pilot was followed by a high-angle producer that yielded a 30-day initial production (IP) rate of 45 MMcfd and 2,166 Bpd. The well has been producing since early July 2015. Apache has a 60.55 percent WI in the well, and partner Shell has the remaining 39.45 percent.
- **Seagull Discovery** - An appraisal well was drilled about 50 miles (80 kilometers) south of the Forties complex in Block 22/29c in the Seagull Discovery and confirmed 672 feet of net oil pay over a 1,092-foot column in Triassic-age sands. The well was flow tested with a facility-constrained rate of 8,700 Bpd and 16 MMcfd with a very low pressure drawdown. Further appraisal work will continue following the recent acquisition of a multi-azimuth 3-D survey. Apache will assume operatorship of this license from Talisman Sinopec Energy UK Limited later this year subject to necessary approvals. Apache has a 35 percent WI. Partners in the well include Talisman Sinopec Energy UK Limited with 50 percent WI and JAPEX UK E&P Ltd. with 15 percent WI.

"The North Sea team has generated tremendous value in 2015 for Apache shareholders, despite a significant year-over-year reduction in capital spending. The discoveries we announced today, coupled with the North Sea's substantial inventory of development locations, provide low-risk investment optionality at very attractive rates of return," John J. Christmann, IV, Apache's chief executive officer and president, said. "Our objective is to achieve a balanced investment profile of short-, medium- and long-

cycle projects across our global portfolio. The North Sea discoveries we announced today are attractive across the full spectrum of those investment time horizons. These discoveries further reinforce our confidence that our North Sea business has the ability to sustain production volumes, extend the Forties and Beryl productive lives out beyond 2030 and consistently provide significant free cash flow back to the corporation."

About Apache

Apache Corporation is an oil and gas exploration and production company with operations in the United States, Canada, Egypt and the United Kingdom. Apache posts announcements, operational updates, investor information and press releases on its website, www.apachecorp.com, and on its Media and Investor Center mobile application, which is available for free download from the [Apple App Store](#) and the [Google Play Store](#).

Forward-looking statements

This news release contains 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. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "guidance" and similar references to future periods. These statements include, but are not limited to, statements about future plans, expectations and objectives for Apache's operations, including statements about planned drilling activity, future production, and exploration prospects in the United Kingdom sector of the North Sea. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. See "Risk Factors" in our 2014 Form 10-K filed with the Securities and Exchange Commission for a discussion of risk factors that affect our business. Any forward-looking statement made by us in this news release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future development or otherwise, except as may be required by law.

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 release operations supplement, such as "resources," "potential resources," "resource potential," "estimated net reserves," "recoverable reserves," 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, 2014, 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.

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