Fourth-Quarter & Full-Year 2022

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, 2021 (and APA's Annual Report on form 10-K for the fiscal year ended December 31, 2022 when filed) 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 fourth quarter 2022 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.

4Q and Full-Year 2022 Key Metrics

	4Q 2022	FY 2022
Reported Production	414 Mboe/d	396 Mboe/d
Adjusted Production(1)	334 Mboe/d	318 Mboe/d
Cost Incurred in Oil and Gas Property	\$472 Million	\$2,569 Million
Upstream Capital Investment(2)	\$486 Million	\$1,767 Million
Net Cash Provided by Operating Activities	\$1,413 Million	\$4,943 Million
Adjusted EBITDAX(2)	\$1,484 Million	\$6,838 Million
Free Cash Flow(2)	\$360 Million	\$2,458 Million
Diluted Earnings Per Share	\$1.38	\$11.02
Adjusted Earnings Per Share(2)	\$1.48	\$7.68

(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.

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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

2022 Highlights

Financial

- Generated ~$2.5 billion of Free Cash Flow (FCF)[(1)]; 2nd highest in APA's 68-year history
- Returned ~$1.6 billion (66% of FCF) to APA shareholders through share buybacks & dividends
- Reduced outstanding shares by 10% and doubled annual dividend
- Reduced Net Debt[(1,2)] by $1.5 billion; eliminated > 20% of outstanding bond debt

Portfolio

- Increased drilling & completion activity to a level capable of delivering sustainable production growth
- Successfully integrated Delaware Basin tuck-in acquisition
- Advanced appraisal programs at Sapakara & Krabdagu with 3 successful flow tests on Block 58 offshore Suriname; announced first discovery on Block 53 at Baja

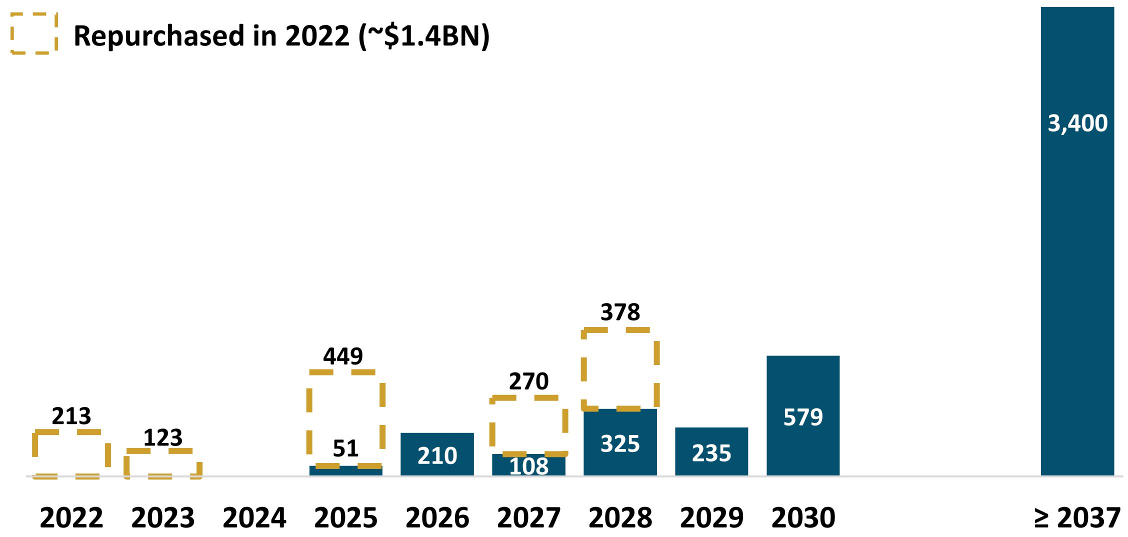
ESG

- Achieved 2022 ESG goals
  - Reduced routine upstream flaring by more than 40% in Egypt ahead of schedule
  - Outperformed safety targets (TRIR, DART, SIF, VIR)[(3)]
  - Established supplier diversity program & met commitment for Tier 1 spend by category reporting
- Delivering projects that can eliminate at least 1 million tonnes of CO_2e emissions annually by year-end 2024

(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 the definition of Free Cash Flow.
(2) Excludes Altus Midstream (ALTM).
(3) Total Recordable Incident Rate (TRIR); Days Away, Restricted or Transferred (DART); Severe Injury and Fatality Rate (SIF); Vehicle Incident Rate (VIR).

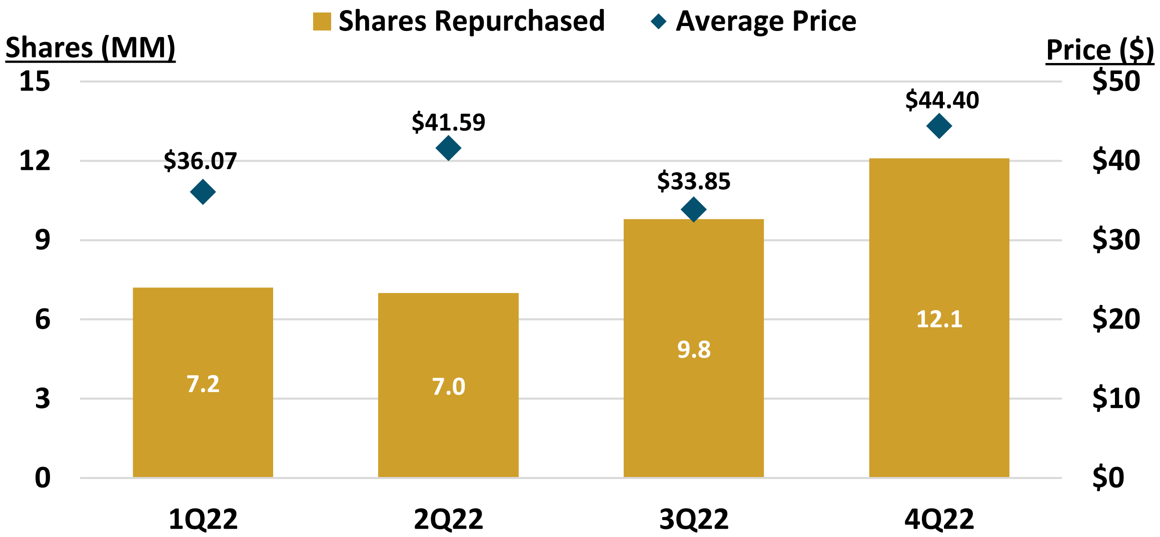
2022 Debt & Share Repurchase Activity

Bond Debt Activity ($ millions)



	YE 2021	YE 2022
Notes & Debentures[1]	$6,344MM	$4,908MM
Avg. Coupon	5.075%	5.321%
Avg. Maturity	~14 Years	~16 Years

Share Repurchase Activity (millions)



	FY 2022
Total Shares Repurchased	36.2MM
Avg. Price	$39.34 per share

(1) Before unamortized discount and debt issuance costs.

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2023 Plan Overview

2023 Plan

- Upstream capital investment[1] of $2.0 - $2.1 billion
  - 57% U.S. / 36% Int'l / 7% Exploration
- Year-over-year adjusted oil production growth of >10%[2]
  - Adjusted BOE growth of 4 – 5%[2]
- Capital return to shareholders commitment: ≥ 60% of Free Cash Flow[1]
  - Remaining ~40% to be primarily focused on debt reduction
- Estimated uplift from gas sales contract with Cheniere of ~$200 million[2]
- $5 per Bbl WTI / Brent Oil Sensitivity of $210 million & $1 per Mcf Henry Hub Gas Sensitivity of $150 million

Planned Drilling Activity

- **Onshore U.S.**: Average 5 rigs (2 SMB / 3 Delaware)
- **Egypt**: Average ~17 rigs
- **North Sea**: Maintain 1 platform crew / Release Ocean Patriot semi in 2H23
- **Suriname**: Two Krabdagu appraisal wells / one Block 58 exploration well

Production Trajectory

- **Onshore U.S.**: Strong oil growth partially offset by flat/lower gas & NGLs
  - Completion timing driving 1Q decrease & subsequent volume ramp in 2Q-4Q
- **Egypt**: Steady gross oil production growth offset by gas declines
  - Gross oil production expected to increase 10% from 4Q22 to 4Q23
- **North Sea**: modest growth over 2022 a result of increased wells online & shorter scheduled maintenance turnaround activity

(1) Please refer to the glossary of referenced terms for the definition of Upstream Capital Investment and Free Cash Flow.
(2) Assumes 2/13/2023 strip pricing of $79 WTI / $84 Brent / $3.09 Henry Hub.

Guidance

	1Q 2023	FY 2023	Commentary
Production (Mboe/d)			
United States	199 (35% oil)	217 (36% oil)	Well completion timing & ethane rejection result in 1Q23 production decline
Egypt (Reported)	146 (60% oil)	143 (64% oil)	
North Sea	43 – 45 (80% oil)	44 – 48 (79% oil)	
Total Reported Production	388 – 390	404 – 408	
Less: Egypt Tax Barrels	41	40	
Less: Egypt Noncontrolling Interest	35	34	
Total Adjusted Production	312 – 314	330 – 334	
Total Adjusted Oil Production (Mbo/d)	147	159	
Upstream Capital Investment ($ in millions)[1]	$525	$2,000 - $2,100	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)	$370	$1,500	
DD&A ($ in millions)	$350	$1,500	
General & Administrative Expense ($ in millions)	$100	$425	Assumes ~$47/shr APA stock price mark-to-market (held constant with 4Q22)
Gathering, Processing & Transmission Expense ($ in millions)	$90	$370	
Net Gain (Loss) on Oil and Gas Purchases and Sales ($ in millions)	$10	$60	Updated for basis differentials; excludes cash impact of basis hedges
North Sea Current Tax Expense ($ in millions)	$100	$550 - $575	Includes increased EPL impact (75% rate)

Note: Guidance reflects 2/13/2023 strip pricing assumptions.

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

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4Q Asset Update

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4Q 2022 Global Portfolio

GLOBAL

414,435 BOE/D
Reported Production

48% / 16% / 36%
Oil / NGL / Gas

39 Gross, 38 Net
Drilled & Completed Wells[1]

26
Avg Rigs

UNITED STATES

217,830 BOE/D
Reported Production

34% / 30% / 36%
Oil / NGL / Gas

4 Gross, 4 Net
Drilled & Completed Wells[1]

5
Avg Rigs

INTERNATIONAL

196,605 BOE/D
Reported Production

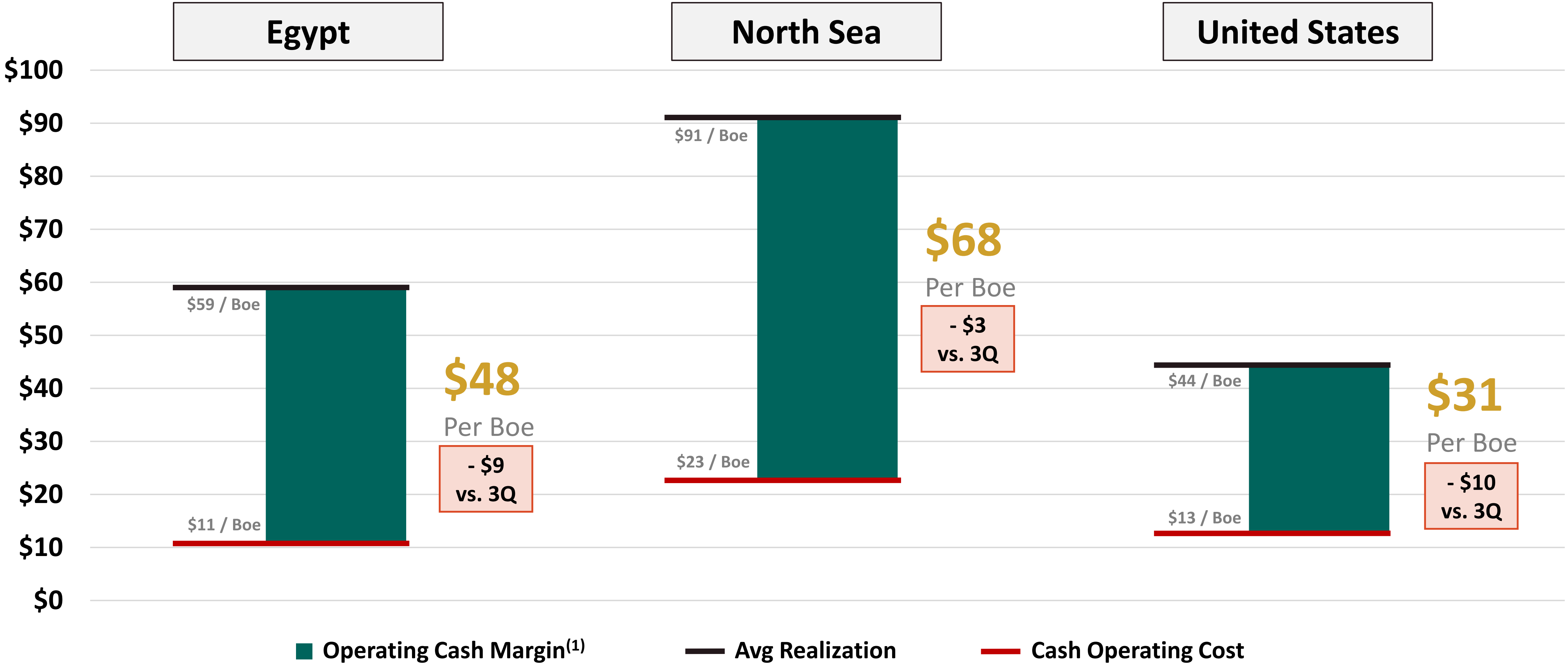
64% / 1% / 35%
Oil / NGL / Gas

35 Gross, 34 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.

4Q 2022 Operating Cash Margins (Pre-Tax)



(1) Operating cash margins calculated as price realizations less lease operating expenses, gathering, processing, & transmission costs, and taxes other than income. Please note that North Sea margins are calculated using sales volumes, which include the impact of timing of liftings.

U.S. Update

ASSET HIGHLIGHTS

- **Exceeded U.S. production guidance** with strong well performance across legacy Midland/Delaware areas & recently acquired properties in Texas Delaware
- **Southern Midland Basin**: Averaged 2 rigs; placed 1 well on production in 4Q22
  - Highlighted by J.P. Morgan as a leader in 2022 for both 6-month / 12-month total BOE and oil productivity on a lateral foot adjusted basis for the 2nd year in a row(2)
- **Delaware Basin**: Averaged 3 rigs; no new wells placed on production in 4Q22
  - Tuck-in acquisition wells online in 3Q22 continue to outperform expectations
  - Anticipate placing 3 wells on production at Alpine High in late 1Q23
- Well completion timing & ethane rejection drive lower expected production in 1Q23; steady production growth expected for remainder of 2023 (see p. 13)

4Q 2022 ASSET STATS

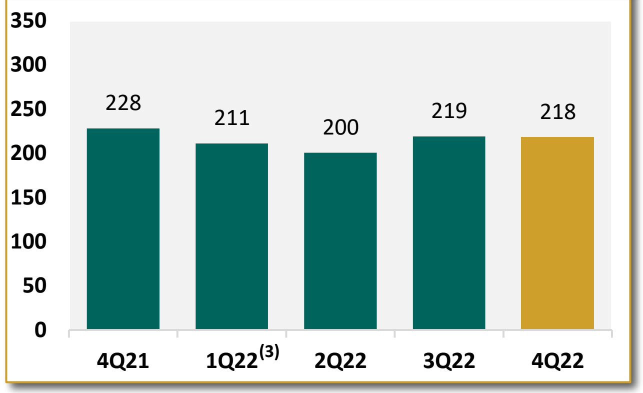
217,830 BOE/D
Reported Production

34% / 30% / 36%
Oil / NGL / Gas

4 Gross, 4 Net
Drilled & Completed Wells(1)

5
Avg Rigs

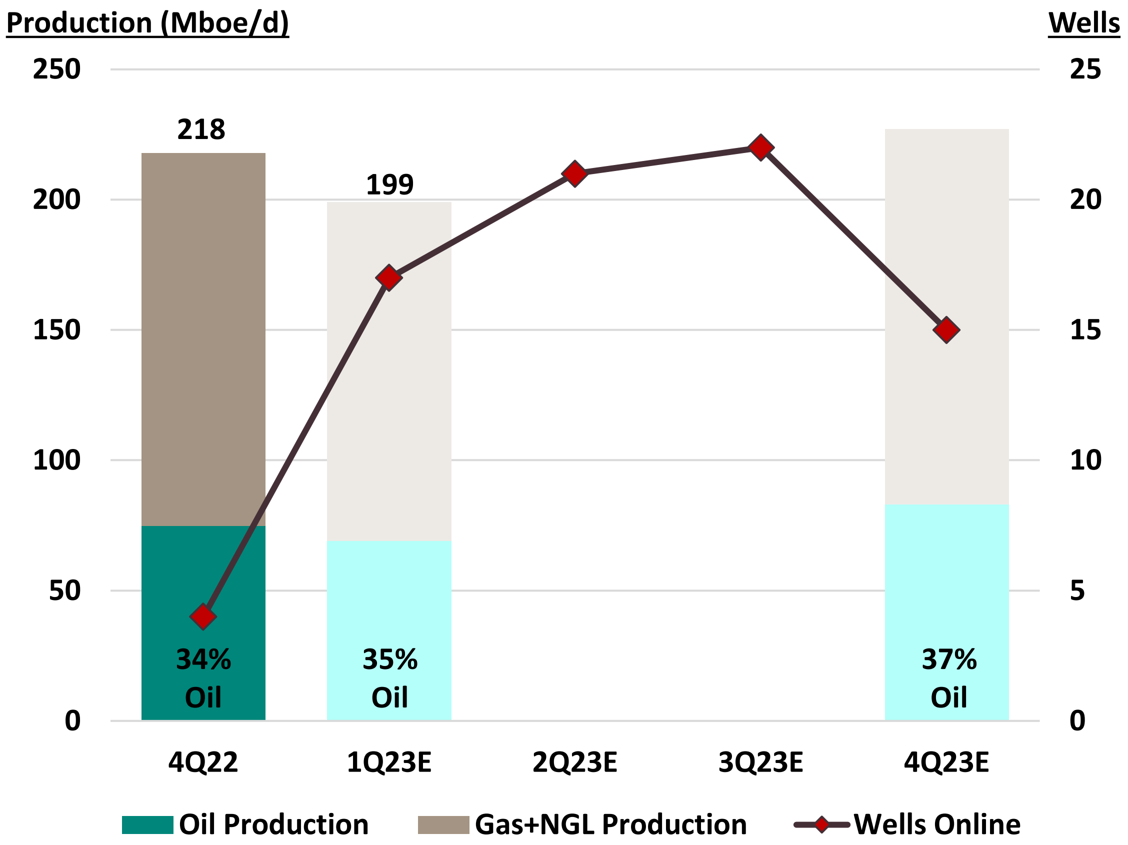
NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) Published in J.P. Morgan's E&P Basin Scorecard report from December 14, 2022.
(3) Includes approximately 5 Mboe/d of production from the 1Q'22 Delaware Basin minerals sale.

2023 U.S. Production Growth Trajectory

U.S. Production & Wells Online Cadence



- Over 10% oil growth expected from 4Q22 to 4Q23
- During 1Q23, anticipate 9% decline in U.S. production due to:
  - Only 4 wells brought online in 4Q22 (3 Austin Chalk / 1 SMB)
  - 90% of 1Q23 wells expected online in 2nd half of the quarter
  - 1Q23 ethane rejection & natural gas curtailment impact of 3 Mboe/d
- Higher completion count to drive steady production uptick in 2Q23 – 4Q23

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Egypt Update

ASSET HIGHLIGHTS

- Rig efficiency (wells per rig/yr) improved 18% in 4Q22 vs 1H22 average
- Drilling success rate of 91% (31 of 34 wells) in 4Q22
  - Three exploration discoveries with well tests, each exceeding 3,000 BOPD

Gross oil production expected to increase 10% from 4Q22 to 4Q23
  - Expect 25-30 well connections per quarter for 2023

- Completed additional compression projects in 4Q22; routine upstream flaring reduced by more than 40% for the full year

4Q 2022 ASSET STATS

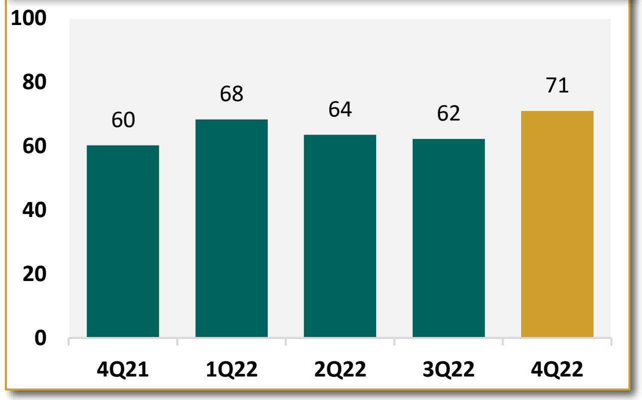
151,034 BOE/D
Reported Production

59% / 0% / 41%
Oil / NGL / Gas

34 Gross, 33 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

- Significant uptick in 4Q22 production post 3Q22 downtime & turnarounds
- Improved facilities uptime for the quarter at both Beryl and Forties, which has continued into 1Q23
- Slight production decline expected in 1Q23 due to delayed subsea well connection
  - Expect to bring online 2 subsea wells and 1 platform well in 2Q23
- Plan to release Ocean Patriot rig around mid-year

4Q 2022 ASSET STATS

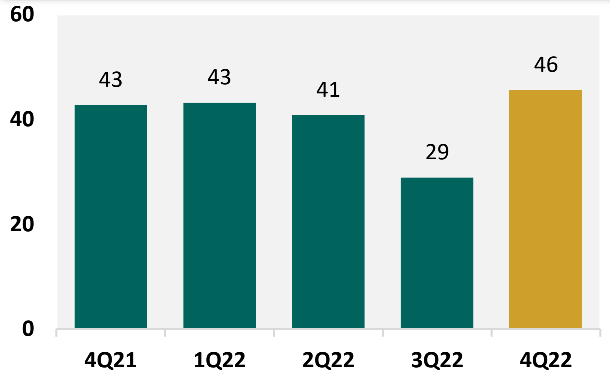
45,571 BOE/D
Reported Production

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

1 Gross, 1 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.

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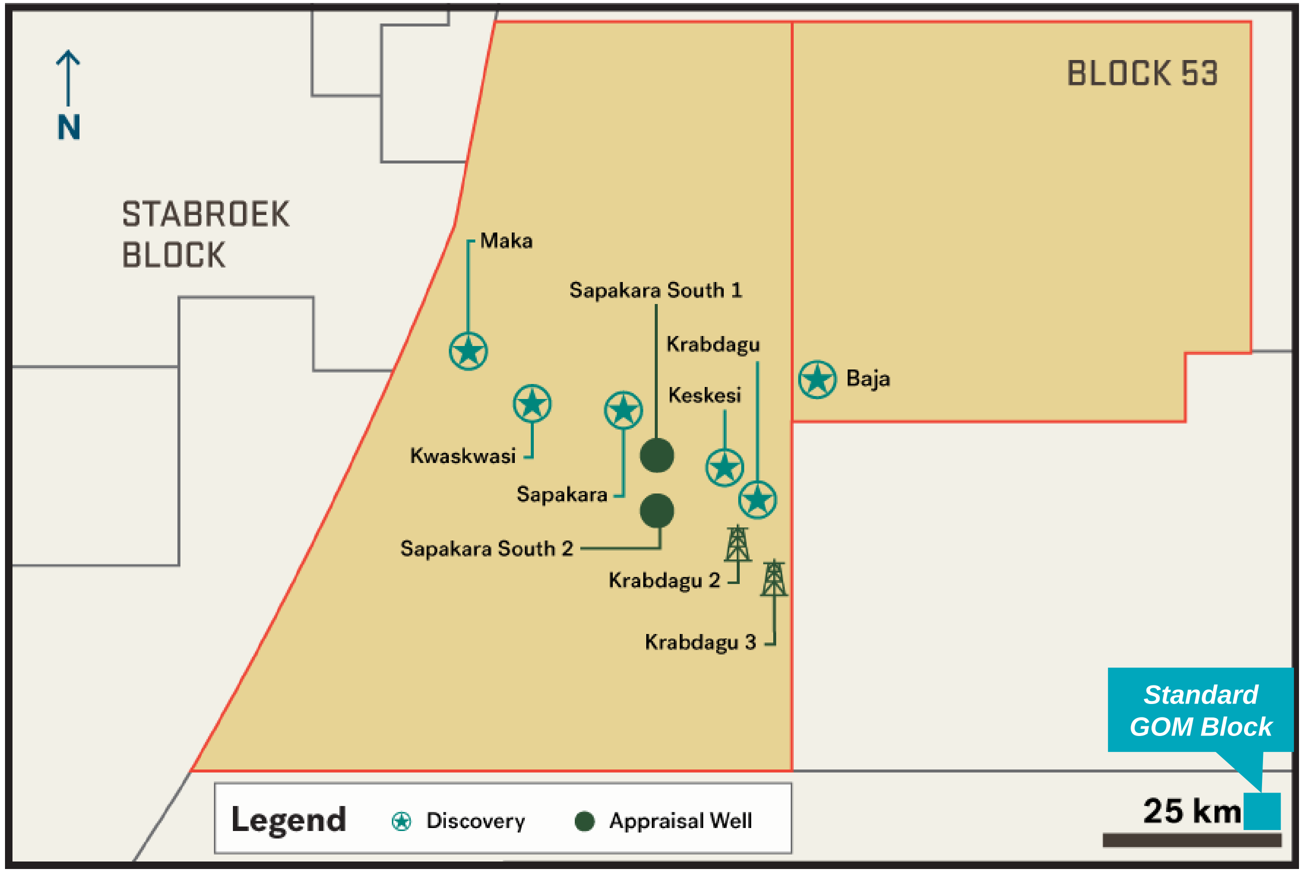
Suriname Update

Block 58 (APA 50% WI, TTE Operated)

- Announced successful flow test at **Sapakara South-2 (SPS-2)**
  - Encountered 36 meters (118 ft) of net oil pay
  - Analysis indicates incremental resource to Sapakara South-1 (SPS-1) of > 200 MMBbls of oil in place
  - Total estimated resource at Sapakara now exceeds 600 MMBbls of oil in place
- Currently appraising **Krabdagu**
  - **Krabdagu 2** spud in late December 2022
  - **Krabdagu 3** expected to spud in late February

Block 53 (APA 45% WI)

- Announced first exploration discovery at the **Baja** well in August 2022



Appendix

Cash Return Summary

	2021	2022	Total
Shares Repurchased (MM)	31.2	36.2	67.4
Average Stock Repurchase Price	$27.14	$39.34	$33.69
Share Repurchases ($MM)	$847	$1,423	$2,270
Dividends ($MM)	$52	$207	$259
Total Cash Return ($MM)	$899	$1,630	$2,529
Free Cash Flow ($MM)	$1,823	$2,458	$4,281
% Free Cash Flow Returned	49%	66%	59%
Total Bond Debt Reduction ($MM)	($1,708)	($1,436)	($3,144)

Repurchased $2.3 Billion of Shares (~18% of Outstanding Shares) & Eliminated $3.1 Billion in Bond Debt Since YE 2020

Upstream Capital Investment

($ in Millions)	1Q22	2Q22	3Q22	4Q22	FY22
United States……	$ 175	$ 192	$ 235	$ 241	$ 843
Egypt (excluding noncontrolling interest)……	98	109	118	145	470
North Sea……	36	41	66	65	208
Suriname……	52	86	73	35	246
Upstream Capital Investment Total……	$ 361	$ 428	$ 492	$ 486	$ 1,767

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

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Egypt: Production Detail

	3Q 2022			4Q 2022		
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	133,607	510,260	218,650	139,587	559,401	232,821
Reported Production	81,095	318,945	134,253	88,716	373,911	151,034
% Gross	61%	63%	61%	64%	67%	65%
Less: Tax Barrels	24,718	97,199	40,918	26,136	111,134	44,659
Net Production Excluding Tax Barrels	56,377	221,746	93,335	62,579	262,777	106,375
% Gross	42%	43%	43%	45%	47%	46%
Less: Noncontrolling Interest	18,792	73,915	31,112	20,860	87,592	35,458
Adjusted Production	37,584	147,831	62,223	41,719	175,184	70,917
% Gross	28%	29%	28%	30%	31%	30%

	2021				2022			
MBOE/D	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Production	237	233	229	235	235	235	219	233
Reported Production	119	114	111	115	150	144	134	151
Adjusted Production	63	61	58	60	68	64	62	71
Brent Oil Benchmark Pricing	$61	$69	$73	$80	$98	$112	$97	$89

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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)
    - 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, 2021.

Non-GAAP Reconciliations

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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, 2022				For the Quarter Ended December 31, 2021			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income including noncontrolling interests (GAAP)	$ 802	$ (263)	$ 539	$ 1.68	$ 654	$ (169)	$ 485	$ 1.34
Income attributable to noncontrolling interests	170	(74)	96	0.30	59	(45)	14	0.04
Income attributable to Altus preferred unit limited partner	-	-	-	-	89	-	89	0.25
Net income attributable to common stock	632	(189)	443	1.38	506	(124)	382	1.05
Adjustments: *								
Asset and unproved leasehold impairments	2	-	2	-	195	(36)	159	0.44
Noncontrolling interest impact on Altus impairments	-	-	-	-	(33)	7	(26)	(0.07)
Noncontrolling interest & tax barrel impact on Egypt adjustments	-	-	-	-	(10)	-	(10)	(0.03)
Valuation allowance and other tax adjustments	-	(47)	(47)	(0.15)	-	(42)	(42)	(0.12)
Unrealized derivative instrument gain	(52)	11	(41)	(0.13)	(20)	16	(4)	(0.01)
Loss on previously sold Gulf of Mexico properties	157	(33)	124	0.39	-	-	-	-
Kinetik equity investment mark-to-market gain	(9)	2	(7)	(0.02)	-	-	-	-
Transaction, reorganization & separation costs	5	(2)	3	0.01	14	(4)	10	0.03
Gain on divestitures, net	-	-	-	-	(2)	1	(1)	-
Other	(1)	-	(1)	-	-	-	-	-
Adjusted earnings (Non-GAAP)	$ 734	$ (258)	$ 476	$ 1.48	$ 650	$ (182)	$ 468	$ 1.29

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

APA Corporation

Non – GAAP Reconciliation

Adjusted Earnings (Year to Date)

Reconciliation of Income Attributable to Common Stock to Adjusted Earnings

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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 Year Ended December 31, 2022				For the Year Ended December 31, 2021			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income including noncontrolling interests (GAAP)	$ 5,734	$ (1,652)	$ 4,082	$ 12.24	$ 1,891	$ (578)	$ 1,313	$ 3.50
Income attributable to noncontrolling interests	842	(364)	478	1.43	336	(158)	178	0.48
Income (loss) attributable to Altus preferred unit limited partner	(70)	-	(70)	(0.21)	162	-	162	0.43
Net income attributable to common stock	4,962	(1,288)	3,674	11.02	1,393	(420)	973	2.59
Adjustments: *								
Asset and unproved leasehold impairments	24	(4)	20	0.06	239	(47)	192	0.51
Noncontrolling interest impact on Altus impairments	-	-	-	-	(33)	7	(26)	(0.07)
Noncontrolling interest & tax barrel impact on Egypt adjustments	1	(2)	(1)	-	(12)	-	(12)	(0.03)
Valuation allowance and other tax adjustments **	-	(226)	(226)	(0.68)	-	(85)	(85)	(0.22)
Loss on extinguishment of debt	67	(14)	53	0.15	104	(22)	82	0.22
Unrealized derivative instrument (gain) loss	(5)	(7)	(12)	(0.03)	13	12	25	0.07
Loss on previously sold Gulf of Mexico properties	157	(33)	124	0.37	446	(94)	352	0.93
Kinetik equity investment mark-to-market gain	(32)	2	(30)	(0.08)	-	-	-	-
Transaction, reorganization & separation costs	26	(8)	18	0.05	22	(7)	15	0.05
Gain on divestitures, net	(1,180)	125	(1,055)	(3.17)	(67)	14	(53)	(0.14)
Other	(6)	1	(5)	(0.01)	(1)	-	(1)	(0.01)
Adjusted Earnings (Non-GAAP)	$ 4,014	$ (1,454)	$ 2,560	$ 7.68	$ 2,104	$ (642)	$ 1,462	$ 3.90

***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 $208 million related to the remeasurement of the June 30, 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			For the Year Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net cash provided by operating activities	$ 1,413	$ 1,104	$ 1,085	$ 4,943	$ 3,496
Adjustments:					
Exploration expense other than dry hole expense and unproved leasehold impairments	34	13	16	98	58
Current income tax provision	343	357	189	1,507	652
Other adjustments to reconcile net income (loss) to net cash provided by operating activities	(18)	3	(34)	73	(28)
Changes in operating assets and liabilities	(369)	134	(95)	(121)	(37)
Financing costs, net	76	75	92	312	410
Transaction, reorganization & separation costs	5	4	14	26	22
Adjusted EBITDAX (Non-GAAP)	$ 1,484	$ 1,690	$ 1,267	$ 6,838	$ 4,573

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 December 31,		For the Year Ended December 31,	
	2022	2021	2022	2021
Net cash provided by operating activities	$ 1,413	$ 1,085	$ 4,943	$ 3,496
Changes in operating assets and liabilities	(369)	(95)	(121)	(37)
Cash flows from operations before changes in operating assets and liabilities	$ 1,044	$ 990	$ 4,822	$ 3,459
Adjustments to free cash flow:				
Altus Midstream cash flows from operations before changes in operating assets and liabilities	-	(63)	-	(211)
Upstream capital investment including noncontrolling interest - Egypt	(559)	(385)	(2,002)	(1,221)
Distributions to Sinopec noncontrolling interest	(125)	(76)	(362)	(279)
Upstream free cash flow	$ 360	$ 466	$ 2,458	$ 1,748
Cash dividends received from Altus Midstream	-	19	-	75
Free cash flow	$ 360	$ 485	$ 2,458	$ 1,823

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. APA 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, 2022			
	North Sea	Egypt	U.S. and Other	Consolidated
	($ in millions)			
Net cash provided by operating activities	$ 114	$ 581	$ 718	$ 1,413
Changes in operating assets and liabilities	58	(143)	(284)	(369)
Cash flows from operations before changes in operating assets and liabilities	$ 172	$ 438	$ 434	$ 1,044

	For the Year Ended December 31, 2022			
	North Sea	Egypt	U.S. and Other	Consolidated
	($ in millions)			
Net cash provided by operating activities	$ 714	$ 1,759	$ 2,470	$ 4,943
Changes in operating assets and liabilities	(61)	103	(163)	(121)
Cash flows from operations before changes in operating assets and liabilities	$ 653	$ 1,862	$ 2,307	$ 4,822

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 APA or any of APA's other subsidiaries.

($ in millions)

	December 31, 2022			December 31, 2021		
	APA Upstream	Altus Midstream	APA Consolidated	APA Upstream	Altus Midstream	APA Consolidated
Current debt	$ 2	$ -	$ 2	$ 215	$ -	$ 215
Long-term debt	5,451	-	5,451	6,638	-	6,638
Long-term debt - Altus	-	-	-	-	657	657
Total debt	5,453	-	5,453	6,853	657	7,510
Cash and cash equivalents	245	-	245	170	132	302
Net debt	$ 5,208	$ -	$ 5,208	$ 6,683	$ 525	$ 7,208

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 December 31,		For the Year Ended December 31,	
	2022	2021	2022	2021
Costs incurred in oil and gas property:				
Asset and leasehold acquisitions				
Proved	$ 16	$ (160)	$ 599	$ (157)
Unproved	15	23	66	29
Exploration and development	441	529	1,904	1,387
Total Costs incurred in oil and gas property	$ 472	$ 392	$ 2,569	$ 1,259
Reconciliation of Costs incurred to Upstream capital investment:				
Total Costs incurred in oil and gas property	$ 472	$ 392	$ 2,569	$ 1,259
Property acquisitions	(24)	-	(625)	-
Asset retirement obligations settled vs. incurred - oil and gas property	150	(133)	174	(116)
Egypt PSC modernization impact	-	145	-	145
Capitalized interest	(5)	(3)	(18)	(9)
Exploration seismic and administration costs	(34)	(16)	(98)	(58)
Upstream capital investment including noncontrolling interest - Egypt	$ 559	$ 385	$ 2,002	$ 1,221
Less noncontrolling interest - Egypt	(73)	(51)	(235)	(159)
Total Upstream capital investment	$ 486	$ 334	$ 1,767	$ 1,062

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