



# U.S. Portfolio Optimization

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September 2024

**APA**  
Corporation

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# Transforming APA's U.S. Portfolio

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- APA has significantly high-graded its U.S. portfolio in 2024 with >\$2.0 billion of non-core asset sales
- Recently-announced \$950 million sale of conventional Permian assets is a transformative step
  - Expected to reduce U.S. LOE per BOE by >10%, and reduce discounted value of ARO by >\$200 million
  - Under current capital plan, divested assets contain minimal new drilling opportunities
- Callon acquisition on April 1 significantly increased APA's Permian production base and inventory of future development locations
  - CPE purchased at a significantly lower cash flow multiple than the multiple received for divested U.S. assets thus far in 2024, which include: Kinetik common equity, East Texas, Permian minerals, and Permian conventional
  - Equity issuance and subsequent debt reduction positively impact APA's balance sheet
- High-graded U.S. portfolio consists of 462,000 unconventional acres in the Permian Basin
  - Pro-forma 4Q24 U.S. production guide of 307 MBOE/D is 34% above 4Q23 production

# Coring Up APA's U.S. Assets: 2024 Transactions

	<u>Date Announced</u>	<u>Approximate Production Impact</u>	<u>Value</u>
<b>Callon Petroleum Acquisition<sup>(1)(2)</sup></b>	Jan-2024	Plus: 100 MBOE/D	Equity Issued: ~\$2.6 billion Net Debt Assumed: ~\$2.1 billion
<b>Kinetik Midstream Equity Sale</b>	Mar-2024	N/A	~\$430 million
<b>East Texas &amp; Midland Royalties Divestiture<sup>(3)</sup></b>	May-2024	Less: 13 MBOE/D	~\$700 million
<b>Conventional Permian Divestiture<sup>(4)</sup></b>	Sep-2024	Less: 21 MBOE/D	~\$950 million
<b>Net Impact</b>		66 MBOE/D	

***U.S. portfolio high-graded with increased scale and no material impact to net debt post asset sales***

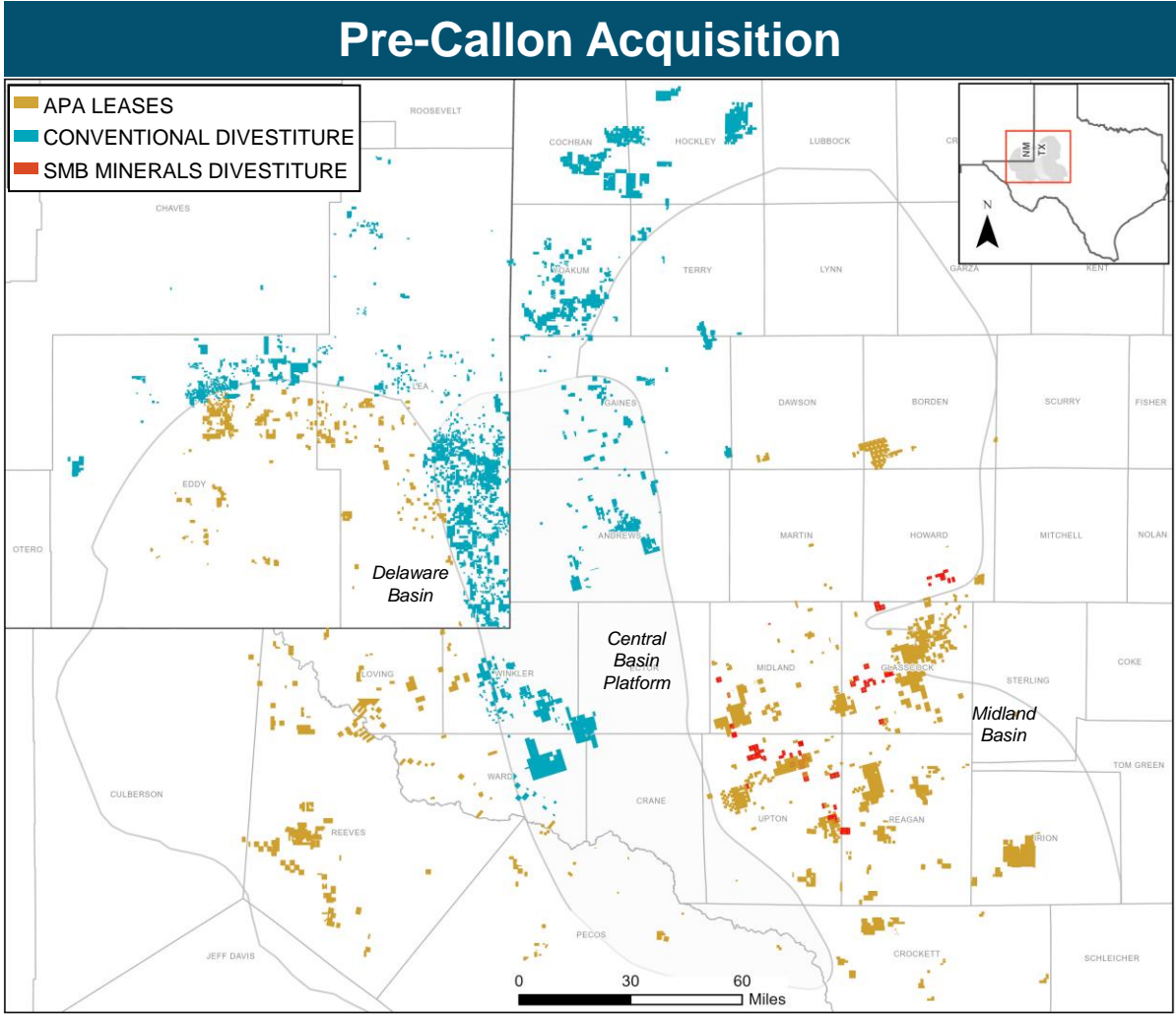
(1) Closing price of APA stock prior to Callon Petroleum announcement was \$36.75/share.

(2) Net debt assumed for Callon Petroleum reflects Callon's consolidated debt of \$2.1B less cash acquired of \$20MM as of 3/31/24.

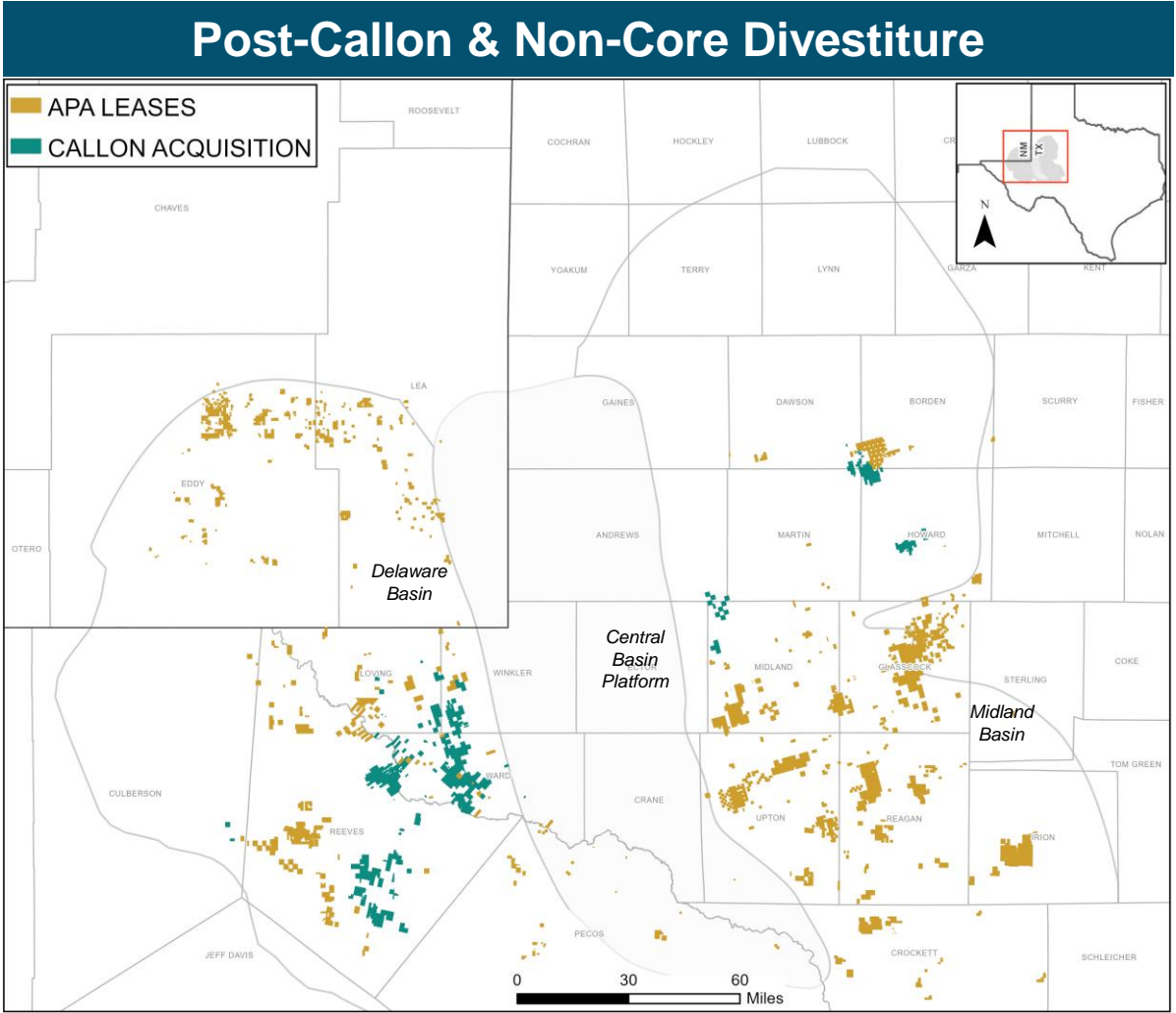
(3) Proceeds received at closing were \$661MM, lowered due to timing of closing date vs. effective date.

(4) Proceeds subject to closing cost adjustments.

# APA's Consolidated Midland & Delaware Position







**322,000 Unconventional Net Acres<sup>(1)</sup>**  
**740,000 Total Net Permian Acres<sup>(1)</sup>**



**462,000 Unconventional Net Acres<sup>(2)</sup>**  
**484,000 Total Net Permian Acres<sup>(2)</sup>**

(1) Acreage as of Feb-2024.  
 (2) Acreage as of Sep-2024. Reflects removal of pending conventional asset sale.

# APA Permian Position

				
Market Cap (\$Billion)	\$9.3	\$10.6	\$10.6	\$6.3
EV (\$Billion)	\$15.1	\$14.9	\$17.6	\$10.1
Permian Production (4Q24E; MBOE/D)	307	344	203*	198
% Oil (4Q24E)	45%	47%	NA	61%
Permian Rigs	9	12	6	9
Net Permian Unconventional Acres (‘000)	~462	~450	~180	~192
Adjusted Non-Permian Production (4Q24E; MBOE/D)	106 (~70% Oil)	--	~391* (~64% Gas)	--
Key Non-Producing Assets	Suriname (Block 58 / Baja) Alaska & Uruguay Exploration	--	--	Permian midstream

Source: FactSet. Enverus. Company disclosures.

(1) Market data as of 9/6/2024.

(2) Capitalization statistics adjusted for respective announced A&D activity.

(3) Enterprise value excludes minority interest.

(4) 4Q24 estimates reflect guidance from APA & consensus estimates for PR & MTDR.

(5) APA production estimates reflect removal of pending conventional asset sale.

(6) \*OVV production reflects 2Q24 actuals.

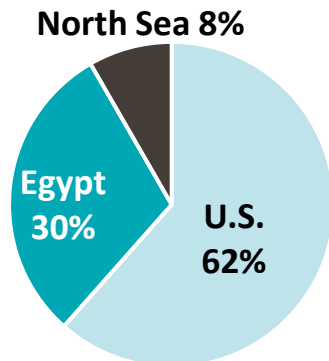
(7) Rig count data from Enverus as of 9/5/24.

# Differentiated Large Cap Independent with Diverse Asset Base

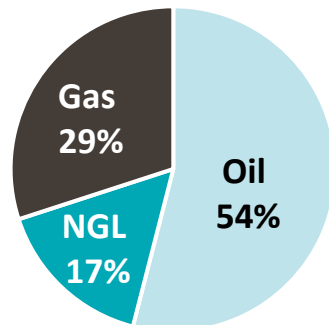
- Ability to allocate capital between short / long cycle and conventional / unconventional development opportunities
- Access to premium global pricing
- Exploration capabilities provide long-term upside and access to global new entries



**2Q24 Reported Production**  
(Adjusted for asset divestitures)<sup>(1)</sup>



**2Q24 Production Mix**  
(Adjusted for asset divestitures)<sup>(1)</sup>



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

(1) Reflects 2Q24 pro-forma production for East TX, Midland royalties, and Permian conventional asset sales.



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