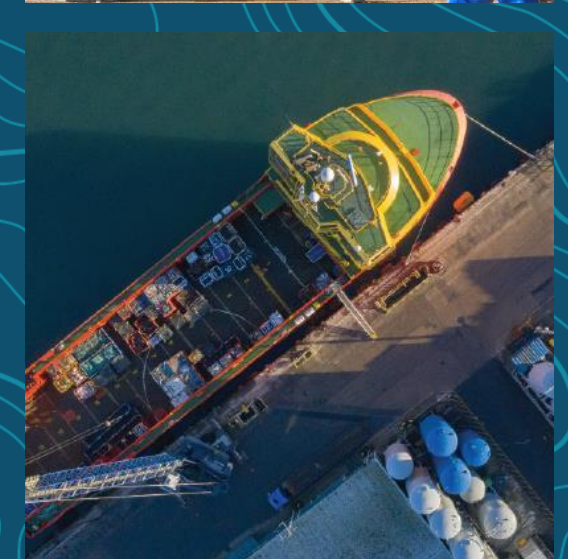
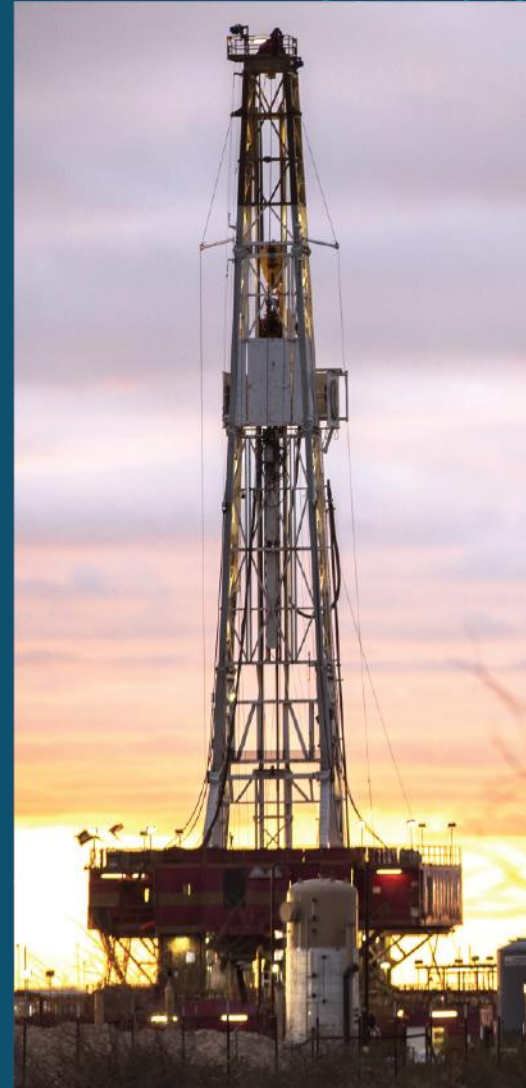


First-Quarter 2021

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," "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 Apache Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 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 2021 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 2021 Key Metrics



	1Q 2021
Reported Production	382 Mboe/d
Adjusted Production⁽¹⁾	326 Mboe/d
Cost Incurred in Oil and Gas Property	\$287 Million
Upstream Capital Investment⁽²⁾	\$243 Million
Net Cash Provided by Operating Activities	\$671 Million
Adjusted EBITDAX⁽²⁾	\$1,137 Million
Free Cash Flow⁽²⁾	\$502 Million
Diluted Earnings (Loss) Per Share	\$1.02
Adjusted Earnings (Loss) Per Share⁽²⁾	\$0.91

(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's Strategy



- Prioritizing returns over production growth
- Positioning the balance sheet and portfolio for increasing cash returns to investors
- Focus on areas where APA can have the greatest impact on the most salient ESG matters



- Balanced commodity profile and geographic pricing points diversify risk
- Directing a significant percentage of capital budget to Suriname
- Reinitiating measured level of activity in the U.S.
- Modernizing Egypt PSCs⁽¹⁾



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

(1) Pending certain approvals within the Government of Egypt and ratification by the Egyptian Parliament.

Highlights

Generated **\$502 Million of Free Cash Flow⁽¹⁾** in 1Q'21

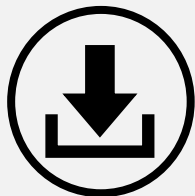


Delivered 1Q'21 Upstream Capital Investment⁽¹⁾ of
\$243 Million

1Q'21 Adjusted Production⁽²⁾ of
326 MBOE/D Exceeded Guidance



Adjusted Oil Production⁽²⁾ of
148 MBO/D



Reduced 1Q'21 APA Net Debt^(1,3)
by **\$339 Million**

Announced **Keskesi Discovery** in
Campanian / Santonian



TOTAL Operating 2 Rigs
Initiated Appraisal Program

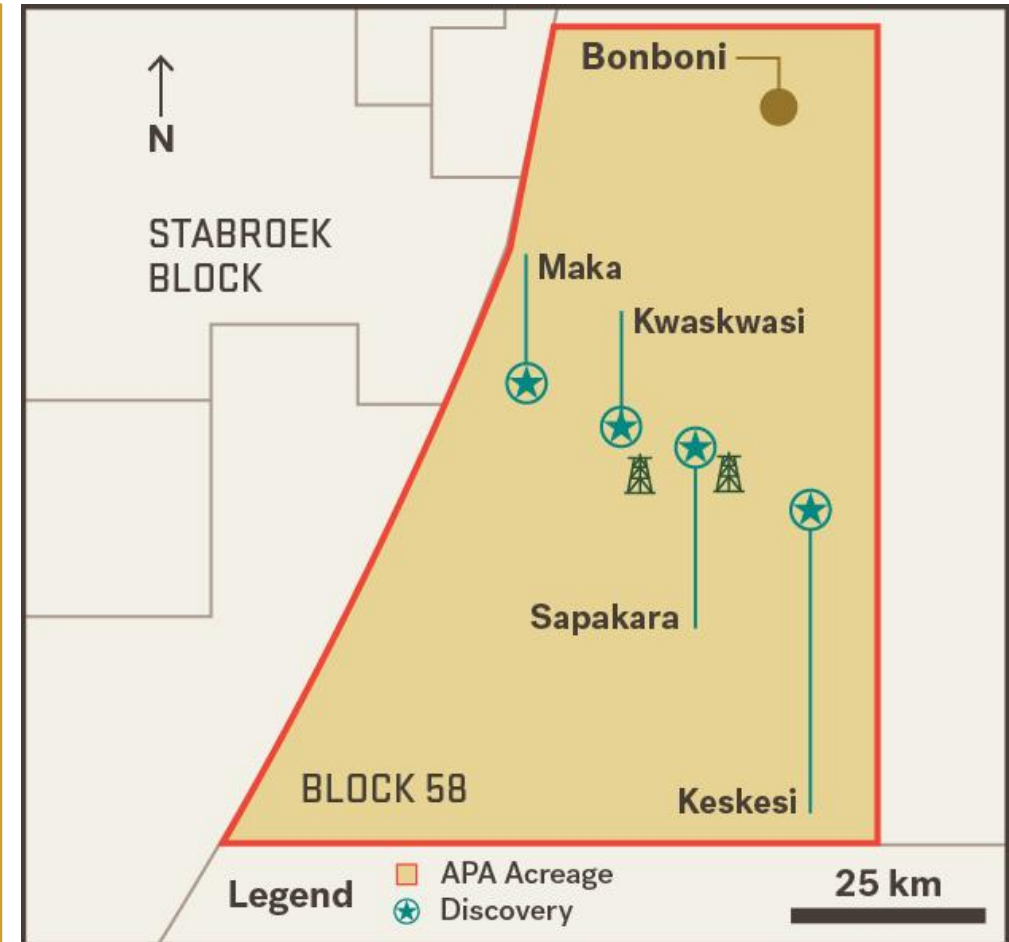
Hadid Oil Discovery
Utilizing New Seismic in Egypt



Encountered net oil pay of
152 feet

Block 58 Offshore Suriname Update

- Announced fourth discovery at **Keskesi East-1** in January
- **TOTAL operating 2 rigs**, each capable of flow testing and appraisal / exploration drilling
 - Currently drilling in the vicinity of Sapakara discovery
- **Bonboni** next exploration prospect to be drilled



2Q21 Guidance

	New
Production (Mboe/d)	
United States.....	230
International (Adjusted).....	110
Total Adjusted Production.....	340
United States Oil (Mbo/d).....	78
Upstream Capital Investment (\$ in millions) ⁽¹⁾	\$295
Upstream Lease Operating Expense (\$ in millions).....	\$300
DD&A (\$ in millions).....	\$370
General & Administrative Expenses (\$ in millions).....	\$80
North Sea Current Tax Expense (\$ in millions).....	\$30
Gathering, Processing & Transmission Expense (\$ in millions).....	\$65
Net Loss on Oil and Gas Purchases and Sales (\$ in millions) ⁽²⁾	\$25

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

(2) Consists of transport & fuel costs, net purchased oil and gas sales/costs and impact of natural gas basis hedges.

2021 Guidance

	Updated		
Production (Mboe/d)			
United States.....	220 – 225	} Unchanged Guidance From February	
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		} New
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		
Gathering, Processing & Transmission Expense (\$ in millions).....	\$250		
Net Loss on Oil and Gas Purchased and Sales (\$ in millions) ⁽²⁾	\$140		





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

(2) Consists of transport & fuel costs, net purchased oil and gas sales/costs and impact of natural gas basis hedges.





1Q Asset Update

1Q 2021 Global Portfolio

GLOBAL





 382,401 BOE/D Reported Production	 48% / 16% / 36% Oil / NGL / Gas	 29 Gross, 27 Net Drilled & Completed Wells ⁽¹⁾	 9 Avg Rigs
---	---	---	--

UNITED STATES

 210,091 BOE/D Reported Production	 32% / 28% / 40% Oil / NGL / Gas	 21 Gross, 19 Net Drilled & Completed Wells ⁽¹⁾	 1 Avg Rigs
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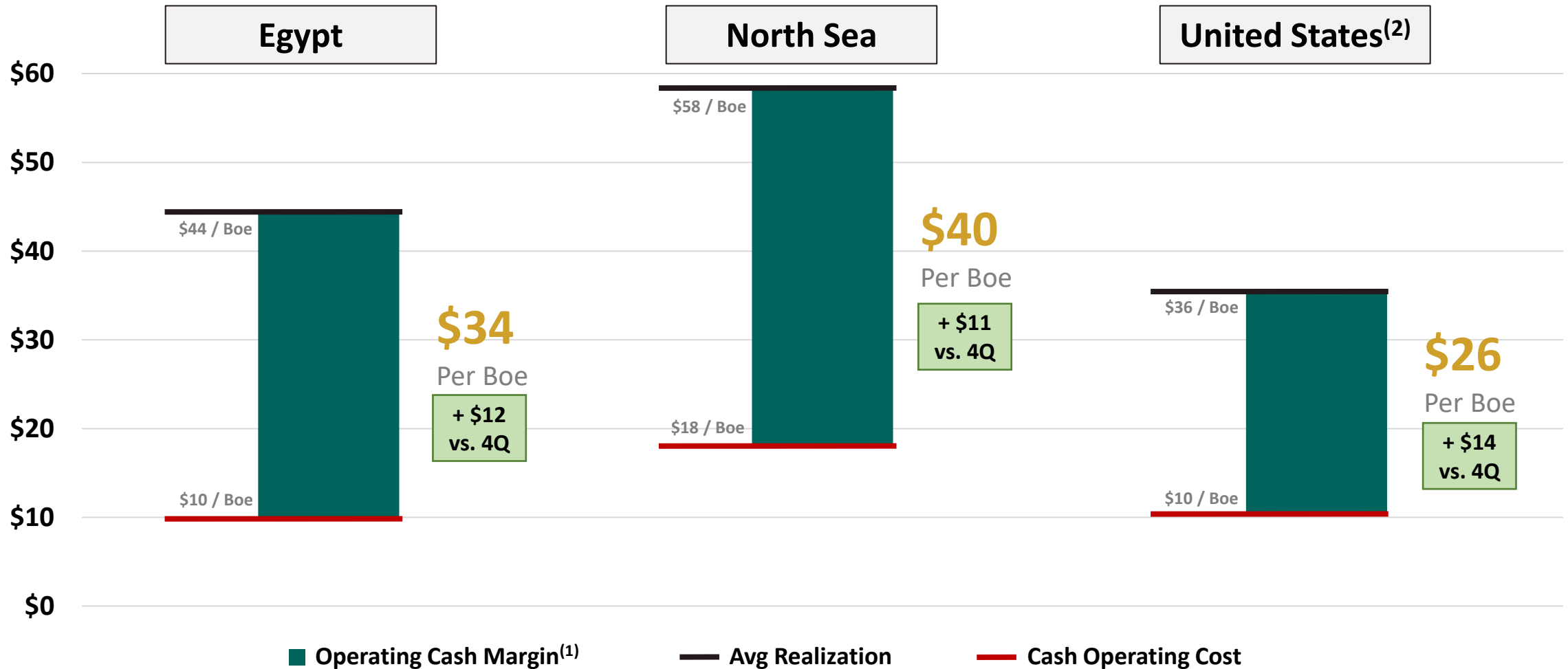


INTERNATIONAL

 172,310 BOE/D Reported Production	 67% / 1% / 32% Oil / NGL / Gas	 8 Gross, 8 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 average in Suriname.

1Q 2021 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 Midstream (ALTM).

1Q U.S. Update

ASSET HIGHLIGHTS

- Exceeded February U.S. oil production guidance by ~6%
- Weather-related downtime impacted production by ~14,000 BOE/D (35% oil)
- ~5,000 BOE/D (60% oil) of lower-margin production remained shut-in at quarter end
- Brought online 20 Permian oil wells and 2 wells at Alpine High
 - Expect to bring online ~20 Permian oil DUCs and 5 DUCs at Alpine High in 2Q
- Re-activated rig off standby in late January in the Southern Midland basin
- Initiated 4 well drilling program in the Austin Chalk oil play in Brazos and Washington counties

ASSET STATS



210,091 BOE/D

Reported Production



32% / 28% / 40%

Oil / NGL / Gas



21 Gross, 19 Net

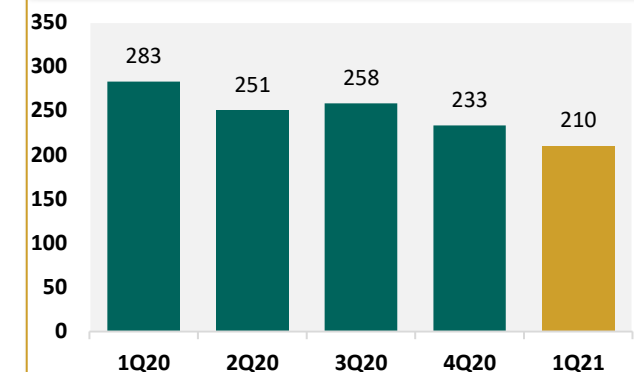
Drilled & Completed Wells⁽¹⁾



1

Avg Rigs

NET PRODUCTION MBOE/D



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

1Q Egypt Update

ASSET HIGHLIGHTS

- Completed turnaround at Tarek gas plant
 - Zero safety incidents and zero COVID infections across 38,000 manhours
- ~2,500 MBOE/D price impact on 1Q'21 adjusted production relative to guidance (provided in Feb.)
- Gross production expected to bottom in 2Q and trend up in the second half of the year
 - Infrastructure debottlenecking & addition of compression capacity to enable connection of ~35 wells in 2H'21 compared to only 20 wells in 1H'21
- New seismic data unlocking new opportunities – early results exceeding expectations
 - Hadid discovery encountered 152 feet of net oil pay with a test rate of ~4,170 BOE/D (90% oil); analogous to Tayim-North discovery with potential for follow-on development wells
 - WKAL O-2 development well test flowed more than 4,200 BOE/D (97% oil & condensate) on a controlled choke; with better reservoir properties & thicker pay than offset wells
- Agreement in principle with the Egypt's Ministry of Petroleum and Mineral Resources and the Egyptian General Petroleum Company (EGPC) to modernize PSC terms
 - When ratified, will result in increased activity, capital investment & oil-focused production growth over next several years

ASSET STATS



119,111 BOE/D

Reported Production



60% / 1% / 39%

Oil / NGL / Gas



6 Gross, 6 Net

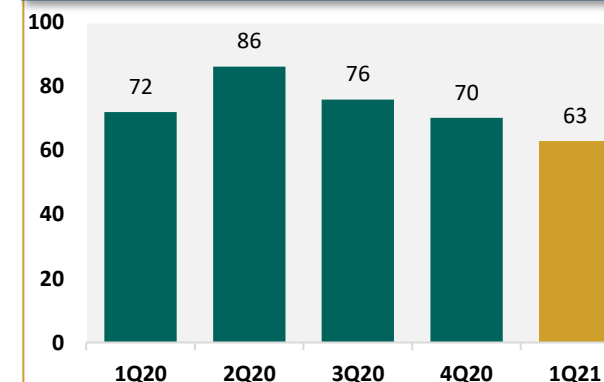
Drilled & Completed Wells⁽¹⁾



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.

1Q North Sea Update

ASSET HIGHLIGHTS

- Production during 1Q'21 impacted by extended compressor downtime at Forties Field
- Extended platform turnarounds and 3rd party operated Forties pipeline maintenance will impact 2Q/3Q volumes
 - Includes deferred maintenance from 2020
- Strong results from 2 recent development wells at Beryl delivering initial rates in excess of 5,000 BO/D each

ASSET STATS



53,199 BOE/D

Reported Production



82% / 3% / 15%

Oil / NGL / Gas



1 Gross, 1 Net

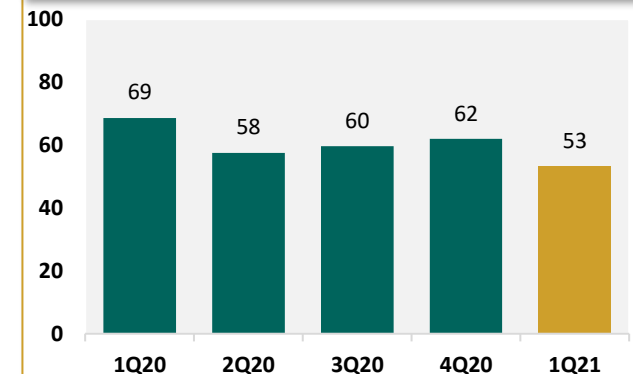
Drilled & Completed Wells⁽¹⁾



2

Avg Rigs

NET PRODUCTION MBOE/D





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

Appendix

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.
	 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 diversity & inclusion programs
G	 GOVERNANCE	<ul style="list-style-type: none"> • 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 	

Open Commodity Derivative Positions (As of May 4, 2021)

Production Period	Trade Type	Index	Units	Daily Volume	Weighted Avg Price \$ / Unit
WTI Hedges					
April – June 2021	Fixed Swap	NYMEX WTI	BBL	62,000	\$61.20
July – September 2021	Fixed Swap	NYMEX WTI	BBL	22,000	\$60.15
October – December 2021	Fixed Swap	NYMEX WTI	BBL	11,000	\$58.59
Brent Hedges					
April – June 2021	Fixed Swap	Dated Brent	BBL	45,714	\$64.15
July – September 2021	Fixed Swap	Dated Brent	BBL	18,000	\$63.08
October – December 2021	Fixed Swap	Dated Brent	BBL	9,000	\$61.44
Midland Basis Hedges					
May – June 2021	Basis Swap	Midland / WTI	BBL	62,000	\$0.56
July – September 2021	Basis Swap	Midland / WTI	BBL	22,000	\$0.61
October – December 2021	Basis Swap	Midland / WTI	BBL	11,000	\$0.70
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)

Upstream Capital Investment

(\$ in Millions)	1Q21
United States.....	\$ 102
Egypt (Apache's interest only).....	64
North Sea.....	40
Suriname.....	<u>37</u>
Upstream Capital Investment Total.....	<u>\$ 243</u>

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

Egypt: Production Detail

	4Q 2020			1Q 2021					
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d			
Gross Production	142,366	617,465	245,277	136,217	603,269	236,762			
Reported Production	69,932	275,662	115,876	72,753	278,149	119,111			
% Gross	49%	45%	47%	53%	46%	50%			
Less: Tax Barrels	7,508	18,874	10,654	16,758	48,538	24,847			
Net Production Excluding Tax Barrels	62,424	256,788	105,222	55,995	229,612	94,264			
% Gross	44%	42%	43%	41%	38%	40%			
Less: Noncontrolling Interest	20,808	85,596	35,074	18,665	76,537	31,421			
Adjusted Production	41,616	171,192	70,148	37,330	153,075	62,843			
% Gross	29%	28%	29%	27%	25%	27%			
<i>MBOE/D</i>	2019				2020				2021
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Gross Production	332	322	301	300	295	281	269	245	237
Reported Production	145	131	131	126	117	127	128	116	119
Adjusted Production	79	72	72	69	72	86	76	70	63
Brent Oil Benchmark Pricing	\$64	\$68	\$62	\$62	\$50	\$33	\$43	\$45	\$61

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.
- **Reinvestment Rate:** Upstream capital investment including Egypt noncontrolling interest divided by cash flow from operations before changes in operating assets and liabilities
- **Free Cash Flow:** Cash flow from operations before changes in operating assets and liabilities (including Egypt minority interest) plus dividends received from Altus (ALTM), minus:
 - Upstream capital investment (including Egypt minority interest)
 - Distributions to noncontrolling interest (Egypt)
 - APA Corp. dividend payments
 - Cash flow impacts of ALTM
- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in Apache Corporation's Form 10-K for the year ended December 31, 2020.

Non-GAAP Reconciliations

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.

	For the Quarter Ended				For the Quarter Ended			
	March 31, 2021				March 31, 2020			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income (loss) including noncontrolling interests (GAAP)	\$ 620	\$ (170)	\$ 450	\$ 1.19	\$ (4,566)	\$ (56)	\$ (4,622)	\$ (12.23)
Income (loss) attributable to noncontrolling interests	78	(35)	43	0.12	(144)	(16)	(160)	(0.42)
Income attributable to Altus preferred unit limited partner	19	-	19	0.05	18	-	18	0.05
Net income (loss) attributable to common stock	523	(135)	388	1.02	(4,440)	(40)	(4,480)	(11.86)
Adjustments: *								
Asset and unproved leasehold impairments	18	(4)	14	0.04	4,491	(838)	3,653	9.67
Noncontrolling interest & tax barrel impact on Egypt adjustments	(1)	-	(1)	-	(163)	(7)	(170)	(0.45)
Valuation allowance and other tax adjustments	-	(43)	(43)	(0.12)	-	868	868	2.30
Unrealized derivative instrument (gain)/loss, net	(10)	2	(8)	(0.02)	103	(21)	82	0.22
Noncontrolling interest on Altus preferred units embedded derivative	(4)	1	(3)	(0.01)	(13)	3	(10)	(0.03)
Transaction, reorganization & separation costs	-	-	-	-	27	(6)	21	0.05
Gain on divestitures, net	(2)	1	(1)	-	(25)	8	(17)	(0.04)
Drilling contract termination charges	-	-	-	-	3	(1)	2	0.01
Adjusted earnings (Non-GAAP)	\$ 524	\$ (178)	\$ 346	\$ 0.91	\$ (17)	\$ (34)	\$ (51)	\$ (0.13)

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

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, 2021	December 31, 2020	March 31, 2020
Net cash provided by operating activities	\$ 671	\$ 498	\$ 502
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	12	14	14
Current income tax provision	149	56	89
Other adjustments to reconcile net income to net cash provided by operating activities	20	(57)	8
Changes in operating assets and liabilities	175	2	21
Financing costs, net	110	107	103
Transaction, reorganization & separation costs	-	10	27
Adjusted EBITDAX (Non-GAAP)	<u>\$ 1,137</u>	<u>\$ 630</u>	<u>\$ 764</u>

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,	
	2021	2020
Net cash provided by operating activities	\$ 671	\$ 502
Changes in operating assets and liabilities	175	21
Cash flows from operations before changes in operating assets and liabilities	\$ 846	\$ 523
Adjustments to free cash flow:		
Altus Midstream cash flows from operations before changes in operating assets and liabilities	(39)	(44)
Upstream capital investment including noncontrolling interest - Egypt	(275)	(491)
Distributions to Sinopec noncontrolling interest	(40)	(32)
Dividends paid	(9)	(94)
Dividends received from Altus	19	-
Free cash flow	\$ 502	\$ (138)

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. The Company 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, 2021			
	<u>North Sea</u>	<u>Egypt</u>	<u>U.S. and Other</u>	<u>Consolidated</u>
Net cash provided by operating activities	\$ 131	\$ 242	\$ 298	\$ 671
Changes in operating assets and liabilities	9	23	143	175
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 140</u>	<u>\$ 265</u>	<u>\$ 441</u>	<u>\$ 846</u>

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 the Company or any of its other subsidiaries.

(\$ in millions)

	March 31, 2021			December 31, 2020		
	APA Upstream	Altus Midstream	APA Consolidated	APA Upstream	Altus Midstream	APA Consolidated
Current debt - Apache	\$ 2	\$ -	\$ 2	\$ 2	\$ -	\$ 2
Long-term debt - Apache	8,056	-	8,056	8,146	-	8,146
Long-term debt - Altus	-	657	657	-	624	624
Total debt	8,058	657	8,715	8,148	624	8,772
Cash and cash equivalents	487	51	538	238	24	262
Net debt	\$ 7,571	\$ 606	\$ 8,177	\$ 7,910	\$ 600	\$ 8,510

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 the Company'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 the Company'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,	
	2021	2020
Costs incurred in oil and gas property:		
Acquisitions		
Proved	\$ 1	\$ 6
Unproved	2	1
Exploration and development	284	490
Total Costs incurred in oil and gas property	\$ 287	\$ 497
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	\$ 287	\$ 497
Asset retirement obligations settled vs. incurred - oil and gas property	2	8
Capitalized interest	(2)	-
Exploration seismic and administration costs	(12)	(14)
Upstream capital investment including noncontrolling interest - Egypt	\$ 275	\$ 491
Less noncontrolling interest - Egypt	(32)	(49)
Total Upstream capital investment	\$ 243	\$ 442