Fourth-Quarter 2019

Financial & Operational Supplement

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," "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, 2018 (and Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 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 2019 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 2019 Key Metrics

	4Q 2019	FY 2019
Reported Production	487 Mboe/d	474 Mboe/d
Adjusted Production[1]	430 Mboe/d	413 Mboe/d
Cost Incurred in Oil and Gas Property	$548 Million	$2,529 Million
Upstream Capital Investment[2]	$590 Million	$2,366 Million
Net Cash Provided by Operating Activities	$778 Million	$2,867 Million
Adjusted EBITDAX[2]	$1,093 Million	$4,046 Million
Earnings Per Share	($7.89)	($9.43)
Adjusted Earnings Per Share[2]	$0.08	$0.00

(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.

Highlights

Delivered a 23% YOY reduction in upstream capital investment in 2019; below budget of $2.4 billion

2020 upstream capital investment of
$1.6 - $1.9 billion

4Q'19 Adjusted production of
430 MBOE/D
Exceeded guidance range of 418 – 425 MBOE/D

4Q'19 Permian oil production of 103 Mbo/d
Highest quarterly rate in APA history

50 / 50 JV Agreement
With Total S.A. on Block 58
Completed

Announced Significant Oil Discovery Offshore Suriname at Maka Central-1

Encountered combined net oil and gas condensate pay of
123 meters (404 feet)

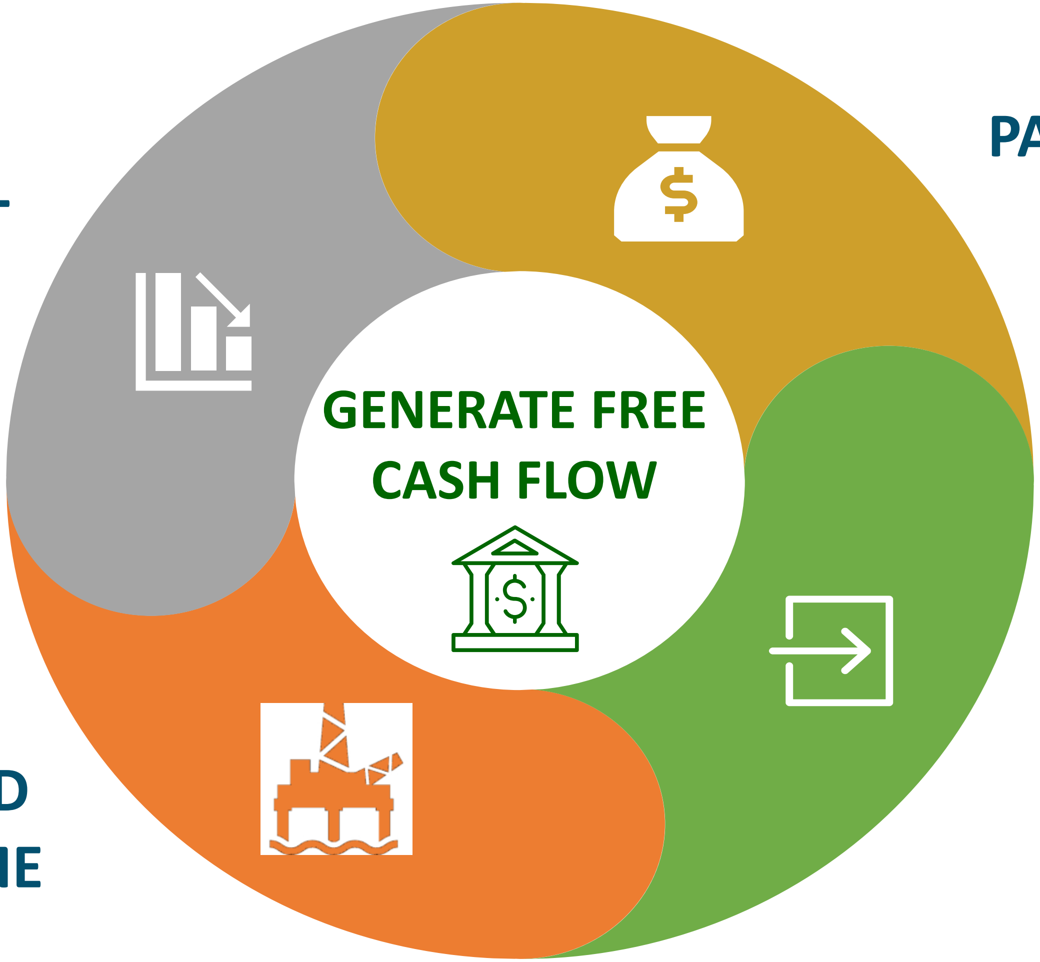
Sapakara West-1 Exploration Test

Currently drilling

Apache 2020 Priorities

REDUCE DEBT

PAY DIVIDEND



APPRAISE AND EXPLORE SURINAME

SUSTAIN OIL PRODUCTION

2020 Plan Commentary

2020 Plan		Commentary
• Upstream capital budget of $1.6 - $1.9 billion centered around $50 WTI average oil price	→	• Base plan contemplates 5-6 rigs in Permian, 9-11 in Egypt, 2-3 in North Sea, 1 in Suriname
• Generate positive Free Cash Flow, after dividend payment	→	• Retain Free Cash Flow for debt reduction
• Allocate approximately $200 million to exploration	→	• Advance exploration and appraisal activities in Suriname and other areas of portfolio
• Sustain oil production	→	• Flat to low single digit oil production growth, year-over-year on an adjusted basis

ESG – Investing in Our People, Community and Environment

Recent ESG Initiatives

- Linked 2020 ESG performance directly to short-term incentive compensation
- Initiated alignment of disclosures with Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) reporting recommendations
- Began to earmark capital for ESG projects

Ongoing Initiative Highlights

Emissions Reductions

- Working to minimize venting and flaring with automated well closure systems
- Maintaining a rigorous program for preventing, identifying and eliminating methane leaks
- These efforts and others helped drive a 40% reduction in methane leak/loss and a 4% reduction in global GHG intensity since 2014

Sustainable Water Usage

- Committed to reducing fresh water use through extensive recycling and treatment programs which drove:
  - 95% water consumption in 2018 was non-fresh water
  - 79% of water consumed for operations in 2018 has been recycled or reused

Social Initiatives

- Supporting rural Egyptian schools for girls, building over 200 schools and providing an education for over 10,000 children to date
- Since 2005, donated over 4.7 million trees as a part of the Apache Tree Grant program

4Q Results

4Q 2019 Global Portfolio

GLOBAL

487,202 BOE/D
Reported Production

49% / 34% / 17%
Oil / Gas / NGL

74 Gross, 70 Net
Drilled & Completed Wells(1)

21
Avg Rigs

UNITED STATES

298,567 BOE/D
Reported Production

36% / 37% / 27%
Oil / Gas / NGL

56 Gross, 54 Net
Drilled & Completed Wells(1)

8
Avg Rigs

INTERNATIONAL

188,635 BOE/D
Reported Production

69% / 30% / 1%
Oil / Gas / NGL

18 Gross, 16 Net
Drilled & Completed Wells(1)

13
Avg Rigs

(1) Includes operated wells completed but not necessarily placed onto production.

4Q Permian Summary

Midland Basin

- Averaged 4 rigs, 1 frac crew and placed 19 wells on production
- **16-well pad (Lynch-Tippett) at Wildfire delivers strong oil production on 1.5 mile laterals**

Delaware Basin / Alpine High

- Averaged 3 rigs, 1 frac crew and placed 12 wells on production in the Delaware basin
- **Strong results from 6-well Ghost Rider pad in Lea County**
- Averaged 1 rig, 1 frac crew and placed 24 wells on production at Alpine High
  - Averaged 100 Mboe/d of production for the quarter with 36% liquids mix

Pad	Formation	Area	County	Lateral (FT)	Avg 30-Day IP/Well	Avg 30-Day IP BOEPD/1,000 FT	Oil %
Lynch-Tippett (16 Wells)	Wolfcamp, Spraberry	Wildfire	Midland	7,661	1,060 BOE/D	138	83%
Ghost Rider (6 Wells)	Bone Spring	Ghost	Lea	7,288	2,003 BOE/D	275	72%

REGION STATS

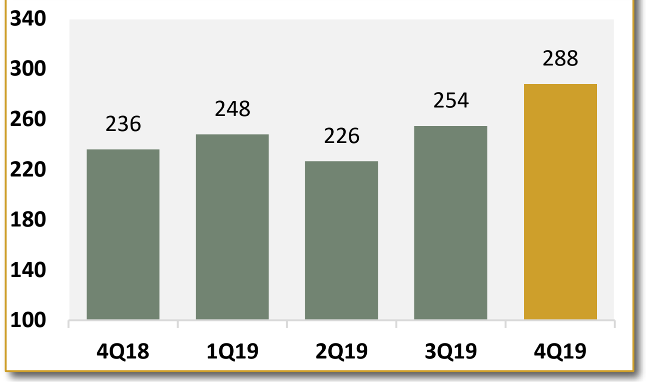
288,043 BOE/D
Reported Production

36% / 37% / 27%
Oil / Gas / NGL

56 Gross, 54 Net
Drilled & Completed Wells[1]

8
Avg Rigs

NET PRODUCTION MBOE/D



(1) Operated wells completed but not necessarily placed onto production.

4Q Egypt Summary

REGION HIGHLIGHTS

- **Continued exploration success in 4Q**
  - Kadesh – Aqsa 1X IP ~7,000 Boe/d, 29% condensate in Matruh concession
  - Barakat Deep 2X confirms significant gas find, with over 300 feet of pay in the Shifa formation
    - New gas infrastructure is online, with expansion planned in 3Q 2020
- **Will test high-impact oil prospects on both new and legacy acreage in 2020 with data from recent seismic shoot**
- **4Q'19 adjusted production volume impact of ~2 mboe/d from a one-time partner cost recovery settlement in a non-operated concession**

Well Name	Basin	30-Day Average IP	Oil
Ptah 33	Faghur	4,484 Boe/d	92%
Ptah 26	Faghur	3,105 Boe/d	92%
Kadesh – Aqsa	Matruh	7,057 Boe/d	29%
Menes 11	Shushan	994 Boe/d	100%

Program Success Rate
81% (13 out of 16)

REGION STATS

125,875 BOE/D
Reported Production

63% / 36% / 1%
Oil / Gas / NGL

16 Gross, 14 Net
Drilled & Completed Wells[(1)]

9
Avg Rigs

ADJUSTED PRODUCTION MBOE/D [(2)]

(1) Operated wells completed but not necessarily placed onto production.
(2) Excludes production attributable to tax barrels and noncontrolling interest.

4Q North Sea Summary

REGION HIGHLIGHTS

- **Gas condensate well at Storr online in November 2019**
  - Cumulative production of more than 380,000 BO and 4.6 BCF (online more than 100 days)
  - Deeper zone in the Cormorant to be tested in 2020
- **2nd Garten well online in late January 2020**
  - Cumulative production of more than 340,000 BO and 0.4 BCF (online ~30 days)
  - Early results are as expected with further production optimization ongoing

Well Name	Basin	30-Day Average IP	Oil	Working Interest
ST26B_SCN (Storr)	Beryl	13,119 Boe/d	38%	59%

Program Success Rate
100%

REGION STATS

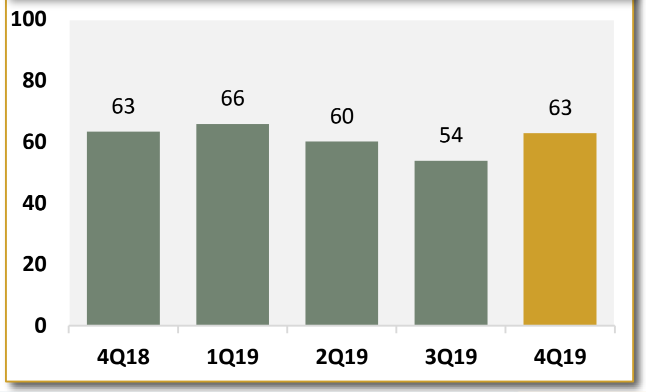
62,760 BOE/D
Reported Production

80% / 17% / 3%
Oil / Gas / NGL

2 Gross, 2 Net
Drilled & Completed Wells(1)

3
Avg Rigs

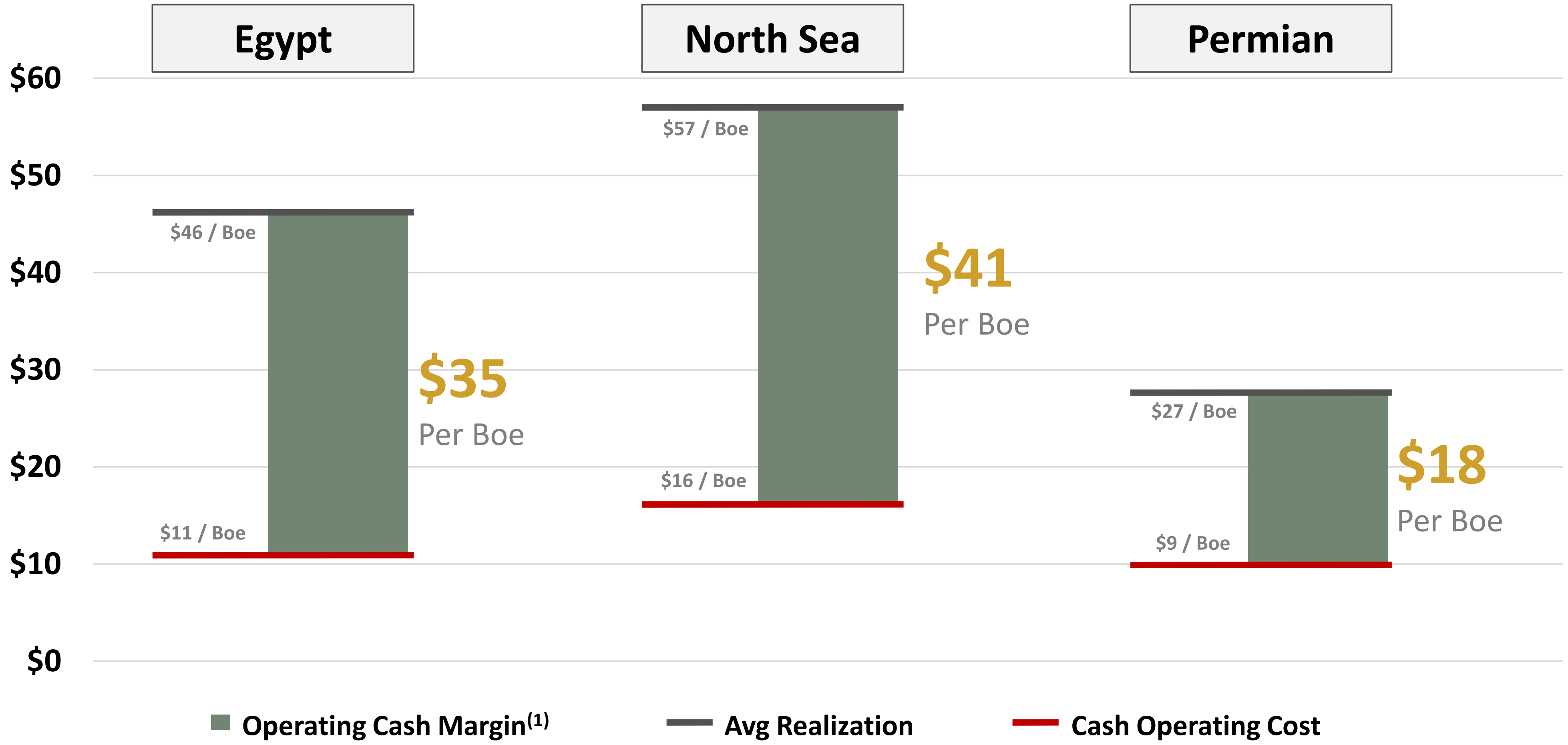
NET PRODUCTION MBOE/D



(1) Operated wells completed but not necessarily placed onto production.

4Q 2019 Operating Cash Margins

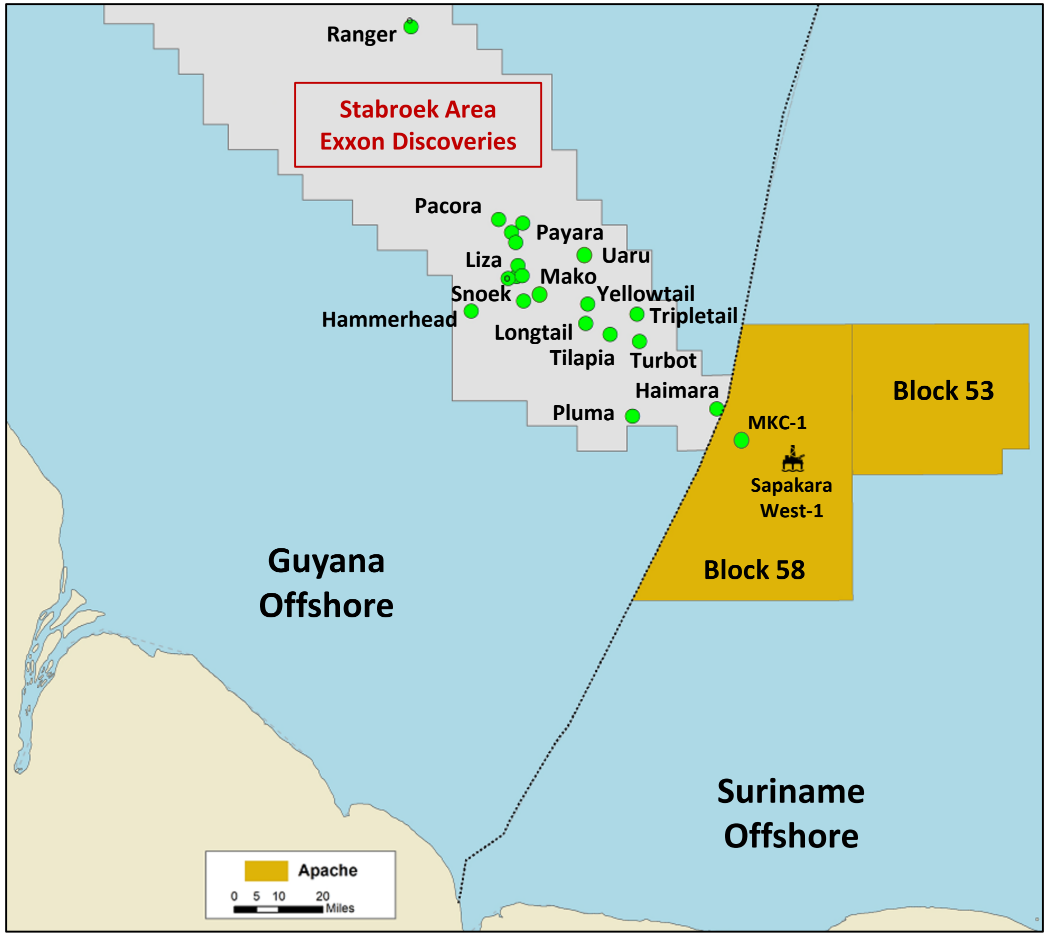
Brent Oil Price Exposure and Product Mix Drive Strong International Margins



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

Block 58 Offshore Suriname: Significant Oil Discovery at Maka Central - 1

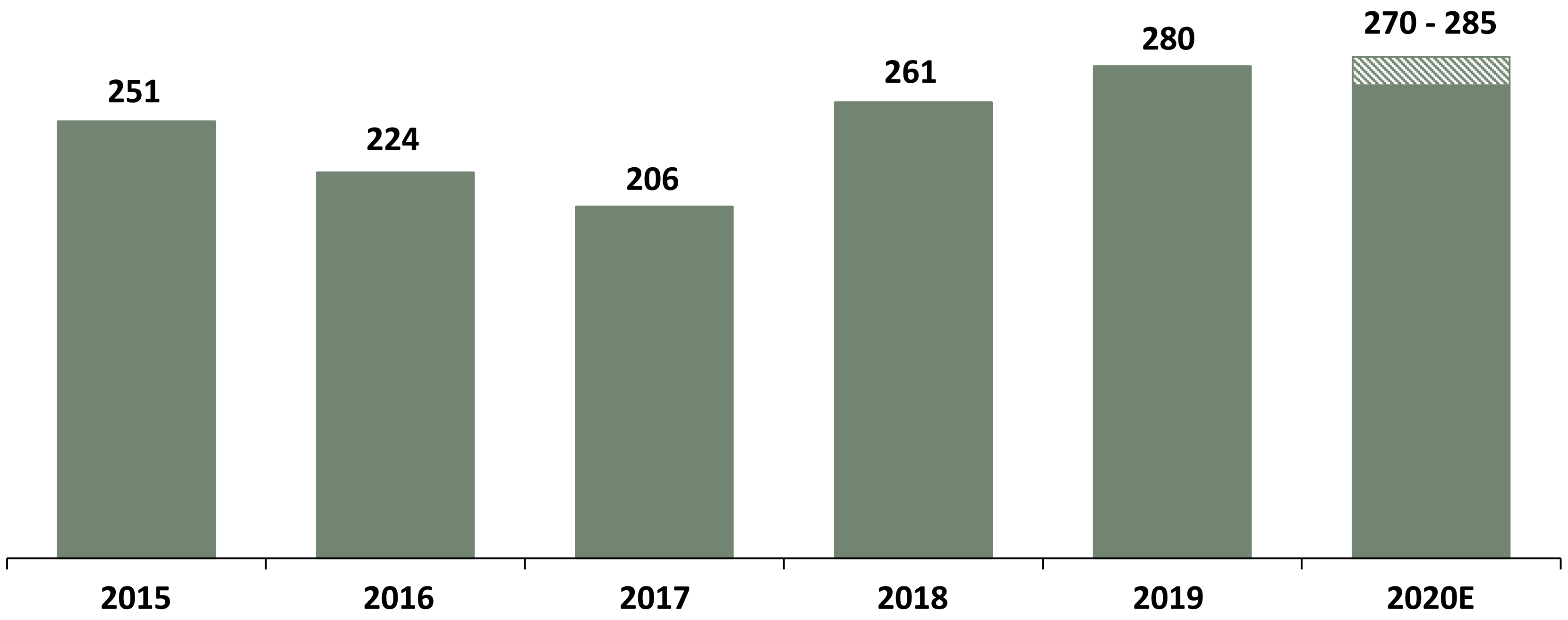
- Block 58 comprises 1.4 MM acres with 50+ prospects mapped
- Announced a 50/50 JV with Total S.A. on Block 58 in December 2019
- Maka Central-1 (MKC-1) well confirms geologic model with significant oil discovery in upper cretaceous sands
  - Campanian / Santonian – 123 meters (404 feet) of oil/gas condensate pay
  - Turonian – Geologic analogue to West African oil fields to be tested in future wells
  - Well designed to intersect multiple targets, not optimally placed to achieve thickest net pay in any single target
  - Appraisal planning underway to delineate the areal extent of the substantial features identified by seismic
- Sapakara West-1 spud in January
  - ~20 kilometers (12 miles) southeast of MKC-1
  - Testing multiple Campanian and Santonian targets independent of MKC-1 discovery
  - Currently drilling



Guidance

United States Production

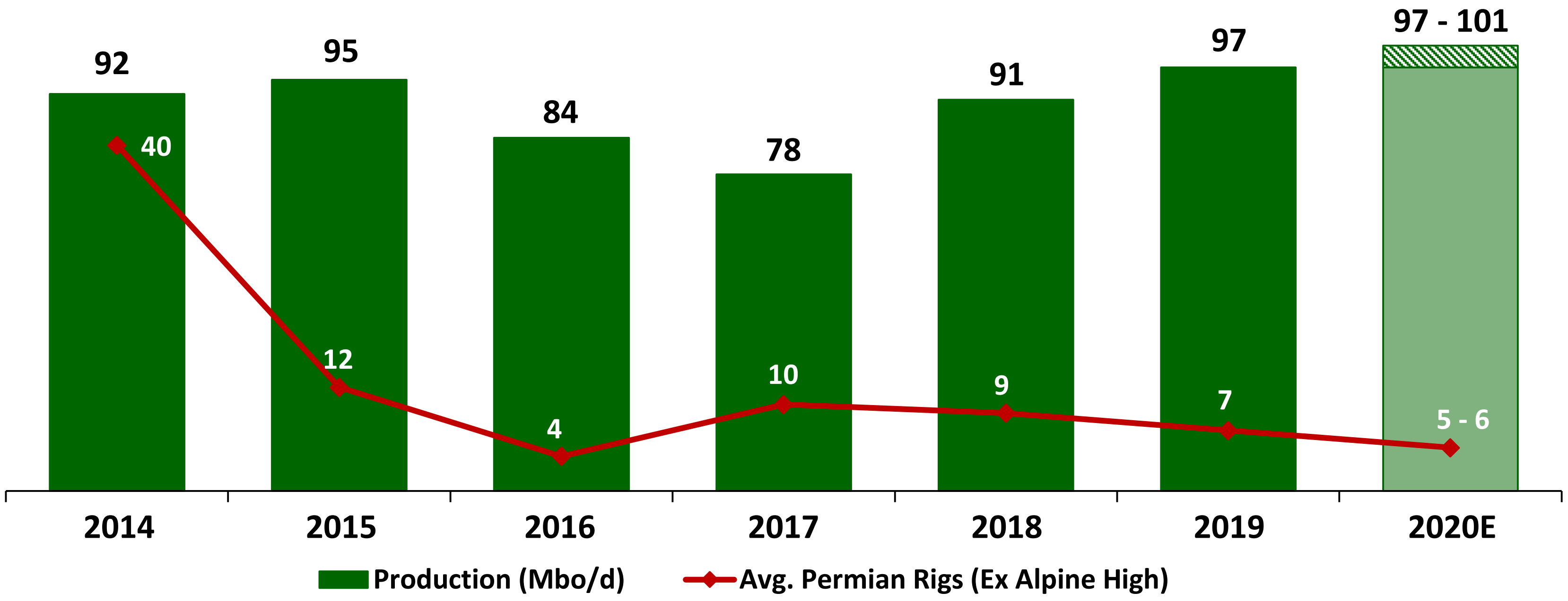
2020 Production Guidance Update (Mboe/d)



Note: Lower end of 2020 estimated range assumes full lean gas volume curtailments at Alpine High from March – October and $1.6 billion of upstream capital. Higher end of 2020 estimated range assumes no volume curtailments at Alpine High and $1.9 billion of upstream capital.

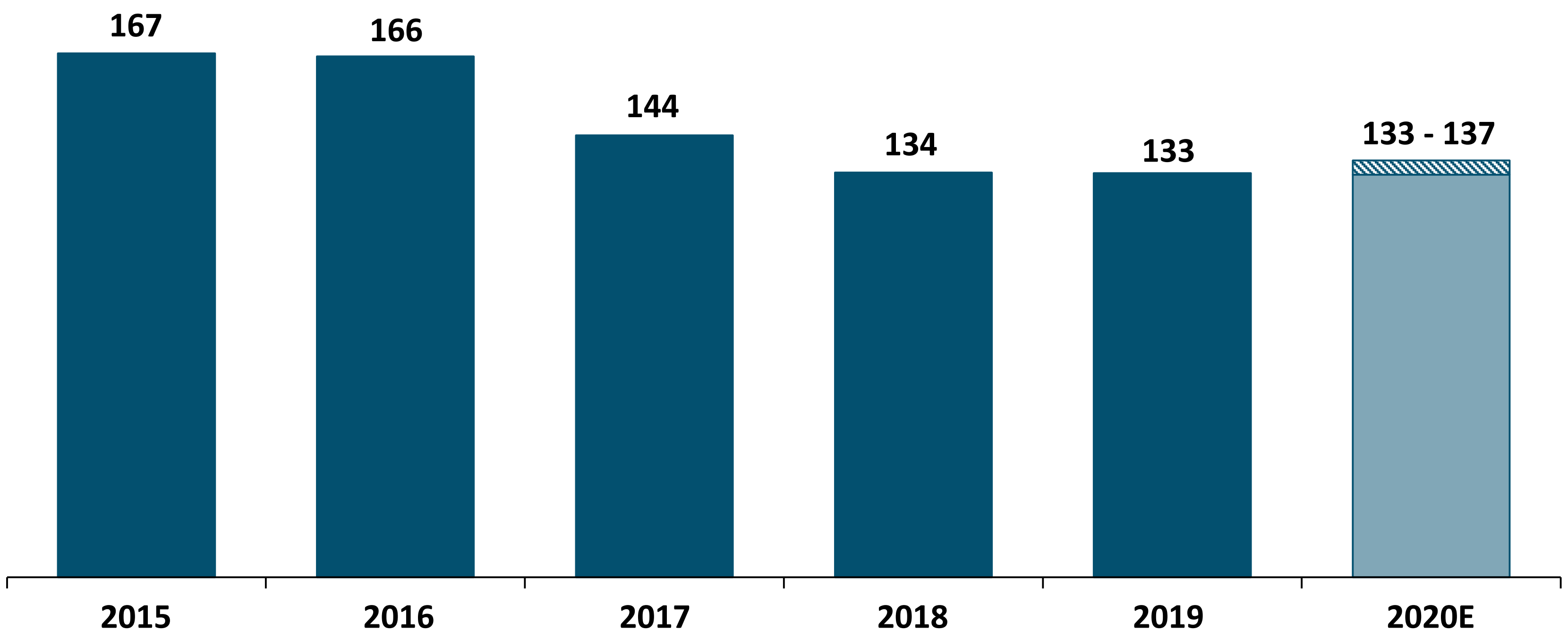
Permian Oil Production

2020 Production Guidance Update (Mbo/d)



International Production

2020 Adjusted Production Guidance Update (Mboe/d)



Note: Includes North Sea production and Egypt adjusted production. This excludes production attributable to Egypt tax barrels and noncontrolling interest.

2020 Guidance

	Annual Guidance
Daily Production (MBOE/D)	**2020**
United States	270 - 285
International	190 - 200
Reported Production	460 - 485
Less: Egypt Tax Barrels	20 - 24
Less: Egypt Noncontrolling Interest	37 - 39
Total Adjusted Production	403 - 422
Permian Oil (Mbo/d)	97 - 101
Estimated Product Mix: Oil/NGLs/Natural Gas	
United States	37% / 28% / 35%
International (Adjusted)	71% / 2% / 27%
Upstream Capital Investment Guidance ($ in Billions)[1]	
United States	~55%
International	~45%
Upstream Total	$1.6 - $1.9

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

1Q 2020 Guidance

Quarterly Guidance	New 1Q 2020 Guidance
Production (Mboe/d)	
United States	295
International (Adjusted)	140
Total Adjusted Production	435
Permian Oil (Mbo/d)	100
Alpine High (Mboe/d)	90 - 94
Upstream Capital Investment ($ in millions)[1]	Below $490
Upstream Lease Operating Expenses ($ per BOE)	$8.25
Gathering, Processing, and Transmission ($ in millions)[2]	$75
DD&A ($ per BOE)	$13.50
Cash Exploration Costs ($ in millions)[3]	$30
General and Administrative Expenses ($ in millions)	$120
North Sea Current Tax Expense ($ in millions)	$60
North Sea Cash Taxes Paid ($ in millions)	$50

(1) Refer to glossary of referenced terms for definition of Upstream Capital Investment.
(2) Represents combination of 100% Altus Midstream Company operating expense and Apache upstream GPT costs.
(3) Excludes dry hole expense and unproved leasehold impairments.

Appendix

Framework for Long-Term Value Creation

BALANCED PORTFOLIO APPROACH

Exploration / Development
Conventional / Unconventional
Oil / Liquids Rich Gas / Lean Gas

OPERATIONAL FLEXIBILITY

Actively Manage Capital Allocation to Reflect Commodity Price Environment

FREE CASH FLOW GENERATION

Capital Discipline, Long-Term Returns-Focused Investment

RETURN OF CAPITAL

Plan for Increasing Returns to Investors – Debt Reduction, Dividends and Share Repurchases

SUSTAINABLE, MODERATE PRODUCTION GROWTH

Prioritize Returns / Growth is an Outcome

EXPLORATION TO PROVIDE LONG-TERM OPPORTUNITY

Suriname / Egypt / North Sea / U.S. Onshore

Organizational Re-Design

EXPLORATION | DEVELOPMENT | OPERATIONS

SUPPORT

- CFO
- Legal
- Commercial
- Accounting
- IT
- Energy Tech
- HR
- Administration

Deliver more **dynamic planning and improved capital allocation**

Improve **collaboration and alignment**

Simplify the organization

Enable **value-adding technology adoption**

Targeting at Least $150 Million of Annual Savings

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.

- **CROIC (Cash Return On Invested Capital)**: Calculated with the numerator as cash flow from operations before changes in working capital, excluding Egypt noncontrolling interest, with financing costs added back; and the denominator as average debt plus average Apache shareholders’ equity.

- **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.

Upstream Capital Investment

($ in Millions)	1Q19	2Q19	3Q19	4Q19
Permian………………………………………..	$ 415	$ 426	$ 388	$ 357
MidCon / Gulf Coast……………………..	18	12	1	(5)
Gulf of Mexico……………………………..	12	16	31	11
United States………………………	445	454	420	363
Egypt (Apache's interest only)……….	88	71	65	86
North Sea……………………………………	62	62	83	77
Other ………………………………………...	2	2	22	64
Upstream Capital Investment Total…………..	$ 597	$ 589	$ 590	$ 590

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

Egypt: Production Detail

	3Q 2019			4Q 2019		
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	189,118	673,065	301,296	187,166	677,819	300,136
Reported Production	85,005	275,569	130,934	79,907	275,811	125,875
% Gross	45%	41%	43%	43%	41%	42%
Less: Tax Barrels	17,536	35,175	23,399	16,015	36,948	22,173
Net Production Excluding Tax Barrels	67,469	240,394	107,535	63,892	238,863	103,702
% Gross	36%	36%	36%	34%	35%	35%
Less: Noncontrolling Interest	22,490	80,131	35,845	21,298	79,621	34,567
Adjusted Production	44,979	160,263	71,690	42,594	159,242	69,134
% Gross	24%	24%	24%	23%	23%	23%

	2017				2018				2019			
MBOE/D	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Production	328	334	339	334	330	342	338	335	332	322	301	300
Reported Production	171	162	158	160	154	154	153	136	145	131	131	126
Adjusted Production	88	89	87	82	80	80	78	74	79	72	72	69
Brent Oil Benchmark Pricing	$53	$48	$51	$61	$67	$75	$76	$69	$64	$68	$62	$62

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, 2019				For the Quarter Ended December 31, 2018			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Income including noncontrolling interest (GAAP)	$ (3,035)	$ (212)	$ (3,247)	$ (8.61)	$ (344)	$ (6)	$ (350)	$ (0.92)
Income attributable to noncontrolling interest	(191)	(96)	(287)	(0.77)	71	(40)	31	0.08
Loss attributable to Altus preferred unit limited partner	16	-	16	0.05	-	-	-	-
Net income attributable to common stock	(2,860)	(116)	(2,976)	(7.89)	(415)	34	(381)	(1.00)
Adjustments: *								
Asset impairments	3,245	(682)	2,563	6.78	639	(143)	496	1.31
Noncontrolling interest impact on Altus impairments	(269)	57	(212)	(0.56)	-	-	-	-
Noncontrolling interest & tax barrel impact on Egypt adj	-	-	-	-	13	(34)	(21)	(0.06)
Valuation allowance and other tax adjustments	-	655	655	1.74	-	42	42	0.10
Loss on extinguishment of debt	-	-	-	-	-	-	-	-
Unrealized derivative instrument (gain)/loss	(8)	1	(7)	(0.02)	(15)	2	(13)	(0.03)
Transaction, reorganization & separation costs	33	(7)	26	0.07	8	(3)	5	0.01
Modification of stock comp plans	-	-	-	-	-	-	-	-
(Gain)/loss on divestitures	(23)	5	(18)	(0.04)	(13)	4	(9)	(0.02)
Adjusted earnings (Non-GAAP)	$ 118	$ (87)	$ 31	$ 0.08	$ 217	$ (98)	$ 119	$ 0.31

*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 Earnings (Year 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.

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($ in millions)

	For the Year Ended December 31, 2019				For the Year Ended December 31, 2018			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Income including noncontrolling interest (GAAP)	$ (3,008)	$ (674)	$ (3,682)	$ (9.77)	$ 958	$ (672)	$ 286	$ 0.75
Income attributable to noncontrolling interest	44	(211)	(167)	(0.44)	464	(218)	246	0.64
Loss attributable to Altus preferred unit limited partner	38	-	38	0.10	-	-	-	-
Net income attributable to common stock	(3,090)	(463)	(3,553)	(9.43)	494	(454)	40	0.11
Adjustments: *								
Asset impairments	3,568	(750)	2,818	7.45	725	(163)	562	1.47
Noncontrolling interest impact on Altus impairments	(271)	57	(214)	(0.56)	-	-	-	-
Noncontrolling interest & tax barrel impact on Egypt adj	-	-	-	-	13	(34)	(21)	(0.05)
Valuation allowance and other tax adjustments	-	854	854	2.27	-	72	72	0.18
Loss on extinguishment of debt	75	(16)	59	0.16	94	(19)	75	0.19
Unrealized derivative instrument (gain)/loss	44	(11)	33	0.09	(103)	21	(82)	(0.21)
Transaction, reorganization & separation costs	50	(11)	39	0.11	28	(7)	21	0.06
Modification of stock comp plans	-	-	-	-	39	(9)	30	0.07
(Gain)/loss on divestitures	(43)	9	(34)	(0.09)	(23)	5	(18)	(0.05)
Adjusted Earnings (Non-GAAP)	$ 333	$ (331)	$ 2	$ 0.00	$ 1,267	$ (588)	$ 679	$ 1.77

*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			For the Year Ended	
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Net cash provided by operating activities	$ 778	$ 635	$ 1,043	$ 2,867	$ 3,777
Adjustments:					
Exploration seismic and administration costs	16	39	34	129	152
Current income tax provision	146	141	185	660	894
Other adjustments to reconcile net income to net cash provided by operating activities	(19)	(13)	(29)	(50)	(125)
Changes in operating assets and liabilities	42	1	(191)	3	(245)
Financing costs, net (excluding loss on early extinguishment of debt)	97	95	93	387	384
Transaction, reorganization & separation costs	33	7	8	50	28
Adjusted EBITDAX (Non-GAAP)	$ 1,093	$ 905	$ 1,143	$ 4,046	$ 4,865

Non – GAAP Reconciliation

Regional 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, 2019			
	North Sea	Egypt	U.S. and Other	Consolidated
	($ in millions)			
Net cash provided by operating activities	$ 174	$ 323	$ 281	$ 778
Changes in operating assets and liabilities	20	(23)	45	42
Cash flows from operations before changes in operating assets and liabilities	$ 194	$ 300	$ 326	$ 820

	For the Year Ended December 31, 2019			
	North Sea	Egypt	U.S. and Other	Consolidated
	($ in millions)			
Net cash provided by operating activities	$ 733	$ 1,318	$ 816	$ 2,867
Changes in operating assets and liabilities	(28)	(67)	98	3
Cash flows from operations before changes in operating assets and liabilities	$ 705	$ 1,251	$ 914	$ 2,870

(1) Includes non-controlling interest in Egypt.

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, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Net cash provided by operating activities	$ 778	$ 635	$ 1,043	$ 2,867	$ 3,777
Changes in operating assets and liabilities	42	1	(191)	3	(245)
Cash flows from operations before changes in operating assets and liabilities	$ 820	$ 636	$ 852	$ 2,870	$ 3,532

(1) Includes non-controlling interest in Egypt.

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, 2019	For the Quarter Ended December 31, 2018	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
Costs incurred in oil and gas property:				
Acquisitions				
Proved	$ 1	$ 1	$ 8	$ 6
Unproved	14	46	57	127
Exploration and development	533	860	2,464	3,321
Total Costs incurred in oil and gas property	$ 548	$ 907	$ 2,529	$ 3,454
Reconciliation of Costs incurred to Upstream capital investment:				
Total Costs incurred in oil and gas property	$ 548	$ 907	$ 2,529	$ 3,454
Asset retirement obligations settled vs. incurred - oil and gas property	110	(1)	153	20
Capitalized interest	(8)	(8)	(32)	(36)
Exploration seismic and administration costs	(16)	(34)	(129)	(152)
Less noncontrolling interest - Egypt	(44)	(49)	(155)	(200)
Total Upstream capital investment	$ 590	$ 815	$ 2,366	$ 3,086