



Fourth-Quarter 2024

Financial and Operational Supplement

February 26, 2025

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.

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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 2024 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.

APA Corporation owns consolidated subsidiaries that explore for and produce oil and natural gas in the United States, Egypt, and the United Kingdom and that explore for oil and natural gas offshore Suriname and elsewhere. APA posts announcements, operational updates, investor information and press releases on its website, www.apacorp.com.

Permian and Egypt Durability with Visible Growth



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Building a Sustainable Base, Anchored by Permian and Egypt

- Permian Basin now 75% of total Adjusted Production
- Transformed Permian into large-scale, focused unconventional position
- Egypt oil (2021) & gas (2024) terms renegotiated, improving economics and increasing duration
- Egypt gas at parity with oil economics; significant potential for long-term success

Differentiated Exploration Upside as Demonstrated by Suriname Success

- Announced FID on Block 58 Suriname; significant FCF growth upside starting in 2028
- Balanced exploration portfolio across basin maturity and risk profile, from step-out focus in the Permian & Egypt to play-opening opportunities in Uruguay & Alaska
- Pursuing scalable and impactful opportunities with attractive cost of supply

Defined Capital Allocation Strategy with Improving Balance Sheet

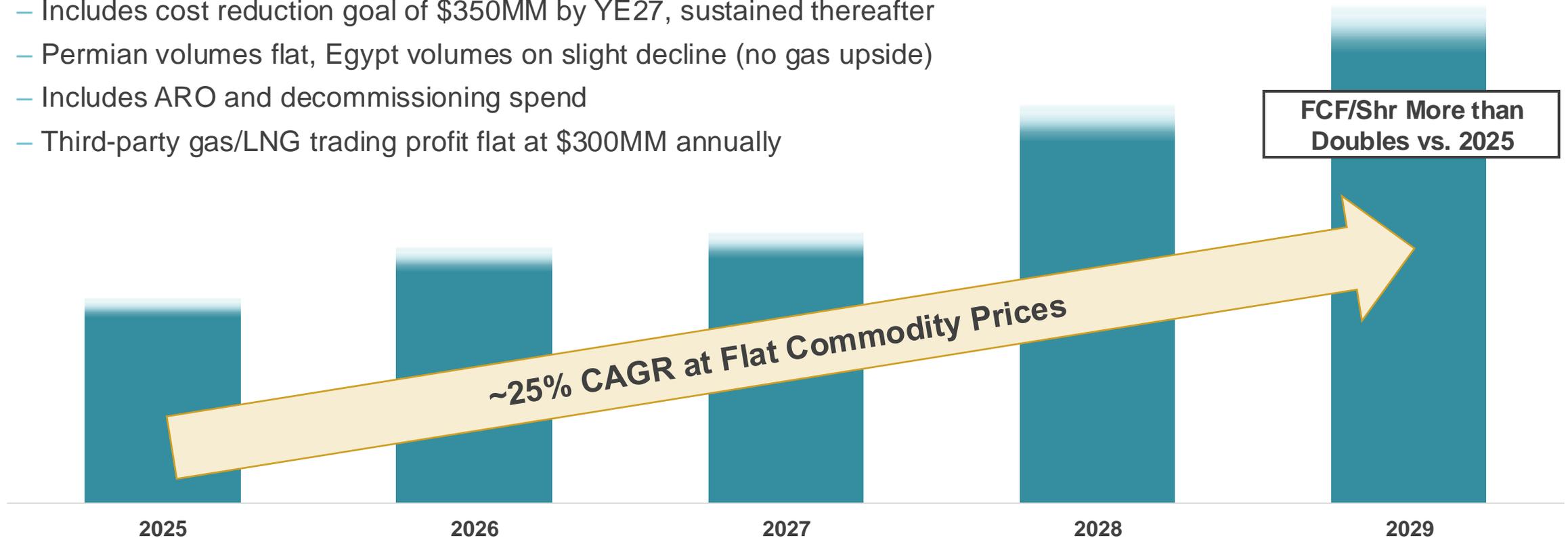
- Return at least 60% of free cash flow to investors through base dividend and share repurchases
- Continue to strengthen balance sheet and debt rating metrics
- Strong liquidity and advantageous long-dated debt maturity profile

Differentiated Free Cash Flow Growth Story

Anchored by 8 Rigs in the Permian and 12 Rigs in Egypt with Growth from GranMorgu Phase 1 in 2028+

Free Cash Flow / Share⁽¹⁾⁽²⁾⁽³⁾

- Includes cost reduction goal of \$350MM by YE27, sustained thereafter
- Permian volumes flat, Egypt volumes on slight decline (no gas upside)
- Includes ARO and decommissioning spend
- Third-party gas/LNG trading profit flat at \$300MM annually



Growth accelerated by ongoing share count reductions through Capital Returns Framework

(1) Assumes \$70/bbl WTI, \$75/bbl Brent, \$3.25/mmbtu Henry Hub, \$2.25/mmbtu Waha, \$2.75/mmbtu Houston Ship Channel, \$14/mmbtu JKM/TTF. All commodity prices held flat.

(2) Annual share repurchases assume 60% of free cash flow less \$1/shr base dividend. Share price calculated using current free cash flow valuation multiple.

(3) Please refer to the glossary of referenced terms for the definition of free cash flow.

Path to Becoming a Cost Leader

Reducing Controllable Spend (LOE, Overhead and Development Capital Ex-Suriname)

Controllable Spend Profile⁽¹⁾

Portfolio Changes Cost Initiatives

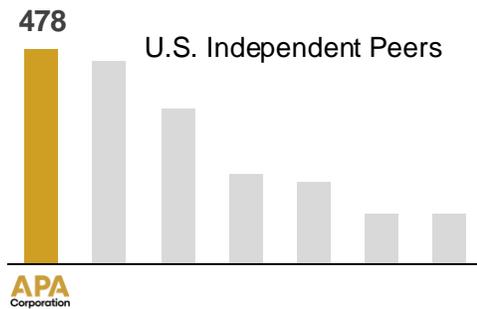


(1) Controllable Spend excludes items such as: GPT, interest expense, cash taxes, TRS, Incentive and Stock Compensation, and Suriname + Exploration Capital

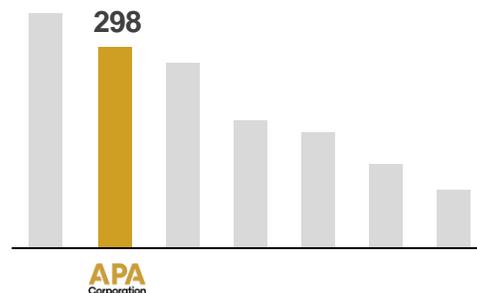
Operations Anchored by the Permian and Egypt

Competitive Permian Cornerstone

Permian Net Acres ('000)⁽¹⁾⁽²⁾



Permian Production (Mboe/d)⁽¹⁾⁽³⁾

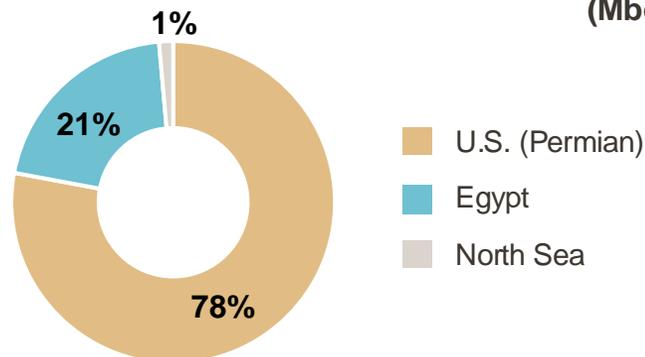


Egypt: Free Cash Flow Durability with Gas Upside⁽⁵⁾

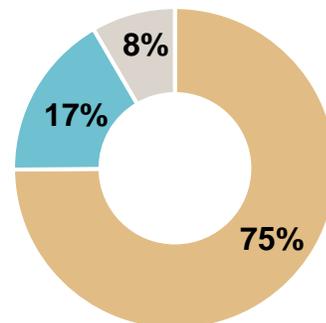
- Strong and stable free cash flow generation
- Recent changes to the PSC improve economic durability
- Gas margins now competitive with oil, recent activity showing promising results
- Initiated gas exploration program, success could revitalize growth

Permian Weighted Operations

4Q24 Capital Allocation⁽⁴⁾

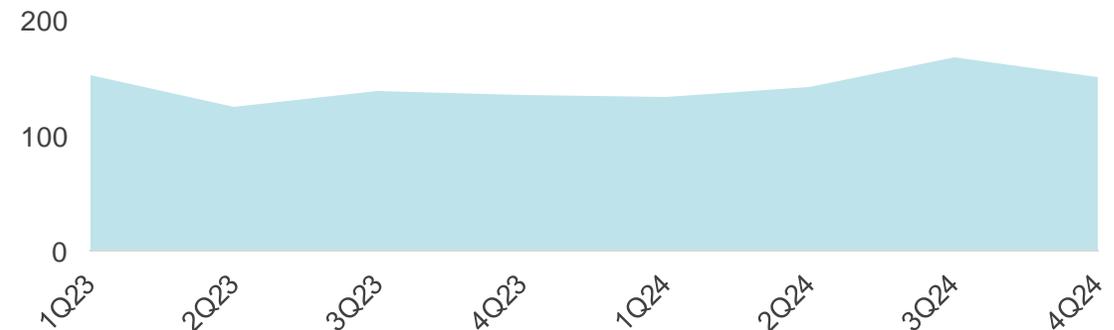


4Q24 Adjusted Production (Mboe/d)



Historical Egypt Free Cash Flow Profile

Egypt, Quarterly Free Cash Flow⁽⁵⁾ (\$MM)



(1) U.S. independents include: CIVI, CTRA, MTRD, OVV, PR, and SM.

(2) Permian net acres as of latest disclosures.

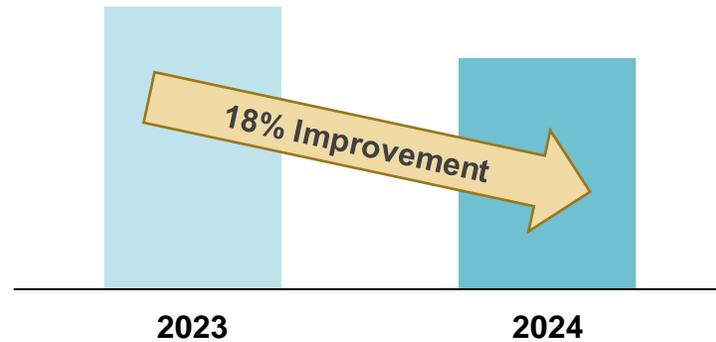
(3) Permian production as of 3Q24. APA production reflects 3Q24 U.S. production less 3 Mboe/d of GoA & other producing regions.

(4) U.S. (Permian) capital excludes Alaska.

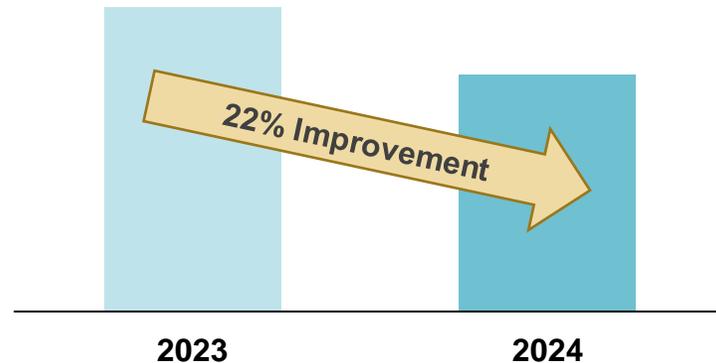
(5) Please refer to the glossary of referenced terms for the definition of free cash flow. Egypt free cash flow excludes 1/3rd non-controlling interest.

Callon Update: Improving Delaware Basin Economics

Well Costs per Lateral Foot (DC&F)⁽¹⁾



Breakeven Oil Price⁽¹⁾



Improved Capital Efficiencies and Development Planning Driving Competitive Returns

- Lateral lengths increased ~15% in 2024 compared to 2023
- Total well costs down >5% YoY despite larger completions and longer laterals
- 2024 population includes a large portion of wells drilled by Callon and completed by APA
- **Expect further improvement in 2025+ under full APA operatorship and cost savings initiatives**

Oil EUR per lateral foot increased 19% YoY

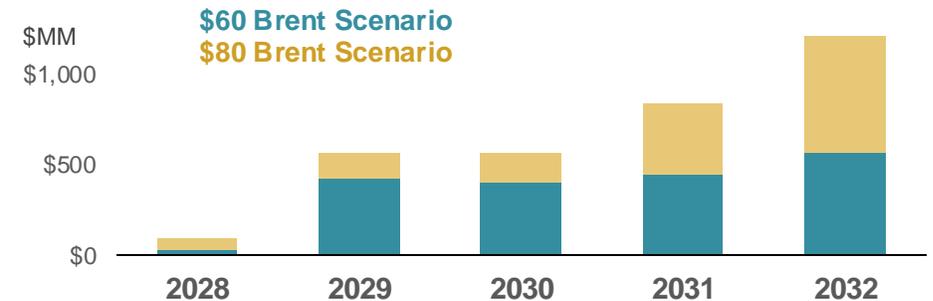
(1) Includes all Delaware Basin wells turned in line on Callon acreage in 2023 (63 wells) and 2024 (60 wells), respectively.

Exploration Portfolio Led by Suriname Block 58

Suriname

- Reached FID on 220,000 B/d oil project with partner TotalEnergies
- APA’s carry agreement significantly reduces capital exposure
- First oil expected in 2028 with visible production growth into the 2030s
- Near-field exploration targets have potential to extend production plateau
- Exploration phase extended

Suriname Expected Free Cash Flow Profile⁽¹⁾



Alaska

- Currently drilling Sockeye exploration well
- King Street discovery in 2024 proved a working petroleum system

Egypt Gas

- Launched gas-focused drilling campaign in 4Q24 with promising early results
- Leveraging existing infrastructure, evaluating expansion needs

Permian

- Delineation of secondary / step-out zones

Uruguay

- Interest in two large offshore blocks with low cost of entry

Global Exploration Portfolio



(1) Net to APA. Assumes 20% participation by Staatsolie. Includes first oil payment and royalty payment per barrel contemplated in JV agreement. Please refer to the glossary of referenced terms for the definition of free cash flow.

Suriname GranMorgu: World Class Opportunity

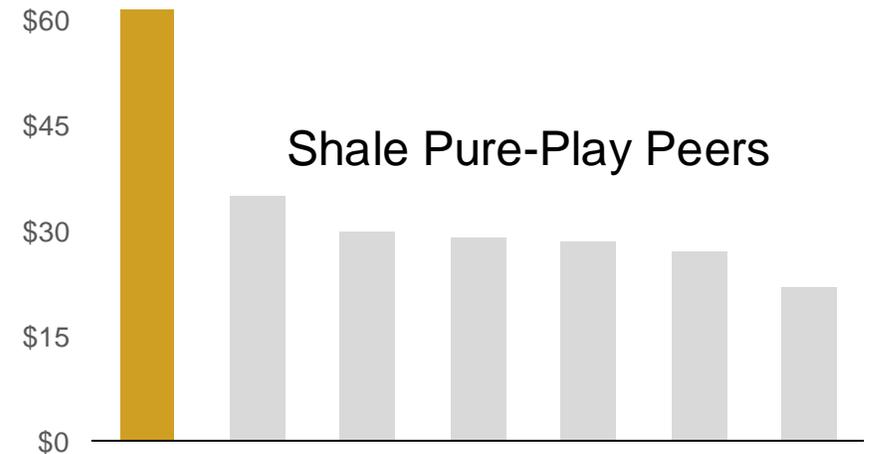
APA's Interest in GranMorgu Equates to 400 Midland Basin Locations at ~30% of the Cost

	GranMorgu (APA Net)	Midland Basin (Average Well)⁽¹⁾
EUR (Oil)	180 MMBO +	180 MMBO
Total Capital Invested	~\$1.1 Billion	~\$3.6 Billion
Well Locations	32	~400
First-Year Decline Rate	Flat	~60%

Highly attractive project economics enhanced by carry structure

**Top Tier Cash Field Margin⁽²⁾⁽³⁾⁽⁴⁾
(\$ / BOE)**

GranMorgu



(1) Source data: Enverus, TX RRC. Average of all hz wells turned in-line in the Midland Basin between 2022-2025. Assumes \$9MM gross well costs.

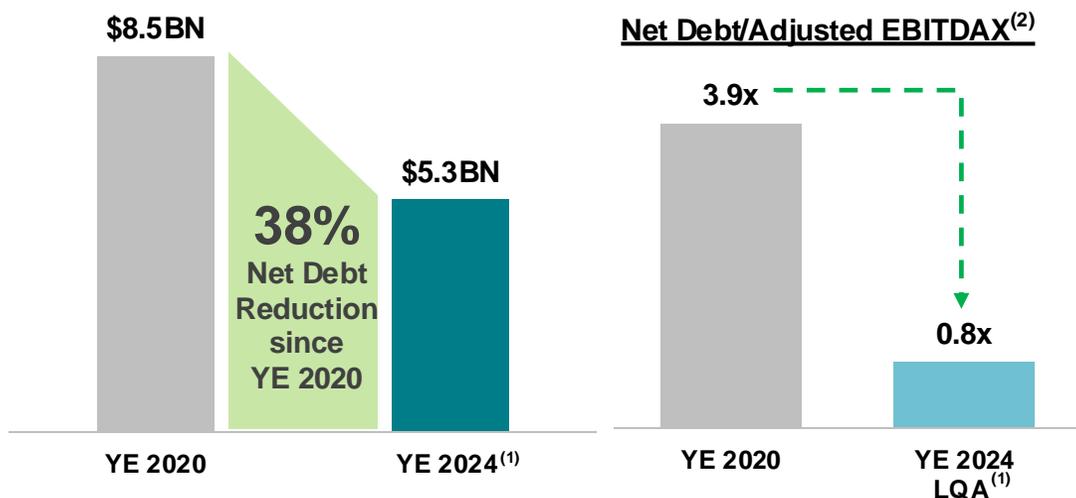
(2) Reflects per BOE: Realized price less LOE, GPT and production & ad valorem taxes.

(3) U.S. shale peer data reflects 3Q24 actuals. GranMorgu data reflects 3Q24 average Brent oil price and expected full-life average operating costs.

(4) Shale peers include FANG, DVN, PR, OVV, CHR, CIVI.

Committed to Strong Balance Sheet & Shareholder Returns

Right Size Balance Sheet⁽¹⁾



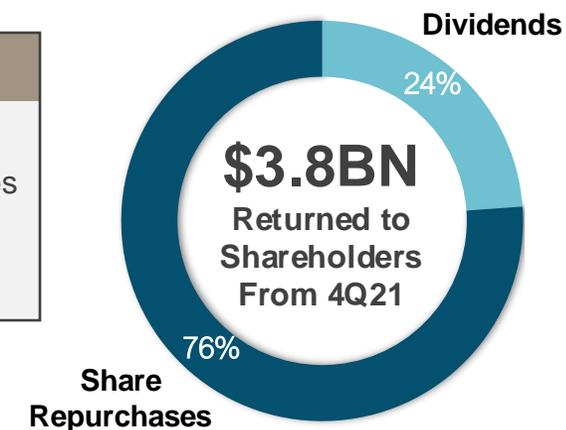
Committed to Investment Grade Credit

- Target leverage ratio to attain BBB rating
- Maintain ample liquidity and attractive debt maturity profile

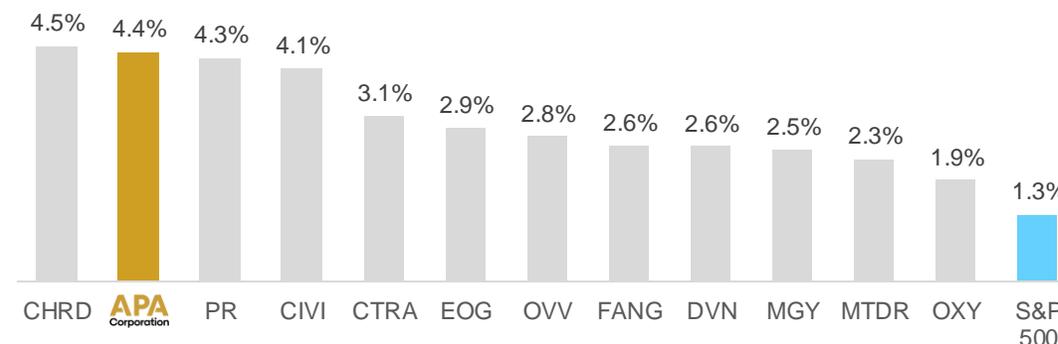
Return Free Cash Flow⁽³⁾ to Shareholders

Capital Returns Framework

- Return \geq 60% of FCF to shareholders through dividend and share repurchases
- Have returned 78% of FCF since initiating repurchase program in 4Q21



Attractive Base Dividend Yield⁽⁴⁾



(1) Adjusted to include impact of recent cash tender offer and new issuances settled in January 2025.

(2) For a reconciliation to the most directly comparable GAAP financial measure, please refer to the Non-GAAP reconciliations.

(3) Please refer to the glossary of referenced terms for the definition of free cash flow.

(4) Based on declared annual base dividend and share price as of 2/24/25.

Fourth Quarter in Review

Fourth Quarter Highlights

Financial

- Generated \$420 million of free cash flow, highest quarter of the year
- S&P upgrade to BBB-, investment grade at all three agencies

Permian

- 2024 activity on Callon acreage shows a meaningful economic uplift from legacy-Callon results, primarily driven by longer laterals and lower well costs
- Closed non-core Permian divestiture on 12/31/24

Egypt

- Exceeded reported production guidance every quarter in 2024; workover and recompletion backlogged volumes returned to historical levels
- In November, signed agreement that increases APA's contractual natural gas price on incremental volumes
- Initiated gas-focused drilling program with encouraging early results

Suriname

- Reached FID on 220,000 B/d oil project with first oil expected in 2028

4Q 2024 Global Portfolio

Global



488,308 BOE/D
Reported Production



54% / 17% / 29%
Oil / NGL / Gas



64 Gross, 61 Net
Drilled & Completed Wells



20
Average Rigs

United States



313,227 BOE/D
Reported Production



47% / 26% / 27%
Oil / NGL / Gas



40 Gross, 38 Net
Drilled & Completed Wells



8
Average Rigs (Permian)

International



175,081 BOE/D
Reported Production



67% / 1% / 32%
Oil / NGL / Gas



24 Gross, 24 Net
Drilled & Completed Wells



12
Average Rigs (Egypt)

**Net Gain on Third-Party
Oil & Gas Trading Activities**

**\$141
Million**

2025 Plan and Guidance

2025 Plan Overview

Focused on Cost Management and Capital Efficiency in 2025+



Plan Highlights

- Total development capital expected to be 17% lower YoY, total adjusted production to grow mid-single-digits, oil production slightly declining
 - Permian: 22% lower development capital, 7% total production growth, roughly flat oil production
 - Assumes no gas curtailments
- 2025 Permian LOE / BOE expected to be 20% lower than 2024 actuals, primarily due to non-core asset sales and Callon synergy realizations
- Expect continued improvement in cost structure and capital efficiency in 2025+ with progress on reducing controllable spend



Planned Activity & Cash Flow Sensitivity

- **Permian:** 8 rigs split between the Midland & Delaware Basins
- **Egypt:** 12 total rigs with 20-25% of activity focusing on gas
- **Suriname:** No drilling planned; spend focused on long-lead items
- **Alaska:** One exploration well in 1H25
- 2025 ARO (\$100MM) / Fieldwood decommissioning spend (\$70MM)
 - Offset by \$140MM Surety Bond settlement received in February
- \$5 per Bbl WTI / Brent cash flow sensitivity of \$250MM

U.S. (Permian)

	2024 (PF) ⁽¹⁾	2025 Plan	YoY Change
Adjusted Production (Mboe/d)	281	300	7%
Oil Production (Mbo/d)	128	125 - 127	~
Development Capital (\$MM) ⁽²⁾	\$2,160	\$1,675	(22%)

Total Company

	2024 (PF) ⁽¹⁾	2025 Plan	YoY Change
Adjusted Production (Mboe/d)	383	396	3%
Development Capital (\$MM) ⁽²⁾⁽³⁾	\$2,700	\$2,250	(17%)
Total Upstream Capital (\$MM) ⁽²⁾	\$2,880	\$2,550	(12%)

(1) 2024 pro-forma includes Callon 1Q24 results (unaudited) and excludes all contribution from non-core asset sales.

(2) Excludes leasehold spend. Includes ARO spend.

(3) Includes development capital in the U.S., Egypt, and the North Sea. Excludes leasehold spend. Includes ARO spend.

1Q 2025 & FY 2025 Guidance

Average Daily Production ('000)	1Q 2025	FY 2025
Total Company Reported (Oil / BOE) ⁽¹⁾	234 / 465	232 / 462
Total Company Adjusted (Oil / BOE) ⁽¹⁾	193 / 399	191 / 396
U.S. (Oil / BOE)	125-127 / ~300	125-127 / ~300
Egypt Reported (Oil / BOE) ⁽¹⁾	84 / 135	84 / 135
Egypt Tax Barrels (BOE) ⁽¹⁾	32	31
Egypt NCI (BOE) ⁽¹⁾	34	35
Egypt Adjusted (Oil / BOE) ⁽¹⁾	43 / 69	43 / 69

- ← FY25 Includes North Sea production of 22 Mbo/d & 27 Mboe/d
- ← 1Q25 oil impacted by ~2 Mbo/d from weather related and third-party downtime

Capital Expenditures (\$ in millions)	1Q 2025	FY 2025
DC&F Capex (Permian, Egypt, North Sea)	\$625	\$2,200 - \$2,300
Suriname Development Capex	\$100	\$200
Exploration Capex	\$40	\$100
Upstream Capital Investment⁽²⁾	\$765	\$2,500 - \$2,600

- ← 1Q25 capital above annual quarterly average due to timing:
 - Permian facilities spend
 - Suriname development and Alaska spend
 - GoA legacy non-op ARO cadence
- ← FY25 includes \$100MM of ARO spend

Corporate Items (\$ in millions)	1Q 2025	FY 2025
Lease Operating Expense	\$395	\$1,525 - \$1,575
Gathering, Processing & Transmission Expense	\$105	\$415
General & Administrative Expense	\$115	\$415
DD&A Expense	\$615	\$2,300
Gain on Oil and Gas Purchases and Sales ⁽¹⁾⁽³⁾	\$100	\$600
U.S. & U.K. Current Income Tax Expense ⁽¹⁾	\$125	\$375

- ← YoY increase primarily due to mark-to-market accruals; Includes ~\$80 million of stock-linked compensation
- ← ~50% U.S. and ~50% U.K. in FY25

(1) Guidance based on FY25 commodity strip pricing as of 2/20/25.

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

(3) Reflects third-party gain on oil and gas purchases and sales.

Appendix

Reducing Controllable Spend: Focus Areas

Focus Areas	Cost Reduction Efforts	
	2025 Opportunities	2026+ Opportunities
Overhead	<ul style="list-style-type: none"> – Headcount rationalization and span of control consolidation – Scrutinize all discretionary spend 	<ul style="list-style-type: none"> – Further streamline organization through rationalizing systems and simplifying work processes in key corporate areas
LOE	<ul style="list-style-type: none"> – More authorities to the field, align incentives to manage costs: <ul style="list-style-type: none"> – Labor and overtime – Production chemicals – Rental equipment – Diesel consumption 	<ul style="list-style-type: none"> – Water & power cost management – Improved well reliability; reduced well failure rate – Leverage technology to drive field operating efficiencies
Capital	<ul style="list-style-type: none"> – Increase Permian development density <ul style="list-style-type: none"> – Improve rig utilization – Frac efficiencies – Optimize well casing designs – Standardize and modularize facility designs 	<ul style="list-style-type: none"> – Drive for top quartile costs in: <ul style="list-style-type: none"> – Drilling and completions – Facilities – Further optimization of wellbore & facility design and utilization – Enhanced facilities procurement process

Upstream Capital Investment

(\$ in millions)	1Q 2024	2Q 2024	3Q 2024	4Q 2024	Total
United States*	\$419	\$665	\$547	\$459	\$2,090
Egypt (excluding noncontrolling interest)	\$137	\$133	\$118	\$118	\$506
North Sea	\$6	\$16	\$13	\$8	\$43
Suriname	\$6	\$25	\$20	\$7	\$58
Upstream Capital Investment Total	\$568	\$839	\$698	\$592	\$2,697

*United States capital includes ~\$70 million, ~\$35 million and ~\$14 million of Alaska exploration investment in the first, second and fourth quarters, respectively

Egypt Production Detail

	3Q 2024			4Q 2024		
	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	136,670	447,173	211,199	134,504	438,052	207,513
Reported Production	91,673	300,418	141,742	89,927	300,118	139,947
% Gross	67%	67%	67%	67%	69%	67%
Less: Tax Barrels	24,732	82,633	38,504	22,402	75,395	34,968
Net Production Excluding Tax Barrels	66,941	217,785	103,238	67,525	224,723	104,979
% Gross	49%	49%	49%	50%	51%	51%
Less: Noncontrolling Interest	22,314	72,595	34,413	22,508	74,907	34,993
Adjusted Production	44,627	145,190	68,825	45,017	149,816	69,986
% Gross	33%	32%	33%	33%	34%	34%

MBOE/D	2022				2023				2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Production	235	235	219	233	232	227	223	220	214	211	211	208
Reported Production	150	144	134	151	147	144	139	144	135	133	142	140
Adjusted Production	68	64	62	71	71	70	66	70	66	65	69	70
Brent Oil Benchmark Pricing	\$98	\$112	\$97	\$89	\$82	\$78	\$86	\$83	\$82	\$85	\$79	\$74

Cash Return Summary

	1Q 2024	2Q 2024	3Q 2024	4Q 2024	2021	2022	2023	2024	Total
Shares Repurchased (MM)	3.0	1.5	0.1	4.6	31.2	36.2	8.7	9.2	85.3
Average Stock Repurchased Price	\$33.27	\$28.72	\$29.32	\$21.90	\$27.14	\$39.34	\$37.81	\$26.72	\$33.36
Share Repurchases (\$MM)	\$101	\$43	\$2	\$100	\$847	\$1,423	\$329	\$246	\$2,845
Dividends (\$MM)	\$76	\$92	\$92	\$93	\$52	\$207	\$308	\$353	\$920
Total Cash Return (\$MM)	\$177	\$135	\$94	\$193	\$899	\$1,630	\$637	\$599	\$3,765
Free Cash Flow (\$MM)	\$99	\$103	\$219	\$420	\$1,823	\$2,458	\$965	\$841	\$6,087
% Free Cash Flow Returned	178%	131%	43%	\$46%	49%	66%	66%	71%	62%
Total Bond Debt Reduction (\$MM)	--	--	--	--	(\$1,708)	(\$1,436)	(\$74)	--	(\$3,218)

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)
 - Non-oil and gas capital investment
 - Distributions to noncontrolling interest (Egypt)
 - Non-reimbursable Gulf of America decommissioning costs
- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in APA Corporation’s Form 10-K.



Non-GAAP Reconciliations

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		
	December 31,	September 30,	December 31,
	2024	2024	2023
Net cash provided by operating activities	\$ 1,036	\$ 1,339	\$ 1,030
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	12	20	28
Current income tax provision	308	260	316
Other adjustments to reconcile net income to net cash provided by operating activities	(16)	45	(71)
Changes in operating assets and liabilities	107	(221)	(23)
Financing costs, net	91	100	77
Transaction, reorganization & separation costs	12	14	4
Adjusted EBITDAX (Non-GAAP)	\$ 1,550	\$ 1,557	\$ 1,361

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,	
	2024	2023
Net cash provided by operating activities	\$ 1,036	\$ 1,030
Changes in operating assets and liabilities	107	(23)
Cash flows from operations before changes in operating assets and liabilities	\$ 1,143	\$ 1,007
Adjustments to free cash flow:		
Upstream capital investment including noncontrolling interest - Egypt	(650)	(598)
Decommissioning spend on previously sold Gulf of America properties	(24)	-
Non oil and gas capital investment	(14)	(33)
Distributions to Sinopec noncontrolling interest	(35)	(84)
Free cash flow	\$ 420	\$ 292

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. 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, 2024			
	<u>North Sea</u>	<u>Egypt</u>	<u>U.S. and Other</u>	<u>Consolidated</u>
	<i>(\$ in millions)</i>			
Net cash provided by operating activities	\$ 66	\$ 261	\$ 709	\$ 1,036
Changes in operating assets and liabilities	(38)	140	5	107
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 28</u>	<u>\$ 401</u>	<u>\$ 714</u>	<u>\$ 1,143</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.

	(\$ in millions)			
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Current debt	\$ 53	\$ 2	\$ 2	\$ 2
Long-term debt	5,991	6,370	6,741	5,178
Total debt	6,044	6,372	6,743	5,180
Cash and cash equivalents	625	64	160	102
Net debt	<u>\$ 5,419</u>	<u>\$ 6,308</u>	<u>\$ 6,583</u>	<u>\$ 5,078</u>

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,	
	2024	2023
Costs incurred in oil and gas property:		
Asset and leasehold acquisitions	\$ 10	\$ 10
Exploration and development	752	969
Total Costs incurred in oil and gas property	\$ 762	\$ 979
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	\$ 762	\$ 979
Property acquisitions	(12)	-
Asset retirement obligations settled vs. incurred - oil and gas property	(81)	(347)
Capitalized interest	(7)	(6)
Exploration seismic and administration costs	(12)	(28)
Upstream capital investment including noncontrolling interest - Egypt	\$ 650	\$ 598
Less noncontrolling interest - Egypt	(58)	(78)
Total Upstream capital investment	\$ 592	\$ 520



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