

APACHE CORPORATION
STATEMENT OF CONSOLIDATED OPERATIONS

(Unaudited)
(In millions, except per share data)

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
REVENUES AND OTHER:				
Oil revenues	\$ 1,213	\$ 2,553	\$ 4,092	\$ 7,995
Gas revenues	309	451	904	1,516
NGL revenues	50	177	166	532
Oil and gas production revenues	1,572	3,181	5,162	10,043
Derivative instrument gains (losses), net	-	273	-	79
Other	(76)	(13)	(59)	(4)
	<u>1,496</u>	<u>3,441</u>	<u>5,103</u>	<u>10,118</u>
COSTS AND EXPENSES:				
Depreciation, depletion and amortization				
Oil and gas property and equipment				
Recurring	829	1,086	2,751	3,182
Additional	5,721	1,562	18,757	1,765
Other assets	79	87	245	246
Asset retirement obligation accretion	37	39	109	115
Lease operating expenses	450	588	1,398	1,696
Gathering and transportation	58	67	163	203
Taxes other than income	104	124	232	482
Impairments	367	-	367	-
General and administrative	86	111	279	332
Transaction, reorganization & separation costs	-	34	120	66
Financing costs, net	107	60	240	157
	<u>7,838</u>	<u>3,758</u>	<u>24,661</u>	<u>8,244</u>
INCOME (LOSS) BEFORE INCOME TAXES	(6,342)	(317)	(19,558)	1,874
Current income tax provision	(84)	228	496	968
Deferred income tax provision (benefit)	(707)	540	(5,167)	684
	<u>(7,133)</u>	<u>441</u>	<u>(24,229)</u>	<u>2,526</u>
INCOME (LOSS) FROM CONTINUING OPS INCLUDING NONCONTROLLING INTEREST	(5,551)	(1,085)	(14,887)	222
Income (Loss) from discontinued operations, net of tax	(95)	(156)	(959)	(516)
	<u>(5,646)</u>	<u>(1,241)</u>	<u>(15,846)</u>	<u>(294)</u>
INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	(5,646)	(1,241)	(15,846)	(294)
Net income attributable to noncontrolling interest	9	89	60	295
	<u>(5,637)</u>	<u>(1,152)</u>	<u>(15,786)</u>	<u>(59)</u>
INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK	<u>\$ (5,655)</u>	<u>\$ (1,330)</u>	<u>\$ (15,906)</u>	<u>\$ (589)</u>
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS				
Net income (loss) from continuing operations attributable to common shareholders	\$ (5,560)	\$ (1,174)	\$ (14,947)	\$ (73)
Net income (loss) from discontinued operations	(95)	(156)	(959)	(516)
Net income (loss) attributable to common shareholders	<u>\$ (5,655)</u>	<u>\$ (1,330)</u>	<u>\$ (15,906)</u>	<u>\$ (589)</u>
BASIC NET INCOME (LOSS) PER COMMON SHARE:				
Basic net income (loss) from continuing operations per share	\$ (14.70)	\$ (3.08)	\$ (39.58)	\$ (0.19)
Basic net income (loss) from discontinued operations per share	(0.25)	(0.42)	(2.54)	(1.33)
Basic net income (loss) per share	<u>\$ (14.95)</u>	<u>\$ (3.50)</u>	<u>\$ (42.12)</u>	<u>\$ (1.52)</u>
DILUTED NET INCOME (LOSS) PER COMMON SHARE:				
Diluted net income (loss) from continuing operations per share	\$ (14.70)	\$ (3.08)	\$ (39.58)	\$ (0.19)
Diluted net income (loss) from discontinued operations per share	(0.25)	(0.42)	(2.54)	(1.33)
Diluted net income (loss) per share	<u>\$ (14.95)</u>	<u>\$ (3.50)</u>	<u>\$ (42.12)</u>	<u>\$ (1.52)</u>
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:				
Basic	378	381	378	387
Diluted	378	381	378	387
DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.25	\$ 0.25	\$ 0.75	\$ 0.75

**APACHE CORPORATION
PRODUCTION INFORMATION**

	3Q15	2Q15	3Q14	% Change		YTD 2015	YTD 2014
				3Q15 to 2Q15	3Q15 to 3Q14		
OIL VOLUME - Barrels per day							
Permian	93,048	97,814	91,844	-5%	1%	95,103	90,249
MidContinent/Gulf Coast Region	21,486	24,431	35,789	-12%	-40%	24,052	33,816
Canada	14,795	15,791	17,672	-6%	-16%	15,812	17,748
N.A. Onshore	129,329	138,036	145,305	-6%	-11%	134,967	141,813
Gulf of Mexico	5,878	5,453	5,980	8%	-2%	5,739	6,386
GOM Shelf	-	-	-	-	-	-	224
Egypt ⁽¹⁾	91,132	99,975	87,499	-9%	4%	94,356	88,076
North Sea	58,330	58,873	55,247	-1%	6%	59,622	58,636
International & GOM ⁽¹⁾	155,340	164,301	148,726	-5%	4%	159,717	153,322
Total ⁽¹⁾	284,669	302,337	294,031	-6%	-3%	294,684	295,135
TOTAL LIQUIDS - Barrels per day							
Permian	128,973	133,043	125,674	-3%	3%	128,178	119,702
MidContinent/Gulf Coast Region	39,808	43,623	62,675	-9%	-36%	42,786	60,498
Canada	21,235	21,616	23,053	-2%	-8%	21,853	24,097
N.A. Onshore	190,016	198,282	211,402	-4%	-10%	192,817	204,297
Gulf of Mexico	6,582	5,976	6,905	10%	-5%	6,331	7,360
GOM Shelf	-	-	71	-	NM	-	278
Egypt ⁽¹⁾	92,128	101,189	88,225	-9%	4%	95,436	88,692
North Sea	59,770	59,699	56,541	0%	6%	60,675	59,887
International & GOM ⁽¹⁾	158,480	166,864	151,742	-5%	4%	162,442	156,217
Total ⁽¹⁾	348,496	365,146	363,144	-5%	-4%	355,259	360,514
NATURAL GAS VOLUME - Mcf per day							
Permian	246,141	234,379	216,804	5%	14%	232,603	215,289
MidContinent/Gulf Coast Region	179,578	192,219	343,153	-7%	-48%	189,823	354,409
Canada	270,027	282,971	300,803	-5%	-10%	280,120	331,470
N.A. Onshore	695,746	709,569	860,760	-2%	-19%	702,546	901,168
Gulf of Mexico	19,520	20,190	19,109	-3%	2%	20,224	19,379
GOM Shelf	-	-	122	-	NM	-	488
Egypt ⁽¹⁾	365,552	405,544	377,838	-10%	-3%	378,367	374,384
North Sea	81,392	56,367	50,647	44%	61%	62,848	50,209
International & GOM ⁽¹⁾	466,464	482,101	447,716	-3%	4%	461,439	444,460
Total ⁽¹⁾	1,162,210	1,191,670	1,308,476	-2%	-11%	1,163,985	1,345,628
BOE per day							
Permian	169,997	172,106	161,808	-1%	5%	166,945	155,583
MidContinent/Gulf Coast Region	69,737	75,661	119,867	-8%	-42%	74,423	119,567
Canada	66,239	68,778	73,187	-4%	-9%	68,541	79,341
N.A. Onshore	305,973	316,545	354,862	-3%	-14%	309,909	354,491
Gulf of Mexico	9,835	9,340	10,090	5%	-3%	9,701	10,589
GOM Shelf	-	-	92	-	NM	-	360
Egypt ^(1, 2)	153,054	168,779	151,198	-9%	1%	158,498	151,090
North Sea	73,335	69,094	64,982	6%	13%	71,149	68,255
International & GOM ⁽¹⁾	236,224	247,213	226,362	-4%	4%	239,348	230,294
Total ⁽¹⁾	542,197	563,758	581,224	-4%	-7%	549,257	584,785
Total excluding noncontrolling interests	490,249	507,699	530,611	-3%	-8%	496,169	534,515
⁽¹⁾ Includes net production volumes attributed to our noncontrolling partner in Egypt below:							
Oil (b/d)	30,671	33,247	29,201			31,530	29,259
Gas (Mcf/d)	125,657	134,445	127,020			127,186	124,836
NGL (b/d)	334	404	242			360	205
⁽²⁾ Egypt Gross Production - BOE per day	362,073	349,398	345,708	4%	5%	351,812	349,843
Discontinued Operations:							
Oil (b/d)	-	9,849	22,014			10,175	20,086
Gas (Mcf/d)	-	149,336	201,386			125,831	255,762
NGL (b/d)	-	-	-			-	424
BOE/d	-	34,738	55,578			31,146	63,138

APACHE CORPORATION
PRO FORMA PRODUCTION INFORMATION

Pro forma production excludes certain items that management believes affect the comparability of operating results for the periods presented. Pro forma production excludes production attributable to 1) divested assets, 2) noncontrolling interest in Egypt, and 3) Egypt tax barrels. Management uses pro forma production to evaluate the company's operational trends and performance and believes it is useful to investors and other third parties.

	3Q15	2Q15	3Q14	% Change		YTD 2015	YTD 2014
				3Q15 to 2Q15	3Q15 to 3Q14		
OIL VOLUME - Barrels per day							
Permian	93,048	97,814	91,844	-5%	1%	95,103	90,249
MidContinent/Gulf Coast Region	21,441	24,452	22,639	-12%	-5%	24,036	20,509
Canada	14,795	15,776	17,657	-6%	-16%	15,789	17,629
N.A. Onshore	129,284	138,042	132,140	-6%	-2%	134,928	128,387
Gulf of Mexico	5,878	5,453	5,980	8%	-2%	5,739	6,386
Egypt	56,972	54,854	44,372	4%	28%	55,470	43,804
North Sea	58,330	58,164	53,287	0%	9%	58,765	55,774
International & GOM	121,180	118,471	103,639	2%	17%	119,974	105,964
Total	250,464	256,513	235,779	-2%	6%	254,902	234,351
TOTAL LIQUIDS - Barrels per day							
Permian	128,973	133,043	125,674	-3%	3%	128,178	119,702
MidContinent/Gulf Coast Region	39,763	43,531	40,038	-9%	-1%	42,742	37,153
Canada	21,238	21,575	23,040	-2%	-8%	21,819	23,353
N.A. Onshore	189,974	198,149	188,752	-4%	1%	192,739	180,208
Gulf of Mexico	6,582	5,976	6,905	10%	-5%	6,331	7,360
Egypt	57,597	55,519	44,749	4%	29%	56,104	44,124
North Sea	59,770	58,966	54,506	1%	10%	59,794	56,860
International & GOM	123,949	120,461	106,160	3%	17%	122,229	108,344
Total	313,923	318,610	294,912	-1%	6%	314,968	288,552
NATURAL GAS VOLUME - Mcf per day							
Permian	246,141	234,380	216,804	5%	14%	232,603	215,289
MidContinent/Gulf Coast Region	179,980	192,678	188,367	-7%	-4%	190,535	182,746
Canada	269,774	282,651	297,426	-5%	-9%	279,257	291,952
N.A. Onshore	695,895	709,709	702,597	-2%	-1%	702,395	689,987
Gulf of Mexico	19,520	20,190	19,109	-3%	2%	20,224	19,383
Egypt	238,104	233,095	192,484	2%	24%	231,636	189,054
North Sea	81,392	55,489	48,104	47%	69%	62,186	45,470
International & GOM	339,016	308,774	259,697	10%	31%	314,046	253,907
Total	1,034,911	1,018,483	962,294	2%	8%	1,016,441	943,894
BOE per day							
Permian	169,997	172,106	161,808	-1%	5%	166,945	155,583
MidContinent/Gulf Coast Region	69,771	75,643	71,433	-8%	-2%	74,497	67,611
Canada	66,190	68,684	72,612	-4%	-9%	68,362	72,011
N.A. Onshore	305,958	316,433	305,853	-3%	0%	309,804	295,205
Gulf of Mexico	9,835	9,340	10,090	5%	-3%	9,701	10,590
Egypt	97,281	94,368	76,830	3%	27%	94,710	75,632
North Sea	73,335	68,214	62,522	8%	17%	70,159	64,438
International & GOM	180,451	171,922	149,442	5%	21%	174,570	150,660
Total	486,409	488,355	455,295	0%	7%	484,374	445,865

**APACHE CORPORATION
PRICE INFORMATION**

	<u>3Q15</u>	<u>2Q15</u>	<u>3Q14</u>	<u>YTD 2015</u>	<u>YTD 2014</u>
AVERAGE OIL PRICE PER BARREL					
Permian	\$ 44.87	\$ 53.77	\$ 88.71	\$ 47.78	\$ 92.22
MidContinent/Gulf Coast Region	42.67	53.86	96.70	47.49	98.19
Canada	40.07	52.22	85.43	44.00	89.45
N.A. Onshore	43.98	53.56	90.30	47.28	93.32
Gulf of Mexico	45.30	57.69	97.86	49.42	100.74
Egypt	47.84	60.83	100.06	53.86	105.50
North Sea	49.46	64.03	95.80	54.42	104.13
Total	46.34	58.09	94.38	50.87	99.23
AVERAGE NATURAL GAS PRICE PER MCF					
Permian	\$ 2.61	\$ 2.24	\$ 3.79	\$ 2.43	\$ 4.35
MidContinent/Gulf Coast Region	2.49	2.37	4.04	2.58	4.58
Canada	2.39	2.34	4.04	2.44	4.22
N.A. Onshore	2.46	2.31	3.97	2.45	4.41
Gulf of Mexico	2.75	2.61	3.50	2.76	4.31
Egypt	2.87	2.91	2.91	2.90	2.96
North Sea	6.41	7.35	6.10	6.95	8.06
Total	2.89	2.73	3.75	2.84	4.13
AVERAGE NGL PRICE PER BARREL					
Permian	\$ 8.51	\$ 10.28	\$ 27.29	\$ 10.00	\$ 28.86
MidContinent/Gulf Coast Region	7.47	9.67	24.93	9.05	27.03
Canada	3.23	4.41	33.50	6.12	36.40
N.A. Onshore	7.63	9.52	26.83	9.29	28.84
Gulf of Mexico	11.44	14.72	34.44	13.12	32.67
Egypt	27.04	28.82	52.80	30.62	56.57
North Sea	25.61	30.94	59.47	26.76	66.18
Total	8.38	10.21	27.84	10.01	29.78
Discontinued Operations:					
Oil price (\$/Bbl)	\$ -	\$ 63.60	\$ 98.82	\$ 49.76	\$ 103.57
Gas price (\$/Mcf)	-	3.88	4.70	4.07	4.24
NGL price (\$/Bbl)	-	-	-	-	24.57

APACHE CORPORATION
SUMMARY BALANCE SHEET INFORMATION

(Unaudited)
(In millions)

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Cash and Cash Equivalents	\$ 1,655	\$ 769
Assets Held for Sale	79	1,628
Other Current Assets	2,345	4,018
Property and Equipment, net	22,377	48,076
Goodwill	87	87
Other Assets	1,269	1,374
Total Assets	\$ 27,812	\$ 55,952
Current Liabilities	\$ 2,167	\$ 3,664
Long-Term Debt	8,777	11,245
Deferred Credits and Other Noncurrent Liabilities	4,896	12,906
Apache Shareholders' Equity	9,809	25,937
Noncontrolling interest	2,163	2,200
Total Liabilities and Shareholders' Equity	\$ 27,812	\$ 55,952
Common shares outstanding at end of period	378	377
% of total debt-to-capitalization	42%	29%

APACHE CORPORATION
SUMMARY OF COSTS INCURRED AND GTP CAPITAL INVESTMENTS

(Unaudited)
(In millions)

	<u>For the Quarter Ended September 30,</u>		<u>For the Nine Months Ended September 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Costs Incurred in Oil and Gas Property:				
Acquisitions				
Proved	\$ 2	\$ 98	\$ 2	\$ 103
Unproved	124	429	252	552
Exploration and Development	860	2,538	3,301	7,524
	<u>986</u>	<u>3,065</u>	<u>3,555</u>	<u>8,179</u>
GTP Capital Investments:				
GTP Facilities	13	300	273	1,022
Total Costs Incurred and GTP Capital Investments	\$ 999	\$ 3,365	\$ 3,828	\$ 9,201

APACHE CORPORATION
NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)

Reconciliation of income attributable to common stock to adjusted earnings

Adjusted earnings and adjusted earnings per share are non-GAAP financial measures. Adjusted earnings generally exclude certain items that management believes affect the comparability of operating results or are not related to Apache's ongoing operations. Management uses adjusted earnings to evaluate the company's operational trends and performance relative to other oil and gas companies. Management believes this presentation may be useful to investors who follow the practice of some industry analysts who adjust reported company earnings for items that may obscure underlying fundamentals and trends.

	For the Quarter		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2015	2014	2015	2014
Income (Loss) Attributable to Common Stock (GAAP)	\$ (5,655)	\$ (1,330)	\$ (15,906)	\$ (589)
Adjustments:				
Oil & gas property write-downs, net of tax	3,716	1,002	12,155	1,079
Tax adjustments ⁽¹⁾	1,472	821	2,229	816
Discontinued operations, net of tax	95	156	959	516
Impairments, net of tax	300	-	300	-
Transaction, reorganization & separation costs, net of tax	-	22	78	43
Contract termination charges, net of tax	26	18	54	27
Loss on extinguishment of debt, net of tax	25	-	25	-
Unrealized commodity derivative mark-to-market, net of tax	-	(202)	-	(220)
Adjusted Earnings (Non-GAAP)	<u>\$ (21)</u>	<u>\$ 487</u>	<u>\$ (106)</u>	<u>\$ 1,672</u>
Net Income (Loss) per Common Share - Diluted (GAAP)	\$ (14.95)	\$ (3.50)	\$ (42.12)	\$ (1.52)
Adjustments:				
Oil & gas property write-downs, net of tax	9.83	2.62	32.18	2.78
Tax adjustments ⁽¹⁾	3.89	2.14	5.90	2.10
Discontinued operations, net of tax	0.25	0.42	2.54	1.33
Impairments, net of tax	0.79	-	0.79	-
Transaction, reorganization & separation costs, net of tax	-	0.06	0.21	0.11
Contract termination charges, net of tax	0.07	0.05	0.15	0.07
Loss on extinguishment of debt, net of tax	0.07	-	0.07	-
Unrealized commodity derivative mark-to-market, net of tax	-	(0.52)	-	(0.57)
Adjusted Earnings Per Share - Diluted (Non-GAAP)	<u>\$ (0.05)</u>	<u>\$ 1.27</u>	<u>\$ (0.28)</u>	<u>\$ 4.30</u>
Total income tax provision (GAAP)	\$ (791)	\$ 768	\$ (4,671)	\$ 1,652
Adjustments:				
Tax impact on oil & gas property write-downs	2,005	560	6,602	686
Tax impact on impairments	67	-	67	-
Tax impact on transaction, reorganization & separation costs	-	12	42	23
Tax impact on contract termination charges	15	9	30	15
Tax impact on extinguishment of debt	14	-	14	-
Tax impact on unrealized commodity derivative mark-to-market	-	(111)	-	(121)
Tax adjustments ⁽¹⁾	(1,472)	(821)	(2,229)	(816)
Adjusted total income tax provision	<u>\$ (162)</u>	<u>\$ 417</u>	<u>\$ (145)</u>	<u>\$ 1,439</u>
Adjusted Effective Tax Rate (Non-GAAP)	NM	42.0%	NM	42.3%

⁽¹⁾ Tax adjustments are primarily related to valuation allowances associated with projected utilization of the Company's foreign tax credit carryforward. The valuation allowances were partially offset by \$619 million in benefits for the North Sea tax rate change in the first quarter of 2015.

APACHE CORPORATION
NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)

Reconciliation of income (loss) before taxes to adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure. EBITDA is a widely accepted financial indicator of a company's ability to incur and service debt, fund capital expenditures, and make distributions to shareholders. Adjusted EBITDA generally excludes certain items that management believes affect the comparability of operating results or are not related to Apache's ongoing operations. Management uses adjusted EBITDA to evaluate the company's operational trends and performance relative to other oil and gas companies.

	For the Quarter		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2015	2014	2015	2014
Income (loss) before income taxes	\$ (6,342)	\$ (317)	\$ (19,558)	\$ 1,874
Adjustments:				
Depreciation, depletion and amortization				
Oil and gas property and equipment				
Recurring	829	1,086	2,751	3,182
Additional	5,721	1,562	18,757	1,765
Other assets	79	87	245	246
Asset retirement obligation accretion	37	39	109	115
Impairments	367	-	367	-
Transaction, reorganization & separation costs	-	34	120	66
Financing costs, net	107	60	240	157
Contract termination charges	41	28	84	42
Unrealized commodity derivative mark-to-market	-	(314)	-	(341)
Less: net income attributable to noncontrolling interests	(9)	(89)	(60)	(295)
Adjusted EBITDA (Non-GAAP)	<u>\$ 830</u>	<u>\$ 2,176</u>	<u>\$ 3,055</u>	<u>\$ 6,811</u>

Reconciliation of debt to net debt

Net debt 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.

	September 30,	June 30,	March 31,	December 31,
	2015	2015	2015	2014
Current debt	\$ -	\$ -	\$ 2,598	\$ -
Long-term debt	<u>8,777</u>	<u>9,676</u>	<u>9,675</u>	<u>11,245</u>
Total debt	8,777	9,676	12,273	11,245
Cash	1,655	2,950	229	769
Net debt	<u>\$ 7,122</u>	<u>\$ 6,726</u>	<u>\$ 12,044</u>	<u>\$ 10,476</u>