



SECOND-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.

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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 Apache's second quarter 2019 earnings release at www.apachecorp.com and "Non-GAAP Reconciliations" of this earnings supplement.

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2Q 2019 KEY METRICS



	2Q 2019
Reported Production	455 Mboe/d
Adjusted Production⁽¹⁾	396 Mboe/d
Cost Incurred in Oil and Gas Property	\$661 Million
Upstream Capital Investment⁽²⁾	\$589 Million
Net Cash Provided by Operating Activities	\$856 Million
Adjusted EBITDAX⁽²⁾	\$994 Million
Earnings Per Share	(\$0.96)
Adjusted Earnings Per Share⁽²⁾	\$0.11

(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.



● Delivering Value: 2Q 2019 Highlights

● 2Q Results

● Appendix

● Non-GAAP Reconciliations



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 / U.S. Onshore

RECENT HIGHLIGHTS

~13% below midpoint of
2Q upstream capital guidance



On track to meet 2019 upstream capital
budget of ~\$2.4 billion

Adjusted production of
396 MBOE/D



Exceeded guidance

Successfully Commissioned
First Two Cryos

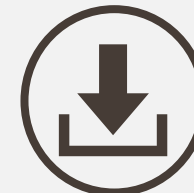


**Exceeding nameplate
capacity**
On 1st Cryo



**~\$560MM
Asset Sales**
Completed⁽¹⁾

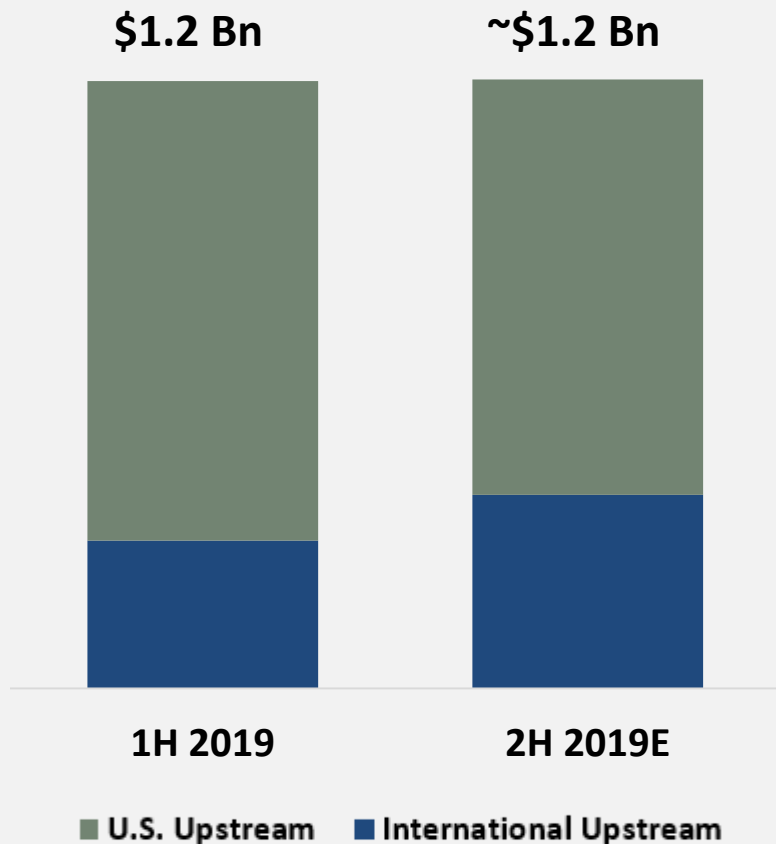
Subsequent to 2nd quarter end,
Repaid \$150MM note due 7/1/19



**Reduced debt in each of
the last 4 years**

2019 CAPITAL BUDGET & ACTIVITY UNCHANGED

Upstream Capital Budget

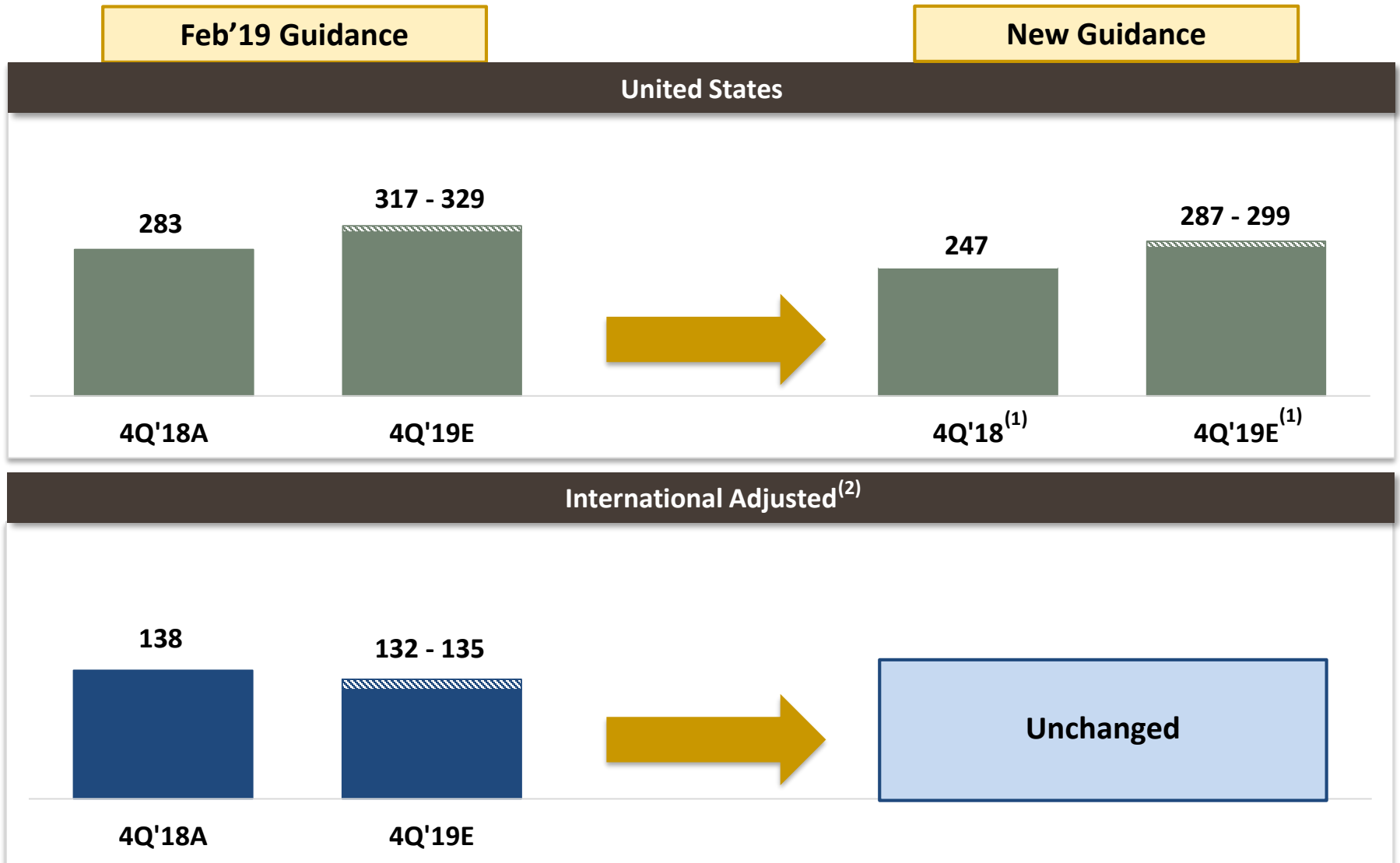


Commentary

- ▶ **Reiterate** full year 2019 budget of \$2.4 billion with **no increase in activity**
- ▶ More **completions weighted** spend in 2H 2019 relative to 1H 2019
- ▶ **Planned 3Q incremental spend:**
 - ▶ Storr development in North Sea
 - ▶ GOM P&A timing

REVISED 4Q'19 PRODUCTION GUIDANCE

Adjusted Following Mid-Con Asset Sale (Mboe/d)

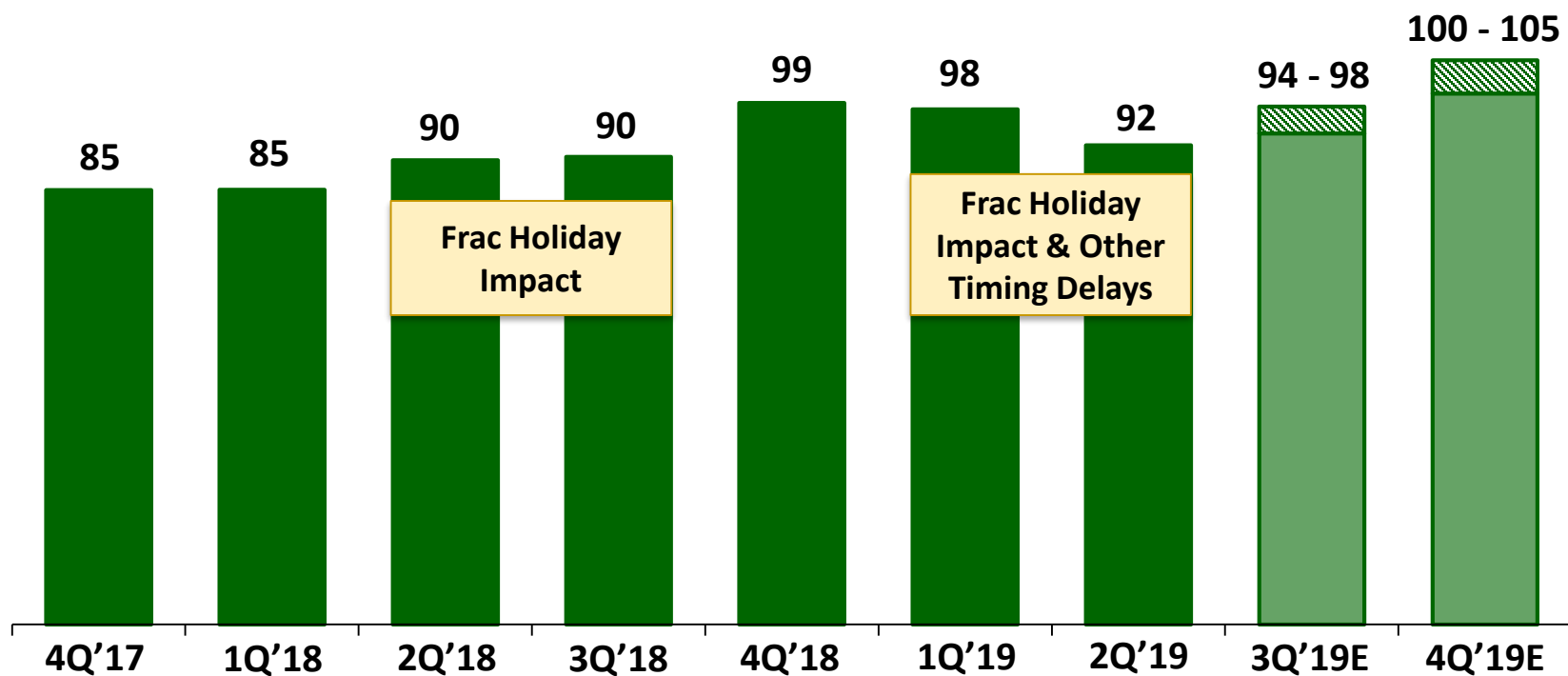


(1) Adjusted to reflect Mid-Con asset sales consisting of 36 Mboe/d and 30 Mboe/d for 4Q'18 and 4Q'19, respectively.

(2) International excludes production attributable to Egypt tax barrels and noncontrolling interest.

PERMIAN OIL PRODUCTION OUTLOOK

2019 Production Guidance Update (Mbo/d)

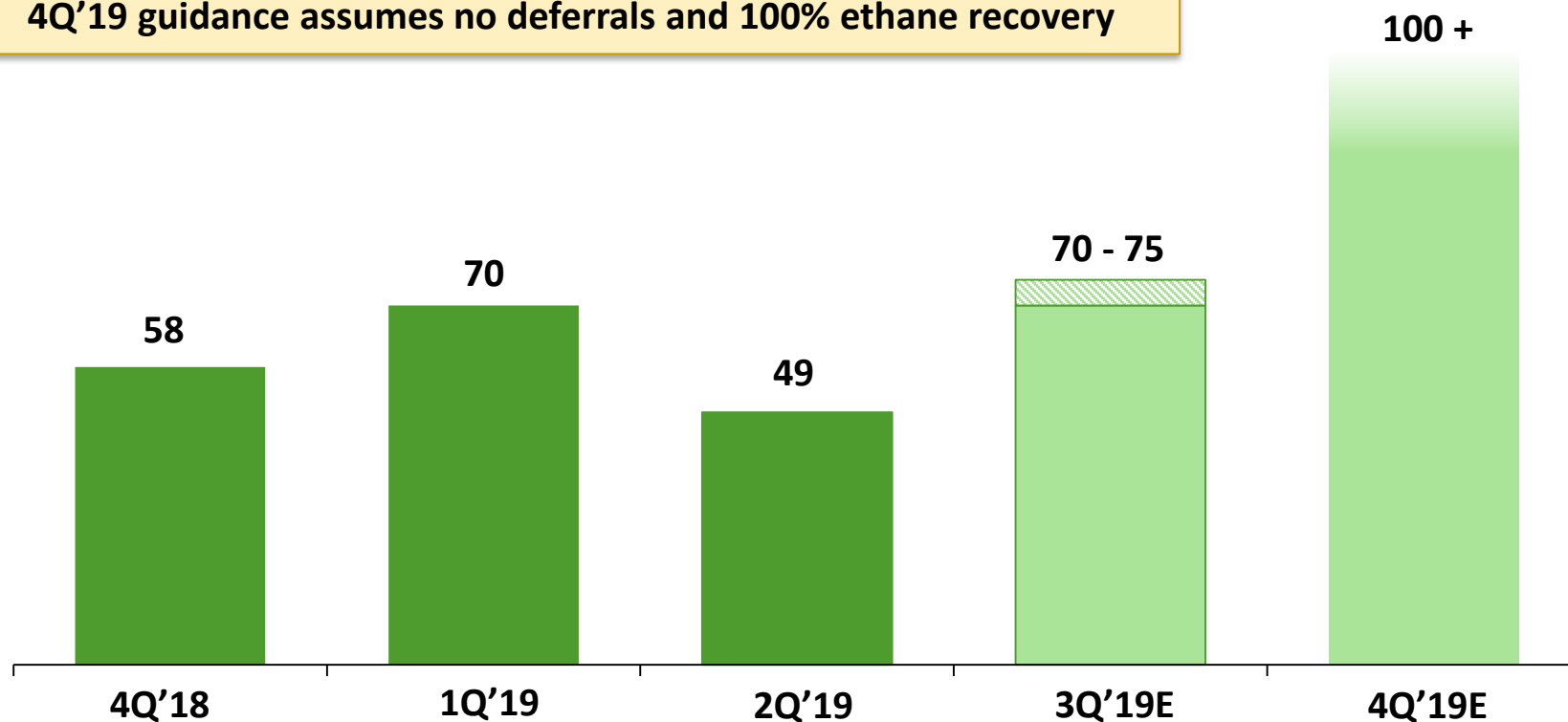


Investing at a Pace to Deliver Steady, Sustainable Oil Growth

ALPINE HIGH PRODUCTION OUTLOOK

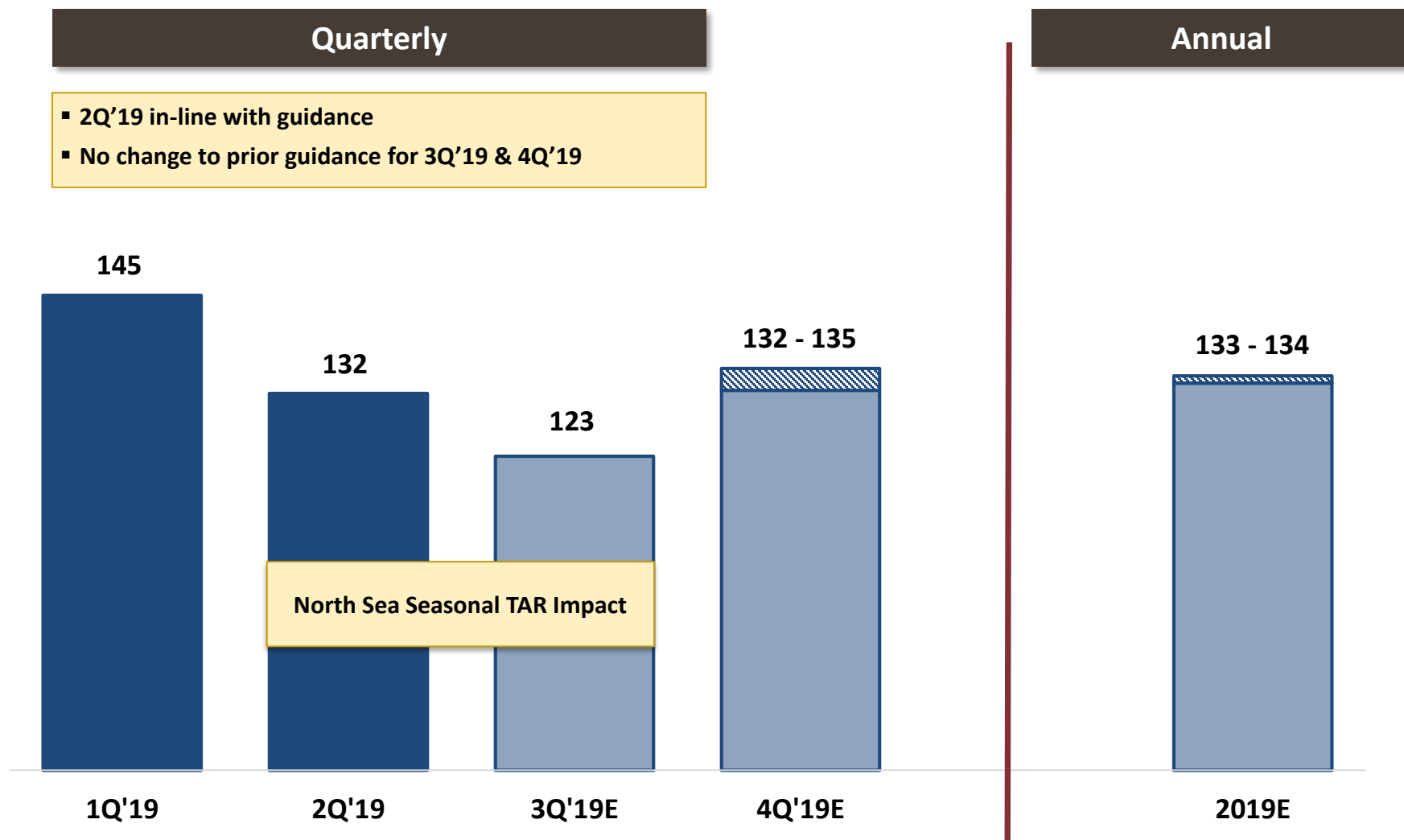
2019 Production Guidance Update (Mboe/d)

- Deferred ~22 Mboe/d of net production in 2Q'19
- Reduced 3Q'19 guidance range to reflect continued gas deferrals until GCX pipeline enters service
- 4Q'19 guidance assumes no deferrals and 100% ethane recovery



INTERNATIONAL PRODUCTION OUTLOOK

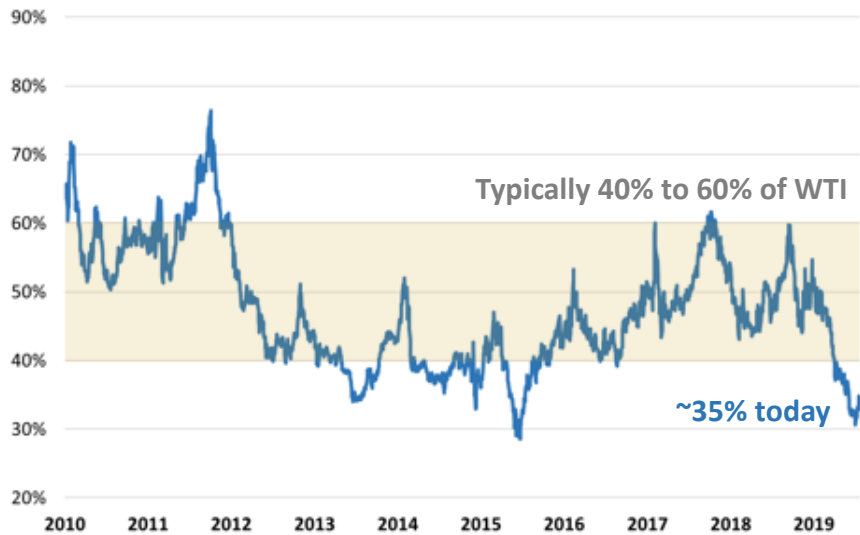
2019 Production Guidance Update (Mboe/d)



NATURAL GAS LIQUIDS

Market Fundamentals

Y Grade as a % of WTI⁽¹⁾



Transient Issues

- ▶ Low natural gas prices, cracker delays, unscheduled plant outages
- ▶ Houston Ship Channel closures, export capacity constraints

Potential Price Support

- ▶ ~233 KBD of new ethane cracker capacity in 2H 2019
- ▶ ~275 KBD of new Gulf Coast LPG export in 2H 2019
- ▶ Favorable outlook for long-term growth in global petrochemical demand

Apache Marketing Developments

- ▶ EPD contract commenced on 7/1/19, benefitting NGL price realizations from Alpine High

New Demand, Exports Coming 2H 2019

Gulf Coast LPG Export Additions

1H2017	0
2H2017	0
1H2018	0
2H2018	20
1H2019	0
2H2019	275

US Cracker Capacity Additions

1H2017	55
2H2017	93
1H2018	90
2H2018	94
1H2019	91
2H2019	233




- Delivering Value: 2Q 2019 Highlights
- **2Q Results**
- Appendix
- Non-GAAP Reconciliations





2Q 2019 GLOBAL PORTFOLIO

Balanced Portfolio Aligns Returns Focus & Strategic Objectives


UNITED STATES


 **264,024 BOE/D**
Reported Production


 **54 Gross, 51 Net**
Drilled & Completed Wells*

 **12**
Avg Rigs


GLOBAL


 **455,023 BOE/D**
Reported Production


 **67 Gross, 64 Net**
Drilled & Completed Wells*

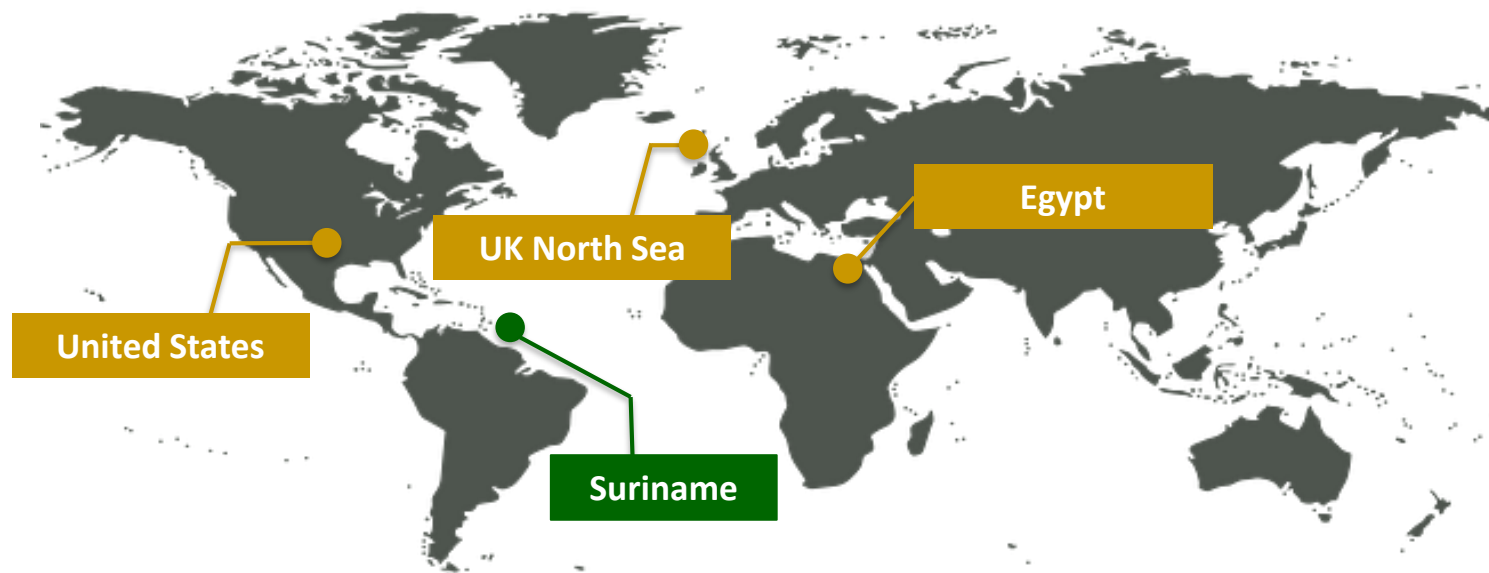
 **22**
Avg Rigs

INTERNATIONAL

 **190,999 BOE/D**
Reported Production

 **13 Gross, 13 Net**
Drilled & Completed Wells*

 **10**
Avg Rigs



2Q PERMIAN SUMMARY

MIDLAND BASIN

- ✓ Averaged 4 rigs, 2 frac crews and placed 20 wells on production
- ✓ **Brought online two pads (Black Dog, Kashmir) with ~2 mile laterals**
- ✓ Commissioned an electric powered frac fleet that has generated **more than \$250,000 in diesel savings**, while **reducing emissions** an estimated 90%

OTHER DELAWARE BASIN

- ✓ Averaged 3 rigs and placed 9 wells on production
- ✓ **Strong results from 2 pads at Dixieland on 1 mile laterals (Meade, Burnside)**

ALPINE HIGH

- ✓ Averaged 5 rigs, 2 frac crews, and placed 26 wells on production
- ✓ **Average drilling & completions costs per foot down 26% and 41%**, respectively, from 2017 through end of second quarter
- ✓ First multi-well pad targeting the Barnett delivered strong results
- ✓ ~22 Mboe/d impact from price related production deferrals

REGION STATS



226,318 BOE/D

Reported Production



54 Gross, 51 Net

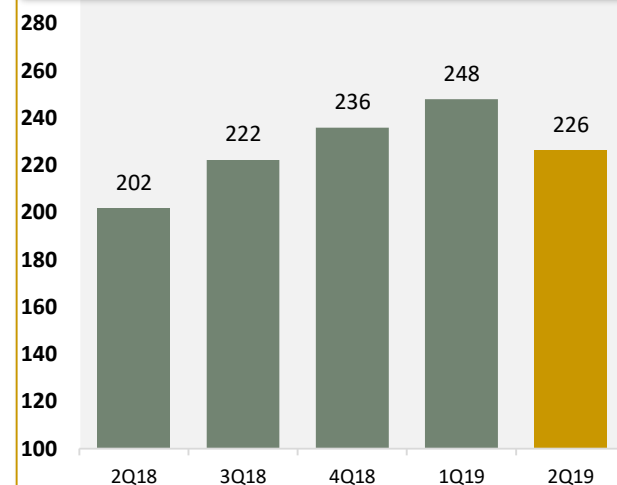
Drilled & Completed Wells*



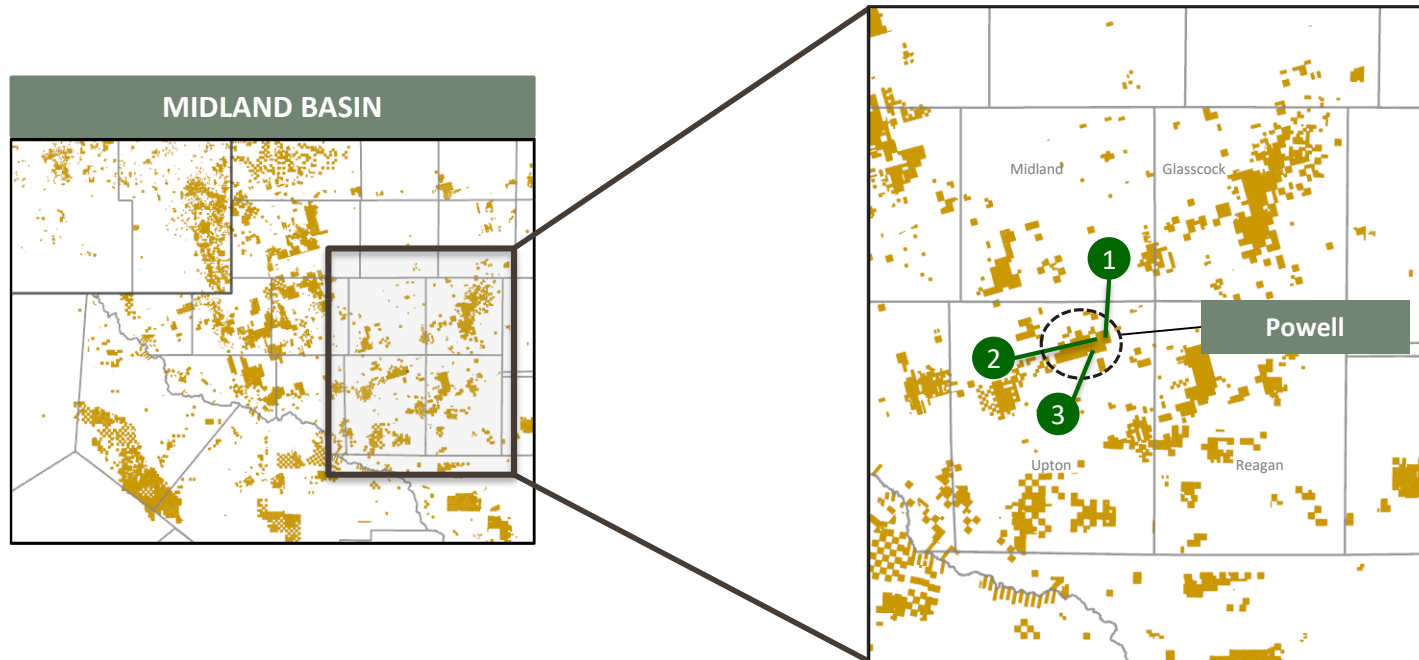
12

Avg Rigs

NET PRODUCTION MBOE/D

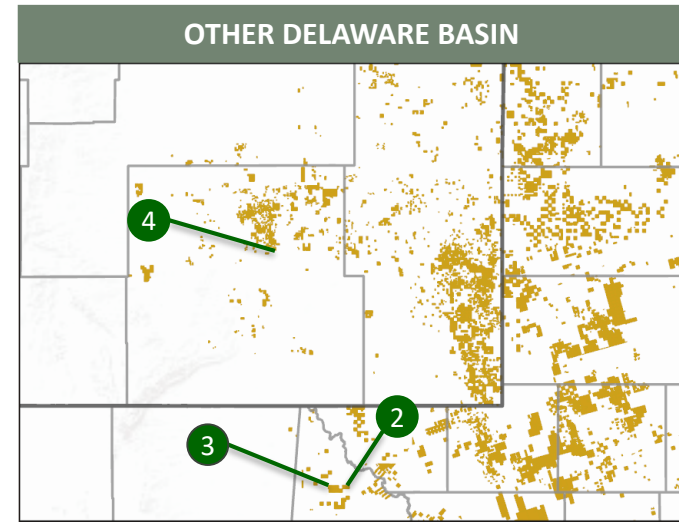
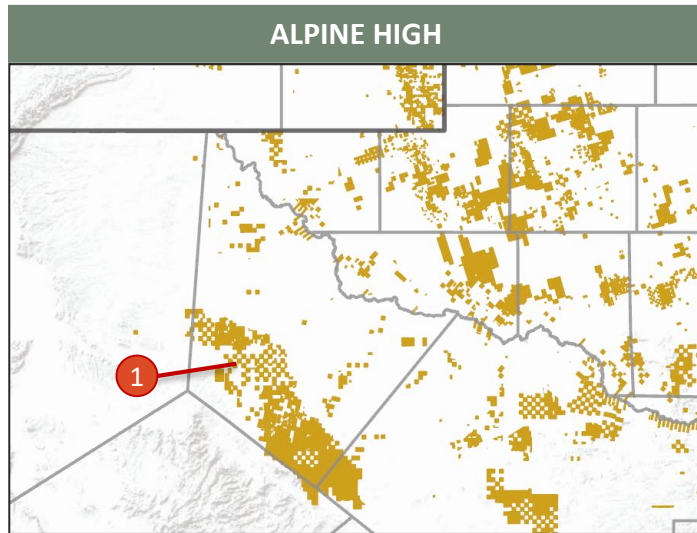


WELL HIGHLIGHTS: MIDLAND BASIN



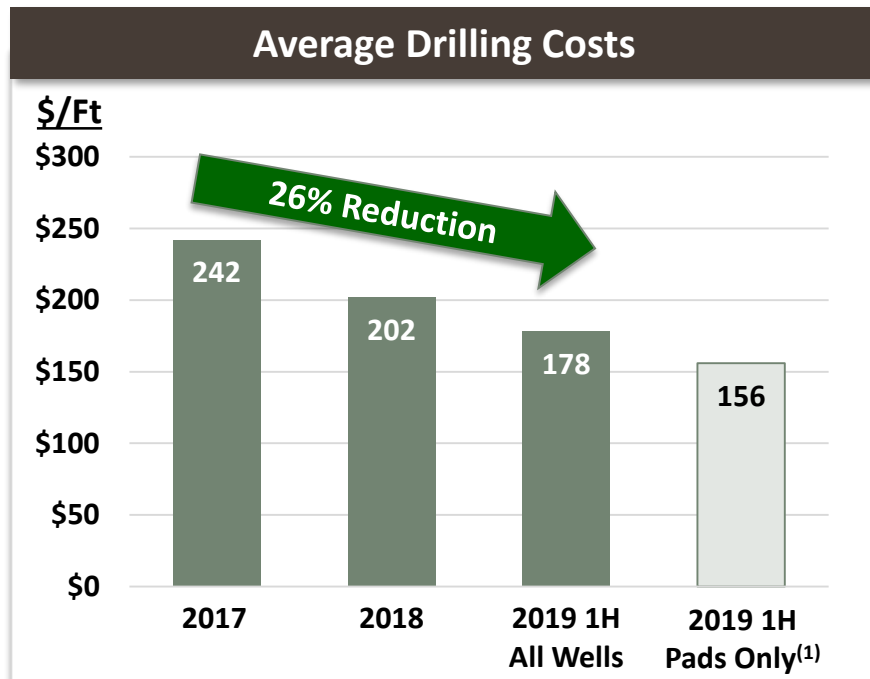
PAD	FORMATION	AREA	COUNTY	LATERAL (FT)	AVG 30-DAY IP/WELL	AVG 30-DAY IP BOEPD/1,000 FT	OIL
1 Black Dog (9 Wells)	Wolfcamp	Powell	Upton	10,416	1,298 BOE/D	125	76%
2 Kashmir (3 Wells)	Wolfcamp, Spraberry, Jo Mill	Powell	Upton	9,647	963 BOE/D	100	76%
3 Connell (2 Wells)	Wolfcamp	Powell	Upton	5,086	860 BOE/D	169	77%

WELL HIGHLIGHTS: ALPINE HIGH/DELAWARE BASIN

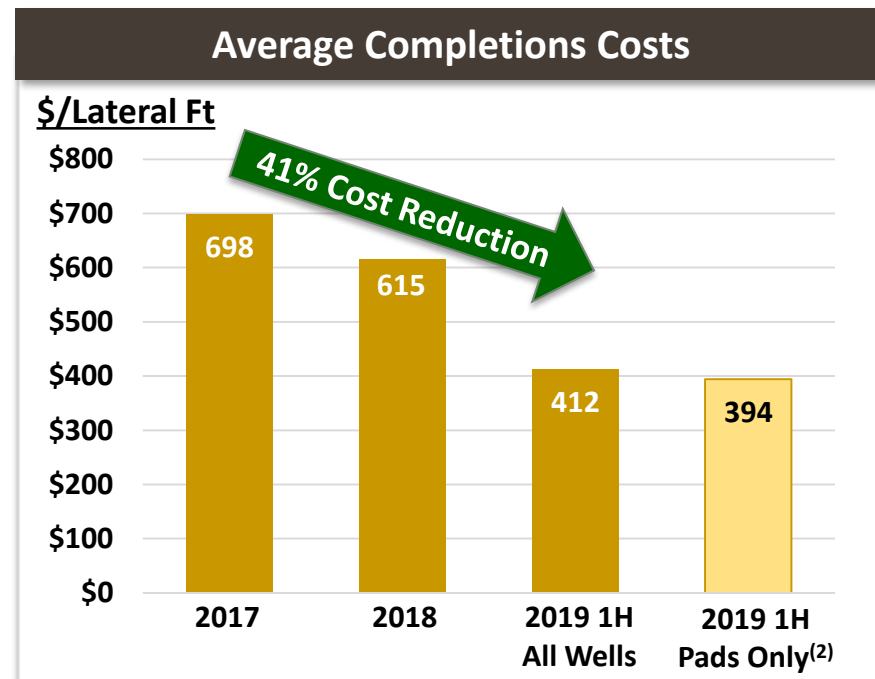


PAD / WELL	FORMATION	AREA	COUNTY	LATERAL (FT)	AVG 30-DAY IP/WELL	AVG 30-DAY IP BOEPD/1,000 FT	BTU CONTENT	Oil %
Alpine High Rich Gas Development								
① Mont Blanc (7 Wells)	Barnett	Central Trough	Reeves	4,848	1,601 BOE/D	331	1,280	15%
Other Delaware Basin Oil								
② Meade (2 Wells)	Wolfcamp	Dixieland	Reeves	4,588	2,061 BOE/D	448	--	47%
③ Burnside (2 Wells)	Wolfcamp	Dixieland	Reeves	4,514	1,636 BOE/D	363	--	45%
④ Palmillo #26 (5 Wells)	Bone Spring	Palm	Eddy	4,535	734 BOE/D	162	--	71%

CONTINUED ALPINE HIGH WELL COST IMPROVEMENTS



(1) Includes actual 1H 2019 costs from 34 wells drilled on multi-well pads



(2) Includes actual 1H 2019 costs from 34 completions on multi-well pads

Cost Improvement Drivers

- ▶ Drilling design optimization (pad and batch drilling, reduced hole size, eliminated intermediate casing string)
- ▶ Larger pads, slightly longer laterals, improved pricing and supply chain management

2Q EGYPT SUMMARY

Laying Foundation for Oil Focused Initiatives

REGION HIGHLIGHTS

- ✓ **Identified several hundred new leads and prospects** thus far, in both legacy and new concession areas
 - **3-D Seismic Shoot: ~65%** completed across **3MM acres**
- ✓ **First Lower Bahariya discovery** in new concession
 - Well 150-1X logged **124 ft of net pay** with 75ft in Lower Bahariya
 - Test rate of **3,900 BOPD**
 - Provides several low-cost, short-cycle drilling locations

Well Name	Basin	30-Day Average IP	Oil
Berenice 10	Faghur	8,396 Boe/d	98%
Ptah 32	Faghur	3,365 Boe/d	93%
Tango N-1X	Matruh	2,718 Boe/d	85%

Program Success Rate

55%
(6 out of 11)

REGION STATS



130,917 BOE/D

Reported Production



11 Gross, 11 Net

Drilled & Completed Wells*



7

Avg Rigs

ADJUSTED PRODUCTION MBOE/D ⁽¹⁾



(1) Excludes tax barrels and noncontrolling interest

2Q NORTH SEA SUMMARY

Recent Exploration Success Drives Step Change in Production

REGION HIGHLIGHTS

- ✓ Development of Storr discovery **remains on schedule** with expected first production in **4Q 2019**
- ✓ 2nd Garten well expected to be drilled & completed in **4Q 2019**
- ✓ Concluded farm-out agreement with Chrysaor enabling further tertiary exploration potential in the Beryl area
 - First well planned for 4Q 2019

Well Name	Basin	30-Day Average IP	Oil	Program Success Rate
9/13A-B86	Beryl	4,586 Boe/d**	53%	100%

REGION STATS



60,082 BOE/D

Reported Production



2 Gross, 2 Net

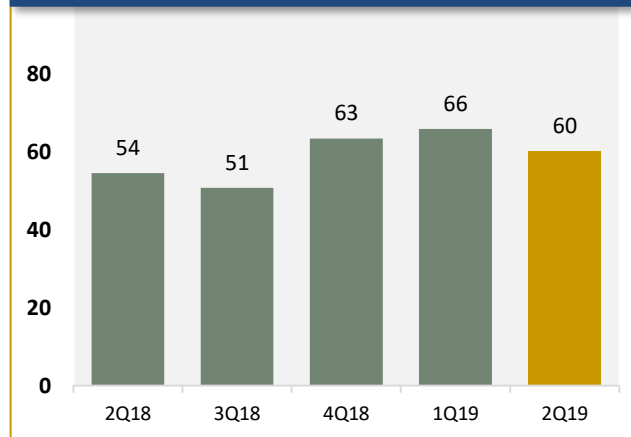
Drilled & Completed Wells*



3

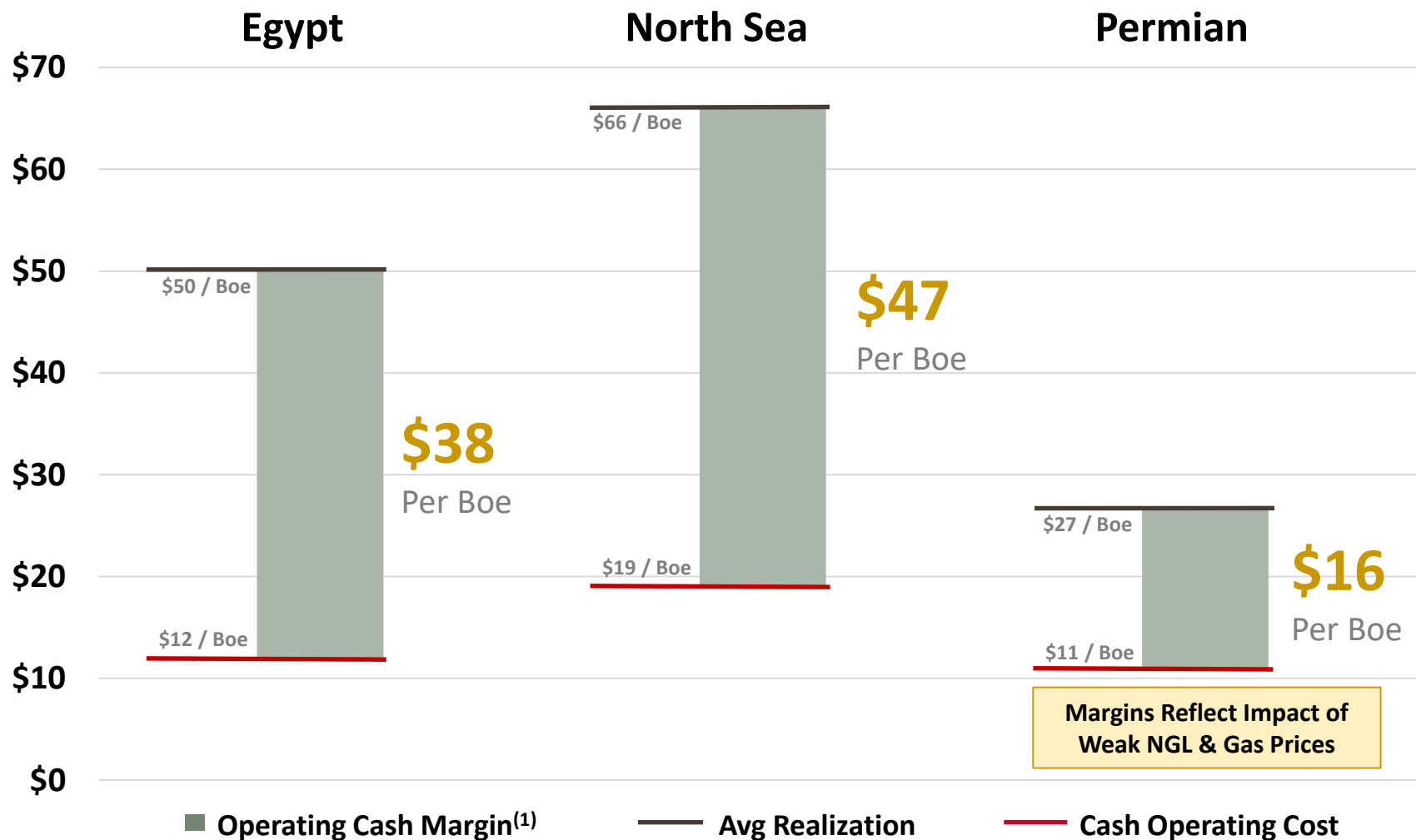
Avg Rigs

NET PRODUCTION MBOE/D



2Q 2019 OPERATING CASH MARGINS

Brent Oil Price Exposure Drives Strong International Margins



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

2019 GUIDANCE

Daily Production (MBOE/D)	May'19 Guidance	Updated Guidance
	2019	2019
United States ⁽¹⁾	290 - 300	270 - 280
International.....	195 - 200	195 - 196
Reported Production.....	485 - 500	465 - 476
Less: Egypt Tax Barrels.....	29	26
Less: Egypt Noncontrolling Interest.....	36	36
Total Adjusted Production	420 - 435	403 - 414
 Alpine High ⁽²⁾	 75 - 80	 72 - 75
Estimated Product Mix: Oil/NGLs/Natural Gas		
United States.....	37% / 26% / 37%	37% / 26% / 37%
International (Adjusted).....	70% / 2% / 28%	70% / 2% / 28%
Upstream Capital Investment Guidance (\$ in Billions)⁽³⁾		
United States.....	75%	75%
International.....	25%	25%
Upstream Total.....	\$2.4	\$2.4
Income Statement Items		
Upstream Lease Operating Expenses (\$ per BOE).....	\$8.00	\$8.55
Gathering, Processing, and Transmission (\$ in millions) ⁽⁴⁾	\$400	\$350
DD&A (\$ per BOE).....	\$14.25	\$14.75
Cash Exploration Costs (\$ in millions) ⁽⁵⁾	\$100	\$120
General and Administrative Expenses (\$ in millions).....	\$450	\$450
Financing Costs (\$ in millions).....	\$400	\$400
North Sea Current Tax Expense (\$ in millions).....	\$240	\$240

(1) Includes decrease of ~15 Mboe/d related to Mid-Con asset sales.

(2) Includes impact of projected 3Q production deferrals at Alpine High.

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

(4) Represents combination of 100% Altus Midstream Company operating expense and Apache upstream GPT costs.

(5) Excludes dry hole and unproved leasehold impairments.

3Q 2019 GUIDANCE

Quarterly Guidance	New 3Q 2019 Guidance
Production (Mboe/d)	
United States ⁽¹⁾	250 - 260
International (Adjusted).....	123
Total Adjusted Production	373 - 383
Upstream Lease Operating Expenses (\$ per BOE).....	\$9.00
Gathering, Processing, and Transmission (\$ in millions) ⁽²⁾	\$80
Cash Exploration Costs (\$ in millions) ⁽³⁾	\$40
General and Administrative Expenses (\$ in millions).....	\$110
North Sea Current Tax Expense (\$ in millions).....	\$45
North Sea Cash Taxes Paid (\$ in millions).....	\$82

(1) Includes impact of projected production deferrals at Alpine High.

(2) Represents combination of 100% Altus Midstream Company operating expense and Apache upstream GPT costs.

(3) Excludes dry hole and unproved leasehold impairments.



- Delivering Value: 2Q 2019 Highlights
- 2Q Results
- **Appendix**
- Non-GAAP Reconciliations



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.
- ▶ **Net Debt:** Total debt (long-term and short-term) less cash and cash equivalents.
- ▶ **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 future development of the ALTM midstream assets is expected to be 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, 2018.

UPSTREAM CAPITAL INVESTMENT

(\$ in Millions)	1Q19	2Q19
Permian.....	\$ 415	\$ 426
MidCon / Gulf Coast.....	18	12
Gulf of Mexico.....	12	16
United States.....	445	454
Egypt (Apache's interest only).....	88	71
North Sea.....	62	62
Other	2	2
Upstream Capital Investment Total.....	\$ 597	\$ 589

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

OPEN COMMODITY DERIVATIVE POSITIONS

As of July 31, 2019

Oil Basis Hedges

Production Period	Index	BBL (per day)	Weighted Average Price Differential
July- September 2019	Midland/WTI	27,000	(8.60)
October- December 2019	Midland/WTI	15,000	(3.72)

Natural Gas Basis Hedges

Production Period	Index	MMBtu (per day)	Weighted Average Price Differential
July- December 2019	Waha/NYMEX	40,000	(0.45)

EGYPT: PRODUCTION DETAIL

	1Q 2019			2Q 2019		
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	206,050	755,715	332,003	200,374	729,378	321,937
Reported Production	92,766	315,508	145,351	84,659	277,552	130,917
% Gross	45%	42%	44%	42%	38%	41%
Less: Tax Barrels	19,265	43,831	26,571	17,470	37,093	23,652
Net Production Excluding Tax Barrels	73,501	271,677	118,780	67,189	240,459	107,265
% Gross	36%	36%	36%	34%	33%	33%
Less: Noncontrolling Interest	24,500	90,559	39,593	22,397	80,153	35,755
Adjusted Production	49,001	181,118	79,187	44,792	160,306	71,510
% Gross	24%	24%	24%	22%	22%	22%

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



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- **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			
	June 30, 2019				June 30, 2018			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Income including noncontrolling interest (GAAP)	\$ (152)	\$ (164)	\$ (316)	\$ (0.84)	\$ 508	\$ (239)	\$ 269	\$ 0.70
Income attributable to noncontrolling interest	80	(40)	40	0.11	134	(60)	74	0.19
Loss attributable to Altus preferred unit limited partner	4	-	4	0.01	-	-	-	-
Net income attributable to common stock	(236)	(124)	(360)	(0.96)	374	(179)	195	0.51
Adjustments: *								
Asset impairments	279	(59)	220	0.58	21	(4)	17	0.05
Valuation allowance and other tax adjustments	-	114	114	0.31	-	5	5	0.01
Loss on extinguishment of debt	75	(16)	59	0.16	-	-	-	-
Unrealized derivative instrument (gain)/loss	21	(4)	17	0.04	(55)	12	(43)	(0.11)
Transaction, reorganization & separation costs	6	(1)	5	0.01	12	(3)	9	0.02
Modification of stock comp plans	-	-	-	-	14	(3)	11	0.03
(Gain)/loss on divestitures	(17)	3	(14)	(0.03)	(2)	-	(2)	(0.01)
Adjusted earnings (Non-GAAP)	\$ 128	\$ (87)	\$ 41	\$ 0.11	\$ 364	\$ (172)	\$ 192	\$ 0.50

* 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		
	June 30, 2019	March 31, 2019	June 30, 2018
Net cash provided by operating activities	\$ 856	\$ 598	\$ 1,113
Adjustments:			
Exploration seismic and administration costs	38	36	39
Current income tax provision	187	186	249
Other adjustments to reconcile net income to net cash provided by operating activities	(13)	(9)	(43)
Changes in operating assets and liabilities	(178)	138	(196)
Financing costs, net (excluding loss on early extinguishment of debt)	98	97	94
Transaction, reorganization & separation costs	6	4	12
Adjusted EBITDAX (Non-GAAP)	<u>\$ 994</u>	<u>\$ 1,050</u>	<u>\$ 1,268</u>

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 June 30, 2019			
	North Sea	Egypt	U.S. and Other	Consolidated
	(\$ in millions)			
Net cash provided by operating activities	\$ 289	\$ 302	\$ 265	\$ 856
Changes in operating assets and liabilities	(99)	15	(94)	(178)
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 190</u>	<u>\$ 317</u>	<u>\$ 171</u>	<u>\$ 678</u>

	For the Year Ended June 30, 2019			
	North Sea	Egypt	U.S. and Other	Consolidated
	(\$ in millions)			
Net cash provided by operating activities	\$ 443	\$ 635	\$ 376	\$ 1,454
Changes in operating assets and liabilities	(64)	17	7	(40)
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 379</u>	<u>\$ 652</u>	<u>\$ 383</u>	<u>\$ 1,414</u>

(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		
	June 30, 2019	March 31, 2019	June 30, 2018
Net cash provided by operating activities	\$ 856	\$ 598	\$ 1,113
Changes in operating assets and liabilities	(178)	138	(196)
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 678</u>	<u>\$ 736</u>	<u>\$ 917</u>

(1) Includes non-controlling interest in Egypt.

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)

	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Current debt	\$ 175	\$ 339	\$ 151	\$ 151	\$ 401
Long-term debt	8,157	8,094	8,093	8,092	7,976
Total debt	8,332	8,433	8,244	8,243	8,377
Cash and cash equivalents	549	327	714	593	972
Net debt	<u>\$ 7,783</u>	<u>\$ 8,106</u>	<u>\$ 7,530</u>	<u>\$ 7,650</u>	<u>\$ 7,405</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 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 June 30,		For the Six Months Ended Ended June 30,	
	2019	2018	2019	2018
Costs incurred in oil and gas property:				
Acquisitions				
Proved	\$ -	\$ -	\$ -	\$ 5
Unproved	22	26	41	33
Exploration and development	639	772	1,294	1,589
Total Costs incurred in oil and gas property	<u>\$ 661</u>	<u>\$ 798</u>	<u>\$ 1,335</u>	<u>\$ 1,627</u>
Reconciliation of Costs incurred to Upstream capital investment:				
Total Costs incurred in oil and gas property	\$ 661	\$ 798	\$ 1,335	\$ 1,627
Asset retirement obligations settled vs. incurred - oil and gas property	9	12	19	18
Capitalized interest	(8)	(9)	(16)	(20)
Exploration seismic and administration costs	(38)	(39)	(74)	(79)
Less noncontrolling interest - Egypt	(35)	(55)	(78)	(107)
Total Upstream capital investment	<u>\$ 589</u>	<u>\$ 707</u>	<u>\$ 1,186</u>	<u>\$ 1,439</u>