



Resilience

2020 Summary Annual Report

Resilience

re-sil·ience /rə'zilyəns/ noun

The process of adapting well in the face of adversity.

THE STORY OF 2020 IS ONE OF **RESILIENCE**.

People and businesses around the world adapted to a new reality and the many unknowns of the pandemic. Front line health and emergency workers pressed ahead, risking their own safety to care for those in need. Our team adopted new procedures and persevered through many challenges to safely, reliably and responsibly deliver the natural gas and oil that helps power the world's economy.

Our company proved resilient as well. With new operational protocols in place, we extended the success of our drilling campaign in Block 58 offshore Suriname to four significant discoveries in our first four exploration tests. Our globally diversified portfolio, financial flexibility and the organizational redesign we initiated in 2019 collectively enabled us to quickly shift resources to preserve free cash flow, further reduce costs and protect our balance sheet. We are stronger and more efficient as a result, and we are better prepared for the opportunities ahead as businesses and economies begin to thrive again.



2020 OPERATIONAL DATA BY REGION

	Proved Reserves (MMboe)	Gross Acreage* (in thousands)	Oil and NGL Production (MBbls/day)	Natural Gas Production (MMcf/day)
United States	587	4,882	163	562
Egypt	178	5,153	76	274
United Kingdom	109	516	52	57
Other International	–	2,308	–	–

*Developed and undeveloped

2020 OPERATIONAL OVERVIEW

291

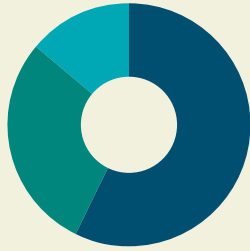
Oil and NGL Production
(Mbbbls/day)

893

Natural Gas Production
(MMcf/day)

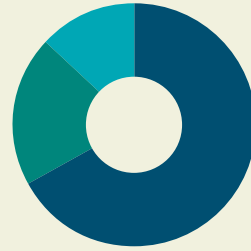
874

Proved Reserves
(MMboe)



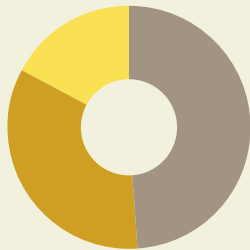
Production (% of total)

● United States	58%
● Egypt	28%
● United Kingdom	14%



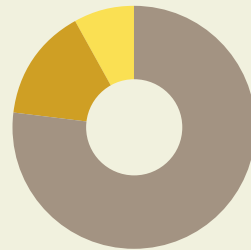
Estimated Proved Reserves (% of total)

● United States	67%
● Egypt	20%
● United Kingdom	13%



Production by Product (% of total)

● Oil	49%
● Natural Gas	34%
● NGLs	17%



Revenue by Product (% of total)

● Oil	77%
● Natural Gas	15%
● NGLs	8%

440

Mboe/d

Total Production

\$4.04

Billion

Total Oil and Gas Revenue

Fellow Shareholders,

Following the unique challenges of 2020, we want to begin by first acknowledging and thanking the first responders and medical teams who provided care and comfort during the pandemic, the dedicated scientists who developed treatments and vaccines, and all those who met basic needs by enabling the food, energy and distribution supply chains to function at relatively normal levels. We would also like to thank our team, who persevered through many challenges to safely, reliably and responsibly deliver the natural gas and oil that helps power all aspects of our economy. We are grateful for their tremendous effort and results – throughout 2020 and continuing today.

Perhaps 2020 is best summed up with one word: resilience. The circumstances of 2020 demonstrated the resilience of people around the world and the resilience of our employees and our company as we addressed a number of challenges during the year.

We responded quickly and decisively to the pandemic-related supply and demand shocks that hit the energy market in March. Within three days of the resulting oil price collapse, we took several significant steps to protect our financial position in the event of a prolonged lower oil price environment:

- Reduced our capital budget by 37% from the plan we outlined just two weeks earlier;
- Initiated a shutdown of all drilling and completions activity in the U.S. and a reduction of activity in both Egypt and the North Sea;
- Doubled our target for combined G&A and LOE cost savings from \$150 million to more than \$300 million; and
- Cut our dividend by 90%.

These actions proved to be timely, necessary and successful. Despite a \$1.3 billion decrease in price-related revenue compared to our original plan, and more than \$300 million of incremental cash required to fund working capital, we finished the year with no increase in net debt, when excluding our consolidated ownership interest in Altus Midstream.

With relentless focus throughout the year, we ultimately achieved annual run-rate cost savings in excess of \$400 million. We also repurchased a portion of our outstanding debt at a significant discount to par value and later issued \$1.25 billion of new bonds to improve our debt maturity profile and protect near-term liquidity.

This strategy was underpinned by the strong free cash flow generation capacity – even at lower oil prices – of our core producing assets in Egypt, the U.K. and the U.S.

Our globally diversified portfolio, financial flexibility, and the organizational redesign we initiated in 2019 collectively enabled us to quickly shift resources to preserve free cash flow, further reduce costs, protect our balance sheet and prepare the company for improving economic and market conditions.

During 2020, we also made significant progress on ESG initiatives, increasing the weight of ESG goals in our short-term compensation calculation to 20% and refining our key focus areas to air, water, communities and people. We emphasized robust COVID-19 safety programs; provided assistance to communities that were impacted by the pandemic; and evaluated recruiting, talent management, learning and benefits processes to optimize our diversity and inclusion strategy. Specifically on the environmental front, we enhanced greenhouse gas data collection and recently initiated alignment of our disclosures with Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Our COVID-19 protocols proved very effective worldwide. We navigated 2020 with no known cases of direct transmission from one team member to another and had no material operational disruptions. This includes work in Suriname, where our team executed 13 full crew rotations and more than 1,500 individual crewmember transfers to and from the drillship in the process of executing our exploration drilling campaign, which proved to be very successful. We have now made four significant discoveries with our first four exploration tests in Block 58. We're looking forward to the results of continued exploration and appraisal programs that are underway with our partner, TOTAL.

Since 1954, we have operated as Apache Corporation, and in 2021 we've modernized our company structure with APA serving as the holding company and Apache Corporation as one of its subsidiaries. The change provides financial and administrative flexibility and aligns our operating and legal structure with our growing international presence. Other than a change in name of the security you hold, this change will have no impact on you as a shareholder.

LOOKING AHEAD

Our strategy remains centered around capital discipline and flexibility. With our conservative investment approach in 2021, we are projecting a considerable amount of free cash flow generation, with only a moderate decline in global adjusted oil volumes. Beyond 2021, our goal is to establish an investment budget that will – at a minimum – sustain global oil production volumes. In executing this strategy, we will continue to prioritize free cash flow generation to reduce debt, long-term returns over short-term growth, aggressive management of our cost structure, and a continued focus on our exploration and appraisal activities in Suriname. We will also pursue continuous improvement in our ESG practices and metrics. This year we have added compensation-linked ESG goals that include eliminating routine flaring onshore in the U.S.

Early in the pandemic, we were reminded how important energy is to our way of life. Energy workers were deemed critical in the midst of early shutdowns and travel bans. While auto and jet fuel demand waned along with work commutes and travel, oil and gas provided reliable, affordable energy to power hospitals, critical transportation, traditional and home offices and schools, manufacturing centers, and research facilities. Just as they were before and during this crisis, natural gas and oil are critical underpinnings of the recovery.

Our team and our company proved resilient in the face of the many obstacles presented last year. We are stronger and more efficient as a result, and we are better prepared for the opportunities ahead as businesses and economies begin to thrive again.

THANK YOU for your continued investment and support.

Sincerely,



John E. Lowe

John E. Lowe
Chairman of the Board



John J. Christmann IV

John J. Christmann IV
Chief Executive Officer
and President

\$ 4.04 Billion

Oil and Gas Revenue

\$ 988 Million

Upstream Capital Investment¹

440 Mboe/d

Reported Production

394 Mboe/d

Adjusted Production²

\$ 2.19 Billion

Adjusted EBITDAX¹

¹ For a reconciliation to the most directly comparable GAAP financial measure, please refer to our earnings press release.

² Excludes production attributable to Egypt tax barrels and noncontrolling interest.

2020 ADJUSTED PRODUCTION

65%

United States

35%

International

55%

Conventional

45%

Unconventional

84%

Onshore

16%

Offshore

Resilience + Sustainability

We contribute to global progress by helping meet the world's energy needs.

OUR ESG FOCUS

We are committed to being a leader on environmental, social and governance (ESG) issues. We are focused on the issues most pertinent to and controllable by our company, and our primary efforts are related to air, water, and people & communities. We believe this focus will help ensure the sustainability of our business.



↓ **41%**

decrease in global methane emissions intensity since 2015

↓ **9%**

decrease in global GHG emissions intensity since 2015

AIR

We are committed to reducing emissions and collaborating with others in the industry to develop better approaches to emissions reduction and leak detection.



Across our operations, we use a range of methods to minimize emissions, such as the **careful design** and **engineering of new facilities**, **preventive maintenance programs** and **reduced-emissions completions**.

↑ **284%**

increase in use of recycled produced water for hydraulic fracturing since 2015

WATER

Fresh water is a precious and limited resource, and we seek to avoid its use in our operations, replacing it with recycled or other nonfresh water sources.

Our team follows comprehensive procedures for safeguarding water quality and for handling produced water responsibly. When planning and performing operations, we take great care to **protect local water resources**.





PEOPLE & COMMUNITIES

We reacted quickly in response to the COVID-19 pandemic, implementing work-from-home processes where possible and stringent operational protocols to protect our teams in the field. Our donations of personal protective equipment, support for food banks and women’s shelters, and provision of reliable internet services for students sought to address the most critical needs brought on by the pandemic.

40%

of board members standing for re-election in May are diverse in terms of gender or ethnicity.

Our long-standing commitment to issues such as environmental stewardship and education continue to guide our community engagement. Our efforts have included donating more than **4.8 million trees** to nonprofit partner organizations in the U.S.



↓46%

decrease in Total Recordable Incident Rate for employees and contractors since 2015



and helping approximately **15,000 girls** learn to read and write in Egypt through Springboard Girls Schools.

In 2021, we initiated a new **partnership with the Posse Foundation** to support its efforts to recruit and train students with extraordinary leadership potential.



Photo provided by Posse Foundation



We are committed to being a diverse and inclusive workplace and, in 2020, hired a **Diversity and Inclusion lead** to further expand and implement our strategy. Our employee benefits cultivate a family-friendly work environment, and we recently began offering **mental health benefits** and access to a **global wellness platform**.

2021

We plan to build on our ESG efforts this year with compensation-linked ESG goals that include the elimination of all U.S. onshore routine flaring by the end of 2021, updated emissions and water usage targets, and further progress our D&I programs. To learn more about our approach to sustainability, view the full 2020 Sustainability Report, available for download at apacorp.com/sustainability.

2020 PERFORMANCE SUMMARY

Financial Summary

(Dollars in millions, except per share data)

Year ending December 31	2020	2019	2018
Oil and Gas Production Revenues	\$ 4,037	\$ 6,315	\$ 7,348
Net Income (Loss) Attributable to Common Shareholders	\$ (4,860)	\$ (3,553)	\$ 40
Diluted Net Income (Loss) per Common Share	\$ (12.86)	\$ (9.43)	\$ \$0.11
Net Cash Provided by Operating Activities	\$ 1,388	\$ 2,867	\$ 3,777
Changes in Operating Assets and Liabilities	\$ 186	\$ 3	\$ (245)
Cash from Operations before Changes in Operating Assets and Liabilities*	\$ 1,574	\$ 2,870	\$ 3,532
Total Assets	\$ 12,746	\$ 18,107	\$ 21,582
Long-term Debt	\$ 8,770	\$ 8,555	\$ 8,093
Total Equity (Deficit)	\$ (645)	\$ 4,465	\$ 8,812
Cash Dividends Declared per Common Share	\$ 0.10	\$ 1.00	\$ 1.00

Operational Summary

Upstream Capital Investment*	\$ 988	\$ 2,366	\$ 3,086
Natural Gas Production (MMcf/d)	893	980	966
Oil and NGL Production (Mbbbls/d)	291	310	305
Proved Reserves (MMboe)	874	1,011	1,234

*Non-GAAP Financial Measure

Non-GAAP Financial Measures:

Our financial information includes information prepared in conformity with generally accepted accounting principles (GAAP) as well as non-GAAP financial information. It is management's intent to provide non-GAAP financial information to enhance understanding of our consolidated financial information as prepared in accordance with GAAP. Oil and gas capital investment, adjusted EBITDAX, and cash from operations before changes in operating assets and liabilities are non-GAAP measures. This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. For a reconciliation to the most directly comparable GAAP financial measure, please refer to Apache's fourth-quarter 2020 earnings release. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measures.

Forward-Looking Statements:

This summary annual report contains 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. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "continues," "could," "estimates," "expects," "guidance," "may," "might," "outlook," "possibly," "potential," "projects," "prospects," "should," "will," "would," and similar references to future periods, but the absence of these words does not mean that a statement is not forward-looking. These statements include, but are not limited to, statements about future plans, expectations, and objectives for operations, including statements about our capital plans, drilling plans, production expectations, asset sales, and monetizations. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. See "Risk Factors" in Apache's 2020 Form 10-K, and in our quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission for a discussion of risk factors that affect our business. Any forward-looking statement made by us in this summary annual report speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future development or otherwise, except as may be required by law.

Since 1954,

our team has been unified by our values, our commitment to building shareholder value and our culture, which empowers every employee to make decisions and achieve the company's goals. Our global team is brought together by a sense of ownership and the knowledge that the best answers win.

Our **VISION** is to be the premier exploration and production company, contributing to global progress by helping meet the world's energy needs.

Our **CORE VALUES** are:

- Safety is not negotiable and will not be compromised;
- We derive benefit from the Earth and take our environmental responsibility seriously;
- Expect top performance and innovation;
- Seek relentless improvement in all facets;
- Drive to succeed with a sense of urgency;
- Invest in our greatest asset: our people;
- Foster a contrarian spirit;
- Treat our stakeholders with respect and dignity; and
- Conduct our business with honesty and integrity.

Our Website: apacorp.com

Our website provides additional company and financial data, including:

- Profiles and maps of the company's worldwide operations: www.apacorp.com/portfolio
- Background on our values, governance, management and history: www.apacorp.com/about
- Stock information, market data, investor presentations and news: investor.apacorp.com
- Career opportunities: www.apacorp.com/careers

Our Social Media Sites

- LinkedIn: www.linkedin.com/company/apache-corporation
- Instagram: www.instagram.com/apachecorporation
- Facebook: www.facebook.com/apachecorporation
- Twitter: www.twitter.com/apachecorp

2020 Sustainability Report

Our 2020 Sustainability Report features our performance in governance, economics, environmental stewardship, health and safety in the workplace and community outreach. The report is available online at www.apacorp.com/sustainability.

Media and Other Stakeholder Inquiries

Members of the media and other external stakeholders are welcome to contact our Communications & Public Affairs office. Information requests may be directed to:

Castlen Kennedy
Vice President, Communications & Public Affairs
+1 713-296-7276
media@apachecorp.com

Investor Inquiries

Shareholders, brokers, securities analysts or portfolio managers seeking information about the company are welcome to contact our Investor Relations department:

Gary Clark
Vice President, Investor Relations
+1 281-302-2286
ir@apachecorp.com

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Corporation



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