



# Third-Quarter 2024

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## Financial and Operational Supplement

November 6, 2024

**APA**  
Corporation

# Notice to Investors

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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](http://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.

Whenever possible, these "forward-looking statements" are identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "continues," "could," "estimates," "expects," "goals," "guidance," "may," "might," "outlook," "possible," "potential," "projects," "prospects," "should," "would," "will," and similar phrases, but the absence of these words does not mean that a statement is not forward-looking. Because such statements involve risks and uncertainties, the company's actual results and performance may differ materially from the results expressed or implied by such forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Unless legally required, we assume no duty to update these statements as of any future date. However, you should review carefully reports and documents that the company files periodically with the Securities and Exchange Commission.

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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 third quarter 2024 earnings release at [www.apacorp.com](http://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](http://www.apacorp.com).



# 3Q 2024 Key Metrics

	3Q 2024
Reported Production	467 Mboe/d
Adjusted Production <sup>(1)</sup>	395 Mboe/d
Cost Incurred in Oil and Gas Property	\$957 Million
Upstream Capital Investment <sup>(2)</sup>	\$698 Million
Net Cash Provided by Operating Activities	\$1,339 Million
Adjusted EBITDAX <sup>(2)</sup>	\$1,557 Million
Free Cash Flow <sup>(2)</sup>	\$219 Million
Diluted Earnings (Loss) Per Share	(\$0.60)
Adjusted Earnings Per Share <sup>(2)</sup>	\$1.00

(1) Excludes production attributable to Egypt tax barrels and noncontrolling interest.

(2) For a reconciliation to the most directly comparable GAAP financial measure, please refer to the Non-GAAP Reconciliations. Please refer to the glossary of referenced terms for definitions of Free Cash Flow and Upstream Capital Investment.

# Recent Highlights

Permian and Egypt performance drove **oil volumes above guidance**



Adjusted production<sup>(1)(2)</sup> of **395 MBOE/D**  
Adjusted oil production<sup>(1)(2)</sup> of **209 MBO/D**

**Announced FID** on 220,000 barrel per day development project in **Suriname**



First oil expected in **Mid-2028**

Streamlined Permian asset footprint with **\$950MM non-core divestiture** package



Reduces U.S. costs and simplifies footprint  
**Enables significant debt reduction**

Returned **\$406 Million** to shareholders YTD 2024 through dividends and share buybacks



S&P upgraded credit rating to BBB-<sup>(3)</sup>  
Investment grade status at all 3 rating agencies

- (1) For a reconciliation to the most directly comparable GAAP financial measure, please refer to the Non-GAAP Reconciliations. Please refer to the glossary of referenced terms for definitions of Free Cash Flow and Upstream Capital Investment.  
(2) Excludes production attributable to tax barrels and noncontrolling interest.  
(3) Standard & Poor's upgraded Apache Corp. credit rating to BBB- in October.



# 2024 Progress

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## United States / Permian

- Callon purchase increased unconventional acreage by approximately 40%
  - Permian represented >75% of companywide adjusted production in 3Q24
  - APA Permian scale competitive with other mid to large cap “pure-plays”
- Announced >\$2.0 billion of non-core asset sales, simplifying asset base and lowering cost structure
- Third-party gas trading activities expected to generate ~\$500 million of free cash flow in 2024

## Egypt

- Running at an efficient operational cadence, workover and recompletion backlog resolved, focused on sustaining production and mitigating base decline through waterflood management
- Signed agreement that increases APA’s contractual natural gas price on incremental volumes, enables gas exploration in 2025 and beyond

## Suriname

- FID confirms visibility into future oil volume and cash flow growth; lowest oil price breakeven and highest return on investment in APA’s portfolio

# 3Q 2024 Asset Update

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# Differentiated Large Cap Independent with Diverse Asset Base

## 3Q 2024 Global Portfolio

### Global



**467,480 BOE/D**  
Reported Production



**55% / 17% / 28%**  
Oil / NGL / Gas



**68 Gross, 61 Net**  
Drilled & Completed Wells



**20.5**  
Average Rigs

### United States



**300,709 BOE/D**  
Reported Production



**48% / 26% / 26%**  
Oil / NGL / Gas



**48 Gross, 41 Net**  
Drilled & Completed Wells



**9**  
Average Rigs (Permian)

### International



**166,771 BOE/D**  
Reported Production



**68% / 0% / 32%**  
Oil / NGL / Gas



**20 Gross, 20 Net**  
Drilled & Completed Wells



**11.5**  
Average Rigs (Egypt)

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

**\$181  
Million**



#### Permian

Short-cycle asset base with predictable oil production and capital productivity; Strong free cash flow generation

#### Third-Party Gas Trading

Unique marketing and transportation portfolio, benefits from wide differentials between Permian vs. USGC and USGC vs. global LNG

#### Egypt

PSC structure is more resilient to downside oil price volatility; Strong free cash flow generation

#### North Sea

Managing for safety, integrity and late-life production

#### Suriname

Entered development phase on large-scale oil project (GranMorgu); Additional exploration opportunities

#### Alaska / Uruguay

Recent entries offer potential large-scale exploration upside over time

# Permian Update

## Asset Highlights

- 7<sup>th</sup> consecutive quarter of meeting or exceeding U.S. oil volume guidance
- Averaged 5 rigs in the Midland Basin and 4 rigs in the Delaware Basin
- Callon acreage development status:
  - Currently flowing back four wells on Callon acreage in Howard County
  - Plan to connect eight additional APA-designed wells on Callon acreage in 4Q24
  - Successfully drilled three, 3.5-mile laterals in the Delaware Basin; longest wells in APA's operating history
- Rig count reduced to 8 in response to lower oil price outlook and increased drilling efficiencies; curtailing dry gas, rich gas and some high-GOR oil wells in the Permian Basin in response to very weak regional gas prices
- Expect to reduce U.S. per unit LOE by 18% - 20% YoY in 2025
  - Key drivers include: Callon synergy realization, non-core Permian asset sales, and reinstatement of curtailed volumes

## 3Q 2024 U.S. Stats



**300,709 BOE/D**

Reported Production



**48% / 26% / 26%**

Oil / NGL / Gas



**48 Gross, 41 Net**

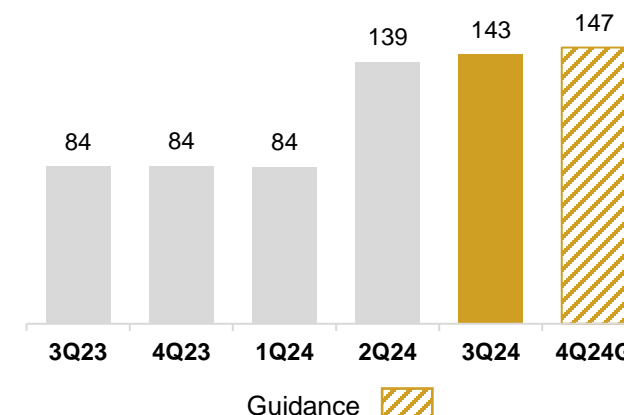
Drilled & Completed Wells



**9**

Avg Rigs

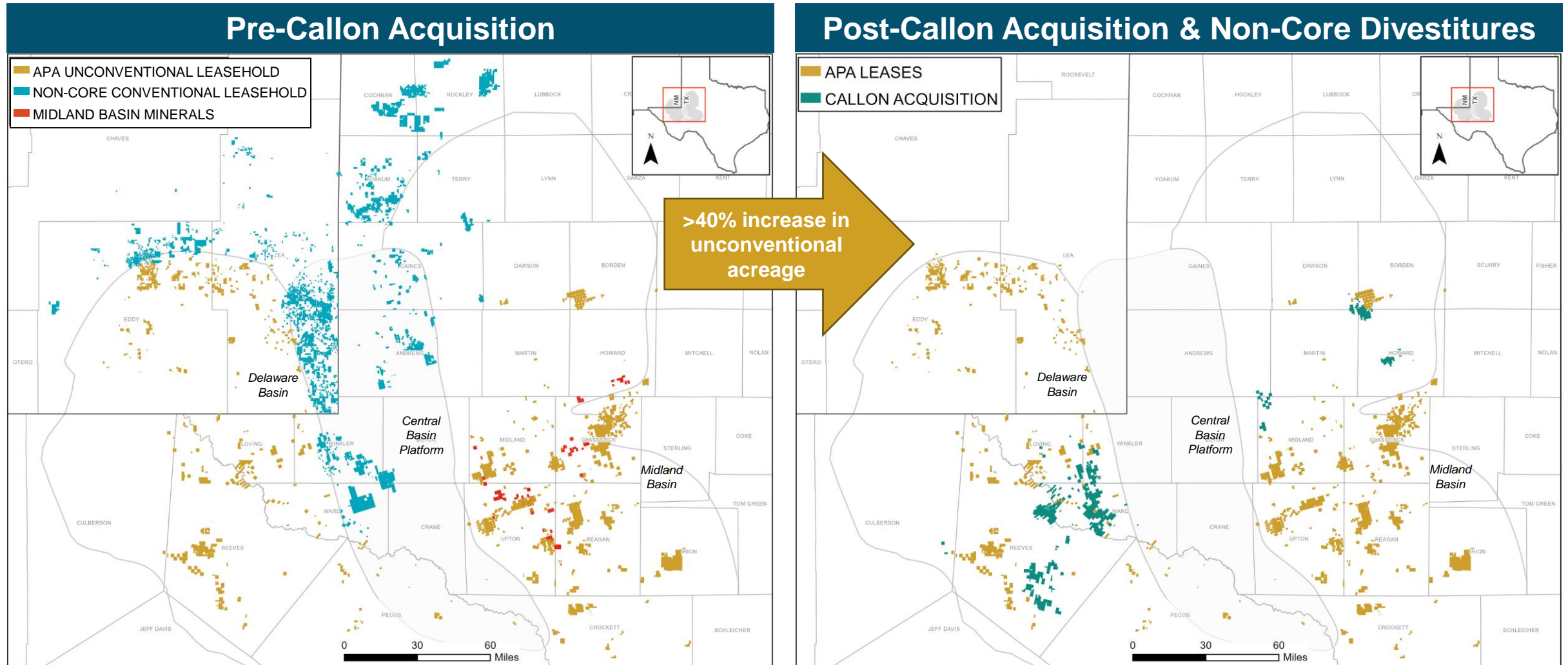
## Net U.S. Oil Production, MBO/D





# APA's Midland & Delaware Position

Increased unconventional scale and inventory; streamlined footprint and reduced cost structure



**322,000 Unconventional Net Acres<sup>(1)</sup>**  
**740,000 Total Net Permian Acres<sup>(1)</sup>**

**462,000 Unconventional Net Acres<sup>(2)</sup>**  
**484,000 Total Net Permian Acres<sup>(2)</sup>**

(1) Acreage as of Feb-2024.

(2) Acreage as of Sep-2024. Reflects removal of pending conventional asset sale.

# Egypt Update

## Asset Highlights

- 3Q24 oil production ahead of expectations on strong performance from new wells, recompletions and base production management
- Backlog of production offline has returned to normalized levels
- APA has significant waterflood opportunities across Egypt asset footprint, mitigating decline for the remaining term of the PSC
- Signed agreement to incentivize gas exploration & production in Egypt
  - Recently added one rig for gas exploration, bringing total rig count to 12

## 3Q 2024 Asset Stats



**141,742 BOE/D**  
Reported Production



**65% / 0% / 35%**  
Oil / NGL / Gas

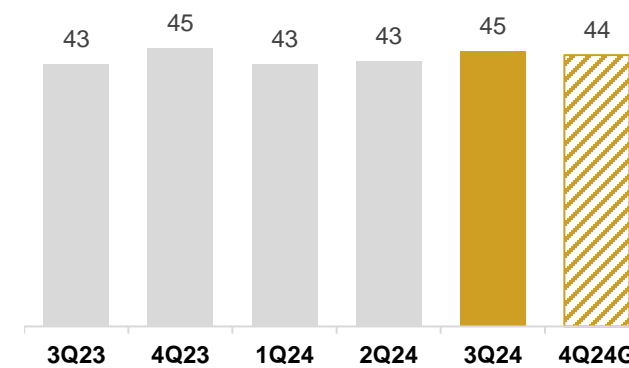


**20 Gross, 20 Net**  
Drilled & Completed Wells



**11.5**  
Avg Rigs

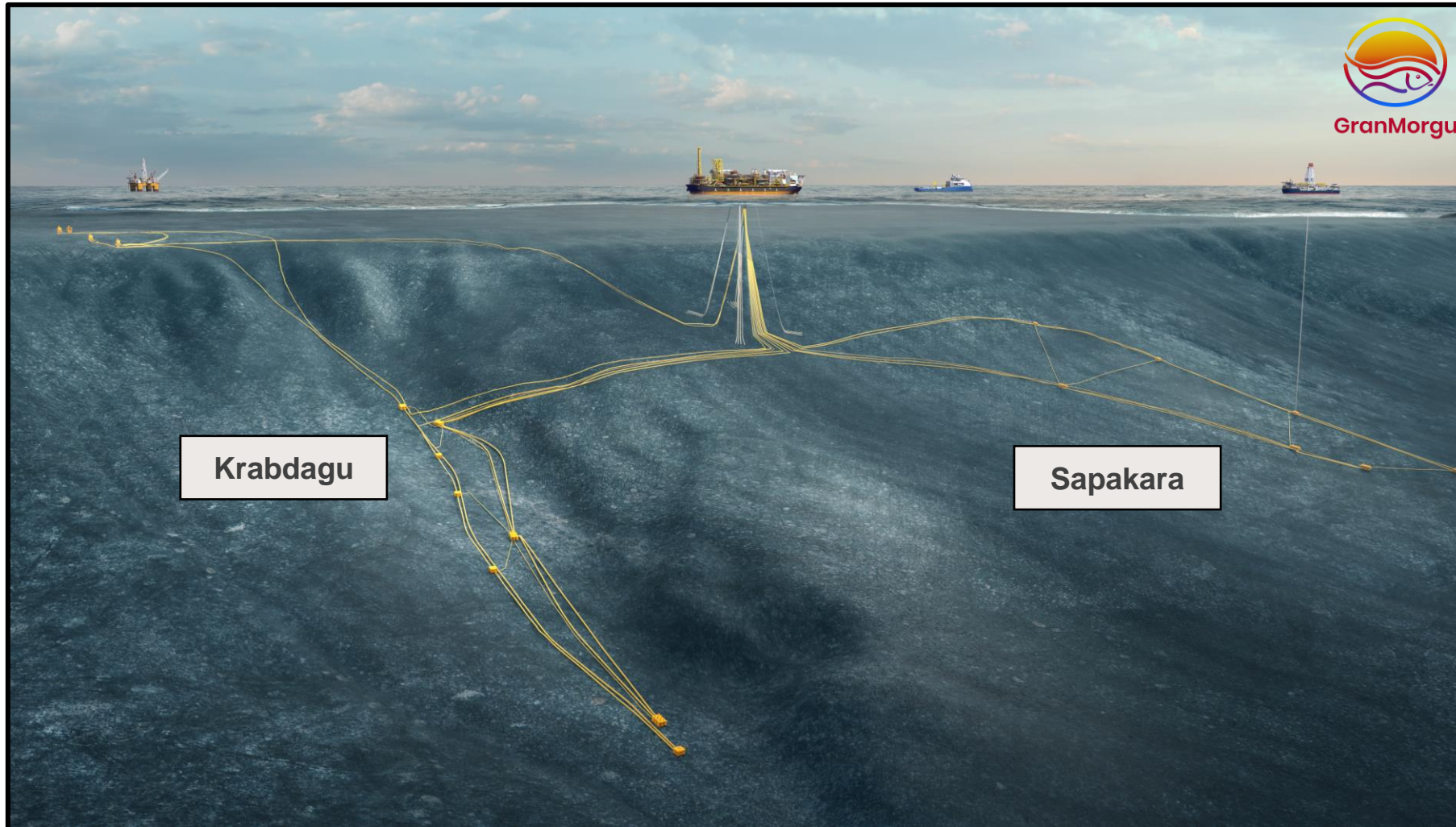
## Adjusted Oil Production, MBO/D



Guidance

# Suriname Block 58

GranMorgu project overview and field layout



**>750 MMBO Estimated Recoverable Resource**

## FPSO

- 220 MBO/D oil capacity
- 2.1 MMBO storage capacity
- 450 MMCF/D gas capacity
- All gas reinjected
- No routine flaring

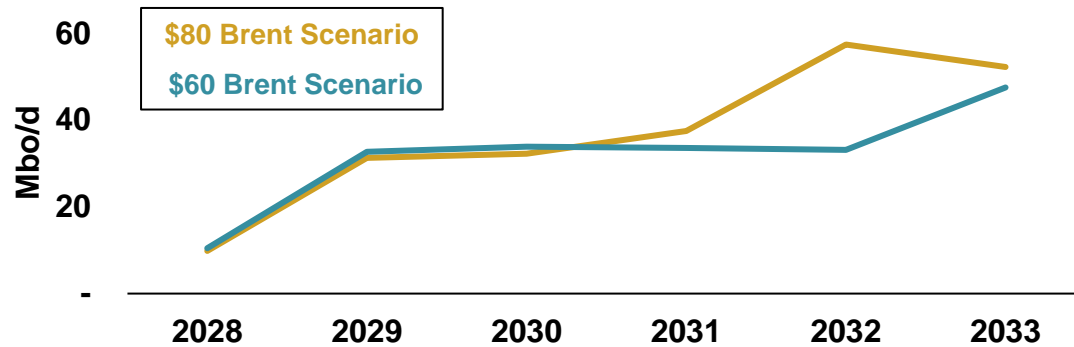
## Planned Program

- 1 drillship; 1 semi-sub rig
- 16 producing wells
- 16 injector wells

# Suriname Block 58: GranMorgu First Five Years

Based on the 750+ MMBO estimated recoverable oil resource case announced at FID on October 1, 2024

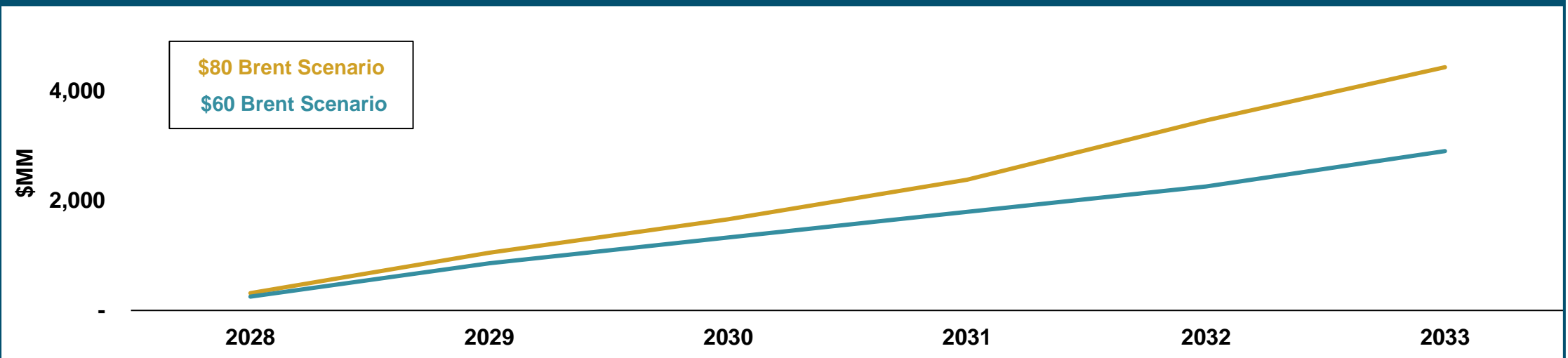
## Daily Oil Production (Net to APA) <sup>(1)</sup>



## Capital

- APA expects annual spending to range from \$200MM - \$300MM from 2025 through first oil
- Suriname capital investment expected to be funded through operating cash flow

## After Tax Cumulative Operating Cash Flow Profile (Net to APA)<sup>(1) (2)</sup>



Note: Assumes 20% participation by Staatsolie.

(1) Estimated productive life exceeds 20 years.

(2) Includes first oil payment and royalty payment per barrel contemplated in JV agreement.



# North Sea Update

## Asset Highlights

- Completed planned maintenance turnarounds on schedule, third quarter production in line with guidance
- Fourth quarter production to be impacted by a deferral in workover activity

## 3Q 2024 Asset Stats



**25,029 BOE/D**  
Reported Production



**85% / 2% / 13%**  
Oil / NGL / Gas

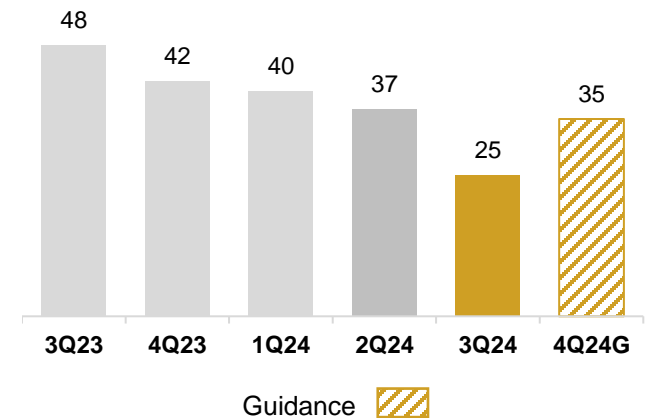


**0 Gross, 0 Net**  
Drilled & Completed Wells



**0**  
Avg Rigs

## Net Production, MBOE/D



# Guidance

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# Guidance

Full year guidance reflects APA standalone for 1Q24, plus Callon for 2Q24-4Q24

	4Q 2024	FY 2024	Commentary
<b>Production (Mboe/d)</b>			
United States.....	312	283	Reflects estimated 4Q24 U.S. curtailments of ~22 Mboe/d
Egypt (Reported) <sup>(1)</sup> .....	134	136	
North Sea.....	35	34	4Q24 production impacted by a deferral in workover activity
Total Reported Production <sup>(1)</sup> .....	481	453	
Less: Egypt Tax Barrels <sup>(1)</sup> .....	32	35	
Less: Egypt Noncontrolling Interest <sup>(1)</sup> .....	34	34	
Total Adjusted Production <sup>(1)</sup> .....	415	384	
Total Adjusted Oil Production (Mbo/d) <sup>(1)</sup> .....	218	198	
United States Oil Production (Mbo/d).....	147	128	4Q24 lowered to reflect frac activity deferral and production curtailments
Upstream Capital Investment (\$ in millions) <sup>(2)</sup> .....	\$645	\$2,750	Increase due to incremental \$80MM of capital in Suriname, Alaska & Egypt
Upstream Lease Operating Expense (\$ in millions).....	\$435	\$1,650	
DD&A (\$ in millions).....	\$585	\$2,200	
General & Administrative Expense (\$ in millions).....	\$100	\$370	
Gathering, Processing & Transmission Expense (\$ in millions).....	\$120	\$450	
Net Gain (Loss) on Oil and Gas Purchases and Sales (\$ in millions) <sup>(1)</sup>	\$150	\$500	FY24 raised \$150 million from previous guidance issued in July
North Sea Current Tax Expense (\$ in millions) <sup>(1)</sup> .....	\$95	\$300	
United States Current Tax Expense (\$ in millions) <sup>(1)</sup> .....	\$30	\$75	

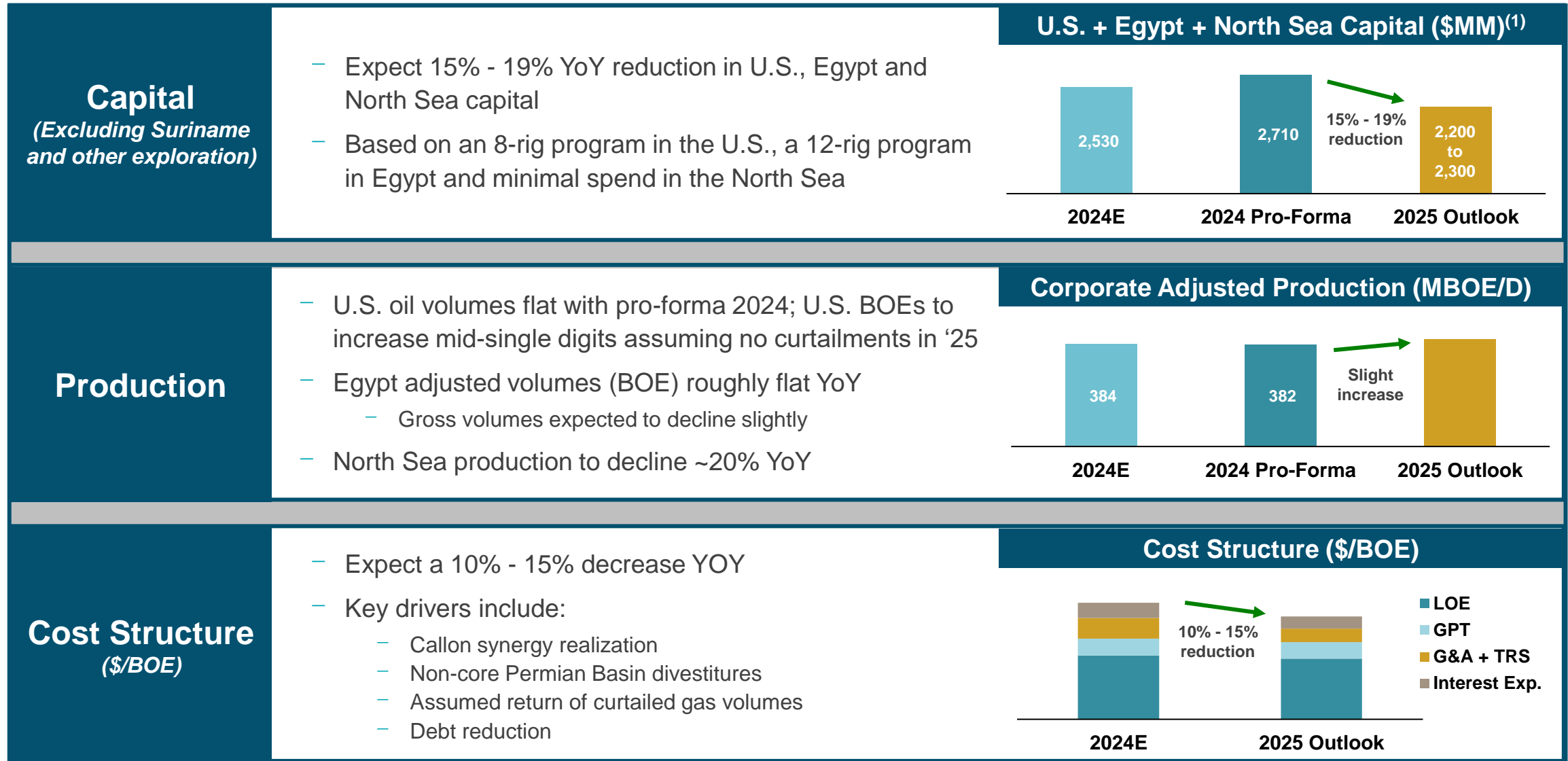
(1) Guidance based on 11/1/2024 strip pricing (\$80.75 Brent; \$2.21 Henry Hub).

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

Note: All guidance includes the contribution of non-core Permian assets, announced for sale in September for the entirety of the fourth quarter.

# Preliminary 2025 Outlook

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



Note: In 1Q24 Callon capital investment was ~\$240 million and Callon production was ~98 Mboe/d.



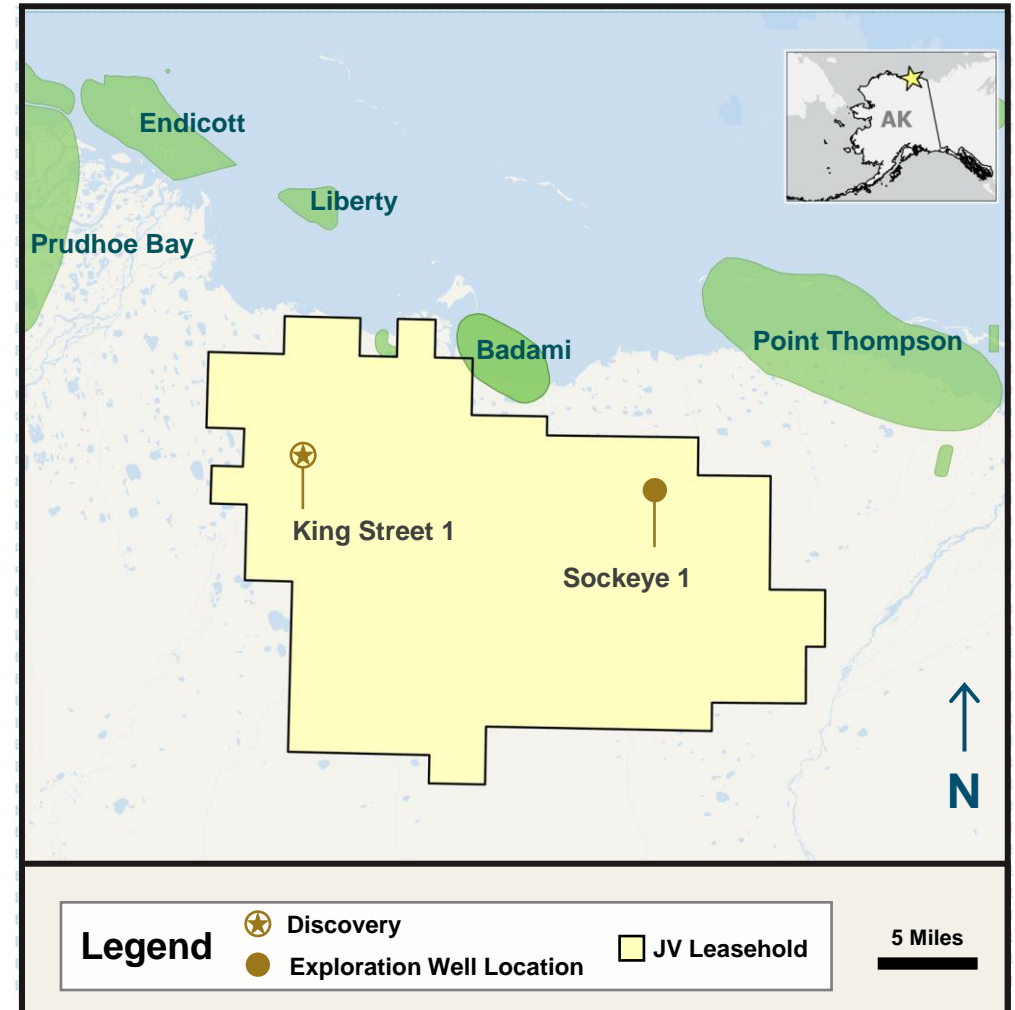
# APA Exploration Portfolio

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# Alaska

## Exploration Joint Venture (North Slope, Alaska)

- Established Joint Venture between APA (50%), Lagniappe Alaska, LLC (25%) and Santos Ltd (25%)
- 326,000 gross acre position situated on state lands
- Confirmed working petroleum system in APA's JV leasehold through a high-quality oil discovery at King Street #1
- Plan to drill one well during the 2025 winter exploration season



# Uruguay

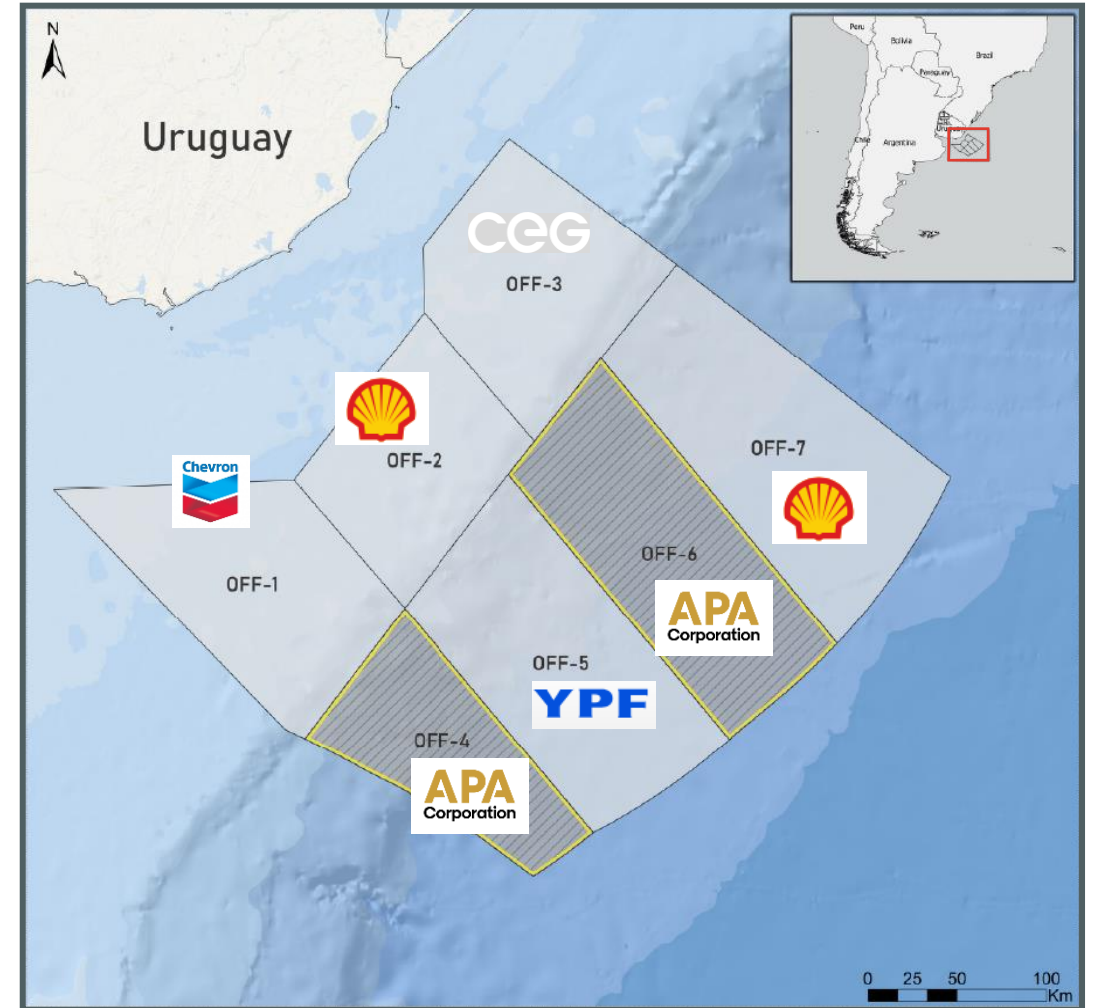
## OFF-6 (100% Working Interest, APA Operated)

- 16,500 km<sup>2</sup> (~4.1 million acres)
- One exploration well obligation

## OFF-4 (50% Working Interest, APA Operated)

- Working interest partner with Shell (50% / 50%)
- 10,000 km<sup>2</sup> (~2.5 million acres)
- Planning underway to conduct seismic acquisition

**No drilling planned in 2025**



# Appendix

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# Cash Return Summary

	1Q 2024	2Q 2024	3Q 2024	2021	2022	2023	2024 YTD 9/30/24	Total
<b>Shares Repurchased (MM)</b>	3.0	1.5	0.1	31.2	36.2	8.7	4.6	80.6
<b>Average Stock Repurchased Price</b>	\$33.27	\$28.72	\$29.32	\$27.14	\$39.34	\$37.81	\$31.72	\$34.02
<b>Share Repurchases (\$MM)</b>	\$101	\$43	\$2	\$847	\$1,423	\$329	\$146	\$2,742
<b>Dividends (\$MM)</b>	\$76	\$92	\$92	\$52	\$207	\$308	\$260	\$735
<b>Total Cash Return (\$MM)</b>	\$177	\$135	\$94	\$899	\$1,630	\$637	\$406	\$3,477
<b>Free Cash Flow (\$MM)</b>	\$99	\$103	\$219	\$1,823	\$2,458	\$965	\$421	\$5,448
<b>% Free Cash Flow Returned</b>	178%	131%	43%	49%	66%	66%	96%	64%
<b>Total Bond Debt Reduction (\$MM)<sup>(1)</sup></b>	--	--	--	(\$1,708)	(\$1,436)	(\$74)	--	(\$3,218)

(1) Reduced Callon-related term loan by \$500 million during 3Q24.

# Upstream Capital Investment

(\$ in millions)	1Q 2024	2Q 2024	3Q 2024	Total
United States*	\$419	\$665	\$547	\$1,631
Egypt (excluding noncontrolling interest)	\$137	\$133	\$118	\$388
North Sea	\$6	\$16	\$13	\$35
Suriname	\$6	\$25	\$20	\$51
<b>Upstream Capital Investment Total</b>	<b>\$568</b>	<b>\$839</b>	<b>\$698</b>	<b>\$2,105</b>

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

# Egypt Production Detail

	2Q 2024			3Q 2024		
	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d
<b>Gross Production</b>	139,490	431,750	211,448	136,670	447,173	211,199
<b>Reported Production</b>	87,702	273,077	133,215	91,673	300,418	141,742
<b>% Gross</b>	63%	63%	63%	67%	67%	67%
<b>Less: Tax Barrels</b>	23,054	73,301	35,271	24,732	82,633	38,504
<b>Net Production Excluding Tax Barrels</b>	64,648	199,776	97,944	66,941	217,785	103,238
<b>% Gross</b>	46%	46%	46%	49%	49%	49%
<b>Less: Noncontrolling Interest</b>	21,549	66,592	32,648	22,314	72,595	34,413
<b>Adjusted Production</b>	43,099	133,184	65,296	44,627	145,190	68,825
<b>% Gross</b>	31%	31%	31%	33%	32%	33%

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

# Glossary of Referenced Terms

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- **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 and KNTK cash dividends)
  - **Minus:**
    - Upstream Capital Investment (including Egypt minority interest)
    - Non-oil and gas capital investment
    - Distributions to noncontrolling interest (Egypt)
    - Non-reimbursable Gulf of Mexico 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

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# 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			
	September 30, 2024				September 30, 2023			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income (loss) including noncontrolling interests (GAAP)	\$ (340)	\$ 201	\$ (139)	\$ (0.38)	\$ 833	\$ (278)	\$ 555	\$ 1.80
Income attributable to noncontrolling interests	152	(68)	84	0.22	171	(75)	96	0.31
Net income (loss) attributable to common stock	(492)	269	(223)	(0.60)	662	(203)	459	1.49
Adjustments: *								
Asset and unproved leasehold impairments	1,112	(540)	572	1.53	9	(6)	3	0.01
Valuation allowance and other tax adjustments	-	-	-	-	-	(93)	(93)	(0.30)
Unrealized derivative instrument loss	13	(3)	10	0.03	19	(3)	16	0.05
Kinetik equity investment mark-to-market gain	-	-	-	-	28	(6)	22	0.07
Transaction, reorganization & separation costs	14	(2)	12	0.04	5	(1)	4	0.01
Gain on divestitures, net	(1)	-	(1)	-	(1)	-	(1)	-
Adjusted earnings (Non-GAAP)	<u>\$ 646</u>	<u>\$ (276)</u>	<u>\$ 370</u>	<u>\$ 1.00</u>	<u>\$ 722</u>	<u>\$ (312)</u>	<u>\$ 410</u>	<u>\$ 1.33</u>

\*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		
	September 30,	June 30,	September 30,
	2024	2024	2023
Net cash provided by operating activities	\$ 1,339	\$ 877	\$ 764
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	20	30	22
Current income tax provision	260	285	422
Other adjustments to reconcile net income to net cash provided by operating activities	45	(21)	(22)
Changes in operating assets and liabilities	(221)	190	161
Financing costs, net	100	100	81
Transaction, reorganization & separation costs	14	115	5
Adjusted EBITDAX (Non-GAAP)	<u>\$ 1,557</u>	<u>\$ 1,576</u>	<u>\$ 1,433</u>

# 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	
	September 30,	
	2024	2023
Net cash provided by operating activities	\$ 1,339	\$ 764
Changes in operating assets and liabilities	(221)	161
Cash flows from operations before changes in operating assets and liabilities	\$ 1,118	\$ 925
Adjustments to free cash flow:		
Upstream capital investment including noncontrolling interest - Egypt	(759)	(549)
Decommissioning spend on previously sold Gulf of Mexico properties	(10)	-
Non oil and gas capital investment	(20)	(15)
Distributions to Sinopec noncontrolling interest	(110)	(54)
Free cash flow	\$ 219	\$ 307

# 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 September 30, 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	\$ 14	\$ 580	\$ 745	\$ 1,339
Changes in operating assets and liabilities	5	(148)	(78)	(221)
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 19</u>	<u>\$ 432</u>	<u>\$ 667</u>	<u>\$ 1,118</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)			
	September 30, 2024	June 30, 2024	March 31, 2024	December 31 2023
Current debt	\$ 2	\$ 2	\$ 2	\$ 2
Long-term debt	6,370	6,741	5,178	5,186
Total debt	6,372	6,743	5,180	5,188
Cash and cash equivalents	64	160	102	87
Net debt	<u>\$ 6,308</u>	<u>\$ 6,583</u>	<u>\$ 5,078</u>	<u>\$ 5,101</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	
	September 30,	
	2024	2023
Costs incurred in oil and gas property:		
Asset and leasehold acquisitions	\$ (2)	\$ 3
Exploration and development	959	569
Total Costs incurred in oil and gas property	\$ 957	\$ 572
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	\$ 957	\$ 572
Property acquisitions	4	(1)
Asset retirement obligations settled vs. incurred - oil and gas property	(174)	7
Capitalized interest	(8)	(7)
Exploration seismic and administration costs	(20)	(22)
Upstream capital investment including noncontrolling interest - Egypt	\$ 759	\$ 549
Less noncontrolling interest - Egypt	(61)	(75)
Total Upstream capital investment	\$ 698	\$ 474



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