

# Third-Quarter 2022

Financial & Operational Supplement

**APA**  
Corporation



# Notice to Investors

Certain statements in this earnings supplement contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 including, without limitation, expectations, beliefs, plans, and objectives regarding anticipated financial and operating results, asset divestitures, estimated reserves, drilling locations, capital expenditures, price estimates, typical well results and well profiles, type curve, and production and operating expense guidance included in this earnings supplement. Any matters that are not historical facts are forward looking and, accordingly, involve estimates, assumptions, risks, and uncertainties, including, without limitation, risks, uncertainties, and other factors discussed in our most recently filed Annual Report on Form 10-K, recently filed Quarterly Reports on Form 10-Q, recently filed Current Reports on Form 8-K available on our website, [www.apacorp.com](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.

**Cautionary Note to Investors:** The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable, and possible reserves that meet the SEC's definitions for such terms. We may use certain terms in this earnings supplement, such as "resource," "resource potential," "net resource potential," "potential resource," "resource base," "identified resources," "potential net recoverable," "potential reserves," "unbooked resources," "economic resources," "net resources," "undeveloped resource," "net risked resources," "inventory," "upside," and other similar terms that the SEC guidelines strictly prohibit us from including in filings with the SEC. Such terms do not take into account the certainty of resource recovery, which is contingent on exploration success, technical improvements in drilling access, commerciality, and other factors, and are therefore not indicative of expected future resource recovery and should not be relied upon. Investors are urged to consider carefully the disclosure in APA's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 available at [www.apacorp.com](http://www.apacorp.com) or by writing at: 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056 (Attn: Corporate Secretary). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at [www.sec.gov](http://www.sec.gov).

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 2022 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.

# 3Q 2022 Key Metrics



	3Q 2022
<b>Reported Production</b>	382 Mboe/d
<b>Adjusted Production<sup>(1)</sup></b>	310 Mboe/d
<b>Cost Incurred in Oil and Gas Property</b>	\$1,160 Million
<b>Upstream Capital Investment<sup>(2)</sup></b>	\$492 Million
<b>Net Cash Provided by Operating Activities</b>	\$1,104 Million
<b>Adjusted EBITDAX<sup>(2)</sup></b>	\$1,690 Million
<b>Free Cash Flow<sup>(2)</sup></b>	\$609 Million
<b>Diluted Earnings Per Share</b>	\$1.28
<b>Adjusted Earnings Per Share<sup>(2)</sup></b>	\$1.97

(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.

# Recent Highlights

Generated **\$609 Million**  
of Free Cash Flow<sup>(1)</sup> in 3Q22



3Q22 Upstream Capital Investment<sup>(1)</sup>  
of **\$492 Million**

Returned **61% (\$373 Million)** of  
Free Cash Flow to Shareholders in 3Q22



Returned **63% (\$1.9 Billion)**<sup>(2)</sup> of Free Cash Flow &  
Eliminated **\$3.1 Billion**<sup>(3)</sup> in Bond Debt Since 6/30/2021

**Doubled** Annualized Dividend to  
\$1/Shr Starting in 4Q22



APA Base Dividend Yield  
**Exceeds** Average of S&P 500<sup>(4)</sup>

**Achieved** 2022 Egypt Routine  
Flaring Reduction Goal



Awarded **5 millionth Tree**  
Through Tree Grant Program

Announced First Discovery on  
Block 53 Offshore Suriname at **Baja-1**



Drilling **Sapakara South-2** Appraisal Well  
& **Awari** Exploration Prospect on Block 58

(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) Shareholder return through 3Q 2022. Excludes October share repurchases.

(3) Includes early redemption of January 2023 notes of \$123 million that occurred in October.

(4) As of 11/1/2022.

# APA Corporation Strategy



- Prioritize long-term, full-cycle returns through capital allocation
- Invest to sustain/slightly grow global production from pre-pandemic levels
- Focused on immediate and actionable ESG opportunities most relevant to our industry and APA



- Return a minimum of 60% of Free Cash Flow to shareholders through a competitive base dividend and share repurchases
- Aggressively manage cost structure
- Continue to strengthen the balance sheet & achieve investment grade credit rating among multiple rating agencies

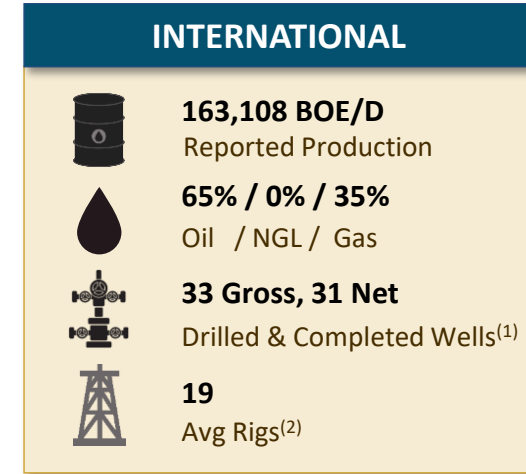
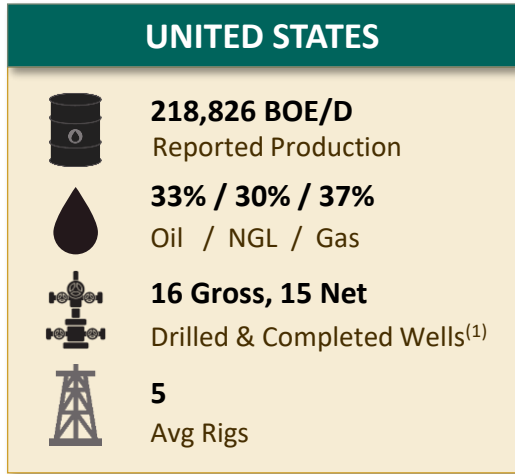
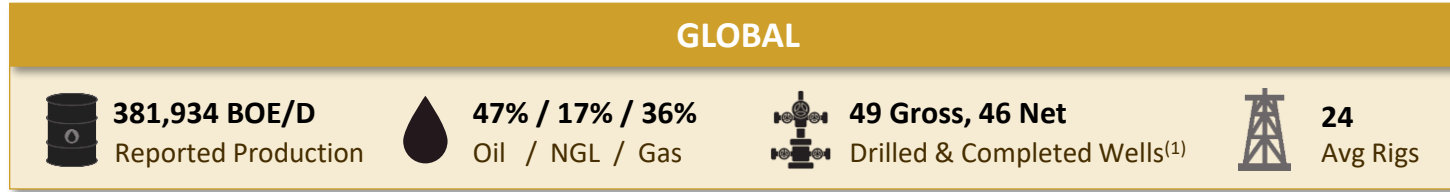


- Diversify risk through a balanced commodity profile and geographic pricing points
- Maintain flexibility to re-allocate capital within portfolio in response to commodity price opportunity
- Retain capability to build inventory through exploration or acquire & exploit



# 3Q Asset Update

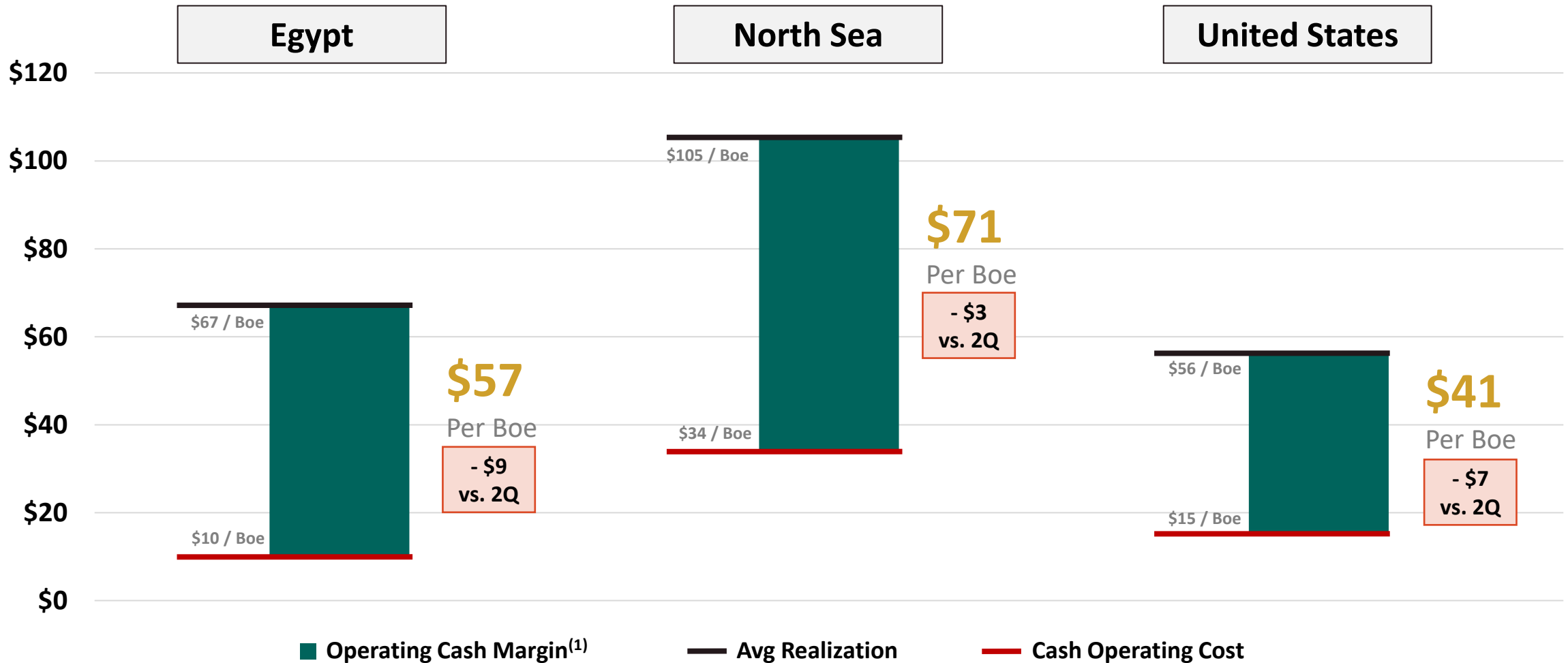
# 3Q 2022 Global Portfolio



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.

(2) Includes two rig average in Suriname.

# 3Q 2022 Operating Cash Margins



(1) Operating cash margins calculated as price realizations less lease operating expenses, gathering, processing, & transmission costs, and taxes other than income. Please note that North Sea margins are calculated using sales volumes, which include the impact of timing of liftings.



# U.S. Update

## ASSET HIGHLIGHTS

- **Exceeded U.S. production guidance** with strong well performance across legacy Midland/Delaware areas & recently acquired properties in Texas Delaware
- **Southern Midland Basin:** Averaged 2 rigs; placed 10 gross wells on production in 3Q22
  - Anticipate placing 1 well on production in 4Q22
- **Delaware Basin:** Averaged 2 rigs; placed 14 gross wells on production in 3Q22
  - Completed tuck-in acquisition in July of properties in Loving & Reeves counties
  - No wells expected to be placed online during 4Q22
  - Drilling first pad at Alpine High since 2019
- **Austin Chalk:** Averaged 1 rig; placed no new wells on production in 3Q22
  - Plan to bring 3 wells online in 4Q22; released rig in September

## 3Q 2022 ASSET STATS



**218,826 BOE/D**

Reported Production



**33% / 30% / 37%**

Oil / NGL / Gas



**16 Gross, 15 Net**

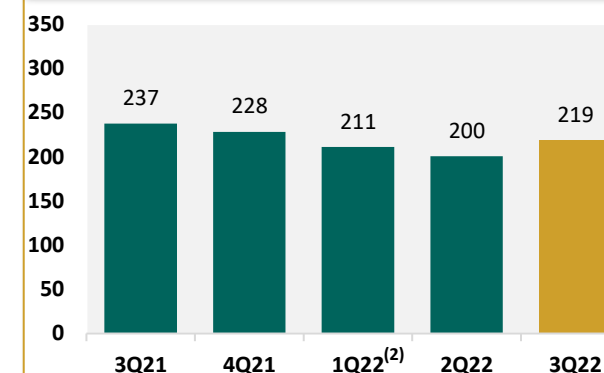
Drilled & Completed Wells<sup>(1)</sup>



**5**

Avg Rigs

## NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.

(2) Includes approximately 5 Mboe/d of production from the 1Q'22 Delaware Basin minerals sale.

# Egypt Update

## ASSET HIGHLIGHTS

- Brought online 22 wells in 3Q22 versus expectation of 20 wells for the quarter
- Expect ~30 well connections for 4Q22 as spud-to-online cycle times have improved
- Drilling success rate of 78% (25 of 32 wells) in 3Q22
  - Siwa R NW-1X discovery encountered 85 feet of net pay & tested at 5,100 BOPD
  - Bolt 12-2X discovery encountered 80 feet of net pay; testing underway
  - Nu-20 development target encountered 62 feet of net pay & brought online at 2,000 BOPD
- Gross oil production momentum building in 4Q22
- Delivered 2022 routine upstream flaring reduction goal in Egypt
- New projects reducing routine upstream flaring by 40%

## 3Q 2022 ASSET STATS



**134,253 BOE/D**

Reported Production



**60% / 0% / 40%**

Oil / NGL / Gas



**32 Gross, 30 Net**

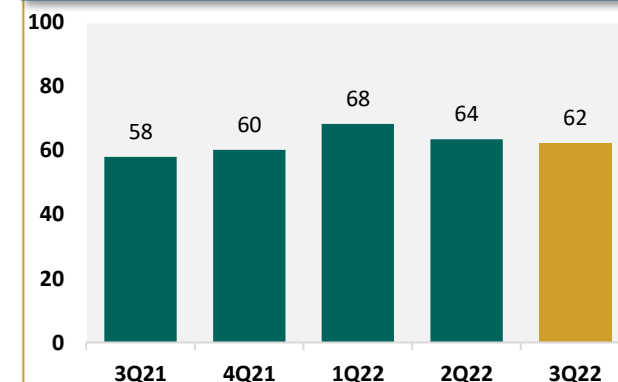
Drilled & Completed Wells<sup>(1)</sup>



**15**

Avg Rigs

## ADJUSTED PRODUCTION MBOE/D <sup>(2)</sup>



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.

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

# North Sea Update

## ASSET HIGHLIGHTS

- 3Q22 production impacted by unplanned downtime at Beryl & Forties (~7 Mboe/d impact vs original guidance)
- *Garten-3* (100% WI) commenced production in late 3Q22 following recovery from Beryl facility downtime
- Drilling delays on BKS development well shifted initial production from 4Q22 into 1H23
- Significant uptick in 4Q22 production post 3Q22 turnarounds

## 3Q 2022 ASSET STATS



**28,855 BOE/D**

Reported Production



**87% / 2% / 11%**

Oil / NGL / Gas



**1 Gross, 1 Net**

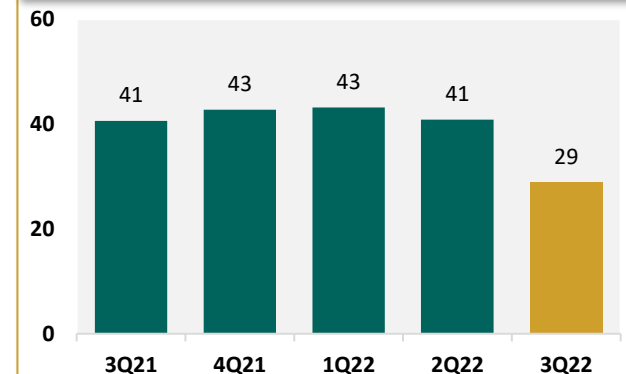
Drilled & Completed Wells<sup>(1)</sup>



**2**

Avg Rigs

## NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.

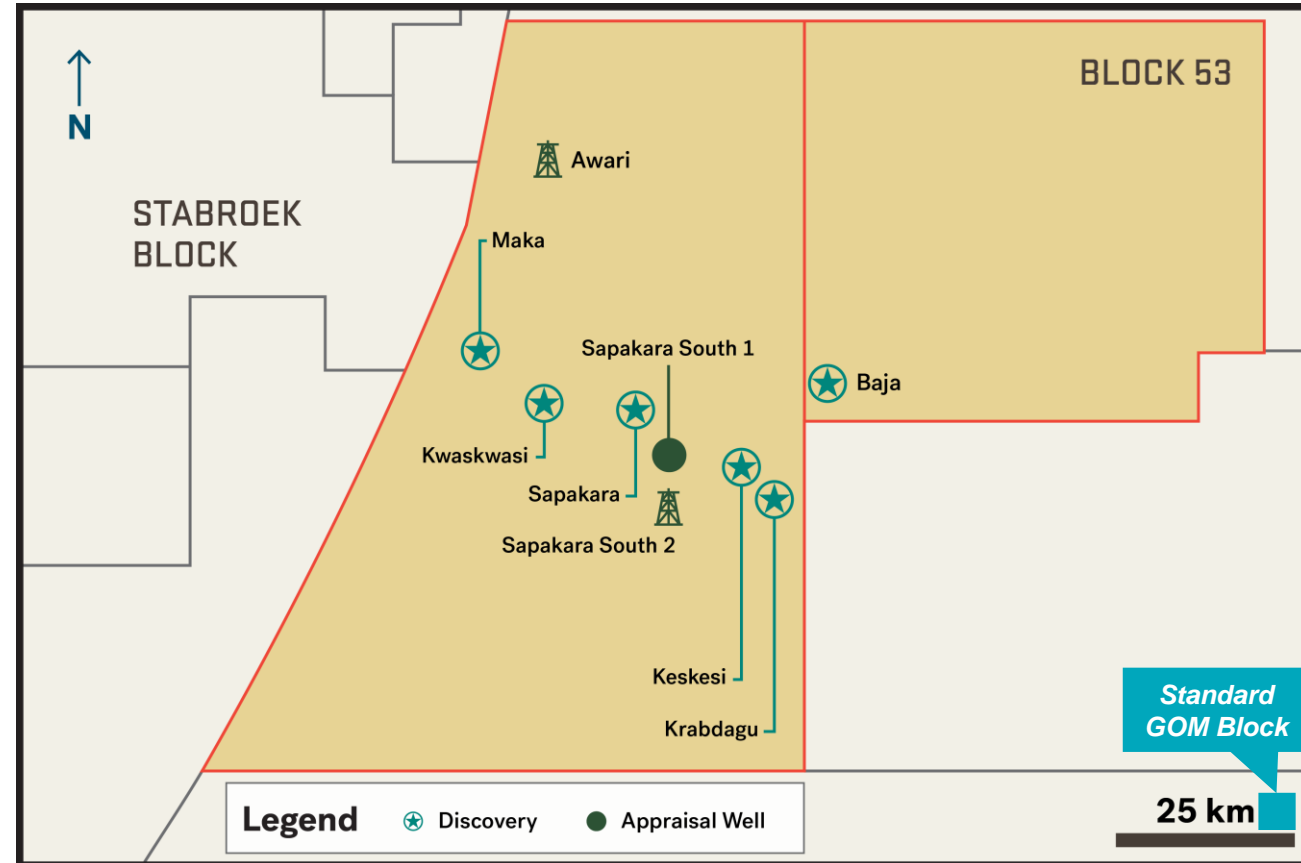
# Suriname Update

## Block 58 (APA 50% WI)

- Five exploration discoveries since Jan. 2020
- *Maersk Valiant* drilling second appraisal well at the **Sapakara South** field (TTE operated)
- *Noble Gerry De Souza* drilling the **Awari** exploration prospect (TTE operated)

## Block 53 (APA 45% WI)

- Announced first exploration discovery in Block 53 at the **Baja** well
  - Encountered 34 meters (112 feet) of net oil pay in a single interval; fluid analysis indicates light oil with a gas-oil ratio of ~2,000 scf/bbl



# Guidance

	4Q 2022	Commentary
<b>Production (Mboe/d)</b>		
United States.....	217	Only 4 planned well connections in 4Q22; volumes relatively flat with 3Q22
Egypt (Reported).....	144	
North Sea.....	44 - 48	Updated from prior expectations to reflect facility runtime variability
Total Reported Production.....	405 – 409	
Less: Egypt Tax Barrels.....	44	
Less: Egypt Noncontrolling Interest.....	33	
Total Adjusted Production.....	328 - 332	
Total Adjusted Oil Production (Mbo/d).....	150 - 152	
Upstream Capital Investment (\$ in millions) <sup>(1)</sup> .....	\$450	
Lease Operating Expense (\$ in millions).....	\$370	
DD&A (\$ in millions).....	\$350	
General & Administrative Expense (\$ in millions).....	\$95	Assumes ~\$33/shr APA stock price mark-to-market (held constant with 3Q22)
Gathering, Processing & Transmission Expense (\$ in millions).....	\$90	
Net Gain (Loss) on Oil and Gas Purchases and Sales (\$ in millions).....	\$70	Updated for basis differentials; excludes cash impact of basis hedges
North Sea Current Tax Expense (\$ in millions).....	\$160	4Q22 increase due to higher projected taxable income; includes EPL impact

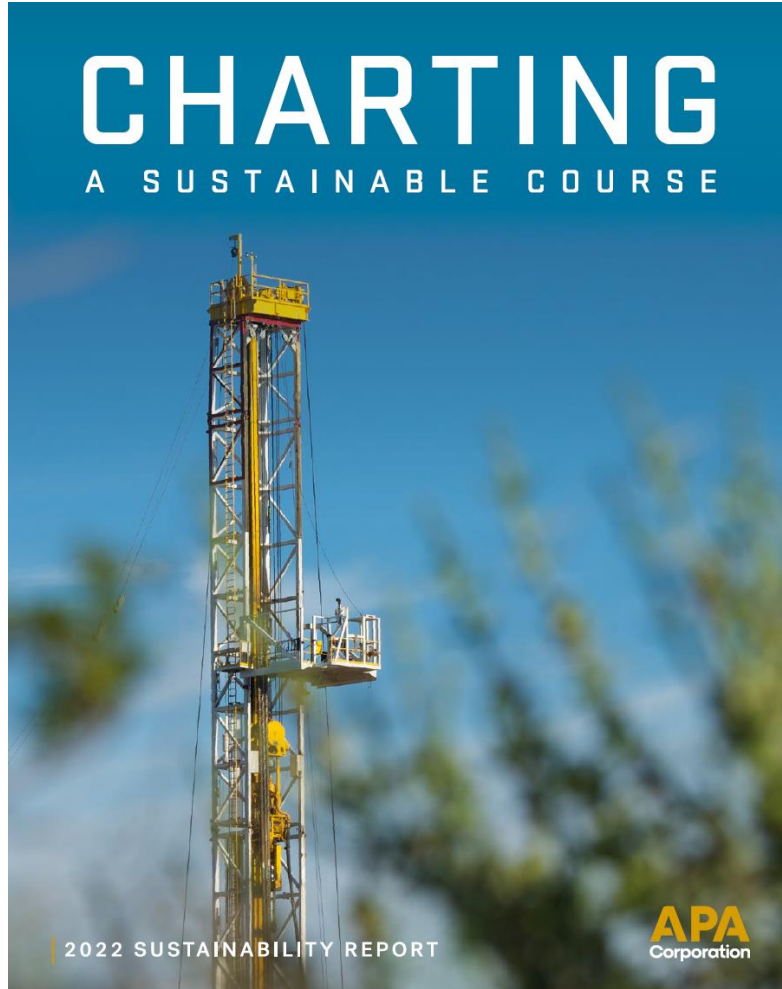
Note: Guidance reflects 10/28/2022 strip pricing assumptions.

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

# Appendix



# APA Corporation's 2022 Sustainability Report



“ We are charting a steady course and positioning ourselves as a partner to the world by providing affordable, reliable and abundant sources of energy.”

John Christmann, CEO and President

To view the report online, please visit the APA Corporation website at [apacorp.com/sustainability](https://apacorp.com/sustainability).

# Compensation-linked ESG Goals



## Short-term Goals

- **Egypt:** 40% reduction of upstream flaring in Egypt by year-end
- **People:** Develop and implement a future of work strategy inclusive of working model, workplace and technology enhancements
- **Supplier Diversity:** Establish a Supplier Diversity program and externally report Tier I spend by category by year-end
- **Safety:** TRIR and SIF targets<sup>(1)</sup>



## Long-term Goal

**Established long-term incentive compensation-linked emissions reduction goal:**

*Deliver projects that eliminate at least 1 million tonnes of CO<sub>2</sub>e emissions annually by year-end 2024*



**First in Peer Group to link Emissions Goal to Long-Term Incentive Compensation**

(1) Total Recordable Incident Rate (TRIR); Severe Injury and Fatality Rate (SIF).

# Cash Return Summary

	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	YTD 9/30/2022	Total Program
Shares Repurchased (MM)	--	31.2	7.2	7.0	9.8	24.0	55.2
Average Stock Price	--	\$27.13	\$36.07	\$41.59	\$33.85	\$36.77	\$31.33
Share Repurchases (\$MM)	--	\$847	\$261	\$291	\$332	\$884	\$1,731
Dividends (\$MM)	\$9	\$24	\$43	\$43	\$41	\$127	\$160
Total Cash Return (\$MM)	\$9	\$871	\$304	\$334	\$373	\$1,011	\$1,891
Free Cash Flow (\$MM)	\$421	\$485	\$675	\$814	\$609	\$2,098	\$3,004
% Free Cash Flow Returned	2%	180%	45%	41%	61%	48%	63%
Total Bond Debt Change (\$MM)	(\$1,686)	--	(\$1,312)	--	--	(\$1,312)	(\$2,998)

In October 2022, APA repurchased an additional 2 million shares at an average price of \$40.39

**Repurchased \$1.8 Billion of Shares (~15% of Outstanding Shares)<sup>(1)</sup>  
& Eliminated \$3.1 Billion<sup>(2)</sup> in Bond Debt Since 6/30/2021**

(1) Includes October share repurchases.

(2) Includes early redemption of January 2023 notes of \$123 million that occurred in October.

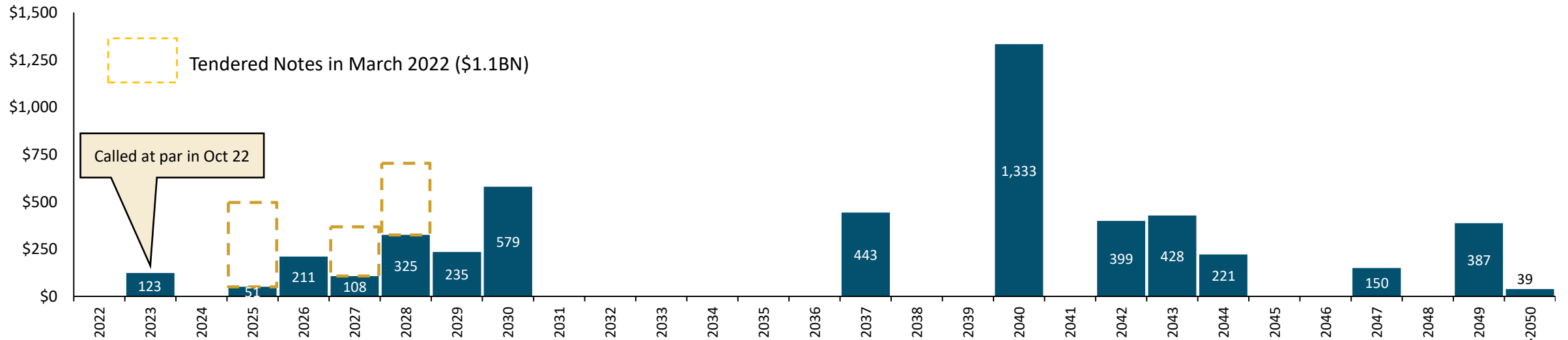
# Debt Profile Improvement

As of September 30, 2022

	YE 2021	Sep 2022
<b>Notes &amp; Debentures<sup>(1)</sup></b>	\$6,344MM	<b>\$5,032MM</b>
<b>Avg. Coupon</b>	5.075%	5.255%
<b>Avg. Maturity</b>	13.8 Years	15.5 Years

## Significant Balance Sheet De-Leveraging Actions

- \$213 million (April 2022 notes) called at par in January
- De-consolidated ~\$1.4 billion of ALTM debt and preferred in February
- Completed \$1.1 billion tender for near-term maturities in March
- \$123 million (January 2023 notes) called at par in October



(1) Excludes finance lease obligations and is before unamortized discount and debt issuance costs.

# Upstream Capital Investment

(\$ in Millions)	1Q22	2Q22	3Q22
United States.....	\$ 175	\$ 192	\$ 235
Egypt (excluding noncontrolling interest).....	98	109	118
North Sea.....	36	41	66
Suriname.....	<u>52</u>	<u>86</u>	<u>73</u>
Upstream Capital Investment Total.....	\$ <u>361</u>	\$ <u>428</u>	\$ <u>492</u>

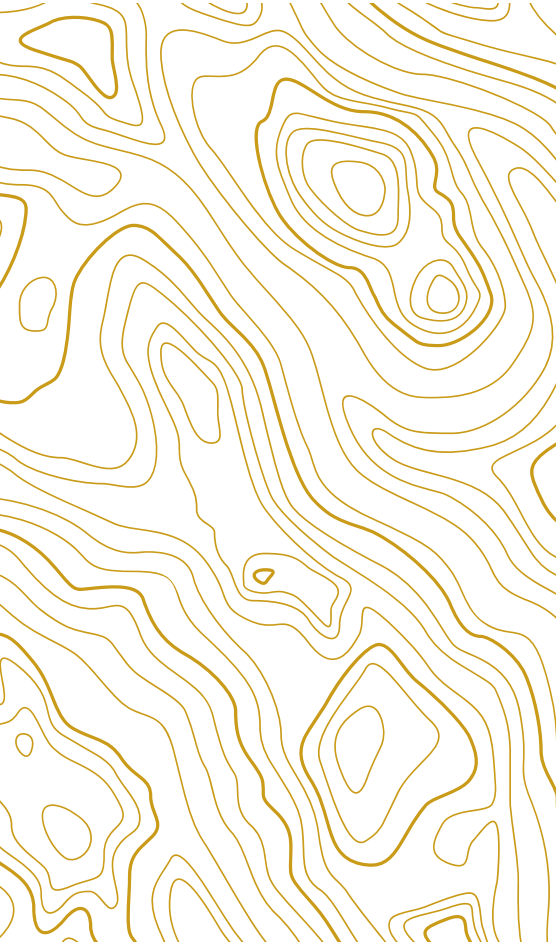
For a reconciliation of Cost Incurred to Upstream Capital Investment please refer to the Non-GAAP Reconciliations.

# Egypt: Production Detail

	2Q 2022			3Q 2022							
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d					
<b>Gross Production</b>	141,896	555,694	234,512	133,607	510,260	218,650					
<b>Reported Production</b>	85,799	346,424	143,536	81,095	318,945	134,253					
<b>% Gross</b>	60%	62%	61%	61%	63%	61%					
<b>Less: Tax Barrels</b>	28,699	117,261	48,242	24,718	97,199	40,918					
<b>Net Production Excluding Tax Barrels</b>	57,101	229,162	95,294	56,377	221,746	93,335					
<b>% Gross</b>	40%	41%	41%	42%	43%	43%					
<b>Less: Noncontrolling Interest</b>	19,034	76,387	31,765	18,792	73,915	31,112					
<b>Adjusted Production</b>	38,067	152,775	63,530	37,584	147,831	62,223					
<b>% Gross</b>	27%	27%	27%	28%	29%	28%					
<i>MBOE/D</i>	2020				2021				2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Gross Production</b>	295	281	269	245	237	233	229	235	235	235	219
<b>Reported Production</b>	117	127	128	116	119	114	111	115	150	144	134
<b>Adjusted Production</b>	72	86	76	70	63	61	58	60	68	64	62
<b>Brent Oil Benchmark Pricing</b>	\$50	\$33	\$43	\$45	\$61	\$69	\$73	\$80	\$98	\$112	\$97



# Glossary of Referenced Terms



- **Upstream Capital Investment:** Includes exploration, development, gathering, processing, and transmission capital, capitalized overhead, and settled asset retirement obligations. Excludes capital investment for property acquisitions, capitalized interest, non-cash asset retirement additions and revisions, and Egypt noncontrolling interest.
- **Free Cash Flow:** Cash flow from operations before changes in operating assets and liabilities (including Egypt minority interest)
  - Minus:
    - Upstream capital investment (including Egypt minority interest)
    - Distributions to noncontrolling interest (Egypt)
  - Plus:
    - Cash dividends received from Kinetik
- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in APA Corporation's Form 10-K for the year ended December 31, 2021.

# 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 September 30, 2022				For the Quarter Ended September 30, 2021			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income (loss) including noncontrolling interests (GAAP)	\$ 1,172	\$ (642)	\$ 530	\$ 1.61	\$ 122	\$ (152)	\$ (30)	\$ (0.08)
Income attributable to noncontrolling interests	193	(85)	108	0.33	94	(41)	53	0.14
Income attributable to Altus preferred unit limited partner	-	-	-	-	30	-	30	0.08
Net income (loss) attributable to common stock	979	(557)	422	1.28	(2)	(111)	(113)	(0.30)
Adjustments: *								
Asset and unproved leasehold impairments	16	(3)	13	0.04	23	(8)	15	0.04
Noncontrolling interest & tax barrel impact on Egypt adjustments	1	(1)	-	-	(1)	-	(1)	-
Valuation allowance and other tax adjustments **	-	182	182	0.55	-	60	60	0.16
Loss on extinguishment of debt	-	-	-	-	105	(22)	83	0.22
Unrealized derivative instrument (gain) loss and related Altus Preferred impacts	36	(8)	28	0.08	(36)	8	(28)	(0.08)
Loss on previously sold Gulf of Mexico properties	-	-	-	-	446	(94)	352	0.93
Kinetik equity investment mark-to-market loss	30	-	30	0.09	-	-	-	-
Transaction, reorganization & separation costs	4	(2)	2	0.01	4	(1)	3	0.01
(Gain) loss on divestitures, net	(31)	6	(25)	(0.08)	2	(1)	1	-
Other	(2)	1	(1)	-	-	-	-	-
Adjusted earnings (Non-GAAP)	\$ 1,033	\$ (382)	\$ 651	\$ 1.97	\$ 541	\$ (169)	\$ 372	\$ 0.98

\*The income tax effect of the reconciling items are calculated based on the statutory rate of the jurisdiction in which the discrete item resides.

\*\*Includes \$230 million related to the remeasurement of the June 30, 2022 U.K. deferred tax liability in connection with the Energy (Oil and Gas) Profits Levy Act 2022.

# 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 ongoing 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			For the Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net cash provided by operating activities	\$ 1,104	\$ 1,535	\$ 771	\$ 3,530	\$ 2,411
Adjustments:					
Exploration expense other than dry hole expense and unproved leasehold impairments	13	18	13	64	42
Current income tax provision	357	415	183	1,164	463
Other adjustments to reconcile net income (loss) to net cash provided by operating activities	3	59	(8)	91	6
Changes in operating assets and liabilities	134	(149)	95	248	58
Financing costs, net	75	76	100	236	318
Transaction, reorganization & separation costs	4	3	4	21	8
Adjusted EBITDAX (Non-GAAP)	<u>\$ 1,690</u>	<u>\$ 1,957</u>	<u>\$ 1,158</u>	<u>\$ 5,354</u>	<u>\$ 3,306</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,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ 1,104	\$ 771	\$ 3,530	\$ 2,411
Changes in operating assets and liabilities	134	95	248	58
Cash flows from operations before changes in operating assets and liabilities	\$ 1,238	\$ 866	\$ 3,778	\$ 2,469
Adjustments to free cash flow:				
Altus Midstream cash flows from operations before changes in operating assets and liabilities	-	(53)	-	(148)
Upstream capital investment including noncontrolling interest - Egypt	(551)	(267)	(1,443)	(836)
Distributions to Sinopec noncontrolling interest	(78)	(143)	(237)	(203)
Upstream free cash flow	\$ 609	\$ 403	\$ 2,098	\$ 1,282
Cash dividends received from Altus Midstream	-	18	-	56
Free cash flow	\$ 609	\$ 421	\$ 2,098	\$ 1,338

# 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. APA 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, 2022			
	North Sea	Egypt	U.S. and Other	Consolidated
	<i>(\$ in millions)</i>			
Net cash provided by operating activities	\$ 59	\$ 407	\$ 638	\$ 1,104
Changes in operating assets and liabilities	60	34	40	134
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 119</u>	<u>\$ 441</u>	<u>\$ 678</u>	<u>\$ 1,238</u>

	For the Year Ended September 30, 2022			
	North Sea	Egypt	U.S. and Other	Consolidated
	<i>(\$ in millions)</i>			
Net cash provided by operating activities	\$ 600	\$ 1,178	\$ 1,752	\$ 3,530
Changes in operating assets and liabilities	(119)	246	121	248
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 481</u>	<u>\$ 1,424</u>	<u>\$ 1,873</u>	<u>\$ 3,778</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. The Altus Midstream LP credit facility is unsecured and is not guaranteed by APA or any of APA's other subsidiaries.

(\$ in millions)

	September 30, 2022			December 31, 2021		
	APA Upstream	Altus Midstream	APA Consolidated	APA Upstream	Altus Midstream	APA Consolidated
Current debt	\$ 125	\$ -	\$ 125	\$ 215	\$ -	\$ 215
Long-term debt	5,404	-	5,404	6,638	-	6,638
Long-term debt - Altus	-	-	-	-	657	657
Total debt	5,529	-	5,529	6,853	657	7,510
Cash and cash equivalents	268	-	268	170	132	302
Net debt	\$ 5,261	\$ -	\$ 5,261	\$ 6,683	\$ 525	\$ 7,208

# 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.

	For the Quarter Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	(\$ in millions)			
Costs incurred in oil and gas property:				
Asset and leasehold acquisitions				
Proved	\$ 574	\$ -	\$ 583	\$ 3
Unproved	34	3	51	6
Exploration and development	552	270	1,463	858
Total Costs incurred in oil and gas property	\$ 1,160	\$ 273	\$ 2,097	\$ 867
Reconciliation of Costs incurred to Upstream capital investment:				
Total Costs incurred in oil and gas property	\$ 1,160	\$ 273	\$ 2,097	\$ 867
Property acquisitions	(601)	-	(601)	-
Asset retirement obligations settled vs. incurred - oil and gas property	10	9	24	17
Capitalized interest	(5)	(2)	(13)	(6)
Exploration seismic and administration costs	(13)	(13)	(64)	(42)
Upstream capital investment including noncontrolling interest - Egypt	\$ 551	\$ 267	\$ 1,443	\$ 836
Less noncontrolling interest - Egypt	(59)	(39)	(162)	(108)
Total Upstream capital investment	\$ 492	\$ 228	\$ 1,281	\$ 728



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