Fourth-Quarter & Full-Year 2021

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, 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," "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 Apache Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (and APA's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 when filed) available at 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.

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 fourth quarter 2021 earnings release at 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.

4Q and Full-Year 2021 Key Metrics

	4Q 2021	FY 2021
Reported Production	386 Mboe/d	388 Mboe/d
Adjusted Production(1)	331 Mboe/d	334 Mboe/d
Cost Incurred in Oil and Gas Property	$392 Million	$1,259 Million
Upstream Capital Investment(2)	$334 Million	$1,062 Million
Net Cash Provided by Operating Activities	$1,085 Million	$3,496 Million
Adjusted EBITDAX(2)	$1,267 Million	$4,573 Million
Free Cash Flow(2)	$485 Million	$1,823 Million
Diluted Earnings Per Share	$1.05	$2.59
Adjusted Earnings Per Share(2)	$1.29	$3.90

(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.

APA Corporation Strategy

Foundation For Long-Term Success

- 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

Disciplined Financial Approach

- Return a minimum of 60% of Free Cash Flow to shareholders through a competitive ordinary dividend and share repurchases
- Aggressively manage cost structure
- Continue to strengthen the balance sheet

Leveraging Diversified Portfolio

- 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

2021 Highlights

Financial

- Generated ~$1.8 billion of Free Cash Flow(1); highest in over a decade & one of the highest in 67-year history
- Initiated shareholder return framework: minimum of 60% of Free Cash Flow to shareholders beginning in 4Q'21
  - Returned ~$870 million to APA shareholders through share buybacks & dividends in 4Q'21
  - Raised dividend twice in 2021
- Reduced APA Net Debt(1,2) by $1.2 billion; eliminated >20% of outstanding bonds

Portfolio

- Egypt PSC Modernization signed in late December
  - Incentivizes higher investment, returns to oil production growth; free cash flow accretive
- Successful flow test at Sapakara South supports progression toward development project in Block 58 Suriname
- Continued to streamline portfolio with $256 million of noncore asset sales in the Permian Basin
- Announced Altus Midstream / EagleClaw combination creating a vehicle to monetize APA stake & deconsolidate $1.4 billion of debt and redeemable preferred units

ESG

- Achieved 2021 ESG goals
  - Eliminated routine flaring onshore U.S. three months ahead of schedule
  - Significantly outperformed goals for U.S. onshore flaring intensity & freshwater consumption
- Delivered strong safety performance
  - Improved DART, TRIR, SIF(3) metrics by 43%, 45%, and 60%, respectively, over 2020

(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 the definition of Free Cash Flow.
(2) Excludes Altus Midstream (ALTM).
(3) Days Away, Restricted or Transferred (DART); Total Recordable Incident Rate (TRIR); Severe Injury and Fatality Rate (SIF).

ESG Vision

E		AIR	Be at the forefront of industry’s efforts to measure, disclose and mitigate emissions
		WATER	Preserve freshwater resources and leverage technology to maximize water reuse
S		COMMUNITIES +PEOPLE	Provide fulfilling and rewarding careers for our employees and create shared value in the communities where we operate
G		GOVERNANCE	Pursue best-in-class governance through continuous monitoring of best practices, regular stakeholder access and engagement, and a commitment to transparent communications

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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[(1)]

Long-term Goal

Established inaugural, long-term incentive compensation-linked emissions reduction goal:

Deliver projects that eliminate at least 1 million tonnes of CO_2 emissions annually by year-end 2024

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

2022 Plan Overview

2022 Plan

- Upstream capital investment[1]:
  - $1.4 billion development
    - 45% U.S. / 35% Egypt / 20% North Sea
  - $200 million exploration & appraisal, mostly in Suriname

- Free Cash Flow[1] of >$2 billion at strip[2]
  - $5 WTI / Brent Oil Sensitivity of $220 million
  - $0.50 Henry Hub Gas Sensitivity of $80 million
  - Excludes proceeds from asset sales

Planned Drilling Activity

- **Egypt**: 11 rigs increasing to 15 rigs by mid-year
- **North Sea**: 1 floating rig / 1 platform crew
- **Onshore U.S.**: 3 rigs increasing to 4 rigs by mid-year
- **Suriname**: Exploration & appraisal in Blocks 58 and 53

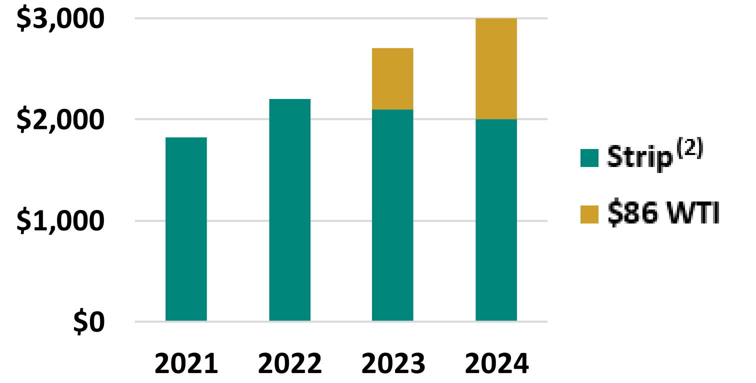
Production Trajectory

- **Egypt**: Growth from increased activity post-PSC modernization
- **North Sea**: Similar level to 2021
- **Onshore U.S.**: Moderate decline compared to 2021; maintenance activity level reached around mid-year
  - Mineral rights sales package production impact of ~7 Mboe/d (44% oil) for 2022

(1) Please refer to the glossary of referenced terms for the definition of Upstream Capital Investment and Free Cash Flow.
(2) Assumes 2/7/2022 strip pricing of $86 WTI / $89 Brent / $4.40 Henry Hub.

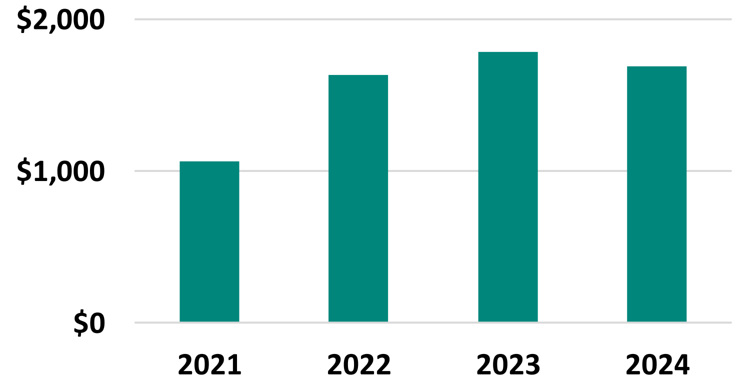
3-Year Outlook Overview

Free Cash Flow(1) ($MM)



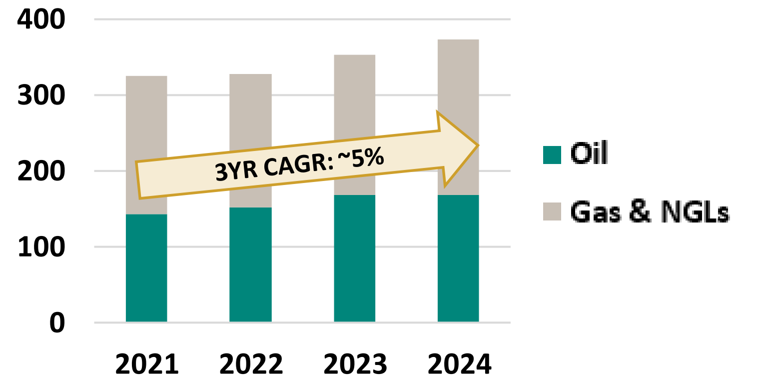
Strong Free Cash Flow Leverage to Oil Price

Upstream Capital Investment(1) ($MM)



Stable Activity Set Returns Production to Pre-Pandemic Levels

Adjusted Production(3) (Mboe/d)



Egypt Drives Moderate Oil Growth

Significant Free Cash Flow For Shareholder Return & Balance Sheet Improvements

- ~$6.5 billion of Free Cash Flow at strip pricing(2)
- ~$8.0 billion of Free Cash Flow at $86 WTI (flat CAL 2022 strip)(2); represents ~68% of current market cap(4)

(1) Please refer to the glossary of referenced terms for the definition of Upstream Capital Investment and Free Cash Flow.
(2) Assumes strip pricing as of 2/7/2022.
(3) Excludes production attributable to Egypt tax barrels and noncontrolling interest. Also excludes production related to asset sales of 10 Mboe/d and 2 Mboe/d for 2021 and 2022, respectively.
(4) Current market cap as of 2/18/2022.

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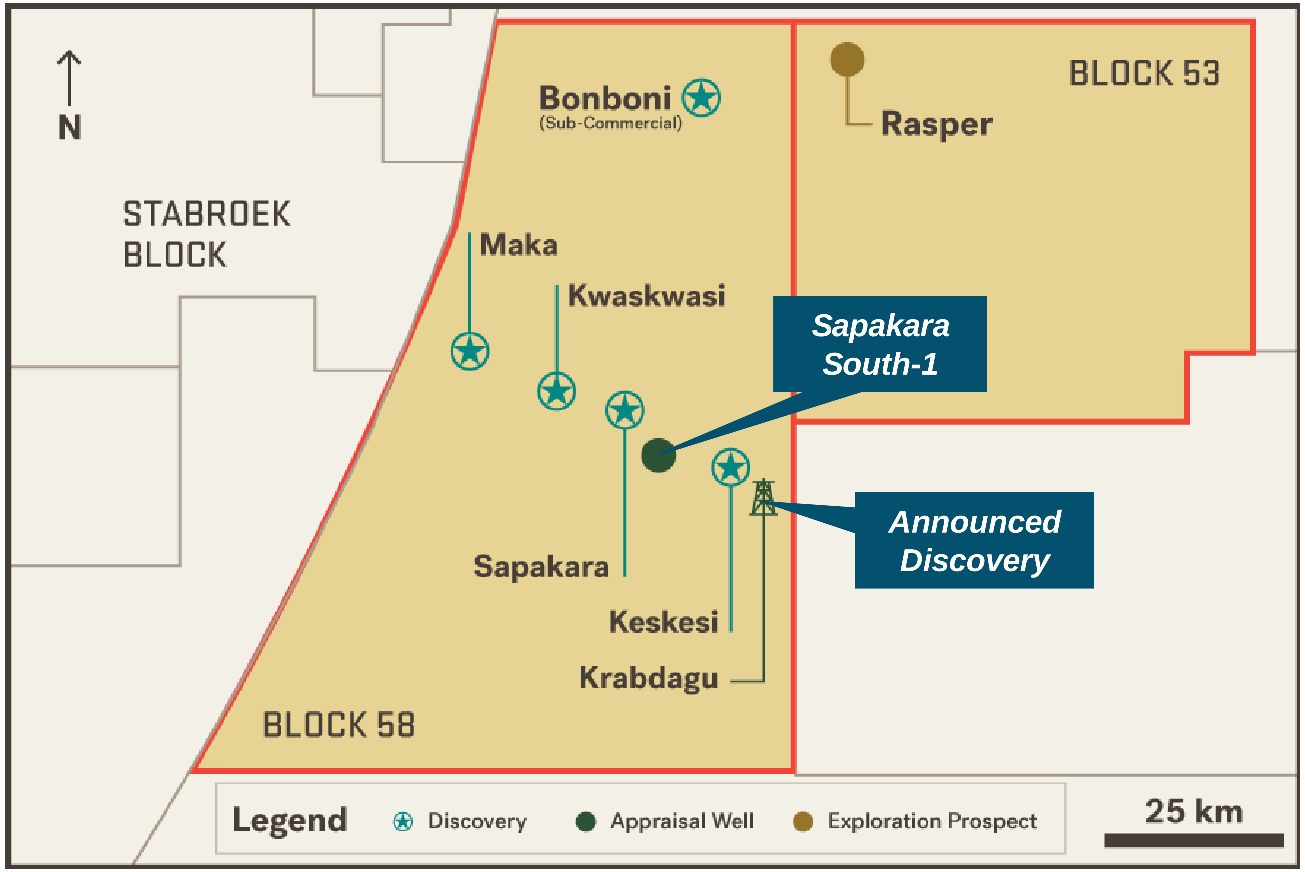
Suriname Update

- **Block 58 (APA 50% WI):** Five exploration discoveries since Jan. 2020, appraisal program underway
- Announced discovery at **Krabdagu-1** exploration well
  - Encountered 90 meters (295 feet) of net oil pay in good quality reservoirs in Maastrichtian & Campanian intervals
  - Drill stem & other wellbore testing operations ongoing
- After further analysis of flow test data, increased **Sapakara South-1** connected resource estimate to more than 400 MM barrels of oil-in-place in a single reservoir
- Results at Krabdagu & Sapakara support continued progression toward development project in Block 58
- **Block 53 (APA 45% WI):** Plan to spud next exploration prospect in late March 2022



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Guidance

	1Q 2022	FY 2022[2]	Commentary
Production (Mboe/d)			
United States	212	210	Mineral rights sales package impact of ~7 Mboe/d FY'22
Egypt (Reported)	156	160	
North Sea	44	45	
Total Reported Production	412	415	
Less: Egypt Tax Barrels	50	50	
Less: Egypt Noncontrolling Interest	35	37	
Total Adjusted Production	327	328	
Total Adjusted Oil Production (Mbo/d)	145	150	
Upstream Capital Investment ($ in millions)[1]	$390	$1,600	
Upstream Lease Operating Expense ($ in millions)	$325	$1,420	
DD&A ($ in millions)	$310	$1,300	
General & Administrative Expense ($ in millions)	$125	$415	Includes share price impact on incentive compensation programs
Gathering, Processing & Transmission Expense ($ in millions)	$75	$330	
Net Gain (Loss) on Oil and Gas Purchased and Sales ($ in millions)	($15)	($15)	
North Sea Current Tax Expense ($ in millions)	$100	$300	

Note: Guidance reflects 2/7/2022 strip pricing assumptions.

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

(2) Includes the net impacts of Altus Midstream deconsolidation to Gathering, Processing & Transmission expense, DD&A, General & Administrative expense and Lease Operating Expense.

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4Q Asset Update

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4Q 2021 Global Portfolio

GLOBAL

385,630 BOE/D
Reported Production

46% / 18% / 36%
Oil / NGL / Gas

33 Gross, 32 Net
Drilled & Completed Wells[1]

17
Avg Rigs

UNITED STATES

227,991 BOE/D
Reported Production

33% / 30% / 37%
Oil / NGL / Gas

13 Gross, 12 Net
Drilled & Completed Wells[1]

3
Avg Rigs

INTERNATIONAL

157,639 BOE/D
Reported Production

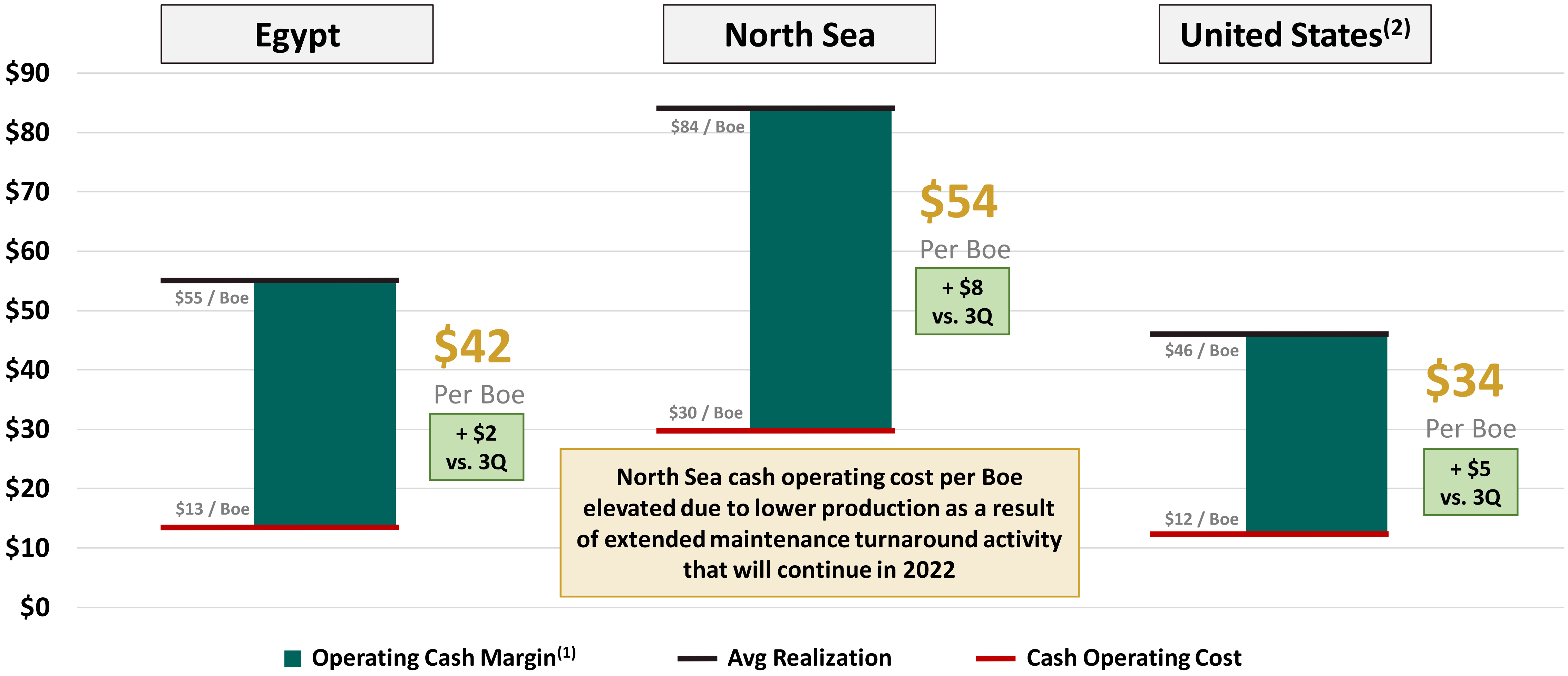
66% / 1% / 33%
Oil / NGL / Gas

20 Gross, 20 Net
Drilled & Completed Wells[1]

14
Avg Rigs[2]

(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) Includes two rig average in Suriname.

4Q 2021 Operating Cash Margins



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

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U.S. Update

ASSET HIGHLIGHTS

- **Southern Midland Basin**: Averaged 2 rigs & placed 11 gross wells on production in 4Q'21
  - Highlighted by J.P. Morgan as a leader in 2021 for both 6-month total BOE and oil productivity on a lateral foot adjusted basis[2]
  - Anticipate placing only 4 wells on production in 1Q'22
- **Delaware Basin**: Wells connected in 1H'21 continue to exceed expectations; no new wells placed online during the fourth quarter
  - Expect to add 4th U.S. rig in the Delaware Basin around mid-year 2022
- **Austin Chalk**: Averaged 1 rig & placed 2 gross wells on production in Washington County in 4Q'21
  - First 3-well pad expected online in late March in Brazos County

4Q 2021 ASSET STATS

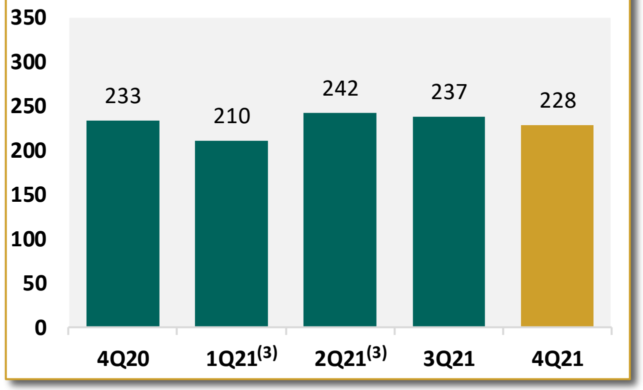
227,991 BOE/D
Reported Production

33% / 30% / 37%
Oil / NGL / Gas

13 Gross, 12 Net
Drilled & Completed Wells[1]

3
Avg Rigs

NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) Published in J.P. Morgan's E&P Basin Scorecard report from January 4, 2022.
(3) Includes approximately 5 Mboe/d of production from assets sold in 2021.

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Egypt Update

ASSET HIGHLIGHTS

- Modernized PSC signed into law in late December
- Returned to production growth in 4Q'21 enabled by key facility expansions
- Plan to increase YoY average drilling rig count by ~2x and well completions by ~3x compared with 2021
  - Currently operating 11 rigs; plan to increase to 15 rigs around mid-year 2022
- Drilling success rate of 63% (12 of 19 wells) in 4Q'21

4Q 2021 ASSET STATS

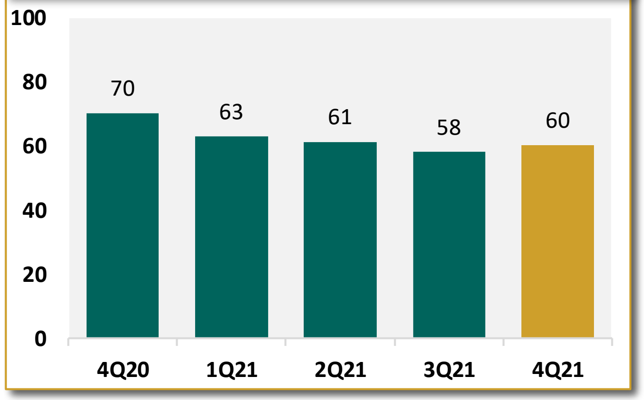
114,943 BOE/D
Reported Production

59% / 1% / 40%
Oil / NGL / Gas

19 Gross, 19 Net
Drilled & Completed Wells[1]

10
Avg Rigs

ADJUSTED PRODUCTION MBOE/D [2]



(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

- 4Q'21 production volume adversely impacted by incremental downtime at Beryl in December
- Modest production increase expected in 1Q'22
- Ocean Patriot rig expected offline for ~3 months to repair damage to its anchor system incurred during a recent weather event
- Scheduled maintenance turnarounds at both North Sea fields in 2Q-3Q'22
  - Production impact of ~4 Mboe/d on an annual basis
- Exit rate in 4Q'22 expected to approach 50 Mboe/d

4Q 2021 ASSET STATS

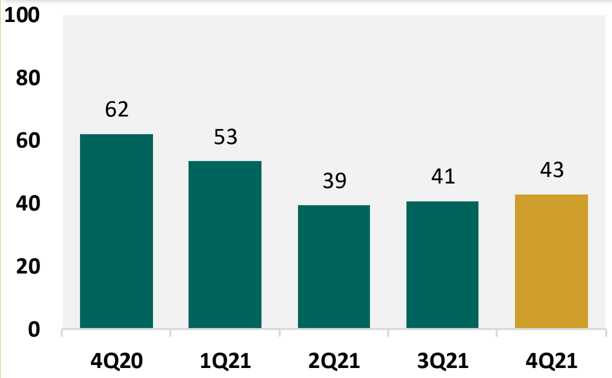
42,696 BOE/D
Reported Production

84% / 3% / 13%
Oil / NGL / Gas

1 Gross, 1 Net
Drilled & Completed Wells[1]

2
Avg Rigs

NET PRODUCTION MBOE/D



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

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Appendix

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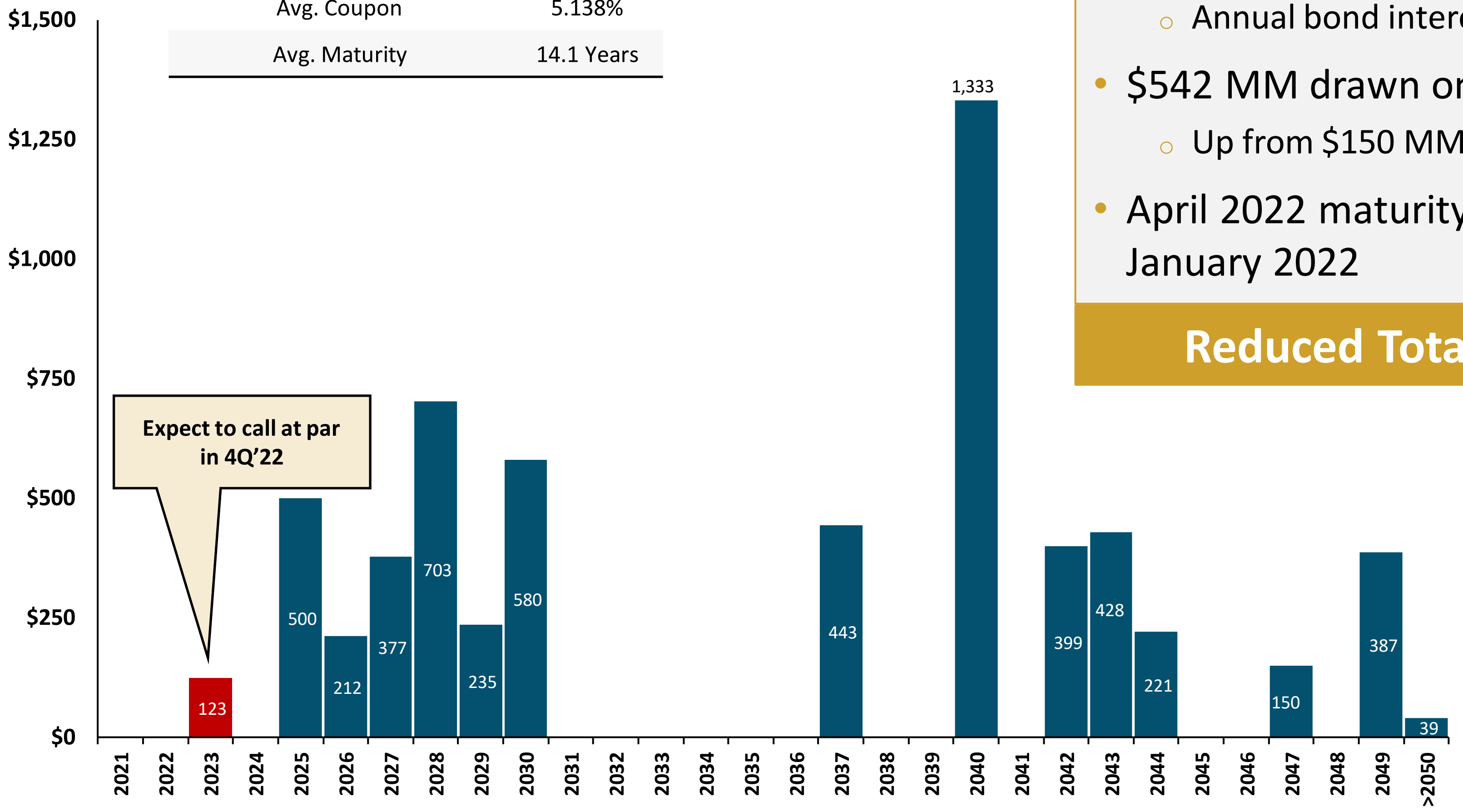
Debt Maturity Profile (Excludes ALTM Debt)

	Current[1]
Apache Notes & Debentures[2]	$6,131MM
Avg. Coupon	5.138%
Avg. Maturity	14.1 Years



- Reduced notes[2] by $1.7 BN in 2021
  - Annual bond interest expense lowered by 20% (~$79 MM)
- $542 MM drawn on the revolving credit facility at YE 2021
  - Up from $150 MM at beginning of the year
- April 2022 maturity of $214 million called at par in January 2022

Reduced Total Debt[3] by ~$1.3 BN in 2021

(1) As of 1/31/2022.
(2) Excludes finance lease obligations, and is before unamortized discount and debt issuance costs.
(3) Includes Apache notes and debentures and borrowings on $4BN revolving credit facility.

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Upstream Capital Investment

($ in Millions)	1Q21	2Q21	3Q21	4Q21	FY21
United States……………………………………………………..	$ 102	$ 118	$ 92	$ 145	$ 457
Egypt (Apache's interest only excluding PSC modernization)	64	75	77	102	318
North Sea………………………………………………………..	40	36	32	35	143
Suriname……………………………………………………….	37	28	27	52	144
Upstream Capital Investment Total…………..	$ 243	$ 257	$ 228	$ 334	$ 1,062

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

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Egypt: Production Detail

	3Q 2021			4Q 2021		
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	134,904	564,354	228,963	134,801	600,919	234,954
Reported Production	70,326	243,294	110,875	68,753	277,142	114,943
% Gross	52%	43%	48%	51%	46%	49%
Less: Tax Barrels	16,761	42,669	23,873	15,833	53,130	24,688
Net Production Excluding Tax Barrels	53,565	200,625	87,003	52,920	224,012	90,255
% Gross	40%	36%	38%	39%	37%	38%
Less: Noncontrolling Interest	17,855	66,875	29,001	17,640	74,671	30,085
Adjusted Production	35,710	133,750	58,002	35,280	149,341	60,170
% Gross	26%	24%	25%	26%	25%	26%

	2019				2020				2021			
MBOE/D	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Production	332	322	301	300	295	281	269	245	237	233	229	235
Reported Production	145	131	131	126	117	127	128	116	119	114	111	115
Adjusted Production	79	72	72	69	72	86	76	70	63	61	58	60
Brent Oil Benchmark Pricing	$64	$68	$62	$62	$50	$33	$43	$45	$61	$69	$73	$80

Glossary of Referenced Terms

- **Upstream Capital Investment**: Includes exploration, development, gathering, processing, and transmission capital, capitalized overhead, and settled asset retirement obligations. Excludes capitalized interest, non-cash asset retirement additions and revisions, Egypt noncontrolling interest and all Altus Midstream capital.

- **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)
    - Consolidated operating cash flow impacts of Altus Midstream
  - Plus:
    - Cash dividends received from Altus Midstream

- 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 (Quarter to Date)

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.

($ in millions)

	For the Quarter Ended December 31, 2021				For the Quarter Ended December 31, 2020			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income including noncontrolling interests (GAAP)	$ 654	$ (169)	$ 485	$ 1.34	$ 70	$ (15)	$ 55	$ 0.15
Income attributable to noncontrolling interests	59	(45)	14	0.04	37	(12)	25	0.07
Income attributable to Altus preferred unit limited partner	89	-	89	0.25	20	-	20	0.05
Net income attributable to common stock - Basic	506	(124)	382	1.05	13	(3)	10	0.03
Effect of dilutive securities **	-	-	-	-	(26)	-	(26)	(0.07)
Net income (loss) attributable to common stock	506	(124)	382	1.05	(13)	(3)	(16)	(0.04)
Adjustments: *								
Asset and unproved leasehold impairments	195	(36)	159	0.44	24	(5)	19	0.05
Noncontrolling interest impact on Altus impairments	(33)	7	(26)	(0.07)	-	-	-	-
Noncontrolling interest & tax barrel impact on Egypt adjustments	(10)	-	(10)	(0.03)	(1)	-	(1)	-
Valuation allowance and other tax adjustments	-	(42)	(42)	(0.12)	-	(7)	(7)	(0.01)
Gain on extinguishment of debt	-	-	-	-	(8)	2	(6)	(0.02)
Unrealized derivative instrument gain and related Altus Preferred impacts	(20)	16	(4)	(0.01)	(47)	10	(37)	(0.10)
Effect of dilutive securities **	-	-	-	-	26	-	26	0.07
Transaction, reorganization & separation costs	14	(4)	10	0.03	10	(2)	8	0.02
Gain on divestitures, net	(2)	1	(1)	-	(8)	1	(7)	(0.02)
Drilling contract termination charges and other	-	-	-	-	1	-	1	-
Adjusted earnings (Non-GAAP)	$ 650	$ (182)	$ 468	$ 1.29	$ (16)	$ (4)	$ (20)	$ (0.05)

***The income tax effect of the reconciling items are calculated based on the statutory rate of the jurisdiction in which the discrete item resides.**
****The assumed conversion of Altus' Preferred Unit limited partner is primarily associated with unrealized gains on the Preferred Unit embedded derivative. These amounts are antidilutive for the fourth quarter 2021.**

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Non – GAAP Reconciliation

Adjusted Earnings (Year to Date)

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.

($ in millions)

	For the Year Ended December 31, 2021				For the Year Ended December 31, 2020			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income (loss) including noncontrolling interests (GAAP)	$ 1,891	$ (578)	$ 1,313	$ 3.50	$ (4,840)	$ (64)	$ (4,904)	$ (12.98)
Income (loss) attributable to noncontrolling interests	336	(158)	178	0.48	(83)	(37)	(120)	(0.32)
Income attributable to Altus preferred unit limited partner	162	-	162	0.43	76	-	76	0.20
Net income (loss) attributable to common stock - Basic	1,393	(420)	973	2.59	(4,833)	(27)	(4,860)	(12.86)
Effect of dilutive securities **	-	-	-	-	-	-	-	-
Net income (loss) attributable to common stock	1,393	(420)	973	2.59	(4,833)	(27)	(4,860)	(12.86)
Adjustments: *								
Asset and unproved leasehold impairments	239	(47)	192	0.51	4,602	(856)	3,746	9.90
Noncontrolling interest impact on Altus impairments	(33)	7	(26)	(0.07)	-	-	-	-
Noncontrolling interest & tax barrel impact on Egypt adjustments	(12)	-	(12)	(0.03)	(172)	(7)	(179)	(0.47)
Valuation allowance and other tax adjustments	-	(85)	(85)	(0.22)	-	925	925	2.45
(Gain)/loss on extinguishment of debt	104	(22)	82	0.22	(160)	34	(126)	(0.33)
Unrealized derivative instrument (gain)/loss and related Altus Preferred impacts	13	12	25	0.07	79	(16)	63	0.17
Loss on previously sold Gulf of Mexico properties	446	(94)	352	0.93	-	-	-	-
Transaction, reorganization & separation costs	22	(7)	15	0.05	54	(12)	42	0.11
Gain on divestitures, net	(67)	14	(53)	(0.14)	(32)	9	(23)	(0.06)
Drilling contract termination charges and other	(1)	-	(1)	(0.01)	7	(2)	5	0.01
Adjusted Earnings (Non-GAAP)	$ 2,104	$ (642)	$ 1,462	$ 3.90	$ (455)	$ 48	$ (407)	$ (1.08)

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

****The assumed conversion of Altus' Preferred Unit limited partner is primarily associated with unrealized gains on the Preferred Unit embedded derivative. These amounts are antidilutive for the year ended 2021 and 2020.**

APA Corporation

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			For the Year Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net cash provided by operating activities	$ 1,085	$ 771	$ 498	$ 3,496	$ 1,388
Adjustments:					
Exploration expense other than dry hole expense and unproved leasehold impairments	16	13	14	58	63
Current income tax provision	189	183	56	652	176
Other adjustments to reconcile net income (loss) to net cash provided by operating activities	(34)	(8)	(57)	(28)	(102)
Changes in operating assets and liabilities	(95)	95	2	(37)	186
Financing costs, net	92	100	107	410	427
Transaction, reorganization & separation costs	14	4	10	22	54
Adjusted EBITDAX (Non-GAAP)	$ 1,267	$ 1,158	$ 630	$ 4,573	$ 2,192

APA Corporation

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 December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020
Net cash provided by operating activities	$ 1,085	$ 498	$ 3,496	$ 1,388
Changes in operating assets and liabilities	(95)	2	(37)	186
Cash flows from operations before changes in operating assets and liabilities	$ 990	$ 500	$ 3,459	$ 1,574
Adjustments to free cash flow:				
Altus Midstream cash flows from operations before changes in operating assets and liabilities	(63)	(38)	(211)	(160)
Upstream capital investment including noncontrolling interest - Egypt	(385)	(220)	(1,221)	(1,141)
Distributions to Sinopec noncontrolling interest	(76)	(30)	(279)	(91)
Upstream free cash flow	$ 466	$ 212	$ 1,748	$ 182
Cash dividends received from Altus Midstream	19	-	75	-
Free cash flow	$ 485	$ 212	$ 1,823	$ 182

APA Corporation

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. The Company 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 December 31, 2021			
	North Sea	Egypt	U.S. and Other	Consolidated
		($ in millions)		
Net cash provided by operating activities	$ 105	$ 315	$ 665	$ 1,085
Changes in operating assets and liabilities	42	13	(150)	(95)
Cash flows from operations before changes in operating assets and liabilities	$ 147	$ 328	$ 515	$ 990

	For the Year Ended December 31, 2021			
	North Sea	Egypt	U.S. and Other	Consolidated
		($ in millions)		
Net cash provided by operating activities	$ 432	$ 1,247	$ 1,817	$ 3,496
Changes in operating assets and liabilities	86	(97)	(26)	(37)
Cash flows from operations before changes in operating assets and liabilities	$ 518	$ 1,150	$ 1,791	$ 3,459

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 the Company or any of its other subsidiaries.

($ in millions)

	December 31, 2021			December 31, 2020		
	APA Upstream	Altus Midstream	APA Consolidated	APA Upstream	Altus Midstream	APA Consolidated
Current debt - Apache	$ 215	$ -	$ 215	$ 2	$ -	$ 2
Long-term debt - Apache	6,638	-	6,638	8,146	-	8,146
Long-term debt - Altus	-	657	657	-	624	624
Total debt	6,853	657	7,510	8,148	624	8,772
Cash and cash equivalents	170	132	302	238	24	262
Net debt	$ 6,683	$ 525	$ 7,208	$ 7,910	$ 600	$ 8,510

APA Corporation

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 the Company'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 the Company's cash expenditures related to upstream capital activity and is consistent with how we plan our capital budget.

($ in millions)

	For the Quarter Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020
Costs incurred in oil and gas property:				
Acquisitions including Egypt modernization impacts				
Proved	$ (160)	$ -	$ (157)	$ 7
Unproved	23	1	29	4
Exploration and development	529	256	1,387	1,200
Total Costs incurred in oil and gas property	$ 392	$ 257	$ 1,259	$ 1,211
Reconciliation of Costs incurred to Upstream capital investment:				
Total Costs incurred in oil and gas property	$ 392	$ 257	$ 1,259	$ 1,211
Asset retirement obligations settled vs. incurred - oil and gas property	(133)	(22)	(116)	(5)
Egypt PSC modernization impact	145	-	145	-
Capitalized interest	(3)	(1)	(9)	(2)
Exploration seismic and administration costs	(16)	(14)	(58)	(63)
Upstream capital investment including noncontrolling interest - Egypt	$ 385	$ 220	$ 1,221	$ 1,141
Less noncontrolling interest - Egypt	(51)	(31)	(159)	(153)
Total Upstream capital investment	$ 334	$ 189	$ 1,062	$ 988

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