

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 21, 2024

APA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40144
(Commission
File Number)

86-1430562
(IRS Employer
Identification No.)

2000 Post Oak Boulevard, Suite 100
Houston, Texas 77056-4400
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (713) 296-6000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------------------|----------------------|--|
| Common Stock, \$0.625 par value | APA | Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The information in this Current Report on Form 8-K, including Exhibit 99.1 furnished herewith, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of Section 18, and shall not be incorporated by reference in any filing under the Securities Act or the Exchange Act, except as set forth by specific reference in such filing.

Item 2.02. Results of Operations and Financial Condition.

On February 21, 2024, APA Corporation issued a press release announcing financial and operating results for the fiscal quarter and year ended December 31, 2023. The full text of the press release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Press Release of APA Corporation dated February 21, 2024. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APA CORPORATION

Date: February 22, 2024

By: /s/ Rebecca A. Hoyt

Rebecca A. Hoyt

*Senior Vice President, Chief Accounting Officer, and
Controller*

(Principal Accounting Officer)



NEWS RELEASE

**APA Corporation Announces Fourth-Quarter and Full-Year 2023
Financial and Operational Results**

2023 Highlights

- *Delivered full-year net cash from operating activities of \$3.1 billion, adjusted EBITDAX of \$5.3 billion and \$965 million of free cash flow (FCF);*
- *Returned \$637 million to shareholders or 66% of FCF;*
- *Increased total company oil production by 8% year-over-year;*
- *U.S. oil increased 12% from fourth-quarter 2022 to fourth-quarter 2023, driven by strong Permian Basin execution and well performance;*
- *Achieved primary emissions goal of converting more than 2,000 pneumatic devices to instrument air or through-valve retrofit in the U.S.;*
- *Identified an estimated 700 million barrels of recoverable oil resource at Sapakara and Krabdagu on Block 58 offshore Suriname; initiated FEED study and progressing toward 2024 FID; and*
- *Expanded exploration portfolio through the addition of onshore leases in Alaska and two offshore blocks in Uruguay.*

2024 Outlook

- *Planning upstream capital budget of \$1.9 to \$2.0 billion;*
- *Investing to sustain production on a year-over-year basis;*
- *Forecasting strong U.S. oil growth in 2024, approximately 8% year-over-year and more than 10% from fourth-quarter 2023 to fourth-quarter 2024;*
- *Pending acquisition of Callon Petroleum Company adds scale to APA's existing Delaware Basin assets and is expected to be accretive to key financial metrics; and*
- *Committing to return at least 60% of FCF to shareholders.*

HOUSTON, Feb. 21, 2024 – APA Corporation (Nasdaq: APA) today announced its financial and operational results for the fourth-quarter and full-year 2023. During the fourth-quarter 2023, APA reported net income attributable to common stock of \$1.8 billion, or \$5.78 per share on a fully diluted basis. When adjusted for certain items that impact the comparability of results, APA's fourth-quarter earnings totaled \$352 million or \$1.15 on a diluted share basis.

Reported fourth-quarter production was 414,000 BOE per day; adjusted production, which excludes Egypt noncontrolling interest and tax barrels, was 341,000 BOE per day. Net cash provided by operating activities in the fourth quarter was \$1.0 billion, and adjusted EBITDAX was \$1.4 billion.

For the full-year 2023, APA reported net income of \$2.9 billion, or \$9.25 per diluted common share. On an adjusted basis, APA's 2023 earnings totaled \$1.4 billion or \$4.53 per diluted common share.

FINANCIAL AND OPERATIONAL RESULTS — PAGE 2 of 5

Reported full-year production was 405,000 BOE per day; adjusted production was 331,000 BOE per day. Net cash provided by operating activities was \$3.1 billion, and adjusted EBITDAX was \$5.3 billion.

During the year, APA generated \$965 million of FCF, repurchased \$329 million of common stock and paid \$308 million in dividends. APA ended the year with net debt at \$5.1 billion, down slightly from the end of 2022.

“The continuation of our exceptional well performance and execution in the Permian Basin drove APA’s strong results in 2023,” said John J. Christmann IV, APA’s chief executive officer. “We generated nearly \$1 billion in free cash flow and returned 66% to shareholders. On the exploration front, our successful appraisal program in Suriname identified an estimated recoverable oil resource of 700 million barrels for Sapakara and Krabdagu, and we added onshore acreage in Alaska and two offshore blocks in Uruguay, which expands and diversifies our exploration portfolio.

“To build scale in the Delaware Basin and to further leverage our integrated unconventional expertise, in January, we announced the acquisition of Callon Petroleum Company. Following closing, we are confident in our ability to create substantial shareholder value through our proven workflows and Permian operating model. This will drive enhanced operational performance and capital productivity in addition to planned cost synergies.”

2024 Capital Budget and Outlook

In 2024, APA plans to invest \$1.9 to \$2.0 billion in upstream oil and gas capital. This investment level reflects the company’s strategy of moderating activity levels during periods of lower commodity prices. APA will invest for the long term by directing \$100 million of the upstream budget toward exploration activities predominantly in Alaska and \$50 million toward progressing a large scale FPSO project in Suriname.

“Given the potential for lower year-over-year commodity prices, we will prudently manage costs and high-grade capital to our most strategic opportunities,” concluded Christmann.

Total company adjusted oil and natural gas production is expected to be relatively flat year-over-year while NGL volumes are anticipated to be lower as the current strip prices would lead to ethane rejection in the U.S. for most of the year.

Year-End 2023 Proved Reserves

Worldwide estimated proved reserves totaled 807 million BOE at year-end 2023, 91% of which were classified as proved developed.

Conference Call

APA will host a conference call to discuss its fourth-quarter and full-year 2023 results at 10 a.m. Central time, Thursday, Feb. 22. The conference call will be webcast from APA's website at www.apacorp.com and investor.apacorp.com. Following the conference call, a replay will be available for one year on the "Investors" page of the company's website.

About APA

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. APA posts announcements, operational updates, investor information and press releases on its website, www.apacorp.com.

Additional Information

Additional information follows, including reconciliations of adjusted earnings, adjusted EBITDAX, upstream capital investment, net debt, cash flows from operations before changes in operating assets and liabilities and free cash flow (non-GAAP financial measures) to GAAP measures and information regarding adjusted production. APA's quarterly supplement is available at <http://www.apacorp.com/financialdata>.

Non-GAAP Financial Measures

APA's financial information includes information prepared in conformity with generally accepted accounting principles (GAAP) as well as non-GAAP financial information. It is management's intent to provide non-GAAP financial information to enhance understanding of our consolidated financial information as prepared in accordance with GAAP. Adjusted earnings, adjusted EBITDAX, upstream capital investment, net debt, cash flows from operations before changes in operating assets and liabilities and free cash flow are non-GAAP measures. This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “continues,” “could,” “estimates,” “expects,” “goals,” “guidance,” “may,” “might,” “outlook,” “possibly,” “potential,” “projects,” “prospects,” “should,” “will,” “would,” and similar references to future periods, but the absence of these words does not mean that a statement is not forward-looking. These statements include, but are not limited to, statements about future plans, expectations, and objectives for operations, including statements about our capital plans, drilling plans, production expectations, asset sales, and monetizations. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. See “Risk Factors” in APA’s Form 10-K for the year ended December 31, 2022, and in our quarterly reports on Form 10-Q, and in APA’s Form 10-K for the year ended December 31, 2023 when filed, for a discussion of risk factors that affect our business. Any forward-looking statement made in this news release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. APA and its subsidiaries undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future development or otherwise, except as may be required by law.

Cautionary Note to Investors

The United States Securities and Exchange Commission 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. APA may use certain terms in this news release, such as “resources,” “potential resources,” “resource potential,” “estimated net reserves,” “recoverable reserves,” and other similar terms that the SEC guidelines strictly prohibit APA from including in filings with the SEC. Such terms do not take into account the certainty of resource

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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 Corporation's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2022 (and APA's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2023, when filed) available from APA at www.apacorp.com or by writing APA at: 2000 Post Oak Blvd., Suite 100, Houston, TX 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.

Contacts

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Media: (713) 296-7276 Alexandra Franceschi

Website: www.apacorp.com

Click [here](#) for the full release with quarterly financial statements.

APA CORPORATION
STATEMENT OF CONSOLIDATED OPERATIONS
(Unaudited)

(In millions, except per share data)

| | For the Quarter Ended | | For the Year Ended | |
|--|-----------------------|----------------|--------------------|-----------------|
| | December 31, | | December 31, | |
| | 2023 | 2022 | 2023 | 2022 |
| REVENUES AND OTHER: | | | | |
| Oil, natural gas, and natural gas liquids production revenues | | | | |
| Oil revenues | \$ 1,530 | \$ 1,583 | \$ 5,997 | \$ 6,835 |
| Natural gas revenues | 222 | 328 | 880 | 1,569 |
| Natural gas liquids revenues | 133 | 162 | 508 | 816 |
| | 1,885 | 2,073 | 7,385 | 9,220 |
| Purchased oil and gas sales | 282 | 399 | 894 | 1,855 |
| Total revenues | 2,167 | 2,472 | 8,279 | 11,075 |
| Derivative instrument gain (loss), net | (5) | 24 | 99 | (114) |
| Gain on divestitures, net | 1 | — | 8 | 1,180 |
| Loss on previously sold Gulf of Mexico properties | (212) | (157) | (212) | (157) |
| Other, net | (59) | 41 | 18 | 148 |
| | 1,892 | 2,380 | 8,192 | 12,132 |
| OPERATING EXPENSES: | | | | |
| Lease operating expenses | 360 | 377 | 1,436 | 1,444 |
| Gathering, processing, and transmission | 89 | 93 | 334 | 367 |
| Purchased oil and gas costs | 184 | 324 | 742 | 1,776 |
| Taxes other than income | 44 | 38 | 207 | 268 |
| Exploration | 51 | 112 | 195 | 305 |
| General and administrative | 75 | 169 | 351 | 483 |
| Transaction, reorganization, and separation | 4 | 5 | 15 | 26 |
| Depreciation, depletion, and amortization: | | | | |
| Oil and gas property and equipment | 414 | 339 | 1,500 | 1,186 |
| Other assets | 9 | 15 | 40 | 47 |
| Asset retirement obligation accretion | 30 | 30 | 116 | 117 |
| Impairments | 15 | — | 61 | — |
| Financing costs, net | 77 | 76 | 312 | 379 |
| | 1,352 | 1,578 | 5,309 | 6,398 |
| NET INCOME BEFORE INCOME TAXES | 540 | 802 | 2,883 | 5,734 |
| Current income tax provision | 316 | 343 | 1,338 | 1,507 |
| Deferred income tax provision (benefit) | (1,640) | (80) | (1,662) | 145 |
| NET INCOME INCLUDING NONCONTROLLING INTERESTS | 1,864 | 539 | 3,207 | 4,082 |
| Net income attributable to noncontrolling interest - Egypt | 91 | 96 | 352 | 464 |
| Net income attributable to noncontrolling interest - Altus | — | — | — | 14 |
| Net loss attributable to Altus Preferred Unit limited partners | — | — | — | (70) |
| NET INCOME ATTRIBUTABLE TO COMMON STOCK | \$ 1,773 | \$ 443 | \$ 2,855 | \$ 3,674 |
| NET INCOME PER COMMON SHARE: | | | | |
| Basic | \$ 5.79 | \$ 1.38 | \$ 9.26 | \$ 11.05 |
| Diluted | \$ 5.78 | \$ 1.38 | \$ 9.25 | \$ 11.02 |
| WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING: | | | | |
| Basic | 306 | 321 | 308 | 332 |
| Diluted | 307 | 322 | 309 | 333 |
| DIVIDENDS DECLARED PER COMMON SHARE | \$ 0.25 | \$ 0.25 | \$ 1.00 | 0.75 |

APA CORPORATION
PRODUCTION INFORMATION

| | For the Quarter Ended | | | % Change | | For the Year Ended | |
|--|-----------------------|-----------------------|----------------------|-----------------|-----------------|----------------------|----------------------|
| | December 31, 2023 | September 30, 2023 | December 31, 2022 | 4Q23 to 3Q23 | 4Q23 to 4Q22 | December 31, 2023 | December 31, 2022 |
| OIL VOLUME - Barrels per day | | | | | | | |
| United States | 83,909 | 83,584 | 74,767 | 0% | 12% | 78,889 | 70,398 |
| Egypt (1, 2) | 92,365 | 88,521 | 88,715 | 4% | 4% | 89,129 | 85,081 |
| North Sea | 30,748 | 35,680 | 37,473 | -14% | -18% | 34,728 | 32,578 |
| International (1) | 123,113 | 124,201 | 126,188 | -1% | -2% | 123,857 | 117,659 |
| Total (1) | 207,022 | 207,785 | 200,955 | 0% | 3% | 202,746 | 188,057 |
| NATURAL GAS VOLUME - Mcf per day | | | | | | | |
| United States | 462,498 | 454,643 | 468,888 | 2% | -1% | 452,281 | 473,292 |
| Egypt (1, 2) | 309,814 | 300,326 | 373,911 | 3% | -17% | 325,778 | 356,327 |
| North Sea | 58,054 | 65,168 | 41,370 | -11% | 40% | 50,284 | 35,327 |
| International (1) | 367,868 | 365,494 | 415,281 | 1% | -11% | 376,062 | 391,654 |
| Total (1) | 830,366 | 820,137 | 884,169 | 1% | -6% | 828,343 | 864,946 |
| NGL VOLUME - Barrels per day | | | | | | | |
| United States | 67,679 | 66,280 | 64,915 | 2% | 4% | 62,997 | 62,727 |
| Egypt (1, 2) | — | — | — | — | — | — | 196 |
| North Sea | 1,335 | 1,497 | 1,203 | -11% | 11% | 1,240 | 1,111 |
| International (1) | 1,335 | 1,497 | 1,203 | -11% | 11% | 1,240 | 1,307 |
| Total (1) | 69,014 | 67,777 | 66,118 | 2% | 4% | 64,237 | 64,034 |
| BOE per day | | | | | | | |
| United States | 228,671 | 225,639 | 217,830 | 1% | 5% | 217,266 | 212,007 |
| Egypt (1, 2) | 144,001 | 138,575 | 151,034 | 4% | -5% | 143,425 | 144,665 |
| North Sea | 41,758 | 48,038 | 45,571 | -13% | -8% | 44,349 | 39,577 |
| International (1) | 185,759 | 186,613 | 196,605 | 0% | -6% | 187,774 | 184,242 |
| Total (1) | 414,430 | 412,252 | 414,435 | 1% | 0% | 405,040 | 396,249 |
| Total excluding noncontrolling interests | 366,352 | 366,051 | 365,279 | 0% | 0% | 357,184 | 348,305 |
| (1) Includes net production volumes attributed to our noncontrolling partner in Egypt below: | | | | | | | |
| Oil (b/d) | 30,837 | 29,514 | 28,881 | | | 29,739 | 28,200 |
| Gas (Mcf/d) | 103,443 | 100,122 | 121,650 | | | 108,703 | 118,074 |
| NGL (b/d) | — | — | — | | | — | 65 |
| BOE per day | 48,078 | 46,201 | 49,156 | 4% | -2% | 47,856 | 47,944 |
| (2) Egypt Gross Production | | | | | | | |
| Oil (b/d) | 141,953 | 144,528 | 139,587 | | | 141,985 | 137,260 |
| Gas (Mcf/d) | 466,403 | 472,744 | 559,401 | | | 500,080 | 555,562 |
| NGL (b/d) | — | — | 0 | | | — | 297 |
| BOE per day | 219,687 | 223,319 | 232,821 | -2% | -6% | 225,332 | 230,151 |

APA CORPORATION
ADJUSTED PRODUCTION INFORMATION

Adjusted production excludes certain items that management believes affect the comparability of operating results for the periods presented. Adjusted production excludes production attributable to 1) noncontrolling interest in Egypt and 2) Egypt tax barrels. Management uses adjusted production to evaluate the company's operational trends and performance and believes it is useful to investors and other third parties.

| | For the Quarter Ended | | | % Change | | For the Year Ended | |
|---|-----------------------|-----------------------|----------------------|-----------------|-----------------|----------------------|----------------------|
| | December 31, 2023 | September 30, 2023 | December 31, 2022 | 4Q23 to 3Q23 | 4Q23 to 4Q22 | December 31, 2023 | December 31, 2022 |
| OIL VOLUME - Barrels per day | | | | | | | |
| United States | 83,909 | 83,584 | 74,767 | 0% | 12% | 78,889 | 70,398 |
| Egypt | 45,204 | 42,535 | 41,719 | 6% | 8% | 43,349 | 39,010 |
| North Sea | 30,748 | 35,680 | 37,473 | -14% | -18% | 34,728 | 32,578 |
| International | 75,952 | 78,215 | 79,192 | -3% | -4% | 78,077 | 71,588 |
| Total | <u>159,861</u> | <u>161,799</u> | <u>153,959</u> | -1% | 4% | <u>156,966</u> | <u>141,986</u> |
| NATURAL GAS VOLUME - Mcf per day | | | | | | | |
| United States | 462,498 | 454,643 | 468,888 | 2% | -1% | 452,281 | 473,292 |
| Egypt | 150,212 | 143,211 | 175,184 | 5% | -14% | 157,269 | 162,783 |
| North Sea | 58,054 | 65,168 | 41,370 | -11% | 40% | 50,284 | 35,327 |
| International | 208,266 | 208,379 | 216,554 | 0% | -4% | 207,553 | 198,110 |
| Total | <u>670,764</u> | <u>663,022</u> | <u>685,442</u> | 1% | -2% | <u>659,834</u> | <u>671,402</u> |
| NGL VOLUME - Barrels per day | | | | | | | |
| United States | 67,679 | 66,280 | 64,915 | 2% | 4% | 62,997 | 62,727 |
| Egypt | — | — | — | — | — | — | 89 |
| North Sea | 1,335 | 1,497 | 1,203 | -11% | 11% | 1,240 | 1,111 |
| International | 1,335 | 1,497 | 1,203 | -11% | 11% | 1,240 | 1,200 |
| Total | <u>69,014</u> | <u>67,777</u> | <u>66,118</u> | 2% | 4% | <u>64,237</u> | <u>63,927</u> |
| BOE per day | | | | | | | |
| United States | 228,671 | 225,639 | 217,830 | 1% | 5% | 217,266 | 212,007 |
| Egypt | 70,239 | 66,403 | 70,917 | 6% | -1% | 69,561 | 66,229 |
| North Sea | 41,758 | 48,038 | 45,571 | -13% | -8% | 44,349 | 39,577 |
| International | 111,997 | 114,441 | 116,488 | -2% | -4% | 113,910 | 105,806 |
| Total | <u>340,668</u> | <u>340,080</u> | <u>334,318</u> | 0% | 2% | <u>331,176</u> | <u>317,813</u> |

APA CORPORATION
PRICE INFORMATION

| | For the Quarter Ended | | | For the Year Ended | |
|--|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2023 | September 30, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| AVERAGE OIL PRICE PER BARREL | | | | | |
| United States | \$ 79.04 | \$ 82.33 | \$ 83.70 | \$ 77.84 | \$ 95.68 |
| Egypt | 83.67 | 88.99 | 87.41 | 82.47 | 101.25 |
| North Sea | 80.70 | 87.70 | 88.24 | 82.75 | 100.87 |
| International | 82.98 | 88.57 | 87.65 | 82.55 | 101.14 |
| Total | 81.36 | 86.15 | 86.17 | 80.72 | 99.11 |
| AVERAGE NATURAL GAS PRICE PER MCF | | | | | |
| United States | \$ 1.62 | \$ 2.12 | \$ 3.57 | \$ 1.80 | \$ 5.31 |
| Egypt | 2.89 | 2.91 | 2.92 | 2.91 | 2.85 |
| North Sea | 13.46 | 10.98 | 20.45 | 13.02 | 23.36 |
| International | 4.56 | 4.36 | 4.57 | 4.25 | 4.58 |
| Total | 2.92 | 3.12 | 4.04 | 2.91 | 4.98 |
| AVERAGE NGL PRICE PER BARREL | | | | | |
| United States | \$ 19.82 | \$ 21.87 | \$ 25.06 | \$ 20.85 | \$ 33.41 |
| Egypt | — | — | — | — | 76.80 |
| North Sea | 48.16 | 42.78 | 55.86 | 47.77 | 67.07 |
| International | 48.16 | 42.78 | 55.86 | 47.77 | 67.99 |
| Total | 20.70 | 22.26 | 26.22 | 21.54 | 34.51 |

APA CORPORATION
SUPPLEMENTAL FINANCIAL INFORMATION
(Unaudited)
(In millions)

SUMMARY EXPLORATION EXPENSE INFORMATION

| | For the Quarter Ended December 31, | | For the Year Ended December 31, | |
|------------------------------------|---------------------------------------|---------------|------------------------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Unproved leasehold impairments | \$ 2 | \$ 2 | \$ 22 | \$ 24 |
| Dry hole expense | 21 | 76 | 92 | 183 |
| Geological and geophysical expense | 16 | 4 | 19 | 23 |
| Exploration overhead and other | 12 | 30 | 62 | 75 |
| | <u>\$ 51</u> | <u>\$ 112</u> | <u>\$ 195</u> | <u>\$ 305</u> |

SUMMARY CASH FLOW INFORMATION

| | For the Quarter Ended December 31, | | For the Year Ended December 31, | |
|--|---------------------------------------|-----------------|------------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net cash provided by operating activities | <u>\$ 1,030</u> | <u>\$ 1,413</u> | <u>\$ 3,129</u> | <u>\$ 4,943</u> |
| Additions to upstream oil and gas property | (575) | (609) | (2,333) | (1,807) |
| Acquisition of Delaware Basin properties | — | (28) | (24) | (591) |
| Proceeds from asset divestitures | — | — | 29 | 778 |
| Proceeds from sale of Kinetik shares | 228 | — | 228 | 224 |
| Deconsolidation of Altus cash and cash equivalents | — | — | — | (143) |
| Other, net | (9) | 20 | (38) | 28 |
| Net cash used in investing activities | <u>\$ (356)</u> | <u>\$ (617)</u> | <u>\$ (2,138)</u> | <u>\$ (1,511)</u> |
| Proceeds from (payments on) revolving credit facilities, net | (396) | 46 | (194) | 24 |
| Payments on Apache fixed-rate debt | — | (123) | (65) | (1,493) |
| Distributions to noncontrolling interest - Egypt | (84) | (125) | (238) | (362) |
| Treasury stock activity, net | (121) | (539) | (329) | (1,423) |
| Dividends paid to APA common stockholders | (76) | (80) | (308) | (207) |
| Other, net | (5) | 2 | (15) | (28) |
| Net cash used in financing activities | <u>\$ (682)</u> | <u>\$ (819)</u> | <u>\$ (1,149)</u> | <u>\$ (3,489)</u> |

SUMMARY BALANCE SHEET INFORMATION

| | December 31, 2023 | December 31, 2022 |
|--|----------------------|----------------------|
| Cash and cash equivalents | \$ 87 | \$ 245 |
| Other current assets | 2,375 | 2,463 |
| Property and equipment, net | 10,038 | 9,012 |
| Decommissioning security for sold Gulf of Mexico properties | 21 | 217 |
| Other assets | 2,723 | 1,210 |
| Total assets | <u>\$ 15,244</u> | <u>\$ 13,147</u> |
| Current debt | \$ 2 | \$ 2 |
| Current liabilities | 2,402 | 2,914 |
| Long-term debt | 5,186 | 5,451 |
| Decommissioning contingency for sold Gulf of Mexico properties | 764 | 738 |
| Deferred credits and other noncurrent liabilities | 3,199 | 2,697 |
| APA shareholders' equity | 2,655 | 423 |
| Noncontrolling interest - Egypt | 1,036 | 922 |
| Total Liabilities and equity | <u>\$ 15,244</u> | <u>\$ 13,147</u> |
| Common shares outstanding at end of period | 304 | 312 |

APA CORPORATION
NON-GAAP FINANCIAL MEASURES
(In millions, except per share data)

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.

| | <u>For the Quarter Ended</u> <u>December 31,</u> | | <u>For the Year Ended</u> <u>December 31,</u> | |
|--|---|---------------|--|----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Costs incurred in oil and gas property: | | | | |
| Asset and leasehold acquisitions | | | | |
| Proved | \$ 1 | \$ 16 | \$ 5 | \$ 599 |
| Unproved | 9 | 15 | 20 | 66 |
| Exploration and development | 969 | 441 | 2,694 | 1,904 |
| Total Costs incurred in oil and gas property | <u>\$ 979</u> | <u>\$ 472</u> | <u>\$2,719</u> | <u>\$2,569</u> |
| Reconciliation of Costs incurred to Upstream capital investment: | | | | |
| Total Costs incurred in oil and gas property | \$ 979 | \$ 472 | \$2,719 | \$2,569 |
| Property acquisitions | — | (24) | (1) | (625) |
| Asset retirement obligations settled vs. incurred - oil and gas property | (347) | 150 | (327) | 174 |
| Capitalized interest | (6) | (5) | (24) | (18) |
| Exploration seismic and administration costs | (28) | (34) | (81) | (98) |
| Upstream capital investment including noncontrolling interest - Egypt | <u>\$ 598</u> | <u>\$ 559</u> | <u>\$2,286</u> | <u>\$2,002</u> |
| Less noncontrolling interest - Egypt | (78) | (73) | (281) | (235) |
| Total Upstream capital investment | <u>\$ 520</u> | <u>\$ 486</u> | <u>\$2,005</u> | <u>\$1,767</u> |

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.

| | <u>For the Quarter Ended</u> <u>December 31,</u> | | <u>For the Year Ended</u> <u>December 31,</u> | |
|---|---|-----------------|--|-----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Net cash provided by operating activities | \$ 1,030 | \$ 1,413 | \$ 3,129 | \$ 4,943 |
| Changes in operating assets and liabilities | (23) | (369) | 417 | (121) |
| Cash flows from operations before changes in operating assets and liabilities | <u>\$ 1,007</u> | <u>\$ 1,044</u> | <u>\$ 3,546</u> | <u>\$ 4,822</u> |
| Adjustments to free cash flow: | | | | |
| Upstream capital investment including noncontrolling interest - Egypt | (598) | (559) | (2,286) | (2,002) |
| Non oil and gas capital investment | (33) | — | (57) | — |
| Distributions to Sinopec noncontrolling interest | (84) | (125) | (238) | (362) |
| Free cash flow | <u>\$ 292</u> | <u>\$ 360</u> | <u>\$ 965</u> | <u>\$ 2,458</u> |

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.

| | <u>For the Quarter Ended</u> | | <u>For the Year Ended</u> | |
|--|------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| | <u>December 31,</u> <u>2023</u> | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> | <u>December 31,</u> <u>2022</u> |
| Net cash provided by operating activities | \$ 1,030 | \$ 764 | \$ 1,413 | \$3,129 |
| Adjustments: | | | | |
| Exploration expense other than dry hole expense and unproved leasehold impairments | 28 | 22 | 34 | 81 |
| Current income tax provision | 316 | 422 | 343 | 1,338 |
| | | | | 1,507 |

| | | | | | |
|---|-----------------|-----------------|-----------------|----------------|-----------------|
| Other adjustments to reconcile net income (loss) to net cash provided | | | | | |
| by operating activities | (71) | (22) | (18) | (26) | 73 |
| Changes in operating assets and liabilities | (23) | 161 | (369) | 417 | (121) |
| Financing costs, net | 77 | 81 | 76 | 321 | 312 |
| Transaction, reorganization & separation costs | 4 | 5 | 5 | 15 | 26 |
| Adjusted EBITDAX (Non-GAAP) | <u>\$ 1,361</u> | <u>\$ 1,433</u> | <u>\$ 1,484</u> | <u>\$5,275</u> | <u>\$ 6,838</u> |

APA CORPORATION
NON-GAAP FINANCIAL MEASURES
(In millions)

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.

| | December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 |
|---------------------------|----------------------|-----------------------|------------------|-------------------|
| Current debt | \$ 2 | \$ 2 | \$ 2 | \$ 2 |
| Long-term debt | 5,186 | 5,582 | 5,574 | 5,796 |
| Total debt | 5,188 | 5,584 | 5,576 | 5,798 |
| Cash and cash equivalents | 87 | 95 | 142 | 154 |
| Net debt | <u>\$ 5,101</u> | <u>\$ 5,489</u> | <u>\$ 5,434</u> | <u>\$ 5,644</u> |

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 December 31, 2023 | | | | For the Quarter Ended December 31, 2022 | | | |
|--|--|-----------------|---------------|----------------|--|-----------------|---------------|----------------|
| | Before Tax | Tax Impact | After Tax | Diluted EPS | Before Tax | Tax Impact | After Tax | Diluted EPS |
| Net income including noncontrolling interests (GAAP) | \$ 540 | \$ 1,324 | \$ 1,864 | \$ 6.08 | \$ 802 | \$ (263) | \$ 539 | \$ 1.68 |
| Income attributable to noncontrolling interests | 163 | (72) | 91 | 0.30 | 170 | (74) | 96 | 0.30 |
| Net income attributable to common stock | 377 | 1,396 | 1,773 | 5.78 | 632 | (189) | 443 | 1.38 |
| Adjustments: * | | | | | | | | |
| Asset and unproved leasehold impairments | 17 | (4) | 13 | 0.04 | 2 | — | 2 | — |
| Noncontrolling interest & tax barrel impact on Egypt adjustments | — | — | — | — | — | — | — | — |
| Valuation allowance and other tax adjustments | — | (1,634) | (1,634) | (5.33) | — | (47) | (47) | (0.15) |
| Unrealized derivative instrument (gain) loss | 10 | (2) | 8 | 0.03 | (52) | 11 | (41) | (0.13) |
| Loss on previously sold Gulf of Mexico properties | 212 | (45) | 167 | 0.54 | 157 | (33) | 124 | 0.39 |
| Kinetik equity investment mark-to-market (gain) loss | 29 | (6) | 23 | 0.08 | (9) | 2 | (7) | (0.02) |
| Transaction, reorganization & separation costs | 4 | (2) | 2 | 0.01 | 5 | (2) | 3 | 0.01 |
| Gain on divestitures, net | (1) | 1 | — | — | — | — | — | — |
| Adjusted earnings (Non-GAAP) | <u>\$ 648</u> | <u>\$ (296)</u> | <u>\$ 352</u> | <u>\$ 1.15</u> | <u>\$ 735</u> | <u>\$ (258)</u> | <u>\$ 477</u> | <u>\$ 1.48</u> |

| | For the Year Ended December 31, 2023 | | | | For the Year Ended December 31, 2022 | | | |
|--|---|-------------------|-----------------|----------------|---|-------------------|-----------------|----------------|
| | Before Tax | Tax Impact | After Tax | Diluted EPS | Before Tax | Tax Impact | After Tax | Diluted EPS |
| Net income including noncontrolling interests (GAAP) | \$ 2,883 | \$ 324 | \$ 3,207 | \$ 10.39 | \$ 5,734 | \$ (1,652) | \$ 4,082 | \$ 12.24 |
| Income attributable to noncontrolling interests | 628 | (276) | 352 | 1.14 | 842 | (364) | 478 | 1.43 |
| Loss attributable to Altus preferred unit limited partner | — | — | — | — | (70) | — | (70) | (0.21) |
| Net income attributable to common stock | 2,255 | 600 | 2,855 | 9.25 | 4,962 | (1,288) | 3,674 | 11.02 |
| Adjustments: * | | | | | | | | |
| Asset and unproved leasehold impairments | 83 | (50) | 33 | 0.11 | 24 | (4) | 20 | 0.06 |
| Noncontrolling interest & tax barrel impact on Egypt adjustments | — | — | — | — | 1 | (2) | (1) | — |
| Valuation allowance and other tax adjustments ** | — | (1,627) | (1,627) | (5.27) | — | (226) | (226) | (0.68) |
| (Gain) / Loss on extinguishment of debt | (9) | 2 | (7) | (0.02) | 67 | (14) | 53 | 0.15 |
| Unrealized derivative instrument gain | (51) | 11 | (40) | (0.13) | (5) | (7) | (12) | (0.03) |
| Loss on previously sold Gulf of Mexico properties | 212 | (45) | 167 | 0.54 | 157 | (33) | 124 | 0.37 |
| Kinetik equity investment mark-to-market (gain) loss | 12 | (2) | 10 | 0.03 | (32) | 2 | (30) | (0.08) |
| Drilling contract termination charges | 13 | (10) | 3 | 0.01 | — | — | — | — |
| Transaction, reorganization & separation costs | 15 | (5) | 10 | 0.03 | 26 | (8) | 18 | 0.05 |
| Gain on divestitures, net | (8) | 2 | (6) | (0.02) | (1,180) | 125 | (1,055) | (3.17) |
| Adjusted Earnings (Non-GAAP) | <u>\$ 2,522</u> | <u>\$ (1,124)</u> | <u>\$ 1,398</u> | <u>\$ 4.53</u> | <u>\$ 4,020</u> | <u>\$ (1,455)</u> | <u>\$ 2,565</u> | <u>\$ 7.69</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.

APACHE CORPORATION
OIL & GAS RESERVES INFORMATION
For the Year Ended December 31, 2023

| OIL (Mbbbl) | <u>U.S.</u> | <u>Egypt⁽¹⁾</u> | <u>North Sea</u> | <u>Total⁽¹⁾</u> |
|-----------------------------------|------------------|----------------------------|------------------|----------------------------|
| Balance - Dec 31, 2022 | 199,947 | 116,607 | 85,453 | 402,007 |
| Extensions and Discoveries | 43,613 | 12,979 | 301 | 56,893 |
| Purchases | 20 | — | — | 20 |
| Revisions | (3,520) | 10,505 | (12,002) | (5,017) |
| Production | (28,795) | (32,532) | (12,676) | (74,003) |
| Sales | (775) | — | — | (775) |
| Balance - Dec 31, 2023 | <u>210,490</u> | <u>107,559</u> | <u>61,076</u> | <u>379,125</u> |
| NGL's (Mbbbl) | <u>U.S.</u> | <u>Egypt⁽¹⁾</u> | <u>North Sea</u> | <u>Total⁽¹⁾</u> |
| Balance - Dec 31, 2022 | 177,749 | — | 2,306 | 180,055 |
| Extensions and Discoveries | 25,711 | — | 371 | 26,082 |
| Purchases | 21 | — | — | 21 |
| Revisions | (8,568) | — | (764) | (9,332) |
| Production | (22,993) | — | (453) | (23,446) |
| Sales | (33) | — | — | (33) |
| Balance - Dec 31, 2023 | <u>171,887</u> | <u>—</u> | <u>1,460</u> | <u>173,347</u> |
| GAS (MMcf) | <u>U.S.</u> | <u>Egypt⁽¹⁾</u> | <u>North Sea</u> | <u>Total⁽¹⁾</u> |
| Balance - Dec 31, 2022 | 1,377,080 | 400,570 | 68,596 | 1,846,246 |
| Extensions and Discoveries | 158,118 | 14,188 | 3,335 | 175,641 |
| Purchases | 136 | — | — | 136 |
| Revisions | (266,664) | 83,907 | (6,739) | (189,496) |
| Production | (165,083) | (118,909) | (18,353) | (302,345) |
| Sales | (136) | — | — | (136) |
| Balance - Dec 31, 2023 | <u>1,103,451</u> | <u>379,756</u> | <u>46,839</u> | <u>1,530,046</u> |
| TOTAL BOE (Mboe) | <u>U.S.</u> | <u>Egypt⁽¹⁾</u> | <u>North Sea</u> | <u>Total⁽¹⁾</u> |
| Balance - Dec 31, 2022 | 607,209 | 183,368 | 99,192 | 889,769 |
| Extensions and Discoveries | 95,677 | 15,344 | 1,228 | 112,249 |
| Purchases | 64 | — | — | 64 |
| Revisions | (56,532) | 24,490 | (13,889) | (45,931) |
| Production | (79,302) | (52,350) | (16,188) | (147,840) |
| Sales | (831) | — | — | (831) |
| Balance - Dec 31, 2023 | <u>566,285</u> | <u>170,852</u> | <u>70,343</u> | <u>807,480</u> |
| Proved developed reserves: | | | | |
| Oil (Mbbls) | 179,542 | 102,305 | 61,076 | 342,923 |
| NGL's (Mbbls) | 153,486 | — | 1,460 | 154,946 |
| Gas (Mboe) | 167,326 | 62,857 | 7,807 | 237,990 |
| Balance - Dec 31, 2023 (Mboe) | <u>500,354</u> | <u>165,162</u> | <u>70,343</u> | <u>735,859</u> |

(1) Includes reserves attributable to noncontrolling interest in Egypt.