EnerCom The Oil & Gas Conference 2024

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AUGUST 19, 2024

APA Corporation

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APA Corporation owns consolidated subsidiaries that explore for and produce oil and natural gas in the United States, Egypt, and the United Kingdom and that explore for oil and natural gas offshore Suriname and elsewhere. APA posts announcements, operational updates, investor information and press releases on its website, www.apacorp.com.

Agenda

1. A Brief Look at Oil and Gas Fundamentals
2. Differentiated Upstream Portfolio
3. Unique Gas Marketing Business
4. Shareholder Returns & Capital Structure

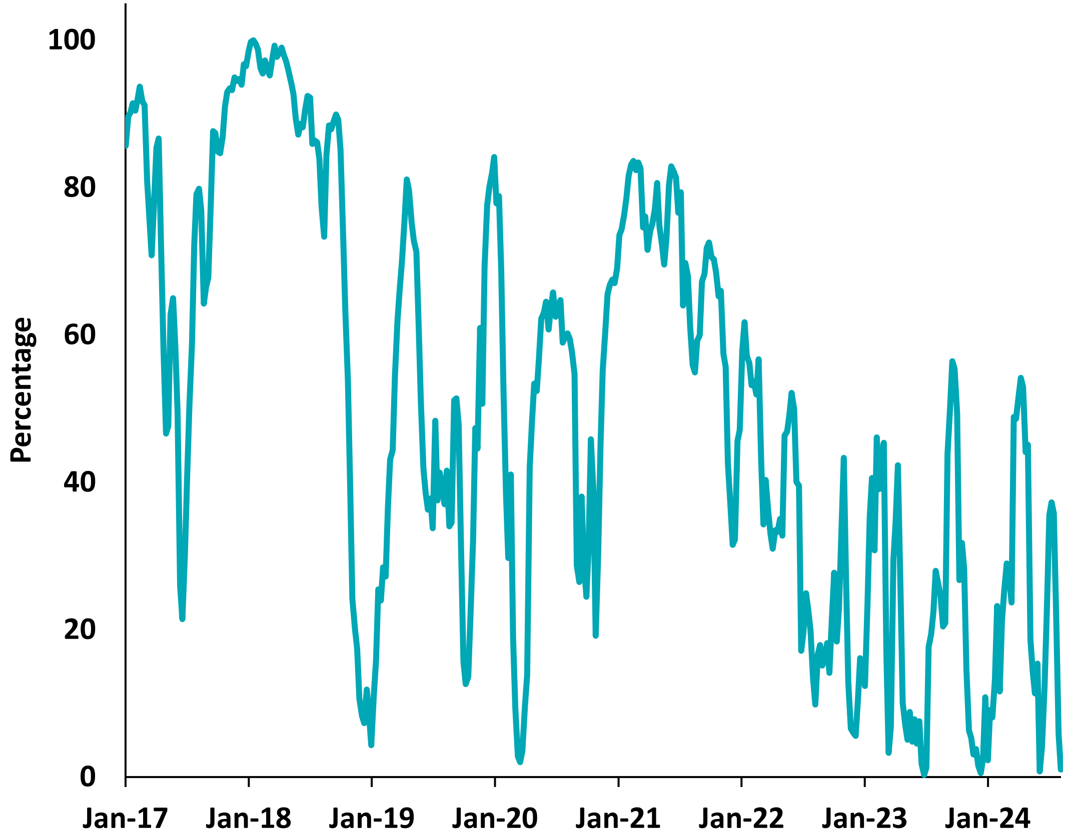
A Brief Look at Oil and Gas Fundamentals

Macro Positioning

Most Bearish Commodities Positioning in Decades

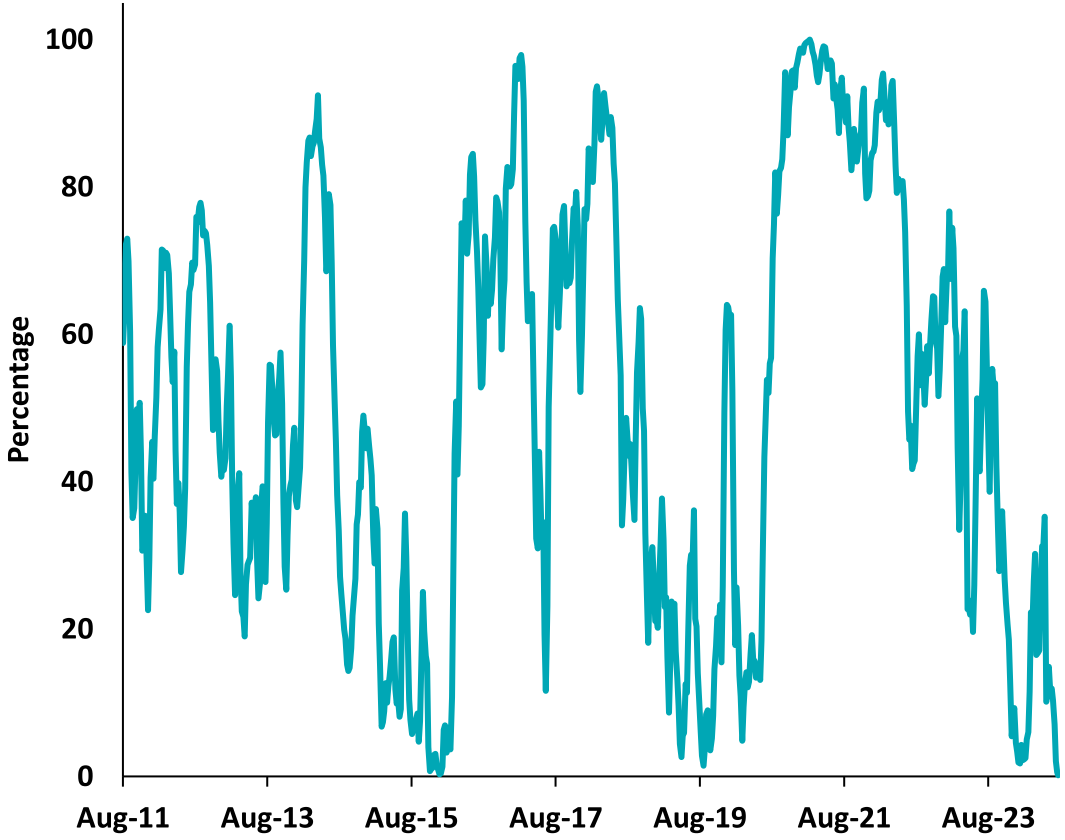
Despite Crudes Recent Rally, Investors Remain Skeptical

Speculative positioning near all-time lows



Bloomberg's Global Commodity Managed Money Index

Investment community shortest positioning since Covid



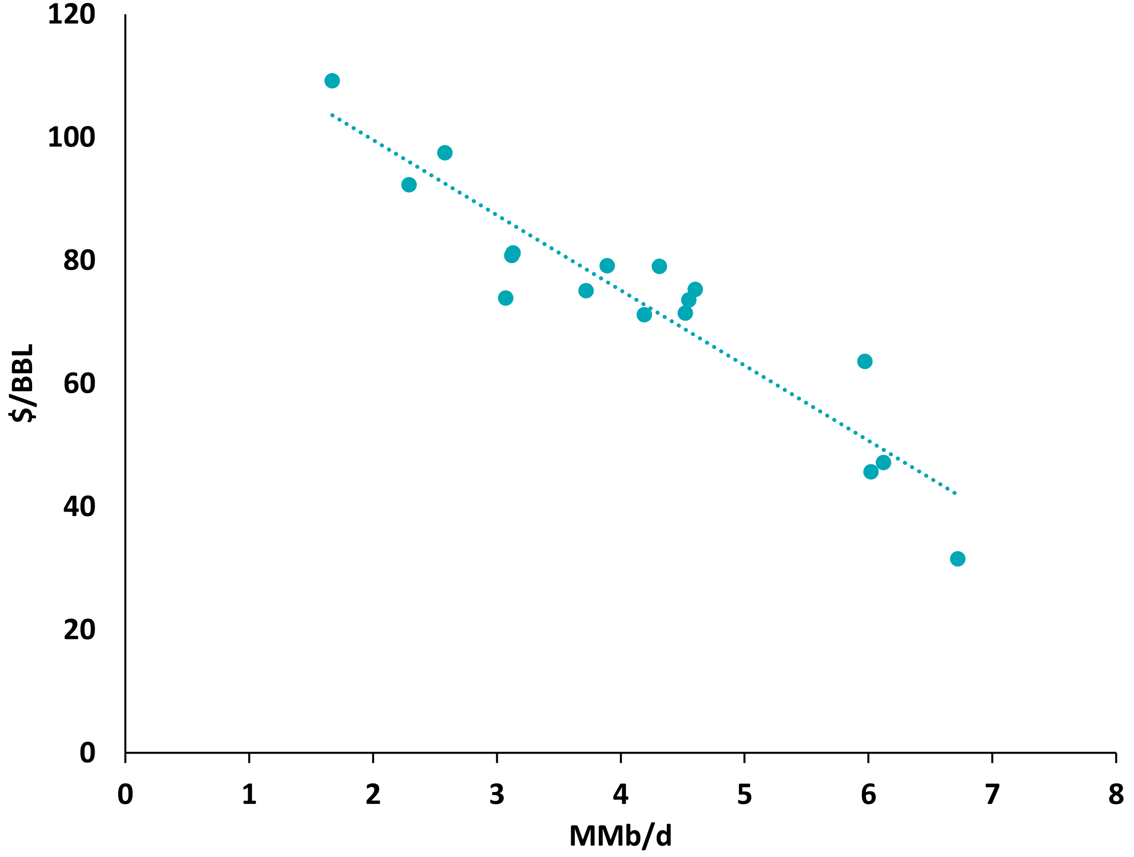
US Fed rate cuts should weaken USD; speculative positioning provides upside catalyst for crude prices

Sources: Bloomberg, CFTC

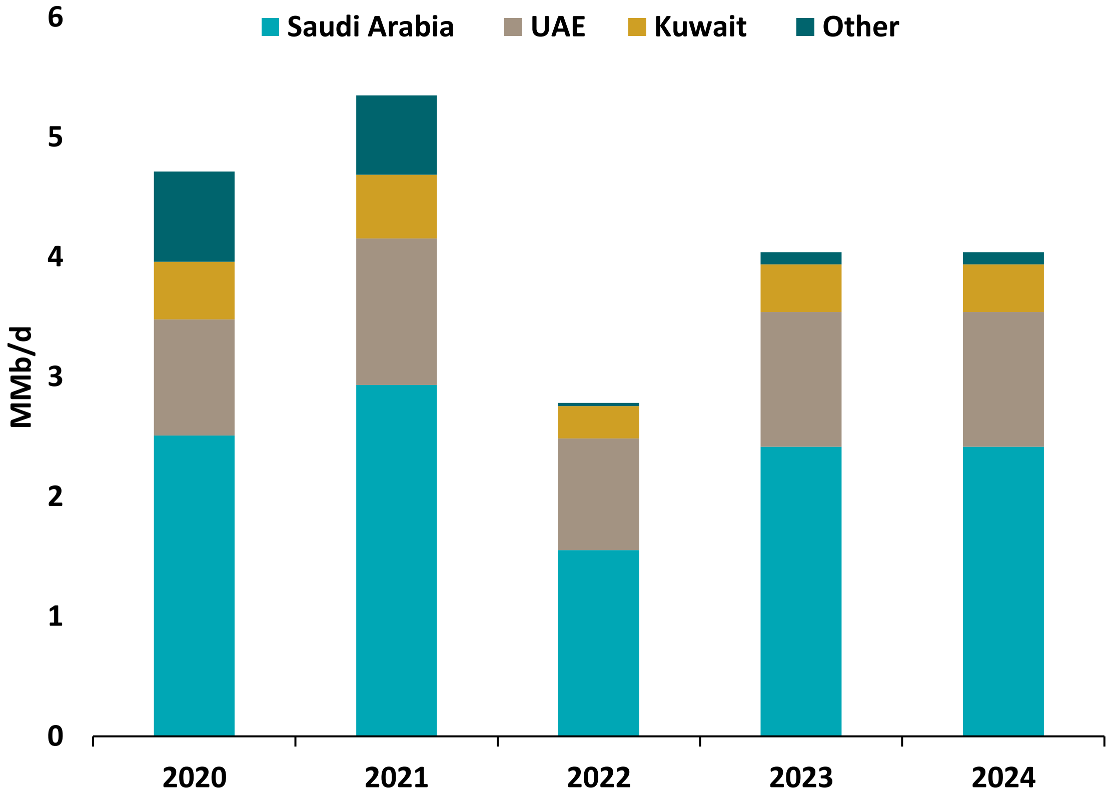
OPEC's Balancing Act

OPEC's Spare Capacity Drops as Demand Grows

WTI Quarterly Strip vs. OPEC Non-Sanctioned Spare Capacity
2020 to 2024



OPEC Non-Sanctioned Spare Capacity (MMb/d)
Saudi Arabia and UAE hold over 80 percent of OPECs 4.5 MMb/d



Expect a constructive and rangebound market in 2025

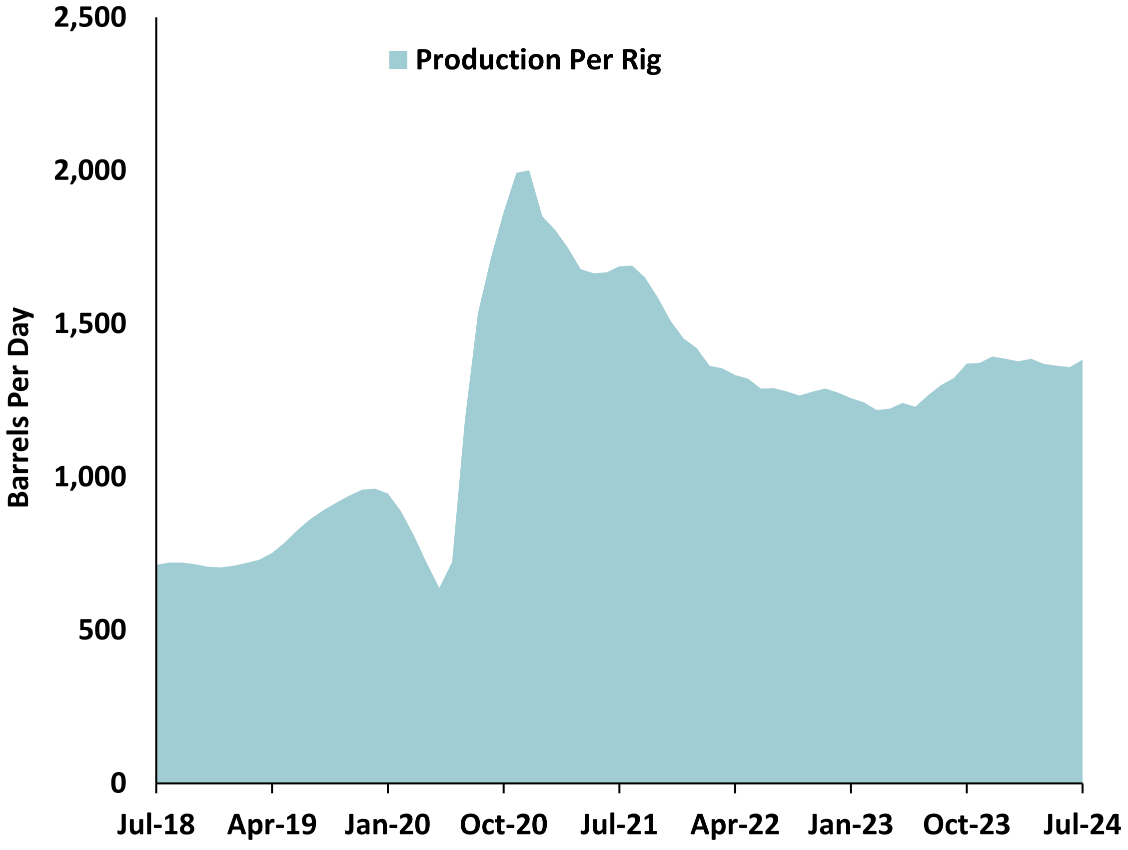
Sources: IEA, Bloomberg, OPEC

U.S. Oil Production

Growth Moderates on Producer Discipline

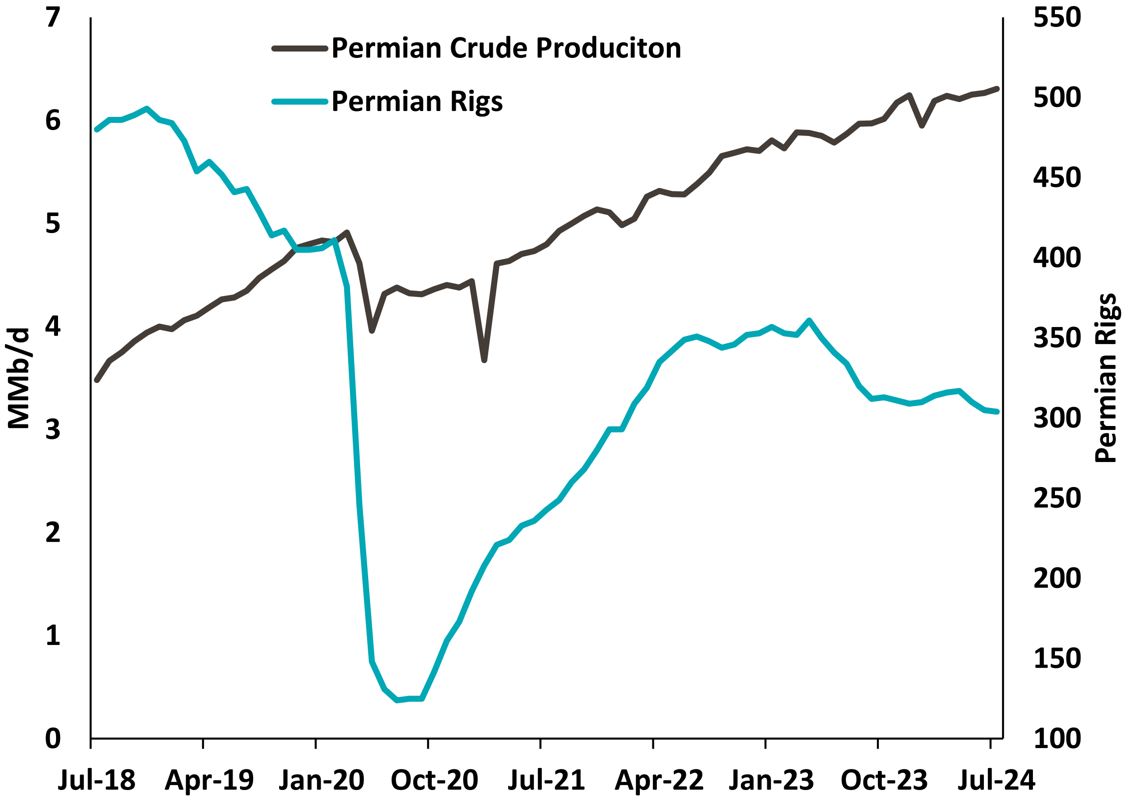
Permian Production Per Rig Plateauing

Despite longer-laterals and high grading



Permian Driving the Majority of US Oil Growth

Rigs down ~10% Y/Y; lowest levels since Jan-22



2025 US oil production growth to moderate

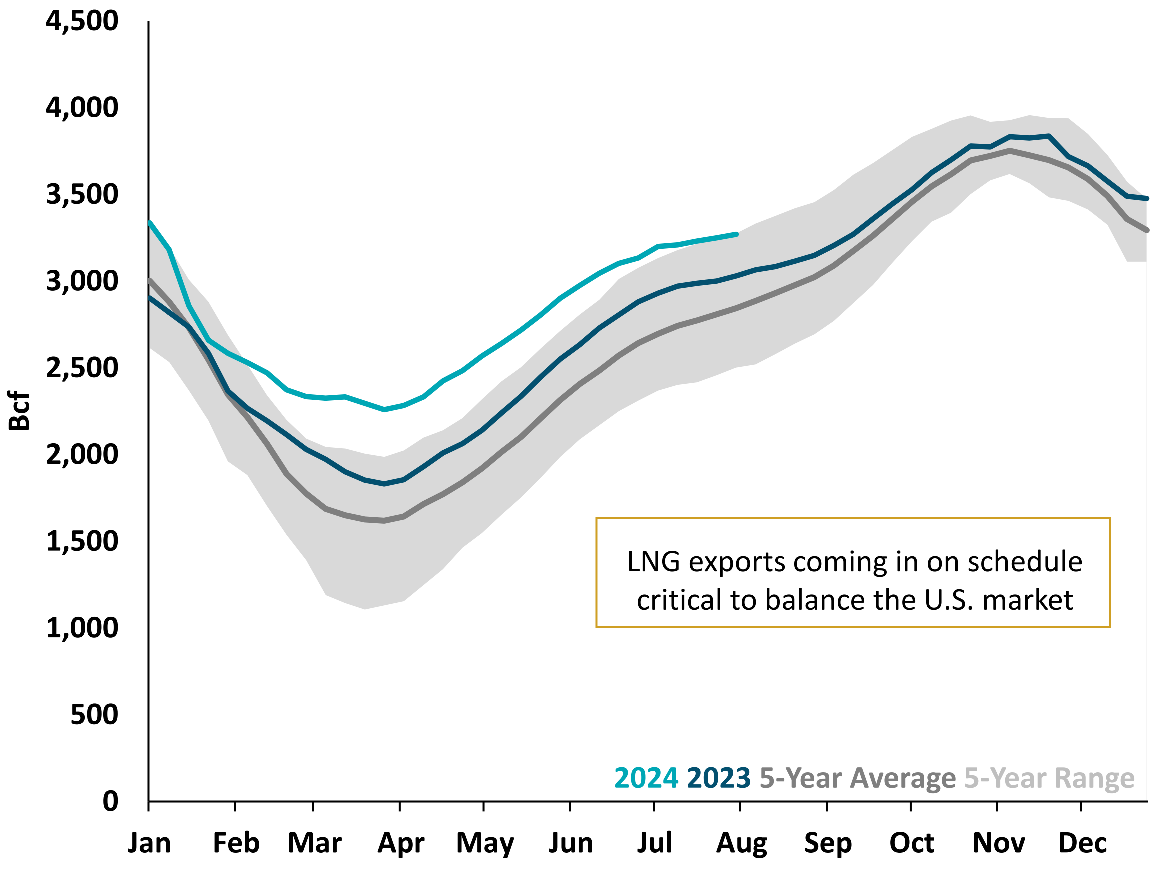
Sources: EIA, DPR

U.S. Natural Gas Overview

Elevated Inventories Weighing on the Market

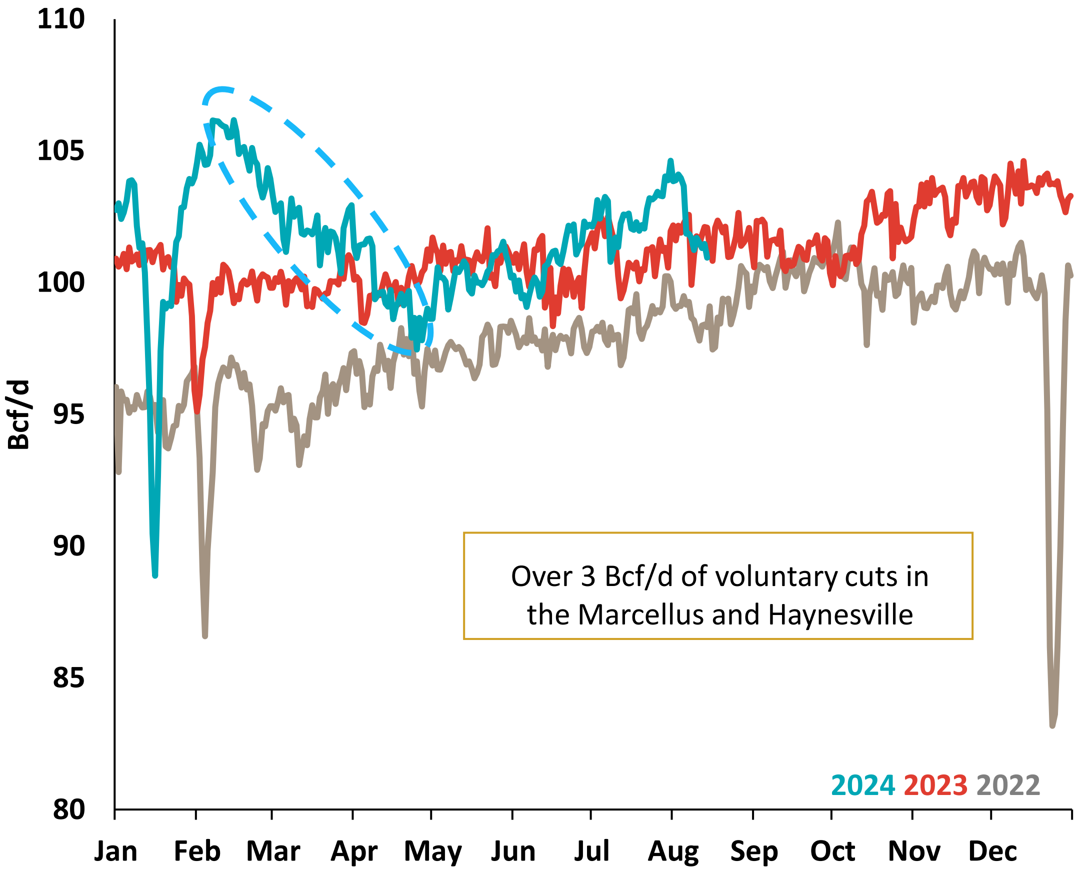
US Natural Gas Inventory (Bcf)

5-Year Seasonal



Total US Dry Natural Gas Production (Bcf/d)

Surge in 4Q23 production caught the market by surprise



Voluntary production cuts help balance an oversupplied market

Sources: EIA, Bloomberg

Permian Gas Infrastructure

Elevated Volatility Expected for Waha Basis

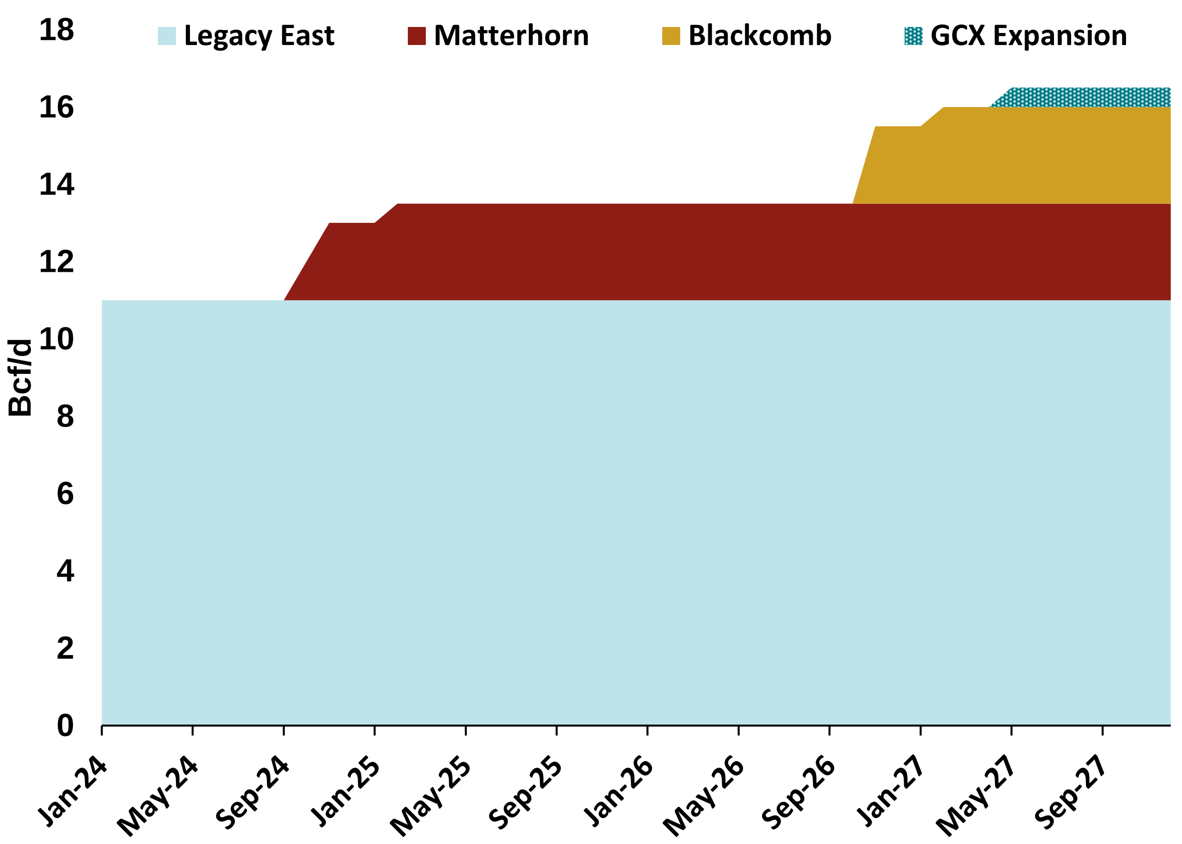
Weather, Infrastructure and Liquid Economics Drive Volatility

Pipelines increase connectivity to USGC demand and storage

- Two greenfield pipelines expected to enter service by the end of 2026
  - Matterhorn expected online in Sep-24; 2.5 Bcf/d of capacity
  - Blackcomb FID Aug-24; 2.5 Bcf/d, expected online by 2H26
- Material ERCOT load growth from data centers, crypto and O&G activity drive natural gas power plant demand
- 1 Bcf/d of Mexican LNG demand has FID; potential for another 2 Bcf/d with Mexico Pacific LNG
- 4 Bcf/d of South TX LNG export capacity expected by 2028
  - Corpus phase III
  - NextDecade's first 3 trains

Permian Eastbound Natural Gas Takeaway Capacity (Bcf/d)

2024 to 2027F



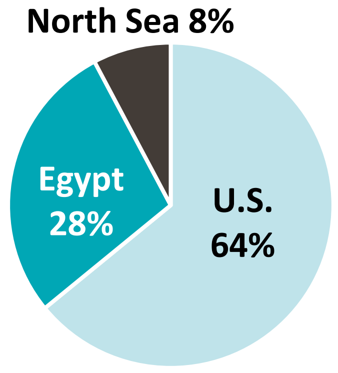
Waha expected to experience 1.5 Bcf/d of annual gas production growth

Sources: EIA, Bloomberg

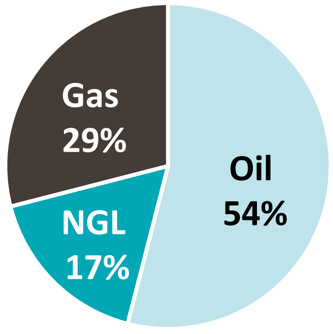
APA Overview

Differentiated Large Cap Independent with Diverse Asset Base

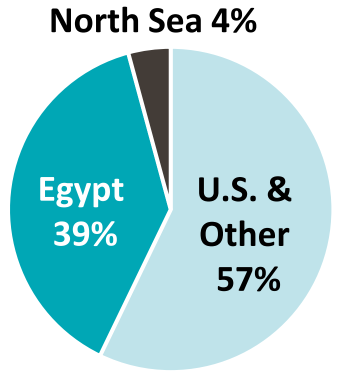
2Q24 Reported Production



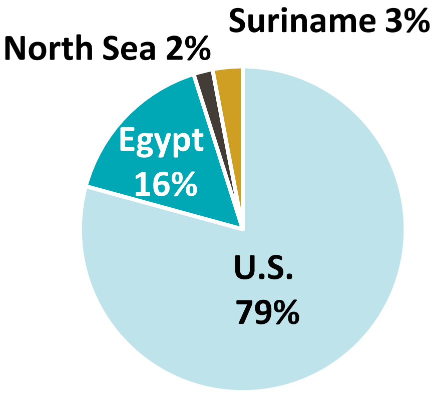
2Q24 Commodity Mix



2Q24 Cash Flow(1)



2Q24 Upstream Capital



Permian	Short-cycle asset base with predictable oil production and capital productivity; Strong free cash flow generation
Egypt	PSC structure is more resilient to downside oil price volatility; Strong free cash flow generation
North Sea	Harvesting free cash flow with portfolio optionality
Suriname	Progressing differentiated large-scale organic oil opportunity; Additional exploration opportunities
Alaska / Uruguay	Recent entries offer large-scale exploration upside over time

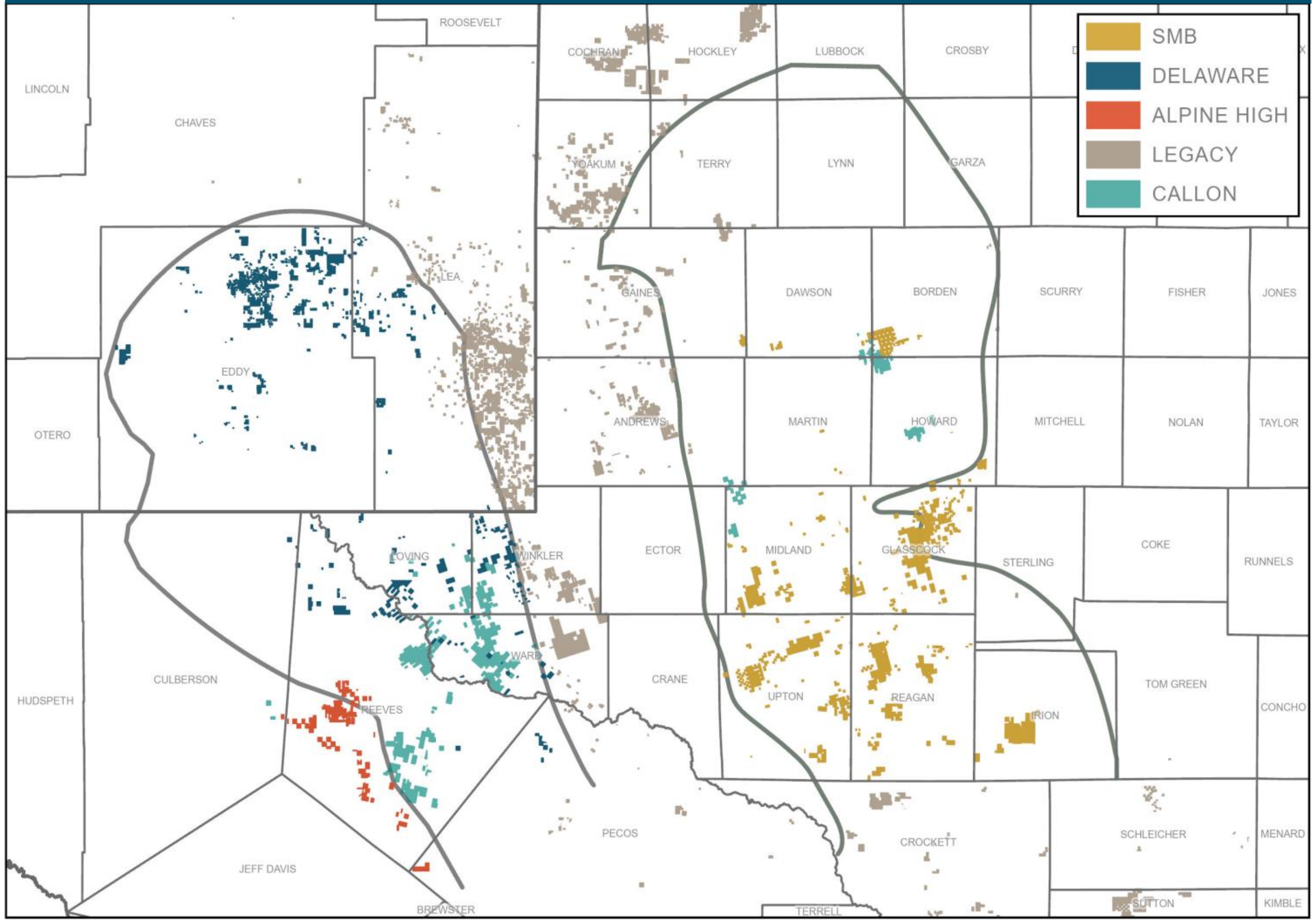
(1) Represents cash flow from operations before changes in operating assets & liabilities. For a reconciliation to the most directly comparable GAAP financial measure please refer to the Non-GAAP Reconciliations for Segment Cash Flows.

APA is Differentiated and Unique

1. Increased Permian oil leverage with acquisition of Callon Petroleum
2. Suriname expected to deliver high-return oil growth
3. Maintained exploration capabilities, ability to pursue new entries
4. Unique commodity marketing business benefits with price volatility
5. Alpine High asset can deliver gas at appropriate time

Permian

Permian Acreage



Robust Permian Acreage Position with Oil and Gas Optionality

- U.S. oil volumes increased by 67% in 2Q24 after closing the acquisition of Callon on April 1
- 2Q24 marked 6th consecutive quarter of meeting or exceeding U.S. oil guidance
- Expect to grow U.S. oil volumes by ~8% from 2Q24 to 4Q24
- Plan to average 9-10 Permian drilling rigs and 3-4 frac crews in 2H24
- Expect material capital productivity uplift on legacy Callon assets in 2025

Callon Integration and Cost Synergy Realization Ahead of Schedule

Increased synergy target to $250 million, up from original estimate of $150 million

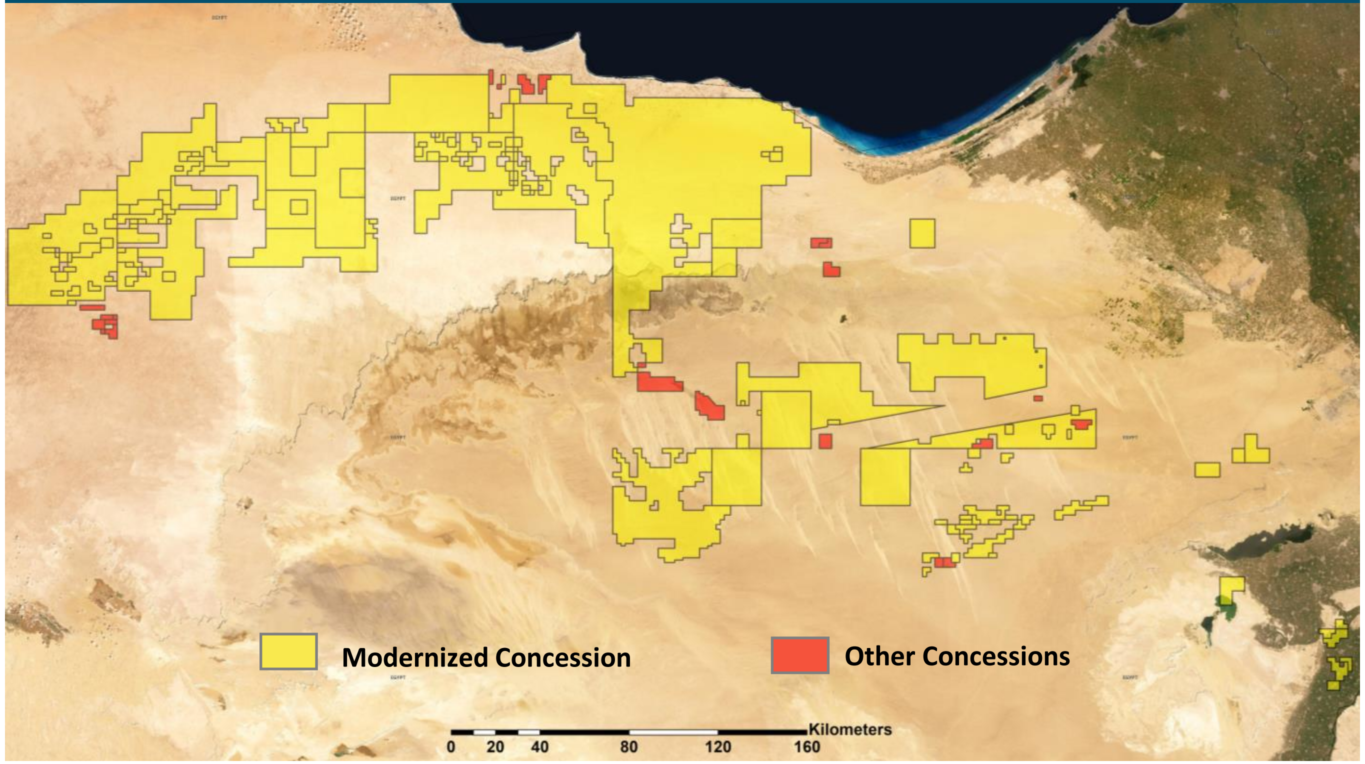
	Estimated Annual Run-Rate Savings		
	Initial Estimate (Jan-2024)	**New Estimate (Jul-2024)**	**Synergy Progress**
Overhead	**$55** million	**$90** million	– Achieved nearly all targeted run-rate savings by the end of 2Q24
Cost of Capital	**$40** million	**$40** million	– Fully realized when debt is termed out or paid off
Operational (DC&F / LOE)	**$55** million	**$120** million 60% DC&F 40% LOE	– Progressing DC&F reductions through technology utilization, operational efficiencies and design improvements – Leveraging economies of scale to improve commercial terms across operations – Artificial lift optimization underway (LOE reduction and increased well uptime) – Eliminating redundant field labor and reducing water disposal costs by utilizing APA-owned facilities
	$150 million	**$250** million	– **Expect to achieve vast majority of run-rate by year-end 2024**

Capital productivity uplift expected to provide significant incremental value in 2025+

Egypt

- Vast acreage position across the Western Desert provides long-term exploration and development opportunities
- Identified opportunity set of water injection projects to lower base decline rate
- Beginning to see positive impacts of rebalancing drilling and workover rig fleets
- Averaged 16 drilling rigs in 1H24 and plan to average 11 drilling rigs in 2H24
- Adjusted oil production expected to remain relatively flat throughout 2024
- PSC structure acts as natural hedge in periods of low oil price

Egypt Acreage: ~5 Million Acres



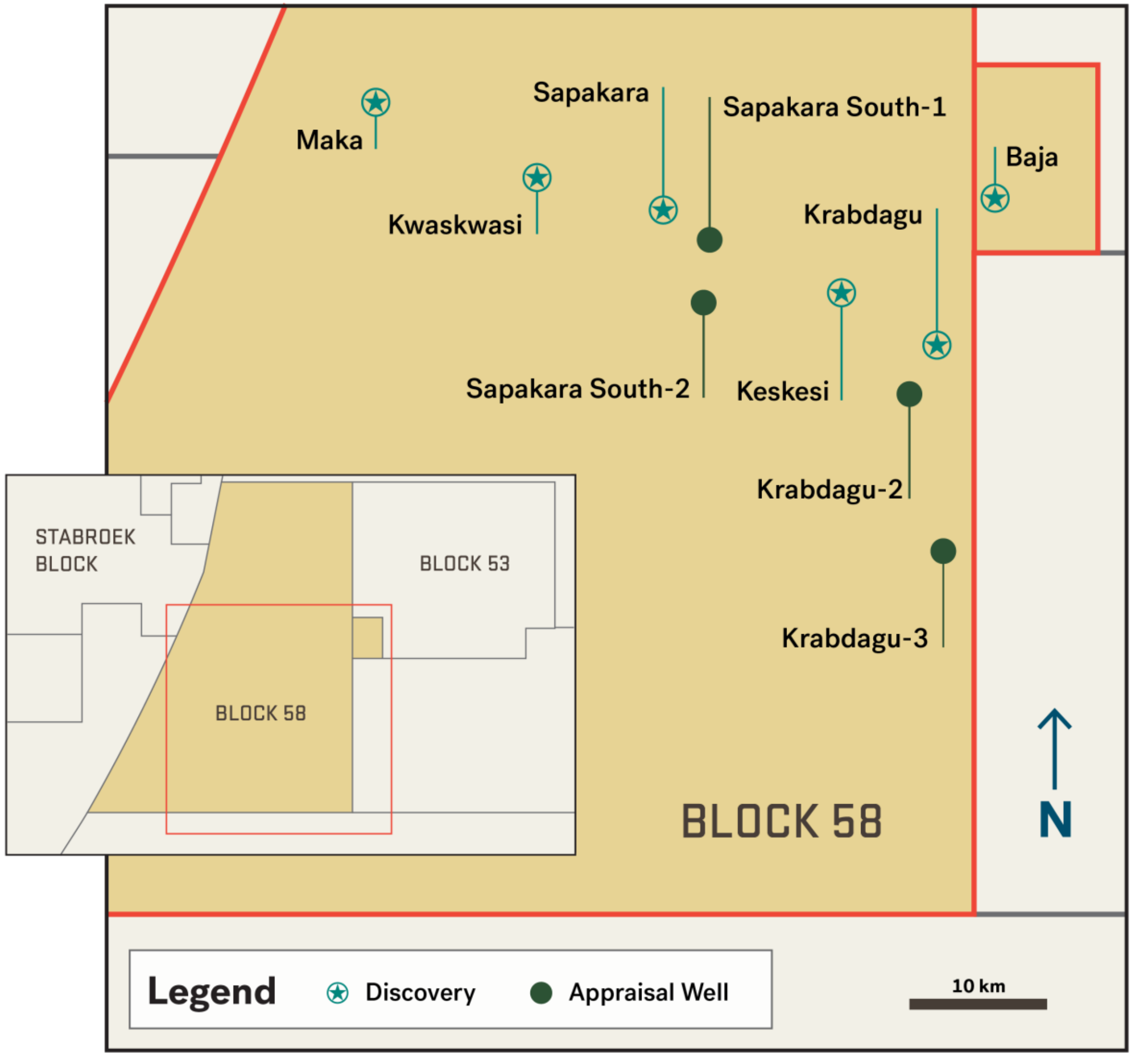
Suriname

Block 58 (TotalEnergies Operated)

- **Announced Oil Hub Project** at Sapakara and Krabdagu in Fall of 2023
  - FEED study progressing on 200 MBO/D FPSO project
  - Underpinned by an estimated 700 million barrels of recoverable oil resource at Sapakara and Krabdagu
  - Targeting FID by year-end 2024

Block 53 (APA Operated)

- Assessing next steps for Baja discovery
- Relinquished most of Block 53, retained southwest portion of the block encompassing Baja



Advantaged Gas Portfolio

Differentiated Marketing Contracts

Third Party Gas Marketing Business

- Third party gas marketing income comprised of two primary streams

1) ~750 MMcf/d of firm transport capacity from the Permian to the Gulf Coast
   - Benefits when Waha is weak vs. Gulf Coast prices

2) Cheniere Gas Supply contract
   - Buys 3rd party gas on Gulf Coast, sells to Cheniere at global LNG pricing, net of certain costs

- Third party gas marketing book generated $132 million of cash flow in 2Q24

- Expect to generate $350 million of marketing cash flow in FY24 split evenly between U.S. firm transport contracts and Cheniere Gas Supply contract(1)

(1) Cash flow projections can be found in APA's full-year 2024 guidance issued on 7/31/24.

Cheniere Gas Supply Overview

Contract Highlights

- Contract signed in 2019
- Buy 3rd party gas on Gulf Coast, sell to Cheniere
- Gas sold receives global LNG pricing, net of certain costs

Strip Pricing and Projected Annual Cash Flow Sensitivity

Global LNG ($/Mcf)

HSC ($/Mcf)		$10	$15	$20
	$2	$140 MM	$360 MM	$570 MM
	$3	$90 MM	$310 MM	$520 MM
	$4	$40 MM	$260 MM	$470 MM

Contract Volume

140,000 MMBTU/d

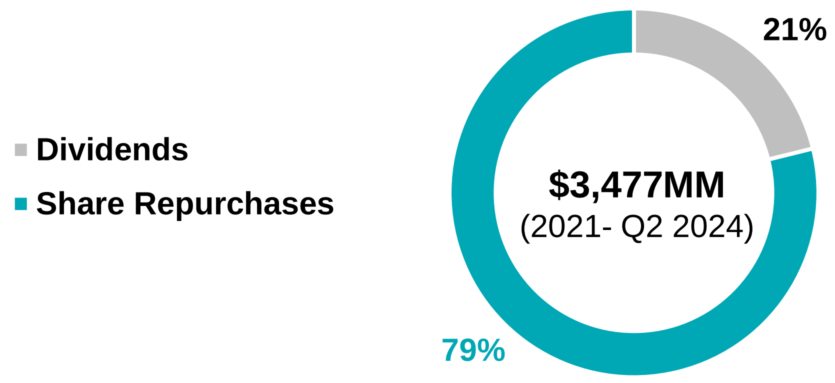
Contract Timeline

Began Aug-2023

Ends Dec-2037

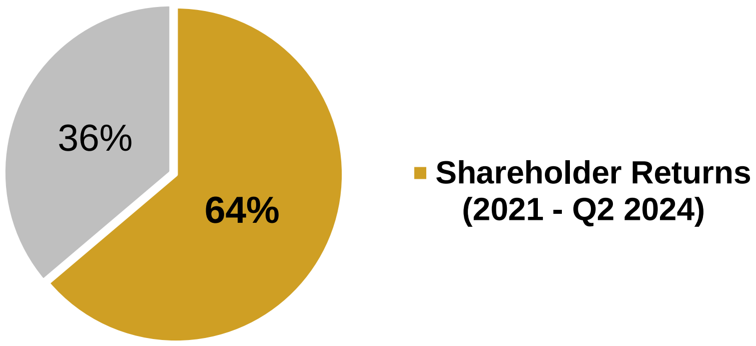
Cash Return Summary

Shareholder Returns

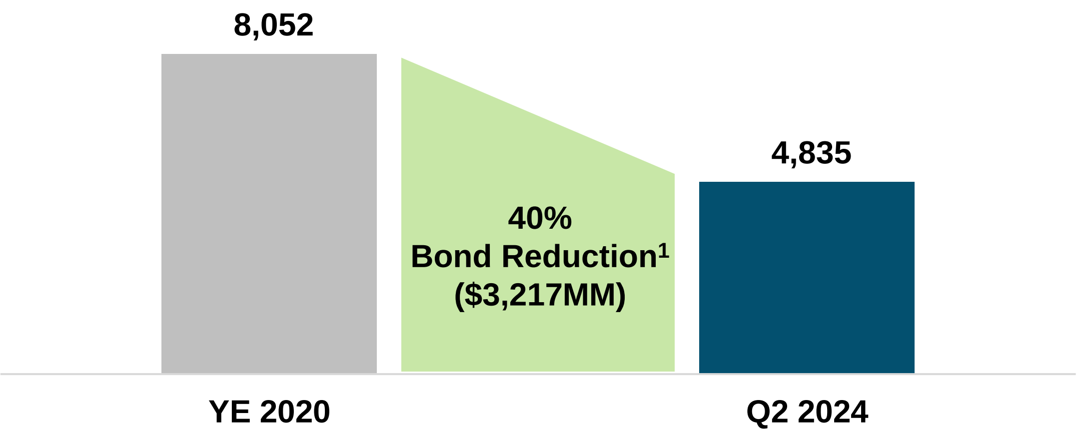


% of Free Cash Flow

Committed to return at least 60% Free Cash Flow to shareholders

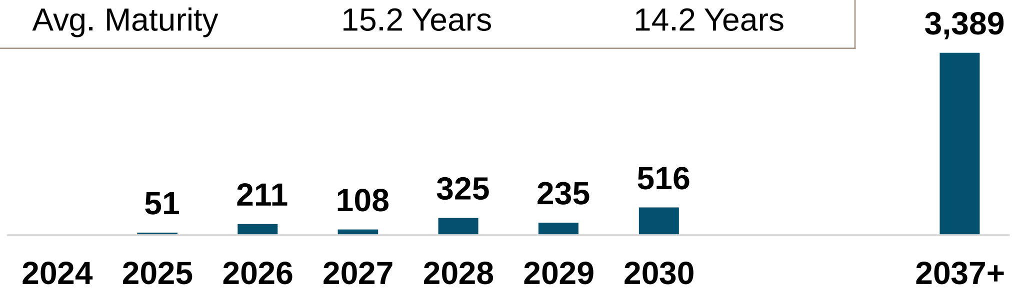


Balance Sheet Progress



Strong Bond Maturity Profile ($MM)[1]

	YE 2020	June 2024
Credit Ratings	Ba1/BB+/BB+	Baa3/BB+/BBB-
Avg. Coupon	4.98%	5.34%
Avg. Maturity	15.2 Years	14.2 Years



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

Appendix

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

- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in APA Corporation’s Form 10-K.

Non – GAAP 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.

($ in millions)

	For the Quarter Ended June 30, 2024				For the Quarter Ended June 30, 2023			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income including noncontrolling interests (GAAP)	$ 928	$ (308)	$ 620	$ 1.67	$ 700	$ (238)	$ 462	$ 1.49
Income attributable to noncontrolling interests	145	(66)	79	0.21	144	(63)	81	0.26
Net income attributable to common stock	783	(242)	541	1.46	556	(175)	381	1.23
Adjustments: *								
Asset and unproved leasehold impairments	-	-	-	-	52	(37)	15	0.05
Valuation allowance and other tax adjustments	-	-	-	-	-	(30)	(30)	(0.10)
Unrealized derivative instrument gain	(3)	1	(2)	(0.01)	(47)	9	(38)	(0.12)
Loss on previously sold Gulf of Mexico properties	17	(4)	13	0.03	-	-	-	-
Kinetik equity investment mark-to-market gain	-	-	-	-	(77)	16	(61)	(0.20)
Transaction, reorganization & separation costs	115	(17)	98	0.27	2	(1)	1	-
Gain on divestitures, net	(276)	60	(216)	(0.58)	(5)	1	(4)	(0.01)
Adjusted earnings (Non-GAAP)	$ 636	$ (202)	$ 434	$ 1.17	$ 481	$ (217)	$ 264	$ 0.85

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

Non – GAAP Reconciliation

Adjusted EBITDAX

Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDAX

Management believes EBITDAX, or earnings before income tax expense, interest expense, depreciation, amortization and exploration expense is a widely accepted financial indicator, and useful for investors, to assess a company's ability to incur and service debt, fund capital expenditures, and make distributions to shareholders. We define adjusted EBITDAX, a non-GAAP financial measure, as EBITDAX adjusted for certain items presented in the accompanying reconciliation. Management uses adjusted EBITDAX to evaluate our ability to fund our capital expenditures, debt services and other operational requirements and to compare our results from period to period by eliminating the impact of certain items that management does not consider to be representative of the Company's on-going operations. Management also believes adjusted EBITDAX facilitates investors and analysts in evaluating and comparing EBITDAX from period to period by eliminating differences caused by the existence and timing of certain operating expenses that would not otherwise be apparent on a GAAP basis. However, our presentation of adjusted EBITDAX may not be comparable to similar measures of other companies in our industry.

($ in millions)	For the Quarter Ended		
	June 30, 2024	March 31, 2024	June 30, 2023
Net cash provided by operating activities	$ 877	$ 368	$ 1,000
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	30	15	14
Current income tax provision	285	300	254
Other adjustments to reconcile net income to net cash provided by operating activities	(21)	(10)	97
Changes in operating assets and liabilities	190	459	(232)
Financing costs, net	100	76	82
Transaction, reorganization & separation costs	115	27	2
Adjusted EBITDAX (Non-GAAP)	$ 1,576	$ 1,235	$ 1,217

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 June 30,	
	2024	**2023**
Net cash provided by operating activities	$ 877	$ 1,000
Changes in operating assets and liabilities	190	(232)
Cash flows from operations before changes in operating assets and liabilities	$ 1,067	$ 768
Adjustments to free cash flow:		
Upstream capital investment including noncontrolling interest - Egypt	(904)	(583)
Decommissioning spend on previously sold Gulf of Mexico properties	1	-
Non oil and gas capital investment	(8)	(8)
Distributions to Sinopec noncontrolling interest	(53)	(83)
Free cash flow	$ 103	$ 94

Non – GAAP Reconciliation

Segment Cash Flows

Reconciliation of Net Cash Provided by Operating Activities to Cash Flows from Continuing Operations before Changes in Operating Assets and Liabilities

Cash flows from operations before changes in operating assets and liabilities is a non-GAAP financial measure. Apache uses it internally and provides the information because management believes it is useful for investors and widely accepted by those following the oil and gas industry as a financial indicator of a company's ability to generate cash to internally fund exploration and development activities, fund dividend programs, and service debt. It is also used by research analysts to value and compare oil and gas exploration and production companies and is frequently included in published research when providing investment recommendations. Cash flows from operations before changes in operating assets and liabilities, therefore, is an additional measure of liquidity but is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing, or financing activities.

	For the Quarter Ended June 30, 2024			
	North Sea	Egypt	U.S. and Other	Consolidated
	($ in millions)			
Net cash provided by operating activities	$ 117	$ 343	$ 417	$ 877
Changes in operating assets and liabilities	(72)	69	193	190
Cash flows from operations before changes in operating assets and liabilities	$ 45	$ 412	$ 610	$ 1,067

Non – GAAP Reconciliation

Net Debt

Reconciliation of Debt to Net Debt

Net debt, or outstanding debt obligations less cash and cash equivalents, is a non-GAAP financial measure. Management uses net debt as a measure of the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand.

($ in millions)

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Current debt	$ 2	$ 2	$ 2	$ 2
Long-term debt	6,741	5,178	5,186	5,582
Total debt	6,743	5,180	5,188	5,584
Cash and cash equivalents	160	102	87	95
Net debt	$ 6,583	$ 5,078	$ 5,101	$ 5,489

Non – GAAP Reconciliation

Upstream Capital Investment

Reconciliation of Costs Incurred to Upstream Capital Investment

Management believes the presentation of upstream capital investments is useful for investors to assess APA's expenditures related to our upstream capital activity. We define capital investments as costs incurred for oil and gas activities, adjusted to exclude property acquisitions, asset retirement obligation revisions and liabilities incurred, capitalized interest, and certain exploration expenses, while including amounts paid during the period for abandonment and decommissioning expenditures. Upstream capital expenditures attributable to a one-third noncontrolling interest in Egypt are also excluded. Management believes this provides a more accurate reflection of APA's cash expenditures related to upstream capital activity and is consistent with how we plan our capital budget.

($ in millions)

	For the Quarter Ended June 30, 2024	For the Quarter Ended June 30, 2023
Costs incurred in oil and gas property:		
Asset and leasehold acquisitions	$ 4,493	$ 5
Exploration and development	933	590
Total Costs incurred in oil and gas property	$ 5,426	$ 595
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	$ 5,426	$ 595
Property acquisitions	(4,492)	-
Asset retirement obligations settled vs. incurred - oil and gas property	7	7
Capitalized interest	(7)	(5)
Exploration seismic and administration costs	(30)	(14)
Upstream capital investment including noncontrolling interest - Egypt	$ 904	$ 583
Less noncontrolling interest - Egypt	(65)	(67)
Total Upstream capital investment	$ 839	$ 516

APA Corporation

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