



First-Quarter 2020

Financial & Operational Supplement

Apache

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.apachecorp.com, and in our other public filings and press releases. These forward-looking statements are based on Apache Corporation's (Apache) 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, Apache'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," "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, Apache'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 Apache 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. Apache 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 Apache 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's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 available from Apache at www.apachecorp.com or by writing Apache 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 Apache's first quarter 2020 earnings release at www.apachecorp.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. Apache may elect to modify the format or discontinue publication at any time, without notice to securities analysts or investors.

GLOBAL – Prioritizing Health & Safety Of Employees And Communities In Which We Operate

- Acted quickly to **close offices** throughout organization
- Implemented operational protocols in the field and work-from-home procedures with **minimal business disruption**
 - Temperature screenings throughout operations & upon office re-entry
 - Increased cleaning measures in the field, offshore and office locations
 - Expanded assessments of all contractor companies & vendors coming onsite to all locations
 - Enhanced measures in Suriname, including 14-day self-quarantine
- Procured a **pandemic / infectious disease response helicopter** in the North Sea and Suriname to ensure safe medical evacuations, if needed
- **Donated PPE & critical medical equipment** to hospitals & first responders as well as donations to food banks, education initiatives and women's & children's shelters
- Developed a **thorough & phased Office Re-Entry Plan**
 - Following all federal, state & local mandates across operations
 - Communicating with peer companies on best practices

1Q 2020 Key Metrics



	1Q 2020
Reported Production	468 Mboe/d
Adjusted Production⁽¹⁾	423 Mboe/d
Cost Incurred in Oil and Gas Property	\$497 Million
Upstream Capital Investment⁽²⁾	\$442 Million
Net Cash Provided by Operating Activities	\$502 Million
Adjusted EBITDAX⁽²⁾	\$764 Million
Loss Per Share	(\$11.86)
Adjusted Loss Per Share⁽²⁾	(\$0.13)

(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.

Positioning To Withstand Volatility



Disciplined Financial Approach

- Managing towards Cash Flow Neutrality⁽¹⁾
- Preserving liquidity and protecting balance sheet
- Prioritizing returns and longer-cycle investments over production growth



Leveraging Diversified Portfolio

- International assets generating more resilient cash flows in a falling price environment
- Balanced commodity profile and geographic pricing points diversify risk
- Recent discoveries underscore large-scale, long-term potential in Suriname



Strong Liquidity Profile

- Manageable bond maturities over next 5 years (less than \$1 billion)
- \$4 BN committed credit facility extending through March 2024^(2,3)
- Ample coverage across a wide range of scenarios

(1) See appendix for Glossary of Referenced Terms.

(2) As of 3/31/2020, \$250 million drawn on credit facility. Approximately \$800 million of letters of credit posted in April.

(3) Apache option for 1-year extension.

Decisive Actions Taken

Managing To Cash Flow Neutrality & Preserving Liquidity

- ✓ Reduced 2020 upstream capital investment to approximately \$1.1 BN^(1,2) (↓ ~55% from 2019)
- ✓ Decreased annual dividend payout by \$340 MM (↓ 90%)
- ✓ Implemented deeper cost cutting measures, doubling original estimate to >\$300 MM⁽³⁾
- ✓ Entered into protective near-term hedges
- ✓ Initiated methodical curtailment / shut-in program

(1) Approximately 60% directed to international assets.

(2) 2Q 2020 upstream capital investment guidance: \$230 MM.

(3) Approximately \$225 MM of cost savings expected in 2020 (Net of severance and re-organization costs).

Apache's Diversified Portfolio

Managing Through Near-Term Volatility

United States

- Eliminating all drilling & completion activity (final rig release in mid-May)
- Managing LOE, with safety remaining a top priority
 - Reducing contract labor / field staff
 - Reducing chemical and water usage
 - 80% reduction in workover rigs
 - Renegotiating pricing with vendors
- Optimizing cash flow through shut-in/curtailment program
- Pursuing trades to block up acreage position in core areas

Expand Economic Inventory & Maintain Optionality

North Sea

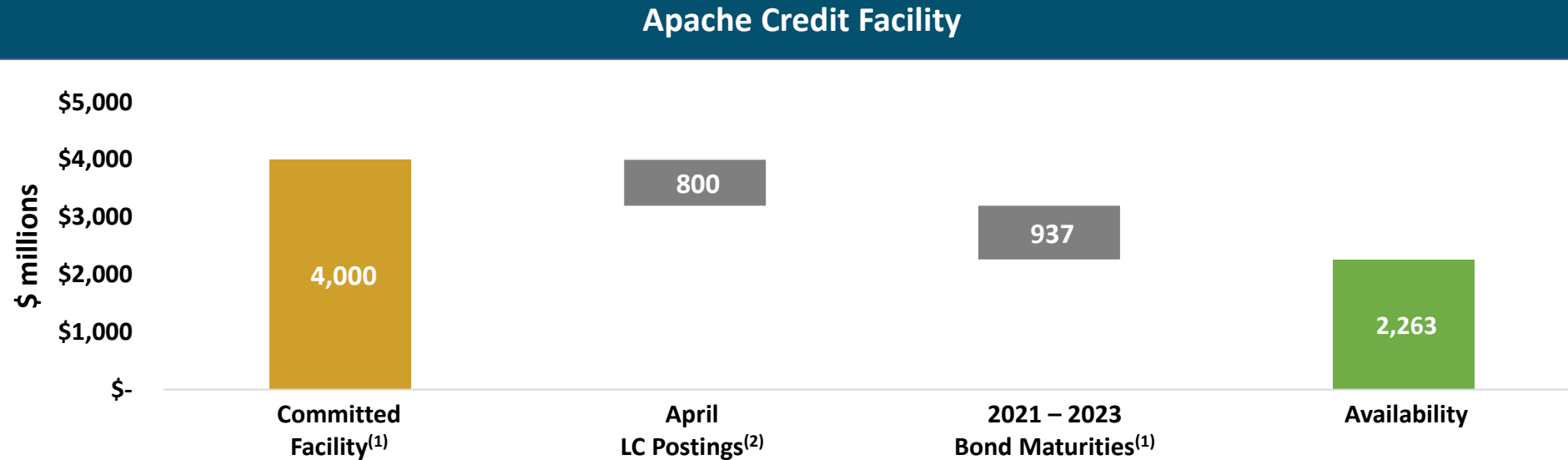
- Reduced to essential personnel and strengthened continuity plans to mitigate COVID-19 effects
- Realizing cost savings in all categories
 - Reducing logistics costs & contract labor
 - Renegotiating pricing with vendors
- Focused on low F&D cost, near-field opportunities in Beryl area
- Forties 4D seismic survey on track for acquisition this summer
- Tertiary exploration program resumes in 4Q with a 2nd carried well

Flex Activity to Preserve Free Cash Flow Generation

Egypt

- Field operations unaffected thus far by COVID-19 with essential personnel extending rotation patterns and non-essential personnel working remotely
- Drilling operations high-graded, targeting 5-6 rigs in 2H 2020
- Strong exploration program with several high impact opportunities throughout 2020
- Gas realizations remain attractive at nearly \$3/Mcf and protected under PSC

Ample Liquidity Runway



- ~\$3.2 BN of availability when giving effect to April LC postings
- Plan to repay or refinance 2021-2023 maturities
- If needed, credit facility could easily accommodate 2021-2023 bond maturities as due

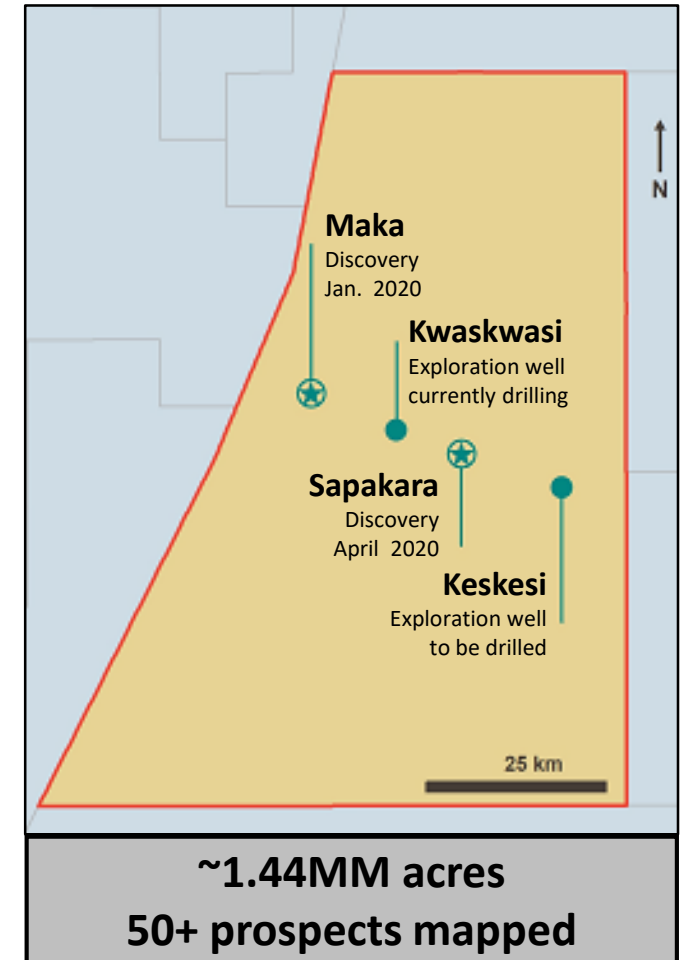


(1) As of 3/31/2020. Apache (ex Altus) cash position of \$409 MM and facility borrowings of \$250 MM.

(2) North Sea LC's subject to GBP/USD exchange rate fluctuation and other potential adjustments.

Success in Block 58 Offshore Suriname

- Announced significant oil discovery at Sapakara West-1 on April 2nd
 - Campanian / Santonian – at least 79 meters (259 feet) of net oil/gas condensate pay
 - Encountered a distinct fan system separate from Maka Central-1 discovery
- Commenced operations at Kwaskwasi-1 in second half of April; to be followed by Keskesi East-1
 - Both exploration wells to test oil-prone upper Cretaceous targets in the Campanian and Santonian intervals independent of Maka and Sapakara discoveries
- Maka appraisal plan to be finalized and submitted in 2Q
 - Appraisal planning for Sapakara underway



ESG – Investing in Our People, Community and Environment

Recent ESG Initiatives

- Linked 2020 ESG performance directly to short-term incentive compensation
- Initiated alignment of disclosures with Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) reporting recommendations

Ongoing Initiative Highlights

Emissions Reductions

- Working to minimize venting and flaring with automated well closure systems
- Maintaining a rigorous program for preventing, identifying and eliminating methane leaks
- These efforts and others helped drive a 40% reduction in methane leak/loss and a 4% reduction in global GHG intensity since 2014

Sustainable Water Usage

- Our commitment to reducing fresh water use through extensive recycling and treatment programs was supported by:
 - Expanding capacity to treat & store produced water to nearly 16 million barrels in the Permian Basin
 - Using 68% nonfresh/recycled produced water for U.S. hydraulic fracturing operations in 2018

Social Initiatives

- Supporting rural Egyptian schools for girls, building over 200 schools and providing an education for over 10,000 children to date
- Since 2005, donated over 4.7 million trees as a part of the Apache Tree Grant program
- COVID-19 donations focused on PPE & critical medical equipment to hospitals & first responders as well as supporting vulnerable populations with donations to food banks, education initiatives and women's & children's shelters













1Q Results

1Q 2020 Global Portfolio

GLOBAL





 467,771 BOE/D Reported Production	 49% / 18% / 33% Oil / NGL / Gas	 44 Gross, 43 Net Drilled & Completed Wells ⁽¹⁾	 21 Avg Rigs
---	---	---	---

UNITED STATES

 282,636 BOE/D Reported Production	 36% / 29% / 35% Oil / NGL / Gas	 24 Gross, 23 Net Drilled & Completed Wells ⁽¹⁾	 7 Avg Rigs
--	--	--	---



INTERNATIONAL

 185,135 BOE/D Reported Production	 69% / 2% / 29% Oil / NGL / Gas	 20 Gross, 20 Net Drilled & Completed Wells ⁽¹⁾	 14 Avg Rigs ⁽²⁾
---	--	---	--

(1) Includes operated wells completed but not necessarily placed onto production.
 (2) Includes one rig in Suriname.

1Q Permian Summary

REGION HIGHLIGHTS

- Averaged 4 rigs, 1 frac crew and placed 12 wells on production in the Midland basin
 - Substantially completed drilling first 3 mile lateral pad (Goodspeed) at Azalea achieving significant cost savings
- Averaged 3 rigs, 1 frac crew and placed 11 wells on production in the Delaware basin
 - Averaged 94 Mboe/d of production at Alpine High with 39% liquids mix
- Rapid reduction in activity modestly impacted Permian oil for the quarter
- Pay-in-kind gas processing contract impacted gas volume by ~24 MMCF/d

REGION STATS



273,091 BOE/D

Reported Production



36% / 29% / 35%

Oil / NGL / Gas



24 Gross, 23 Net

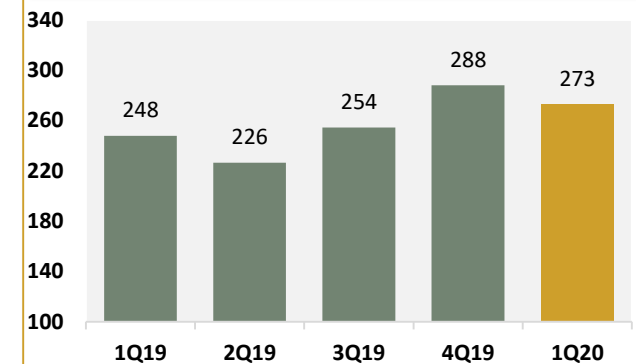
Drilled & Completed Wells⁽¹⁾



7

Avg Rigs

NET PRODUCTION MBOE/D



(1) Operated wells completed but not necessarily placed onto production.

1Q Egypt Summary

REGION HIGHLIGHTS

- PSC effects positively impacted adjusted production volumes (gross ↓~2% vs. 4Q19)
- Program success rate: 94% (15 out of 16 wells)
- Recent exploration discoveries leverage available infrastructure capacity in the Qasr area
 - Fustat N-1X – offset to Barakat Deep 1X found 180 feet of net pay
 - Carnarvon-1X tested at ~7,400 Boe/d (16% condensate) with 138 feet of net pay
 - Chelsea N-1X tested at ~8,500 Boe/d (55% condensate) with 142 feet of net pay
 - Elan-1X tested area between Qasr/Ozo area at ~7,500 Boe/d (25% oil) with 97 feet of net pay
- Strong inventory of high impact wells to be drilled in 2020

REGION STATS



116,525 BOE/D

Reported Production



63% / 1% / 36%

Oil / NGL / Gas



16 Gross, 16 Net

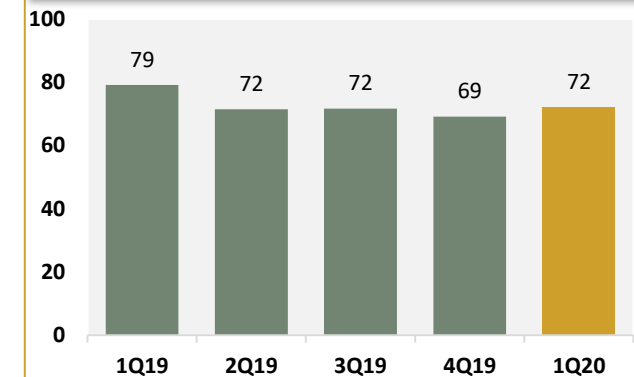
Drilled & Completed Wells⁽¹⁾



11

Avg Rigs

ADJUSTED PRODUCTION MBOE/D ⁽²⁾



(1) Operated wells completed but not necessarily placed onto production.

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

1Q North Sea Summary

REGION HIGHLIGHTS

- Production increase driven by high-volume Garten-2 well
 - Peak 30-day rate on managed choke of 13,425 BOPD and 14,010 MMCFD
 - Currently managing production at Garten-1 to acquire valuable pressure build data on Garten-2
 - Proves deep hydrocarbon presence in the Garten field and increases confidence in nearby analogous prospects
- Program success rate: 75% (3 out of 4 wells)
- Maintain 1 floating rig / 1 platform rig crew

REGION STATS



68,610 BOE/D

Reported Production



81% / 3% / 16%

Oil / NGL / Gas



4 Gross, 4 Net

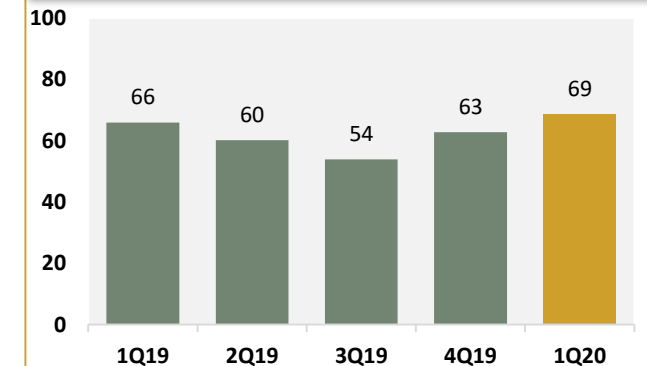
Drilled & Completed Wells⁽¹⁾



2

Avg Rigs

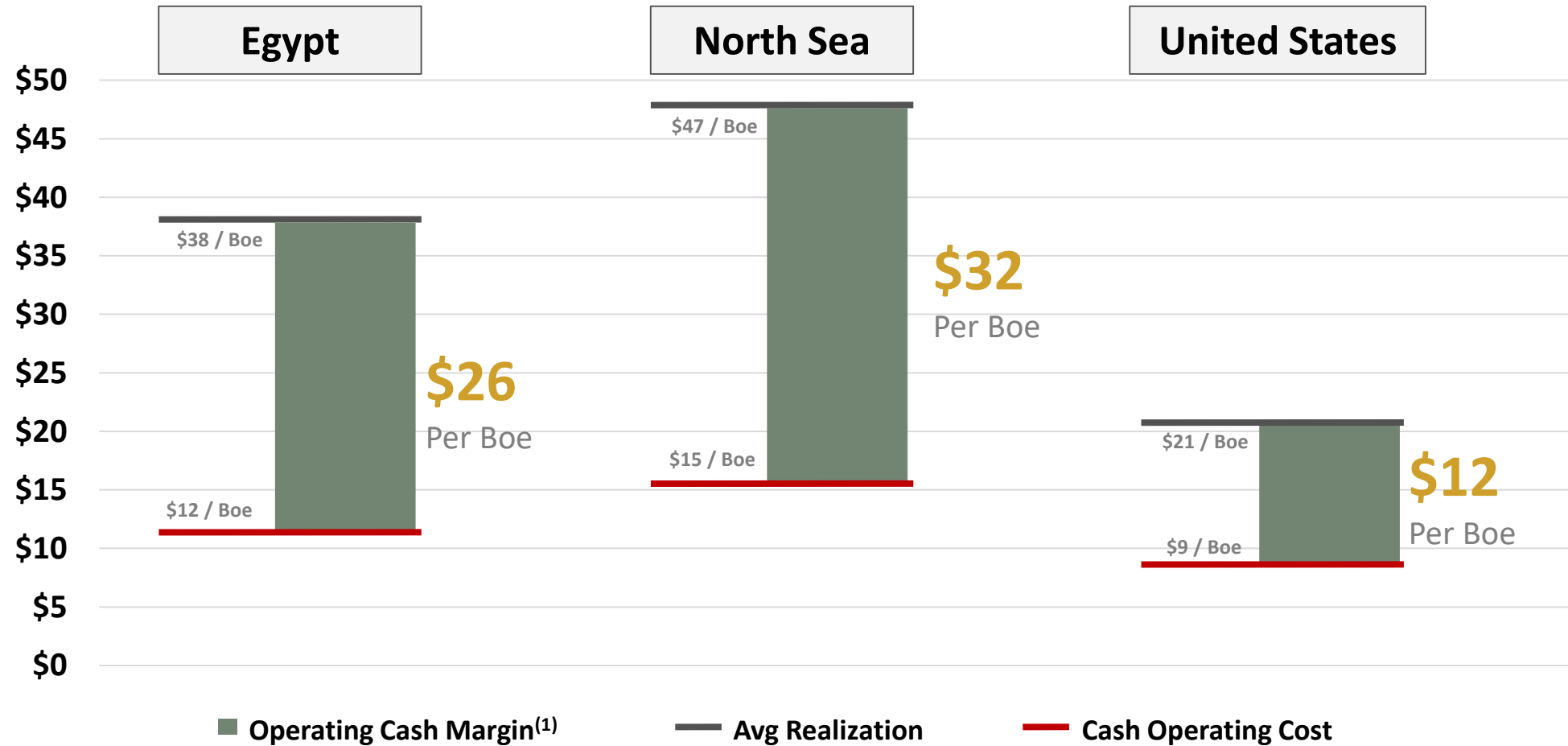
NET PRODUCTION MBOE/D



(1) Operated wells completed but not necessarily placed onto production.

1Q 2020 Operating Cash Margins

International Assets Benefit From Premium Pricing & Product Mix



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



Appendix

Commodity Hedging Program

- Substantial 2020 hedges centered around 2Q/3Q to mitigate near-term risk of full crude oil storage
- Significant Midland/Cushing basis hedges for remainder of 2020
 - Protects against weak basis if storage fills in Cushing and U.S. Gulf Coast, widening regional pricing

Open Commodity Derivative Positions as of May 6, 2020

Production Period	Trade Type	Daily Volume BBL/D	Weighted Average Price \$/BBL
Midland Basis Hedges			
April - December 2020	Basis Swap	72,127	(2.10)
WTI Hedges			
April - June 2020	Fixed Swap	87,000	\$25.84
July - September 2020	Fixed Swap	24,000	\$26.65
July - September 2020	3-Way Collar	24,000	\$20/\$25/\$38.83
October - December 2020	3-Way Collar	19,000	\$15/\$20/\$45.55
Brent Hedges			
April - June 2020	Fixed Swap	61,500	\$27.45
July - September 2020	Fixed Swap	25,000	\$29.75
July - September 2020	3-Way Collar	9,500	\$20/\$25/\$43.66
October - December 2020	3-Way Collar	16,500	\$15/\$20/\$51.63

Credit Facility Profile

Substantial Revolver Capacity and Long Runway

\$4 Billion Revolving Credit Facility	
Facility Type	Senior Unsecured
Maturity	March 2024
Borrowing Capacity	Up to \$4 billion
Letter of Credit Sublimit	Up to \$3 billion (\$2BN committed)
Financial Covenant ⁽¹⁾	Adj Debt/Cap < 60%
Accordion Option	\$1 billion
Extension Options Remaining	1-year option (Apache's option)

- Apache's \$4 BN committed credit facility for general corporate purposes, matures March 2024
 - Unsecured facility held by 18 banks, 17 of which are 'A' rated or higher
 - No ratings triggers⁽²⁾ or collateral requirements
 - Not subject to borrowing base redetermination
- Altus (ALTM) has an \$800 MM committed credit facility for general corporate purposes, matures November 2023
 - Non-recourse to and not guaranteed by Apache



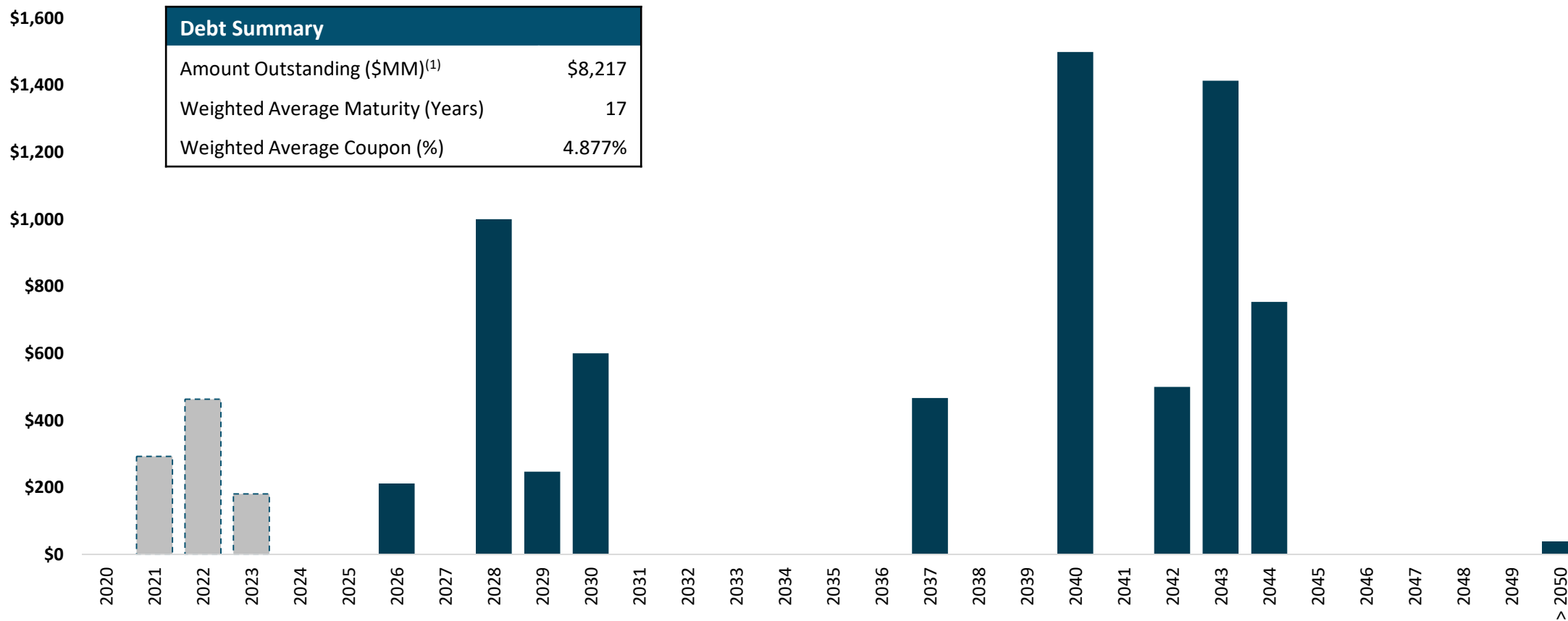
(1) Adjusted debt-to-capital ratio is calculated per the terms of the credit facility and excludes effects of non-cash write-downs, impairments, and related charges occurring after June 30, 2015. At 3/31/20, this ratio was 32%.

(2) No drawdown restrictions or prepayment obligations in the event of a decline in credit ratings.

Bond Maturity Profile

Manageable Near-Term Maturities

\$MM



Debt Summary	
Amount Outstanding (\$MM) ⁽¹⁾	\$8,217
Weighted Average Maturity (Years)	17
Weighted Average Coupon (%)	4.877%



(1) Amount outstanding is as of 3/31/2020, excludes Altus, finance lease obligations, and is before unamortized discount and debt issuance costs.

Upstream Capital Investment

(\$ in Millions)	1Q20
Permian.....	\$ 239
MidCon / Gulf Coast.....	5
Gulf of Mexico.....	17
United States.....	261
Egypt (Apache's interest only).....	99
North Sea.....	51
Other	31
Upstream Capital Investment Total.....	\$ 442

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

Egypt: Production Detail

	4Q 2019			1Q 2020					
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d			
Gross Production	187,166	677,819	300,136	185,408	655,410	294,643			
Reported Production	79,907	275,811	125,875	74,095	254,579	116,525			
% Gross	43%	41%	42%	40%	39%	40%			
Less: Tax Barrels	16,015	36,948	22,173	6,442	12,275	8,488			
Net Production Excluding Tax Barrels	63,892	238,863	103,702	67,654	242,304	108,038			
% Gross	34%	35%	35%	36%	37%	37%			
Less: Noncontrolling Interest	21,298	79,621	34,567	22,551	80,768	36,013			
Adjusted Production	42,594	159,242	69,134	45,102	161,536	72,025			
% Gross	23%	23%	23%	24%	25%	24%			
<i>MBOE/D</i>	2018				2019				2020
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Gross Production	330	342	338	335	332	322	301	300	295
Reported Production	154	154	153	136	145	131	131	126	117
Adjusted Production	80	80	78	74	79	72	72	69	72
Brent Oil Benchmark Pricing	\$67	\$75	\$76	\$69	\$64	\$68	\$62	\$62	\$50

Glossary of Referenced Terms

- **Upstream Capital Investment:** Includes exploration, development, gathering, processing, and transmission capital, capitalized overhead, and settled asset retirement obligations, and excludes capitalized interest, non-cash asset retirement additions and revisions, and Egypt noncontrolling interest, in each case associated with Apache's upstream business.
- **Free Cash Flow:** Excess cash flow from operations before working capital changes after upstream capital investment, distributions to noncontrolling interest and dividend payments. The impacts of ALTM are excluded from this definition, as development of the ALTM midstream assets is separately funded by ALTM.
- **Cash Flow Neutrality:** Free Cash Flow equal to zero.

In addition to the terms above, a list of commonly used definitions and abbreviations can be found in Apache's Form 10-K for the year ended December 31, 2019.



Non – GAAP Reconciliations

Non – GAAP Reconciliation

Adjusted Earnings

Reconciliation of Income Attributable to Common Stock to Adjusted Earnings

Our presentation of adjusted earnings and adjusted earnings per share are non-GAAP measures because they exclude the effect of certain items included in Income Attributable to Common Stock. Management believes that adjusted earnings and adjusted earnings per share provides relevant and useful information, which is widely used by analysts, investors and competitors in our industry as well as by our management in assessing the Company's operational trends and comparability of results to our peers.

Management uses adjusted earnings and adjusted earnings per share to evaluate our operating and financial performance because it eliminates the impact of certain items that management does not consider to be representative of the Company's on-going business operations. As a performance measure, adjusted earnings may be useful to investors in facilitating comparisons to others in the Company's industry because certain items can vary substantially in the oil and gas industry from company to company depending upon accounting methods, book value of assets, capital structure and asset sales and other divestitures, among other factors. Management believes excluding these items facilitates investors and analysts in evaluating and comparing the underlying operating and financial performance of our business from period to period by eliminating differences caused by the existence and timing of certain expense and income items that would not otherwise be apparent on a GAAP basis. However, our presentation of adjusted earnings and adjusted earnings per share may not be comparable to similar measures of other companies in our industry.

	For the Quarter Ended March 31, 2020				For the Quarter Ended March 31, 2019			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Income (loss) including noncontrolling interests (GAAP)	\$ (4,566)	\$ (56)	\$ (4,622)	\$ (12.23)	\$ 165	\$ (167)	\$ (2)	\$ (0.01)
Income (loss) attributable to noncontrolling interests	(144)	(16)	(160)	(0.42)	85	(40)	45	0.11
Loss attributable to Altus preferred unit limited partner	18	-	18	0.05	-	-	-	-
Net income (loss) attributable to common stock	(4,440)	(40)	(4,480)	(11.86)	80	(127)	(47)	(0.12)
Adjustments: *								
Asset impairments	4,491	(838)	3,653	9.67	23	(5)	18	0.04
Noncontrolling interest & tax barrel impact on Egypt adjustments	(163)	(7)	(170)	(0.45)	-	-	-	-
Valuation allowance and other tax adjustments	-	868	868	2.30	-	31	31	0.08
Unrealized derivative instrument losses, net	103	(21)	82	0.22	45	(10)	35	0.10
Noncontrolling interest impact on Altus preferred units embedded derivative	(13)	3	(10)	(0.03)	-	-	-	-
Transaction, reorganization & separation costs	27	(6)	21	0.05	4	(1)	3	0.01
Contract termination charges	3	(1)	2	0.01	-	-	-	-
Gain on divestitures, net	(25)	8	(17)	(0.04)	(3)	1	(2)	(0.01)
Adjusted earnings (Non-GAAP)	\$ (17)	\$ (34)	\$ (51)	\$ (0.13)	\$ 149	\$ (111)	\$ 38	\$ 0.10

*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		
	March 31, 2020	December 31, 2019	March 31, 2019
Net cash provided by operating activities	\$ 502	\$ 778	\$ 598
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	14	16	36
Current income tax provision	89	146	186
Other adjustments to reconcile net income to net cash provided by operating activities	8	(19)	(9)
Changes in operating assets and liabilities	21	42	138
Financing costs, net	103	97	97
Transaction, reorganization & separation costs	27	33	4
Adjusted EBITDAX (Non-GAAP)	<u>\$ 764</u>	<u>\$ 1,093</u>	<u>\$ 1,050</u>

Non – GAAP Reconciliation

Regional 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 continuing 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.

	(\$ in millions)			
	For the Quarter			
	Ended March 31, 2020			
	North Sea	Egypt	U.S. and Other	Consolidated
Net cash provided by operating activities	\$ 131	\$ 258	\$ 113	\$ 502
Changes in operating assets and liabilities	25	(33)	29	21
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 156</u>	<u>\$ 225</u>	<u>\$ 142</u>	<u>\$ 523</u>

(1) Includes non-controlling interest in Egypt.

Non – GAAP Reconciliation

Cash Flow From Operations Before Changes in Operating Assets and Liabilities

Reconciliation of Net Cash Provided by Operating Activities to Cash Flows from 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.

(\$ in millions)

	For the Quarter Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Net cash provided by operating activities	\$ 502	\$ 778	\$ 598
Changes in operating assets and liabilities	21	42	138
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 523</u>	<u>\$ 820</u>	<u>\$ 736</u>

(1) Includes non-controlling interest in Egypt.

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

	(\$ in millions)	
	For the Quarter	
	Ended March 31,	
	2020	2019
Costs incurred in oil and gas property:		
Acquisitions		
Proved	\$ 6	\$ -
Unproved	1	19
Exploration and development	490	655
Total Costs incurred in oil and gas property	\$ 497	\$ 674
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	\$ 497	\$ 674
Asset retirement obligations settled vs. incurred - oil and gas property	8	10
Capitalized interest	-	(8)
Exploration seismic and administration costs	(14)	(36)
Less noncontrolling interest - Egypt	(49)	(43)
Total Upstream capital investment	\$ 442	\$ 597