Third-Quarter 2021

Financial & Operational Supplement

APA Corporation

Notice to Investors

Certain statements in this earnings supplement contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 including, without limitation, expectations, beliefs, plans, and objectives regarding anticipated financial and operating results, asset divestitures, estimated reserves, drilling locations, capital expenditures, price estimates, typical well results and well profiles, type curve, and production and operating expense guidance included in this earnings supplement. Any matters that are not historical facts are forward looking and, accordingly, involve estimates, assumptions, risks, and uncertainties, including, without limitation, risks, uncertainties, and other factors discussed in our most recently filed Annual Report on Form 10-K, recently filed Quarterly Reports on Form 10-Q, recently filed Current Reports on Form 8-K available on our website, www.apacorp.com, and in our other public filings and press releases. These forward-looking statements are based on APA Corporation's (APA) current expectations, estimates, and projections about the company, its industry, its management's beliefs, and certain assumptions made by management. No assurance can be given that such expectations, estimates, or projections will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results, or other expectations expressed in this earnings supplement, including the company's ability to meet its production targets, successfully manage its capital expenditures and to complete, test, and produce the wells and prospects identified in this earnings supplement, to successfully plan, secure necessary government approvals, finance, build, and operate the necessary infrastructure, and to achieve its production and budget expectations on its projects.

Whenever possible, these "forward-looking statements" are identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "continues," "could," "estimates," "expects," "guidance," "may," "might," "outlook," "possible," "potential," "projects," "prospects," "should," "would," "will," and similar phrases, but the absence of these words does not mean that a statement is not forward-looking. Because such statements involve risks and uncertainties, the company's actual results and performance may differ materially from the results expressed or implied by such forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Unless legally required, we assume no duty to update these statements as of any future date. However, you should review carefully reports and documents that the company files periodically with the Securities and Exchange Commission.

Cautionary Note to Investors: The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable, and possible reserves that meet the SEC's definitions for such terms. We may use certain terms in this earnings supplement, such as "resource," "resource potential," "net resource potential," "potential resource," "resource base," "identified resources," "potential net recoverable," "potential reserves," "unbooked resources," "economic resources," "net resources," "undeveloped resource," "net risked resources," "inventory," "upside," and other similar terms that the SEC guidelines strictly prohibit us from including in filings with the SEC. Such terms do not take into account the certainty of resource recovery, which is contingent on exploration success, technical improvements in drilling access, commerciality, and other factors, and are therefore not indicative of expected future resource recovery and should not be relied upon. Investors are urged to consider carefully the disclosure in Apache Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 available at www.apacorp.com or by writing at: 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056 (Attn: Corporate Secretary). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov.

Certain information may be provided in this earnings supplement that includes financial measurements that are not required by, or presented in accordance with, generally accepted accounting principles (GAAP). These non-GAAP measures should not be considered as alternatives to GAAP measures, such as net income, total debt or net cash provided by operating activities, and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used at other companies. For a reconciliation to the most directly comparable GAAP financial measures, please refer to APA's third quarter 2021 earnings release at www.apacorp.com and "Non-GAAP Reconciliations" of this earnings supplement.

None of the information contained in this document has been audited by any independent auditor. This earnings supplement is prepared as a convenience for securities analysts and investors and may be useful as a reference tool. We may elect to modify the format or discontinue publication at any time, without notice to securities analysts or investors.

APA Corporation Strategy

Foundation For Long-Term Success

- Prioritize long-term returns through capital allocation to best opportunities
- Invest to sustain/slightly grow global BOE production within core portfolio
- Focus where APA can have the greatest impact on the most relevant ESG matters

Leveraging Diversified Portfolio

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

Disciplined Financial Approach

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

ESG Leadership: Primary Areas of Focus

		ESG Vision	2021 Goal
E	AIR	Be at the forefront of industry's efforts to measure, disclose and mitigate emissions	Eliminating U.S. onshore routine flaring and targeting < 1% flaring intensity in the U.S.
	WATER	Preserve freshwater resources and leverage technology to maximize water reuse	Targeting freshwater consumption < 20% of total water consumed in the U.S.
S	COMMUNITIES +PEOPLE	Provide fulfilling and rewarding careers for our employees and create shared value in the communities where we operate	Further progress diversity & inclusion programs
G	GOVERNANCE	• 20% of 2021 annual incentive compensation plan is tied to ESG and safety goals • Enhancing disclosures to more closely align with TCFD • Performance measured against S&P 500 as well as broad index of upstream and major, integrated producers	

Eliminated U.S. onshore routine flaring & running well below 2021 targets for flaring intensity and freshwater consumption

3Q 2021 Key Metrics

	3Q 2021
Reported Production	389 Mboe/d
Adjusted Production(1)	336 Mboe/d
Cost Incurred in Oil and Gas Property	$273 Million
Upstream Capital Investment(2)	$228 Million
Net Cash Provided by Operating Activities	$771 Million
Adjusted EBITDAX(2)	$1,158 Million
Free Cash Flow(2)	$421 Million
Diluted Earnings (Loss) Per Share	($0.30)
Adjusted Earnings Per Share(2)	$0.98

(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.

Highlights

Generated $421 Million of Free Cash Flow[1] in 3Q'21
Guiding to >$600 million in 4Q'21

3Q'21 Upstream Capital Investment[1] of
$228 Million

3Q'21 Adjusted Production[2] of
336 MBOE/D Exceeded Guidance

Adjusted Oil Production[2] of
145 MBO/D

Eliminated >20% of Outstanding Bonds With August Tender

YTD APA Net Debt[1,3] Reduction of $1.4 Billion

Announced
Shareholder Return Framework

Return a Minimum of 60% of Free Cash Flow Through Dividends & Share Repurchases Beginning in 4Q'21

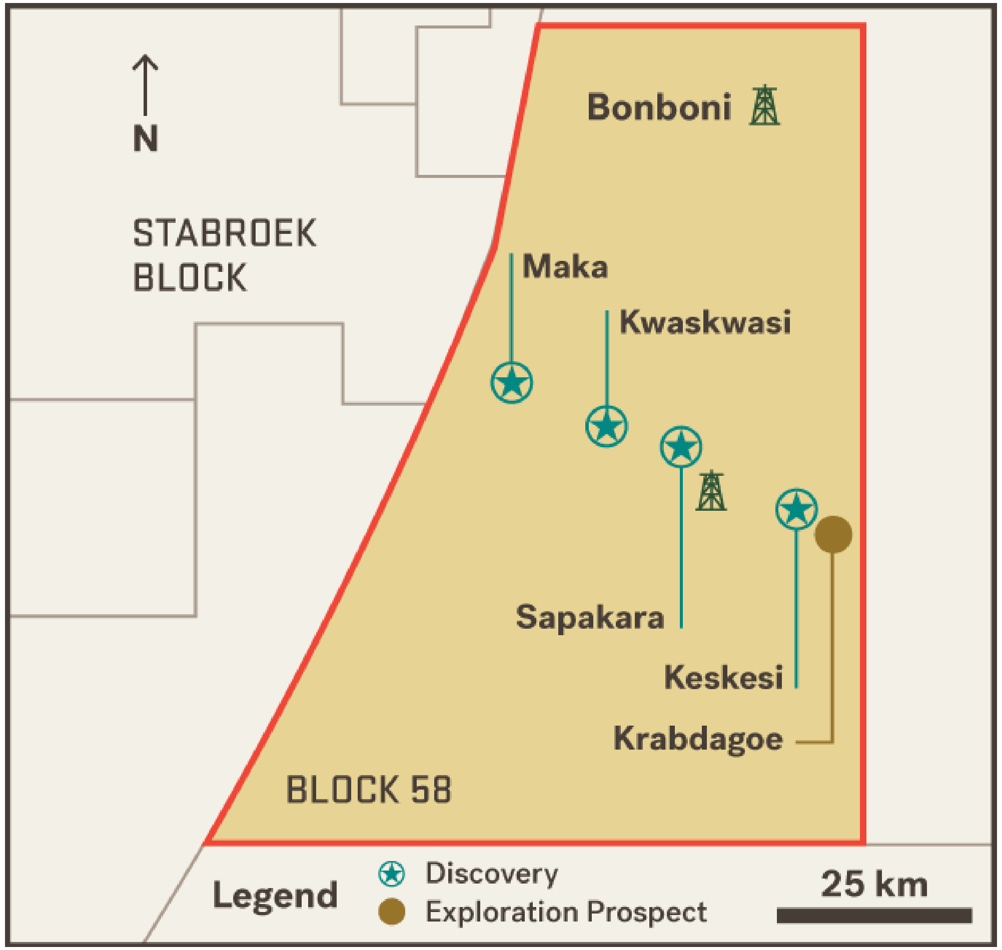
Eliminated Onshore U.S. Routine Flaring

Published 2021 Sustainability Report

(1) For a reconciliation to the most directly comparable GAAP financial measure please refer to the Non-GAAP Reconciliations. Please refer to the glossary of referenced terms for definitions of Free Cash Flow and Upstream Capital Investment.
(2) Excludes production attributable to tax barrels and noncontrolling interest.
(3) Excludes Altus Midstream (ALTM).

Suriname Update

- **Block 58 (APA 50% WI):** 4 Discoveries since Jan. 2020, appraisal program underway
- Flow test ongoing at **Sapakara South-1** appraisal well
- **Bonboni** exploration prospect drilling
- Exploration program to continue with **Krabdagoe** prospect
- **Block 53 (APA 45% WI):** Contracted the Noble Gerry de Souza drillship to drill exploration well early'22



4Q21 Guidance

	New
Production (Mboe/d)	
United States…………………………………………………………………………	224
International (Adjusted)……………………………………………………………	104
Total Adjusted Production……………………………………………………	328
United States Oil (Mbo/d)…………………………………………………………	73
Upstream Capital Investment ($ in millions)[1]……………………………	$340
Free Cash Flow ($ in millions)[1]……………………………………………………	> $600
Upstream Lease Operating Expense ($ in millions)………………………	$315
DD&A ($ in millions)……………………………………………………………………	$350
General & Administrative Expenses ($ in millions)……………………	$80
North Sea Current Tax Expense ($ in millions)…………………………	$90
Gathering, Processing & Transmission Expense ($ in millions)…………	$65
Net Loss on Oil and Gas Purchases and Sales ($ in millions)[2]………..	$25

(1) Refer to glossary of referenced terms for definition of Upstream Capital Investment and Free Cash Flow.
(2) Consists of transport & fuel costs, net purchased oil and gas sales/costs and impact of natural gas basis hedges.

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3Q Asset Update

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3Q 2021 Global Portfolio

GLOBAL

388,981 BOE/D
Reported Production

46% / 19% / 35%
Oil / NGL / Gas

27 Gross, 24 Net
Drilled & Completed Wells(1)

14
Avg Rigs

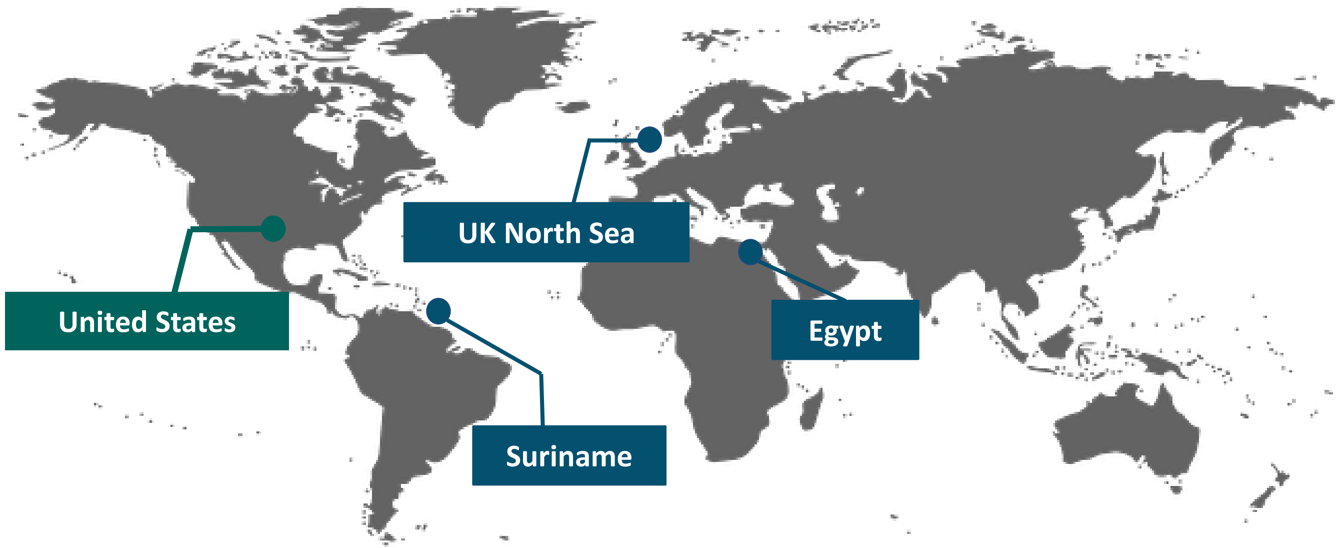
UNITED STATES

237,498 BOE/D
Reported Production

32% / 30% / 38%
Oil / NGL / Gas

10 Gross, 7 Net
Drilled & Completed Wells(1)

2
Avg Rigs



INTERNATIONAL

151,483 BOE/D
Reported Production

68% / 1% / 31%
Oil / NGL / Gas

17 Gross, 17 Net
Drilled & Completed Wells(1)

12
Avg Rigs(2)

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

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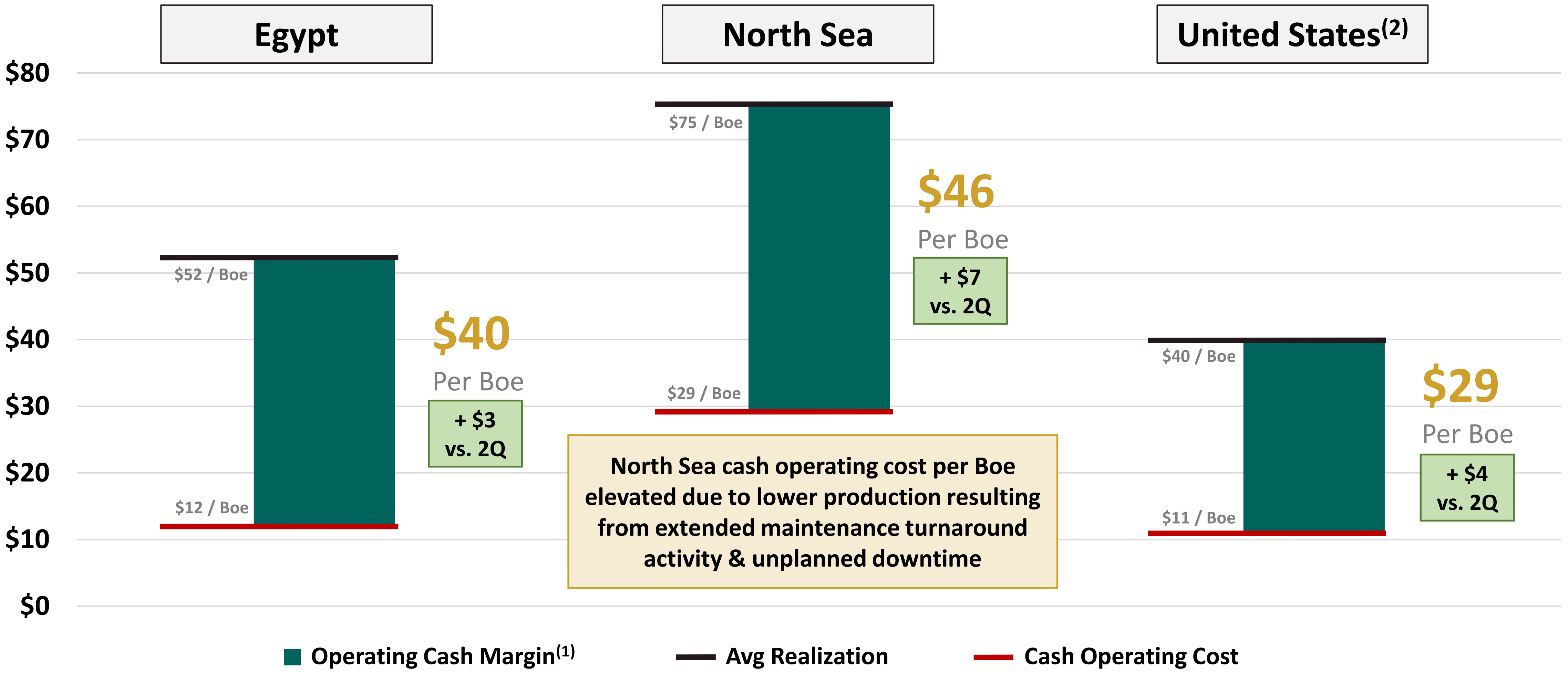
3Q 2021 Operating Cash Margins



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

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3Q U.S. Update

ASSET HIGHLIGHTS

- Exceeded U.S. production guidance provided in August with strong well performance in all areas
- **Southern Midland Basin**: Nine new wells placed on production, including three 3-mile laterals
- **Alpine High**: Wells connected in 1H'21 continue to exceed expectations; no new wells placed online during quarter
- **Austin Chalk**: Two operated wells producing (Brazos county)
  - Anderson A 1H gross 3-month average daily production of ~2,350 Boe/d (50% oil)(2)
  - Two wells to be placed on production in 4Q'21 (Washington county)
  - Added rig to Brazos county in late October

ASSET STATS

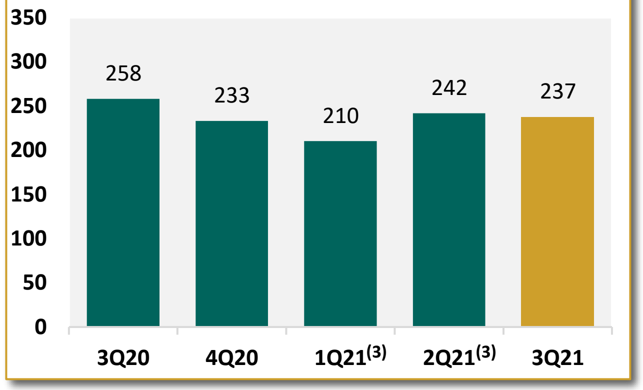
237,498 BOE/D
Reported Production

32% / 30% / 38%
Oil / NGL / Gas

10 Gross, 7 Net
Drilled & Completed Wells(1)

2
Avg Rigs

NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) June – August Average Production. APA holds a 75% working interest.
(3) Includes approximately 5 Mboe/d of production from assets sold in 2021.

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3Q Egypt Update

ASSET HIGHLIGHTS

- Drilling success rate of 75% (12 of 16 wells)
- New seismic data continues unlocking opportunities in both new and existing fields:
  - Extended Tayim North field with 2nd discovery on high side of trap; encountered 64 feet of gas-condensate pay with a test rate of 6,843 Boe/d (37% oil)
  - WKAL-R03 development well encountered 190 feet of oil pay with a test rate of 6,343 Boe/d (81% oil)
- Key facilities expansion work completed
  - Connected 12 wells in 3Q'21; planning to connect 19 wells in 4Q'21
  - More than doubles 1H'21 well connections
- Gross production bottomed in 3Q'21, turning higher in 4Q'21
- Currently operating 11 rigs in anticipation of PSC modernization
- Modernized PSC to Parliament for final approval

ASSET STATS

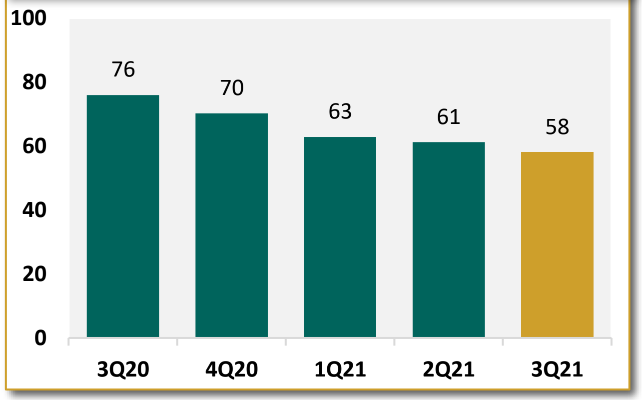
110,875 BOE/D
Reported Production

63% / 1% / 36%
Oil / NGL / Gas

16 Gross, 16 Net
Drilled & Completed Wells(1)

8
Avg Rigs

ADJUSTED PRODUCTION MBOE/D (2)



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) Excludes production attributable to tax barrels and noncontrolling interest.

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3Q North Sea Update

ASSET HIGHLIGHTS

- Production remained below capacity due to planned & unplanned maintenance downtime during the quarter
- Production increase expected in 4Q'21; though still constrained in month of October due to compressor outages
- Anticipate initial production from Storr-2[2] development well in January; provides leverage to robust North Sea natural gas prices
  - 305 feet of net pay with expected gross initial production rate of approximately 20 MMcf/d and 2,500 Bbls/d of condensate

ASSET STATS

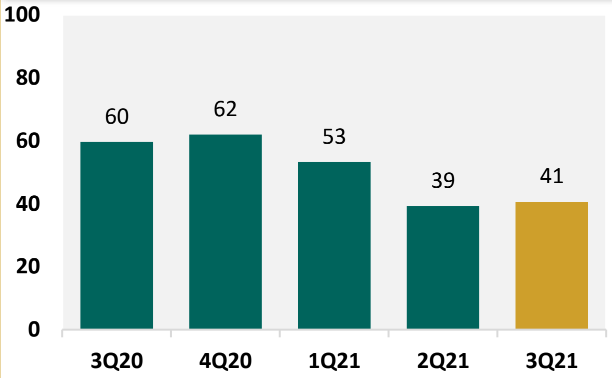
40,608 BOE/D
Reported Production

83% / 3% / 14%
Oil / NGL / Gas

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

2
Avg Rigs

NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
(2) APA holds a 59% working interest.

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Appendix

Altus Midstream / EagleClaw Combination

TRANSACTION HIGHLIGHTS

- Combination forms largest integrated Delaware Basin midstream company with implied enterprise value of ~$9 billion at signing
  - Resulting ownership: ~50% Blackstone, >20% I Squared Capital, ~20% Apache and >5% Public / Management
  - Customary lock-up provisions apply for 12 months post-closing
    - Apache permitted to sell up to 4 million shares until 3-months post-closing provided it invests the first $75 million of proceeds to Alpine High development activity over 18 months
- Balanced mix of EBITDA from midstream gathering and processing (~65%) and long-haul pipeline transportation (~35%)
- Committed to maintaining $6/shr dividend through 2023 and targeting at least 5% annual growth thereafter(1)
- Anticipate closing in 1Q 2022, subject to regulatory & Altus shareholder approvals

BENEFITS TO APA

- Ownership in combined entity with larger scale, quality assets, more diversified customer base and attractive growth opportunities
- Altus Midstream deconsolidation simplifies APA financial reporting, improves leverage metrics, and enhances comparability with upstream-only peers
- Provides APA opportunity to sell up to 1/3 of its Altus shares within 3 months of closing
  - Apache committed to invest first $75 million of proceeds in Alpine High development over 18 months
- Preserves dividend payment from Altus to APA

(1) Subject to board approval.

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Apache / Fieldwood Asset Retirement Obligation Summary

- Apache Corporation sold properties in the Gulf of Mexico to Fieldwood in 2013 for $3.5 billion

- Following Fieldwood's emergence from bankruptcy in August 2021, Apache evaluated remaining net abandonment obligations related to its legacy Gulf of Mexico properties

- Concluded that future net cash flows from the properties and available financial security will not be sufficient to fund all of the remaining retirement obligations

- Accordingly, Apache recorded the following estimates on its 3Q'21 financial statements:
  - **A contingent liability of ~$1.2 billion:** consisting of $1.49 billion of undiscounted abandonment costs, net of $300 million in future estimated cash flow from producing properties
  - **A financial security asset of $740 million:** consisting of $240 million of cash available in trust and $500 million of surety bonds and letters of credit
  - **A charge to earnings of $446 million:** representing the excess of the liability over the asset, which is excluded for purposes of calculating "adjusted earnings"

Apache does not expect to incur unreimbursed abandonment costs until at least 2026, based on estimated free cash flow from legacy properties and available financial security

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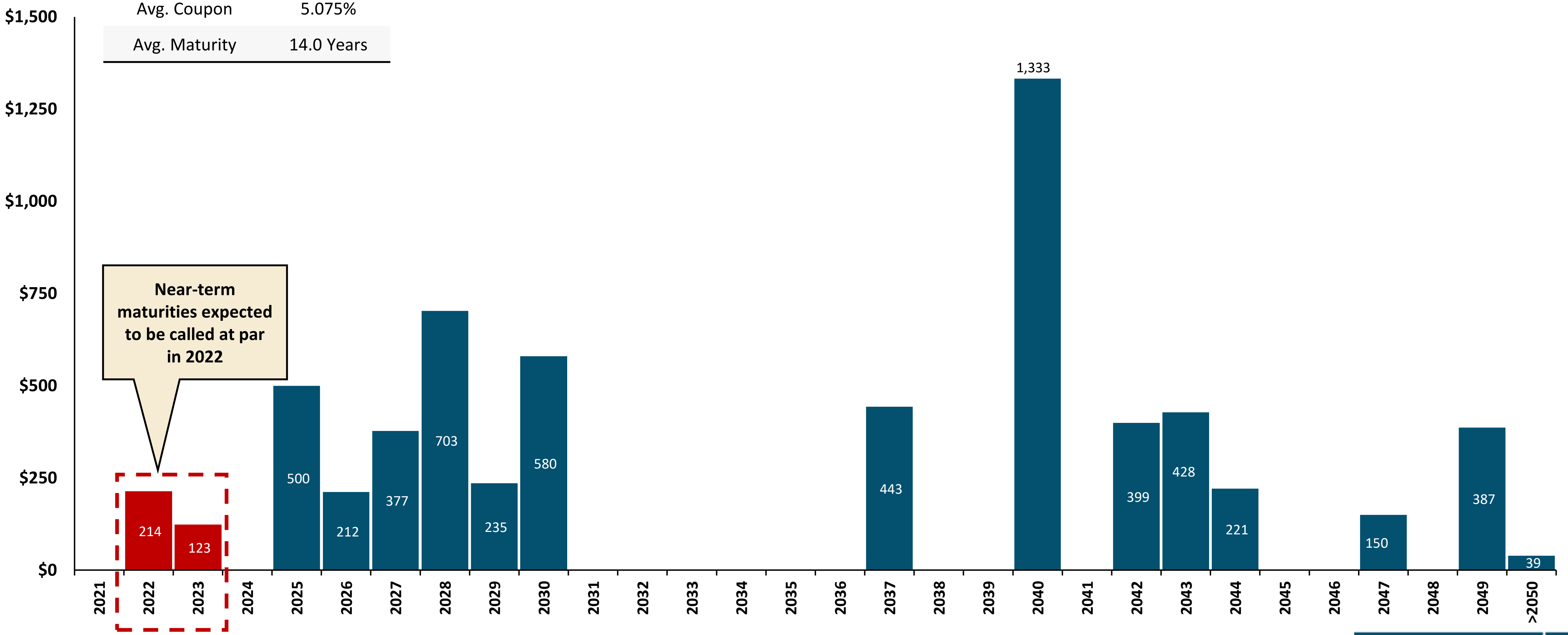
Debt Maturity Profile

	Current[1]
Long Term Debt[2]	$6,344MM
Avg. Coupon	5.075%
Avg. Maturity	14.0 Years



(1) As of 9/30/2021.
(2) Excludes Altus Midstream, borrowings on $4BN revolving credit facility, finance lease obligations, and is before unamortized discount and debt issuance costs.

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Open Commodity Derivative Positions (As of November 3, 2021)

Production Period	Trade Type	Index	Units	Daily Volume	Weighted Avg Price $ / Unit
WTI Hedges					
October – December 2021	Fixed Swap	NYMEX WTI	BBL	11,000	$58.59
Brent Hedges					
October – December 2021	Fixed Swap	Dated Brent	BBL	9,000	$61.44
Midland Basis Hedges					
October – December 2021	Basis Swap	Midland / WTI	BBL	11,000	$0.70
Natural Gas Basis Hedges					
October 2021 – December 2021	Basis Swap	IF Waha / IF HSC	MMBtu	120,109	($0.35)
January 2022 – December 2022	Basis Swap	IF Waha / IF HSC	MMBtu	120,000	($0.37)
January 2023 – December 2023	Basis Swap	IF Waha / IF HSC	MMBtu	80,000	($0.42)

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Upstream Capital Investment

($ in Millions)	1Q21	2Q21	3Q21
United States………………………………………………..........	$ 102	$ 118	$ 92
Egypt (Apache's interest only)………………………..........	64	75	77
North Sea……………………………………………………….	40	36	32
Suriname……………………………………………..................	37	28	27
Upstream Capital Investment Total…………..	$ 243	$ 257	$ 228

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

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Egypt: Production Detail

	2Q 2021			3Q 2021		
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	136,360	578,380	232,757	134,904	564,354	228,963
Reported Production	71,735	256,262	114,445	70,326	243,294	110,875
% Gross	53%	44%	49%	52%	43%	48%
Less: Tax Barrels	16,154	39,193	22,687	16,761	42,669	23,873
Net Production Excluding Tax Barrels	55,580	217,069	91,758	53,565	200,625	87,003
% Gross	41%	38%	39%	40%	36%	38%
Less: Noncontrolling Interest	18,527	72,356	30,586	17,855	66,875	29,001
Adjusted Production	37,053	144,712	61,172	35,710	133,750	58,002
% Gross	27%	25%	26%	26%	24%	25%

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

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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**: Cash flow from operations before changes in operating assets and liabilities (including Egypt minority interest) plus cash dividends received from Altus (ALTM), <u>minus</u>:
  - Upstream capital investment (including Egypt minority interest)
  - Distributions to noncontrolling interest (Egypt)
  - Consolidated operating cash flow impacts of ALTM

- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in Apache Corporation's Form 10-K for the year ended December 31, 2020.

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.

($ in millions)

	For the Quarter Ended September 30, 2021				For the Quarter Ended September 30, 2020			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income (loss) including noncontrolling interests (GAAP)	$ 122	$ (152)	$ (30)	$ (0.08)	$ 72	$ (31)	$ 41	$ 0.11
Income attributable to noncontrolling interests	94	(41)	53	0.14	41	(15)	26	0.07
Income attributable to Altus preferred unit limited partner	30	-	30	0.08	19	-	19	0.05
Net loss attributable to common stock - Basic	(2)	(111)	(113)	(0.30)	12	(16)	(4)	(0.01)
Effect of dilutive securities **	-	-	-	-	(4)	-	(4)	(0.01)
Net loss attributable to common stock	(2)	(111)	(113)	(0.30)	8	(16)	(8)	(0.02)
Adjustments: *								
Asset and unproved leasehold impairments	23	(8)	15	0.04	36	(7)	29	0.08
Noncontrolling interest & tax barrel impact on Egypt adjustments	(1)	-	(1)	-	(1)	-	(1)	-
Valuation allowance and other tax adjustments	-	60	60	0.16	-	-	-	-
(Gain)/loss on extinguishment of debt	105	(22)	83	0.22	(12)	3	(9)	(0.03)
Unrealized derivative instrument gain	(37)	8	(29)	(0.08)	(99)	21	(78)	(0.20)
Noncontrolling interest on Altus preferred units embedded derivative	1	-	1	-	(1)	-	(1)	-
Loss on previously sold Gulf of Mexico properties	446	(94)	352	0.93	-	-	-	-
Effect of dilutive securities **	-	-	-	-	4	-	4	0.01
Transaction, reorganization & separation costs	4	(1)	3	0.01	7	(1)	6	0.01
Loss on divestitures, net	2	(1)	1	-	1	-	1	-
Drilling contract termination charges and other	-	-	-	-	3	(1)	2	-
Adjusted earnings (Non-GAAP)	$ 541	$ (169)	$ 372	$ 0.98	$ (54)	$ (1)	$ (55)	$ (0.15)

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

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

Non – GAAP Reconciliation

Adjusted EBITDAX

Reconciliation of Net Cash Provided by Operating Activities to Adjusted EBITDAX

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

($ in millions)

	For the Quarter Ended			For the Nine Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net cash provided by operating activities	$ 771	$ 969	$ 304	$ 2,411	$ 890
Adjustments:					
Exploration expense other than dry hole expense and unproved leasehold impairments	13	17	17	42	49
Current income tax provision	183	131	58	463	120
Other adjustments to reconcile net income (loss) to net cash provided by operating activities	(8)	(6)	(31)	6	(45)
Changes in operating assets and liabilities	95	(212)	97	58	184
Financing costs, net	100	108	111	318	320
Transaction, reorganization & separation costs	4	4	7	8	44
Adjusted EBITDAX (Non-GAAP)	$ 1,158	$ 1,011	$ 563	$ 3,306	$ 1,562

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Non – GAAP Reconciliation

Cash Flow Before Changes in Operating Assets & Liabilities and Free Cash Flow

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

Cash flows from operations before changes in operating assets and liabilities and free cash flow are non-GAAP financial measures. APA uses these measures internally and provides this information because management believes it is useful in evaluating the company's ability to generate cash to internally fund exploration and development activities, fund dividend programs, and service debt, as well as to compare our results from period to period. We believe these measures are also used by research analysts and investors to value and compare oil and gas exploration and production companies and are frequently included in published research reports when providing investment recommendations. Cash flows from operations before changes in operating assets and liabilities and free cash flow are additional measures of liquidity but are not measures of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing, or financing activities. Additionally, this presentation of free cash flow may not be comparable to similar measures presented by other companies in our industry.

($ in millions)

	For the Quarter Ended September 30, 2021	For the Quarter Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Net cash provided by operating activities	$ 771	$ 304	$ 2,411	$ 890
Changes in operating assets and liabilities	95	97	58	184
Cash flows from operations before changes in operating assets and liabilities	$ 866	$ 401	$ 2,469	$ 1,074
Adjustments to free cash flow:				
Altus Midstream cash flows from operations before changes in operating assets and liabilities	(53)	(46)	(148)	(122)
Upstream capital investment including noncontrolling interest - Egypt	(267)	(174)	(836)	(921)
Distributions to Sinopec noncontrolling interest	(143)	(21)	(203)	(61)
Upstream free cash flow	$ 403	$ 160	$ 1,282	$ (30)
Cash dividends received from Altus Midstream	18	-	56	-
Free cash flow	$ 421	$ 160	$ 1,338	$ (30)

APA Corporation

Non – GAAP Reconciliation

Segment Cash Flows

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

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

	For the Quarter Ended September 30, 2021			
	North Sea	Egypt	U.S. and Other	Consolidated
	($ in millions)			
Net cash provided by operating activities	$ 27	$ 303	$ 441	$ 771
Changes in operating assets and liabilities	90	(19)	24	95
Cash flows from operations before changes in operating assets and liabilities	$ 117	$ 284	$ 465	$ 866

Non – GAAP Reconciliation

Net Debt

Reconciliation of Debt to Net Debt

Net debt, or outstanding debt obligations less cash and cash equivalents, is a non-GAAP financial measure. Management uses net debt as a measure of the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand. The Altus Midstream LP credit facility is unsecured and is not guaranteed by the Company or any of its other subsidiaries.

($ in millions)

	September 30, 2021			December 31, 2020		
	APA Upstream	Altus Midstream	APA Consolidated	APA Upstream	Altus Midstream	APA Consolidated
Current debt - Apache	$ 215	$ -	$ 215	$ 2	$ -	$ 2
Long-term debt - Apache	6,536	-	6,536	8,146	-	8,146
Long-term debt - Altus	-	657	657	-	624	624
Total debt	6,751	657	7,408	8,148	624	8,772
Cash and cash equivalents	268	109	377	238	24	262
Net debt	$ 6,483	$ 548	$ 7,031	$ 7,910	$ 600	$ 8,510

APA Corporation

Non – GAAP Reconciliation

Upstream Capital Investment

Reconciliation of Costs Incurred to Upstream Capital Investment

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

($ in millions)

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Costs incurred in oil and gas property:				
Acquisitions				
Proved	$ -	$ -	$ 3	$ 7
Unproved	3	-	6	3
Exploration and development	270	188	858	944
Total Costs incurred in oil and gas property	$ 273	$ 188	$ 867	$ 954
Reconciliation of Costs incurred to Upstream capital investment:				
Total Costs incurred in oil and gas property	$ 273	$ 188	$ 867	$ 954
Asset retirement obligations settled vs. incurred - oil and gas property	9	4	17	17
Capitalized interest	(2)	(1)	(6)	(1)
Exploration seismic and administration costs	(13)	(17)	(42)	(49)
Upstream capital investment including noncontrolling interest - Egypt	$ 267	$ 174	$ 836	$ 921
Less noncontrolling interest - Egypt	(39)	(33)	(108)	(122)
Total Upstream capital investment	$ 228	$ 141	$ 728	$ 799

APA Corporation

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