

The background of the entire page is a photograph of an oil drilling rig at sunset. The sky is a mix of dark, heavy clouds and bright, golden light from the setting sun, which is visible on the right side. The rig is a tall, dark silhouette against the bright sky. Overlaid on the center of the image are several semi-transparent, white geometric shapes, primarily triangles of various sizes, some pointing up and some pointing down, creating a complex, layered pattern.

Building for the Future

2017 SUMMARY ANNUAL REPORT

Apache

2017 OPERATIONAL OVERVIEW

298

Oil and NGL
Production
(Mboe/d)

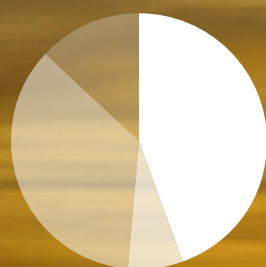
958

Natural Gas
Production
(MMcf/d)

1.2

Proved
Reserves
(Billion Boe)

	Oil & NGL Production (Bbls/day)	Natural Gas Production (Mcf/day)	Proved Reserves (Mboe)	Gross Acreage* (In Thousands)
United States	140,163	394,366	810,787	6,669
Canada**	9,470	131,479	—	—
Egypt	98,058	386,194	239,476	5,598
United Kingdom	50,038	45,521	124,723	362
Other International	—	—	—	2,308



Production

United States	45%
Canada**	7%
Egypt	35%
United Kingdom	13%



Total Estimated Proved Reserves

United States	69%
Egypt	20%
United Kingdom	11%

*Developed and undeveloped

**During the third quarter of 2017, Apache completed the sale of its Canadian operations.

Building for the Future

Apache is building for the future with a commitment to delivering long-term, returns-focused growth. The company's 2017 accomplishments and continued focus on financial discipline, rigorous portfolio management and relentless optimization of returns have advanced the strategy and positioned Apache for success in 2018 and beyond.

United States



Egypt



United Kingdom



OPERATIONS

Based in Houston, Texas, Apache Corporation has grown to become one of the world's top independent oil and gas exploration and production companies. The company's portfolio includes operations in the United States, Egypt's Western Desert, and the United Kingdom's North Sea and exploration interests offshore Suriname.

Fellow Shareholders

2017 was another year of significant progress at Apache, marked by several important milestones across the company's portfolio. Key strategic actions and operational achievements have placed us on a firm path to deliver long-term, returns-focused growth and differential shareholder value. Apache's accomplishments over the last three years have generated significant momentum that we will continue to build upon in 2018 and beyond.

Key 2017 highlights

- Returned the Permian Basin to a growth trajectory, exclusive of Alpine High, on an increasingly productive capital program. Our total Permian Basin production reached a record high in the fourth quarter of 2017, exceeding the previous record set two years prior.
- Conducted important multiwell pad tests in the Midland Basin, which led to reduced drilling and completion time, more effective well bore placement within landing zones, and more efficient stimulation of oil-bearing rock. Apache is now delivering some of the best well results in the Midland Basin per capital dollar invested.
- Initiated production at Alpine High ahead of schedule and grew volumes steadily throughout the year. We increased our inventory of risked locations to more than 5,000 and initiated our first multiwell pads and pattern tests, which will drive significant capital efficiency gains in the 2018 program and for many years to come.
- Completed our strategic exit from Canada; the latest significant step in a large-scale, multiyear portfolio rotation into Alpine High. This will enhance capital efficiency, increase recycle ratios and most importantly, improve long-term returns.
- Continued our long track record of successful international exploration and development in Egypt and the North Sea, sustaining the capacity to generate strong free cash flow.

- Maintained our balance sheet strength and liquidity, which supports our dividend and capital program.

Building for the future

As we look to the future, our investment programs are directed to maximize the long-term value potential of our portfolio.

At Alpine High, we are developing a world-class, large-scale resource play capable of significantly enhancing Apache's returns, growth and value-adding capacity for decades. After two years of delineating this massive hydrocarbon system, we began the transition to development in 2017. We have taken a very deliberate and methodical approach to appraising the Alpine High potential, and we are very well-positioned for this next phase of activity. The midstream infrastructure buildout at Alpine High will bring forth the capacity to deliver very high volumes of oil, gas and NGLs to rapidly growing markets on the Texas Gulf Coast. In 2018, we are evaluating strategic alternatives to fund Alpine High midstream. This includes partnering, which would free up capital planned for midstream infrastructure, or a partial monetization; either of which would allow us to invest in higher return opportunities within the portfolio or return capital to shareholders.

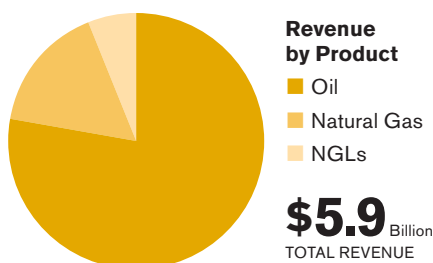
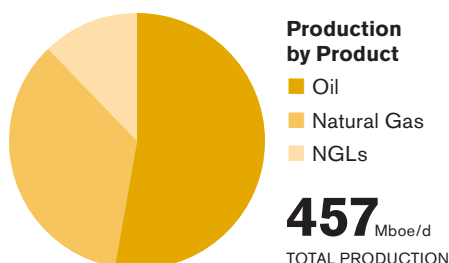
In other areas of the Permian Basin, we have made great progress over the last three years. We have lowered well costs, improved targeting capability, and enhanced our landing zone understanding. This has enabled a transition to full-section development in



John E. Lowe
Chairman of the Board



John J. Christmann IV
Chief Executive Officer and President



our key assets. Full-section development is the only way to maximize long-term value. We also continue to test and prove up new opportunities across our extensive acreage position. We operate at an appropriate pace in the Permian Basin that allows us to grow our development activity for the long term while incorporating learnings along the way.

Internationally, we are well-positioned to continue generating strong returns and significant free cash flow. In Egypt, we've increased our acreage footprint by 40 percent with two new concessions and are conducting a large-scale, high-density, high-resolution 3D seismic survey. We are confident the significantly improved imaging will open new growth opportunities across both our new and legacy acreage footprint in the Western Desert. In the North Sea, we have a well-balanced inventory of current development locations, short-cycle tie-backs of recent discoveries, and further exploration prospects. Near-infrastructure opportunities like these are highly economic and help maintain efficient operating volumes at our installed facilities. In Suriname, we have two large and highly prospective offshore blocks that are on trend with recent discoveries in an emerging world-class oil basin.

As a leader in technological innovation, we know that the continued application of technology is vital to our industry and our company. Apache will accelerate the adoption and implementation of cutting-edge technology initiatives and data analytics, with an

objective of reducing costs, driving efficiency gains, expanding inventory and generating higher returns.

We have a well-established practice of leading the industry on environmental stewardship, and we are using that experience at Alpine High, which is designed to be a showcase for best-in-class environmental and community practices.

2018 promises to be a year of opportunity. With a continued focus on financial discipline, rigorous portfolio management and relentless optimization of returns, we are confident that it will be a year of great progress and great success.

We thank you for your continued support and investment.

John E. Lowe
Chairman of the Board

John J. Christmann IV
Chief Executive Officer and President

2017 Key Metrics

\$5.9 Billion
Oil and Gas Revenue

457 Mboe/d
Reported Production

350 Mboe/d
Adjusted Production⁽¹⁾

\$3,089 Million
Oil and Gas Capital Investment⁽²⁾

\$3.7 Billion
Adjusted EBITDAX⁽²⁾

\$3.41
Diluted Earnings Per Share

\$0.24
Diluted Adjusted Earnings Per Share^(2,3)

⁽¹⁾ Excludes production attributable to Egypt tax barrels and noncontrolling interest and divestitures.

⁽²⁾ For a reconciliation to the most directly comparable GAAP financial measure, please refer to our fourth-quarter 2017 earnings release.

⁽³⁾ Includes \$(0.32) per share of dry hole expense (net of tax).



Simultaneous Seismic Sources

Utilizing fiber optic cables for seismic monitoring minimizes exploration costs, improves data quality, and reduces collection and processing time



Characterizing the Subsurface

Employing chemostratigraphy, mechanical properties, and oil fingerprinting for production allocation produces better images and interpretations



Extensive Reservoir Modeling

Understanding rock properties and the complete hydrocarbon system



Water Recycling Technologies

Using state-of-the-art facilities that reduce overall water withdrawals and operating costs



Stimulation Insights

Deploying fiber optics, micro seismic, and 4D seismic to improve subsurface insights



Drilling Intelligence

Gathering high-frequency data from sensors on the rig to improve efficiency



Remote Operations Center

Utilizing real-time data to optimize well performance



Data Analytics

Streaming analytics throughout the process to optimize capital efficiency, extend equipment life, and improve full-cycle returns

Advancements in Technology

In a rapidly changing world, innovation is critical to long-term success.

Throughout the organization, Apache employees are applying new technologies and creating new tools to advance how they work across the value chain from the subsurface, drilling and completions, and production, to supply and logistics. Apache employees are committed to relentless improvement through the collection and analysis of data; data that ultimately drives smarter and quicker decisions – and higher returns to shareholders. Apache aims to be an early adopter of new technologies and a leader in the implementation of new processes and tools across various aspects of the business, including, for example, seismic data collection, core sampling, fracture stimulations, water handling and operations monitoring.

Apache leads the way in the development and application of simultaneous seismic sources, both onshore and offshore. This technology has resulted in millions of dollars of cost savings by greatly reducing the time to collect, process and interpret data.

Through the development of work flows and applied technologies, core sample data is delivered more quickly into the hands of the project geologists and reservoir engineers for faster characterization of the company's shale

plays and landing zones. Along with ongoing efforts on oil fingerprinting, the collection and characterization of this data is allowing for a more robust understanding of the hydrocarbon systems and their performance.

To better understand fracture stimulations, Apache scientists are using a variety of sophisticated tools, including fiber optics, micro seismic and 4D seismic. These tools are providing unprecedented insight and contributing to optimized reservoir development.

Apache has built new, state-of-the-art water treatment facilities, such as highly engineered water storage pits in the Midland Basin and Alpine High areas that add to project net present values by reducing water handling and disposal costs and increasing operational reliability and flexibility.

In addition, the company is employing automation at its remote operating centers, which integrates real-time data to optimize well and facility performance.

Apache's focus on innovation and harnessing the power of data are driving operational improvements and increased efficiencies across the company.

Apache employees are committed to relentless improvement through the collection and analysis of data; data that ultimately drives smarter and quicker decisions – and higher returns to shareholders.



Building for the Future Sustainably

Apache's mission is to create differential shareholder value over the long term and to do so in a way that protects and enhances the safety and health of employees, communities and the environment. As such, Apache is developing innovative operational approaches that deliver environmental, social and financial returns. Water management programs, emission reduction efforts, robust safety initiatives and industry-leading governance practices are a few of numerous examples of the company's sustainability commitments in practice.

Apache has been an industry leader in finding alternative water sources to minimize the use of valuable freshwater resources. In fact, the company was one of the first operators in Texas to utilize nonpotable water, including brackish and recycled water from operations. These efforts have continued, and in 2016, 56 percent of water withdrawals were recycled or reused.

Apache is a charter member of the ONE Future Coalition, an industry coalition focused on methane reductions across the natural gas value chain. The company has been an early adopter of methane leak detection and repair processes and has established a goal to reduce methane emissions intensity to 0.36 percent of production or less by 2025 – a science-based goal developed in partnership with ONE Future. Since 2012, Apache has reduced methane emissions intensity by 43 percent.

The company's safety incident rates also continue to improve for both employees and contractors, thanks in large part to a culture of personal responsibility and robust training programs. From 2012 to 2016, the workforce total recordable incident rate dropped by 54 percent, and the employee vehicle incident rate dropped by 27 percent.

Apache underpins all of these sustainability efforts by continuing to advance governance and compensation practices to support

a culture of integrity, accountability and transparency. In 2016, Apache based its health and safety goals on the top quartile, three-year average performance of industry peers. For 2017 executive compensation, the company expanded its goals to include a comprehensive qualitative assessment of leading and lagging measures to drive excellence in facets of HSSE beyond safety. In addition, its Code of Business Conduct and Ethics was revised, and the Apache Hotline was improved to allow any person the ability to anonymously report suspected violations of law or Apache policies. Similarly, the company has established a separate toll-free hotline and improved tracking system specifically for community grievances to allow Apache to understand, learn from and respond to community concerns.

Apache understands that success depends on delivering environmental, social and financial returns because that is how the company will create long-term, differential returns for its shareholders and lasting benefits for all stakeholders.

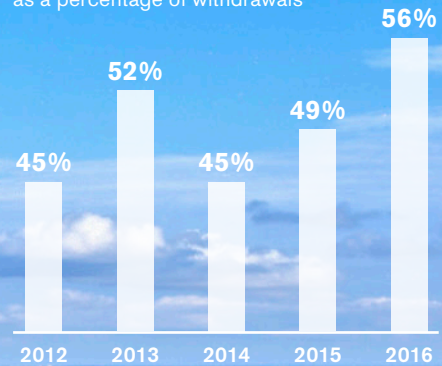
Learn more about how Apache is innovating to improve our sustainability performance in Apache's full Sustainability Report, available for download at www.apachecorp.com/Sustainability.



Apache is a charter member of the ONE Future Coalition, an industry coalition focused on methane reductions across the natural gas value chain.

Water Recycled/Reused

Total volume recycled/reused*
as a percentage of withdrawals



*Recycled and reused water is defined as water used for a new or similar purpose. This includes water used for enhanced oil recovery.



Reducing Chemicals Used

55% decrease in volume of toxic chemicals used in hydraulically fractured wells from 2015 to 2016



Mitigating Methane Emissions

43% decrease in methane emissions intensity since 2012



Emphasizing Safety

54% decrease in workforce total recordable incident rate since 2012*



Hiring Locally

97% of employees are local nationals companywide

* Workforce rate includes Apache employees and contractors.

2017 Performance Summary

(Dollars in millions, except per share data)

Year ending December 31

	2017	2016	2015
Financial Summary			
Oil and Gas Production Revenues	\$ 5,887	\$ 5,367	\$ 6,510
Income (Loss) from Continuing Operations Attributable to Common Shareholders	\$ 1,304	\$ (1,372)	\$ (10,844)
Diluted Net Income (Loss) from Continuing Operations per Common Share	\$ 3.41	\$ (3.62)	\$ (28.70)
Net Cash Provided by Continuing Operating Activities	\$ 2,428	\$ 2,453	\$ 2,554
Changes in Operating Assets and Liabilities	\$ (320)	\$ 153	\$ (80)
Cash from Continuing Operations before Changes in Operating Assets and Liabilities*	\$ 2,748	\$ 2,300	\$ 2,634
Total Assets	\$ 21,922	\$ 22,519	\$ 25,500
Long-term Debt	\$ 7,934	\$ 8,544	\$ 8,716
Total Equity	\$ 8,791	\$ 7,679	\$ 9,490
Cash Dividends Declared per Common Share	\$ 1.00	\$ 1.00	\$ 1.00

Operational Summary

Total Capital Expenditures (including acquisitions, gas gathering, transmission and processing facilities and capitalized interest)	\$ 3,438	\$ 1,791	\$ 4,531
Natural Gas Production (MMcf/d)	958	1,103	1,149
Oil and NGL Production (Mbbbls/d)	298	338	352
Proved Reserves (MMboe)	1,175	1,311	1,564

*Non-GAAP Financial Measure

Non-GAAP Financial Measures:

Apache's financial information includes information prepared in conformity with generally accepted accounting standards (GAAP) as well as non-GAAP 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. Cash from continuing operations before changes in operating assets and liabilities is a non-GAAP measure. 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. For a reconciliation to the most directly comparable GAAP financial measure, please refer to our fourth-quarter 2017 earnings release. 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.

Discontinued Operations:

Unless otherwise specified, amounts attributable to revenues, earnings, and production exclude discontinued operations related to Argentina and Australia. For more information regarding Apache's discontinued operations, please see the company's Form 10-K as filed with the Securities and Exchange Commission.

Forward-looking Statements:

This annual report 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," "estimates," "expects," "guidance," and similar references to future periods. These statements include, but are not limited to, statements about future plans, expectations and objectives for Apache's 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 our 2017 Form 10-K as filed with the Securities and Exchange Commission for a discussion of risk factors that affect our business. Any forward-looking statement made by us in this annual report 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. We 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.

Since 1954, Apache has built a team unified by our values, our commitment to building shareholder value, and our culture, which empowers every employee to make decisions and achieve the company's goals. Our global team is brought together by a sense of ownership and the knowledge that the best answers win.

OUR VISION is to be the premier exploration and production company with global assets focused on North American growth.

OUR MISSION is to grow in an innovative, safe, environmentally responsible and profitable manner for the long-term benefit of our shareholders.

OUR STRATEGY is to deliver top-tier returns by maximizing recovery and minimizing costs through continuous improvement.

OUR CORE VALUES are:

Expect top performance and innovation;

Seek relentless improvement in all facets;

Drive to succeed with a sense of urgency;

Safety is not negotiable and will not be compromised;

Invest in our greatest asset: our people;

Foster a contrarian spirit;

Treat our stakeholders with respect and dignity;

We derive benefit from the Earth and take our environmental responsibility seriously; and

Conduct our business with honesty and integrity.

Apache's Website: www.apachecorp.com

Apache's website provides additional company and financial data, including:

- Profiles and maps of the company's worldwide operations: www.apachecorp.com/Operations
- Background on Apache's mission and values, governance, management and history: www.apachecorp.com/About
- Latest news, updates and articles, and a photo and video gallery: www.apachecorp.com/News
- Apache stock information, market data, investor presentations and financial news: www.apachecorp.com/Investors
- Career opportunities: www.apachecorp.com/Careers

Apache's Social Media Sites

- LinkedIn: www.linkedin.com/company/apache-corporation
- Instagram: www.instagram.com/apachecorporation
- Facebook: www.facebook.com/apachecorporation
- Twitter: www.twitter.com/apachecorp
- StockTwits: <http://stocktwits.com/symbol/APA?q=APA>
- YouTube: www.youtube.com/user/apachecorp

Apache's Media and Investor Center

Download Apache's Media and Investor Center (MIC) mobile application for mobile access to company news, operating statistics, reports, stock and market performance, presentations, webcasts and more. Go to www.apachecorp.com/ApacheMIC or go directly to the Apple App Store or Google Play.

Apache's 2017 Sustainability Report

Apache's 2017 Sustainability Report features expanded disclosure of Apache's performance in governance, economics, environmental stewardship, health and safety in the workplace, and community outreach. The report is available online at www.apachecorp.com/Sustainability.

Media and Other Stakeholder Inquiries

Members of the media and other external stakeholders are welcome to contact Apache's Public & International Affairs office for inquiries or other information about the company. These requests may be directed to:

Castlen Kennedy
Vice President, Public Affairs
+1 713-296-7276
media@apachecorp.com

Investor Inquiries

Shareholders, brokers, securities analysts or portfolio managers seeking information about the company are welcome to contact Apache's Investor Relations department:

Gary Clark
Vice President, Investor Relations
+1 281-302-2286
ir@apachecorp.com



APACHE CORPORATION

2000 Post Oak Boulevard
Suite 100
Houston, Texas 77056-4400
www.apachecorp.com