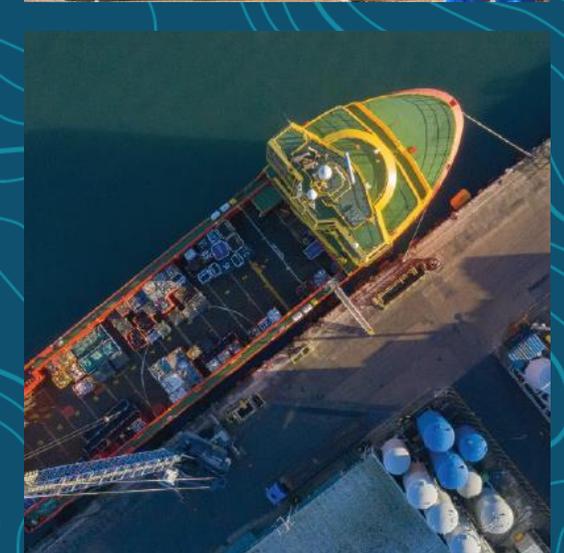


Second-Quarter 2021

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 second 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.

2Q 2021 Key Metrics



	2Q 2021
Reported Production	395 Mboe/d
Adjusted Production⁽¹⁾	342 Mboe/d
Cost Incurred in Oil and Gas Property	\$307 Million
Upstream Capital Investment⁽²⁾	\$257 Million
Net Cash Provided by Operating Activities	\$969 Million
Adjusted EBITDAX⁽²⁾	\$1,011 Million
Free Cash Flow⁽²⁾	\$396 Million
Diluted Earnings Per Share	\$0.82
Adjusted Earnings Per Share⁽²⁾	\$0.70

(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.

APA's Strategy



- Prioritize long-term returns
- Position the balance sheet and portfolio for increasing cash returns to investors
- Focus where APA can have the greatest impact on the most salient ESG matters



- Modernizing Egypt PSCs⁽¹⁾
- Increasing activity levels in the U.S. to stabilize/sustain oil production
- Directing a significant percentage of capital budget to Suriname
- Diversifying risk through a balanced commodity profile and geographic pricing points



- Aggressively managing cost structure
- Retaining cash to reduce debt; targeting a return to investment grade
- Targeting development capital at a level that will sustain production

(1) Pending certain approvals within the Government of Egypt and ratification by the Egyptian Parliament.

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 routine U.S. onshore 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	<ul style="list-style-type: none"> • 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 	



Eliminating routine U.S. onshore flaring by end of 3Q 2021

Highlights

Generated **\$396 Million of Free Cash Flow⁽¹⁾** in 2Q'21
\$898 Million in 1H'21

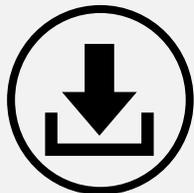


2Q'21 Upstream Capital Investment⁽¹⁾ of
\$257 Million

2Q'21 Adjusted Production⁽²⁾ of
342 MBOE/D Exceeded Guidance



Adjusted Oil Production⁽²⁾ of
152 MBO/D



YTD APA Net Debt^(1,3) Reduction
of **\$1.1 Billion**

Suriname Appraisal Program Underway



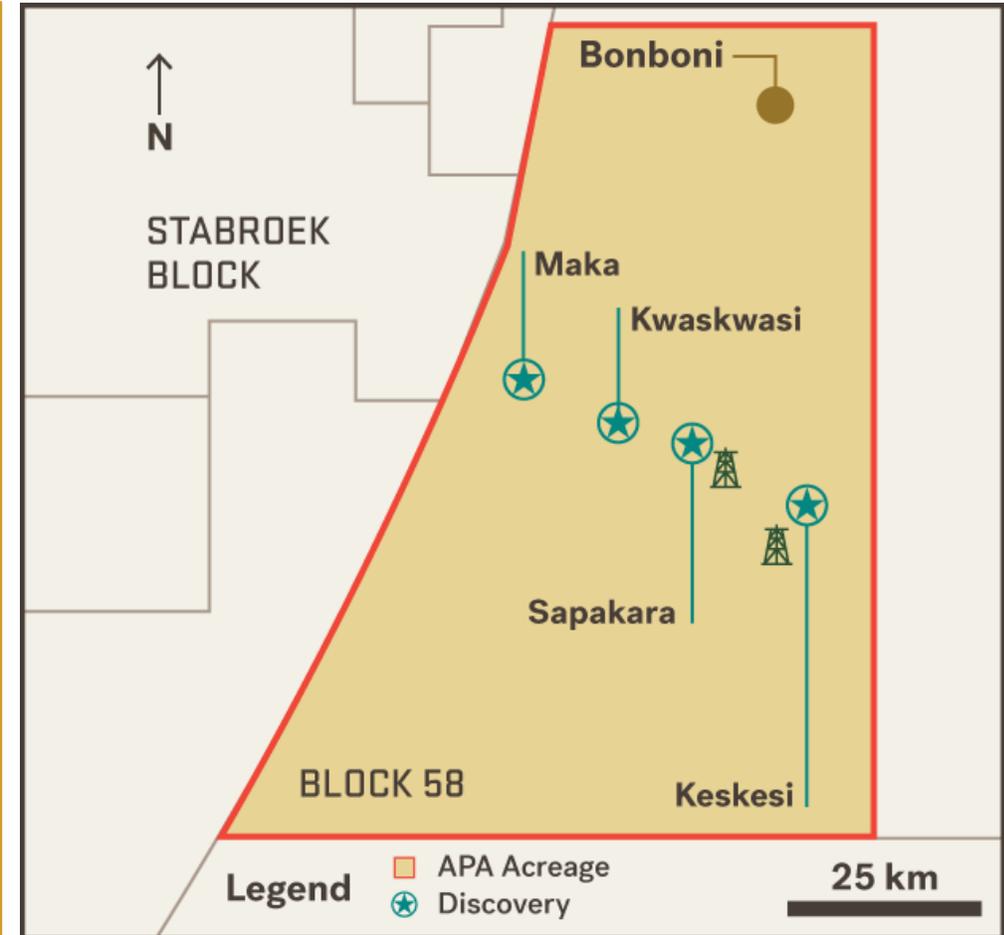
Announced Successful Appraisal
Results at Sapakara South-1
Keskesi Appraisal Operations Ongoing



Completed Sale of
Non-Core CBP Assets For
\$178 Million

Block 58 Offshore Suriname Update

- Announced successful appraisal results at **Sapakara South-1**
 - Encountered ~30 meters (98 feet) of net black oil pay in a single zone of high-quality Campano-Maastrichtian reservoir
- **Bonboni** exploration prospect scheduled to be drilled with the *Maersk Valiant* following completion of operations at Sapakara South-1
- *Maersk Developer* spud the **Keskesi South-1** appraisal well in late May



3Q21 Guidance

	New	
Production (Mboe/d)		
United States.....	233	3Q21 CBP Sale Production Impact U.S. Total Production: 4 Mboe/d U.S. Oil: 3 Mbo/d
International (Adjusted).....	102	
Total Adjusted Production.....	335	
United States Oil (Mbo/d).....	75	
Upstream Capital Investment (\$ in millions) ⁽¹⁾	\$280	
Upstream Lease Operating Expense (\$ in millions).....	\$325	
DD&A (\$ in millions).....	\$350	
General & Administrative Expenses (\$ in millions).....	\$80	
North Sea Current Tax Expense (\$ in millions).....	\$40	
Gathering, Processing & Transmission Expense (\$ in millions).....	\$65	
Net Loss on Oil and Gas Purchases and Sales (\$ in millions) ⁽²⁾	\$35	

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

2021 Guidance

	Previous	New
Production (Mboe/d)		
United States.....	220 – 225	227
International.....	170 – 175	163
Reported Production.....	390 – 400	390
Less: Egypt Tax Barrels.....	17	25
Less: Egypt Noncontrolling Interest.....	33	30
Total Adjusted Production.....	340 – 350	335
United States Oil (Mbo/d).....	74	75
Upstream Capital Investment (\$ in millions) ⁽¹⁾	\$1,100	\$1,100
Upstream Lease Operating Expense (\$ in millions).....	\$1,200	\$1,200
DD&A (\$ in millions).....	\$1,525	\$1,400
General & Administrative Expenses (\$ in millions).....	\$315	\$325
North Sea Current Tax Expense (\$ in millions).....	\$150	\$175
Gathering, Processing & Transmission Expense (\$ in millions).....	\$250	\$250
Net Loss on Oil and Gas Purchased and Sales (\$ in millions) ⁽²⁾	\$140	\$140

2021 CBP Sale Production Impact
U.S. Total Production: 2 Mboe/d
U.S. Oil: 1 Mbo/d

(1) Refer to glossary of referenced terms for definition of Upstream Capital Investment.

(2) Consists of transport & fuel costs, net purchased oil and gas sales/costs and impact of natural gas basis hedges.

2Q Asset Update

2Q 2021 Global Portfolio

GLOBAL

 395,186 BOE/D Reported Production	 47% / 18% / 35% Oil / NGL / Gas	 44 Gross, 41 Net Drilled & Completed Wells ⁽¹⁾	 12 Avg Rigs
---	---	---	---

UNITED STATES

 241,525 BOE/D Reported Production	 34% / 29% / 37% Oil / NGL / Gas	 28 Gross, 26 Net Drilled & Completed Wells ⁽¹⁾	 2 Avg Rigs
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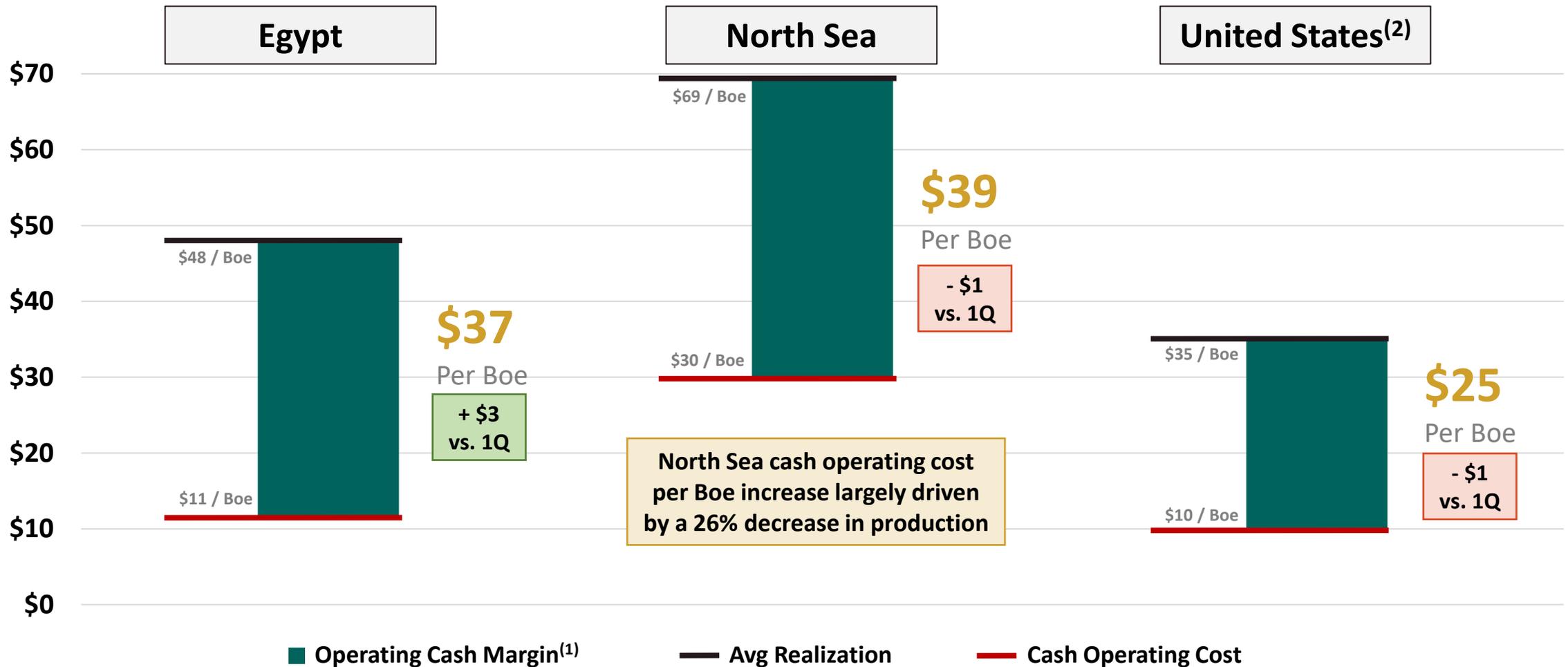


INTERNATIONAL

 153,661 BOE/D Reported Production	 67% / 1% / 32% Oil / NGL / Gas	 16 Gross, 15 Net Drilled & Completed Wells ⁽¹⁾	 10 Avg Rigs ⁽²⁾
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(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.
 (2) Includes two rig average in Suriname.

2Q 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).

2Q U.S. Update

ASSET HIGHLIGHTS

- Exceeded U.S. oil production guidance provided in May by 6% with better than expected performance from the DUC completion program
- Brought online 27 wells in the Permian Basin, 5 of which were at Alpine High
- Drilled 3 Austin Chalk wells in Brazos and Washington counties
- Completed sale of non-core CBP assets in Crane & Ector counties for \$178 million
 - 2Q'21 production: ~4,000 BOE/D (61% oil)
- Added 2nd rig in the Permian Basin in late June as planned

ASSET STATS



241,525 BOE/D

Reported Production



34% / 29% / 37%

Oil / NGL / Gas



28 Gross, 26 Net

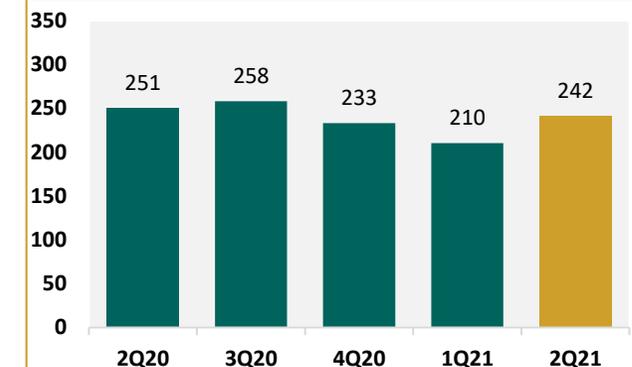
Drilled & Completed Wells⁽¹⁾



2

Avg Rigs

NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.

2Q Egypt Update

ASSET HIGHLIGHTS

- Drilling success rate of 85% (11 of 13 wells)
 - WKAL-O2 development well naturally flowing at 4,200 BOPD
 - Fustat-N 1X exploration well commenced production at a rate of 3,130 BOPD and 32 MMCFD
- Secured development lease for Hadid oil discovery, expect first oil in 2H'21
 - Test flowed at 3,800 BOPD and 2.5 MMCFD
- Gross production expected to trend up in 2H'21
 - Currently operating 8 drilling rigs
 - Following completion of facilities expansion, well connections are expected to nearly double in 2H'21 compared to only 15 well connections in 1H'21
- Final draft of new PSC has been completed and will be presented to Parliament in the fall

ASSET STATS



114,445 BOE/D

Reported Production



62% / 1% / 37%

Oil / NGL / Gas



13 Gross, 13 Net

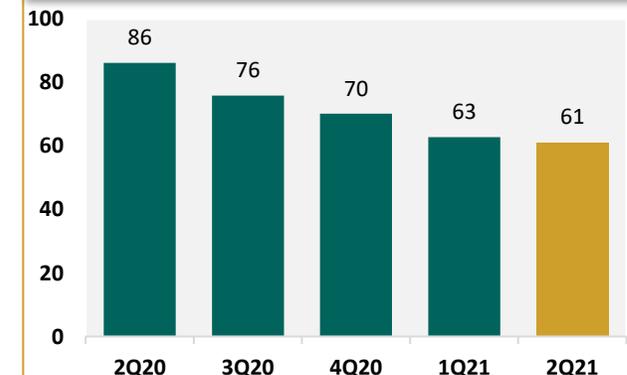
Drilled & Completed Wells⁽¹⁾



6

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.

2Q North Sea Update

ASSET HIGHLIGHTS

- 2Q'21 production impacted by:
 - 3rd party pipeline outages and extended compressor downtime
 - 9-day extension of the planned maintenance turnaround at Forties
- Anticipate a modest increase in 3Q'21 production as scheduled maintenance turnaround activity shifts from Forties to Beryl
- An uptick in production expected in 4Q'21 with the resumption of normal operations

ASSET STATS



39,216 BOE/D

Reported Production



82% / 3% / 15%

Oil / NGL / Gas



3 Gross, 2 Net

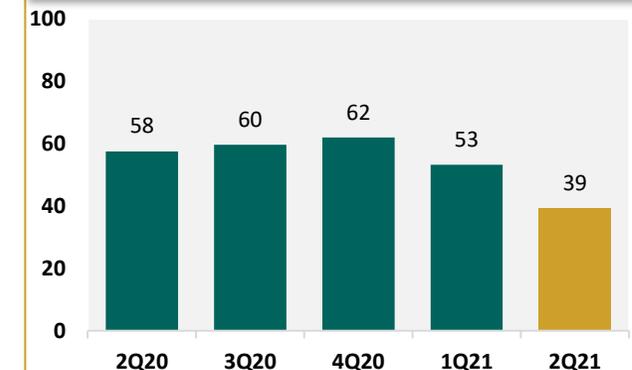
Drilled & Completed Wells⁽¹⁾



2

Avg Rigs

NET PRODUCTION MBOE/D



(1) Includes operated wells completed and fully evaluated, but not necessarily placed onto production.

Appendix

Open Commodity Derivative Positions (As of August 4, 2021)

Production Period	Trade Type	Index	Units	Daily Volume	Weighted Avg Price \$ / Unit
WTI Hedges					
July – September 2021	Fixed Swap	NYMEX WTI	BBL	22,000	\$60.15
October – December 2021	Fixed Swap	NYMEX WTI	BBL	11,000	\$58.59
Brent Hedges					
July – September 2021	Fixed Swap	Dated Brent	BBL	18,000	\$63.08
October – December 2021	Fixed Swap	Dated Brent	BBL	9,000	\$61.44
Midland Basis Hedges					
July – September 2021	Basis Swap	Midland / WTI	BBL	22,000	\$0.61
October – December 2021	Basis Swap	Midland / WTI	BBL	11,000	\$0.70
Natural Gas Basis Hedges					
July 2021 – December 2021	Basis Swap	IF Waha / IF HSC	MMBtu	130,054	(\$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)

Upstream Capital Investment

(\$ in Millions)	1Q21	2Q21
United States.....	\$ 102	\$ 118
Egypt (Apache's interest only).....	64	75
North Sea.....	40	36
Suriname.....	<u>37</u>	<u>28</u>
Upstream Capital Investment Total.....	\$ <u>243</u>	\$ <u>257</u>

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

Egypt: Production Detail

	1Q 2021			2Q 2021						
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d				
Gross Production	136,217	603,269	236,762	136,360	578,380	232,757				
Reported Production	72,753	278,149	119,111	71,735	256,262	114,445				
% Gross	53%	46%	50%	53%	44%	49%				
Less: Tax Barrels	16,758	48,538	24,847	16,154	39,193	22,687				
Net Production Excluding Tax Barrels	55,995	229,612	94,264	55,580	217,069	91,758				
% Gross	41%	38%	40%	41%	38%	39%				
Less: Noncontrolling Interest	18,665	76,537	31,421	18,527	72,356	30,586				
Adjusted Production	37,330	153,075	62,843	37,053	144,712	61,172				
% Gross	27%	25%	27%	27%	25%	26%				
<i>MBOE/D</i>	2019				2020				2021	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Gross Production	332	322	301	300	295	281	269	245	237	233
Reported Production	145	131	131	126	117	127	128	116	119	114
Adjusted Production	79	72	72	69	72	86	76	70	63	61
Brent Oil Benchmark Pricing	\$64	\$68	\$62	\$62	\$50	\$33	\$43	\$45	\$61	\$69

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 dividends received from Altus (ALTM), minus:
 - Upstream capital investment (including Egypt minority interest)
 - Distributions to noncontrolling interest (Egypt)
 - APA Corp. dividend payments
 - 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.

	For the Quarter Ended June 30, 2021				For the Quarter Ended June 30, 2020			
	Before	Tax	After	Diluted	Before	Tax	After	Diluted
	Tax	Impact	Tax	EPS	Tax	Impact	Tax	EPS
Net income (loss) including noncontrolling interests (GAAP)	\$ 495	\$ (87)	\$ 408	\$ 1.07	\$ (416)	\$ 38	\$ (378)	\$ (1.00)
Income (loss) attributable to noncontrolling interests	104	(36)	68	0.18	(17)	6	(11)	(0.03)
Income attributable to Altus preferred unit limited partner	24	-	24	0.06	19	-	19	0.05
Net income (loss) attributable to common stock - Basic	367	(51)	316	0.83	(418)	32	(386)	(1.02)
Effect of dilutive securities **	(6)	-	(6)	(0.01)	-	-	-	-
Net income (loss) attributable to common stock	361	(51)	310	0.82	(418)	32	(386)	(1.02)
Adjustments: *								
Asset and unproved leasehold impairments	3	-	3	0.01	51	(6)	45	0.12
Noncontrolling interest & tax barrel impact on Egypt adjustments	-	-	-	-	(7)	-	(7)	(0.02)
Valuation allowance and other tax adjustments	-	(60)	(60)	(0.16)	-	64	64	0.17
Gain on extinguishment of debt	(1)	-	(1)	-	(140)	29	(111)	(0.29)
Unrealized derivative instrument loss	65	(13)	52	0.14	138	(30)	108	0.29
Noncontrolling interest on Altus preferred units embedded derivative	7	(2)	5	0.01	(2)	1	(1)	(0.01)
Effect of dilutive securities **	6	-	6	0.01	-	-	-	-
Transaction, reorganization & separation costs	4	(1)	3	0.01	10	(3)	7	0.02
Gain on divestitures, net	(65)	14	(51)	(0.13)	-	-	-	-
Drilling contract termination charges and other	(1)	-	(1)	(0.01)	-	-	-	-
Adjusted earnings (Non-GAAP)	\$ 379	\$ (113)	\$ 266	\$ 0.70	\$ (368)	\$ 87	\$ (281)	\$ (0.74)

*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 six-months ended 2021 and 2020 and for the second quarter 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 Six Months Ended	
	June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	2020
Net cash provided by operating activities	\$ 969	\$ 671	\$ 84	\$ 1,640	\$ 586
Adjustments:					
Exploration expense other than dry hole expense and unproved leasehold impairments	17	12	18	29	32
Current income tax provision (benefit)	131	149	(27)	280	62
Other adjustments to reconcile net income to net cash provided by operating activities	(6)	20	(22)	14	(14)
Changes in operating assets and liabilities	(212)	175	66	(37)	87
Financing costs, net	108	110	106	218	209
Transaction, reorganization & separation costs	4	-	10	4	37
Adjusted EBITDAX (Non-GAAP)	<u>\$ 1,011</u>	<u>\$ 1,137</u>	<u>\$ 235</u>	<u>\$ 2,148</u>	<u>\$ 999</u>

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		For the Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 969	\$ 84	\$ 1,640	\$ 586
Changes in operating assets and liabilities	(212)	66	(37)	87
Cash flows from operations before changes in operating assets and liabilities	\$ 757	\$ 150	\$ 1,603	\$ 673
Adjustments to free cash flow:				
Altus Midstream cash flows from operations before changes in operating assets and liabilities	(56)	(32)	(95)	(76)
Upstream capital investment including noncontrolling interest - Egypt	(294)	(256)	(569)	(747)
Distributions to Sinopec noncontrolling interest	(20)	(8)	(60)	(40)
Dividends paid to APA common stockholders	(10)	(10)	(19)	(104)
Upstream free cash flow	\$ 377	\$ (156)	\$ 860	\$ (294)
Dividends received from Altus Midstream	19	-	38	-
Free cash flow	\$ 396	\$ (156)	\$ 898	\$ (294)

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)

	June 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	7,763	-	7,763	8,146	-	8,146
Long-term debt - Altus	-	657	657	-	624	624
Total debt	7,978	657	8,635	8,148	624	8,772
Cash and cash equivalents	1,174	75	1,249	238	24	262
Net debt	\$ 6,804	\$ 582	\$ 7,386	\$ 7,910	\$ 600	\$ 8,510

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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Costs incurred in oil and gas property:				
Acquisitions				
Proved	\$ 2	\$ 1	\$ 3	\$ 7
Unproved	1	2	3	3
Exploration and development	304	266	588	756
Total Costs incurred in oil and gas property	\$ 307	\$ 269	\$ 594	\$ 766
Reconciliation of Costs incurred to Upstream capital investment:				
Total Costs incurred in oil and gas property	\$ 307	\$ 269	\$ 594	\$ 766
Asset retirement obligations settled vs. incurred - oil and gas property	6	5	8	13
Capitalized interest	(2)	-	(4)	-
Exploration seismic and administration costs	(17)	(18)	(29)	(32)
Upstream capital investment including noncontrolling interest - Egypt	\$ 294	\$ 256	\$ 569	\$ 747
Less noncontrolling interest - Egypt	(37)	(40)	(69)	(89)
Total Upstream capital investment	\$ 257	\$ 216	\$ 500	\$ 658