



Third-Quarter 2023

Financial & Operational Supplement

November 1, 2023

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," "goals," "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 APA's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 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 2023 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.



3Q 2023 Key Metrics

	3Q 2023
Reported Production	412 Mboe/d
Adjusted Production ⁽¹⁾	340 Mboe/d
Cost Incurred in Oil and Gas Property	\$572 Million
Upstream Capital Investment ⁽²⁾	\$474 Million
Net Cash Provided by Operating Activities	\$764 Million
Adjusted EBITDAX ⁽²⁾	\$1,433 Million
Free Cash Flow ⁽²⁾	\$307 Million
Diluted Earnings Per Share	\$1.49
Adjusted Earnings Per Share ⁽²⁾	\$1.33

(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. Please refer to the glossary of referenced terms for definitions of Free Cash Flow and Upstream Capital Investment.

APA Corporate Strategy is Basis for Strong Partnership



Foundation For Long-term Success

- Prioritize long-term, full-cycle returns through capital allocation
- Invest to sustain/slightly grow global production from pre-pandemic levels
- Focus on immediate and actionable ESG opportunities most relevant to our industry and APA



Disciplined Financial Approach

- Return a minimum of 60% of Free Cash Flow to shareholders through a competitive base dividend and share repurchases
- Aggressively manage cost structure
- Continue to strengthen the balance sheet & achieve and maintain investment grade credit rating among multiple rating agencies



Leveraging Diversified Portfolio

- Diversify risk through a balanced commodity profile and geographic pricing points
- Re-allocate capital within portfolio in response to commodity prices and other externalities
- Retain capability to build inventory through both exploration and acquire & exploit

3Q Asset Update

Recent Highlights

Permian Execution and Well Performance
Drive **3Q23 Oil Volumes Above Guidance**



Adjusted Production⁽¹⁾⁽²⁾ of **340 MBOE/D**
Adjusted Oil Production⁽¹⁾⁽²⁾ of **162 MBO/D**

Returned **65% (\$440 Million)** of Free
Cash Flow to Shareholders in the
First Three Quarters of 2023



Repurchased **\$20 Million** of Stock at
Average Price of **\$41.90** per Share in 3Q23

3Q23 Upstream Capital
Investment⁽¹⁾ of **\$474 Million**



Initiated Process of Reallocating Capital from
UK North Sea to the Permian Basin

Suriname Block 58 Operator TotalEnergies
Announced Oil FPSO Project Scope



200 MBO/D Oil Production Capacity
Estimated **700 MMBO** Recoverable Resource

(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.



3Q 2023 Global Portfolio

Global

 <p>412,252 BOE/D Reported Production</p>	 <p>50% / 17% / 33% Oil / NGL / Gas</p>	 <p>48 Gross, 44 Net Drilled & Completed Wells</p>	 <p>23.5 Avg Rigs</p>
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United States

	225,639 BOE/D Reported Production
	37% / 29% / 34% Oil / NGL / Gas
	15 Gross, 12 Net Drilled & Completed Wells
	5 Avg Rigs



International

	186,613 BOE/D Reported Production
	66% / 1% / 33% Oil / NGL / Gas
	33 Gross, 32 Net Drilled & Completed Wells
	18.5 Avg Rigs ⁽¹⁾

(1) Average Int'l rig count includes offshore Suriname rig that completed Krabdagu appraisal and was released in late Aug. 2023.

U.S. Update

Asset Highlights

- Strong performance continues to drive oil production volumes ahead of guidance
- Southern Midland Basin: Averaged 3 rigs; placed 6 wells on production in 3Q23
- Delaware Basin: Averaged 2 rigs; placed 9 wells on production in 3Q23
- Connected 12 wells in early-October, with 18 additional wells expected late in 4Q
- In November, adding a sixth Permian rig to the Delaware Basin

*Driving capital efficient, profitable oil growth
with material gas optionality*

3Q 2023 Asset Stats



225,639 BOE/D

Reported Production



37% / 29% / 34%

Oil / NGL / Gas



15 Gross, 12 Net

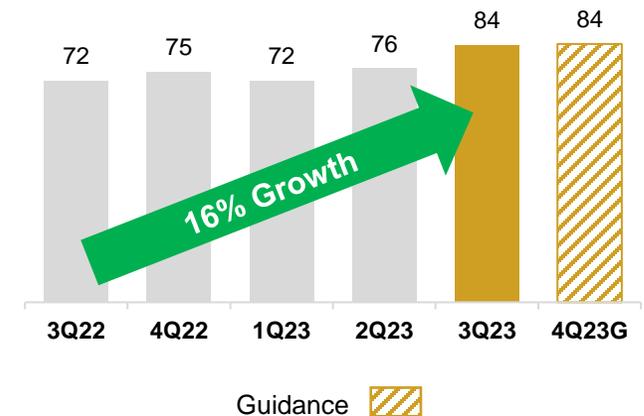
Drilled & Completed Wells



5

Avg Rigs

Net Oil Production MBO/D



Egypt Update

Asset Highlights

- Drilling program delivering; on-plan for average drilling days, well connection timing, and average oil IP's
- Rig efficiency (wells per rig/year) has improved 13% in the first three quarters of 2023 vs 2022 average
- YTD drilling success rate of 71% (64 of 90 wells); expect to connect ~70 wells in 2H23 as previously planned
- Uptick in offline production requiring workover partially offsetting oil growth from drilling program in 2H23; increasing workover activity to more efficiently manage backlog

Returning to sustainable oil growth

3Q 2023 Asset Stats



138,575 BOE/D
Reported Production



64% / 0% / 36%
Oil / NGL / Gas

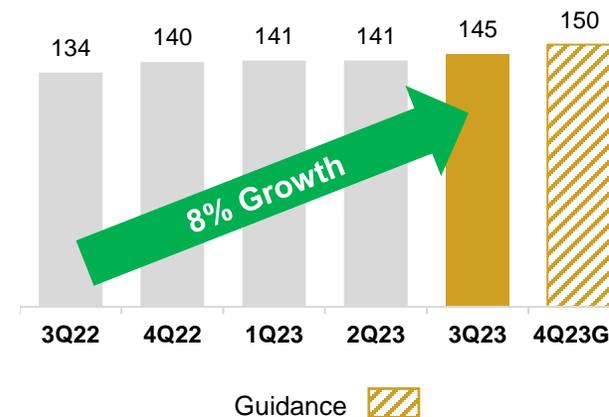


32 Gross, 32 Net
Drilled & Completed Wells



18
Avg Rigs

Gross Oil Production MBO/D



Suriname Update

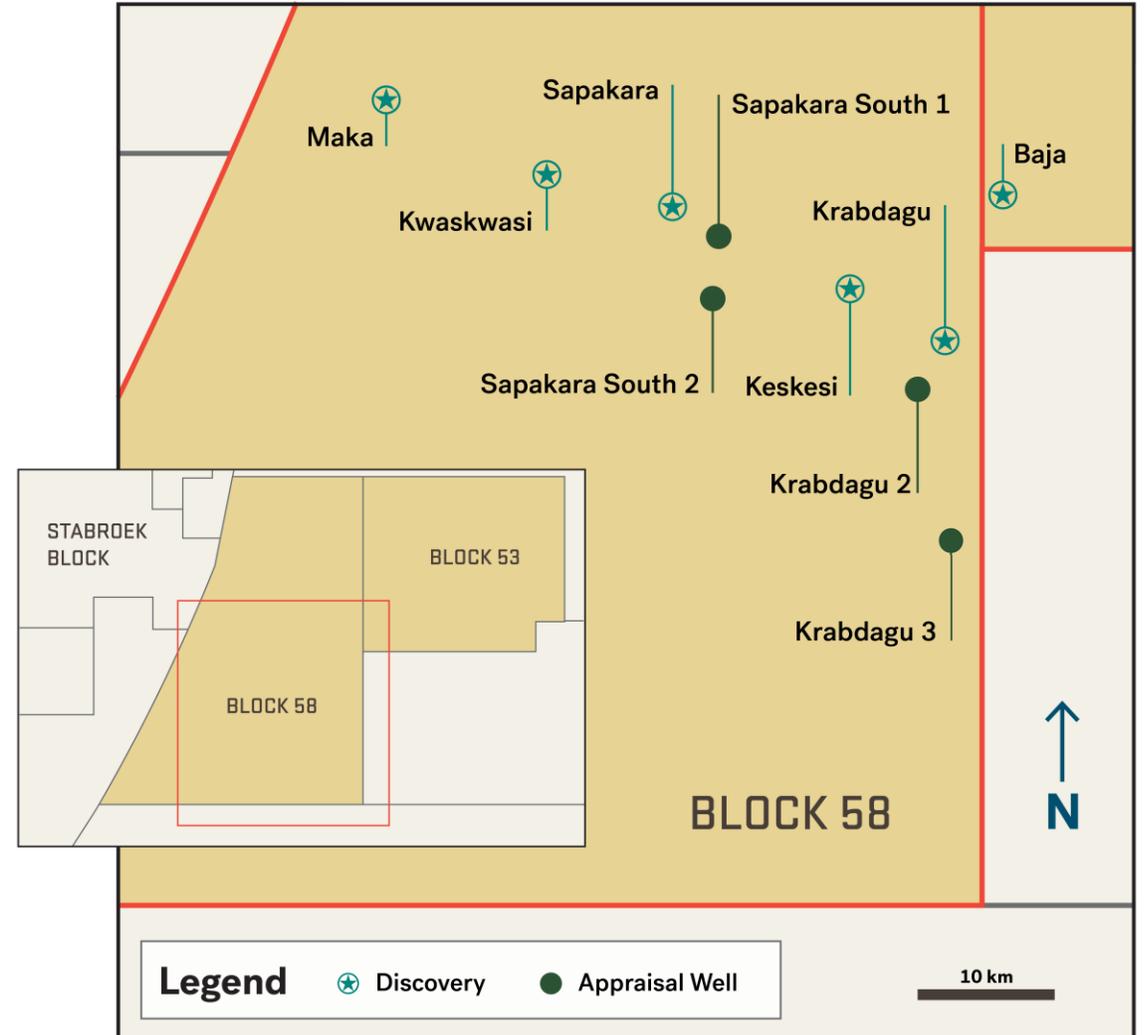
Block 58 (TotalEnergies Operated)

- **Announced Oil Hub Project** at Sapakara and Krabdagu
 - Completed successful appraisal drilling program at Krabdagu
 - Plan to proceed with FEED study for a 200 MBO/D FPSO
 - Underpinned by an estimated 700 million barrels of recoverable oil resource
 - Targeting FID by year-end 2024

Block 53 (APA Operated)

- Assessing next steps at Baja discovery

Progressing differentiated, large-scale organic oil opportunity



North Sea Update

Asset Highlights

- Achieved high-end of guidance, driven by strong initial production from the Storr North well
- Previously announced 4Q production decrease due to compressor repairs at Beryl facility
- Portfolio of technically attractive drilling prospects that are not currently economic under UK EPL tax framework

*Managing for cash flow resiliency
while preserving future optionality*

3Q 2023 Asset Stats



48,038 BOE/D
Reported Production



74% / 3% / 23%
Oil / NGL / Gas

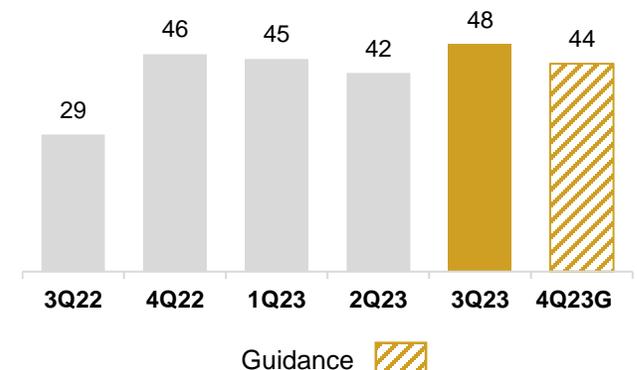


0 Gross, 0 Net
Drilled & Completed Wells



0
Avg Rigs

Net Production MBOE/D



Guidance

	4Q 2023	Commentary
Production (MBOE/D)		
United States.....	224 (37.5% oil)	Excludes impact of potential gas curtailments
Egypt (Reported).....	138 (66% oil)	
North Sea.....	44 (78% oil)	Sequential decline due to compressor repairs at Beryl facility
Total Reported Production.....	406	
Less: Egypt Tax Barrels.....	39	
Less: Egypt Noncontrolling Interest.....	33	
Total Adjusted Production.....	334	
Total Adjusted Oil Production (MBO/D).....	161	
Upstream Capital Investment (\$ in millions) ⁽¹⁾	\$500	Reflects the addition of a sixth Permian rig in November
Upstream Lease Operating Expense (\$ in millions).....	\$375	
DD&A (\$ in millions).....	\$385	
General & Administrative Expense (\$ in millions).....	\$100	Excludes expenses related to quarterly mark-to-market share price movement
Gathering, Processing & Transmission Expense (\$ in millions).....	\$90	
Net Gain (Loss) on Oil and Gas Purchases and Sales (\$ in millions)...	\$90	Includes \$90MM for the Cheniere LNG contract
North Sea Current Tax Expense (\$ in millions).....	\$105	

Note: Guidance reflects 10/30/2023 strip pricing assumptions.

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

Appendix

Cash Return Summary

	1Q 2023	2Q 2023	3Q 2023	2021	2022	2023 YTD 9/30/2023	Total
Shares Repurchased (MM)	3.7	1.3	0.5	31.2	36.2	5.5	72.9
Average Stock Repurchased Price	\$38.93	\$33.72	\$41.90	\$27.14	\$39.34	\$37.91	\$34.00
Share Repurchases (\$MM)	\$142	\$46	\$20	\$847	\$1,423	\$208	\$2,478
Dividends (\$MM)	\$78	\$77	\$77	\$52	\$207	\$232	\$491
Total Cash Return (\$MM)	\$220	\$123	\$97	\$899	\$1,630	\$440	\$2,969
Free Cash Flow (\$MM)	\$272	\$94	\$307	\$1,823	\$2,458	\$673	\$4,954
% Free Cash Flow Returned	81%	131%	32%	49%	66%	65%	60%
Total Bond Debt Reduction (\$MM)	(\$74)	\$0	\$0	(\$1,708)	(\$1,436)	(\$74)	(\$3,218)

Upstream Capital Investment

(\$ in millions)	1Q 2023	2Q 2023	3Q 2023	Total
United States	\$291	\$308	\$300	\$899
Egypt (excluding noncontrolling interest)	\$123	\$133	\$149	\$405
North Sea	\$54	\$56	\$15	\$125
Suriname	\$27	\$19	\$10	\$56
Upstream Capital Investment Total	\$495	\$516	\$474	\$1,485

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

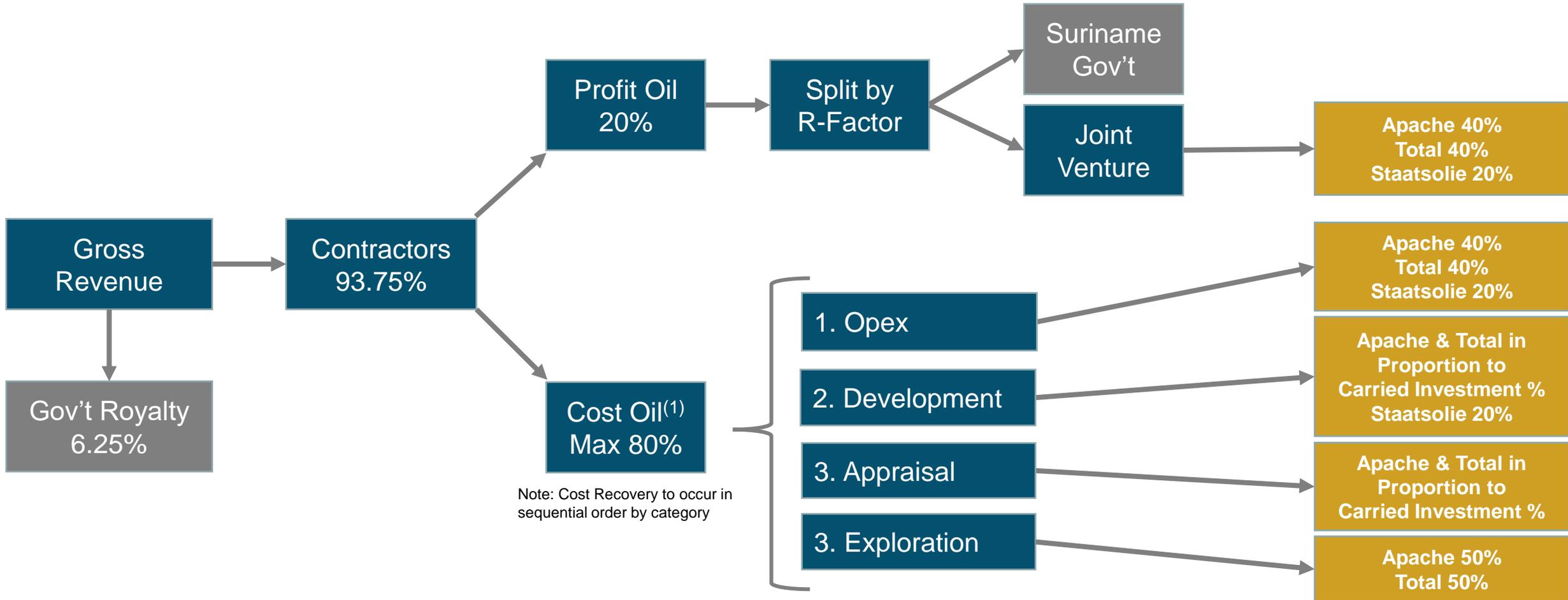
Egypt Production Detail

	2Q 2023			3Q 2023		
	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d	Oil (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	140,652	517,291	226,867	144,528	472,744	223,319
Reported Production	87,790	337,413	144,026	88,521	300,326	138,575
% Gross	62%	65%	63%	61%	64%	62%
Less: Tax Barrels	23,163	91,269	38,374	24,719	85,510	38,971
Net Production Excluding Tax Barrels	64,627	246,144	105,652	63,802	214,816	99,605
% Gross	46%	48%	47%	44%	45%	45%
Less: Noncontrolling Interest	21,542	82,048	35,217	21,267	71,605	33,202
Adjusted Production	43,085	164,096	70,434	42,535	143,211	66,403
% Gross	31%	32%	31%	29%	30%	30%

MBoe/d	2021				2022				2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Gross Production	237	233	229	235	235	235	219	233	232	227	223
Reported Production	119	114	111	115	150	144	134	151	147	144	139
Adjusted Production	63	61	58	60	68	64	62	71	71	70	66
Brent Oil Benchmark Pricing	\$61	\$69	\$73	\$80	\$98	\$112	\$97	\$89	\$82	\$78	\$86

Suriname PSC and APA / Total Energies Joint Venture

Summary Terms and Production Sharing Contract Mechanics



Note: Assumes Staatsolie exercises its participation rights of 20% at development plan approval.

(1) Cost oil becomes profit oil after full recovery. Cost oil is capped at 80%, calculated on a quarterly basis and ring-fenced development area.

Summary of Terms

Suriname PSC

- Cost oil recovery ceiling of 80% after royalty payment
- Unrecovered cost oil balances carried forward until fully recovered on a project-by-project basis
- Staatsolie has participation rights of up to 20% at development plan approval
- Suriname corporate tax rate of 36% and NOLs carry forward⁽¹⁾
- Profit oil subject to following R-factor calculation:

	R-Factor	Gov't %	Contractor %
<u>(Cum. Rev. – Cum. Roy. – Cum. Tax)</u> Cumulative Costs	0 - 1.25	20	80
	1.25 - 1.50	25	75
	1.50 - 1.75	30	70
	1.75 - 2.00	40	60
	2.00 - 3.00	50	50
	3.00+	70	30

Apache / Total JV

- Parties have the right to alternate proposals of exploration wells up to eight wells per year
- Either party may non-consent any exploration, appraisal or development. Once out, there is no back-in option
- If parties do not agree on location of exploration wells, Total and Apache will alternate selections
- Total pays disproportionate percentage of Appraisal / Development costs (see below table)
 - Total recovers carry through cost oil mechanism at the same disproportionate percentage
- APA receives royalty on first 1.5B bbls of gross production
 - Paid quarterly based on average Brent price
- Total makes \$75 million cash payment to APA on first commercial oil production

Appraisal / Development Spend ⁽²⁾		
Spend (\$)	Total %	Apache %
0 – 10B	87.5%	12.5%
>10B – 15B	75.0%	25.0%
>15B	62.5%	37.5%

Royalty	
Brent	Royalty / Bbl
≤ \$65	\$0.25
> \$65 ≤ \$80	\$0.375
> \$80	\$0.5

(1) Taxable Income = (Cost Oil + Profit Oil + Other Income if any) – (Opex + Exploration/Appraisal Capex + Depreciation of Development Capital + Non-Recoverable Costs)

(2) Percentages apply to the capital spend between APA and Total, whether Staatsolie participates or not.

Glossary of Referenced Terms

- **Upstream Capital Investment:** Includes exploration, development, gathering, processing, and transmission capital, capitalized overhead, and settled asset retirement obligations. Excludes capital investment for property acquisitions, capitalized interest, non-cash asset retirement additions and revisions, and Egypt noncontrolling interest.
- **Free Cash Flow:** Cash flow from operations before changes in operating assets and liabilities (including Egypt minority interest)
 - **Minus:**
 - Upstream capital investment (including Egypt minority interest)
 - Non-oil and gas capital investment
 - Distributions to noncontrolling interest (Egypt)
- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in APA Corporation’s Form 10-K for the year ended Dec. 31, 2022.



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 ongoing 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, 2023				For the Quarter Ended September 30, 2022			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net income including noncontrolling interests (GAAP)	\$ 833	\$ (278)	\$ 555	\$ 1.80	\$ 1,172	\$ (642)	\$ 530	\$ 1.61
Income attributable to noncontrolling interests	171	(75)	96	0.31	193	(85)	108	0.33
Net income attributable to common stock	662	(203)	459	1.49	979	(557)	422	1.28
Adjustments: *								
Asset and unproved leasehold impairments	9	(6)	3	0.01	16	(3)	13	0.04
Noncontrolling interest & tax barrel impact on Egypt adjustments	-	-	-	-	1	(1)	-	-
Valuation allowance and other tax adjustments	-	(93)	(93)	(0.30)	-	183	183	0.56
Unrealized derivative instrument loss	19	(3)	16	0.05	36	(8)	28	0.08
Kinetik equity investment mark-to-market loss	28	(6)	22	0.07	30	-	30	0.09
Transaction, reorganization & separation costs	5	(1)	4	0.01	4	(2)	2	0.01
Gain on divestitures, net	(1)	-	(1)	-	(31)	6	(25)	(0.08)
Adjusted earnings (Non-GAAP)	\$ 722	\$ (312)	\$ 410	\$ 1.33	\$ 1,035	\$ (382)	\$ 653	\$ 1.98

*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 ongoing 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		
	September 30,	June 30,	September 30,
	2023	2023	2022
Net cash provided by operating activities	\$ 764	\$ 1,000	\$ 1,104
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	22	14	13
Current income tax provision	422	254	357
Other adjustments to reconcile net income (loss) to net cash provided by operating activities	(22)	97	3
Changes in operating assets and liabilities	161	(232)	134
Financing costs, net	81	82	75
Transaction, reorganization & separation costs	5	2	4
Adjusted EBITDAX (Non-GAAP)	\$ 1,433	\$ 1,217	\$ 1,690

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,	
	2023	2022
Net cash provided by operating activities	\$ 764	\$ 1,104
Changes in operating assets and liabilities	161	134
Cash flows from operations before changes in operating assets and liabilities	\$ 925	\$ 1,238
Adjustments to free cash flow:		
Upstream capital investment including noncontrolling interest - Egypt	(549)	(551)
Non oil and gas capital investment	(15)	-
Distributions to Sinopec noncontrolling interest	(54)	(78)
Upstream free cash flow	\$ 307	\$ 609

Non – GAAP Reconciliation

Segment Cash Flows

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

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

	For the Quarter Ended September 30, 2023			
	North Sea	Egypt	U.S. and Other	Consolidated
	(\$ in millions)			
Net cash provided by operating activities	\$ 99	\$ 382	\$ 283	\$ 764
Changes in operating assets and liabilities	(12)	52	121	161
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 87</u>	<u>\$ 434</u>	<u>\$ 404</u>	<u>\$ 925</u>

Non – GAAP Reconciliation

Net Debt

Reconciliation of Debt to Net Debt

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

	(\$ in millions)			
	September 30, 2023	June 30, 2023	March 31, 2023	December 31 2022
Current debt	\$ 2	\$ 2	\$ 2	\$ 2
Long-term debt	5,582	5,574	5,796	5,451
Total debt	5,584	5,576	5,798	5,453
Cash and cash equivalents	95	142	154	245
Net debt	\$ 5,489	\$ 5,434	\$ 5,644	\$ 5,208

Non – GAAP Reconciliation

Upstream Capital Investment

Reconciliation of Costs Incurred to Upstream Capital Investment

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

	(\$ in millions)	
	For the Quarter Ended	
	September 30,	
	2023	2022
Costs incurred in oil and gas property:		
Asset and leasehold acquisitions		
Proved	\$ 2	\$ 574
Unproved	1	34
Exploration and development	569	552
Total Costs incurred in oil and gas property	\$ 572	\$ 1,160
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	\$ 572	\$ 1,160
Property acquisitions	(1)	(601)
Asset retirement obligations settled vs. incurred - oil and gas property	7	10
Capitalized interest	(7)	(5)
Exploration seismic and administration costs	(22)	(13)
Upstream capital investment including noncontrolling interest - Egypt	\$ 549	\$ 551
Less noncontrolling interest - Egypt	(75)	(59)
Total Upstream capital investment	\$ 474	\$ 492



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