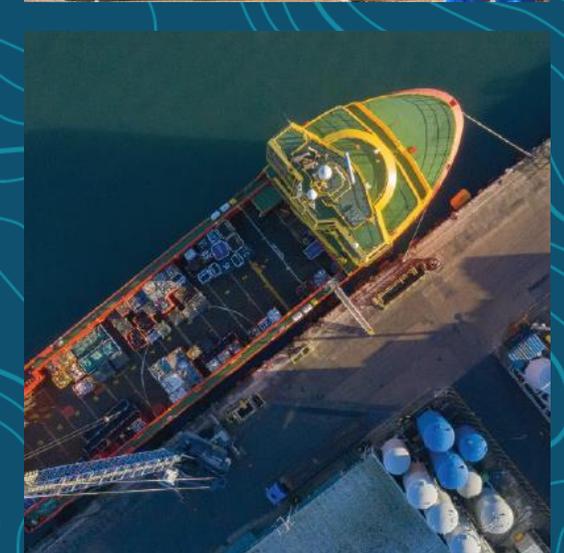


Second-Quarter 2020

Financial & Operational Supplement

Apache



Notice to Investors

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

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

Cautionary Note to Investors: The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable, and possible reserves that meet the SEC's definitions for such terms. Apache may use certain terms in this earnings supplement, such as "resource," "resource potential," "net resource potential," "potential resource," "resource base," "identified resources," "potential net recoverable," "potential reserves," "unbooked resources," "economic resources," "net resources," "undeveloped resource," "net risked resources," "inventory," "upside," and other similar terms that the SEC guidelines strictly prohibit Apache from including in filings with the SEC. Such terms do not take into account the certainty of resource recovery, which is contingent on exploration success, technical improvements in drilling access, commerciality, and other factors, and are therefore not indicative of expected future resource recovery and should not be relied upon. Investors are urged to consider carefully the disclosure in Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 available from Apache at www.apachecorp.com or by writing Apache at: 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056 (Attn: Corporate Secretary). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov.

Certain information may be provided in this earnings supplement that includes financial measurements that are not required by, or presented in accordance with, generally accepted accounting principles (GAAP). These non-GAAP measures should not be considered as alternatives to GAAP measures, such as net income, total debt or net cash provided by operating activities, and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used at other companies. For a reconciliation to the most directly comparable GAAP financial measures, please refer to Apache's second quarter 2020 earnings release at www.apachecorp.com and "Non-GAAP Reconciliations" of this earnings supplement.

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

2Q 2020 Key Metrics



	2Q 2020
Reported Production	435 Mboe/d
Adjusted Production⁽¹⁾	394 Mboe/d
Cost Incurred in Oil and Gas Property	\$269 Million
Upstream Capital Investment⁽²⁾	\$216 Million
Net Cash Provided by Operating Activities	\$84 Million
Adjusted EBITDAX⁽²⁾	\$235 Million
Loss Per Share	(\$1.02)
Adjusted Loss Per Share⁽²⁾	(\$0.74)

(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.

Apache's Strategy



- Prioritizing returns over production growth
- Positioning the balance sheet and portfolio for increasing cash returns to investors
- Fostering ESG leadership through continued engagement with key stakeholders



- International assets generating more robust investment economics at lower prices
- Balanced commodity profile and geographic pricing points diversify risk
- Recent discoveries underscore large-scale potential in Suriname



- Aggressively managing cost structure
- Aligning capital investment with commodity prices
- Preserving liquidity and strengthening balance sheet

Debt Reduction & Suriname Are Clear Priorities

INCREMENTAL CASH FLOW TO	WTI Oil Price		
	< \$30	\$30 - \$40	\$40+
RETURN TO INVESTORS Primarily focus on debt reduction until Debt/EBITDAX is reduced to at least 1.5x, then focus will shift to improving the dividend	✘	✘	✘
SURINAME	✘	✘	✘
EGYPT		✘	✘
NORTH SEA			✘
PERMIAN			✘

Opportunistic Debt Repurchases During Second Quarter

2Q 2020 Open Market Repurchases (\$ in Millions)

Maturity	Amount Repurchased	Repurchase Price ⁽¹⁾	Remaining Term (Yrs)	Yield to Maturity (%)
4/15/2022	3	3	2.0	10.7%
10/15/2028	7	5	8.5	8.7%
12/15/2029	12	8	9.7	13.9%
1/15/2030	20	15	9.7	8.2%
1/15/2037	24	18	16.7	8.8%
9/1/2040	102	59	20.4	10.3%
2/1/2042	78	51	21.8	9.2%
4/15/2043	106	73	23.0	7.7%
1/15/2044	47	24	23.7	9.6%
7/1/2049	10	7	29.2	8.0%
Total	\$410	\$263	20.5	9.2%

**Reduced Aggregate LT Debt by \$147 MM
at a 36% Discount to Par**

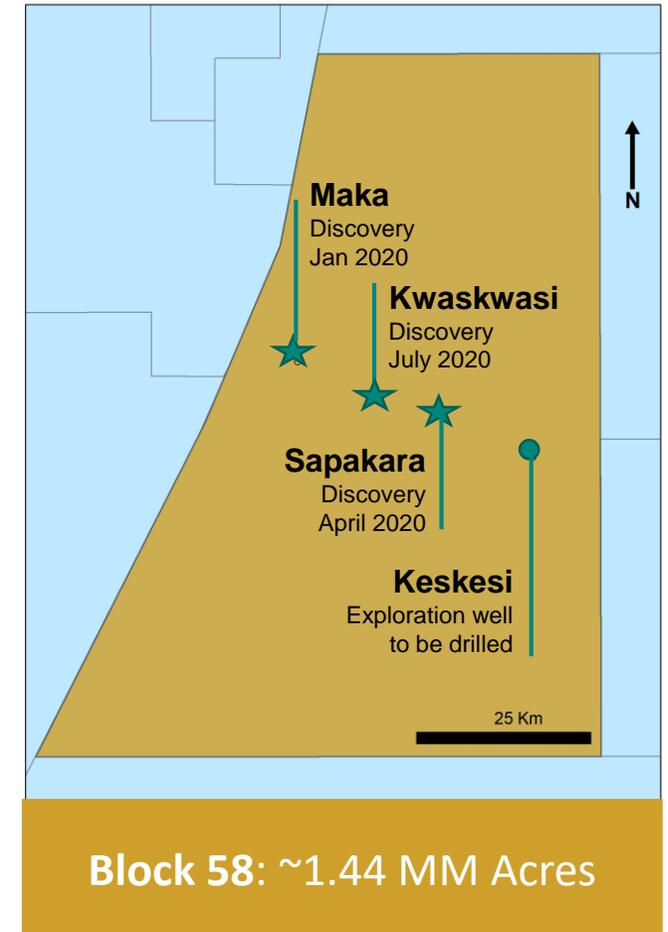
- Took advantage of market volatility to repurchase debt at a very attractive yield
- Strong liquidity position with \$2.6 billion⁽²⁾ available under APA credit facility at quarter end
- Plan to focus on free cash flow generation and additional debt reduction

(1) Excludes accrued interest and bank fees.

(2) Borrowing capacity reduced by \$565 million of borrowings on facility and \$795 million of letters of credit. Excludes Altus.

Success Continues in Block 58 Offshore Suriname

- Announced major discovery at Kwaskwasi-1
 - 149 meters of net pay in Campanian
 - 129 meters of net pay in Santonian
- Following Kwaskwasi-1, drillship will move to Keskesi East-1
- Final Maka appraisal plan submitted
- Sapakara appraisal plan to be submitted in coming weeks



3Q20 Guidance

Quarterly Guidance	New
	3Q 2020 Guidance
Production (Mboe/d)	
United States.....	235 – 245
International (Adjusted).....	~135
Total Adjusted Production.....	370 – 380
Upstream Capital Investment (\$ in millions) ⁽¹⁾	\$190
Upstream Lease Operating Expense (\$ in millions).....	~\$290
DD&A (\$ in millions).....	\$425
General & Administrative Expenses (\$ in millions).....	\$80
North Sea Current Tax Expense (\$ in millions).....	\$25

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

ESG Highlights

New for 2020



Linked 2020 ESG performance directly to annual incentive compensation



~60% year-over-year decrease in U.S. flared volumes YTD

Apache is a strong **community partner** in our areas of operation, focused on **protecting the safety and health of our employees, local populations and the environment.**



46% decrease in Total Recordable Incident Rate for employees and contractors since 2015



10,000+ girls educated in **201** Apache-supported schools in Egypt since 2004



4.7 million+ trees planted as a part of the Apache Tree Grant Program since 2005



Achieved our goal of reducing global methane emissions intensity to 0.37% or less of gross methane production in 2019, **6 years early**

2Q Results

2Q 2020 Global Portfolio

GLOBAL

 435,448 BOE/D Reported Production	 51% / 17% / 32% Oil / NGL / Gas	 45 Gross, 45 Net Drilled & Completed Wells ⁽¹⁾	 12 Avg Rigs
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UNITED STATES

 250,589 BOE/D Reported Production	 38% / 28% / 34% Oil / NGL / Gas	 22 Gross, 22 Net Drilled & Completed Wells ⁽¹⁾	 2 Avg Rigs
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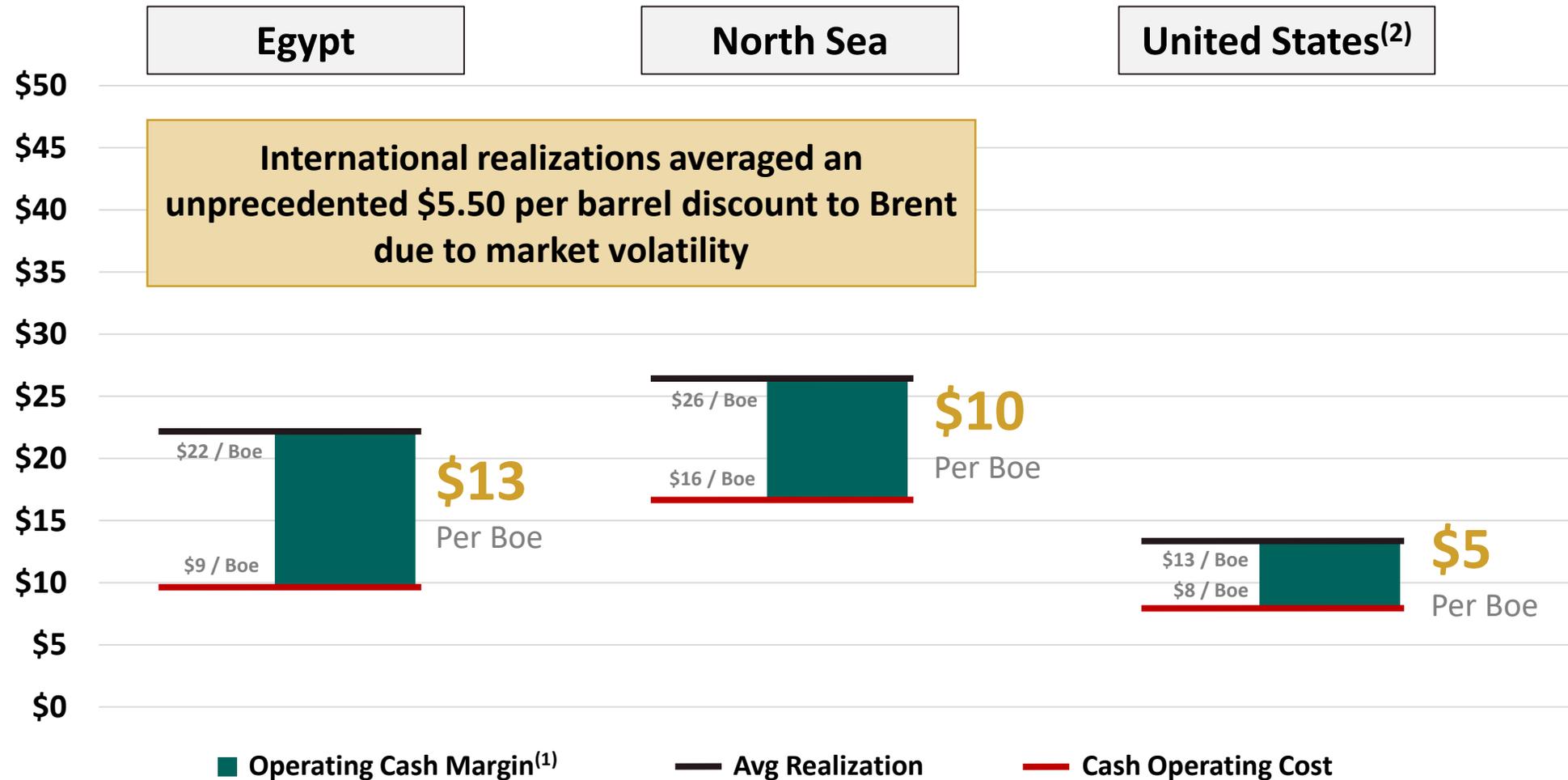


INTERNATIONAL

 184,859 BOE/D Reported Production	 69% / 1% / 30% Oil / NGL / Gas	 23 Gross, 23 Net Drilled & Completed Wells ⁽¹⁾	 10 Avg Rigs ⁽²⁾
---	--	---	--

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

2Q 2020 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 ALTM.

2Q Egypt Summary

REGION HIGHLIGHTS

- Adjusted production positively impacted by PSC effects from lower prices
- Drilling success continues in 2Q
 - Program success rate: 77% (17 out of 22 wells)
 - SWAG N-1X tested 1,620 BOPD and achieved a 30-day IP of ~1,300 BOPD
 - Khepri Deep 1X tested 4,831 BOPD and achieved a 30-day IP of ~2,700 BOPD
- Shushan express pipeline started up in late May flowing over 150 MMCF/D from the Barakat and other new adjacent fields
- 5 rigs running at end of quarter

REGION STATS



127,342 BOE/D

Reported Production



63% / 1% / 36%

Oil / NGL / Gas



22 Gross, 22 Net

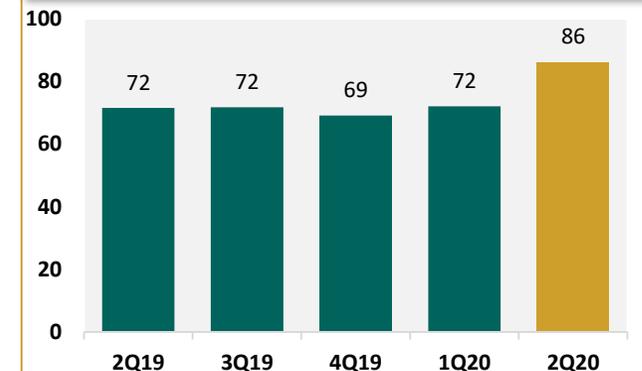
Drilled & Completed Wells⁽¹⁾



7

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 Summary

REGION HIGHLIGHTS

- Actively managed production in response to price volatility
 - Curtailments of ~10,000 BOE/D (81% Oil)
 - Reinstated as realizations improved later in the quarter
- Maintain 1 floating rig / 1 platform rig
- Latest 4D seismic survey commenced in Forties Field to support waterflood optimization and future drilling programs
- Focused on maturing low F&D cost, near-field opportunities in the Beryl area
- Tertiary exploration program resumes in 2H with a 2nd carried well

REGION STATS



57,517 BOE/D

Reported Production



82% / 3% / 15%

Oil / NGL / Gas



1 Gross, 1 Net

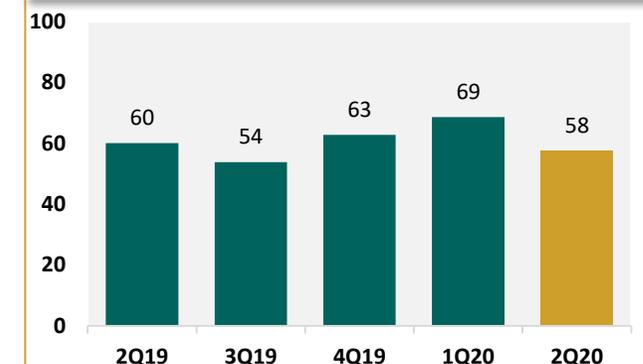
Drilled & Completed Wells⁽¹⁾



2

Avg Rigs

NET PRODUCTION MBOE/D



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

2Q U.S. Summary

REGION HIGHLIGHTS

- Placed 20 wells on production in April and eliminated all drilling activity by mid-May
 - At quarter end, 15 DUCs at Alpine High and 47 DUCs in other Permian
- Alpine High curtailments & shut-ins averaged ~19,000 BOE/D
- Other Permian curtailments peaked at 8,000 BOE/D and averaged 6,000 BOE/D (~70% Oil) for the quarter
 - Absent further price improvements, 4,500 BO/D will remain offline with higher water cuts
- Successfully maintaining safety and integrity, while significantly reducing LOE

REGION STATS



250,589 BOE/D

Reported Production



38% / 28% / 34%

Oil / NGL / Gas



22 Gross, 22 Net

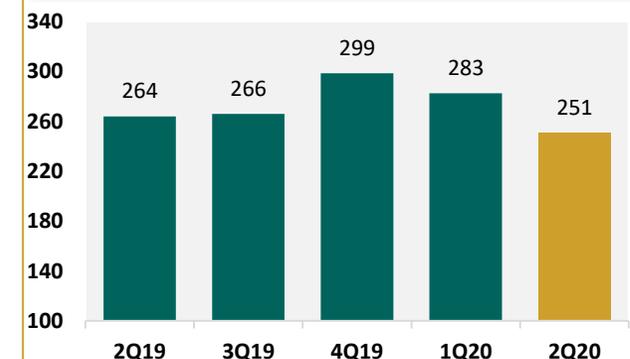
Drilled & Completed Wells⁽¹⁾



2

Avg Rigs

NET PRODUCTION MBOE/D



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

Appendix

Commodity Hedging Program

Open Commodity Derivative Positions As of July 28, 2020						
Production Period	Trade Type	Index	Units	Daily Volume	Weighted Avg. Price \$/Unit	
Midland Basis Hedges						
July - December 2020	Basis Swap (S)	Midland / WTI	BBL	73,000	(2.15)	
October - December 2020	Basis Swap (B)	Midland / WTI	BBL	9,000	0.20	
WTI Hedges						
July - September 2020	Fixed Swap	NYMEX WTI	BBL	24,000	\$26.65	
July - September 2020	3-Way Collar	NYMEX WTI	BBL	24,000	\$20/\$25/\$38.83	
October - December 2020	3-Way Collar	NYMEX WTI	BBL	19,000	\$15/\$20/\$45.55	
Brent Hedges						
July - September 2020	Fixed Swap	Dated Brent	BBL	25,000	\$29.75	
July - September 2020	3-Way Collar	Dated Brent	BBL	9,500	\$20/\$25/\$43.66	
October - December 2020	3-Way Collar	Dated Brent	BBL	16,500	\$15/\$20/\$51.63	
Natural Gas Basis Hedges						
April '21 - December 2021	Basis Swap	IF Waha / IF HSC	MMBtu	108,345	(0.36)	
January '22 - December 2022	Basis Swap	IF Waha / IF HSC	MMBtu	100,000	(0.38)	

Note: B – Bought; S - Sold

Credit Facility Profile

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

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

(1) Adjusted debt-to-capital ratio is calculated per the terms of the credit facility and excludes effects of non-cash write-downs, impairments, and related charges occurring after June 30, 2015. At 6/30/20, this ratio was 33%.

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

Upstream Capital Investment

(\$ in Millions)	1Q20	2Q20
United States.....	\$ 261	\$ 52
Egypt (Apache's interest only).....	99	79
North Sea.....	51	52
Other.....	31	33
Upstream Capital Investment Total.....	\$ <u>442</u>	\$ <u>216</u>

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

Egypt: Production Detail

	1Q 2020			2Q 2020						
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d				
Gross Production	185,408	655,410	294,643	173,546	642,003	280,547				
Reported Production	74,095	254,579	116,525	80,749	279,561	127,342				
% Gross	40%	39%	40%	47%	44%	45%				
Less: Tax Barrels	6,442	12,275	8,488	(1,865)	(20)	(1,868)				
Net Production Excluding Tax Barrels	67,654	242,304	108,038	82,613	279,581	129,210				
% Gross	36%	37%	37%	48%	44%	46%				
Less: Noncontrolling Interest	22,551	80,768	36,013	27,538	93,194	43,070				
Adjusted Production	45,102	161,536	72,025	55,076	186,387	86,140				
% Gross	24%	25%	24%	32%	29%	31%				
<i>MBOE/D</i>	2018				2019				2020	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Gross Production	330	342	338	335	332	322	301	300	295	281
Reported Production	154	154	153	136	145	131	131	126	117	127
Adjusted Production	80	80	78	74	79	72	72	69	72	86
Brent Oil Benchmark Pricing	\$67	\$75	\$76	\$69	\$64	\$68	\$62	\$62	\$50	\$33

Glossary of Referenced Terms

- **Upstream Capital Investment:** Includes exploration, development, gathering, processing, and transmission capital, capitalized overhead, and settled asset retirement obligations, and excludes capitalized interest, non-cash asset retirement additions and revisions, and Egypt noncontrolling interest, in each case associated with Apache's upstream business.
- **Free Cash Flow:** Excess cash flow from operations before working capital changes after upstream capital investment, distributions to noncontrolling interest and dividend payments. The impacts of ALTM are excluded from this definition, as development of the ALTM midstream assets is separately funded by ALTM.
- **Cash Flow Neutrality:** Free Cash Flow equal to zero.
- In addition to the terms above, a list of commonly used definitions and abbreviations can be found in Apache's Form 10-K for the year ended December 31, 2019.

Non – GAAP Reconciliations

Non – GAAP Reconciliation

Adjusted Earnings

Reconciliation of Income Attributable to Common Stock to Adjusted Earnings

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

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

(\$ in millions)

	For the Quarter Ended June 30, 2020				For the Quarter Ended June 30, 2019			
	Before Tax	Tax Impact	After Tax	Diluted EPS	Before Tax	Tax Impact	After Tax	Diluted EPS
Net loss including noncontrolling interests (GAAP)	\$ (416)	\$ 38	\$ (378)	\$ (1.00)	\$ (152)	\$ (164)	\$ (316)	\$ (0.84)
Income (loss) attributable to noncontrolling interests	(17)	6	(11)	(0.03)	80	(40)	40	0.11
Income attributable to Altus preferred unit limited partner	19	-	19	0.05	4	-	4	0.01
Net loss attributable to common stock	(418)	32	(386)	(1.02)	(236)	(124)	(360)	(0.96)
Adjustments: *								
Asset impairments	51	(6)	45	0.12	279	(59)	220	0.58
Noncontrolling interest & tax barrel impact on Egypt adjustments	(7)	-	(7)	(0.02)	-	-	-	-
Valuation allowance and other tax adjustments	-	64	64	0.17	-	114	114	0.31
(Gain)/Loss on extinguishment of debt	(140)	29	(111)	(0.29)	75	(16)	59	0.16
Unrealized derivative instrument losses, net	138	(30)	108	0.29	21	(4)	17	0.04
Noncontrolling interest on Altus preferred units embedded derivative	(2)	1	(1)	(0.01)	-	-	-	-
Transaction, reorganization & separation costs	10	(3)	7	0.02	6	(1)	5	0.01
Gain on divestitures, net	-	-	-	-	(17)	3	(14)	(0.03)
Contract termination charges	-	-	-	-	-	-	-	-
Adjusted earnings (Non-GAAP)	\$ (368)	\$ 87	\$ (281)	\$ (0.74)	\$ 128	\$ (87)	\$ 41	\$ 0.11

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		
	June 30, 2020	March 31, 2020	June 30, 2019
Net cash provided by operating activities	\$ 84	\$ 502	\$ 856
Adjustments:			
Exploration expense other than dry hole expense and unproved leasehold impairments	18	14	38
Current income tax provision (benefit)	(27)	89	187
Other adjustments to reconcile net income to net cash provided by operating activities	(22)	8	(13)
Changes in operating assets and liabilities	66	21	(178)
Financing costs, net	106	103	98
Transaction, reorganization & separation costs	10	27	6
Adjusted EBITDAX (Non-GAAP)	<u>\$ 235</u>	<u>\$ 764</u>	<u>\$ 994</u>

Non – GAAP Reconciliation

Regional Cash Flows

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

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

(\$ in millions)

**For the Quarter
Ended June 30, 2020**

	<u>North Sea</u>	<u>Egypt</u>	<u>U.S. and Other</u>	<u>Consolidated</u>
		<i>(\$ in millions)</i>		
Net cash provided by operating activities	\$ 64	\$ 63	\$ (43)	\$ 84
Changes in operating assets and liabilities	(18)	97	(13)	66
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 46</u>	<u>\$ 160</u>	<u>\$ (56)</u>	<u>\$ 150</u>

Non – GAAP Reconciliation

Cash Flow From Operations Before Changes in Operating Assets and Liabilities

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

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

(\$ in millions)

	For the Quarter Ended		
	June 30, 2020	March 31, 2020	June 30, 2019
Net cash provided by operating activities	\$ 84	\$ 502	\$ 856
Changes in operating assets and liabilities	66	21	(178)
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 150</u>	<u>\$ 523</u>	<u>\$ 678</u>

Non – GAAP Reconciliation

Upstream Capital Investment

Reconciliation of Costs Incurred to Upstream Capital Investment

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

	(\$ in millions)	
	For the Quarter Ended	
	June 30,	
	<u>2020</u>	<u>2019</u>
Costs incurred in oil and gas property:		
Acquisitions		
Proved	\$ 1	\$ -
Unproved	2	22
Exploration and development	266	639
Total Costs incurred in oil and gas property	<u>\$ 269</u>	<u>\$ 661</u>
Reconciliation of Costs incurred to Upstream capital investment:		
Total Costs incurred in oil and gas property	\$ 269	\$ 661
Asset retirement obligations settled vs. incurred - oil and gas property	5	9
Capitalized interest	-	(8)
Exploration seismic and administration costs	(18)	(38)
Less noncontrolling interest - Egypt	(40)	(35)
Total Upstream capital investment	<u>\$ 216</u>	<u>\$ 589</u>