



APACHE AT A GLANCE

Apache's asset portfolio reaches from the United States – where its operations are focused on the Gulf Coast and Gulf of Mexico, the Anadarko Basin, and the Permian Basin – to Canada, Egypt's Western Desert, the United Kingdom sector of the North Sea, Australia and Argentina.

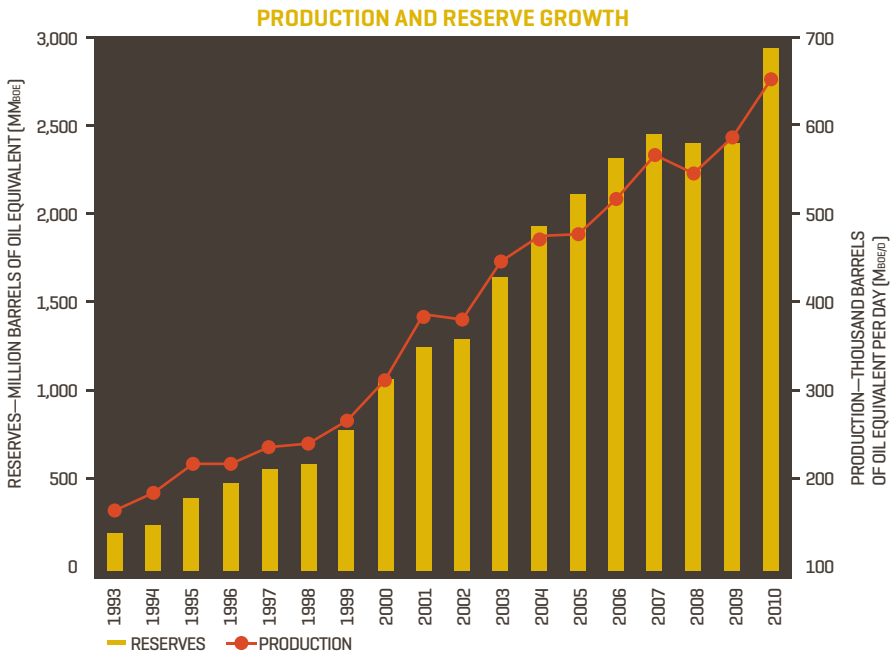


PERFORMANCE HIGHLIGHTS

Apache is a growth company and believes it can grow economically through acquisitions or drilling.

Apache's portfolio strategy has enabled the company to continue to grow throughout commodity cycles. During the past 10 years, the company has invested nearly US\$57 billion, approximately 64 percent on exploration and development and 36 percent on acquisitions that enhance critical mass in core areas or establish new operating regions. These investments fueled an 11 percent compounded annual growth rate for reserves and 10 percent for production over the past decade. Apache currently has an inventory of discoveries that will deliver significant future growth, including the Horn River shale gas development in Canada and the Julimar and Reindeer discoveries in Australia.

Apache's strong balance sheet and cash-flow generating capability provide flexibility to further growth from its core drilling program, pursue larger exploration prospects and execute opportunistic acquisitions. Apache's cash flow is underpinned by balanced oil and natural gas production because experience shows that prices for the two commodities rarely move in parallel.



2010 ACQUISITIONS

In 2010, Apache strengthened its global portfolio through a series of transactions that provided additional production and reserves and – more important – significant running room for future growth.

- ▶ Apache added quality assets in the Permian Basin and the Gulf of Mexico shelf and gained a strong foothold in the GoM deepwater through the Mariner Energy merger. A separate transaction with Devon Energy Corporation brought additional acreage, infrastructure and production in the Gulf shelf.
- ▶ With the acquisition of BP's oil and gas operations in the Permian Basin, Apache solidified its position among the largest producers in one of North America's leading oil-producing regions.
- ▶ The company acquired essentially all of BP's upstream natural gas business in western Alberta and British Columbia.
- ▶ Apache purchased four under-worked development leases and one exploration concession in Egypt's Western Desert from BP.

DIVERSE OPERATING CAPABILITIES

Apache's global portfolio requires the capacity to operate on a large scale in a range of environments.

The environments where Apache thrives include harsh winters in northern British Columbia and Alberta; searing deserts of Egypt; severe summers in West Texas; offshore in the Gulf of Mexico, the North Sea and Western Australia; and environmentally sensitive areas such as coastal wetlands in Louisiana and marine sanctuaries offshore Australia.

Apache operates significant assets in all areas, including the Forties Field in the North Sea with production of up to 60,000 barrels of oil per day; the Qasr Field in Egypt's Western Desert with gross daily output of 540 million cubic feet of gas and 22,000 barrels of oil; the Permian Basin with net daily output of 66,000 barrels of oil equivalent; and the Van Gogh oil field in Australia, with a floating production, storage and offloading vessel with capacity to process 60,000 barrels of oil per day. Apache is operator of the proposed Kitimat liquefied natural gas project in British Columbia with first production targeted for 2015.

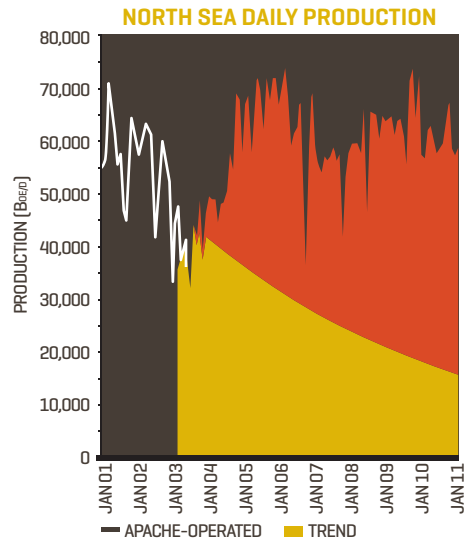
CASE STUDY: NORTH SEA FORTIES FIELD—MATURE ASSET MANAGEMENT

STRATEGY

- Increase production and reduce per-unit operating costs by upgrading facilities to remove production bottlenecks and reduce field downtime.
- Increase production output by drilling new wells identified with 4-D seismic.

RESULTS AFTER EIGHT YEARS OF OWNERSHIP

- Invested US\$3.2 billion to upgrade facilities and drill new wells.
- Increased production and maintained output at levels 100 percent above trend expected at time of acquisition.
- Lifting cost declined 39% to US\$8.03 per barrel.



CASE STUDY: UNCONVENTIONAL RESOURCES FUEL GROWTH IN ARGENTINA

STRATEGY

- Employ advanced seismic, drilling and well completion technologies to develop abundant resources across 5 million acres in Austral, Neuquén, Cuyo and Noroeste basins.
- Focus on opportunities in unconventional reservoirs eligible for higher Gas Plus pricing.

RESULTS AND PROSPECTS

- 72 Neuquén Basin wells producing approximately 85 MMcf per day under the Gas Plus program with average price approaching \$5 per Mcf.
- Drilling South America's first horizontal well targeting shale formations.
- First modern 3-D seismic identified previously untapped structures in Cuyo Basin, a proven oil-producing province.

CULTURE OF RESPONSIBILITY

Individual initiative and sense of responsibility drive Apache's operations; they also infuse our environmental, health and safety programs.

Apache is committed to being a good corporate citizen by operating in a safe and environmentally responsible manner throughout the world and by building enduring relationships with the communities where it operates through commitments to education, civic improvement and rewarding careers.

HEALTH AND SAFETY

Apache employees understand their personal responsibility for ensuring safe and environmentally responsible operations. The company has established high standards to assure workers have the knowledge to do their jobs correctly, as well as comply with regulations and take environmental considerations into account. The company also makes sure that facilities are designed properly and well maintained, and develops plans to respond to extraordinary events.

IN THE COMMUNITY

Apache builds enduring relationships with the communities in which we operate through our commitments to environmental stewardship, sustainable development, education and civic improvement. Our emphasis on education is reflected in support for Fund for Teachers, which has enabled more than 4,000 teachers to travel the world to enrich the experiences they bring to their classrooms; Ucross Foundation, an artist-in-residence program in Wyoming; and Springboard — Educating the Future, which funded construction of 201 schools for young girls in poor rural villages in Egypt. We support important cancer research in the United States, the United Kingdom and Australia.



APACHE-FUNDED SCHOOL FOR YOUNG GIRLS IN RURAL EGYPT

CASE STUDY: RESPONSIBLE SHALE DEVELOPMENT IN CANADA

CHALLENGE

How to tap natural gas from the abundant deep shale reservoir of the Horn River Basin in British Columbia while sustaining the fragile ecosystem.

STRATEGY

Apache develops new and improved methods for drilling and hydraulic fracturing. Multi-well drilling pads permit Apache to drill up to 16 horizontal wells tapping as many as 2,000 acres of a deep shale reservoir from a single surface location, vastly minimizing the impact to the surrounding environment. The Debolt Water Treatment Plant enables Apache to extract saltwater from formations well below drinking water aquifers for use in hydraulic fracturing in shale formations. Water is recovered and reused in a sustainable cycle that minimizes the use of surface water.

RESULTS

Apache is substantially reducing its environmental footprint on the pristine wilderness of the Horn River Basin. By operating in a safe and environmentally responsible manner, the company is protecting the area's delicate ecosystem and fresh water supplies.

Apache's experience in Horn River and unconventional plays in the United States provide the technical foundation for operations in emerging unconventional plays in Argentina's Neuquén province.

AT A GLANCE

Established in 1954, Apache Corporation has grown to become one of the world's top independent oil and gas exploration and production companies with US\$43 billion in total assets as of year-end 2010.

Apache's growth and progress results from a diverse team of committed people who share Apache's values of integrity, hard work and respect for others. The company provides its employees with the latest technology and empowers them to make the decisions to fuel its growth. Apache stretches the limits of what's possible through determination, adaptability, discipline, a sense of urgency and a long-term perspective.

Apache's critical mass of exploration acreage, cash-generating production and financial flexibility enables the company to explore for new resources, acquire properties with upside potential and exploit mature fields with new investment and more efficient operations to facilitate future growth.

As Apache has grown, it has continued its commitment to the highest standards of safe and environmentally responsible operations. The company participates in many programs that improve the quality of life in our communities and foster creativity.

ESTABLISHED

1954

REVENUE—2010

\$12.1 BILLION

TOTAL ASSETS

\$43.4 BILLION

TOTAL ACREAGE (GROSS)

47.5 MILLION

TOTAL EMPLOYEES

4,449

TICKER SYMBOL (NYSE, NASDAQ)

APA





AUSTRALIA

2010 NATURAL GAS PRODUCTION

200 MMCF/DAY

2010 LIQUID HYDROCARBON PRODUCTION

45,908 BARRELS/DAY

PROVED RESERVES

314 MMBOE

GROSS ACREAGE

12.2 MILLION



EGYPT

2010 NATURAL GAS PRODUCTION

375 MMCF/DAY

2010 LIQUID HYDROCARBON PRODUCTION

99,204 BARRELS/DAY

PROVED RESERVES

307 MMBOE

GROSS ACREAGE

11.3 MILLION



NORTH SEA

2010 NATURAL GAS PRODUCTION

2 MMCF/DAY

2010 LIQUID HYDROCARBON PRODUCTION

56,791 BARRELS/DAY

PROVED RESERVES

155 MMBOE

GROSS ACREAGE

822,000



ARGENTINA

2010 NATURAL GAS PRODUCTION

185 MMCF/DAY

2010 LIQUID HYDROCARBON PRODUCTION

13,136 BARRELS/DAY

PROVED RESERVES

116 MMBOE

GROSS ACREAGE

3.4 MILLION



CANADA

2010 NATURAL GAS PRODUCTION

396 MMCF/DAY

2010 LIQUID HYDROCARBON PRODUCTION

17,465 BARRELS/DAY

PROVED RESERVES

757 MMBOE

GROSS ACREAGE

8.4 MILLION



UNITED STATES

2010 NATURAL GAS PRODUCTION

731 MMCF/DAY

2010 LIQUID HYDROCARBON PRODUCTION

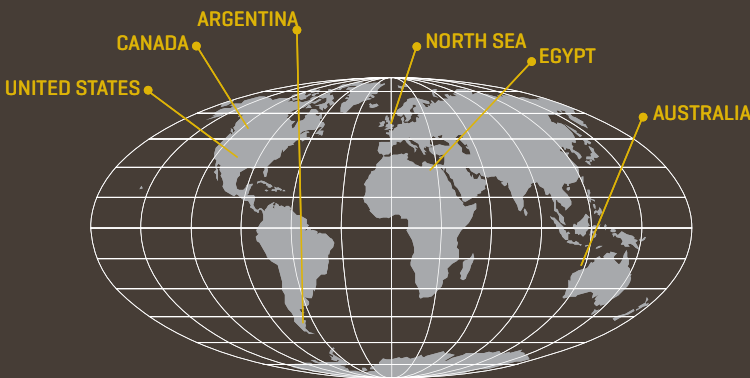
110,353 BARRELS/DAY

PROVED RESERVES

1,304 MMBOE

GROSS ACREAGE

9.8 MILLION



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