



Apache



05.05.2016

FIRST-QUARTER 2016

EARNINGS SUPPLEMENT

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 "expects," "believes," "anticipates," "projects," "guidance," and similar phrases. 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.

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Certain information may be provided in this supplement that includes financial measurements that are not required by, or presented in accordance with, generally accepted accounting principles (GAAP), including these measures: adjusted EBITDA, adjusted earnings per share, pro forma production, and cash flow from continuing operations before changes in operating assets and liabilities. These non-GAAP measures should not be considered as alternatives to GAAP measures, such as net income or cash flow from continuing operations before changes in operating assets and liabilities, and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used at other companies.

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

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FIRST-QUARTER 2016 OPERATIONAL AND FINANCIAL RESULTS

FIRST-QUARTER 2016 KEY METRICS

▶ Average Realized Oil Price	\$31.51 / Boe	↓ 19%
▶ Oil and Gas Capital Investment⁽¹⁾	\$466 Million	↓ 45%
▶ Pro Forma Production⁽²⁾	479 Mboe/d	↓ 2%
▶ Adjusted EBITDA⁽²⁾	\$541 Million	↓ 31%
▶ Cash From Operations⁽²⁾ (Before Changes in Operating Assets and Liabilities)	\$435 Million	↓ 42%
▶ Adjusted Earnings Per Share⁽²⁾	(\$0.40)	NM

From 4Q'15

(1) Excludes capital associated with noncontrolling interest in Egypt.

(2) For a reconciliation to the most directly comparable GAAP financial measure please refer to our first-quarter 2016 earnings release.

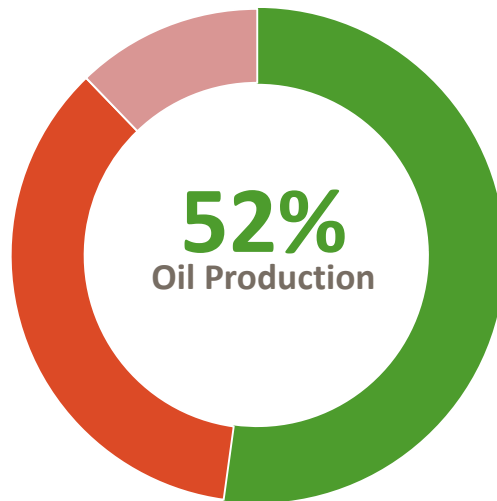
FIRST-QUARTER 2016 HIGHLIGHTS

- ▶ North American Onshore production of 298 Mboe/d exceeded guidance of 290 – 295 Mboe/d
- ▶ \$466 million capital expenditures, below company guidance of \$500 to \$550 million
- ▶ 45% average well cost reduction in key North American Onshore plays compared to 2014
- ▶ LOE declined 21% from 1Q 2015 to \$7.81 per Boe
- ▶ Egypt sustained production volumes sequentially and placed online several new high-rate oil producers

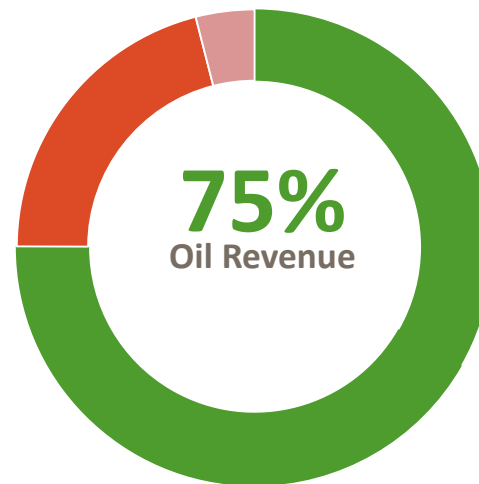
PRODUCTION AND REVENUES BY PRODUCT

1Q 2016

Reported Production
531 MBOE/D



Oil and Gas Revenue
\$1.1 Billion

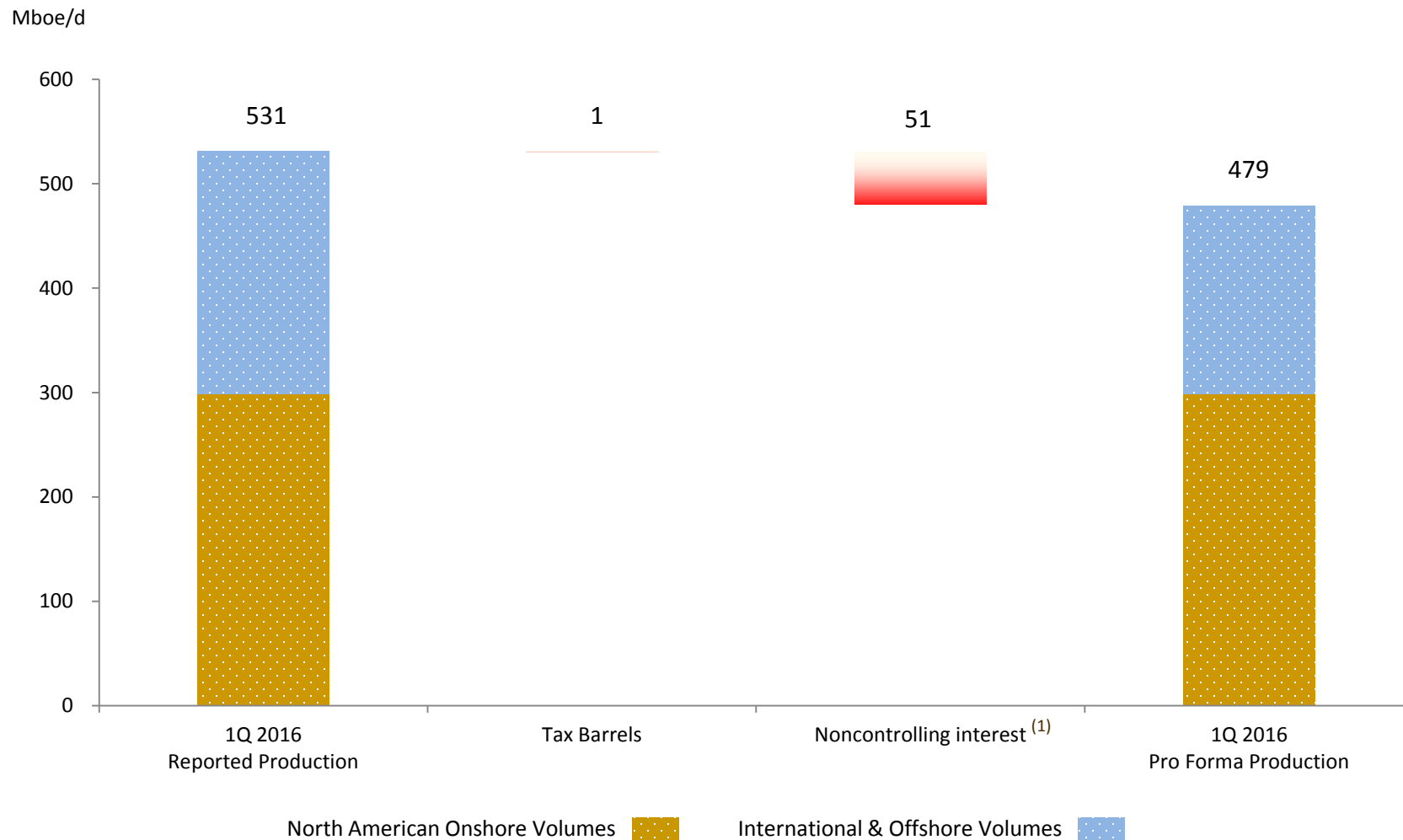


Oil Natural Gas NGLs

Note: Reported volumes are consistent with production included for purposes of GAAP financial reporting and include noncontrolling interest and tax barrels in Egypt.

PRO FORMA PRODUCTION RECONCILIATION

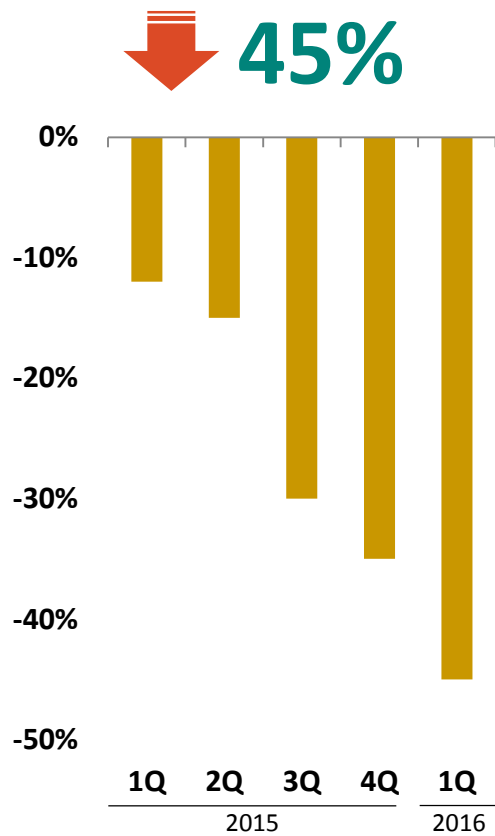
1Q 2016



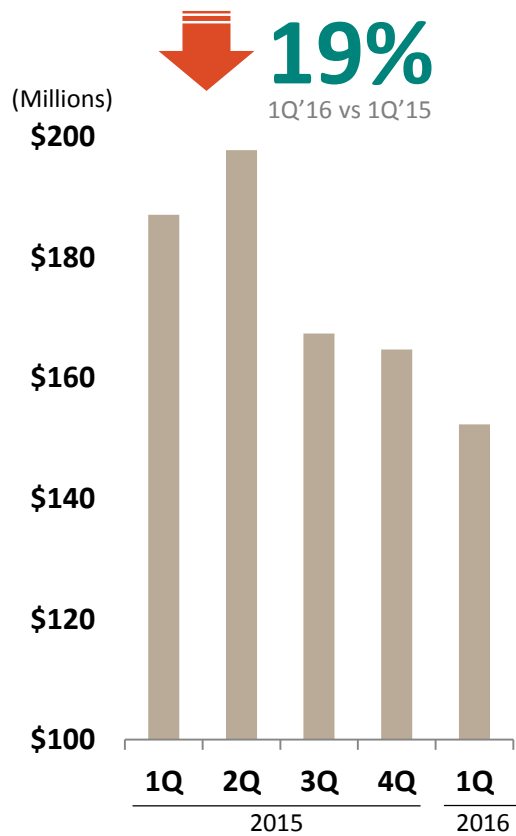
(1) Excludes tax barrels associated with noncontrolling interest.

QUARTERLY COSTS TRENDING DOWN

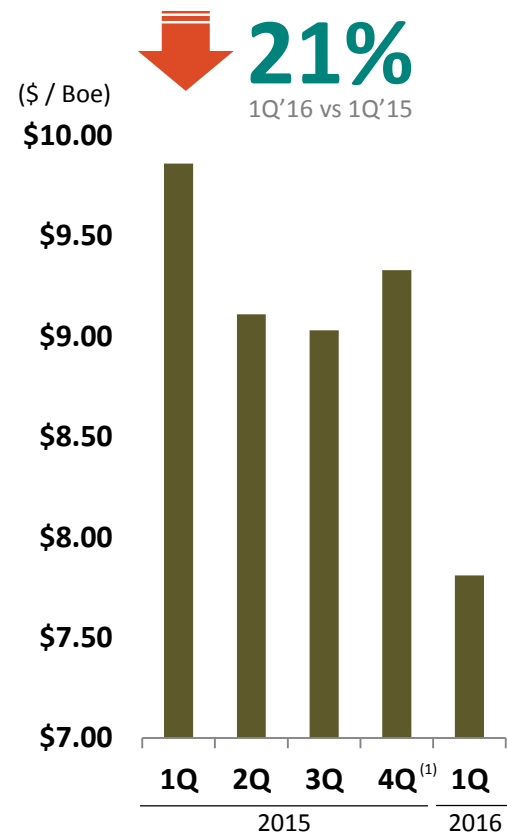
Cumulative Well Cost Declines in Key North American Onshore Plays Since 2014



Gross Overhead - Cash Cost

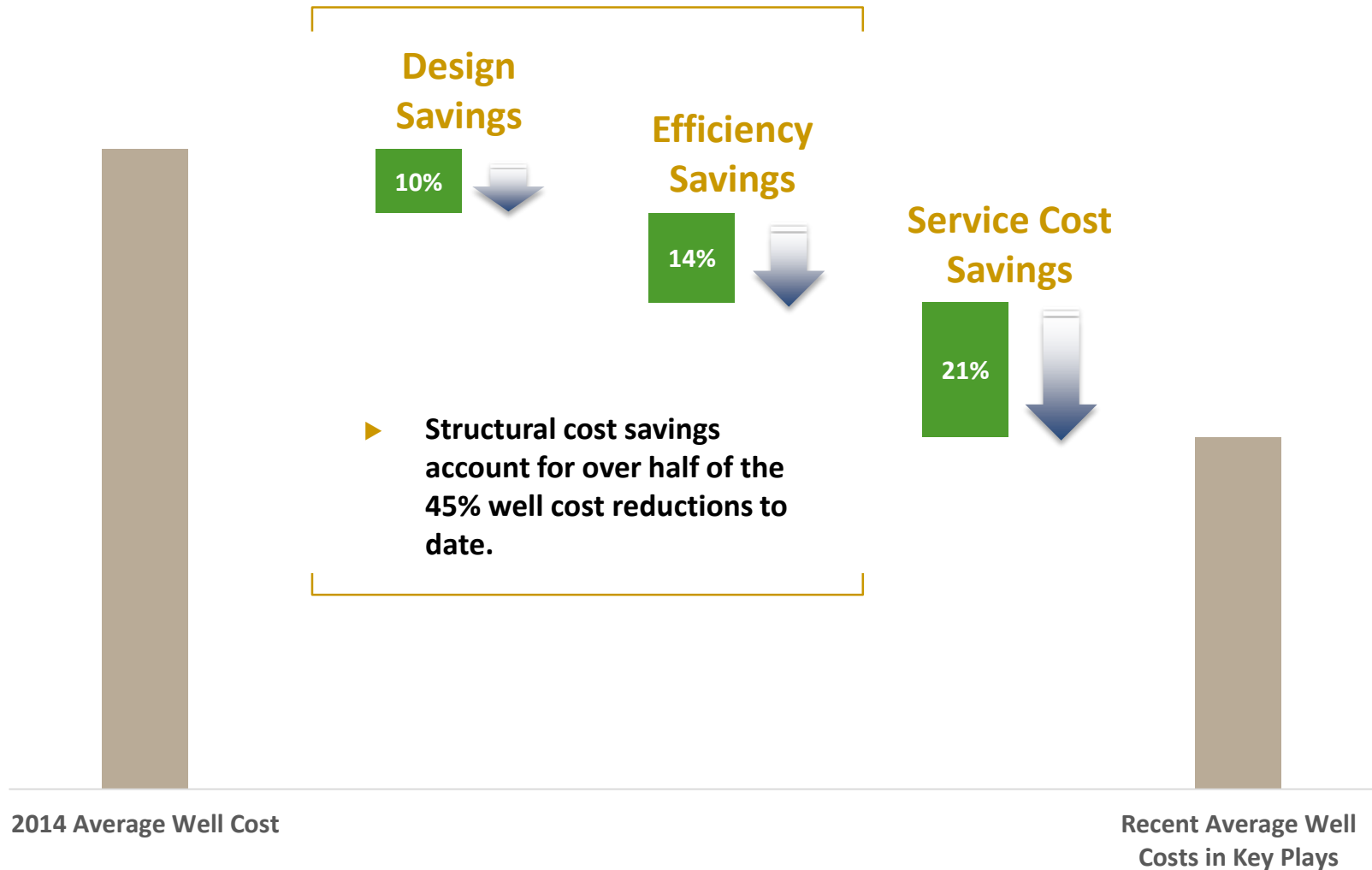


Lease Operating Expense Per Boe



1. LOE adjusted for production volumes impacted by asset impairments and write-downs in Egypt totaled 38,280 Boe/d for the fourth-quarter 2015. GAAP LOE per Boe for the fourth quarter of 2015 totaled \$10.04.

NORTH AMERICA WELL COST REDUCTIONS



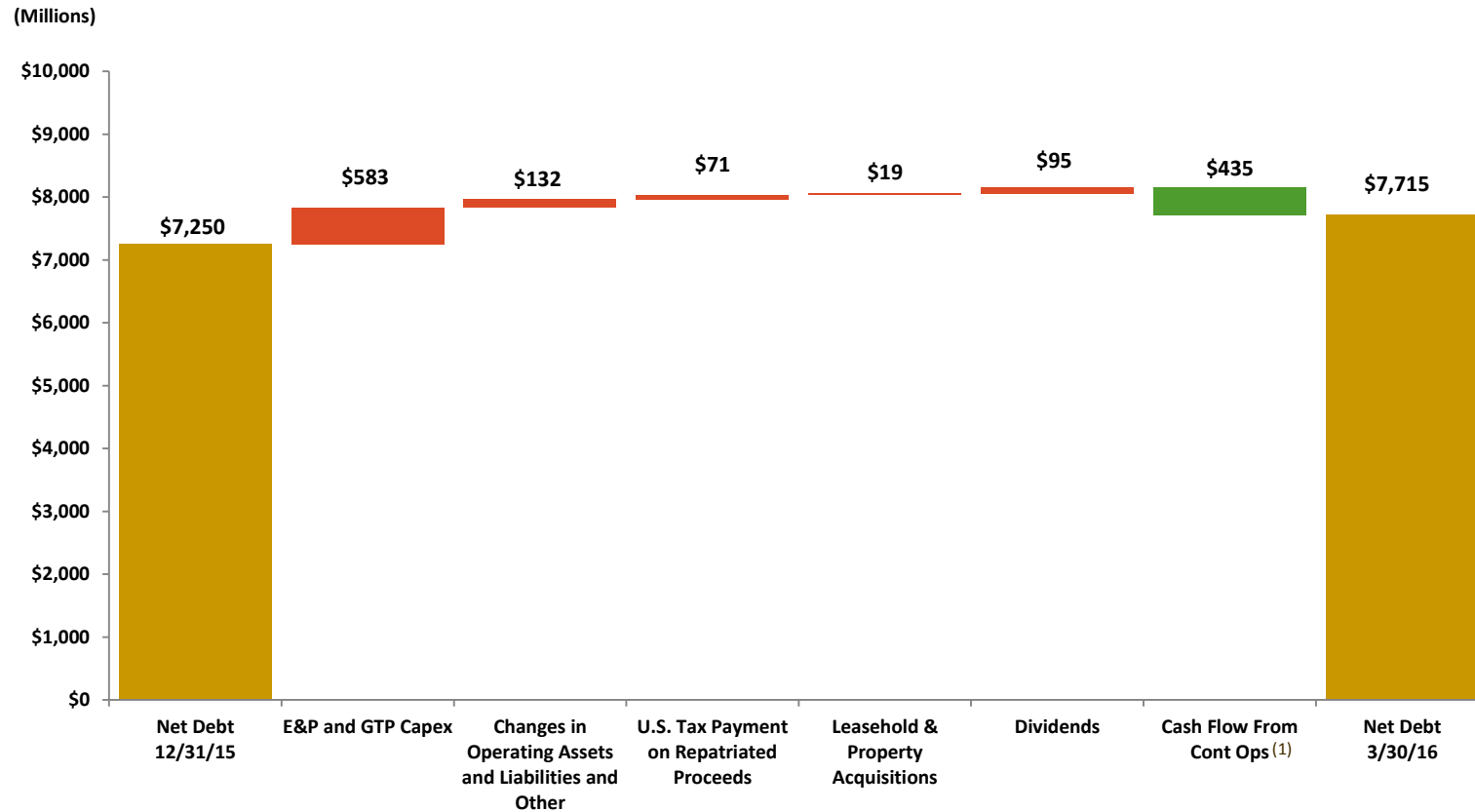
1Q 2016 OPERATING CASH MARGINS



(1) Excludes a nonrecurring adjustment of approximately \$27 million to prior year PRT. Cash operating costs in the U.K. North Sea were approximately \$7 per Boe for the first quarter of 2016.

(2) Cash margins calculated as price realizations less lease operating expenses, gathering and transportation costs and taxes other than income (including PRT).

1Q 2016 NET DEBT RECONCILIATION



(1) For a reconciliation to the most directly comparable GAAP financial measure please refer to our first-quarter 2016 earnings release.

OIL AND GAS CAPITAL INVESTMENT

	(in millions)	
	<u>1Q16</u>	<u>1Q15⁽²⁾</u>
E&P and GTP Investment:		
Permian.....	\$ 147	\$ 435
MidCon / Gulf Coast	55	303
Canada	<u>29</u>	<u>91</u>
N.A. Onshore	231	829
Gulf of Mexico.....	10	65
Other.....	<u>-</u>	<u>4</u>
North America	241	898
Egypt (Apache's interest only) ⁽¹⁾	113	179
North Sea	92	157
Other.....	<u>1</u>	<u>15</u>
	<u>\$ 447</u>	<u>\$ 1,249</u>
Leasehold and Property Acquisitions:		
North America	<u>\$ 19</u>	<u>\$ 92</u>
	<u>\$ 19</u>	<u>\$ 92</u>
Kitimat Investment.....	\$ -	\$ 60
Total	<u>\$ 466</u>	<u>\$ 1,401</u>

(1) First quarter 2016 and 2015 excludes noncontrolling interest share in Egypt of \$57 million and \$88 million, respectively.

(2) First quarter 2015 excludes Australia discontinued operations of \$245 million.

FIRST-QUARTER 2016 REGIONAL SUMMARY

FIRST-QUARTER 2016 GLOBAL OPERATIONS

GLOBAL KEY STATS

- Reported Production: 531,453 Boe/d
- Drilled & Completed Wells*: 79 gross, 69 net
- Rigs: Avg 24 rigs

N.A. ONSHORE KEY STATS

- Reported Production: 298,466 Boe/d
- Drilled & Completed Wells*: 47 gross, 42 net
- Rigs: Avg 10 rigs

INTERNATIONAL & GOM KEY STATS

- Reported Production: 232,987 Boe/d
- Drilled & Completed Wells*: 32 gross, 27 net
- Rigs: Avg 14 rigs



*Operated wells only.

PERMIAN: 1Q 2016 REGION SUMMARY

Midland Basin

- Completions focused in the Powell-Miller, Wildfire and Barnhart areas.
- Compression projects, recompletions and artificial lift installations driving improved performance from the production base.
- In the Barnhart area, completed well backlog and operations shifted out of the field.

Delaware Basin

- Averaged 3 rigs, successfully completed 5 operated wells.
- Apache continues to drive costs down further in the basin. Recent pacesetter, the Bluejay 103H well was drilled and completed for ~\$3.5 million.
- Drilled Apache's best well in the Delaware to date, the Seagull 103 HR, which delivered an average 30-day IP rate of **2,799 Boe/d**.

Central Basin Platform / NW Shelf

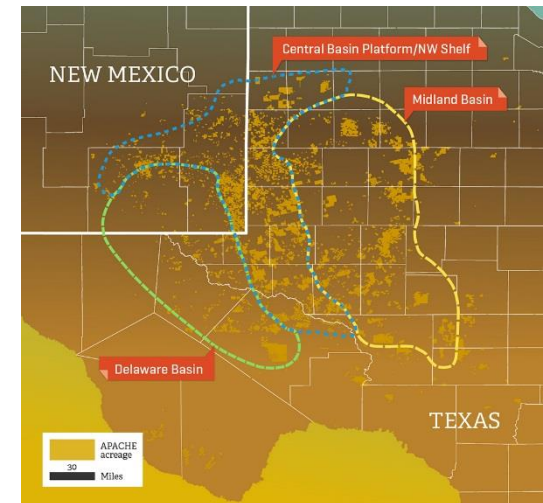
- Four horizontal Yeso wells placed on production at an average 30-day production rate of 570 Boe/d and at an average well cost of \$2.5 million.

PERMIAN KEY STATS

FIRST-QUARTER 2016

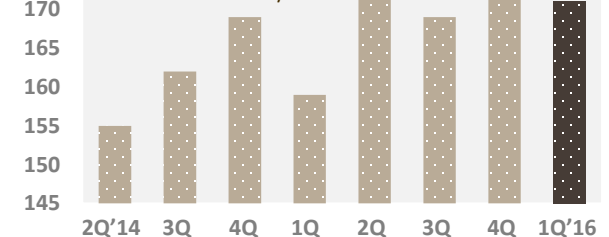
- ▶ Reported Production: 171,041 Boe/d
- ▶ Drilled & Completed Wells*: 32 gross, 28 net
- ▶ Rigs: Avg 6 rigs

*Operated wells only.



180

2014-2016 Net
Production Mboe/d



1Q 2016 NORTH AMERICAN ONSHORE WELL RECAP

Play	Area	County	Number of Wells	Average Lateral	Average Peak 30-Day IP	Peak 30-Day IP / 1,000 Lateral Ft	% Oil / Liquids
MIDLAND BASIN							
Wolfcamp	Wildfire	Midland	2	5,026'	954 Boe/d	190	67% / 86%
Wolfcamp	Powell-Miller	Upton	6	5,876'	893 Boe/d	153	79% / 88%
DELAWARE BASIN							
3 rd Bone Spring	Pecos Bend	Loving	5	4,947'	1,217 Boe/d	269	54% / 76%
Wolfcamp	Waha	Reeves	1	5,890'	1,116 Boe/d	189	78% / 89%
CENTRAL BASIN PLATFORM / NORTHWEST SHELF							
Yeso Horizontal	Cedar Lake	Eddy	4	4,746'	570 Boe/d	119	81% / 90%
MIDCONTINENT / GULF COAST							
Woodford	SCOOP	Grady	3	3,775'	1,094 Boe/d	290	17% / 52%
Eagle Ford	Ferguson Crossing	Brazos	4	7,366'	1,397 Boe/d	190	50% / 79%

NORTH SEA: 1Q 2016 SUMMARY

Forties Field

- Drilled and completed 3 successful operated wells during the first quarter of 2016.
- Apache's first development well for the year, the FASP-7, came online at an initial rate in excess of 5,000 boe/d.

Beryl Area

- Two rigs in the Beryl area were dedicated to development and exploration activity during the quarter.
- The Beryl Bravo BCR well reached total depth and discovered 300+ feet of net pay in the Beryl reservoir. First production is expected in mid-June.

Project Development

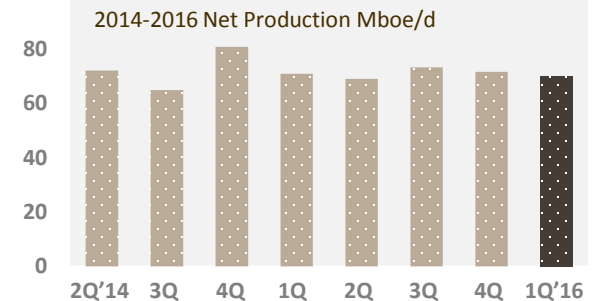
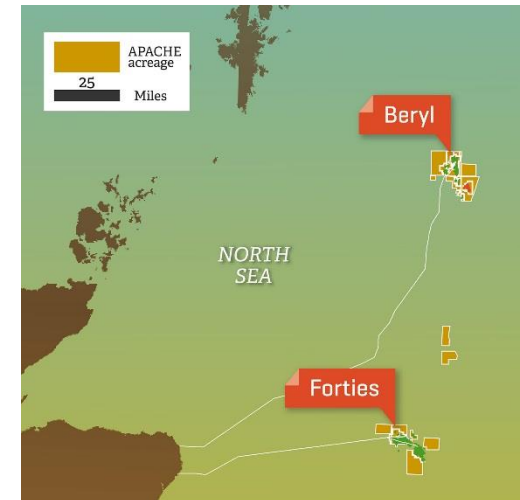
- Apache's recent Jurassic discovery in the Beryl area, the Callater well, commenced development with the topside engineering underway.
- The Aviat project is on schedule and under budget. This project is designed to deliver feed gas to the Forties field, substantially reducing operating costs and extending field life by replacing diesel fuel usage.

NORTH SEA KEY STATS

FIRST-QUARTER 2016

- ▶ Reported Production: 70,170 Boe/d
- ▶ Drilled & Completed Wells*: 6 gross, 5 net
- ▶ Rigs: Avg 4 rigs

*Operated wells only.



EGYPT: 1Q 2016 SUMMARY

Operational Activity

- 11 new oil producers with a range of 1,000 bo/d to 3,000 bo/d came online during the first quarter.
- In total, 23 wells were drilled successfully with an 88% success rate.

Exploration Activity

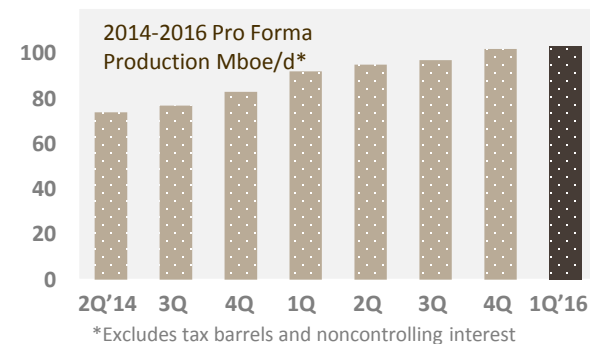
- The NRQ 9X exploration well discovered a new field targeting the Abu Roash formation.
- During the quarter, Apache spud the first of three unconventional horizontal gas wells to test the Apollonia formation.

EGYPT KEY STATS

FIRST-QUARTER 2016

- Reported Production: 156,058 Boe/d
- Drilled & Completed Wells*: 26 gross, 22 net
- Rigs: Avg 10 rigs

*Operated wells only.



INTERNATIONAL 1Q 2016 DRILLING RECAP

North Sea Well Highlights

Well Name	Field	Peak 30-Day Average IP
FASP-7	Forties	3,523 Boe/d
FASP-12	Forties	2,846 Boe/d*
FC32	Forties	3,979 Boe/d*
A76	Beryl	1,108 Boe/d*

Program Success Rate

67%

Egypt Well Highlights

Well Name	Basin	Peak 30-Day Average IP
WKAL P-2 ST	Faghur	3,600 Bo/d*
PTAH-13	Faghur	3,077 Bo/d
Berenice 7	Faghur	2,900 Bo/d
M RZK 164	Alamein	1,200 Bo/d*
WON X-7	Beni Suef / Gindi	1,130 Bo/d*
NRQ 9X	Alamein	1,080 Bo/d

Program Success Rate

88%

*Less than 30-days of production

EGYPT: PRODUCTION DETAIL

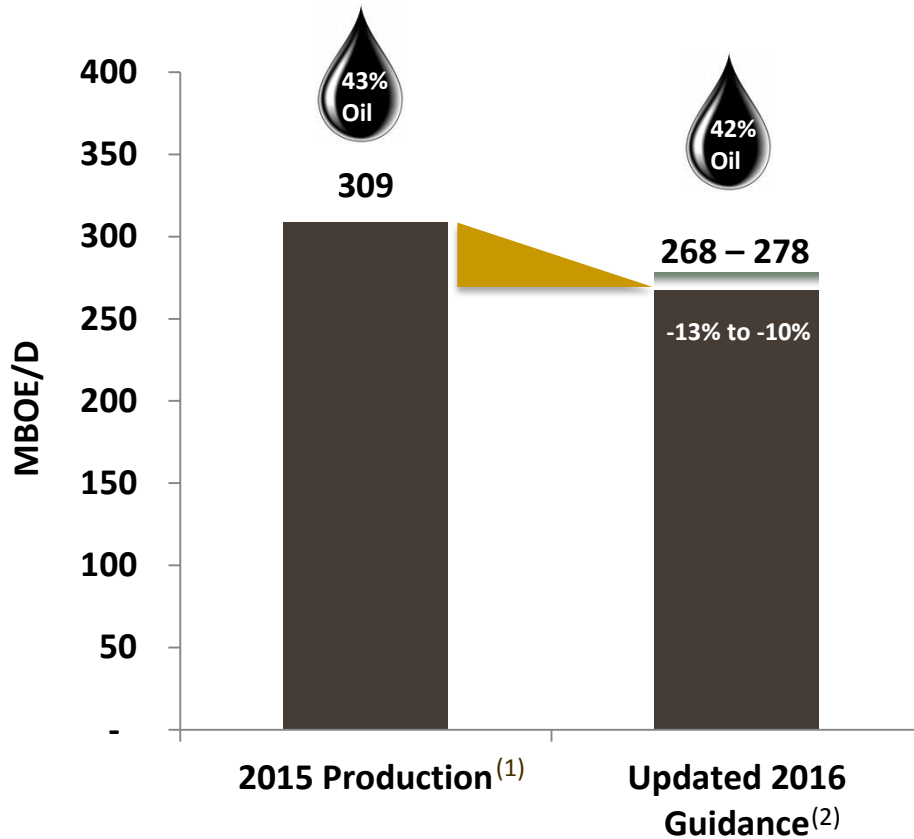
	4Q 2015			1Q 2016		
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	213,135	831,421	351,705	211,992	846,047	353,000
Net Production	60,592	271,142	105,782	91,294	388,583	156,058
% Gross	28%	33%	30%	43%	46%	44%
Less: Tax Barrels	(31,923)	(91,963)	(47,250)	307	5,057	1,150
Net Production Excluding Tax Barrels	92,515	363,105	153,032	90,987	383,526	154,908
% Gross	43%	44%	44%	43%	45%	44%
Less: Noncontrolling Interest	30,705	121,035	50,877	30,232	127,842	51,539
Pro Forma Production	61,810	242,070	102,155	60,755	255,684	103,369
% Gross	29%	29%	29%	29%	30%	29%

Mboe/d	2014				2015				2016
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Gross Production	353	351	346	344	344	349	362	352	353
Net Production	151	151	151	148	154	169	153	106	156
Pro Forma Production	76	74	77	83	92	95	97	102	103
Brent Oil Benchmark Pricing	\$107	\$110	\$103	\$77	\$55	\$64	\$51	\$45	\$35

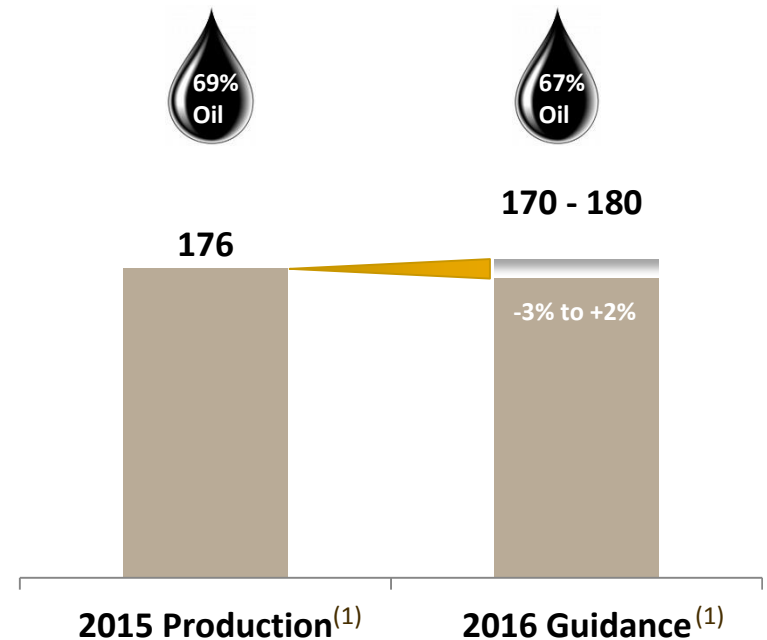
2016 PRODUCTION GUIDANCE AND CAPITAL PROGRAM

2016 PRODUCTION GUIDANCE

▶ North American Onshore



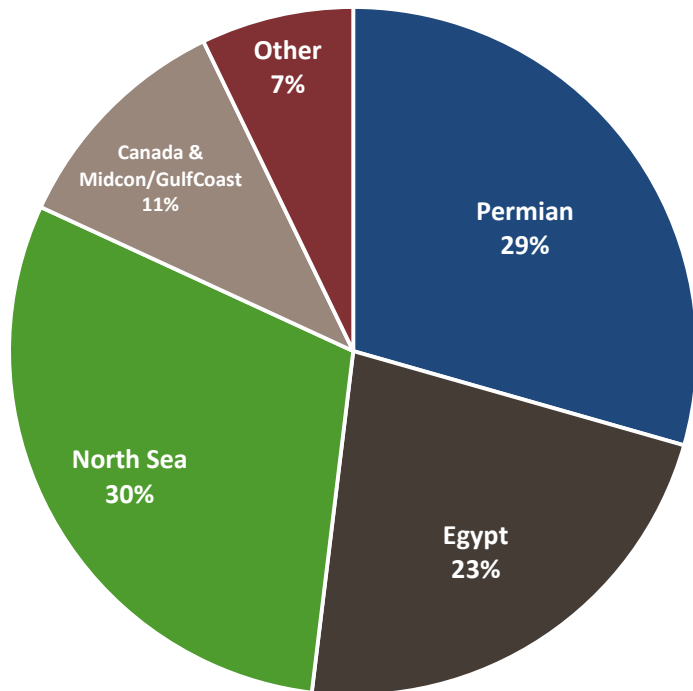
▶ International and Offshore



- (1) Production excludes volumes related to noncontrolling interest, tax barrels in Egypt and asset sales in 2015. For a reconciliation to the most directly comparable financial measure please refer to our fourth-quarter 2015 earnings release.
- (2) Revised on May 5, 2016; first-quarter 2016 earnings release.

APACHE 2016 CAPITAL PROGRAM

Regional Allocation



Strategic Allocation

