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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): October 31, 2018**

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**APACHE CORPORATION**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-4300**  
(Commission  
File Number)

**41-0747868**  
(I.R.S. Employer  
Identification No.)

**2000 Post Oak Boulevard**  
**Suite 100**  
**Houston, Texas 77056-4400**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (713) 296-6000**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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The information in this Current Report on Form 8-K, including Exhibit 99.1 furnished herewith, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of Section 18, and shall not be incorporated by reference in any filing under the Securities Act or the Exchange Act, except as set forth by specific reference in such filing.

**Item 2.02. Results of Operations and Financial Condition.**

On October 31, 2018, Apache Corporation issued a press release announcing financial and operating results for the fiscal quarter ended September 30, 2018. The full text of the press release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#"><u>Press Release of Apache Corporation dated October 31, 2018.</u></a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**APACHE CORPORATION**

Date: November 1, 2018

/s/ Rebecca A. Hoyt

Rebecca A. Hoyt  
Senior Vice President,  
Chief Accounting Officer,  
and Controller  
(Principal Accounting Officer)



NEWS RELEASE

**APACHE CORPORATION ANNOUNCES THIRD-QUARTER 2018  
FINANCIAL AND OPERATIONAL RESULTS**

- *Reported third-quarter production of 476,000 barrels of oil equivalent (BOE) per day. Adjusted production, which excludes Egypt noncontrolling interest and tax barrels and 2017 divestitures, was 401,000 BOE per day, up 13 percent over third-quarter 2017;*
- *Achieved U.S. production of 272,000 BOE per day and record Permian Basin production of 222,000 BOE per day, up 31 percent and 38 percent over third-quarter 2017, respectively;*
- *Delivered strong cash flow from operations of \$1 billion, with nearly 70 percent of reported oil production receiving Brent or Gulf Coast-linked pricing;*
- *Expecting strong fourth-quarter adjusted production volume growth of 20,000 BOE per day, approximately half of which will come from oil; raising full-year 2018 U.S. production guidance to 262,000 BOE per day;*
- *Altus Midstream Company transaction to close in November 2018, which is expected to fund fourth quarter 2018 and future Alpine High midstream expenditures;*
- *Anticipate 2019 production at the high-end of previously announced guidance of 410,000 to 440,000 BOE per day on an annual upstream capital program of \$3 billion; and*
- *Resumed share buyback program during the third quarter; announced additional share repurchase authorization of 40 million shares.*

HOUSTON, Oct. 31, 2018 – Apache Corporation (NYSE, Nasdaq: APA) today announced its financial and operational results for the third quarter of 2018.

Apache reported earnings of \$81 million or \$0.21 per diluted common share for the third quarter of 2018. These results include a number of items outside of core earnings that are typically excluded by the investment community in their published earnings estimates, the most significant of which was a \$75 million after tax loss incurred as a result of the bond tender exercise. When adjusted for this and other smaller items that impact the comparability of results, Apache's third-quarter earnings were \$244 million or \$0.63 per share. Net cash provided by operating activities in the quarter was \$1 billion. Adjusted earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses (adjusted EBITDAX) was \$1.4 billion.

“Apache continued our strong performance in the third quarter of 2018, delivering 31 percent growth in U.S. production year over year. The Permian Basin continues to be the key driver, with oil production up 16 percent and total production up 38 percent year over year. Our significant Brent and LLS oil price leverage and robust NGL realizations, combined with this production performance, resulted in impressive earnings and cash flow growth. Our positive production trends will continue in the fourth quarter, prompting us to again raise our full-year 2018 U.S. production guidance,” said John J. Christmann IV, Apache’s chief executive officer and president.

“During the third quarter, we also achieved a very important objective with the announcement of our Altus Midstream transaction. This will establish an entity capable of funding future midstream investment needs at Alpine High. Importantly, the deal will allow Apache to maintain control of the midstream buildout as we ramp up production at Alpine High,” continued Christmann.

### **Third-quarter operational summary**

Highlights from the company’s three principal areas include:

- **United States** – U.S. production averaged 272,000 BOE per day. The company averaged 18 rigs and drilled and completed 47 gross-operated wells.

- **Permian Basin** – Third-quarter production in the Permian Basin averaged 222,000 BOE per day, with total production up 38 percent and oil up 16 percent year over year. This growth reflects the ongoing development of Wolfcamp oil zones in the Midland and Delaware basins and the continued ramp up at Alpine High. The company averaged 18 rigs and five frac crews in the Permian Basin during the quarter and drilled and completed 47 gross-operated wells.
  - **Midland Basin** – Activity continues to focus on pad development in the Wolfcamp formation. During the quarter, the company drilled and completed 11 gross-operated wells and added one rig to optimize its rig-to-frac crew ratio. Contribution to oil growth from this addition will begin during the fourth quarter and continue into 2019.
  - **Delaware Basin** – Apache’s activity in the Delaware Basin currently includes operations in Alpine High, Dixieland, and Pecos Bend in Reeves County and the slope play in southeast New Mexico.

At Alpine High, production in the third quarter averaged 49,000 BOE per day, a 52-percent increase over the second quarter of 2018. During the quarter, the company drilled and completed 23 gross-operated wells. Well costs and lease operating costs in the play continue to come down in-line with expectations despite upward pressure on service costs.

- **Egypt** – Apache averaged 12 rigs during the quarter and drilled and completed 24 gross-operated wells with an 83-percent success rate. Adjusted production in Egypt, which excludes minority interest and the impact of tax barrels, averaged 78,000 BOE per day. The company has acquired approximately 1 million acres to date of a planned 2.6 million-acre seismic shoot. During the quarter, Apache initiated the next phase of the program in our new Northwest Razzak concession.
- **North Sea** – Apache averaged three rigs during the quarter and produced 51,000 BOE per day, which was down slightly from the second quarter due to scheduled turnaround maintenance. Production is expected to increase in the fourth quarter, as the company brought its fourth development well online in the Callater field in September and plans to accelerate initial production at Garten from first-quarter 2019 to fourth-quarter 2018, only seven months after its discovery.

#### **Financial liquidity update**

During the quarter, the company restructured its debt portfolio with a tender offer and a new \$1 billion 10-year, senior-debt offering. Proceeds from the new note offering were used to refinance existing debt and resulted in an extension of the debt maturity profile and a reduction in the average cost of debt.

The company also reinitiated share repurchase activity under an existing authorization which had 7.8 million shares remaining as of June 30, 2018. 924,000 shares were repurchased under this authorization in the third quarter and repurchases continue in the fourth quarter. Apache's board of directors recently authorized an additional 40 million share-repurchase program.

**Capital and production outlook**

Upstream oil and gas investment was \$844 million in the third quarter, which included \$48 million for incremental leasehold acquisition and retention. Apache also invested \$122 million for Alpine High midstream activity. Effective Oct. 1, 2018, Alpine High midstream infrastructure will be funded by Altus Midstream Company following the closing of the transaction which is expected in November 2018.

Apache anticipates upstream capital investment of approximately \$800 million in the fourth quarter, which includes \$65 million for leasehold acquisition and retention, bringing the expected 2018 upstream total budget to approximately \$3.1 billion. Strong execution and well performance in the third quarter are prompting the company to raise its 2018 U.S. production guidance to 262,000 BOE per day. Adjusted international production guidance for 2018 is now 133,000 BOE per day.

In 2019, Apache is planning a \$3 billion annual capital program, which will enable the company to maintain its current activity levels. The company expects 2019 production levels at the high-end of previously announced 2019 guidance of 410,000 to 440,000 BOE per day.

Details on additional financial and operational guidance can be found in the Third-Quarter 2018 Financial and Operational Supplement at [www.apachecorp.com/financialdata](http://www.apachecorp.com/financialdata).

“During the third quarter, we increased activity to optimize drilling and completions and improve efficiencies through longer laterals, larger fracs and facility expansions. Looking ahead to the fourth quarter, we expect our upstream capital spending to be in line with levels we have maintained for more than a year.



“As we head into 2019, we are well positioned to generate sustainable liquids production growth and positive free cash flow, while maintaining flexibility to respond quickly to changing industry conditions,” concluded Christmann.

**Conference call**

Apache will host a conference call to discuss its third-quarter 2018 results at 10 a.m. Central time, Thursday, Nov. 1. The conference call will be webcast from Apache’s website at [www.apachecorp.com](http://www.apachecorp.com) and [investor.apachecorp.com](http://investor.apachecorp.com), and the webcast replay will be archived there as well. A replay of the conference call will be available for seven days following the call. The number for the replay is (855) 859-2056 or (404) 537-3406 for international calls. The conference access code is 4354928. Sign up for email alerts to be reminded of the webcast at <http://investor.apachecorp.com/alerts/email-alerts-subscription>.

**Additional information**

Additional information follows, including reconciliations of adjusted earnings, cash flow from operations before changes in operating assets and liabilities, adjusted EBITDAX, oil and gas capital investment and net debt (non-GAAP financial measures) to GAAP measures and information regarding adjusted production. Apache’s quarterly supplement is available at [www.apachecorp.com/financialdata](http://www.apachecorp.com/financialdata).

**About Apache**

Apache Corporation is an oil and gas exploration and production company with operations in the United States, Egypt and the United Kingdom. Apache posts announcements, operational updates, investor information and copies of all press releases on its website, [www.apachecorp.com](http://www.apachecorp.com), and on its Media and Investor Center mobile application, which is available for free download from the [Apple App Store](#) and the [Google’s Play store](#).

**Non-GAAP financial measures**

Apache's financial information includes information prepared in conformity with generally accepted accounting principles (GAAP) as well as non-GAAP information. It is management's intent to provide non-GAAP financial information to enhance understanding of our consolidated financial information as prepared in accordance with GAAP. Adjusted earnings, cash flow from operations before changes in operating assets and liabilities, oil and gas capital investment, adjusted EBITDAX and net debt are non-GAAP measures. This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure.

**Forward-looking statements**

This news release contains 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. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "guidance," "outlook," "will," and similar references to future periods. These statements include, but are not limited to, statements about future plans, expectations and objectives

for Apache's operations, including statements about our capital plans, drilling plans, production expectations, asset sales, and monetizations. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. See "Risk Factors" in our 2017 Form 10-K filed with the Securities and Exchange Commission for a discussion of risk factors that affect our business. Any forward-looking statement made by us in this news release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future development or otherwise, except as may be required by law.

**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 release, such as "resources," "potential resources," "resource potential," "estimated net reserves," "recoverable reserves," 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 Dec. 31, 2017, available from Apache at [www.apachecorp.com](http://www.apachecorp.com) or by writing Apache at: 2000 Post Oak Blvd., Suite 100, Houston, TX 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](http://www.sec.gov).

**Contacts**

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[Click here for the third-quarter 2018 materials.](#)

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**APACHE CORPORATION**  
**STATEMENT OF CONSOLIDATED OPERATIONS**  
(Unaudited)  
(In millions, except per share data)

	<u>For the Quarter</u> <u>Ended September 30,</u>		<u>For the Nine Months</u> <u>Ended September 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>REVENUES AND OTHER:</b>				
Oil and gas production revenues				
Oil revenues	\$ 1,555	\$ 1,070	\$ 4,524	\$ 3,292
Natural gas revenues	241	238	675	726
Natural gas liquids revenues	180	81	446	229
	<u>1,976</u>	<u>1,389</u>	<u>5,645</u>	<u>4,247</u>
Derivative instrument gain (loss)	(23)	(110)	(46)	(69)
Gain (loss) on divestiture	1	296	10	616
Other	29	—	50	43
	<u>1,983</u>	<u>1,575</u>	<u>5,659</u>	<u>4,837</u>
<b>OPERATING EXPENSES:</b>				
Lease operating expenses	382	353	1,087	1,059
Gathering, transmission and processing	92	44	260	151
Taxes other than income	58	46	162	117
Exploration	99	231	251	431
General and administrative	99	98	330	307
Transaction, reorganization and separation	8	20	20	14
Depreciation, depletion and amortization:				
Oil and gas property and equipment	575	524	1,666	1,598
Other assets	35	35	105	109
Asset retirement obligation accretion	27	30	81	103
Impairments	10	—	10	8
Financing costs, net	192	101	385	300
	<u>1,577</u>	<u>1,482</u>	<u>4,357</u>	<u>4,197</u>
<b>NET INCOME BEFORE INCOME TAXES</b>	<b>406</b>	<b>93</b>	<b>1,302</b>	<b>640</b>
Current income tax provision	262	99	709	413
Deferred income tax provision (benefit)	(17)	(111)	(43)	(758)
<b>INCOME INCLUDING NONCONTROLLING INTEREST</b>	<b>161</b>	<b>105</b>	<b>636</b>	<b>985</b>
Net income attributable to noncontrolling interest	80	42	215	137
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCK</b>	<b>\$ 81</b>	<b>\$ 63</b>	<b>\$ 421</b>	<b>\$ 848</b>
<b>NET INCOME PER COMMON SHARE:</b>				
Basic	\$ 0.21	\$ 0.16	\$ 1.10	\$ 2.23
Diluted	\$ 0.21	\$ 0.16	\$ 1.09	\$ 2.22
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:</b>				
Basic	383	381	383	381
Diluted	385	383	385	383
<b>DIVIDENDS DECLARED PER COMMON SHARE</b>	<b>\$ 0.25</b>	<b>\$ 0.25</b>	<b>\$ 0.75</b>	<b>\$ 0.75</b>

**APACHE CORPORATION  
PRODUCTION INFORMATION**

	For the Quarter Ended			% Change		For the Nine Months Ended	
	September 30, 2018	June 30, 2018	September 30, 2017	3Q18 to 2Q18	3Q18 to 3Q17	September 30, 2018	September 30, 2017
<b>OIL VOLUME - Barrels per day</b>							
Permian	90,434	89,928	77,701	1%	16%	88,629	74,943
MidContinent/Gulf Coast	10,067	11,492	9,670	-12%	4%	10,683	10,331
Gulf of Mexico	3,037	3,743	3,512	-19%	-14%	3,518	3,954
United States	103,538	105,163	90,883	-2%	14%	102,830	89,228
Canada	—	—	3,441	—	NM	—	8,881
North America	103,538	105,163	94,324	-2%	10%	102,830	98,109
Egypt (1, 2)	97,129	96,185	93,749	1%	4%	96,201	97,447
North Sea	42,769	46,150	49,945	-7%	-14%	45,076	49,274
International (1)	139,898	142,335	143,694	-2%	-3%	141,277	146,721
Total (1)	243,436	247,498	238,018	-2%	2%	244,107	244,830
<b>NATURAL GAS VOLUME - Mcf per day</b>							
Permian	516,930	403,267	278,308	28%	86%	426,421	247,991
MidContinent/Gulf Coast	124,572	135,629	115,982	-8%	7%	127,095	117,978
Gulf of Mexico	10,280	8,881	10,196	16%	1%	9,783	12,656
United States	651,782	547,777	404,486	19%	61%	563,299	378,625
Canada	—	—	107,524	—	NM	—	175,787
North America	651,782	547,777	512,010	19%	27%	563,299	554,412
Egypt (1, 2)	331,681	340,991	378,426	-3%	-12%	338,813	389,533
North Sea	41,455	43,297	50,057	-4%	-17%	41,932	42,800
International (1)	373,136	384,288	428,483	-3%	-13%	380,745	432,333
Total (1)	1,024,918	932,065	940,493	10%	9%	944,044	986,745
<b>NGL VOLUME - Barrels per day</b>							
Permian	45,671	44,693	36,737	2%	24%	42,800	35,070
MidContinent/Gulf Coast	14,311	14,050	12,137	2%	18%	13,815	12,649
Gulf of Mexico	257	293	275	-12%	-7%	271	344
United States	60,239	59,036	49,149	—	—	56,886	48,063
Canada	—	—	2,183	—	NM	—	3,780
North America	60,239	59,036	51,332	2%	17%	56,886	51,843
Egypt (1, 2)	753	1,127	916	-33%	-18%	939	917
North Sea	1,008	1,104	1,219	-9%	-17%	1,092	1,044
International (1)	1,761	2,231	2,135	-21%	-18%	2,031	1,961
Total	62,000	61,267	53,467	1%	16%	58,917	53,804
<b>BOE per day</b>							
Permian	222,259	201,832	160,823	10%	38%	202,499	151,346
MidContinent/Gulf Coast	45,140	48,147	41,138	-6%	10%	45,680	42,643
Gulf of Mexico	5,007	5,516	5,486	-9%	-9%	5,420	6,407
United States	272,406	255,495	207,447	7%	31%	253,599	200,396
Canada	—	—	23,544	—	NM	—	41,959
North America	272,406	255,495	230,991	7%	18%	253,599	242,355
Egypt (1, 2)	153,163	154,144	157,737	-1%	-3%	153,609	163,286
North Sea	50,686	54,470	59,507	-7%	-15%	53,157	57,451
International (1)	203,849	208,614	217,244	-2%	-6%	206,766	220,737
Total (1)	476,255	464,109	448,235	3%	6%	460,365	463,092
Total excluding noncontrolling interests	425,156	412,693	395,578	3%	7%	409,114	408,502
(1) Includes net production volumes attributed to our noncontrolling partner in Egypt below:							
Oil (b/d)	32,385	32,066	31,275	—	—	32,077	32,573
Gas (Mcf/d)	110,777	113,846	126,459	—	—	113,164	130,263
NGL (b/d)	251	376	305	—	—	313	306
(2) Egypt Gross Production - BOE per day							
	337,738	341,636	339,069	-1%	0%	336,506	333,942

**APACHE CORPORATION**  
**ADJUSTED PRODUCTION INFORMATION**

Adjusted production excludes certain items that management believes affect the comparability of operating results for the periods presented. Adjusted production excludes production attributable to 1) divested assets, 2) noncontrolling interest in Egypt, and 3) Egypt tax barrels. Management uses adjusted production to evaluate the company's operational trends and performance and believes it is useful to investors and other third parties.

	For the Quarter Ended			% Change		For the Nine Months Ended	
	September 30, 2018	June 30, 2018	September 30, 2017	3Q18 to 2Q18	3Q18 to 3Q17	September 30, 2018	September 30, 2017
<b>OIL VOLUME - Barrels per day</b>							
Permian	90,434	89,928	77,701	1%	16%	88,629	74,796
MidContinent/Gulf Coast	10,067	11,492	9,670	-12%	4%	10,683	10,331
Gulf of Mexico	3,037	3,743	3,512	-19%	-14%	3,518	3,954
United States	103,538	105,163	90,883	-2%	14%	102,830	89,081
Egypt	47,260	47,837	49,992	-1%	-5%	47,694	51,134
North Sea	42,769	46,151	49,945	-7%	-14%	45,076	49,274
International	90,029	93,988	99,937	-4%	-10%	92,770	100,408
Total	193,567	199,151	190,820	-3%	1%	195,600	189,489
<b>NATURAL GAS VOLUME - Mcf per day</b>							
Permian	516,930	403,267	278,308	28%	86%	426,421	247,335
MidContinent/Gulf Coast	124,572	135,629	115,982	-8%	7%	127,095	117,978
Gulf of Mexico	10,280	8,881	10,196	16%	1%	9,783	12,656
United States	651,782	547,777	404,486	19%	61%	563,299	377,969
Egypt	179,539	188,012	216,990	-5%	-17%	185,806	218,061
North Sea	41,455	43,296	50,057	-4%	-17%	41,932	42,800
International	220,994	231,308	267,047	-4%	-17%	227,738	260,861
Total	872,776	779,085	671,533	12%	30%	791,037	638,830
<b>NGL VOLUME - Barrels per day</b>							
Permian	45,671	44,693	36,737	2%	24%	42,800	34,968
MidContinent/Gulf Coast	14,311	14,050	12,137	2%	18%	13,815	12,909
Gulf of Mexico	257	293	275	-12%	-7%	271	379
United States	60,239	59,036	49,149	2%	23%	56,886	48,256
Egypt	402	596	534	-33%	-25%	498	526
North Sea	1,008	1,104	1,219	-9%	-17%	1,092	955
International	1,410	1,700	1,753	-17%	-20%	1,590	1,481
Total	61,649	60,736	50,902	2%	21%	58,476	49,737
<b>BOE per day</b>							
Permian	222,259	201,832	160,823	10%	38%	202,499	150,988
MidContinent/Gulf Coast	45,140	48,147	41,138	-6%	10%	45,680	42,643
Gulf of Mexico	5,007	5,516	5,486	-9%	-9%	5,420	6,407
United States	272,406	255,495	207,447	7%	31%	253,599	200,038
Egypt	77,585	79,769	86,691	-3%	-11%	79,159	88,006
North Sea	50,686	54,470	59,507	-7%	-15%	53,157	57,451
International	128,271	134,239	146,198	-4%	-12%	132,316	145,457
Total	400,677	389,734	353,645	3%	13%	385,915	345,495

**APACHE CORPORATION**  
**PRICE INFORMATION**

	For the Quarter Ended			For the Nine Months Ended	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
<b>AVERAGE OIL PRICE PER BARREL</b>					
Permian	\$ 60.07	\$ 62.69	\$ 45.68	\$ 61.41	\$ 46.64
MidContinent/Gulf Coast	69.38	65.98	45.99	65.83	47.21
Gulf of Mexico	70.87	67.76	46.50	69.19	47.24
United States	61.20	63.27	45.68	62.08	46.54
Canada	—	—	42.23	—	45.25
North America	61.20	63.27	45.56	62.08	46.42
Egypt	74.92	74.14	51.23	71.85	50.78
North Sea	75.01	73.05	53.11	71.32	51.35
International	74.95	73.78	51.87	71.68	50.97
Total	69.12	69.35	49.34	67.65	49.15
<b>AVERAGE NATURAL GAS PRICE PER MCF</b>					
Permian	\$ 1.98	\$ 1.85	\$ 2.56	\$ 2.06	\$ 2.54
MidContinent/Gulf Coast	2.45	2.21	2.78	2.44	2.93
Gulf of Mexico	2.87	2.95	2.97	3.16	3.04
United States	2.09	1.94	2.62	2.15	2.58
Canada	—	—	1.90	—	2.17
North America	2.09	1.94	2.47	2.15	2.45
Egypt	2.85	2.85	2.81	2.85	2.77
North Sea	7.78	6.82	5.27	7.07	5.27
International	3.40	3.29	3.10	3.31	3.02
Total	2.56	2.50	2.75	2.62	2.70
<b>AVERAGE NGL PRICE PER BARREL</b>					
Permian	\$ 32.38	\$ 26.97	\$ 16.68	\$ 28.24	\$ 15.47
MidContinent/Gulf Coast	25.89	22.90	12.92	23.70	12.65
Gulf of Mexico	34.48	32.52	19.64	32.47	18.46
United States	30.84	26.03	15.77	27.15	14.75
Canada	—	—	15.80	—	16.39
North America	30.84	26.03	15.77	27.15	14.87
Egypt	45.92	40.80	36.47	40.67	35.98
North Sea	54.73	44.71	26.92	47.16	30.51
International	50.96	42.73	31.02	44.16	33.07
Total	31.42	26.64	16.38	27.74	15.53



**APACHE CORPORATION**  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
(Unaudited)  
(In millions)

**SUMMARY OF DERIVATIVE INSTRUMENT GAINS (LOSSES), NET**

	<b>For the Quarter Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Derivative settlements - realized gain/(loss)	\$ 7	\$ 23	\$ (110)	\$ 23
Amortization of call and put premium	(14)	(50)	(24)	(50)
Realized loss	(7)	(27)	(134)	(27)
Unrealized mark-to-market gain/(loss)	(16)	(83)	88	(42)
	<u>\$ (23)</u>	<u>\$ (110)</u>	<u>\$ (46)</u>	<u>\$ (69)</u>

**SUMMARY EXPLORATION EXPENSE INFORMATION**

	<b>For the Quarter Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Unproved leasehold impairments	\$ 39	\$ 160	\$ 76	\$ 214
Dry hole expense	21	38	57	136
Geological and geophysical expense	6	12	41	24
Exploration overhead and other	33	21	77	57
	<u>\$ 99</u>	<u>\$ 231</u>	<u>\$ 251</u>	<u>\$ 431</u>

**SUMMARY CASH FLOW INFORMATION**

	<b>For the Quarter Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net cash provided by operating activities	1,006	554	2,734	1,760
Net cash used in investing activities	(926)	(94)	(2,840)	(623)
Net cash used in financing activities	(459)	(185)	(969)	(572)

**SUMMARY BALANCE SHEET INFORMATION**

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Cash and cash equivalents	\$ 593	\$ 1,668
Other current assets	2,192	2,057
Property and equipment, net	18,646	17,759
Other assets	439	438
Total assets	<u>\$ 21,870</u>	<u>\$ 21,922</u>
Current debt	\$ 150	\$ 550
Current liabilities	2,057	2,014
Long-term debt	8,053	7,934
Deferred credits and other noncurrent liabilities	2,664	2,633
Apache shareholders' equity	7,612	7,416
Noncontrolling interest	1,334	1,375
Total Liabilities and shareholders' equity	<u>\$ 21,870</u>	<u>\$ 21,922</u>
Common shares outstanding at end of period	382	381



Loss on extinguishment of debt	94	(19)	75	0.19	1	—	1	—
Asset impairments	86	(20)	66	0.18	222	(78)	144	0.38
Valuation allowance and other tax adjustments	—	30	30	0.08	—	(641)	(641)	(1.69)
Modification of stock comp plans	39	(9)	30	0.07	—	—	—	—
Transaction, reorganization & separation costs	20	(4)	16	0.04	14	(5)	9	0.03
Gain on divestitures	(10)	1	(9)	(0.02)	(616)	194	(422)	(1.10)
Unrealized derivative instrument (gain)/loss	(88)	19	(69)	(0.18)	42	(15)	27	0.07
Adjusted Earnings (Non-GAAP)	<u>\$1,050</u>	<u>\$ (490)</u>	<u>\$560</u>	<u>\$ 1.45</u>	<u>\$ 52</u>	<u>\$ (86)</u>	<u>\$ (34)</u>	<u>\$(0.09)</u>

\* The income tax effect of the reconciling items are calculated based on the statutory rate of the jurisdiction in which the discrete item resides.

**APACHE CORPORATION**  
**NON-GAAP FINANCIAL MEASURES**  
(In millions)

**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.

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Current debt	\$ 150	\$ 400	\$ 400	\$ 550	\$ 550
Long-term debt	8,053	7,937	7,936	7,934	7,933
Total debt	8,203	8,337	8,336	8,484	8,483
Cash and cash equivalents	593	972	1,077	1,668	1,846
Net debt	<u>\$ 7,610</u>	<u>\$ 7,365</u>	<u>\$ 7,259</u>	<u>\$ 6,816</u>	<u>\$ 6,637</u>

**Reconciliation of Costs incurred and GTP capital investments to Oil and gas capital investment**

Management believes the presentation of oil and gas capital investments is useful for investors to assess Apache's expenditures related to our oil and gas capital activity. We define oil and gas capital investments as costs incurred for oil and gas activities and GTP activities, adjusted to exclude asset retirement obligations revisions and liabilities incurred, while including amounts paid during the period for abandonment and decommissioning expenditures. 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 oil and gas capital activity and is consistent with how we plan our capital budget.

	For the Quarter Ended September 30,		For the Nine Months Ended Ended September 30,	
	2018	2017	2018	2017
Costs incurred in oil and gas property:				
Acquisitions				
Proved	\$ —	\$ —	\$ —	\$ 3
Unproved	48	85	86	149
Exploration and development	872	734	2,461	1,980
	920	819	2,547	2,132
GTP capital investments:				
GTP facilities	124	109	367	397
Total Costs incurred and GTP capital investments	<u>\$ 1,044</u>	<u>\$ 928</u>	<u>\$ 2,914</u>	<u>\$ 2,529</u>
Reconciliation of Costs incurred and GTP to Oil and gas capital investment				
Asset retirement obligations incurred and revisions—oil and gas property	\$ (12)	\$ (1)	\$ (18)	\$ (106)
Asset retirement obligations incurred and revisions—GTP facilities	2	—	(10)	(14)
Asset retirement obligations settled	15	10	39	32
Exploration expense other than dry hole expense and unproved leasehold impairments	(39)	(33)	(118)	(81)
Less noncontrolling interest	(44)	(61)	(151)	(133)
Oil and gas capital investment	<u>\$ 966</u>	<u>\$ 843</u>	<u>\$ 2,656</u>	<u>\$ 2,227</u>

**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.

	For the Quarter Ended			For the Nine Months Ended	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net cash provided by operating activities	\$ 1,006	\$ 1,113	\$ 554	\$ 2,734	\$ 1,760
Changes in operating assets and liabilities	(6)	(181)	101	(3)	228
Cash flows from operations before changes in operating assets and liabilities	<u>\$ 1,000</u>	<u>\$ 932</u>	<u>\$ 655</u>	<u>\$ 2,731</u>	<u>\$ 1,988</u>