



NEWS RELEASE

## **Apache Reports Pipeline Rupture and Fire at Varanus Island Processing Hub Offshore Western Australia**

HOUSTON, June 3, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Apache Corporation (NYSE, Nasdaq: APA) today reported a pipeline rupture and fire at its Varanus Island gas processing and transportation hub offshore Western Australia.

No one was injured and 153 people were evacuated following the onshore incident involving a pipeline transporting oil and gas from offshore production facilities to the island's processing facilities. Thirteen people remain on the island to monitor the situation. The incident occurred at 12:40 a.m. Central Time on June 3 (1:40 p.m. local time).

"Our priorities are the safety of our personnel; securing the facilities; assuring that the environmental impact is limited to the island; and resuming throughput of oil and gas production," said G. Steven Farris, Apache's president and chief executive officer. "No one was injured, all personnel are safe, and the rupture and fire appear to be contained on the island.

"We will begin working as soon as possible to resume production in a safe and environmentally responsible manner," Farris said. "We have notified government authorities and also gas customers who will be affected by the disruption in gas supply. At this time, we cannot estimate when throughput will be resumed."

The island's operations, which account for approximately 330 million cubic feet (MMcf) of natural gas and 8,000 barrels of oil per day, have been interrupted. Apache's net production flowing through the Varanus facility is approximately 200 MMcf and 5,000 barrels per day.

Varanus Island, located approximately 60 miles (100 km) from Karratha on Australia's Northwest Shelf, handles approximately 30 percent of Western Australia's domestic natural gas requirements.

Apache Corporation is a large oil and gas independent with operations in the United States, Canada, the United Kingdom North Sea, Egypt, Australia and Argentina.

This news release contains certain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 including, without limitation, expectations, beliefs, plans and objectives regarding production and exploration activities. 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 2007 Form 10-K and on our Web site, <http://www.apachecorp.com>. There is no assurance that Apache's expectations will be realized, and actual results may differ materially from those expressed in the forward-looking statements. We assume no duty to update these statements as of any future date.

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