

Financial Position, Liquidity & Hedging Update

March 27, 2020

Apache

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Apache is Well-Positioned To Withstand Current Price Volatility

Disciplined Financial Strategy

- ✓ Focused on maintaining ample liquidity position and achieving Cash Flow Neutrality⁽¹⁾
- ✓ Ensure ongoing Suriname exploration and appraisal program
- ✓ Protect cash flow from further severe oil price dislocation

Diversified Portfolio

- ✓ Ability to flex capital allocation across conventional, unconventional, domestic and international assets
- ✓ International assets generate more stable cash flows in a volatile price environment
- ✓ Balanced commodity profile and geographic pricing points diversify risk
- ✓ JV structure on Block 58 Suriname materially reduces appraisal and development capital commitments

Decisive Actions Taken

- ✓ Reducing 2020 upstream capital investment by ~\$1.2 - \$1.4 billion, year-over-year (-54% at midpoint of guidance)
 - ✓ Capital allocation to projects with positive return potential and longer cycle times
 - ✓ Permian activity reduced to zero
- ✓ Decreased annual dividend payout by \$340 million, or 90%, on March 12th
- ✓ Captured \$150MM of annual cost savings through G&A alone; targeting more savings in G&A and LOE
- ✓ Entered into protective near-term hedges

(1) See appendix for Glossary of Referenced Terms.



Liquidity Commentary

- Recent actions demonstrate Apache is aggressively managing for Cash Flow Neutrality
- Company has ample liquidity to weather an extended price downturn
 - \$4BN committed credit facility extending through March 2024 (APA option for 1-year extension)
 - Altus (ALTM) has sufficient liquidity to fund its capital program, including an \$800MM credit facility that is non-recourse to and not guaranteed by Apache
- Manageable bond maturities over next 5 to 7 years
 - No maturities in 2020
 - \$937MM maturities in 2021-23
 - No maturities in 2024-2025

Recent Rating Agency Actions Have Minimal Impact on APA's Financial Position

- Recent credit agency actions:
 - Fitch affirmed credit rating at BBB and revised outlook to Negative (3/20/2020)
 - Moody's placed credit rating of Baa3 on review for downgrade (3/20/2020)
 - S&P reduced Apache's credit rating from BBB to BB+ with a negative outlook (3/26/2020)
- No change in size, structure or access to Apache's credit facility; covenants unchanged
 - Rating change will result in slight increase in borrowing cost on bank credit facility
- Apache will post Letters of Credit (LC) aggregating approximately \$650MM⁽¹⁾ to cover asset retirement obligations in the North Sea
 - Revolver has \$2BN committed LC sub-limit sufficient to cover the posting
- Apache's bonds have no collateral triggers tied to changes in credit ratings

(1) Based on a pound/USD exchange rate of 1.18.

Apache Bond Maturity Profile

Manageable near-term maturities

- \$937MM maturing in the next 5 years
- Plan to pay down 2021-2023 maturities through combination of:
 - Cash generated from operations
 - Savings from dividend reduction
 - Non-core asset sales
- Bond market refinancing also an option when financial markets normalize
- In downside scenario, near-term maturities comfortably funded through \$4 billion committed credit facility

\$MM

\$1,600

\$1,400

\$1,200

\$1,000

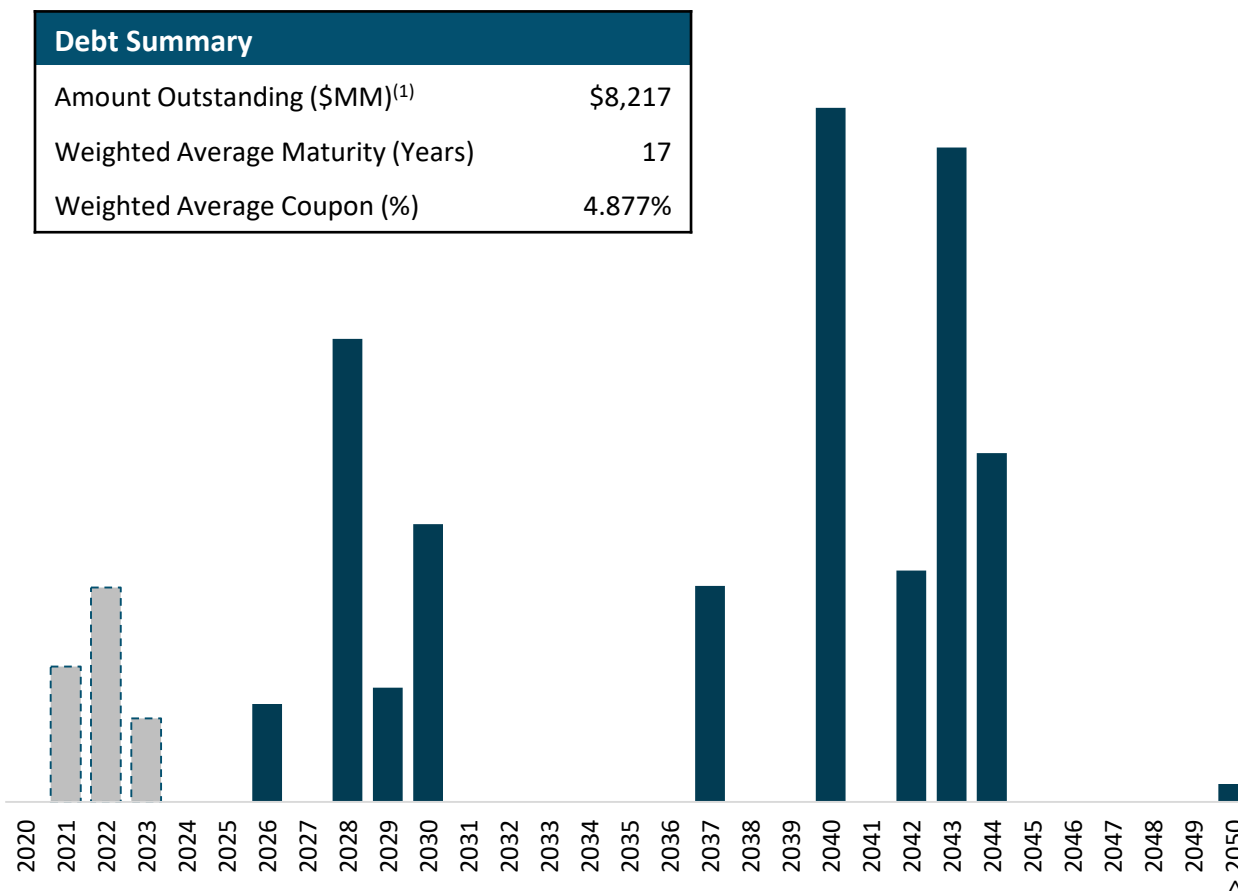
\$800

\$600

\$400

\$200

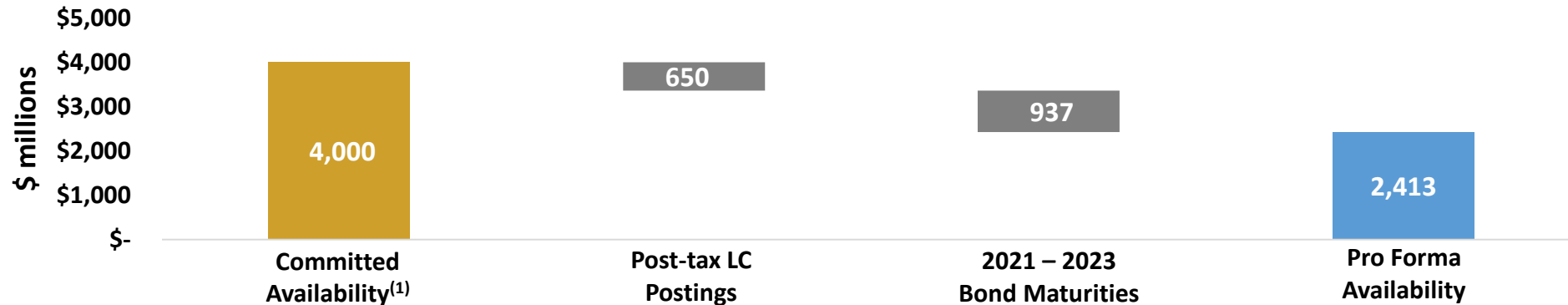
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(1) Amount outstanding is as of 2/29/2020, excludes Altus, and is before unamortized discount and debt issuance costs.

Strong Liquidity Profile

Apache Pro Forma Credit Facility Availability



- Apache will have **~\$3.4BN** of liquidity as a result of posting LC's
- In a downside case, Apache would have **~\$2.4BN** in liquidity through March 2024 when revolver matures. This assumes:
 - Apache is unable to reduce debt through cash generated from operations or additional asset sales
 - No capital market availability to refinance/term out debt obligations in the next 3 years
 - ~\$937MM of bonds maturing in 2021-2023 bonds are funded 100% through the revolver

Commodity Hedging Program

Prepared for further near-term oil price dislocation

- Added 2020 hedges to mitigate near-term risk of full crude oil storage worldwide
 - Substantial WTI/Brent hedges in 2Q20 at a weighted average price of ~\$26.50 per barrel
- Significant Midland/Cushing basis hedges for remainder of 2020
 - Protects against weak basis if storage fills in Cushing and U.S. Gulf Coast, widening regional pricing
- Jan/Feb actuals, combined with recent hedges, indicate 1H 2020 oil prices of approximately \$35-\$40 per barrel at current strip

Open Commodity Derivative Positions as of March 26, 2020

Production Period	Trade Type	Daily Volume BBL/D	Weighted Average Price \$/BBL
Midland Basis Hedges			
April - December 2020	Basis Swap	72,127	(2.10)
WTI Hedges			
April - June 2020	Fixed Swap	87,000	\$25.84
July - September 2020	Fixed Swap	24,000	\$26.65
July - September 2020	3-Way Collar	24,000	\$20/\$25/\$38.83
October - December 2020	3-Way Collar	19,000	\$15/\$20/\$45.55
Brent Hedges			
April - June 2020	Fixed Swap	61,500	\$27.45
July - September 2020	Fixed Swap	25,000	\$29.75
July - September 2020	3-Way Collar	9,500	\$20/\$25/\$43.66
October - December 2020	3-Way Collar	16,500	\$15/\$20/\$51.63



Appendix

Apache Credit Facility

Substantial revolver capacity and long runway

\$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% (YE 2019 = 31%)
Accordion Option	\$1 billion
Extension Options Remaining	1-year option (Apache's option)

- Apache's \$4BN 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 or collateral requirements
 - **Not** subject to borrowing base redetermination



(1) Adjusted debt-to-capital ratio excludes effects of non-cash write-downs, impairments, and related charges occurring after June 30, 2015.

Credit Facility Commitments

As of 3/26/2020

Revolving Credit Facility Lenders (\$MM)				
Bank	Rating	Apache Commitments	Altus Commitments	Total
JPMorgan Chase Bank, N.A.	A+/Aa2	\$243.5	\$57.3	\$300.8
Bank of America, N.A.	A+/Aa2	\$243.5	\$57.3	\$300.8
Citibank, N.A.	A+/Aa3	\$243.5	\$57.3	\$300.8
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	A/A1	\$243.5	\$57.3	\$300.8
Wells Fargo Bank, National Association	A+/Aa2	\$243.5	\$57.3	\$300.8
The Toronto-Dominion Bank	AA-/Aa1	\$243.5	\$57.3	\$300.8
Royal Bank of Canada	AA-/Aa2	\$243.5	\$36.3	\$279.8
HSBC Bank USA , National Association	AA-/Aa3	\$243.5	\$36.3	\$279.8
Goldman Sach Bank USA	A+/A1	\$243.5	\$36.3	\$279.8
Mizuho Bank, Ltd.	A/A1	\$243.5	\$36.3	\$279.8
Truist Bank	A/A2	\$295.0	\$72.5	\$367.5
Bank of Montreal	A+/Aa2	\$243.5	\$36.3	\$279.8
The Bank of Nova Scotia	A+/Aa2	\$195.0	\$57.3	\$252.3
Societe Generale	A/A1	\$195.0	\$36.3	\$231.3
Credit Suisse AG	A+/A1	\$195.0	\$36.3	\$231.3
Barclays Bank PLC	A/A1	\$195.0	\$36.3	\$231.3
Capital One, N.A.	BBB+/Baa1	\$146.5	\$36.3	\$182.8
ING Capital LLC	A+/Aa3	\$100.0		\$100.0
	Total	\$4,000.0	\$800.0	\$4,800.0

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.