

*Apache*

# BARCLAYS CEO ENERGY POWER CONFERENCE

September 5, 2012



# FORWARD-LOOKING STATEMENTS

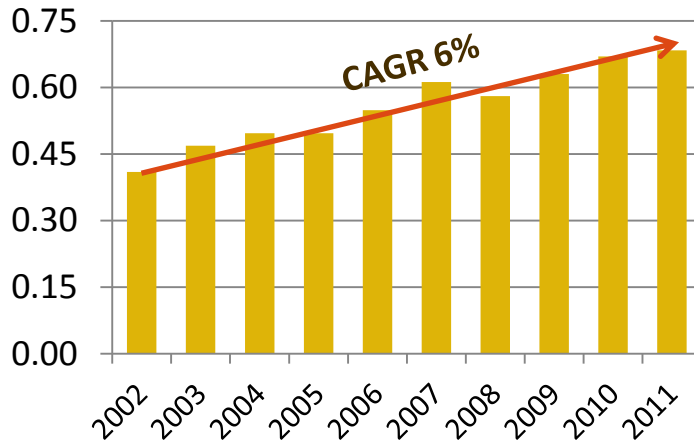
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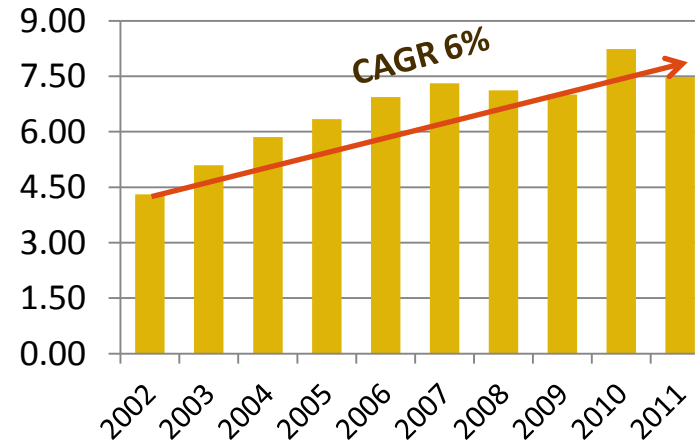
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# APACHE DELIVERS PROFITABLE GROWTH

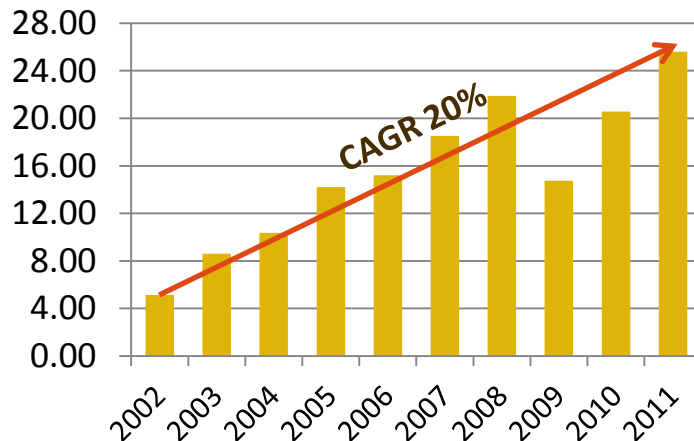
## Production per Share (BOE/share)



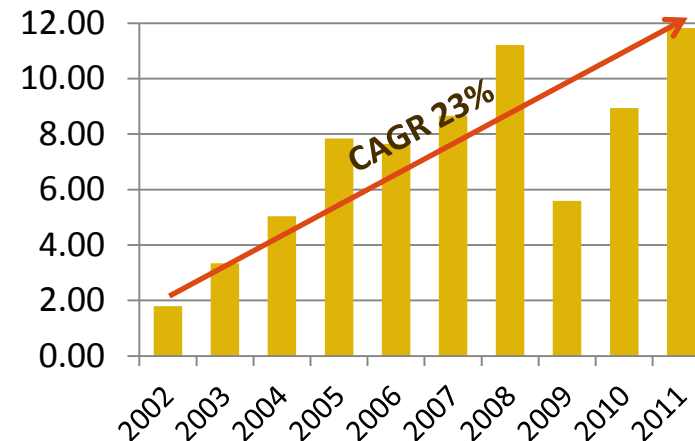
## Reserves per Share (BOE/share)



## Cash Flow per Share (\$/share)



## Adjusted Earnings per Share

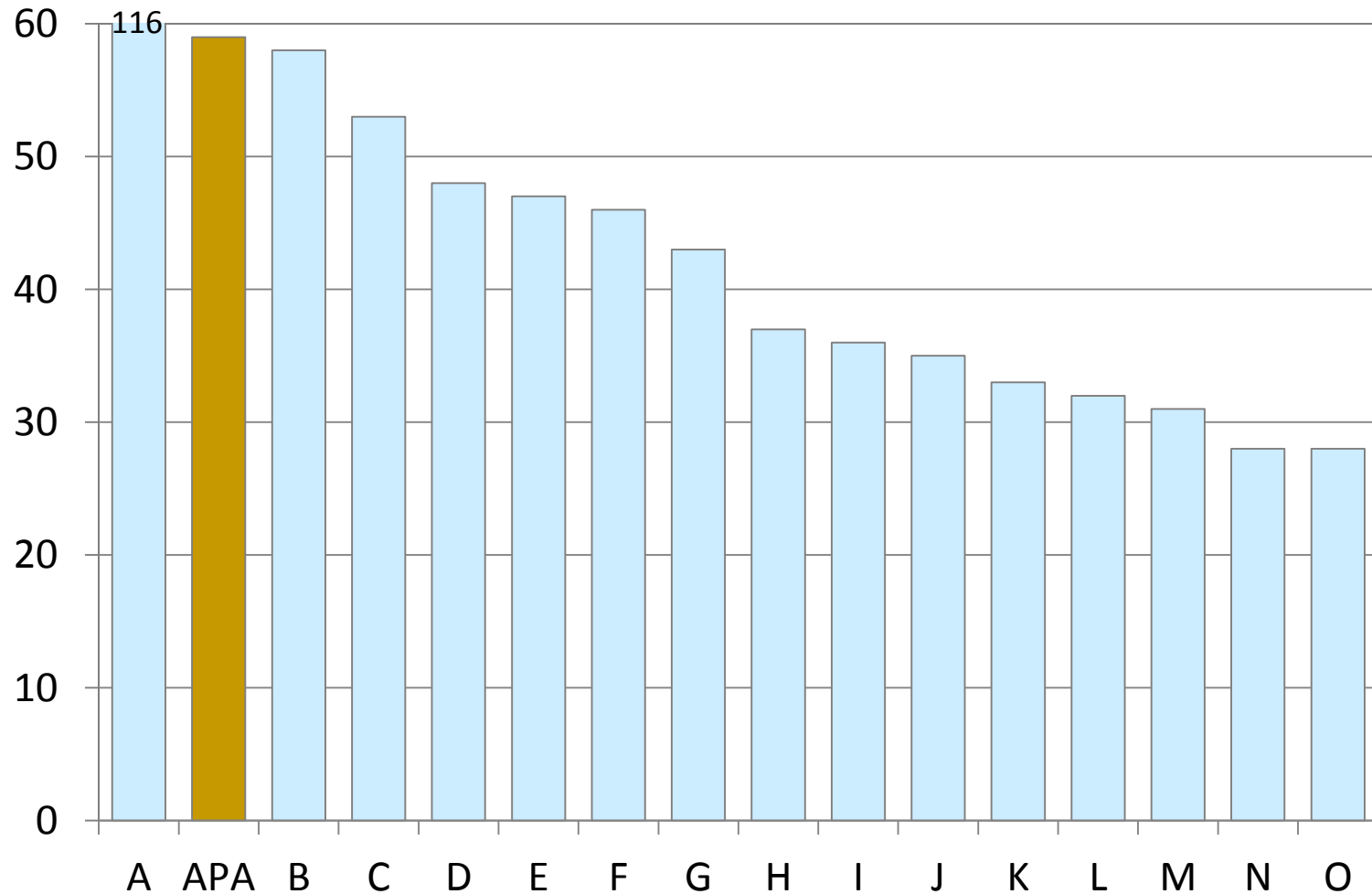


# APACHE NOW: REALIZING UPSIDE

- ▶ Grow through the drill bit
- ▶ Leverage expanded U.S. onshore position
  - ▲ 67K locations, 9.2 BN BOE
- ▶ Multi-year outlook:
  - ▲ 6-9% production growth per share, with upside
  - ▲ Living within our means
- ▶ Global exploration:
  - ▲ Company-moving play portfolio
  - ▲ Away from the herd
- ▶ Continue to build our value upside

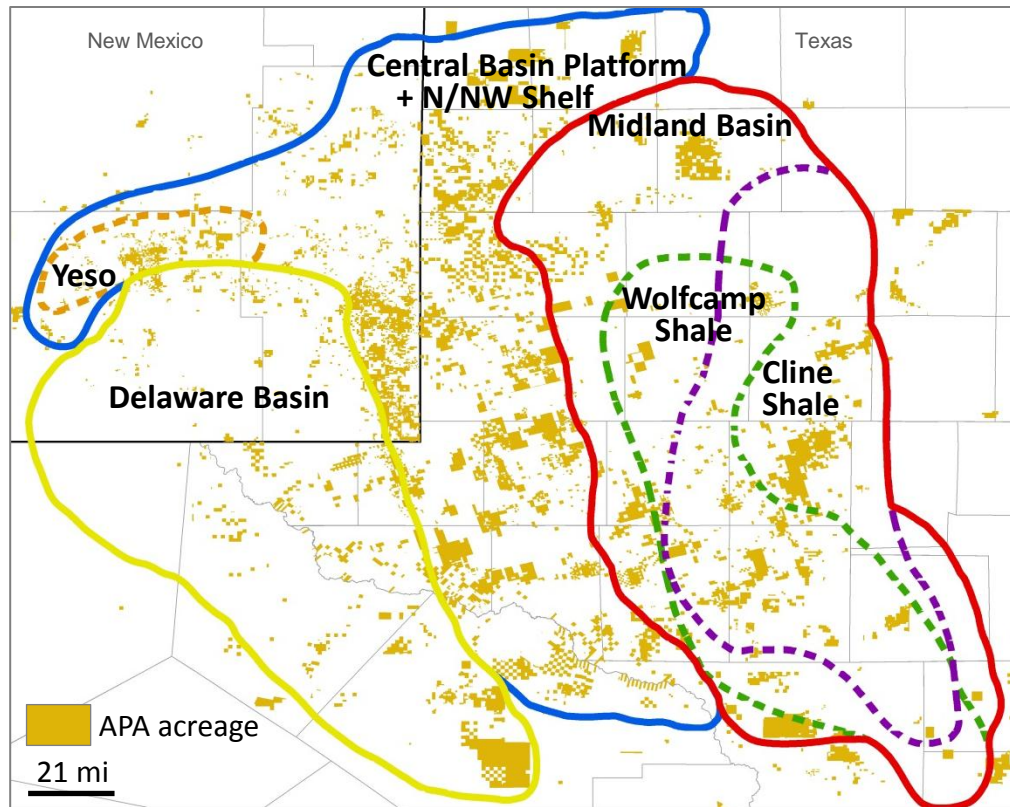
# LEADING US ONSHORE DRILLER

U.S. Onshore Operated Rigs As of 24 August 2012:



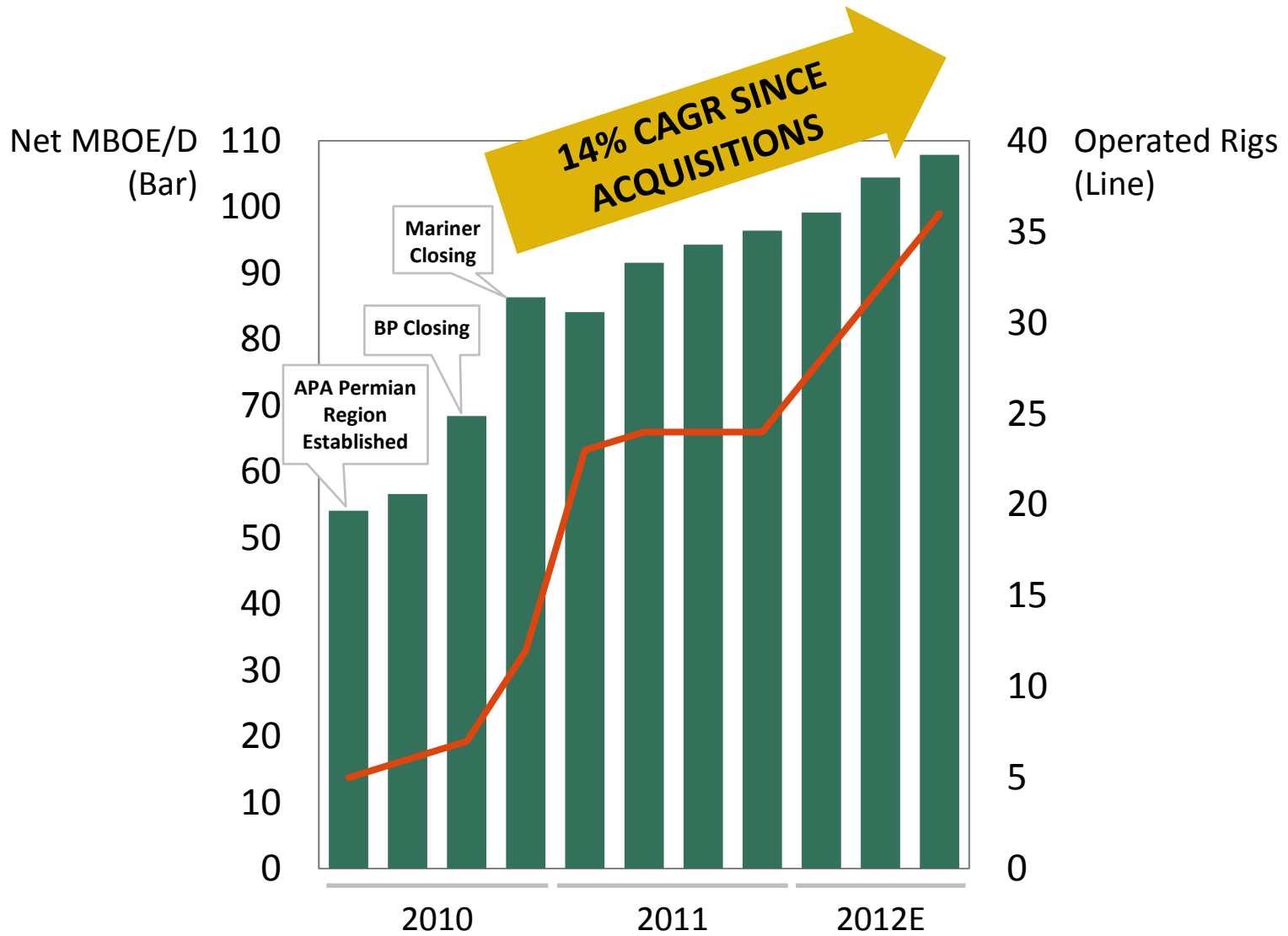
# PERMIAN OIL

## A KEY APACHE GROWTH AREA



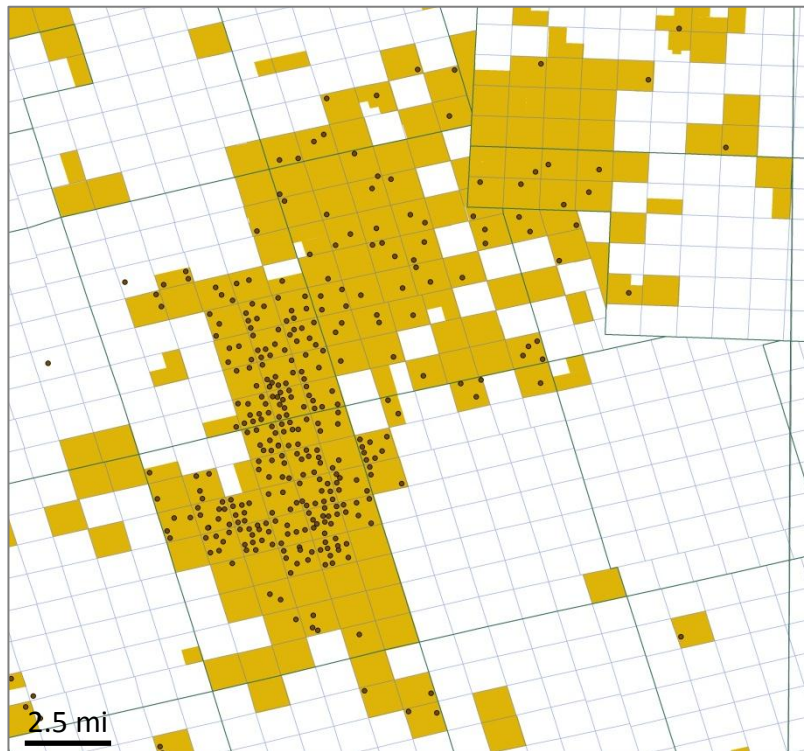
- ▶ 1.8 MM net acre position (+200% last 2 years)
- ▶ 104.5 Net MBOE/D in Q2 (+14% production YOY)
- ▶ APA operated rigs:
  - ▲ Q1 2010 6
  - ▲ Now 36
- ▶ #2 most active driller
- ▶ Evaluated inventory:
  - ▲ 35K future locations
  - ▲ 3.6 BN BOE unbooked
- ▶ Major presence across plays

# PERMIAN OIL: DELIVERING ASSET UPSIDE

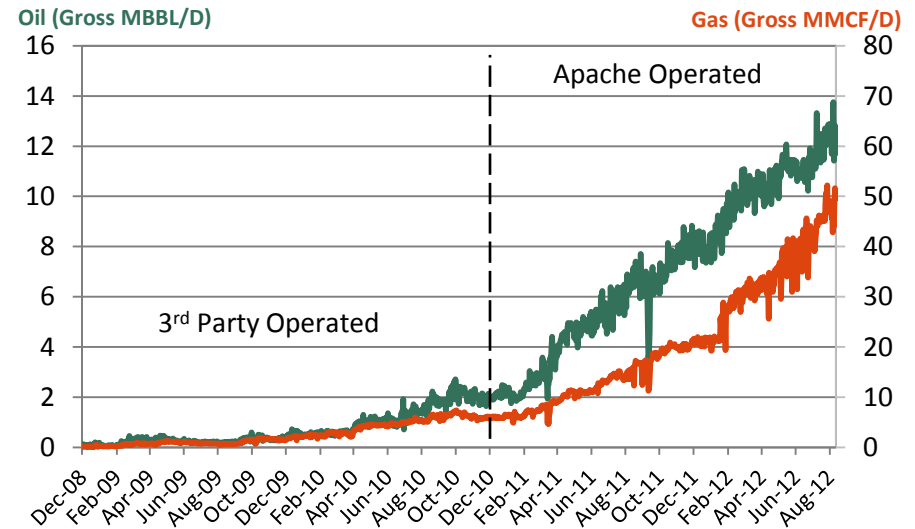
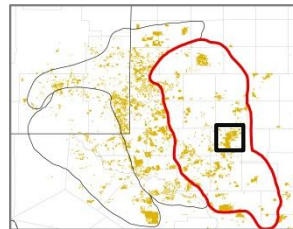


# MIDLAND BASIN

## DEADWOOD: IMPACTIVE GROWTH



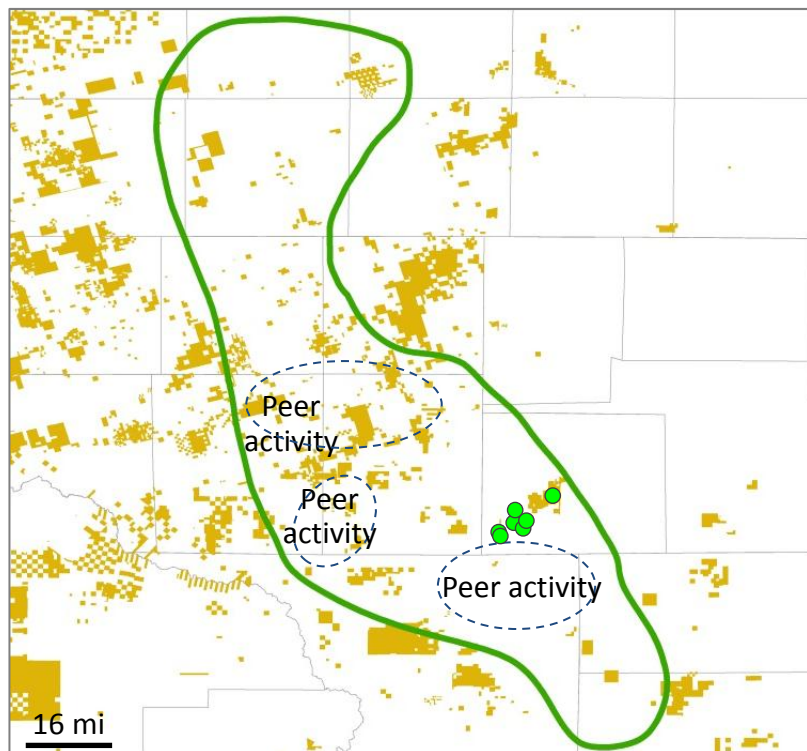
- APA acreage
- APA wells 1H 2012



- Aggressive growth: **production up 7x** to 21MBOE/D in 21 months of APA as operator
- Wolfwood and Fusselman play
- 5.9K identified future vertical locations
- Upside in horizontal targets in the Wolfcamp, Lower Cline and Atoka/Barnett shales

# WOLFCAMP SHALE

## ROBUST RESULTS, 971 FUTURE LOCATIONS TO DRILL



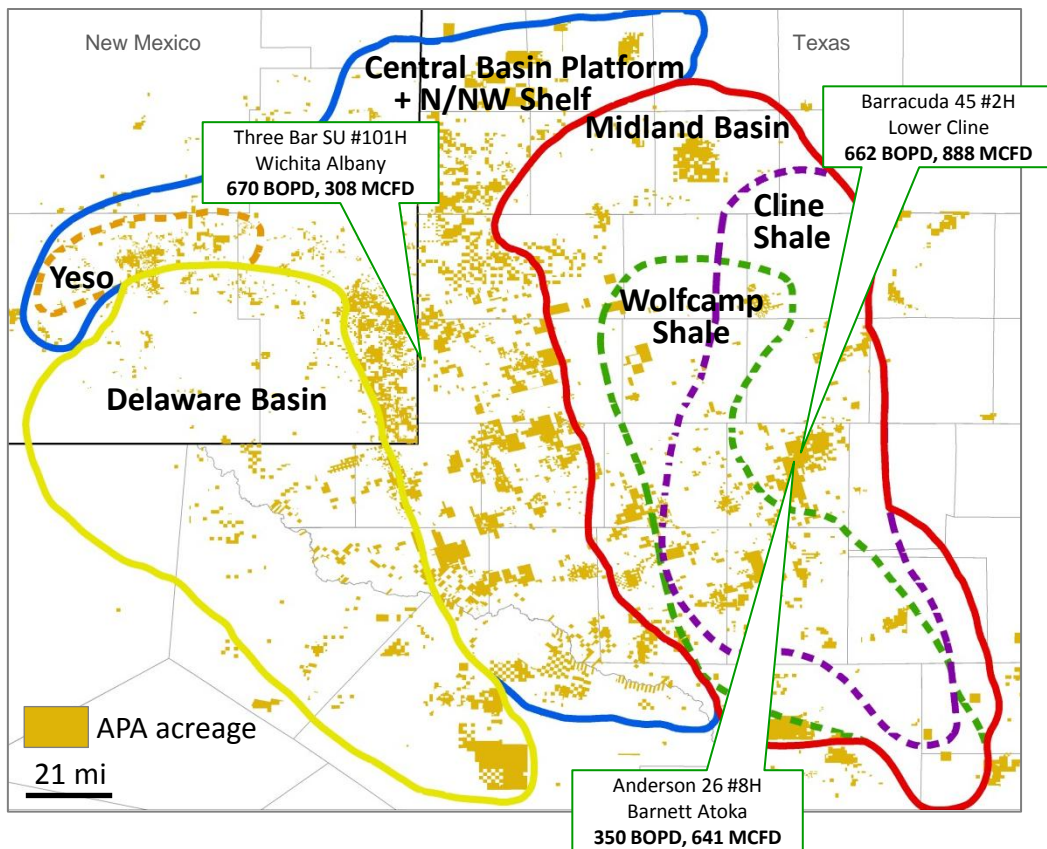
- APA acreage
- APA Wolfcamp wells to date

Well	Status	Peak IP (BOE/D)	30d Avg (BOE/D)	EUR (MBOE)	Lateral (ft.)	Frac Stages
Scott Sugg #1H	Prod	1255	726	682	7,322	23
Bennie #1H	Prod	588	492	553	6,486	19
Clinch #1H	Prod	953	717	770	9,018	31
Bennie #2H	Prod	1260	799	794	9,300	30
Clinch #2H	Prod	983	583	724	8,939	31
Bennie #6H	Prod	1020	609	516	9,200	30
Clinch #5H	Prod	831	640	635	9,157	32

- ▶ 3 rig program in 2012:
  - ▲ 7 wells producing: **average IP 984 BOE/D**
  - ▲ 5 wells completing
  - ▲ 3 wells drilling
- ▶ Appraisal and development program for horizontal plays to be expanded in 2013

# ADVANCING OTHER HORIZONTAL PLAYS

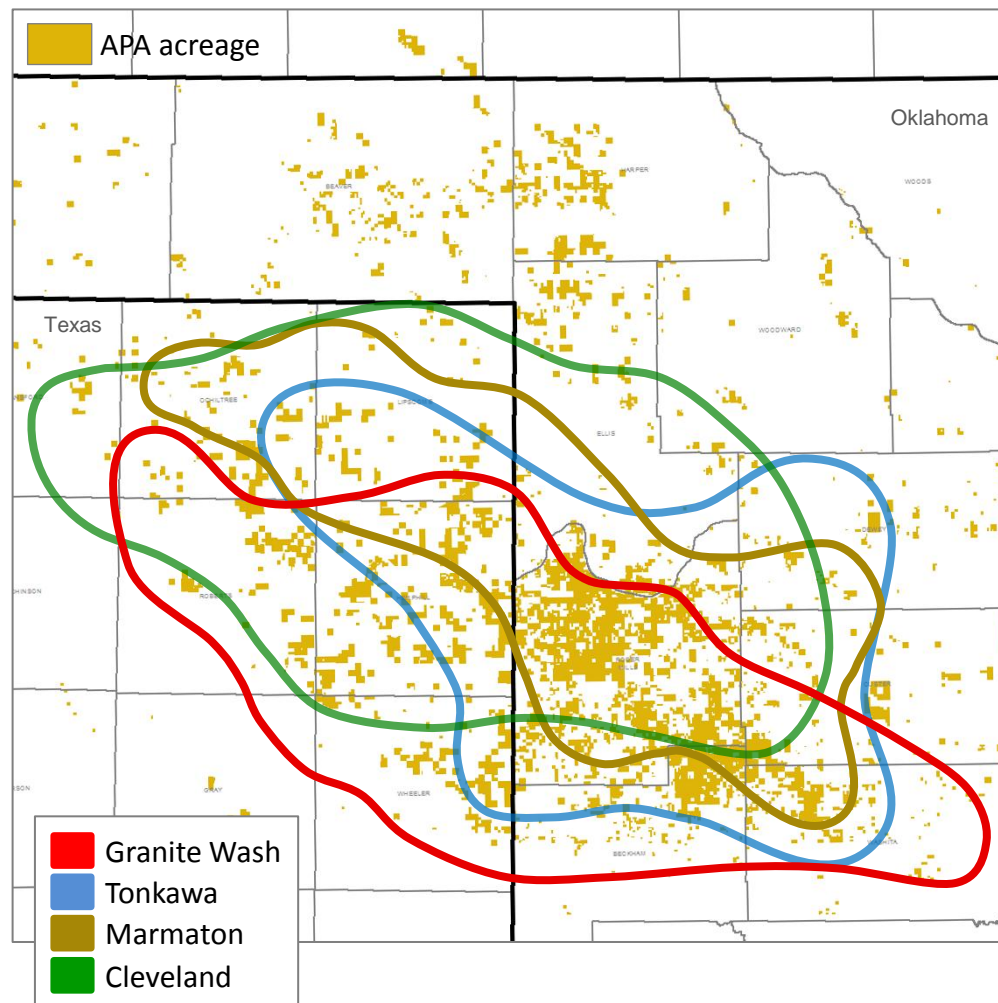
## LATEST RESULTS



- ▶ **Lower Cline shale**
  - ▲ Barracuda 45 #2H:  
**662 BOPD, 0.9 MMCFD**
  - ▲ APA inventory:  
2.3K locations, 0.6BN net BOE
- ▶ **Wichita Albany**
  - ▲ Three Bar SU #101H:  
**670 BOPD, 0.3 MMCFD**
  - ▲ APA Central Basin Platform horizontal inventory:  
1.7K locations, 0.3BN net BOE
- ▶ **Barnett Atoka**
  - ▲ Anderson 26 #8H  
- short lateral (4K ft) test well:  
**350 BOPD, 0.6 MMCFD**
  - ▲ New play in APA acreage
- ▶ 135 APA Permian horizontal wells planned for 2012
- ▶ Potential to nearly double horizontal activity in 2013

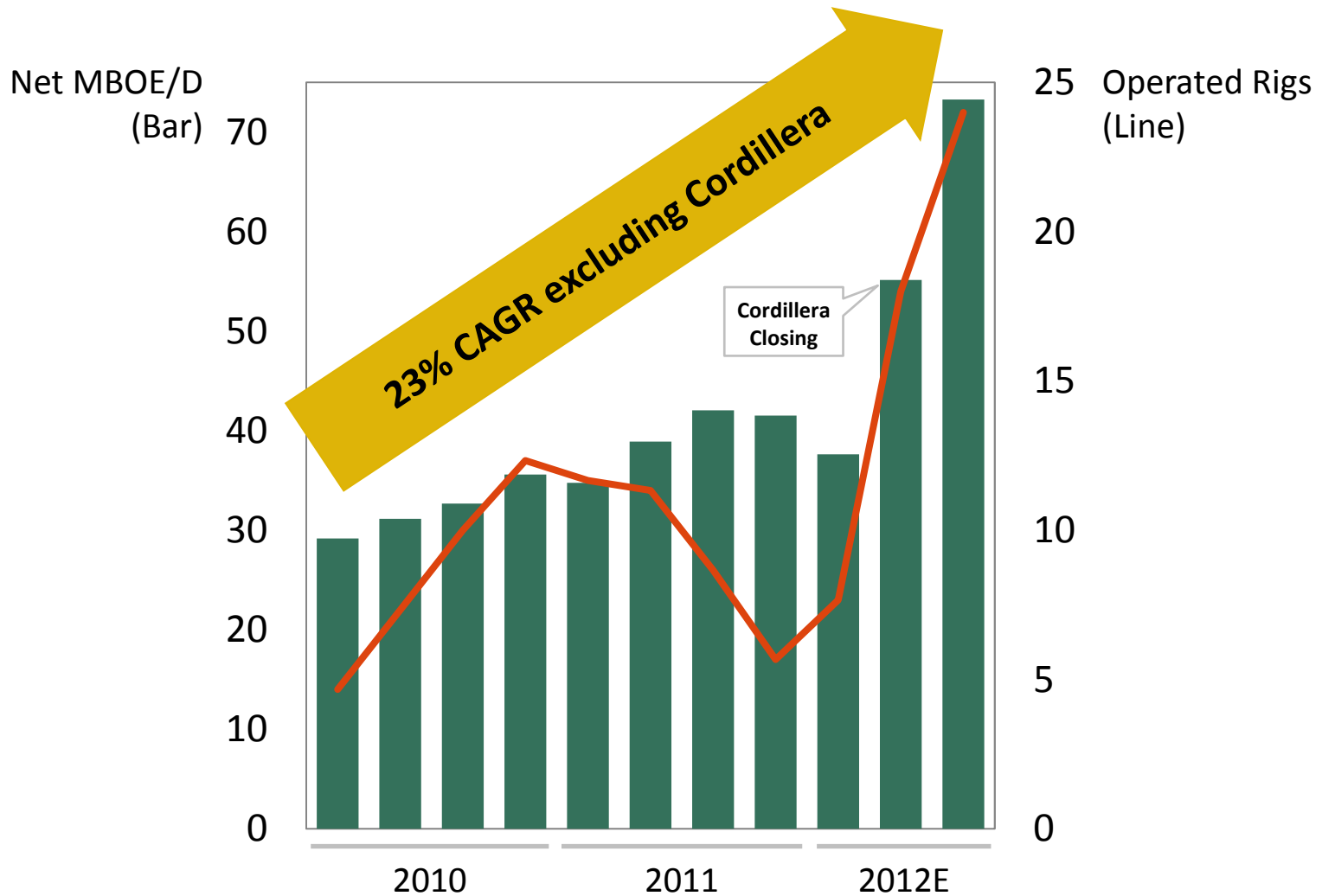
# MIDCONTINENT LIQUIDS PLAYS

## A KEY APACHE GROWTH AREA



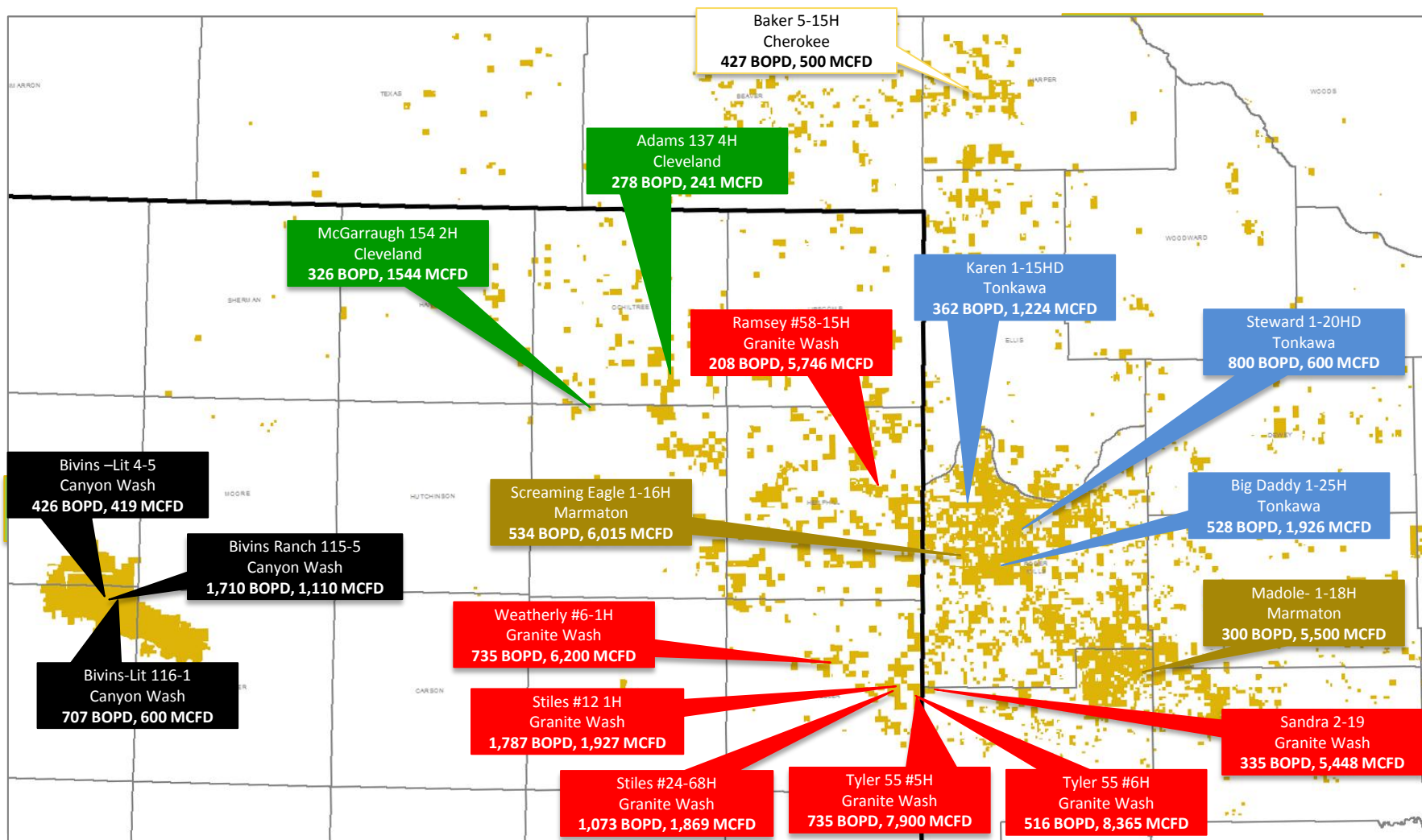
- ▶ 1.1 million net acre position (+61% in 2012)
- ▶ 55.2 Net MBOE/D in Q2 '12 (+42% production YOY)
- ▶ APA operated rigs:
  - ▲ January 6
  - ▲ Now 24
- ▶ Evaluated inventory:
  - ▲ 33K future locations
  - ▲ 5.3 BN BOE unbooked
- ▶ Proven development plays:
  - ▲ Granite Wash
  - ▲ Tonkawa
  - ▲ Marmaton
  - ▲ Cleveland

# MIDCONTINENT LIQUIDS: DELIVERING UPSIDE



# MIDCONTINENT LIQUIDS PLAYS

## HIGHLIGHT RESULTS 2012 YTD



# MIDCONTINENT LIQUIDS PLAYS

## APACHE CREATES EFFICIENCY THROUGH EXPERIENCE, FOCUS

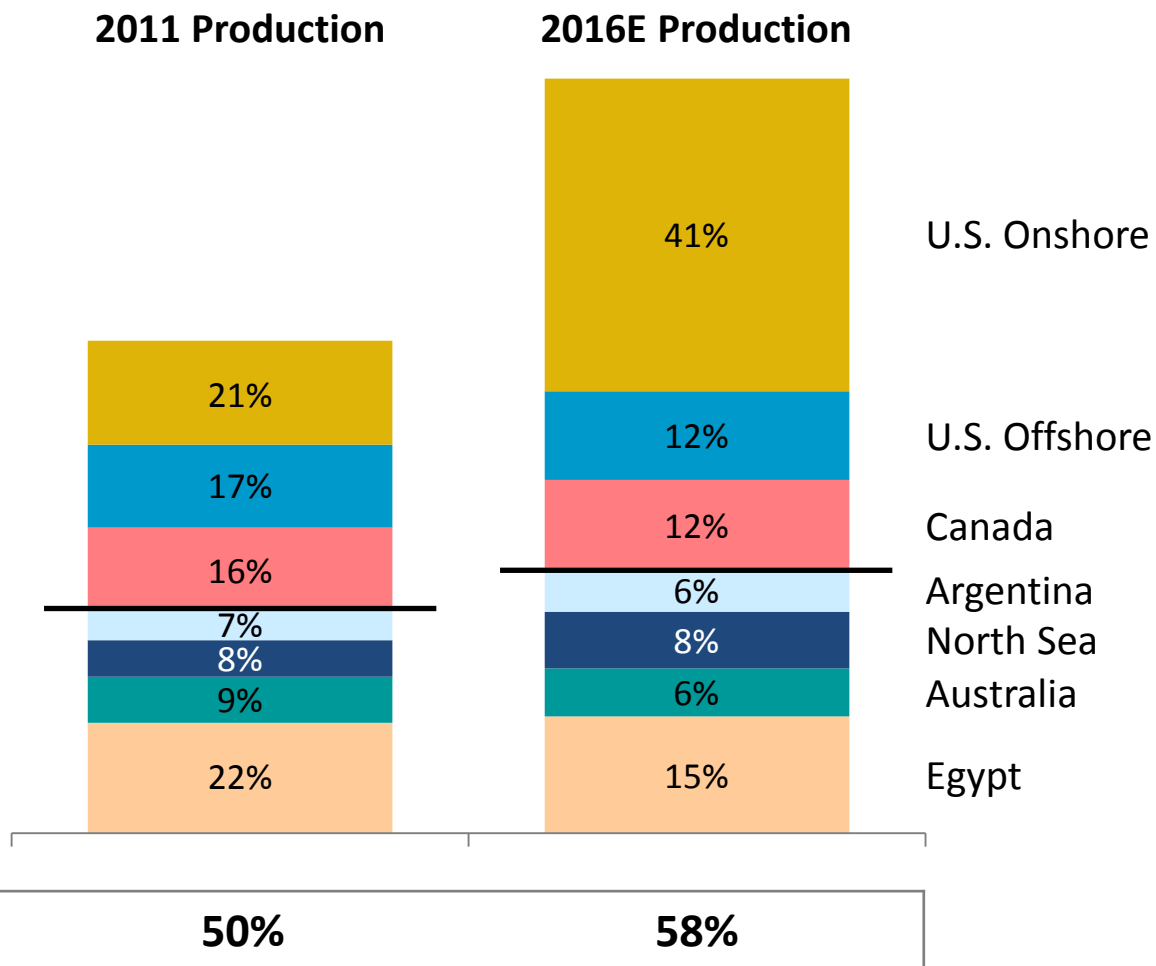
- ▶ Apache Granite Wash horizontal well results:

	2010	2011	H1 2012
<b>Wells Drilled</b>	27	36	29
<b>Cost/Well</b> (Average \$MM)	8.5	10.3	9.2
<b>EUR/Well</b> (Average MBOE)	606	895	1146
<b>% Liquids</b>	22%	41%	44%
<b>ROR %</b> (25 May 2012 forward curve)	27%	43%	57%

# PORTFOLIO STRATEGY

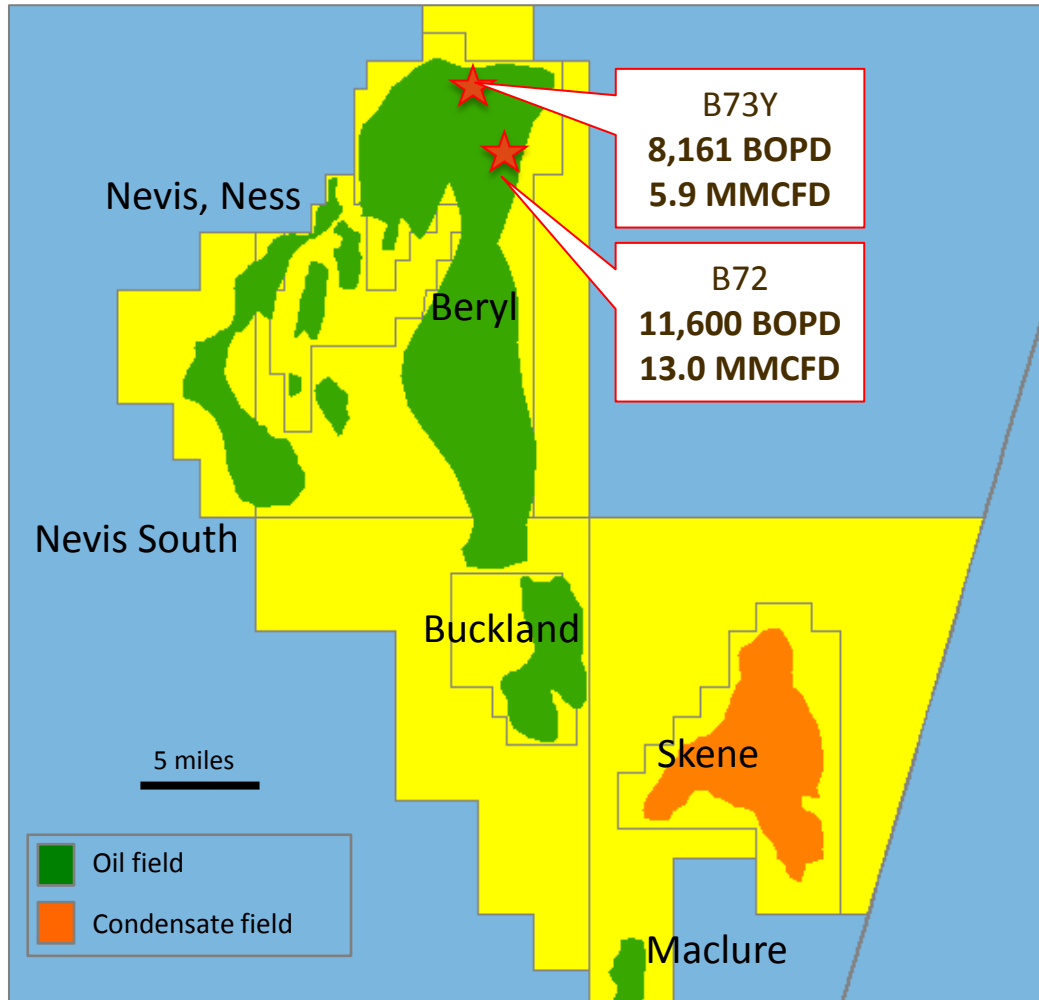
## BALANCE, OPPORTUNITY, FLEXIBILITY

- US onshore liquids drive current growth inventory, but APA has global flexibility:



# NORTH SEA: EXPLOITATION UPSIDE

## LATEST BERYL AREA DRILLING RESULTS



► B72: **11,600 BOPD, 13.0 MMCFD**

► B73Y: **8,161 BOPD, 5.9 MMCFD**

APA North Sea well delivery capacity:  
**90 net MBOE/D now**

► Includes **upside of 19 net MBOE/D**  
post Q3 scheduled maintenance

Beryl 3D seismic survey under way

► First field-wide survey since 1997

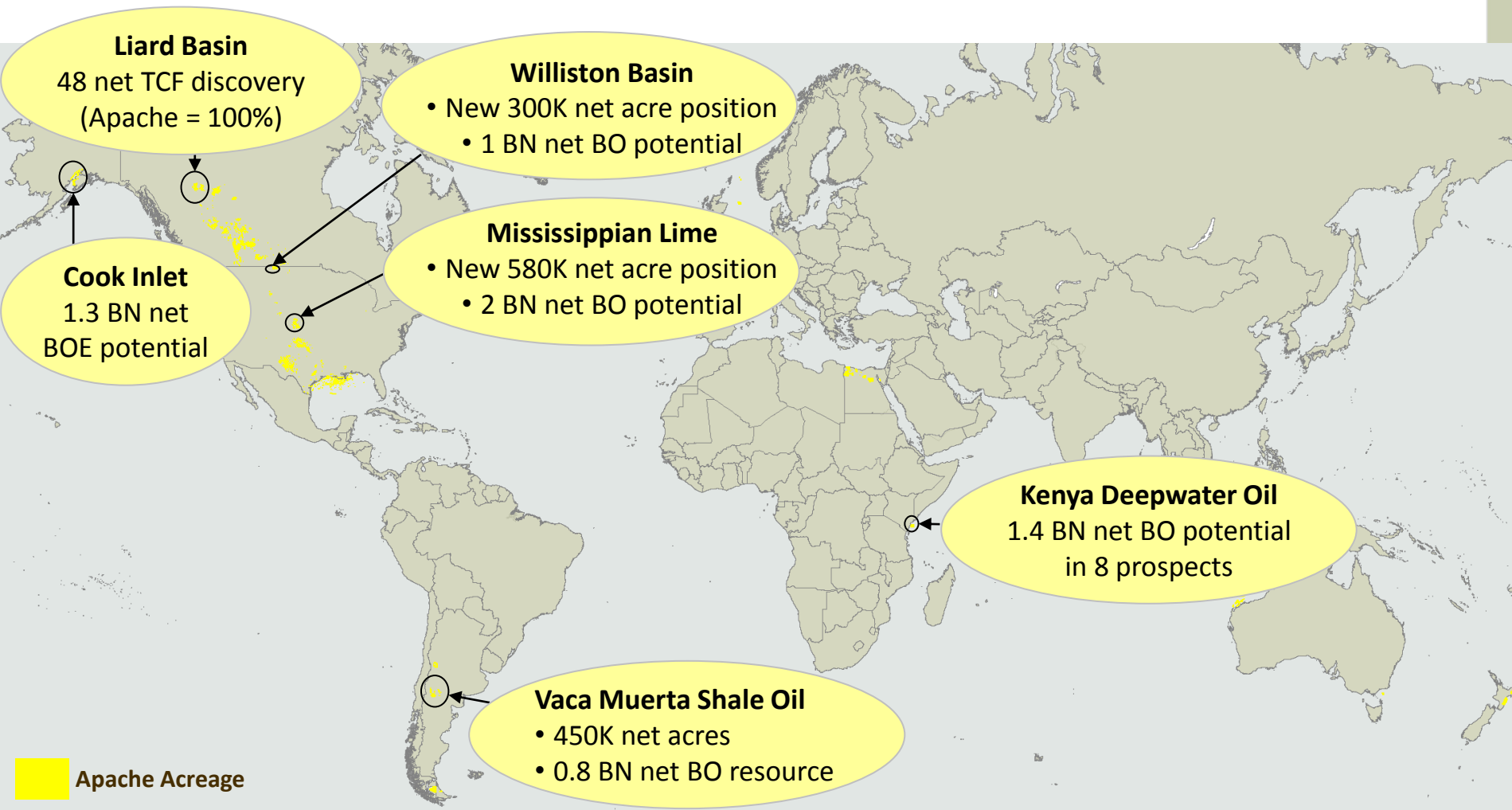
Forties Alpha Satellite Platform

► Jacket on location August 2012

► Topsides to set 2Q 2013

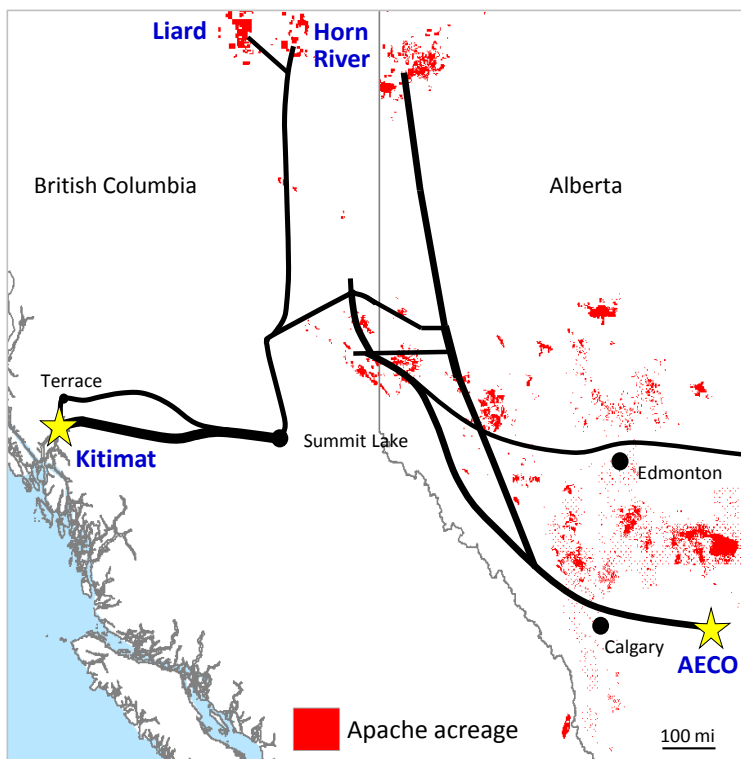
► Provides 18 new well slots

# GLOBAL EXPLORATION: MAJOR UPSIDE



# LIARD BASIN DISCOVERY

48 TCF MULTIPLIES APACHE'S EXPORT RESOURCE POTENTIAL



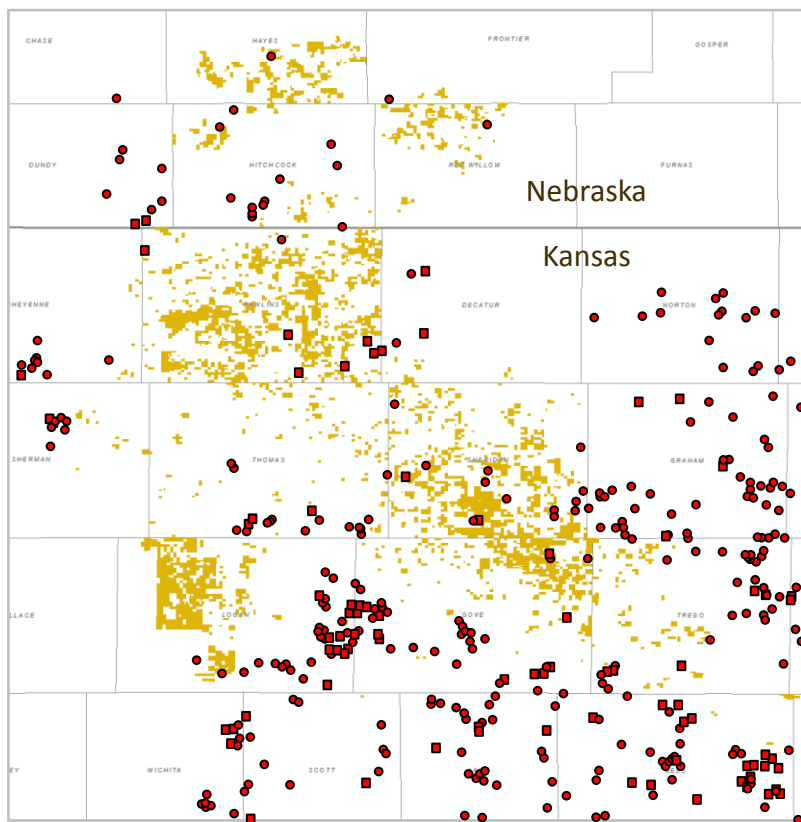
- ▶ Apache has unlocked and secured the highest quality shale reservoir in North America
- ▶ APA controls the heart of the basin: 430,000 acres of 100% WI land
- ▶ 210 TCF net gas in place, **48 TCF net sales gas**
- ▶ **21 MMCF/D IP on a 6-stage frac** believed to be the most prolific shale gas resource test in the world

# UPCOMING EXPLORATION EVENTS

- ▶ Mississippian Lime      First well spud August 15  
Initial play results in Q4
- ▶ Williston Basin      First well spud August 30  
Initial play results in Q4
- ▶ Kenya Deepwater      Mbawa-1 spud August 10  
Prospect results in Q4
- ▶ Cook Inlet, Alaska      First well to spud in October
- ▶ Vaca Muerta Oil      First horizontal spud August 7

# MISSISSIPPIAN LIME

## DRILLING STARTS ON APA'S 580K NET ACRES

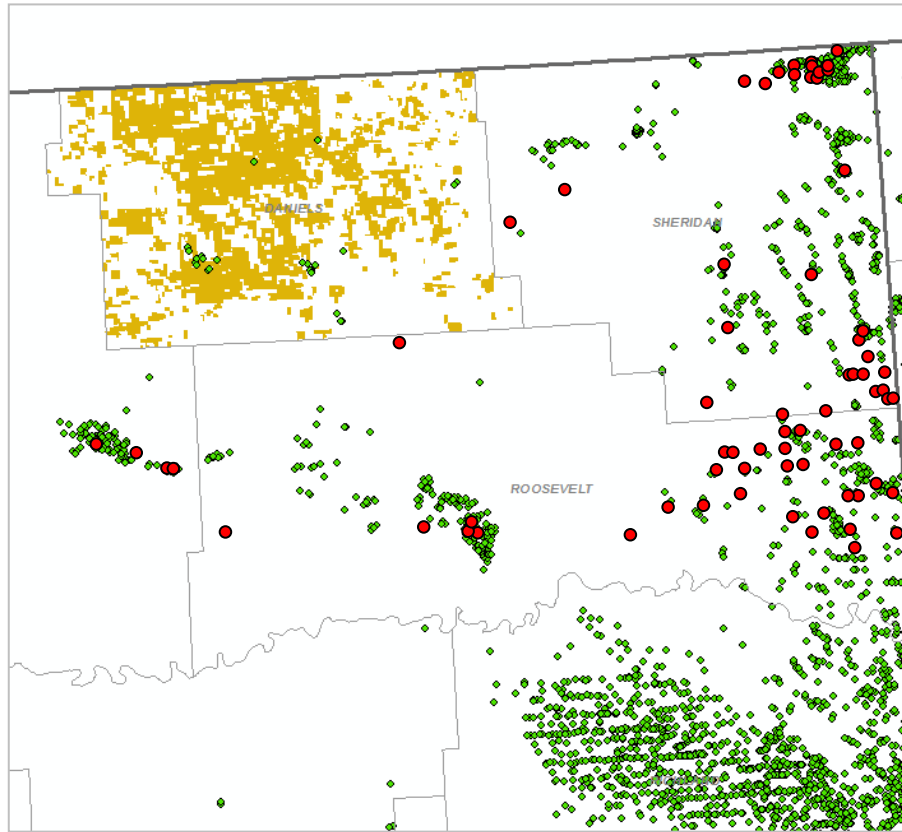


- Drilling Rigs Operating Now
- Other Wells Permitted YTD
- Apache Acreage

- ▶ 580,000 net acres secured in Kansas, Nebraska
- ▶ First mover in extension of horizontal oil plays
  - ▲ Low entry cost
- ▶ Multiple stacked oil plays:
  - Mississippian Lime
  - Cherokee
  - Upper Pennsylvanian
- ▶ **Potential for 7,200 play locations, 2 BN BO play net EUR**
- ▶ 3-well 2012 program commenced in August

# WILLISTON BASIN

## DRILLING STARTS ON APA'S 320K NET ACRES

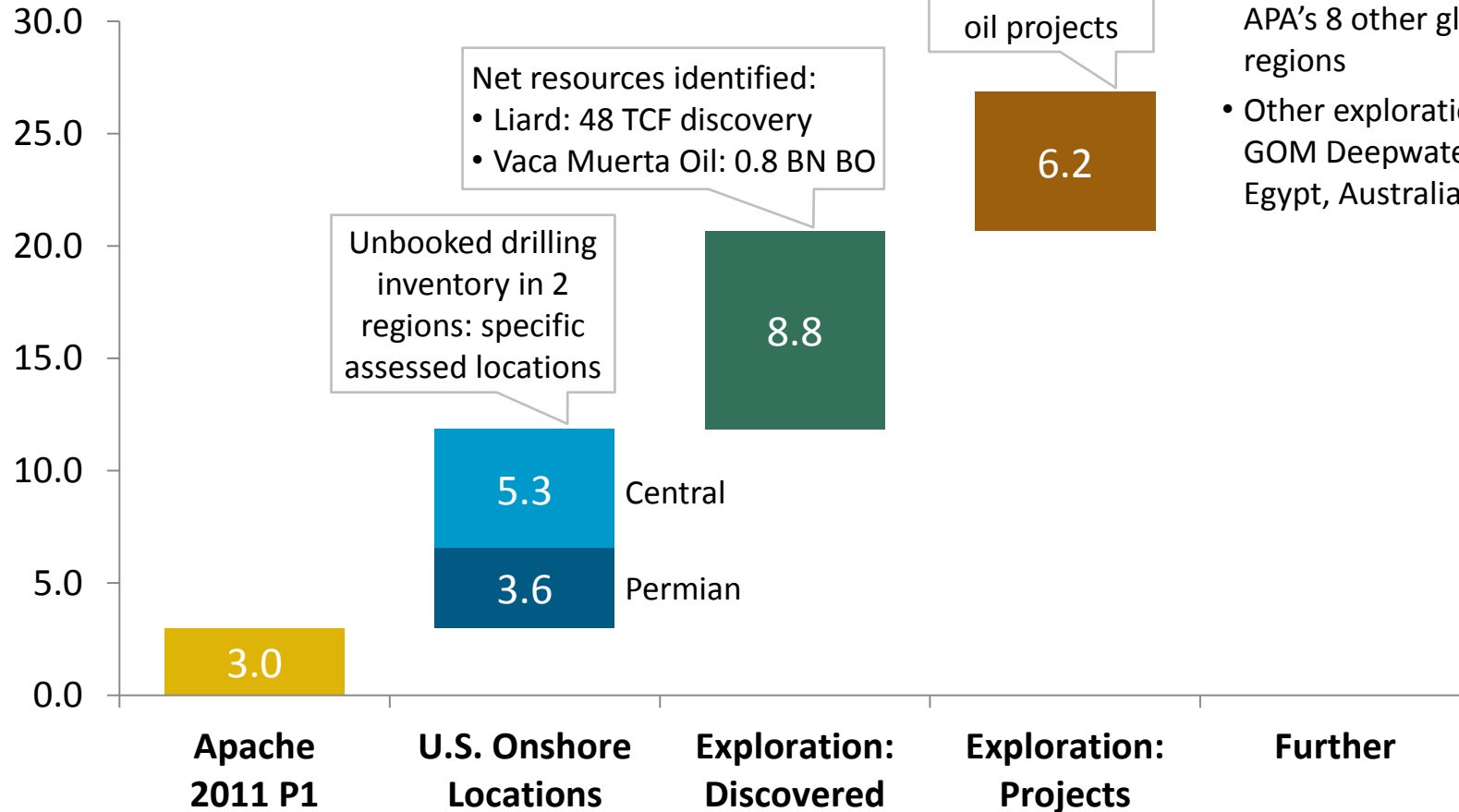


- Historical Oil Production
- Current Drilling Rigs
- Apache Acreage

- ▶ 320,000 net acres secured
- ▶ First mover in extension of Bakken oil resource
  - ▲ Low entry cost
- ▶ Multiple stacked oil plays
- ▶ **Potential for >1,900 play locations, 1 BN BO play net EUR**
- ▶ 3-well 2012 program commenced in August

# VISIBLE, COMPANY-MOVING UPSIDE

BN BOE, Net



Net resources identified:  
 • Liard: 48 TCF discovery  
 • Vaca Muerta Oil: 0.8 BN BO

Unbooked drilling inventory in 2 regions: specific assessed locations

Current New Ventures oil projects

## Further Upside

- Running room of APA's 8 other global regions
- Other exploration: GOM Deepwater, Egypt, Australia...

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