



11.03.2016

THIRD-QUARTER 2016

FINANCIAL AND OPERATIONAL 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.

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 supplement, such as "resource," "resource potential," "net resource potential," "potential resource," "resource base," "identified resources," "potential net recoverable," "potential reserves," "unbooked resources," "economic resources," "net resources," "undeveloped resource," "net risked resources," "inventory," 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 December 31, 2015, available from Apache at www.apachecorp.com or by writing Apache at: 2000 Post Oak Blvd., Suite 100, Houston, Texas 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.

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(X), adjusted earnings, adjusted production, cash flow from operations before changes in operating assets and liabilities, and net debt. These non-GAAP measures should not be considered as alternatives to GAAP measures, such as net income or net cash from operating activities, 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.

TABLE OF CONTENTS

Third-Quarter 2016 Financial and Operational Results.....	4
Third-Quarter 2016 Regional Summary.....	11
2016 Production Guidance and Capital Program.....	24
Non-GAAP Reconciliations.....	27

THIRD-QUARTER 2016 FINANCIAL AND OPERATIONAL RESULTS

THIRD-QUARTER 2016 KEY METRICS

▶ Earnings Per Share	(\$1.60)	↓ NM
▶ Adjusted Earnings Per Share ⁽¹⁾	(\$0.03)	↑ NM
▶ Net Cash From Operating Activities	\$651 Million	↓ 13%
▶ Adjusted EBITDAX ⁽¹⁾	\$896 Million	↑ 14%
▶ Adjusted Production ⁽²⁾	438 Mboe/d	↓ 5%
▶ E&P and GTP Investment ⁽³⁾	\$415 Million	↑ 6%

From 2Q'16

(1) For a reconciliation to the most directly comparable GAAP financial measure please refer to the appendix.

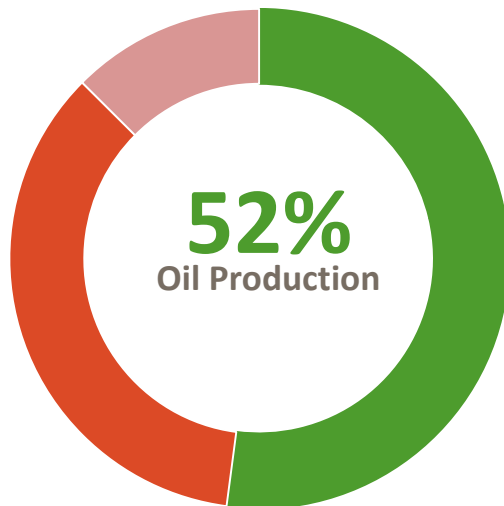
(2) Excludes tax barrels and noncontrolling interest in Egypt.

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

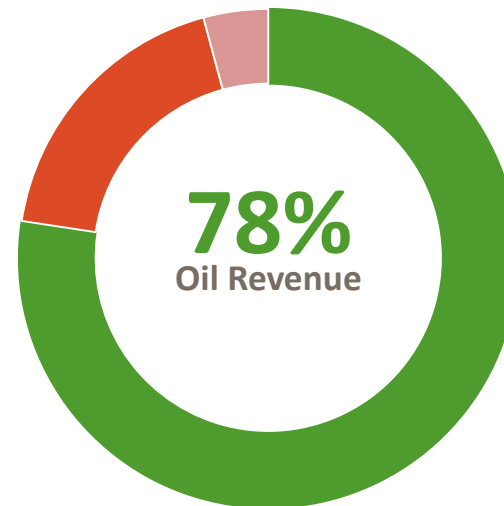
PRODUCTION AND REVENUES BY PRODUCT

3Q 2016

Reported Production
520 MBOE/D



Oil and Gas Revenue
\$1.4 Billion

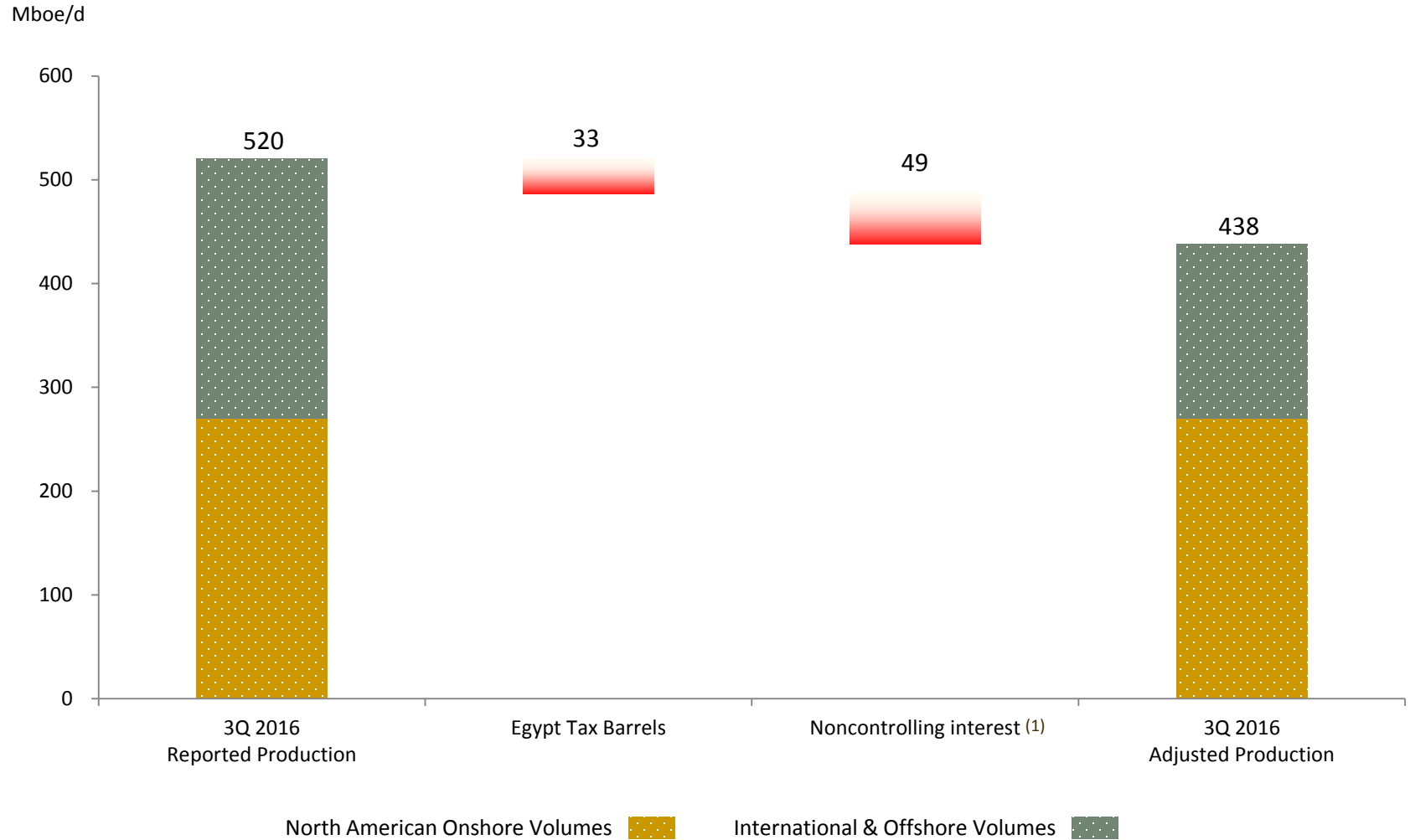


Oil Natural Gas NGLs

Note: Reported volumes include noncontrolling interest and tax barrels in Egypt.

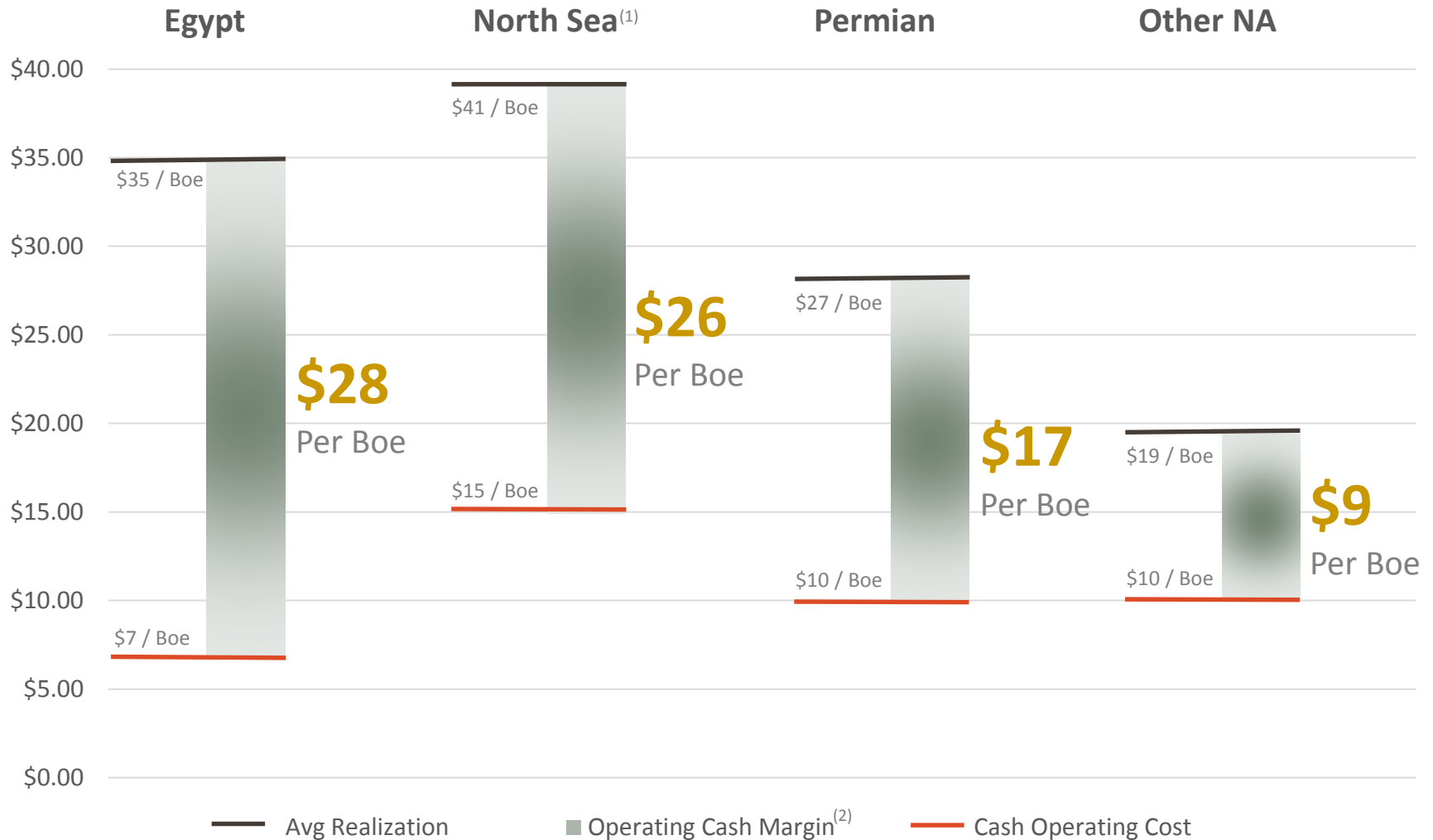
ADJUSTED PRODUCTION RECONCILIATION

3Q 2016



(1) Excludes tax barrels associated with noncontrolling interest.

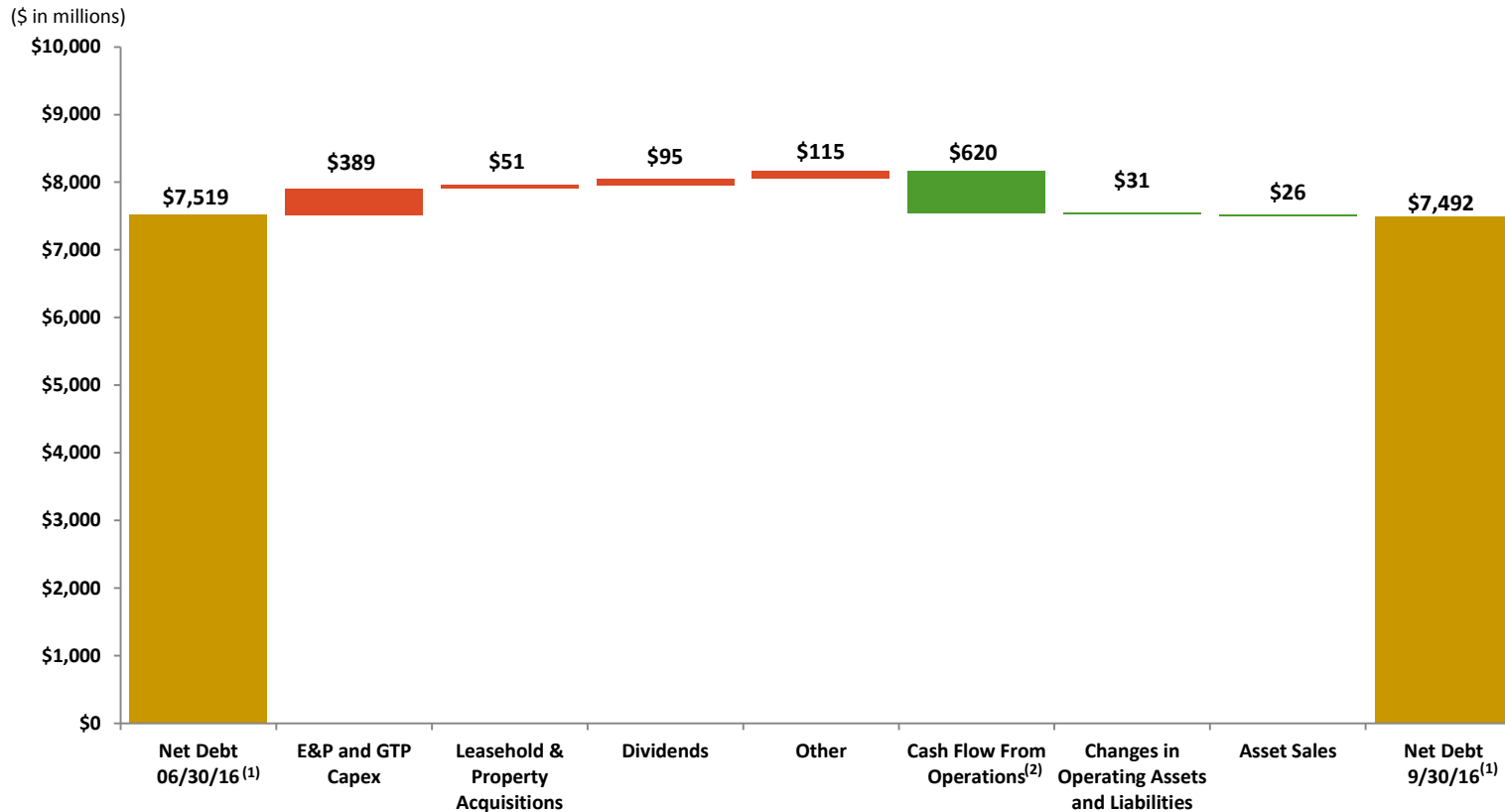
3Q 2016 OPERATING CASH MARGINS



(1) Excludes the impact of PRT adjustments during the third quarter of 2016.

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

3Q 2016 NET DEBT RECONCILIATION



(1) For a reconciliation to the most directly comparable GAAP financial measure please refer to the appendix.

(2) Net cash provided by operating activities before changes in operating assets and liabilities. For a reconciliation to the most directly comparable GAAP financial measure please refer to the appendix.

OIL AND GAS CAPITAL INVESTMENT

	<u>3Q16⁽¹⁾</u>	<u>YTD 2016⁽¹⁾</u>
	(\$ in millions)	
E&P and GTP Investment:		
Permian	\$ 200	\$ 471
MidCon / Gulf Coast	13	72
Canada.....	16	48
N.A. Onshore.....	229	591
Gulf of Mexico	6	25
Other ⁽¹⁾	(1)	(11)
North America	234	605
Egypt (Apache's interest only) ⁽²⁾	52	222
North Sea.....	116	383
Other	13	15
	<u>\$ 415</u>	<u>\$ 1,225</u>
Leasehold and Property Acquisitions:		
North America	\$ 50	\$ 104
International ⁽²⁾	1	80
	<u>\$ 51</u>	<u>\$ 184</u>
Total	<u>\$ 466</u>	<u>\$ 1,409</u>

(1) YTD 2016 includes a \$11M incentive credit for prior year new venture drilling.

(2) Third quarter and YTD 2016 excludes noncontrolling interest share in Egypt of \$27 million and \$133 million, respectively.

THIRD-QUARTER 2016 REGIONAL SUMMARY

THIRD-QUARTER 2016 GLOBAL OPERATIONS

GLOBAL KEY STATS

- ▶ *Reported Production:* 520,115 Boe/d
- ▶ *Drilled & Completed Wells*:* 46 gross, 41 net
- ▶ *Rigs:* Avg 14 rigs

N.A. ONSHORE KEY STATS

- ▶ *Reported Production:* 269,940 Boe/d
- ▶ *Drilled & Completed Wells*:* 35 gross, 30 net
- ▶ *Rigs:* Avg 5 rigs

INTERNATIONAL & GOM KEY STATS

- ▶ *Reported Production:* 250,175 Boe/d
- ▶ *Drilled & Completed Wells*:* 11 gross, 11 net
- ▶ *Rigs:* Avg 9 rigs



* Includes operated wells completed but not necessarily placed onto production.

PERMIAN: 3Q 2016 REGION SUMMARY

Delaware Basin / Alpine High

- Currently running four rigs at Alpine High; increased leasehold position to 320,000 net acres.
- At Alpine High, the Black Hawk State 1H flowed at a peak 24-hour rate of 5.3 MMcf, 224 Bbls of oil and 245 Bbls of NGLs.
- Also at Alpine High, the Redwood 1H well achieved a 24-hour peak rate of 18 MMcf.
- Placed seven gross operated wells on production in Pecos Bend.

Midland Basin

- Currently running two rigs in the basin, ramping up to five by year-end.
- Activity focused on stratigraphic and development pad drilling of the Wolfcamp and Spraberry shale formations in the Wildfire, Azalea and Powell focus areas.
- Wells with improved targeting and completions continue to outperform.

Central Basin Platform / NW Shelf

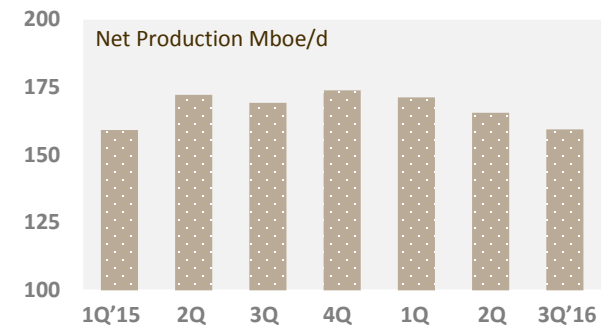
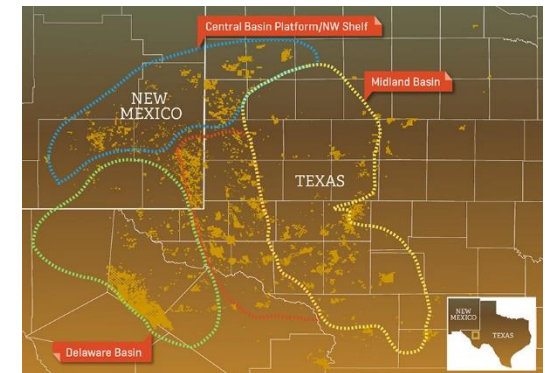
- Placed nine horizontal Yeso wells on production; 30-day average rate of 450 Boe/day; drilling and completion costs averaged less than \$2.5 million per well.

PERMIAN KEY STATS

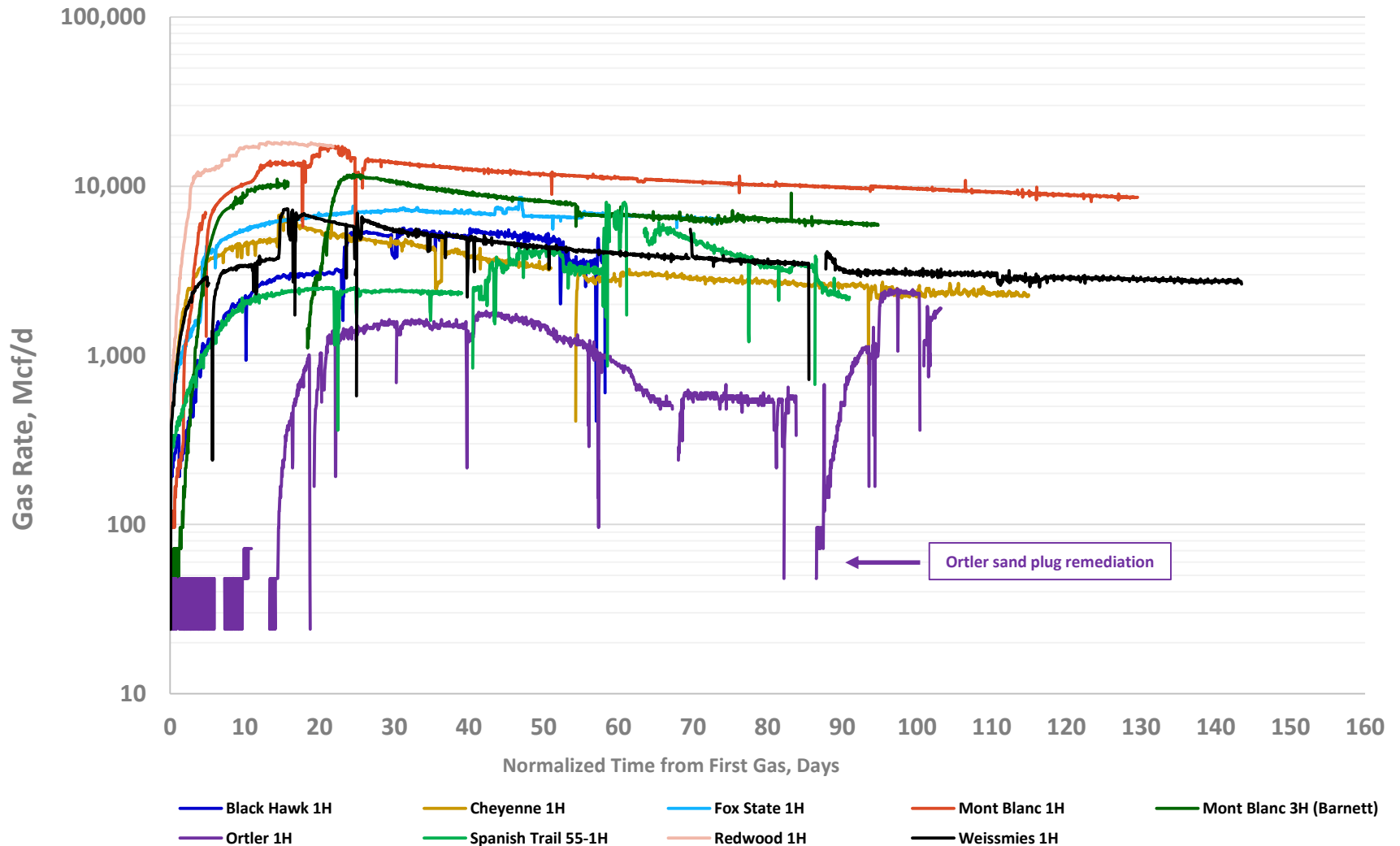
THIRD-QUARTER 2016

- ▶ Reported Production: 159,232 Boe/d
- ▶ Drilled & Completed Wells*: 29 gross, 24 net
- ▶ Rigs: Avg 5 rigs

*Operated wells completed but not necessarily placed onto production.

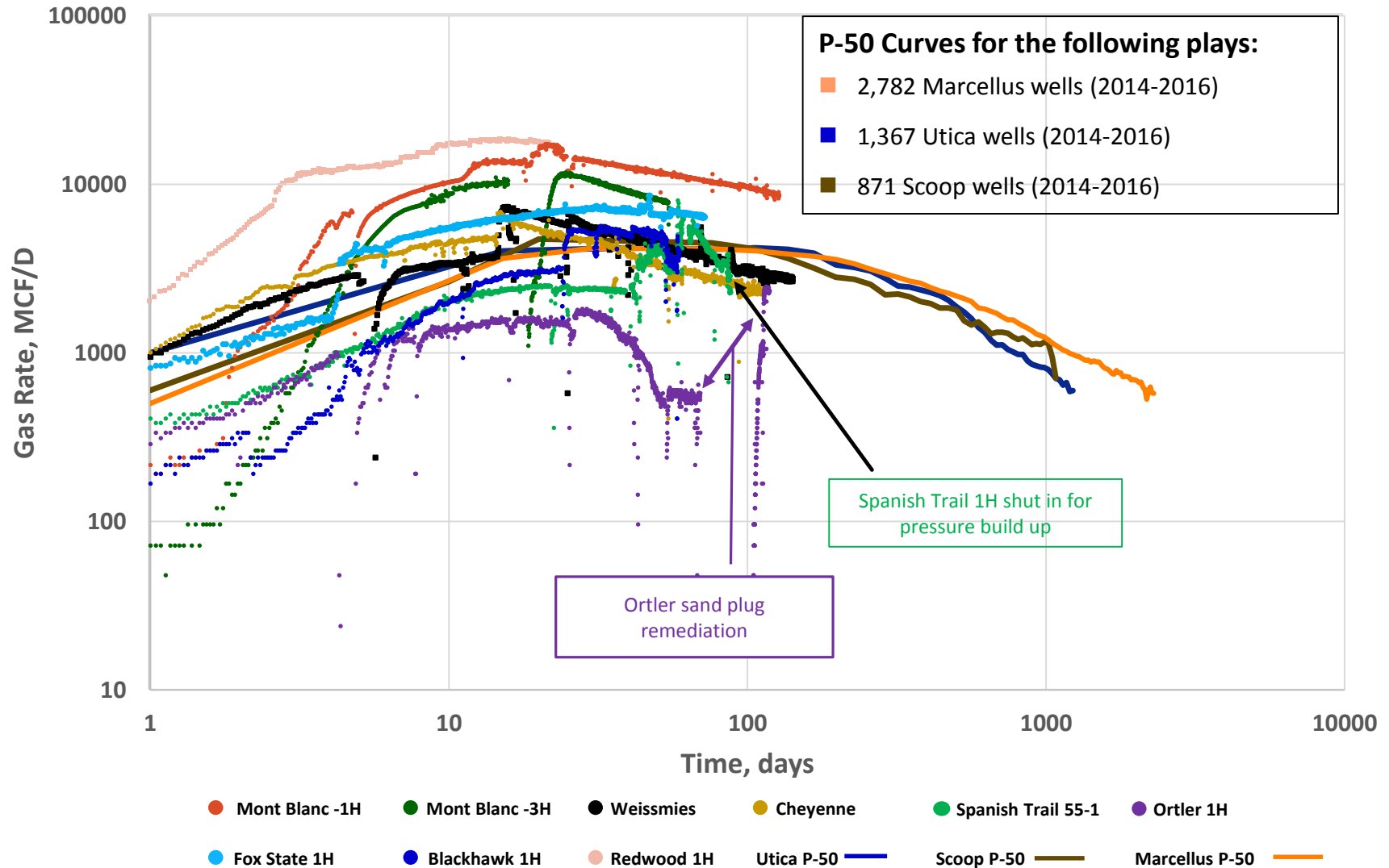


ALPINE HIGH PRODUCTION CURVES



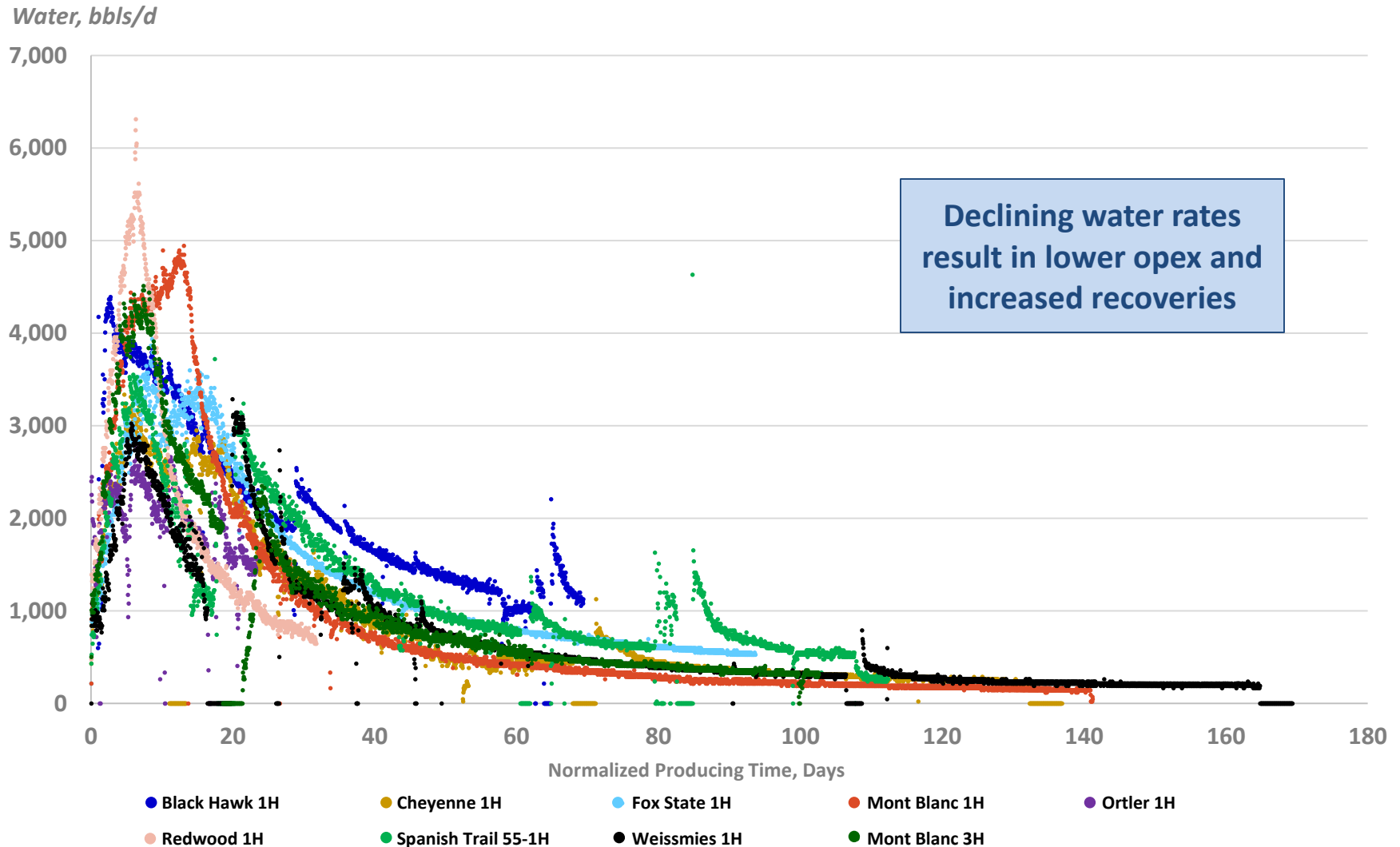
ALPINE HIGH AND NORTH AMERICAN PLAYS

P-50 Production Curves



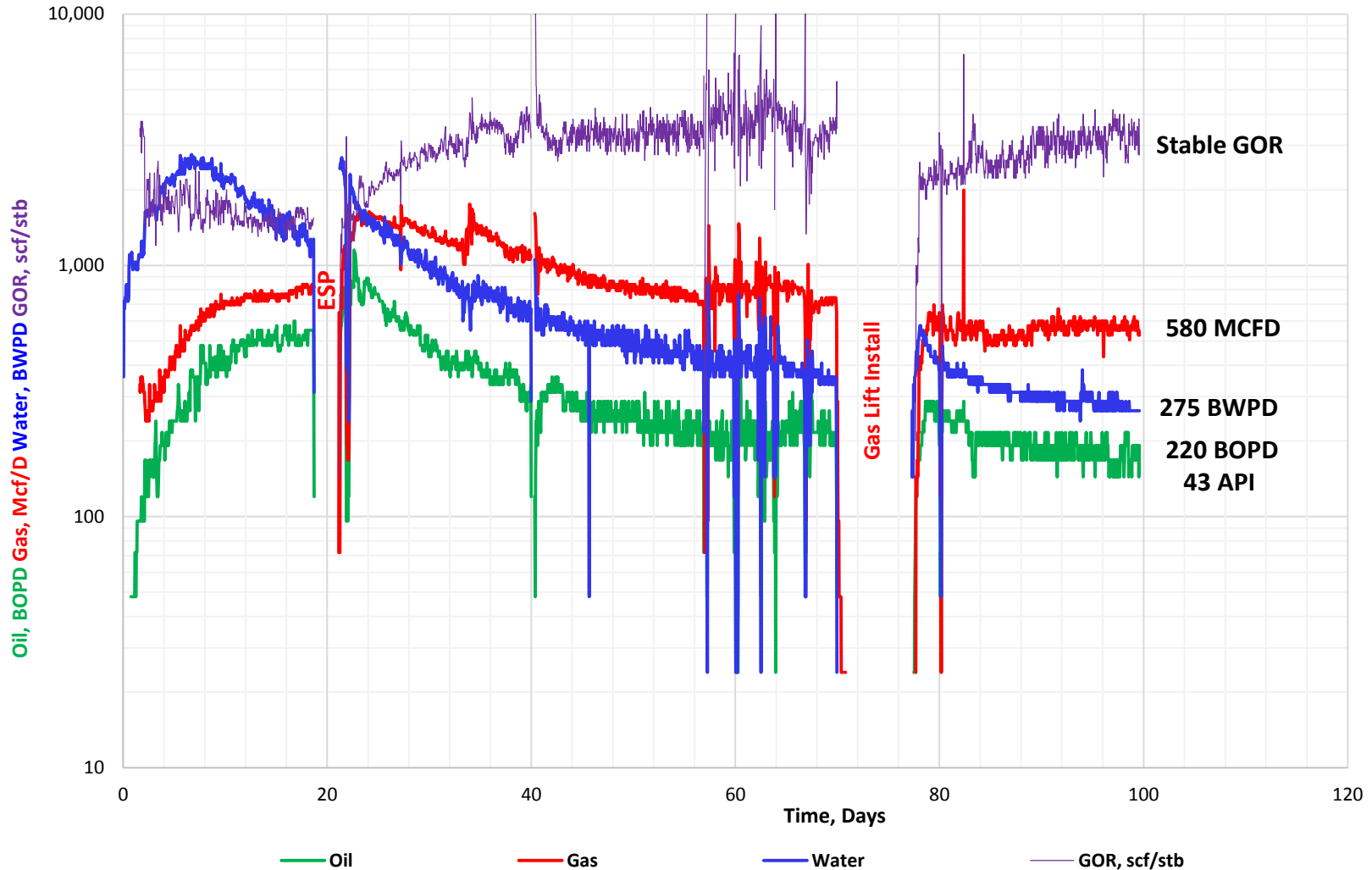
ALPINE HIGH WATER PRODUCTION RATES

Barnett and Woodford Wells



BONE SPRINGS OIL PRODUCER

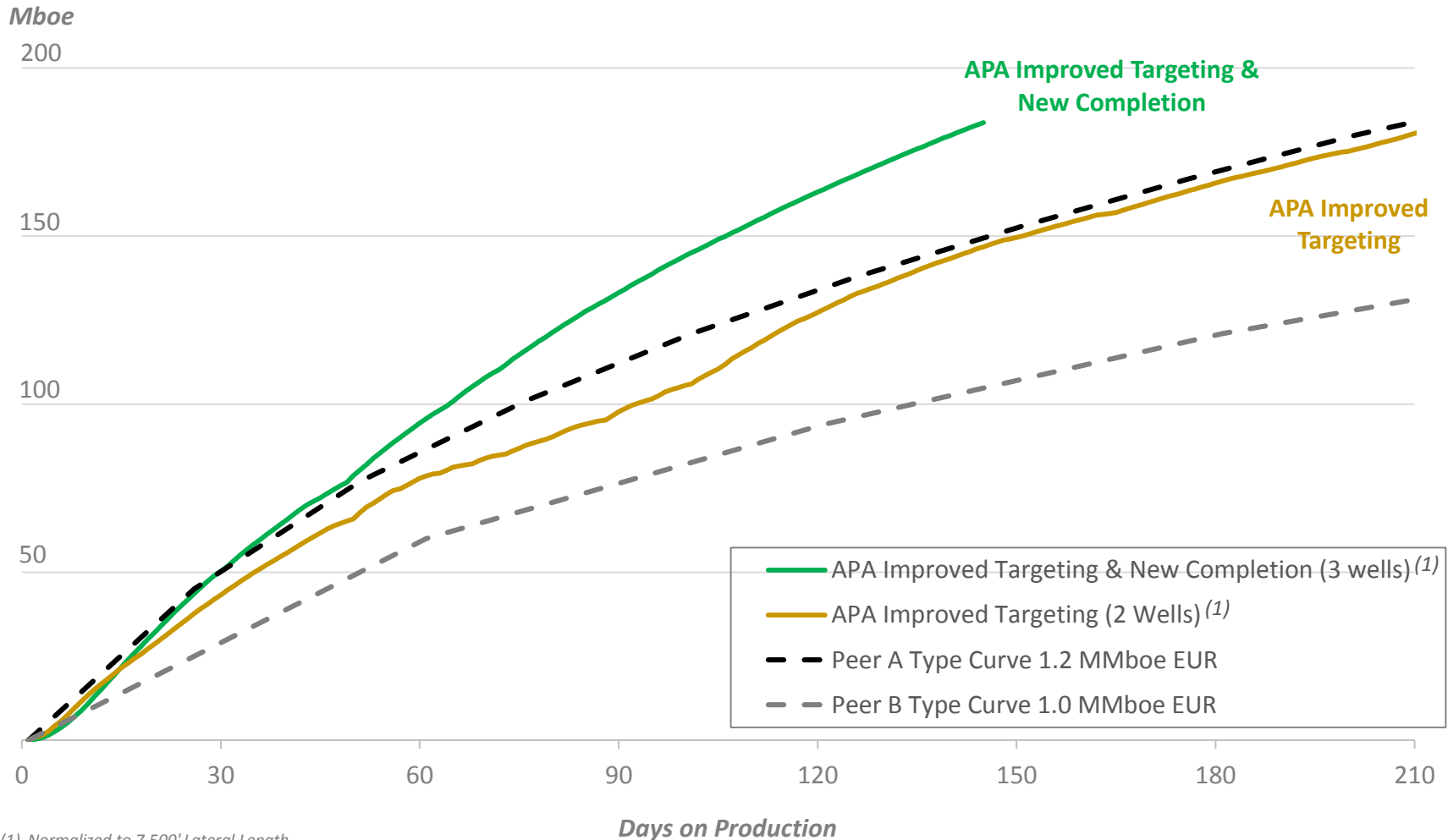
Alpine High Mont Blanc 2H



APACHE CORE MIDLAND BASIN WOLFCAMP

Strong Well Performance

Cumulative Production: APA vs. Peer Type Curves



(1) Normalized to 7,500' Lateral Length.

3Q 2016 NORTH AMERICAN ONSHORE WELL RECAP

Well Name	Formation	Area	County	Lateral	Average 30-Day IP	Avg 30-Day IP / 1,000 Lateral Ft	% Oil
APLINE HIGH							
Black Hawk State 1H	Woodford	Alpine High	Reeves	5,234'	1,175 Boe/d	224	13%
Redwood 1H	Woodford	Alpine High	Reeves	4,172'	18 MMcf/d ⁽¹⁾	NM	0%
DELAWARE BASIN							
Pelican 106H	3 rd Bone Spring	Pecos Bend	Loving	4,711'	942 Boe/d	200	55%
Falcon State Unit #229	3 rd Bone Spring	Pecos Bend	Loving	4,404'	792 Boe/d	181	57%
Waha #905H	Wolfcamp	Waha	Reeves	7,517'	1,277 Boe/d	170	78%
MIDLAND BASIN							
CC 4144 #2HM	Wolfcamp B	Powell-Miller	Upton	7,584'	1,980 Boe/d	261	78%
CENTRAL BASIN PLATFORM / NORTHWEST SHELF							
Cedar Lake Hz (9 wells)	Yeso	NW Shelf	Eddy	4,144'	450 Boe/d	110	72%
Cedar Lake Vt (4 wells)	Yeso	NW Shelf	Eddy	NA	133 Boe/d	NA	70%

(1) Represents a 24-hour IP rate.

NORTH SEA: 3Q 2016 SUMMARY

Forties Field

- Planned maintenance turnarounds and third-party operated facilities restrictions impacted production during the quarter.
- 4Q production is expected to return to more normalized levels.

Beryl Area

- Nevis North NNA development well went online in mid-September; 30-day average production was nearly 20 MMcfe per day.
- Drilled a discovery at Storr, an exploration prospect targeting the Beryl and Nansen sands. The well encountered hydrocarbons in two separate fault blocks. Apache holds a 55 percent working interest.

Project Development

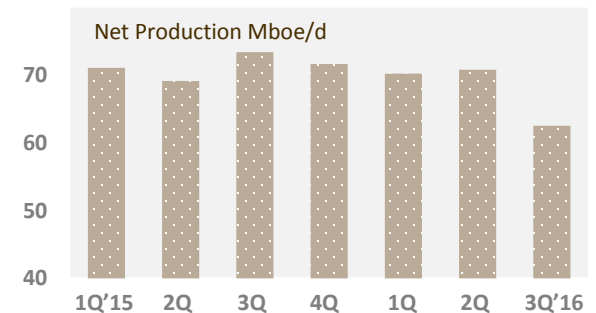
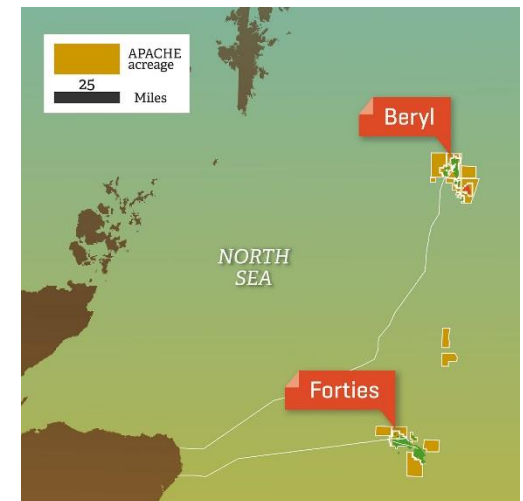
- Recently completed the Aviat gas-for-power project at Forties.
- This environmentally friendly project enables a switch from diesel to natural gas to power the Forties Field.
- Aviat extends the economic life of Forties, lowering operating costs and reducing certain reliability and safety risks associated with bunkering diesel.
- Annual fuel and other savings from this project are estimated at \$15 million per year.

NORTH SEA KEY STATS

THIRD-QUARTER 2016

- ▶ Reported Production: 62,475 Boe/d
- ▶ Drilled & Completed Wells*: 2 gross, 2 net
- ▶ Rigs: Avg 4 rigs

*Operated wells completed but not necessarily placed onto production.



EGYPT: 3Q 2016 SUMMARY

Production Results

- Gross production of 350 Mboe/d was up slightly from 2Q
- Adjusted production volumes declined sequentially by 3,000 boe/d, primarily due to the impact of improving Brent oil prices on the cost recovery mechanism in the production sharing contracts.

Operational Activity

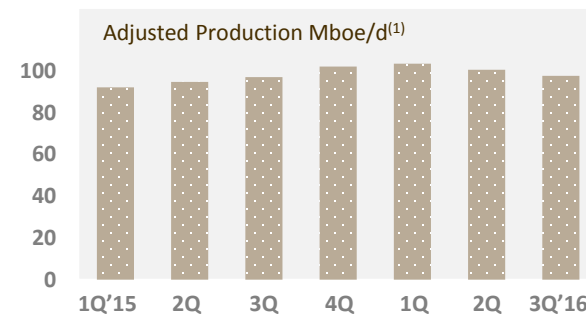
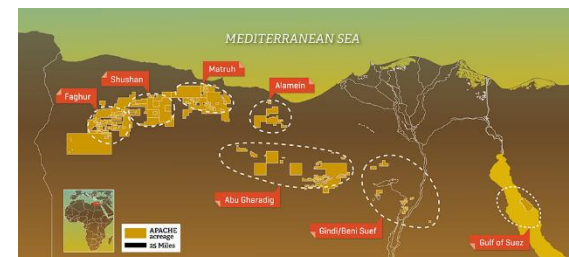
- Apache placed 9 wells on production during the quarter, contributing to a drilling success rate of 90% year-to-date.
- The Ptah #12 well produced at a peak oil rate of over 2,800 bbls/d from the Shiffah formation.
- The Ptah and Berenice fields have produced a combined 17 million gross barrels of oil equivalent from only 14 wells in two years.
- Drilling costs in these two fields averaged \$3.2 million per well.

EGYPT KEY STATS

THIRD-QUARTER 2016

- Reported Production: 179,575 Boe/d
- Drilled & Completed Wells*: 9 gross, 9 net
- Rigs: Avg 5 rigs

*Operated wells completed but not necessarily placed onto production.



(1) Excludes tax barrels and noncontrolling interest

INTERNATIONAL 3Q 2016 DRILLING RECAP

North Sea Well Highlights

Well Name	Field	30-Day Average IP
C65	Forties	937 Boe/d ⁽¹⁾
NNA	Nevis North	20 MMcfe/d

Program Success Rate

100%

Egypt Well Highlights

Well Name	Basin	30-Day Average IP
AG-100	Abu Gharadig	1,953 Boe/d
Herunefer-2X	Matruh	3,191 Boe/d
Ptah-12	Faghur	3,040 Boe/d ⁽¹⁾
Tango-S01	Matruh	34 MMcfe/d

Program Success Rate

90%

(1) Less than 30 days of production.

EGYPT: PRODUCTION DETAIL

	2Q 2016			3Q 2016		
	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d	Liquids (Bbls/d)	Gas (Mcf/d)	Boe/d
Gross Production	213,975	814,283	349,689	212,608	826,548	350,366
Net Production	107,173	408,013	175,175	111,933	405,863	179,575
% Gross	50%	50%	50%	53%	49%	51%
Less: Tax Barrels	19,405	30,038	24,411	24,798	50,753	33,255
Net Production Excluding Tax Barrels	87,768	377,975	150,764	87,135	355,110	146,320
% Gross	41%	46%	43%	41%	43%	42%
Less: Noncontrolling Interest	29,204	125,991	50,203	29,028	118,370	48,756
Adjusted Production	58,564	251,984	100,561	58,107	236,740	97,564
% Gross	27%	31%	29%	27%	29%	28%

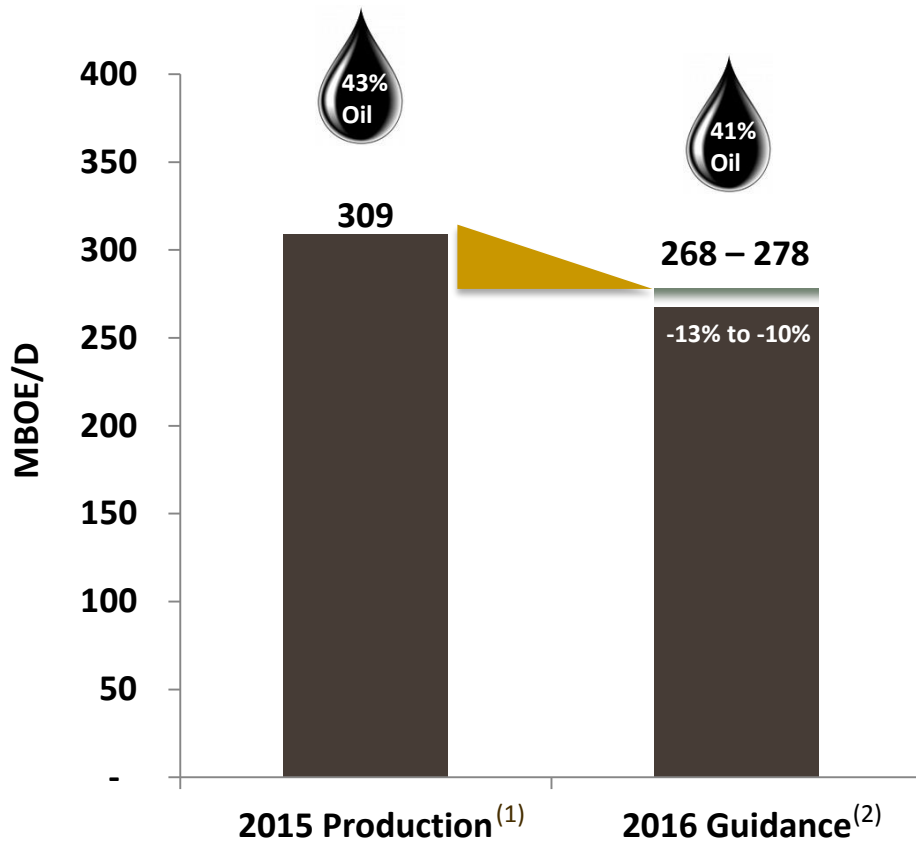
Mboe/d	2014				2015				2016
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YTD
Gross Production	353	351	346	344	344	349	362	352	351
Net Production	160	159	160	153	162	185	165	103 ⁽¹⁾	174
Adjusted Production	76	74	77	83	92	95	97	102	100
Brent Oil Benchmark Pricing	\$107	\$110	\$103	\$77	\$55	\$64	\$51	\$45	\$43

(1) Includes the impact of a negative tax barrel adjustment.

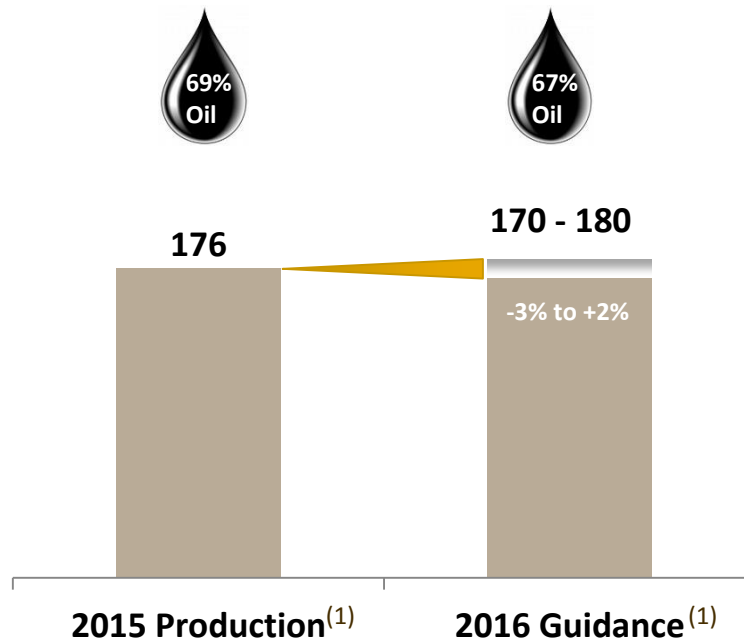
2016 PRODUCTION GUIDANCE AND CAPITAL PROGRAM

2016 PRODUCTION GUIDANCE

North American Onshore



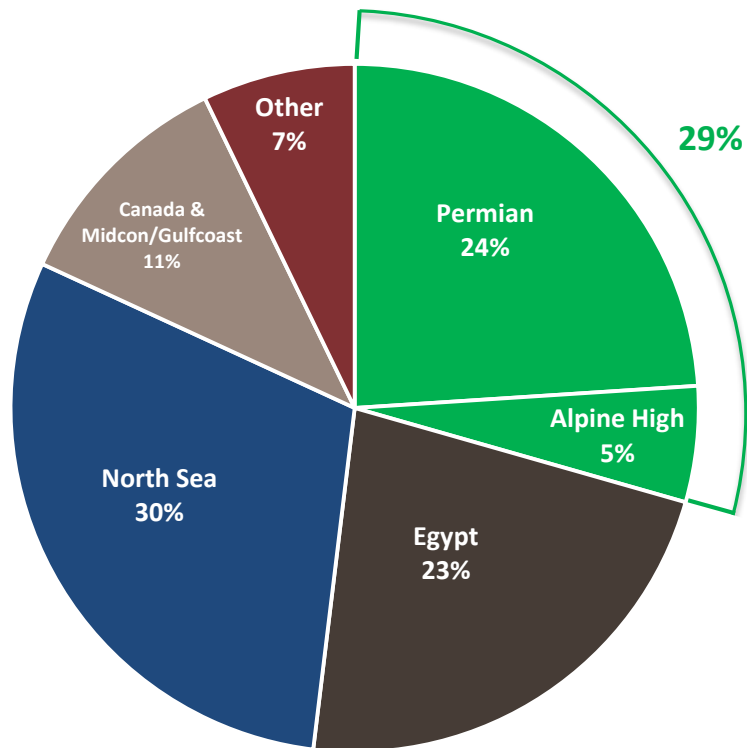
International and Offshore



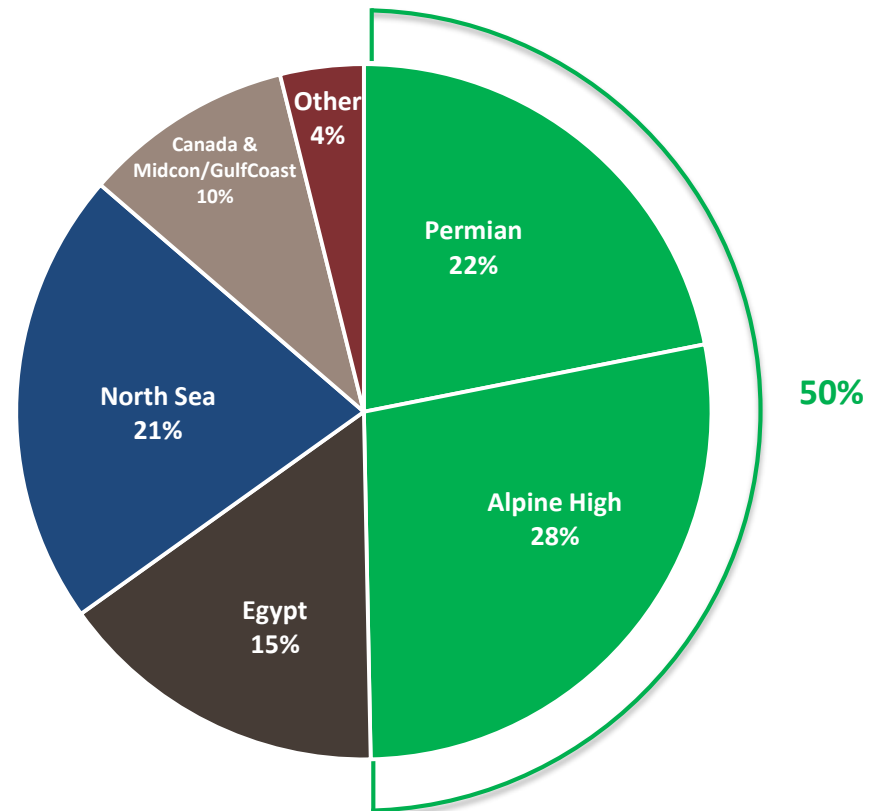
- (1) Production excludes volumes related to noncontrolling interest, Egypt tax barrels and asset sales in 2015. For a reconciliation to the most directly comparable financial measure please refer to our fourth-quarter 2015 earnings release.
- (2) Revised up on May 5, 2016; first-quarter 2016 earnings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

APACHE 2016 REGIONAL CAPITAL MIX

Initial 2016 Capital Guidance



Updated Capital Guidance⁽¹⁾



(1) Revised as of November 3, 2016.

NON-GAAP RECONCILIATIONS

NON-GAAP RECONCILIATION

Adjusted Earnings

Reconciliation of income attributable to common stock to adjusted earnings

Our presentation of adjusted earnings and adjusted earnings per share are non-GAAP measures because they exclude the effect of certain items included in Income Attributable to Common Stock. Management believes that adjusted earnings and adjusted earnings per share provides relevant and useful information, which is widely used by analysts, investors and competitors in our industry as well as by our management in assessing the Company's operational trends and comparability of results to our peers. Management uses adjusted earnings and adjusted earnings per share to evaluate our operating and financial performance because it eliminates the impact of certain items that management does not consider to be representative of the Company's ongoing business operations. As a performance measure, adjusted earnings may be useful to investors in facilitating comparisons to others in the Company's industry because certain items can vary substantially in the oil and gas industry from company to company depending upon accounting methods, book value of assets, capital structure and asset sales and other divestitures, among other factors. Management believes excluding these items facilitates investors and analysts in evaluating and comparing the underlying operating and financial performance of our business from period to period by eliminating differences caused by the existence and timing of certain expense and income items that would not otherwise be apparent on a GAAP basis. However, our presentation of adjusted earnings and adjusted earnings per share may not be comparable to similar measures of other companies in our industry.

	For the Quarter Ended September 30, 2016			
	Before Tax	Tax Impact	After Tax	Diluted EPS
	(\$ in millions, except per share data)			
Income (Loss) Attributable to Common Stock (GAAP)	\$ (976)	\$ 379	\$ (607)	(1.60)
Adjustments: *				
Asset impairments	951	(323)	628	1.65
Transaction, reorganization & separation costs	12	(4)	8	0.02
Discontinued operations	33	-	33	0.09
Contract termination charges	7	(3)	4	0.01
Loss on extinguishment of debt	-	-	-	-
Elimination of PRT liability	(28)	11	(17)	(0.04)
Divested assets	(5)	2	(3)	-
Valuation allowance and other tax adjustments	-	(58)	(58)	(0.16)
Adjusted Earnings (Non-GAAP)	<u>\$ (6)</u>	<u>\$ 4</u>	<u>\$ (12)</u>	<u>(0.03)</u>

NON-GAAP RECONCILIATION

Adjusted EBITDAX

Reconciliation of net cash provided by continuing operating activities to adjusted EBITDAX

Management believes EBITDAX, or earnings before income tax expense, interest expense, depreciation, amortization and exploration expense is a widely accepted financial indicator, and useful for investors, to assess a company's ability to incur and service debt, fund capital expenditures, and make distributions to shareholders. We define adjusted EBITDAX, a non-GAAP financial measure, as EBITDAX adjusted for certain items presented in the accompanying reconciliation. Management uses adjusted EBITDAX to evaluate our ability to fund our capital expenditures, debt services and other operational requirements and to compare our results from period to period by eliminating the impact of certain items that management does not consider to be representative of the Company's on-going operations. Management also believes adjusted EBITDAX facilitates investors and analysts in evaluating and comparing EBITDAX from period to period by eliminating differences caused by the existence and timing of certain operating expenses that would not otherwise be apparent on a GAAP basis. However, our presentation of adjusted EBITDAX may not be comparable to similar measures of other companies in our industry.

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	(\$ in millions)			
Net cash provided by continuing operating activities	\$ 651	\$ 757	\$ 1,634	\$ 2,380
Adjustments:				
Exploration expense, excluding dry hole expense and unproved leasehold impairments	40	24	87	122
Current income tax provision (benefit)	150	(270)	284	578
Other adjustments to reconcile net loss to net cash provided by operating activities	(35)	(54)	(126)	(80)
Changes in operating assets and liabilities	(31)	213	(1)	(395)
Financing costs, net	102	160	311	401
Transaction, reorganization & separation costs	12	-	36	120
Contract termination charges	7	41	10	84
Adjusted EBITDAX (Non-GAAP)	<u>\$ 896</u>	<u>\$ 871</u>	<u>\$ 2,235</u>	<u>\$ 3,210</u>

NON-GAAP RECONCILIATION

Cash Flow From Operations Before Changes in Operating Assets and Liabilities

Reconciliation of net cash provided by operating activities to cash flows from continuing operations before changes in operating assets and liabilities

Cash flows from continuing 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 September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	(\$ in millions)			
Net cash provided by operating activities (GAAP)	\$ 651	\$ 711	\$ 1,634	\$ 2,493
Less: Discontinued operations	-	46	-	(113)
Net cash provided by operating activities excluding discontinued operations	\$ 651	\$ 757	\$ 1,634	\$ 2,380
Changes in operating assets and liabilities	(31)	213	(1)	(395)
Cash flows from continuing operations before changes in operating assets and liabilities	<u>\$ 620</u>	<u>\$ 970</u>	<u>\$ 1,633</u>	<u>\$ 1,985</u>

NON-GAAP RECONCILIATION

Net Debt

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.

	<u>September 30,</u> <u>2016</u>	<u>June 30,</u> <u>2016</u>	<u>March 31,</u> <u>2016</u>	<u>December 31</u> <u>2015</u>
	(\$ in millions)			
Current debt	\$ 1	\$ 1	\$ 1	\$ 1
Long-term debt	<u>8,721</u>	<u>8,719</u>	<u>8,718</u>	<u>8,716</u>
Total debt	<u>8,722</u>	<u>8,720</u>	<u>8,719</u>	<u>8,717</u>
Cash and cash equivalents	1,230	1,201	1,004	1,467
Net debt	<u>\$ 7,492</u>	<u>\$ 7,519</u>	<u>\$ 7,715</u>	<u>\$ 7,250</u>