

- Reported first-quarter production of 531,000 barrels of oil equivalent (Boe) per day and pro forma production of 479,000 Boe per day, which excludes Egypt noncontrolling interest and tax barrels
- Delivered North American Onshore production of 298,000 Boe per day, above first-quarter guidance of 290,000 to 295,000 Boe per day
- Continued to achieve substantial well-cost savings in key North American Onshore plays; now 45 percent below the 2014 average cost
- Invested \$466 million of capital, below guidance of \$500 to \$550 million
- Generated net cash from continuing operating activities of \$276 million and adjusted EBITDA of \$541 million
- Raising full-year 2016 North American Onshore production guidance by 5,000 Boe to 268,000 to 278,000 Boe per day

HOUSTON, May 5, 2016 /PRNewswire/ -- [Apache Corp.](http://www.apachecorp.com) (NYSE, Nasdaq: APA) today announced its financial and operational results for the first quarter of 2016.

Apache reported a net loss of \$489 million, or \$1.29 per diluted common share, which included noncash, after-tax ceiling test write-downs of \$325 million driven primarily by low commodity prices. When adjusted for these and certain additional items that impact the comparability of results, Apache's first-quarter net loss totaled \$152 million, or \$0.40 per share. Net cash provided by continuing operating activities was approximately \$276 million. Cash flow from continuing operations, before changes in operating assets and liabilities, was \$435 million, and adjusted EBITDA was \$541 million.

John J. Christmann IV, Apache's chief executive officer and president, said, "Apache's first-quarter performance was characterized by notable achievements in operations, drilling and further cost reductions. Despite a continued decline in our drilling activities, we delivered strong production results in North America Onshore. Results in the Permian Basin were particularly strong with solid performance from our base production and very good results from maintenance projects and new drilling. Our relentless focus on costs continues to yield significant results. In our North American Onshore key plays, drilling and completion costs are now down approximately 45 percent from 2014 levels.

"Our substantial well-cost reductions, coupled with the recent improvement in oil prices, have created a better investment environment. As we become more confident in the sustainability of higher oil prices and the resulting increase in cash flow relative to our \$35-per-barrel plan, we will increase our capital investment program accordingly. The majority of any additional investment would most likely go to the Permian Basin."

First-quarter operational highlights

During the first quarter, Apache averaged 24 operated rigs and drilled and completed 79 gross-operated wells worldwide. Highlights from Apache's three principal areas include:

- North America Onshore – The company averaged 10 rigs in North America Onshore and drilled and completed 47 gross-operated wells during the first quarter.
In the Permian Basin, production averaged 171,000 Boe per day, down 2 percent from the fourth quarter of 2015. Apache averaged six operated rigs and drilled and completed 32 gross-operated wells. This is down from 57 drilled and completed wells in the fourth quarter of 2015.
In the Delaware Basin, the company successfully drilled and completed five gross-operated wells primarily targeting the Bone Spring formations in the Pecos Bend area. During the quarter, Apache drilled its best well in the basin to date, the Seagull 103-HR, which delivered an impressive average 30-day, initial-production rate of nearly 2,800 Boe per day. The company also drilled and completed 25 gross-operated wells during the quarter in the Midland Basin, Northwest Shelf and Central Basin Platform, achieving strong results from both the Wolfcamp and Yeso formations.
- North Sea – Apache averaged four operated rigs and generated production of 70,000 Boe per day, a 2-percent decline from the fourth quarter of 2015. During the second half of the quarter, Apache brought four successful development wells online, which resulted in a strong production rebound in the month of April.
- Egypt – Apache averaged 10 rigs during the quarter and maintained gross production of 353,000 Boe per day, which was essentially flat with the fourth quarter of 2015. Excluding noncontrolling interest and tax barrels, net production was up slightly from the fourth quarter to 103,000 Boe per day. Apache placed 23 wells on production and achieved a drilling success rate of 88 percent during the quarter.

2016 outlook

Following strong first-quarter results, the company is raising full-year 2016 North American Onshore production guidance to 268,000 to 278,000 Boe per day, up from initial guidance of 263,000 to 273,000 Boe per day set at the beginning of the year. Accordingly, Apache is also raising full-year 2016 total pro forma production guidance (excluding Egypt noncontrolling interest and tax barrels) by 5,000 Boe per day to 438,000 to 458,000 Boe per day.

Total capital investment during the quarter, excluding Egypt noncontrolling interest, was \$466 million, which was below the company's guidance of \$500 to \$550 million. Apache is reiterating full-year 2016 capital guidance of \$1.4 billion to \$1.8 billion.

As expected, the company ran a cash-flow deficit for the first quarter but anticipates a cash-flow surplus for the balance of the year. The company remains committed to cash-flow neutrality and ending the year with unchanged or lower net debt.

"Apache's prudent approach during this downturn has allowed us to protect our financial position, maintain appropriate debt levels, preserve our investment-grade credit rating, continue our dividend and refrain from issuing equity, which dilutes existing shareholders. Looking ahead, we will be patient, thoughtful and disciplined with regard to deploying incremental capital such that we continue to maximize full-cycle returns. Longer term, we have the financial capacity, high-quality drilling inventory and organizational infrastructure to deliver competitive growth rates and returns through the cycle," concluded Christmann.

Conference call

Apache will host a conference call to discuss its first-quarter 2016 results at 1 p.m. Central time, Thursday, May 5. The conference call will be webcast from Apache's website, www.apachecorp.com. The webcast replay will be archived on Apache's website.

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 13729891.

Sign up for email alerts to be reminded of the webcast at <http://investor.apachecorp.com/alerts.cfm>.

Additional information

Additional information follows, including reconciliations of adjusted earnings, adjusted EBITDA, net debt, and cash flow from continuing operations before changes in operating assets and liabilities (non-GAAP financial measures) to GAAP measures and information regarding pro forma production. Apache's quarterly supplement is available at www.apachecorp.com/financialdata.

About Apache

[Apache Corp.](http://www.apachecorp.com) is an oil and gas exploration and production company with operations in the United States, Canada, Egypt and the United Kingdom. Apache posts announcements, operational updates, investor information and press releases on its website, 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 Play Store.

Non-GAAP financial measures

Apache's financial information includes information prepared in conformity with generally accepted accounting standards (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, adjusted EBITDA, net debt, and cash flow from continuing operations before changes in operating assets and liabilities 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," 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 2015 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, 2015, available from Apache at 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.

[Click here](#) for the full release including the quarterly financial statements.

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