Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

The Company' s business activities and the value of its securities are subject to significant hazards and risks, including those described below. If any of such events should occur, the Company' s business, financial condition, liquidity, and / or results of operations could be materially harmed, and holders and purchasers of APA' s securities could lose part or all of their investments. Additional risks ~~relating~~ **and uncertainties not presently known** to the Company ~~' s securities~~ **or that the Company currently considers immaterial** may ~~be included in~~ **also adversely affect** the **Company** ~~prospectus supplements related to offerings of such securities from time to time in the future~~. RISKS RELATED TO PRICING, DEMAND, AND PRODUCTION FOR CRUDE OIL, NATURAL GAS, AND NGLs Global pandemics have previously, may continue...... operations may be materially adversely affected. Crude oil, natural gas, and NGL prices and their volatility could adversely affect the Company' s operating results and the price of APA' s common stock. The Company' s revenues, operating results, ~~and~~ future rate of growth **, and carrying value of its oil and gas properties** depend highly upon the prices it receives for its sales of crude oil, natural gas, and NGL products. Historically, the markets for these commodities have been volatile and are likely to continue to be volatile in the future. For example, the NYMEX daily settlement price for the prompt month oil contract in ~~2022~~ **2023** ranged from a high of $ ~~123~~ **93** . ~~64~~ **67** per barrel to a low of $ ~~71~~ **66** . ~~05~~ **61** per barrel, and the NYMEX daily settlement price for the prompt month natural gas contract in ~~2022~~ **2023** ranged from a high of $ ~~9~~ **3** . ~~85~~ **78** per MMBtu to a low of $ ~~3~~ **1** . ~~46~~ **74** per MMBtu. The market prices for crude oil, natural gas, and NGLs depend on factors beyond the Company' s control. These factors include demand, which fluctuates with changes in market and economic conditions, and other factors, including: • worldwide and domestic supplies and / or inventories of crude oil, natural gas, and NGLs **and the availability of related pipeline, transportation, import / export, and refining capacity and infrastructure** ; • actions taken by foreign oil and gas producing nations, including the Organization of the Petroleum Exporting Countries (OPEC) and non- OPEC members that participate in OPEC initiatives (OPEC); • political conditions and events ~~(including instabilities, changes in governments, or armed conflicts)~~ in oil and gas producing regions **, including instabilities, changes in governments, or armed conflicts, such as the Russian war in Ukraine and the armed conflict in Israel and Gaza** ; • the ~~occurrence of global events, such as epidemics or pandemics (including, specifically, the COVID- 19 pandemic), and the actions taken by third parties, including, but not limited to, governmental authorities, customers, contractors, and suppliers, in response to such epidemics or pandemics; • the~~ price ~~and level of imported foreign or exported domestic crude oil~~ , **competitiveness** ~~natural gas~~ , ~~and NGLs~~ **decision to use** , ~~including as a result of the availability of facilities that process, import, or export such products; • increasing inflationary pressure; • the price~~ and availability of alternative fuels **and energy sources** , including coal ~~and~~ **,** biofuels **, and renewables** ; • increased competitiveness of, and demand for, alternative energy sources; • technological advances affecting energy supply and energy consumption, including those that alter fuel choices; • the availability of pipeline capacity and infrastructure; • the availability of crude oil transportation and refining capacity; • weather conditions; • the impact of political pressure and the influence of environmental groups **, investors,** and other stakeholders on decisions and policies related to the **oil and gas** ~~industries~~ **industry** ~~in which the Company and its affiliates operate~~ , including with respect to environmental, social, and governance matters; • domestic and foreign governmental regulations and taxes, including ~~legislative, regulatory, and policy~~ changes or initiatives to address the impacts of global climate change, hydraulic fracturing, methane emissions, flaring, or water disposal; and • the overall economic environment ~~. The Company' s results of operations~~ , **including rates** ~~as well as the carrying value~~ of **growth** ~~its oil~~ and **increasing inflationary pressure** ~~gas properties, are substantially dependent upon the prices of oil, natural gas, and NGLs~~ . Low prices have previously adversely affected and could ~~again~~ **from time to time in the future** adversely affect the Company' s revenues, operating income, cash flow, and proved reserves, and ~~continued~~ **a prolonged period of** low prices could have a material adverse impact on the Company' s **results of** operations **and cash flows** and limit its ability to fund capital expenditures. Without the ability to fund capital expenditures, the Company would be unable to replace reserves and production. Sustained low prices of crude oil, natural gas, and NGLs ~~may~~ **could also** further adversely impact the Company' s business **, including by** ~~as follows: •~~ weakening the Company' s financial condition and reducing its liquidity **,** ~~; •~~ limiting the Company' s ability to fund planned capital expenditures and operations ~~; • reducing the amount of crude oil~~ , ~~natural gas, and NGLs that the Company can produce economically; •~~ causing the Company to delay or postpone some of its capital projects or reallocate capital to different projects or regions ~~; • reducing the Company' s revenues~~ , ~~operating income, and cash flows; •~~ limiting the Company' s access to sources of capital, such as equity and long- term debt ~~; •~~ **, or** reducing the carrying value of the Company' s oil and gas properties, resulting in additional non- cash ~~impairments; or • reducing the carrying value of the Company' s gathering, processing, and transmission facilities, resulting in additional~~ impairments. The Company' s ability to sell crude oil, natural gas, or NGLs, receive market prices for these commodities, and / or meet volume commitments under transportation services agreements may be adversely affected by pipeline and gathering system capacity constraints, the inability to procure and resell volumes economically, and various transportation interruptions. A portion of the Company' s crude oil, natural gas, and NGL production in any region may be interrupted, limited, or shut in from time to time for numerous reasons, including as a result of weather conditions, accidents, loss of pipeline or gathering system access, field labor issues or strikes, cyberattacks or terrorist events, or capital constraints that limit the ability of third parties to construct gathering systems, processing facilities, or interstate pipelines to transport the Company' s production. Additionally, the Company may voluntarily curtail production in response to market conditions. If a substantial amount of the Company' s production is interrupted or curtailed at the same time, it could temporarily adversely affect the Company' s cash flows. Further,

if the Company is unable to procure and resell third- party volumes at or above a net price that covers the cost of transportation, the Company' s cash flows could be adversely affected. The Company has previously not realized, and may in the future not realize, an adequate return on wells that it drills. Drilling for oil and gas involves numerous risks, including ~~the risk~~ that the Company ~~will~~ **may** not encounter commercially productive oil or gas reservoirs ~~. The wells the Company drills~~ or ~~participates in may not be productive, and the Company~~ may not recover all or any portion of its investment in ~~those~~ -- **the** wells **it drills** . Management has previously determined, and may in the future determine, that future ~~or further~~ drilling or development activities will not, or are unlikely to, occur for a well or reservoir **,** based on drilling results, current or future estimated commodity prices or demand for oil, natural gas, and NGLs, or other information ~~, including drilling results in, or information related to, adjacent or nearby geographic areas or similar geologies or reservoirs. The seismic data and other technologies that the Company uses do not allow it to know conclusively prior to drilling a well that crude or natural gas is present or may be produced economically~~ . The costs of drilling, completing, and operating wells are often uncertain, and drilling operations **are subject to** ~~may be curtailed, delayed, or canceled as a result of~~ a variety of ~~factors~~ **risks** , including ~~, but not limited to,~~ unexpected drilling conditions ~~;~~ **(such as** pressure or **formation** irregularities **),** ~~in formations;~~ equipment failures or accidents ~~; fires~~ , ~~explosions~~ **catastrophic events** , ~~blowouts, and surface cratering;~~ marine risks, ~~such as capsizing, collisions, and hurricanes; other~~ adverse weather conditions ~~;~~ **,** and increases in the cost of or shortages or delays in the availability of drilling rigs, equipment, and labor. ~~Future~~ **In addition, exploratory** drilling ~~activities may not be successful, and, if unsuccessful,~~ **involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons. Any** such ~~failure~~ **events** could have an adverse effect on the Company' s future results of operations and financial condition ~~. While all drilling, whether developmental or exploratory, involves these risks, exploratory drilling involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons~~ . Exploration costs and dry hole expenses incurred by the Company during the reporting period are further discussed in this Annual Report on Form 10- K and reflected in the consolidated financial statements included herein. The Company' s commodity price risk management and trading activities may prevent it from benefiting fully from price increases and may expose it to other risks. To the extent that the Company engages in price risk management activities to protect itself from commodity price declines, the Company may be prevented from realizing the benefits of price increases ~~above the levels of the derivative instruments used to manage price risk~~ . **The** ~~In addition, the~~ Company' s hedging arrangements may expose it to the risk of financial loss ~~in certain circumstances~~ , including **when** ~~instances in which the Company' s~~ production falls short of the hedged volumes, ~~there is a widening of~~ price- basis differentials **widen** ~~between delivery points for the Company' s production and the delivery point assumed in the hedge arrangement~~ , **a** ~~the counterparties to the Company' s~~ hedging **counterparty defaults** ~~or other price risk management contracts fail to perform under those arrangements~~ , or an unexpected event materially impacts commodity prices **.** Global pandemics have previously,may continue to,and may in the future adversely impact the Company' s business,financial condition,and results of operations ~~,~~ **;** the global economy **;** ~~,and~~ the demand for and prices of oil,natural gas,and NGLs **;and the performance of the Company' s workforce** .Global pandemics and the actions taken by third parties,including,but not limited to,governmental authorities,businesses,and consumers,in response to such pandemics,including the COVID- 19 pandemic,have previously adversely impacted and may from time to time in the future adversely impact the global economy,resulting in significant volatility in the global financial markets ~~.Previous~~ **,and the demand for,and the prices of,oil,natural gas,and NGLs,which may materially adversely affect the Company' s** business ~~closures~~ , **financial condition,cash flows,and results of operations.Additionally,the Company' s operations rely on its workforce having access to its wells,platforms,structures,offices,and facilities.If a significant portion of the Company' s workforce cannot effectively perform their responsibilities,whether resulting from a lack of physical or virtual access,quarantines,illnesses,governmental actions or** restrictions **(including vaccine mandates** ~~on travel," stay- at- home " or " shelter- in- place " orders,~~ and **the reactions thereto),or** other restrictions ~~on movement within and among communities significantly reduced demand for~~ - **or** ~~,and the prices of,oil,natural gas,and NGLs,and such restrictions may be continued or reintroduced at any time.A continued,prolonged period or a renewed period of reduced demand,the failure to timely distribute or the ineffectiveness of or reluctance or refusal of individuals to take any vaccines,the failure to develop or reformulate adequate treatments,including due to the emergence of new variants,and other~~ adverse impacts **resulting** from a pandemic **,** ~~may materially adversely affect~~ the Company' s business,financial condition,cash flows,and results of operations **may be materially adversely affected** ~~.Actual results will depend on future events,which the~~ . RISKS RELATED TO OPERATIONS AND DEVELOPMENT PROJECTS The Company' s operations involve a high degree of operational risk, particularly risk of personal injury, damage to or loss of ~~equipment~~ **property** , and environmental accidents. The Company' s operations are subject to hazards and risks inherent in the drilling, production, and transportation of crude oil, natural gas, and NGLs, including well blowouts, explosions, fires, ~~and~~ cratering ~~;~~ **,** pipeline or other facility ruptures and spills ~~; formations with abnormal pressures; equipment malfunctions; hurricanes~~ , **adverse** ~~major storms, and cyclones, which could affect the Company' s operations in areas such as on and offshore the Gulf Coast, North Sea, and Suriname, and other natural and anthropogenic disasters and~~ weather conditions ~~; and~~ **, including those impacting the Company' s offshore operating areas,** surface spillage and ~~surface or~~ ground water contamination ~~from petroleum constituents~~ , **and** ~~saltwater, or hydraulic fracturing chemical additives. Failure~~ **failure** or loss of equipment **. These events** , ~~as the result~~ **including ineffective containment** of ~~equipment malfunctions, cyberattacks, or natural disasters,~~ such **events** ~~as hurricanes~~ , could result in property damages, personal injury, environmental pollution, and other damages for which the Company could be liable ~~. Litigation arising from a catastrophic occurrence, such as a well blowout, explosion, fire at a location where the Company' s equipment and services are used, or ground water contamination from chemical additives used in hydraulic fracturing may result in substantial claims for damages. Ineffective containment of a drilling well blowout or pipeline rupture or surface spillage and surface or ground water contamination from petroleum constituents or hydraulic fracturing could result in extensive environmental pollution and substantial remediation expenses~~ . If a significant amount of the Company' s production is interrupted, containment efforts

prove to be ineffective, or litigation arises as the result of a catastrophic occurrence, the Company' s cash flows and, in turn, its results of operations could be materially and adversely affected. Weather and climate may have a significant adverse impact on the Company' s revenues and production. Demand for oil and natural gas are, to a significant degree, dependent on weather and climate, which impact the price the Company receives for the commodities it produces. In addition, the Company' s exploration, development, and production activities and equipment have been and can be adversely affected by severe weather, such as freezing temperatures, hurricanes in the Gulf of Mexico, or major storms in the North Sea, **each of** which have previously caused and may cause a loss of production from temporary cessation of activity or lost or damaged equipment. The Company' s planning for normal climatic variation, insurance programs, and emergency recovery plans may inadequately mitigate the effects of such weather conditions, and not all such effects can be predicted, eliminated, or insured against. The Company' s insurance policies do not cover all of the risks the Company faces, which could result in significant financial exposure. Exploration for and production of crude oil, natural gas, and NGLs **involves** ~~can be hazardous~~ -- **hazards** ~~, involving natural disasters and other events such as blowouts, cratering, fires, explosions, and loss of well control~~ , which can result in damage to or destruction of wells or production facilities, injury to persons, loss of life, or damage to property or the environment. The Company' s international operations are also subject to political **and economic** ~~risk~~ **risks** . The insurance coverage that the Company maintains against certain losses or liabilities arising from its operations may be inadequate to cover any such resulting liability; moreover, insurance is not available to the Company against all operational risks. ~~A terrorist or cyberattack targeting systems and infrastructure used by the Company or others in the oil and gas industry may adversely impact the Company' s operations. The Company' s business has become increasingly dependent on digital technologies to conduct certain exploration, development, and production activities. The Company depends on digital technology to estimate quantities of oil and gas reserves, process and record financial and operating data, analyze seismic and drilling information, communicate with personnel and third- party partners, and conduct many of the Company' s activities. Unauthorized access to the Company' s digital technology could lead to operational disruption, data corruption, communication interruption, loss of intellectual property, loss of confidential and fiduciary data, and loss or corruption of reserves or other proprietary information. Also, external digital technologies control nearly all of the oil and gas distribution and refining systems in the U. S. and abroad, which are necessary to transport and market the Company' s production. A cyberattack directed at oil and gas distribution systems have previously and could damage critical distribution and storage assets or the environment, delay or prevent delivery of production to markets, and make it difficult or impossible to accurately account for production and settle transactions. Any such terrorist attack, environmental activist group activity, or cyberattack that affects the Company or its customers, suppliers, or others with whom it does business could have a material adverse effect on the Company' s business, cause it to incur a material financial loss, subject it to possible legal claims and liability, and / or damage its reputation.~~ While certain of the Company' s insurance policies may ~~allow~~ **provide coverage** for ~~coverage of associated damages resulting from~~ such events, if the Company were to incur a significant liability for which it was not fully insured, ~~that~~ **then it** could have a material adverse effect on the Company' s financial position, results of operations, and cash flows. In addition, **if such an event were to occur, then** the proceeds of any such insurance may not be paid in a timely manner **or may not be sufficient to cover all of the Company' s losses. A cyberattack targeting systems and infrastructure used by the Company or others in the oil and gas industry may adversely impact the Company' s operations. There are numerous and evolving risks to the Company' s data, technology, and information systems from cyber threat actors, including criminal hackers, state- sponsored intrusions, industrial espionage, and employee malfeasance. The Company' s operations are dependent on digital technologies, including to estimate reserves, process financial and operating data, analyze drilling information, and communicate with personnel. Unauthorized access to the Company' s data, technology, and information systems could lead to operational disruption, communication interruption, disruption in access to financial reporting systems, loss, misuse, or corruption of data and proprietary information. In addition, unauthorized access to third party information systems could interrupt the oil and gas distribution and refining systems in the U. S. and abroad, which are necessary to transport and market the Company' s production. Cyberattacks directed at oil and gas distribution systems have previously and could again in the future damage critical distribution and storage assets or the environment. The potential impacts of a cyber incident could be made worse by a delay or failure to detect the occurrence, continuance, or extent of such an incident. The Company expends significant resources to protect its digital systems and data, whether such data is housed internally or externally by third parties, against cyberattacks** and may be ~~insufficient if such~~ **required to expend further resources as cyber threat actors become more sophisticated** ~~an~~ **and** ~~event were~~ **as regulations related** to ~~occur~~ **cyberattacks become more complex. Cyberattacks, including malicious software, data privacy breaches by employees, insiders, or others with authorized access to the Company' s systems, cyber or phishing attacks, ransomware attacks, supply chain vulnerabilities, business email compromises, other attempts to gain unauthorized access to the Company' s data and systems, and other electronic security breaches could have a material adverse effect on the Company' s business, cause it to incur a material financial loss, subject it to possible legal claims and liability, and / or damage its reputation** . While the Company ~~has experienced cyberattacks in the past, it~~ has not suffered any material losses as a result of **cyberattacks** ~~such attacks; however~~ , there is no assurance that the Company will not suffer such losses in the future ~~. Further, as cyberattacks continue to evolve, the Company may be required to expend significant additional resources to continue to modify or enhance its protective measures or to investigate and remediate any vulnerabilities to cyberattacks. In addition, cyberattacks against the Company or others in its industry could result in additional regulations, which could lead to increased regulatory compliance costs, insurance coverage cost, or capital expenditures. The Company cannot predict the potential impact that such additional regulations could have on its business and operations or the energy industry at large~~ . Material differences between the estimated and actual timing of critical events or costs may affect the completion and commencement of production from development projects. The Company is involved in several large development projects, and the completion of these projects may be delayed

beyond the Company' s anticipated completion dates. These projects may be delayed by project approvals from joint venture partners, timely issuances of permits and licenses by governmental agencies, weather conditions, manufacturing and delivery schedules of critical equipment, and other unforeseen events. Delays and differences between estimated and actual timing of critical events **and development costs (including for equipment and personnel)** may adversely affect the Company' s large development projects **(including forcing the Company to abandon such projects)** and its ability to participate in large- scale development projects in the future ~~. In addition, the Company' s estimates of future development costs are based on its current expectations of prices and other costs of equipment and personnel the Company will need to implement such projects. The actual future development costs may be significantly higher than the Company currently estimates. If costs become too high, the development projects may become uneconomic to the Company, and it may be forced to abandon such development projects~~ . RISKS RELATED TO RESERVES AND LEASEHOLD ACREAGE Discoveries or acquisitions of additional reserves are needed to avoid a material decline in reserves and production. The production rate from oil and natural gas properties generally declines as reserves are depleted, while related per- unit production costs generally increase as a result of decreasing reservoir pressures and other factors. Therefore, ~~unless~~ **future oil and gas production is highly dependent upon** the Company ~~adds~~ **' s level of success in adding** reserves through exploration and development activities, ~~identifies~~ **identifying** additional behind- pipe zones, secondary recovery reserves, or tertiary recovery reserves through engineering studies, or ~~acquires~~ **acquiring** additional properties containing proved reserves ~~, the Company' s estimated proved reserves will decline materially as reserves are produced~~ . **As** ~~Future oil and gas production is, therefore, highly dependent upon the Company' s level of success in acquiring or finding additional reserves on an economic basis. Furthermore, as~~ oil or natural gas prices increase, the Company' s cost for additional reserves could also increase. The Company may fail to fully identify potential problems related to acquired reserves or to properly estimate those reserves. Although the Company performs a review of properties that it acquires, which the Company believes is consistent with industry practices, such reviews are inherently incomplete ~~. It generally is not feasible to review in- depth every individual property involved in each acquisition. Ordinarily, the Company will focus its review efforts on the higher- value properties and will sample the remainder. However, even a detailed review of records and properties may not necessarily reveal existing or potential problems, nor will it permit the Company as a buyer to become sufficiently familiar with the properties to assess fully and accurately their deficiencies and potential. Inspections may not always be performed on every well~~ , and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is undertaken. ~~Even when problems are identified, the Company often assumes certain environmental and other risks and liabilities in connection with acquired properties.~~ There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves and future production rates and costs with respect to acquired properties, and actual results may vary substantially from those assumed in the estimates. ~~In addition, there~~ **There** can be no assurance that acquisitions will not ~~have an adverse~~ **adversely impact** ~~effect upon~~ the Company' s operating results, particularly during ~~the~~ **their** ~~periods in which the operations of acquired businesses are being integrated~~ **integration** into the Company' s ongoing operations. Crude oil, natural gas, and NGL reserves are estimates, and actual recoveries may vary significantly. There are numerous uncertainties inherent in **the process of** estimating crude oil, natural gas, and NGL reserves and their value **, which** ~~. Reservoir engineering~~ is ~~a~~ **highly** subjective ~~process of estimating underground accumulations of crude oil, natural gas, and NGLs that cannot be measured in an~~ **and relies on** ~~exact manner. Because of the high degree of judgment involved, the accuracy of any reserve estimate is inherently imprecise and a function of~~ the quality of available data and the **accuracy of** engineering and geological interpretation. The Company' s reserves estimates are based on 12- month average prices, except where contractual arrangements exist ~~; therefore~~ , **causing** reserves quantities ~~will~~ **to** change when actual prices increase or decrease ~~. In addition, results of drilling, testing, and production may substantially change the reserve estimates for a given reservoir over time~~ . The estimates of the Company' s proved reserves and estimated future net revenues also depend on a number of factors and assumptions that may vary considerably from actual results, including historical production from the area compared with production from other areas, the **results of drilling, testing, and production for a reservoir over time, the use of volumetric analysis versus production history, the** effects of **changes in laws (** ~~regulations by governmental agencies,~~ including ~~changes to severance and excise~~ taxes **)** , future operating **, workover, and remediation** costs **,** and capital expenditures ~~, and workover and remediation costs. For these reasons, estimates of the economically recoverable quantities of crude oil, natural gas, and NGLs attributable to any particular group of properties, classifications of those reserves, and estimates of the future net cash flows expected from them prepared by different engineers or by the same engineers but at different times may vary substantially~~ . Accordingly, reserves estimates may be subject to ~~upward or downward~~ adjustment, and actual production, revenue, and expenditures with respect to the Company' s reserves likely will vary, possibly materially, from estimates ~~. Additionally, because some of the Company' s reserves estimates are calculated using volumetric analysis, those estimates are less reliable than the estimates based on a lengthy production history. Volumetric analysis involves estimating the volume of a reservoir based on the net feet of pay of the structure and an estimation of the area covered by the structure~~ . In addition, realization or recognition of proved undeveloped reserves will depend on the Company' s development schedule and plans. A change in future development plans for proved undeveloped reserves could cause the discontinuation of the classification of these reserves as proved. Certain of the Company' s undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established on units containing the acreage. A sizeable portion of the Company' s acreage is currently undeveloped. Unless production in paying quantities is established on units containing certain of these leases during their terms, the leases will expire. If the leases expire, the Company will lose its right to develop the related properties. The Company' s drilling plans for these areas are subject to change based upon various factors, including drilling results, commodity prices, the availability and cost of capital, drilling and production costs, availability of drilling services and equipment, gathering system and pipeline transportation constraints, and regulatory approvals. RISKS RELATED TO COUNTERPARTIES The credit risk of financial institutions could adversely affect the Company **and result in a significant loss** . The Company is party to numerous transactions with

counterparties in the financial services industry, including commercial banks, investment banks, insurance companies, other investment funds, and other institutions ~~. These~~ **, including in the form of derivative** transactions **in connection with any hedges and claims under the Company’ s insurance policies, which** expose the Company to credit risk in the event of default of the counterparty. Deterioration **or volatility** in the credit or financial markets **, changes in commodity prices, and changes in a counterparty’ s liquidity** may ~~impact~~ **affect** the ~~credit ratings of the Company’ s current and potential~~ counterparties **’** ~~and affect their~~ ability to fulfill their existing obligations to the Company ~~and their willingness to enter into future transactions with the Company. The Company may also have exposure to financial institutions in the form of derivative transactions in connection with any hedges. The Company also has exposure to insurance companies in the form of claims under the Company’ s policies~~ . In addition, if any lender under the Company’ s credit facilities is unable to fund its commitment, the Company’ s liquidity ~~will~~ **may** be reduced by an amount up to the aggregate amount of such lender’ s commitment **thereunder** ~~under the credit facilities. The Company is exposed to a risk of financial loss if a counterparty fails to perform under a derivative contract. This risk of counterparty non- performance is of particular concern given the recent volatility of the financial markets and significant changes in commodity prices, which could lead to sudden changes in a counterparty’ s liquidity and impair its ability to perform under the terms of the derivative contract. The Company is unable to predict sudden changes in a counterparty’ s creditworthiness or ability to perform. Even if the Company does accurately predict sudden changes, its ability to negate the risk may be limited depending upon market conditions~~ . Furthermore, the bankruptcy of one or more of the Company’ s **counterparties** ~~hedge providers~~ or some other similar proceeding or liquidity constraint might make it unlikely that the Company would be able to collect all or a significant portion of amounts owed to it by the distressed entity or entities ~~. During periods of falling commodity prices~~ , ~~the Company’ s hedge receivable positions increase, which increases the Company’ s exposure. If the creditworthiness of the counterparties deteriorates~~ and ~~results in their nonperformance,~~ the Company could incur a significant loss. The distressed financial conditions of the Company’ s partners and the purchasers of the Company’ s products or assets have had and could have an adverse impact on the Company in the event they are unable to reimburse the Company for their share of costs or to pay the Company for the products or services the Company provides. ~~Concerns about global economic conditions and the volatility of oil, natural gas, and NGL prices have had a significant adverse impact on the oil and gas industry.~~ The Company is exposed to risk of financial loss from trade, joint venture, joint interest billing, and other receivables. ~~The Company sells its crude oil, natural gas, and NGLs to a variety of purchasers. As operator, the Company pays expenses and bills its non- operating partners for their respective shares of costs.~~ As a result of ~~recent economic conditions and the previously~~ -- **previous** severe ~~decline~~ **declines** in commodity prices, some of the Company’ s customers and non- operating partners experienced severe financial problems ~~that had a significant impact on their creditworthiness~~ . The Company cannot provide assurance that one or more of its financially distressed customers or non- operating partners will not default on their obligations to the Company **(including as a result of their filing for bankruptcy or other liquidity constraints)** or that such a default or defaults will not have a material adverse effect on the Company’ s business, financial position, future results of operations, or future cash flows. ~~Furthermore, the bankruptcy of one or more of the Company’ s customers or non- operating partners or some other similar proceeding or liquidity constraint have made it and might make it unlikely that the Company will or would be able to collect all or a significant portion of amounts owed by the distressed entity or entities. Nonperformance by a trade creditor or non- operating partner could result in significant financial losses.~~ The Company’ s liabilities **, including for the decommissioning of previously owned assets,** could be adversely affected in the event one or more of its transaction counterparties **are financially distressed or** become the subject of a bankruptcy case. ~~From time to time the Company divests noncore or nonstrategic domestic and international assets.~~ The agreements relating to ~~these~~ -- **the** ~~transactions~~ **Company’ s divestment of domestic and international assets generally** contain provisions pursuant to which liabilities related to past and future operations ~~have been~~ **(one of the most significant of which is the decommissioning of wells and facilities) are** allocated between the parties by means of liability assumptions, indemnities, escrows, trusts, bonds, letters of credit, and similar arrangements ~~. One of the most significant of these liabilities involves the decommissioning of wells and facilities previously owned by the Company~~ . One or more of the counterparties in these transactions could fail to perform its obligations under these agreements as a result of financial distress ~~. In the event that any such counterparty becomes the subject of a case or proceeding under Title 11 of the United States Code or any other relevant insolvency law or similar law (which are collectively referred to as Insolvency Laws), the counterparty may not perform its obligations under the agreements related to these transactions. In that case, the Company’ s remedy in the proceeding would be a claim for~~ - **or bankruptcy** ~~damages for the breach of the contractual arrangements~~ , which may ~~be either a secured claim or an unsecured claim depending on whether or not the Company has collateral from the counterparty for the performance of the obligations. Resolution of the Company’ s claim for damages in such a proceeding may be delayed, and the Company may be forced~~ - **force the Company** to use available cash to cover the costs of ~~the~~ **such** obligations ~~assumed by the counterparties under such agreements should they arise~~ , pending final resolution of **any claims** ~~the proceeding. Despite the provisions in the Company’ s agreements requiring purchasers of its state or federal leasehold interests to assume certain liabilities and obligations related to such interests, if a purchaser of such interests becomes the subject of a case or proceeding under relevant Insolvency Laws or becomes unable financially to perform such liabilities or obligations, the Company would expect the relevant governmental authorities to require it to perform and hold it responsible for such liabilities and obligations. In such event,~~ the Company may **have against** ~~be forced to use available cash to cover the costs of such liabilities and obligations should they~~ - **the counterparty** ~~arise. If a court or a governmental authority were to make any of the foregoing determinations or take any of the foregoing actions~~ , **which** ~~or any similar determination or action, it~~ could adversely impact the Company’ s cash flows, operations, or financial condition. For additional information regarding Apache’ s prior Gulf of Mexico properties and the bankruptcy of the purchaser of those properties, see the information set forth under “ Potential Decommissioning Obligations on Sold Properties ” in Note 11 — Commitments and Contingencies in the Notes to Consolidated Financial Statements set forth in Item 15 of this Annual Report on Form 10- K. The Company does not always

control decisions made under joint operating agreements or joint ventures, and the parties to such agreements or ventures may fail to meet their obligations. The Company conducts many of its exploration and production (E & P) operations through joint operating agreements or joint ventures with other parties. The Company may not control decisions made under such agreements or ventures, either because it does not have a controlling interest in the venture or is not an operator under the agreement. ~~There~~ - **The** ~~is risk that the~~ other parties to these arrangements may have economic, business, or legal interests or goals that are inconsistent with the Company' s, and, therefore, decisions may be made that the Company does not believe are in its best interest. Moreover, parties to such agreements or ventures may be unable to meet their economic or other obligations, and the Company may be required to fulfill those obligations alone. In either case, the value of the investment and the Company' s business and financial condition may be adversely affected. RISKS RELATED TO CAPITAL MARKETS A downgrade in the Company' s credit rating could negatively impact its cost of and ability to access capital. The Company receives debt ratings from the major credit rating agencies in the U. S. Factors that may impact the Company' s credit ratings include its debt levels, planned asset purchases or sales, and near- term and long- term production growth opportunities. Liquidity, asset quality, cost structure, product mix, commodity pricing levels, and other factors are also considered by the rating agencies. A ratings downgrade could adversely impact the Company' s ability to access debt markets in the future and increase the cost of future debt. During ~~2022~~ **2023** , **Moody** ~~the Company~~ ' s ~~credit~~ **upgraded the Company' s** rating ~~was~~ **to Baa3 / Stable, and Standard and Poor' s** affirmed ~~by Moody~~ **the Company** ' s **rating** ~~as Ba1 / Positive and by Standard and Poor' s~~ as BB / Positive. Past ratings downgrades have required, and any future downgrades may require, the Company to post letters of credit or other forms of collateral for certain obligations. Market conditions may restrict the Company' s ability to obtain funds for future development and working capital needs, which may limit its financial flexibility. The financial markets are subject to fluctuation and are vulnerable to unpredictable ~~shocks~~ **swings** . The Company has a significant development project inventory and an extensive exploration portfolio, which will require substantial future investment. The Company and / or its partners may need to seek financing to fund these or other future activities. The Company' s future access to capital, as well as that of its partners and contractors, could be limited if the debt or equity markets are constrained. This could significantly delay development of the Company' s property interests. The Company' s syndicated **revolving** credit facilities currently mature in April 2027. There is no assurance of the terms upon which potential lenders under future agreements will make loans or other extensions of credit available to the Company or its subsidiaries or the composition of such lenders. The Company' s ability to declare and pay dividends is subject to limitations. The payment of future dividends on the Company' s capital stock is subject to the discretion of the ~~Company' s board~~ **Board** of ~~directors~~ **Directors** , ~~which considers~~ **taking into consideration** , among other factors, the Company' s operating results, **available cash,** overall financial condition, credit ~~- risk~~ **risks** ~~considerations~~ , ~~and~~ capital requirements **, restrictions under the Company' s indentures and other financing agreements, and restrictions under Delaware law** , as well as general business and market conditions. The ~~board~~ **Board** of ~~directors~~ **Directors** is not required to declare dividends on APA' s common stock and may decide not to declare dividends ~~. Any indentures and other financing agreements that the Company enters into in the future may limit its ability to pay cash dividends on its capital stock, including APA common stock. In addition, under Delaware law, dividends on capital stock may only be paid from " surplus, " which is the amount by which the fair value of the Company' s total assets exceeds the sum of its total liabilities, including contingent liabilities, and the amount of its capital; if there is no surplus, cash dividends on capital stock may only be paid from the Company' s net profits for the then- current and / or the preceding fiscal year. Further, even if the Company is permitted under its contractual obligations and Delaware law to pay cash dividends on common stock, the Company may not have sufficient cash to pay dividends in cash on its common stock~~ . Actions by advocacy groups to advance climate change and energy transition initiatives, unfavorable ESG ratings, and funding limitation initiatives may lead to negative investor and public sentiment toward the Company and to the diversion of capital from companies in the oil and gas industry, which could negatively impact the Company' s access to and costs of capital or the market for the Company' s securities. Organizations that provide information to investors on corporate governance and related matters have developed ratings for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform and advise their investment and voting decisions. Unfavorable ESG ratings may lead to negative investor and public sentiment toward the Company, which may cause the market for the Company' s securities to be negatively impacted. In addition, a number of advocacy groups ~~, both domestically and internationally,~~ have campaigned for governmental and private action to influence change in the business strategies ~~in~~ **of** oil and gas companies, including through the investment and voting practices of investment advisers, public pension funds, universities, and other members of the investing community. These **campaign efforts have** ~~activities include increasing attention and demands for action related~~ - **resulted in** ~~to climate change and energy transition matters, such as promoting the use of substitutes to fossil fuel products and encouraging~~ the divestment of investments in the oil and gas industry **and increased** ~~, as well as pressuring~~ **pressure on** lenders and other financial services companies to limit or curtail activities with oil and gas companies. If investors or financial institutions shift funding away from companies in the oil and gas industry, the Company' s access to and costs of capital or the market for the Company' s securities may be negatively impacted. RISKS RELATED TO FINANCIAL RESULTS ~~Future economic conditions in the U. S. and international markets may materially adversely impact the Company' s operating results. Current global market conditions and uncertainty, including economic instability in emerging markets, are likely to have significant long- term effects on the Company' s operating results. Global economic growth drives demand for energy from all sources, including fossil fuels. A lower future economic growth rate could result in decreased demand growth for the Company' s oil and natural gas production as well as lower commodity prices, which would reduce the Company' s cash flows from operations and its profitability.~~ The Company faces strong industry competition that may have a significant negative impact on the Company' s results of operations. Strong competition exists in all sectors of the oil and gas E & P industry. The Company competes ~~with major integrated and other independent oil and gas companies~~ for ~~acquisitions of oil and gas~~ leases, ~~properties, and reserves,~~ equipment ~~and~~ **,** labor ~~required to explore~~ , **key personnel** ~~develop,~~

~~and operate those properties~~ , and marketing of crude oil, natural gas, and NGL production ~~. Crude oil~~ , **the** ~~natural gas, and NGL~~ prices **of which** impact the costs of properties ~~available for acquisition~~ and ~~the number of companies with~~ the financial resources **available** to pursue ~~acquisition~~ **acquisitions** ~~opportunities. Many of the Company' s competitors have financial and other resources substantially larger than the Company possesses and have established strategic, long- term positions and maintain strong governmental relationships in countries in which the Company may seek new entry. As a consequence, the Company may be at a competitive disadvantage in bidding for drilling rights. In addition, many of the Company' s larger competitors may have a competitive advantage when responding to factors that affect demand for oil and gas production, such as fluctuating worldwide commodity prices and levels of production, the cost and availability of alternative fuels, and the application of government regulations. The Company also competes in attracting and retaining personnel, including geologists, geophysicists, engineers, and other specialists~~ . These competitive pressures may have a significant negative impact on the Company' s results of operations. The Company' s ability to utilize net operating losses and other tax attributes to reduce future taxable income may be limited if the Company experiences an ownership change. As described in Note 10 — Income Taxes of the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10- K, the Company has substantial net operating loss carryforwards (NOLs) and other tax attributes available to potentially offset future taxable income. If the Company were to experience an " ownership change " under Section 382 of the Internal Revenue Code of 1986, as amended, which is generally defined as a greater than 50 percentage point change, by value, in the Company' s equity ownership by five- percent shareholders over a three- year period, the Company' s ability to utilize its pre- change NOLs and other pre- change tax attributes to potentially offset its post- change income or taxes may be limited. Such a limitation could materially adversely affect the Company' s operating results or cash flows ~~by effectively increasing~~ **. APA is a holding company and is dependent on the operations of and distributions from** its **subsidiaries, including Apache. As a holding company, APA has no business operations of its own, and its only significant assets are the outstanding equity interests of its subsidiaries, including Apache. As a result, APA relies on cash flows from its subsidiaries to pay dividends on its common stock and to meet its financial obligations, including to service any amounts outstanding under its credit agreement or commercial paper program, and any additional financial obligations that the Company may incur from time to time in the** future ~~tax~~ **. If the subsidiaries are limited in their ability to distribute cash to the Company, such as through legal or contractual limitations, or if the subsidiaries' earnings or other available assets are not sufficient to pay distributions or make loans to the Company in the amounts or at the times necessary to meet the Company' s financial** obligations **, then the Company' s financial condition, cash flows, and reputation may be materially adversely affected** . RISKS RELATED TO GOVERNMENTAL REGULATION AND POLITICAL RISKS The Company may incur significant costs related to environmental matters. As an owner or lessee and operator of oil and gas properties, the Company is subject to various federal, state, local, and foreign laws and regulations relating to the discharge of materials into and protection of the environment. These laws and regulations may, among other things, impose liability on the lessee under an oil and gas lease for the cost of pollution cleanup and other remediation activities resulting from operations, subject the lessee to liability for pollution and other damages, limit or constrain operations in affected areas, **require significant capital expenditures to comply with increasingly strict environmental laws and regulations,** and require suspension or cessation of operations in affected areas. The Company' s efforts to limit its exposure to such liability and cost may prove inadequate and result in significant adverse effects to the Company' s results of operations ~~. In addition, it is possible that the increasingly strict requirements imposed by environmental laws~~ and ~~enforcement policies could require the Company to make significant capital expenditures. Such capital expenditures could adversely impact the Company' s~~ cash flows ~~and its financial condition~~ . The Company' s U. S. operations are subject to governmental risks. The Company' s U. S. operations have been, and at times in the future may be, affected by political developments and by federal, state, and local laws and regulations ~~such as~~ **, including** restrictions on production, changes in taxes ~~, royalties~~ and other amounts payable to governments ~~or governmental agencies~~ , price or gathering rate controls, ~~and~~ environmental protection laws and regulations ~~. In response to the Deepwater Horizon incident in the U. S. Gulf of Mexico in April 2010 and as directed by the Secretary of the U. S. Department of the Interior~~ , ~~the Bureau of Ocean Energy Management (BOEM)~~ and **security for** ~~the Bureau of Safety and Environmental Enforcement (BSEE) issued guidelines and regulations regarding safety, environmental matters, drilling equipment, and decommissioning applicable to drilling in the Gulf of Mexico. These regulations imposed additional requirements and caused delays with respect to development and production activities in the Gulf of Mexico. With respect to oil and gas operations in the Gulf of Mexico, the BOEM issued a Notice to Lessees (NTL No. 2016- N01) significantly revising the obligations of companies operating in the Gulf of Mexico to provide supplemental assurances of performance with respect to~~ plugging, abandonment, and decommissioning obligations ~~associated with wells~~ , **including** ~~platforms, structures, and facilities located upon or used~~ in ~~connection with such companies' oil and gas leases. While~~ the ~~NTL was paused in mid- 2017 and is currently listed on BOEM' s website as " rescinded, " if reinstated, the NTL will likely require that Apache provide additional security to BOEM with respect to plugging, abandonment, and decommissioning obligations relating to Apache' s current ownership interests in various~~ Gulf of Mexico ~~leases. Additionally, the Company is not able to predict the effect that these changes might have on counterparties to which Apache has sold Gulf of Mexico assets or with whom Apache has joint ownership. Such changes could cause the bonding obligations of such parties to increase substantially, thereby causing a significant impact on the counterparties' solvency and ability to continue as a going concern~~ . New political developments, the enactment of new or stricter laws or regulations or other governmental actions impacting the Company' s U. S. operations, and increased liability for companies operating in ~~this sector~~ **the oil and gas E & P industry** may adversely impact the Company' s results of operations. Proposed federal, state, or local regulation regarding hydraulic fracturing could increase the Company' s operating and capital costs. **The Company routinely uses fracturing techniques in the U. S. and other regions to expand the available space for oil and natural gas to migrate toward the wellbore, typically at substantial depths in formations with low permeability.**

Governmental entities have previously taken actions to regulate, and ~~Several~~ **several** proposals are before the U. S. Congress that, if implemented, would **further regulate,** ~~either prohibit or restrict the practice of~~ hydraulic fracturing ~~or subject the process to~~ **. If adopted, such** ~~regulation~~ **regulations** ~~under the Safe Drinking Water Act. Several states and political subdivisions are considering legislation, ballot initiatives, executive orders, or other actions to regulate hydraulic fracturing practices that~~ could impose more stringent permitting, ~~transparency~~ **reporting** , and well construction requirements ~~on hydraulic- fracturing operations~~ or otherwise seek to ban fracturing activities ~~altogether~~ . **These activities** ~~Hydraulic fracturing of wells~~ and ~~subsurface~~ **the associated** water disposal **activities** are ~~also~~ under ~~public and governmental~~ scrutiny due to **their** potential environmental and physical impacts, including possible **water** contamination ~~of groundwater and drinking water~~ and possible links to induced seismicity. **Any** ~~In addition, some municipalities have significantly limited or prohibited drilling activities and / or hydraulic fracturing or are considering doing so. The Company routinely uses fracturing techniques in the U. S. and other regions to expand the available space for natural gas and oil to migrate toward the wellbore. It is typically done at substantial depths in formations with low permeability. Although it is not possible at this time to predict the final outcome of the governmental actions regarding hydraulic fracturing, any~~ new federal, state, or local restrictions on hydraulic fracturing ~~that may be imposed in areas in which the Company conducts business~~ could result in increased compliance costs or additional ~~operating~~ restrictions ~~in~~ **on** the **Company' s** U. S **. operations** . Changes in tax rules and regulations, or interpretations thereof, may adversely affect the Company' s business, financial condition, and results of operations. ~~The U. S. federal~~ **Federal** ~~and~~ **,** state **, and foreign** income tax laws affecting oil and gas exploration, development, and extraction may be modified by administrative, legislative, or judicial interpretation at any time. **For example** ~~Previous legislative proposals~~ , ~~if~~ **the U. K.** enacted ~~into law, could make significant changes to such laws, including the elimination of certain key U. S. federal income tax incentives currently available to oil and gas E & P companies. These changes include, but are not limited to, (i) the repeal of the percentage depletion allowance for oil and gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, and (iii) an extension of the amortization period for certain geological and geophysical expenditures. The passage or adoption of these changes, or similar changes, could eliminate or postpone certain tax deductions that are currently available with respect to oil and gas exploration and development. The Company is unable to predict whether any of these changes or other proposals will be enacted. Any such changes could adversely affect the Company' s business, financial condition, and results of operations. On May 26, 2022, the U. K. Chancellor of the Exchequer announced a new tax (~~ the Energy Profits Levy ~~)~~ **, which assesses an additional levy of 35 percent, effective for the period of January 1, 2023, through March 31, 2028,** on the profits of oil and gas companies operating in the U. K. and the U. K. Continental Shelf. ~~Under the new law, an additional~~ **Additionally** ~~levy is assessed at a 25 percent rate and is effective for the period of May 26~~ , **in** ~~2022, through December 31, 2025. On November 17, 2022,~~ the U. ~~K. Chancellor of the Exchequer announced in the Autumn Statement 2022 further changes to the Energy Profits Levy, increasing the levy assessed from a 25 percent rate to a 35 percent rate, effective for the period of January 1, 2023, through March 31, 2028. On November 22, 2022, the U. K. Government published draft legislation to implement this change, among other provisions, and on January 10, 2023, the Finance Act 2023 was enacted, receiving Royal Assent. The impact of this tax could adversely affect the Company' s future financial condition and cash flows. On August 16, 2022, the U.~~ S. ~~enacted~~ **,** the Inflation Reduction Act of 2022 ~~(IRA). Among other changes, the IRA~~ introduced a new 15 ~~%~~ **percent** corporate alternative minimum tax (Corporate AMT) for taxable years beginning after December 31, 2022 **,** on applicable corporations with an average annual adjusted financial statement income (AFSI) that exceeds $ 1. 0 billion for any three consecutive tax years preceding the tax year at issue. ~~If~~ **Effective January 1, 2024,** the Company ~~were~~ **is subject** to ~~meet this average AFSI test~~ **the Corporate AMT. Accordingly** , any resulting Corporate AMT liability could adversely affect the Company' s future financial results, including earnings and cash flows. ~~Additionally~~ **Previous legislative proposals** , ~~the IRA introduced a 1 % excise~~ **if enacted into law, could make significant changes to** tax **laws** ~~on the fair market value of applicable stock repurchases after December 31~~ , ~~2022~~ **including the elimination of certain key U. S. federal income tax incentives currently available to oil and gas E & P companies. These changes include, but are not limited to, the repeal of the percentage depletion allowance for oil and gas properties, the elimination of current deductions for intangible drilling and development costs, and an extension of the amortization period for certain geological and geophysical expenditures** . The ~~impact~~ **passage or adoption** of ~~this provision~~ **these changes, or similar changes, could eliminate or postpone certain tax deductions that are currently available with respect to oil and gas exploration and development. The Company is unable to predict whether any of these changes or other proposals** will be **enacted. Any such changes** ~~dependent on the extent of any share repurchases made by the Company in future periods and~~ could adversely affect the Company' s ~~future~~ **business,** financial condition **,** and ~~cash flows~~ **results of operations** . RISKS RELATED TO CLIMATE CHANGE The impacts of energy transition could adversely affect the Company' s business, operating results, and financial condition. In recent years, increasing attention has been given to corporate activities related to climate change and energy transition. This focus, together with shifting preferences and attitudes with respect to the generation and consumption of energy, the use of hydrocarbons, and the use of products manufactured with, or powered by, hydrocarbons, may result in increased availability of, and demand for, energy sources other than oil and natural gas, including wind, solar, and hydroelectric power ~~; technological advances with respect to the generation~~ , ~~transmission, storage,~~ and **the** ~~consumption of alternative energy sources; and~~ development of, and increased demand from consumers and industries for, lower- emission products and services, including electric vehicles and renewable residential and commercial power supplies, as well as more energy- efficient products and services. These developments could adversely impact the demand for products powered by or manufactured with hydrocarbons and the demand for ~~the Company' s~~ , and in turn the prices ~~it~~ **the Company** receives for **,** its ~~,~~ crude oil, natural gas, and NGL products, which could materially and adversely affect the Company' s business and financial performance. Changes to existing regulations related to emissions and the impact of any changes in climate could adversely impact the Company' s business. Certain countries where the Company operates, including the U. K., either tax or assess some form of greenhouse gas (GHG) related fees on the Company' s

operations. Exposure has not been material to date, although a change in existing regulations could adversely affect the Company' s cash flows and results of operations. Additionally, there has been discussion in other countries where the Company operates, including the U. S., regarding **changes in** legislation or **heightened** regulation of GHGs, including to monitor and limit existing emissions of GHGs and to restrict or eliminate future emissions. Moreover, in January ~~2021~~ **2024** , the **EPA announced a proposed rule** ~~President issued an executive order that commits~~ to ~~substantial action~~ **assess a charge** on **certain methane emissions in** ~~climate change, calling for, among other~~ -- **the oil and gas** ~~things, the elimination of subsidies provided to the fossil fuel~~ industry **. The Company is currently evaluating the proposed rule** and **its applicability to the Company** ~~increased emphasis on climate- related risk across governmental agencies and economic sectors~~ . Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations, or other regulatory initiatives that are focused on such areas as GHG cap- and- trade programs, carbon taxes, reporting and tracking programs, restriction of emissions, electric vehicle mandates, and combustion engine phaseouts. Any such legislation ~~or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, oil, natural gas, and NGLs. Additionally, political, litigation, and financial risks related to climate change may result in curtailed refinery activity, increased regulation, or other adverse direct and indirect effects on the Company' s business, financial condition, and results of operations. For example, there is a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. Recently, the Federal Reserve announced that it has joined the Network for Greening the Financial System, a consortium of financial regulators focused on addressing climate- related risks in the financial sector. Any such legislation~~ , regulations, or other regulatory initiatives, if enacted, or additional or increased taxes, assessments, or GHG- related fees on the Company' s operations could lead to increased operating expenses or cause the Company to make significant capital investments for infrastructure modifications. Enhanced focus on ESG matters could have an adverse effect on the Company' s operations. Enhanced focus on ESG matters related to, among other things, concerns raised by advocacy groups about climate change, hydraulic fracturing, waste disposal, oil spills, and explosions of natural gas transmission pipelines may lead to increased regulatory review, which may, in turn, lead to new state and federal safety and environmental laws, regulations, guidelines, and enforcement interpretations. These actions may cause operational delays or restrictions, increased operating costs, additional regulatory burdens, increased risk of litigation, and adverse impacts on the Company' s access to capital. Moreover, governmental authorities exercise considerable discretion in the timing and scope of permit issuance ~~,~~ and **regulatory approvals** ~~the public may engage in the permitting process, including through intervention in the courts~~ . Negative public perception could cause the permits **or regulatory approvals** the Company requires ~~to conduct its operations~~ to be withheld, delayed, or burdened by requirements that restrict the Company' s ability to profitably conduct its business. The Company' s estimates used in various scenario planning analyses could differ materially from actual results and could expose the Company to new or additional risks ~~.~~ ~~In 2021, the Company undertook a scenario planning analysis in alignment with recommendations of the Financial Stability Board' s Taskforce on Climate- related Financial Disclosures (TCFD). This expanded climate- focused scenario planning framework included forecasts of future demand and pricing in energy markets, as well as changes in government regulations and policy~~ . Given the dynamic nature of the Company' s business, the Company generally performs annual scenario analyses with five- year time horizons. When analyzing longer- term ~~TCFD~~ scenarios, the Company relies on external analysis for demand scenarios, carbon pricing, and comparison- pricing scenarios, which are then compared to the Company' s internally prepared base- case pricing analysis averaged out to **the year** 2040. Given the numerous estimates that are required to run these scenarios, the Company' s estimates could differ materially from actual results. **The Company** ~~Additionally, by electing to set and share~~ publicly **discloses** these metrics **and its related assumptions and analysis** in **its annual** ~~the Company' s~~ sustainability report **.** **By electing** ~~and the Company' s commitment~~ to ~~expand upon its disclosures~~ --- **disclose** ~~, the~~ **these metrics, the** Company ~~' s business~~ may ~~also~~ face increased scrutiny related to **its** ESG initiatives ~~. As a result, the Company could damage its reputation if it fails to act responsibly in the areas in which it reports~~ . Any harm to the Company' s reputation resulting from ~~setting~~ **publicly disclosing such** these metrics, expanding ~~its~~ disclosures **related** ~~, or its failure or perceived failure~~ to ~~meet~~ such metrics **,** or **failing to achieve such metrics or abiding by such** disclosures could adversely affect the Company' s business, financial performance, and growth ~~. The Company operates in Gulf Coast wetlands, which face threats from climate change and human activities. A changing climate creates uncertainty and could result in broad changes, both physical and financial, to the areas in which the Company operates, including Gulf Coast wetlands. For several decades, the State of Louisiana has lost an estimated 20 square miles of wetlands per year, due to natural processes of subsidence, saltwater intrusion, and shoreline erosion, as well as human activities, such as levee construction along the Mississippi River and the dredging of navigation canals. A possible result of climate change is more frequent and more severe weather events, such as hurricanes and major flooding events. The risk of increased or more severe hurricanes or flooding events along or near the Gulf Coast could increase the Company' s costs to repair damaged facilities and restore production. Additionally, federal, state, and local laws and regulations may impose numerous obligations applicable to the Company' s operations, including: (i) the limitation or prohibition of certain activities on wetlands; (ii) the imposition of substantial liabilities for pollution resulting from operations; (iii) the reporting of the types and quantities of various substances that are generated, stored, processed, or released in connection with protected properties; and (iv) the installation of costly emission monitoring and / or pollution control equipment. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil, or criminal penalties, the imposition of investigatory or remedial obligations, and the issuance of orders limiting or prohibiting some or all of the Company' s operations. In addition, the Company may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt the Company' s operations or specific projects and limit its growth and revenue~~ . The guidance upon which the Company' s consumptive water use reporting was modified and could be revised in the future, resulting in the over or underreporting of the Company' s consumptive water use ~~, and could expose the Company to financial risk~~ . **In** ~~Based on Ipieca' s Sustainability Reporting Guidance of the Oil and Gas Industry (2020~~ **2022** ~~)~~ , the Company modified the way it reports its

water data compared to previous years and ~~also~~ restated **its** data from ~~past~~ **prior** years. Previously, the Company included produced water usage in its consumptive use calculations, which led to an over- reporting of consumptive water use. Based on re- evaluation of water reporting definitions and guidance, the Company determined that produced water ~~—~~ **(** non- potable water released from deep underground formations and brought to the surface during oil and gas exploration and production ~~—~~ **)** should not be classified as consumed in the same sense as fresh water ~~. Produced water is generally not of the quality that most users would be able to utilize and is therefore not available for third- party usage outside of the oilfield~~ . The Company' s revised reporting now reflects only fresh water and non- potable water from surface water or shallow groundwater that are consumed in oil and gas operations. The treatment and disposal of produced water is becoming more highly regulated and restricted and could expose the Company to additional costs or limit certain operations. The treatment and disposal of produced water is becoming more highly regulated and restricted. ~~The Company' s ability~~ **Regulators in some states, such as the Railroad Commission of Texas, have taken actions** to ~~accurately report and track its~~ **limit disposal well activities (including orders to temporarily shut down or to curtail** water **injection)** ~~use is necessary for its continued ability to reuse~~ and ~~recycle water, when possible~~ **to require the monitoring of seismic activity** . While the Company remains focused on reusing or recycling water over disposal of water, the Company' s costs for obtaining and disposing of water could increase significantly if reusing and recycling water becomes impractical. Further, compliance with reporting and environmental regulations governing the withdrawal, storage, use, and discharge of water **and restrictions related to disposal wells** may increase the Company' s operating costs **or capital expenses or cause the Company to limit production** , which could materially and adversely affect its business, results of operations, and financial conditions ~~. In response to concerns regarding induced seismicity, regulators in some states have imposed, or are considering imposing, additional requirements in the permitting of produced water disposal wells to assess any relationship between seismicity and the use of such wells. For example, the Railroad Commission of Texas (RRC) has been developing data associated with seismic activity, particularly such activity related to injection wells used for produced water disposal. In September 2021, the RRC began to limit saltwater disposal in the Midland Basin under what is known as a Seismic Response Action (or SAR) due to increased seismic activity. Among other things, these rules require companies seeking permits for disposal wells to provide seismic activity data in permit applications, provide for more frequent monitoring and reporting for certain wells, and allow the state to modify, suspend, or terminate permits on grounds that a disposal well is likely to be, or determined to be, causing seismic activity. States may issue orders to temporarily shut down or to curtail the injection depth of existing wells in the vicinity of seismic events. Increased regulation and attention given to induced seismicity could also lead to greater opposition, including litigation to limit or prohibit oil and natural gas activities utilizing injection wells for produced water disposal. These developments could result in restriction of disposal wells that could have a material effect on the Company' s capital expenses and operating costs or limit production in certain areas~~ . RISKS RELATED TO INTERNATIONAL OPERATIONS International operations have uncertain political, economic, and other risks. The Company' s operations outside the U. S. are based primarily in Egypt and the U. K., with significant exploration and appraisal activities offshore Suriname. On a barrel equivalent basis, approximately ~~47~~ **46** percent of the Company' s ~~2022~~ **2023** production was outside the U. S., and approximately ~~32~~ **30** percent of the Company' s estimated proved oil and gas reserves as of December 31, ~~2022~~ **2023** , were located outside the U. S. As a result, a significant portion of the Company' s production and resources are subject to the increased political and economic risks and other factors associated with international operations, including, but not limited to ~~: • general~~ strikes and civil unrest; ~~• the risk of~~ war, acts of terrorism, expropriation and resource nationalization, ~~and~~ forced renegotiation or modification of existing contracts, including through prospective or retroactive changes in the laws and regulations applicable to such contracts; ~~•~~ import and export regulations; ~~•~~ taxation policies ~~, including royalty and tax increases and retroactive tax claims,~~ and investment restrictions; ~~•~~ price ~~control~~ **controls** ; ~~• transportation regulations~~ **exchange controls, currency fluctuations, devaluations, or other activities that limit or disrupt markets** and ~~tariffs~~ **restrict payments or the movement of funds** ; ~~•~~ constrained oil or natural gas markets dependent on demand in a single or limited geographical area; ~~• exchange controls, currency fluctuations, devaluations, or other activities that limit or disrupt markets and restrict payments or the movement of funds; •~~ laws and policies of the U. S. affecting foreign trade, including trade sanctions; ~~• the long- term effects of the U. K.' s withdrawal from the European Union, including any resulting instability in global financial markets or the value of foreign currencies such as the British pound; •~~ the possibility of being subject to exclusive jurisdiction of foreign courts in connection with legal disputes relating to licenses to operate and concession rights in countries where the Company currently operates; ~~•~~ the possible inability to subject foreign persons, especially foreign oil ministries and national oil companies, to the jurisdiction of courts in the U. S.; and ~~•~~ difficulties in enforcing the Company' s rights against a governmental agency because of the doctrine of sovereign immunity and foreign sovereignty over international operations. Foreign countries have occasionally asserted rights to oil and gas properties through border disputes. If a country claims superior rights to oil and gas leases or concessions granted to the Company by another country, the Company' s interests could decrease in value or be lost. Even the Company' s smaller international assets may affect its overall business and results of operations by distracting management' s attention from its more significant assets. Certain regions of the world in which the Company operates have a history of political and economic instability. This instability could result in new governments or the adoption of new policies that might result in a substantially more hostile attitude toward foreign investments such as the Company' s. In an extreme case, such a change could result in termination of contract rights and expropriation of the Company' s assets. This could adversely affect the Company' s interests and its future profitability. The impact that future terrorist attacks or regional hostilities, as have occurred in countries and regions in which the Company operates, may have on the oil and gas industry in general and on the Company' s operations in particular is not known at this time. Uncertainty surrounding military strikes or a sustained military campaign may affect operations in unpredictable ways, including disruptions of fuel supplies and markets, particularly oil, and the possibility that infrastructure facilities, including pipelines, production facilities, processing plants, and refineries, could be direct targets or indirect casualties of an act of terror or war. The Company may be required to

incur significant costs in the future to safeguard its assets against terrorist activities. A **further** deterioration of conditions in Egypt or changes in the economic and political environment in Egypt could have an adverse impact on the Company' s business. **Further** ~~Deterioration~~ **deterioration** in the political, economic, and social conditions or other relevant policies of the Egyptian government, such as changes in laws or regulations, export restrictions, expropriation of the Company' s assets or resource nationalization, and / or forced renegotiation or modification of the Company' s existing contracts with Egyptian General Petroleum Corporation (EGPC), or threats or acts of terrorism could materially and adversely affect the Company' s business ~~, financial condition,~~ and ~~results of~~ operations **. Additionally, deteriorating economic conditions in Egypt have led to a shortage of foreign currency, including U. S. dollars, resulting in a decline in the timeliness of payments from EGPC. A continuation or worsening of the currency shortage in Egypt or further deterioration of economic conditions there could lead to additional payment delays, deferrals of payment, or non- payment in the future** . The Company' s operations in Egypt, excluding the impacts of a one- third noncontrolling interest, contributed ~~28~~ **27** percent of the Company' s ~~2022~~ **2023** production and accounted for 15 percent of the Company' s year- end estimated proved reserves and ~~22~~ **29** percent of the Company' s estimated discounted future net cash flows **. If conditions continue to deteriorate in Egypt, then it could materially and adversely affect the Company' s business, financial condition, and results of operations** . The Company' s operations are sensitive to currency rate fluctuations. The Company' s operations are sensitive to fluctuations in foreign currency exchange rates, particularly between the U. S. dollar and the British pound. The Company' s financial statements, presented in U. S. dollars, may be affected by foreign currency fluctuations through both translation risk and transaction risk. Volatility in exchange rates may adversely affect the Company' s results of operations, particularly through the weakening of the U. S. dollar relative to other currencies. RISKS RELATED TO THE ~~HOLDING~~ **PROPOSED ACQUISITION OF CALLON PETROLEUM** COMPANY ~~REORGANIZATION APA~~ **(CALLON) The merger** is ~~dependent~~ **subject to a number of conditions to the obligations of both the Company and Callon to complete the merger, including approval of the Company and Callon stockholders and regulatory clearance, which may impose unacceptable conditions or could delay completion of the merger or result in termination of the Merger Agreement. On January 3, 2024, the Company entered into a definitive agreement (the Merger Agreement) to acquire Callon. The respective obligations of each of the Company and Callon to consummate the merger are subject to the satisfaction at or prior to the closing of numerous conditions, including the approval of both the Company' s and Callon' s stockholders, the absence of any law or order prohibiting the consummation of the merger, and the expiration or termination of the waiting period (and any extension of such period) under the Hart- Scott- Rodino Antitrust Improvements Act of 1976, as amended. Many of the conditions to completion of the merger are not within either the Company' s or Callon' s control, and the Company cannot predict when, or if, these conditions will be satisfied. Furthermore, the requirement for obtaining the required regulatory clearances could delay the completion of the merger for a significant period of time or prevent it from occurring. Regulators may seek to enjoin the completion of the merger, seek divestiture of substantial assets of the parties, or require the parties to license, or hold separate, assets or terminate existing relationships and contractual rights. Failure to complete the merger could negatively impact the Company' s stock price and have a material adverse effect** on the **Company' s results of** operations **, cash flows,** and ~~funds of~~ **financial position. If the merger** ~~its~~ - **is** ~~subsidiaries~~ **not completed for any reason** , including **as** ~~Apache. As~~ a result of **failure** ~~the Holding Company Reorganization, APA became the successor issuer~~ to ~~,~~ **obtain all requisite regulatory** and **stockholder approvals** ~~parent holding company of~~ , **the ongoing** ~~Apache. APA has no~~ business ~~operations~~ of ~~its own, and its only significant assets are the outstanding equity interests of its subsidiaries, including Apache. As a result, APA relies on cash flows from its subsidiaries, including Apache, to pay dividends with respect to APA' s common stock and to meet its financial obligations, including to service any debt obligations that the Company may incur from time to time. Legal and contractual restrictions in agreements governing future indebtedness of Apache, as well as Apache' s financial condition and future operating requirements, may limit Apache' s ability to distribute cash to the Company. If Apache is limited in its ability to distribute cash to the Company, or if Apache' s earnings or other available assets of are not sufficient to pay distributions or make loans to the Company in the amounts or at the times necessary for it to pay dividends with respect to its common stock and / or to meet its financial obligations, then~~ - **the** ~~the~~ Company ~~' s business, financial condition, cash flows, results of operations, and reputation~~ may be materially adversely affected ~~. The Company may not obtain the anticipated benefits of the reorganization into a holding company structure. The Company believes that its holding company structure allows it to focus on running its diverse businesses independently, with the goal of maximizing each of the business' potential. However, the anticipated benefits of the Holding Company Reorganization may not be obtained if circumstances prevent the Company from taking advantage of the strategic~~ and ~~business opportunities that it expects the structure may afford the Company. As a result~~ , ~~the Company may incur the costs of a holding company structure~~ without realizing **any of** the ~~anticipated~~ benefits **of having completed the merger, the Company would be subject to a number of risks, including the following: • the Company may experience negative reactions from the financial markets, including negative stock price impacts; • the Company may experience negative reactions from commercial and business partners; • the Company will still be required to pay significant costs relating to the merger, such as legal, accounting, financial advisor, and printing fees; and • the Company may be required to pay up to a $ 170 million termination fee to Callon or reimburse up to $ 48 million of Callon' s expenses, as required by the Merger Agreement. The pending merger may cause a loss of key employees, disruptions in business relationships, distraction of management, and limitations on the Company' s business activities. Whether or not the merger is completed, the announcement and pendency of the merger could cause disruptions to the Company' s business, including: • uncertainties associated with the merger may cause a loss of management personnel and other key employees of the Company** , which could adversely affect the **future** ~~Company' s~~ business **and operations of the Company following the merger; • the business relationships of the Company may be subject to disruption due to uncertainty associated with the merger** , **which could have a material adverse effect**

on the Company’ s results of operations, cash flows, and financial position; • matters relating to the merger (including integration planning) require substantial commitments of time and resources by the Company’ s management, which may result in the distraction of the Company’ s management from ongoing business operations and pursuing other opportunities that could be beneficial to the Company; and • the Merger Agreement places certain restrictions on the conduct of the Company, which may delay or prevent the Company from undertaking business opportunities that, absent the Merger Agreement, may have been pursued. The Company may fail to realize the anticipated benefits of the merger and fail to successfully integrate the businesses and operations of the companies in the expected time frame. The success of the merger will depend on, among other things, the combined company’ s ability to integrate the Company’ s and Callon’ s businesses in a manner that realizes anticipated synergies and benefits and meets or exceeds the forecasted stand- alone cost savings anticipated by the combined company. If the combined company is not able to successfully achieve these synergies, or the cost to achieve these synergies is greater than expected, then the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. If the transaction closes, it is possible that the integration process could result in the loss of key Company employees or key Callon employees, the loss of customers, providers, vendors, or business partners, the disruption of either company’ s or both companies’ ongoing businesses, inconsistencies in standards, controls, procedures, and policies, potential unknown liabilities and unforeseen expenses, delays, or regulatory conditions associated with and following completion of the merger, or higher than expected integration costs and an overall post- completion integration process that takes longer than originally anticipated. In addition, at times the attention of certain members of the Company’ s management and resources may be focused on completion of the merger and planning the integration of the businesses of the two companies and diverted from day- to- day business operations or other opportunities that may have been beneficial to the Company, which may disrupt the Company’ s ongoing business and the business of the combined company. Litigation relating to the merger could result in substantial costs to the Company. Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition, merger, or other business combination agreements. Even if such a lawsuit is without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on the Company’ s liquidity and financial condition **. There can be no assurance that any of the defendants will be successful in the outcome of any pending or any potential future lawsuits. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect the Company’ s business** , **financial condition, results of operations, and** cash flows ~~, and results of operations~~ . GENERAL RISK FACTORS Certain anti- takeover provisions in the Company’ s charter and Delaware law could delay or prevent a hostile takeover. The Company’ s charter authorizes the ~~board~~ **Board** of ~~directors~~ **Directors** to issue preferred stock in one or more series and to determine the voting rights and dividend rights, dividend rates, liquidation preferences, conversion rights, redemption rights, including sinking fund provisions and redemption prices, and other terms and rights of each series of preferred stock. In addition, Delaware law imposes restrictions on mergers and other business combinations between the Company and any holder of 15 percent or more of APA’ s outstanding common stock. These provisions may deter hostile takeover attempts that could result in an acquisition of the Company that would have been financially beneficial to APA’ s shareholders.