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Apache Announces Strategic Exit From Canada

HOUSTON, July 06, 2017 (GLOBE NEWSWIRE) -- Apache Corporation (NYSE:APA) (Nasdaq:APA) announced today it will complete an exit from Canada upon the closing of three recent transactions.

Apache has agreed to sell its Apache Canada Ltd. subsidiary to Paramount Resources Ltd. (TSX:POU). This includes properties located principally in the provinces of Alberta and British Columbia. In a separate transaction signed in June, Apache agreed to sell its Provost assets in Alberta to an undisclosed privately owned company. Also in June, Apache sold its assets at Midale and House Mountain, located in Saskatchewan and Alberta, to Calgary-based Cardinal Energy Ltd. (TSX:CJ).

Production from Apache's Canadian operations averaged approximately 300 million cubic feet of gas equivalent per day for the second-quarter 2017, of which approximately two-thirds is natural gas. Aggregate proceeds from the three transactions are approximately \$713 million (CA\$ 927 million). These proceeds, subject to foreign exchange movement and customary closing adjustments, will be used to fund a portion of Apache's 2017-2018 capital program, to reduce debt, or to improve overall liquidity.

"Today's announcement is consistent with Apache's objective of streamlining our portfolio and focusing on assets in the United States, United Kingdom North Sea and Egypt. This strategic decision will enhance the company's resource allocation to its primary growth areas, particularly within the Permian Basin," said John J. Christmann IV, Apache's chief executive officer and president.

Upon completion of its exit from Canada, Apache will realize a significant reduction in asset retirement obligations and annual overhead costs. Total company revenues per BOE, cash margins per BOE, and earnings per share will also improve with the completion of these transactions. Apache budgeted \$125 million of capital expenditures to Canada for 2017 and 2018. Unspent allocations will be redirected to other areas of the portfolio. The company plans to update its 2017 and 2018 guidance following the closings of the three transactions. The Cardinal transaction closed in late June, and the remaining two are expected to close by the end of August 2017.

"Apache has had a long-standing presence in Canada, and I want to extend my sincere gratitude to all employees associated with our Canadian operations. Your efforts and hard work over the years helped grow our Canadian business into one of the largest in the region. We are grateful for your commitment to excellence and responsible development.

"With our decision to exit Canada, Apache's resulting global portfolio is more streamlined and our resources more focused. Our strong positions and enhanced focus in our core areas will drive improvements to overall returns on capital invested going forward," Christmann said.

About Apache

Apache Corporation is an oil and gas exploration and production company with operations in the United States, Canada, Egypt and the United Kingdom. Apache posts announcements, operational updates, investor information and copies of all press releases on its website, www.apachecorp.com, and on its Media and Investor Center mobile application, which is available for free download from the [Apple App Store](#) and the [Google's Play store](#).

Forward-looking statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects" and similar references to future periods. These statements include, but are not limited to, statements about future plans, expectations and objectives for Apache's operations. The sale of Apache Canada Ltd. and the other Canadian assets is subject to customary closing conditions and may not be completed for the amount expected, in the anticipated time frame, or at all. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. See "Risk

Factors" in our 2016 Form 10-K filed with the Securities and Exchange Commission for a discussion of risk factors that affect our business. Any forward-looking statement made by us in this news release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future development or otherwise, except as may be required by law.

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