

Altus Midstream Company

July 2020

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INFORMATION ABOUT ALPINE HIGH

Information in this presentation about Alpine High, including the reserve and production information set forth within the section entitled "Alpine High Overview," has been provided by, and is the responsibility of, Apache. Reserve engineering is a process of estimating underground accumulations of hydrocarbons that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data, and price and cost assumptions made by reserve engineers. Accordingly, reserve estimates may differ significantly from the quantities of oil and natural gas that are ultimately recovered.

USE OF PROJECTIONS

This presentation contains projections for Altus Midstream, including with respect to Altus Midstream's Adjusted EBITDA, capital investments, growth capital investments, and distributable cash flow. Altus Midstream's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, have not expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only, should not be relied upon as being necessarily indicative of future results, and are subject to the disclaimers under "Forward Looking Statements" above.

USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes non-GAAP financial measures, including Adjusted EBITDA, capital investments, growth capital investments, and distributable cash flow of Altus Midstream. Altus Midstream believes these non-GAAP measures are useful because they allow Altus Midstream to more effectively evaluate its operating performance and compare the results of its operations from period to period and against its peers without regard to financing methods or capital structure. Altus Midstream does not consider these non-GAAP measures in isolation or as an alternative to similar financial measures determined in accordance with GAAP. The computations of Adjusted EBITDA, capital investments, growth capital investments, and distributable cash flow may not be comparable to other similarly titled measures of other companies. Altus Midstream excludes certain items from net (loss) income in arriving at Adjusted EBITDA and distributable cash flow because these amounts can vary substantially from company to company within its industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA and distributable cash flow should not be considered an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as indicators of operating performance. Certain items excluded from Adjusted EBITDA and distributable cash flow are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA or distributable cash flow. Altus Midstream's presentation of Adjusted EBITDA, capital investments, growth capital investments, and distributable cash flow should not be construed as an inference that its results will be unaffected by unusual or non-recurring terms.

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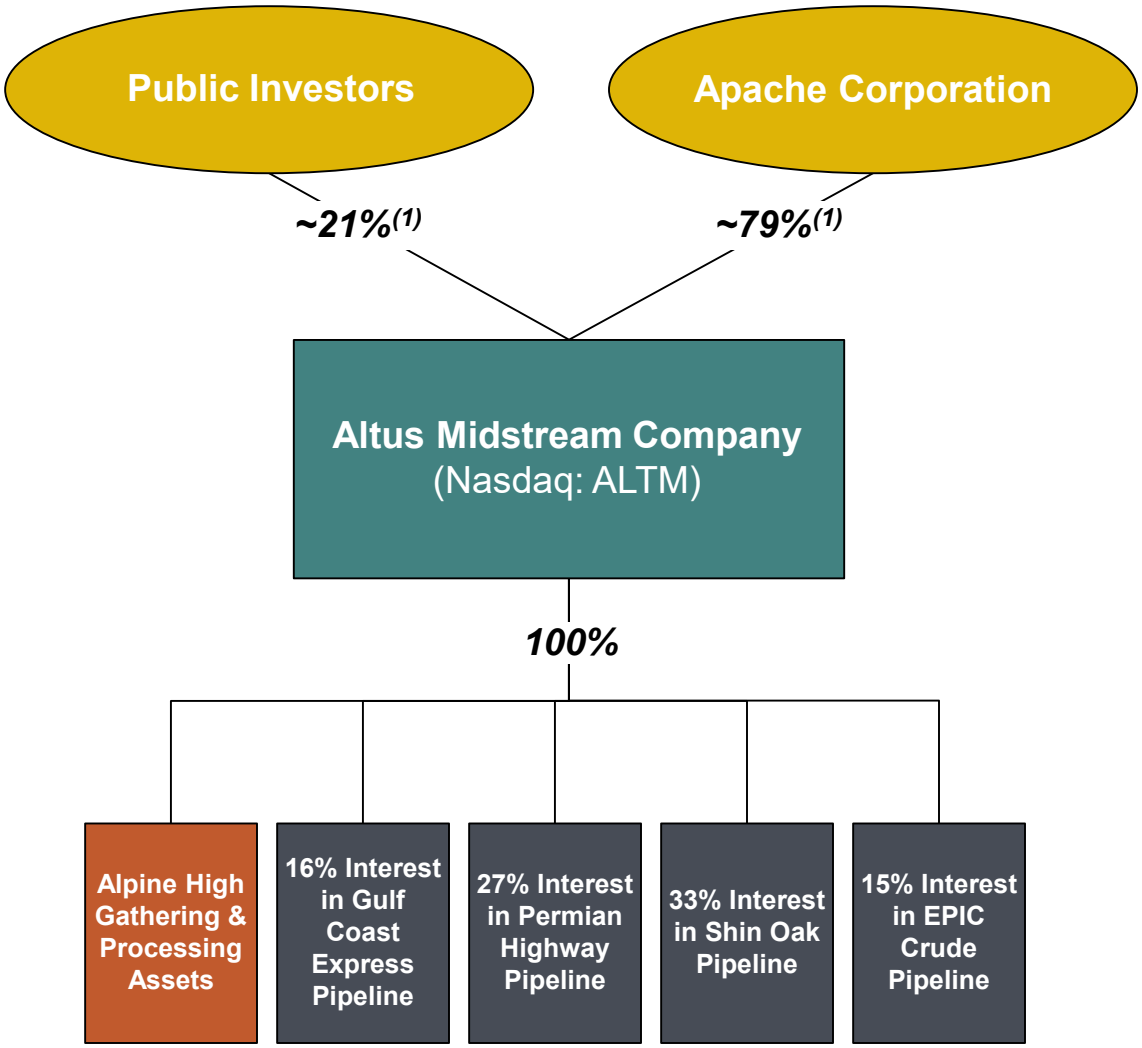
Altus Midstream Overview

Altus Midstream Summary Overview

Commentary

- Altus Midstream is a pure-play, Permian to Gulf Coast midstream C-corp
  - C-corp governance / no IDRs
- Interests in premier JV pipelines provide diversity of stable cash flows and long-term contracts
- State of the art gathering and processing assets
- Conservative balance sheet; low leverage
- Strong financial position with ample liquidity to fund future growth plans

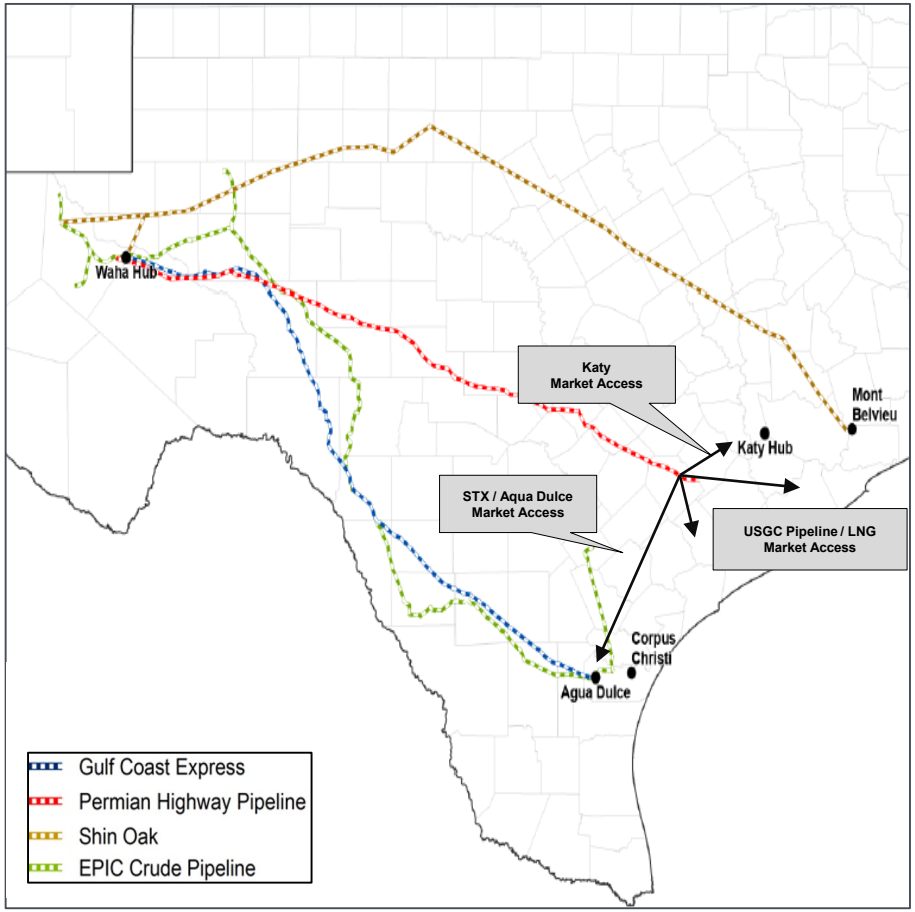
Simplified Structure



(1) Amounts reflect direct and indirect ownership interests in ALTM.

Joint Venture Pipelines Overview

Pipeline Map



Commentary

- Altus owns equity method interests in four joint venture pipeline projects
- All pipelines in-service with the exception of Permian Highway (expected in early 2021)
- Long-haul pipe investments provide diversified cash flow stream across all 3 commodities

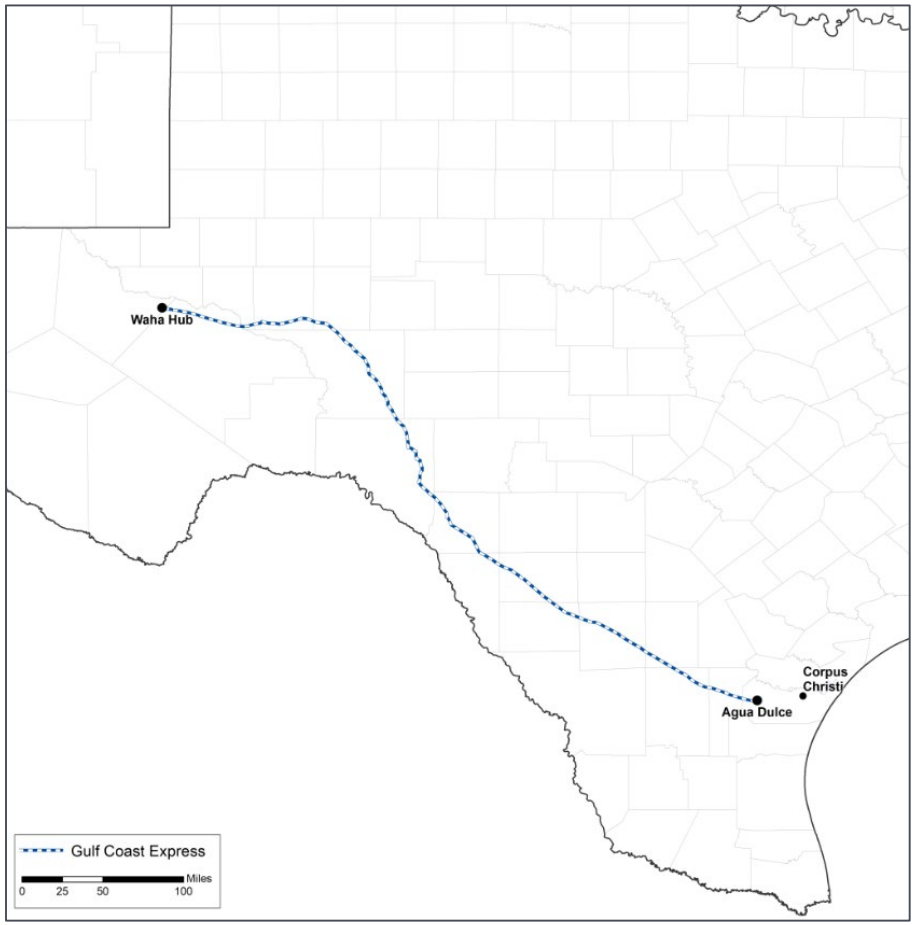
Natural Gas	• 16% of KMI's GCX • 27% of KMI's Permian Highway
NGLs	• 33% of EPD's Shin Oak
Crude	• 15% of EPIC Crude

JV Pipeline Recent Developments

Gulf Coast Express Pipeline	▶ Capacity of 2.0 Bcf/d is fully subscribed under long-term, binding agreements ▶ GCX continues strong performance, with cash distributions in-line with expectations
Permian Highway Pipeline	▶ Capacity of 2.1 Bcf/d is fully subscribed under long-term, binding agreements ▶ Expected in-service in early 2021 with project cost estimated at ~$2.1 billion ▶ Construction continues to progress, with more than 75% mechanically complete on the pipeline
Shin Oak NGL Pipeline	▶ Project completed within budget of $1.5 billion ▶ Projecting immaterial go-forward capital needs; expect to continue generating cash distributions in-line with outlook ▶ Revised outlook to reflect lower activity levels in the Permian Basin
EPIC Crude Pipeline	▶ Commenced full service in April 2020 ▶ Cost overruns and out of scope projects have increased estimated project cost to ~$2.4 – $2.5 billion (~$350 million over the original ~$2.1 billion budget) ▶ EPIC has funded overage with a combination of operating cash flow, project level debt financings and equity contributions from all partners

Gulf Coast Express (GCX) Overview

Pipeline Map

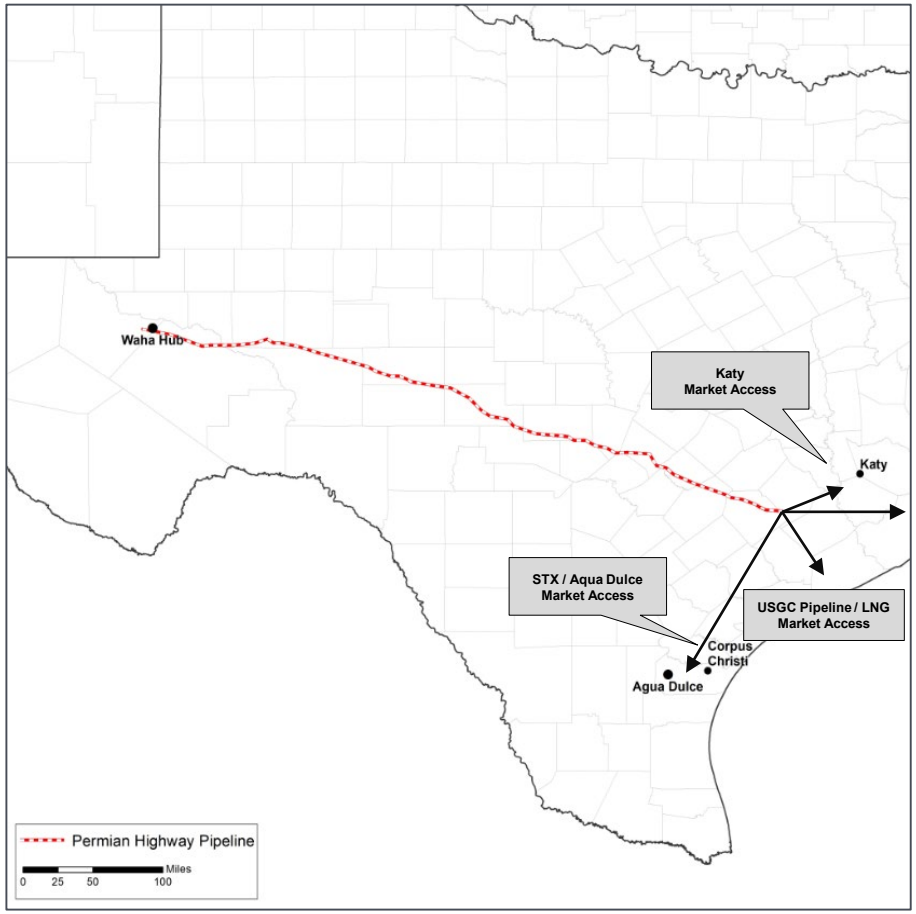


Commentary

- Altus owns 16% of GCX, remaining ownership is 34% Kinder Morgan (Operator), 25% DCP and 25% Targa
- Project Statistics:
  - Capacity: 2.0 Bcf/d
  - In-service since Sept 2019, Altus continues to receive distributions
  - Capacity is fully subscribed under long-term, binding agreements
- Provides flexible access to growing markets
  - Exports to Mexico and Gulf Coast LNG liquefaction terminals
  - Growing industrial demand
  - Multiple pipeline interconnects at Agua Dulce including KMI intrastate capacities of over 7 Bcf/d (pipeline) and 132 Bcf (storage)

Permian Highway Pipeline (PHP) Overview

Pipeline Map

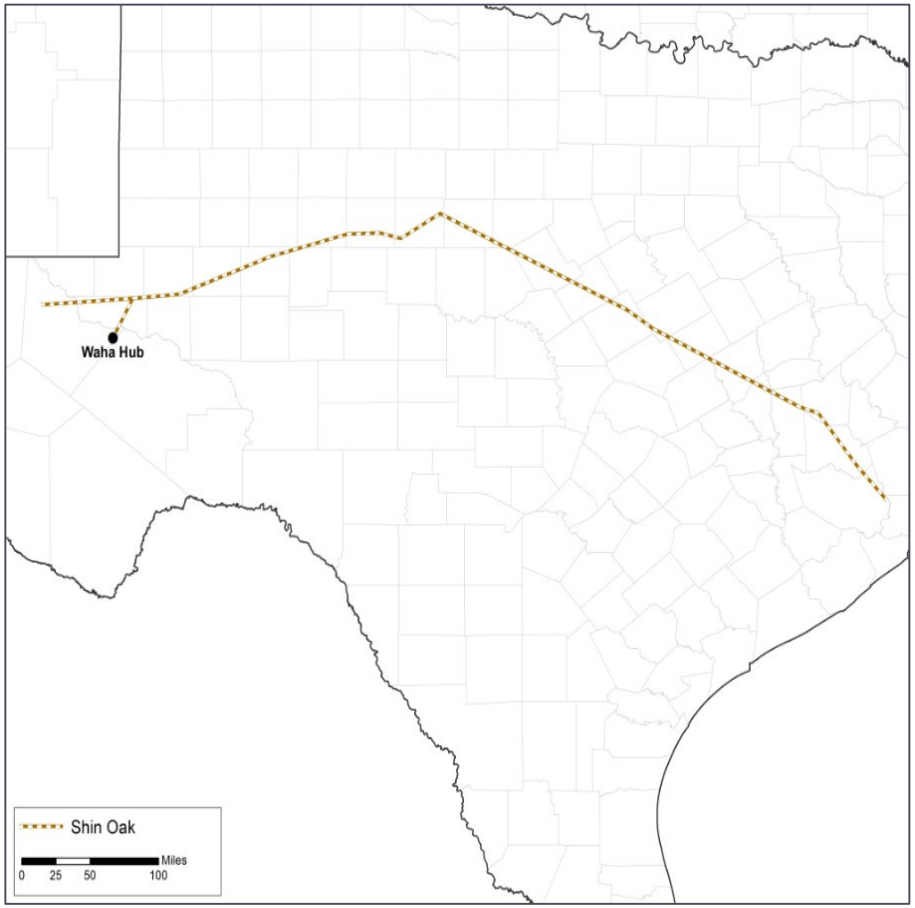


Commentary

- Altus owns ~27% of PHP, remaining ownership is ~27% Kinder Morgan (Operator), ~27% EagleClaw and 20% from an undisclosed anchor shipper
- Designed to transport approximately 2.1 Bcf/d of natural gas
  - Pipeline capacity is fully subscribed by long-term minimum volume commitments
  - Approximately 430 miles of 42” pipeline from Waha to Katy, with connections to the U.S. Gulf Coast and Mexico markets
- Expected in-service in early 2021
  - Construction continues to progress, with more than 75% mechanically complete on the pipeline

Shin Oak Pipeline Overview

Pipeline Map

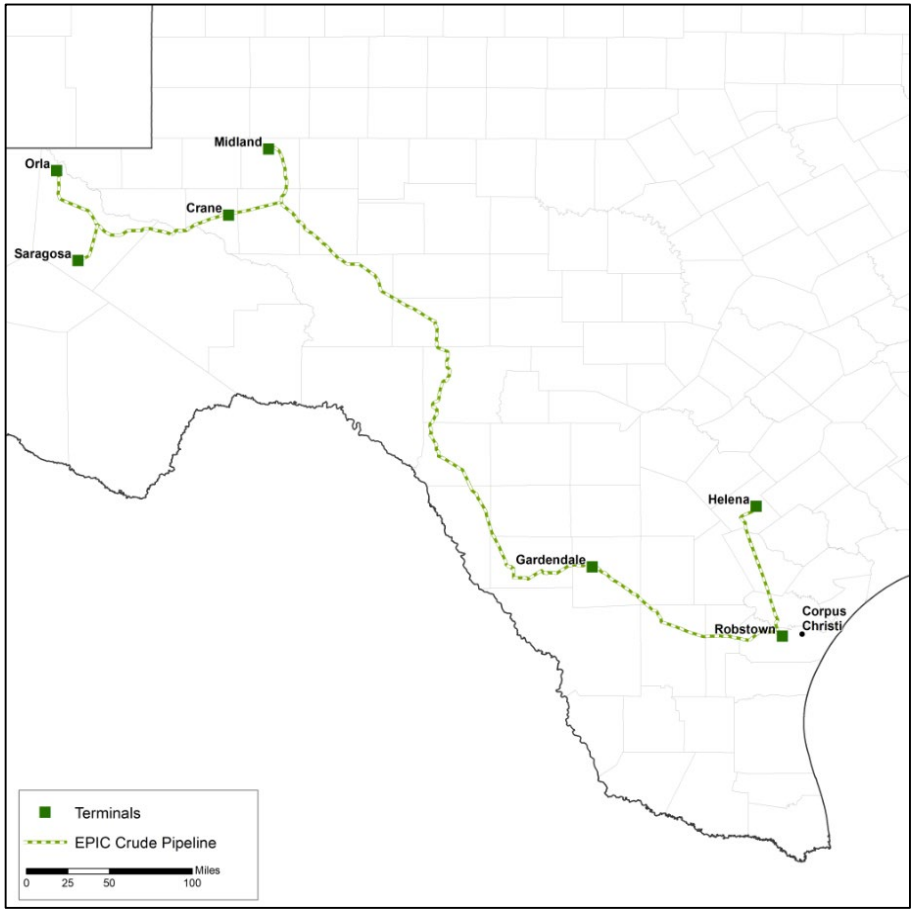


Commentary

- Breviloba LLC owns the Shin Oak NGL Pipeline (Shin Oak) and is owned 67% by Enterprise Products Operating LLC and 33% by Altus
- Project overview:
  - ~658 miles of 24-inch pipeline connecting Orla and Waha to Mont Belvieu NGL fractionation and storage complex
  - Project completed within budget of $1.5BN
  - Waha lateral placed into service in June 2019, Altus started receiving distributions in late 3Q19
- Shin Oak is differentiated through its integration with Enterprise's existing pipelines and fractionators, providing:
  - Supply from multiple basins (e.g., Rockies through Rocky Mountain and MAPL)
  - Superior flow assurance, provides a competitive advantage to attract third party business
  - Lowered expectations for 2020 due to drop in basin activity

EPIC Crude Overview

Pipeline Map



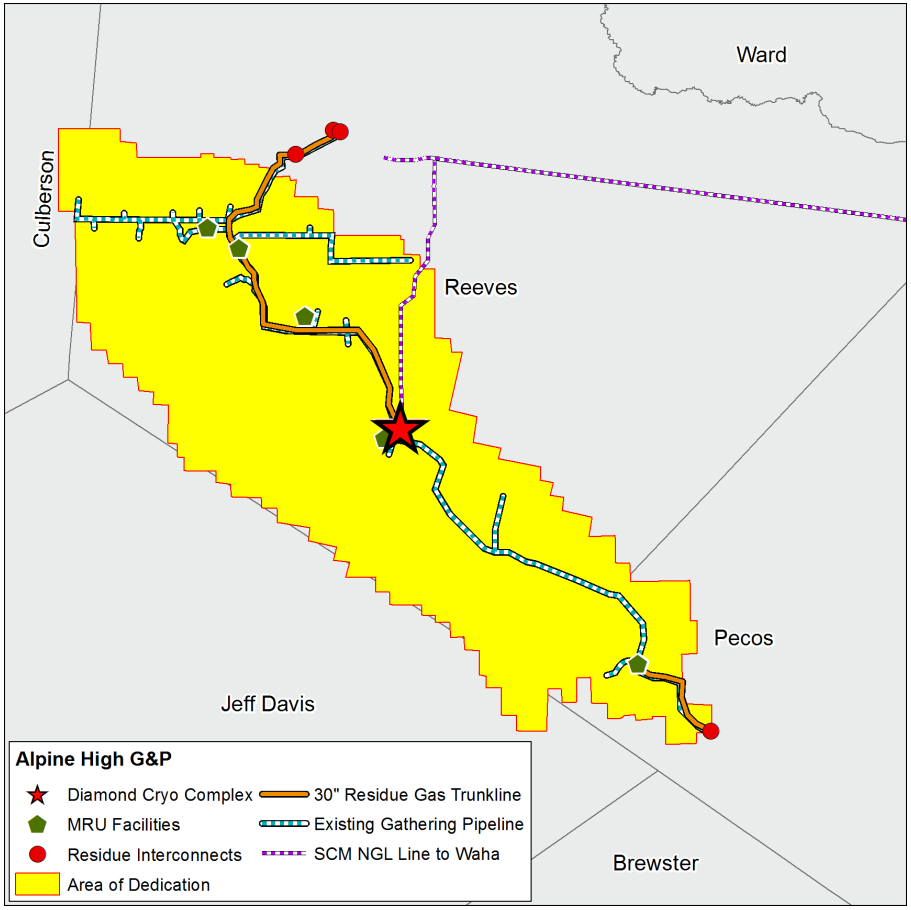
Commentary

- Altus owns 15% of EPIC Crude, remaining ownership is 45% Ares Capital [(1)], 30% Noble Midstream Partners and 10% Rattler Midstream
- The project consists of ~700 miles of pipeline connecting the Permian and Eagle Ford Basins to Corpus Christi
- Current capacity of approximately 590 MBPD
  - Capacity is expandable with the installation of additional pumps and storage
- Commenced full service in April 2020
- Expect rebound in crude nominations in 3Q20 as compared to 2Q20
- Opportunistic revenue generating opportunities through combined pipe / dock ownership
- Additional short-term storage and transport revenue expected in 3Q20

[(1)] Ares Capital is the private equity sponsor that owns EPIC Consolidated Operations, LLC, the Operator of EPIC Crude.

Gathering & Processing Overview

Asset Map



Asset Highlights

- **Rich Gas Processing:**
  - 600 MMcf/d of capacity from three cryo trains online and in-service
  - Cryos performing well, consistently able to run above nameplate capacity with 99%+ ethane recovery
- **Lean Gas Treating / Compression:** 400 MMcf/d of current capacity
- **Gas Gathering Pipelines:** ~182 miles in service
- **Residue Pipelines / Market Connections:** ~46 miles in service with 4 market connections (Comanche Trail, El Paso Line 1600, Roadrunner and Trans-Pecos Pipeline)

600 MMcf/d of nameplate cryo capacity currently in-service

State of the Art Cryogenic Processing – SRX Technology

- The cryogenic facilities utilize SRX technology to capitalize on better recoveries in ethane rejection mode
- Drives improved netbacks on third-party volumes
- Standardized units allow for efficient operations at centralized cryo complex

Design Recoveries Across Various Gas Processing Methods

	MRU	GSP Recovery	GSP Rejection	SRX Recovery	SRX Rejection
Ethane	10%	92%	10%	99%	<1%
Propane	45%	99%	65%	100%	100%
Butanes	75%	100%	85%	100%	100%
Pentanes	90%	100%	98%	100%	100%
Hexanes	98%	100%	100%	100%	100%

Financial Overview

Financial Overview

- Altus has ample liquidity to execute on its 2020 and 2021 capital plans through a combination of reinvesting operating cash flow and expanded revolver capacity
  - Revolver capacity is $800 million, maturing in November 2023
  - No anticipated need to access any capital markets to finance growth plans
  - Covenant leverage expected to be well below 5x covenant
- Forecast to be cash flow positive with the expected start-up of PHP
- Ability to generate cash underpinned by strength and stability of JV pipelines
- In current market environment, focusing on debt reduction

Near-Term Financing Plan

- Altus has ample funding sources to satisfy its remaining growth capital investments (primarily PHP capital calls)
- In 2021, retained cash flow will be directed towards debt reduction and fortifying the balance sheet
- Leverage ratio forecasted to be 2.2x at year-end 2021 (5.2x assuming preferred equity is treated as 100% debt)

2H 2020 - 2021 Sources and Uses of Capital

($ in millions, unless otherwise noted)

Uses of Capital	2H 2020E	2021E
Growth Capital Investments [1]	$165	$40
Total Uses of Capital		**$205**

Sources of Capital	
2H 2020 - 2021 Distributable Cash Flow [1]	$220
Revolver Capacity	$800
Less: Revolver Balance as of 6/30/20	($493)
Cash Balance as of 6/30/20	$2
Total Sources of Capital	**$529**

Excess Sources of Financing	**$324**
2021 Leverage Ratio (Preferred as 100% Equity) [1]	**2.2x**
2021 Leverage Ratio (Preferred as 100% Debt) [1]	**5.2x**

[1] Uses midpoint of Altus guidance. Leverage Ratio assumes midpoint of guidance for 2021 Adjusted EBITDA and excludes proportionate share of EPIC EBITDA. See Glossary of Terms in Appendix for definitions.

Updates to 2020 Guidance

- Gathered volume outlook remains **480 – 520 MMcf/d** (~70% rich gas)
  - Trending towards the low end of the range due to Alpine High production curtailments in 2Q20
- 2020 Adjusted EBITDA(1) range adjusted to **$160 – 190 million**
  - 55-65% attributable to JV pipeline projects
- 2020 Distributable Cash Flow(1) range adjusted upwards to **$100 – 120 million**
  - Revised range primarily driven by higher than expected cash distributions from Shin Oak and GCX
- 2020 Growth Capital Investments(1) range remains **$300 – 360 million**
  - Over 95% attributable to JV pipes

(1) For a reconciliation to the most directly comparable GAAP financial measure, please refer to the Non-GAAP Reconciliations in the Appendix.

Updates to 2021 Guidance

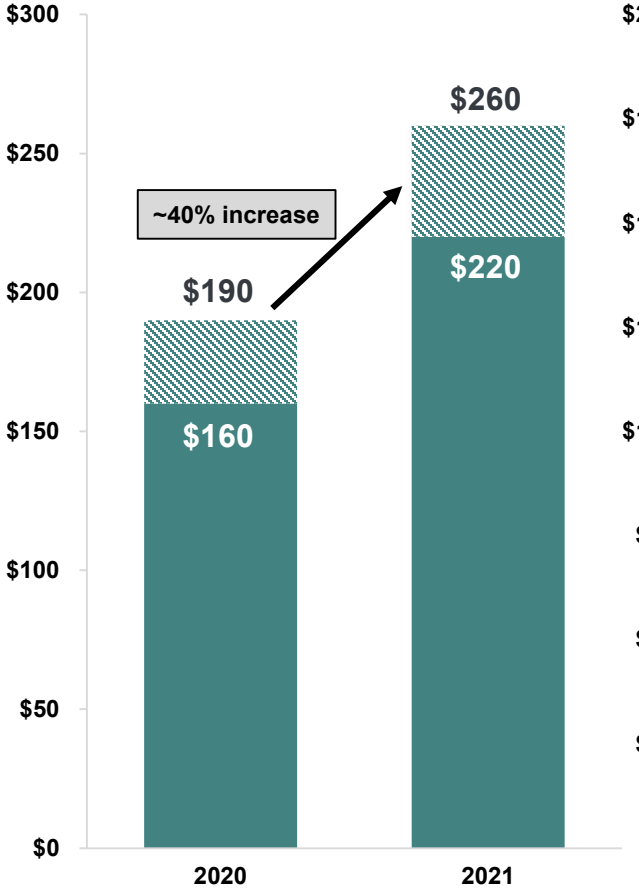
- Gathered volumes projected to be **340 – 380 MMcf/d** (~70% rich gas)
  - Gathered volume outlook reflects a zero rig program for 2021 at Alpine High
- 2021 Adjusted EBITDA[(1)] range of **$220 – 260 million**
  - Over 80% attributable to JV pipeline projects
- 2021 Distributable Cash Flow[(1)] range of **$150 – 180 million**
  - Strong year over year growth driven by expected PHP in-service
- 2021 Growth Capital Investments[(1)] range of **$30 – 50 million**
  - Majority of growth capital attributable to bringing PHP in-service in early 2021

[(1)] For a reconciliation to the most directly comparable GAAP financial measure, please refer to the Non-GAAP Reconciliations in the Appendix.

2020 – 2021 Guidance Overview

ADJUSTED EBITDA

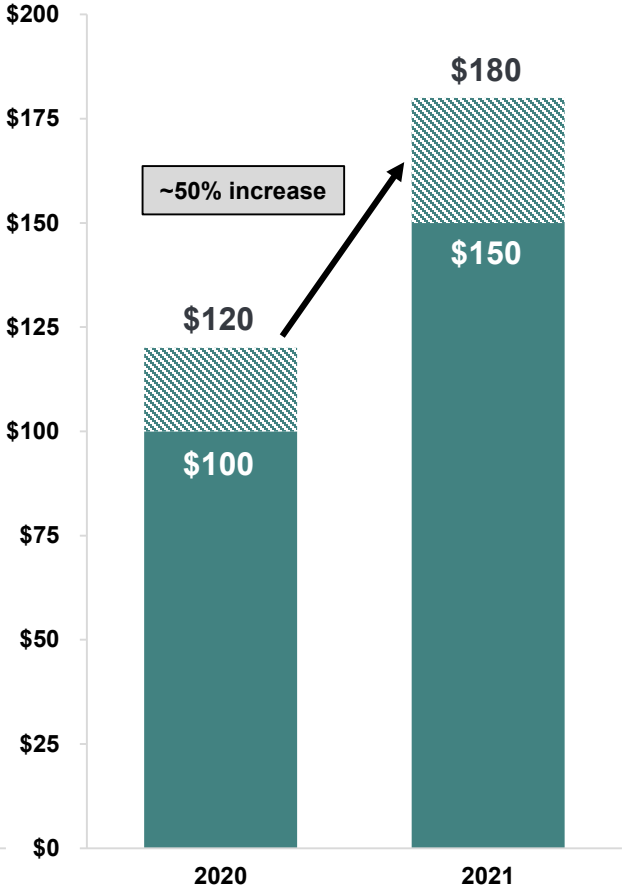
($ in millions)



% Attributable to JV Pipelines	
55 – 65%	80%+

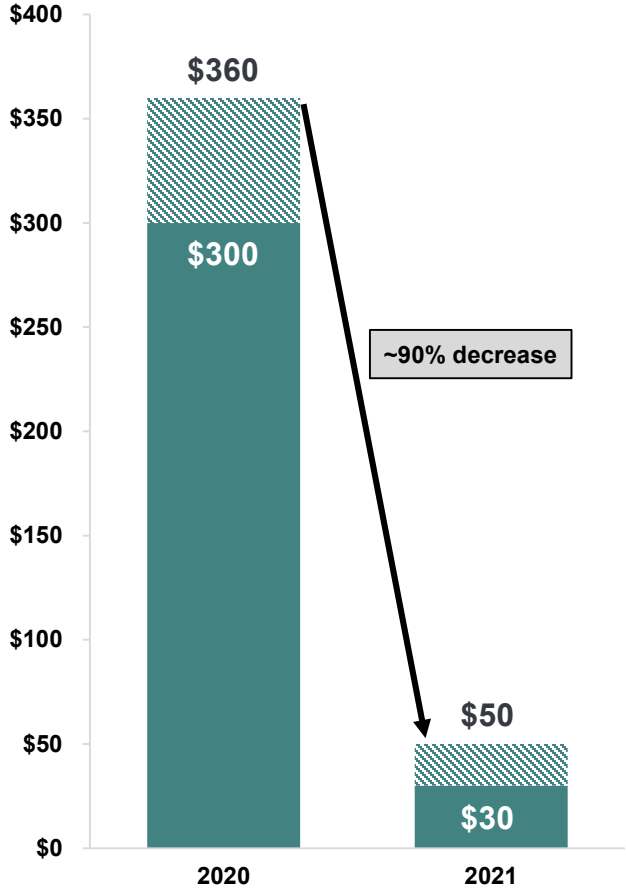
DISTRIBUTABLE CASH FLOW

($ in millions)



GROWTH CAPITAL INVESTMENTS [1]

($ in millions)



% Attributable to JV Pipelines	
95%+	100%

Note: For a reconciliation to the most directly comparable GAAP financial measure, please refer to the Non-GAAP Reconciliations in the Appendix.
[1] 2020 Growth Capital Investments includes proportionate share of EPIC capital, of which ~50% is estimated to be equity funded.

Appendix

Joint Venture Pipelines Detail

	Gulf Coast Express	Permian Highway	Shin Oak	EPIC Crude
Product	Natural Gas	Natural Gas	NGL	Crude
Operator	Kinder Morgan	Kinder Morgan	Enterprise Products	EPIC
Project Cost	$1.75 billion	$2.1 billion	$1.5 billion	$2.4-$2.5 billion
Altus Ownership %	16%	27%	33%	15%
Origin/Terminus	Waha/Agua Dulce	Waha/Gulf Coast	Waha/Mont Belvieu	Orla/Corpus Christi
Miles of Pipeline	447	430	658	730
Pipeline Capacity	2.0 Bcf/d	2.1 Bcf/d	550 MBPD	590 MBPD[1]
In-Service Date	In-Service	Early 2021	In-Service	In-Service
Other Owners[2]	KMI, DCP, TRGP	KMI, EagleClaw	EPD	Ares, NBLX, RTLR
Contract Mix	MVC	MVC	Dedication	MVC/Dedication

[1] Represents Permian Basin pipeline capacity. Initial capacity is 590 MBPD, expandable to 900 MBPD.
[2] Represents existing project partners and disclosed holders of equity options.

Non-GAAP Reconciliation – Adjusted EBITDA & DCF

The Company believes Adjusted EBITDA and DCF are useful because it allows the Company to more effectively evaluate its operating performance and compare the results of its operations from period to period and against its peers without regard to financing methods or capital structure.

Our management compensates for the limitations of Adjusted EBITDA as an analytical tool, by reviewing the comparable GAAP measure, understanding the differences between Adjusted EBITDA as compared to net income (loss) including noncontrolling interests and incorporating this knowledge into its decision-making processes. Our management believes that investors benefit from having access to the same financial measures that the Company uses in evaluating operating results.

	For the Quarter Ended June 30, 2020	For the Six Months Ended June 30, 2020
Net income (loss) including noncontrolling interests	$ 17,662	$ (9,130)
Add:		
Financing costs, net of capitalized interest	292	565
Depreciation and accretion	4,062	7,976
Unrealized derivative instrument loss	10,585	72,569
Equity method interests Adjusted EBITDA	28,231	51,917
Other	-	290
Less:		
Gain (loss) on asset sales, net	264	76
Interest income	2	9
Income (loss) from equity method interests, net	16,923	33,221
Income tax benefit	-	696
Other	2	2
Adjusted EBITDA (Non-GAAP)	**$ 43,641**	**$ 90,183**
Other midstream activity		
Cash distributions received from equity method interests	$ 19,210	$ 41,747

	For the Quarter Ended June 30, 2020	For the Six Months Ended June 30, 2020
Adjusted EBITDA (Non-GAAP)	**$ 43,641**	**$ 90,183**
Add:		
Distributions from equity method interests	19,210	41,747
Less:		
EBITDA from equity method interests	28,231	51,917
Cash interest expense	2,033	5,373
Cash tax	-	-
Maintenance capital	-	-
Preferred units distributions	11,562	22,925
Distributable Cash Flow (Non-GAAP)	**$ 21,025**	**$ 51,715**

Note: All numbers are in thousands.

Non-GAAP Reconciliation – Growth Capital

Management believes the presentation of capital investments and growth capital investments is useful for investors to assess Altus' expenditures related to our midstream capital activity. We define capital investments as costs incurred in midstream activities, adjusted to exclude asset retirement obligation revisions and liabilities incurred, while including amounts paid during the period for abandonment and decommissioning expenditures given the uncertainty and timing of when the actual abandonment activity will occur. Management also believes that including our proportionate share of capital in relation to equity method interests funded by cash contributions and the partner's project financing is useful for investors to assess Altus' total growth capital investments. Management believes total growth capital investments provides a more accurate reflection of Altus' current-period expenditures related to midstream capital activity and is consistent with how we plan our capital budget.

	For the Quarter Ended June 30, 2020	For the Six Months Ended June 30, 2020
Costs incurred in midstream activity		
Property, plant and equipment, gross	$ 2,276	$ 9,355
Equity method interests	71,560	154,387
Total cost incurred in midstream activity	$ 73,836	$ 163,742
Reconciliation of costs incurred to midstream capital investment:		
Asset retirement obligations incurred and revisions	$ -	$ -
Asset retirement obligations settled	-	-
Total capital investments	**73,836**	**163,742**
Equity method interest capital investments funded by project financing	15,191	22,091
Total growth capital investments	**$ 89,027**	**$ 185,833**

Note: All numbers are in thousands.

Glossary of Terms

- Adjusted EBITDA is defined as net income (loss) including noncontrolling interest before financing costs (net of capitalized interest), net interest expense, income taxes, depreciation, and accretion and adjusting for such items, as applicable, from income from equity method interests. Also excluded (when applicable) are impairments and other items affecting comparability of results to peers

- Distributable cash flow (DCF) is defined as Adjusted EBITDA less equity interests' Adjusted EBITDA plus cash distributions from equity interests less maintenance capex, cash tax, preferred unit distributions (whether in kind or in cash) and interest expense

- Reconciliations of forecasted Adjusted EBITDA and distributable cash flow to the nearest GAAP measure, net income including non-controlling interests, are not provided because certain of the items necessary to estimate such amounts are not reasonably accessible or estimable at this time. These items primarily relate to lack of available forecast information to reconcile to our share of proportionate net income generated by our interests in third-party pipeline projects

- Capital investment is defined as costs incurred in midstream activities, adjusted to exclude asset retirement obligations revisions and liabilities incurred, while including amounts paid during the period for abandonment and decommissioning expenditures

- Growth capital investments is defined as Capital Investment plus Altus' proportionate share of capital in relation to equity method interests

- Free cash flow (FCF) is defined as Adjusted EBITDA excluding equity interest impacts plus cash distributions from equity interests less Growth capital investments