



NEWS RELEASE

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CORDILLERA ENERGY PARTNERS III, LLC AGREES TO MERGE WITH APACHE CORPORATION

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Denver, January 23 – Denver based Cordillera Energy Partners III, LLC announced today an agreement to merge with Apache Corporation of Houston, Texas. Under the terms of the merger agreement, Apache will acquire Cordillera for \$2.85 Billion comprised of \$600 Million in common shares and \$2.25 Billion in cash. The merger is subject to customary closing terms and conditions with closing expected on April 30, 2012. Cordillera owns a leading position in the Western Anadarko Basin, one of the most attractive and highest return North American onshore basins.

This is the third iteration of Cordillera Energy Partners, led by George H. Solich, President and CEO, and his senior management team. Cordillera III was formed in March 2007 with equity capitalization from EnCap Investments LP and 20 institutional and individual investors. The Company's producing property and acreage acquisitions combined with its active horizontal drilling development program in the Texas Panhandle and Western Oklahoma enabled the company to grow production and cash flow at a compound annual growth rate in excess of 70%.

Solich remarked, "The merger of Cordillera into Apache presents a tremendous opportunity for Apache to combine the Cordillera assets with Apache's legacy Western Anadarko Basin position creating a platform for a multi-decade development program in some of the most economic, oil and liquids-rich gas targets in the onshore U.S. The combination is an excellent outcome for the Cordillera shareholders and considering we are taking a meaningful amount of the consideration in Apache shares reflects our confidence that the quality of the asset base will continue to yield economic growth in production and cash flow for years to come".

Solich and his team will transition Cordillera's operations and asset base to Apache over the coming months to ensure the continued successful development of the properties. "We are thrilled to be able to announce such a win-win transaction with a company where we share so much history and look forward to working with the Apache team to continue to grow the asset base", said Tad R. Herz, Executive Vice President and CFO. Upon completion of the transition, the Cordillera team plans to build upon its previous three iterations of Cordillera companies in the formation of another domestic venture.

Cordillera Energy Partners III, LLC is a privately held acquisition, exploration and production company headquartered in Denver, CO, whose principal shareholder is EnCap Investments LP, together with other institutional and individual investors.

Jefferies & Company, Inc. and J.P. Morgan Securities LLC acted as financial advisors, and Andrews Kurth LLP and Thompson & Knight, LLP acted as legal advisors, to Cordillera in connection with this transaction.