U.S. Energy Information Administration
Independent Statistics and Analysis

Financial News for Major Energy Companies, Fourth Quarter 2009

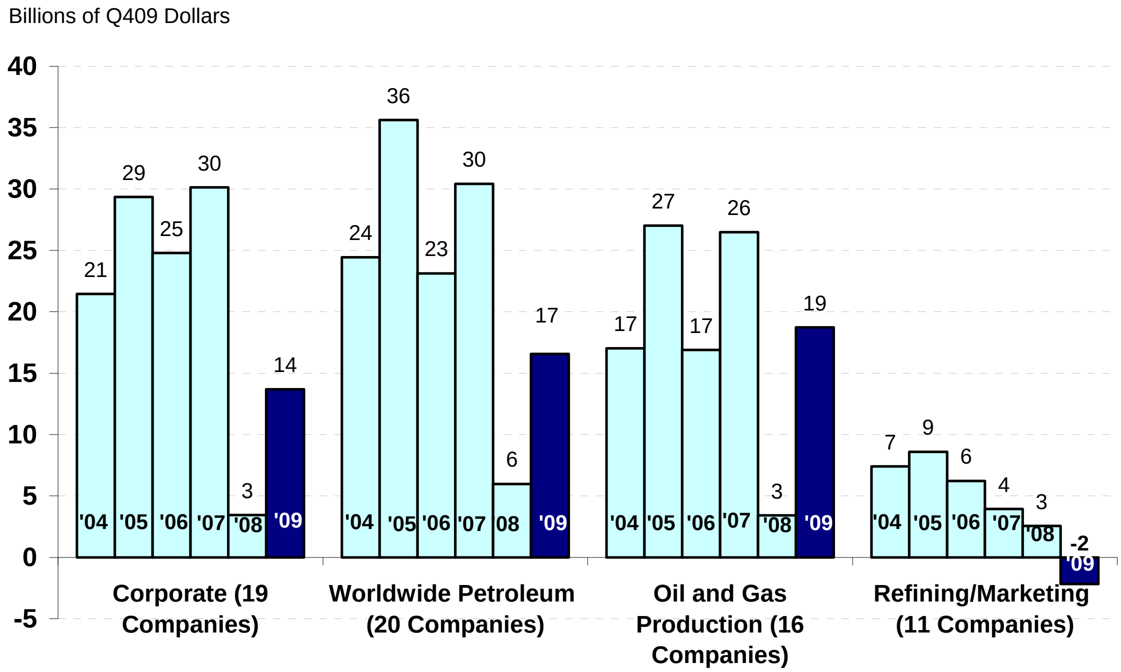
Fourth Quarter 2009 Key Findings	
Net Income	$13.7 billion
Revenues	$261.6 billion
Highlights	Nineteen major energy companies reported almost a 300-percent increase in net income relative to the fourth quarter of 2008 (Q408). However, net income during the fourth quarter of 2009 (Q409) represents a 37-percent decrease relative to the fourth-quarter average for 2004-2008.
	The effects of lower natural gas prices, worldwide refinery throughput, and domestic refining margins were more than offset by the effects of higher crude oil prices, and worldwide production of both crude oil and natural gas, leading to higher revenues and net income. Upstream capital expenditures by these companies declined after a year of lower-than-average (relative to the 5-year average for the particular quarter) net income, while capital expenditures for refining/marketing decreased after a similar period of lower-than-average net income.

NOTES:
The "Financial News for Major Energy Companies" is issued quarterly to report recent trends in the financial performance of the major energy companies. These include the respondents to Form EIA-28 (Financial Reporting System (FRS)), with the exception of the FRS companies that do not issue quarterly earnings releases or do not provide separate information for the company's U.S. operations.

While the composition of the companies in this report changes from time to time, all company information presented here pertain to a consistent set of companies, i.e., all companies are present for all time periods.

All dollar figures and comparisons are in constant fourth-quarter 2009 (Q409) dollars unless stated otherwise.

Fourth Quarter Corporate and Petroleum Earnings, 2004-2009



Sources: Company quarterly earnings releases.

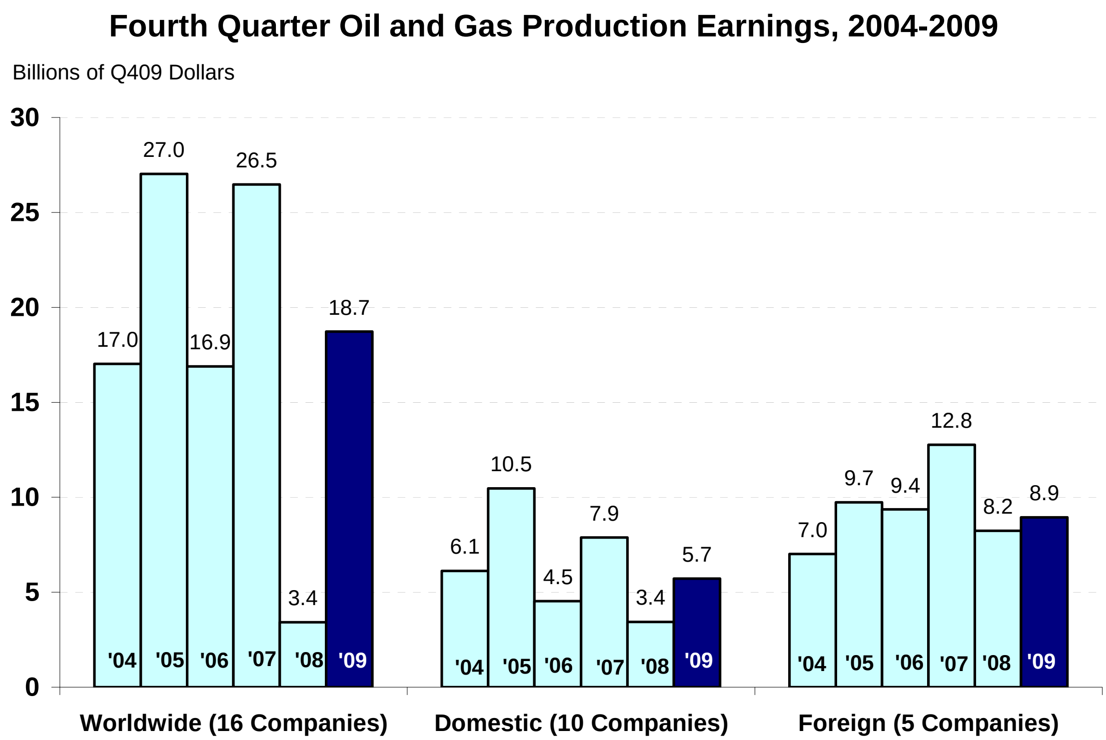
- Nineteen major energy companies[1] reported almost a 300-percent increase in net income relative to fourth quarter of 2008. However, net income during Q409 represents a 37-percent decrease relative to the fourth-quarter average for 2004-2008.

- Overall, the petroleum line of business (which includes both oil and natural gas production and petroleum refining/marketing) in Q409 saw net income increase 168 percent from the level of Q408, increasing more than $10 billion.

- A $15.3-billion (447 percent) increase in worldwide oil and natural gas production net income was offset by a 4.7-billion (185 percent) decrease in worldwide refining/marketing net income.

- Most of the lines of business (i.e., domestic and foreign oil and gas production, worldwide gas and power, and worldwide chemical operations) generated higher earnings in Q409 than in Q408 while domestic and worldwide refining/marketing produced lower earnings than a year earlier.

- Note: corporate net income and the total net income of the lines of business differ because (1) some items in corporate net income are nontraceable, such as interest expense, and are not allocated to lines of business, and (2) the number of companies reporting line-of-business net income varies.



Note: Worldwide considerably exceeds the sum of domestic and foreign because some companies do not provide a breakdown of domestic and foreign.
Sources: Company quarterly earnings releases.

<u>Worldwide</u>

- Worldwide oil and gas production income increased 447 percent ($15.3 billion) relative to Q408 as an increase in foreign returns was magnified by an even greater increase in income from domestic operations. Relative to the fourth quarter average for 2004-2008, Q409 was slightly higher (i.e., 3 percent).

<u>Domestic</u>

- Domestic oil and gas production operations generated 67 percent more income than a year earlier (12 percent less than the average for the fourth quarter of 2004-2008).

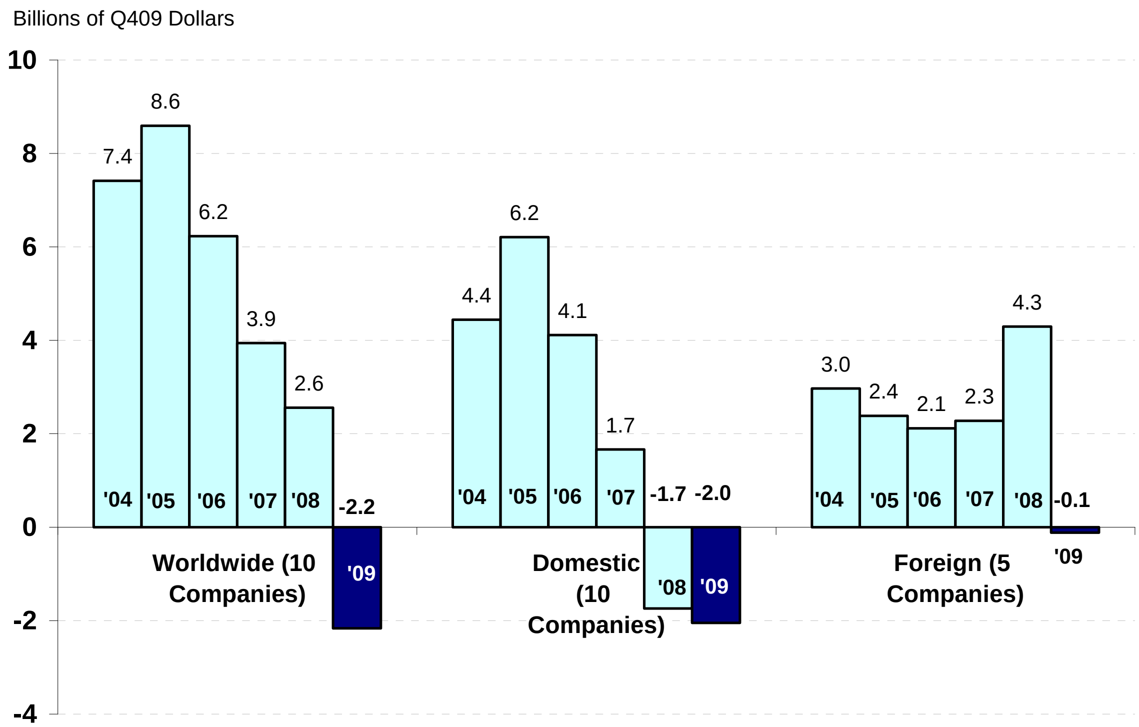
- Six of the ten included companies reported higher earnings than a year ago, noting in their press releases that this resulted from the effects of higher prices received coupled with the effects of higher production levels (due to the absence of hurricane effects and bringing new fields on-line) and lower operating costs.

<u>Foreign</u>

- Income from foreign oil and gas production increased 9 percent compared to Q408 (5 percent lower than the fourth quarter average for 2004-2008).

- Three of the five included companies reporting foreign production financial results reported higher earnings than a year ago as the effects of higher prices received were augmented by the effects of higher production levels, according to company press releases.

Fourth Quarter Refining/Marketing Earnings, 2004-2009



Note: Worldwide is equal to the sum of Domestic and Foreign.
Sources: Company quarterly earnings releases.

Worldwide

- Income from worldwide refining/marketing operations declined 185 percent ($4.7 billion) relative to Q408 as a large decline in domestic returns was magnified by a much larger decline in income from foreign operations. The decline relative to the fourth quarter average for 2004-2008 was similar, 136 percent.

Domestic

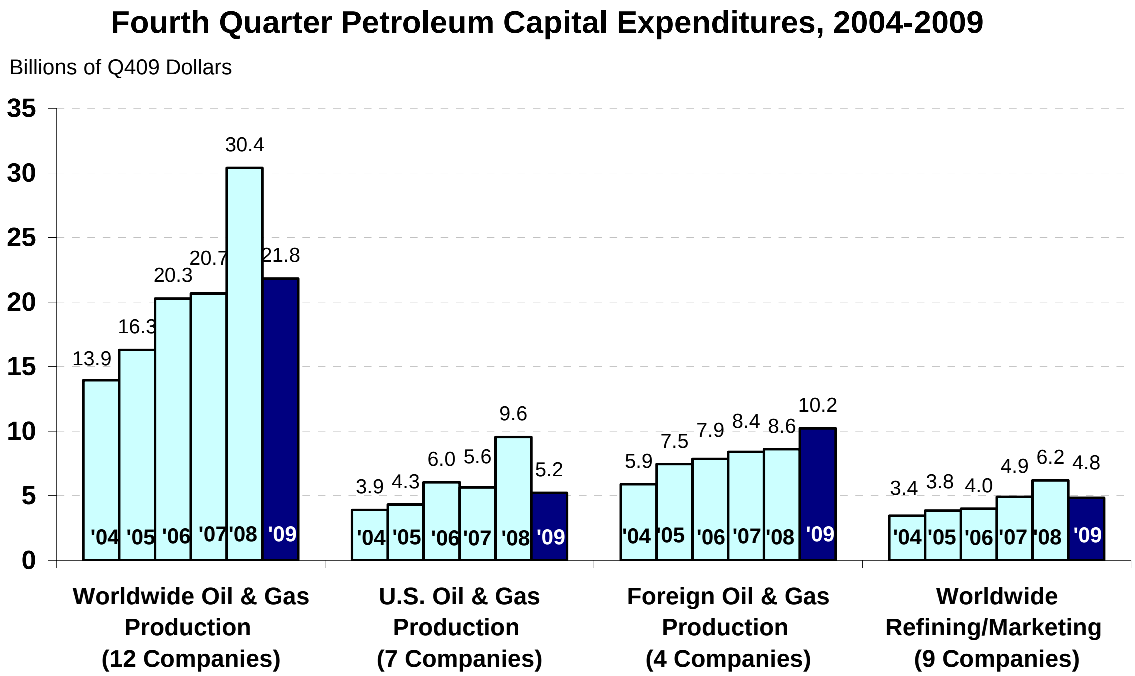
- Domestic refining/marketing operations generated earnings of -2.0 billion, which was 18 percent less than the loss of 1.7 billion in Q408 and 170 percent less than the average for the fourth quarter of 2004-2008.

- All ten of the included companies reported lower earnings than a year ago, with nine reporting losses. Lower refining and retailing margins, and lower throughput due to planned down-time and divestitures were among reasons given for lower earnings in company press releases.

Foreign

- Income from foreign refining/marketing fell 103 percent compared to Q408 (104 percent relative to the fourth quarter average for 2004-2008), in part due to lower refinery runs.

- All five of the included companies reported lower earnings than a year ago (with 2 reporting a loss) in an industry environment with lower throughput. Additionally, the companies reported lower margins, which were somewhat offset by lower operating costs, in their press releases.



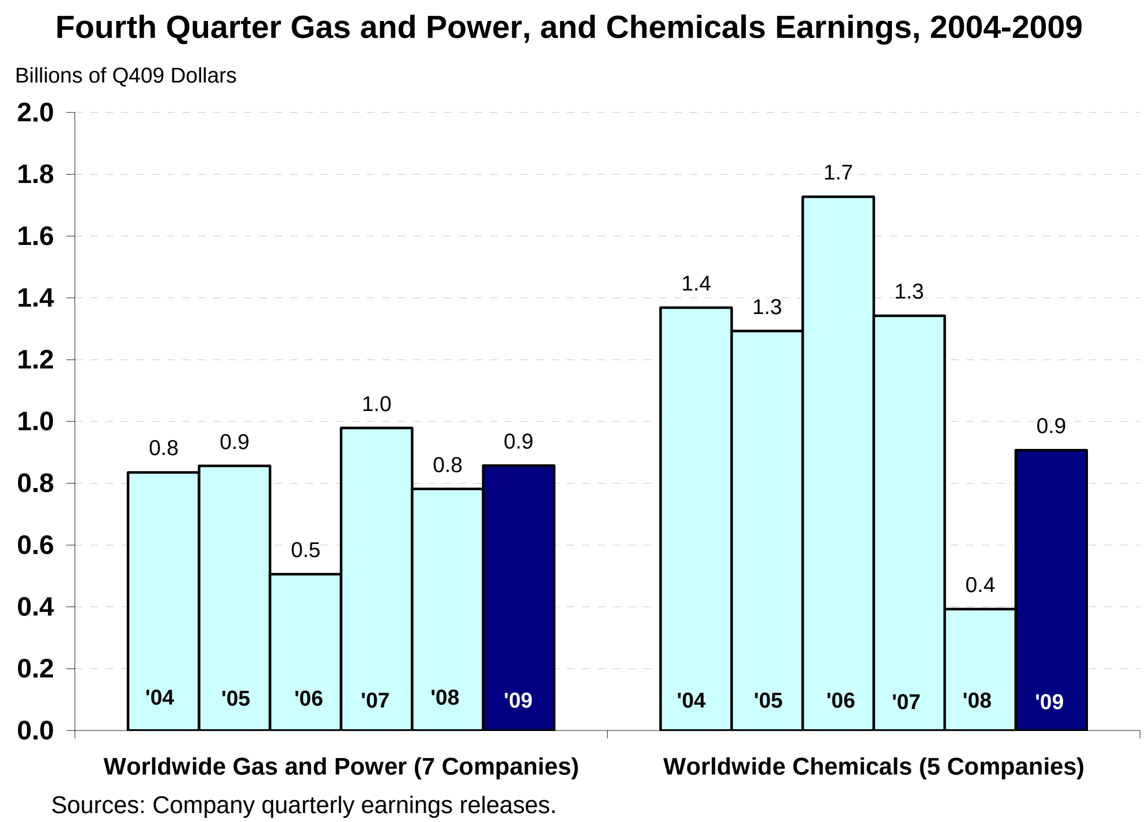
Note: Worldwide considerably exceeds the sum of domestic and foreign because some companies do not provide a breakdown of domestic and foreign.
Sources: Company quarterly earnings releases.

- The majors' upstream capital expenditures (capex) declined 28 percent relative to Q408, but was 7 percent higher than the fourth quarter average for 2004-2008, after more than a year of much lower than average (at least 37 percent below the 5-year average for the relevant quarter) earnings.

- The majors' investment in their U.S. oil and gas production operations declined 45 percent relative to Q408, but was only 11 percent lower than the fourth quarter average for the last five years (i.e., 2004-2008).

- Capital expenditures in foreign oil and gas production operations increased 19 percent in Q409 compared to Q408, but increased 34 percent relative to the fourth quarter average for 2004-2008.

- Despite the $4.7 billion decline in net income (Q409 relative to Q408), worldwide refining/marketing investment by the majors only declined $1.4 billion and was 8 percent higher than the fourth quarter average for 2004-2008.



Gas and Power

- Net income from the majors' gas and power operations increased 10 percent relative to Q408 (8 percent relative to the fourth quarter average for 2004-2008).

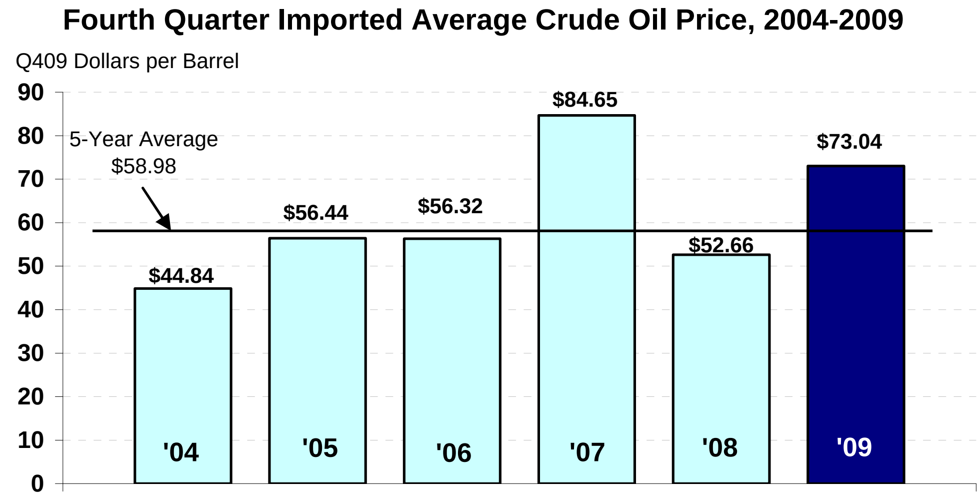
- Five of the six companies reporting earnings generated higher earnings. Higher sales prices and increased pipeline revenues offset lower NGL prices and margins according to company press releases.

Chemicals

- Worldwide chemical operations generated 131 percent higher earnings for the majors in Q409 than in Q408 (26 percent less than the fourth quarter average for 2004-2008).

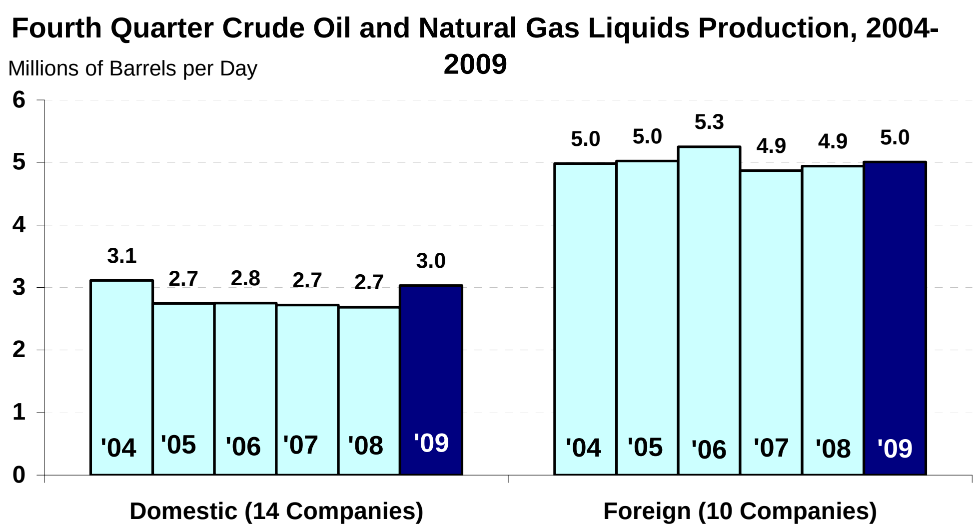
- Four of the five companies reporting chemical results reported higher earnings. These companies attributed higher earnings to lower costs, higher margins, higher sales, and the lack of hurricane effects in company press releases.

Supplemental Figures:



Source: Energy Information Administration, *Short-Term Energy Outlook* , (March 9, 2010), Table 2.

- Crude oil prices in Q409 were 39 percent higher than in Q408 and 24 percent higher than the average for the fourth quarter of 2004-2008 (in Q409 dollars).

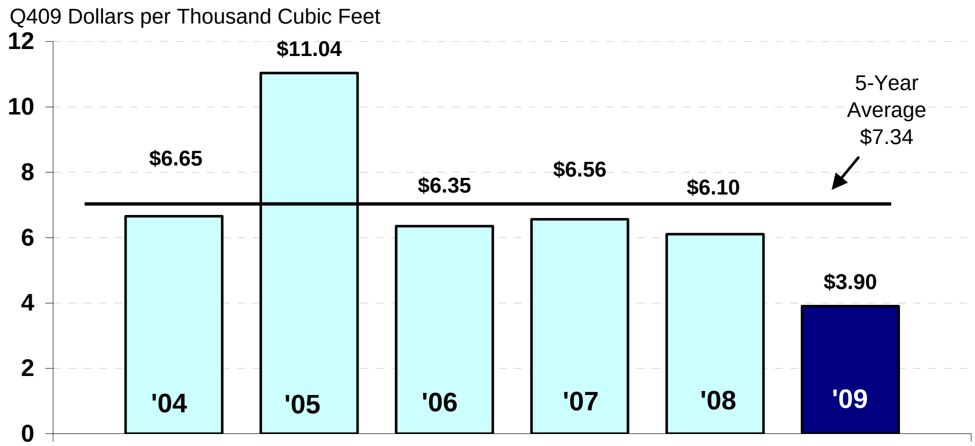


Sources: Company quarterly earnings releases.

- U.S. crude and NGL production increased 13 percent compared to Q408 due to new fields starting operations and the absence of hurricane effects, which significantly reduced production in Q408. Further, the level of Q409 was 8 percent higher than the fourth quarter average for 2004-2008.

- Foreign crude oil and NGL production increased 1 percent compared to Q408 largely due to newly operational fields. The level of Q409 was essentially the same (0.2 percent lower) as the fourth quarter average for 2004-2008.

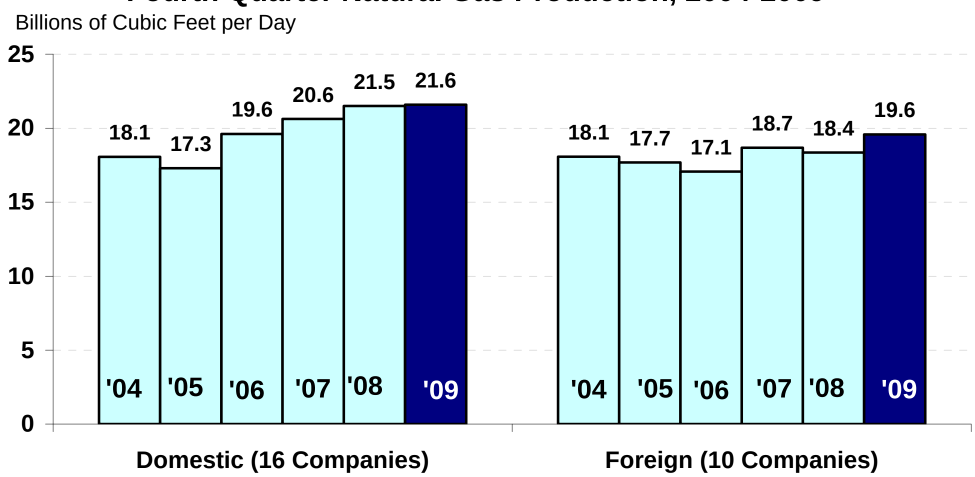
Fourth Quarter Average Wellhead Natural Gas Price, 2004-2009



Source: Energy Information Administration, *Short-Term Energy Outlook* , (March 9, 2010), Table 2.

- Natural gas prices of Q409 were 36 percent lower than in Q408 and 47 percent lower than the fourth quarter average for 2004-2008 (measured in Q409 dollars).

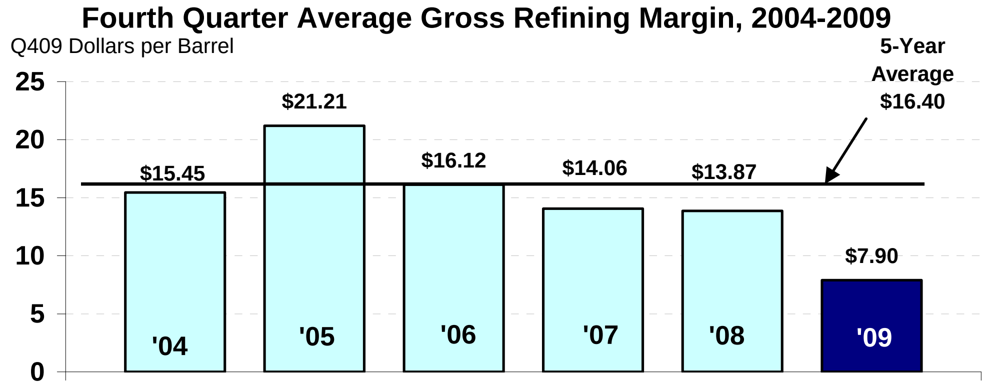
Fourth Quarter Natural Gas Production, 2004-2009



Sources: Company quarterly earnings releases.

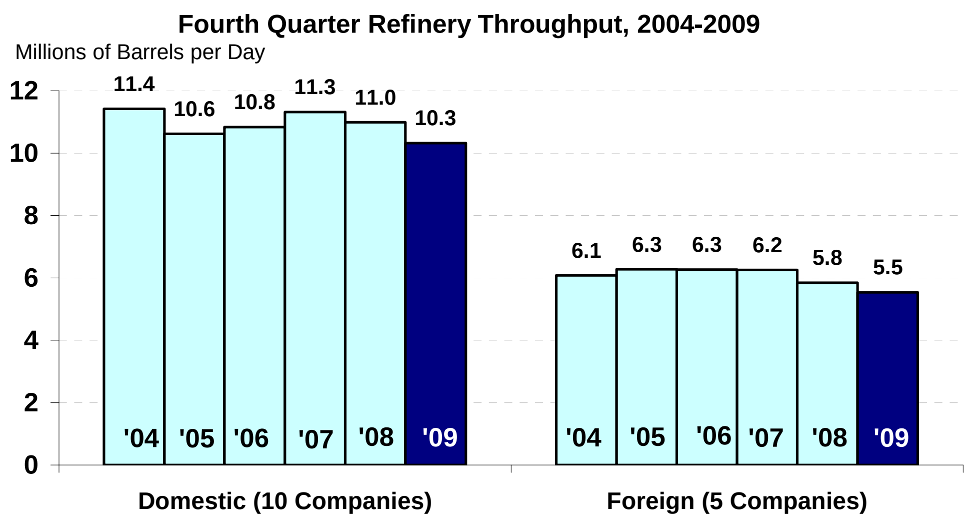
- U.S. gas production by the majors increased negligibly (0.4 percent) relative to a year earlier and was 11 percent higher than the average for the fourth quarter of 2004-2008.

- Foreign gas production by the majors increased 7 percent relative to a year earlier and was 9 percent higher than the fourth-quarter average for 2004-2008.



Sources: Compiled from data in Energy Information Administration, *Petroleum Marketing Monthly* , DOE/EIA-380 (Washington, DC), Table 1, Table 4 and Table 5; and Energy Information Administration, *Monthly Energy Review* , DOE/EIA-0035, (Washington, DC) Table 3.2.
Note: The U.S. Gross Refining Margin is the difference between the composite wholesale product price and the composite refiner acquisition cost of crude oil.

- The gross refining margin for Q409 was 43 percent lower relative to Q408 and 52 percent lower than the fourth-quarter average for 2004-2008 (in Q409 dollars).



Sources: Company quarterly earnings releases.

- Domestic refinery throughput was 6 percent lower than both Q408 and the average for the fourth quarter over 2004-2008.

- Foreign refinery throughput decreased 5 percent relative to Q408, but was 10 percent lower than the fourth quarter average for 2004-2008.

Corporate Revenue and Net Income[a], Net Income by Lines of Business and Functional Petroleum Segments, and Operating Information for Major Energy Companies

(Number of companies reporting given in parentheses)

	Q408	Q409	Percent Change[b]	2008	2009	Percent Change
Financial Data						
	(Millions of Q409 Dollars)		(%)	(Millions of 2009 Dollars)		(%)
Corporate						
Revenue (19)[c]	252,422	261,633	3.6	1,462,292	921,261	-37.0
Net Income (19)	3,443	13,682	297.4	110,643	31,640	-71.4
Worldwide Net Income						
Petroleum (20)	5,980	16,564	177.0	122,910	45,473	-63.0
Oil and Natural Gas Production (16)	3,422	18,726	447.2	106,292	43,401	-59.2
Refining/Marketing (10)	2,558	-2,162	-184.5	16,618	2,072	-87.5
Natural Gas and Power (7)	782	858	9.7	3,991	2,720	-31.8
Chemicals (5)	393	907	130.9	4,102	3,370	-17.9
Domestic Net Income						
Oil and Natural Gas Production (10)	3,438	5,724	66.5	36,707	14,239	-61.2
Refining/Marketing (10)	-1,738	-2,046	-17.7	6,239	-154	-102.5
Foreign Net Income						
Oil and Natural Gas Production (5)	8,232	8,936	8.6	53,769	26,937	-49.9
Refining/Marketing (5)	4,296	-116	-102.7	10,379	2,226	-78.6
Worldwide Capital Expenditures						
U.S. Oil and Natural Gas Production (7)	9,552	5,241	-45.1	32,465	19,431	-40.1
Foreign Oil and Natural Gas Production (4)	8,604	10,217	18.8	33,227	34,174	2.8
Worldwide[d] Oil and Natural Gas Production (12)	30,375	21,813	-28.2	98,907	75,505	-23.7
Worldwide Refining/Marketing (9)	6,205	4,841	-22.0	19,860	16,773	-15.5
Operating Data						
Oil Production	(Thousands of Barrels/Day)		(%)	(Thousands of Barrels/Day)		(%)
Domestic (14)	2,684	3,030	12.9	2,638	2,935	11.2
Foreign (10)	4,942	5,005	1.3	4,752	5,036	6.0
Natural Gas Production	(Million Cubic Feet/Day)		(%)	(Million Cubic Feet/Day)		(%)
Domestic (16)	21,500	21,590	0.4	20,979	21,857	4.2
Foreign (10)	18,353	19,582	6.7	17,674	18,190	2.9
Refinery Throughput	(Thousands of Barrels/Day)		(%)	(Thousands of Barrels/Day)		(%)
Domestic (10)	10,989	10,325	-6.0	10,940	10,487	-4.1
Foreign (5)	5,841	5,535	-5.2	5,991	5,711	-4.7

[a] Net income excludes unusual items. Because consolidated net income includes corporate nontraceables and eliminations, it is not equal to the sum of the lines of business net income.

[b] Percent changes are calculated from unrounded data.

[c] The number of companies reporting net income from petroleum operations is greater than the number reporting corporate revenue and corporate net income because the U.S. operations of BP are included in the results of the U.S. lines of business, but not in the foreign or corporate results because the companies are foreign based. The reporting practices of Royal Dutch Shell changed effective Q309, precluding continued inclusion of the company in this compilation (and removal of their historic data to maintain comparability).

[d] U.S. and foreign oil and natural gas capital expenditures do not necessarily sum to the worldwide total due to the manner in which these data are disclosed (i.e., some companies fail to separate their capital spending into domestic and foreign, but simply provide a worldwide total).

Note: Both the worldwide oil and natural gas production and refining/marketing lines of business include companies that reported domestic and foreign operatio and natural gas production operations is greater than the sum of the companies reporting domestic results and those reporting foreign results.
The same is also true for refining/marketing operations.

Sources: Compiled from companies' quarterly reports to stockholders.

U.S. Energy Prices and the U.S. Gross Refining Margin

	Q408	Q409	Percent Change	2008	2009	Percent Change
U.S. Energy Prices[a]	**Q409 Dollars**			**2009 Dollars**		
Imported Average Crude Oil Price ($/barrel)	52.66	73.04	38.7	93.72	58.99	-37.1
Natural Gas Wellhead Price ($/thousand cubic feet)	6.10	3.90	-36.1	8.18	3.72	-54.5
U.S. Gross Refining Margin ($/barrel)[b]	13.87	7.90	-43.0	15.67	11.76	-25.0

[a] Energy Information Administration, *Short-Term Energy Outlook* , (March 9, 2010), Table 2.

[b] Compiled from data in Energy Information Administration, *Petroleum Marketing Monthly* , DOE/EIA-380 (Washington, DC), Table 1, Table 4 and Table 5; and Energy Information Administration, *Monthly Energy Review* , DOE/EIA-0035, (Washington, DC) Table 3.2.

Note: The U.S. Gross Refining Margin is the difference between the composite wholesale product price and the composite refiner acquisition cost of crude oil.

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[1]The eighteen companies are Anadarko Petroleum Corporation, Apache Corporation, Cenovus Energy (U.S. operations only, formerly part of EnCana), Chesapeake Energy Corporation, Chevron Corporation, ConocoPhillips Inc., Devon Energy Corporation, EnCana Corporation (U.S. operations only), EOG Resources, Inc., EQT Corporation (formerly Equitable Resources Inc.), Exxon Mobil Corporation, Hess Corporation, Marathon Oil Corporation, Occidental Petroleum Corporation, Sunoco, Inc., Tesoro Corporation, Valero Energy Corporation, Williams Companies, and XTO Corporation. Additionally, the results from the U.S. lines of business (e.g., U.S. oil and gas exploration and production) of BP, plc is included. Hence, the number of companies reporting petroleum operations is 19, rather than 18.

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