

FINANCIAL NEWS FOR INDEPENDENT ENERGY COMPANIES

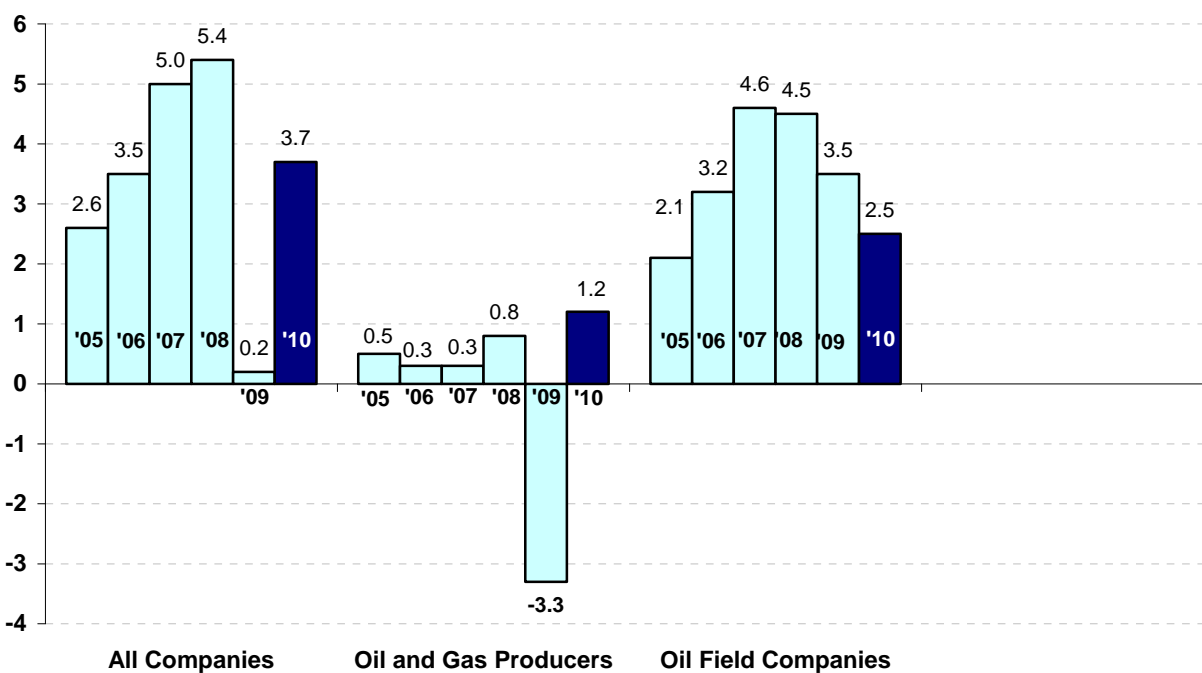
FIRST QUARTER 2010

First Quarter 2010 Key Findings	
Net Income	\$3.8 billion
Revenues	\$27.0 billion
Highlights	<p>Independent energy companies and ethanol producers reported a large increase in income in the first quarter of 2010 (Q110) to \$3.8 billion, rebounding from the large losses for oil and gas producers that dominated overall earnings in Q109.</p> <p>Oil and gas producer revenues increased sharply along with crude prices, and earnings rebounded from large reserve impairment losses in Q109 to their highest Q1 level in the 2005-2010 period.</p> <p>Oilfield company revenue and earnings continued their decline from the relative highs of Q107.</p> <p>Ethanol producer revenues increased and earnings crossed into the black after losses in Q109.</p>

- The “Financial News for Independent Energy Companies” reviews the financial performance of companies that are typically smaller than the majors and do not have integrated production/refining operations.
- While the composition of the companies in this report changes over time, the changes are usually incremental, and don’t significantly affect comparisons across time periods.
- All dollar figures and comparisons are in constant first-quarter 2010 dollars unless specified otherwise.
- Ethanol producers have been added to this report for the first time, and refiners have been dropped as they are covered in “Financial News for Major Energy Companies.”

1st Quarter 2010 Net Income

Billions of Q110 Dollars

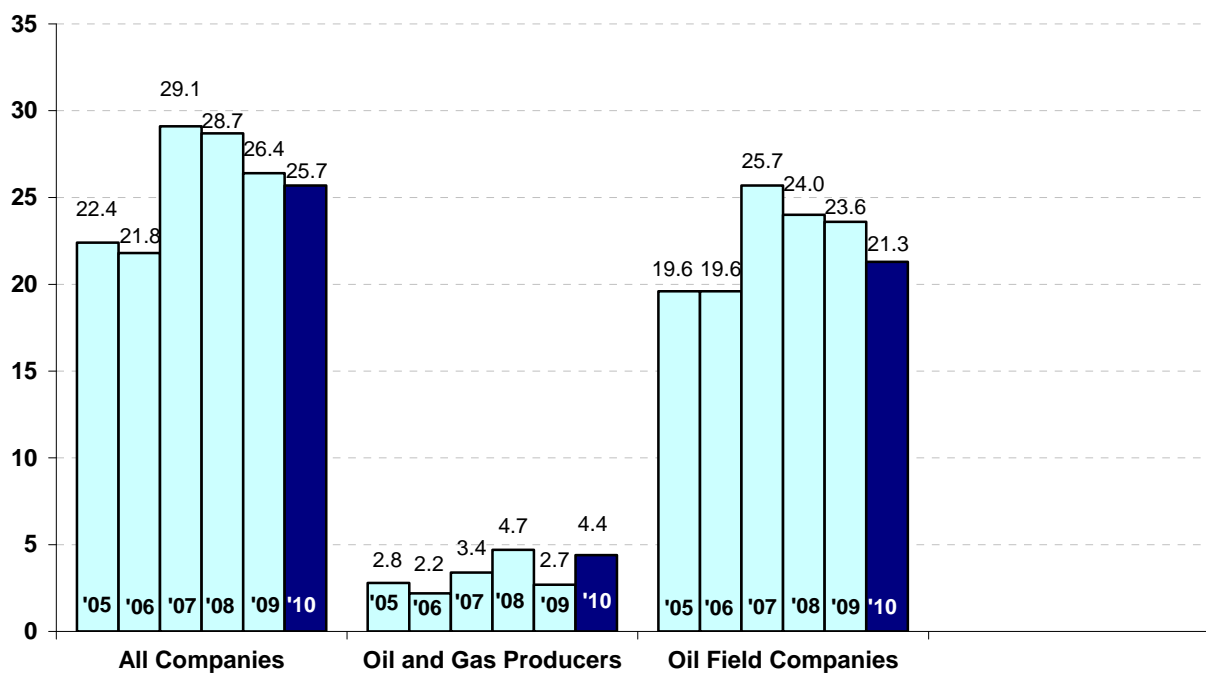


Source: Compiled from companies' quarterly reports to stockholders

- Net income for oil and gas producers and oilfield companies combined rebounded to \$3.7 billion in the first quarter of 2010 (Q110) from \$200 million in Q109. This was driven by the large turnaround in oil and gas producer earnings.
- Oil and gas producer net income rebounded from losses of \$3.3 billion in Q109 to \$1.2 billion in Q110, the highest first quarter earnings over the last 6 years. This was driven by the 85 percent jump in crude oil prices from Q109, and less importantly a 9 percent increase in natural gas prices.
- Oil field company net income dropped 28.8 percent from Q109, to \$2.5 billion, continuing a decline in first-quarter income from the higher rig counts of Q107.

1st Quarter 2010 Revenue

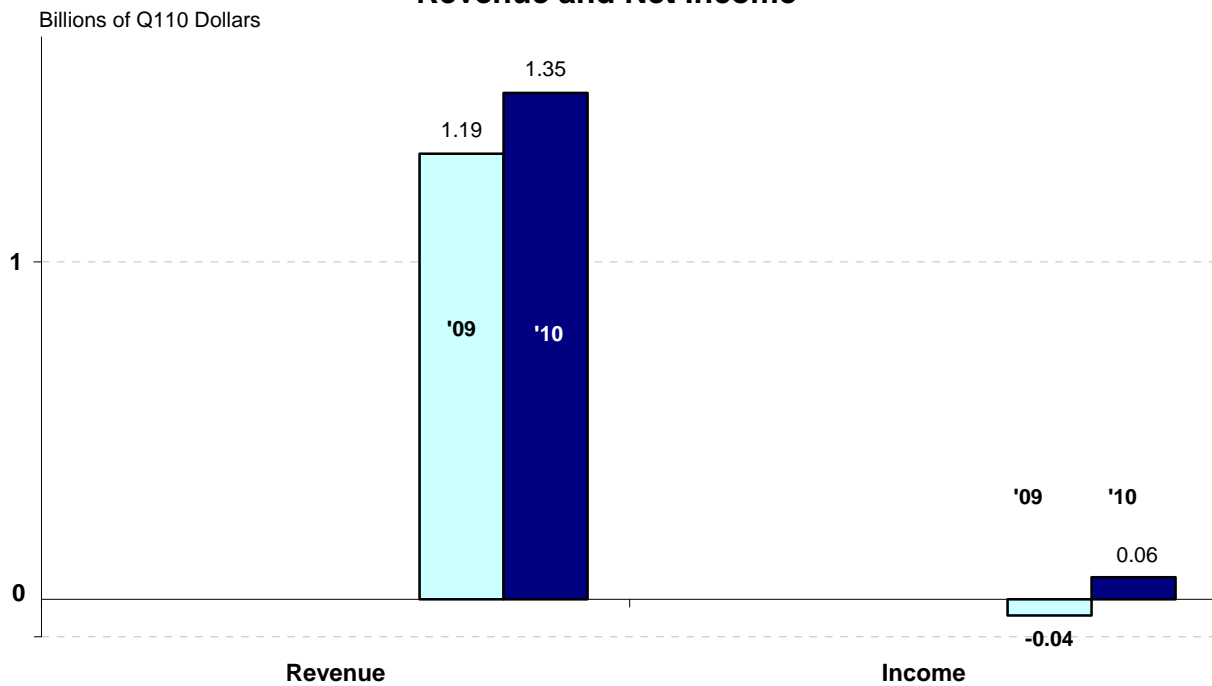
Billions of Q110 Dollars



Source: Compiled from companies' quarterly reports to stockholders

- Overall revenue for oil and gas producers and oilfield companies combined in this report dropped 2.5 percent in Q110 from the year-ago quarter to \$25.7 billion, approximating the first-quarter average over 2005-2009.
- Oil and gas producer revenue increased 60.9 percent in Q110 from the year-ago quarter to a level 39.6 percent above the first-quarter average over 2005-2009.
- Oil field company revenue slipped 9.9 percent in Q110 to \$21.3 billion, a level 5.5 percent below the first-quarter average over 2005-2009.

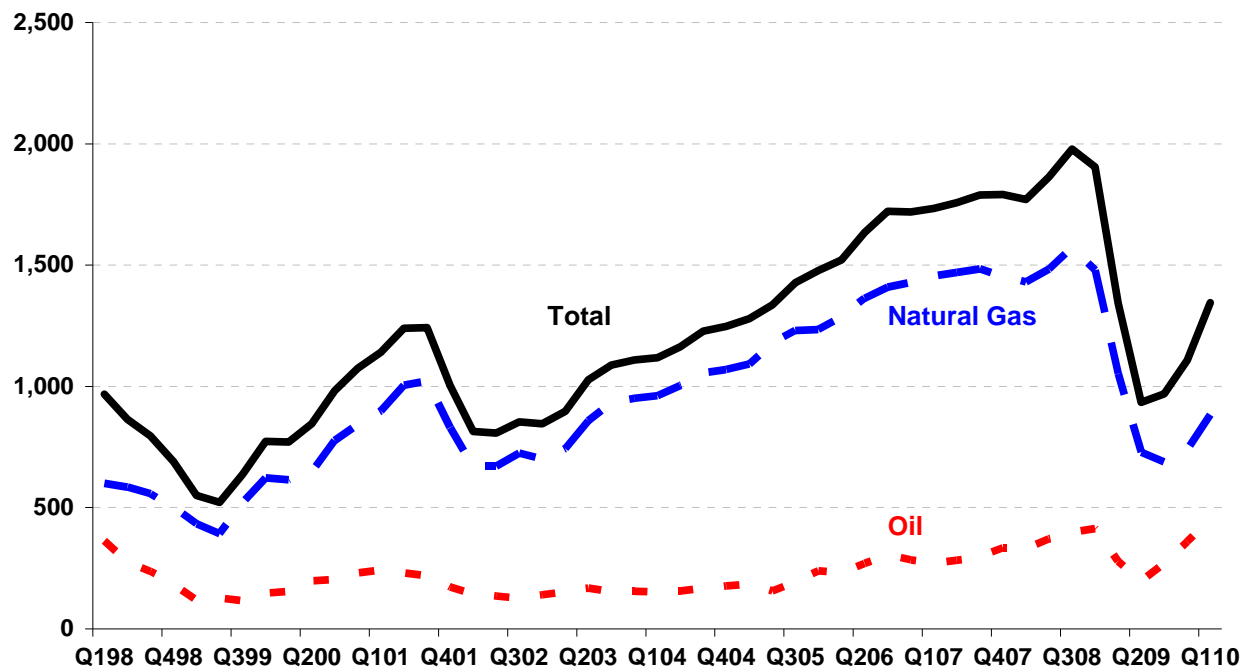
Ethanol Producer 1st Quarter 2010 Revenue and Net Income



Source: Compiled from companies' quarterly reports to stockholders

- Revenue and income for ethanol producers in this report both increased in Q110 from the year-ago quarter: revenue was up 13.7 percent to \$1.4 billion in Q110, while earnings went from losses of \$43 million to earnings of \$59 million in Q110.
- This was driven by the 9.0 increase in ethanol prices in Q110 to \$1.73 per gallon.

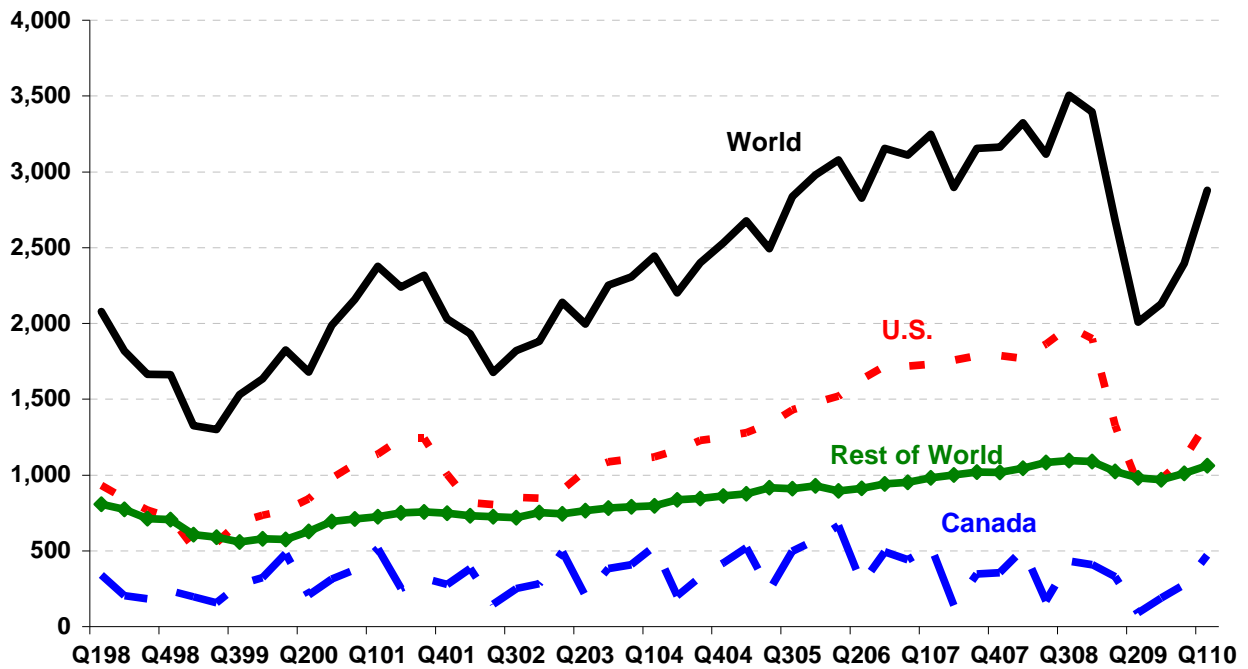
U.S. Oil Rig Count Up, Natural Gas Count Down, Total Unchanged



Source: Baker Hughes.

- U.S. oil rig counts increased by 61 percent over the year-ago quarter to an average of 450 rigs, while U.S. gas rig counts dropped 16 percent to an average of 882 rigs.

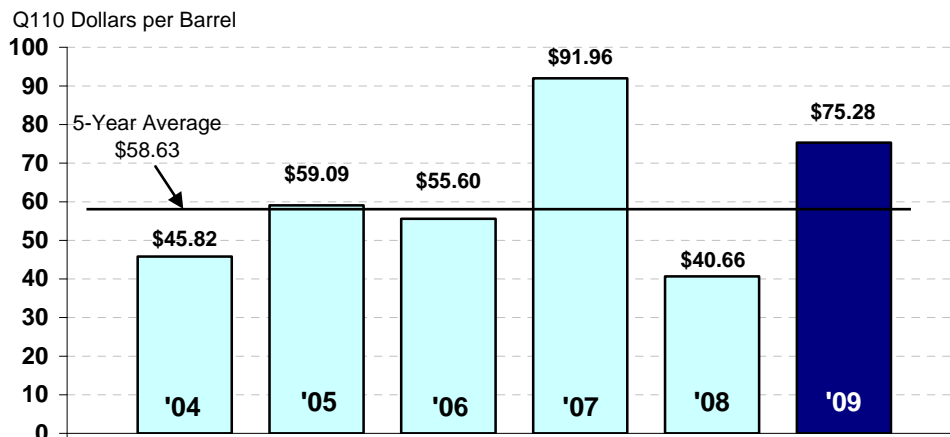
U.S., Canada, World Rig Counts Up



Source: Baker Hughes.

- The U.S. total rig count increased by 1 percent to an average of 1,345 rigs in Q110, while the Canadian rig count jumped 43 percent to an average of 470 rigs. Rig counts in the rest of the world increased 4 percent to 1,063.

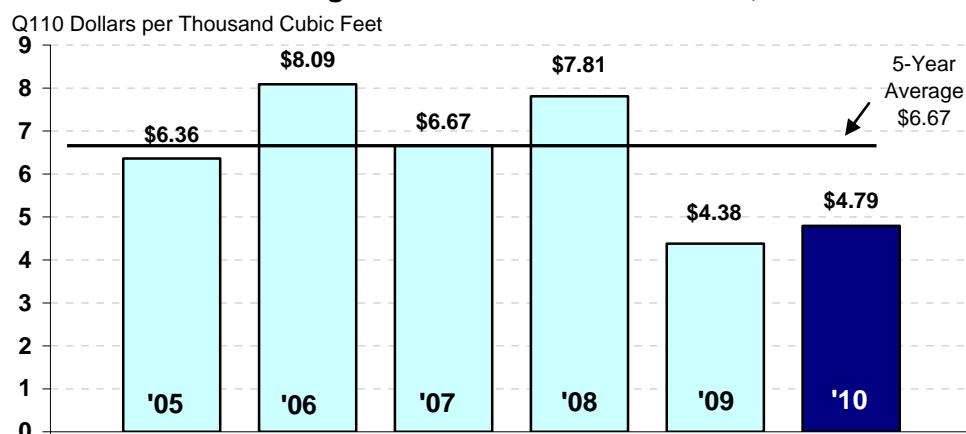
First Quarter Imported Average Crude Oil Price, 2005-2010



Source: Energy Information Administration, *Short-Term Energy Outlook*, (June 8, 2010), Table 2.

- Crude oil prices in Q110 were 85 percent higher than in Q109 and 29 percent higher than the average for the first quarter of 2005-2009 (in Q110 dollars).

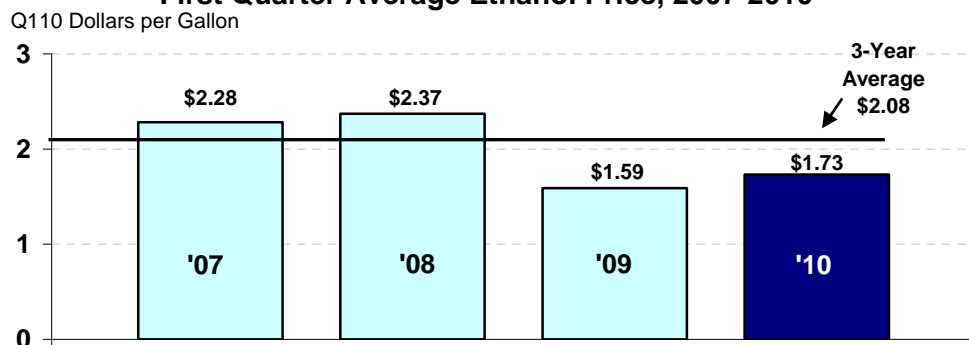
First Quarter Average Wellhead Natural Gas Price, 2005-2010



Source: Energy Information Administration, *Short-Term Energy Outlook*, (June 8, 2010), Table 2.

- Natural gas prices of Q110 were 9 percent higher than in Q109, but 28 percent lower than the first quarter average for 2005-2009 (measured in Q110 dollars).

First Quarter Average Ethanol Price, 2007-2010



Source: Compiled from Reuters data.

Note: Ethanol price is midcontinent spot price.

- Ethanol prices rebounded slightly from their relative low of Q109, a low shared by crude and natural gas prices, following the relative highs of Q108 for all three fuels.

SUPPLEMENTAL TABLES

Table 1. Revenue and Net Income Summaries for Independent Energy Companies
(Million Q110 Dollars)^a

Companies	Q109	Q110	Percent Change
Revenue			
Oil and Gas Producers (15) ^b	2,749	4,423	60.9
Oil Field Companies (17)	23,602	21,259	-9.9
Ethanol Producers (13)	1,207	1,380	14.4
Total Revenue (45)	27,558	27,062	-1.8
Net Income			
Oil and Gas Producers (15)	-3,298	1,239	137.6
Oil Field Companies (17)	3,498	2,491	-28.8
Ethanol Producers (13)	-50	62	224.0
Total Income (45)	150	3,792	2,429.8
^a Values have been converted to constant Q110 dollars using the GDP price deflator series.			
^b The number of companies reporting revenue and net income is in parentheses.			
Note: Percentages are calculated from unrounded data.			
Sources: Compiled from companies' quarterly reports to stockholders.			

U.S. Energy Prices

	Q109	Q110	Percent Change
U.S. Energy Prices	Q110 Dollars		
Imported Average Crude Oil Price (\$/barrel) ^a	40.66	75.28	85.1
Natural Gas Wellhead Price (\$/thousand cubic feet) ^a	4.38	4.79	9.3
Ethanol Midcontinent Spot Price (\$/gallon) ^b	1.59	1.73	9.0
^a Energy Information Administration, <i>Short-Term Energy Outlook</i> , (June 8, 2010), Table 2.			
^b Compiled from Reuters data.			