

Financial Review of the Global Oil and Natural Gas Industry: First-Quarter 2021



Petroleum and Liquid Fuels Markets Team

July 2021

Key findings for first-quarter 2021 (1Q21)

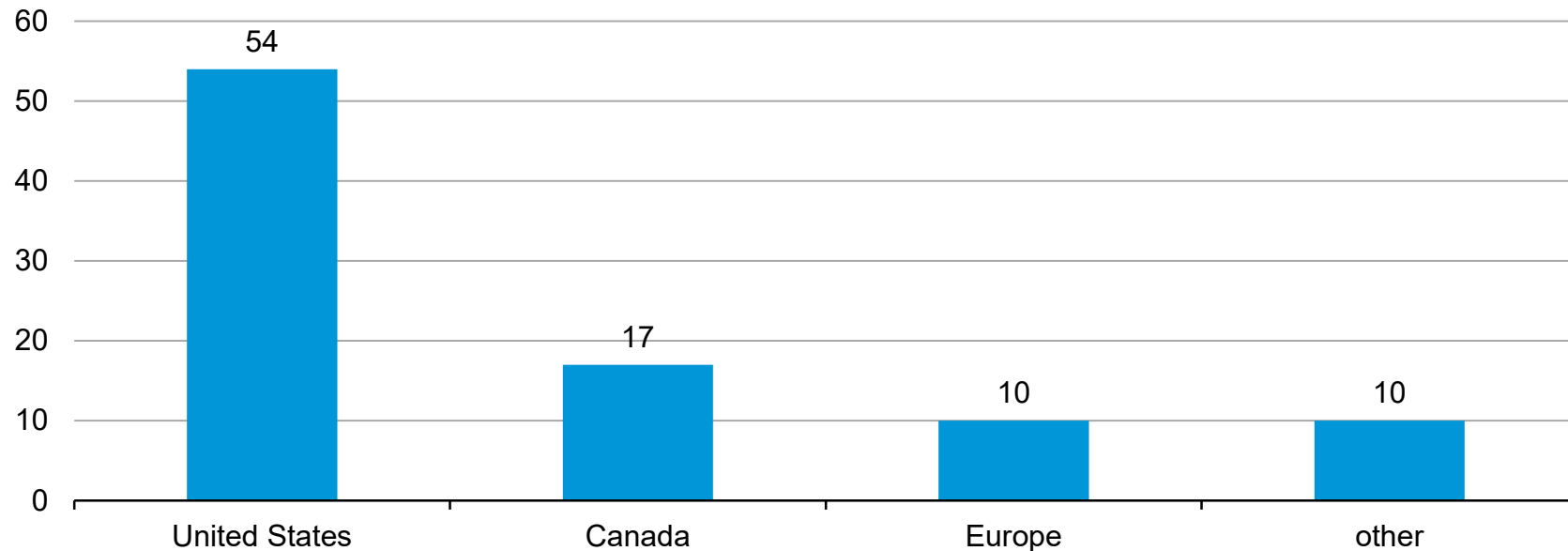
- Brent crude oil daily average prices were 21% higher in 1Q21 than in 1Q20 and averaged \$61 per barrel.
- In this study of 91 companies, the combined petroleum liquids production decreased 11.4% in 1Q21 from 1Q20, and natural gas production decreased 4.2% during the same period.
- Several acquisitions and company dissolutions in 2020 reduced the total number of companies in this study from 100 in 3Q20 (the latest quarterly analysis published) to 91 in 1Q21.
- Capital expenditure in 1Q21 was \$48 billion, 28% lower than in 1Q20 and the second lowest amount for any quarter since 2016.

Note: The 91 companies analyzed in this study publish publicly available financial statements. A full list of the companies included and a glossary of terms begin on slide 20.

Most company headquarters included in our study were located in the United States

geographic distribution of global oil and natural gas company headquarters, first-quarter 2021

number of companies



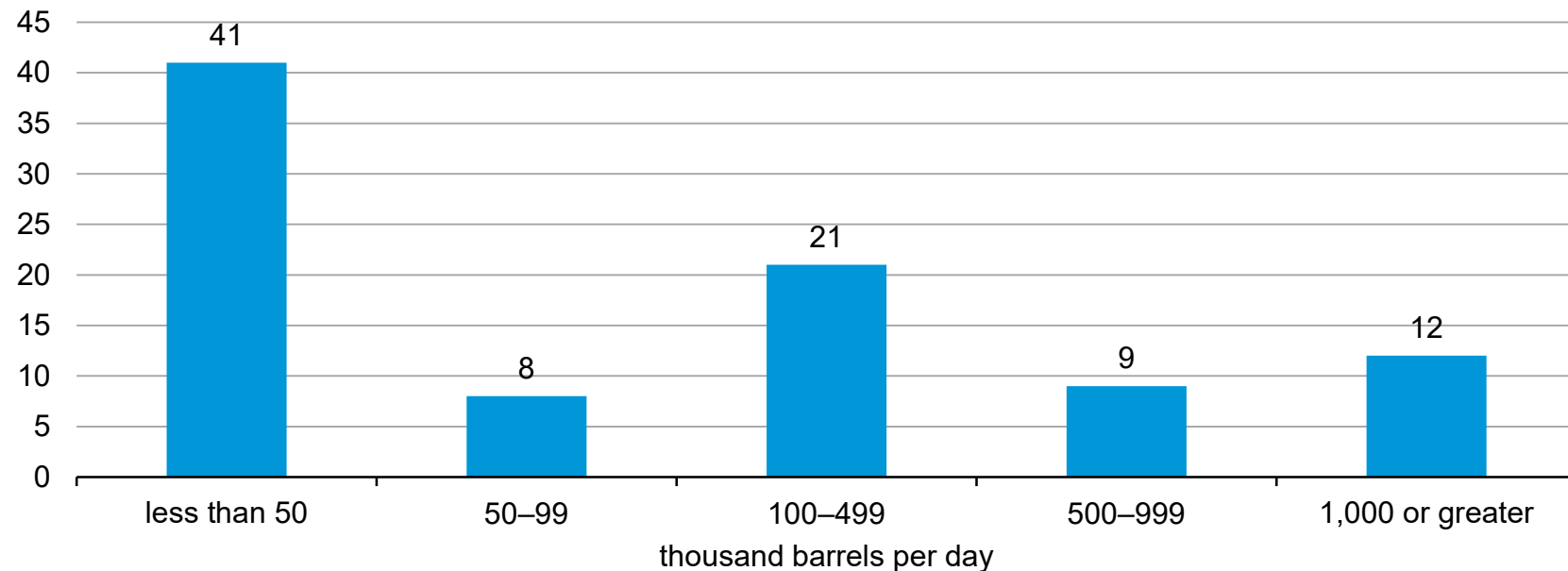
Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

Note: *Other* includes Argentina, Brazil, Chile, China, Colombia, and Russia.

About 45% of companies we included produced less than 50,000 barrels per day in first-quarter 2021

distribution of companies by volume of petroleum liquids produced, first-quarter 2021

number of companies

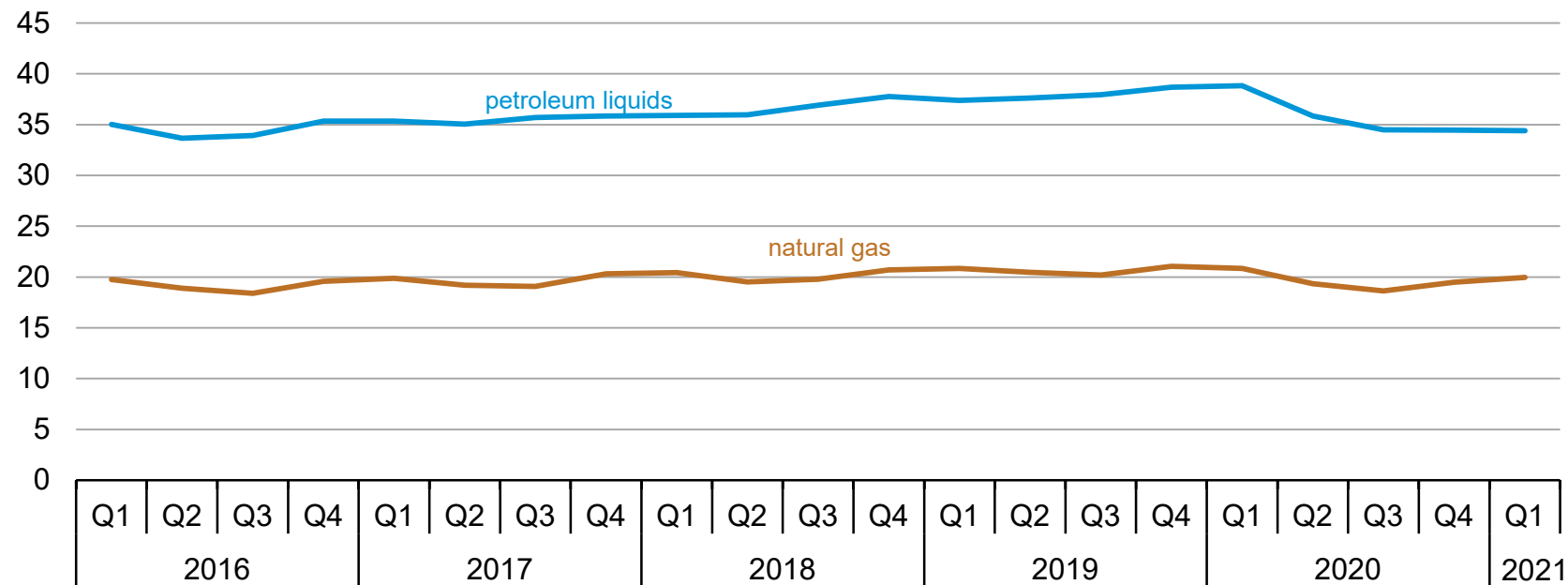


Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

Production from the oil and natural gas companies remained lower than quarterly average 2019 production in first-quarter 2021

petroleum liquids and natural gas production, 2016–21

million barrels of oil equivalent per day

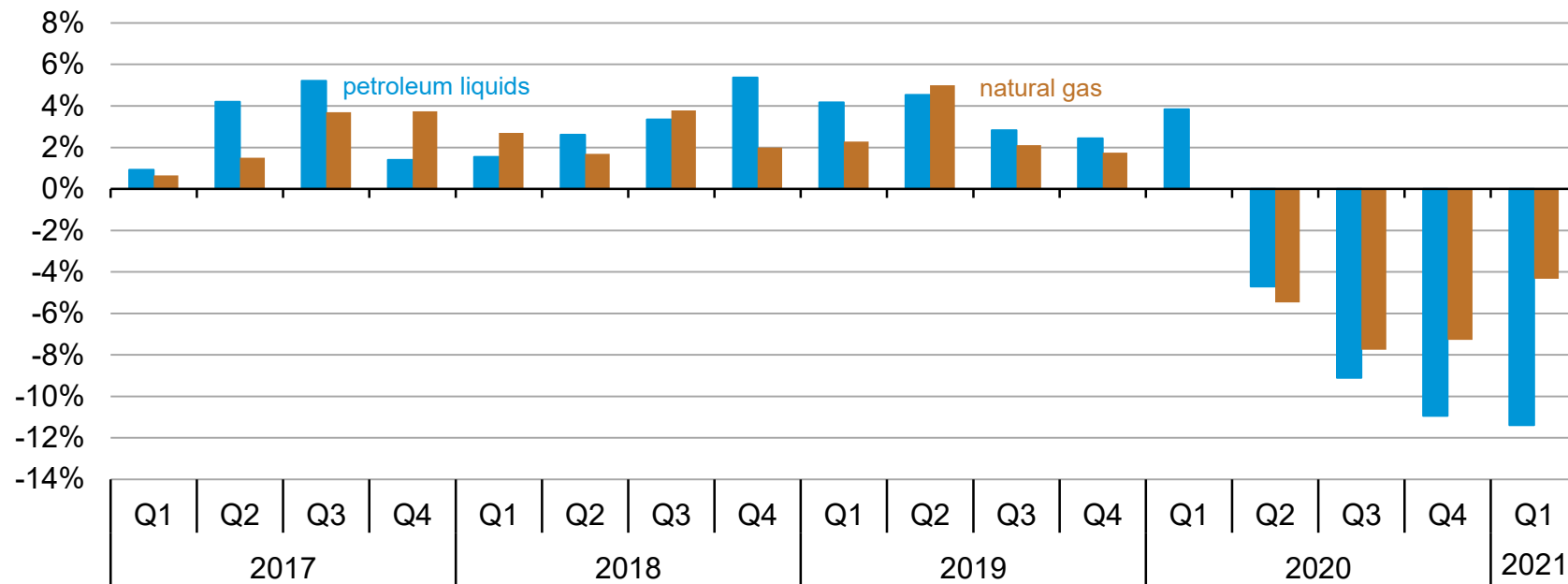


Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

Petroleum liquids and natural gas production decreased from first-quarter 2020 to first-quarter 2021

petroleum liquids and natural gas production, 2017–20

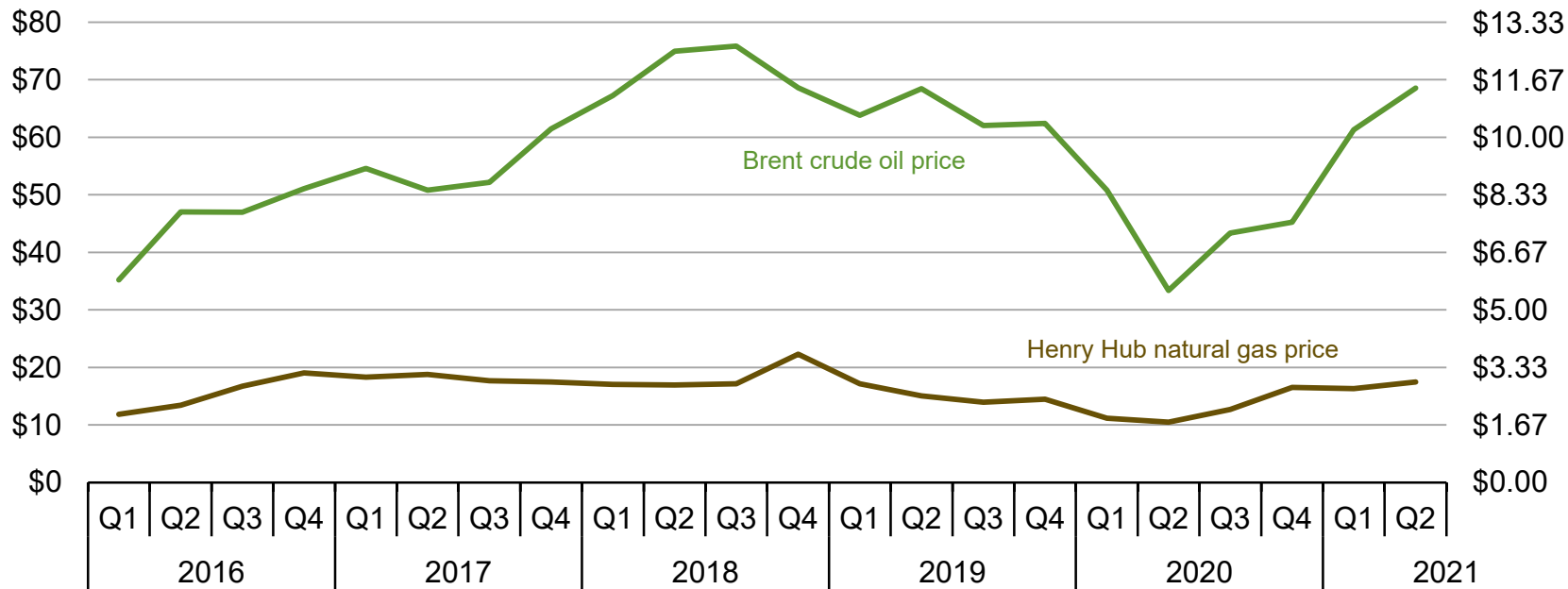
year-over-year change



Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

First-quarter 2021 crude oil prices were 21% higher than first-quarter 2020, and natural gas prices increased 46% during the same period

Brent crude oil front-month futures prices, 2016–21 dollars per barrel (b)
Henry Hub natural gas front-month futures prices, 2016–21 dollars per million British thermal units

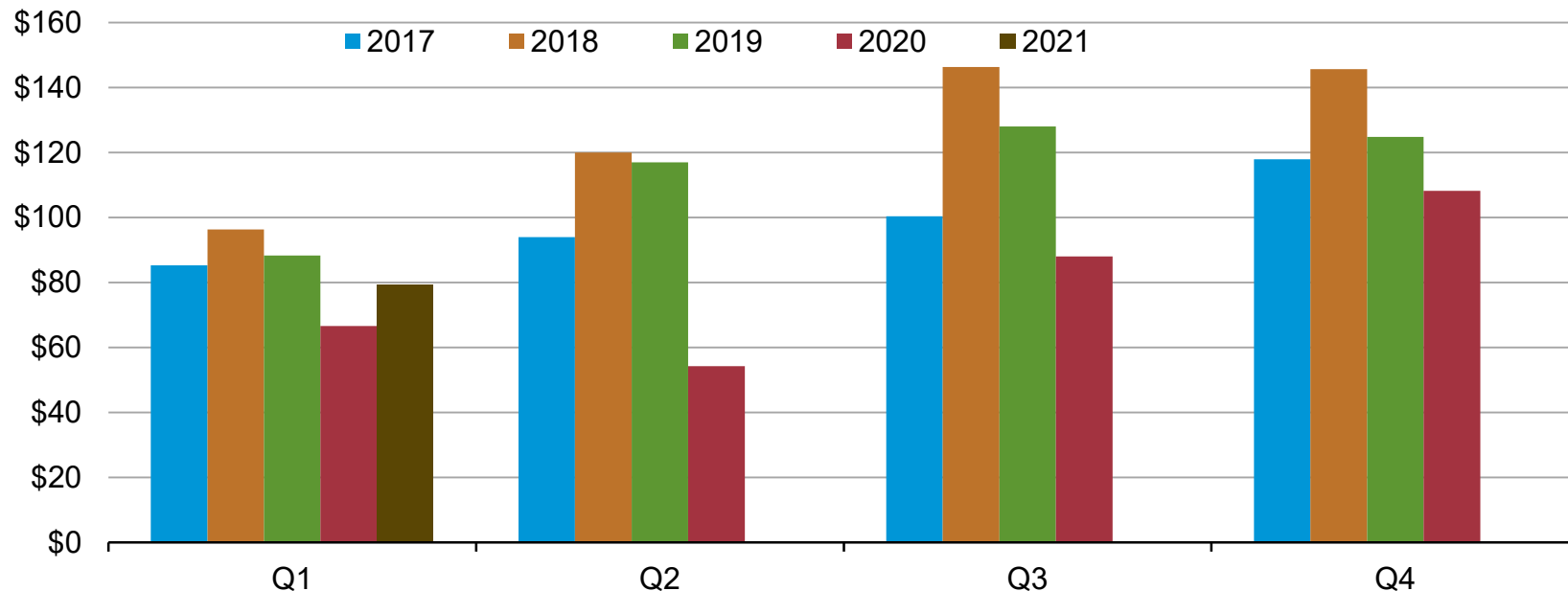


Source: Graph by U.S. Energy Information Administration, based on Bloomberg

Cash from operations in first-quarter 2021 totaled \$79 billion, 19% higher than in first-quarter 2020

cash from operations, 2017–21

billion dollars

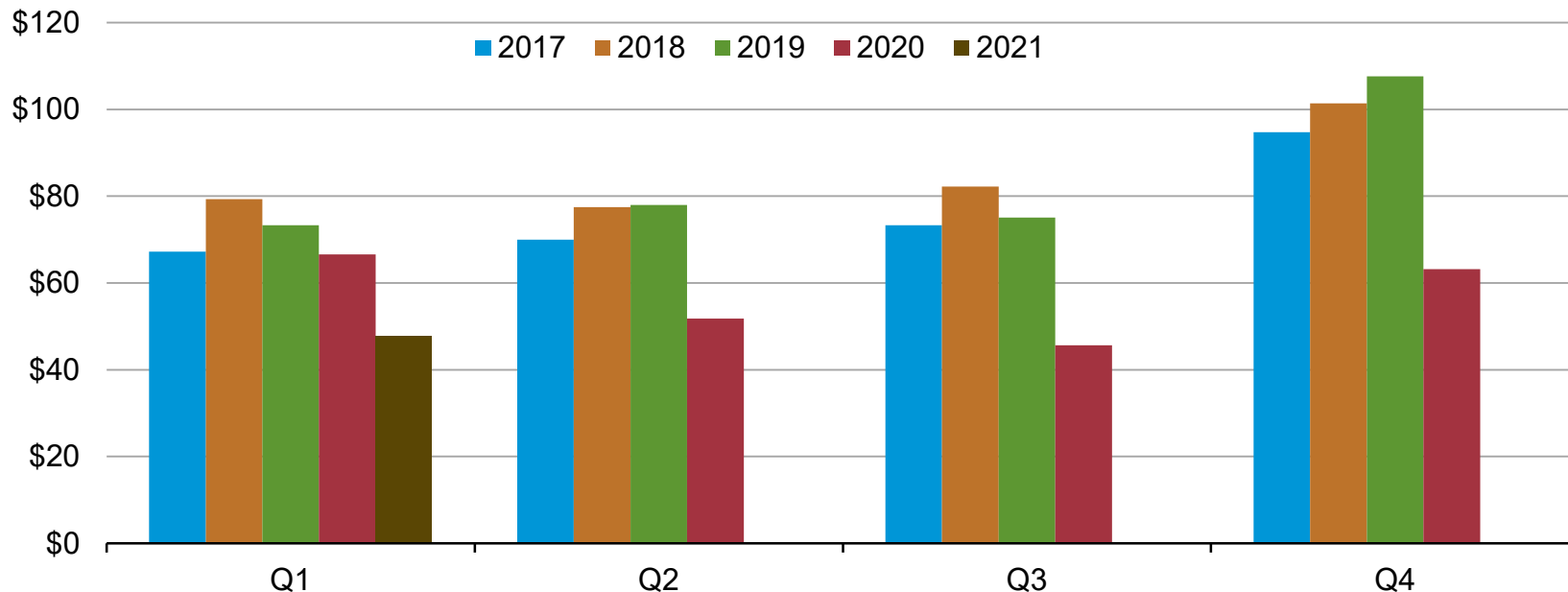


Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

Capital expenditure in first-quarter 2021 totaled \$48 billion, 28% lower than in first-quarter 2020

capital expenditure, 2017–21

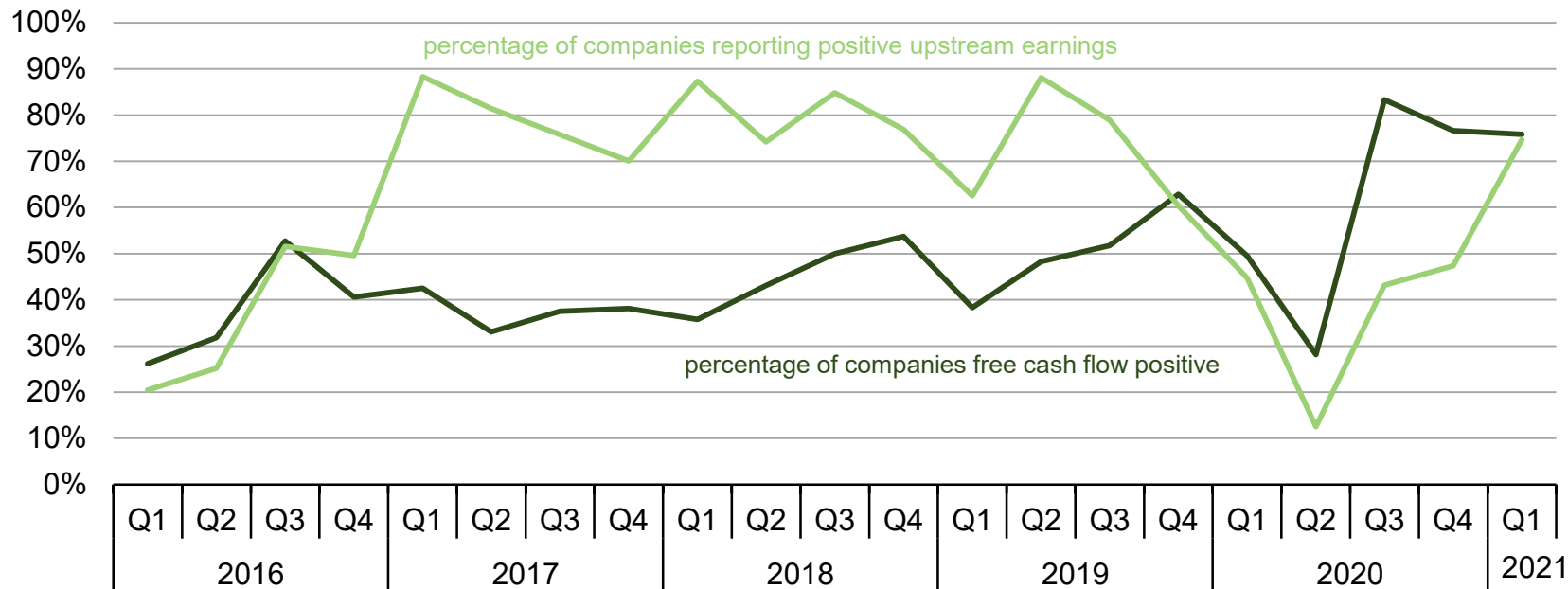
billion dollars



Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

About 76% of companies had positive free cash flow, and 75% of companies reported positive upstream earnings in first-quarter 2021

percentage of companies free cash flow positive and percentage with positive upstream earnings, 2016–21
percentage



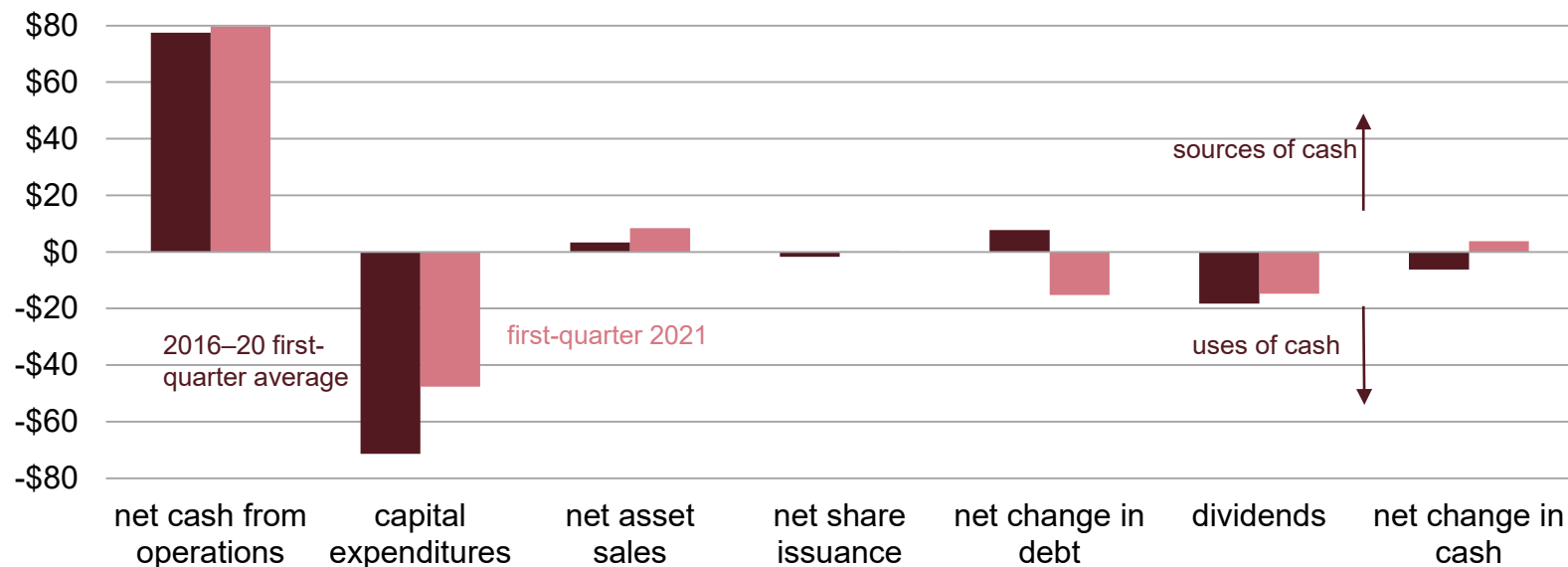
Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

Note: free cash flow=cash from operations minus capital expenditures

Capital expenditures were significantly lower than the five-year average in first-quarter 2021, and companies also repaid debt

sources and uses of cash

billion dollars



Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

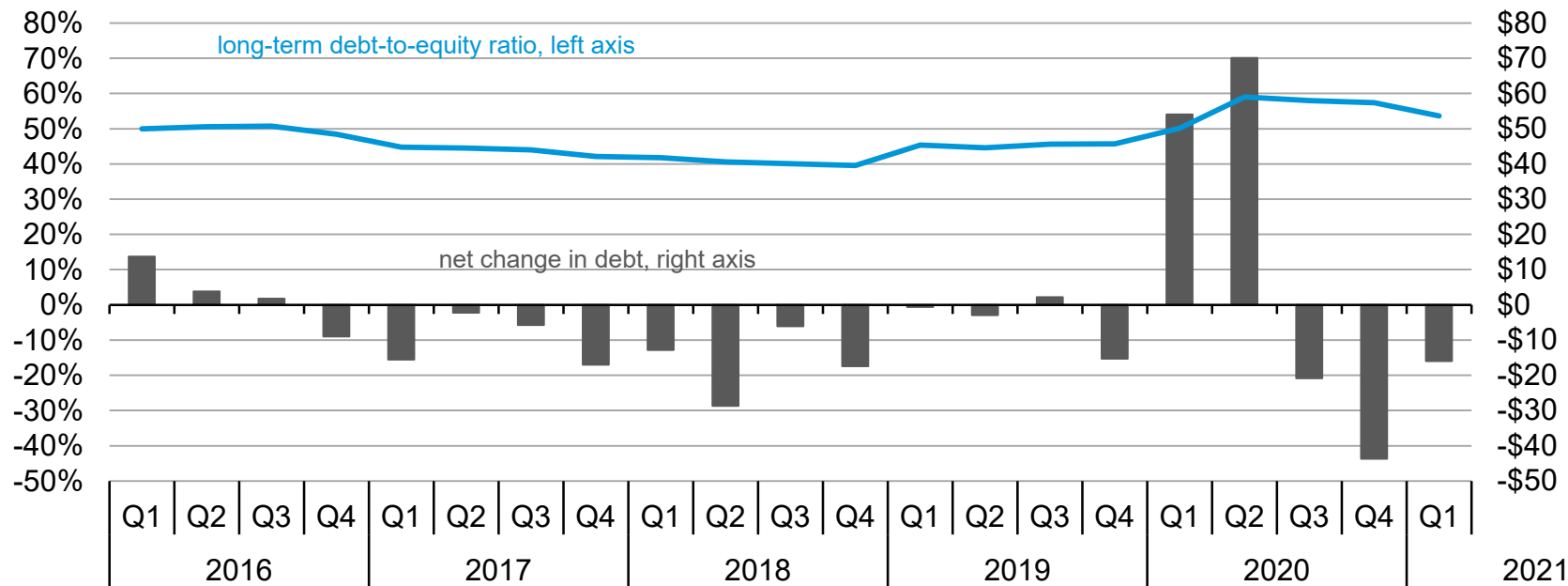
The companies decreased debt by \$16 billion in first-quarter 2021, and the long-term debt-to-equity ratio decreased to 54%

long-term debt-to-equity ratio, 2016–21

percentage

net change in debt, 2016–21

billion dollars

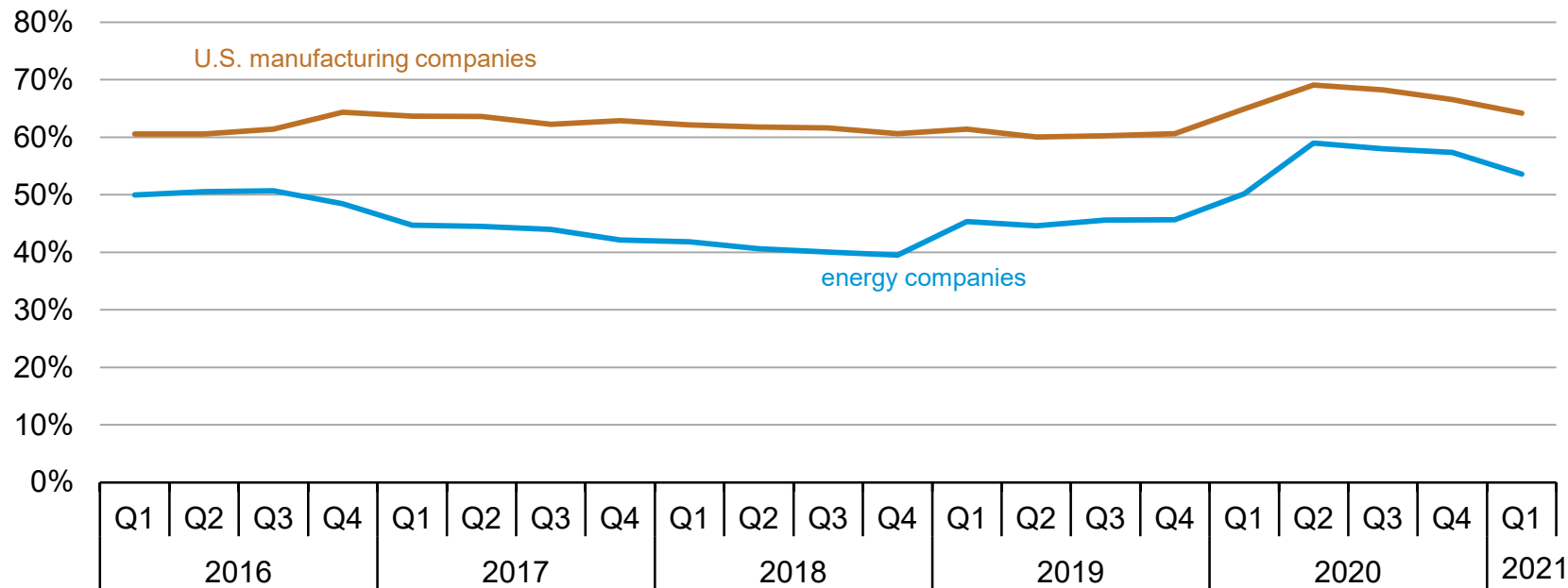


Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

As of first-quarter 2021, the long-term debt-to-equity ratio for energy companies was 54% and for U.S. manufacturing companies was 64%

long-term debt-to-equity ratio, 2016–21

percentage

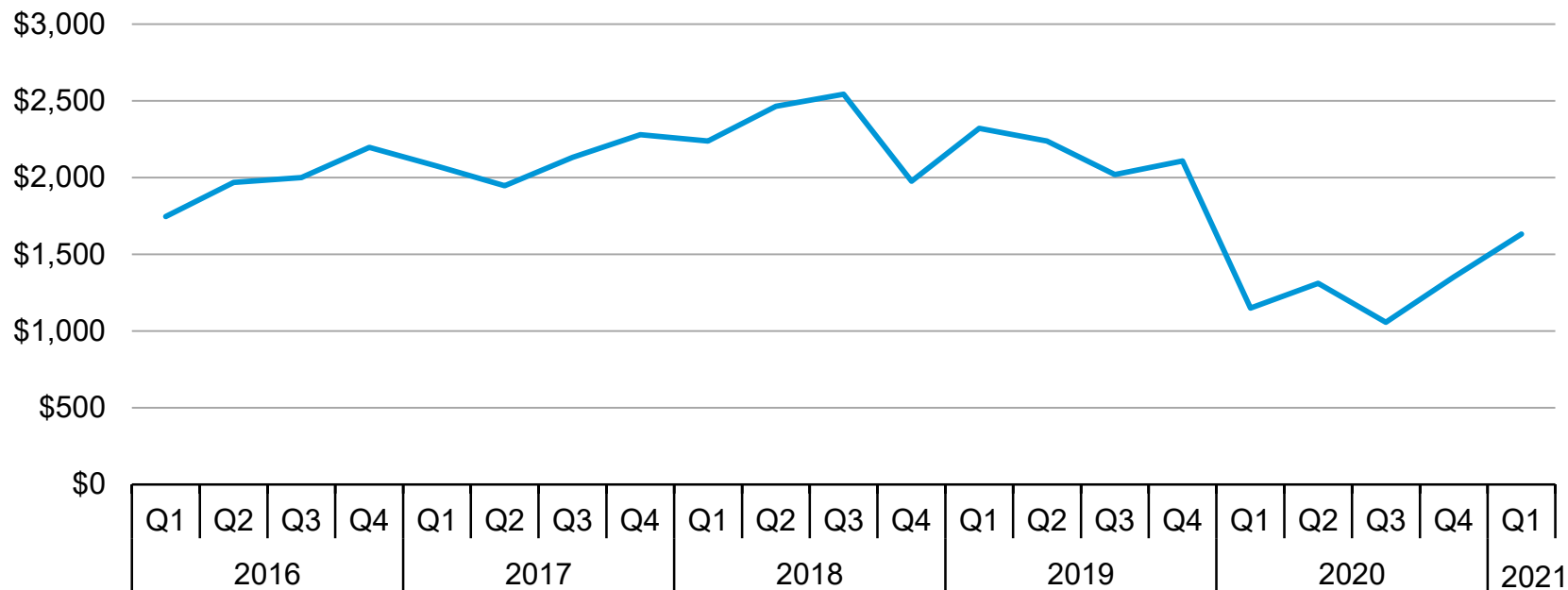


Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements and U.S. Census Bureau

The energy companies' combined market capitalization in first-quarter 2021 increased 42% from first-quarter 2020

combined market capitalization, 2016–21

billion dollars

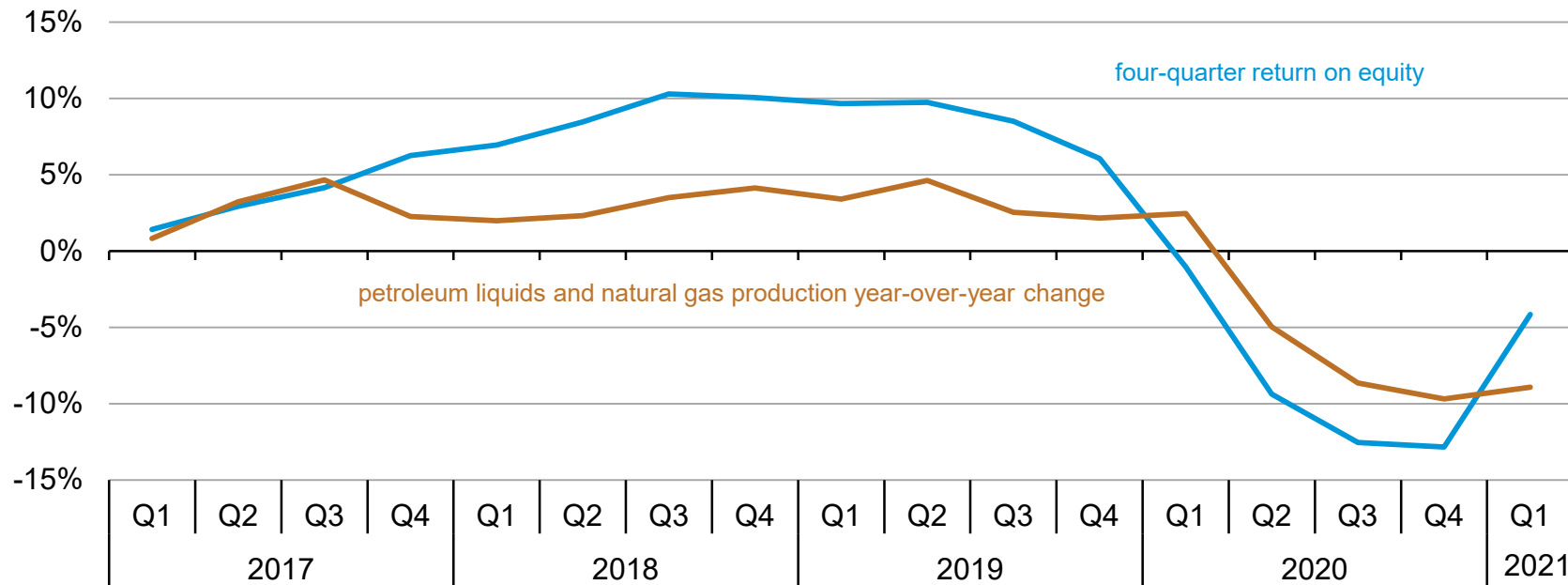


Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

The energy companies' return on equity was -4% in first-quarter 2021

return on equity and production, 2017–21

percentage

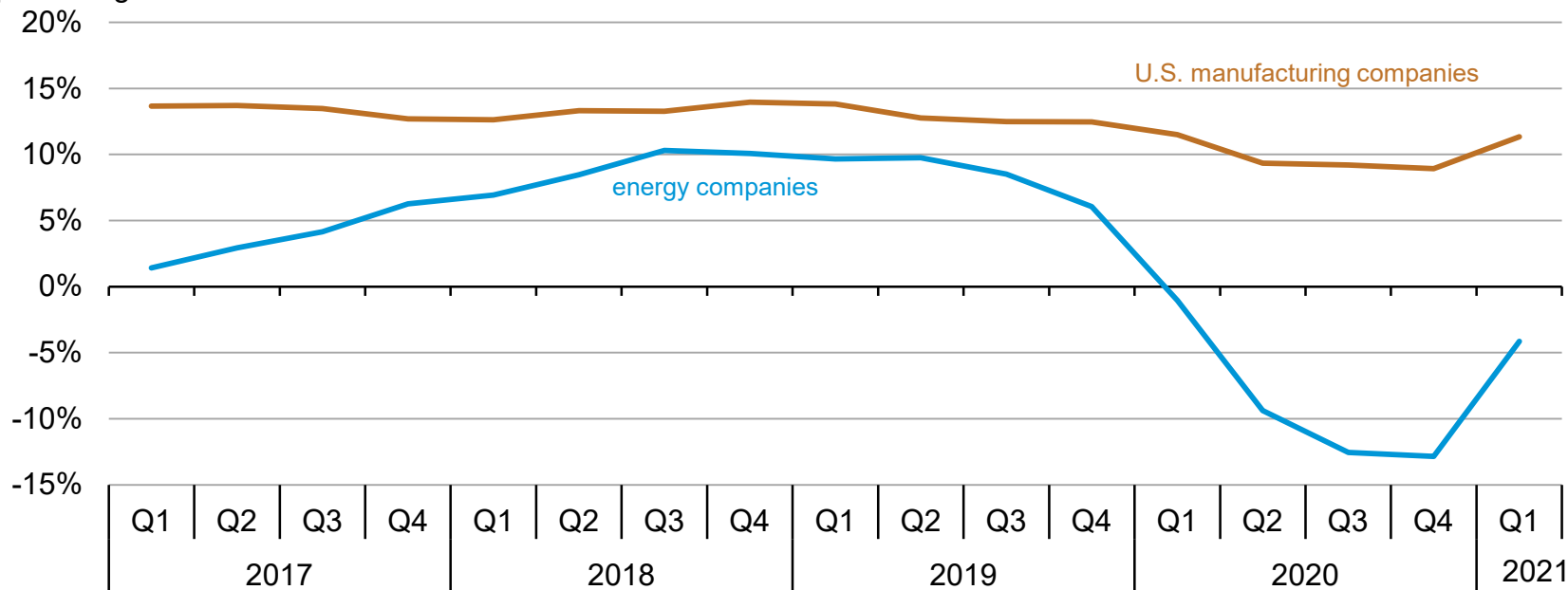


Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

The return on equity for energy companies remained lower than U.S. manufacturing company returns

four-quarter return on equity, 2017–21

percentage

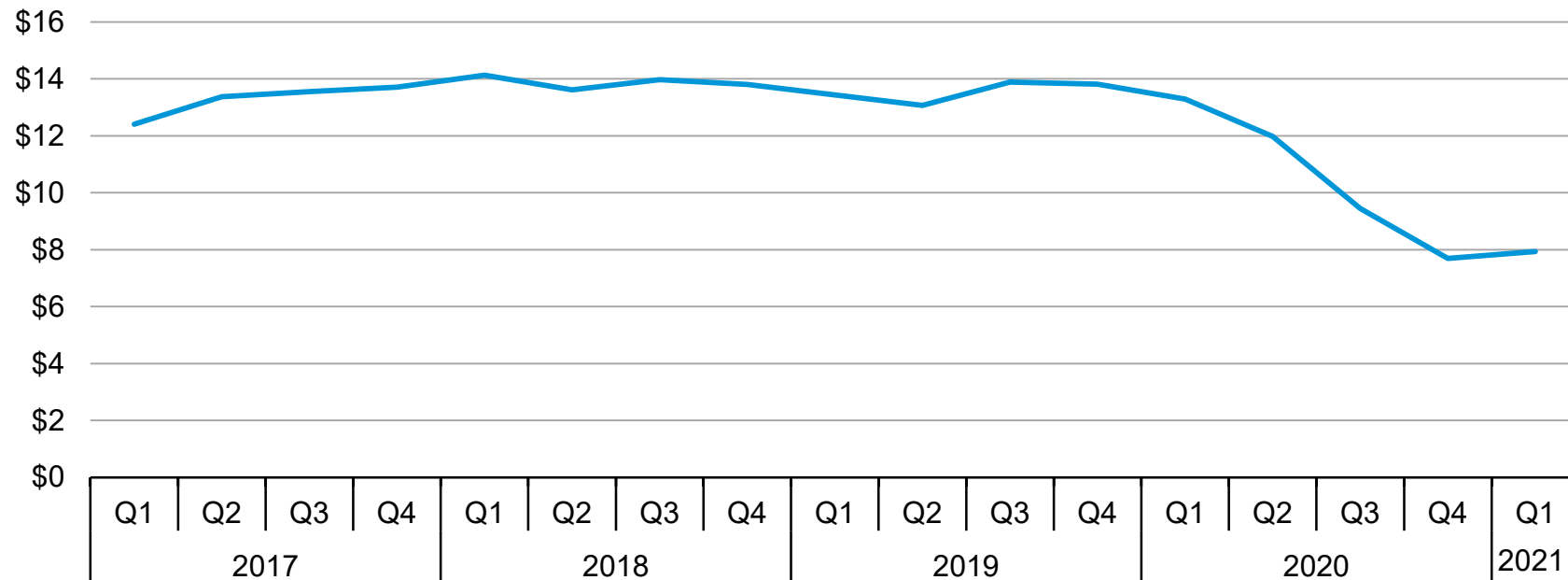


Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements and U.S. Census Bureau

Upstream capital expenditures on a per-barrel basis averaged \$8/BOE in first-quarter 2021

upstream capital expenditure per BOE produced, 2017–21

dollars per BOE, four-quarter moving average



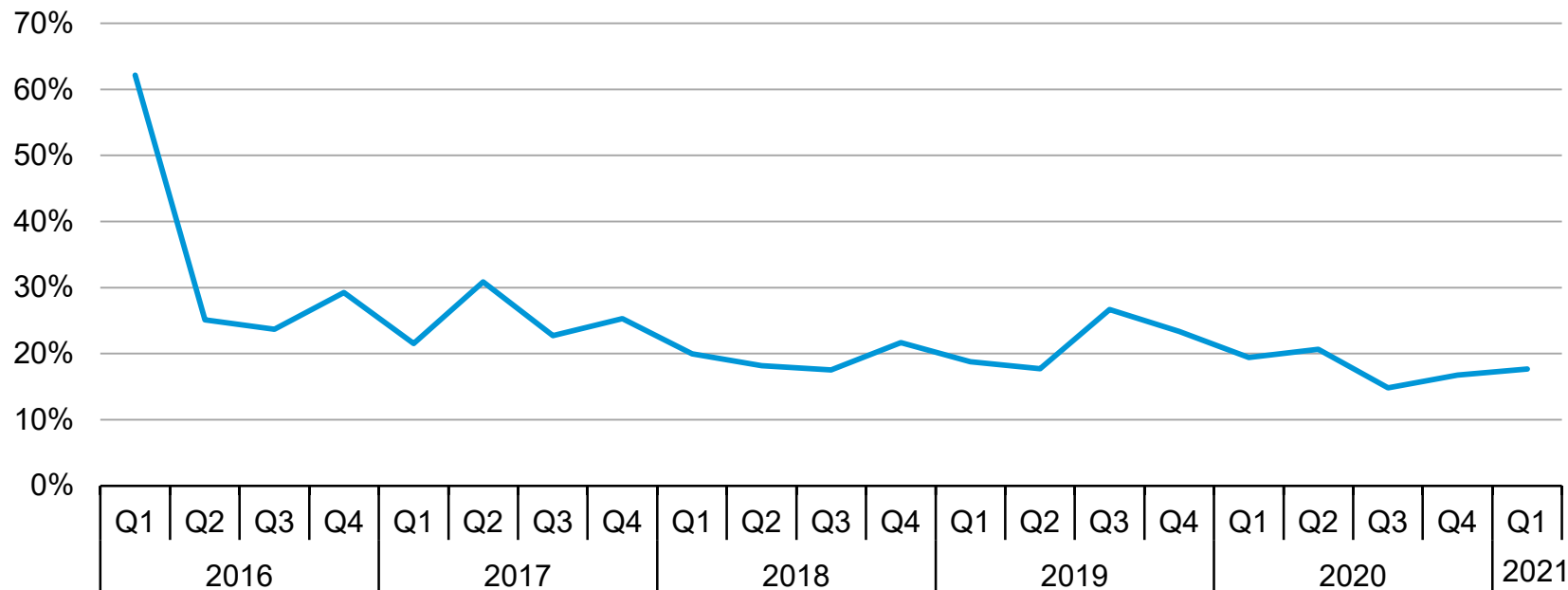
Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

Note: BOE=barrel of oil equivalent

Upstream capital expenditures per barrel of oil equivalent were 18% of crude oil prices in first-quarter 2021

ratio of upstream capital expenditure per BOE to Brent price, 2016–21

percentage



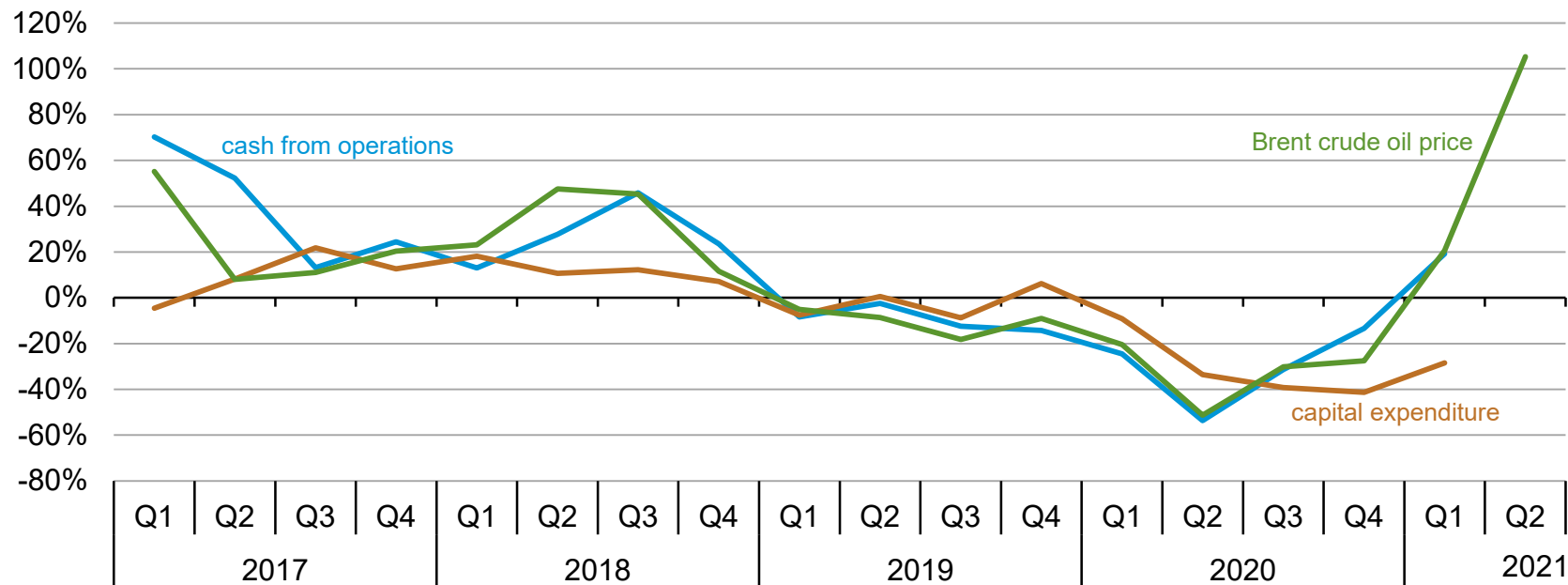
Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements

Note: BOE=barrel of oil equivalent

Crude oil prices increased year over year through second-quarter 2021, indicating increases in cash from operations and capital expenditure

cash flow items and Brent prices, 2016–21

year-over-year change



Source: Graph by U.S. Energy Information Administration, based on Evaluate Energy data of companies with public financial statements and Bloomberg

Appendix: List of companies

Abraxas Petroleum Corporation	Carrizo Oil & Gas, Inc.	EP Energy Corporation	Kosmos Energy Ltd	Obsidian Energy Ltd.	Roan Resources Inc.	Triangle Petroleum Corporation
Aker BP ASA	Cenovus Energy Inc.	Equinor ASA	Laredo Petroleum Inc.	Occidental Petroleum Corporation	Rosehill Operating Company, LLC	Unit Corporation
Amplify Energy Corp.	Centennial Resource Development, Inc.	Erin Energy Corporation	Legacy Reserves Inc.	OMV Group	Rosneft	Vaeco Energy Inc
Anadarko Petroleum Corp.	Chesapeake Energy Corp.	Extraction Oil & Gas, Inc.	Lilis Energy Inc.	Ovintiv Inc.	Royal Dutch Shell	Vermilion Energy Inc.
Antero Resources Corporation	Chevron Corporation	ExxonMobil	Linn Energy	Paramount Resources Ltd.	Royale Energy Inc.	W & T Offshore
APA Corporation	Cimarex Energy Co.	FieldPoint Petroleum Corporation	Lonestar Resources US, Inc.	Parex Resources Inc.	RSP Permian Inc	Whitecap Resources Inc.
Approach Resources Inc	Clayton Williams Energy, Inc.	Frontera Energy Corporation	Lukoil PJSC	Parsley Energy Inc.	Sabine Oil & Gas Corporation	Whiting Petroleum Corporation
ARC Resources Ltd.	Concho Resources Inc	Galp Energia	Lundin Energy AB	PDC Energy, Inc.	SandRidge Energy, Inc.	WPX Energy, Inc.
Bankers Petroleum Ltd	ConocoPhillips	Gastar Exploration Inc.	Magnolia Oil & Gas Corporation	PEDEVCO Corp.	Seven Generations Energy Ltd.	YPF Sociedad Anonima
Battalion Oil Corporation	Contango Oil and Gas Company	Gazprom Neft PJSC	Marathon Oil Corp.	Pengrowth Energy Corporation	Sherritt International Corp	Yuma Energy, Inc.
Baytex Energy Corp.	Continental Resources, Inc.	GeoPark Limited	Matador Resources Company	Penn Virginia Corporation	Sinopec	Yuma Energy, Inc. (Pre Davis)
Berry Corporation	Crescent Point Energy Corp	Gran Tierra Energy Inc.	Maverick Natural Resources, LLC	Petrobras (IFRS US\$ Current)	SM Energy Company	
Black Stone Minerals LP	Denbury Inc.	Grizzly Energy LLC	Mesquite Energy, Inc.	PetroChina	SRC Energy Inc	
Bonanza Creek Energy Inc	Devon Energy Corporation	Harvest Natural Resources Inc.	Mid-Con Energy Partners, LP	PetroQuest Energy, Inc	Stone Energy Corporation	
BP Plc.	Diamondback Energy Inc.	Hess Corporation	Midstates Petroleum Company, Inc.	PHX Minerals Inc.	Suncor Energy Inc.	
Brazos Valley Longhorn, L.L.C.	Earthstone Energy Inc.	HighPoint Resources Corporation	Montage Resources Corporation	Pioneer Natural Resources Company	T-Rex Oil, Inc.	
Cabot Oil & Gas Corporation	Ecopetrol	Houston American Energy Corp	Murphy Oil Corporation	QEP Resources Inc	Talos Energy Inc.	
California Resources Corporation	Energen Corp	Husky Energy Inc.	Newfield Exploration Company	Range Resources Corporation	Tatneft	
Callon Petroleum	Enerplus Corporation	International Petroleum Corporation	Noble Energy Inc.	Repsol	TotalEnergies SE	
Camber Energy, Inc.	ENI	Jagged Peak Energy Inc.	Northern Oil & Gas, Inc	Resolute Energy Corporation	TransAtlantic Petroleum Ltd.	
Canadian Natural Resources Limited	EOG Resources	Jones Energy, Inc.	Oasis Petroleum Inc.	Ring Energy Inc	TransGlobe Energy Corporation	

Source: U.S. Energy Information Administration, Evaluate Energy

Note: Some companies merged, closed, or delisted before 2021. A total of 91 companies existed in first-quarter 2021.

Background

- This analysis focuses on the financial and operating trends of 91 global oil and natural gas companies (called the *energy companies*).
- The data come from the public financial statements each company publishes, which a data service (Evaluate Energy) aggregates for ease of data analysis.
- We kept an energy company's data in the analysis if it was acquired by another company in the group after first-quarter 2016.
- We collected U.S. manufacturing industry data from the U.S. Census Bureau's *Quarterly Financial Report*.

Brief description of terms

- *Cash from operations* is a measure of income from the company's regular business activities.
- *Capital expenditure* represents cash used to purchase property, plant, and equipment.
- *Financing activities* measure inflows and outflows in debt or equity markets, including dividends, share issuances or repurchases, and debt issuances or repayments.
- *Return on equity* is a measure of the profit a company earns on money that shareholders have invested.
- *Market capitalization* is the total value of all of a company's outstanding, publicly traded shares.

Brief description of terms

- *Net income* represents profits after taxes and depreciation.
- *Asset impairments* occur when a company lowers the estimated value of a property to reflect current market value, which may result from the loss of production potential or a decline in oil prices.
- *Upstream activities* refers to crude oil exploration, production, and other operations that occur before refining.
- *Downstream activities* refers to refinery operations, product sales, and marketing at the wholesale and retail levels.