Financial Review of the Global Oil and Natural Gas Industry: First-Quarter 2022

Petroleum and Liquid Fuels Markets Team

July 2022
Key findings for first-quarter 2022 (1Q22)

• Brent crude oil daily average prices were 60% higher in 1Q22 than in 1Q21 and averaged $98 per barrel.

• In this study of 90 companies, the combined petroleum liquids production level increased less than 1% in 1Q22 from 1Q21, and natural gas production increased 3% during the same period.

• Distributions to shareholders via dividends and share repurchases reached $32 billion on a four-quarter average basis ending in 1Q22, the highest in the 2017–22 period.

• Net losses from hedging derivatives were $25 billion in 1Q22, the largest loss for any quarter in the 2017–22 period.

Note: The 90 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 21. Russian firms previously included in this analysis were removed because their 1Q22 financial statements were unavailable.
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 2022**

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Companies</th>
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<tbody>
<tr>
<td>United States</td>
<td>56</td>
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<tr>
<td>Canada</td>
<td>17</td>
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<tr>
<td>Europe</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
</tr>
</tbody>
</table>

Data source: Evaluate Energy

Note: *Other* includes Argentina, Australia, Brazil, Chile, China, and Colombia.
About 40% of the companies we included produced less than 50,000 barrels per day in first-quarter 2022

Data source: Evaluate Energy
Petroleum liquid production in the first quarter remained below the 2019 average and natural gas production was above the 2019 average.

*petroleum liquids and natural gas production, 2017–22*

million barrels of oil equivalent per day

Data source: Evaluate Energy
Petroleum liquids and natural gas production increased from first-quarter 2021 to first-quarter 2022

petroleum liquids and natural gas production, 2018–22

year-over-year change

Data source: Evaluate Energy
First-quarter 2022 crude oil prices were 60% higher than in first-quarter 2021, and natural gas prices were 69% higher during the same period.

Data source: Bloomberg L.P.
Cash from operations in first-quarter 2022 totaled $134 billion, 86% higher than in first-quarter 2021.

Data source: Evaluate Energy
Capital expenditure in first-quarter 2022 totaled $59 billion, 40% higher than in first-quarter 2021

capital expenditure, 2018–22
billion dollars

Data source: Evaluate Energy
About 76% of companies had positive free cash flow, and 79% of companies reported positive upstream earnings in first-quarter 2022.

Percentage of companies with positive free cash flow and with positive upstream earnings, 2017–22

Data source: Evaluate Energy

Note: Free cash flow = cash from operations minus capital expenditures
Net losses from hedging derivatives were $25 billion in first-quarter 2022, the most for any quarter in the 2017–22 period.

Data source: Evaluate Energy
Note: Includes realized and unrealized gain or loss.
Distributions to shareholders via dividends and share repurchases reached $32 billion, the highest four-quarter average in the 2017–22 period.

Data source: Evaluate Energy
The companies decreased debt by $7 billion in first-quarter 2022, and the long-term debt-to-equity ratio decreased to 44%.

Data source: Evaluate Energy
In first-quarter 2022, the long-term debt-to-equity ratio was 44% for energy companies and 57% for U.S. manufacturing companies.

**long-term debt-to-equity ratio, 2017–22**

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<th>Percentage</th>
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<td>60%</td>
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<td>70%</td>
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<td>80%</td>
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**Data source:** Evaluate Energy and U.S. Census Bureau
The energy companies’ combined market capitalization in first-quarter 2022 increase 53% from first-quarter 2021.

Combined market capitalization, 2017–22

Billion dollars

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<tr>
<th></th>
<th>2017</th>
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<th>2020</th>
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Data source: Evaluate Energy
The energy companies’ return on equity was 15% in first-quarter 2022, the highest level in the 2017–22 period.
The return on equity for energy companies remained lower than U.S. manufacturing company returns in first-quarter 2022.

Data source: Evaluate Energy and U.S. Census Bureau
Upstream capital expenditures on a per-barrel basis averaged $10.50/BOE in first-quarter 2022

Data source: Evaluate Energy

Note: BOE = barrel of oil equivalent
Upstream capital expenditures per barrel of oil equivalent were 11% of crude oil prices in first-quarter 2022, the lowest in the 2017–22 period.

Data source: Evaluate Energy

Note: BOE = barrel of oil equivalent
Crude oil prices increased year over year through second-quarter 2022, indicating increases in cash from operations and capital expenditure.

cash flow items and Brent prices, 2017–22

year-over-year change

Data source: Evaluate Energy and Bloomberg L.P.
Appendix: List of companies

Abraax Petroleum Corporation
Aker BP ASA
Amplify Energy Corp.
Anadarko Petroleum Corp.
Anotero Resources Corporation
APA Corporation
Approach Resources Inc
ARC Resources Ltd.
Australis Oil & Gas Limited
Barker Petroleum Ltd
Battalion Oil Corporation
Baytex Energy Corp.
Berry Corporation
Blackstone Minerals LP
BP Plc.
Brazos Valley Longhorn, L.L.C.
California Resources Corporation
Callon Petroleum
Camber Energy, Inc.
Canadian Natural Resources Limited
Canadian Overseas Petroleum Limited
Carrizo Oil & Gas, Inc
Cenovus Energy Inc.
Centennial Resource Development, Inc.
Chesapeake Energy Corp.
Chevron Corporation
Cimarex Energy Co.
Civitas Resources, Inc.
Clayton Williams Energy, Inc.
Concho Resources Inc
ConocoPhillips
Contango Oil and Gas Company
Continental Resources, Inc.
Cotierra Energy Inc.
Crescent Energy Company
Crescent Point Energy Corp.
Denbury Inc.
Devon Energy Corporation
Diamondback Energy Inc.
Earthstone Energy Inc.
Ecopetrol
Enegren Corp
Enerplus Corporation
ENI
EOG Resources
EP Energy Corporation
Equinor ASA
Erin Energy Corporation
Evolution Petroleum Corporation
Extraction Oil & Gas, Inc.
ExxonMobil
FieldPoint Petroleum Corporation
Frontera Energy Corporation
Gaip Energia
Gastar Exploration Inc.
GeoPark Limited
Gran Tierra Energy Inc.
Grizzly Energy LLC
Harvest Natural Resources Inc.
Hess Corporation
HighPoint Resources Corporation
Houston American Energy Corp
Husky Energy Inc.
International Petroleum Corporation
Jagged Peak Energy Inc.
Jones Energy, Inc.
Kolibri Global Energy Inc.
Kosmos Energy Ltd
Laredo Petroleum Inc.
Legacy Reserves Inc.
Lila Energy Inc.
Linn Energy
Lonestar Resources US, Inc.
Lundin Energy AB
Magnolia Oil & Gas Corporation
Marathon Oil Corp.
Matador Resources Company
Maverick Natural Resources, LLC
Mesquite Energy, Inc.
Mid-Con Energy Partners, LP
Midstates Petroleum Company, Inc.
Murphy Oil Corporation
Newfield Exploration Company
Noble Energy Inc.
Northern Oil & Gas, Inc.
Oasis Petroleum Inc.
Obisidian Energy Ltd.
Occidental Petroleum Corporation
OMV Group
Ovintiv Inc.
Paramount Resources Ltd.
Parsex Resources Inc.
Parsley Energy Inc.
PDC Energy, Inc.
PEDEVCO Corp.
Pengrowth Energy Corporation
Petroleos (IFRS US$ Current)
PetroChina
PetroQuest Energy, Inc
PHX Minerals Inc.
Pioneer Natural Resources Company
PrimeEnergy Resources Corporation
QEP Resources Inc
Range Resources Corporation
Ranger Oil Corporation
Repsol
Resolute Energy Corporation
Riley Exploration Permain, Inc.
Ring Energy Inc.
Rosehill Operating Company, LLC
Royale Energy Inc.
RSP Permain Inc
Sabine Oil & Gas Corporation
SandRidge Energy, Inc.
Seven Generations Energy Ltd.
Shell Plc
Sinopac
SM Energy Company
Southwestern Energy Co.
Statoil Energy Inc.
Stone Energy Corporation
Suncor Energy Inc.
Taohsu Energy Inc.
TotalEnergies SE
TransAtlantic Petroleum Ltd.
TransGlobe Energy Corporation
T-Rex Oil, Inc.
Triangle Petroleum Corporation
U.S. Energy Corp.
Unit Corporation
Vaalco Energy Inc
Vermilion Energy Inc.
W & T Offshore
Whitecap Resources Inc.
Whiting Petroleum Corporation
WPX Energy, Inc.
YPF Sociedad Anonima
Yuma Energy, Inc.
Yuma Energy, Inc. (Pre Davis)

Data source: Evaluate Energy

Note: Some companies merged, closed, or delisted before first-quarter 2022. A total of 90 companies existed in first-quarter 2022. Russian firms previously included in this analysis were removed because their 1Q22 financial statements were unavailable.
Background

- This analysis focuses on the financial and operating trends of 90 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 2017.

- 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 regular business activities.

- *Investing activities* include capital expenditure net of asset sales.

- *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 losing production potential or declining 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.