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

Petroleum and Liquid Fuels Markets Team
December 2022
Key findings for third-quarter 2022 (3Q22)

• Brent crude oil daily average prices were 33% higher in 3Q22 than in 3Q21 and averaged $98 per barrel. Henry Hub daily average prices were 84% higher over the same period and averaged $7.95 per million British thermal units.

• For the 160 energy companies in our study, combined petroleum liquids production decreased 0.5%, and natural gas production increased 5.2% year over year.

• Cash from operations in 3Q22 totaled $215 billion, the highest in the 2017–22 period.

• Distributions to shareholders via dividends and share repurchases reached $60 billion as a four-quarter average ending in 3Q22, the highest in the 2017–22 period.

• The long-term debt-to-equity ratio decreased to 38%, the lowest in the 2017–22 period.

Note: The 160 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.
Most company headquarters included in our study were in North America

geographic distribution of global oil and natural gas company headquarters
number of companies

- United States: 61
- Canada: 62
- Europe: 21
- Other: 16

Data source: Evaluate Energy
Note: Other includes Argentina, Brazil, Chile, China, Colombia, Malaysia, Mexico, Nigeria, Pakistan, and Thailand.
About 63% of the companies we included produced less than 50,000 barrels per day in second-quarter 2022.
Petroleum liquid production in the third quarter was below the 2019 quarterly average, and natural gas production remained above average.

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

million barrels of oil equivalent per day

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2018</td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data source: Evaluate Energy
In third-quarter 2022, global petroleum liquids production decreased 0.5%, and natural gas production increased 5.2% year over year.

**petroleum liquids and natural gas production, 2018–22**

**year-over-year percentage change**

Data source: Evaluate Energy
Third-quarter 2022 crude oil prices were 33% higher than in third-quarter 2021, and natural gas prices were 84% higher compared with 3Q21.

Data source: Bloomberg L.P.
Cash from operations in third-quarter 2022 totaled $215 billion, 48% higher than in third-quarter 2021.

Data source: Evaluate Energy
Capital expenditure in third-quarter 2022 totaled $71 billion, 32% higher than in third-quarter 2021.

Data source: Evaluate Energy
About 87% of companies had positive free cash flow, and 96% of companies reported positive upstream earnings in third-quarter 2022.

The percentage of companies with positive free cash flow and with positive upstream earnings, 2017–22, is shown in the graph. The data source is Evaluate Energy.

Note: Free cash flow = cash from operations minus capital expenditures.
Net losses from hedging derivatives were $3.4 billion in third-quarter 2022.

**net gain or loss from hedging derivatives, 2017–22**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-$40</td>
<td>-$30</td>
<td>-$20</td>
<td>-$10</td>
<td>$0</td>
<td>$10</td>
<td>$20</td>
<td>$30</td>
<td>$0</td>
<td>$10</td>
<td>$20</td>
<td>$30</td>
<td>$0</td>
<td>$10</td>
<td>$20</td>
<td>$30</td>
<td>$0</td>
<td>$10</td>
<td>$20</td>
<td>$30</td>
<td>$0</td>
<td>$10</td>
</tr>
</tbody>
</table>

Data source: Evaluate Energy
Note: Includes realized and unrealized gain or loss.
Distributions to shareholders via dividends and share repurchases reached $60 billion, the highest four-quarter average in the 2017–22 period.
The companies decreased debt by $29 billion in third-quarter 2022, and the long-term debt-to-equity ratio decreased to 38%.
In third-quarter 2022, the long-term debt-to-equity ratio was 38% for energy companies and 52% for U.S. manufacturing companies.

Data source: Evaluate Energy and U.S. Census Bureau
The energy companies’ combined market capitalization in third-quarter 2022 increased 22% from third-quarter 2021.
The energy companies’ return on equity was 25% in third-quarter 2022, the highest in the 2017–22 period.

Data source: Evaluate Energy
The return on equity for the energy companies remained higher than U.S. manufacturing companies’ returns in third-quarter 2022.

Data source: Evaluate Energy and U.S. Census Bureau
Upstream capital expenditures on a per-barrel basis averaged $11.85/BOE in third-quarter 2022

upstream capital expenditure per BOE produced, 2017–22
dollars per BOE, four-quarter moving average

Data source: Evaluate Energy
Note: BOE=barrel of oil equivalent
Upstream capital expenditures per barrel of oil equivalent were 13% of crude oil prices in third-quarter 2022

ratio of upstream capital expenditure per BOE to Brent price, 2017–22

Percentage

Data source: Evaluate Energy

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

cash flow items and Brent prices, 2017–22
year-over-year percentage change

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

Abraax Petroleum Corporation  
Advantage Energy Ltd.  
Aker BP ASA  
Alekpo Energy Ltd.  
Amplify Energy Corp.  
Anadarko Petroleum Corp.  
Antero Resources Corporation  
APA Corporation  
Approach Resources Inc  
ARC Resources Ltd.  
Athabasca Oil Corporation  
Bakken Energy Ltd.  
Barnwell Industries Inc.  
Battalion Oil Corporation  
Baytex Energy Corp.  
Berry Corporation  
Birchhill Energy Ltd.  
Black Stone Minerals LP  
Bonterra Energy Corp.  
BP Plc.  
Brazos Valley Longhorn, L.L.C.  
California Resources Corporation  
Calon Petroleum Company  
Canacol Energy Ltd.  
Canadian Natural Resources Limited  
Canadian Overseas Petroleum Limited  
Cardinal Energy Ltd.  
Carrizo Oil & Gas, Inc.  
Cenovus Energy Inc.  
Chesapeake Energy Corp.  
Chevron Corporation  
Chord Energy Corporation  
Cimarex Energy Co.  
Civitas Resources, Inc.  
Clayton Williams Energy, Inc.  
CNX Resources Corporation  
Compañía General de Combustibles S.A.  
Comstock Resources, Inc.  
Concho Resources Inc  
ConocoPhillips  
Contango Oil and Gas Company  
Continental Resources, Inc.  
Corridor Energy Inc.  
Crescent Energy Company  
Crescent Point Energy Corp.  
Crew Energy Inc.  
Crown Point Energy Inc.  
Debney Inc.  
Devon Energy Corporation  
Diamondback Energy Inc.  
DNO ASA  
Domino Energia S.A.  
Energea Energy Inc.  
Ecopetrol S.A.  
Empire Petroleum Corporation  
Enaia Participacoes SA  
Enerburn Corp.  
Enplus Corporation  
EN S.P.A.  
EOG Resources, Inc.  
EP Energy Corporation  
Epsilon Energy Ltd.  
EI2 Technology Corp.  
Equion ASA  
Erit Energy Corporation  
Evolution Petroleum Corporation  
Extraction Oil & Gas, Inc.  
ExxonMobil  
FieldPoint Petroleum Corporation  
Forza Petroleum Ltd.  
Frontera Energy Corporation  
Gaeli Energy  
Gastar Exploration Inc.  
Gear Energy Ltd.  
Geopark Limited  
Gran Tierra Energy Inc.  
Grizzly Energy LLC  
Gulfport Energy Corporation  
Harvest Natural Resources Inc.  
Headwater Exploration Inc.  
Hemisphere Energy Corporation  
Hess Corporation  
Hibiscus Petroleum Berhad  
HighPoint Resources Corporation  
Hudbay Energy Inc.  
INA Group  
INP Energy Corp.  
International Petroleum Corporation  
Jagged Peak Energy Inc.  
Jones Energy, Inc.  
Journey Energy Inc.  
JX Energy Ltd.  
Kelt Exploration Ltd.  
Kiewitthinks Energy Corp.  
Koblih Global Energy Inc.  
Kosmos Energy Ltd.  
Laredo Petroleum Inc.  
Legacy Reserves Inc.  
Lils Energy Inc.  
Linn Energy  
Lonestar Resources US, Inc.  
Lucero Energy Corp.  
Magnolia Oil & Gas Corporation  
Marathon Oil Corp.  
Matador Resources Company  
Maverick Natural Resources, LLC  
MEG Energy Corp.  
Marquee Energy, Inc.  
Mid-Con Energy Partners, LP  
Midstates Petroleum Company, Inc.  
MOL Group  
Murphy Oil Corporation  
National Fuel Gas Company  
Neptune Energy Group  
Newfield Exploration Company  
Noble Energy Inc.  
Norco Energy Inc.  
Northern Oil & Gas, Inc.  
Nustrom Oil & Gas Plc  
NuVista Energy Ltd.  
Obsidian Energy Ltd.  
Occidental Petroleum Corporation  
Oil and Gas Development Co Ltd  
OKB/A ASA  
OMV Group  
Ogilvity Inc.  
Pampa Energia SA  
Paramount Resources Ltd.  
Parex Resources Inc.  
Parsley Energy Inc.  
PDC Energy, Inc.  
PEDEVCO Corp.  
Pengrowth Energy Corporation  
Permian Resources Corporation  
Perpetual Energy Inc.  
Petrolebras (FRS US$ Current)  
PetrolChina  
PetroQuest Energy, Inc  
PetroRio S.A.  
PetroTel Corp.  
PetroResources Ltd.  
Peyto Exploration & Development Corp.  
PIN Minerals Inc.  
Placid Energy Limited  
Pine Cliff Energy Ltd.  
Pioneer Natural Resources Company  
Pipestone Energy Corp.  
Prarie Provident Resources Inc.  
PrimeEnergy Resources Corporation  
PTT Exploration and Production (PTTEP)  
QEP Resources Inc  
Questerre Energy Corporation  
Range Resources Corporation  
Ranger Oil Corporation  
Razor Energy Corp.  
Repso  
Resolute Energy Corporation  
Riley Exploration Permian, Inc.  
Ring Energy Inc.  
RDK Resources Inc.  
Rosehill Operating Company, LLC  
RSP Permian Inc.  
Rubelite Energy Inc.  
Sabine Oil & Gas Corporation  
SandsEnergy, Inc.  
Saturn Oil & Gas Inc.  
SDX Energy Plc.  
Seplat Energy Plc  
Seven Generations Energy Ltd.  
ShalMar Petroleum Corp.  
Shell Plc.  
Peyto Energy & Development Corp.  
PKK Minerals Inc.  
Pleasant Energy Ltd.  
Pine Cliff Energy Ltd.  
Pioneer Natural Resources Company  
Pipestone Energy Corp.  
PR Energy Inc.  
Stone Energy Corporation  
Sunrise Oil sands Ltd.  
Surge Energy Inc.  
T-Red Oil Inc.  
TAG Oil Ltd.  
Talos Energy Inc.  
Tamarack Valley Energy Ltd.  
Tethys Oil AB  
Tethys Petroleum Limited  
Topaz Energy Corp.  
TotalEnergy SE  
Touchstone Exploration Inc.  
Tourmaline Oil Corp.  
TransAtlantic Petroleum Ltd.  
TransGlobe Energy Corporation  
Triangle Petroleum Corporation  
U.S. Energy Corp.  
Unit Corporation  
Vaalco Energy Inc.  
Var Energy ASA  
Vermilion Energy Inc.  
Vista Energy S.A.B. de C.V.  
W & T Offshore  
Whitecap Resources Inc.  
Whiting Petroleum Corporation  
Wintershall Dea GmbH  
WPX Energy, Inc.  
Yangarra Resources Ltd.  
YPF Sociedad Anonima  
Yuma Energy, Inc.  
Yuma Energy, Inc. (Pre Davis)
Background

• This analysis focuses on the financial and operating trends of 160 global oil and natural gas companies (the energy companies).

• The data come from the public financial statements each company publishes, which a data service (Evaluate Energy) aggregates.

• If an energy company was acquired by another energy company in the group after first-quarter 2017, it remained in this analysis.

• 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 and repurchases, and debt issuances and 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* is 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* are crude oil exploration, production, and other operations that occur before refining.

• *Downstream activities* are refinery operations, product sales, and marketing at the wholesale and retail levels.