



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)

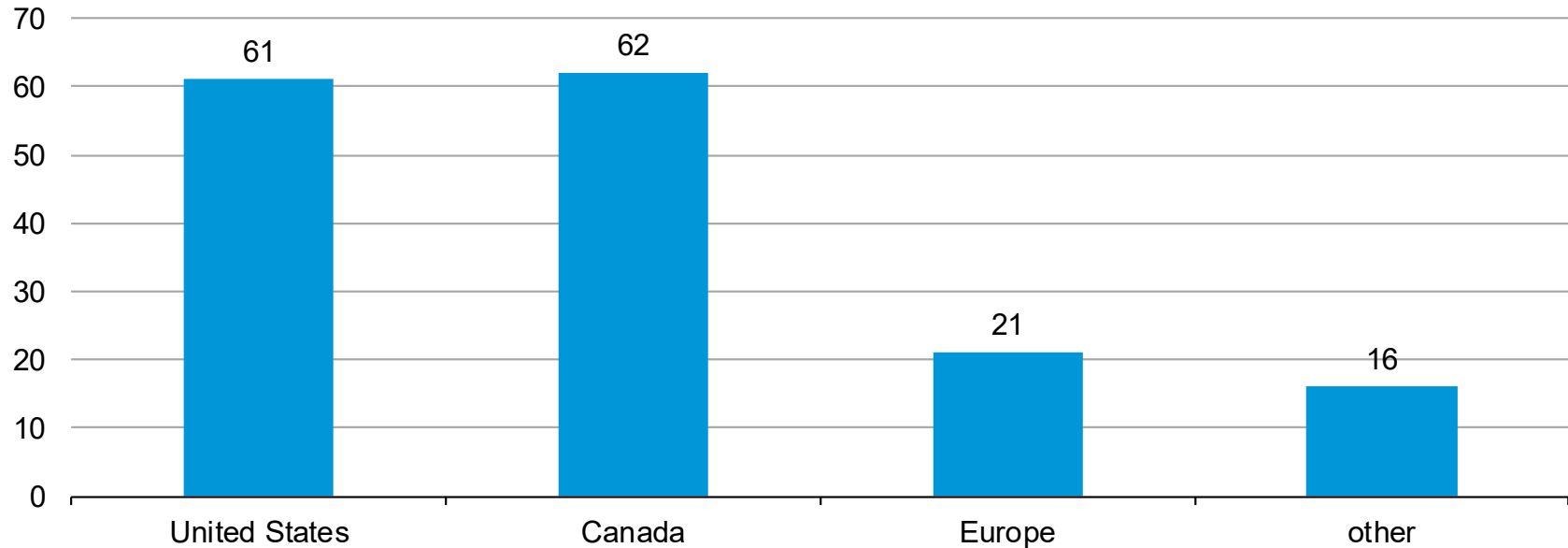
- Brent crude oil daily average prices were 33% higher in 3Q22 than in 3Q21 and averaged \$98 per barrel. Henry Hub daily average prices were 84% higher over the same period and averaged \$7.95 per million British thermal units.
- For the 160 energy companies in our study, combined petroleum liquids 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



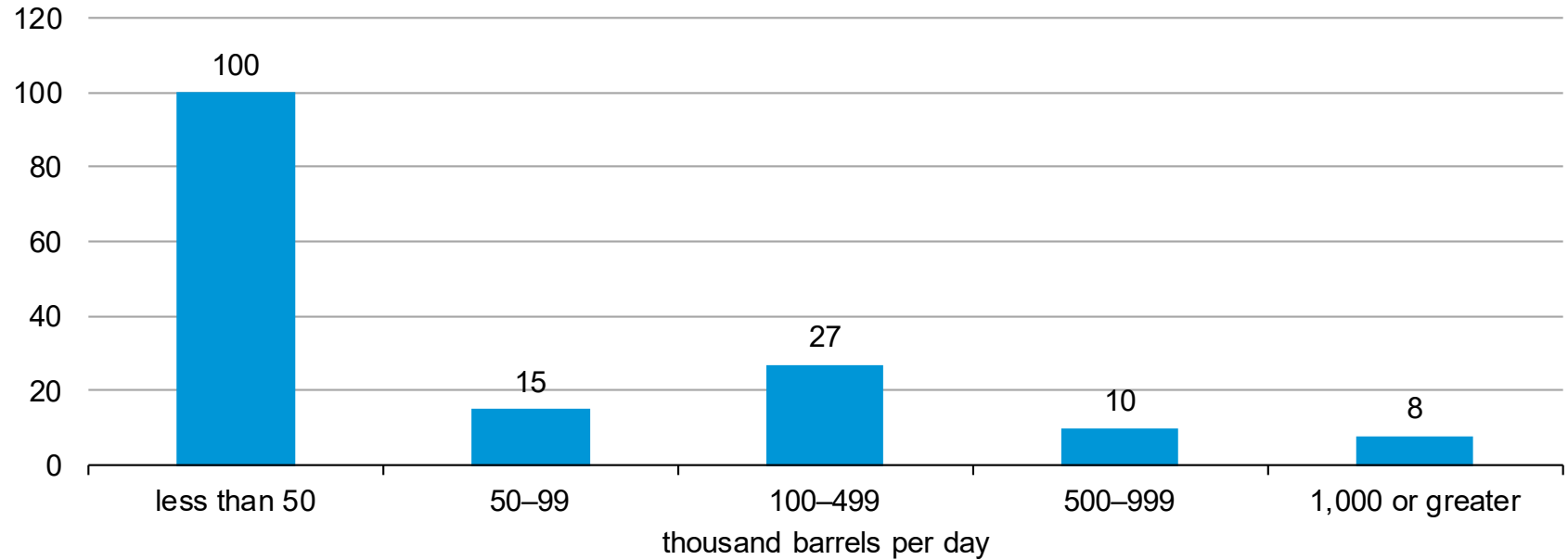
Data source: Evaluate Energy

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

distribution of companies by volume of petroleum liquids produced

number of companies

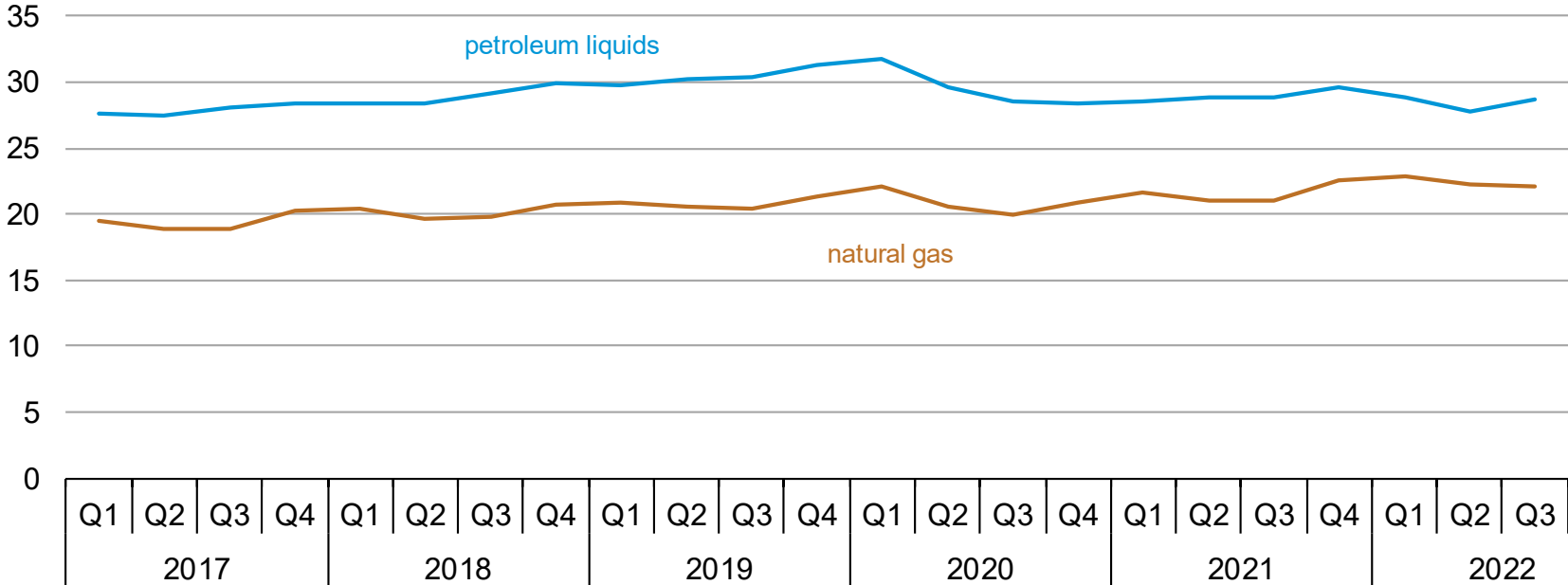


Data source: Evaluate Energy

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

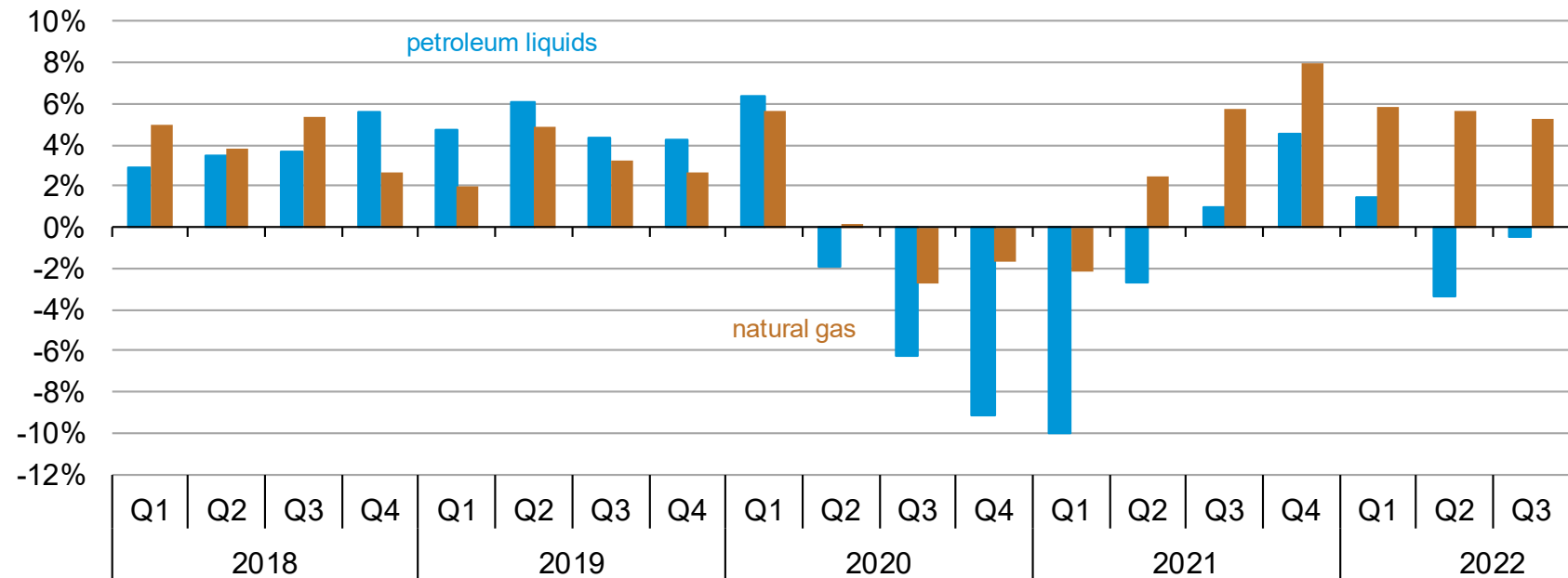


Data source: Evaluate Energy

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

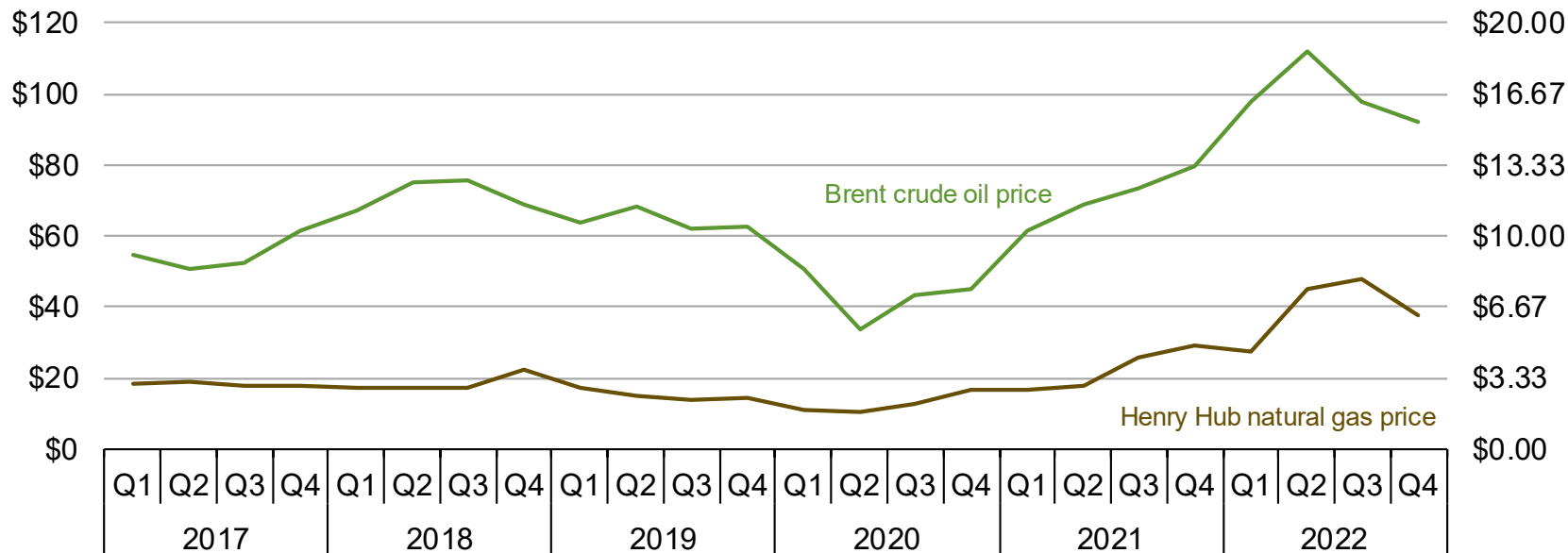
Third-quarter 2022 crude oil prices were 33% higher than in third-quarter 2021, and natural gas prices were 84% higher compared with 3Q21

Brent crude oil front-month futures price, 2017–22

Henry Hub natural gas front-month futures price, 2017–22

dollars per barrel

dollars per million British thermal units

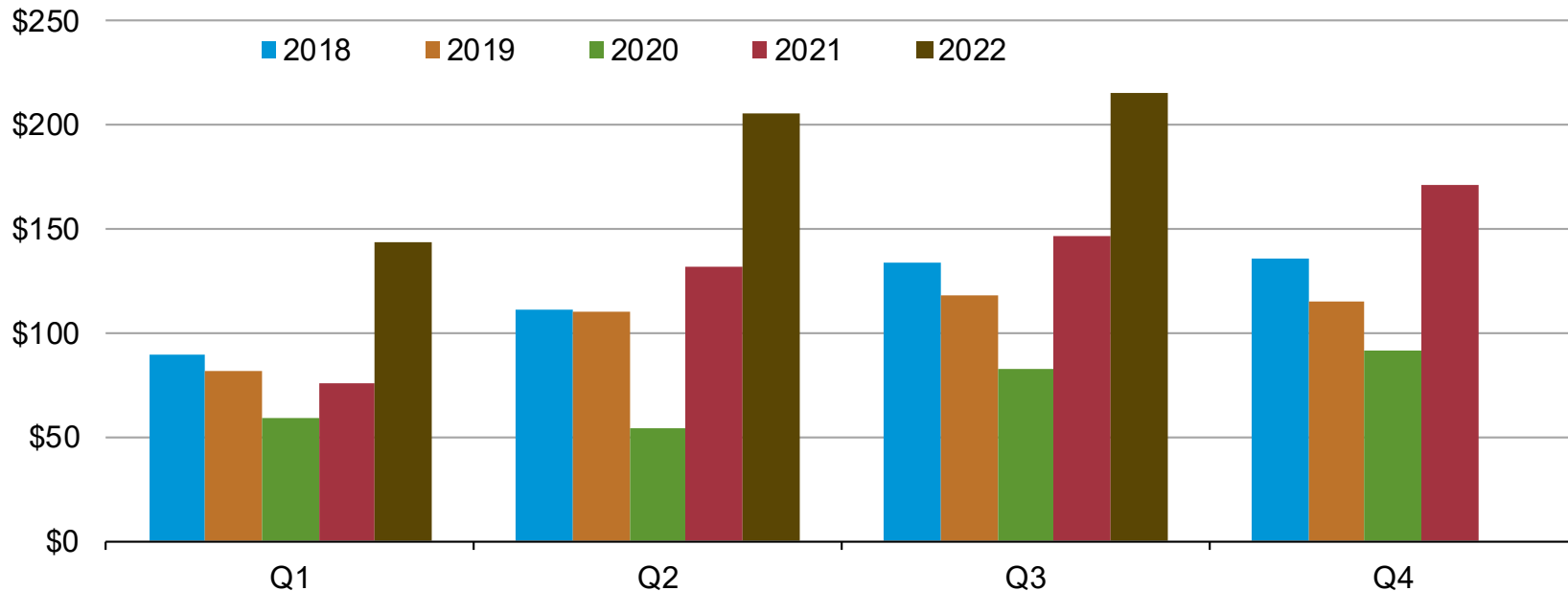


Data source: Bloomberg L.P.

Cash from operations in third-quarter 2022 totaled \$215 billion, 48% higher than in third-quarter 2021

cash from operations, 2018–22

billion dollars

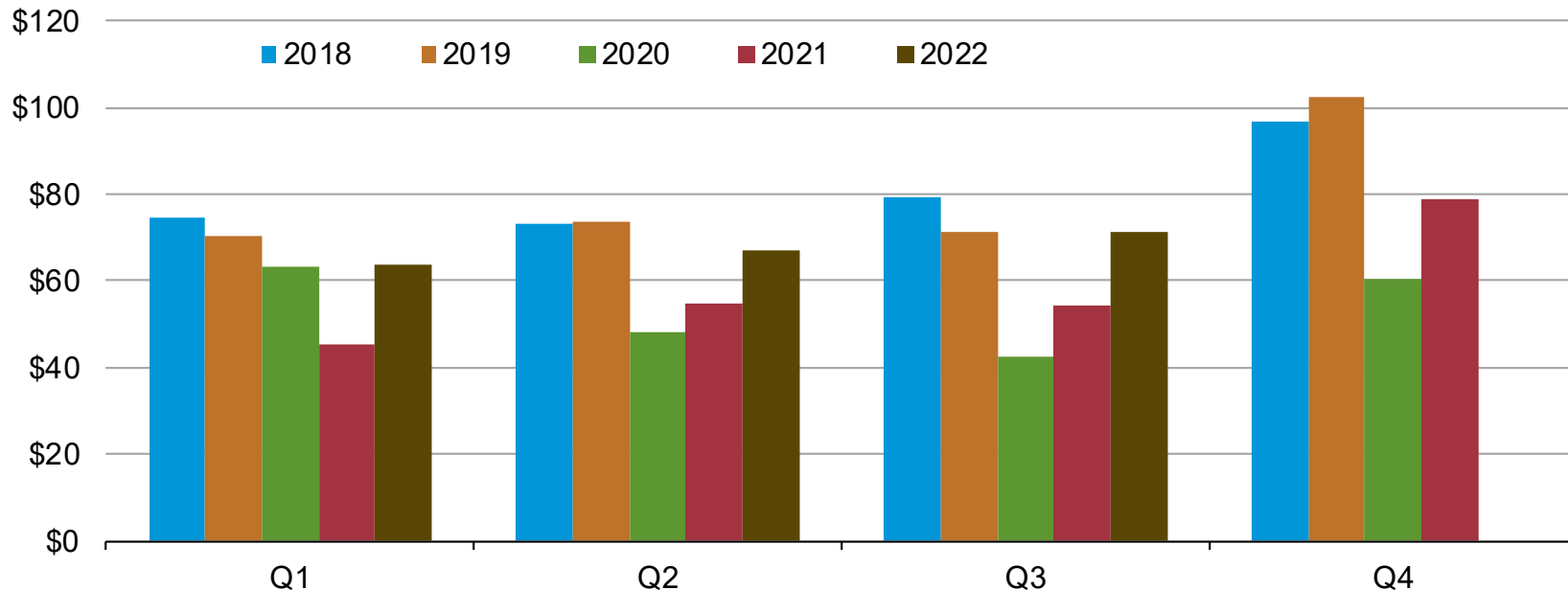


Data source: Evaluate Energy

Capital expenditure in third-quarter 2022 totaled \$71 billion, 32% higher than in third-quarter 2021

capital expenditure, 2018–22

billion dollars

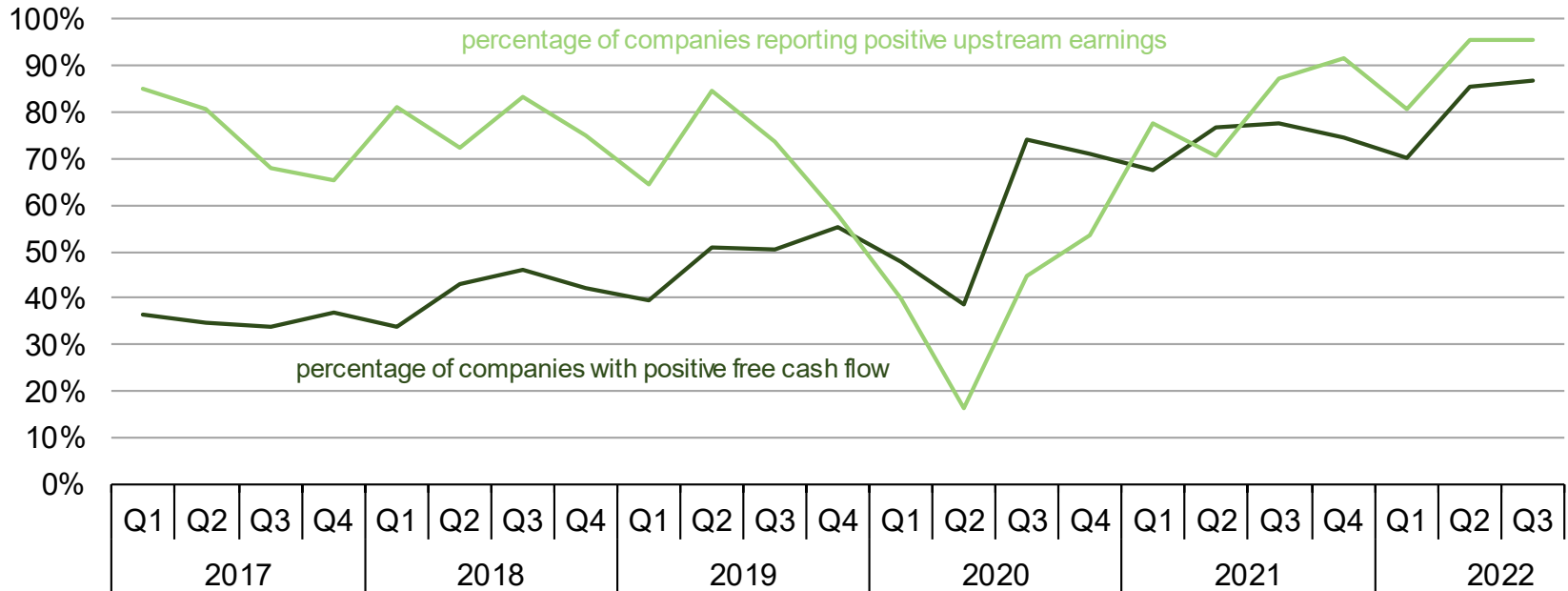


Data source: Evaluate Energy

About 87% of companies had positive free cash flow, and 96% of companies reported positive upstream earnings in third-quarter 2022

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

percentage



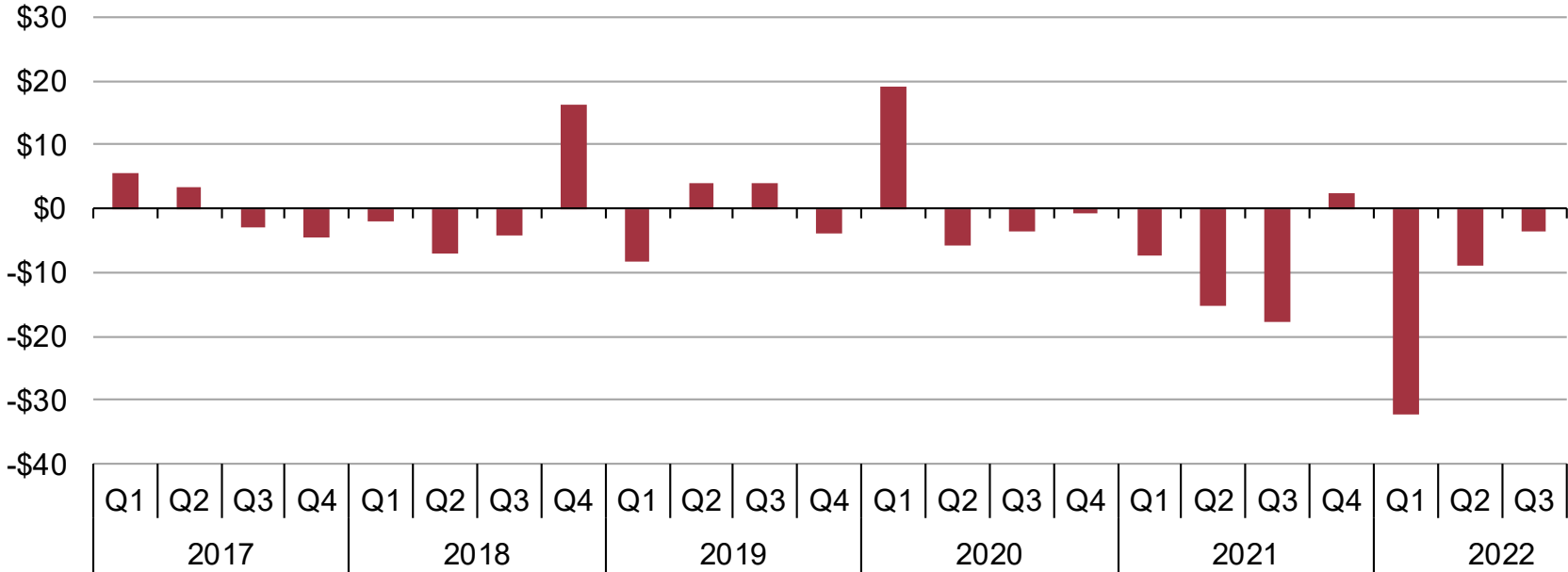
Data source: Evaluate Energy

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

billion dollars



Data source: Evaluate Energy

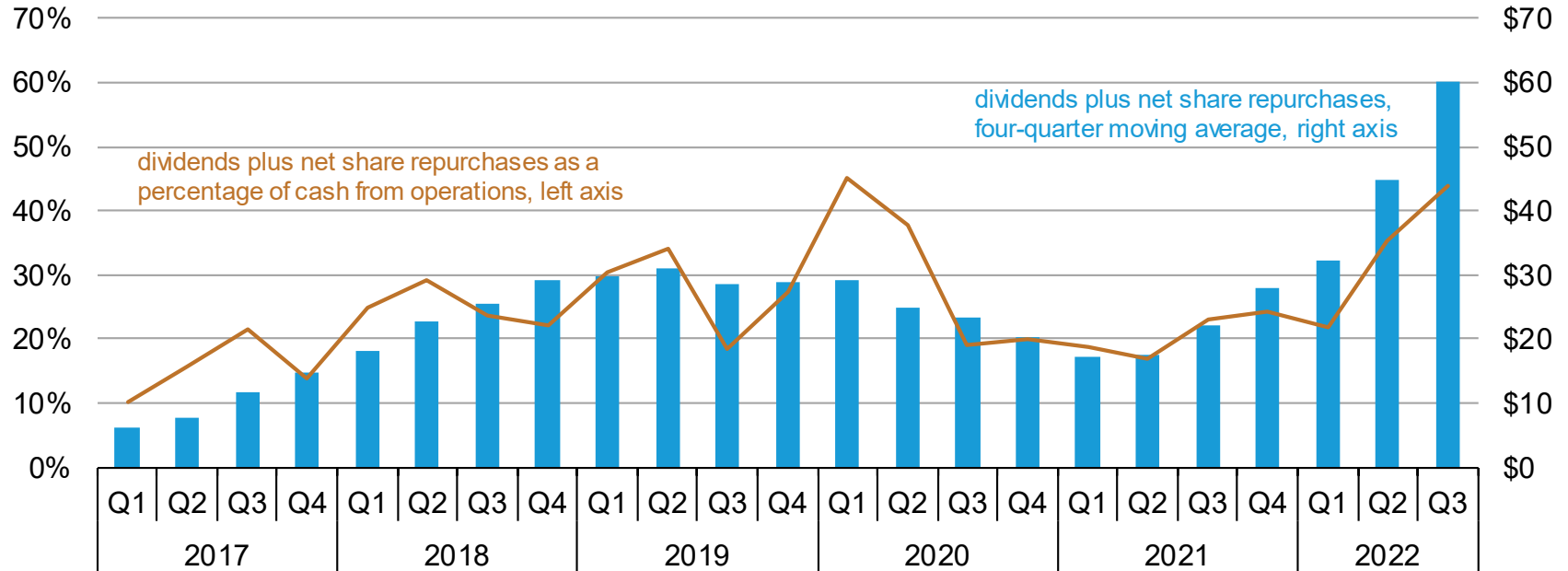
Note: Includes realized and unrealized gain or loss.

Distributions to shareholders via dividends and share repurchases reached \$60 billion, the highest four-quarter average in the 2017–22 period

dividends and net share repurchases, 2017–22

percentage of cash from operations

billion dollars



Data source: Evaluate Energy

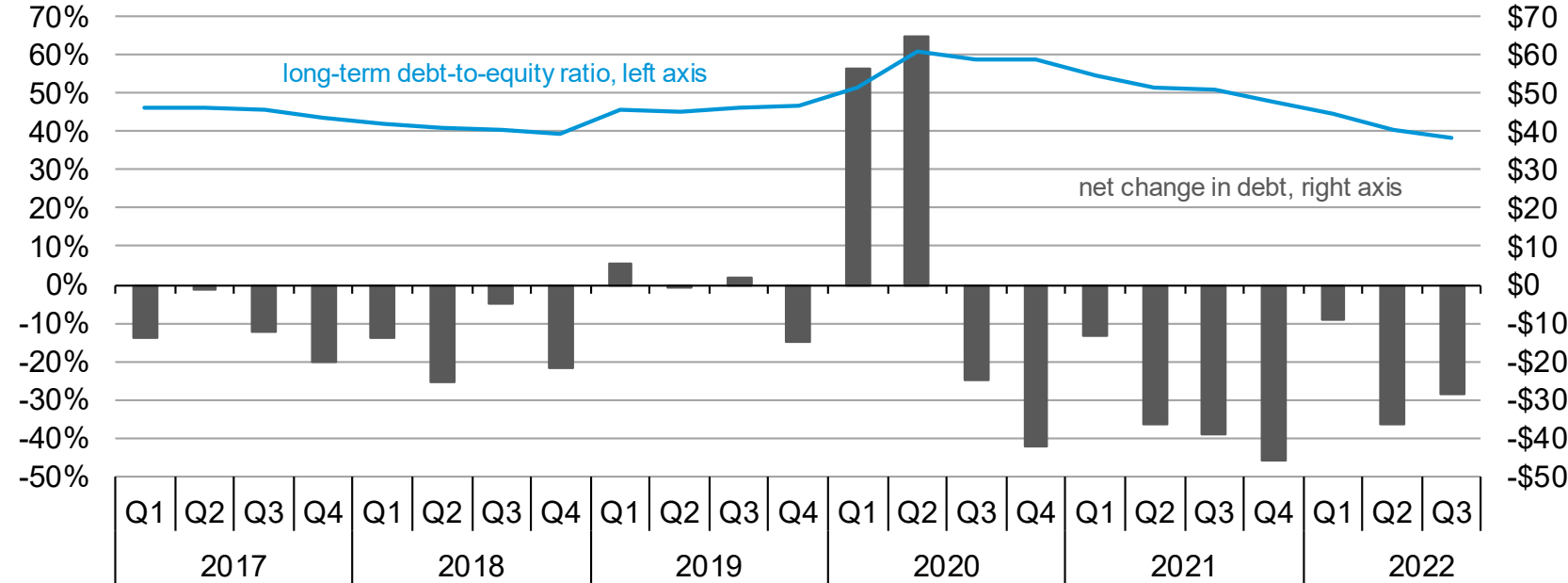
The companies decreased debt by \$29 billion in third-quarter 2022, and the long-term debt-to-equity ratio decreased to 38%

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

percentage

net change in debt, 2017–22

billion dollars

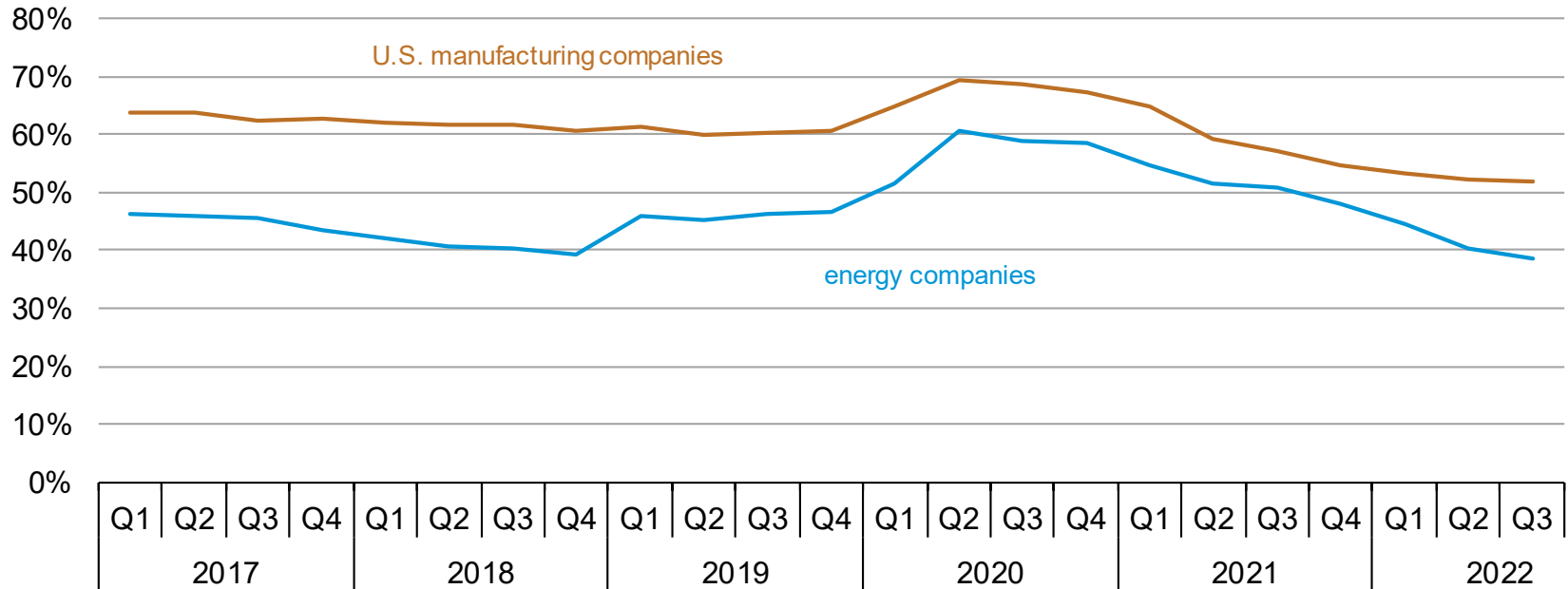


Data source: Evaluate Energy

In third-quarter 2022, the long-term debt-to-equity ratio was 38% for energy companies and 52% for U.S. manufacturing companies

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

percentage

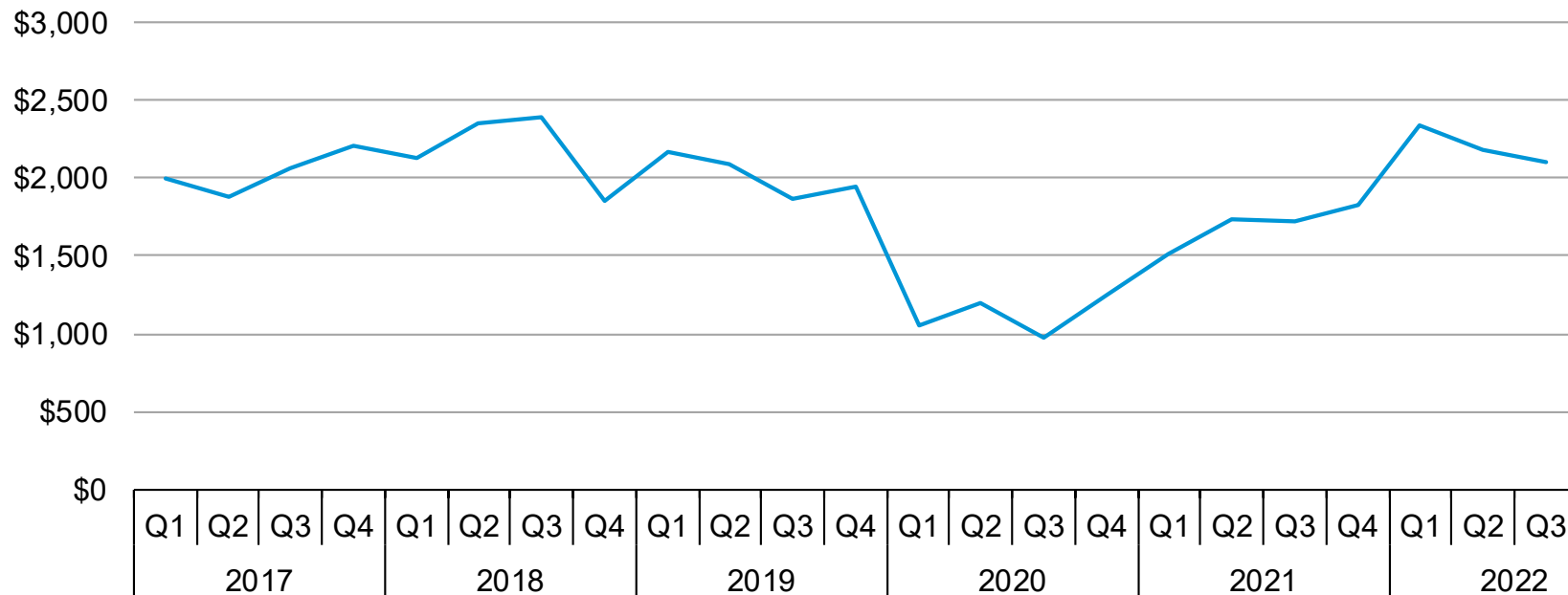


Data source: Evaluate Energy and U.S. Census Bureau

The energy companies' combined market capitalization in third-quarter 2022 increased 22% from third-quarter 2021

combined market capitalization, 2017–22

billion dollars

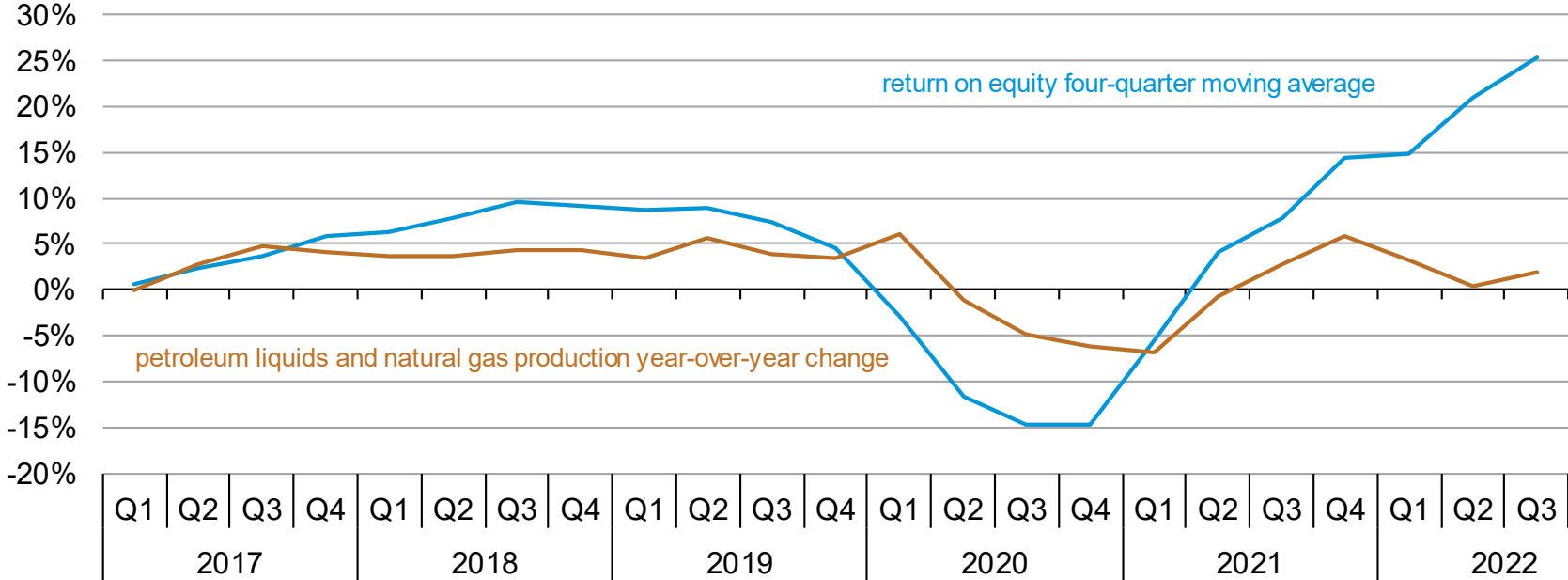


Data source: Evaluate Energy

The energy companies' return on equity was 25% in third-quarter 2022, the highest in the 2017–22 period

return on equity and production, 2017–22

percentage

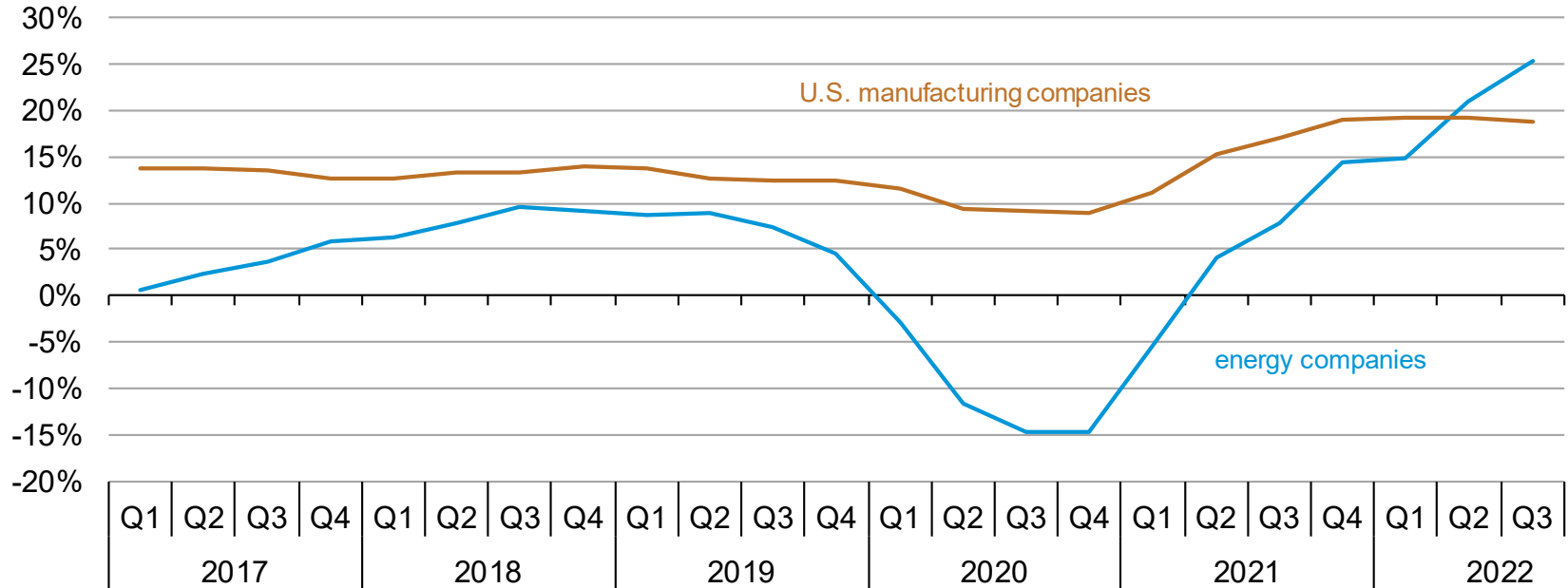


Data source: Evaluate Energy

The return on equity for the energy companies remained higher than U.S. manufacturing companies' returns in third-quarter 2022

return on equity, four-quarter moving average, 2017–22

percentage

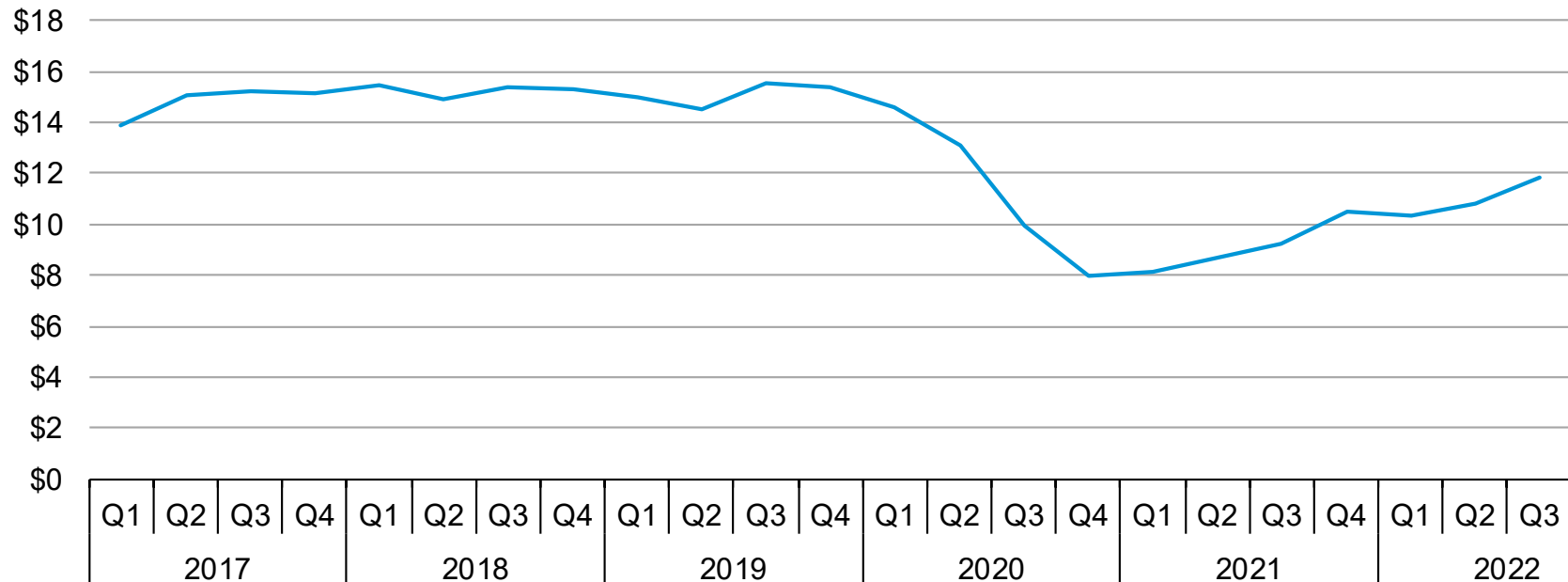


Data source: Evaluate Energy and U.S. Census Bureau

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



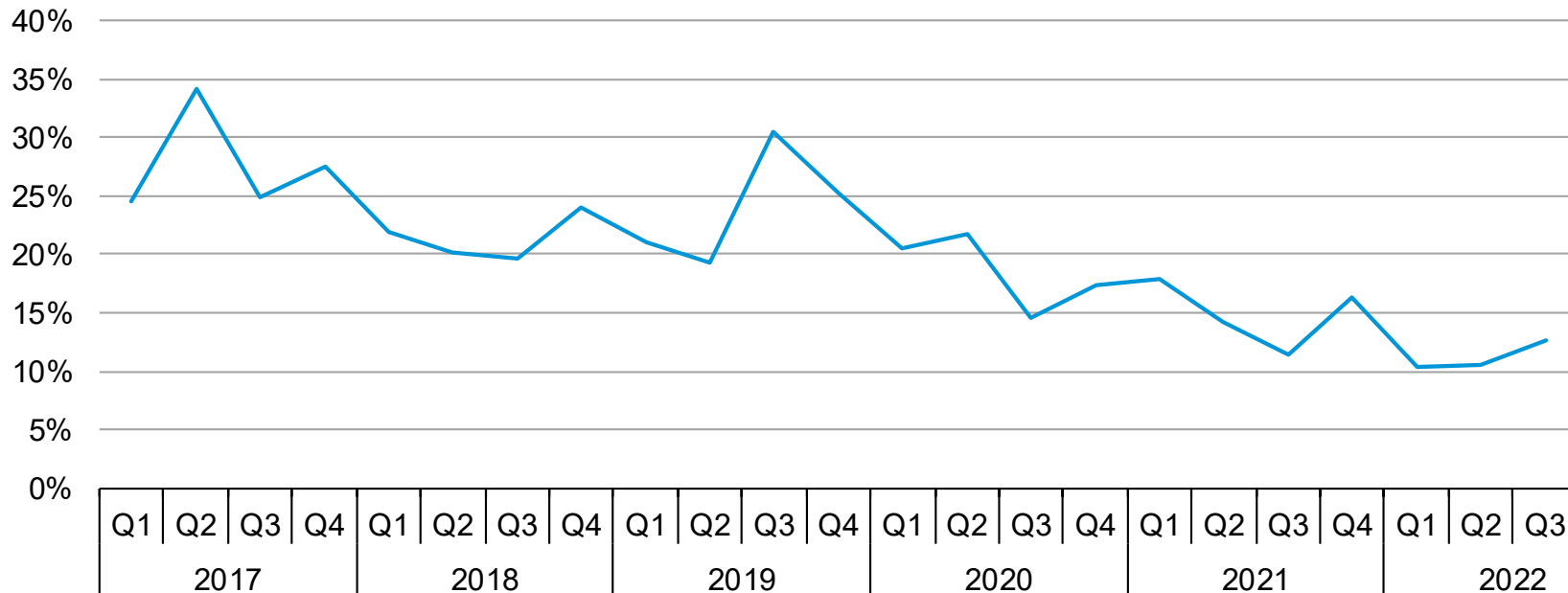
Data source: Evaluate Energy

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



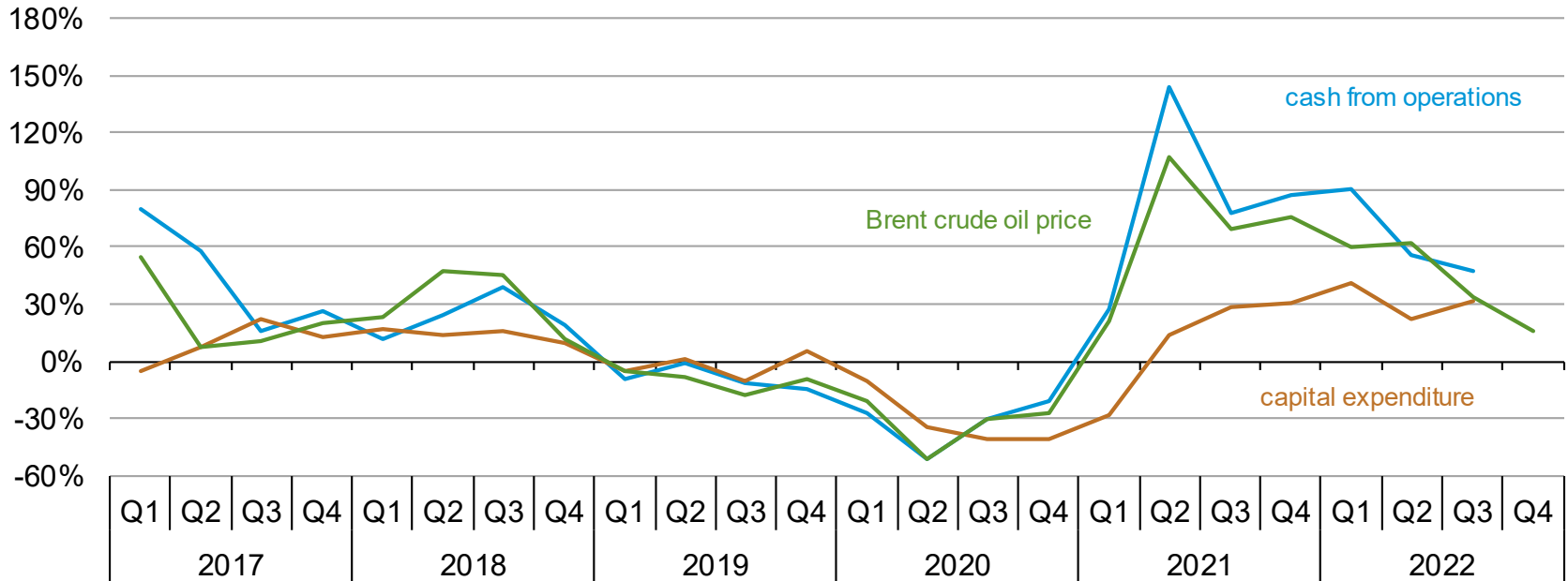
Data source: Evaluate Energy

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

AbraXas Petroleum Corporation	Chevron Corporation	EP Energy Corporation	Journey Energy Inc.	Obsidian Energy Ltd.	QEP Resources Inc	Sunshine Oilsands Ltd.
Advantage Energy Ltd.	Chord Energy Corporation	Epsilon Energy Ltd.	JX Energy Ltd.	Occidental Petroleum Corporation	Questerre Energy Corporation	Surge Energy Inc.
Aker BP ASA	Cimarex Energy Co.	EQT Corporation	Kelt Exploration Ltd.	Oil and Gas Development Co Ltd	Range Resources Corporation	T-Rex Oil, Inc.
Alvopetro Energy Ltd.	Civitas Resources, Inc.	Equinor ASA	Kiwitohk Energy Corp.	OKEA ASA	Ranger Oil Corporation	TAG Oil Ltd.
Amplify Energy Corp.	Clayton Williams Energy, Inc.	Erin Energy Corporation	Kolibri Global Energy Inc.	OMV Group	Razor Energy Corp.	Talos Energy Inc.
Anadarko Petroleum Corp.	CNX Resources Corporation	Evolution Petroleum Corporation	Kosmos Energy Ltd	Ovintiv Inc.	Repsol	Tamarack Valley Energy Ltd.
Antero Resources Corporation	Compañía General de Combustibles S.A.	Extraction Oil & Gas, Inc.	Laredo Petroleum Inc.	Pampa Energia SA	Resolute Energy Corporation	Tethys Oil AB
APA Corporation	Comstock Resources, Inc.	ExxonMobil	Legacy Reserves Inc.	Paramount Resources Ltd.	Riley Exploration Permian, Inc.	Tethys Petroleum Limited
Approach Resources Inc	Concho Resources Inc	FieldPoint Petroleum Corporation	Lilis Energy Inc.	Parex Resources Inc.	Ring Energy Inc	Topaz Energy Corp.
ARC Resources Ltd.	ConocoPhillips	Forza Petroleum Limited	Linn Energy	Parsley Energy Inc.	ROK Resources Inc.	TotalEnergies SE
Athabasca Oil Corporation	Contango Oil and Gas Company	Frontera Energy Corporation	Lonestar Resources US, Inc.	PDC Energy, Inc.	Rosehill Operating Company, LLC	Touchstone Exploration Inc.
Bankers Petroleum Ltd	Continental Resources, Inc.	Galp Energia	Lucero Energy Corp.	PEDEVCO Corp.	RSP Permian Inc	Tourmaline Oil Corp.
Barnwell Industries Inc.	Coterra Energy Inc.	Gastar Exploration Inc.	Magnolia Oil & Gas Corporation	Pengrowth Energy Corporation	Rubellite Energy Inc.	TransAtlantic Petroleum Ltd.
Battalion Oil Corporation	Crescent Energy Company	Gear Energy Ltd.	Marathon Oil Corp.	Permian Resources Corporation	Sabine Oil & Gas Corporation	TransGlobe Energy Corporation
Baytex Energy Corp.	Crescent Point Energy Corp	GeoPark Limited	Matador Resources Company	Perpetual Energy Inc.	SandRidge Energy, Inc.	Triangle Petroleum Corporation
Berry Corporation	Crew Energy Inc.	Gran Tierra Energy Inc.	Maverick Natural Resources, LLC	Petrobras (IFRS US\$ Current)	Saturn Oil & Gas Inc.	U.S. Energy Corp.
Birchcliff Energy Ltd.	Crown Point Energy Inc.	Grizzly Energy LLC	MEG Energy Corp.	PetroChina	SDX Energy Plc	Unit Corporation
Black Stone Minerals LP	Dembury Inc.	Gulfport Energy Corporation	Mesquite Energy, Inc.	PetroQuest Energy, Inc	Seplat Energy Plc	Vaalco Energy Inc
Bonterra Energy Corp.	Devon Energy Corporation	Harvest Natural Resources Inc.	Mid-Con Energy Partners, LP	PetroRio S.A.	Seven Generations Energy Ltd.	Var Energi ASA
BP Plc.	Diamondback Energy Inc.	Headwater Exploration Inc.	Midstates Petroleum Company, Inc.	PetroTal Corp.	ShaMaran Petroleum Corp.	Vermilion Energy Inc.
Brazos Valley Longhorn, L.L.C.	DNO ASA	Hemisphere Energy Corporation	MOL Group	Petrus Resources Ltd.	Shell Plc	Vista Energy S.A.B. de C.V.
California Resources Corporation	Dommo Energia S.A.	Hess Corporation	Murphy Oil Corporation	Peyto Exploration & Development Corp.	SilverBow Resources, Inc.	W & T Offshore
Callon Petroleum Company	Earthstone Energy Inc.	Hibiscus Petroleum Berhad	National Fuel Gas Company	PHX Minerals Inc.	Sinopec	Whitcap Resources Inc.
Canacol Energy Ltd.	Ecopetrol S.A.	HighPoint Resources Corporation	Neptune Energy Group	Pieridae Energy Limited	SM Energy Company	Whiting Petroleum Corporation
Canadian Natural Resources Limited	Empire Petroleum Corporation	Husky Energy Inc.	Newfield Exploration Company	Pine Cliff Energy Ltd.	Southern Energy Corp.	Wintershall Dea GmbH
Canadian Overseas Petroleum Limited	Enauta Participacoes SA	INA Group	Noble Energy Inc.	Pioneer Natural Resources Company	Southwestern Energy Co.	WPX Energy, Inc.
Cardinal Energy Ltd.	Energen Corp	InPlay Oil Corp.	Noreco ASA	Pipestone Energy Corp.	Spartan Delta Corp.	Yangarra Resources Ltd.
Carrizo Oil & Gas, Inc.	Enrplus Corporation	International Petroleum Corporation	Northern Oil & Gas, Inc	Prairie Provident Resources Inc.	SRC Energy Inc	YPF Sociedad Anonima
Cenovus Energy Inc.	ENI S.p.A.	Jagged Peak Energy Inc.	Nostrum Oil & Gas Plc	PrimeEnergy Resources Corporation	Stone Energy Corporation	Yuma Energy, Inc.
Chesapeake Energy Corp.	EOG Resources, Inc.	Jones Energy, Inc.	NuVista Energy Ltd.	PTT Exploration and Production (PTTEP)	Suncor Energy Inc.	Yuma Energy, Inc. (Pre Davis)

Data source: Evaluate Energy

Note: Some companies merged, closed, or delisted before third-quarter 2022. A total of 160 companies existed in third-quarter 2022.

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.