The Duff & Phelps Capex Cut Tracker

- Since the start of 2020, global economic sentiment has increasingly been dominated by the impact of COVID-19 pandemic on GDP growth rates (global downward revision to -3.0%; U.S., China and Eurozone downward to -5.9%, +1.6% and -7.5% respectively), global equities, production indices, interest rates and global oil demand.
- The global oil and gas industry has not only been hit heavily due to the temporary contraction in global demand caused by COVID-19, but also by record output levels from OPEC and non-OPEC producers and their inability to react in a timely matter to a global oversupply of crude oil and lack of available storage capacity.
- Even though production-cut agreements have been reached, they are far from required cutbacks, and while prices have slightly bounced back, they are still hovering below $40.
- The response to revise 2020 and 2021 spending guidance has led companies to focus on de-risking portfolios and creating more cost-efficient structures. This has especially affected Exploration and Production (E&P) companies, that after cutting back capital spending are now focusing on scaling back opex including headcount reductions.
- Capex cuts have slowed down over the past two weeks and companies are expected to observe demand as Asia and Europe initiate economic activity. To provide a comprehensive and timely update on the industry’s actions, Duff & Phelps provides a bi-weekly update to its Capex Cut Tracker which analyzes announced spending cuts for North America-focused, international and national oil companies.

Source: IMF, CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis
Capex Cut Tracker
North America-Focused

Source: CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis

Overall NA Capex Cuts

Announced Cash Distribution Cutbacks
Dividend cuts
Dividend suspensions
Buyback on hold

Avg. Capex Revisions per Company

NA CAPEX Index

Last Updated: Jun 01, 2020
Capex Cut Tracker
International Oil Companies and Majors

International Oil Companies (IOC) and Majors Capital Expenditures (million USD)

<table>
<thead>
<tr>
<th>Company</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
<th>2020R</th>
</tr>
</thead>
<tbody>
<tr>
<td>APACHE</td>
<td>1,027</td>
<td>2,961</td>
<td>3,022</td>
<td>-28%</td>
<td>-28%</td>
</tr>
<tr>
<td>BP</td>
<td>1,140</td>
<td>15,682</td>
<td>15,448</td>
<td>2020 vs 2020 Revised</td>
<td></td>
</tr>
<tr>
<td>CHEVRON</td>
<td>8,390</td>
<td>4,822</td>
<td>4,562</td>
<td>-28%</td>
<td>-28%</td>
</tr>
<tr>
<td>CONOCOPHILLIPS</td>
<td>5,770</td>
<td>6,570</td>
<td>6,570</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td>ENI</td>
<td>2,369</td>
<td>3,599</td>
<td>3,059</td>
<td>-15%</td>
<td>-15%</td>
</tr>
<tr>
<td>EQUINOR</td>
<td>2,262</td>
<td>9,032</td>
<td>11,424</td>
<td>140%</td>
<td>140%</td>
</tr>
<tr>
<td>EXXON MOBIL</td>
<td>24,361</td>
<td>25,927</td>
<td>28,626</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>REPSOL</td>
<td>3,552</td>
<td>3,659</td>
<td>3,552</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td>SHELL</td>
<td>4,711</td>
<td>5,002</td>
<td>4,046</td>
<td>-17%</td>
<td>-17%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>35,022</td>
<td>11,810</td>
<td>15,695</td>
<td>140%</td>
<td>140%</td>
</tr>
</tbody>
</table>

Source: CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis

Overall IOC and Majors Capex Cuts
-28% (2020 vs 2020 Revised)

Avg. Capex Revisions per Company
1.5

Announced Cash Distribution Cutbacks
- Dividend cuts: 3
- Dividend suspensions: -
- Buyback on hold: 7

IOC CAPEX Index

Last Updated: Jun 01, 2020
Capex Cut Tracker
National Oil Companies

National Oil Companies (NOC) Capital Expenditures
(million USD)

Source: CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis

Overall NOC Capex Cuts

Avg. Capex Revisions per Company
1.0

Announced Cash Distribution Cutbacks
Dividend cuts
- 2 -

NOC CAPEX Index
Not sufficient and/or timely information available

Last Updated: Jun 01, 2020