



U.S. Shale in Global Energy Transition

Energy and the Economy: The New Energy Landscape
Dallas & Kansas City Federal Reserve Banks

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10-November-2022



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Who We Are

161

BILLION DOLLAR MARKET CAPITALIZATION¹

1,692

THOUSAND BARRELS OF OIL EQUIVALENT PER DAY Q2 2022

>20

BILLION BARRELS OF OIL EQUIV. LOW COST OF SUPPLY RESOURCE²

9,400

EMPLOYEES WORKING ACROSS 13 COUNTRIES³

PARIS ALIGNED

FIRST US E&P TO ANNOUNCE NET ZERO OPERATIONAL EMISSIONS AMBITION BY 2050⁴



¹Based on October 26, 2022 closing price. ²As of Dec. 31, 2021, cost of supply is West Texas Intermediate equivalent oil price that generates a 10% after-tax return on point-forward and fully burdened basis.

³As of June 30, 2022. ⁴Scope 1 and 2 emissions on a net equity and gross operated basis

Major Global Upheavals in Just Three Years



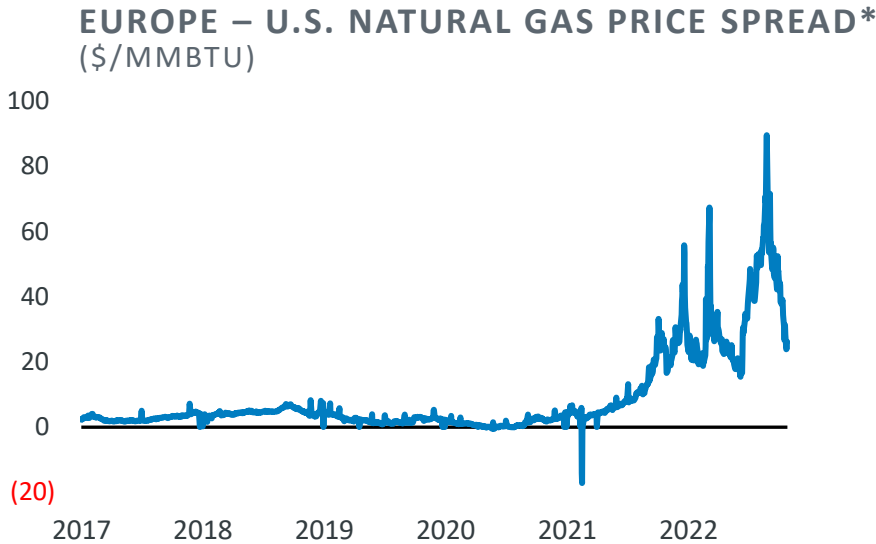
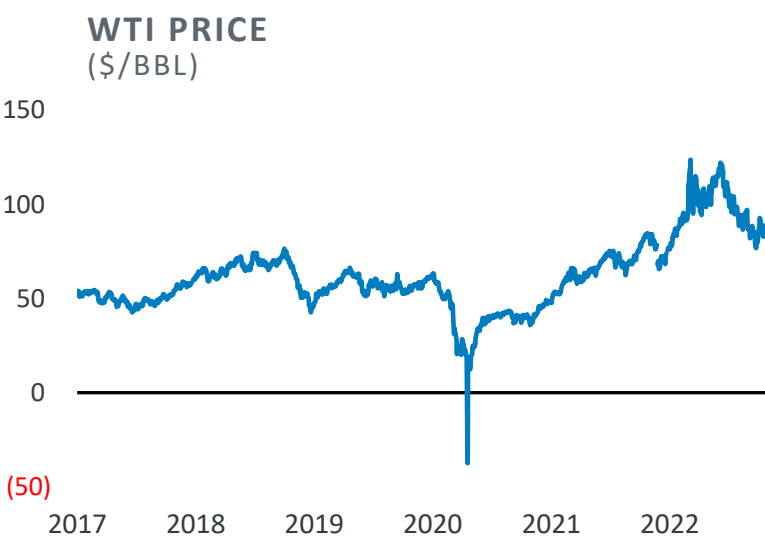
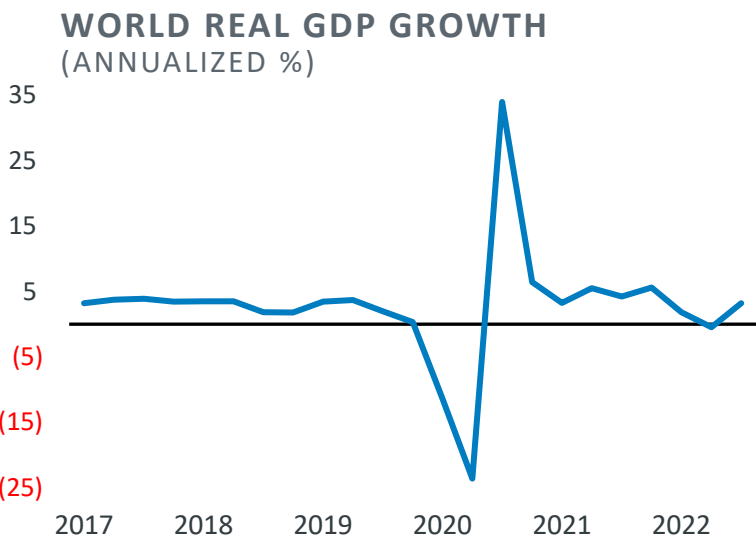
COVID-19 Pandemic



Russia Invades Ukraine



Geopolitical Tensions

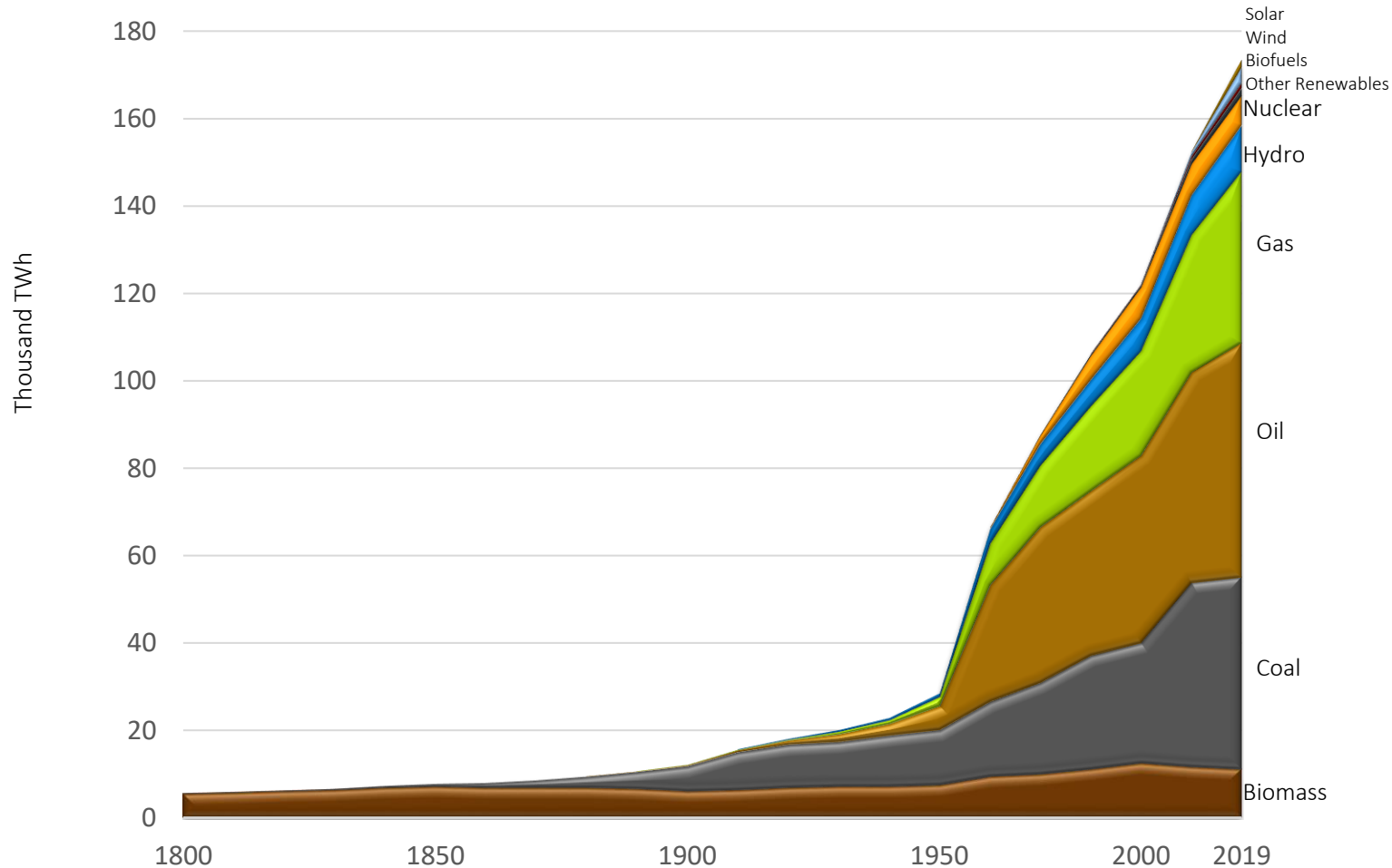


TURBULENCE RESHAPING ECONOMIES & MARKETS

* Dutch Title Transfer Facility (TTF) for Europe, Henry Hub for U.S.

World Energy Needs are Growing

GLOBAL PRIMARY ENERGY CONSUMPTION 1800-2019

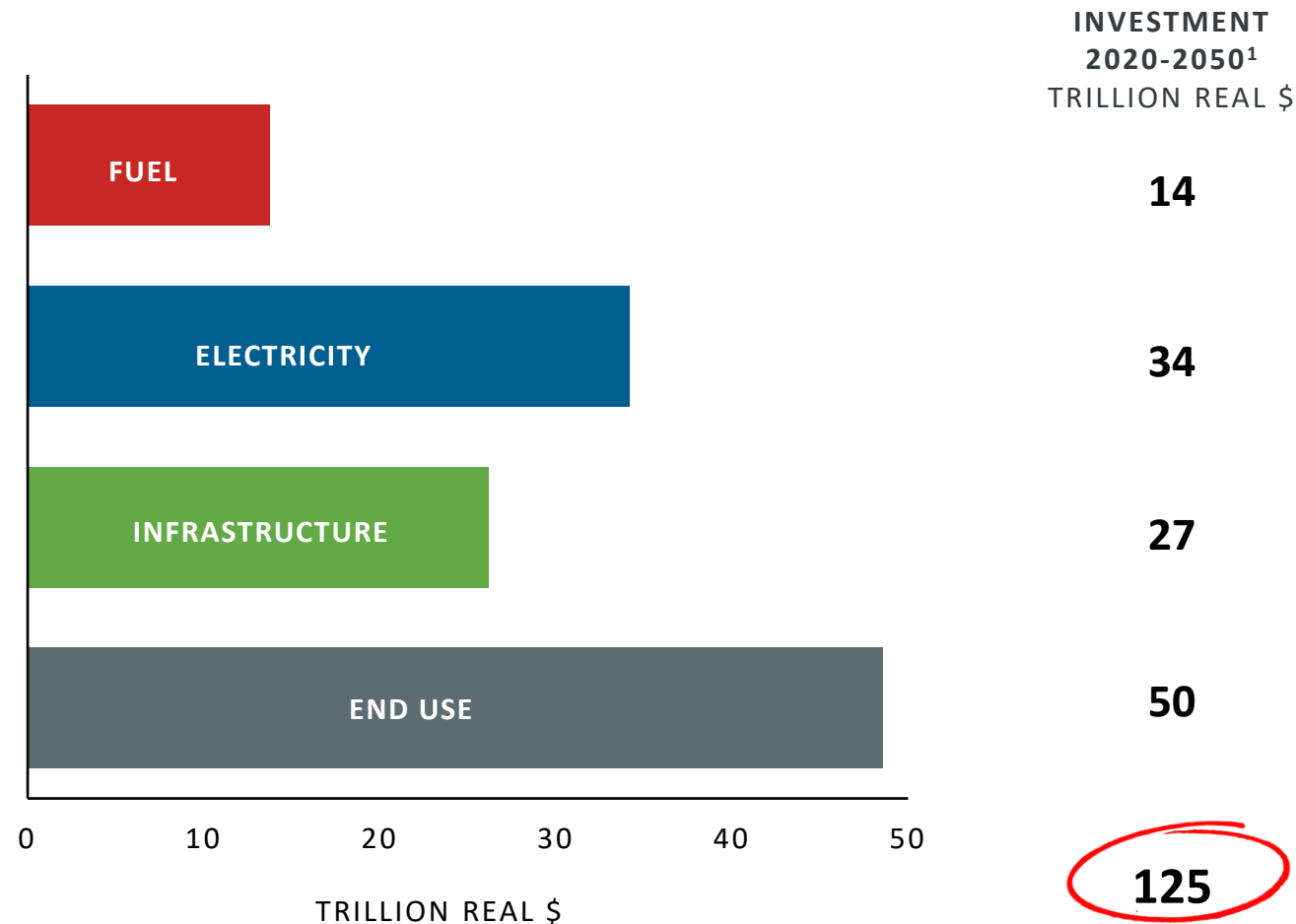


- Fossil Fuels deliver 80% of global energy needs
- Legacy fuels do not disappear when new ones emerge
- Oil and gas are crucial in meeting world energy needs

ENERGY TRANSITION IS AN “ALL OF THE ABOVE” PROPOSITION

Rapid Decarbonization Will Take Trillions

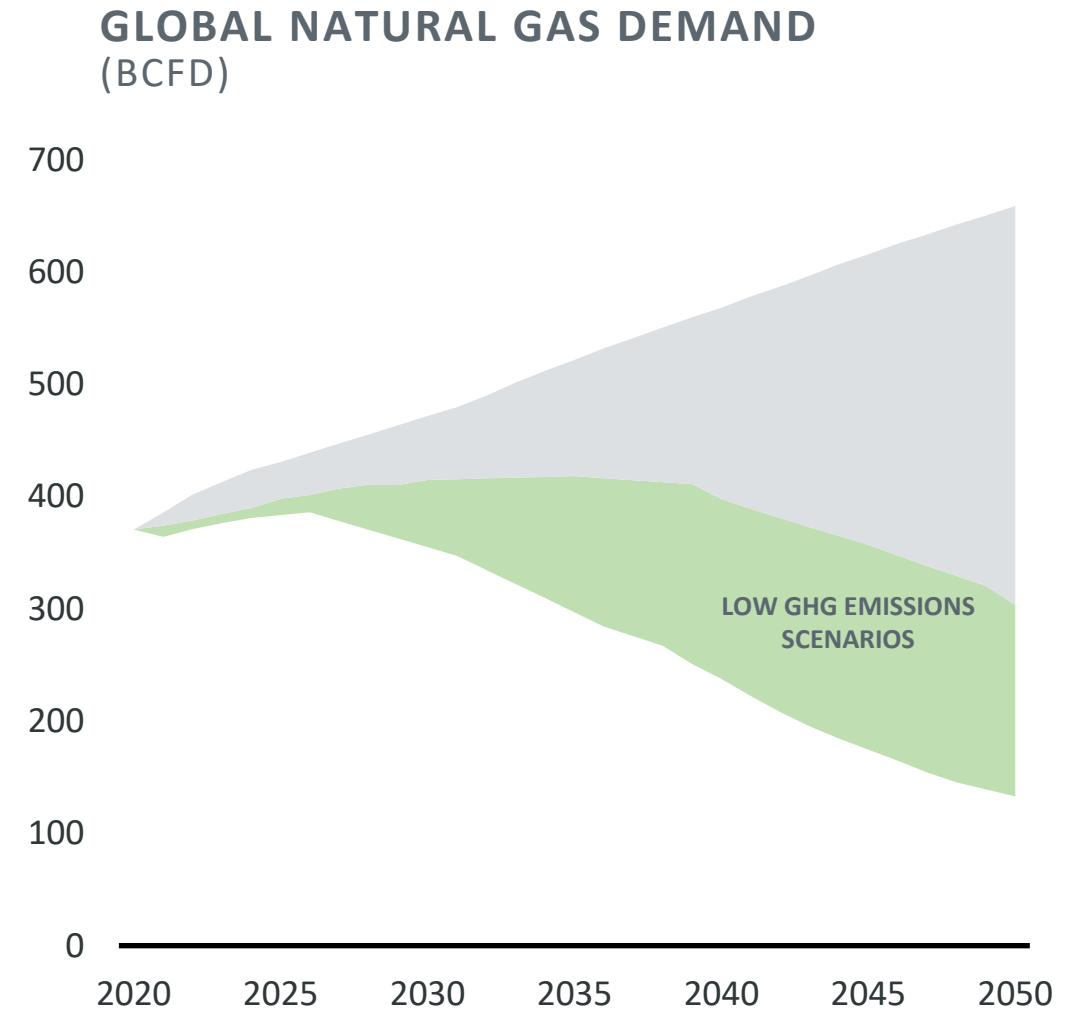
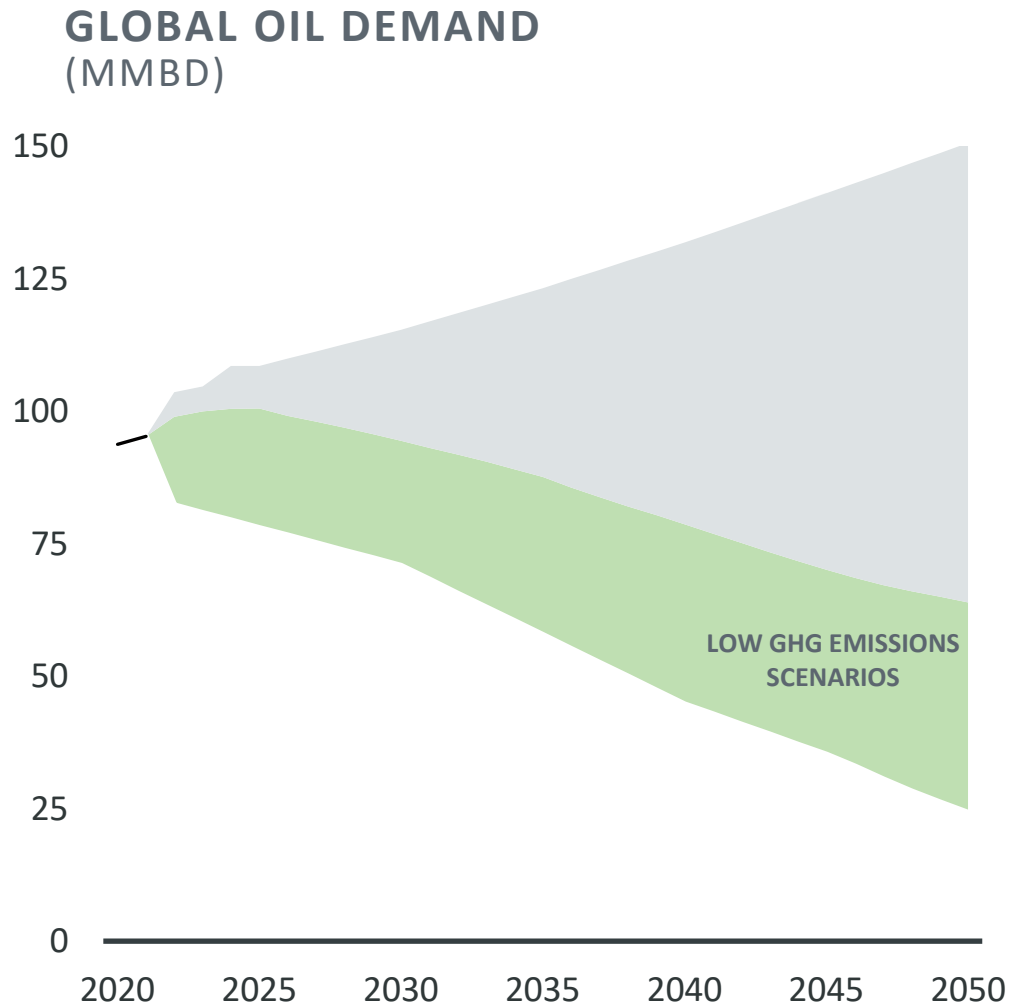
CUMULATIVE COSTS BASED ON IEA NET ZERO CASE



- Full-cost estimates to meet Net Zero by 2050: \$4-10 Trillion annually
- Upstream Oil & Gas investment still required to maintain existing fields and develop new resources

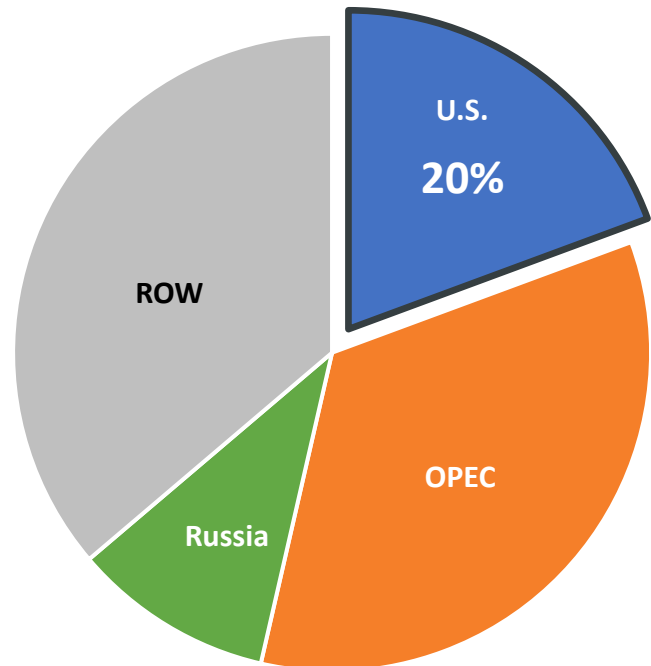
¹Total investment estimated from the average annual investment presented in the IEA 2021 Net Zero by 2050 Report

Oil & Natural Gas Needed Even in 1.5 Degree Energy Scenarios

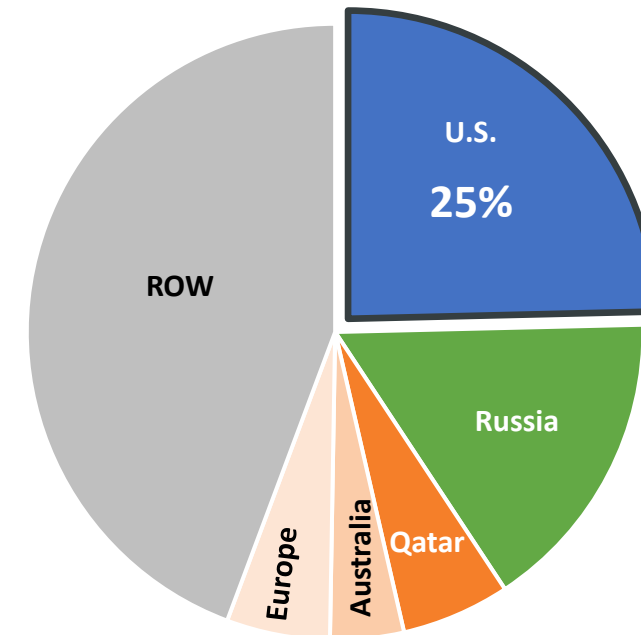


Global Supplies: U.S. Production is Vital

GLOBAL LIQUIDS SUPPLY
(% SHARE)

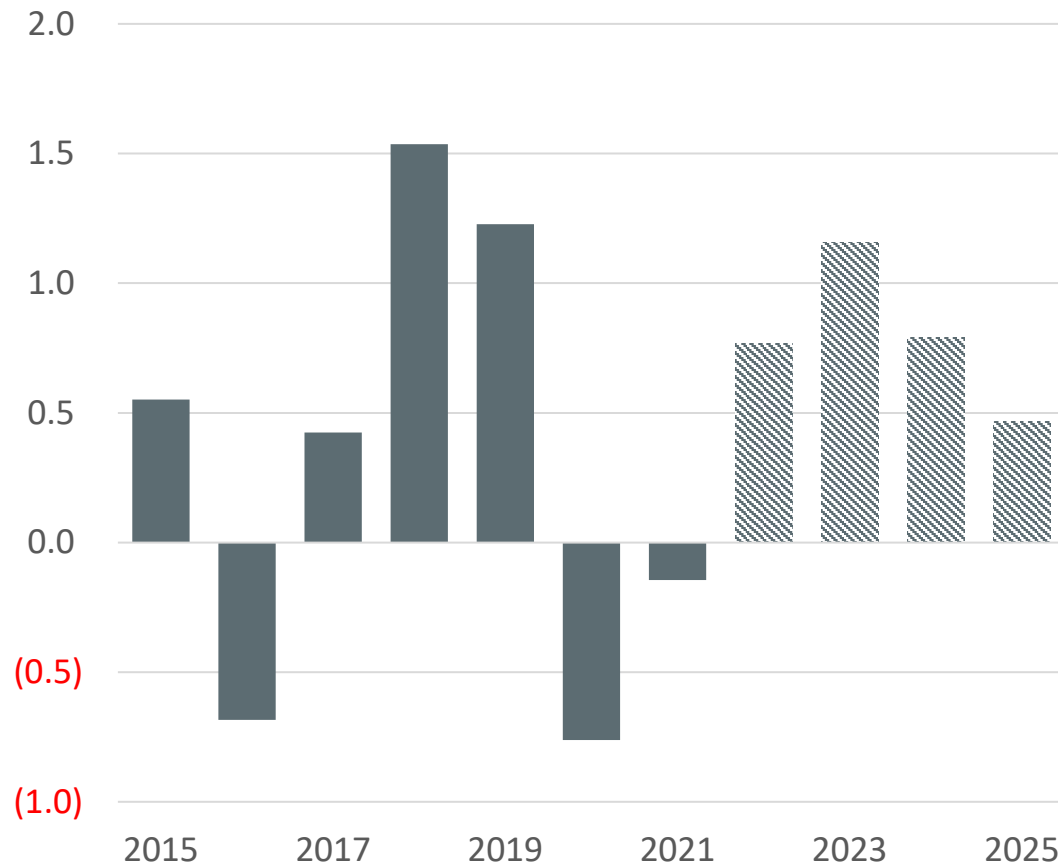


GLOBAL NATURAL GAS SUPPLY
(% SHARE)

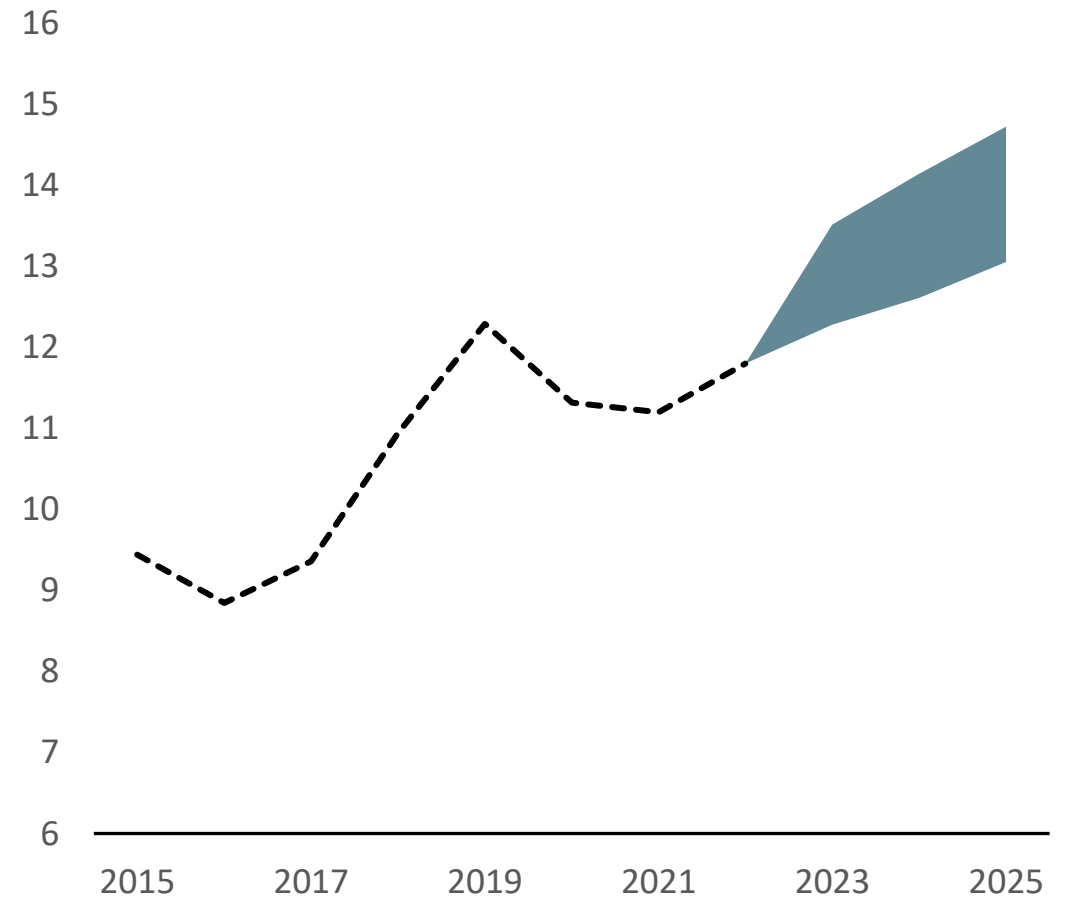


U.S. Oil Production: Growth from Tight Oil

U.S. TIGHT OIL
(YEARLY GROWTH, MMBD)

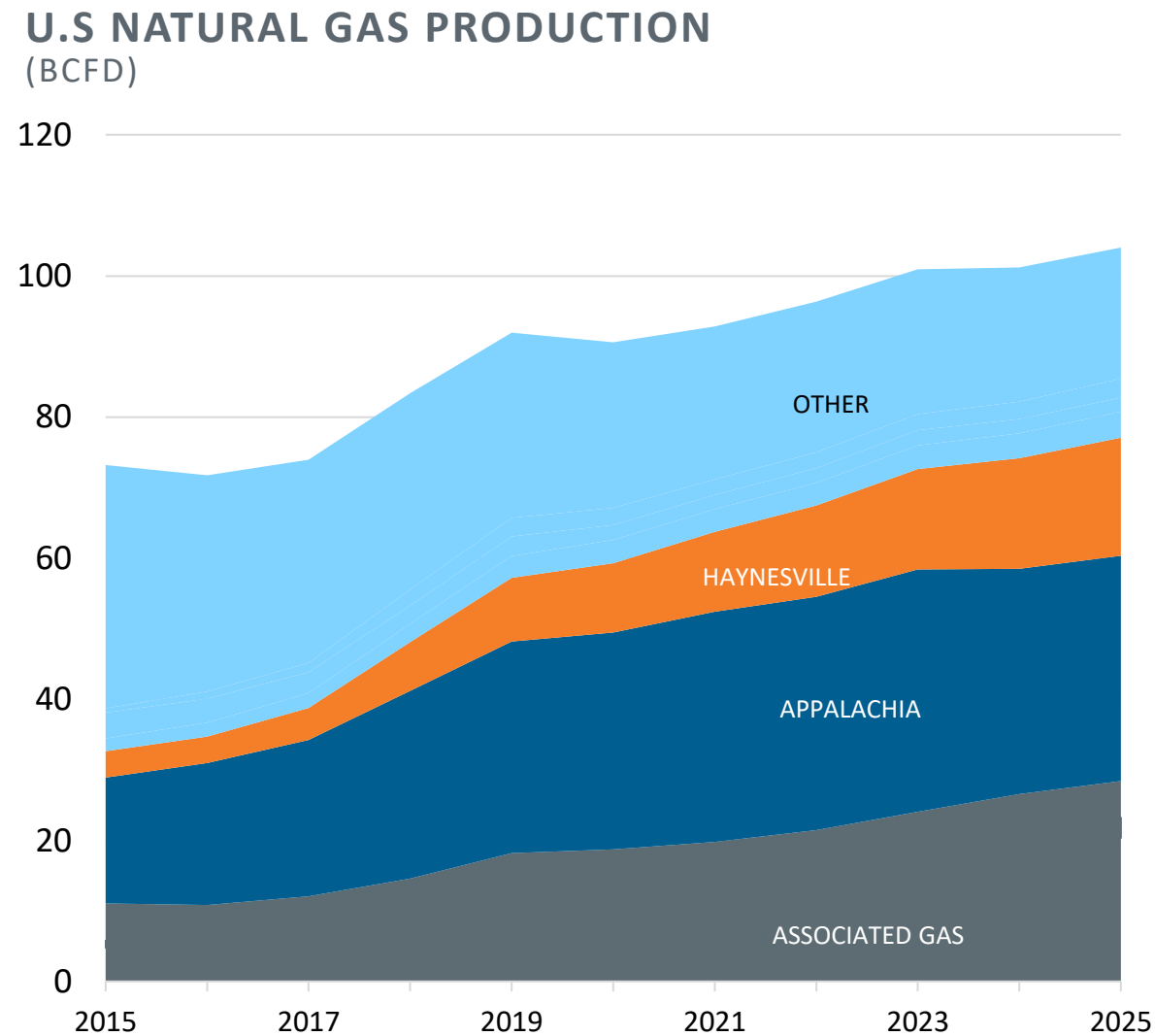
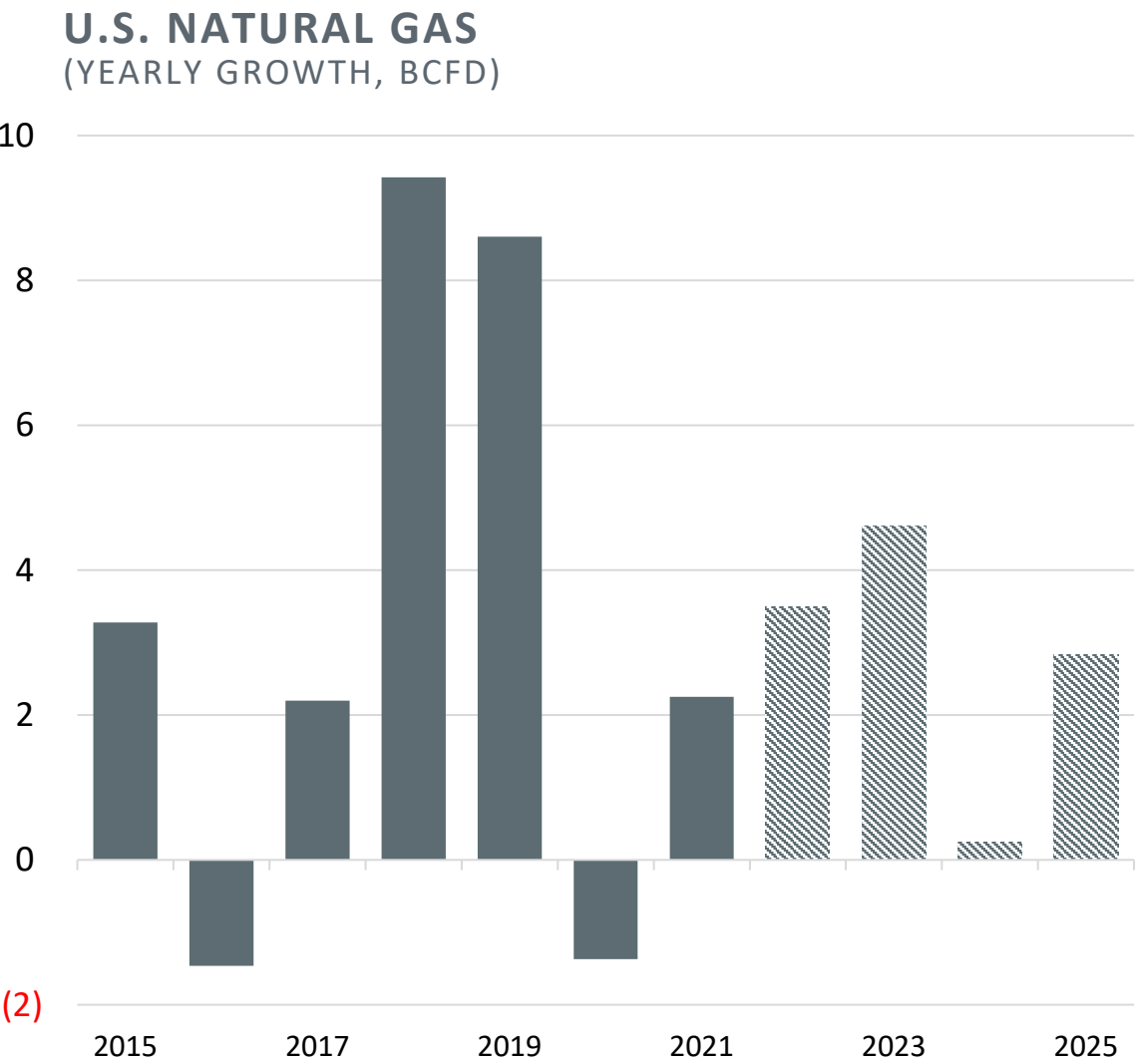


U.S. OIL* PRODUCTION
(MMBD)



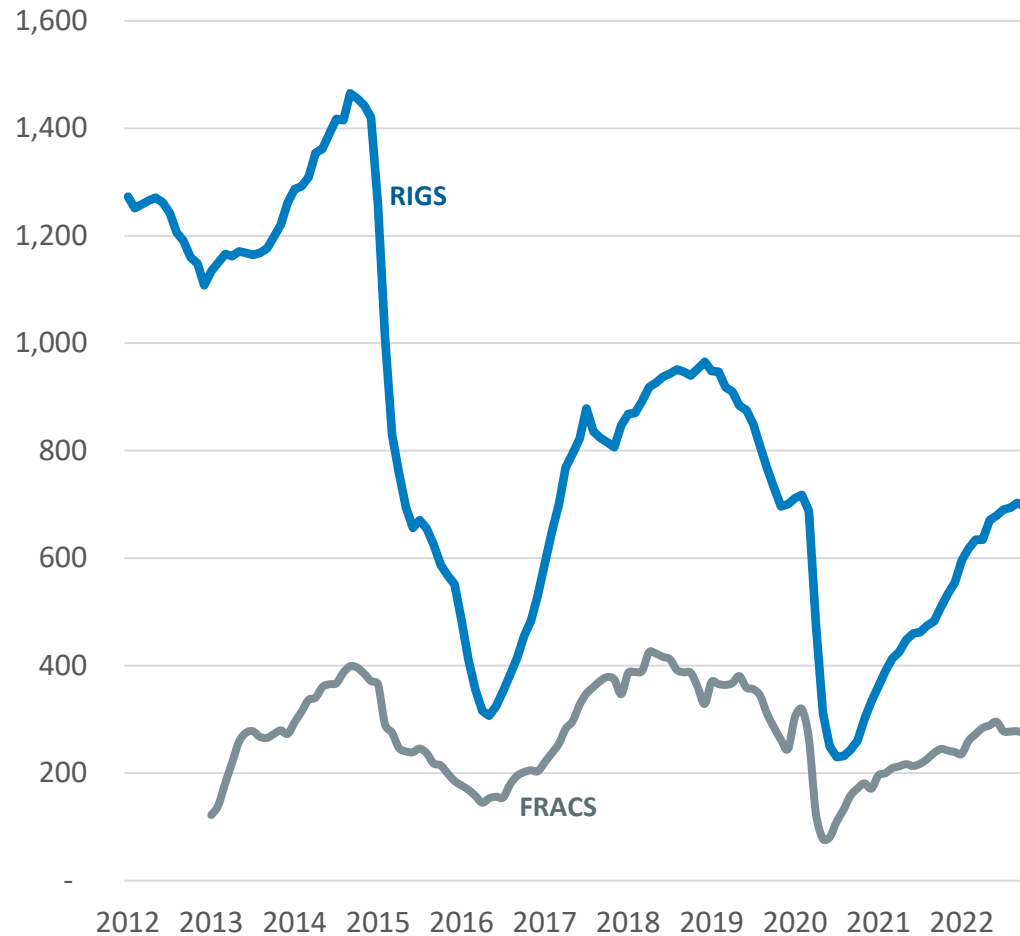
*Crude and Condensate

U.S. Natural Gas Production: Low-Cost Unconventionals

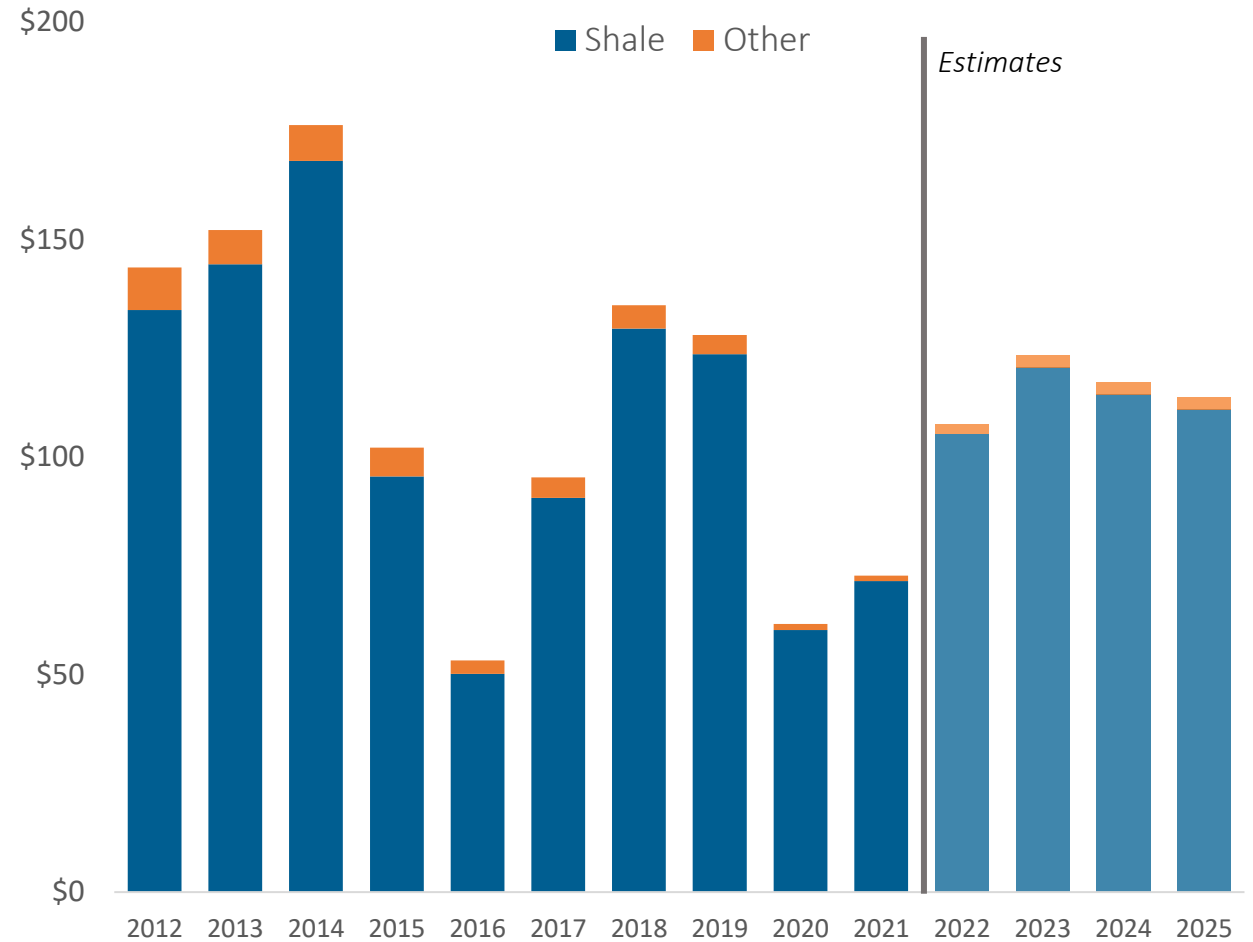


U.S. E&P Activity

LOWER 48 HORIZONTAL RIGS AND FRAC CREWS (COUNT)



LOWER 48 UPSTREAM CAPEX (US\$ BILLION)



Headwinds to U.S. Oil and Gas Production Growth

- Supply Chain Constraints
- Capital Discipline
- Government Policy Uncertainty



Concluding Remarks

- U.S. oil and natural gas output poised for growth
- Oil and Natural Gas are critical to world energy needs and enabling a lower carbon future
- Durable government policies needed

