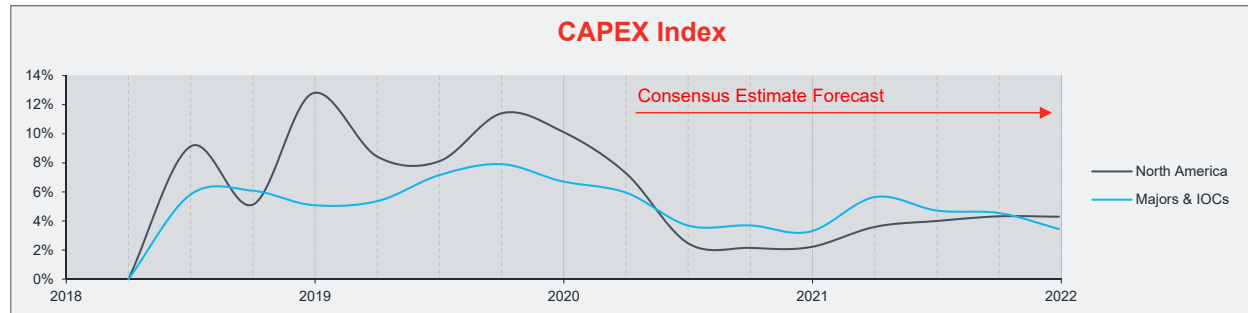
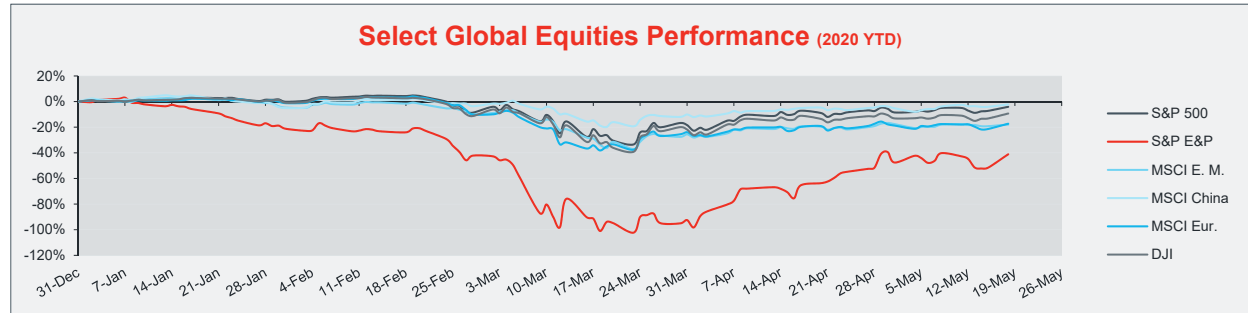
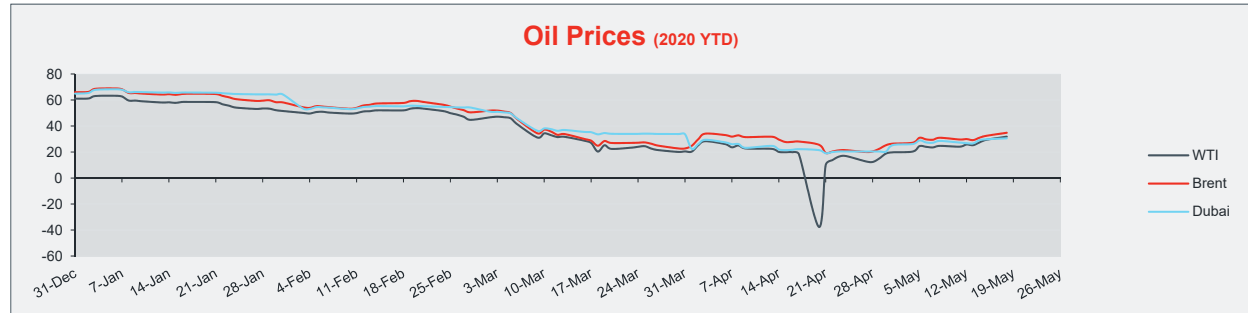
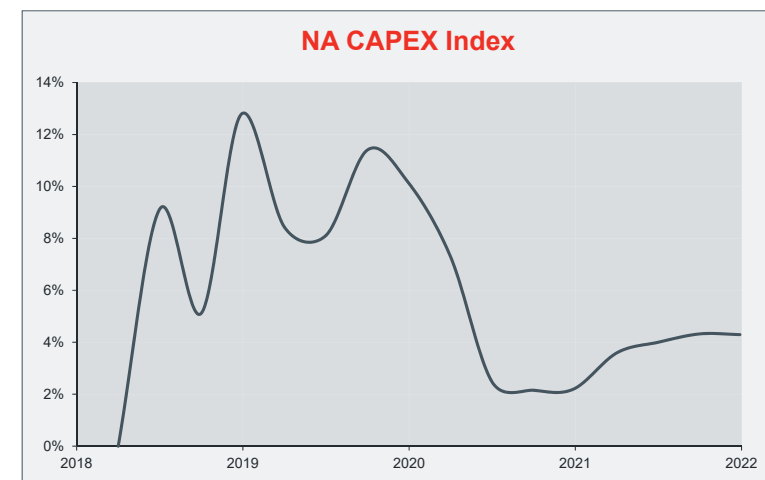
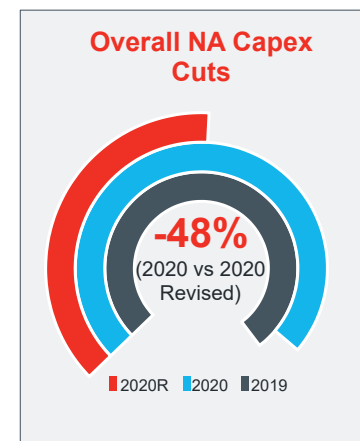
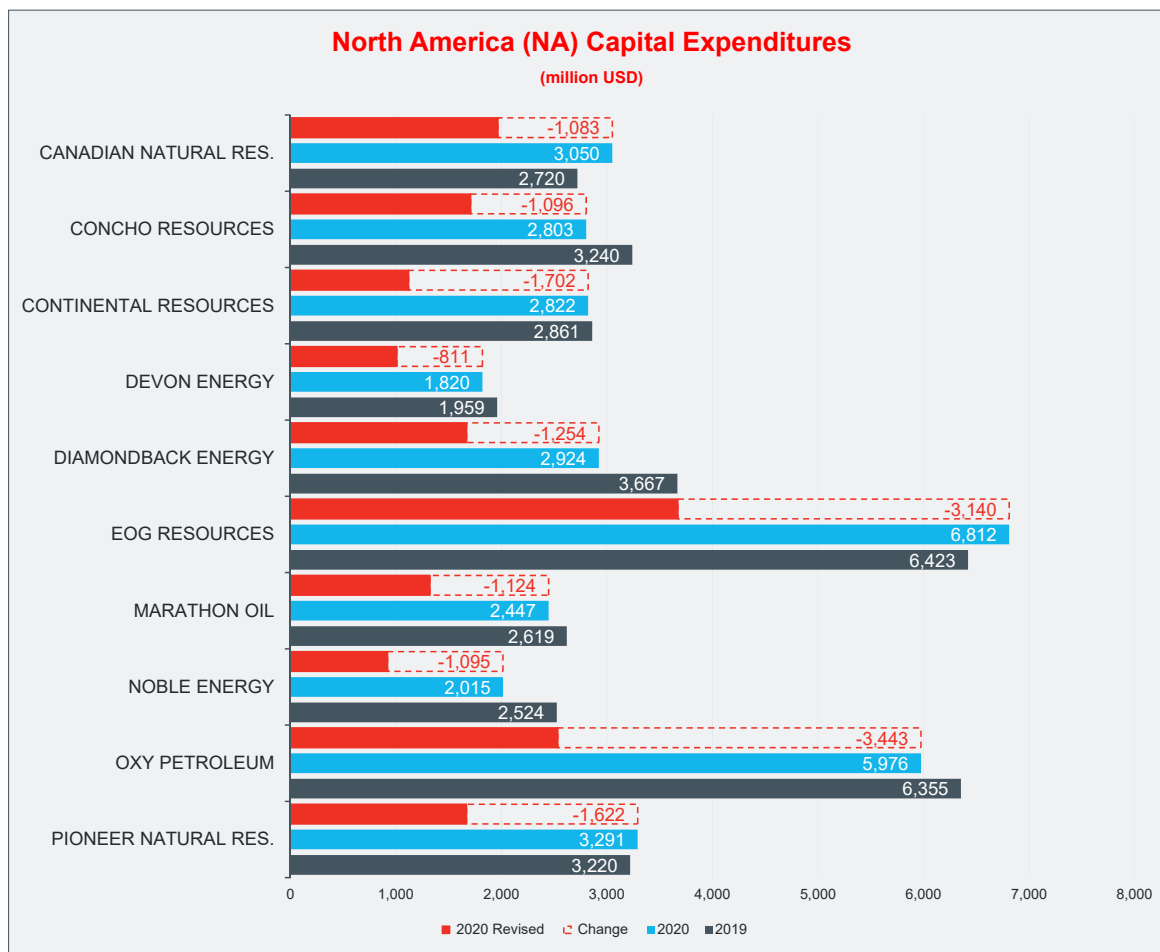


**The Duff & Phelps Capex Cut Tracker**

- 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 prices are still hovering around all-time lows. This has especially affected Exploration and Production (E&P) companies, that rushed to cut spending forecasts for 2020 and 2021 on a record scale.
- 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 resulted in companies cutting capital expenditures by double digits and cancelling and delaying projects to center efforts on highly profitable projects.
- Many companies have repeatedly cut forecasts since March 2020, reacting to record-level price volatility. 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.

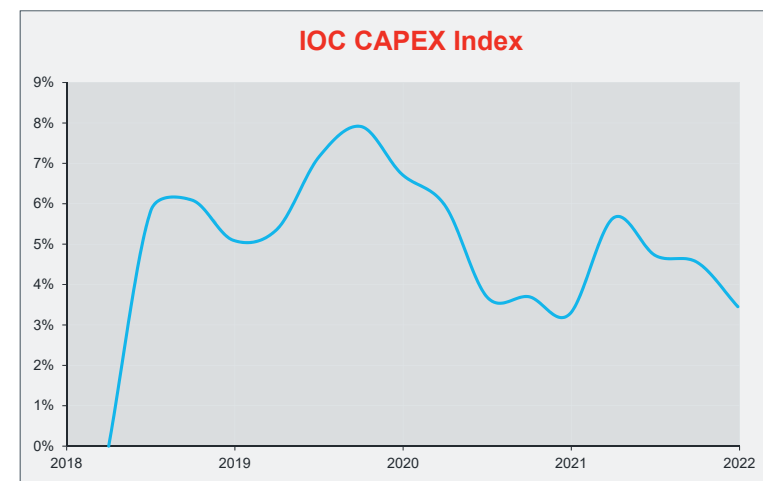
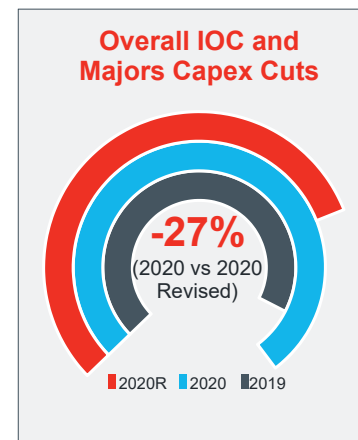
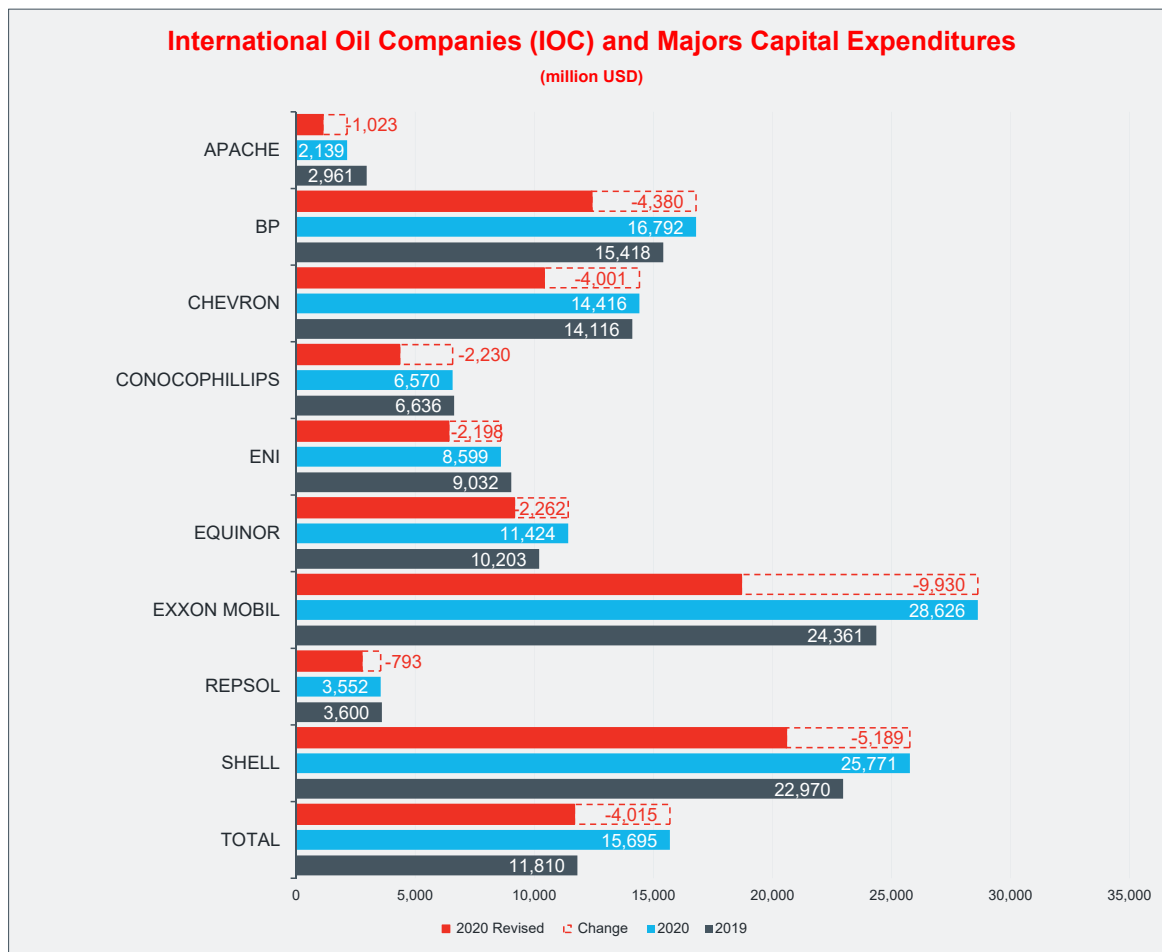


Source: CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis



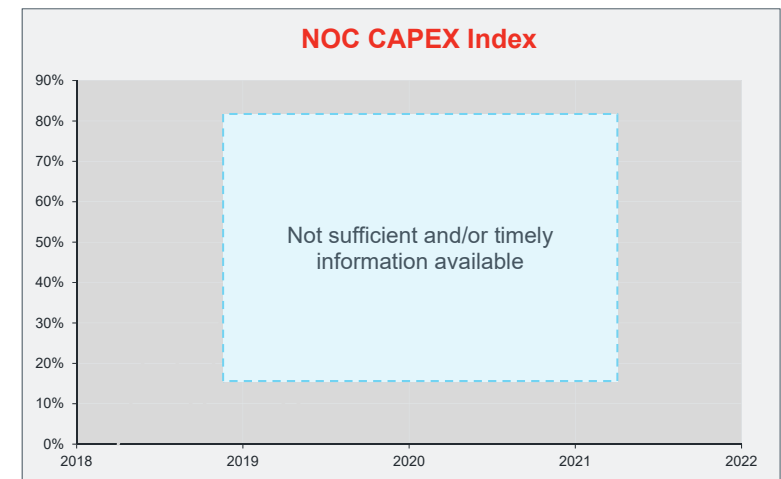
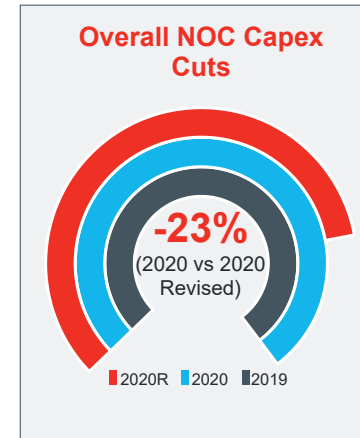
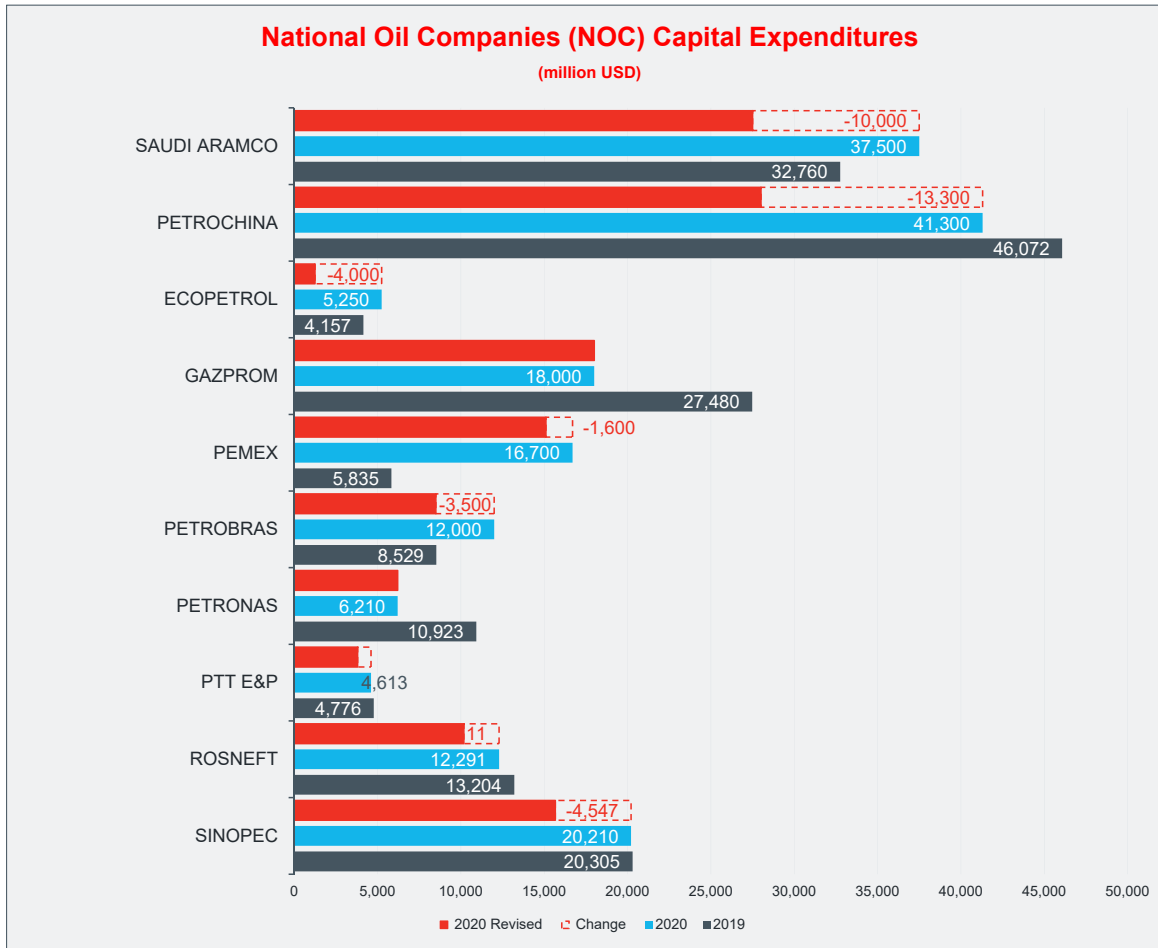
Source: CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis

Last Updated: May 18, 2020



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