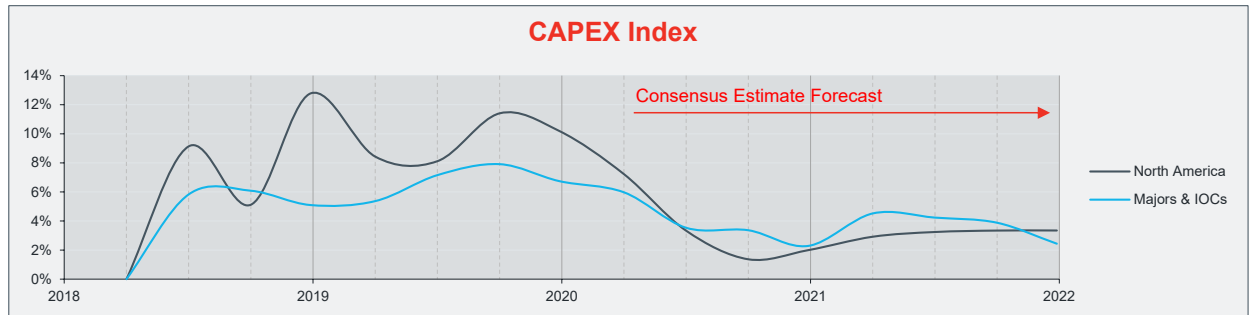
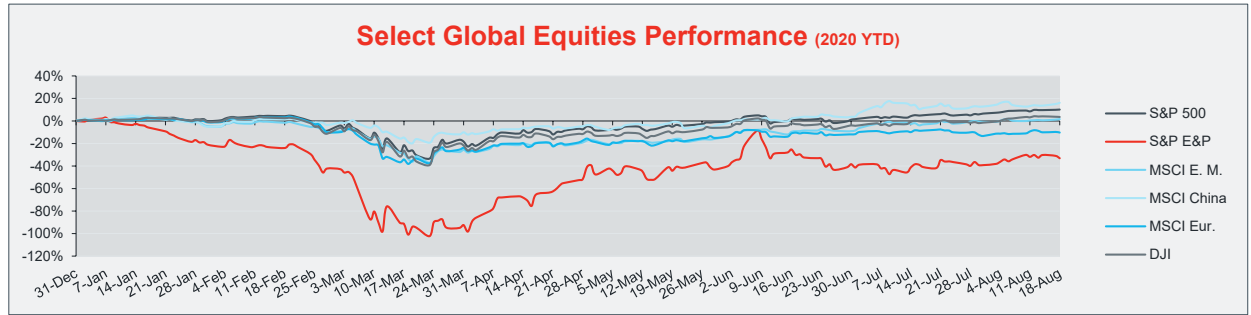
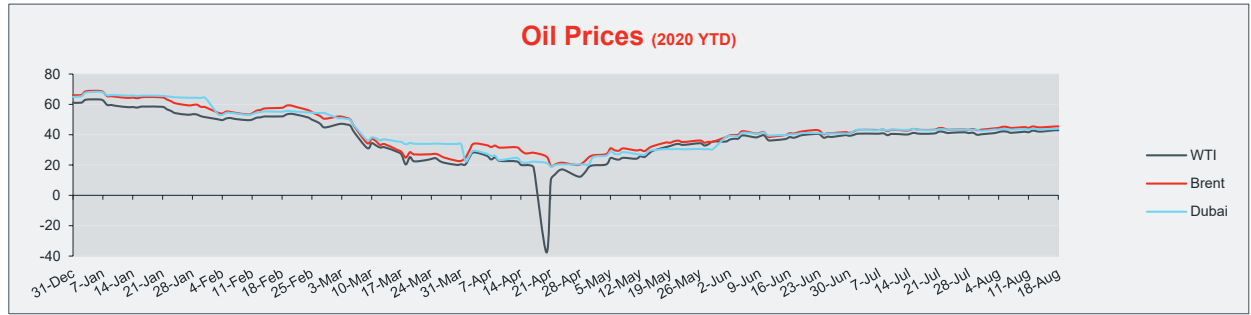


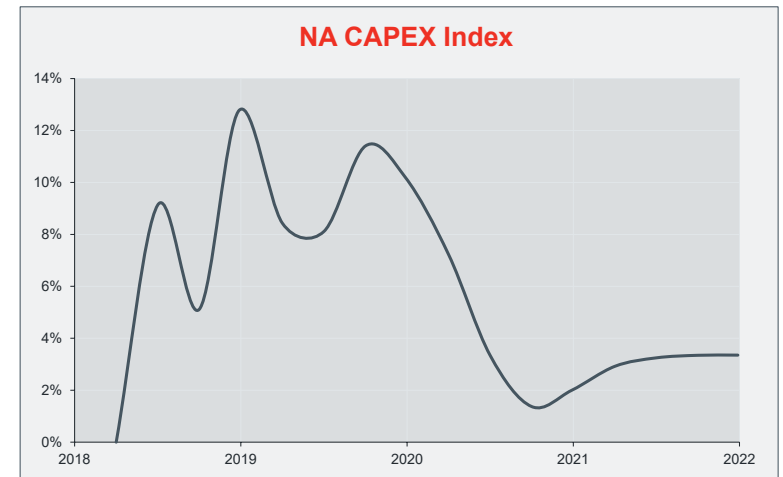
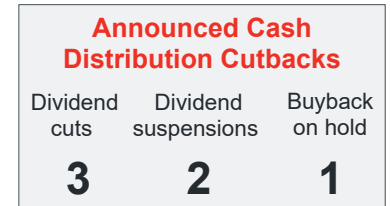
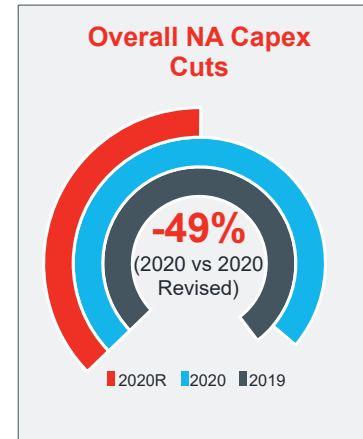
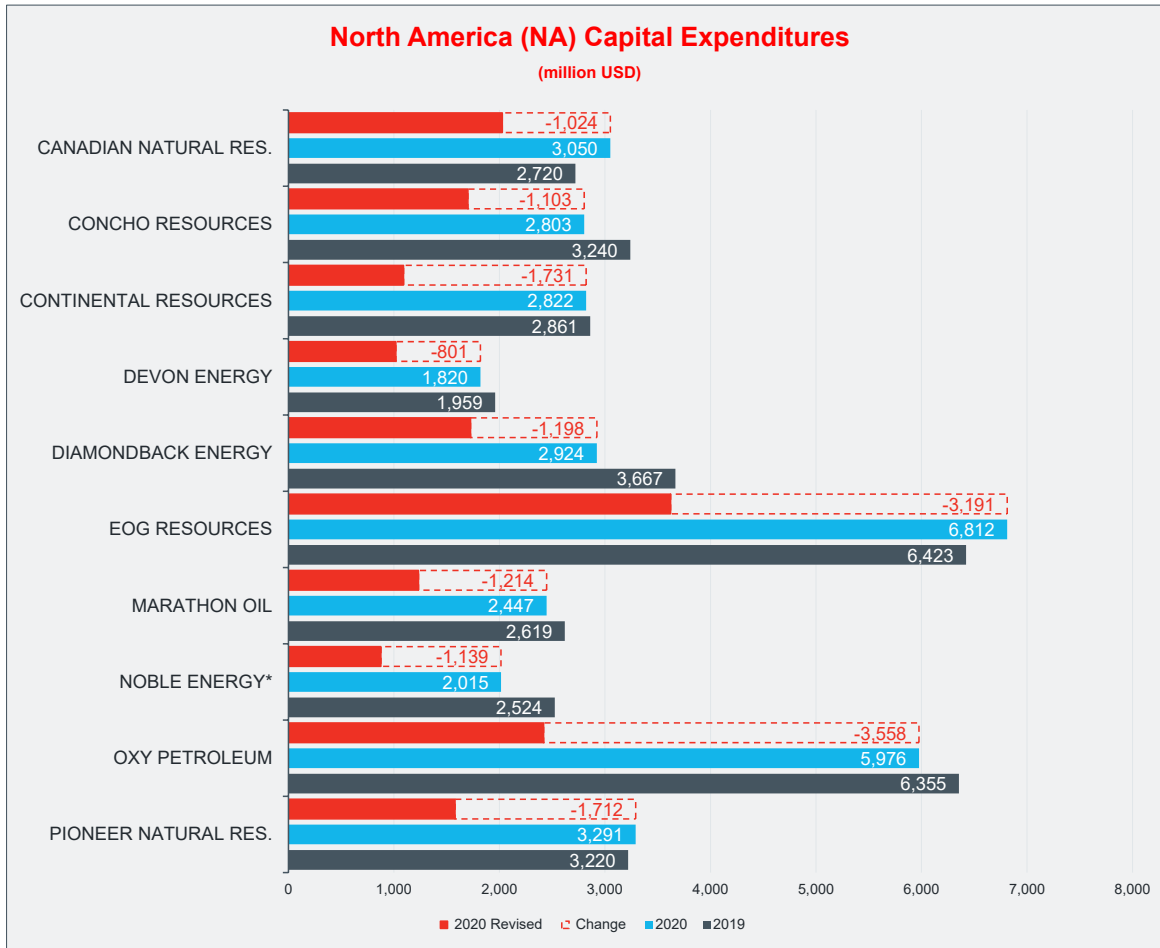
The Duff & Phelps Capex Cut Tracker

- Since the start of 2020, global economic sentiment has been dominated by the impact of the COVID-19 pandemic on GDP growth rates (global downward revision to -3.9%; U.S., China and Eurozone downward to -8.0%, +1.0% and -10.2% respectively), global equities, production indices, interest rates and global oil demand. More than 7 months into the pandemic, the path to economic recovery is yet unclear as second waves of outbreaks have recently dominated.
- 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 led to a doubling in prices since March, uncertainty around demand recovery and full storage levels indicate a very fragile market. OPEC+ now faces the challenge of reestablishing oil flow without triggering the next price crash.
- After the initial impact on prices, producers started to cut spending, production levels and cash distributions to investors to free up much needed cash flow. Since then, cutbacks have slowed; however, cost and capital efficiencies have been carried out by the tracked peer groups. In the past two months, opportunistic M&A activities have started to surge.
- To provide a comprehensive and timely update on the industry's actions, Duff & Phelps provides a monthly update to its Capex Cut Tracker which analyzes announced spending cuts for North America-focused, international and national oil companies.

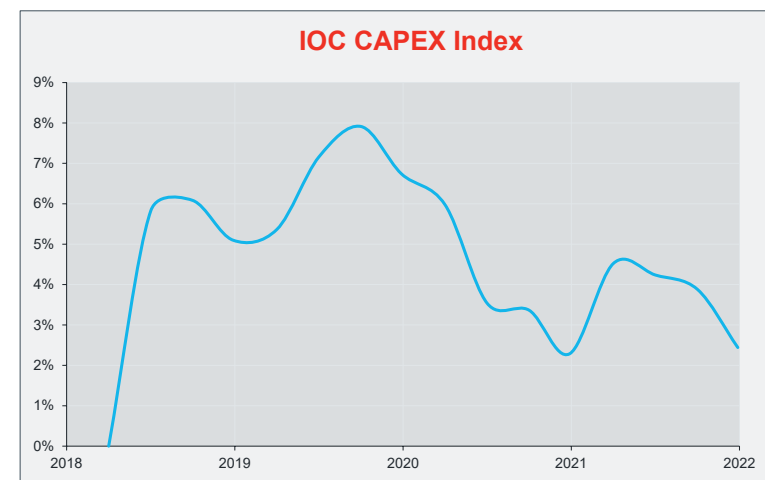
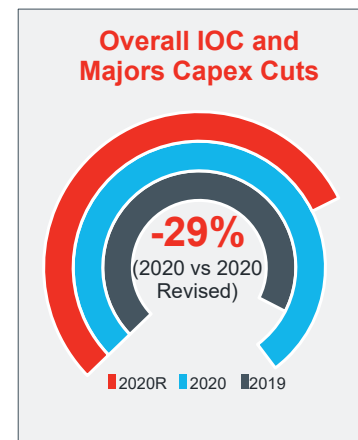
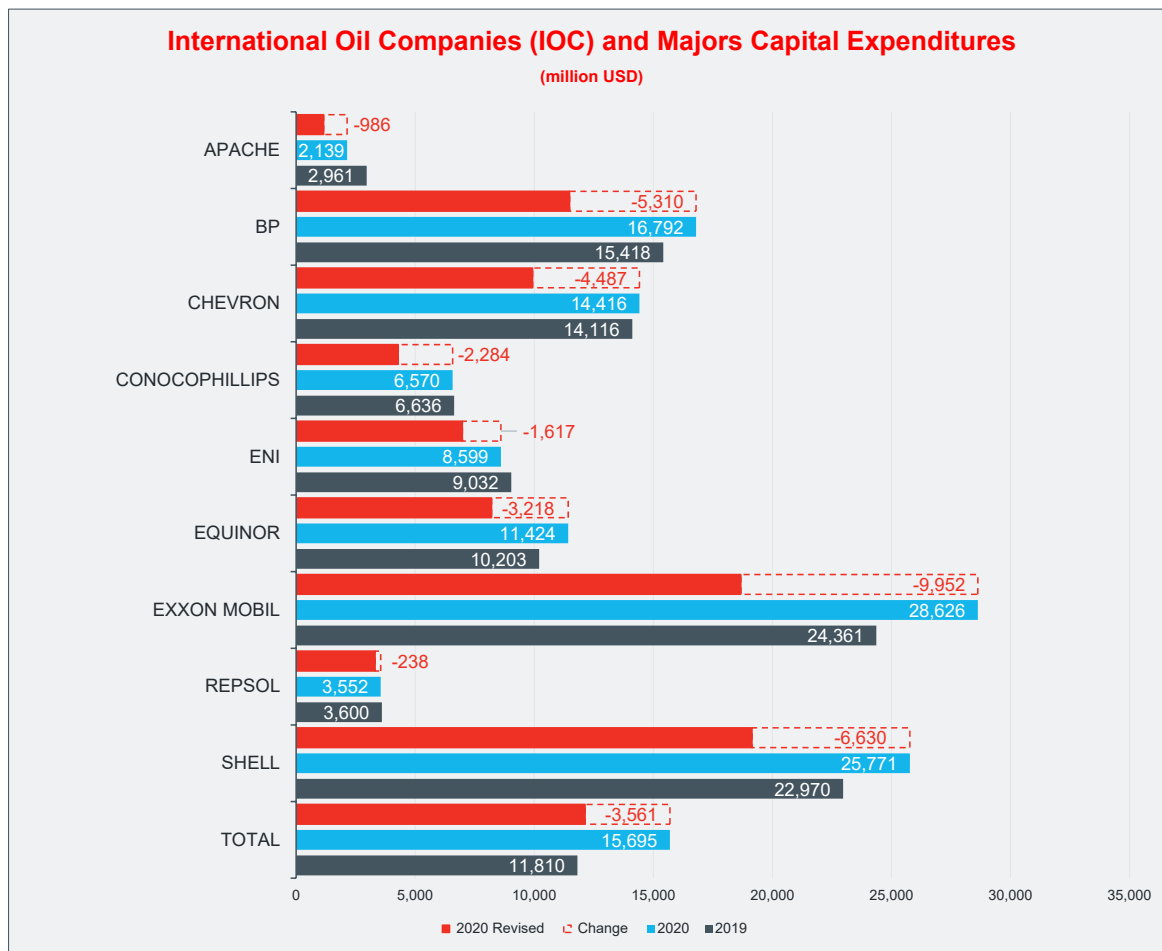


Source: IMF, CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis

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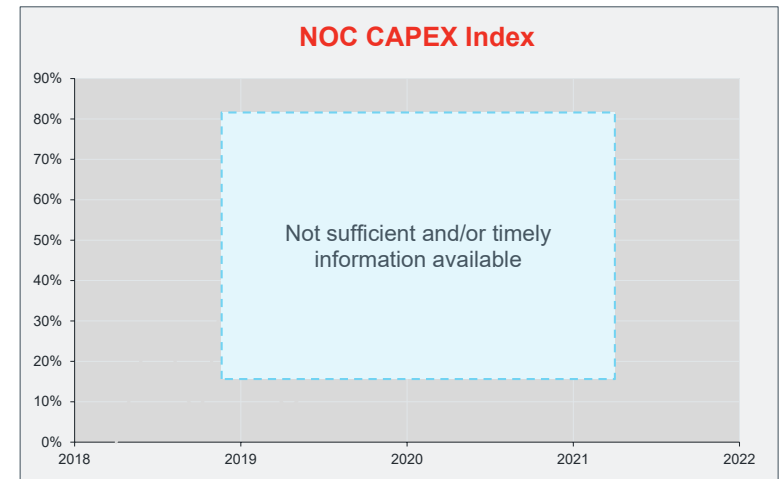
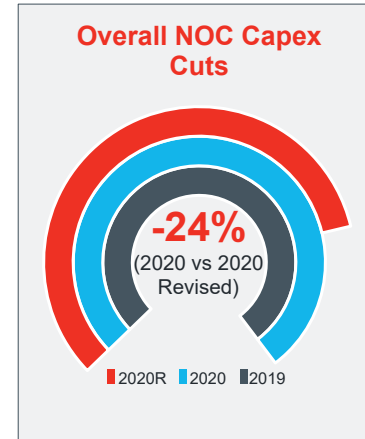
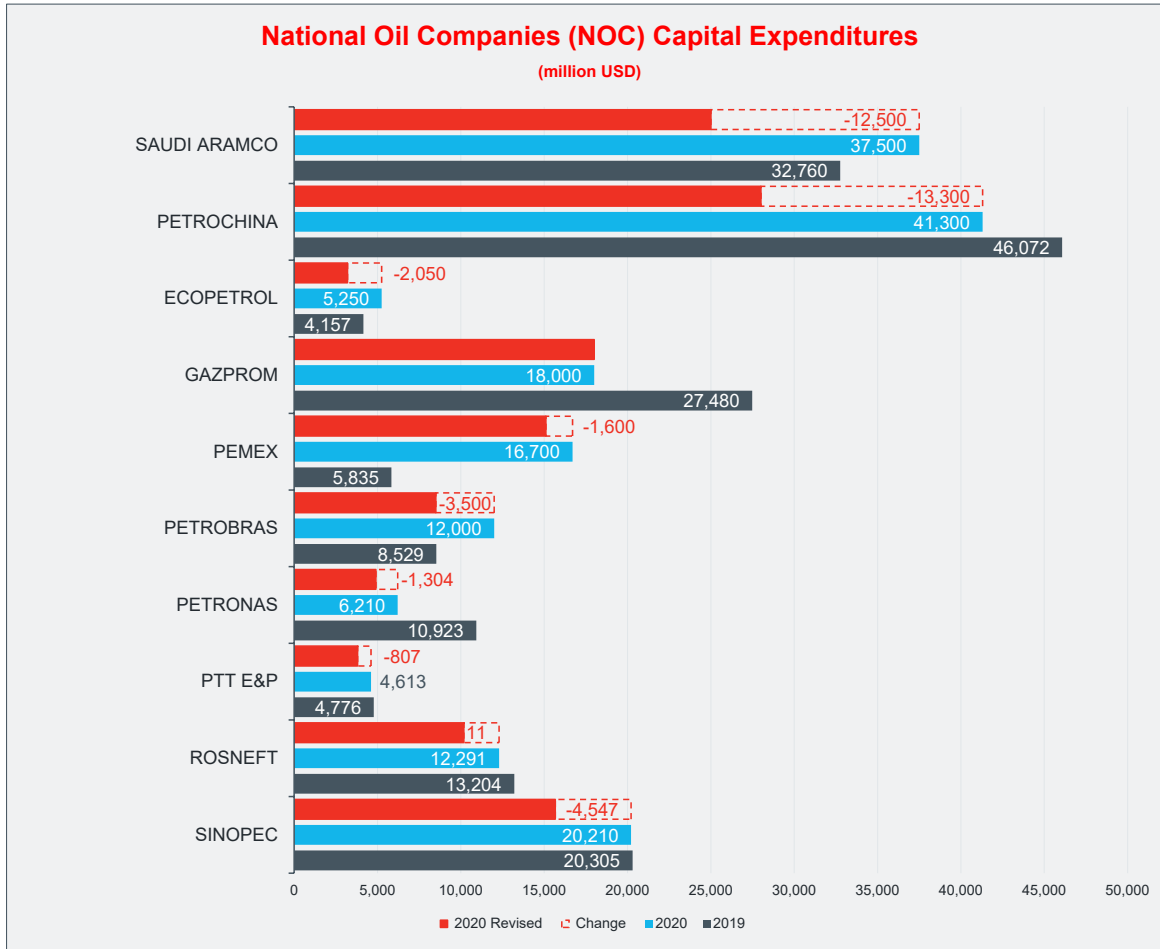


*On July 20, 2020 Noble Energy announced its acquisition by Chevron. The shareholder vote is set for October 2, 2020.
Source: CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis



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