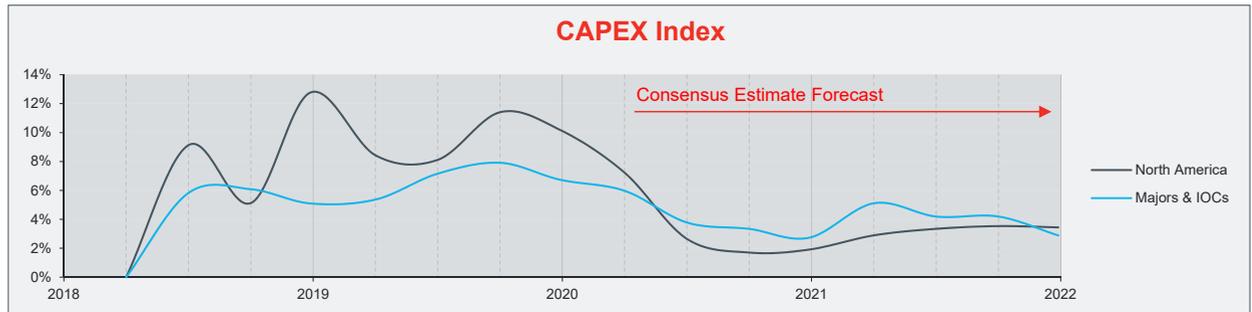
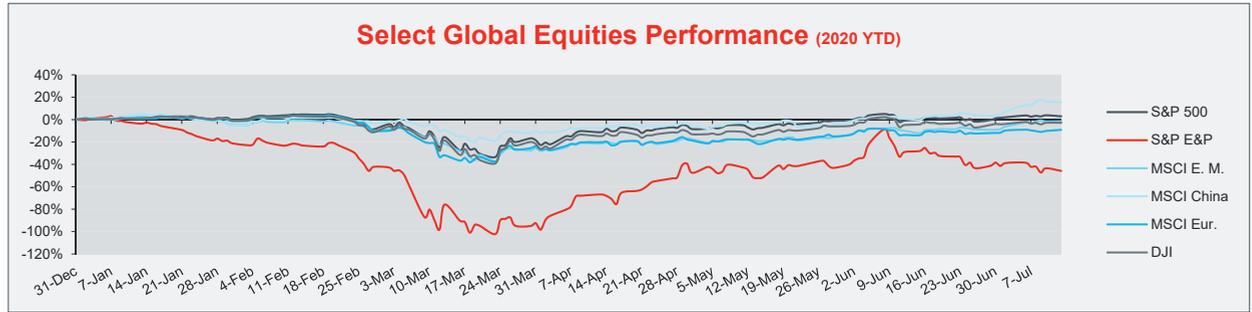
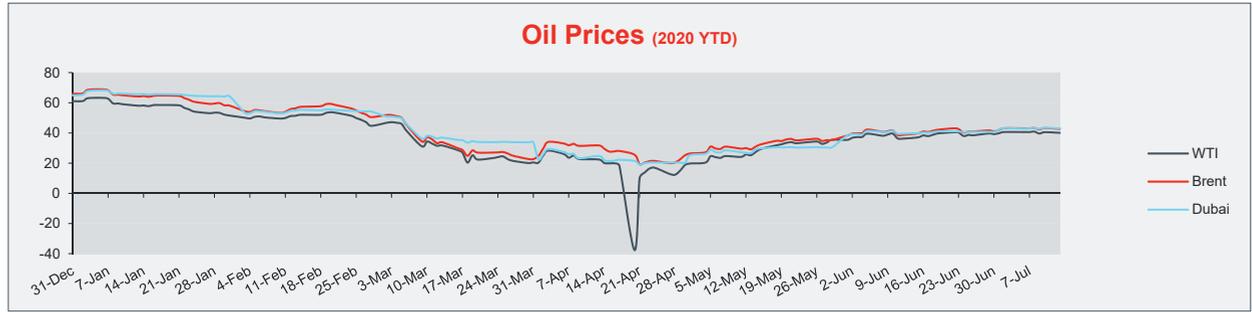
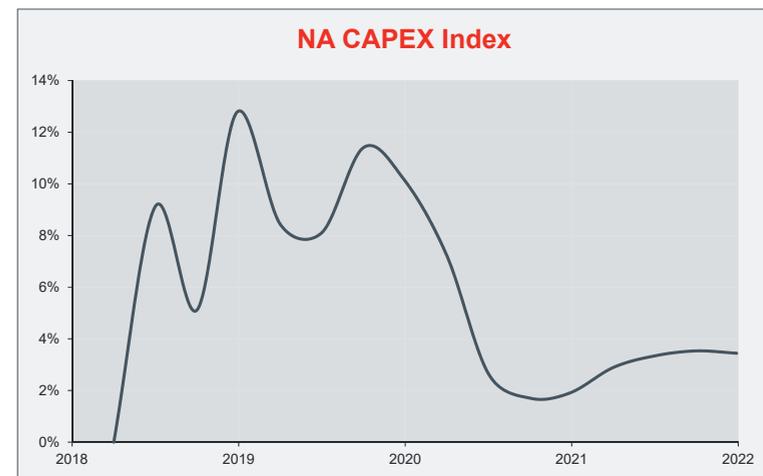
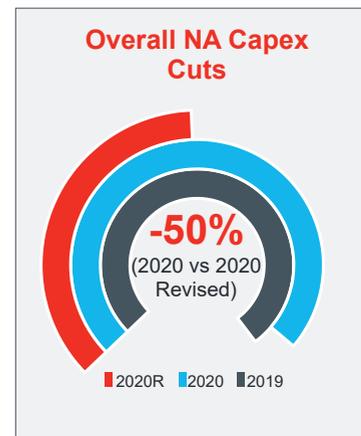
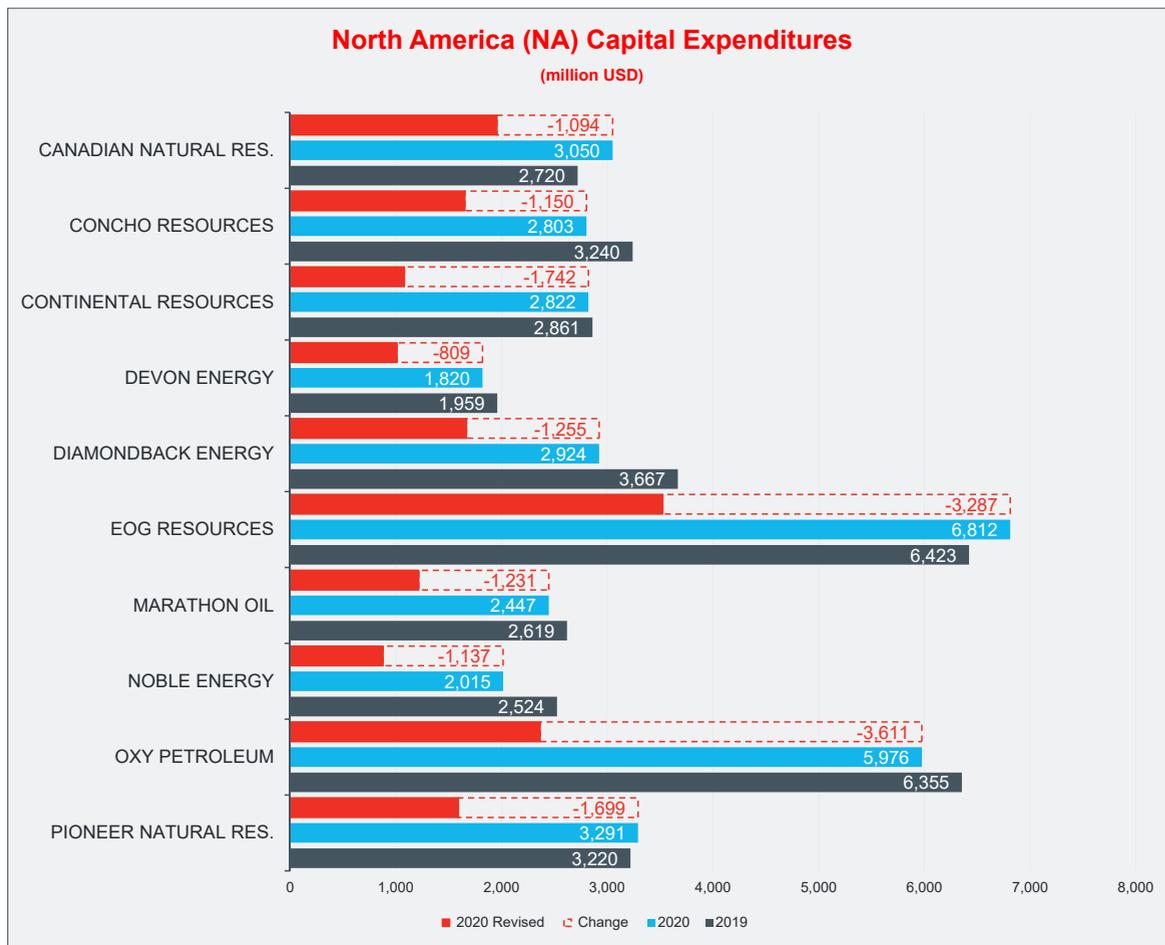


The Duff & Phelps Capex Cut Tracker

- 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 -4.9%; 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 6 months into the pandemic, the path to economic recovery is yet unclear.
- 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.
- As a result of the initial impact on prices, producers rushed to cut back on spending, output levels and cash distributions to investors in an effort to free up much needed cash flow. Since then, cutbacks have slowed and our peer groups have not registered any announcements since June 15. However, Chapter 11 filings have dominated the past month, as many significant players have sought protection from creditors.
- 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.

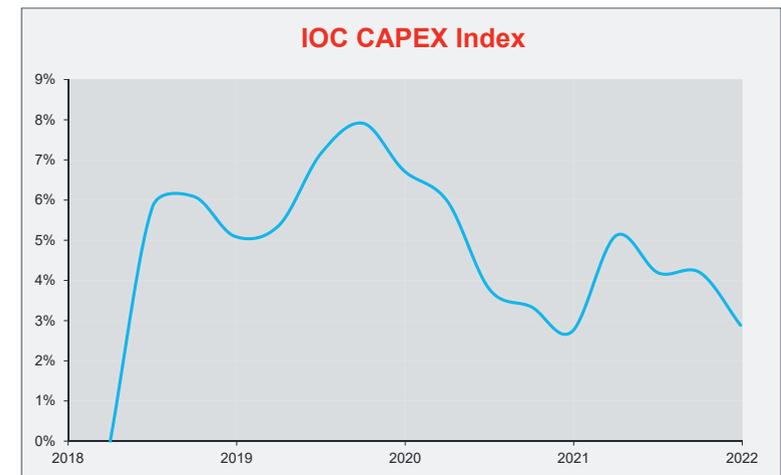
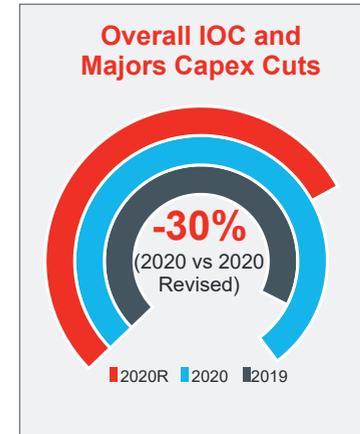
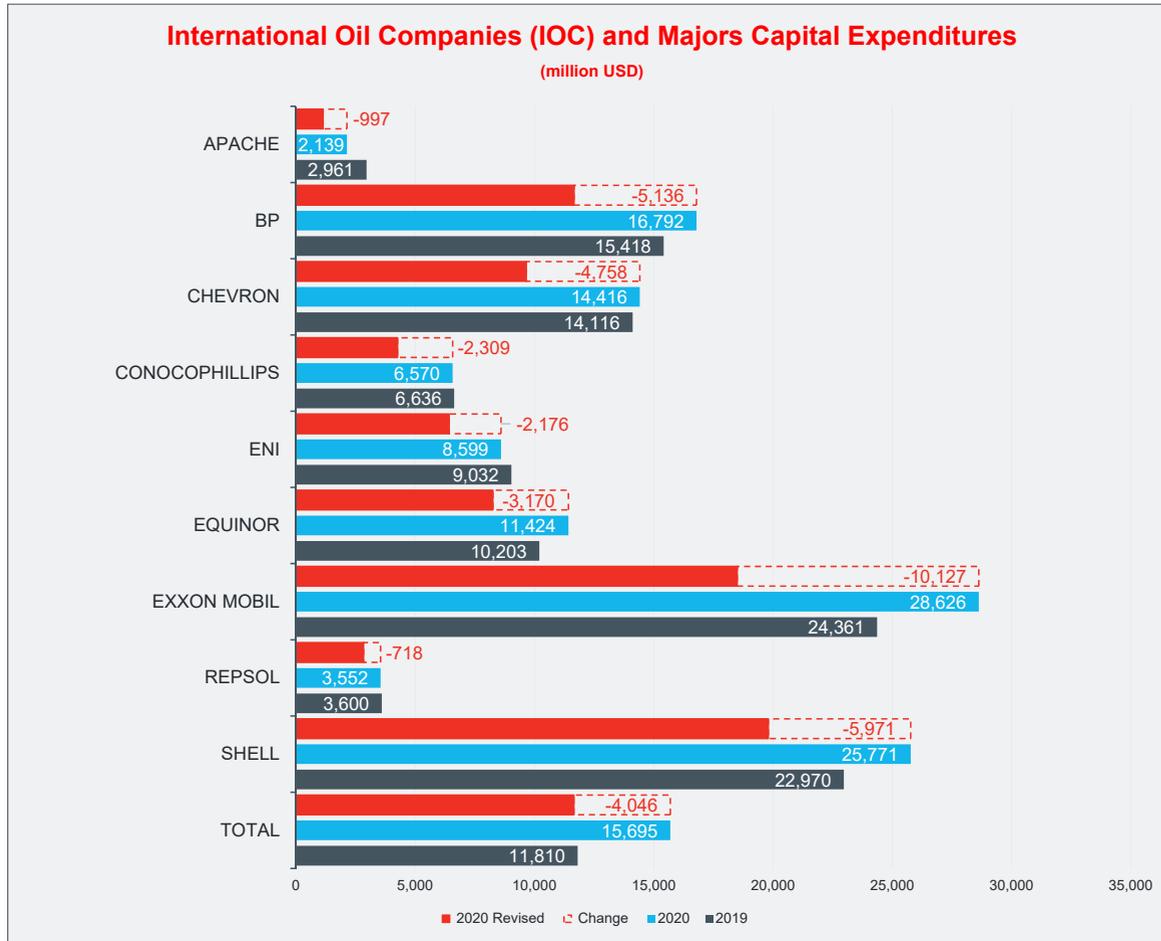


Source: IMF, CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis



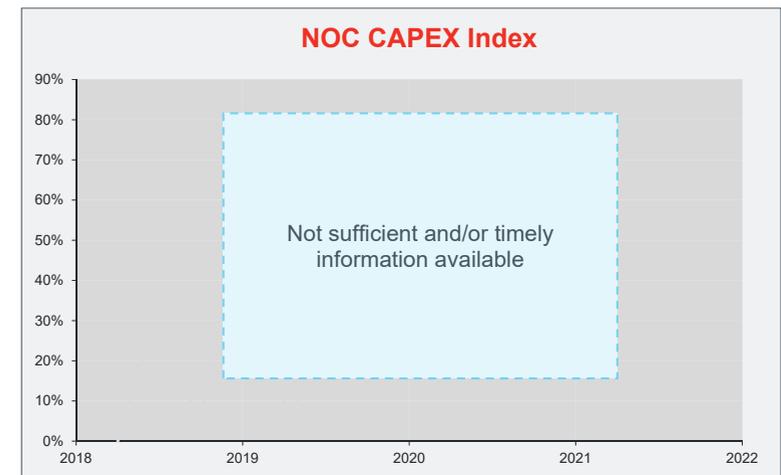
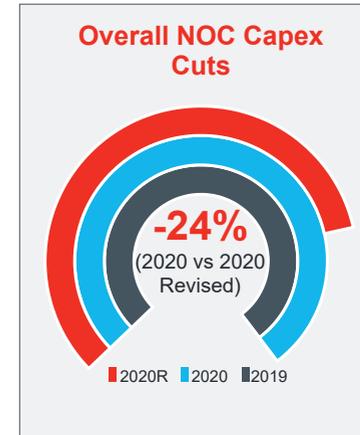
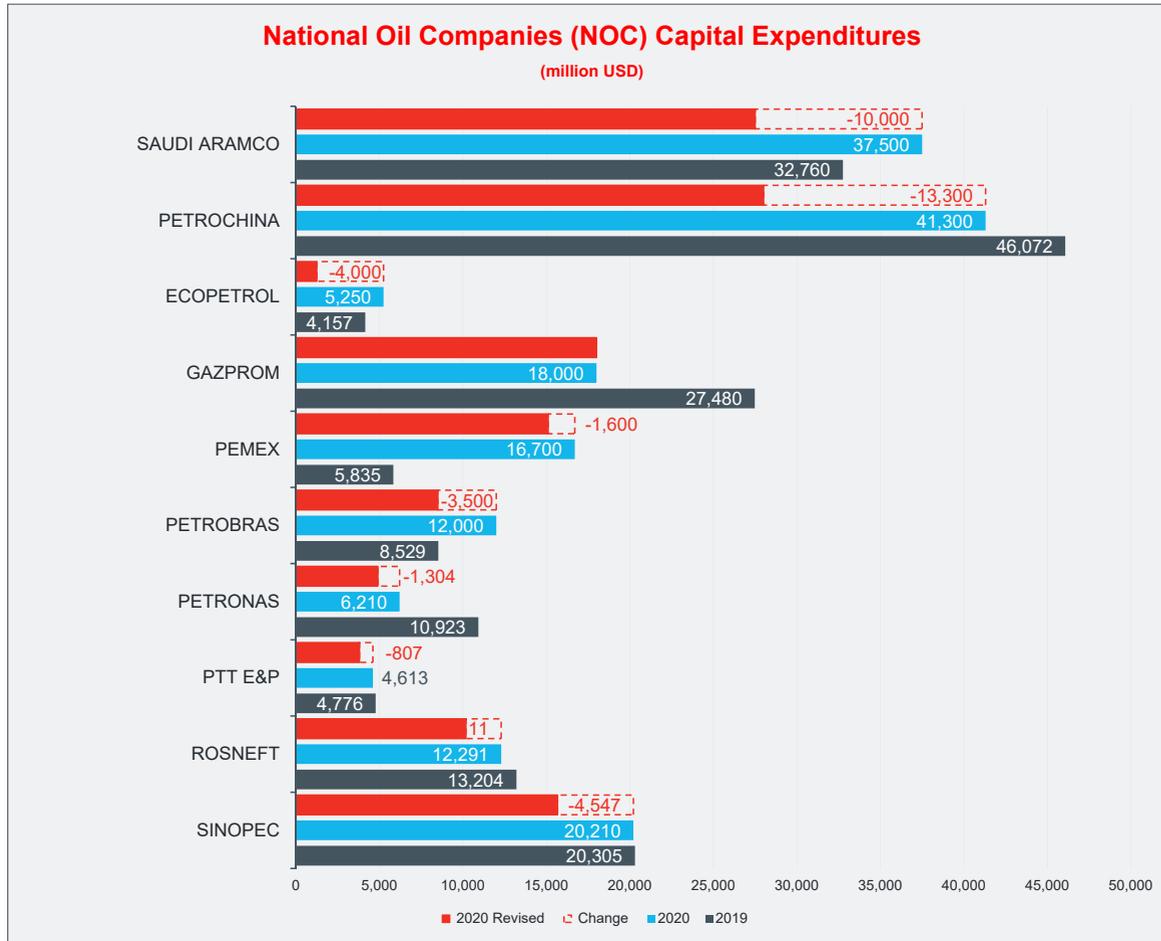
Source: CapitalIQ, Bloomberg, company filings and press releases, and Duff & Phelps analysis

Last Updated: Jul 14, 2020



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