



# GLOBAL ENERGY TRANSITION:

'All of the Above' Energy Policies Needed

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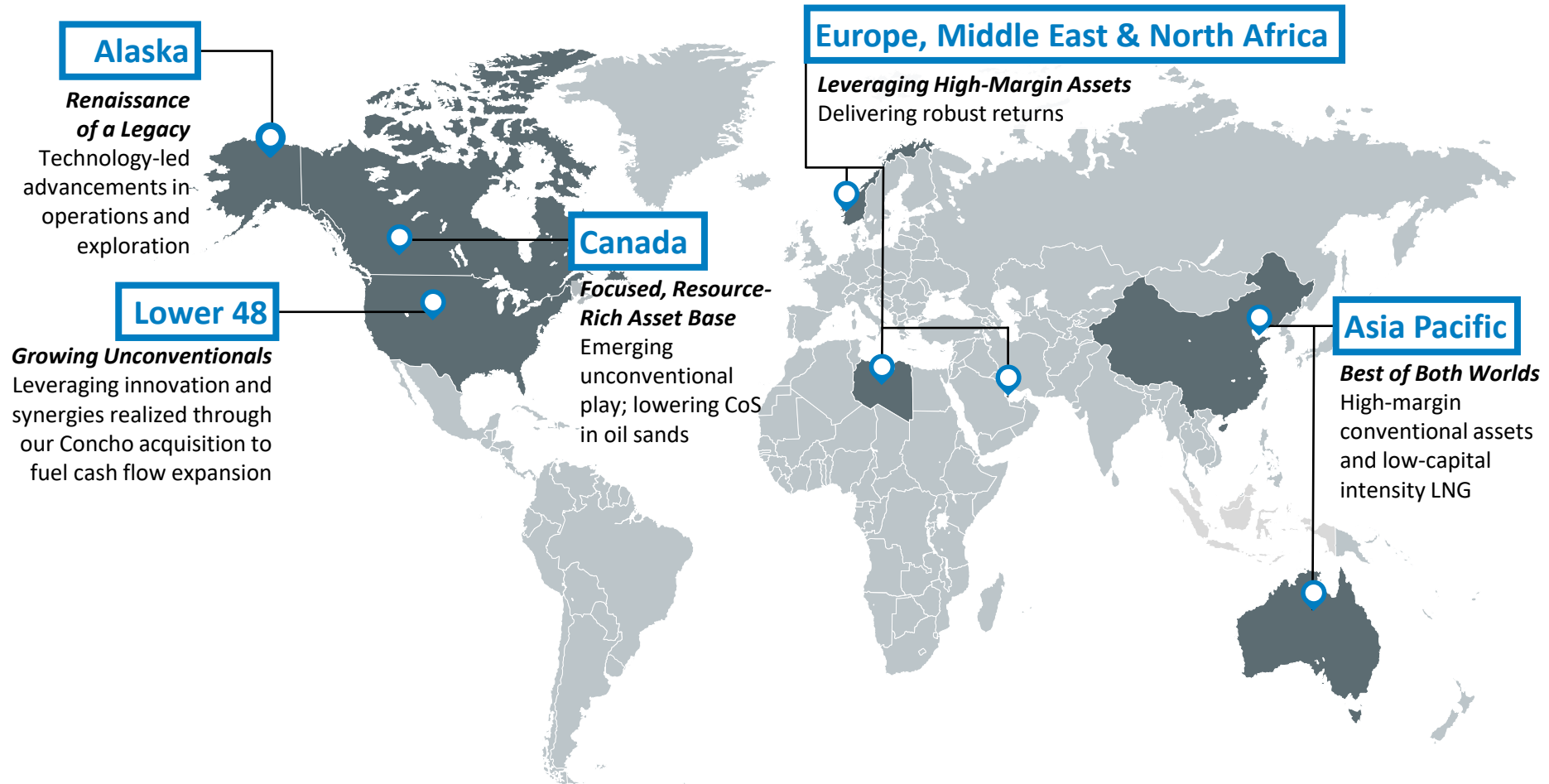
# World's Largest Independent E&P Company

**13 Countries**  
OPERATIONS AND  
ACTIVITIES

**~9,400**  
EMPLOYEES

**1,720 MBOED**  
AVERAGE PRODUCTION

**\$94 Billion**  
TOTAL ASSETS



Our vision is to be the **E&P company of choice** for all stakeholders, responsibly meeting the world's growing energy needs.



# Permian Basin Overview



Significant growth in 2021 with the acquisition of Concho Resources Inc. and the addition of Shell's Permian acreage.

**1.5 Million**

NET ACRES<sup>1</sup>

**634 MBOED**

Q2 2022 PERMIAN  
PRODUCTION

**Largest**

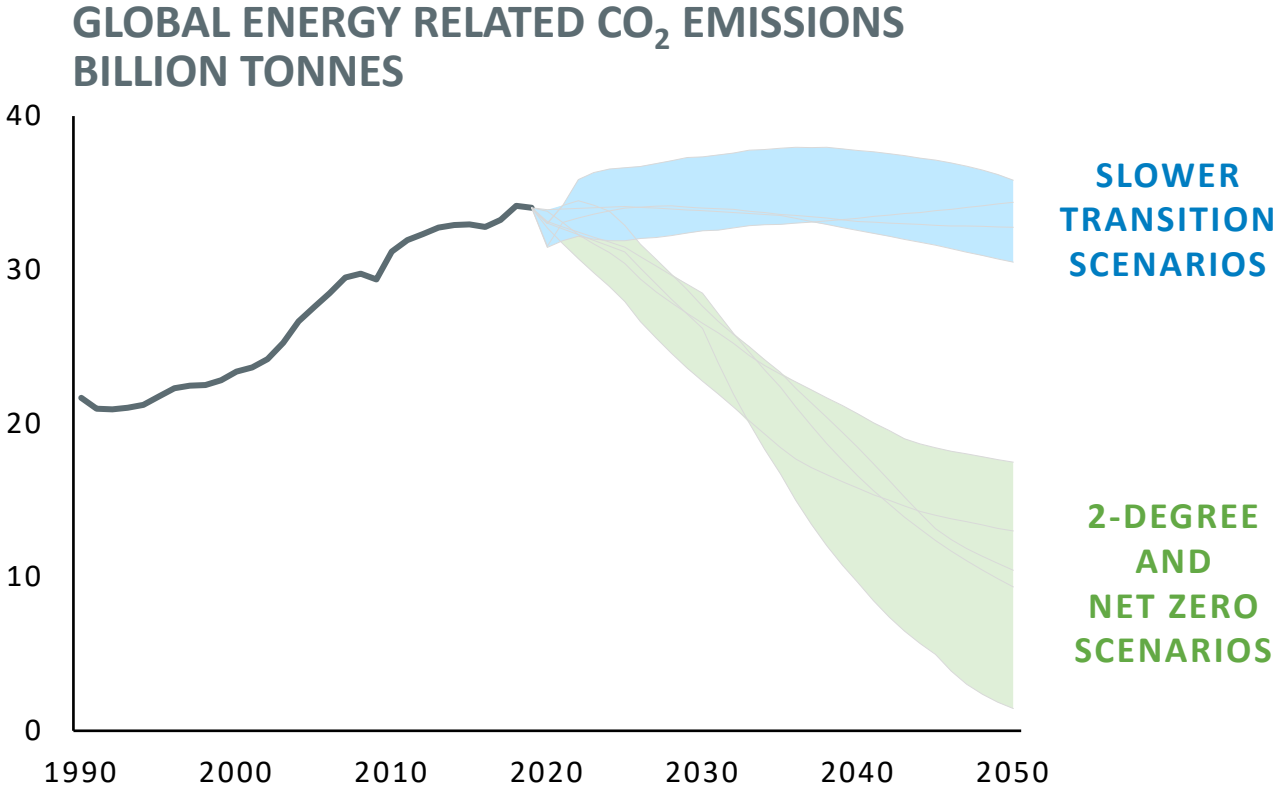
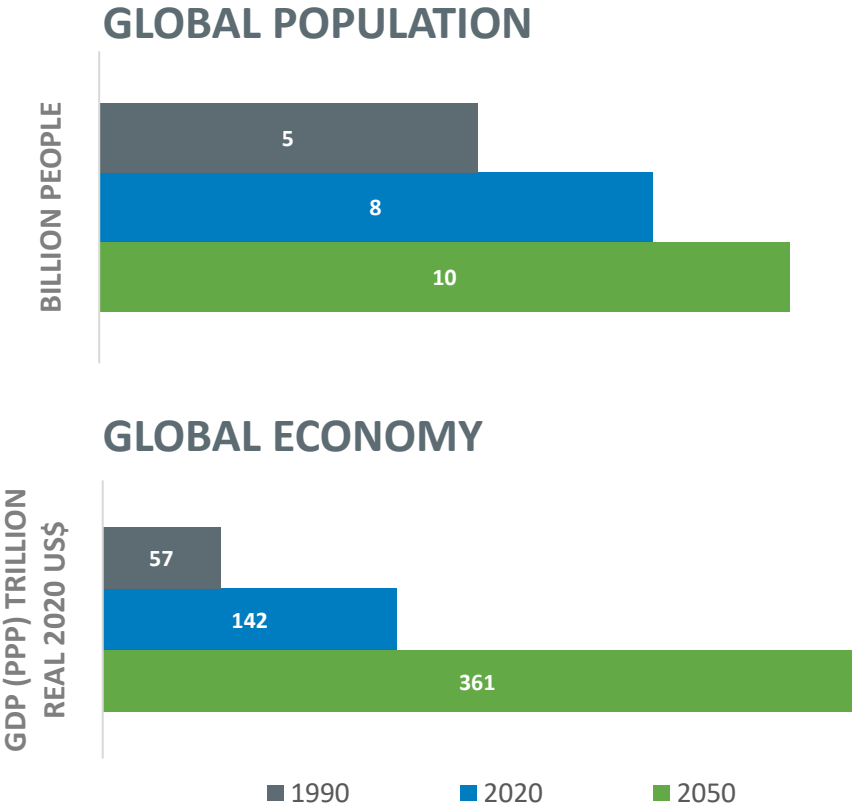
INDEPENDENT OPERATOR  
IN THE BASIN

**1,000+**

EMPLOYEES

<sup>1</sup>As of YE 2021

# Rapid Decarbonization Challenge

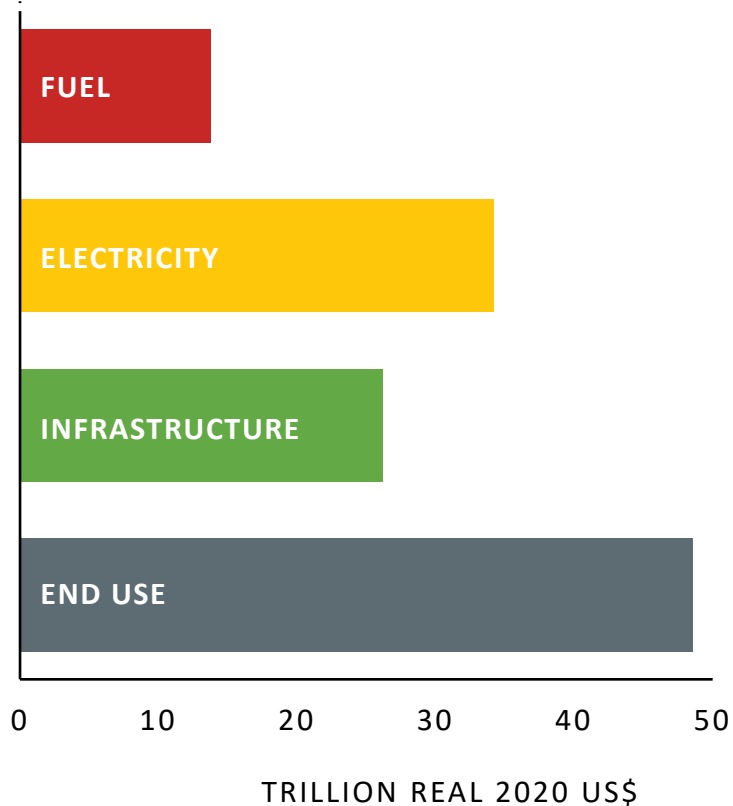


**TECHNOLOGY BREAKTHROUGHS + GLOBAL POLICY COORDINATION ARE ESSENTIAL**

Source: Population, GDP and historical CO<sub>2</sub> emissions from IHSMarkit. Forward looking CO<sub>2</sub> from industry consultants, publicly available data, and COP estimates based on 3<sup>rd</sup> party data.

# Decarbonizing by 2050 Costs Trillions Every Year

## CUMULATIVE COSTS BASED ON IEA NET ZERO CASE



INVESTMENT  
2020-2050<sup>1</sup>  
TRILLION REAL \$

\$14

\$34

\$27

\$50

**\$125**

- **\$4-10 Trillion/year** is preliminary cost to achieve Net Zero by 2050
- Upstream **Oil & Gas investment still required** to maintain existing fields and develop new resources

## WILL COSTS INFLUENCE TRANSITION PACE?

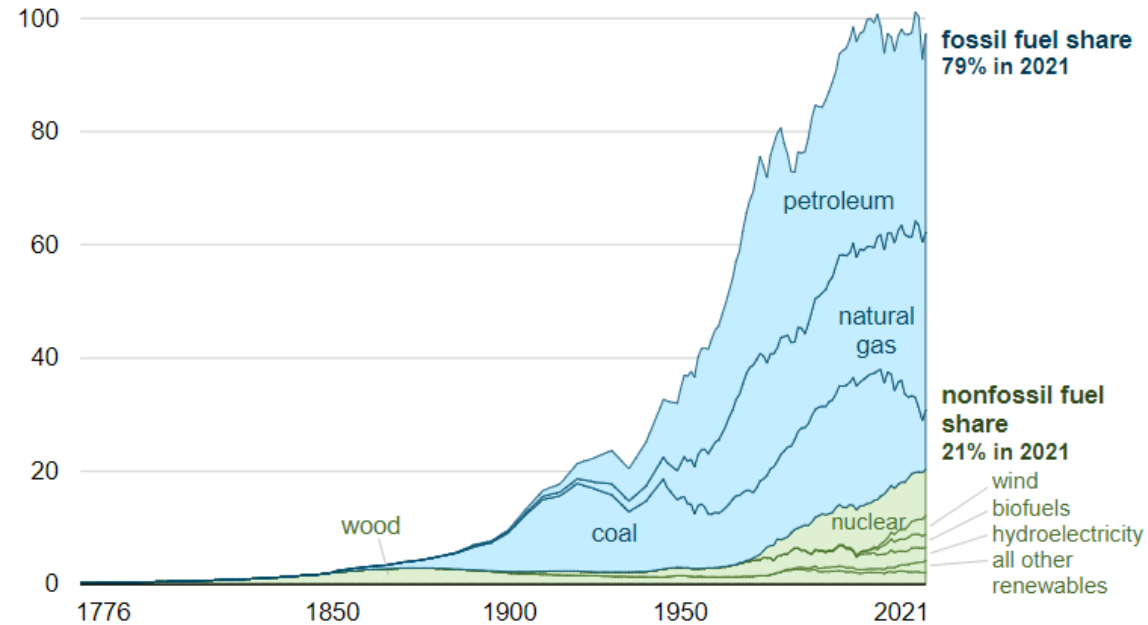
<sup>1</sup>Total investment estimated from IEA's Net Zero by 2050 report using the average annual investment in Figure 4.2.

# Oil & Natural Gas are Vital Fuels for the Global Economy

Fossil fuel sources accounted for 79% of U.S. consumption of primary energy in 2021

Energy consumption in the United States (1776–2021)

quadrillion British thermal units



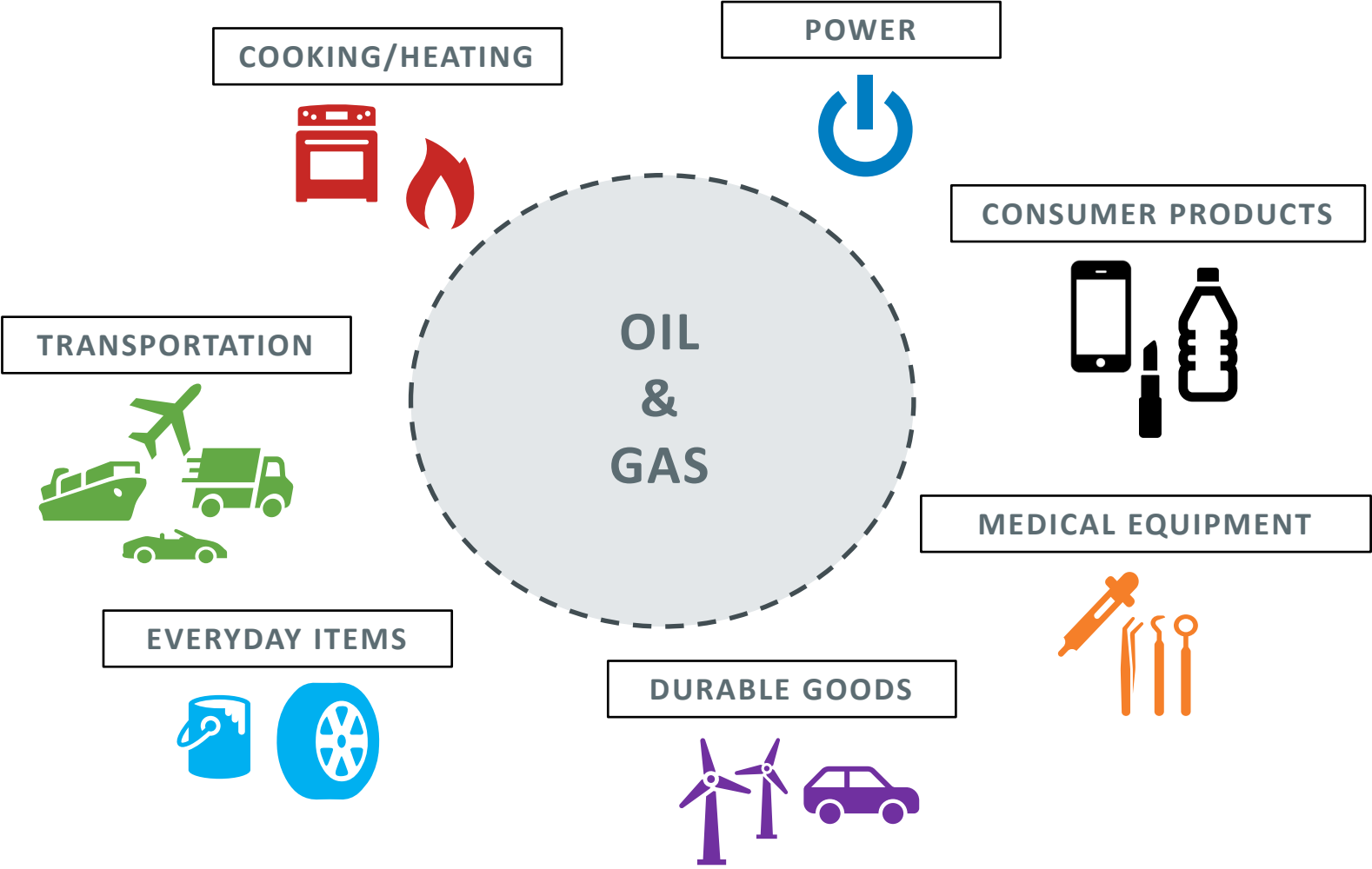
Data source: U.S. Energy Information Administration, *Monthly Energy Review*

- Oil and gas are crucial in meeting world energy needs
- Fossil Fuels deliver 80% of global energy needs
  - Oil & Natural Gas held 55% share for nearly 30 years
- Oil and Natural Gas supply 70% of U.S. energy consumption today and is projected to supply 69% in 2050.

Source: US Energy Information Agency – Annual Energy Outlook

**GLOBAL ENERGY NEEDS MUST BE MET WITH RELIABLE, AFFORDABLE, SECURE SUPPLIES**

# Hydrocarbons in Daily Life



**VAST RANGE OF USES ... FEW STRONG SUBSTITUTES TODAY**



# Oil & Gas Industry is an Enabler to the Energy Transition

## Industry Actions



**EMISSIONS  
REDUCTION**



**DIVERSIFYING**



**PORTFOLIO  
CHANGES**

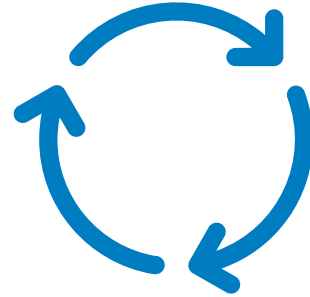
- Track record of developing complex technologies
- Investing in new low carbon technologies (CCUS, Direct Air Capture, Hydrogen) and asset electrification
- Restructuring business models to reduce emissions
- Stronger policy support for low carbon technologies

# Key Takeaways



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**OIL & GAS** are critical to meeting world energy needs & enabling a lower carbon future



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**PACE** of Transition dependent on capital & critical changes in technology & consumer behaviors



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**DURABLE, PRAGMATIC POLICIES** needed to ensure equitable, secure, affordable energy