

Jefferies

JEFFERIES ENERGY & POWER GROUP

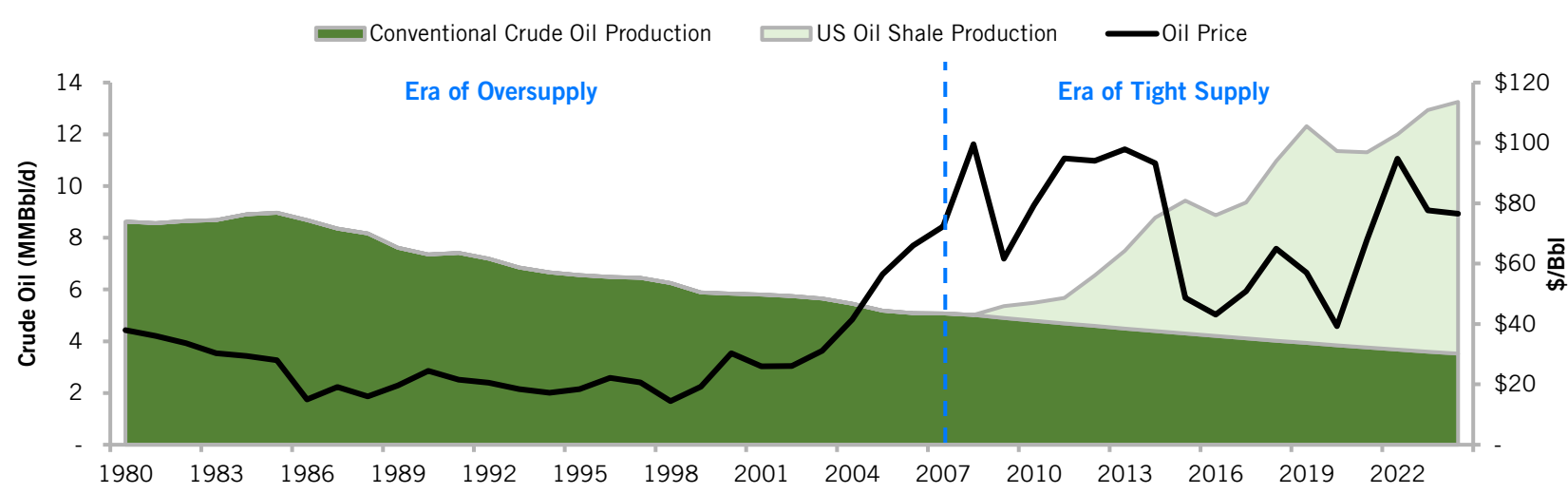
2025 Energy and Power Summit – Why We Are Bullish on Oil & Gas

APRIL 2025



The US Oil & Gas Industry Has Created the Ultimate Energy Widget!

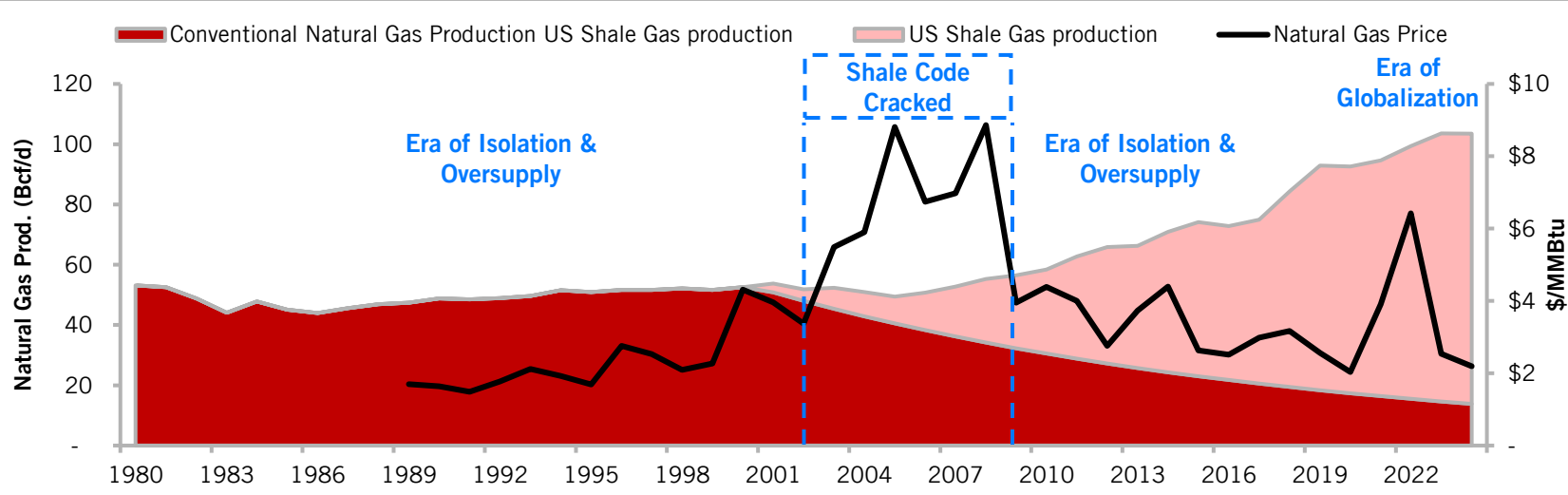
US Crude Oil Production & Pricing



Key Takeaways

9 MMbopd of Production Achieved in 15 Years (70% Permian)	US Energy Independence Achieved
Shale Oil Rate Has Likely Peaked in L48	Permian Growth Engine Now in Public Hands

US Natural Gas Production & Pricing



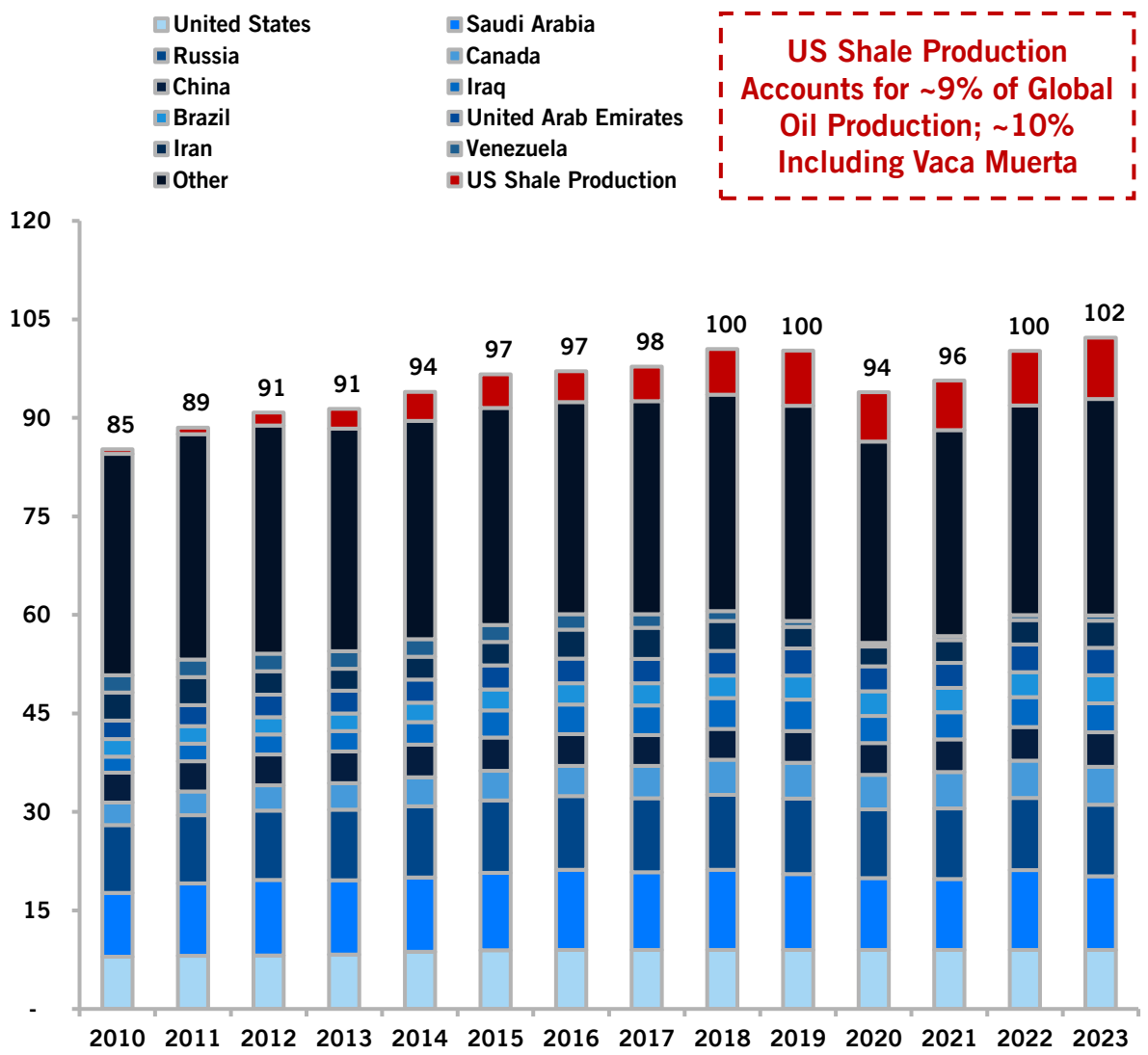
Key Takeaways

90 Bcf/d of Shale Production Achieved Since 2000	30% is Associated Gas from Permian
US Shifts from Net Importer to Exporter	Gas Will Grow to Meet LNG Needs in Volatile Price Environment

Source: EIA and Statista.

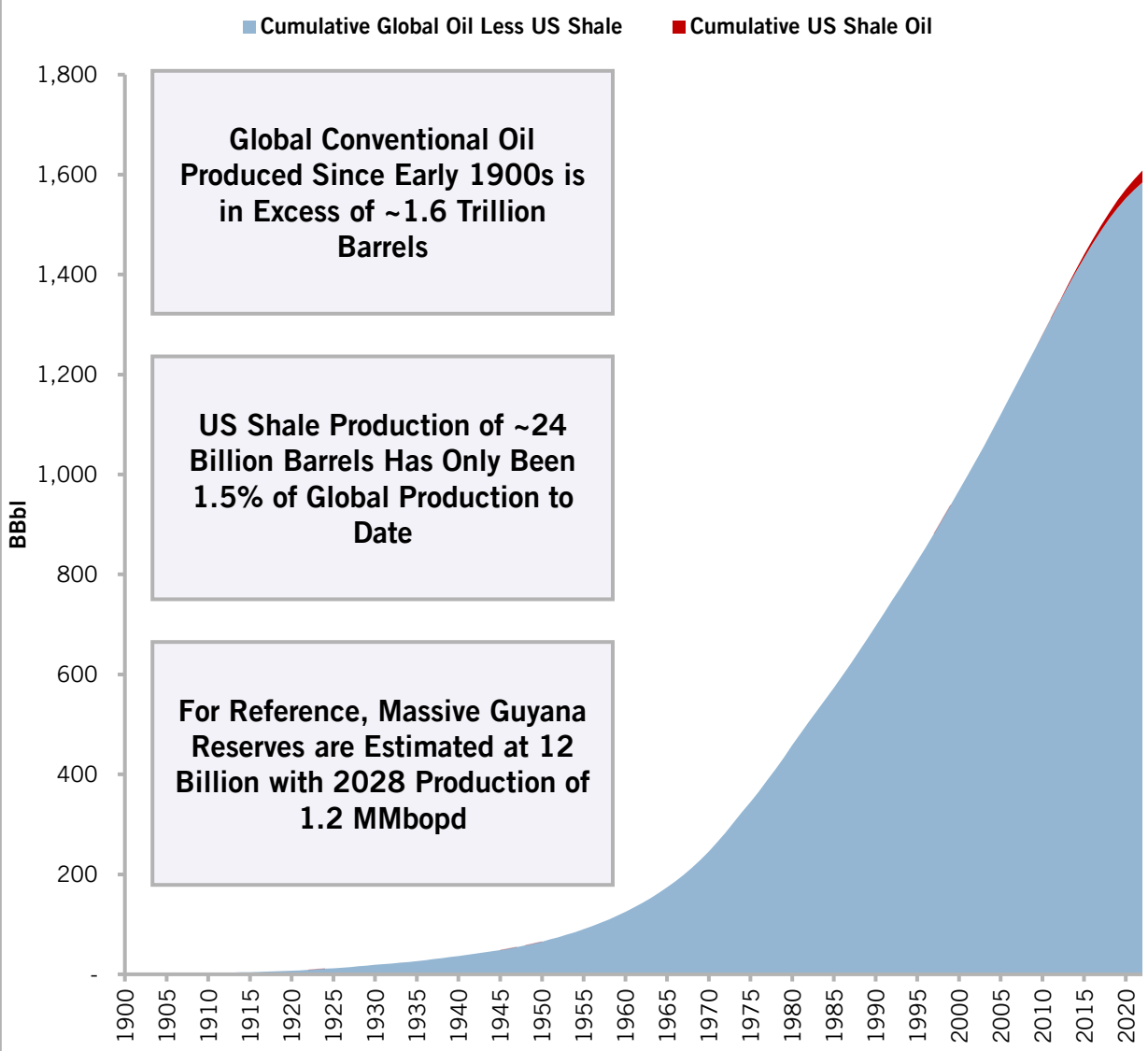
US Shale is a Force in Global Production, but a Drop in the Historic Bucket

Global Oil Production by Country (MMBbl/d)

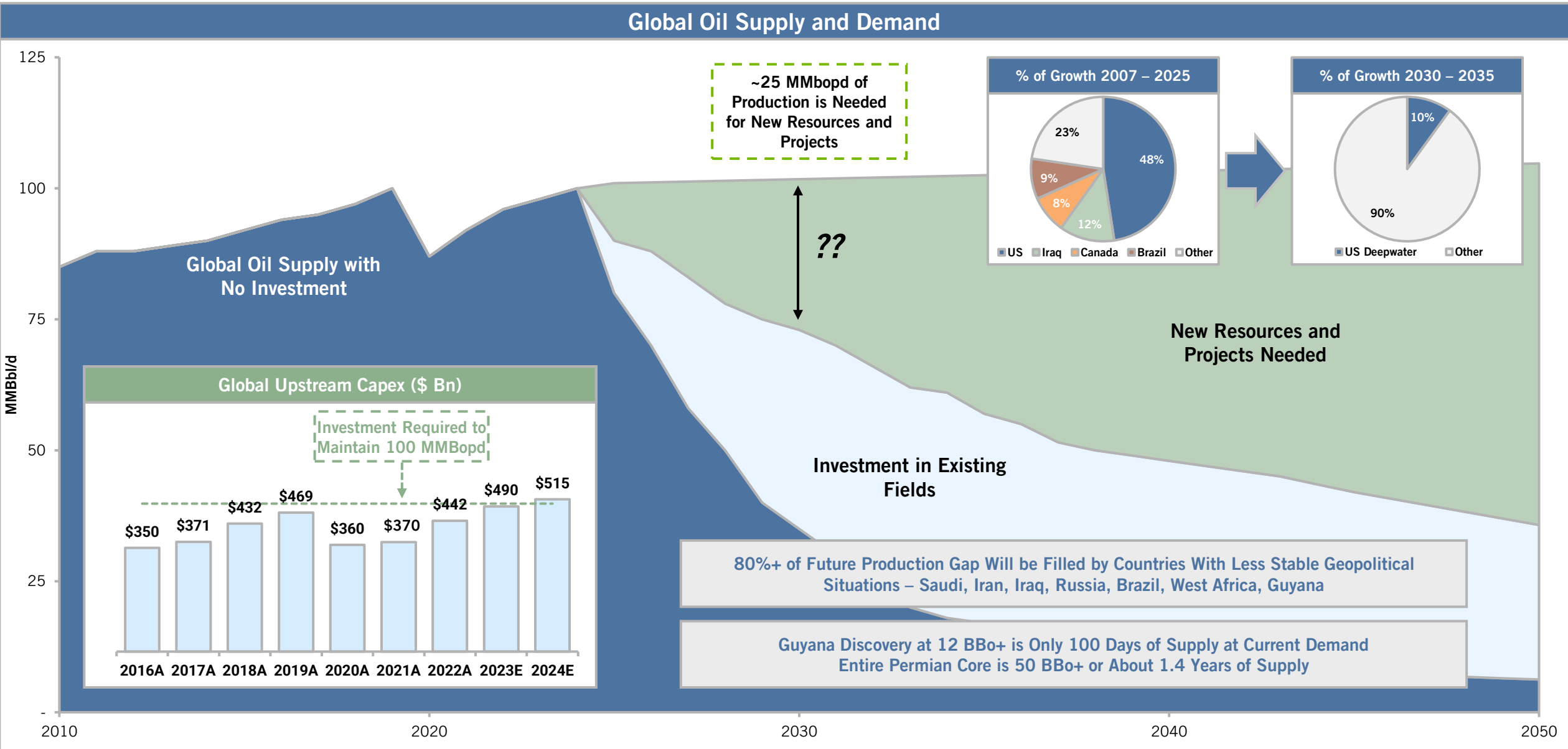


Source: Visualizing Energy.

Cumulative Oil Production (BBbl)



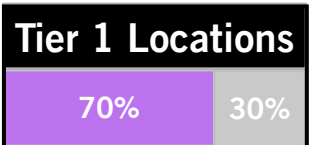
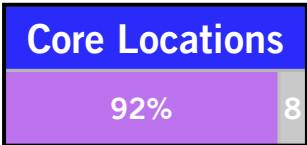
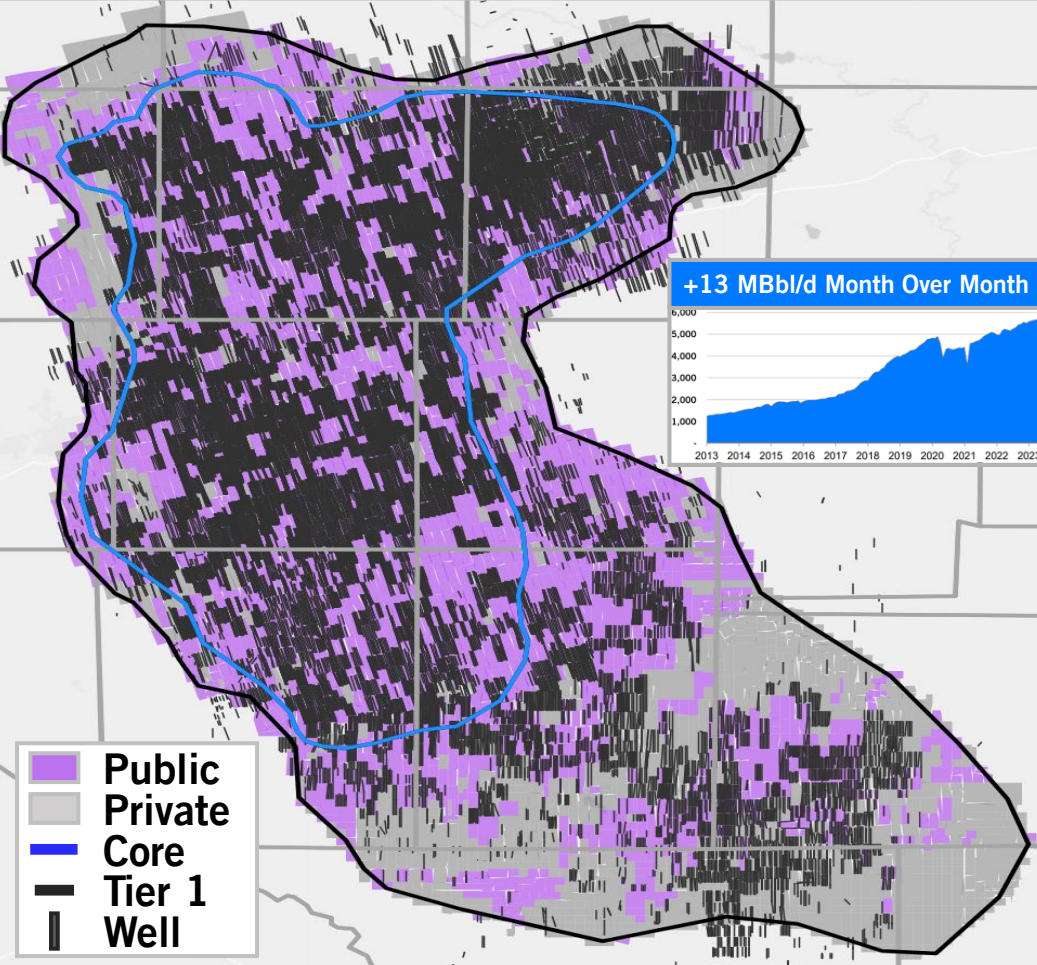
So What Will Fill the Need For Oil in the Future?



Source: ExxonMobil, EIA, Wall Street Research and Jefferies estimates.

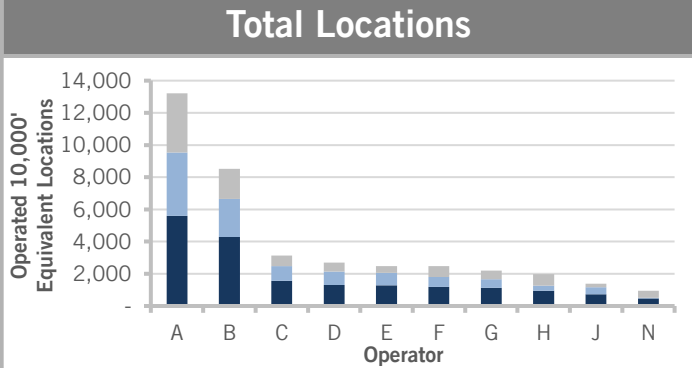
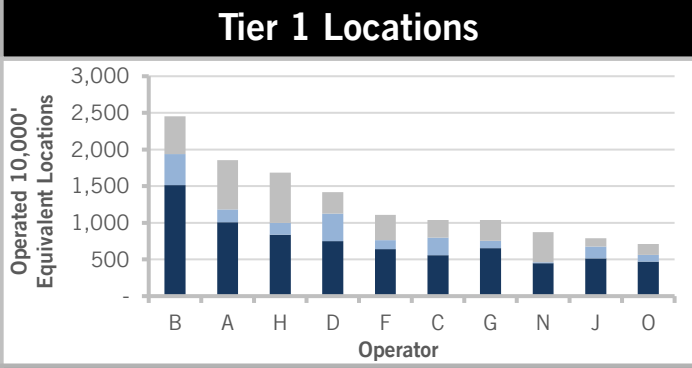
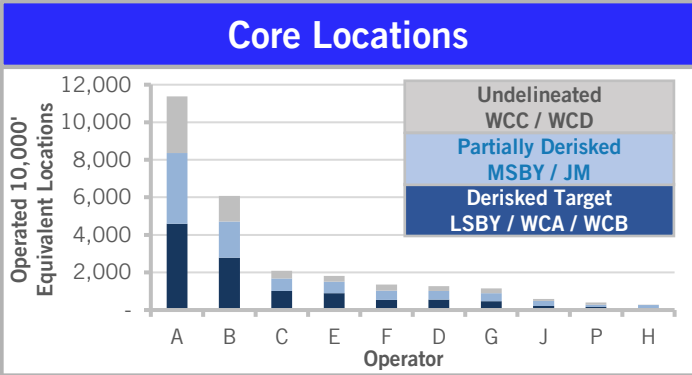
Public Companies are in Charge of the Permian Growth Engine and Production Has Moderated

Locator Map

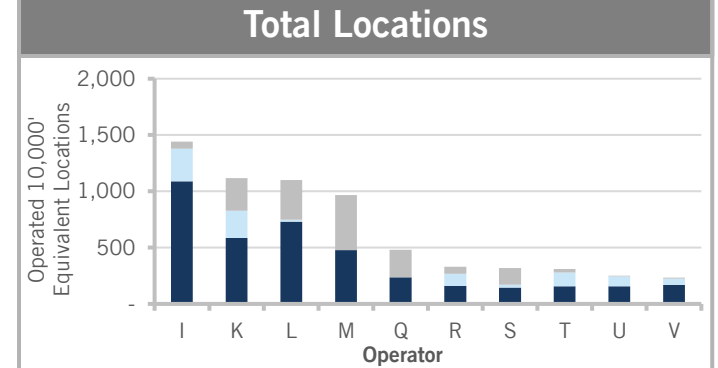
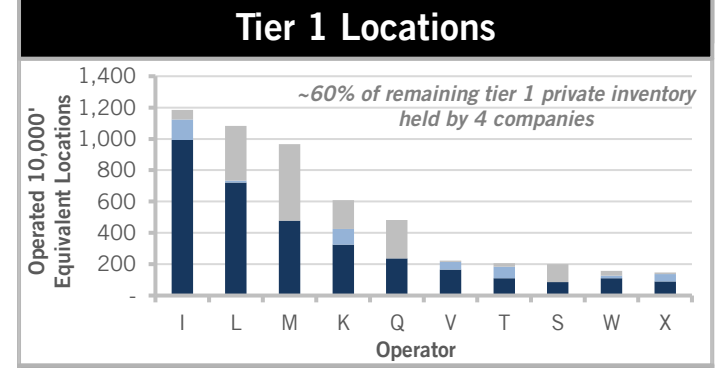
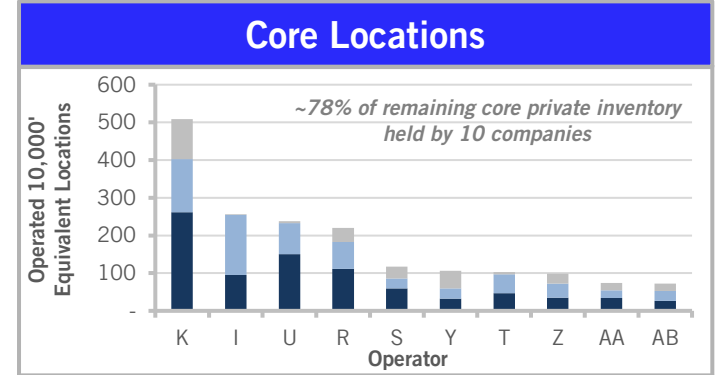


Only ~17% of remaining Midland inventory privately held

Public Operators

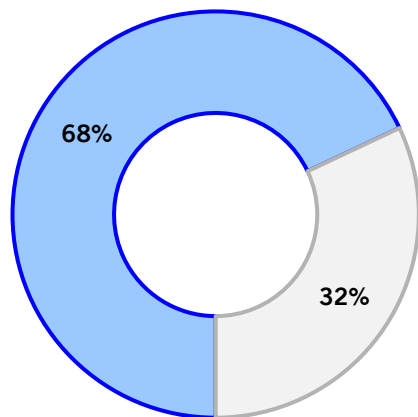


Private Operators



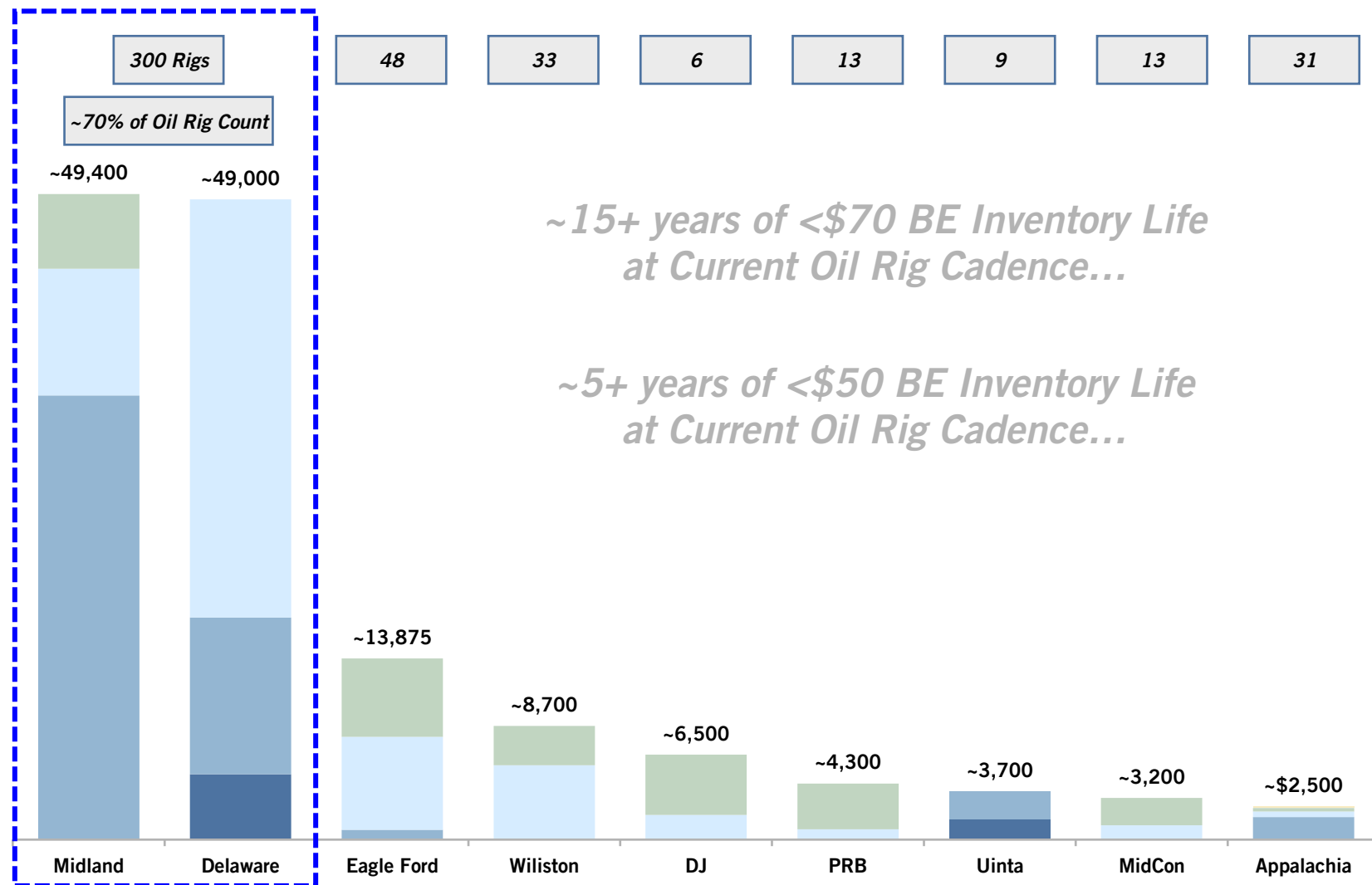
The US Can Sustain Current Shale Production, but for How Long?

Total Remaining US Inventory

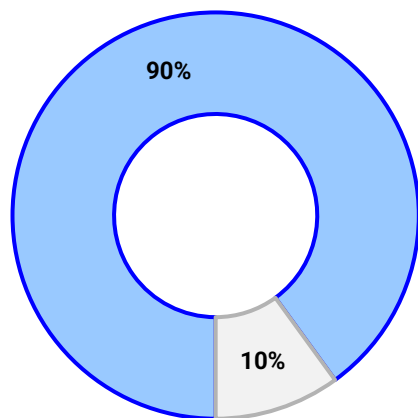


Total Remaining US Inventory

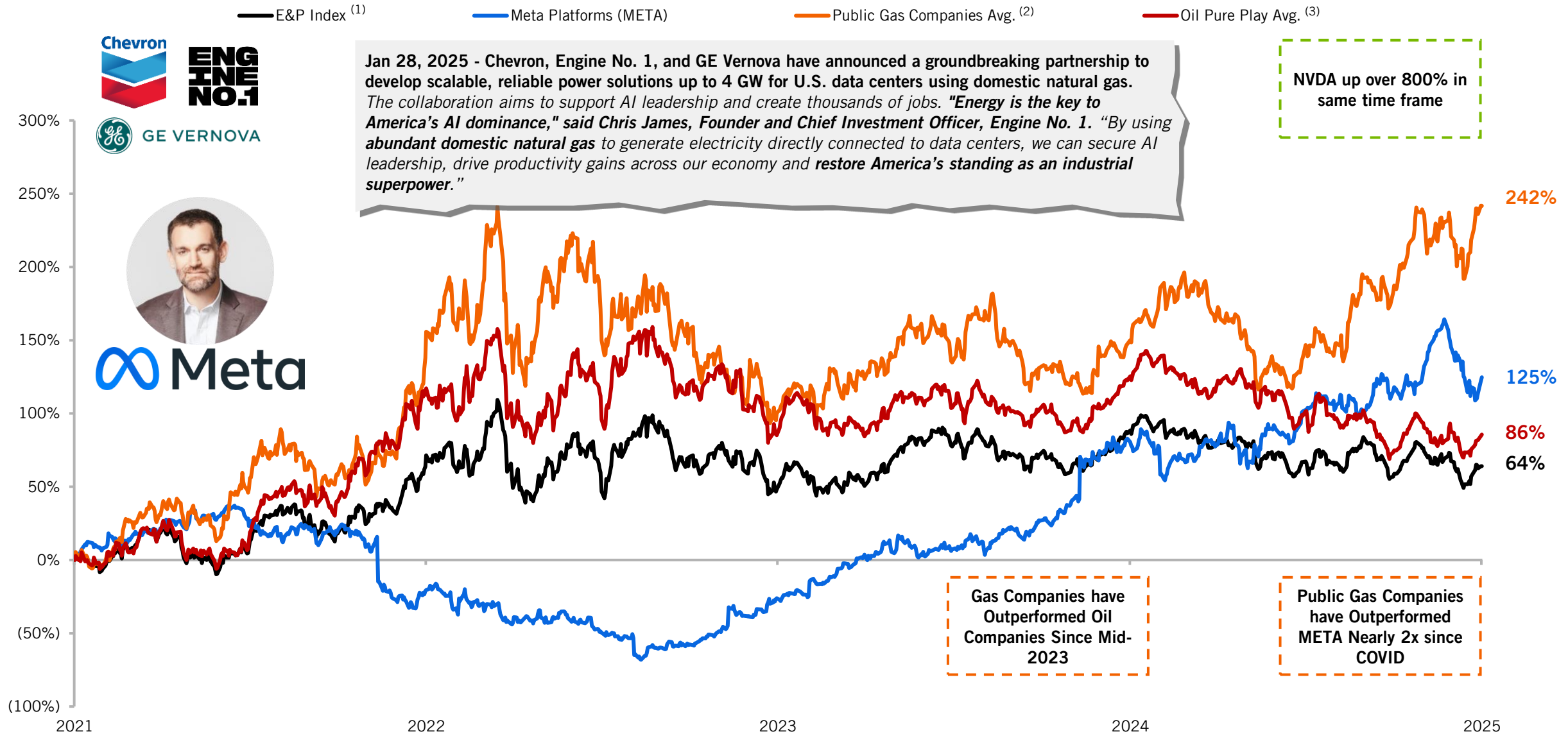
■ \$40 / \$2.25 ■ \$50 / \$2.50 ■ \$60 / \$3.00 ■ \$70 / \$3.50 ■ \$80 / \$4.00



Economic Inventory ≤\$50 / Bbl



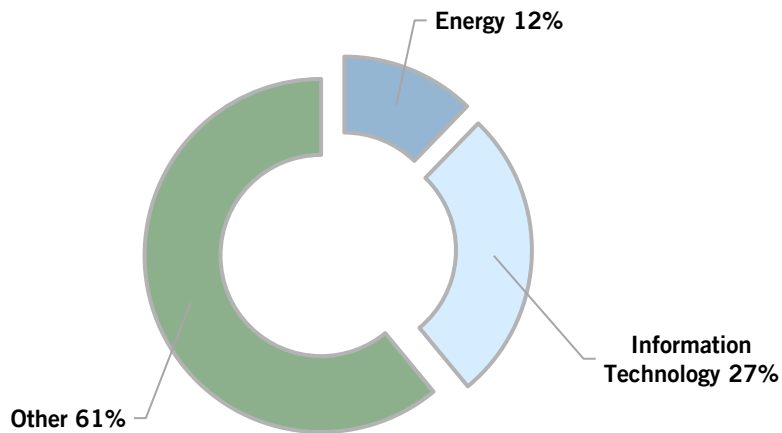
Will Energy Become the Wall Street Darling?



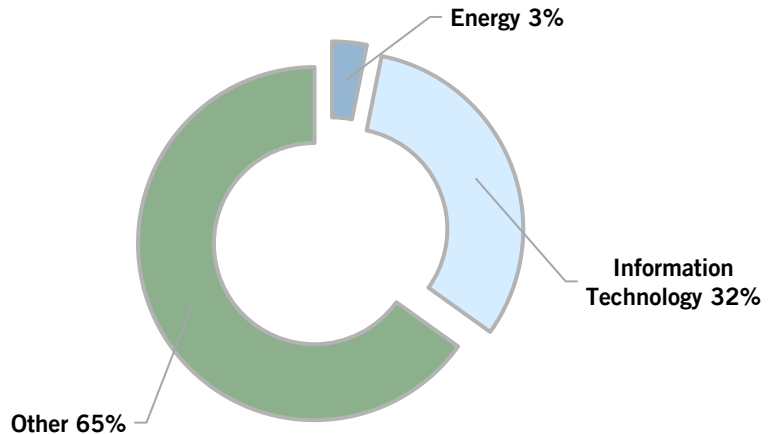
Source: Capital IQ as of 03/25/2025.
 (1) SPDR S&P Oil & Gas E&P ETF (ARCA:XOP).
 (2) Includes AR, EXE, RRC and EQT.
 (3) Includes EOG, FANG, OXY and DVN.

So Does the Market Care?... It's Complicated

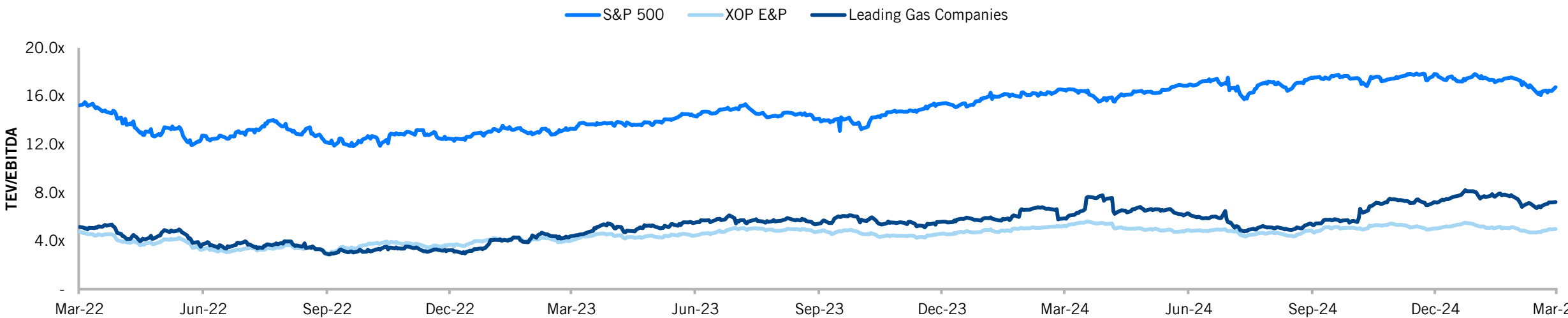
S&P 500 FCF by Sector



S&P 500 Weighting by Sector



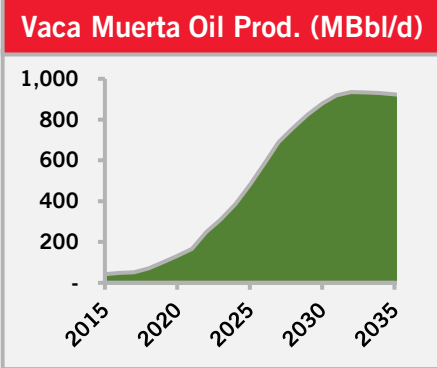
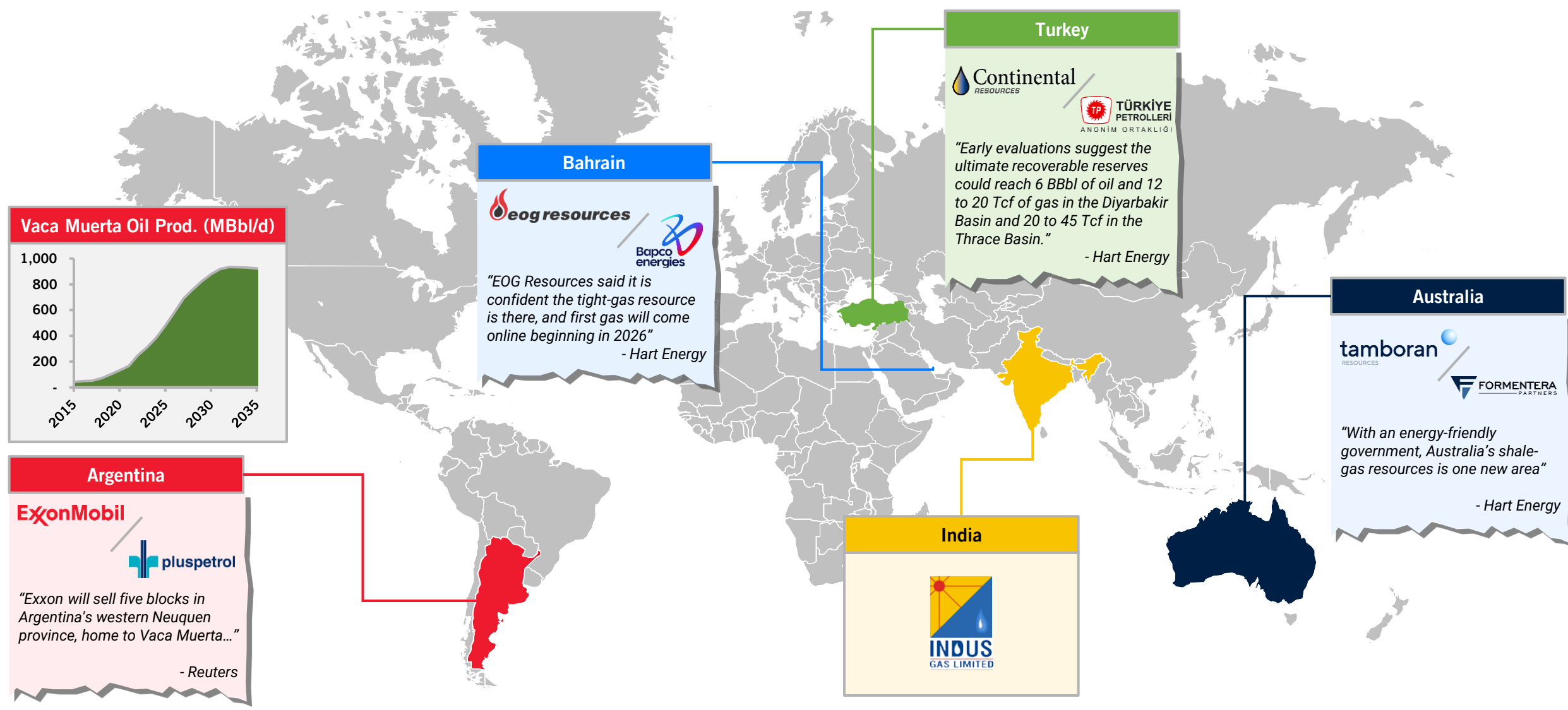
Upstream EBITDA Multiple Expansion Since Mid-2022 Trough



Source: CapIQ as of 03/25/2025.
 Note: Leading Gas Companies includes EQT, Expand and Range Resources.

International Shale Activity... Tip of the Iceberg?

International Shale Activity Map



Argentina

ExxonMobil

pluspetrol

"Exxon will sell five blocks in Argentina's western Neuquen province, home to Vaca Muerta..."

- Reuters

Bahrain

eog resources

Bapco energies

"EOG Resources said it is confident the tight-gas resource is there, and first gas will come online beginning in 2026"

- Hart Energy

Turkey

Continental RESOURCES

TÜRKİYE PETROLLERİ ANONİM ORTAKLIĞI

"Early evaluations suggest the ultimate recoverable reserves could reach 6 BBbl of oil and 12 to 20 Tcf of gas in the Diyarbakir Basin and 20 to 45 Tcf in the Thrace Basin."

- Hart Energy

India

INDUS GAS LIMITED

Australia

tamboran RESOURCES

FORMENTERA PARTNERS

"With an energy-friendly government, Australia's shale-gas resources is one new area"

- Hart Energy

The Crystal Ball for 2025 & Beyond Says...

1

Oil Supply / Demand Will Remain Tight Barring Unforeseen Geopolitical Events or a Recession, and “Drill Baby Drill” Will Not Be a Factor

2

Publics Have Remained Disciplined With a “Slow / No Growth” Strategy That Has Stabilized Cost & Quality of Services That Has Many Companies in an Operational “Sweet Spot”

3

If US Production Growth Stalls or Declines in 2025, We Could See a Much More Constructive Oil Tape

4

Public Gas Companies Have Been on a Tear, With Valuations Eclipsing Oil Companies on the Back of the Energy Demand Related to AI

5

LNG Export Increase Will Create Continued Growth in US Shale Gas, Though There Will Likely be Growing Pains

6

Core Shale Drilling Inventory in the Lower 48 Has Matured Significantly and Much of It Is in Public Hands, With Many Companies Looking At Non-Permian & International Opportunities as Building Blocks of the Future

Jefferies