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Industry SnapShots

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UNITED STATES PETROLEUM AND GAS

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Contents

Industry SnapShots

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This Week's News

- **Oil and Gas Journal - Anadarko to buy FMOG's deepwater gulf assets for $2 billion - 12/9/2016**
  Anadarko Petroleum Corp. has agreed to acquire the deepwater Gulf of Mexico assets belonging to Freeport McMoRan Oil & Gas for $2 billion.
  For the complete story see: http://www.ogj.com/articles/2016/09/anadarko-to-buy-fmog-s-deepwater-gulf-assets-for-2-billion.html
- **CTV News - Layoffs hit the oil patch again as ConocoPhillips makes cuts - 12/9/2016**
  ConocoPhillips announced in July that it would cut 1000 staff around the world, 300 of them from Calgary, and has now followed through.
  For the complete story see: http://calgary.ctvnews.ca/layoffs-hit-the-oil-patch-again-as-conocophillips-makes-cuts-1.3069077
- **Reuters - Penn Virginia Corporation emerges from bankruptcy - 12/9/2016**
  Penn Virginia Corporation emerges from bankruptcy. Company has commitment for up to $200 million in new financing and closes on a $50 million rights offering.
  For the complete story see: http://www.reuters.com/finance/stocks/PVAHQ.PK/key-developments/article/3440053

Other Stories

- Reuters - North Dakota oil pipeline delays could hit producers, shippers - 11/9/2016
- Oil and Gas Journal - US rig count surpasses 500 units working - 9/9/2016
- Oil and Gas Journal - US refiners complete MSAT II-compliance projects - 8/9/2016
- Wall Street Journal - Oil Price Jumps as U.S. Inventories Drop - 8/9/2016

Media Releases

- Anadarko Petroleum Corporation - Anadarko Names Robin Fielder Vice President, Investor Relations – 7/9/2016
- Apache Corporation - Apache Corporation Discovers Significant New Resource Play In Southern Delaware Basin – 7/9/2016
- Devon Energy Corporation - Devon Energy Announces Third Successful STACK Spacing Test and High-Rate Extended-Reach Oil Wells – 6/9/2016

Latest Research

- Exploring the intersections between local knowledge and environmental regulation: a study of shale gas extraction in Texas and Lancashire - By Yasminah Beebeejaun

Overviews of Leading Companies

Anadarko Petroleum Corporation (NYSE: APC)
Apache Corporation (NYSE: APA)
Chevron Corporation (NYSE: CVX)
Conocophillips (NYSE: COP)
Devon Energy Corporation (NYSE: DVN)
Exxon Mobil Corporation (NYSE:XOM)
Kinder Morgan (NYSE: KMI)
Marathon Petroleum (NYSE: MPC)
Marathon Oil Corporation (NYSE: MRO)
Occidental Petroleum Corporation (NYSE: OXY)

News and Commentary

Oil and Gas Journal - Anadarko to buy FMOG's deepwater gulf assets for $2 billion - 12/9/2016

Anadarko Petroleum Corp. has agreed to acquire the deepwater Gulf of Mexico assets belonging to Freeport McMoRan Oil & Gas for $2 billion.

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Reuters - Penn Virginia Corporation emerges from bankruptcy - 12/9/2016

Penn Virginia Corporation emerges from bankruptcy. Company has commitment for up to $200 million in new financing and closes on a $50 million rights offering.

For the complete story see:
http://www.reuters.com/finance/stocks/PVAHQ.PK/key-developments/article/3440053

Reuters - North Dakota oil pipeline delays could hit producers, shippers - 11/9/2016

Local oil producers and shippers are facing the possibility of greater delays in getting a quick route to ship oil to the Gulf of Mexico.

For the complete story see:
http://www.reuters.com/article/us-usa-pipeline-nativeamericans-delay-idUSKCN11H04A

Oil and Gas Journal - US rig count surpasses 500 units working - 9/9/2016

The US rig count surged above 500 units working, gaining 11 rigs to reach a total of 508 during the week ending Sept. 9.

For the complete story see:
http://www.ogj.com/articles/2016/09/bhi-us-rig-count-surpasses-500-units-working.html

Oil and Gas Journal - US refiners complete MSAT II-compliance projects - 8/9/2016

Placid Refining Co. LLC has commissioned a grassroots dividing wall column (DWC) reformate splitter as part of a project to comply with US regulatory requirements.

For the complete story see:
http://www.ogj.com/articles/2016/09/us-refiners-complete-msat-ii-compliance-projects.html

Wall Street Journal - Oil Price Jumps as U.S. Inventories Drop - 8/9/2016

Oil prices shot upward on Thursday, with their largest daily gain since April, after weekly data showed a sharp and surprising decline in U.S. stockpiles of crude oil and fuel.

For the complete story see:
http://www.wsj.com/articles/oil-futures-extend-gains-in-asia-trading-1473313590

Media Releases

Anadarko Petroleum Corporation - Anadarko Names Robin Fielder Vice President, Investor Relations – 7/9/2016

Anadarko Petroleum Corporation (NYSE: APC) today announced Robin Fielder has been named Vice President, Investor Relations, reporting to John Colglazier, Senior Vice President, Investor Relations and Communications. Effective Nov. 1, 2016, Fielder will assume leadership of the company's Investor Relations organization, with Colglazier serving in an advisory capacity as Senior Vice President until his retirement early next year.

"This is a well-deserved opportunity for Robin, and we are confident in her ability to lead our investor relations efforts going forward," said Anadarko Chairman, President and CEO Al Walker. "Robin brings exceptional experience to the role having already built trusted relationships with many of our investors during her tenure in Investor Relations. Her background as an engineer working various areas of Anadarko's worldwide upstream and U.S. midstream operations, enables her to provide unique insight into our business for the investment community.

"It's hard to capture the many contributions John has made over his career in working to ensure our investors had timely, consistent and accurate information when making investment decisions about our industry and company," added Walker. "He has built one of the most respected investor relations programs in our industry. Both individually and collectively, John and his organization have been routinely recognized by third-party organizations for exceptional and peer-leading performance. John has developed a very talented staff, including Robin, capable of carrying that success forward, and we are glad he will continue with us to help in the transition over the coming months. We all wish him the best in his retirement next year and thank him for all he has done to make Anadarko a better company."

Fielder has nearly 15 years of experience in the oil and natural gas industry, beginning her career with Anadarko in 2002. She has held a variety of positions with the company, including General Manager of East Texas and North Louisiana, Worldwide Operations Business Advisor and various exploration and operations engineering positions in both the U.S. onshore and the Gulf of Mexico. Fielder served as Director, Investor Relations from 2014 to 2016. She holds a Bachelor of Science in petroleum engineering from Texas A&M University, and is a registered Professional Engineer in the state of Texas and a member of the Society of Petroleum Engineers.

http://investors.anadarko.com/2016-09-07-Anadarko-Names-Robin-Fielder-Vice-President-Investor-Relations

Apache Corporation - Apache Corporation Discovers Significant New Resource Play In Southern Delaware Basin – 7/9/2016

Apache Corporation (NYSE, Nasdaq: APA) today announced that after more than two years of extensive geologic and geophysical work, methodical acreage accumulation, and strategic testing and delineation drilling, the company can confirm the discovery of a significant new resource play, the "Alpine High." Apache's Alpine High acreage lies in the southern portion of the Delaware Basin, primarily in Reeves County, Texas. The company estimates hydrocarbons in place on its acreage position are 75 trillion cubic feet (Tcf) of rich gas (more than 1,300 British Thermal Units) and 3 billion barrels of oil in the Barnett and Woodford formations alone. Apache also sees significant oil potential in the shallower Pennsylvanian, Bone Springs and Wolfcamp formations.

Key highlights of the discovery:

- Apache has secured 307,000 contiguous net acres (352,000 gross acres) at an attractive average cost of approximately $1,300 per acre.
- Alpine High has 4,000 to 5,000 feet of stacked pay in up to five distinct formations including the Bone Springs, Wolfcamp, Pennsylvanian, Barnett and Woodford.
- 2,000 to more than 3,000 future drilling locations have been identified in the Woodford and Barnett formations alone. These formations are in the wet gas window and are expected to deliver a combination of

rich gas and oil. Initial estimates for the Woodford and Barnett zones indicate a pretax, net present value (NPV) range of $4 million to $20 million per well, at benchmark oil and natural gas prices of $50 per barrel and $3 per thousand cubic feet (Mcf), respectively. Expected well costs in development mode for a 4,100 foot lateral are estimated to be approximately $4 million per well in normally pressured settings and $6 million per well in over-pressured settings.

- Apache has drilled 19 wells in the play, with nine currently producing in limited quantities due to infrastructure constraints. This includes six wells in the Woodford, one well in the Barnett and one well each in the shallower Wolfcamp and Bone Springs oil formations.

Alpine High play and its large inventory of repeatable, high-value drilling opportunities. We have thousands of low-risk locations in the Woodford and Barnett formations alone, and we are looking forward to further delineating what we believe will be a significant number of oil-prone locations in the Pennsylvanian, Wolfcamp and Bone Springs."

"Today's announcement is the culmination of more than two years of hard work by the Apache team. While other companies have focused on acquisitions during the downturn, we took a contrarian approach and focused on organic growth opportunities. These efforts have resulted in the identification of an immense resource that we believe will deliver significant value for our shareholders for many years," said John J. Christmann IV, Apache's chief executive officer and president. "We are incredibly excited about the Alpine High play and its large inventory of repeatable, high-value drilling opportunities. We have thousands of low-risk locations in the Woodford and Barnett formations alone, and we are looking forward to further delineating what we believe will be a significant number of oil-prone locations in the Pennsylvanian, Wolfcamp and Bone Springs."

In addition to providing details on Apache's Alpine High discovery, the company is also providing an update today on its Midland Basin and other Delaware Basin assets, including strong comparative well results and future drilling locations. This update can be found in the slide deck associated with today's Barclay's 2016 CEO Energy-Power Conference presentation, which is posted on the company's website at www.apachecorp.com and investor.apachecorp.com.

"Our announcement today represents a significant addition to our already deep and highly economic Permian Basin position. With the contribution of Alpine High to our global portfolio of world-class international and North American assets, Apache clearly has more profitable-growth opportunities than at any other time in the company's 60-year history," Christmann concluded.

http://investor.apachecorp.com/releasedetail.cfm?ReleaseID=988060

Devon Energy Corporation - Devon Energy Announces Third Successful STACK Spacing Test and High-Rate Extended-Reach Oil Wells – 6/9/2016

Devon Energy Corp. (NYSE: DVN) announced today it has successfully tested its third Meramec spacing pilot and commenced production on two high-rate, extended-reach lateral oil wells in the core of the over-pressured oil window of the STACK.

The Pump House spacing pilot tested a seven-well pattern across a single-section interval in the upper Meramec. Initial 15-day production rates averaged 2,200 oil-equivalent barrels (Boe) per day per well (55 percent oil) and cost $6 million per well. The Pump House wells were drilled with 4,700-foot laterals and utilized a completion design that deployed 2,200 pounds of proppant per lateral foot across 35 frac stages with perf clusters spaced 25 feet apart. To manage pressure and maximize value, these wells were brought online using an engineered choke management approach starting at a 14/64-inch choke and gradually increasing to a 26/64-inch choke over the initial 15-day period.

The Pump House wells are located in Kingfisher County adjacent to the Born Free pilot and three miles north of the Alma pilot. Production from the two-well Born Free pilot (announced first-quarter 2016) continues to perform exceptionally well, averaging a 120-day rate of 1,400 Boe per day per well. The five-well Alma pilot has achieved a 60-day average rate of 1,300 Boe per day on a per well basis.

"Results from our initial three Meramec spacing tests are outstanding, with flow rates exceeding type-curve expectations and minimal interference between wells," said Tony Vaughn, chief operating officer. "These positive results indicate the potential for tighter spacing and increased inventory in the core of the over-pressured oil window. We continue to advance several additional Meramec spacing tests that will help us accelerate learnings and further prepare for full-field development in 2017 across our industry-leading position in the STACK."

To determine the optimal spacing approach for the stacked-pay intervals in the Meramec, the Company is participating in more than 10 additional spacing pilots during the remainder of 2016. The spacing pilots are focused in the over-pressured oil window and are testing up to eight wells in a single Meramec interval and evaluating the joint development of multiple stacked-pay intervals through staggered well pilots. Initial production rates from several of these spacing pilots will occur during the second half of 2016.

Extended-Reach STACK Wells Deliver High Production Rates

The Company also recently brought online two extended-reach Meramec wells in eastern Blaine County, within the core of the over-pressured oil window. The Marmot 19-1HX and Blue Ox 3130-4AH were drilled with 10,000-foot laterals and achieved average peak 24-hour rates of 3,700 Boe per day per well (70 percent oil).

The Marmot and Blue Ox wells utilized a larger completion design that deployed 2,600 pounds of proppant per lateral foot across 50 frac stages with perf clusters spaced 30 feet apart. The peak 24-hour rates for these wells were attained with a 28/64 choke.

"These successful extended-reach oil wells help us further understand the optimal development scheme for Devon's industry-leading STACK position," said Vaughn. "As we progress to full-field development in 2017, it is our expectation that we will develop the majority of our stacked-pay Meramec position with extended-reach laterals, which will significantly increase rates of return from this world-class reservoir."

Accelerating Investment in the STACK

As previously announced, Devon is accelerating activity in the STACK play by adding as many as four operated rigs in the second half of 2016. This plan could bring the Company's operated rig count to as many as six in the STACK by year-end 2016. Due to the increased activity, Devon expects to invest approximately $450 million in the STACK during 2016, an increase of 40 percent from previous guidance. This additional capital investment positions the STACK asset to deliver strong growth in 2017.

http://www.devonenergy.com/news/2016/Devon-Energy-Announces-Third-Successful-STACK-Spacing-Test-and-High-Rate-Extended-Reach-Oil-Wells

Latest Research

Exploring the intersections between local knowledge and environmental regulation: a study of shale gas extraction in Texas and Lancashire

Yasminah Beebeejaun

Abstract

Contemporary shale gas extraction, also known as 'fracking', has become one of the most contentious environmental issues facing Europe and North America. Academic and policy debates have hitherto focused principally on questions related to scientific disputes, risk perception, potential health impacts, and the wider economic and geo-political dimensions to energy security. This paper draws on extensive qualitative research in Texas and Lancashire, undertaken between 2012 and 2015, to explore how differing regulatory frameworks are shaped through highly localized discourses that include communities opposed to fracking. Whilst there are significant differences between these two examples, including the extent of environmental monitoring, the local context remains a pivotal arena within which the regulatory and technical dimensions to fracking are being contested and scrutinized. The two cases illustrate how community opposition has catalysed important processes that have enhanced understanding of the environmental and social impacts of shale gas extraction.

http://epc.sagepub.com/content/early/2016/08/29/0263774X16664905.abstract

The Industry

Introduction

This supplement to the U.S. Energy Information Administration's (EIA) U.S. Crude Oil and Natural Gas Proved Reserves, 2013 ranks the 100 largest U.S. oil and gas fields by their estimated 2013 proved reserves.

EIA defines a field as "an area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or by both." This definition is not used by all states in their designation of fields; consequently, areas classified as individual fields by some states may be found combined in these tables or in the EIA Field Code Master List.

Particularly in the case of unconventional shale plays for both crude oil and natural gas, multiple areas or fields may have been combined into one entry within these ranking tables. The resultant field entry in the table is labeled as an area or unit, e.g., Marcellus Shale Area, Haynesville Shale Unit, Spraberry Trend Area, and Hugoton Gas Area. The oil field production and reserves data include both crude oil and lease condensate.

The gas field production and reserves data are total natural gas, wet after lease separation, which is the sum of associateddissolved natural gas and nonassociated natural gas with natural gas plant liquids not yet removed. The top 100's share of U.S. proved reserves in 2013 The top 100 oil fields as of December 31, 2013, accounted for 20.6 billion barrels of crude oil and lease condensate proved reserves, which was 56% of the U.S. total (36.5 billion barrels) in 2013.

The top 100 gas fields as of December 31, 2013, accounted for 239.7 trillion cubic feet of total natural gas proved reserves, about 68% of the U.S. total natural gas proved reserves in 2013.

Changes Since 2009

EIA last published its ranking of the top 100 oil and gas fields in 2009.

Changes in the top 100 Oil Fields In 2009, the United States had 22.3 billion barrels of crude oil and lease condensate proved reserves, and its top 100 oil fields had 62.3% of that total, or 13.9 billion barrels of proved reserves. In 2013, the United States had 36.5 billion barrels of crude oil and lease condensate proved reserves, and its top 100 U.S. oil fields had 56.4% of that total, or 20.6 billion barrels of proved reserves.

Prominent new additions to the top 10 are two fields from the Eagle Ford Shale Play in Texas, Eagleville and Briscoe Ranch. Eagleville, discovered in 2009, spans 14 counties in South Texas and is the country's largest oil field as ranked by estimated proved reserves. Prudhoe Bay Field in Alaska (the largest U.S. oil field in 2009) declined in rank to third place, also behind the Spraberry Trend Area of Texas.

Changes in the top 100 gas fields In 2009, the United States had 283.9 trillion cubic feet (Tcf) of total natural gas proved reserves, and its top 100 gas fields had 60.8% of that total, or 172.7 Tcf of proved reserves. In 2013, the United States had 354.0 Tcf of total natural gas proved reserves, and its top 100 U.S. gas fields had 67.7% of the total, or 239.7 billion cubic feet of proved reserves.

A notable addition to the top 10 is the Marcellus Shale Area. This shale gas play currently includes proved reserves from north central West Virginia and a large expanse of Pennsylvania—from the southwest corner to the northeast. The Marcellus Shale Area has surpassed the Barnett Shale to become the largest U.S. gas field ranked by estimated proved reserves in 2013.

Top 100 fields ranking tables

The following tables rank the top 100 U.S. oil and gas fields by their 2013 proved reserves, but the field-specific reserves are not disclosed. Instead, field-specific estimated production volumes (provided by operators) are offered to give an idea of relative field size.

Also included in the tables are the discovery years of the top 100 fields (Source: U.S. Energy Information Administration, 2013 Field Code Master List.) For additional reserves information, including breakouts by state and state subdivision, see the report U.S. Crude Oil and Natural Gas Proved Reserves, 2013.

http://www.eia.gov/naturalgas/crudeoilreserves/top100/pdf/top100.pdf

Oil and gas industry employment growing much faster than total private sector employment

From the start of 2007 through the end of 2012, total U.S. private sector employment increased by more than one million jobs, about 1%. Over the same period, the oil and natural gas industry increased by more than 162,000 jobs, a 40% increase.

The Labor Department's Bureau of Labor Statistics (BLS) accounts for oil and natural gas industry employment in three categories: drilling, extraction, and support.

Drilling involves any employment related to the spudding and drilling of wells, as well as reworking of wells, and accounted for more than 90,000 jobs by the end of 2012, an increase of 6,600 jobs since 2007.

Extraction includes establishments primarily engaged in operating, developing, and producing oil and natural gas fields, including exploration and all production work up to the point of shipment from the producing property. Employment in the extraction category numbered more than 193,000 jobs by the end of 2012, 53,000 more jobs than in 2007.

Support involves performing supporting activities for oil and natural gas operations, including exploration, excavation, well surveying, casing work, and well construction. Support is the largest oil and gas industry category, and employed more than 286,000 people by the end of 2012, up more than 102,000 jobs from 2007. (BLS considers support to be for the above activities, and does not include jobs created in other industries such as manufacturing, housing, retail, education, and food services.)

About half of the workers employed in crude oil and natural gas production are in the support category of oil and natural gas industry employment, and employment in this category accounted for the bulk of the increases seen in oil and gas industry employment. Combined, the three industry categories equal just one-half of one percent of total U.S. private sector employment.

Both the support and drilling industries were heavily affected by the recession, but these industries have recovered quickly, suffering only minor effects from the temporary moratorium on offshore drilling as a result of the Deepwater Horizon spill in 2010. Between January 2007 and December 2012, monthly crude oil production increased by 39%, and monthly natural gas production increased by 25% (see chart below). Employment in the oil and gas drilling, extraction, and support industries continues to contribute to overall private sector employment as the U.S. economy recovers from the 2007-09 recession.

Beyond within-sector employment, oil and gas industry activity also directly supports output and employment in other domestic sectors, such as suppliers of pipe, drilling equipment, and other drilling materials. In addition, as with other forms of economic activity, there are indirect employment effects stemming from purchases made by industry and employees spending of their incomes. Because employee expenditures are closely tied to their incomes, higher paying jobs, such as those in the oil and gas sector, tend to have larger indirect effects on output and employment than lower paying ones. A recent TIE article reviews the experience of North Dakota, which has seen significant gains in real gross domestic product per capita, coinciding with the development of the Bakken shale play.

https://www.eia.gov/todayinenergy/detail.cfm?id=12451

Leading Companies

Anadarko Petroleum Corporation (NYSE: APC)

Anadarko is among the world's largest independent oil and natural gas exploration and production companies, with 2.86 BBOE of proved reserves at year-end 2014.

Mission
Anadarko's mission is to deliver a competitive and sustainable rate of return to shareholders by developing, acquiring and exploring for oil and natural gas resources vital to the world's health and welfare.

Vision

To be the premier independent E&P company, most admired for its people, portfolio and performance.

Values

We take our responsibility seriously to safely deliver oil and natural gas resources to our energy hungry world. In all of our business activities, we hold true to our core values:

- Integrity and trust
- Servant leadership
- Commercial focus
- People and passion
- Open communication

Strategy

- Explore in high-potential, proven basins
- Identify and commercialize resources
- Employ global business development approach
- Ensure financial discipline and flexibility

http://www.anadarko.com/About/

Anadarko Petroleum Corporation - Anadarko Declares Dividend

August 3, 2016

The Board of Directors of Anadarko Petroleum Corporation (NYSE: APC) today declared a quarterly cash dividend on the company's common stock of 5 cents per share, payable Sept. 28, 2016, to stockholders of record at the close of business on Sept. 14, 2016.

The amount of future dividends for Anadarko common stock will depend on earnings, financial condition, capital requirements and other factors. The Board of Directors will determine dividends on a quarterly basis.

http://investors.anadarko.com/2016-08-02-Anadarko-Declares-Dividend

Anadarko Announces Second-Quarter 2016 Results

July 26, 2016

Anadarko Petroleum Corporation (NYSE: APC) today announced its financial and operating results for the second quarter of 2016, including a net loss attributable to common stockholders of $692 million, or $1.36 per share (diluted). The net loss includes certain items typically excluded by the investment community in published estimates, which in the aggregate decreased net income by $388 million or $0.76 per share (diluted) on an after-tax basis. Cash flow from operating activities in the second quarter of 2016 was $1.229 billion. Discretionary cash flow from operations totaled $669 million.

HIGHLIGHTS

- Achieved record production levels at three operated Gulf of Mexico facilities and in the U.S. onshore Delaware and DJ basins
- Encountered more than 1,040 net feet of oil pay at the Shenandoah-5 appraisal well and increased working interest in this operated deepwater discovery
- Closed $2.5 billion of monetizations year to date
- Retired $3 billion of near-term maturities with proceeds from debt issued during the first quarter

"Our portfolio continues to perform exceptionally well, and we've continued to significantly reduce our cost structure throughout the year," said Al Walker, Anadarko Chairman, President and CEO. "As a result of the record sales volumes from our Lucius and Caesar/Tonga fields in the Gulf of Mexico, as well as the improving well performance in the Delaware and DJ basins, we are increasing the midpoint of our full-year divestiture-adjusted(3) sales-volume guidance by 2 million BOE (barrels of oil equivalent). Additionally, we've been very successful monetizing assets through the first six months of this year and have increased the high end of our target range to $3.5 billion in total proceeds expected by year end. As stated previously, we intend to use sales proceeds to retire debt, including the remaining $750 million of 2017 maturities. In addition, should the commodity-price outlook continue to improve, we will evaluate redeploying some of the additional cash generated via operations and asset sales toward our highest-quality U.S. onshore opportunities."

OPERATIONS SUMMARY

Anadarko's second-quarter sales volumes of natural gas, oil and natural gas liquids (NGLs) totaled 72 million BOE, or an average of 792,000 BOE per day.

In the Delaware Basin of West Texas, Anadarko averaged record net sales volumes of 41,000 BOE per day, and exited the quarter at approximately 45,000 BOE per day. The company has continued its delineation program, running six rigs to further its understanding of both the vertical and areal potential across its 600,000-gross-acre position in the heart of the play. In the DJ Basin of northeast Colorado, Anadarko continued to optimize the performance of its base production during the second quarter, achieving record net sales volumes of approximately 243,000 BOE per day.

In the Gulf of Mexico, the company achieved several production records. The Lucius platform achieved a 24-hour gross production record and averaged sales volumes above the facility's 80,000 barrels of oil per day (BOPD) nameplate capacity. In addition, the company's Constitution spar recently achieved a production record of 65,000 BOPD, and its K2 complex also achieved an eight-year-high production rate of 28,000 BOPD. During the quarter, Anadarko continued to advance its understanding of the Shenandoah discovery, as it encountered more than 1,040 net feet of oil pay in the Shenandoah-5 appraisal well, expanding the eastern extent of the field. Additionally, the company increased its working interest in Shenandoah to 33 percent and added several new exploration opportunities to the portfolio by participating in a preferential-right process.

Internationally, the TEN field offshore Ghana is 97-percent complete with installation, hook-up and commissioning on schedule and first oil expected in the third quarter of 2016. At the adjacent Jubilee field, following maintenance on the floating production, storage and offloading vessel (FPSO) and implementation of new production and offtake procedures, production has ramped back up and is expected to average approximately 85,000 BOPD during the second half of the year. The partnership determined a long-term solution to convert the FPSO to a permanently moored facility, with the work program expected to be completed in the first half of 2017. Until the work program is complete, shuttle tankers will continue to be utilized to deliver offtake. Offshore Côte d'Ivoire, Anadarko continued its successful appraisal program with the drilling of the Paon-3AR horizontal sidetrack, which will be followed by a drillstem and interference testing program in the third quarter. In advancing the Mozambique LNG project, Anadarko achieved a significant milestone by submitting the Resettlement Plan for government review.

OPERATIONS REPORT

For details on Anadarko's operations and exploration program, including detailed tables illustrating divestiture-adjusted(3) information, please refer to the comprehensive report on second-quarter 2016 activity. The report is available at www.anadarko.com.

FINANCIAL SUMMARY

Anadarko ended the second quarter with approximately $1.4 billion of cash on hand. Year to date, Anadarko has generated approximately $2.5 billion in monetizations, including proceeds received during the second quarter from the secondary offering of Western Gas Equity Partners (NYSE: WGP) common units and divestitures of the company's Wamsutter and non-core Permian assets.

Anadarko Petroleum Corporation

Reconciliation of GAAP to Non-GAAP Measures

Below are reconciliations of net income (loss) attributable to common stockholders (GAAP) to adjusted net income (loss) (non-GAAP), cash provided by operating activities (GAAP) to discretionary cash flow from operations (non-GAAP) and free cash flow (non-GAAP), and total debt (GAAP) to net debt (non-GAAP), each as required under Regulation G of the Securities Exchange Act of 1934. The Company also provides non-GAAP definitions and reconciliations on its website located at www.anadarko.com/investor-kit. This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be comparable to similarly titled measures.

Management uses adjusted net income (loss) to evaluate operating and financial performance and believes the measure is useful to investors because it eliminates the impact of certain noncash and/or other items that management does not consider to be indicative of the Company's performance from period to period. Management also believes this non-GAAP measure is useful to investors to evaluate and compare the Company's operating and financial performance across periods, as well as facilitating comparisons to others in the Company's industry.

Anadarko Petroleum Corporation

Reconciliation of GAAP to Non-GAAP Measures

Management believes that discretionary cash flow from operations and free cash flow are useful to management and investors as a measure of a company's ability to internally fund its capital expenditures and to service or incur additional debt. These measures eliminate the impact of certain items that management does not consider to be indicative of the Company's performance from period to period.

Management uses net debt to determine the Company's outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand. Management believes that using net debt in the capitalization ratio is useful to investors in determining the Company's leverage since the Company could choose to use its cash and cash equivalents to retire debt. In addition, management believes that presenting Anadarko's net debt excluding WGP is useful because WGP is a separate public company with its own capital structure.

http://investors.anadarko.com/2016-07-26-Anadarko-Announces-Second-Quarter-2016-Results

Apache Corporation (NYSE: APA)

Apache was formed in 1954 with $250,000 of investor capital and the simple goal of building a significant and profitable oil company. Today, Apache is one of the world's top independent E&P companies. The journey was propelled by Apache's strong culture and its adaptability when confronted with a changing environment.

http://www.apachecorp.com/About_Apache/History/Timeline/index.aspx

Apache Corporation announces second-quarter 2016 financial and operational results

August 4, 2016

Apache Corporation (NYSE, Nasdaq: APA) today announced its financial and operational results for the second quarter of 2016. Effective for the quarter, Apache voluntarily changed its method of accounting for oil and gas exploration and development activities from full cost to successful efforts. Accordingly, financial information for prior periods has been recast to reflect the retrospective application of the successful-efforts method. The Quarterly Report on Form 10-Q for the period ended June 30, 2016, that will be filed by the company after close of business today, will reflect this accounting change.

Apache reported a loss of $244 million or $0.65 per diluted common share during the second quarter of 2016. These results include a number of items outside of core earnings that are typically excluded by the investment community in their published earnings estimates. When adjusted for these and certain additional items that impact the comparability of results, Apache's second-quarter loss totaled $99 million, or $0.26 per share. Net cash provided by operating activities was $744 million, and adjusted earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses (EBITDAX) was $787 million. During the quarter, Apache's cash position increased to $1.2 billion.

"Apache's solid second-quarter results are a testament to both the significant progress we have made on our cost structure as well as the strength of our portfolio," said John J. Christmann IV, Apache's chief executive officer and president. "During the quarter, we continued our efforts to reduce costs and improve capital efficiency. Our LOE costs on a Boe basis were down 4 percent from the previous quarter and 17 percent year-over-year.

"Despite an 85-percent reduction in capital investment since 2014, our base production has proven to be very resilient. We sharply reduced activity in the first quarter of 2015 and have continued to reduce spending as oil prices have remained relatively weak. Nevertheless, our production volumes have held up well, and we are on track to deliver production in line with the increased guidance provided last quarter. Although our 2016 capital program is not intended to maximize near-term production, the efficiency and productivity gains we have achieved are clearly demonstrated in our results."

Second-quarter operational summary

Apache reported total worldwide production of 535,000 Boe per day and pro forma production of 461,000 Boe per day, which excludes Egypt noncontrolling interest and tax barrels. In North America Onshore, production was 282,000 Boe per day while pro forma International and Offshore production was 179,000 Boe per day. Despite significant reductions in investment over the last 18 months, second-quarter North American Onshore production volumes only declined 16,000 Boe per day from the first quarter. More than 10,000 Boe per day of this decline came from lower-margin areas outside of the Permian Basin. International and Offshore production was relatively flat from first quarter to second quarter.

šNorth America Onshore – Apache placed on production 20 gross-operated wells during the second quarter.

- In the Delaware Basin, the company placed on production two gross-operated wells, including the Blue Jay 103H Third Bone Springs well, which achieved a 30-day average rate of nearly 3,200 Boe per day.

- In the Midland Basin, Northwest Shelf and Central Basin Platform, the company placed on production 16 grossoperated wells. Apache generated strong production rates in the Midland Basin from the Connell 38B 2HM and Connell 38C 2HM Wolfcamp B wells, each of which achieved a 30-day average rate of approximately 1,300 Boe per day from one-mile laterals.
- In the Woodford-SCOOP, the company placed on production two gross-operated wells, including the Truman 3- 28H, which achieved a 30-day average rate of approximately 1,800 Boe per day from a 4,400 foot lateral. š

North Sea – Production averaged 71,000 Boe per day. During the quarter, the company achieved a 100- percent drilling success rate and placed on production three strong development wells in the Beryl area: the LP7, BCR and FNT. Each well achieved a 30-day average rate in excess of 6,000 Boe per day. During the quarter, the company also commenced drilling the Storr prospect in the Beryl area, which was highlighted in the November 2015 North Sea Investor Update Presentation. š

Egypt – Gross production averaged 350,000 Boe per day, and net production, excluding minority interest and tax barrels, averaged 101,000 Boe per day. During the quarter, Apache drilled 15 gross wells with a 93-percent success rate.

2016 outlook and plan update

Apache has taken a conservative budgeting approach to 2016 with a planned oil price of $35 and an overriding financial goal to spend within cash flow. As oil prices have begun to show modest signs of improvement relative to the first quarter, Apache is slowly deploying incremental capital. The company recently added a rig in the Midland Basin, is maintaining operations on two platform rigs in the North Sea, and is accelerating strategic testing initiatives. Apache now expects to spend at the high end of its 2016 capital guidance range of $1.4 to $1.8 billion.

"Our conservative budgeting and rigorous allocation of capital over the last 18 months have resulted in tangible benefits to the company. We refrained from significant development drilling in a low commodity-price environment, and instead, turned our focus to capital efficiency improvements and strategic testing. As a result, we have made significant progress on our cost structure and are positioning Apache very well for the future," concluded Christmann.

Non-GAAP financial measures

Apache's financial information includes information prepared in conformity with generally accepted accounting principles (GAAP) as well as non-GAAP information. It is management's intent to provide non-GAAP financial information to enhance understanding of our consolidated financial information as prepared in accordance with GAAP. Adjusted earnings, adjusted EBITDAX and net debt are non-GAAP measures. This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure.

Forward-looking statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "guidance," and similar references to future periods. These statements include, but are not limited to, statements about future plans, expectations and objectives for Apache's operations, including statements about our capital plans, drilling plans, production expectations, asset sales, and monetizations. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. See "Risk Factors" in our 2015 Form 10-K filed with the Securities and Exchange Commission for a discussion of risk factors that affect our business. Any forward-looking statement made by us in this news release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward- looking statement, whether as a result of new information, future development or otherwise, except as may be required by law.

Cautionary note to investors

The United States Securities and Exchange Commission ("SEC") permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable, and possible reserves that meet the SEC's definitions for such terms. Apache may use certain terms in this earnings release, such as "resources," "potential resources," "resource potential," "estimated net reserves," "recoverable reserves," and other similar terms that the SEC guidelines strictly prohibit Apache from including in filings with the SEC. Such terms do not take into account the certainty of resource recovery, which is contingent on exploration success, technical improvements in drilling access, commerciality and other factors, and are therefore not indicative of expected future resource recovery and should not be relied upon. Investors are urged to consider carefully the disclosure in Apache's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2015, available from Apache at www.apachecorp.com or by writing Apache at: 2000 Post Oak Blvd., Suite 100, Houston, TX 77056 (Attn: Corporate Secretary). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov.

http://files.shareholder.com/downloads/APA/2498659218x0x903185/487F32BC-4D84-4FC2-BE32-A91978D9CE8C/Apache_Second-Quarter_2016_Financial_and_Operational_Results_20160804.pdf

Chevron Corporation (NYSE: CVX)

Providing Energy for Human Progress

Chevron is one of the world's leading integrated energy companies. Our success is driven by our people and their commitment to get results the right way—by operating responsibly, executing with excellence, applying innovative technologies and capturing new opportunities for profitable growth. We are involved in virtually every facet of the energy industry. We explore for, produce and transport crude oil and natural gas; refine, market and distribute transportation fuels and lubricants; manufacture and sell petrochemical products; generate power and produce geothermal energy; invest in profitable renewable energy and energy efficiency solutions; and develop the energy resources of the future, including researching advanced biofuels.

Company Roots

We trace our beginnings to an 1876 oil discovery at Pico Canyon, north of Los Angeles, which led to the formation of the Pacific Coast Oil Co. That company later became Standard Oil Co. of California and, subsequently, Chevron. We took on the name Chevron when we acquired Gulf Oil Corporation in 1984, which nearly doubled our worldwide proved crude oil and natural gas reserves. At the time, our merger with Gulf was the largest in U.S. history.

Another part of our history is The Texas Fuel Company, formed in Beaumont, Texas, in 1901. It later became known as The Texas Company and, eventually, Texaco. In 2001, our two companies merged.

The acquisition of Unocal Corporation in 2005 strengthened Chevron's position as an energy industry leader, increasing our crude oil and natural gas assets around the world.

Global Scope

Our diverse and highly skilled global workforce consists of approximately 64,700 employees, including more than 3,200 service station employees.

In 2014, Chevron's average net production was 2.571 million oil-equivalent barrels per day. About 74 percent of that production occurred outside the United States. Chevron had a global refining capacity of 1.9 million barrels of oil per day at the end of 2014.

Our marketing network supports retail outlets on five continents.

Technology and Emerging Energy

We focus on technologies that improve our ability to find, develop and produce crude oil and natural gas from conventional and unconventional resources.

We also invest in the development of emerging energy technologies, such as finding better ways to make nonfood-based biofuels, piloting advanced solar technology for our operations and expanding our renewable energy resources.

Environment and Safety

As a company and as individuals, we take great pride in contributing to the communities where we live and work.

We also care about the environment and are proud of the many ways in which our employees work to safeguard it.

Our persistent efforts to improve on our safe work environment continue to pay off. In 2014, we achieved strong safety results, including record lows in the days-away-from-work rate, the total recordable incident rate, loss of containment incidents and spill volumes.

Our Work

We recognize that the world needs all the energy we can develop, in every potential form. That's why our employees work to responsibly develop the affordable, reliable energy the world needs.

http://www.chevron.com/about/leadership/

Chevron - Chevron Announces Quarterly Dividend – 27/7/2016

July 27, 2016

The Board of Directors of Chevron Corporation (NYSE: CVX) today declared a quarterly dividend of one dollar and seven cents ($1.07) per share, payable September 12, 2016, to all holders of common stock as shown on the transfer records of the Corporation at the close of business August 19, 2016.

http://www.chevron.com/investors/press-releases

Chevron Reports Second Quarter Loss of $1.5 Billion

July 29, 2016

- **Impairments and lower crude oil prices reduce earnings**
- **Continued progress on spend reduction and major growth projects**

Chevron Corporation (NYSE: CVX) today reported a loss of $1.5 billion ($0.78 per share – diluted) for second quarter 2016, compared with earnings of $571 million ($0.30 per share – diluted) in the second quarter of 2015. Included in the quarter were impairments and other non-cash charges totaling $2.8 billion, partially offset by gains on asset sales of $420 million. Foreign currency effects increased earnings in the 2016 second quarter by $279 million, compared with a decrease of $251 million a year earlier. Sales and other operating revenues in second quarter 2016 were $28 billion, compared to $37 billion in the year-ago period.

“The second quarter results reflected lower oil prices and our ongoing adjustment to a lower oil price world,” said Chairman and CEO John Watson. “In our upstream business, we recorded impairment and other charges on certain assets where revenue from expected oil and gas production is expected to be insufficient to recover costs. Our downstream business continued to perform well.”

“We continue to make progress towards our goal of getting cash balanced,” Watson added. “Our operating expenses and capital spending were reduced over $6 billion from the first six months of 2015.”

“In addition, we’re bringing our major capital projects to completion,” Watson stated. “We have restarted LNG production and cargo shipments at Gorgon and Angola LNG, and started up the third train at the Chuandongbei Project in China. Construction at our other key projects is progressing, and we expect additional start-ups later this year. As these projects continue to ramp up, they are expected to increase net cash generation in future quarters.”

“We recently announced the final investment decision on the Future Growth and Wellhead Pressure Management Project at Tengiz in Kazakhstan,” Watson added. “The project represents an excellent opportunity for the company. It builds on our strong track record at Tengiz and is expected to create future value for our shareholders.”

UPSTREAM

Worldwide net oil-equivalent production was 2.53 million barrels per day in second quarter 2016, compared with 2.60 million barrels per day from a year ago. Production increases from project ramp-ups in the United States, Angola, Canada and other areas were more than offset by normal field declines, the effect of asset sales, the Partitioned Zone shut-in, maintenance-related downtime, and the effects of civil unrest in Nigeria.

U.S. Upstream

U.S. upstream operations incurred a loss of $1.11 billion in second quarter 2016 compared with a loss of $1.04 billion from a year ago. The decrease in earnings was due to lower crude oil and natural gas realizations, partially offset by lower depreciation, operating and exploration expenses. In both quarters, depreciation expense was impacted by a similar amount of impairments and other charges.

The company’s average sales price per barrel of crude oil and natural gas liquids was $36 in second quarter 2016, down from $50 a year ago. The average sales price of natural gas was $1.21 per thousand cubic feet in second quarter 2016, compared with $1.92 in last year’s second quarter.

Net oil-equivalent production of 682,000 barrels per day in second quarter 2016 was down 48,000 barrels per day from a year earlier. Production increases due to project ramp-ups in the Marcellus Shale in western Pennsylvania, the Gulf of Mexico, and the Permian Basin in Texas and New Mexico were more than offset by the effect of asset sales, maintenance-related downtime, and normal field declines. The net liquids component of oil-equivalent production in second quarter 2016 decreased 2 percent to 501,000 barrels per day, while net natural gas production decreased 17 percent to 1.09 billion cubic feet per day.

International Upstream

International upstream operations incurred a loss of $1.35 billion in second quarter 2016 compared with a loss of $1.18 billion a year ago. The decrease in earnings was due to lower crude oil and natural gas realizations, higher impairments and other charges, and lower gains on asset sales. Partially offsetting these effects were lower exploration and operating expenses. Foreign currency effects increased earnings by $329 million in the 2016 second quarter, compared with a decrease of $146 million a year earlier.

The average sales price for crude oil and natural gas liquids in second quarter 2016 was $40 per barrel, down from $56 a year earlier. The average price of natural gas was $3.93 per thousand cubic feet in the quarter, compared with $4.48 in last year’s second quarter.

Net oil-equivalent production of 1.85 million barrels per day in second quarter 2016 decreased 20,000 barrels per day, or 1 percent, from a year ago. Production increases from project ramp-ups in Angola, Canada and other areas were more than offset by normal field declines, the Partitioned Zone shut-in and the effects of civil unrest in Nigeria. The net liquids component of oil-equivalent production decreased 2 percent to 1.19 million barrels per day in the 2016 second quarter, while net natural gas production was essentially unchanged at 3.94 billion cubic feet per day.

U.S. Downstream

U.S. downstream operations earned $537 million in second quarter 2016 compared with earnings of $731 million a year earlier. The decrease in earnings was primarily due to lower margins on refined product sales and lower earnings from the 50 percent-owned Chevron Phillips Chemical Company LLC. Partially offsetting this decrease were lower operating expenses and higher gains on asset sales.

Refinery crude oil input in second quarter 2016 increased 4 percent to 955,000 barrels per day from the year-ago period.

Refined product sales of 1.26 million barrels per day were up 3 percent from second quarter 2015, mainly due to higher jet fuel sales. Branded gasoline sales of 544,000 barrels per day were up 2 percent from the 2015 period.

International Downstream

International downstream operations earned $741 million in second quarter 2016 compared with $2.23 billion a year earlier. The decrease in earnings was primarily due to the absence of a $1.6 billion gain from the sale of the company's interest in Caltex Australia Limited in second quarter 2015, partially offset by second quarter 2016 asset sales gains. Lower margins on refined product sales also contributed to the decline. Foreign currency effects decreased earnings by $26 million in second quarter 2016, compared with a decrease of $103 million a year earlier.

Refinery crude oil input of 764,000 barrels per day in second quarter 2016 decreased 1 percent from the year-ago period.

Total refined product sales of 1.45 million barrels per day in second quarter 2016 were down 2 percent from the year-ago period due to lower gasoline and gas oil sales.

ALL OTHER

All Other consists of worldwide cash management and debt financing activities, corporate administrative functions, insurance operations, real estate activities and technology companies.

Net charges in second quarter 2016 were $286 million, compared with $166 million a year earlier. The change between periods was mainly due to higher tax items and interest expense, partially offset by the absence of second quarter 2015 charges related to reductions in corporate staffs and lower environmental expenses.

CASH FLOW FROM OPERATIONS

Cash flow from operations in the first six months of 2016 was $3.7 billion, compared with $9.5 billion in the corresponding 2015 period. Excluding working capital effects, cash flow from operations in 2016 was $5.8 billion, compared with $11.6 billion in the corresponding 2015 period.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures in the first six months of 2016 were $12.0 billion, compared with $17.3 billion in the corresponding 2015 period. The amounts included $1.7 billion in 2016 and $1.5 billion in 2015 for the company's share of expenditures by affiliates, which did not require cash outlays by the company. Expenditures for upstream represented 92 percent of the companywide total in second quarter 2016.

file:///C:/Users/user/Downloads/2016_2Q_Earnings_Press_Release.pdf

Conocophillips (NYSE: COP)

Across our 25 countries of operations, over 17,800 men and women work in a truly integrated way to find and produce oil and natural gas. Our technicalcapabilities, asset quality and scale, and financial strength are unmatched among independent exploration and production companies and uniquely position us to compete around the world.

ConocoPhillips is committed to the efficient and effective exploration and production of oil and natural gas. Producing oil and natural gas and getting them to market takes ingenuity, technology and investment. Our innovative, collaborative efforts yield products that improve quality of life globally while producing economic benefits with far-reaching influence.

http://www.conocophillips.com/who-we-are/Pages/default.aspx

ConocoPhillips Reports Second-Quarter 2016 Results; Continued Strong Operational Performance

July 28, 2016

ConocoPhillips (NYSE: COP) today reported a second-quarter 2016 net loss of $1.1 billion, or ($0.86) per share, compared with a second-quarter 2015 net loss of $179 million, or ($0.15) per share. Excluding special items, second-quarter 2016 adjusted earnings were a net loss of $985 million, or ($0.79) per share, compared with second-quarter 2015 adjusted earnings of $81 million, or $0.07 per share. Special items for the current quarter were related to non-cash impairments in the Lower 48, primarily in the Gulf of Mexico; pension settlement expense; deferred tax adjustments; and a gain on an asset sale.

Summary

- Exceeded second-quarter guidance with production of 1,546 MBOED; increasing full-year guidance.
- Lowering 2016 capital expenditures guidance from $5.7 billion to $5.5 billion.
- Improved production and operating expenses by 20 percent year over year; improved adjusted operating costs by 18 percent year over year; lowering full-year adjusted operating cost guidance.
- Safely executed second-quarter major turnaround activity in Europe and Alaska; activity ongoing in the third quarter.
- Achieved first production at Foster Creek Phase G in Canada; Surmont production restored to prior quarter levels after wildfires.
- On track for first cargo from APLNG Train 2 in Australia and first production from Alder in Europe in the fourth quarter of 2016.
- Lowered debt by $0.8 billion.
- Completed non-core asset sales of $0.2 billion, bringing the six-month 2016 total to $0.4 billion; signed a sale and purchase agreement for exploration blocks offshore Senegal in July.

Second-Quarter Review

- Production for the second quarter of 2016 was 1,546 thousand barrels of oil equivalent per day (MBOED), a decrease of 49 MBOED compared with the same period a year ago. The decrease was the result of normal field decline, dispositions, planned downtime and the impact of wildfires in Canada, partly offset by growth from major projects and development programs and improved well performance. When adjusted for 95 MBOED from dispositions and downtime, production increased 46 MBOED, or 3 percent.
- For the quarter, operational performance was strong across the portfolio. The company safely progressed several major turnarounds in Europe and Alaska, which will continue in the third quarter. The Lower 48 delivered strong production, primarily from the unconventionals, and there were positive results from the Shenandoah 5 appraisal well in the Gulf of Mexico. CD5 and Drill Site 2S in Alaska continue to perform well, with an additional phase approved at CD5. By the end of June, Surmont production was restored to first-quarter levels after the wildfires and first production was achieved with the commissioning of Foster Creek Phase G. Production began to ramp up from Kebabangan in Malaysia and the APLNG project in Australia continued to operate above expectations, with Train 2 expected to start up in the fourth quarter of 2016.
- The company progressed its phased exit from deepwater exploration with the signing of a sale and purchase agreement for three exploration blocks offshore Senegal in July. The company also recorded a dry hole and leasehold impairment at the Gibson and Tiber prospects in the Gulf of Mexico.
- Adjusted earnings were lower compared with second-quarter 2015 primarily due to lower realized prices. The company's total realized price was $27.79 per barrel of oil equivalent (BOE), compared with $39.06 per BOE in the second quarter of 2015, reflecting lower average realized prices across all commodities.

- For the quarter, cash provided by operating activities was $1.26 billion. Excluding a change in operating working capital, ConocoPhillips generated $1.23 billion in cash from operations and received proceeds from asset dispositions of $0.2 billion. The company funded $1.1 billion in capital expenditures and investments, and paid dividends of $0.3 billion. Additionally, the company repaid debt of $0.8 billion and purchased $1.0 billion in short-term investments.

Outlook

- The company is increasing its full-year 2016 production guidance to 1,540 to 1,570 MBOED, reflecting strong year-to-date performance across most of the portfolio. Third-quarter 2016 production guidance is 1,510 to 1,550 MBOED, which reflects significant planned turnaround activity during the quarter.
- Guidance for production and operating expenses is expected to be $5.8 billion, which results in improved adjusted operating costs of $6.8 billion versus prior guidance of $7.0 billion. The company entered into an agreement to terminate its final Gulf of Mexico drillship contract for approximately $140 million before tax, which is expected to be recorded in the third quarter as a special item.
- Guidance for capital expenditures has been lowered to $5.5 billion versus prior guidance of $5.7 billion. Depreciation, depletion and amortization guidance has been increased to $9.2 billion for the full year as a result of increased volumes and increased expense associated with price-related reserve revisions. The company's other guidance items remain unchanged, with corporate segment net expense of $1.0 billion and exploration dry hole and leasehold impairment expense of $0.8 billion.

http://www.conocophillips.com/newsroom/Pages/news-releases.aspx?docid=2869478&feedName=2016%20News%20Releases

Devon Energy Corporation (NYSE: DVN)

Devon Energy Corporation is a leading independent oil and natural gas exploration and production company. Devon's operations are focused onshore in the United States and Canada.

The company's portfolio of oil and gas properties provides stable, environmentally responsible production and a platform for future growth. Devon has more than doubled its onshore North American oil production since 2008 and has a deep inventory of development opportunities to deliver future oil growth. Devon also produces about 1.6 billion cubic feet of natural gas a day and about 120,000 barrels of natural gas liquids per day.

Headquartered in Oklahoma City, Devon is a Fortune 500 company and is included in the S&P 500 Index. Its common shares trade on the New York Stock Exchange under the ticker symbol DVN.
Devon's primary goal is to build value per share by:

- Exploring for undiscovered oil and natural gas reserves;
- Purchasing and developing oil and natural gas properties;
- Enhancing the value of production through marketing and midstream activities;
- Optimizing production operations to control costs;Maintaining a strong balance sheet.

Mission Statement

Devon is a results-oriented oil and gas company that builds value for shareholders through its employees by creating a culture of health, safety and environmental stewardship in an atmosphere of optimism, teamwork, creativity and resourcefulness and by dealing with everyone in an open and ethical manner.

http://www.devonenergy.com/about-us

Devon Energy Reports Second-Quarter 2016 Results

August 4, 2016

Devon Energy Corp. (NYSE: DVN) today reported operational and financial results for the second quarter of 2016 and provided guidance for the third quarter and full-year 2016.

Highlights

- Exceeded production expectations in U.S. resource plays
- Raised 2016 production guidance for retained assets by 3 percent
- Reduced lease operating expenses 26 percent year over year
- Improved operating and G&A expense outlook
- Completed asset divestiture program with proceeds totaling $3.2 billion
- Increased E&P capital investment by $200 million in 2016

“Devon Energy’s strategy of operating in North America’s best resource plays, coupled with a focus on delivering best-in-class execution, led to another quarter of excellent operational results,” said Dave Hager, president and CEO. “Production from our U.S. resource plays once again exceeded guidance expectations and we were able to deliver this outperformance with dramatically lower costs. With the cost savings achieved year to date, we are now on pace to reduce operating and G&A expenses by nearly $1 billion in 2016.

“In addition to our strong operating performance, we were able to significantly improve our financial strength over the past several months with the timely completion of our non-core asset divestiture program,” Hager said. “Total divestitures reached $3.2 billion and surpassed the top end of our $2 billion to $3 billion guidance range. The majority of the sales proceeds will be utilized to reduce debt and position us to further accelerate investment in our best-in-class U.S. resource plays, led by the STACK and Delaware Basin.”

Production Exceeds Expectations in U.S. Resource Plays

Devon’s reported net production averaged 644,000 oil-equivalent barrels (Boe) per day during the second quarter of 2016. Of this amount, 545,000 Boe per day was attributable to the Company’s core assets, where investment will be directed going forward. Production from core assets exceeded the mid-point of guidance by 6,000 Boe per day, driven entirely by Devon’s U.S. resource plays.

Within the Company’s U.S. resource plays, production averaged 419,000 Boe per day. This performance was highlighted by strong results from the STACK and Delaware Basin where aggregate production increased 27 percent year over year. Light-oil production from U.S. resource plays, which is Devon’s highest margin product, averaged 110,000 barrels per day. This result exceeded the top end of guidance by 2,000 barrels per day.

In Canada, net oil production from Devon’s heavy-oil projects averaged 121,000 barrels per day in the second quarter. Driven by the industry-leading performance of the Jackfish 3 facility, Canadian oil production increased 24 percent compared to the second quarter of 2015. Scheduled maintenance at the Company’s Jackfish 2 facility curtailed production by 11,000 barrels per day in the quarter.

Retained Midland Assets Enhance 2016 Production Outlook

With the earlier than expected completion of Devon’s asset divestiture program, the Company is updating its third quarter and full-year 2016 production expectations for its retained, go-forward asset base. The most significant change to previous guidance is Devon’s decision to retain select assets in the Midland Basin that were previously categorized as non-core. These legacy Midland Basin assets have extremely low declines and are expected to produce approximately 15,000 Boe per day in the second half of 2016.

Due to the retention of Midland assets and other minor operating interests, Devon is raising the mid-point of its 2016 production guidance from its retained, go-forward asset base by 18,000 Boe per day, or 3 percent. The largest portion of this production raise is attributable to oil, where 2016 mid-point guidance increased by 4 percent or 10,000 barrels per day.

Lease Operating Expenses Decline 26 Percent; Additional Savings Expected

The Company has several cost-reduction initiatives underway that positively impacted second-quarter results. The most significant operating cost savings came from lease operating expenses (LOE), which is Devon's largest field-level cost. LOE declined 26 percent compared to the second quarter of 2015 to $416 million, and was 5 percent below the low end of guidance. The decrease in LOE was primarily driven by improved power and water-handling infrastructure, declining labor expense and lower supply chain costs.

Due to the operating cost performance achieved year to date and the impact of recently announced asset divestitures, the Company is lowering its full-year 2016 LOE outlook by $150 million to a range of $1.6 billion to $1.7 billion. With this improved outlook, Devon is now on track to reduce LOE and production taxes by nearly $600 million compared to 2015.

G&A Cost Savings Initiatives Ahead of Schedule

Devon also realized substantial general and administrative (G&A) cost savings in the second quarter. G&A expenses totaled $147 million, a 30 percent improvement compared to the second quarter of 2015. The significantly lower overhead costs were driven by reduced personnel expenses.

The Company now anticipates G&A expenses to decline to a range of $600 million to $650 million for the full-year 2016. Combined with reductions in capitalized G&A, Devon projects its total overhead costs to decline by approximately $400 million compared to 2015.

Accelerating Upstream Investment Activity

Devon continued to effectively control capital costs during the second quarter. Devon's accrued upstream capital spending, which accounts for activity that was incurred during the reporting period, amounted to $221 million in the quarter. This result was $29 million below the low end of the Company's guidance range.

As previously announced in June, Devon expects its full-year 2016 upstream capital program to range between $1.1 billion and $1.3 billion, an increase of $200 million from previous guidance. The incremental capital will be deployed in the STACK and Delaware Basin, with the potential to add as many as 7 operated rigs between these prolific plays in the second half of 2016. The additional capital investment is expected to deliver incremental production in early 2017.

Second-Quarter 2016 Operations Report

For additional details on Devon's E&P operations, please refer to the Company's second-quarter 2016 operations report at www.devonenergy.com. Highlights from the report include:

- Record-setting Meramec oil well brought online
- Successful spacing tests in STACK
- Bone Spring development wells outperform type curve
- Another high-rate well in the Leonard Shale
- Significant free cash flow generation in Eagle Ford
- Jackfish complex production exceeds nameplate capacity by 9 percent
- Divestiture Program Complete and Exceeds Expectations

In the second quarter of 2016, Devon announced multiple agreements to monetize $2 billion of non-core upstream assets in the U.S. Several of these transactions have closed and the Company expects the remaining transactions to close in the third quarter. The Company expects to incur minimal cash taxes associated with these divestitures.

Subsequent to quarter end, the Company announced an agreement to sell its 50 percent interest in the Access Pipeline for CAD $1.4 billion, or USD $1.1 billion. This transaction is expected to close in the third quarter of 2016. With the announced sale of Access Pipeline, Devon's divestiture program is now complete reaching $3.2 billion, exceeding the top end of the Company's $2 billion to $3 billion guidance range. At least two-thirds of the sales proceeds are expected to be utilized for debt reduction, while the remaining amount will be reinvested in the Company's U.S. resource plays.

Significant Liquidity and Financial Strength

Devon exited the second quarter with $1.7 billion of cash on hand. Pro-forma for the recent asset sales, cash balances will increase to $4.6 billion and the Company had no borrowings on its $3 billion senior credit facility.

The Company's consolidated debt was $12.7 billion at the end of the second quarter. Adjusted for asset sales, Devon's net debt, which excludes non-recourse EnLink obligations, declines to $4.7 billion. The Company's ownership in EnLink is valued at greater than $3 billion and is expected to generate cash distributions of $270 million in 2016.

Cash Inflow Exceeds $800 Million

In the second quarter of 2016 Devon had a reported net loss of $1.6 billion, or $3.04 per share. Adjusting for items that securities analysts typically exclude from their published estimates, Devon's core earnings totaled $33 million, or $0.06 per share.

Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) reached $649 million in the second quarter of 2016. The closing of the Company's non-core Mississippian assets added approximately $200 million of additional cash flow in the second quarter of 2016, bringing cash inflows to more than $800 million.

Non-GAAP Reconciliations

Pursuant to regulatory disclosure requirements, Devon is required to reconcile non-GAAP (generally accepted accounting principles) financial measures to the related GAAP information. Net debt, adjusted net debt, core earnings, core earnings per share and adjusted EBITDA referenced within the commentary of this release are non-GAAP financial measures. Reconciliations of these non-GAAP measures are provided within the tables of this release.

NON-GAAP FINANCIAL MEASURES

This press release includes non-GAAP financial measures. These non-GAAP measures are not alternatives to GAAP measures, and you should not consider these non-GAAP measures in isolation or as a substitute for analysis of our results as reported under GAAP. Below is additional disclosure regarding each of the non-GAAP measures used in this press release, including reconciliations to their most directly comparable GAAP measure.

CORE EARNINGS

Devon's reported net earnings include items of income and expense that are typically excluded by securities analysts in their published estimates of the Company's financial results. Accordingly, the Company also uses the measures of core earnings and core earnings per share attributable to Devon. Devon believes these non-GAAP measures facilitate comparisons of its performance to earnings estimates published by securities analysts. Devon also believes these non-GAAP measures can facilitate comparisons of its performance between periods and to the performance of its peers. The following table summarizes the effects of these items on second-quarter 2016 earnings.

ADJUSTED EBITDA

We define Adjusted EBITDA, a non-GAAP financial measure, as EBITDA adjusted for certain items presented in the accompanying reconciliation. We believe that EBITDA is widely used by investors to measure a company's performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired. In addition, Adjusted EBITDA generally excludes certain other items that management believes affect the comparability of operating results or are not related to Devon's ongoing operations. Management uses Adjusted EBITDA to evaluate the company's operational trends and performance relative to other oil and gas companies.

NET DEBT AND ADJUSTED NET DEBT

Devon defines net debt as debt less cash and cash equivalents and net debt attributable to the consolidation of EnLink Midstream as presented in the following table. Adjusted net debt is net debt further adjusted for the estimated proceeds Devon expects to receive from the asset divestitures that have closed or will close in the third quarter of 2016. Devon believes that netting these sources of cash, including the estimated asset sale proceeds, against debt and adjusting for EnLink net debt provides a clearer picture of the future demands on cash from Devon to repay debt.

http://www.devonenergy.com/news/2016/Devon-Energy-Reports-Second-Quarter-2016-Results

Exxon Mobil Corporation (NYSE:XOM)

ExxonMobil, the largest publicly traded international oil and gas company, uses technology and innovation to help meet the world's growing energy needs. We hold an industry-leading inventory of resources and are one of the world's largest integrated refiners, marketers of petroleum products and chemical manufacturers.

http://corporate.exxonmobil.com/en/company/about-us

Exxon Mobil Corporation Declares Third Quarter Dividend

July 27, 2016

The Board of Directors of Exxon Mobil Corporation (NYSE:XOM) today declared a cash dividend of 75 cents per share on the Common Stock, payable on September 9, 2016 to shareholders of record of Common Stock at the close of business on August 12, 2016.

This third quarter dividend is at the same level as the dividend paid in the second quarter of 2016.

Through its dividends, the corporation has shared its success with its shareholders for more than 100 years and has increased its annual dividend payment to shareholders for 34 consecutive years.

http://news.exxonmobil.com/press-release/exxon-mobil-corporation-declares-third-quarter-dividend-6

ExxonMobil Earns $1.7 Billion in Second Quarter of 2016

July 29, 2016

- **Cash flow reflects durability of the integrated portfolio amid continued industry volatility**
- **Strong Chemical results highlight sustainable competitive advantages**
- **Advancing attractive new investment opportunities across the value chain**

Exxon Mobil Corporation (NYSE: XOM) announced estimated second quarter 2016 earnings of $1.7 billion, or $0.41 per diluted share, compared with $4.2 billion a year earlier. The results reflect sharply lower commodity prices, weaker refining margins and continued strength in the Chemical segment.

"While our financial results reflect a volatile industry environment, ExxonMobil remains focused on business fundamentals, cost discipline and advancing selective new investments across the value chain to extend our competitive advantage," said Rex W. Tillerson, chairman and chief executive officer. "The corporation benefits from scale and integration, which provide the financial flexibility to invest in attractive opportunities and grow long-term shareholder value."

During the second quarter, Upstream earnings were $294 million. Production volumes were essentially unchanged at 4 million oil-equivalent barrels per day. Liquids production growth from recent start-ups more than offset the impact of field decline and downtime events, notably in Canada and Nigeria.

Chemical earnings remained strong at $1.2 billion, reflecting continued benefits from gas and liquids cracking as well as growing product demand. The Downstream segment earned $825 million despite significantly lower global refining margins versus the prior year quarter.

Capital and exploration expenses were reduced by 38 percent to $5.2 billion.

During the quarter, the corporation distributed $3.1 billion in dividends to shareholders.

Second Quarter Highlights

- Earnings of $1.7 billion decreased $2.5 billion, or 59 percent, from the second quarter of 2015.
- Earnings per share assuming dilution were $0.41.
- Cash flow from operations and asset sales was $5.5 billion, including proceeds associated with asset sales of $1 billion.
- Capital and exploration expenditures were $5.2 billion, down 38 percent from the second quarter of 2015.
- Oil-equivalent production was essentially unchanged at 4 million oil-equivalent barrels per day, with liquids up 1.7 percent and natural gas down 3.6 percent.
- The corporation distributed $3.1 billion in dividends to shareholders.
- Dividends per share of $0.75 increased 2.7 percent compared with the second quarter of 2015.
- ExxonMobil announced that drilling results from Liza-2, the second well in the Stabroek block offshore Guyana, confirmed a world-class discovery with a recoverable resource between 800 million and 1.4 billion oil-equivalent barrels.
- Production at the Julia Oil Field in the Gulf of Mexico started ahead of schedule with project costs under budget. The initial development phase, with a gross design capacity of 34,000 barrels of oil per day, uses capital-efficient subsea tie-backs to existing infrastructure and is located 265 miles southwest of New Orleans in water depths of more than 7,000 feet.
- The company started production at Point Thomson, the first company-operated project on Alaska's North Slope. At full rate production, the facility is designed to produce up to 10,000 barrels of natural gas condensate per day and 200 million cubic feet of recycled gas. The recycled gas is re-injected for future recovery.
- The Taicang, China, lubricants plant expansion was completed in April, doubling the capacity of the facility. The expansion includes the addition of automated blending technology and a new state-of-the-art quality assurance laboratory. It improves the company's ability to supply premium lubricant products to meet long-term demand growth in China.
- ExxonMobil is expanding its comprehensive slate of polyethylene products with the introduction of Exceed XP performance polymers. Developed through advanced catalyst technology, process research, and applications expertise, Exceed XP is designed to provide extreme performance in a variety of film applications.

Second Quarter 2016 vs. Second Quarter 2015

Upstream earnings were $294 million in the second quarter of 2016, down $1.7 billion from the second quarter of 2015. Lower liquids and gas realizations decreased earnings by $2.2 billion, while volume and mix effects increased earnings by $50 million. All other items, including lower expenses, the absence of a one-time deferred income tax impact related to the tax rate increase in Alberta, Canada, and favorable foreign exchange effects increased earnings by $450 million.

On an oil-equivalent basis, production was essentially flat with the second quarter of 2015. Liquids production totaled 2.3 million barrels per day, up 39,000 barrels per day. Project ramp-up was partly offset by field decline and downtime mainly resulting from the Canadian wildfires. Natural gas production was 9.8 billion cubic feet per day, down 366 million cubic feet per day from 2015 including field decline and divestment impacts.

U.S. Upstream earnings declined $467 million from the second quarter of 2015 to a loss of $514 million in the second quarter of 2016. Non-U.S. Upstream earnings were $808 million, down $1.3 billion from the prior year.

Downstream earnings were $825 million, down $681 million from the second quarter of 2015. Weaker refining margins decreased earnings by $850 million while favorable volume and mix effects increased earnings by $130 million. All other items increased earnings by $40 million, including lower maintenance expenses partly offset by unfavorable foreign exchange effects. Petroleum product sales of 5.5 million barrels per day were 237,000 barrels per day lower than the prior year due in part to asset management activity.

Earnings from the U.S. Downstream were $412 million, flat with the second quarter of 2015. Non-U.S. Downstream earnings of $413 million were $681 million lower than last year.

Chemical earnings of $1.2 billion were $29 million lower than the second quarter of 2015. Margins increased earnings by $150 million. Volume and mix effects increased earnings by $70 million. All other items decreased earnings by $250 million, due to the absence of asset management gains in the U.S. partly offset by lower expenses. Second quarter prime product sales of 6.3 million metric tons were 232,000 metric tons higher than the prior year's second quarter.

U.S. Chemical earnings were $509 million, down $226 million from the second quarter of 2015 reflecting the absence of asset management gains. Non-U.S. Chemical earnings of $708 million were $197 million higher than last year.

Corporate and financing expenses were $636 million for the second quarter of 2016, compared to $593 million in the second quarter of 2015.

First Half 2016 Highlights

- Earnings of $3.5 billion decreased 62 percent from $9.1 billion in 2015.
- Earnings per share assuming dilution were $0.84.
- Cash flow from operations and asset sales was $10.5 billion, including proceeds associated with asset sales of $1.2 billion.
- Capital and exploration expenditures were $10.3 billion, down 36 percent from 2015.
- Oil-equivalent production was unchanged at 4.1 million oil-equivalent barrels per day, with liquids up 6.6 percent and natural gas down 6.7 percent.
- The corporation distributed $6.2 billion in dividends to shareholders.

First Half 2016 vs. First Half 2015

Upstream earnings were $218 million, down $4.7 billion from the first half of 2015. Lower realizations decreased earnings by $4.9 billion. Favorable volume and mix effects increased earnings by $20 million. All other items increased earnings by $180 million, primarily due to lower expenses partly offset by the absence of asset management gains.

On an oil-equivalent basis, production of 4.1 million barrels per day was flat compared to the same period in 2015. Liquids production of 2.4 million barrels per day increased 150,000 barrels per day, with project ramp-up partly offset by field decline and downtime mainly from the Canadian wildfires. Natural gas production of 10.2 billion cubic feet per day decreased 730 million cubic feet per day from 2015 largely due to regulatory restrictions in the Netherlands, field decline and divestment impacts.

U.S. Upstream earnings declined $1.2 billion from 2015 to a loss of $1.3 billion in 2016. Earnings outside the U.S. were $1.6 billion, down $3.4 billion from the prior year.

Downstream earnings of $1.7 billion decreased $1.4 billion from 2015. Weaker refining margins decreased earnings by $1.7 billion, while volume and mix effects increased earnings by $150 million. All other items increased earnings by $130 million, mainly reflecting lower maintenance expense. Petroleum product sales of 5.4 million barrels per day were 358,000 barrels per day lower than 2015 due in part to asset management activity.

U.S. Downstream earnings were $599 million, a decrease of $380 million from 2015. Non-U.S. Downstream earnings were $1.1 billion, down $1.1 billion from the prior year.

Chemical earnings of $2.6 billion increased $344 million from 2015. Stronger margins increased earnings by $380 million. Favorable volume and mix effects increased earnings by $170 million. All other items decreased earnings by $210 million, including the absence of asset management gains in the U.S. partly offset by lower expenses. Prime product sales of 12.5 million metric tons were up 336,000 metric tons from 2015.

U.S. Chemical earnings were $1.1 billion, down $250 million from the first half 2015 reflecting the absence of asset management gains. Non-U.S. Chemical earnings of $1.5 billion were $594 million higher than last year.

Corporate and financing expenses were $1 billion in 2016 compared to $1.2 billion in 2015, with the decrease due mainly to net favorable tax-related items.

During the first half of 2016, Exxon Mobil Corporation purchased 9 million shares of its common stock for the treasury at a gross cost of $727 million. These shares were acquired to offset dilution in conjunction with the company’s benefit plans and programs. The corporation will continue to acquire shares to offset dilution in conjunction with its benefit plans and programs, but does not currently plan on making purchases to reduce shares outstanding.

Cautionary Statement

Statements relating to future plans, projections, events or conditions are forward-looking statements. Actual financial and operating results, including project plans, costs, timing, and capacities; capital and exploration expenditures; resource recoveries; and share purchase levels, could differ materially due to factors including: changes in oil or gas prices or other market or economic conditions affecting the oil and gas industry, including the scope and duration of economic recessions; the outcome of exploration and development efforts; changes in law or government regulation, including tax and environmental requirements; the impact of fiscal and commercial terms; changes in technical or operating conditions; and other factors discussed under the heading "Factors Affecting Future Results" in the “Investors” section of our website and in Item 1A of ExxonMobil's 2015 Form 10-K. We assume no duty to update these statements as of any future date.

Frequently Used Terms

This press release includes cash flow from operations and asset sales, which is a non-GAAP financial measure. Because of the regular nature of our asset management and divestment program, we believe it is useful for investors to consider proceeds associated with the sales of subsidiaries, property, plant and equipment, and sales and returns of investments together with cash provided by operating activities when evaluating cash available for investment in the business and financing activities. A reconciliation to net cash provided by operating activities is shown in Attachment II. References to quantities of oil or natural gas may include amounts that we believe will ultimately be produced, but that are not yet classified as “proved reserves” under SEC definitions. Further information on ExxonMobil's frequently used financial and operating measures and other terms including “prime product sales” is contained under the heading "Frequently Used Terms" available through the “Investors” section of our website at exxonmobil.com.

Reference to Earnings

References to corporate earnings mean net income attributable to ExxonMobil (U.S. GAAP) from the consolidated income statement. Unless otherwise indicated, references to earnings, Upstream, Downstream, Chemical and Corporate and Financing segment earnings, and earnings per share are ExxonMobil's share after excluding amounts attributable to noncontrolling interests.

The term “project” as used in this release can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports. Exceed XP is a registered trademark of Exxon Mobil Corporation.

Exxon Mobil Corporation has numerous affiliates, many with names that include ExxonMobil, Exxon, Mobil, Esso, and XTO. For convenience and simplicity, those terms and terms such as Corporation, company, our, we, and its are sometimes used as abbreviated references to specific affiliates or affiliate groups. Similarly, ExxonMobil has business relationships with thousands of customers, suppliers, governments, and others. For convenience and simplicity, words such as venture, joint venture, partnership, co-venturer, and partner are used to indicate business and other relationships involving common activities and interests, and those words may not indicate precise legal relationships.

http://news.exxonmobil.com/press-release/exxonmobil-earns-17-billion-second-quarter-2016

Kinder Morgan (NYSE: KMI)

Kinder Morgan is the largest energy infrastructure company in North America. We own an interest in or operate approximately 84,000 miles of pipelines and approximately 165 terminals. Our pipelines transport natural gas, refined petroleum products, crude oil, carbon dioxide (CO_2) and more. We also store or handle a variety of products and materials at our terminals such as gasoline, jet fuel, ethanol, coal, petroleum coke and steel.

We are a market leader in each of our businesses –Natural Gas Pipelines, Products Pipelines, CO_2, Terminals and Kinder Morgan Canada. We have an unparalleled, large footprint of diversified and strategically located assets that are core to North American energy infrastructure and help deliver needed energy products to high-demand markets. For example, Kinder Morgan is the:

- Largest natural gas network with 68,000 miles of pipelines. We are connected to every important U.S. natural gas resource play, including the Eagle Ford, Marcellus, Utica, Uinta, Haynesville, Fayetteville and Barnett. We move about one-third of the natural gas consumed in America.
- Largest independent transporter of petroleum products, transporting about 2.3 million barrels of product per day. We move gasoline, jet fuel, diesel, crude, natural gas liquids and more.
- Largest transporter of carbon dioxide (CO_2), transporting about 1.3 billion cubic feet per day. Most of the CO_2 is used in enhanced oil recovery projects in the Permian Basin of West Texas.
- Largest independent terminal operator. Our liquids terminals store refined petroleum products, chemicals, ethanol and more, and have a capacity of 125 million barrels. Our dry bulk terminals store and handle such materials as coal, petroleum coke and steel, and we handle over 100 million tons per year. We also have a strong Jones Act shipping position with seven vessels in service and five more to be delivered from 2015-2017.
- Only oilsands pipeline serving the West Coast. We currently transport 300,000 barrels per day to Vancouver/Washington State and our proposed expansion will increase that capacity to 890,000 barrels per day.

Our customers include major oil companies, energy producers and shippers, local distribution companies and businesses across many industries. In most of our businesses we operate like a giant toll road and receive a fee for our services, generally avoiding commodity price risk. In our CO_2business, where exposure to commodity prices does exist, we employ a hedging strategy to partially mitigate that risk. For 2015, approximately 85 percent of our cash flows are fee-based and 94 percent of our cash flows are fee-based or hedged.

The revolutionary shale plays across the United States are creating a tremendous need for more energy infrastructure, which bodes well for us. We invest billions of dollars each year to grow the company by building new and expanding existing assets to help ensure that a variety of energy products get delivered into the marketplace.

Kinder Morgan strives for financial and operational excellence, and we are committed to being a good corporate citizen and conducting ourselves in an ethical and responsible manner. In addition to delivering value to our shareholders and meeting our customers' needs, we spend hundreds of millions of dollars each year on integrity management and maintenance programs to operate our assets safely and to protect the public, our employees, contractors and the environment.

We pride ourselves on being a different kind of energy company. What makes us different? It starts at the top with Executive Chairman Rich Kinder, who earns a salary of $1 per year and does not receive a bonus, stock options or restricted stock grants. President and CEO Steve Kean also receives an annual salary of $1. We work hard to align managements' and shareholders' incentives by,eliminating unnecessary expenses such as corporate aircraft, sponsorships, sports tickets and executive perks. In addition, we tie financial incentives for our employees directly to the performance of the company and their own personal performances.

Kinder Morgan has been conducting its business transparently long before it became a corporate buzz word. We are one of the only S&P 500 companies that publishes its annual budget on its web site, which enables investors and others to follow our progress throughout the year. We also post our operational performance at www.kindermorgan.com and continue to perform better than our industry peers relative to environmental, health and safety measures.

We do not have a Political Action Committee. Any political contributions made by executives or employees are made individually as private citizens with their own personal money.

Kinder Morgan has almost 12,000 employees and is the largest midstream and the third largest energy company in North America with an enterprise value of approximately $110 billion.

http://www.kindermorgan.com/pages/about_us

Kinder Morgan Declares Dividend of $0.125 for Second Quarter 2016

July 20, 2016

Kinder Morgan, Inc. (NYSE: KMI) today announced that its board of directors approved a cash dividend of $0.125 per share for the quarter ($0.50 annualized) payable on Aug. 15, 2016, to common shareholders of record as of the close of business on Aug. 1, 2016. KMI expects to declare dividends of $0.50 per share for 2016 and use cash in excess of dividend payments to fund growth investments and strengthen its balance sheet.

Since the end of the first quarter, KMI has made significant progress towards enhancing its credit profile. The most substantial progress came from two recently announced joint ventures: KMI's agreement to partner with Southern Company through the anticipated sale of a 50 percent interest in the Southern Natural Gas (SNG) pipeline system for expected cash consideration of $1.47 billion plus Southern Company's share of SNG debt, and KMI's completed sale of a 50 percent interest in its $500 million to-be-constructed Utopia pipeline project to Riverstone Investment Group LLC (Riverstone) for half of the project capital costs plus an amount in excess of its share of project capital.

"We are pleased to have taken substantial steps towards achieving our stated goals of strengthening our balance sheet and positioning the company for long-term value creation. Driven by the joint ventures with Southern Company on our SNG system and Riverstone on our Utopia pipeline project, we expect to end the year at a leverage ratio of 5.3 times net debt-to-Adjusted EBITDA, down from our previous guidance of 5.5 times," said Richard D. Kinder, executive chairman. "We are now closer to reaching our targeted leverage level, which will position us to return substantial value to shareholders through some combination of dividend increases, share repurchases, attractive growth projects or further debt reduction.

"We are also pleased with KMI's operational performance for the quarter despite continued volatile market conditions. We continue to expect our 2016 distributable cash flow in excess of our dividends will exceed our 2016 growth capital expenditures, eliminating our need to access the capital markets to fund growth projects in 2016. Moreover, given our efforts to high-grade our backlog, we do not expect to need to access the capital markets to fund our growth projects for the foreseeable future beyond 2016."

President and CEO Steve Kean said, "We had a good second quarter and once again, Kinder Morgan demonstrated the resiliency of its cash flows, generated by a large diversified portfolio of fee-based assets. KMI generated earnings per common share for the quarter of $0.15, and produced distributable cash flow of $0.47 per share relative to our $0.125 per share dividend, resulting in $770 million of excess distributable cash flow above our dividend.

Kean added, "We continue to drive future growth by completing significant infrastructure development projects in our sizable project capital backlog. Our current project backlog is $13.5 billion, down from $14.1 billion at the end of the first quarter of 2016. This reduction resulted from the removal of half of our Utopia pipeline project capital, which will now be funded by Riverstone, reduced scope and cost estimates on a Natural Gas Pipelines segment project, and placing the Magnolia State tanker in service. Excluding the CO2 segment projects, we expect the projects in our backlog to generate an average capital-to-EBITDA multiple of approximately 6.5 times," Kean said.

KMI reported second quarter net income available to common stockholders of $333 million, unchanged from the second quarter of 2015, and distributable cash flow of $1,050 million versus $1,095 million for the comparable period in 2015. The decrease in distributable cash flow for the quarter was primarily attributable to lower contributions from the CO2 segment primarily due to lower commodity prices, higher preferred stock dividends and higher cash taxes, partially offset by increased contributions from the Products Pipelines and Terminals segments as well as lower interest expense. Net income available to common stockholders was also impacted by a positive $31 million change in total certain items for the quarter from the second quarter of 2015, including a $39 million payment received for early termination of a customer storage contract in the Texas Intrastate Natural Gas Pipeline Group.

For the first six months of 2016, KMI reported net income available to common stockholders of $609 million, compared to $762 million for the first six months of 2015, and distributable cash flow of $2,283 million versus $2,337 million for the comparable period in 2015. The decrease in distributable cash flow was primarily attributable to lower contributions from the CO2 segment and higher preferred stock dividends, partially offset by increased contributions from the Products Pipelines and Natural Gas Pipelines segments. Net income available to common stockholders was further impacted by a $75 million unfavorable change in total certain items for the first six months of 2016 from the same period of 2015, including a $170 million write-off of costs associated with the Northeast Energy Direct Market and Palmetto Pipeline projects during the first quarter of 2016.

2016 Outlook

For 2016, KMI expects to declare dividends of $0.50 per share. For 2016, KMI's budgeted distributable cash flow was approximately $4.7 billion and budgeted Adjusted EBITDA was approximately $7.5 billion. Consistent with the updated guidance provided last quarter, the company continues to expect Adjusted EBITDA to be about 3 percent below budget and distributable cash flow to be about 4 percent below budget. To be consistent with last quarter, this guidance is presented without taking the SNG transaction into account. KMI does not provide budgeted net income attributable to common stockholders (the GAAP financial measure most directly comparable to distributable cash flow and Adjusted EBITDA) due to the inherent difficulty and impracticality of quantifying certain amounts required by GAAP such as ineffectiveness on commodity, interest rate and foreign currency hedges, unrealized gains and losses on derivatives marked to market, and contingent liabilities.

KMI expects to generate excess cash sufficient to fund its growth capital needs without needing to access capital markets and, after taking into account efforts to improve the balance sheet, expects to end the year with a net debt-to-Adjusted EBITDA ratio of approximately 5.3 times, below the budgeted ratio of 5.5 times. KMI's growth capital forecast for 2016 is approximately $2.8 billion, a reduction of $500 million from its budget of approximately $3.3 billion.

The overwhelming majority of cash generated by KMI is fee-based and therefore is not directly exposed to commodity prices. The primary area where KMI has commodity price sensitivity is in its CO2 segment, and KMI hedges the majority of its next 12 months of oil production to minimize this sensitivity. Additionally, KMI continues to closely monitor counterparty exposure and obtain collateral when appropriate. However, the company has operations across a broad range of businesses and has a large customer base, with its average customer representing less than one-tenth of 1 percent of annual revenues. Additionally, approximately two-thirds of KMI's business is conducted with customers who are end-users of the products KMI transports and stores, such as utilities, local distribution companies, refineries and large integrated firms.

Overview of Business Segments

"The Natural Gas Pipelines segment's performance for the second quarter of 2016 compared to the same period during 2015 included increased contribution from Tennessee Gas Pipeline (TGP) driven by expansion projects placed into service during 2015 and improved performance on the Hiland midstream assets. This growth was offset by declines attributable to lower commodity prices and reduced volumes affecting certain of our midstream gathering and processing assets, the expiration of a minimum volume contract at KinderHawk during 2015 and a customer contract buyout at Kinder Morgan Louisiana pipeline during 2015," Kean said.

Natural gas transport volumes were up 3 percent compared to the second quarter last year, driven by higher throughput on TGP due to projects placed in service, higher throughput on NGPL due to deliveries to Sabine Pass LNG facility and to South Texas to meet demand from Mexico, and higher throughput on El Paso Natural Gas pipeline due to additional deliveries to Mexico and the desert southwest. These increases were partially offset by lower throughput on the Texas Intrastate Natural Gas Pipeline Group due to lower Eagle Ford Shale volumes, and lower throughput on Fayetteville Express Pipeline due to lower production from the Fayetteville Shale. Gas gathered volumes were down 16 percent from the second quarter last year due primarily to lower natural gas volumes from the Eagle Ford Shale. Power generation throughput on Kinder Morgan pipelines was up 8 percent this quarter compared to the second quarter of 2015, which was 16 percent higher than the second quarter of 2014.

Natural gas continues to be the fuel of choice for America's evolving energy needs, and industry experts are projecting gas demand increases of approximately 35 percent to over 105 billion cubic feet per day (Bcf/d) over the next 10 years. Over the last 2.5 years, KMI has entered into new and pending firm transport capacity commitments totaling 8.1 Bcf/d (1.8 Bcf/d of which is existing, previously unsold capacity). Of the natural gas consumed in the United States, about 38 percent moves on KMI pipelines. KMI expects future natural gas infrastructure opportunities will be driven by greater demand for gas-fired power generation across the country, liquefied natural gas (LNG) exports, exports to Mexico and continued industrial development, particularly in the petrochemical industry.

"The CO 2 segment was impacted by lower commodity prices, as our realized weighted average oil price for the quarter was $62.17 per barrel compared to $72.82 per barrel for the second quarter of 2015," Kean said. "Combined oil production across all of our fields was down 9 percent compared to 2015 on a net to Kinder Morgan basis, primarily driven by lower SACROC production, although SACROC's production was only slightly below our plan. Second quarter 2016 net NGL sales volumes of 10.32 thousand barrels per day (MBbl/d) were down 2 percent compared to the same period in 2015. Net CO_2 volumes increased 4 percent versus the second quarter of 2015. We continued to offset some of the impact of lower commodity prices by generating cost savings across our CO_2 business," Kean said.

Combined gross oil production volumes averaged 55.3 MBbl/d for the second quarter, down 8 percent from 59.9 MBbl/d for the same period in 2015. SACROC's second quarter gross production was 15 percent below second quarter 2015 results, but only slightly below plan, and Yates gross production was 2 percent below second quarter 2015 results, but slightly above plan for the quarter. Second quarter gross production from Katz, Goldsmith and Tall Cotton was 22 percent above the same period in 2015, but below plan. The average West Texas Intermediate unhedged crude oil price for the second quarter was $45.59 per barrel versus $57.94 for the second quarter of 2015.

"The Terminals segment experienced strong performance at our liquids terminals, which comprise more than 75 percent of the segment's business. Growth in the liquids business during the quarter versus the second quarter of 2015 was driven by various expansions across our network, including contributions from new operations at our Edmonton Rail, Galena Park, Pasadena and Deer Park Rail terminals. Contributions from our interest in the newly formed refined products terminals joint venture with BP, our Vopak terminals acquisition and the Jones Act tankers also contributed significantly to growth in this segment," Kean said. The Lone Star State and Magnolia State tankers were delivered in December 2015 and May 2016, respectively.

Growth from the liquids terminals was partially offset by a decline in the bulk terminals as compared to the same period in 2015. This reduction was driven by the bankruptcies of coal customers Arch Coal, Alpha Natural Resources and Peabody Energy, which had a negative year-over-year impact of approximately $19 million for the quarter.

"The Products Pipelines segment was favorably impacted by higher volumes on the Kinder Morgan Crude and Condensate pipeline (KMCC), the startup of the second petroleum condensate processing facility along the Houston Ship Channel during 2015 and favorable performance on our Cochin system compared to 2015 due to third-party operational constraints downstream of the pipeline which occurred during the second quarter of 2015," Kean said.

Total refined products volumes were down 1 percent for the second quarter versus the same period in 2015, reflecting a decrease in East Coast volumes due to increased imports, partially offset by increased throughput on our West Coast assets. NGL volumes were flat with the same period last year. Crude and condensate pipeline volumes were up 11 percent from the second quarter of 2015 primarily due to higher volumes on KMCC.

Kinder Morgan Canada experienced high demand for capacity on the Trans Mountain pipeline system in the second quarter, with mainline throughput into Washington state up 25 percent from the same period last year. This was partially offset by an unfavorable foreign exchange rate, as the Canadian dollar declined in value against the U.S. dollar by approximately 5 percent since the second quarter of 2015.

Natural Gas Pipelines

- On July 10, 2016, KMI and Southern Company announced a joint venture through Southern Company's anticipated acquisition of a 50 percent equity interest in the SNG pipeline system. Including SNG's existing debt and the expected $1.47 billion cash consideration for Southern Company's 50 percent share of the equity interest, the transaction implies a total enterprise value for SNG of approximately $4.15 billion. In addition, the agreement commits the companies to cooperatively pursue specific growth opportunities to develop natural gas infrastructure for the strategic venture.
- On June 1, 2016, Elba Liquefaction Company and Southern LNG Company received authorization from the FERC for the Elba Liquefaction Project. Subject to receipt of final permits and authorizations, the approximately $2 billion project will be constructed and operated at the existing Elba Island LNG Terminal near Savannah, Georgia. Requests for rehearing are currently pending at the FERC. Construction is expected to commence during the third quarter of 2016. Initial liquefaction units are expected to be placed in service in mid-2018, with final units coming online by early 2019. The project is supported by a 20-year contract with Shell. In 2012, the Elba Liquefaction Project received authorization from the Department of Energy to export to Free Trade Agreement (FTA) countries. An application to export to non-FTA countries is pending, but is not required for the project to move ahead. The project is expected to have a total capacity of approximately 2.5 million tonnes per year of LNG for export, equivalent to approximately 350,000 Mcf per day of natural gas.
- Elba Express Company (EEC) and SNG on June 1, 2016, received FERC certificates of Public Convenience and Necessity for the EEC Modification Project and SNG Zone 3 Expansion Project, respectively. Together these projects, which are supported by long-term customer contracts, total $306 million and include additional compression and related work for north-to-south capacity expansions on Elba Express Pipeline that will supply additional gas to industrial customers and utilities in Georgia and Florida, and to Elba Island for liquefaction. On June 22, 2016, the FERC approved the start of construction. Facilities for these pipeline projects are expected to be placed in service beginning late in the fourth quarter of 2016.
- TGP continues to seek the remaining permits required prior to the start of construction of the FERC-approved $93 million Connecticut Expansion project, which will upgrade portions of TGP's existing system in New York, Massachusetts and Connecticut, and provide approximately 72,100 dekatherms per day (Dth/d) of additional firm transportation capacity for three customers. On May 9, 2016, TGP received a favorable court order giving TGP right to possession (following expiration of a stay until July 29) of Article 97

properties in Otis State Forest in Massachusetts. Additionally, on June 29, 2016, TGP received a 401 water quality permit from the Massachusetts Department of Environmental Protection.

- On June 15, 2016, the FERC issued an environmental assessment for TGP's proposed $69 million Triad Expansion Project in Susquehanna County, Pennsylvania, which will provide 180,000 Dth/d of long-term capacity to serve a new power plant at Invenergy's Lackawanna Energy Center. The project consists of approximately 7 miles of new pipeline loop on the TGP Line 300 system, and line and piping upgrades at compressor station 321. Issuance of a FERC certificate is expected in the third quarter of 2016, and TGP anticipates construction beginning in November 2016. Anticipated initial in-service is Nov. 1, 2017.
- On June 30, 2016, El Paso Natural Gas Pipeline awarded Comisión Federal de Electricidad (CFE) 271,000 Dth/d of incremental capacity in support of the South Mainline Expansion. This South Mainline Expansion project will replace the previously approved and fully subscribed second phase of the Upstream of Sierrita Havasu Expansion, which anticipated a 350,000 Dth/d expansion. Relative to the previous project, the South Mainline Expansion will reduce our capital needs by approximately $250 million, provide increased near-term revenues, produce a higher return on capital invested, and provide a cost benefit to our customer. Initial incremental volumes are expected to come online in April of 2017.
- Construction is underway on NGPL's approximately $81 million Chicago Market Expansion project. This project will increase NGPL's capacity by 238,000 Dth/d and provide transportation service on its Gulf Coast mainline system from the Rockies Express Pipeline interconnection in Moultrie County, Illinois, to points north on NGPL's system. The company has executed binding agreements with four customers for incremental firm transportation service to markets near Chicago, and the project is expected to be placed into service in the fourth quarter of 2016.
- Construction continues on phase 1 of an expansion of the Texas Intrastate Natural Gas system, expected to be placed in service Sept. 1, 2016. Phase 1, which is estimated to cost $164 million and provide over 1,000,000 Dth/d of transportation capacity to serve customers in Texas and Mexico, is supported by commitments with CFE and with Cheniere Energy, Inc. at their Corpus Christi LNG facility. Phase 1 was previously disclosed as two separate projects, the Texas Intrastate Crossover and the Cheniere Corpus Christi LNG projects. Phase 2, which has an estimated cost of $161 million, is expected to go into service in late 2018 and is supported by a long-term commitment from SK E&S LNG, LLC for service to the Freeport LNG export facility.

CO 2

- Kinder Morgan continues to make progress on the northern portion of the Cortez Pipeline expansion project. The approximately $246 million project will increase CO2 transportation capacity on the Cortez Pipeline from 1.35 Bcf/d to 1.5 Bcf/d. The pipeline transports CO2 from southwestern Colorado to eastern New Mexico and West Texas for use in enhanced oil recovery projects. Two of the five facilities were placed into service in the second quarter of 2016, with the remaining three facilities expected to be in service by the end of 2016.
- We continue to find high return enhanced oil recovery projects in the current price environment and have benefited from cost savings in our expansion capital program.

Terminals

- Dock construction began on the second of two new deep-water liquids berths being developed along the Houston Ship Channel, with completion anticipated in the fourth quarter of this year. The first dock was placed in service at the end of March 2016. The docks, which are pipeline connected to Kinder Morgan's Pasadena and Galena Park terminals via three cross-channel lines, are capable of loading ocean-going vessels at rates up to 15,000 barrels per hour. The approximately $71 million project is a response to customers' growing demand for waterborne outlets for refined products along the ship channel, and is supported by firm vessel commitments from existing customers at the Galena Park and Pasadena terminals.
- Tank foundation work commenced in the second quarter of 2016 at the Base Line Terminal, a new crude oil storage facility being developed in Edmonton, Alberta. In March 2015, Kinder Morgan and Keyera Corp. announced the new 50-50 joint venture terminal and entered into long-term, firm take-or-pay agreements with strong, creditworthy customers to build 12 tanks with total crude oil storage capacity of 4.8 million

barrels. KMI's investment in the joint venture terminal is approximately CAD$372 million. Commissioning is expected to begin in the fourth quarter of 2017.

- Work continues on the Kinder Morgan Export Terminal (KMET) along the Houston Ship Channel. The approximately $236 million project includes 12 storage tanks with 1.5 million barrels of storage capacity, one ship dock, one barge dock and cross-channel pipelines to connect with Kinder Morgan's Galena Park terminal. KMET is anticipated to be in service in the first quarter of 2017.
- Construction continues on tanker new-build programs at General Dynamics' NASSCO Shipyard and Philly Shipyard, Inc., that will see Kinder Morgan's American Petroleum Tankers (APT) fleet grow to 16 vessels by the end of 2017. In May 2016, APT took delivery of its ninth vessel, the Magnolia State, which was immediately placed on long-term charter with a major integrated oil company. The two-shipyard program remains on-budget and substantially on-time with three deliveries scheduled in the second half of 2016 and an additional four in 2017.
- In early July 2016, Kinder Morgan entered into a new, 10-year agreement with Nucor Corporation which extends in-plant services being provided to five of Nucor's facilities at Decatur, Alabama; Hertford, North Carolina; Berkeley, South Carolina; and two facilities at Blytheville, Arkansas. Pursuant to the agreement, which is valued at more than $900 million over its 10-year term, KMI will be handling approximately 14.8 million tons annually of scrap steel, direct-reduced iron, pig iron and other feedstocks, as well as providing other ancillary services.

Products Pipelines

- On June 28, 2016, Kinder Morgan completed the sale of 50 percent of its equity interest in the Utopia pipeline project to Riverstone. Riverstone made an upfront cash payment consisting of a reimbursement to KMI for its 50 percent share of prior project capital expenditures and a payment in excess of capital expenditures to recognize the value created by KMI in developing the project to date. Riverstone also agreed to fund its share of future capital expenditures necessary to complete construction and commissioning of the project. The approximately $500 million new pipeline will have an initial design capacity of 50,000 barrels per day (bpd), and will move ethane and ethane-propane mixtures across Ohio to Windsor, Ontario, Canada. The project, which is fully supported by a long-term, fee-based transportation agreement with a petrochemical customer, remains on track for an in-service date of Jan. 1, 2018.
- Since the end of the first quarter, the Products Pipelines and Terminals segments have reached agreements to divest approximately $175 million of assets where there were strategic synergies benefiting key customers, including the divestitures of KMI's interests in Parkway Pipeline, a transmix facility and a biodiesel processing plant. These divestitures support the company's efforts to strengthen its balance sheet with the proceeds being used to pay down debt.

Kinder Morgan Canada

- On May 19, 2016, the National Energy Board (NEB) issued a report recommending that Governor in Council (GIC) approve the Trans Mountain Expansion Project, subject to 157 conditions. The federal government will conduct its review including additional consultation with First Nations, and the deadline for the Order in Council decision is Dec. 20, 2016. If approved, the company expects the project to be in service by the end of 2019. The in-service date for the expansion will depend on the final conditions contained in the final Order in Council from the federal government. The proposed USD$5.4 billion expansion will increase capacity on Trans Mountain from approximately 300,000 to 890,000 bpd. Thirteen companies have signed firm long-term contracts supporting the project for approximately 708,000 bpd. Kinder Morgan Canada is currently in negotiations with potential construction contractors and continues to engage extensively with landowners, Aboriginal groups, communities and stakeholders along the proposed expansion route and marine communities.

http://ir.kindermorgan.com/press-release/kindermorgan/kinder-morgan-declares-dividend-0125-second-quarter-2016

Marathon Petroleum (NYSE: MPC)

Headquartered in Findlay, Ohio, Marathon Petroleum Corporation (MPC), together with its subsidiaries, including Marathon Petroleum Company LP, Speedway LLC and MPLX LP, is one of the largest petroleum product refiners, marketers and transporters in the United States.

MPC is the nation's fourth-largest refiner and the largest refiner in the Midwest. MPC's refining, marketing and transportation operations are concentrated primarily in the Midwest, Southeast, Northeast and Gulf Coast regions of the U.S.

MPC operations are strategically located to serve major markets. They include a seven-plant refining network, a comprehensive terminal and transportation system, and extensive wholesale and retail marketing operations. This includes both the Marathon Brand and MPC's wholly owned retail marketing subsidiary, Speedway LLC, the nation's second-largest chain of company-owned and operated retail gasoline and convenience stores.

http://www.marathonpetroleum.com/About_MPC/Corporate_Profile/

Marathon Petroleum Corp. increases dividend 12.5 percent

July 27, 2016

Marathon Petroleum Corporation (NYSE: MPC) announced today that its board of directors declared a dividend of $0.36 per share on common stock, a 12.5 percent increase from the $0.32 per share dividend paid in the second quarter of 2016. The dividend is payable Sept. 12, 2016, to shareholders of record as of the close of business Aug. 17, 2016.

"This increase in our dividend represents a compound annual growth rate of more than 29 percent from the dividend level established at the time MPC became a standalone public company," said Gary R. Heminger, MPC's chairman, president and CEO. "This increase demonstrates our ongoing commitment to share the success of the business with our owners as we also continue to invest in future growth."

http://ir.marathonpetroleum.com/phoenix.zhtml?c=246631&p=irol-newsArticle&ID=2188925

Marathon Petroleum Corporation Reports Second-Quarter 2016 Results

July 28, 2016

- **Reported second-quarter earnings of $801 million, or $1.51 per diluted share, including a net benefit of $0.44 per diluted share primarily related to reversal of the company's lower of cost or market inventory valuation reserve**
- **Achieved record second-quarter segment income at Speedway**
- **Increased quarterly dividend by 12.5 percent, to $0.36 per share**

Marathon Petroleum Corporation (NYSE: MPC) today reported 2016 second-quarter earnings of $801 million, or $1.51 per diluted share, compared with $826 million, or $1.51 per diluted share, in the second quarter of 2015. Second-quarter 2016 earnings include a benefit of $0.47 per diluted share related to the reversal of the company's lower of cost or market (LCM) inventory valuation reserve due to increased refined product prices during the quarter. Earnings also include a charge of $0.03 per diluted share related to an impairment of an equity method investment held by MPC's sponsored master limited partnership, MPLX LP (NYSE: MPLX).

"All segments of the business performed well in the second quarter," said Gary R. Heminger, MPC chairman, president and chief executive officer. "Earnings benefited from improving crack spreads, robust product demand entering the summer driving and asphalt season, strong retail margins, and the inclusion of MarkWest in our consolidated results. The efficiency and flexibility of our integrated retail, logistics and refining system drives the diversified earnings power of the business, and we remain confident in our ability to deliver long-term value for our shareholders."

Speedway continued its outstanding performance with second-quarter segment income of $193 million. Even before the LCM adjustment discussed below, Speedway's segment income set a second-quarter record. In addition to higher light-product sales volumes and margins, the business delivered higher merchandise margins in the quarter. This improvement is consistent with its strategy to drive marketing enhancement opportunities. "We are pleased with our progress to realize synergies across the Speedway network earlier than originally planned and believe this will be a continuing source of value to the business," Heminger said.

Speedway provides significant and growing stable cash flow, complementing MPC's integrated refining and distribution network. "Speedway is MPC's most ratable distribution channel, provides a solid base to enhance overall supply reliability and allows us to optimize our entire refining, pipeline and terminal operations," Heminger said.

The midstream segment contributed $201 million of segment income in the second quarter. MPLX, which is reported in MPC's midstream segment, delivered solid results during the quarter and remains on target to achieve its 2016 distribution growth guidance without the need for additional dropdowns from MPC during the year. MPLX expanded its midstream presence in the Southwest with the completion of its Hidalgo gas processing complex in the Delaware Basin, where utilization is exceeding initial expectations. Construction of the Cornerstone Pipeline is also progressing as planned, with completion expected in the fourth quarter. The Cornerstone Pipeline is designed to provide MPC's Canton, Ohio, refinery with a direct supply of condensate out of the Marcellus and Utica regions and to supply natural gasoline to MPC's Midwest refineries.

"As commodity prices recover, optimism is growing among MPLX's producer customers, and with world-class midstream assets located in some of the best resource plays in the country, the partnership is well-positioned to capitalize on an exceptional set of opportunities along the entire hydrocarbon value chain," Heminger said.

The refining and marketing segment delivered strong results despite less favorable operating and market conditions during the quarter. "Our integrated seven-refinery and extensive logistics network allows us to capture advantaged feedstock and other raw materials, as well as enhanced price realizations through our refined product distribution system," Heminger said. "Our unique asset mix and flexibility position us to optimize operations even during disruptions such as those caused in the second quarter by the Canadian wildfires and refinery outages."

During the second quarter, the company returned $221 million to shareholders through dividends and share repurchases. In addition, on July 27, the MPC board of directors announced a 12.5 percent increase in the quarterly dividend, to $0.36 per share. "The 29 percent compound annual growth rate in our dividend since MPC became an independent company demonstrates our continuing confidence in the cash-flow generation of the business. It also demonstrates our long-term focus on capital returns while maintaining an investment-grade credit profile and strong liquidity through the refining cycle," Heminger said.

"We remain encouraged by the long-term prospects of this business and the value proposition for our investors," Heminger said.

Segment Results

Total income from operations was $1.32 billion in the second quarter of 2016, compared with $1.34 billion in the second quarter of 2015.

Refining & Marketing

Refining & Marketing segment income from operations was $1.08 billion in the quarter, compared with $1.18 billion in the same quarter of 2015. The second-quarter 2016 results include a $360 million non-cash benefit related to the reversal of the company's LCM reserve. Excluding the LCM benefit, the decrease in quarter-over-quarter results was mainly the result of lower crack spreads, primarily in the Gulf Coast. The Chicago and Gulf Coast Light Louisiana Sweet 6-3-2-1 blended crack spread decreased from $10.24 per barrel in the second quarter of 2015 to $7.66 per barrel in the second quarter of 2016.

Speedway

Speedway segment income from operations was $193 million in the second quarter of 2016, compared with $127 million in the second quarter of 2015. The second-quarter 2016 results include a $25 million non-cash benefit related to the reversal of the company's LCM reserve. Excluding the LCM benefit, the increase in segment income was primarily due to higher light product and merchandise margins. Speedway's light product margin increased to 15.49 cents per gallon in the second quarter of 2016 from 13.51 cents per gallon in the second quarter of 2015.

Midstream

Midstream segment income from operations, which includes MPLX as well as other related operations, was $201 million in the second quarter of 2016, compared with $103 million for the second quarter of 2015. The increase was primarily due to the inclusion of MarkWest's operating results following the merger with MPLX on Dec. 4, 2015, as well as the earnings from new and existing pipeline and marine equity investments. Midstream segment results exclude the impairment charge discussed below.

Items Not Allocated to Segments

Corporate and other unallocated expenses of $67 million in the second quarter of 2016 were $8 million lower than the second quarter of 2015 largely due to a reduction in employee benefit expenses.

Impairments not allocated to segments totaled $90 million, of which $89 million related to an equity method investment held by MPLX, our consolidated subsidiary.

Strong Financial Position and Liquidity

On June 30, 2016, the company had $1.8 billion of cash and cash equivalents, $2.5 billion available under a revolving credit agreement and approximately $758 million available under its $1 billion trade receivables securitization facility.

On July 20, 2016, we extended our trade receivables securitization facility for a new three-year term and reduced the capacity from $1 billion to $750 million to reflect the lower refined-product price environment. We also replaced our existing bank revolving credit facility with a four-year $2.5 billion bank revolving credit facility and a 364-day $1 billion bank revolving credit facility.

The company's liquidity should provide it with sufficient flexibility to meet its day-to-day operational needs and continue its balanced approach to investing in the business and returning capital to shareholders.

http://ir.marathonpetroleum.com/phoenix.zhtml?c=246631&p=irol-newsArticle&ID=2189353

Marathon Oil Corporation (NYSE: MRO)

Marathon Oil Corporation (NYSE: MRO) is an independent global exploration and production company. Based in Houston, Texas, the Company has activity in North America, Europe and Africa. The Company has three reportable operating segments, each of which is organized and managed based primarily upon geographic location and the nature of the products and services it offers. The three segments are as follows:

- North America Exploration and Production (E&P) – explores for, produces and markets crude oil and condensate, natural gas liquids and natural gas in North America.
- International E&P – explores for, produces and markets crude oil and condensate, natural gas liquids and natural gas outside of North America and produces and markets products manufactured from natural gas, such as liquefied natural gas (LNG) and methanol in Equatorial Guinea.
- Oil Sands Mining – mines, extracts and transports bitumen from oil sands deposits in Alberta, Canada, and upgrades the bitumen to produce and market synthetic crude oil and vacuum gas oil.

http://www.marathonoil.com/About_Us/

LIVING OUR VALUES

Marathon Oil Corporation creates value by responsibly producing oil and natural gas vital to meeting the world's growing energy needs. In doing so, we act responsibly toward our shareholders and busi-ness partners, support those who work for us, and improve the communities in which we operate. Our uncompromising focus on our core values protects our license to operate and drives business performance.

We are:

- Healthy and Safe: We conduct our business with a high regard for the health and safety of our employees, contractors and the communities in which we work.
- Environmental Stewards: We responsibly grow and improve our business by effectively applying leading technologies, training and processes to minimize our environmental impact.
- Open and Honest: We hold ourselves to a high standard of business ethics and integrity and communicate openly and transparently in our operations.
- Community Partners: We build stronger communities by developing relationships with our stakeholders and by investing our time, talent and resources.
- Results Focused: We are passionate in what we do and achieve results through an inclusive, diverse and collaborative team culture that allows people to reach their full potential, helping create shareholder value.

http://www.marathonoil.com/About_Us/Our_Values/

Marathon Oil Reports Second Quarter 2016 Results

August 3, 2016

Marathon Oil Corporation (NYSE:MRO) today reported a second quarter 2016 net loss of $170 million, or $0.20 per diluted share. The net loss includes the impact of certain items not typically represented in analysts' earnings estimates and that would otherwise affect comparability of results. The adjusted net loss for the quarter was $196 million or $0.23 per diluted share.

Highlights

- Second quarter total Company production averaged 384,000 net boed in line with guidance; U.S. resource play production averaged 189,000 net boed
- Strong Oklahoma well results including two Company-operated STACK Meramec XL wells with 30-day rates averaging 1,710 boed and 1,570 boed, both with higher than 70% oil cuts
- Clarks Creek Middle Bakken well achieved average 30-day production of 2,840 boed; highest rate Williston basin well in the past three years
- Reduced North America E&P production costs 5% below previous quarter and 28% below year-ago quarter; adjusting full-year guidance down $1.00 per boe
- Eagle Ford completed well costs decreased to an average of $4.2 million while advancing higher intensity completions
- Full-year capital program expected to be $1.3 billion inclusive of incremental capital requirements for Oklahoma STACK acquisition activity; $100 million lower than original budget
- Over $1 billion in non-core asset sales in 2016; more than $800 million in proceeds already received
- Announced and closed $888 million Oklahoma STACK acquisition of approximately 61,000 net surface acres
- Achieved first gas from Equatorial Guinea Alba B3 compression project in July, on schedule and within budget

"Within six weeks of announcing our acquisition of high-quality assets in the STACK oil window, we've already closed the transaction and will accelerate an additional rig on this acreage in the third quarter while still decreasing our 2016 capital budget. This deal expands our inventory and further positions Marathon Oil for growth in Oklahoma at a competitive valuation. Coupled with recent non-core divestitures, we're delivering on our objective to further concentrate our capital allocation to the lower cost, higher margin U.S. resource plays," said Marathon Oil President and CEO Lee Tillman. "In addition to successful portfolio management, we continued our relentless focus on reducing costs and driving durable operational efficiencies while delivering impressive new well results in the resource plays."

North America E&P

North America Exploration and Production (E&P) production available for sale averaged 224,000 net barrels of oil equivalent per day (boed) for second quarter 2016. On a divestiture-adjusted basis, production was down 6 percent from the prior quarter and 13 percent from the year-ago period. Second quarter North America production costs were 5 percent lower than the previous quarter and 28 percent lower than the year-ago period. On a per barrel basis, unit production costs were $6.28 per barrel of oil equivalent (boe), down 13 percent from the year-ago period and essentially flat with the prior period.

OKLAHOMA RESOURCE BASINS: The Company's unconventional Oklahoma production averaged 27,000 net boed during second quarter 2016, flat to the prior quarter and up compared to 24,000 net boed in the year-ago quarter. During second quarter 2016,Marathon Oil brought online two gross Company-operated STACK Meramec extended lateral (XL) wells in the volatile oil window. The Irven John achieved a 30-day production rate of 1,710 boed (70 percent oil) and the Olive June averaged 1,570 boed (75 percent oil) over 30 days. Additionally, three SCOOP Woodford XL wells were brought online, with the Eubank well averaging 1,950 boed (30 percent oil) over 30 days.

The Company closed on the STACK acquisition on Aug. 1. Since announcing the acquisition, three additional Meramec wells --Moeller, Blackjack and Post -- have reached 30 days of production with rates of 1,925 boed (51 percent oil), 1,365 boed (47 percent oil) and 780 boed (51 percent oil), respectively, and at an average completed well cost of approximately $4 million. Marathon Oilcontinues to operate the drilling rig on the acquired STACK acreage and will add one incremental rig late in the third quarter. This will bring consolidated drilling activity to four rigs in Oklahoma primarily focused in the STACK. The Company expects eight to 10 STACK Meramec wells to sales in the third quarter.

EAGLE FORD: In second quarter 2016, Marathon Oil's production in the Eagle Ford averaged 109,000 net boed, compared to 120,000 net boed in the prior quarter and 135,000 net boed in the year-ago quarter. The sequential production decrease was due to lower completion activity with 40 percent fewer gross operated wells brought to sales and reduced contribution from 2015 high-density pads drilled at tighter well spacing. During second quarter 2016, the Company brought 30 gross (21 net) operated wells to sales, of which 19 were lower Eagle Ford, three upper Eagle Ford and eight Austin Chalk, compared to 50 gross (32 net) wells to sales in the previous quarter. The Hollman six-well pad, an Austin Chalk and lower Eagle Ford co-development, was brought online with 30-day production rates averaging 1,055 to 2,020 boed (45-53 percent oil). Second quarter completed well costs were $4.2 million, down approximately 30 percent from the year-ago quarter. Wells were drilled at an average rate of 2,400 feet per day and an average spud-to-total depth of less than eight days.

BAKKEN: Marathon Oil averaged 53,000 net boed of production in the Bakken during second quarter 2016, compared to 57,000 net boed in the prior quarter and 61,000 net boed in the year-ago quarter as strong well productivity and high reliability continued supporting the base production. Four gross wells were brought to sales in the second quarter -- two Middle Bakken and two Three Forks -- all with higher intensity completions of 12 to 18 million pounds of proppant per well and about 45 stages per well. The Clarks Creek Middle Bakken well achieved a 30-day initial production rate of 2,840 boed (84 percent oil) making it the highest rate well in the Williston basin in the past three years. Additionally, the Juanita Middle Bakken well and the Charmaine well in the first bench of the Three Forks achieved 2,700 boed (84 percent oil) and 2,530 boed (84 percent oil), respectively, over 30 days. Despite the higher intensity completions, completed well costs averaged $6 million per well.

GULF OF MEXICO: The outside-operated Gunflint oil development on Mississippi Canyon block 948 in the Gulf of Mexico achieved first production in July. The two-well field is ramping up and is expected to reach a minimum gross production of 20,000 boed with oil representing approximately 75 percent of the volumes produced. Marathon Oil holds an 18 percent working interest.

During third quarter 2016, Marathon Oil signed an agreement to terminate its Gulf of Mexico deepwater drilling rig contract. As a result, the Company expects to recognize a termination payment of $113 million in other operating expense in the quarter, which will be reported as a special item.

International E&P

International E&P production available for sale (excluding Libya) averaged 120,000 net boed for second quarter 2016, an increase of 20 percent compared to the prior quarter and up 11 percent compared to the year-ago quarter. The increase over the prior quarter was primarily a result of a full quarter of production in Equatorial Guinea, the resumption of production from Brae Alpha in the U.K., increased production efficiency at other Brae facilities and better reliability from Foinaven. Second quarter production costs (excluding Libya) were 17 percent lower than the year-ago quarter. On a per barrel basis, unit production costs (excluding Libya) were $4.34 per boe, a decrease of 25 percent compared to the year-ago quarter.

EQUATORIAL GUINEA: Production available for sale averaged 102,000 net boed in second quarter 2016 compared to 84,000 net boed in the previous quarter and 86,000 net boed in the year-ago quarter. Second quarter 2016 base production continued to benefit from last year's re-completion and development programs as well as the absence of downtime experienced in the previous and year-ago quarters. The Alba B3 compression project, designed to maintain the production plateau two additional years and extend field life up to eight years, was completed within budget and on schedule with first gas in early July. The B3 platform allowsMarathon Oil to convert approximately 130 million boe of proved undeveloped reserves, more than doubling the Company's remaining proved developed reserve base in EG.

U.K.: Production available for sale averaged 18,000 net boed in second quarter 2016, compared to 16,000 net boed in the previous quarter and 22,000 net boed in the year-ago quarter. Second quarter 2016 benefited from resumption of normal operations at the Brae Alpha platform and better reliability from the outside-operated Foinaven field.

Oil Sands Mining

Oil Sands Mining (OSM) production available for sale for second quarter 2016 averaged 40,000 net barrels per day (bbld) compared to 49,000 net bbld in the prior quarter and 25,000 net bbld in the year-ago quarter. The decrease compared to first quarter 2016 was due in part to a 4,000 bbld impact from the temporary suspension of operations at the mines related to wildfire response efforts in May. In addition, planned maintenance activities at the expansion upgrader and the Jackpine mine were completed on schedule and on budget. Despite the referenced production impacts, second quarter production was within guidance as mining operations achieved record production levels in June. Operating expense per synthetic barrel (before royalties) was $39.00, an increase compared to the previous quarter due primarily to second quarter planned maintenance, currency effects and the impacts of downtime related to the wildfires.

Guidance

Marathon Oil expects third quarter 2016 North America E&P production available for sale to average 200,000 to 210,000 net boed which reflects the divestment of the majority of the Wyoming assets, the inclusion of the STACK assets in Oklahoma acquired Aug. 1, and decline from the Eagle Ford high-density pads drilled in 2015. Third quarter International E&P production available for sale (excluding Libya) is expected to be within a range of 125,000 to 135,000 net boed. Considerable uncertainty remains around the timing of future production and sales levels from Libya, and Marathon Oil continues to exclude Libya volumes from its production forecasts. OSM synthetic crude oil production is expected to range from 45,000 to 50,000 net bbld.

The Company is adjusting its full-year 2016 E&P production guidance range resulting in a new range of 330,000 to 345,000 net boed, which reflects divestitures and acquisitions closed to date. OSM synthetic crude oil production guidance remains unchanged at 40,000 to 50,000 net bbld.

Full-year guidance for North America unit production costs is being adjusted down by $1.00 per boe to a range of $6.00 to $7.00 per boe. Full-year guidance for International unit production costs is being adjusted down by $0.50 per boe to a range of $4.50 to $5.50per boe.

Additionally, the Company expects its full-year 2016 capital program to be $1.3 billion, or $100 million lower than the original budget, despite the inclusion of increased activity from the Oklahoma STACK acquisition.

Corporate and Special Items

Net cash provided by operating activities was $178 million during second quarter 2016, and net cash provided by operations before changes in working capital was $290 million. Cash additions to property, plant and equipment were $299 million in second quarter 2016. Total liquidity as of June 30 was $5.9 billion, which consists of $2.6 billion in cash and cash equivalents and an undrawn revolving credit facility of $3.3 billion.

During the quarter, the Company announced the sale of Wyoming assets for proceeds of $870 million, before closing adjustments, of which approximately $690 million was received in the second quarter with the remaining assets expected to close before year end. The Company entered into separate agreements to sell its 10 percent working interest in the outside-operated Shenandoah in the Gulf of Mexico, assets in Colorado and certain undeveloped acreage in West Texas for a combined total of approximately $80 million in proceeds, before closing adjustments. During the quarter, it closed on certain of these asset sales and expects the remaining sales to close by year-end.

The adjustments to net loss for second quarter 2016 total $41 million before tax and largely consist of: a net gain on the sale of assets of $296 million; impairments associated with the decision to not drill remaining Gulf of Mexico undeveloped leases of $141 million; a pension settlement of $31 million; and an unrealized loss on commodity derivatives of $91 million.

Non-GAAP Measures

Management uses certain non-GAAP financial measures, including adjusted net income (loss) and net cash provided by operations before changes in working capital, to evaluate the Company's financial performance between periods and to compare the Company's performance to certain competitors. Management also uses net cash provided by operations before changes in working capital to demonstrate the Company's ability to internally fund capital expenditures, pay dividends and service debt. These measures should not be considered substitutes for their most directly comparable GAAP financial measures. See the tables below for reconciliations between each non-GAAP financial measure and its most directly comparable GAAP financial measure.

http://www.marathonoil.com/News/Press_Releases/Press_Release/?id=982782

Occidental Petroleum Corporation (NYSE: OXY)

Occidental Petroleum Corporation (NYSE: OXY) is an international oil and gas exploration and production company with operations in the United States, Middle East region and Latin America. Headquartered in Houston, Occidental is one of the largest U.S. oil and gas companies, based on equity market capitalization. Occidental's midstream and marketing segment gathers, processes, transports, stores, purchases and markets hydrocarbons and other commodities in support of Occidental's businesses. Occidental's wholly owned subsidiary, OxyChem, is a major North American chemical manufacturer.

Occidental's success is built on technical expertise, business acumen, strong partnerships and proven ability to deliver lasting results. With approximately 38,000 employees and contractors worldwide, we are committed to being a Partner of Choice everywhere we operate.

Occidental is committed to respecting the environment, operating safely and upholding high standards of social responsibility throughout the company's worldwide operations.

Throughout this website, "Occidental" or "Oxy" refers to Occidental Petroleum Corporation, a Delaware corporation, its subsidiaries and affiliates.

Occidental Oil and Gas

Occidental engages in oil and natural gas exploration and production in three core areas: the United States, Middle East region and Latin America. We are a worldwide leader in applying advanced technology to boost production from mature oil and natural gas fields and access hard-to-recover reserves. We have consistently replaced and expanded reserves through improved recovery, strategic acquisitions and focused exploration.

Midstream and Marketing

Occidental's midstream and marketing segment gathers, processes, transports, stores, purchases and markets hydrocarbons and other commodities in support of Occidental's businesses. It also trades around its assets, including transportation and storage capacity, and trades oil, NGLs, gas and other commodities. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

OxyChem

OxyChem is a leading North American manufacturer of polyvinyl chloride (PVC) resins, chlorine and caustic soda – key building blocks for a variety of indispensable products such as plastics, pharmaceuticals and water treatment chemicals. OxyChem's market position is first or second in the United States for the principal products it manufactures and markets. OxyChem is the largest U.S. merchant marketer of caustic soda and the world's largest producer of caustic potash and calcium chloride. Headquartered in Dallas, OxyChem has manufacturing facilities in the the United States, Canada and Latin America.

http://www.oxy.com/aboutOccidental/Pages/default.aspx

Occidental Petroleum Announces Regular Quarterly Dividend

February 18, 2016

Occidental Petroleum Corporation (NYSE: OXY) said today that its Board of Directors has declared a regular quarterly dividend as well as a special stock dividend for the common stock of California Resources Corporation (NYSE: CRC).

The Board declared a regular quarterly dividend of $.75 per share on common stock payable on April 15, 2016, to stockholders of record as of March 10, 2016, the record date for the cash dividend. Occidental has paid quarterly cash dividends continuously since 1975 and has increased its dividend each year since 2002. The current annual rate is $3.00 per share.

The Board also declared a special stock dividend of all 71,500,000 shares of common stock of CRC owned by Occidental as the final step of the spin-off of CRC. The special stock dividend will be made on March 24, 2016, to stockholders of record as of February 29, 2016. Occidental estimates that stockholders will receive 0.094 shares of CRC common stock for each share of Occidental common stock owned, though the final ratio will not be known until February 29, 2016. Fractional shares of CRC common stock will not be issued, and will instead be aggregated and sold in the open market, with the net cash proceeds to be distributed ratably to stockholders who would have otherwise received fractional shares.

http://www.oxy.com/News/Pages/Article.aspx?Article=5725.html

Occidental Petroleum Announces 2nd Quarter 2016 Results

August 3, 2016

- **Q2 2016 quarter-end cash balance of $3.8 billion, an increase of nearly $600 million from the first quarter**
- **Q2 2016 Permian Resources production increased to 126,000 BOE per day for year-over-year growth of 17,000 BOE per day or 16%**

Occidental Petroleum Corporation (NYSE:OXY) announced that operating cash flow from continuing operations for the second quarter of 2016 was more than $800 million, with total cash on the balance sheet at June 30, 2016, of $3.8 billion. The company reported a loss of $139 million or $0.18 per diluted share for the second quarter of 2016.

In announcing the results, President and Chief Executive Officer Vicki Hollub said, "Total company production for on-going operations increased to 609,000 BOE per day from 590,000 BOE per day in the first quarter. The increase was driven by record production in Abu Dhabi and Oman. We continued to see further operating and capital efficiency gains during the quarter as our 'Total Spend Per Barrel' metric improved more than 3 percent sequentially and 37 percent year-over-year. This progress is largely due to executing our capital and operating efficiency initiatives and well productivity improvements, which should translate into full-year production growth at the high end of our 4 to 6 percent guidance, while staying within this year's capital budget of $3 billion.

"We ended the second quarter with $3.8 billion in cash, which is nearly $600 million more than the previous quarter and includes the final payment from the settlement with Ecuador. Our strong balance sheet provides us with the flexibility to pursue attractive opportunities, including reinvesting in the business, while allowing us to deliver on our commitment of returning cash to our shareholders. As announced last month, Oxy's Board authorized an increase of the company's dividend to an annual rate of $3.04 per share. The increase reflects our confidence in the company's financial strength, strong performance and future prospects."

QUARTERLY RESULTS

Oil and Gas

Total average daily production volumes were 653,000 BOE for the second quarter of 2016, compared to 657,000 BOE for the first quarter of 2016 and 658,000 BOE for the second quarter of 2015. Occidental continues to reduce its exposure to non-core operations in the United States and Middle East/North Africa region. These non-core operations produced average daily volumes of 44,000 BOE for second quarter of 2016, 67,000 BOE for the first quarter of 2016 and 106,000 BOE for the second quarter of 2015. Average daily production volumes from on-going operations were 609,000 BOE for the second quarter of 2016, 590,000 BOE for the first quarter of 2016 and 552,000 BOE for the second quarter of 2015.

Average daily domestic production volumes from on-going operations were 302,000 BOE for the second quarter of 2016, compared to 307,000 BOE in the first quarter of 2016 and 298,000 BOE for the second quarter of 2015. The decrease in average daily production of 5,000 BOE compared to the first quarter of 2016 reflected the impact from curtailed drilling in Occidental's South Texas gas assets and unplanned plant outages and lower production from outside operated properties in the Permian. Compared to the second quarter of 2015, Permian Resources had increased average daily production by 17,000 BOE, which was partially offset by lower natural gas and NGL production in South Texas of 12,000 BOE.

Internationally, average daily production volumes from on-going operations were 307,000 BOE for the second quarter of 2016, compared to 283,000 BOE in the first quarter of 2016 and 254,000 BOE in the second quarter of 2015. The increase in average daily production of 24,000 BOE from the first quarter of 2016 mainly reflected the completion of scheduled maintenance at Al Hosn Gas in the first quarter along with increased production from Oman's Block 62 as the operations continue to ramp up. Compared to the second quarter of 2015, the increase in average daily production volumes of 53,000 BOE mainly reflected production from Al Hosn Gas, which was not fully operational in the second quarter of 2015, and Oman's Block 62 production, which commenced in 2016.

Total company average daily sales volumes were 660,000 BOE in the second quarter of 2016, compared to 651,000 BOE for the first quarter of 2016 and 657,000 BOE in the second quarter of 2015.

Oil and gas pre-tax results for the second quarter of 2016 were a loss of $117 million, compared to a loss of $485 million for the first quarter of 2016 and income of $355 million for the second quarter of 2015. After removing the impact of asset sales, impairments and other adjustments, core results were a loss of $508 million for the first quarter of 2016 and income of $324 million for the second quarter of 2015. The improvement in oil and gas results on a sequential quarterly basis reflected higher oil and NGL prices in the second quarter of 2016. Compared to the same period in 2015, the second quarter of 2016 reflected significantly lower commodity prices.

The average WTI and Brent marker prices were $45.59 per barrel and $46.97 per barrel, respectively, for the second quarter of 2016, an increase of around 35 percent on a sequential quarterly basis and a decrease of more than 20 percent on a year-over-year basis. Average worldwide realized crude oil prices were $39.66 per barrel for the second quarter of 2016, an increase of 35 percent compared with the first quarter of 2016 and a decrease of 27 percent compared with the second quarter of 2015. Average worldwide NGL prices were $14.59 per barrel in the second quarter of 2016, an increase of 34 percent from the preceding quarter and a decline of 19 percent from the second quarter of last year. Average domestic natural gas prices were $1.46 per MCF in the second quarter of 2016, about flat compared to the first quarter of 2016 and a 30 percent decrease compared with the second quarter of 2015.

Chemical

Chemical pre-tax earnings for the second quarter of 2016 were $88 million compared to $214 million for the first quarter of 2016 and $136 million in the second quarter of 2015. After removing the gain from asset sales in the first quarter of 2016, core income was $126 million. Compared to the first quarter of 2016, the decrease in core earnings in the second quarter of 2016 reflected lower chlorovinyl production volumes primarily due to scheduled outages, partially offset by favorable vinyl margins. Compared to the second quarter of 2015, the decrease in second quarter 2016 earnings reflected lower average sales prices for most product lines and lower demand for calcium chloride, partially offset by lower ethylene and energy costs.

Midstream and Marketing

Midstream pre-tax results for the second quarter of 2016 were a loss of $58 million, compared to a loss of $95 million for the first quarter of 2016 and income of $87 million for the second quarter of 2015. The improvement in results compared to the first quarter of 2016 mainly reflected higher third-party foreign pipeline revenues as a gas plant was down for planned maintenance in the first quarter of 2016. Compared to the second quarter of 2015, the lower results reflected lower marketing margins due to unfavorable Permian to Gulf Coast differentials.

http://www.oxy.com/News/Pages/Article.aspx?Article=5820.html

ACQUISDATA

Sector Coverage

- China Petroleum and Chemicals
- China Information Technology
- China Biotechnology
- China Banking
- China Automotive
- China Mining
- China Cement
- China Shipbuilding
- China Renewable Energy
- India Information Technology
- India Banking
- Australia Metal and Mining
- Australia Specialty Minerals
- Australia Biotechnology and Pharmaceuticals
- Australia Grains
- Australia Banking
- Australia Tourism
- Brazil Banking
- Brazil Metal and Mining
- Canada Mining
- Canada Grains
- Canada Media
- Canada Telecommunications
- Japan Shipbuilding
- Japan Pharmaceuticals
- Japan Automotive
- Japan Telecommunications
- Mexico Mining
- South Korea Metal and Mining
- South Korea Shipbuilding
- South Korea Automotive
- US Pharmaceuticals
- US Automotive
- US Mining
- US Petroleum and Gas
- US Armaments
- US Biotechnology
- US Textiles
- US Software and Information Technology
- US Grains
- US Telecommunications
- US Media
- US Renewable Energy
- Russia Armaments
- France Armaments
- France Pharmaceuticals
- UK Armaments
- UK Pharmaceuticals
- UK Petrochemicals
- UK Hedge Funds
- Germany Automotive
- Germany Shipbuilding
- Germany Pharmaceuticals
- South Africa Mining
- South Africa Petrochemicals
- Saudi Arabia Petrochemicals, Oil and Gas