COVID-19 AND THE OIL & GAS INDUSTRY IN ACADIANA

PRESENTATION BY

LOGA
LOUISIANA OIL & GAS ASSOCIATION

IN COLLABORATION WITH

PLEASE NOTE:
ALL PARTICIPANTS HAVE BEEN MUTED
PLEASE USE THE CHATBOT FEATURE TO ADD QUESTIONS OR COMMENTS
OUR MODERATOR IS NOW CONDUCTING A SOUNDCHECK TO MAKE SURE ALL PARTICIPANTS CAN HEAR THE AUDIO.

IF YOU ARE NOT HEARING THE MODERATOR’S ANNOUNCEMENT, YOU MAY NEED TO DIAL IN USING A TELEPHONE.

**HERE IS THE DIAL-IN NUMBER:**

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**ACCESS CODE 289 782 671**

IF THE MAIN DIAL-IN NUMBER IS BUSY, YOU CAN TRY ONE OF THE FOLLOWING NUMBERS, WITH THE ABOVE ACCESS CODE:

(617) 315-0704
(312) 535-8110
(469) 210-7159
COVID-19 and the Oil & Gas Industry in Acadiana

Gifford Briggs
President
Louisiana Oil & Gas Association

Representative Jean-Paul Coussan
House District 45
Lafayette
The Perfect Storm
The Perfect Storm

**Oil Supply**

OPEC+ breaks up. Russia & Saudi Arabia declare intent to increase production

**Oil Demand**

COVID-19 destroys global demand
66%+ decrease in oil price in 1st quarter of 2020

Jan 6: $63/bbl
Mar 6: $45
Mar 9: $30
April 1: $20/bbl
Surplus: Record Levels

Million Barrels per Day

Feb 2016

Apr 2020

* estimated
While key global benchmarks Brent and WTI were trading on the futures market in the $20s on 27 March, West Texas Light at Midland sold for $9.40/bbl on the physical market.

Source - World Oil - IHS Markit
What's Next for Oil?

“If there is no international agreement to curtail oil production, then **BRUTAL UNADULTERATED MARKET FORCES** will bring the oil market into balance. The laws of supply and demand are fierce in extreme conditions,” Jim Burkhard, IHS

Source - World Oil - IHS Markit
All Eyes on April 9

While the Saudis and Russians spat over who is to blame, they both signal that they would not cut production if the U.S. doesn’t join a global effort to reduce output.

Source - OilPrice.com
LOGA Member Survey Results

• **Need**
  - $37 breakeven price of oil
  - $2.01 breakeven price on natural gas

• **Impact**
  - 60-70% reduction in workforce in next 120 days
  - 60-70% shut of production in next 120 days

• **Most important way to help industry**
  - #1 - Suspension of severance
  - #2 - Address coastal lawsuits
## PRICE CRASH AND CONSEQUENCES

<table>
<thead>
<tr>
<th></th>
<th>EMPLOYMENT</th>
<th>WAGES</th>
<th>AT RISK EMPLOYMENT*</th>
<th>AT RISK WAGES*</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATE</td>
<td>33,900</td>
<td>$3.2 Billion</td>
<td>23,000</td>
<td>$2.24 Billion</td>
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<tr>
<td>ACADIANA MSA</td>
<td>14,784</td>
<td>$1.3 Billion</td>
<td>10,348</td>
<td>$920,000,000</td>
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www.loga.la  
@laoilgasassoc
PRICE CRASH AND CONSEQUENCES

33,714 Producing Wells

16,800 Potentially Shut-in IN
SOLUTIONS

FEDERAL

1. Increase access to SPR
2. Reduce royalty rates
3. Expedite regulatory relief
SOLUTIONS

STATE

1. Suspend severance taxes
2. Address coastal lawsuits
3. Regulatory relief
SOLUTIONS

LOCAL

1. Property tax relief
QUESTIONS?
PLEASE ENTER YOUR QUESTIONS INTO THE CHATBOT

MARIE CENTANNI OF CENTANNI COMMUNICATIONS WILL MODERATE THE Q&A
THANK YOU TO OUR PRESENTERS AND PARTICIPANTS!

IF YOU HAVE QUESTIONS THAT DID NOT GET ANSWERED OR FEEDBACK ON TODAY'S SESSIONS, PLEASE EMAIL ANDRE@ONEACADIANA.ORG

THE VIDEO AND SLIDES FROM TODAY'S WEBINARS WILL BE POSTED SHORTLY AT ONEACADIANA.ORG/COVID-19-RESOURCES AND SHARED BY OTHER WEBINAR PARTNER ORGANIZATIONS

WE WILL BE IN TOUCH ABOUT FUTURE WEBINAR OPPORTUNITIES