

COVID-19 AND THE OIL & GAS INDUSTRY IN ACADIANA

PRESENTATION BY



IN COLLABORATION WITH



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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**

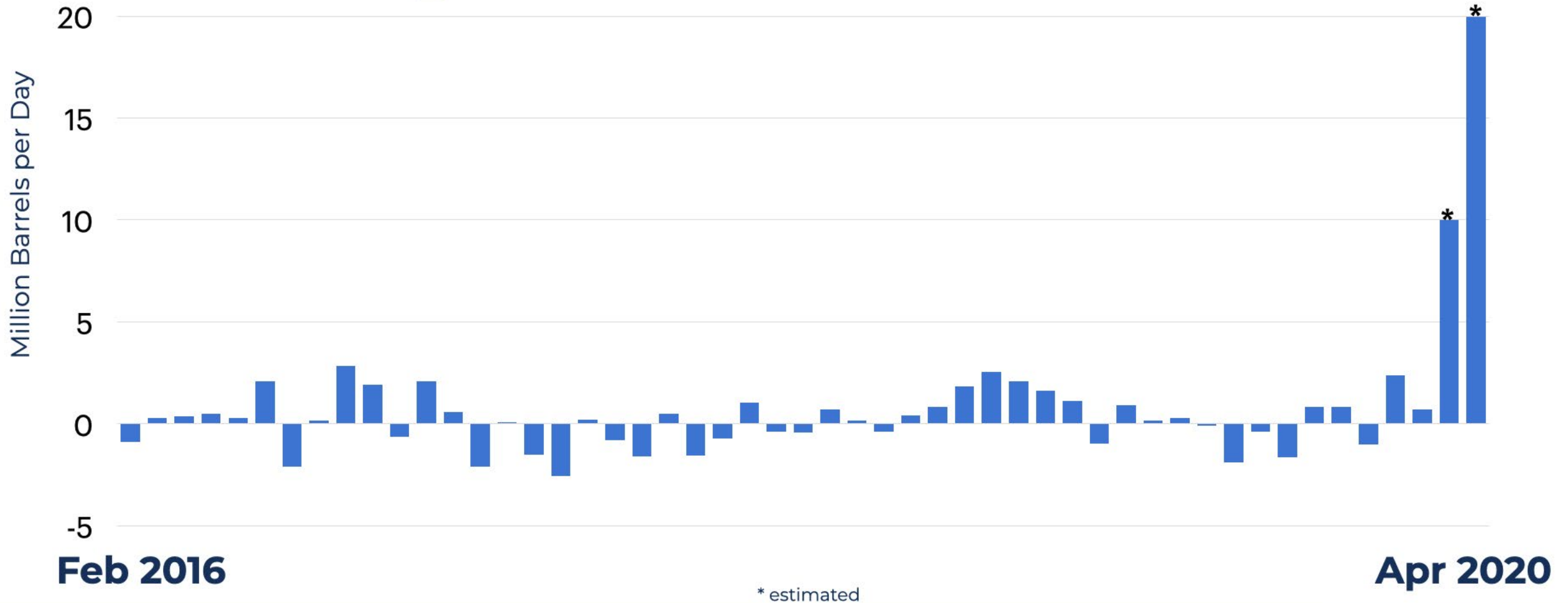
Oil Demand

**COVID-19
destroys
global demand**



66%+
decrease in
oil price in
1st quarter
of 2020

Surplus: Record Levels



Futures: Not The Full Story

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

Whats 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

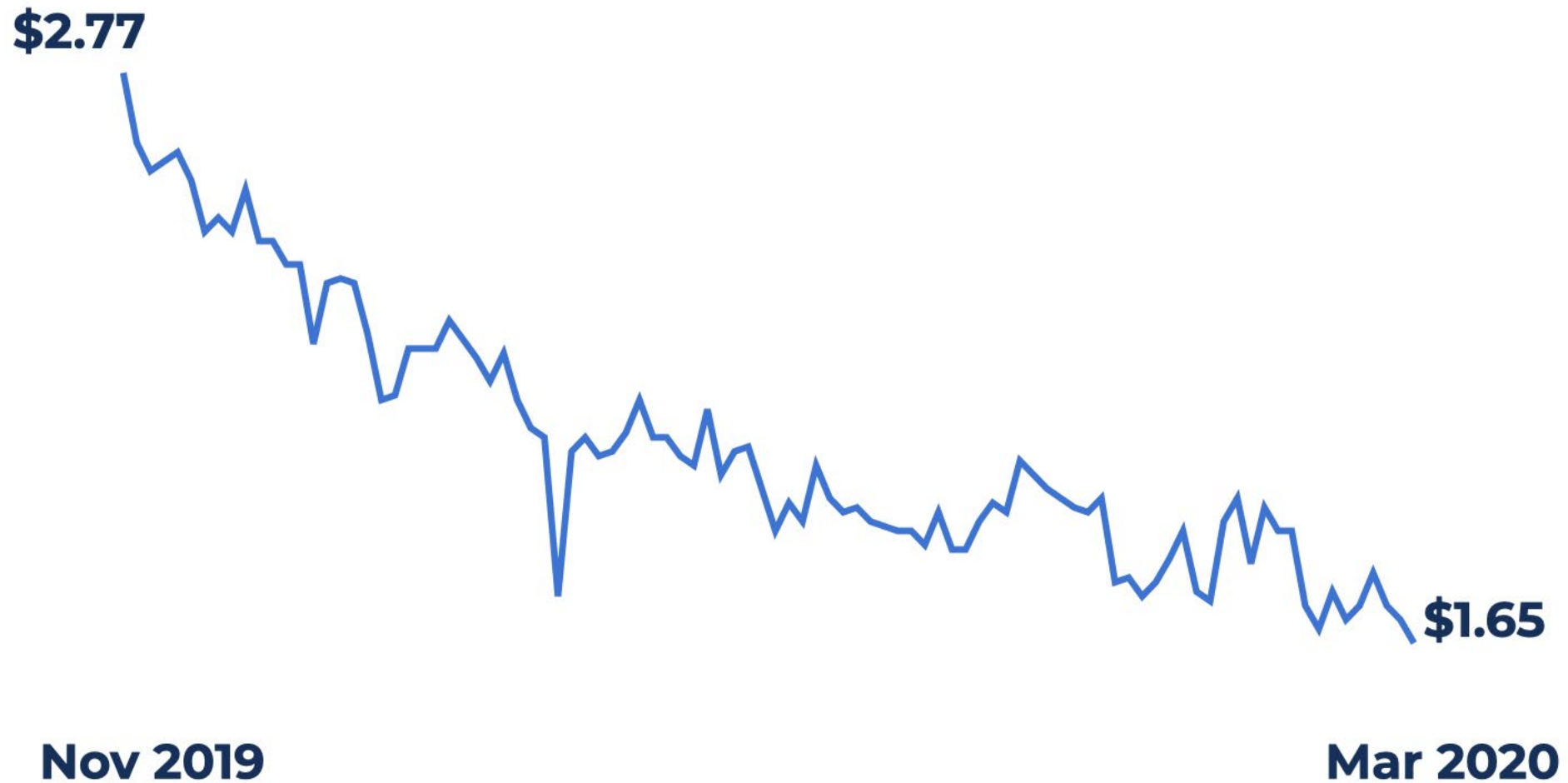
Source - World Oil - IHS Markit

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](https://oilprice.com)

Natural Gas



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



	EMPLOYMENT	WAGES	AT RISK EMPLOYMENT*	AT RISK WAGES*
STATE	33,900	\$3.2 Billion	23,000	\$2.24 Billion
ACADIANA MSA	14,784	\$1.3 Billion	10,348	\$920,000,000

PRICE CRASH AND CONSEQUENCES



33,714

**Producing
Wells**

16,800

**Potentially
Shut-in IN**

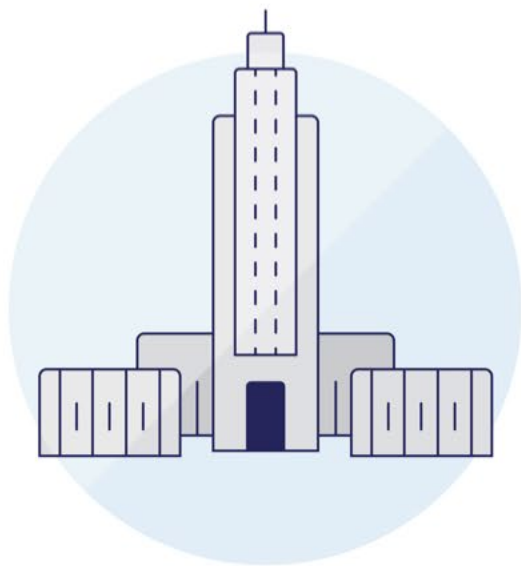
SOLUTIONS



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

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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