

2022 Guidance

Major spending increases expected from North American producers

Following a year that saw significant increases in cash flow generated across the North American upstream industry, many Canadian and U.S. producers have set larger capital spending budgets for 2022. Data compiled at the end of Q1 by the *Daily Oil Bulletin* using Evaluate Energy's guidance product shows that increases in spending are expected for oil, gas and oilsands producers alike. Producers are continuously re-assessing capital budgets in light of recent market volatility. Our monthly Guidance reports will provide updated insights as 2022 progresses.

Daily Oil Bulletin

Data provided by: EvaluateEnergy

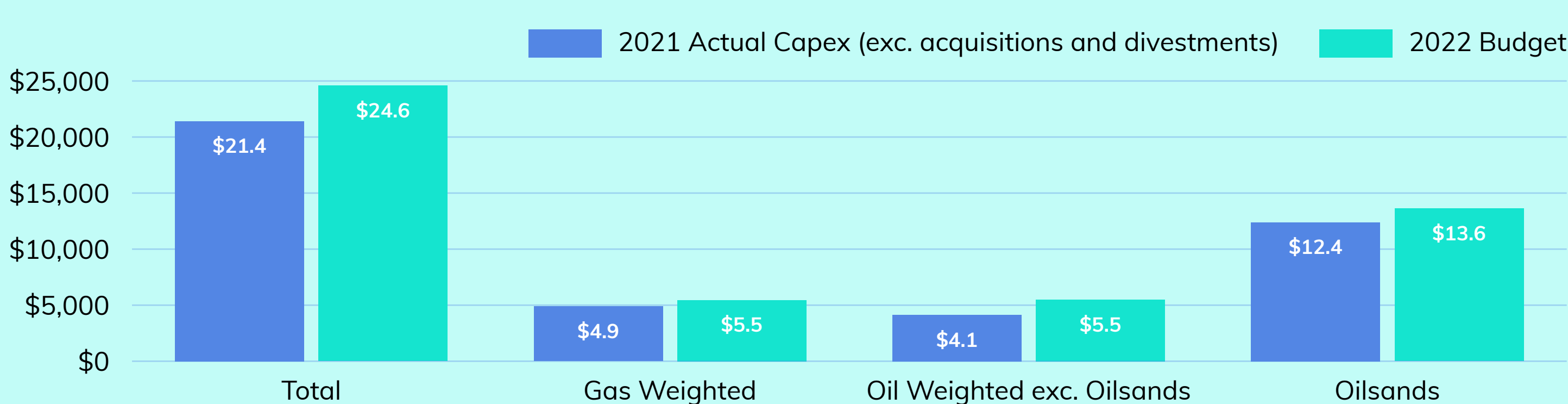
Canadian company 2022 budgets

	2021 Actual Capex (exc. acquisitions and divestments)	2022 Budget	% Increase
Total	\$21.4 billion	\$24.6 billion	15%
Gas Weighted	\$4.9 billion	\$5.5 billion	12%
Oil Weighted exc. Oilsands	\$4.1 billion	\$5.5 billion	31%
Oilsands	\$12.4 billion	\$13.6 billion	9%

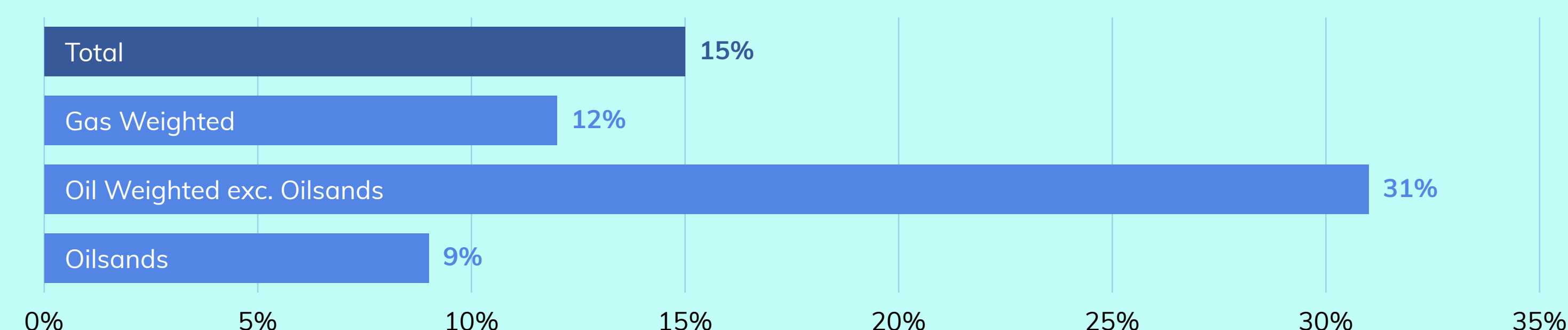
Includes Canadian-based upstream producers with a 2022 budget and comparable 2021 reported capex figure.

CANADIAN OIL & GAS PRODUCERS

Capital Budget Analysis (C\$ billion)



% Increase in 2022 capital budget vs. 2021 total capital spend (exc. acquisitions and divestments)



KEY TAKEAWAYS

- Canadian producers are planning a combined C\$3.2 billion increase in capital spending compared to 2021. Five oilsands producers (CNRL, Cenovus, Imperial, MEG, Suncor) are responsible for \$1.2 billion of the total; all five are increasing spending in 2022 vs 2021.
- Non-oilsands, oil-weighted companies look set to increase spending by the largest percentage. These 25 producers are increasing spending by a combined 31% over 2021 full-year capex. All but three (Bonterra, Hemisphere, PetroShale) have a larger budget in 2022 than 2021 spending.
- The 19 natural gas-weighted producers we studied are looking at a more steady 12% increase of around C\$600 million between them. All but three natural gas producers (Crew, Topaz, Tourmaline) have a larger budget in 2022 than 2021 spending.

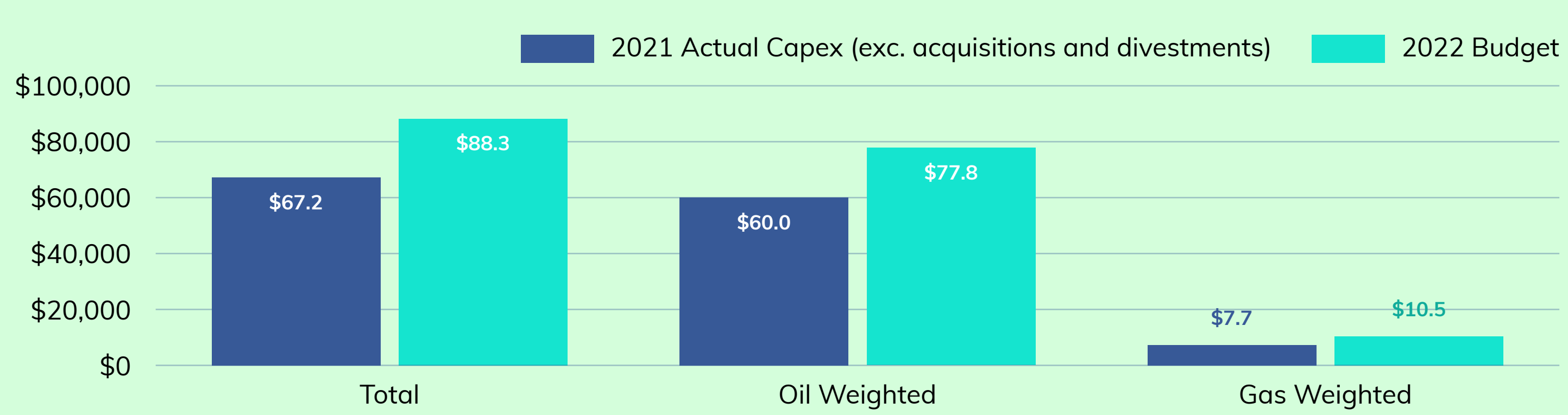
U.S. company 2022 budgets

	2021 Actual Capex (exc. acquisitions and divestments)	2022 Budget	% Increase
Total	\$67.2 billion	\$88.3 billion	31%
Oil Weighted	\$60.0 billion	\$77.8 billion	30%
Gas Weighted	\$7.2 billion	\$10.5 billion	45%

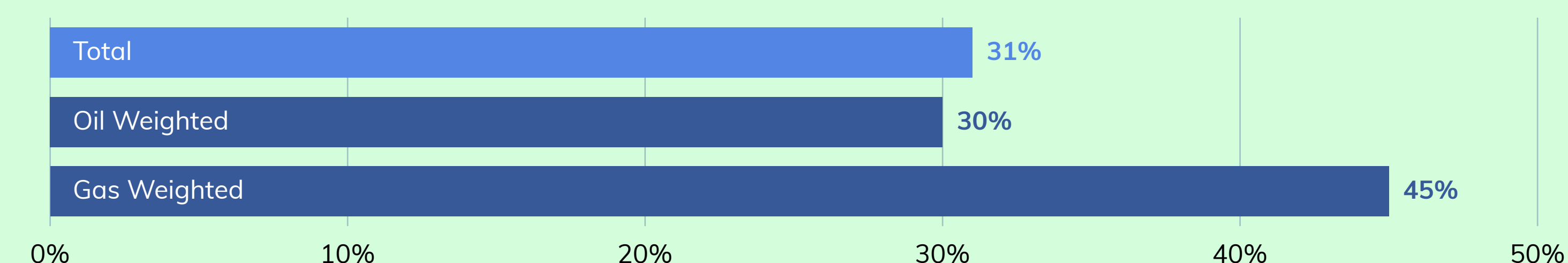
Includes U.S.-based upstream producers with a 2022 budget and comparable 2021 reported capex figure.

U.S. OIL & GAS PRODUCERS

Capital Budget Analysis (US\$ billion)



% Increase in 2022 capital budget vs. 2021 total capital spend (exc. acquisitions and divestments)



KEY TAKEAWAYS

- U.S. producers are planning a combined \$21.0 billion increase in capital spending compared to 2021.
- Just two of the 36 oil-weighted companies we studied are set to reduce spending compared to 2021 (Amplify, Matador) while Orintiv is keeping spending flat at \$1.5 billion. The combined percentage increase is very much in line with Canadian counterparts at 30%.
- All 13 natural gas producers in our study are set to increase spending in 2022, and the group shows the highest combined percentage increase of any group here. Please note that this group is very small, which may exaggerate the impact of minor changes to the data.