



# **Shale New Deal – *A lookback to 2019***

**Matt Gallagher**  
**March 29, 2023**

# SHALE NEW DEAL



**Perception**



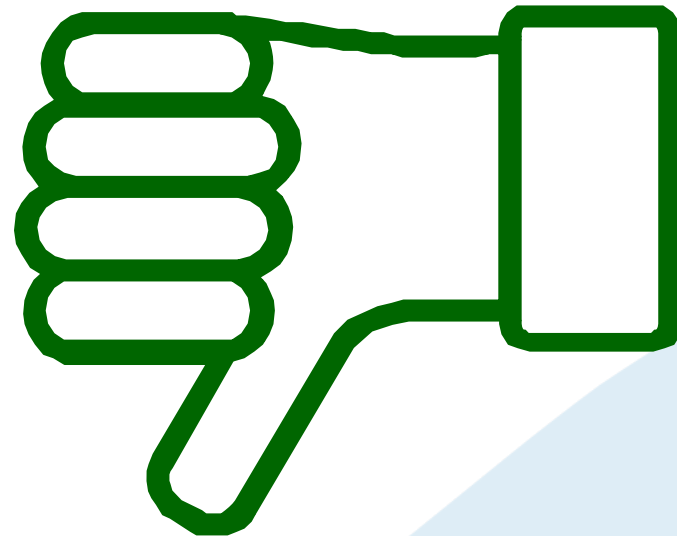
**Pollution**



**Profit**

# 62%

OF GENERATION Z  
CONSIDER A CAREER  
IN OIL AND GAS  
UNAPPEALING...



# BIG



# DISCONNECT



Petroleum Engineering

2001 - 2005

**PIONEER**  
NATURAL RESOURCES

Engineer / IR

2005 - 2010

**PARSLEY**

Engineer -> CEO

2010 - 2021

**greenlake**  
ENERGY

Founder & CEO

2021 & Beyond

**PIONEER**  
NATURAL RESOURCES

**CHESAPEAKE**  
ENERGY

**NGP**

 **The University of Texas at Austin**  
**McCombs School of Business**  
KBH ENERGY CENTER FOR  
BUSINESS, LAW, AND POLICY

**ZENO**

**TAP**  
ROCK  
RESOURCES

**APA**  
AMERICAN  
PRINTING  
HOUSE

Advisory 2021 & Beyond





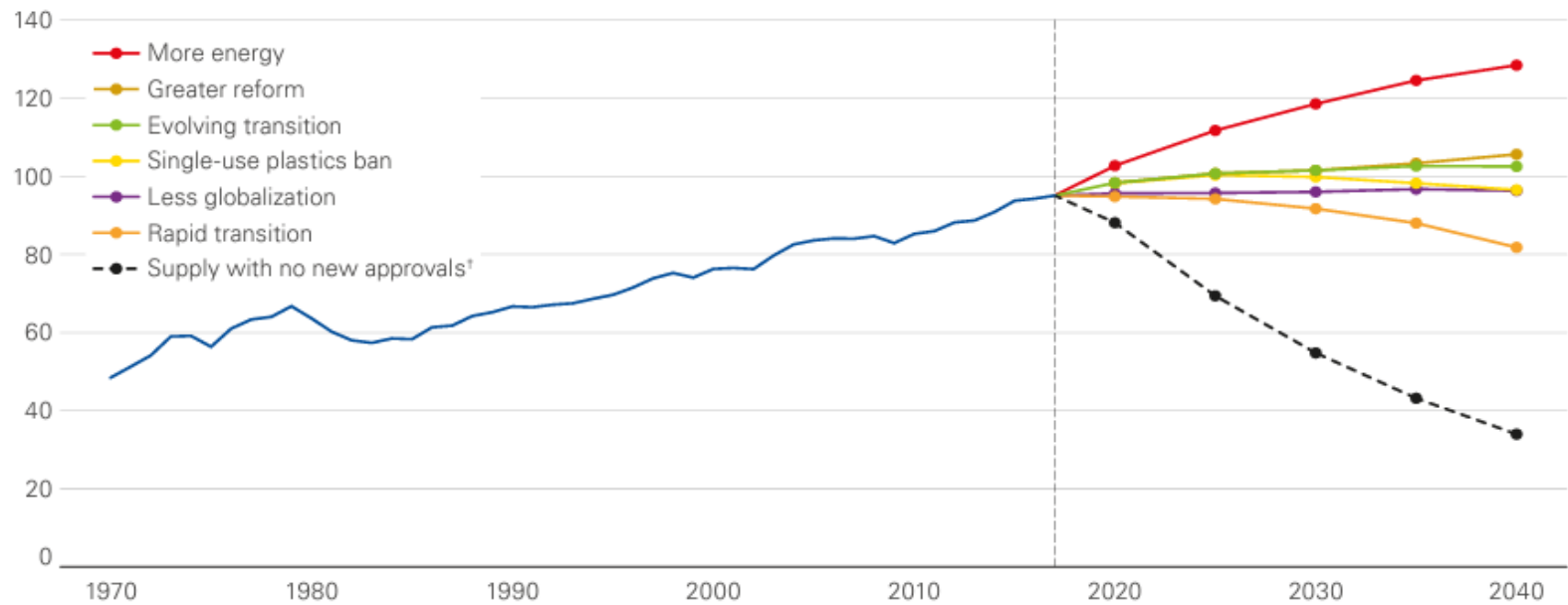
Amerdev II, LLC



## The outlook for oil demand is uncertain but looks set to play a major role in global energy out to 2040

### Demand and supply of oil\*

Mb/d



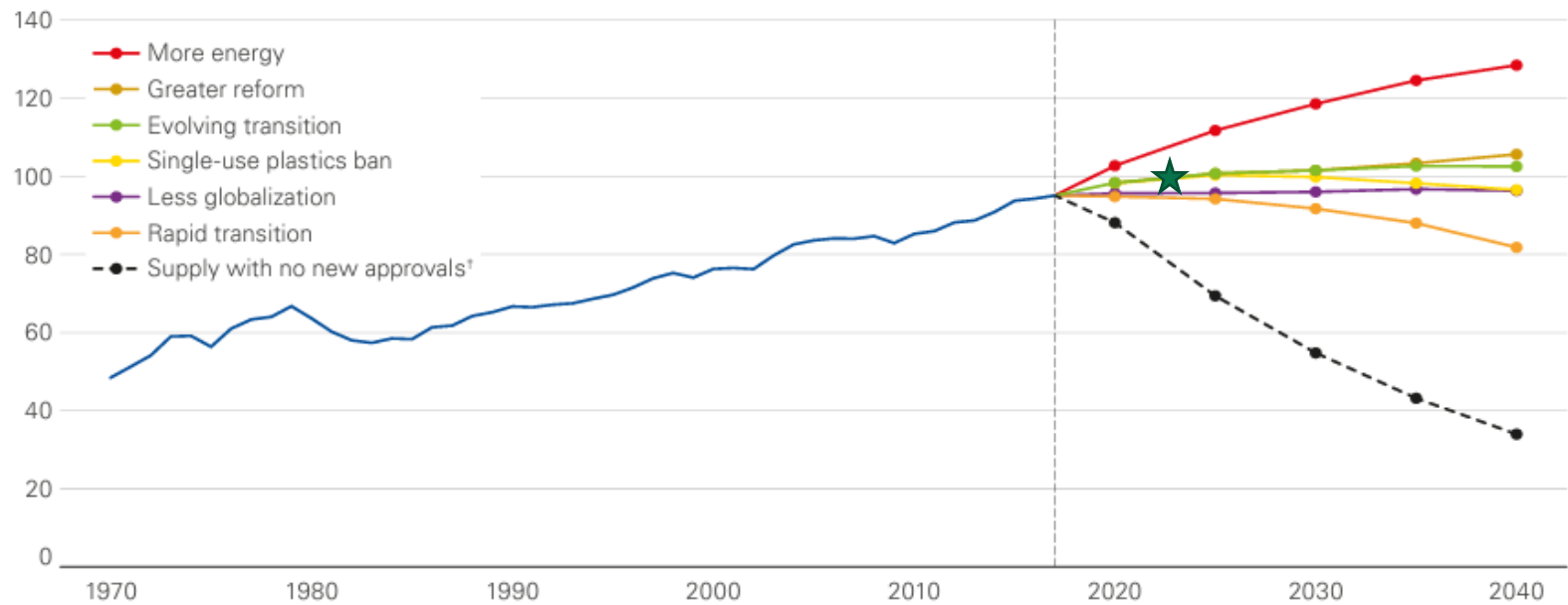
\* Excluding GTLs and CTLs

† Based on IEA's WEO 2018 assumption if future investment is limited to developing existing fields and there was no investment in new production areas

## The outlook for oil demand is uncertain but looks set to play a major role in global energy out to 2040

### Demand and supply of oil\*

Mb/d



\* Excluding GTLs and CTLs

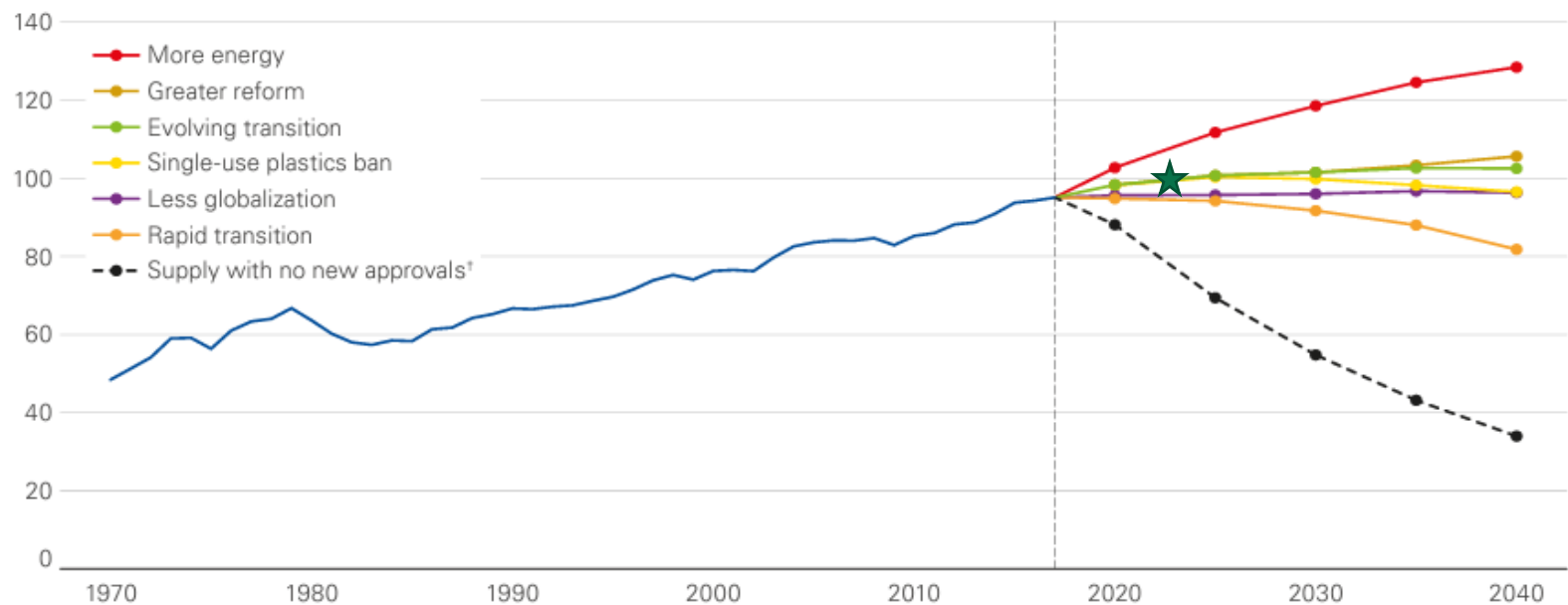
† Based on IEA's WEO 2018 assumption if future investment is limited to developing existing fields and there was no investment in new production areas



## The outlook for oil demand is uncertain but looks set to play a major role in global energy out to 2040

Demand and supply of oil\*

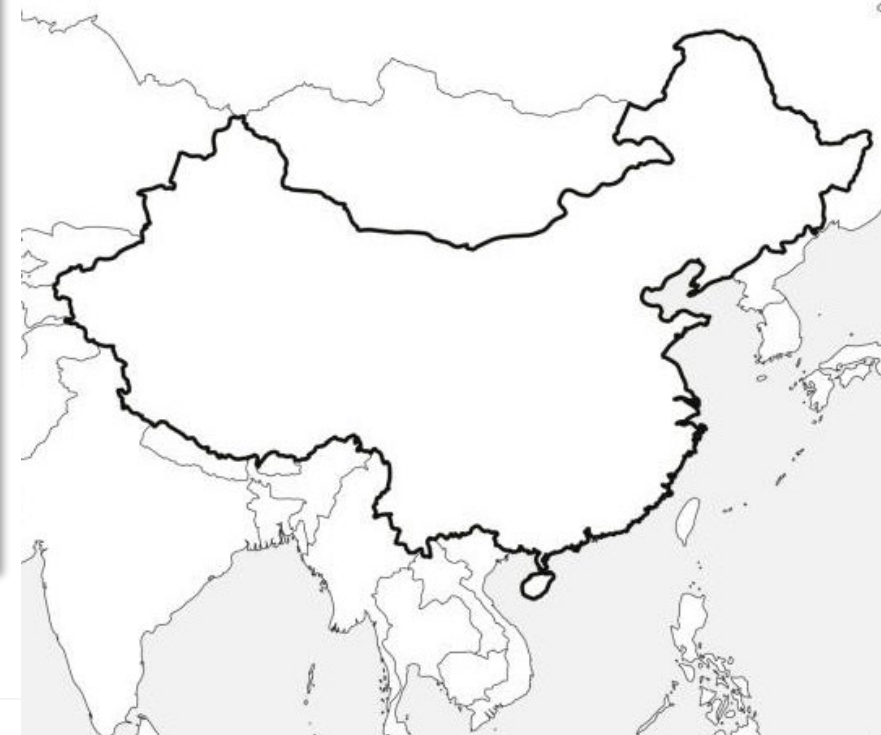
Mb/d



\* Excluding GTLs and CTLs

† Based on IEA's WEO 2018 assumption if future investment is limited to developing existing fields and there was no investment in new production areas

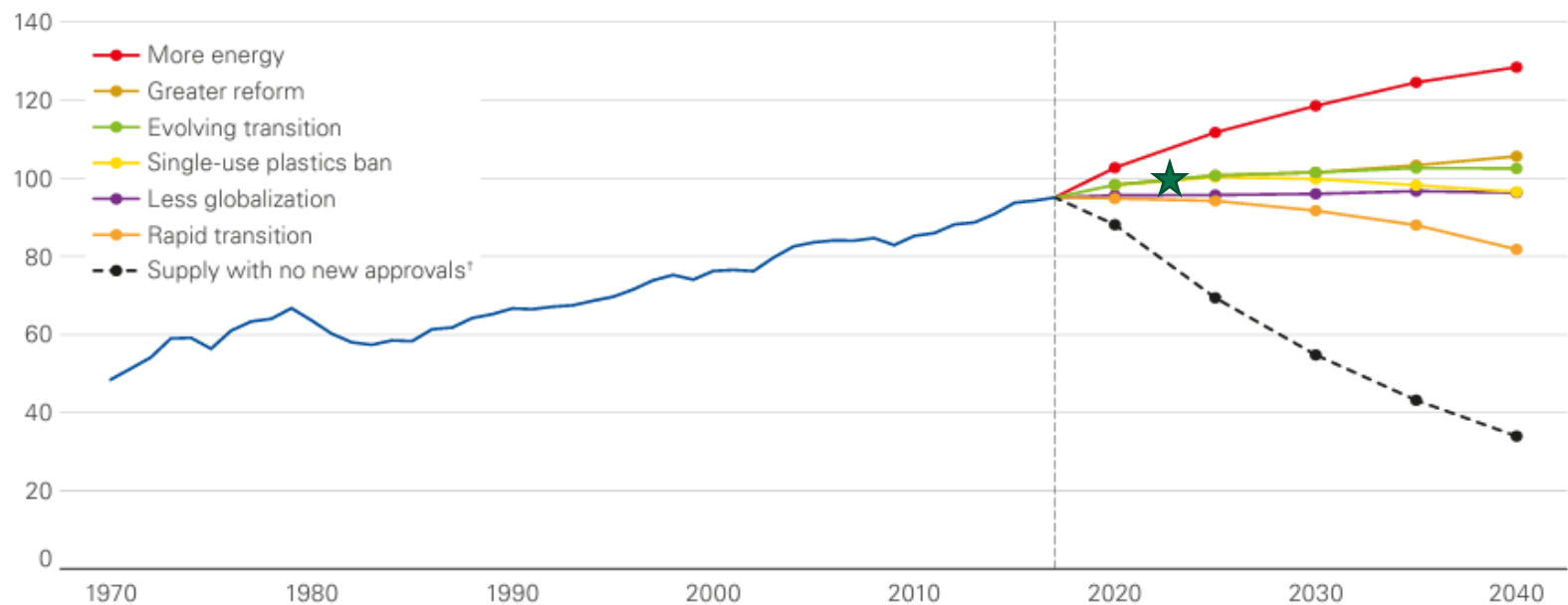
# 1.4 Billion



## The outlook for oil demand is uncertain but looks set to play a major role in global energy out to 2040

Demand and supply of oil\*

Mb/d



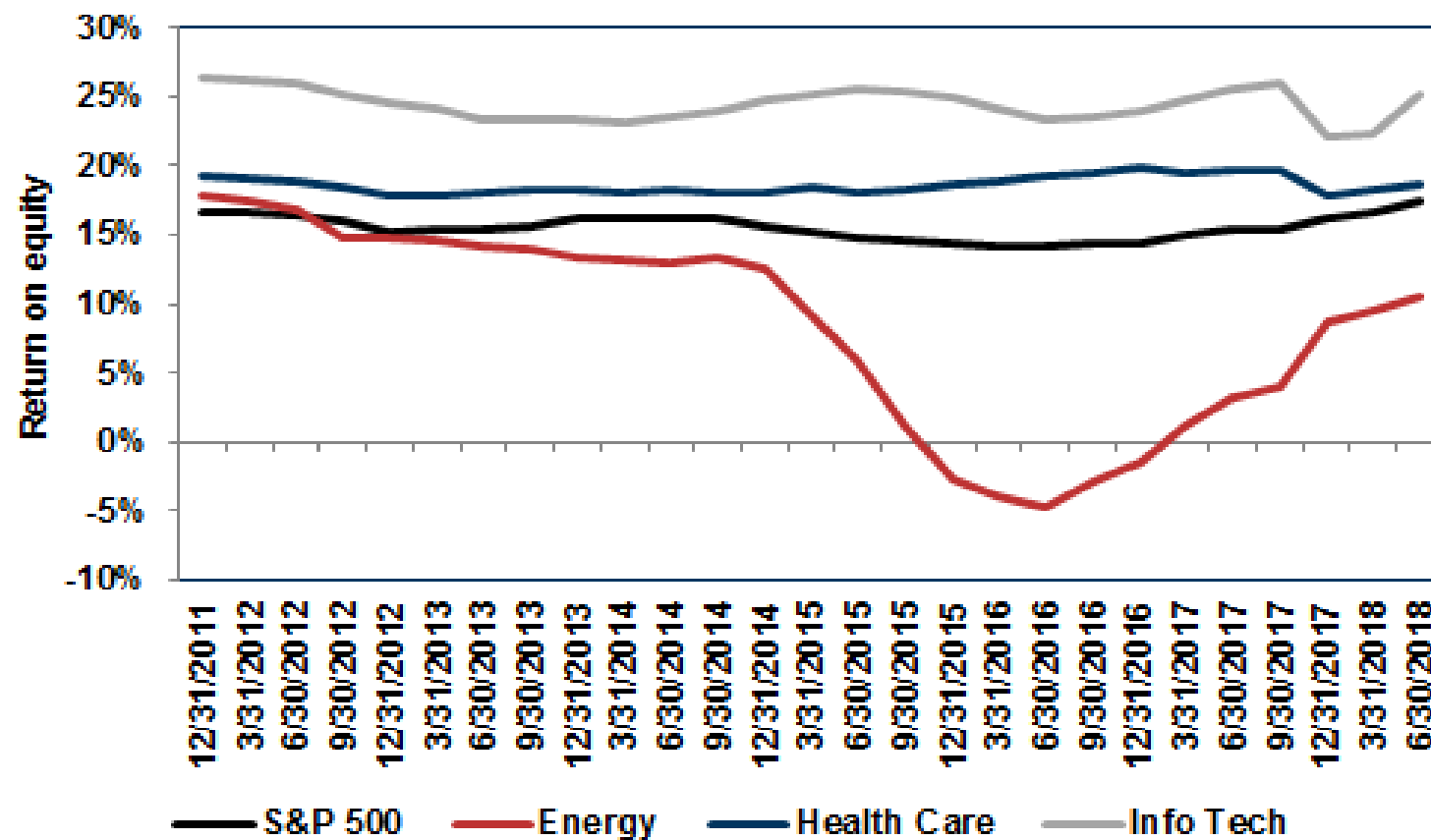
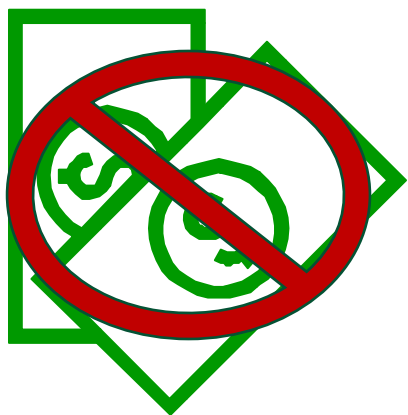
\* Excluding GTLs and CTLs

† Based on IEA's WEO 2018 assumption if future investment is limited to developing existing fields and there was no investment in new production areas

“In all scenarios, trillions of dollars of investment in oil is needed.”

– BP Global Energy Outlook 2019

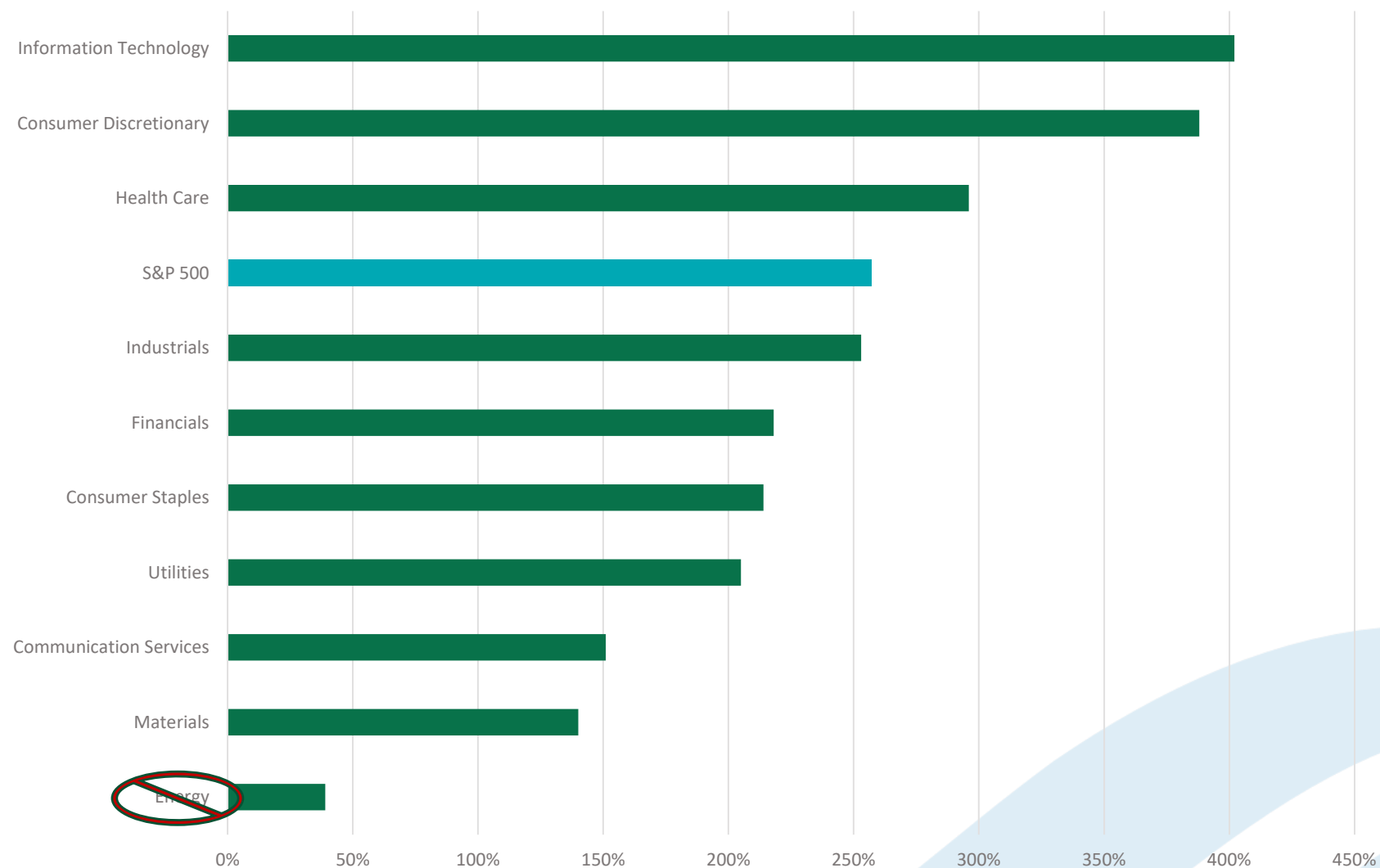
# PROFIT



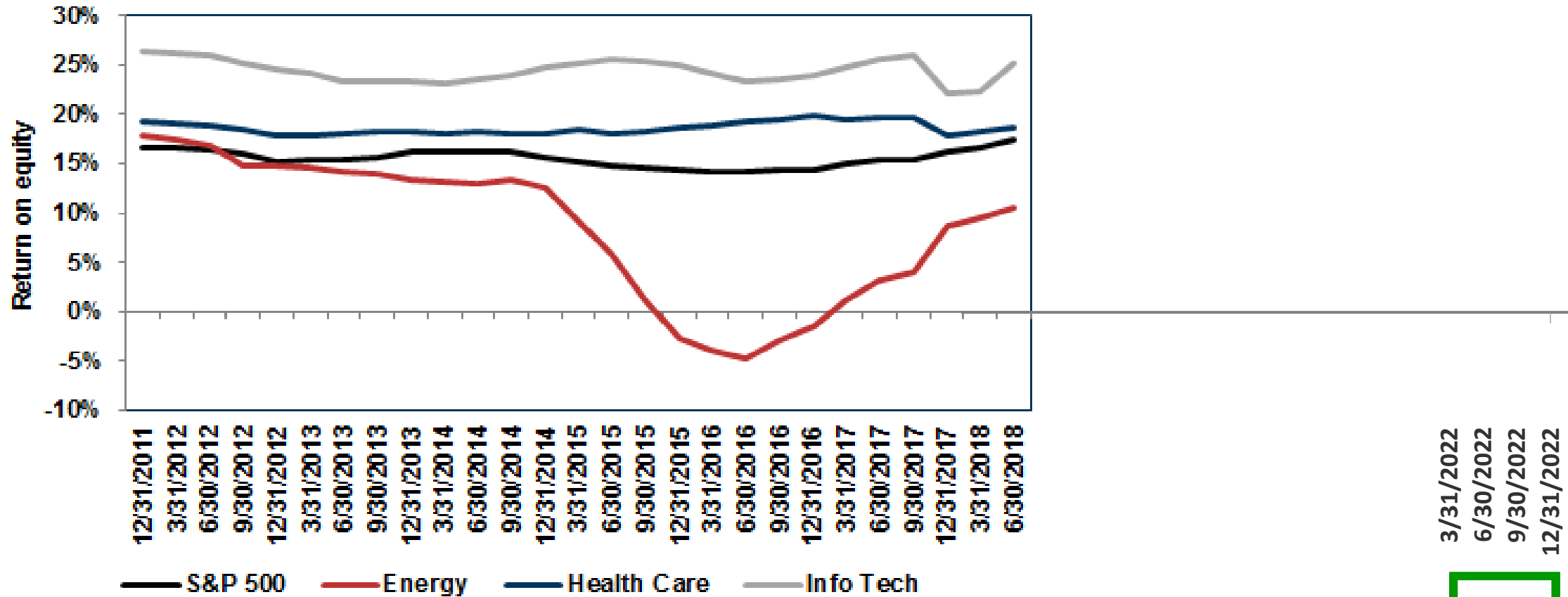
# PROFIT



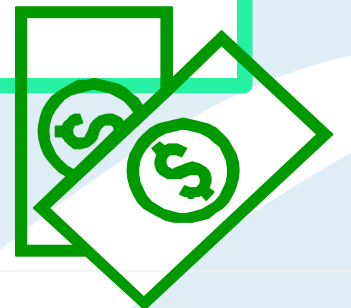
## 2010 - 2020 SP500 Returns



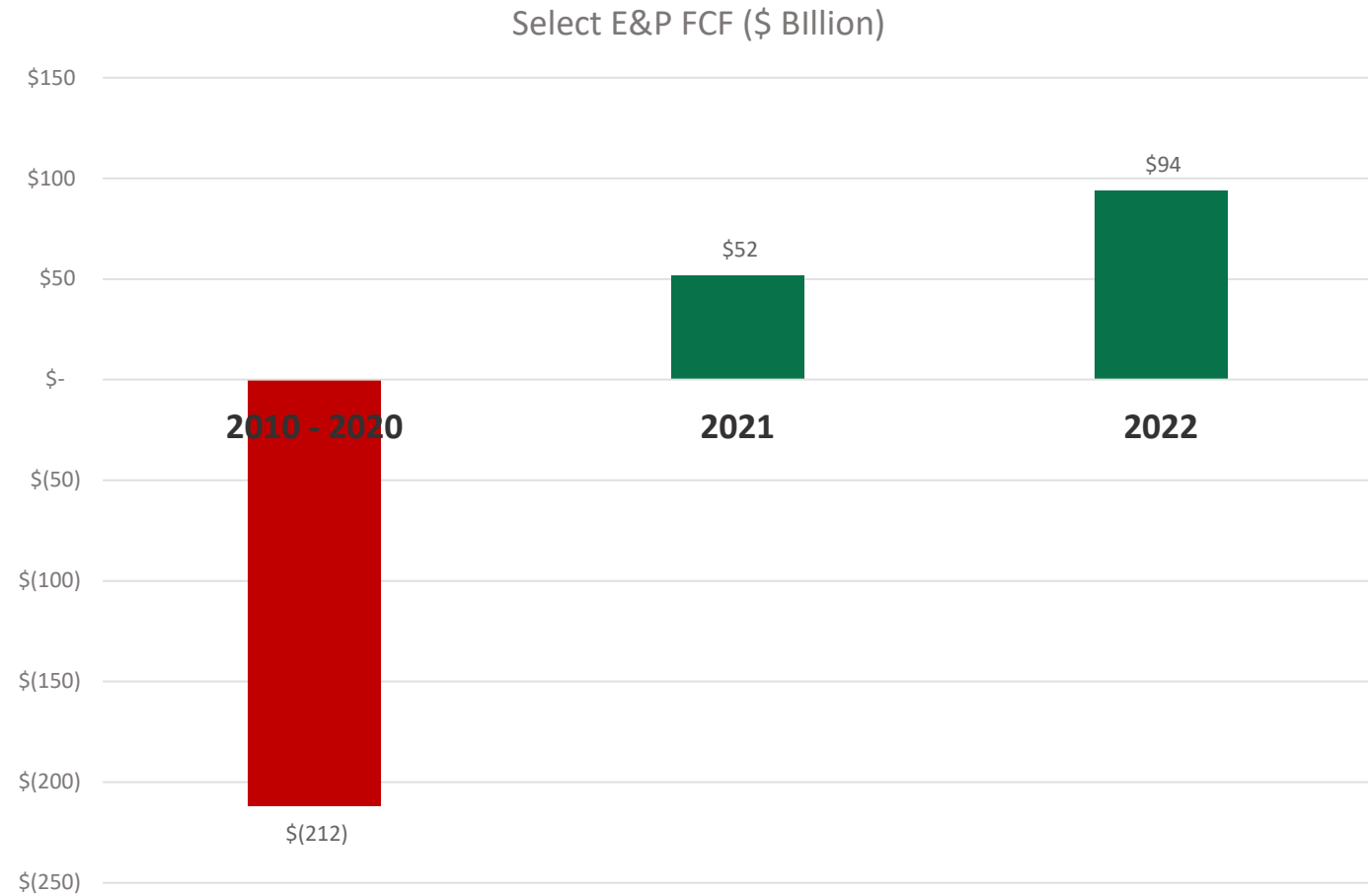
★★★★★ 34%



3/31/2022  
6/30/2022  
9/30/2022  
12/31/2022



# PROFIT

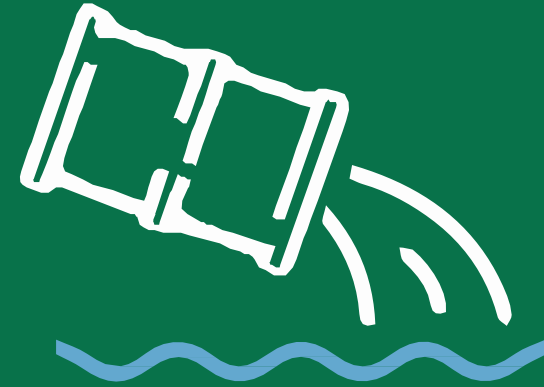


**We lack \$64 billion to payback a decade of shale expansion**



A person wearing a blue cap, a light blue plaid shirt, and a grey backpack is standing in a river, fly fishing. The river is surrounded by trees and a yellow building is visible in the background.

**WE NEED TO  
TRANSLATE  
OUR LOVE FOR  
THE OUTDOORS  
TO BUSINESS**



**POLLUTION**



# Of 100,000 Rivers Studied – 1,700 contribute 80% of the Ocean Plastic

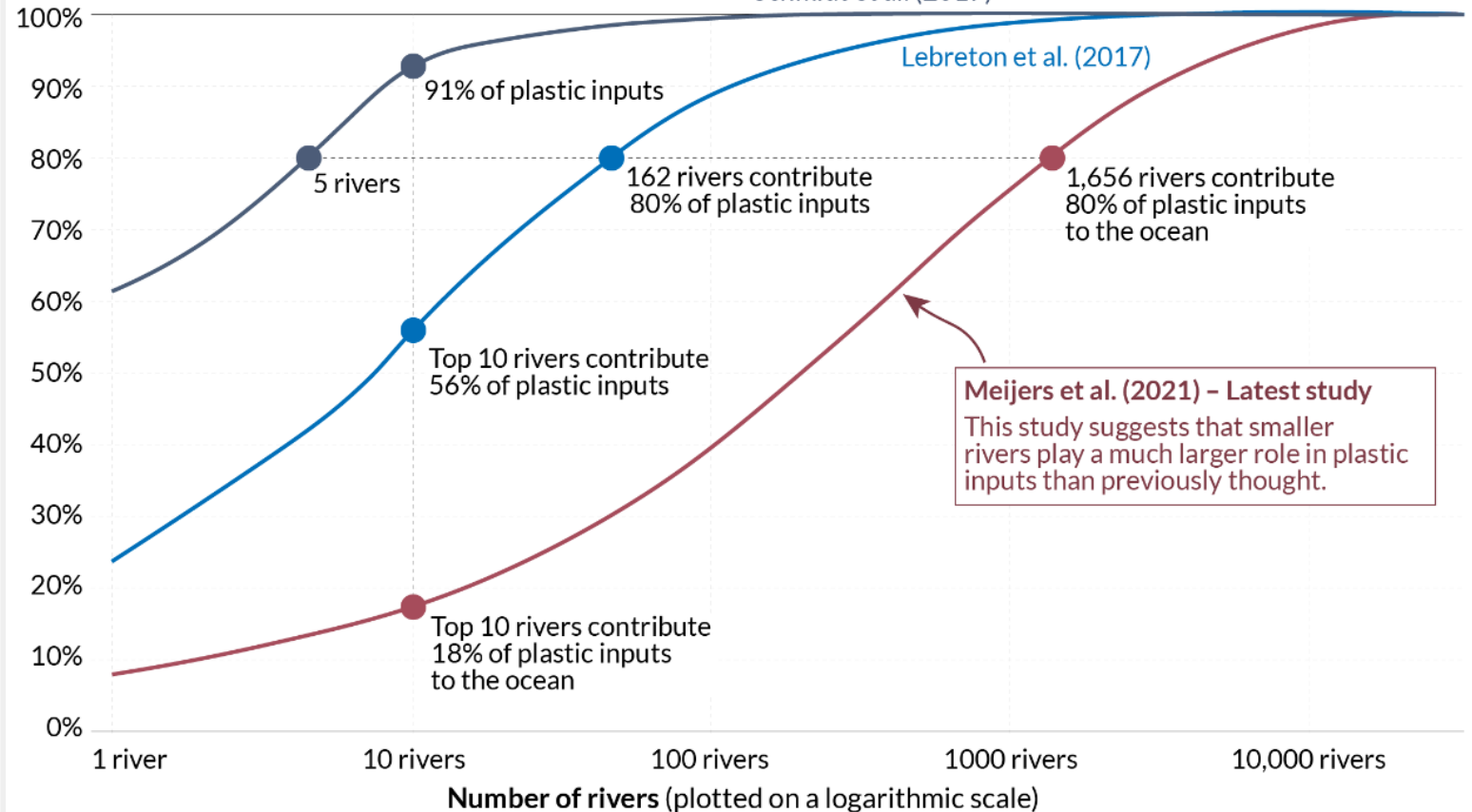
How many rivers are responsible for what share of plastic input into the world's oceans?

Two earlier studies (in blue) compared with the latest study that uses higher-resolution data (in red).

Our World  
in Data

Cumulative share of plastic inputs to the ocean

Schmidt et al. (2017)



**Meijers et al. (2021) – Latest study**

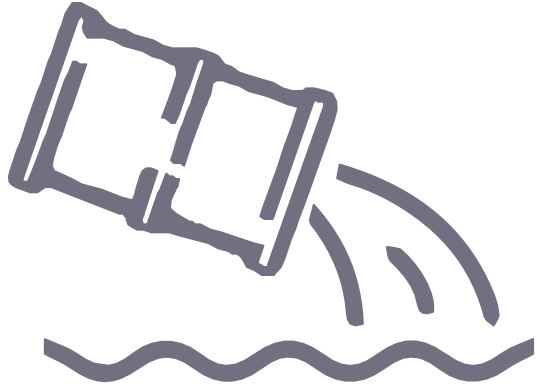
This study suggests that smaller rivers play a much larger role in plastic inputs than previously thought.

Source: Lourens Meijer et al. (2021). Over 1,000 rivers account for 80% of global riverine plastic emissions into the ocean. *Science Advances*.

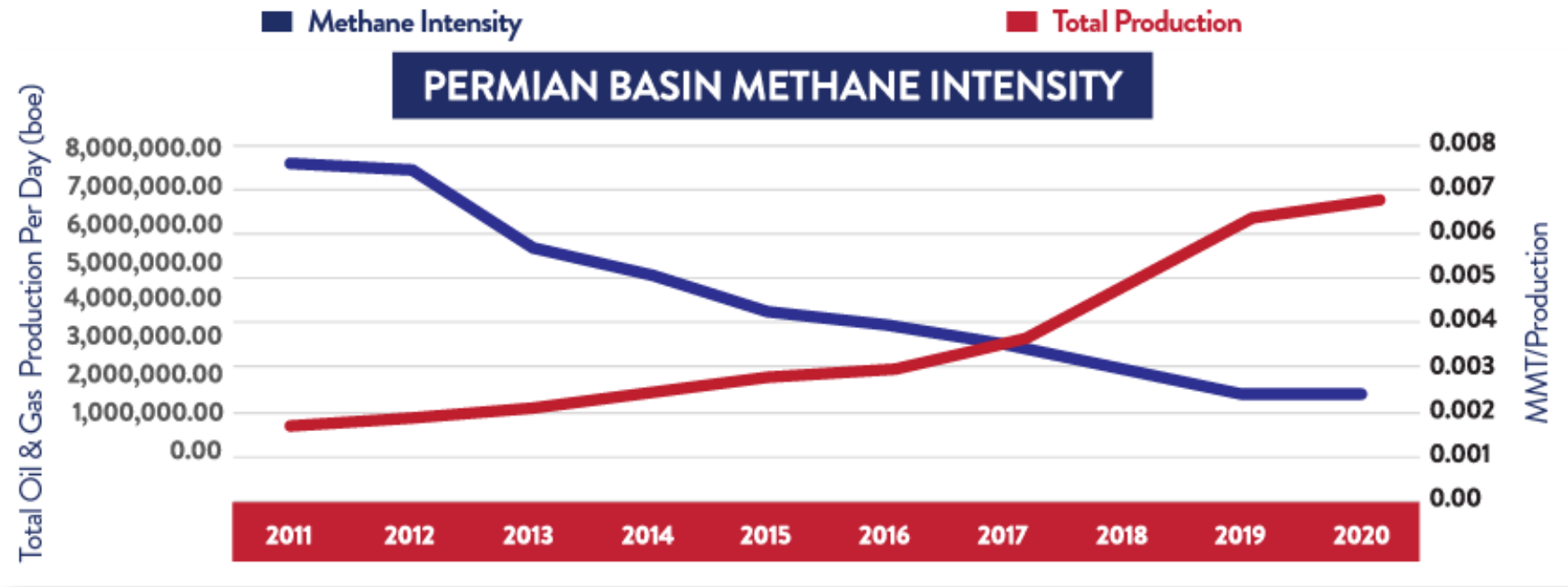
OurWorldinData.org – Research and data to make progress against the world's largest problems.

Licensed under CC-BY by the author Hannah Ritchie (2021).

Source: Our World in Data

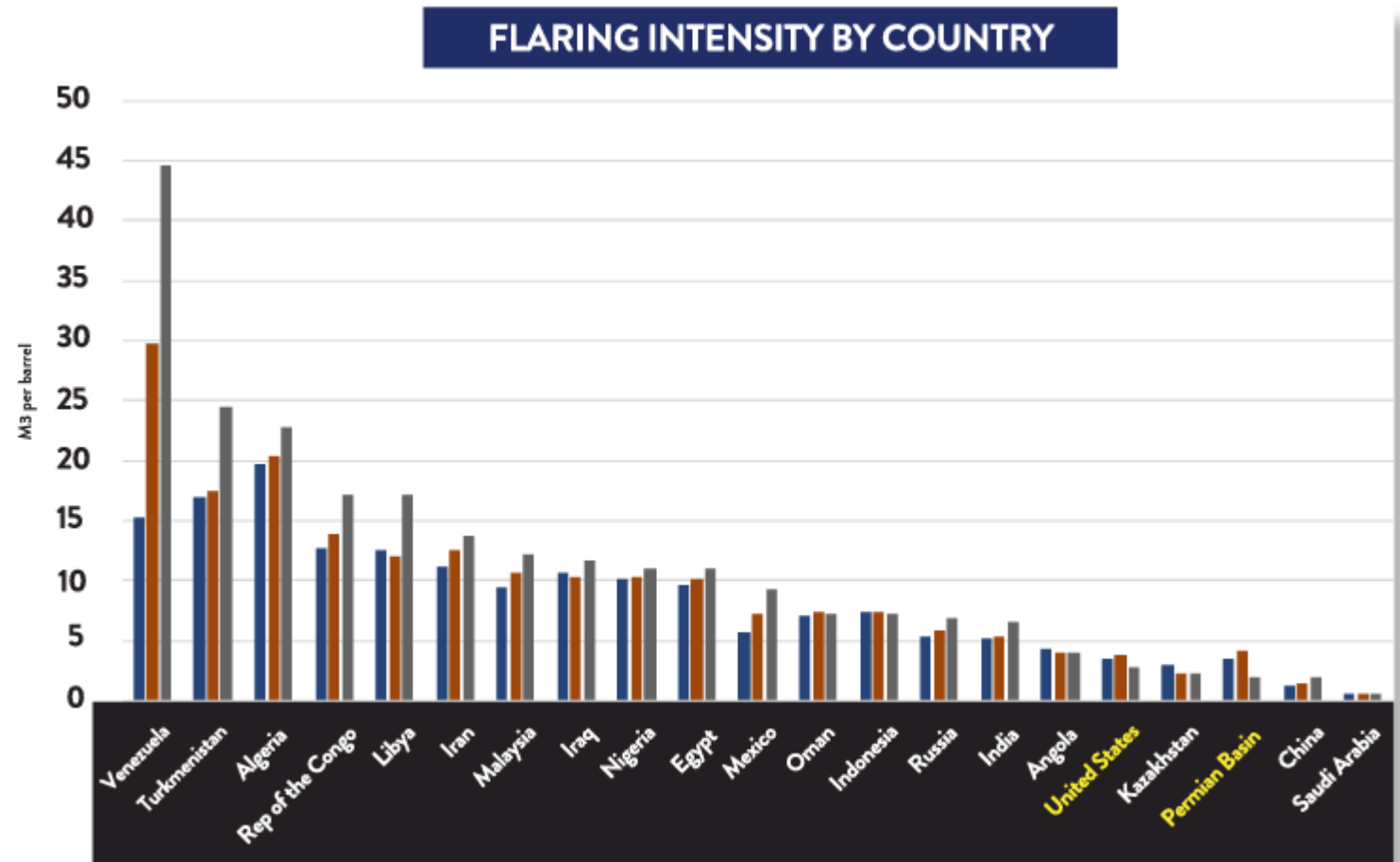


# Pollution



\*Based on EPA Flight and EIA data. \*\*Permian Basin Intensity is MMT/Total Permian Production (boe)

- 70% : Methane Intensity 2020 vs. 2011
- +320% : Oil and Gas Production
- 28% : Permian Flare Intensity vs. US

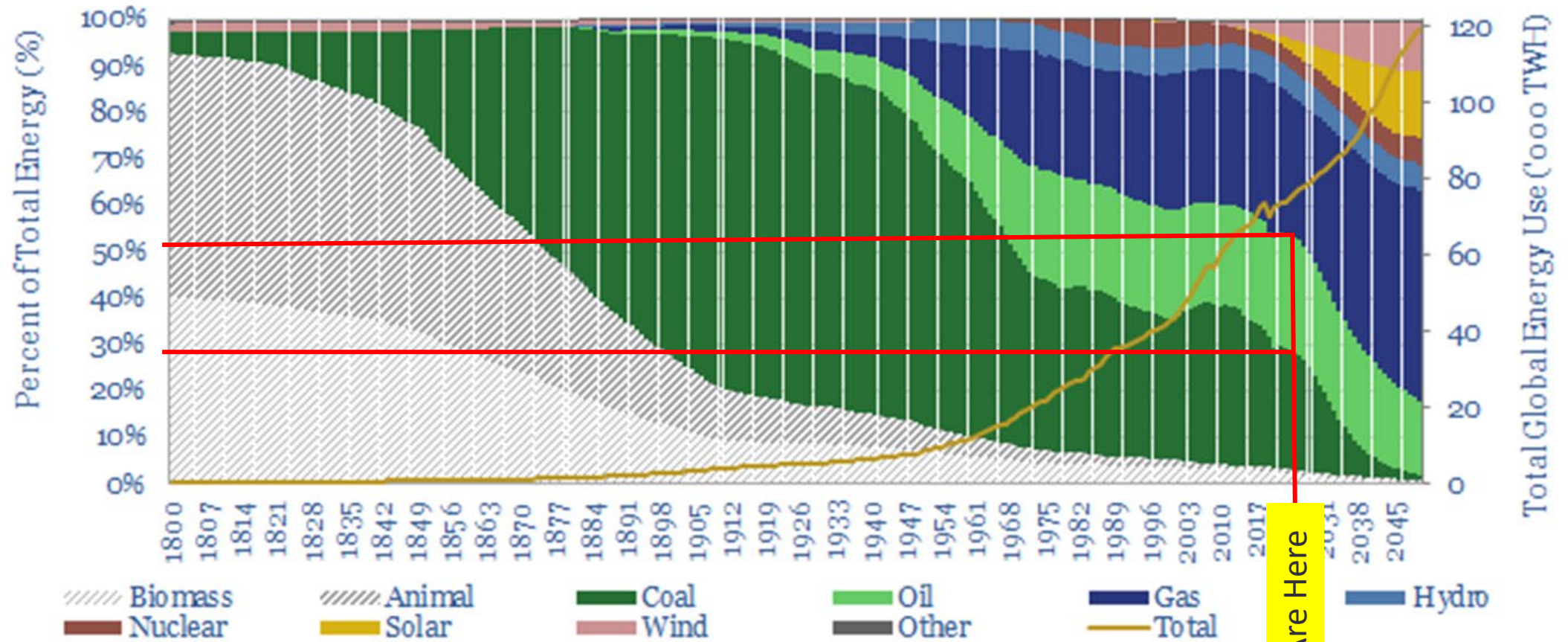


\*Based on data from the World Bank. \*Depicts the Flaring Intensity of Top 20 Countries by 2020 Flaring Volumes.

**More United States Production = Less  
Global Emissions**  
**Know Your Barrel!**

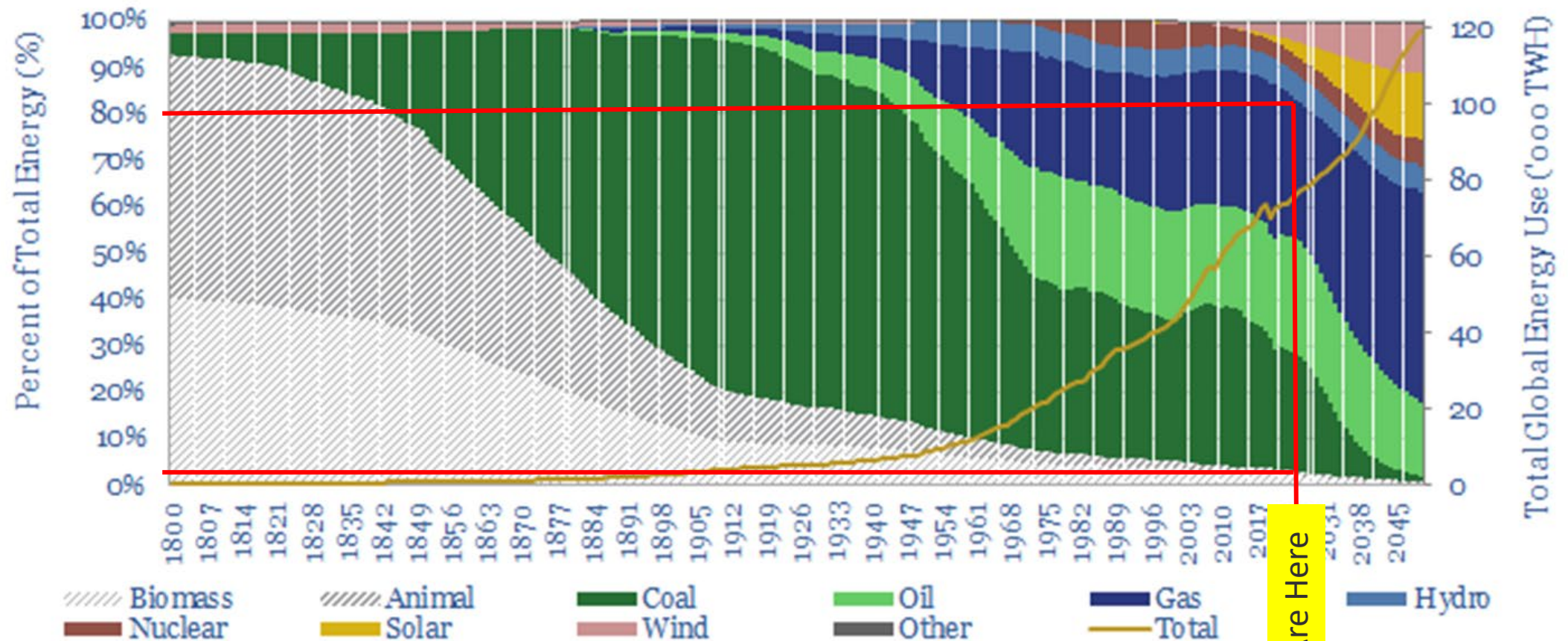


# 20% : Oil Energy in 2022



20% : Oil Energy in 2022

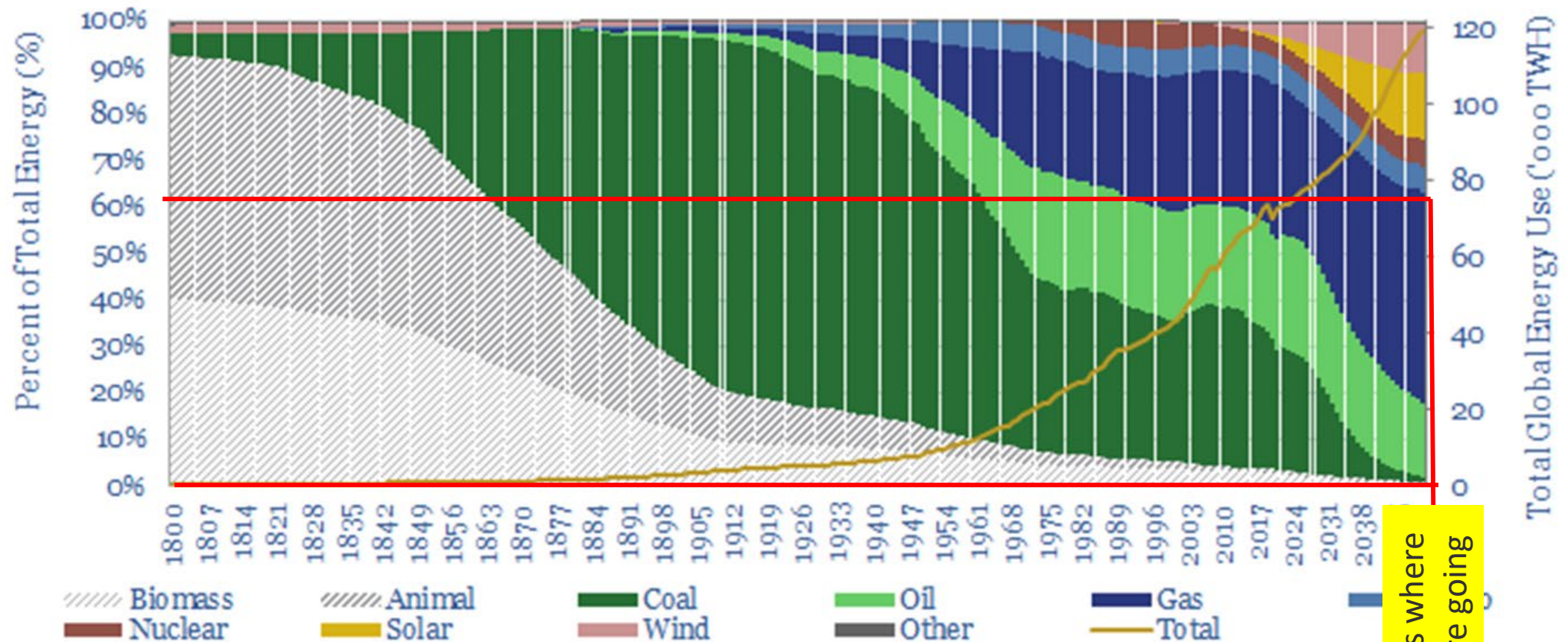
75% : Fossil Energy in 2022





20% : Oil Energy in 2022  
75% : Fossil Energy 2022

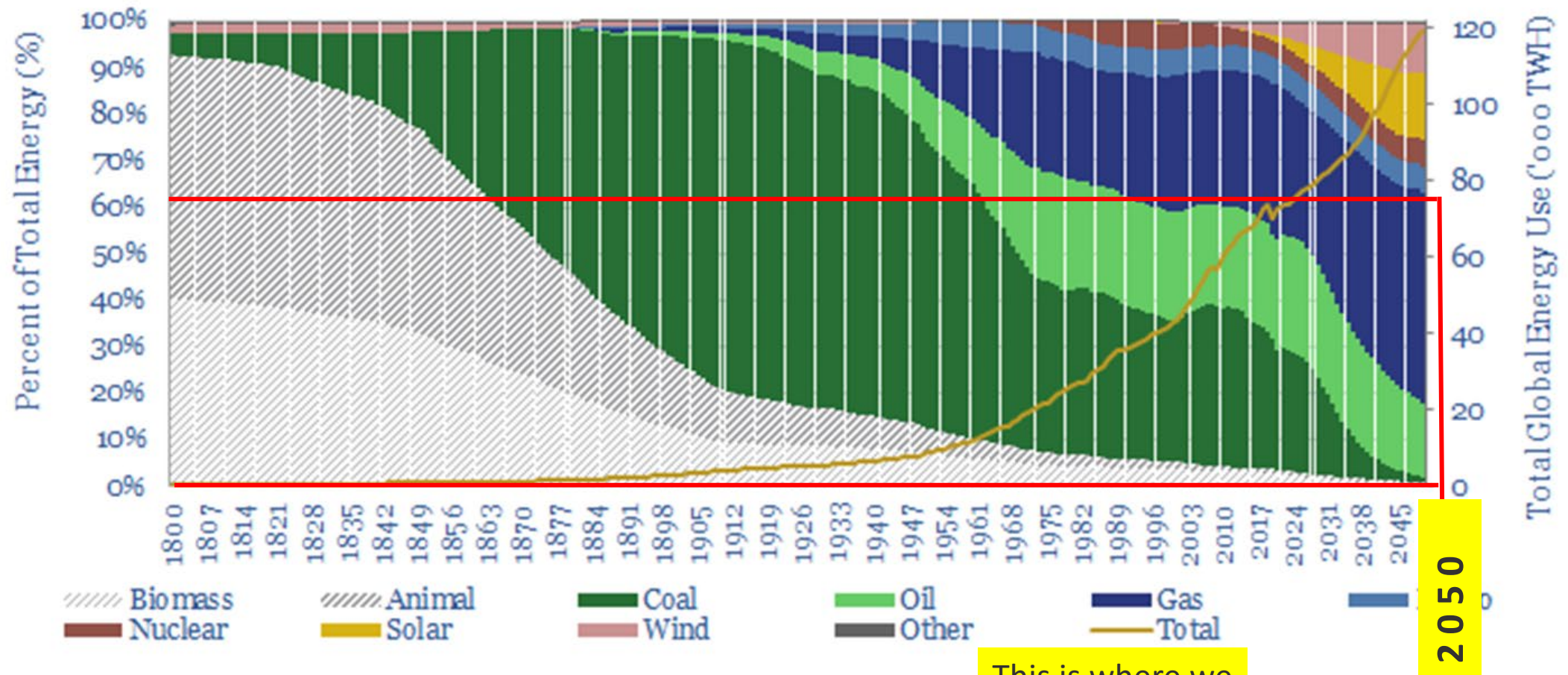
60% : Fossil Energy in credible 2050 Net Zero



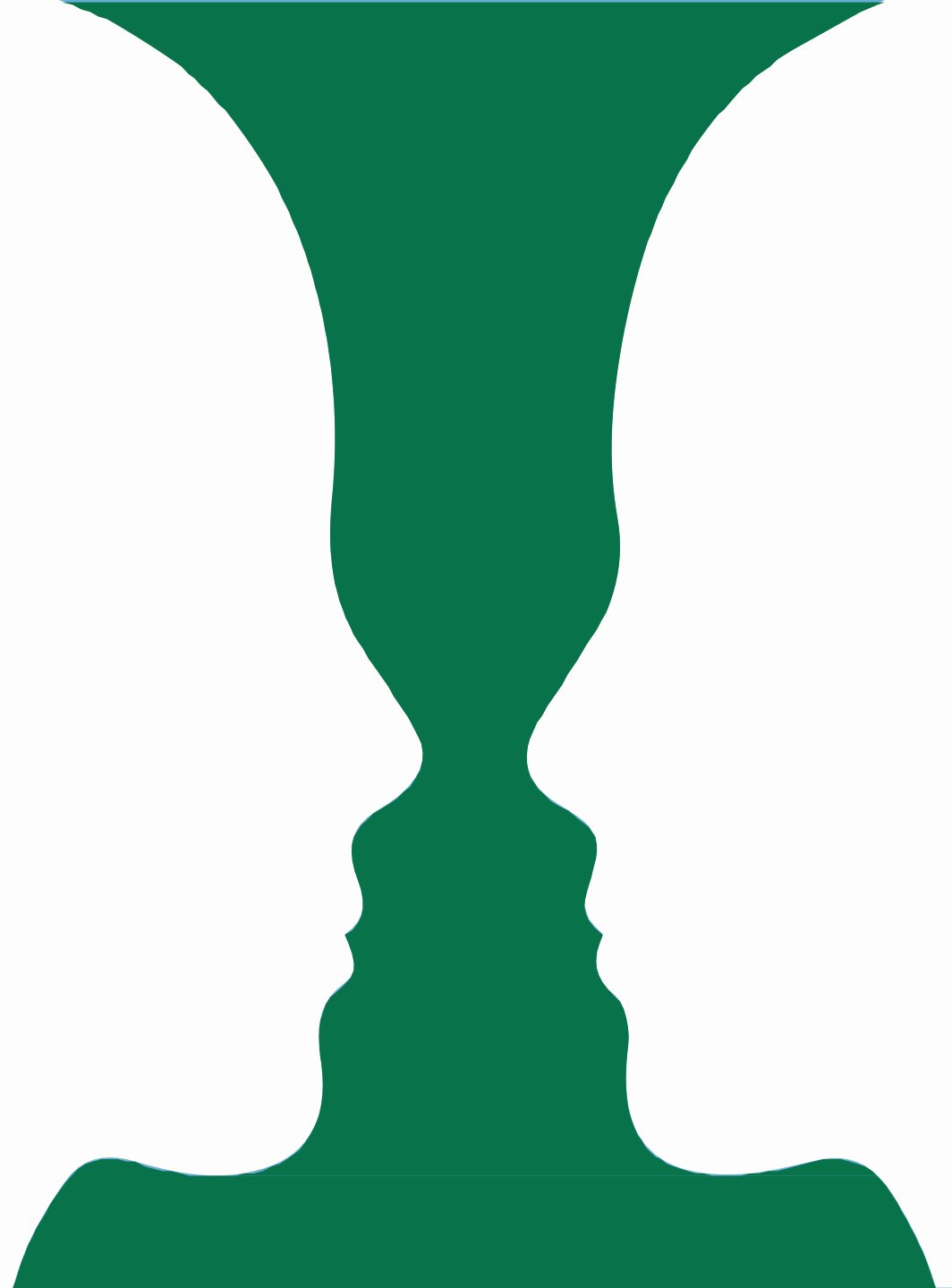
This is where we are going

20% : Oil Energy in 2050  
75% : Fossil Energy 2050

60% : Fossil Energy for a credible 2050 Net Zero



This is where we are going





An older man with grey hair, wearing a blue t-shirt, is painting a large portrait of a man's face on an easel in an art studio. The studio is filled with various art supplies, including brushes and paint containers on a table to the left. Other paintings are visible in the background. The scene is dimly lit, with a blue tint overlaid on the entire image.

We've proven time and time again  
that we are **never too old to try new things.**



## OUR COMMITMENT TO THE ENVIRONMENT

# Transparency = Credibility

Introduced 2019

IMPOSSIBLE™  
WHOPP™



YouTube

burger king sustainability commercial



# We must hold our industry to accountable standards

## Select Ratings and Rankers

Dow Jones Sustainability Index

Global Reporting Initiative

MSCI SASB IAPCC TCFD

Sustainalytics

Climate Disclosures Project



OIL AND GAS CLIMATE INITIATIVE



Oil And Gas Methane Partnership 2.0



## 3<sup>rd</sup> Party Certifications

PROJECT  
**CANARY**



EQUITABLE  
ORIGIN

## Responsibly Sourced Gas



# Oil and Natural Gas are KEY to enhancing mobility – Comfort and lifespans

We Must Discuss  
Benefits along with  
Costs

We must **ATTACK** the negative  
costs (environmental, air and  
water quality) impacts with  
transparency and technology



# Questions with AI

**What does AI think is Funny?**



**Does Brad Pitt have a future in the Oilfield?**



# SHALE NEW DEAL





# SHALE NEW DEAL

## Perception

Be proud of what we do, tell our story and empower our employees to do the same. Create a resilient community and workplace.

## Pollution

Lead in efforts to reduce emissions, conserve water, and protect land. Create a resilient environment.

## Profit

Get back to being a top industry for investors. Show resiliency in our companies.