Topic Du Jour

Quantifying the impact of the North Field East LNG project: potential winning bidders finally revealed

| CORE

The Russia/Ukraine war has intensified the focus on LNG. After much anticipation, Reuters reports that according to sources, QatarEnergy has selected the winning bidders of the large (>$30bn) NFE LNG project. Given acute sector focus on capex/FCF, we created an NFE project model to quantify the impact for XOM and COP.

We appreciate your consideration in the Institutional Investor All-America & All-Canada Research Survey 2022. View our analysts. Vote for Barclays.

What's on our mind? After much anticipation and speculation, Reuters* has reported that QatarEnergy will announce that XOM and COP along with SHEL, TTE (covered by Lydia Rainforth)will be selected as working interest partners in its North Field LNG expansion project (NFE) with a combined working interest of 20 - 25%. Although the language is somewhat unclear, our interpretation and the basis for our analysis is that bids will cover the first four trains of the expansion (Phase 1), or ~32mmtpa of LNG capacity. Chevron also submitted a bid to participate in the project but reportedly hasn't been selected. The announcement comes after initial invitations to bid in 2019, another round of bids in 2021, and interesting reports** in 2021 that returns offered to partners (8-10%) could be significantly lower than those offered for previous Qatar LNG projects (15-20%).

The Russia/Ukraine war has intensified investor focus on LNG as Europe looks to wean itself off of dependence on Russian natural gas and secure lower-risk long-term supply. Also, the resource scale and long-lived, low decline cash flows of the NFE LNG project mean that investor interest in Qatar's NFE partner decision has been high. For context, at full capacity the North Field East expansion will represent > 2.5x current US LNG export capacity and ~8% of Europe's total natural gas demand. In addition, historically Qatar LNG projects offered returns of 15 - 20%, and we estimate the NFE project would generate a ~20% return at strip assuming prior project fiscal terms (see Figure 8).

Thus, we built an NFE model (covering the first four expected trains, equivalent to 32mmtpa) to examine the impact on capex and FCF of project participation for XOM and COP.

*Qatar picks Exxon, Total, Shell, Conoco for mega-LNG expansion -sources, Reuters, 6/8/22

XOM	OVERWEIGHT
U.S. Integrated Oil & E&P	POSITIVE
Price Target	USD 111.00
Price (08-Jun-22)	USD 104.59
Potential Upside/Downside	+6.1%

Top Pick

COP	OVERWEIGHT
U.S. Integrated Oil & E&P	POSITIVE
Price Target	USD 132.00
Price (08-Jun-22)	USD 121.86
Potential Upside/Downside	+8.3%

U.S. Integrated Oil & E&P
Jeanine Wai
+1 212 526 3557
jeanine.wai@barclays.com
BCI, US

Eli Bauman, CFA
+1 212 526 6972
eli.bauman@barclays.com
BCI, US

Kane Chen
+1 212 526 6180
kane.chen@barclays.com
BCI, US

**Exclusive Energy majors bid for Qatar LNG project despite lower returns, Reuters, 6/13/21

What we did: In order to assess the capex and FCF impact of participation in the project, we adjusted our NFE model to include a supplemental tax after the project achieves a cumulative IRR of 8%, which results in a full-life project IRR of 10% and is consistent with prior headlines of Qatar offering 8-10% returns. Although there have been conflicting reports, our analysis assumes 4 winning bidders (XOM, COP, SHEL, TTE) for Phase 1 (four trains) and apply an equal 6.25% working interest per partner. We first assume the project is 100% equity financed and that 100% of post capex cash flow is paid out to working interest partners. Lastly, given prior financing history for Qatar's LNG projects, we examine an alternative scenario in which the NFE project is instead financed with 75% debt at a 3% interest rate.

What's the conclusion? Given relatively low implied working interest for NFE (6.25% for each partner assuming total partner WI of 25%) along with the reported degradation in fiscal terms, we estimate the financial impact (capex and FCF) to XOM and COP is relatively limited. However, there are important strategic reasons that warrant involvement.

- **See Figure 1 for our annual capex forecast for the NFE project, Figure 2 for our cumulative IRR projections, and Figure 3 for our annual FCF forecast all on a 100% working interest basis and assuming Qatar imposes a supplemental tax. Also, see Figure 8 for our estimate of NFE project returns based on prior (more favorable) Qatar LNG project terms.**

- **XOM: Financial impact is limited, but confirms Qatar relationship**. For XOM, the financial impact is particularly limited given the company's scale. We forecast the capex and pre-return threshold FCF impact of NFE is 1% and 2% assuming 100% equity funding, respectively. However, we think XOM's participation confirms its ongoing partnership with QatarPetroleum (QP) after the company's Qatargas (QG) phase 1 contract was allowed to expire last year (Left out in the cold - Potential impact of Qatartgas' announced QG1 LNG contract expiration, 3/31/2021). We note that XOM and QP are also partners in the Golden Pass LNG export project in the US and exploration drilling in Cyprus. See Figure 4 and Figure 6 for our forecasted annual capex and FCF impact for XOM.

- **COP: Moderate potential financial impact but provides further E&P differentiation**. On a 100% equity basis we estimate that a 6.25% working interest in NFE would carry capex requirements that represent 3% of our total estimated capex during the build-out period (2022-2027) and 5% of FCF thereafter (prior to hitting the 8% IRR threshold). Alternatively, assuming 75% debt financing, the capex and FCF impact would be 1% and 4%, respectively. We can sympathize with an argument that COP would be better served by drilling significantly higher IRR, near term payback, wells in the Lower 48. However, we think COP's participation supports its longer-life, lower decline resource base, which is a differentiator among its E&P peer group. See Figure 5 and Figure 7 for our forecasted annual capex and FCF impact for COP.

Capex/FCF Implications for XOM and COP

Why it's different this time around

By all indications the North Field Expansion will follow a different playbook than the one followed for Qatar's prior LNG projects. Earlier North Field developments starting with Qatargas 1 in 1996 relied on IOC partners to assist with project design, finance and marketing. As a result, terms for prior developments were relatively favorable and included low royalty rates for associated condensate along with tax holidays.

However, QatarEnergy's technical and marketing capabilities have improved significantly, and the country's Minister of State for Energy was quoted in 2019 as saying that rather than needing partners for its NFE expansion, partners would be chosen based on value they could bring to Qatar (Exclusive: Qatar shortlists partners for North Field expansion, but says it may go it alone, Reuters, 9/19/19). Later in 2021, Reuters reported that QatarEnergy would be offering potential partners "returns of around 8-10% in their investment" (Exclusive Energy majors bid for Qatar LNG project despite lower returns, Reuters, 6/13/21). This level of return is significantly lower than prior Qatar LNG project returns of 15 - 20% and significantly lower than our estimated 20% NFE return based on prior project fiscal assumptions (see Figure 8).

Finally, combined partner interest for the NFE project of the reported 20 - 25% implies individual partnership interests of 5 - 6% assuming equal participation among the reported partners compared to XOM's 10 - 30% WI interest in prior projects, and COP's 30% WI in QG3. Recall that the entire NFE project will include six LNG trains (8 MMTPA each). QatarEnergy invited oil majors to bid on the first four trains that comprise Phase 1 of the project, which is the basis of our analysis.

Reuters reports that QatarEnergy will hold a press conference and a signing ceremony on June 12, without specifying the subject.

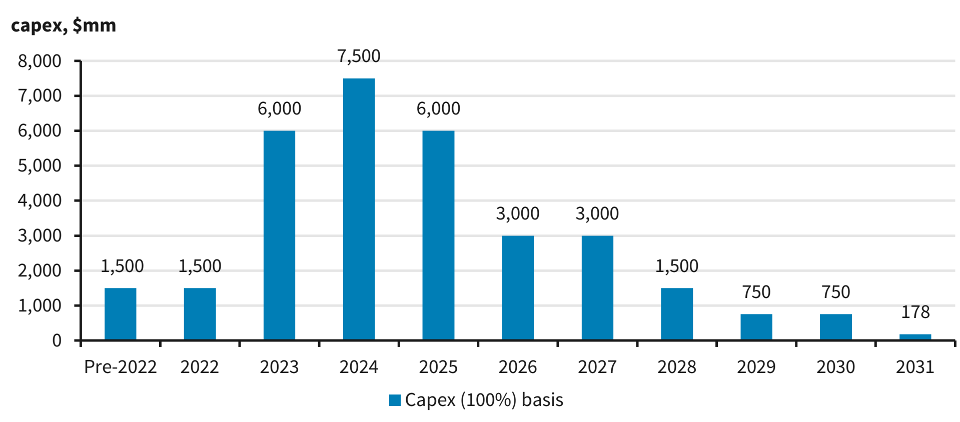
NFE modeling

In order to assess the potential financial impact to XOM and COP, we created a base case NFE model wherein we assume contractor returns will be limited to 10% through a supplemental tax after project returns hit an 8% IRR threshold. In addition, given limited information, we assume that each reported partner - Exxon, ConocoPhillips, TotalEnergies, and Shell - will participate at a 6.25% working interest.

Base case NFE estimates - 100% equity investment basis

Capex. Our NFE model includes total development capex of $31.5bn, which accounts for ~5% inflation along with an additional $1bn related to additional carbon mitigation infrastructure. In addition, we assume maintenance capex of $0.10/mcf post project start-up.

FIGURE 1. **NFE Phase 1 (4 trains): We forecast total pre-production capex of $31.5bn on a 100% basis with capex peaking in 2024 at $7.5bn**

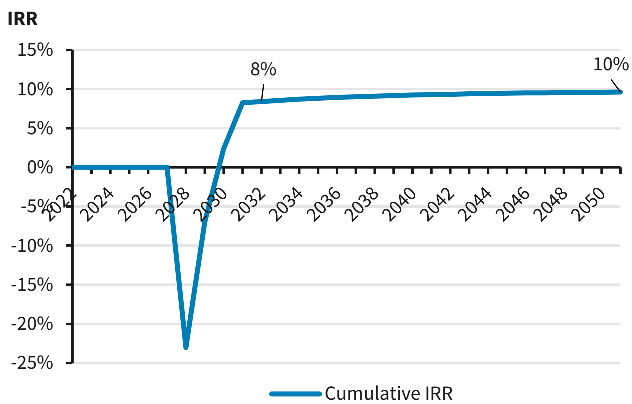


Source: Barclays Research, Company Reports, WoodMackenzie

Fiscal terms. Unfortunately there have been no indications on how fiscal terms will be adjusted to impose the reported 8-10% return limit on project partners. Therefore, our base case assumes terms consistent with prior Qatar LNG projects along with a supplemental tax of 95% that kicks in when project level returns reach 8%, and results in a full project life IRR of 10% at our $78 Brent (2025 strip)/$12 spot gas long term price. Our model suggests that partners hit the

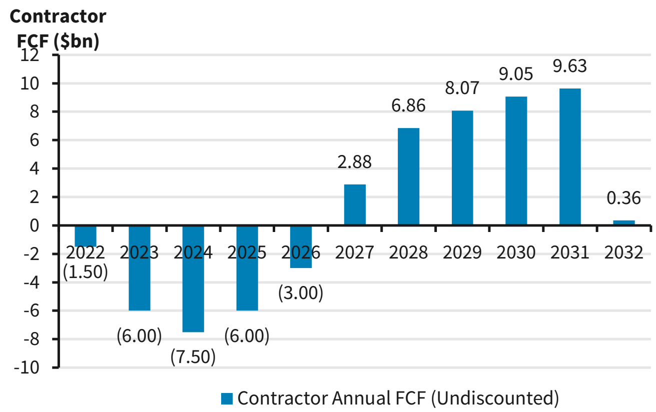
8% return threshold in 2031, resulting in strong near term cash flows that are then are reduced to a nominal amount beyond 2030. See Figure 2 and Figure 3 below for details. We acknowledge that there could be a number of mechanisms to regulate partner returns, but given oil and natural gas price volatility, we assume that project partners would emphasize a near term/guaranteed return on investment.

FIGURE 2. **NFE Phase 1: We estimate cumulative IRR reaches 8% in 2031...**



Source: Barclays Research, Company Reports, WoodMackenzie

FIGURE 3. **After which FCF to WI partners declines to <$500mm**



Source: Barclays Research, Company Reports, WoodMackenzie

Results

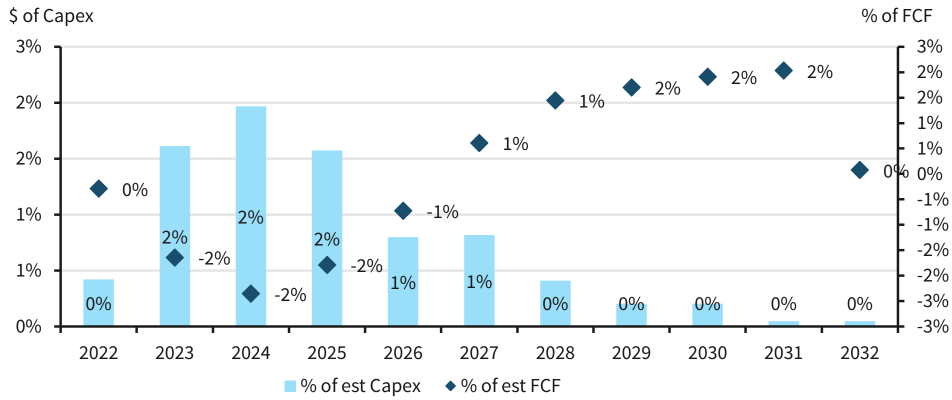
Our estimates at the company level assume that a 25% working interest in NFE is split equally between the four main reported partners. Thus, our base case model for XOM and COP is based on a 6.25% working interest in the project.

- **XOM:** Assuming 100% equity financing, our model suggests that our assumed XOM 6.25% working interest participation in NFE would increase the company's total capex by 1% on average during the build-out phase between 2022 and 2027 and increase FCF by 2% after start-up (strip pricing), but prior to hitting the 8% return threshold in 2031 (<1% thereafter). Absolute capex during the build-out phase ranges between $90-470mm/yr or ~$280mm/yr on average. See Figure 4.

- **COP:** Assuming 100% equity financing, our model suggests that COP's participation in NFE at a 6.25% working interest would increase the company's total capex by 3% during the build-out phase on avg between 2022 and 2027, and increase FCF by 5% after start-up (strip pricing), but prior to hitting the 8% return threshold in 2031 (<1% thereafter). Absolute capex during the build-out phase ranges between $90-470mm/yr or ~$280mm/yr on average. See Figure 5.

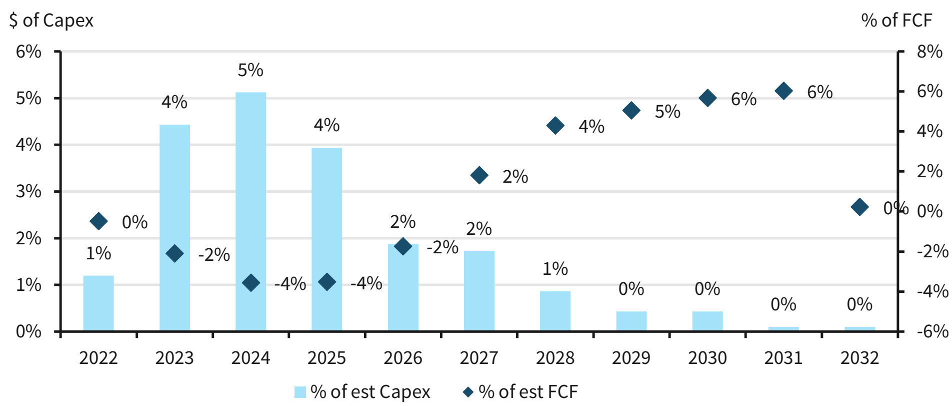
- **Working interest still a moving target.** QatarEnergy hasn't made an official announcement on the winning bidders for the NFE project, and there has been conflicting news reports. Reuters reports one source indicates that XOM, SHEL, and TTE are expected to have around 20-25% in total of the offtake of the new project, while a second source indicates they are likely to get an offtake of one train each with COP sharing and additional train. In this case, the capex and FCF impact to COP will be even less than our estimate above given lower working interest. However, for the purposes of our analysis and for materiality, we assume that XOM, SHEL, TTE, and COP are the winning bidders of Phase 1 (four trains total) with an equal 6.25% working interest.

FIGURE 4. **We estimate that a 6.25% WI in NFE Phase 1 would represent ~1% of XOM capex during the build-out period, and increase FCF by 2% after project start-up and prior to hitting the 8% return threshold**



Source: Barclays Research, Company Reports, WoodMackenzie

FIGURE 5. **We estimate that a 6.25% WI in NFE Phase 1 would represent ~3% of COP capex during the build-out period, and increase FCF by 5% after project start-up and prior to hitting the 8% return threshold**



Source: Barclays Research, Company Reports, WoodMackenzie

Alternative case NFE estimates - 75% project financing

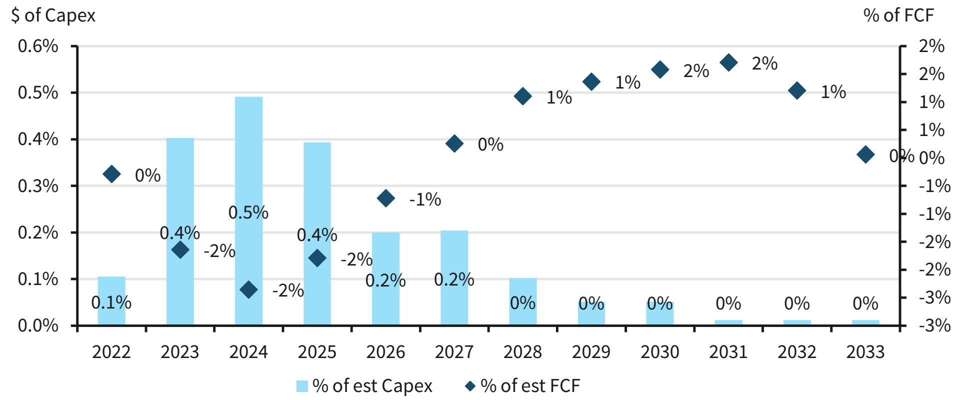
Similar to prior Qatar LNG projects, we expect that the NFE project may be partially debt financed. For example the QG4 project was 30%/70% equity/debt financed. As an illustrative case, we adjusted the model shown above to assume 75% project financing at a 3% interest rate with principal paid back ratably over the life of the project.

The cumulative impact of a relatively minor 6.25% equity stake and 75% debt financing significantly reduce the capex burden to equity partners. In addition, because we assume financing costs are incorporated into the project return calculation, the 8% return threshold isn't met until 2023 in our project finance case.

- **XOM:** In the 75% debt financing scenario, NFE capex would represent only 0.3% of our total XOM 2022 - 2027 capex forecast (vs. ~1% in the 100% equity financing scenario), while FCF after start-up would fall to 1% of total (vs. ~2% in the 100% equity financed scenario). See Figure 6.

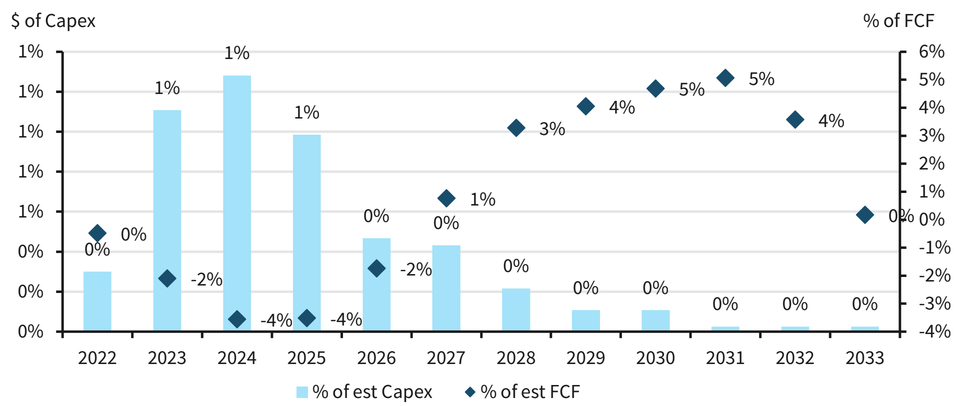
- **COP:** In the 75% debt financing scenario, NFE capex would represent only ~1% of our total COP 2022 - 2027 forecast (vs. ~3% in the 100% equity financing scenario), while FCF after start-up would fall to 4% of total (vs. ~5% in the 100% equity financed scenario). See Figure 7.

FIGURE 6. **XOM: Assuming 75% project financing, XOM NFE Phase 1 capex falls to <0.5% of our total estimate during the build-out phase, and FCF would increase by 1% after project start up**



Source: Barclays Research, Company Reports, WoodMackenzie

FIGURE 7. **COP: Assuming 75% project financing, COP NFE Phase 1 capex falls to 1% of our total estimate during the build-out phase and FCF would increase by 4% after project start up**

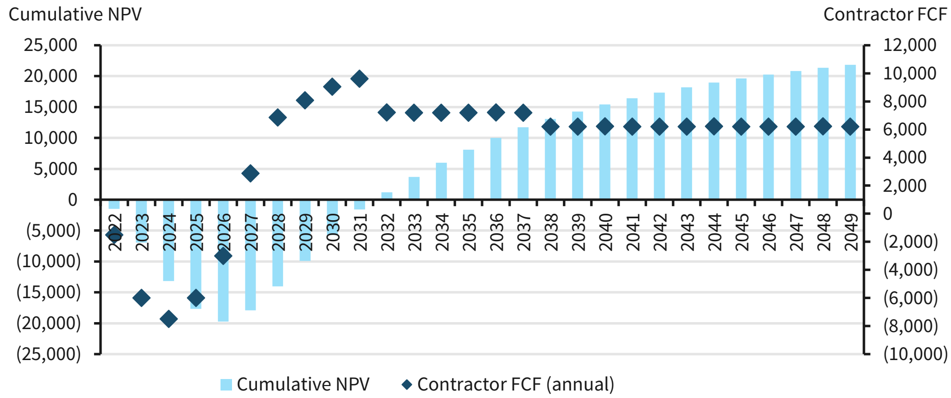


Source: Barclays Research, Company Reports, WoodMackenzie

Those were the days - NFE project returns based on previous (more favorable) Qatar LNG project fiscal terms

In order to show a baseline against the reported 8-10% returns offered to partners in the NFE project, below we show our estimated total project NPV and returns assuming the more favorable terms offered to partners in prior Qatar LNG projects. The cumulative estimated NPV of $21.8bn equates to an IRR of 19.6% and cash flows after royalties and taxes remain above $6bn even after DD&A exhaustion and tax holidays.

FIGURE 8. Estimated NFE Phase 1 value based on prior more favorable Qatar LNG project terms



Source: Barclays Research, Company Reports, WoodMackenzie

Investors likely anticipated CVX's unsuccessful bid

Unlike CVX, the reported winning bidders in Qatar's North Field expansion project are already participants in prior Qatar LNG projects. Moreover, with its existing presence and LNG growth prospects in the Eastern Mediterranean via its acquisition of Noble Energy's Israeli gas fields (Tamar and Leviathan) CVX may have been viewed as a potential competitor and/or less inclined to submit a competitive bid.

On its 1Q2'22 conference call CVX management noted that the company has recently increased gas exports to Egypt, and are in the process of assessing potential further production growth via increased natural gas penetration in Israel's power mix, distribution to countries in the region, as well as LNG export options (floating or via existing infrastructure in Egypt). As could be expected given European demand for non-Russian supply, our impression is that LNG and the Eastern Med have moved into a higher priority position for the company.

Analyst(s) Certification(s):
I, Jeanine Wai, hereby certify (1) that the views expressed in this research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures:
Barclays Research is produced by the Investment Bank of Barclays Bank PLC and its affiliates (collectively and each individually, "Barclays"). All authors contributing to this research report are Research Analysts unless otherwise indicated. The publication date at the top of the report reflects the local time where the report was produced and may differ from the release date provided in GMT.

Availability of Disclosures:
Where any companies are the subject of this research report, for current important disclosures regarding those companies please refer to https://publicresearch.barclays.com or alternatively send a written request to: Barclays Research Compliance, 745 Seventh Avenue, 13th Floor, New York, NY 10019 or call +1-212-526-1072.

The analysts responsible for preparing this research report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by investment banking activities, the profitability and revenues of the Markets business and the potential interest of the firm's investing clients in research with respect to the asset class covered by the analyst.

Analysts regularly conduct site visits to view the material operations of covered companies, but Barclays policy prohibits them from accepting payment or reimbursement by any covered company of their travel expenses for such visits.

Barclays Research Department produces various types of research including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of Barclays Research may differ from those contained in other types of Barclays Research, whether as a result of differing time horizons, methodologies, or otherwise.

In order to access Barclays Statement regarding Research Dissemination Policies and Procedures, please refer to https://publicresearch.barcap.com/S/RD.htm. In order to access Barclays Research Conflict Management Policy Statement, please refer to: https://publicresearch.barcap.com/S/CM.htm.

Primary Stocks (Ticker, Date, Price)
ConocoPhillips (COP, 08-Jun-2022, USD 121.86), Overweight/Positive, A/CD/CE/D/J/K/L/M/N

Exxon Mobil Corporation (XOM, 08-Jun-2022, USD 104.59), Overweight/Positive, CD/CE/E/J/K/L/M/N

Unless otherwise indicated, prices are sourced from Bloomberg and reflect the closing price in the relevant trading market, which may not be the last available closing price at the time of publication.

Disclosure Legend:
A: Barclays Bank PLC and/or an affiliate has been lead manager or co-lead manager of a publicly disclosed offer of securities of the issuer in the previous 12 months.

B: An employee or non-executive director of Barclays PLC is a director of this issuer.

CD: Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by this issuer.

CE: Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by this issuer.

CH: Barclays Bank PLC and/or its group companies makes, or will make, a market in the securities (as defined under paragraph 16.2 (k) of the HK SFC Code of Conduct) in respect of this issuer.

D: Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from this issuer in the past 12 months.

E: Barclays Bank PLC and/or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer within the next 3 months.

FA: Barclays Bank PLC and/or an affiliate beneficially owns 1% or more of a class of equity securities of this issuer, as calculated in accordance with US regulations.

FB: Barclays Bank PLC and/or an affiliate beneficially owns a long position of more than 0.5% of a class of equity securities of this issuer, as calculated in accordance with EU regulations.

FC: Barclays Bank PLC and/or an affiliate beneficially owns a short position of more than 0.5% of a class of equity securities of this issuer, as calculated in accordance with EU regulations.

FD: Barclays Bank PLC and/or an affiliate beneficially owns 1% or more of a class of equity securities of this issuer, as calculated in accordance with South Korean regulations.

FE: Barclays Bank PLC and/or its group companies has financial interests in relation to this issuer and such interests aggregate to an amount equal to or more than 1% of this issuer's market capitalization, as calculated in accordance with HK regulations.

GD: One of the Research Analysts on the fundamental credit coverage team (and/or a member of his or her household) has a long position in the common equity securities of this issuer.

GE: One of the Research Analysts on the fundamental equity coverage team (and/or a member of his or her household) has a long position in the common equity securities of this issuer.

H: This issuer beneficially owns more than 5% of any class of common equity securities of Barclays PLC.

I: Barclays Bank PLC and/or an affiliate is party to an agreement with this issuer for the provision of financial services to Barclays Bank PLC and/or an affiliate.

J: Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities of this issuer and/or in any related derivatives.

K: Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from this issuer within the past 12 months.

L: This issuer is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

M: This issuer is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

N: This issuer is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

O: Not in use.

P: A partner, director or officer of Barclays Capital Canada Inc. has, during the preceding 12 months, provided services to the subject company for remuneration, other than normal course investment advisory or trade execution services.

Q: Barclays Bank PLC and/or an affiliate is a Corporate Broker to this issuer.

R: Barclays Capital Canada Inc. and/or an affiliate has received compensation for investment banking services from this issuer in the past 12 months.

S: This issuer is a Corporate Broker to Barclays PLC.

T: Barclays Bank PLC and/or an affiliate is providing equity advisory services to this issuer.

U: The equity securities of this Canadian issuer include subordinate voting restricted shares.

V: The equity securities of this Canadian issuer include non-voting restricted shares.

Risk Disclosure(s)
Master limited partnerships (MLPs) are pass-through entities structured as publicly listed partnerships. For tax purposes, distributions to MLP unit holders may be treated as a return of principal. Investors should consult their own tax advisors before investing in MLP units.

Disclosure(s) regarding Information Sources

Guide to the Barclays Fundamental Equity Research Rating System:
Our coverage analysts use a relative rating system in which they rate stocks as Overweight, Equal Weight or Underweight (see definitions below) relative to other companies covered by the analyst or a team of analysts that are deemed to be in the same industry (the "industry coverage universe").

In addition to the stock rating, we provide industry views which rate the outlook for the industry coverage universe as Positive, Neutral or Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

Stock Rating
Overweight - The stock is expected to outperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

Equal Weight - The stock is expected to perform in line with the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

Underweight - The stock is expected to underperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

Rating Suspended - The rating and target price have been suspended temporarily due to market events that made coverage impracticable or to comply with applicable regulations and/or firm policies in certain circumstances including where the Investment Bank of Barclays Bank PLC is acting in an advisory capacity in a merger or strategic transaction involving the company.

Industry View
Positive - industry coverage universe fundamentals/valuations are improving.

Neutral - industry coverage universe fundamentals/valuations are steady, neither improving nor deteriorating.

Negative - industry coverage universe fundamentals/valuations are deteriorating.

Below is the list of companies that constitute the "industry coverage universe":

U.S. Integrated Oil & E&P

APA Corporation (APA)	Brigham Minerals, Inc. (MNRL)	Chevron Corporation (CVX)
ConocoPhillips (COP)	Continental Resources, Inc. (CLR)	Coterra Energy (CTRA)

Devon Energy Corporation (DVN)	Diamondback Energy (FANG)	EOG Resources, Inc. (EOG)
Exxon Mobil Corporation (XOM)	Hess Corporation (HES)	Marathon Oil Corporation (MRO)
Occidental Petroleum Corporation (OXY)	Ovintiv Inc. (OVV)	Pioneer Natural Resources Company (PXD)
SM Energy (SM)	Viper Energy Partners LP (VNOM)	

Distribution of Ratings:
Barclays Equity Research has 1733 companies under coverage.

51% have been assigned an Overweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Buy rating; 52% of companies with this rating are investment banking clients of the Firm; 70% of the issuers with this rating have received financial services from the Firm.

33% have been assigned an Equal Weight rating which, for purposes of mandatory regulatory disclosures, is classified as a Hold rating; 41% of companies with this rating are investment banking clients of the Firm; 68% of the issuers with this rating have received financial services from the Firm.

13% have been assigned an Underweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Sell rating; 33% of companies with this rating are investment banking clients of the Firm; 65% of the issuers with this rating have received financial services from the Firm.

Guide to the Barclays Research Price Target:
Each analyst has a single price target on the stocks that they cover. The price target represents that analyst's expectation of where the stock will trade in the next 12 months. Upside/downside scenarios, where provided, represent potential upside/potential downside to each analyst's price target over the same 12-month period.

Top Picks:
Barclays Equity Research's "Top Picks" represent the single best alpha-generating investment idea within each industry (as defined by the relevant "industry coverage universe"), taken from among the Overweight-rated stocks within that industry. While analysts may highlight other Overweight-rated stocks in their published research in addition to their Top Pick, there can only be one "Top Pick" for each industry. To view the current list of Top Picks, go to the Top Picks page on Barclays Live (https://live.barcap.com/go/keyword/TopPicks).

To see a list of companies that comprise a particular industry coverage universe, please go to https://publicresearch.barclays.com.

Types of investment recommendations produced by Barclays Equity Research:
In addition to any ratings assigned under Barclays' formal rating systems, this publication may contain investment recommendations in the form of trade ideas, thematic screens, scorecards or portfolio recommendations that have been produced by analysts within Equity Research. Any such investment recommendations shall remain open until they are subsequently amended, rebalanced or closed in a future research report.

Barclays may also re-distribute equity research reports produced by third-party research providers that contain recommendations that differ from and/or conflict with those published by Barclays' Equity Research Department.

Disclosure of other investment recommendations produced by Barclays Equity Research:
Barclays Equity Research may have published other investment recommendations in respect of the same securities/instruments recommended in this research report during the preceding 12 months. To view all investment recommendations published by Barclays Equity Research in the preceding 12 months please refer to https://live.barcap.com/go/research/Recommendations.

Legal entities involved in producing Barclays Research:
Barclays Bank PLC (Barclays, UK)

Barclays Capital Inc. (BCI, US)

Barclays Bank Ireland PLC, Frankfurt Branch (BBI, Frankfurt)

Barclays Bank Ireland PLC, Paris Branch (BBI, Paris)

Barclays Bank Ireland PLC, Milan Branch (BBI, Milan)

Barclays Securities Japan Limited (BSJL, Japan)

Barclays Bank PLC, Hong Kong Branch (Barclays Bank, Hong Kong)

Barclays Capital Canada Inc. (BCCI, Canada)

Barclays Bank Mexico, S.A. (BBMX, Mexico)

Barclays Capital Casa de Bolsa, S.A. de C.V. (BCCB, Mexico)

Barclays Securities (India) Private Limited (BSIPL, India)

Barclays Bank PLC, India Branch (Barclays Bank, India)

Barclays Bank PLC, Singapore Branch (Barclays Bank, Singapore)

Barclays Bank PLC, DIFC Branch (Barclays Bank, DIFC)

ConocoPhillips (COP / COP)

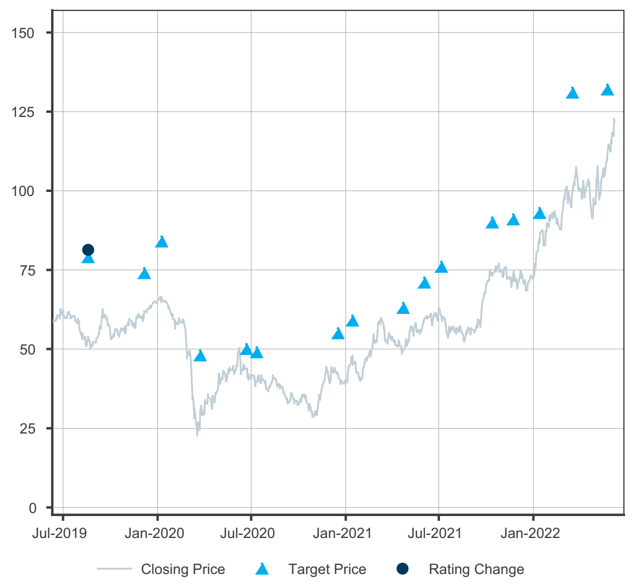
Stock Rating: **OVERWEIGHT**

Industry View: **POSITIVE**

USD 121.86 (08-Jun-2022)

Rating and Price Target Chart - USD (as of 08-Jun-2022)

Currency=USD



Source: IDC, Barclays Research

Link to Barclays Live for interactive charting

Publication Date	Closing Price*	Rating	Adjusted Price Target
25-May-2022	109.48		132.00
18-Mar-2022	98.83		131.00
13-Jan-2022	84.40		93.00
23-Nov-2021	71.89		91.00
13-Oct-2021	73.23		90.00
06-Jul-2021	60.28		76.00
03-Jun-2021	59.47		71.00
23-Apr-2021	49.72		63.00
14-Jan-2021	47.87		59.00
17-Dec-2020	41.97		55.00
12-Jul-2020	39.69		49.00
22-Jun-2020	43.56		50.00
24-Mar-2020	30.74		48.00
09-Jan-2020	66.07		84.00
06-Dec-2019	61.97		74.00
19-Aug-2019	53.94	Overweight	79.00

Source: Bloomberg, Barclays Research

*This is the closing price referenced in the publication, which may not be the last available closing price at the time of publication.

Historical stock prices and price targets may have been adjusted for stock splits and dividends.

A: Barclays Bank PLC and/or an affiliate has been lead manager or co-lead manager of a publicly disclosed offer of securities of ConocoPhillips in the previous 12 months.

CD: Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by ConocoPhillips.

CE: Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by ConocoPhillips.

D: Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from ConocoPhillips in the past 12 months.

J: Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities by ConocoPhillips and/or in any related derivatives.

K: Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from ConocoPhillips within the past 12 months.

L: ConocoPhillips is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

M: ConocoPhillips is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

N: ConocoPhillips is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

Valuation Methodology: Our $132 price target represents 105% of our net asset value based on PDP value, estimated resource value, and a detailed valuation of each US shale development area.

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Risks include execution on the company's lower 48 drilling program, and risks to long term viability of the TAPS pipeline. The ever-changing political landscape could also have an affect on company operations.

Exxon Mobil Corporation (XOM / XOM)

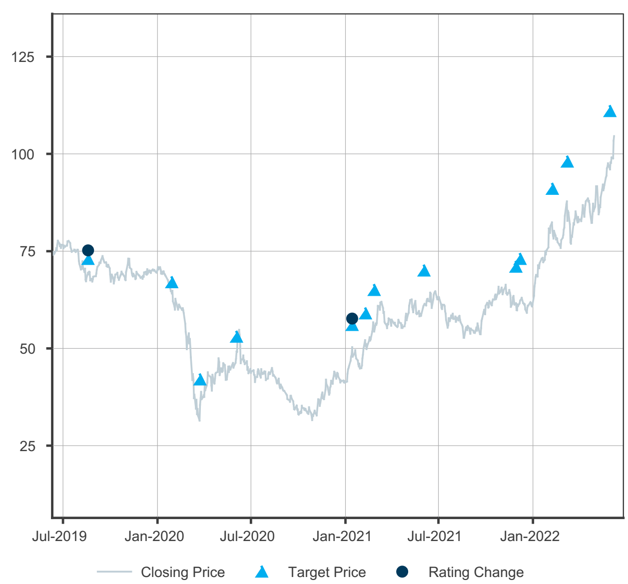
Stock Rating: **OVERWEIGHT**

Industry View: **POSITIVE**

USD 104.59 (08-Jun-2022)

Rating and Price Target Chart - USD (as of 08-Jun-2022)

Currency=USD



Source: IDC, Barclays Research

Link to Barclays Live for interactive charting

Publication Date	Closing Price*	Rating	Adjusted Price Target
31-May-2022	97.59		111.00
09-Mar-2022	87.78		98.00
08-Feb-2022	82.39		91.00

07-Dec-2021	62.27		73.00
29-Nov-2021	61.25		71.00
03-Jun-2021	61.18		70.00
26-Feb-2021	54.37		65.00
09-Feb-2021	50.63		59.00
14-Jan-2021	50.31	Overweight	56.00
03-Jun-2020	49.24		53.00
24-Mar-2020	35.44		42.00
29-Jan-2020	64.11		67.00
19-Aug-2019	69.45	Equal Weight	73.00

Source: Bloomberg, Barclays Research

*This is the closing price referenced in the publication, which may not be the last available closing price at the time of publication.

Historical stock prices and price targets may have been adjusted for stock splits and dividends.

CD: Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by Exxon Mobil Corporation.

CE: Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by Exxon Mobil Corporation.

E: Barclays Bank PLC and/or an affiliate expects to receive or intends to seek compensation for investment banking services from Exxon Mobil Corporation within the next 3 months.

J: Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities by Exxon Mobil Corporation and/or in any related derivatives.

K: Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from Exxon Mobil Corporation within the past 12 months.

L: Exxon Mobil Corporation is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

M: Exxon Mobil Corporation is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

N: Exxon Mobil Corporation is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

Valuation Methodology: Our $111 price target is based on application of a 75 basis point premium to XOM's 2010 - 2019 1.3% yield premium to the S&P 500, or a total implied 3.4% dividend yield on estimated 2023 dividend of $3.7/sh dividend.

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Risks to our price target include lower than anticipated commodity prices, operational issues associated with long lead time, highly technical development projects, and contract risk associated with production sharing contracts and licenses with sovereign governments.

22 67196399. Any other reports produced by Barclays' Investment Bank are distributed in India by Barclays Bank PLC, India Branch, an associate of BSIPL in India that is registered with Reserve Bank of India (RBI) as a Banking Company under the provisions of The Banking Regulation Act, 1949 (Regn No BOM43) and registered with SEBI as Merchant Banker (Regn No INM000002129) and also as Banker to the Issue (Regn No INBI00000950). Barclays Investments and Loans (India) Limited, registered with RBI as Non Banking Financial Company (Regn No RBI CoR-07-00258), and Barclays Wealth Trustees (India) Private Limited, registered with Registrar of Companies (CIN U93000MH2008PTC188438), are associates of BSIPL in India that are not authorised to distribute any reports produced by Barclays' Investment Bank.

This material is distributed in Singapore by the Singapore Branch of Barclays Bank PLC, a bank licensed in Singapore by the Monetary Authority of Singapore. For matters in connection with this material, recipients in Singapore may contact the Singapore branch of Barclays Bank PLC, whose registered address is 10 Marina Boulevard, #23-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

This material, where distributed to persons in Australia, is produced or provided by Barclays Bank PLC.

This communication is directed at persons who are a "Wholesale Client" as defined by the Australian Corporations Act 2001.

Please note that the Australian Securities and Investments Commission (ASIC) has provided certain exemptions to Barclays Bank PLC (BBPLC) under paragraph 911A(2)(l) of the Corporations Act 2001 from the requirement to hold an Australian financial services licence (AFSL) in respect of financial services provided to Australian Wholesale Clients, on the basis that BBPLC is authorised by the Prudential Regulation Authority of the United Kingdom (PRA) and regulated by the Financial Conduct Authority (FCA) of the United Kingdom and the PRA under United Kingdom laws. The United Kingdom has laws which differ from Australian laws. To the extent that this communication involves the provision of financial services by BBPLC to Australian Wholesale Clients, BBPLC relies on the relevant exemption from the requirement to hold an AFSL. Accordingly, BBPLC does not hold an AFSL.

This communication may be distributed to you by either: (i) Barclays Bank PLC directly or (ii) Barrenjoey Markets Pty Limited (ACN 636 976 059, "Barrenjoey"), the holder of Australian Financial Services Licence (AFSL) 521800, a non-affiliated third party distributor, where clearly identified to you by Barrenjoey. Barrenjoey is not an agent of Barclays Bank PLC.

This material, where distributed in New Zealand, is produced or provided by Barclays Bank PLC. Barclays Bank PLC is not registered, filed with or approved by any New Zealand regulatory authority. This material is not provided under or in accordance with the Financial Markets Conduct Act of 2013 ("FMCA"), and is not a disclosure document or "financial advice" under the FMCA. This material is distributed to you by either: (i) Barclays Bank PLC directly or (ii) Barrenjoey Markets Pty Limited ("Barrenjoey"), a non-affiliated third party distributor, where clearly identified to you by Barrenjoey. Barrenjoey is not an agent of Barclays Bank PLC. This material may only be distributed to "wholesale investors" that meet the "investment business", "investment activity", "large", or "government agency" criteria specified in Schedule 1 of the FMCA.

Middle East: Nothing herein should be considered investment advice as defined in the Israeli Regulation of Investment Advisory, Investment Marketing and Portfolio Management Law, 1995 ("Advisory Law"). This document is being made to eligible clients (as defined under the Advisory Law) only. Barclays Israeli branch previously held an investment marketing license with the Israel Securities Authority but it cancelled such license on 30/11/2014 as it solely provides its services to eligible clients pursuant to available exemptions under the Advisory Law, therefore a license with the Israel Securities Authority is not required. Accordingly, Barclays does not maintain an insurance coverage pursuant to the Advisory Law.

This material is distributed in the United Arab Emirates (including the Dubai International Financial Centre) and Qatar by Barclays Bank PLC. Barclays Bank PLC in the Dubai International Financial Centre (Registered No. 0060) is regulated by the Dubai Financial Services Authority (DFSA). Principal place of business in the Dubai International Financial Centre: The Gate Village, Building 4, Level 4, PO Box 506504, Dubai, United Arab Emirates. Barclays Bank PLC-DIFC Branch, may only undertake the financial services activities that fall within the scope of its existing DFSA licence. Related financial products or services are only available to Professional Clients, as defined by the Dubai Financial Services Authority. Barclays Bank PLC in the UAE is regulated by the Central Bank of the UAE and is licensed to conduct business activities as a branch of a commercial bank incorporated outside the UAE in Dubai (Licence No.: 13/1844/2008, Registered Office: Building No. 6, Burj Dubai Business Hub, Sheikh Zayed Road, Dubai City) and Abu Dhabi (Licence No.: 13/952/2008, Registered Office: Al Jazira Towers, Hamdan Street, PO Box 2734, Abu Dhabi). This material does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in the UAE (including the Dubai International Financial Centre) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the Dubai Financial Services Authority or any other relevant licensing authority or governmental agency in the UAE. The content of this report has not been approved by or filed with the UAE Central Bank or Dubai Financial Services Authority. Barclays Bank PLC in the Qatar Financial Centre (Registered No. 00018) is authorised by the Qatar Financial Centre Regulatory Authority (QFCRA). Barclays Bank PLC-QFC Branch may only undertake the regulated activities that fall within the scope of its existing QFCRA licence. Principal place of business in Qatar: Qatar Financial Centre, Office 1002, 10th Floor, QFC Tower, Diplomatic Area, West Bay, PO Box 15891, Doha, Qatar. Related financial products or services are only available to Business Customers as defined by the Qatar Financial Centre Regulatory Authority.

Russia: This material is not intended for investors who are not Qualified Investors according to the laws of the Russian Federation as it might contain information about or description of the features of financial instruments not admitted for public offering and/or circulation in the Russian Federation and thus not eligible for non-Qualified Investors. If you are not a Qualified Investor according to the laws of the Russian Federation, please dispose of any copy of this material in your possession.

IRS Circular 230 Prepared Materials Disclaimer: Barclays does not provide tax advice and nothing contained herein should be construed to be tax advice. Please be advised that any discussion of U.S. tax matters contained herein (including any attachments) (i) is not intended or written to be used, and cannot be used, by you for the purpose of avoiding U.S. tax-related penalties; and (ii) was written to support the promotion or marketing of the transactions or other matters addressed herein. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.