

Title: Oil and gas profits triple under Biden even as industry decries him

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Profits for the biggest US oil and gas producers have almost tripled under President Joe Biden, even as the industry berates his administration's "hostile" policies and warns that a second term would be "disastrous" for the sector. The country's top-10 listed operators by value, which will finish reporting their 2023 earnings this week, are on track to have amassed combined net income of \$313bn in the first three years of the Biden administration, up from \$112bn during the same period under Donald Trump. The collective market capitalisation of the group -- comprising ExxonMobil, Chevron, ConocoPhillips, EOG, Pioneer Natural Resources, Occidental Petroleum, Hess, Devon Energy, Diamondback Energy and Coterra Energy -- jumped 132 per cent over the period to more than \$1.1tn, compared with a 12 per cent drop in Trump's first three years. Their 2023 profit figures are based on earnings reports except for Devon, due to release fourth-quarter results on Tuesday, whose latest quarterly profit figures are consensus estimates. US production has smashed records in recent years: in November, oil output hit an unprecedented 13.3mn barrels a day, while natural gas topped 105bn cubic feet a day for the first time. The nation overtook Qatar to become the largest exporter of liquefied natural gas in the world last year. The outperformance under Biden underlines the limited role of the White House in dictating the sector's fortunes. The recent profit bonanza was driven in part by Russia's full-scale invasion of Ukraine, which pushed up oil and gas prices. A strong rebound in global energy demand from the depths of the Covid-19 shock in 2020 also supported prices. West Texas Intermediate, the US crude benchmark, averaged about \$80 a barrel during Biden's first three years compared with \$58/b in Trump's. It also flies in the face of Republican arguments that the Biden administration has suffocated the industry and dire warnings that a Democratic victory in November's presidential election would put American energy security at risk. "Since his first day in office, President Biden has targeted our domestic energy producers and actively undermined America's efforts to be energy independent," said Republican Speaker of the House Mike Johnson this month. Biden campaigned on the most ambitious climate platform of any

US president in history, vowing to lead a "transition from oil". On taking office he implemented a suite of policies that enraged the industry -- from temporarily suspending new leasing for fossil fuel development on public lands to scuppering the Keystone XL pipeline. During his time in office, however, he has dialled back some of that initial rhetoric, urging the industry to drill more to counter high prices at the pump and encouraging liquefied natural gas exports to stem an energy crisis in Europe. "To quell inflation, Biden has supported record production to keep oil and gas prices down, even while favouring greater gas exports to help the EU," said Paul Bledsoe, a lecturer at American University and former climate adviser to the Bill Clinton administration. "You can't do better than that from a Democratic president." Yet the Biden campaign has been reluctant to tout the industry's success for fear of blowback from the progressive wing of the Democratic party and has been quick to criticise operators. As oil prices surged in 2022, the president blasted Exxon for making "more money than God". Last year the administration imposed severe restrictions on offshore leasing and in January paused permitting for new LNG terminals, angering industry leaders.

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Mike Sommers, chief executive of the American Petroleum Institute, said oil and gas producers' success over the past three years had occurred in spite of the president's "hostile" policy agenda, which would undermine the nation's energy security if left unchecked. "While you're not seeing an impact right now, they are sowing the seeds I think for decreased production into the future. Every week we're seeing another regulation under this administration that I think could be very detrimental," said Sommers. This month API sued the Biden administration over its decision to restrict offshore leasing, highlighting a growing industry backlash against its climate and energy policies. Trump and his proxies have made support for the oil and gas industry a core part of his re-election campaign, arguing the sector's recent success is bedded in the deregulatory agenda of the previous administration. "We know profits trail policy. The energy industry is reaping the benefits of the Trump administration," said Carla Sands, a prominent Trump donor and former ambassador to Denmark. In reality, analysts said, incumbent presidents have little impact over the

short-term performance of the industry. "In general, the returns in a given presidency have very little to do with who is in office. It's more the fundamentals," said Bob McNally, president of consultancy Rapidan Energy and a former energy adviser to George W Bush. "I think that the consequences of an election in the United States for energy and climate policy are likely to be overstated and overblown." Trump has vowed to rip up much of Biden's climate legislation if he wins in November -- which some analysts say could damage the US's standing abroad and hurt the country's energy exports. Recommended Interview Oil & Gas industry Biden decision will 'erode confidence' in LNG industry, Shell CEO says "A Trump victory would result in a massive breach with the world over global climate policy, ironically increasing public pressure against US exports, especially in Europe," said Bledsoe. Despite some misgivings in industry about Trump and his anti-free trade agenda, big oil and gas donors still overwhelmingly side with his party. Republicans have received \$126.4mn in electoral donations since the 2020 election cycle from the industry, compared with just \$23.6mn received by Democrats, according to research by OpenSecrets. Harold Hamm, the US shale magnate and billionaire Republican donor, told the Financial Times a victory for Biden would be "disastrous" for the sector. He said the president was implementing policies that would result in "death by a thousand cuts" for the industry, citing his restrictions of drilling on federal lands, a pause on LNG approvals and tougher regulations. "If Trump is the candidate chosen by the primary process we will certainly get behind him . . . [a Biden win] would be disastrous," said Hamm, who has also donated to Republican candidates Nikki Haley and Ron DeSantis. Additional reporting by Eva Xiao in New York Video: How Biden's Inflation Reduction Act changed the world | FT Film