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Oil Services & Drilling

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Industry Overview

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The Original E&P Spending Survey

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Sector View:

New: 2-Neutral

Old: 2-Neutral

Investment Conclusion

- "The Original E&P Spending Survey" is a semiannual product, initiated by this author in 1982. The survey attempts to include every meaningful spender on exploration and production throughout the world. It is by far the largest, most comprehensive survey of its kind, in our opinion, and encompasses integrated oil companies, independents, and national oil companies worldwide. We have gone to great lengths to obtain accurate budget information for these companies.

Summary

- The "Original E&P Spending Survey" forecasts that 2010 global E&P expenditures will increase by 11% to \$439 billion from \$395 billion in 2009, according to the 387 oil and gas companies we surveyed.
- In the U.S., E&P expenditures are indicated to rise by 12% to \$79 billion from \$71 billion in 2009, by the 197 companies we surveyed. The magnitude of the increases is somewhat surprising given weak natural gas fundamentals. This increase could put further pressure on natural gas prices and potentially lead to another drilling downturn as early as the second half of 2010.
- Canadian budgets are slated to rise 23% to \$23 billion in 2010 from \$19 billion in 2009, by the 126 companies in our survey. A significant part of the increase is attributable to the strengthening Canadian dollar; excluding this, the increase in capital spending in the U.S. and Canada is essentially the same (about 12%).
- E&P spending budgets outside North America are expected to show double-digit increases next year: up 10% in 2010 to \$337 billion from \$305 billion in 2009, by the 134 companies in our survey. The increase is driven by national oil companies. The international spending totals are above consensus estimates and above our previous forecast for 2010 spending levels.
- Budgets in 2010 are based on an average crude oil price of \$70.16 per barrel (WTI). This average oil price assumption is higher than the \$50.18 per barrel indicated in our midyear survey and the \$58.30 per barrel in last year's survey. The 2010 budgets also reflect a natural gas price forecast of \$5.21 per mcf (compared with \$6.35 per mcf a year ago and \$4.68 per mcf in our midyear survey).

Executive Summary:

Global E&P Spending Growth Returns

The "Original E&P Spending Survey" forecasts that 2010 global E&P expenditures will increase by 11% to \$439 billion from \$395 billion in 2009, according to the 387 oil and gas companies in our survey. This follows a worldwide decline of about 15% in 2009.

Operators Plan U.S. Capex Expansion in '10

In the U.S., E&P capex is expected to rise by 12% to \$79 billion in 2010 from \$71 billion in 2009, by the 197 companies we surveyed. Increases by U.S. independents have been particularly

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strong. The gains are driven by increased spending in the newer shale plays, such as the Haynesville and Marcellus, and higher oil-related expenditures. We are surprised by the magnitude of the indicated increase in E&P spending. The incremental production that increased drilling could bring could put further pressure on natural gas prices and potentially lead to another drilling downturn as early as the second half of 2010.

Strong Growth in Canadian Capex

Canadian E&P capex is forecast to increase by 23% year-on-year to \$23 billion from \$19 billion in 2009, by the 126 companies we surveyed. A significant part of the year-on-year increase is attributable to the strengthening Canadian dollar. If the impact of currency moves is excluded, we estimate that the increase in capex in the U.S. and Canada is similar.

Int'l Capex Up by Double-Digits Next Year; NOCs Driving Growth

Capital spending budgets outside North America are forecast to rise by 10% in 2010 to \$337 billion (from \$305 billion in 2009), according to the 134 companies in our survey. Spending by national oil companies is expected to drive the growth next year. The six supermajors are forecast to increase international E&P spending by 1% in 2010, while the 32 NOCs in our survey are estimated to increase spending by 15%.

2009 Spending Generally in Line with Expectations in our Midyear Survey

Global E&P capital expenditures are estimated to have fallen by 15% in 2009, roughly in line with the result indicated in our June survey. However, the improvement in commodity prices led to a recovery in U.S. activity and E&P spending is expected to finish the year down less than expected in our June survey. Internationally, a 6% year-on-year decline was in line with the results of our December 2008 and June 2009 surveys.

Commodity Price Assumptions Rise

The companies we surveyed base their 2010 E&P budgets on an average crude oil price of about \$70.16 per barrel (WTI), up from \$50.18 per barrel in our midyear survey and \$58.30 per barrel in our December 2008 survey. The average natural gas price associated with 2010 E&P budgets is \$5.21 per mcf. This is down from \$6.35 last year but up from \$4.68 in our midyear 2009 survey.

More Focus on Exploration in 2010

About 45% of respondents anticipate spending a greater share of capex on exploration in 2010 versus 2009 (up from the 16% of companies which indicated they spent a greater proportion of capital spending on exploration in 2009). This is positive for seismic and major oil service companies.

Summary and Outlook
2010 Worldwide Capital Expenditures to Increase 11%

The Barclays Capital "Original E&P Spending Survey" indicates that worldwide E&P capex budgets will increase by 11% in 2010 to \$439 billion from \$395 billion in 2009 (387 companies were surveyed). North American budgets have the largest gains year-on-year, but international spending is also expected to show a double-digit increase. This follows a decline during 2009 in which E&P spending dropped 31% in the U.S., 33% in Canada, and 6% outside of North America.

Capital expenditures in the U.S. are projected to rise 12% in 2010 to \$79 billion from \$71 billion in 2009, by the 197 companies in our survey. Canadian capex is forecast to increase by 23% to \$23 billion in 2010 from \$19 billion in 2009, by the 126 companies we surveyed. This follows a sharp fall in spending in 2009, when North American capital expenditures declined due to the collapse in commodity prices and difficult credit markets. North American independents are highly sensitive to commodity prices and cash flow, and adjust budgets quickly as industry conditions warrant.

International expenditures are estimated to increase by 10% next year, resuming the trend of growth which has seen international capital expenditures rise in 10 of the last 11 years. A rise in 2010 spending is expected (to \$337 billion from \$305 billion in 2009) by the 134 companies we surveyed. The majority of the increase is due to higher capital spending from national oil companies.

Summary of Oil and Gas Exploration and Production Expenditures
 (\$ in millions)

	2010E	2009E	Year-to-Year % Change	Companies Surveyed
U.S. Spending	79,495	71,185	11.7%	197
Canadian Spending	22,847	18,514	23.4%	126
International Spending	337,039	305,072	10.5%	134
Worldwide Spending	439,381	394,771	11.3%	387

Source: Barclays Capital estimates

2010 Budgets Forecast Up 12% in the U.S.

In a reversal of the decline in capex in the U.S. in 2009 (which was triggered by falling commodity prices and tight credit markets), spending budgets in 2010 are indicated by our survey of 197 companies to rise by 11.7% to \$79.5 billion from \$71.2 billion in 2009. A large portion of the incremental spending is directed at shale plays, with some capital also shifted toward oil-related activity. Traditional vertical well drilling (such as in the shallow-water Gulf of Mexico and onshore Gulf Coast) is not expected to participate in the upturn. We are surprised at the magnitude of the increases to U.S. budgets and believe that the additional production that is anticipated as a result of these increases could put U.S. natural gas prices under pressure and may lead to another drilling downturn—perhaps as early as the second half of 2010.

Of the 197 companies with spending in the U.S. that we surveyed, 80 (or 41%) are estimated to increase spending by more than 50% in 2010. Thirty-seven companies (19%) are expected to increase spending by between 10% and 30%. Fifty-two companies (26%) are estimated to keep capex relatively flat year-on-year (within +/-10%). Thirteen companies (7%) are expected to cut capex by 10%-30% next year and 15 companies (8%) are expected to cut capex by more than 30%.

U.S. Spending Breakout by Company Budget Size

U.S. Spending Breakout	2010E	2009E	Year-to-Year % Change	Companies Surveyed
Spending Less Than \$50 Million	1,695	1,093	55.1%	115
Spending btw \$50 and \$100 Million	693	522	32.8%	8
Spending Under \$100 Million	2,388	1,615	47.9%	123
Spending btw \$100 Million and \$1 Billion	22,423	18,050	24.2%	51
Spending More Than \$1 Billion	54,683	51,520	6.1%	23
Total U.S. Spending	\$79,495	\$71,185	11.7%	197

Source: Barclays Capital estimates

Among the larger companies that we estimate will have significant budget increases in 2010 versus 2009 are Chesapeake Energy (up 40%), Devon Energy (up 45%), EOG Resources (up 21%), Hess Corp. (up 55%), Noble Energy (up 36%), Range Resources (27%) and SandRidge Energy (up 54%)—all of which are expected to spend over \$600 million. Conversely, large companies that we estimate will reduce their 2010 U.S. capex budgets include ConocoPhillips (down 23%), Royal Dutch/Shell (down 9%), Plains Exploration and Production Company (down 40%), and Williams Companies (down 8%).

Selected U.S. Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
Apache Corp.	2,100	1,750	350	20%
Chesapeake Energy Corp.	4,550	3,250	1,300	40%
Chevron Corp.	4,100	3,600	500	14%
ConocoPhillips	3,100	4,000	-900	-23%
Continental Resources	570	365	205	56%
Devon Energy	3,850	2,650	1,200	45%
EOG Resources	3,375	2,800	575	21%
Hess	1,700	1,100	600	55%
Noble Energy	1,330	980	350	36%
Petrohawk Energy	1,450	1,100	350	32%
Pioneer Natural Resources	800	255	545	214%
Plains Exploration and Production	900	1,500	-600	-40%
Range Resources	950	750	200	27%
SandRidge Energy	645	420	225	54%
Ultra Petroleum	1,000	735	265	36%
Williams Cos	1,008	1,101	-93	-8%

Source: Barclays Capital estimates

Sharp Rise in Canadian Spending Estimated in 2010

In recent years, Canadian E&P spending has lagged that in the U.S. and internationally. However, in 2010 capex is slated to increase significantly—up by 23% to \$23 billion in 2010 from \$19 billion in 2009, according to the 126 companies we surveyed. However, since our survey is measured in U.S. dollar terms, this strong performance is due in part to the appreciation of the Canadian dollar versus the U.S. dollar. We estimate that slightly less than half of the increase in Canadian spending is attributable to currency fluctuations; excluding this, the increase in capital spending in the U.S. and Canada is similar (with both up about 12%).

Canadian Spending Breakout by Company Budget Size

Canadian Spending Breakout	2010E	2009E	Year-to-Year % Change	Companies Surveyed
Spending Less Than \$50 Million	1,748	970	80.3%	85
Spending btw \$50 and \$100 Million	826	650	27.1%	9
Spending Under \$100 Million	2,574	1,620	58.9%	94
Spending btw \$100 Million and \$1 Billion	10,478	8,302	26.2%	27
Spending More Than \$1 Billion	9,795	8,592	14.0%	5
Total Canadian Spending	\$22,847	\$18,514	23.4%	126

Source: Barclays Capital estimates

Among the larger companies that we estimate will have the greatest budget increases are Imperial Oil (up 50%), Canadian Natural Resources (up 64%), Cenovus Energy (up 33%), Penn West Energy Trust (up 38%), Murphy Oil (up 71%), ARC Energy Trust (up 75%), and Petrobank Energy and Resources (up 67%). Conversely, large companies that we estimate will cut their 2010 Canadian capex budgets include Royal Dutch/Shell (down 10%), ConocoPhillips (down 29%), and Nexen (down 27%).

Selected Canadian Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
ARC Energy Trust	540	308	232	75%
Baytex Energy, Ltd.	223	144	79	55%
Canadian Natural Resources, Ltd.	2,445	1,492	953	64%
Cenovus Energy	800	600	200	33%
ConocoPhillips	1,000	1,400	-400	-29%
Devon Energy	600	500	100	20%
EnCana	1,700	1,800	-100	-6%
Imperial Oil	2,850	1,900	950	50%
Nexen	190	261	-71	-27%
Penn West Energy Trust	808	587	221	38%
Petrobank Energy and Resources	500	300	200	67%
Talisman Energy	800	700	100	14%

Source: Barclays Capital estimates

International Spending Returns to Growth in 2010

International capex is forecast to rise by 10% next year to \$337 billion from \$305 billion, by the 134 companies we surveyed. Large Asian, Middle Eastern, Russian, and African companies show some of the largest increases internationally, while spending for Europe-based firms and supermajors is generally flattish year-on-year. We believe the international spending totals for 2010 are above consensus estimates and are also above our previous forecasts.

Supermajors

In general, we anticipate minor spending increases for the supermajors next year, with the big six expected to increase international spending by about 1% in the aggregate. We forecast that BP and Total will maintain their spending relatively flat, while ConocoPhillips and ExxonMobil are anticipated to increase their international spending by 14% and 11%, respectively. Conversely, both Chevron and Royal Dutch/Shell are estimated to reduce international spending next year by 5% and 6%, respectively.

Selected "Supermajor" International Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
BP	8,500	8,500	0	0%
Chevron	12,900	13,600	-700	-5%
ConocoPhillips	5,600	4,900	700	14%
ExxonMobil	18,000	16,200	1,800	11%
Royal Dutch/Shell	16,000	17,000	-1,000	-6%
Total	12,350	12,350	0	0%
Sub-Total	\$73,350	\$72,550	\$800	1%

Source: Barclays Capital estimates

Middle East/Africa

We estimate that capital spending by selected Middle Eastern and African firms in 2010 could be up by 15% year-on-year. In the Middle East, ADNOC (Abu Dhabi National Oil Company) and Kuwait Oil Company are expected to show double-digit increases in capital spending in 2010. However, spending by Saudi Aramco and the Qatar Petroleum Company is expected to be down modestly (-7% and -6%, respectively). In Africa, spending by NNPC (Nigerian National Petroleum Corp.), Angola's Sonangol, and Libya's NOC (National Oil Corporation) is forecast to be up significantly.

Selected Middle East and African Oil Company Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
Abu Dhabi National Oil Company	3,800	2,750	1,050	38%
Egyptian General Petroleum Corp.	2,235	2,055	180	9%
Kuwait Oil Company	5,500	4,850	650	13%
Missan Oil Company	400	25	375	1500%
National Oil Corp.	4,610	3,500	1,110	32%
Nigerian National Petroleum Corp.	11,500	9,600	1,900	20%
North Oil Company	150	120	30	25%
Petro SA	600	250	350	140%
Petroleum Development Oman	2,350	2,275	75	3%
Qatar Petroleum Company	3,400	3,600	-200	-6%
Saudi Aramco	7,900	8,500	-600	-7%
Sonangol	15,000	12,000	3,000	25%
Sonatrach	5,500	5,400	100	2%
South Oil Company	640	310	330	106%
Sub-Total	\$63,585	\$55,235	\$8,350	15%

Source: Barclays Capital estimates

Iraq's three NOCs, North Oil Company, South Oil Company and Missan Oil Company, are also expected to increase spending significantly next year. This is the first time these three companies have appeared in our survey. Many of the large national and international oil companies which have been awarded projects in Iraq do not include spending on these Iraqi oilfields in current E&P budgets for 2010. This spending would be mostly incremental to these regional spending gains. We believe that Iraq could be one of the fastest-growing markets for oil service companies over the next several years.

Russia

Russian companies showed some of the largest cuts to E&P capex in 2009, but indications are that Russia-based firms could be among the more aggressive spenders in 2010. Gazprom, Gazprom Neft, Lukoil, Rosneft, Surgutneftegaz, and TNK-BP are expected to show double-digit increases in spending, while spending by Novatek is expected to be flattish next year. On average, spending by the Russian companies is expected to rise by 20%—this compares with a sharp drop of 30% in spending levels in 2009.

Selected Russian Oil Company Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
Gazprom	13,410	11,803	1,607	14%
Gazprom Neft	2,595	1,990	605	30%
Lukoil	6,000	4,800	1,200	25%
Novatek	900	900	0	0%
Rosneft	6,180	5,075	1,105	22%
Surgutneftegaz	4,080	3,070	1,010	33%
TNK-BP	3,900	3,300	600	18%
Sub-Total	\$37,065	\$30,938	\$6,127	20%

Source: Barclays Capital estimates

Asia and Australia

Trends for state-owned and international oil companies based in Asia and Australia are somewhat mixed, but overall we forecast a significant increase in capex next year (+18%) for these companies. Although we forecast declines for some companies, such as India's ONGC, PetroVietnam and PTT E&P, big increases are expected for China's CNOOC, PetroChina, and Sinopec. Likewise, spending by Malaysia's Petronas and Indonesia's Pertamina is expected to be up significantly. We also believe spending by the major oils in Australia is set to rise.

Selected Asian & Australian Oil Company Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
CNOOC	7,820	6,600	1,220	18%
OGDCL (Pakistan)	950	880	70	8%
ONGC	3,600	3,960	-360	-9%
Pertamina	2,782	1,569	1,213	77%
PetroChina	20,000	14,000	6,000	43%
Petronas	6,500	5,800	700	12%
PetroVietnam	2,900	3,200	-300	-9%
PTT Exploration & Production	1,816	3,005	-1,188	-40%
Santos, Ltd.	2,576	1,248	1,328	106%
Sinopec	9,000	6,800	2,200	32%
Woodside Petroleum	2,779	4,451	-1,672	-38%
Sub-Total	\$60,723	\$51,513	\$9,211	18%

Source: Barclays Capital estimates

Latin America

Increased spending in Latin America is being driven by ambitious capital spending plans by Petrobras (up 25%). In addition, Petrotrin and Ecopetrol are also expecting large gains. Spending by Venezuela's PDVSA and Mexico's PEMEX, however, is expected to lag. Capex for PDVSA is anticipated to be flattish in 2010, while PEMEX spending is forecast to be down 6% year-on-year.

Selected Latin American Oil and Gas Company Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
Ecopetrol SA	4509	3764	745	20%
PDVSA	5,271	5,217	54	1%
PEMEX	15,200	16,200	-1,000	-6%
Petrobras	20,000	16,000	4,000	25%
Petrotrin	469	331	138	42%
Sub-Total	\$45,449	\$41,512	\$3,937	9%

Source: Barclays Capital estimates

Europe

Most European-based companies appear to be increasing spending only modestly in 2010, if at all. Aggregate spending for Europe-based firms is forecast to be flattish year-on-year. Spending increases by such firms as MOL Group and Premier Oil are largely offset by declines for Repsol and Dana Petroleum.

Selected European Oil and Gas Company Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
BG Group	4,700	4,500	200	4%
CEPSA	305	279	26	9%
Dana Petroleum plc	300	400	-100	-25%
ENI	10,000	10,000	0	0%
Melrose Resources	133	142	-9	-6%
MOL Group	731	402	329	82%
Noreco	300	300	0	0%
OMV	2,000	1,800	200	11%
Premier Oil	650	350	300	86%
Repsol-YPF	3,300	3,510	-210	-6%
Statoil	10,350	10,350	0	0%
Wintershall Holding	900	900	0	0%
Sub-Total	\$33,669	\$32,933	\$736	2%

Source: Barclays Capital estimates

International Spending by North American-Based Firms

Independents based in North America invest the bulk of their capital in their home countries, but in recent years, these companies have shifted funds from domestic to international operations. We forecast spending increases for most North-American-based independents (and smaller integrations), with aggregate investment expected to be up 13% year-on-year.

Selected North America-Based Cos' Int'l Budgets for 2009 and 2010

(in \$ millions)	2010E	2009E	Year-to-Year \$ Change	Year-to-Year % Change
Anadarko Petroleum	1,350	1,200	150	13%
Apache	1,900	1,750	150	9%
Canadian Natural Resources	440	626	-186	-30%
Devon Energy	550	440	110	25%
Hess Corp.	2,150	2,000	150	8%
Marathon Oil	1,035	816	219	27%
Murphy Oil	950	1,200	-250	-21%
Nexen	1,401	1,100	301	27%
Noble Energy	1,070	420	650	155%
Occidental Petroleum	2,200	1,900	300	16%
Suncor Energy	760	500	260	52%
Talisman Energy	2,000	2,000	0	0%
Sub-Total	\$15,806	\$13,952	\$1,854	13%

Source: Barclays Capital estimates

Survey Findings of Particular Interest

- **Exploration spending set to rise in 2010** - Fully 45% of respondents anticipate spending a greater share of capex on exploration in 2010 versus 2009; just 16% spent a greater proportion of capital spending dedicated to exploration in 2009. This is a clear positive for seismic companies and also a positive trend for the major oil service companies.
- **E&P spending in 2009 roughly in line with our midyear survey** - The overall E&P spending decline in 2009 appears to have been generally in line with the decline forecast in our midyear 2009 survey. We estimate that total spending fell by 15% in 2009.
- **Higher oil prices expected in 2010** - Companies are basing their 2010 E&P budgets on a crude oil price of about \$70.13 per barrel (WTI). This average oil price assumption is above the \$50.18 per barrel indicated in our midyear survey and the \$58.30 per barrel in last year's survey. The most frequently cited price which would result in a cut in E&P budgets is \$50 per barrel for oil (West Texas Intermediate).
- **Natural gas prices up from midyear survey, down versus last year** - The average natural gas price associated with 2010 E&P budgets is \$5.21 per mcf (Henry Hub). This compares to the average natural gas price assumption indicated in our midyear survey of \$4.68 and \$6.35 in last year's survey. The natural gas price at which many respondents would begin to cut budgets is \$4.00 per mcf and a larger percentage are prepared to cut budgets at \$3.00 per mcf.
- **Spending expected to remain within cash flow** - The vast majority of companies we surveyed (74%) expect to spend within their cash flow during 2010. This represents an increase versus the prior year; during 2009, 63% of companies expected capital expenditures to be within cash flow.
- **Credit market issues expected to abate** - Some 42% of companies indicated that challenging credit market conditions have affected capex plans this year. A smaller percentage of respondents (32%) expect difficulties in the credit markets to impact spending in 2010.
- **Natural gas prices, cash flow, and oil prices key drivers of budgets** - For the fifth year in a row, natural gas prices were highlighted as the most important determinant of E&P spending in the coming year, followed by cash flow. Notably, the percentage of respondents citing capital availability as a key determinant has increased for the second straight year (to 35% from 29% in 2009 and 23% in 2008), while the number of companies highlighting drilling costs, drilling success, and prospect availability decreased for the second year in a row.
- **Increased pessimism on North American drilling economics** - International exploration economics continue to be viewed as best among the regions in our survey, while the outlook for exploration in North America continues to diminish.
- **Fracturing/Stimulation and Horizontal Drilling: the most important technologies in 2010** - For the second consecutive year, Fracturing/Stimulation and Horizontal Drilling were most commonly

cited among operators as having the greatest impact on their business. Given that stimulation technology and horizontal drilling are the main technologies used in unlocking shale plays, this is not surprising. 3D/4D Seismic placed third in this year's ranking.

Survey Methodology

We surveyed 387 companies on their worldwide E&P expenditure plans for 2009 and 2010. We asked detailed questions about the composition of their budgets and strategic shifts within these budgets. We originally faxed and e-mailed surveys to all participants, and followed up with numerous telephone calls to many of them, particularly to government-owned oil companies, foreign oil companies, and majors. **All E&P expenditures, however, are our estimates, and may incorporate a variety of sources.** We believe this survey is the most extensive study of oil company spending plans conducted. The following points should be noted when interpreting the results:

1. The 2009 and 2010 budgets are Barclays Capital estimates. Some companies are in the midst of their budgeting process and do not have final numbers available for 2010.
2. Any company that spends more than \$100,000 on E&P in 2009 or 2010 is eligible for our survey.
3. Budgets exclude acquisitions and, whenever possible, purchases of reserves or producing properties. For cases in which a company has been acquired, we have attempted to include the spending of the acquired company in the new company's 2009 spending.
4. We have attempted to adjust the numbers for companies whose fiscal year ends on a date other than December 31.

Survey of U.S. E&P Expenditures, 2009E-2010E (\$ in millions)

Company	2010E	2009E	\$ Change	% Change	Company	2010E	2009E	\$ Change	% Change
Abraxas Petroleum Corporation	30.0	20.0	10.0	50%	ConocoPhillips	3,100.0	4,000.0	-900.0	-23%
Algonquin Oil & Gas	1.0	0.3	0.8	300%	Constellation Energy Partners	25.0	25.0	0.0	0%
All Aboard Development Corp.	4.5	3.5	1.0	29%	Continental Resources	570.0	365.0	205.0	56%
Alpine Drilling	4.5	4.0	0.5	13%	Crawford Energy	8.0	8.0	0.0	0%
Anadarko Petroleum Corp.	2,700.0	2,700.0	0.0	0%	Crimson Exploration	55.0	18.0	37.0	206%
Antero Resources	300.0	195.0	105.0	54%	D.E. Limited	1.2	1.2	0.0	0%
Apache Corp.	2,100.0	1,750.0	350.0	20%	Dana Petroleum plc	0.0	0.5	-0.5	-100%
Approach Resources Inc.	53.0	30.0	23.0	77%	Delta Petroleum	40.0	56.0	-16.0	-29%
Arena Resources	150.0	107.0	43.0	40%	Denali Oil & Gas	20.0	5.0	15.0	300%
Armstrong Energy Corp.	4.0	4.0	0.0	0%	Derek Oil & Gas Corp.	3.0	1.0	2.0	200%
Arsenal Energy	14.5	8.7	5.8	67%	Devon Energy	3,850.0	2,650.0	1,200.0	45%
Artex Oil Company	20.0	20.0	0.0	0%	Dugan Production	4.0	2.9	1.1	37%
ATP Oil & Gas Corp.	400.0	400.0	0.0	0%	Dune Energy	15.0	14.5	0.5	3%
B&R Energy	5.0	5.0	0.0	0%	Dynamic Offshore Resources LLC	100.0	80.0	20.0	25%
Ballantyne Oil & Gas	0.4	0.4	0.0	-5%	Eagle Oil and Gas	8.0	3.0	5.0	167%
Barger Engineering	2.6	2.0	0.6	30%	Edge Petroleum	0.0	3.0	-3.0	-100%
Baseline Oil & Gas	4.0	4.0	0.0	0%	Edmiston Oil Company	0.8	0.5	0.3	50%
Bass Enterprises Production Co.	200.0	100.0	100.0	100%	El Paso Corporation	900.0	750.0	150.0	20%
Bean Resources	14.0	7.0	7.0	100%	EnCana	1,950.0	2,000.0	-50.0	-3%
Berry Petroleum Co.	240.0	132.0	108.0	82%	Encore Energy Partners	10.0	8.0	2.0	25%
BG Group	50.0	50.0	0.0	0%	Energren Corporation	310.0	267.0	43.0	16%
BHP Billiton	657.0	657.0	0.0	0%	Energy XXI	80.0	104.0	-24.0	-23%
Bill Barrett Corp	380.0	350.0	30.0	9%	EnerPlus Resources	100.0	65.3	34.8	53%
Black Diamond Energy	0.3	0.3	0.0	0%	Eni	1,200.0	1,200.0	0.0	0%
Black Hills Corp.	38.3	25.0	13.3	53%	Enterra Energy Trust	9.0	8.5	0.5	6%
BlueStone Natural Resources	9.0	7.5	1.5	20%	EOG Resources	3,375.0	2,800.0	575.0	21%
BoMar Oil & Gas	0.3	0.3	0.0	0%	Epsilon Energy Ltd.	22.5	20.5	2.0	10%
BP	6,000.0	6,000.0	0.0	0%	EQT Corp.	565.0	650.0	-85.0	-13%
Brayton Operating	6.0	0.0	6.0	NM	EXCO Resources	329.1	352.0	-22.9	-7%
BreitBurn Energy Co., LLC	50.0	32.0	18.0	56%	Exxon Mobil	2,200.0	2,000.0	200.0	10%
Brigham Exploration Co.	169.4	52.0	117.4	226%	Flash Gas & Oil Southwest	1.0	1.0	0.0	0%
Buccaneer Energy	17.5	1.8	15.8	900%	Forest Oil Corp.	600.0	468.0	132.0	28%
C. H. C. Gerard & Associates	0.5	0.5	0.0	0%	Gasco Energy	10.0	10.0	0.0	0%
Cabot Oil & Gas Corp.	585.0	580.0	5.0	1%	Gastar Exploration Ltd.	53.7	45.4	8.3	18%
Callon Petroleum Co.	60.0	35.0	25.0	71%	GeoMet Operating Co.	12.5	9.3	3.3	35%
Canan Mowrey Operating, LLC	5.0	5.0	0.0	0%	GMX Resources	192.0	121.0	71.0	59%
Carrizo Oil & Gas	121.0	107.0	14.0	13%	Goodrich Petroleum Corp.	190.0	200.0	-10.0	-5%
Castex Energy	50.0	10.0	40.0	400%	Grand Mesa Operating Company	6.0	3.0	3.0	100%
Chalker Energy Partners	10.0	5.0	5.0	100%	Gulfport Energy Corp.	59.0	43.0	16.0	37%
Chaparral Energy	347.0	122.0	225.0	184%	Hess	1,700.0	1,100.0	600.0	55%
Chesapeake Energy Corp.	4,550.0	3,250.0	1,300.0	40%	HighMount E&P LLC	200.2	145.3	54.9	38%
Chevron Corp.	4,100.0	3,600.0	500.0	14%	Holmes Western Oil	9.0	10.0	-1.0	-10%
Cimarex	700.0	525.0	175.0	33%	Houston American Energy	18.0	5.0	13.0	260%
Cirrus Production	0.6	0.4	0.2	50%	Howard Energy Corp.	0.3	0.3	0.0	0%
Clayton Williams Energy	78.5	78.5	0.0	0%	IDC Energy Corp.	0.5	0.5	0.0	0%
Clean Gas Inc	3.5	6.5	-3.0	-46%	Inland Ocean, Inc.	2.5	1.3	1.3	100%
CNX Gas	210.0	325.0	-115.0	-35%	Jasper Oil Producers	0.8	0.5	0.4	83%
Colt Energy Inc.	7.5	9.0	-1.5	-17%	JW Operating	128.3	220.0	-91.7	-42%
Comstock Resources	385.0	355.0	30.0	8%	Kinder Morgan Production Company	260.0	246.0	14.0	6%
Concho Resources	480.0	382.5	97.5	25%	Kirkpatrick Oil Company	6.0	10.0	-4.0	-40%

Source: Barclays Capital estimates

Survey of U.S. E&P Expenditures, 2009E-10E (\$ in millions) (continued)

Company	2010E	2009E	\$ Change	% Change	Company	2010E	2009E	\$ Change	% Change
Kriti Exploration	11.0	1.5	9.5	633%	Range Resources	950.0	750.0	200.0	27%
Lamamco Drilling Co	3.0	1.5	1.5	100%	Repsol YPF	700.0	1,053.0	-353.0	-34%
Lario Oil & Gas	37.0	37.0	0.0	0%	Rex Energy Corp.	80.0	42.5	37.5	88%
Legacy Reserves	25.0	15.0	10.0	67%	Rio Petroleum	3.0	1.8	1.2	67%
Lenape Resources	0.7	1.0	-0.3	-30%	Rosetta Resources	225.0	125.0	100.0	80%
Linn Energy	100.0	150.0	-50.0	-33%	Royal Dutch/Shell	3,200.0	3,500.0	-300.0	-9%
Lotus Operating Co., LLC	7.5	3.0	4.5	150%	Royal Offshore	30.0	20.0	10.0	50%
Magnum Hunter Resources	32.5	8.0	24.5	306%	S.L. Evans Operating Co.	2.5	3.0	-0.5	-17%
Makoil	2.0	1.5	0.5	33%	Sandridge Energy	645.0	420.0	225.0	54%
Marathon Oil Corp	1,800.0	1,632.0	168.0	10%	Saxet Petroleum	3.5	0.3	3.3	1300%
Mariner Energy	609.0	587.5	21.5	4%	Saxon Oil Company	0.3	0.8	-0.5	-60%
Maritech Resources	50.0	40.0	10.0	25%	Sefton Resources, Inc.	2.2	2.4	-0.2	-9%
Mark V Petroleum	0.2	0.2	0.0	0%	Seneca Resources	269.0	188.0	81.0	43%
McCombs Energy	20.0	20.0	0.0	0%	Slawson Exploration	37.5	30.0	7.5	25%
McMoRan Exploration Co.	155.0	155.0	0.0	0%	South Texas Oil Company	0.0	1.1	-1.1	-100%
Meade Energy Corp.	5.0	5.0	0.0	0%	Southport Exploration	0.1	0.1	0.0	0%
Melrose Resources	10.0	23.0	-13.0	-57%	Southwestern Energy Co.	1,300.0	1,250.0	50.0	4%
Meridian Resource Corp.	0.0	12.0	-12.0	-100%	St. Mary Land & Exploration Co.	375.0	302.0	73.0	24%
Merit Energy	75.0	70.0	5.0	7%	Statoil	1,800.0	1,800.0	0.0	0%
Merrion Oil and Gas	12.0	15.0	-3.0	-20%	Stone Energy Corp.	350.0	300.0	50.0	17%
Miesen Development Corp	1.0	0.8	0.3	33%	Strat Land Exploration	24.0	12.0	12.0	100%
MKJ Xploration, Inc.	1.5	0.8	0.8	100%	Sue Ann Operating	5.0	5.0	0.0	0%
Murex Petroleum Corp	60.0	15.0	45.0	300%	Swift Energy Corp.	200.0	164.0	36.0	22%
Murphy Oil Co.	450.0	350.0	100.0	29%	Talisman Energy	900.0	525.0	375.0	71%
NCL Natural Resources	100.0	20.0	80.0	400%	Tammany Oil & Gas	2.0	0.5	1.5	300%
Nelson Energy	4.5	4.5	0.0	0%	Te-Pe Oil & Gas	4.0	4.0	0.0	0%
Newfield Exploration Co.	1,200.0	1,334.0	-134.0	-10%	Teton Energy Corporation	3.0	3.0	0.0	0%
Nexen	213.8	300.0	-86.3	-29%	The Cumming Company	8.5	7.5	1.0	13%
Noble Energy	1,330.0	980.0	350.0	36%	Tilford Pinson Exploration	4.5	1.0	3.5	350%
NuLoch Resources	15.0	0.0	15.0	NM	Toce Energy	3.1	1.3	1.8	138%
Occidental Petroleum Corp.	1,400.0	1,100.0	300.0	27%	Total	1,000.0	850.0	150.0	18%
Odyssey Petroleum Corp	6.0	5.2	0.8	15%	Trans Pacific Oil	25.0	25.0	0.0	0%
Osage Resources	16.3	12.4	3.9	31%	Trendwell Energy Corp.	5.0	4.0	1.0	25%
Panhandle Oil & Gas	28.0	40.0	-12.0	-30%	Ultra Petroleum	1,000.0	735.0	265.0	36%
Paramount Resources, Ltd.	9.5	7.8	1.7	22%	US Operating	5.0	0.0	5.0	NM
Pearl Exploration and Production Ltd.	1.0	1.8	-0.8	-43%	Vanguard Natural Resources	5.0	4.3	0.8	18%
Penn Virginia Oil and Gas Corp.	325.0	195.0	130.0	67%	Venoco, Inc.	180.0	160.0	20.0	13%
Petrohawk Energy	1,450.0	1,100.0	350.0	32%	Vision Exploration LLC	1.0	1.0	0.0	0%
Petroleo Brasileiro SA (Petrobras)	500.0	500.0	0.0	0%	W & T Offshore	400.0	290.0	110.0	38%
PetroQuest Energy	80.0	70.0	10.0	14%	Warren Resources, Inc	45.0	9.0	36.0	400%
Petsec Energy	28.0	10.0	18.0	180%	Whiting Petroleum Corp.	600.0	470.0	130.0	28%
Pine Cliff Energy Ltd.	1.4	0.9	0.5	56%	WhitMar Exploration Company	25.0	10.0	15.0	150%
Pinnacle Gas Resources, Inc.	9.0	2.9	6.1	215%	Williams Cos	1,008.0	1,101.0	-93.0	-8%
Pioneer Natural Resources	800.0	255.0	545.0	214%	Woodside Petroleum	146.0	185.0	-39.0	-21%
Plains Exploration and Production Company	900.0	1,500.0	-600.0	-40%	Zone Energy LLC	5.5	0.0	5.5	NM
Price Energy	2.0	1.0	1.0	100%					
Puckett Land Co	10.0	11.0	-1.0	-9%					
Quicksilver Resources	338.0	300.0	38.0	13%					
Ram Energy Resources	50.0	32.5	17.5	54%					
Ramshorn International Ltd.	30.0	47.5	-17.5	-37%					
Total						79,494.6	71,184.9	8,309.8	
Year-Over-Year Percent Change									11.7%

Source: Barclays Capital estimates

Survey of Canadian E&P Expenditures, 2009E-2010E (\$ in millions)

Company	2010E	2009E	\$ Change	% Change	Company	2010E	2009E	\$ Change	% Change
Action Energy Inc.	0.0	0.6	-0.6	-100%	Kallisto Energy	20.0	1.3	18.7	1438%
Advantage Oil & Gas	86.0	95.0	-9.0	-9%	Lario Oil & Gas	3.0	3.0	0.0	0%
Altima Resources Ltd.	30.4	0.0	30.4	NM	Merit Energy	10.0	10.0	0.0	0%
Amidon Creative Enterprises, Ltd.	0.3	0.3	0.0	0%	Midnight Oil Exploration	34.0	34.0	0.0	0%
Anderson Energy Ltd.	71.3	28.7	42.5	148%	Midway Energy Ltd.	30.4	15.0	15.4	103%
Angle Energy Inc.	90.3	47.3	43.0	91%	Monterey Exploration	4.4	14.3	-9.9	-69%
Anterra Energy Inc.	14.0	1.3	12.7	977%	Murphy Oil Co.	600.0	350.0	250.0	71%
Apache Corp.	500.0	500.0	0.0	0%	Nexen	190.0	261.0	-71.0	-27%
ARC Energy Trust	540.0	308.0	232.0	75%	Nordic Oil & Gas	4.3	4.4	-0.1	-2%
Arcan Resources Ltd.	14.3	12.2	2.1	17%	North Peace Energy Corp.	0.0	5.2	-5.2	-100%
Arsenal Energy	14.5	8.7	5.8	67%	NuLoch Resources	14.0	4.0	10.0	250%
ATP Oil & Gas Corp.	100.0	50.0	50.0	100%	Open Range Energy Corp.	43.0	22.0	21.0	95%
Barnwell of Canada, Ltd.	9.5	6.0	3.5	58%	Orleans Energy	41.8	38.3	3.5	9%
Base Oil & Gas	3.8	0.0	3.8	NM	Painted Pony Petroleum Ltd.	86.0	48.0	38.0	79%
Baytex Energy, Ltd.	223.0	144.0	79.0	55%	Paramount Energy	77.0	56.5	20.5	36%
Bellamont Exploration	13.0	12.0	1.0	8%	Paramount Resources, Ltd.	118.8	69.5	49.3	71%
Bellatrix Exploration Ltd.	38.0	17.0	21.0	124%	Paris Energy	0.0	0.1	-0.1	-100%
Berens Energy Ltd	36.1	23.5	12.6	54%	Pearl Exploration and Production Ltd.	46.6	28.7	17.9	62%
BG Group	100.0	100.0	0.0	0%	Penn West Energy Trust	807.5	587.0	220.5	38%
Birchcliff Energy Ltd.	123.5	91.0	32.5	36%	Petrex Energy	1.7	1.3	0.4	31%
Bonavista Energy Trust	299.3	195.8	103.5	53%	Petrobank Energy and Resources	500.0	300.0	200.0	67%
Bonterra Oil & Gas Ltd.	40.0	26.0	14.0	54%	Petro-reef Resources Ltd.	4.4	4.4	0.0	0%
BP	500.0	500.0	0.0	0%	Peyto Energy Trust	178.0	78.0	100.0	128%
Canadian Natural Resources, Ltd.	2,445.0	1,492.0	953.0	64%	Polaris Resources	4.0	0.5	3.5	700%
Canadian Spirit Resources Inc.	10.0	1.0	9.0	900%	Prosper Resources	21.4	13.0	8.4	65%
Canext Energy	11.4	7.0	4.4	63%	Provident Energy	53.0	77.0	-24.0	-31%
Celtic Exploration	119.0	104.0	15.0	14%	Quicksilver Resources	52.0	100.0	-48.0	-48%
Cenovus Energy	800.0	600.0	200.0	33%	Ramshorn International Ltd.	95.0	47.5	47.5	100%
Century Energy Ltd	1.0	1.0	0.0	0%	Result Energy Inc.	47.5	0.0	47.5	NM
Chevron Corp.	300.0	300.0	0.0	0%	Ripper Oil & Gas	1.5	0.0	1.5	NM
Cinch Energy Corp.	24.0	8.0	16.0	200%	Rock Energy Inc.	41.0	16.5	24.5	148%
Compton Petroleum Corp.	48.0	35.0	13.0	37%	Royal Dutch/Shell	1,800.0	2,000.0	-200.0	-10%
Connacher Oil and Gas Ltd.	242.0	245.0	-3.0	-1%	Ryland Oil Corp.	0.0	17.5	-17.5	-100%
ConocoPhillips	1,000.0	1,400.0	-400.0	-29%	Second Wave Petroleum Ltd.	23.7	16.5	7.2	44%
Corridor Resources Inc.	38.0	35.0	3.0	9%	Sentinel Rock Oil	2.0	0.5	1.5	300%
Crescent Point Energy	385.0	283.0	102.0	36%	Sharon Energy Ltd.	2.3	1.3	1.0	77%
Crew Energy Inc.	114.0	104.4	9.6	9%	Spartan Exploration	33.3	2.6	30.7	1181%
Cygam Energy Inc.	0.1	0.1	0.1	100%	Spitfire Energy Ltd.	2.4	2.2	0.2	9%
Daylight Resources Trust	190.0	139.0	51.0	37%	Stealth Ventures	1.0	1.0	0.0	0%
Deethree Exploration	15.0	6.3	8.7	138%	Storm Exploration Inc	80.0	34.0	46.0	135%
Delphi Energy Corp.	61.8	33.5	28.3	84%	Suncor Energy	570.0	200.0	370.0	185%
Devon Energy	600.0	500.0	100.0	20%	Sure Energy	9.5	3.0	6.5	217%
Diaz Resources Ltd.	8.0	2.6	5.4	208%	Talisman Energy	800.0	700.0	100.0	14%
EMM Energy Inc.	0.6	0.5	0.0	9%	Taylor Hill Exploration Ltd.	0.3	0.3	0.0	0%
EnCana	1,700.0	1,800.0	-100.0	-6%	Terra Energy Corp.	47.5	23.5	24.0	102%
EnerPlus Resources	300.0	221.9	78.2	35%	Texalta Petroleum	4.0	2.0	2.0	100%
Enterra Energy Trust	11.0	6.0	5.0	83%	Total	800.0	800.0	0.0	0%
EOG Resources	325.0	250.0	75.0	30%	TRAFINA Energy Ltd.	2.9	1.7	1.1	64%
Epsilon Energy Ltd.	2.5	2.5	0.0	0%	Triangle Petroleum	7.6	7.8	-0.2	-3%
Exall Energy Corp	7.1	5.2	1.9	37%	Triton Energy	3.6	2.2	1.4	64%
Exxon Mobil	350.0	300.0	50.0	17%	Tuscany Energy	19.0	2.6	16.4	628%
Fairborne Energy	111.0	102.0	9.0	9%	Twin Butte Energy Ltd.	35.6	9.6	26.0	272%
Forest Oil Corp.	0.0	77.0	-77.0	-100%	Vecta Energy Corporation	0.0	0.2	-0.2	-100%
Freehold Royalty Trust	23.0	12.0	11.0	92%	West Energy Ltd.	57.0	40.0	17.0	43%
Galleon Energy Inc.	160.0	107.0	53.0	50%	West Isle Energy	0.2	0.2	0.1	41%
GeoMet Operating Co.	0.5	0.3	0.3	100%	WesternZagros Resources Ltd.	40.9	37.4	3.5	9%
Great Plains Exploration Inc.	12.3	6.2	6.1	98%	WestFire Energy Ltd.	35.2	15.2	20.0	132%
Greentree Gas & Oil Ltd.	1.0	0.9	0.1	15%	Yangarra Resources Ltd.	1.4	0.4	1.0	250%
Hawk Exploration	14.3	3.0	11.3	375%	Yoho Resources	13.8	11.3	2.5	22%
Hemisphere Energy Corp.	1.0	0.4	0.6	127%	Zapata Energy Corp.	11.0	11.0	0.0	0%
Imperial Oil	2,850.0	1,900.0	950.0	50%	Zargon Energy	55.0	42.0	13.0	31%
Insignia Energy Ltd	20.0	6.0	14.0	233%					
International Sovereign Energy	6.0	7.0	-1.0	-14%					
Ironhorse Oil & Gas Inc.	12.8	9.2	3.6	39%					
Iteration Energy	90.0	56.0	34.0	61%					
Total						22,846.8	18,513.7	4,333.2	
Year-Over-Year Percent Change									23.4%

Source: Barclays Capital estimates

Survey of International (Outside North America) E&P Expenditures, 2009E-2010E (\$ in millions)

Company	2010E	2009E	\$ Change	% Change	Company	2010E	2009E	\$ Change	% Change
Abu Dhabi National Oil Co. (ADNOC)	3,800.0	2,750.0	1,050.0	38%	Noble Energy	1,070.0	420.0	650.0	155%
Aladdin Middle East Ltd.	25.0	12.3	12.8	104%	Noreco	300.0	300.0	0.0	0%
Ambit Energy Corporation	87.5	0.0	87.5	NM	North Oil Company	150.0	120.0	30.0	25%
Anadarko Petroleum Corp.	1,350.0	1,200.0	150.0	13%	Northern Petroleum Plc	27.0	25.0	2.0	8%
Apache Corp.	1,900.0	1,750.0	150.0	9%	Novatek	900.0	900.0	0.0	0%
Argenta Oil & Gas Inc.	6.0	3.0	3.0	100%	Nunaoil A/S	1.0	3.2	-2.2	-69%
Aurelian Oil & Gas	16.0	8.0	8.0	100%	Occidental Petroleum Corp.	2,200.0	1,900.0	300.0	16%
Bankers Petroleum	93.0	56.0	37.0	66%	OGDCL (Pakistan)	950.0	880.0	70.0	8%
BG Group	4,700.0	4,500.0	200.0	4%	Oil & Natural Gas Corporation Limited (ONGC)	3,600.0	3,960.0	-360.0	-9%
BHP Billiton	1,333.0	1,333.0	0.0	0%	OMV A.G.	2,000.0	1,800.0	200.0	11%
BP	8,500.0	8,500.0	0.0	0%	Orca Exploration	7.0	11.0	-4.0	-36%
BPZ Resources, Inc.	187.5	86.0	101.5	118%	Pacific Rubiales	356.3	152.0	204.3	134%
Bridge Energy AS	31.4	12.7	18.7	148%	Pan Orient Energy Corp	50.0	49.0	1.0	2%
Brisbane Petroleum Ltd.	1.5	0.0	1.5	NM	Pertamina	2,782.0	1,569.0	1,213.0	77%
Cairn Energy plc	850.0	920.0	-70.0	-8%	PetroSA	600.0	250.0	350.0	140%
Calvalley Petroleum	23.0	18.0	5.0	28%	Petro Vista Energy	24.0	6.0	18.0	300%
Canacol Energy	25.0	14.0	11.0	79%	Petrobank Energy and Resources	250.0	230.0	20.0	9%
Canadian Natural Resources, Ltd.	440.0	626.0	-186.0	-30%	PetroChina	20,000.0	14,000.0	6,000.0	43%
Candax Energy Inc.	7.6	5.0	2.6	52%	Petroleo Brasileiro SA (Petrobras)	20,000.0	16,000.0	4,000.0	25%
Carrizo Oil & Gas	4.0	3.0	1.0	33%	Petroleos de Venezuela, SA (PDVSA)	5,271.0	5,217.0	54.0	1%
Centric Energy	15.0	0.0	15.0	NM	Petroleos Mexicanos (Pemex)	15,200.0	16,200.0	-1,000.0	-6%
CEPSA	305.1	279.2	25.9	9%	Petroleum Development of Oman (PDO)	2,350.0	2,275.0	75.0	3%
CGX Energy	70.0	7.0	63.0	900%	Petrolifera	53.0	65.0	-12.0	-18%
Chariot Oil & Gas Ltd.	5.0	25.0	-20.0	-80%	Petronas	6,500.0	5,800.0	700.0	12%
Chevron Corp.	12,900.0	13,600.0	-700.0	-5%	Petrotrin	469.0	331.0	138.0	42%
CNOOC	7,820.0	6,600.0	1,220.0	18%	PetroVietnam	2,900.0	3,200.0	-300.0	-9%
Coastal Energy Company	85.0	65.0	20.0	31%	Pioneer Natural Resources	50.0	45.0	5.0	11%
ConocoPhillips	5,600.0	4,900.0	700.0	14%	Plains Exploration and Production Company	0.0	50.0	-50.0	-100%
Cue Energy Resources NL	15.6	19.5	-3.9	-20%	Premier Oil	650.0	350.0	300.0	86%
Cygam Energy Inc.	9.0	1.2	7.8	650%	PTT Exploration & Production	1,816.4	3,004.8	-1,188.4	-40%
Dana Petroleum plc	300.0	400.0	-100.0	-25%	Qatar Petroleum Company	3,400.0	3,600.0	-200.0	-6%
Devon Energy	550.0	440.0	110.0	25%	Repsol YPF	3,300.0	3,510.0	-210.0	-6%
Dominion Petroleum Ltd.	37.5	13.5	24.0	178%	ROC Oil	153.0	105.0	48.0	46%
Drillsearch Energy Ltd.	13.0	10.5	2.5	24%	Rosneft	6,180.0	5,075.0	1,105.0	22%
Ecopetrol SA	4,509.0	3,764.0	745.0	20%	Royal Dutch/Shell	16,000.0	17,000.0	-1,000.0	-6%
Egyptian General Petroleum Corp.	2,235.0	2,055.0	180.0	9%	Santos, Ltd.	2,576.0	1,248.0	1,328.0	106%
El Paso Corporation	200.0	250.0	-50.0	-20%	Saudi Aramco	7,900.0	8,500.0	-600.0	-7%
Eni	10,000.0	10,000.0	0.0	0%	Saxon Oil Company	0.0	3.3	-3.3	-100%
EOG Resources	200.0	50.0	150.0	300%	Sea Dragon Energy	6.0	16.5	-10.5	-64%
Epsilon Energy Ltd.	5.0	7.0	-2.0	-29%	Shamara Petroleum	53.0	0.0	53.0	NM
Exxon Mobil	18,000.0	16,200.0	1,800.0	11%	Sinopec	9,000.0	6,800.0	2,200.0	32%
Forest Oil Corp.	0.0	5.0	-5.0	-100%	Sonangol	15,000.0	12,000.0	3,000.0	25%
Frontera Resources	20.0	8.0	12.0	150%	Sonatrach	5,500.0	5,400.0	100.0	2%
Gastar Exploration Ltd.	0.0	16.8	-16.8	-100%	South Oil Company	640.0	310.0	330.0	106%
Gazprom	13,410.0	11,803.0	1,607.0	14%	Statoil	10,350.0	10,350.0	0.0	0%
Gazprom Neft	2,595.0	1,990.0	605.0	30%	Stealth Ventures	15.0	0.0	15.0	NM
Gran Tierra Energy	105.0	95.0	10.0	11%	Stone Energy Corp.	0.0	0.0	0.0	NM
Hardy Oil and Gas	40.0	20.0	20.0	100%	Stream Oil & Gas	14.3	2.6	11.7	448%
Hellenic Petroleum SA	14.0	16.0	-2.0	-13%	Stuart Petroleum Limited	6.0	26.0	-20.0	-77%
Hess	2,150.0	2,000.0	150.0	8%	Suncor Energy	760.0	500.0	260.0	52%
Holloman Energy Corp.	10.0	0.0	10.0	NM	Surgutneftegaz	4,080.0	3,070.0	1,010.0	33%
International Frontier Resources	0.0	5.2	-5.2	-100%	Talisman Energy	2,000.0	2,000.0	0.0	0%
InterOil E&P	47.9	37.9	10.0	26%	Tethys Petroleum	30.0	30.0	0.0	0%
JKX Oil & Gas PLC	120.0	110.0	10.0	9%	TNK-BP	3,900.0	3,300.0	600.0	18%
KazMunaiGas	604.0	300.0	304.0	101%	Toreador Resources	10.0	8.0	2.0	25%
Key Petroleum	3.3	0.8	2.5	323%	Total	12,350.0	12,350.0	0.0	0%
Kuwait Oil Company	5,500.0	4,850.0	650.0	13%	TransAtlantic Petroleum	105.0	70.0	35.0	50%
Lukoil	6,000.0	4,800.0	1,200.0	25%	TransGlobe Energy Corporation	46.1	35.2	10.9	31%
Marathon Oil Corp	1,035.0	816.0	219.0	27%	Tullow Oil	1,150.0	1,175.0	-25.0	-2%
Melrose Resources	133.0	142.0	-9.0	-6%	Vaalco Energy	60.0	60.0	0.0	0%
Missan Oil Company	400.0	25.0	375.0	1500%	Valiant Petroleum plc	202.9	132.0	70.9	54%
MOL Group	731.0	402.0	329.0	82%	Williams Cos	36.0	26.0	10.0	38%
Murphy Oil Co.	950.0	1,200.0	-250.0	-21%	Wintershall Holding AG	900.0	900.0	0.0	0%
National Oil Corporation (NOC)	4,610.0	3,500.0	1,110.0	32%	Woodside Petroleum	2,779.0	4,451.0	-1,672.0	-38%
Nautical Petroleum	17.0	16.0	1.0	6%					
Newfield Exploration Co.	100.0	116.0	-16.0	-14%					
Newton Energy	4.0	0.0	4.0	NM					
Nexen	1,401.3	1,100.0	301.3	27%					
Nigerian National Petroleum Corp. (NNPC)	11,500.0	9,600.0	1,900.0	20%					
Niko Resources	255.0	447.0	-192.0	-43%					
Total						337,039.0	305,072.0	31,967.0	
Year-Over-Year Percent Change									10.5%

Source: Barclays Capital estimates

Analysis of Responses

As we have done since 1982, we asked the companies in our survey a number of questions behind their budgets. The results of these questions follow:

1. How did your E&P expenditures in 2009 compare with what you had estimated in our midyear survey and with what you had estimated one year ago?

Expected Increase/Decrease in 2009 Exploration and Production Expenditures (2009E vs. 2008A)

	December 2008 Survey	June 2009 Survey	December 2009 Survey
U.S. Spending	-26.0%	-37.7%	-31.4%
Canadian Spending	-23.3%	-35.6%	-33.0%
International Spending	-6.0%	-5.7%	-6.1%
Worldwide Spending	-11.8%	-15.2%	-14.9%

Source: Barclays Capital estimates

The overall E&P spending decline in 2009 appears to have been generally in line with the decline forecast in our midyear 2009 survey. We estimate that total spending fell by 15% in 2009. In North America, the decline in spending was modestly less severe than our midyear 2009 survey had anticipated (-31% in the U.S. and -33% in Canada, versus a 38% year-on-year decline in the U.S. and a 36% decline in Canada anticipated in our June survey). International spending declined by about 6%, roughly in line with the results of our December 2008 and June 2009 surveys.

2. Percentage of companies that overspent or spent less than their original budgets.

Comparison of Estimated E&P Spending vs. Original Budget

	Versus June 2009 Survey	Versus December 2008 Survey
United States		
Overspent	39%	21%
Spent About the Same	34%	15%
Underspent	27%	63%
Canada		
Overspent	38%	23%
Spent About the Same	44%	25%
Underspent	19%	52%
International		
Overspent	20%	32%
Spent About the Same	63%	26%
Underspent	17%	42%
Worldwide		
Overspent	35%	19%
Spent About the Same	41%	22%
Underspent	25%	59%

Source: Barclays Capital estimates

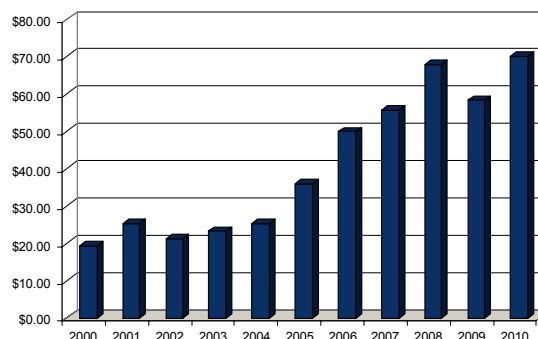
Many operators—particularly those in North America—underspent their original 2009 budgets (set in late 2008). However, compared with budgets as of June 2009 (our midyear survey), the outlook is more mixed: In the U.S., about 39% of companies overspent their budgets, while 27% underspent and 34% spent about the same. In Canada, 38% overspent while 19% underspent and 44% spent about the same. Internationally, companies tended to spend generally in line with expectations as of our midyear 2009 survey: 63% spent about in line with budgets, 20% overspent and 17% underspent.

3. What oil price is your 2010 E&P budget based upon? (All numbers converted to West Texas Intermediate.)

Average Oil Price Assumption, 2000-2010E

Average Oil Price Forecast

2000	\$19.25
2001	\$25.25
2002	\$21.09
2003	\$23.22
2004	\$25.29
2005	\$35.81
2006	\$49.89
2007	\$55.65
2008	\$67.91
2009	\$58.30
2010	\$70.16



Source: Barclays Capital estimates

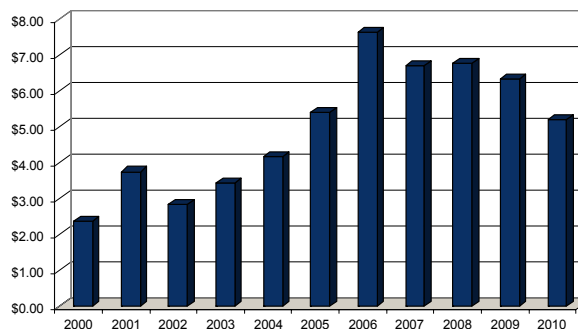
The average oil price on which companies have been basing their 2010 E&P budgets is approximately \$70.16 per barrel (West Texas Intermediate). This compares with the \$58.30 average oil price assumption which was used for 2009 budgets in December 2008. At midyear, companies were basing budgets on an oil price of \$50.18 per barrel.

4. What U.S. natural gas price assumption is your 2010 budget based upon? (All numbers converted to Henry Hub)

Average Natural Gas Price Assumption, 2000-2010E

Average Natural Gas Price Forecast

2000	\$2.38
2001	\$3.75
2002	\$2.83
2003	\$3.42
2004	\$4.17
2005	\$5.39
2006	\$7.64
2007	\$6.70
2008	\$6.78
2009	\$6.35
2010	\$5.21

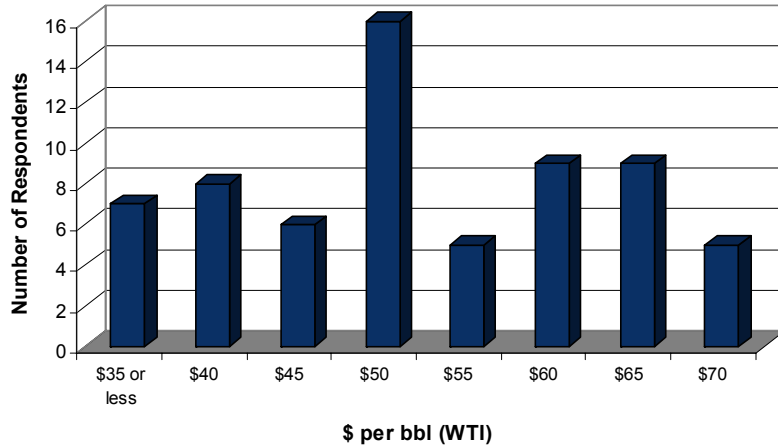


Source: Barclays Capital estimates

The average natural gas price associated with 2010 E&P budgets is \$5.21 per mcf. This estimate represents a significant reduction in price expectations compared with one year ago (down 17% from \$6.35 per mcf) but a 12% increase from expectations at midyear (\$4.68 per mcf).

5. What are the key commodity price thresholds for reducing capital expenditures?

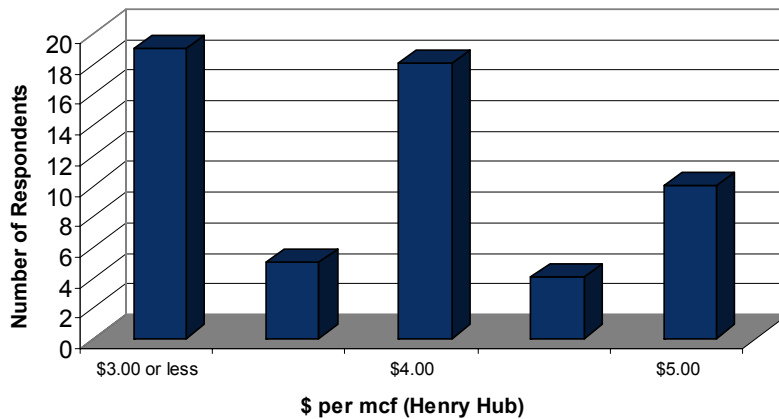
Oil Price Threshold Most Common Responses (Reduce)



Source: Barclays Capital estimates

According to our survey, the most frequently cited price at which E&P companies would reduce their 2010 budgets is \$50 per barrel for oil (West Texas Intermediate).

Natural Gas Price Threshold Most Common Responses (Reduce)

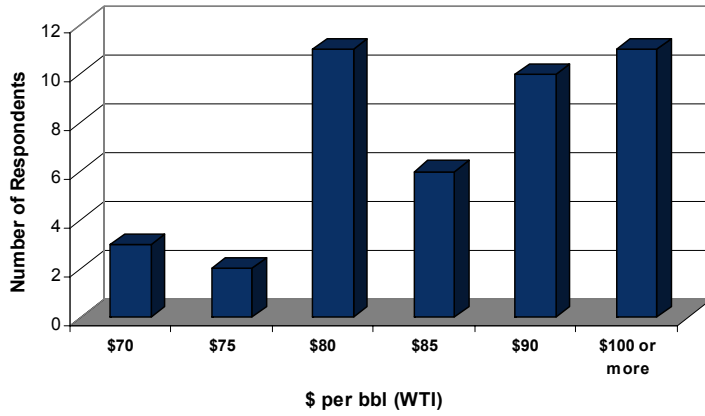


Source: Barclays Capital estimates

For gas, the point at which many respondents would begin to cut budgets is \$4.00 per mcf and a larger percentage are prepared to cut budgets at \$3.00 per mcf.

6. What are the key commodity price thresholds for increasing capital expenditures?

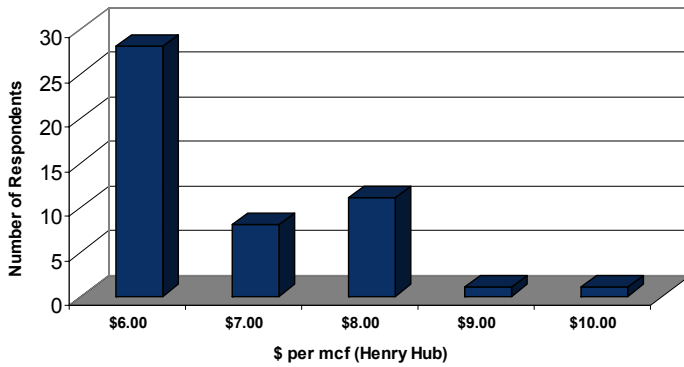
Figure 1: Oil Price Threshold Most Common Responses (Increase)



Source: Barclays Capital estimates

According to our survey, an equal number of respondents indicated that they would increase budgets at \$80 per barrel for oil (West Texas Intermediate) and \$100 or more per barrel.

Figure 2: Natural Gas Price Threshold Most Common Responses (Increase)



Source: Barclays Capital estimates

For natural gas, the greatest number of respondents cited \$6.00 per mcf (Henry Hub) as the price at which 2010 budgets would be increased.

7. How will E&P spending compare with cash flow in 2009 and 2010?

Figure 3: E&P Spending vs. Cash Flow in 2009

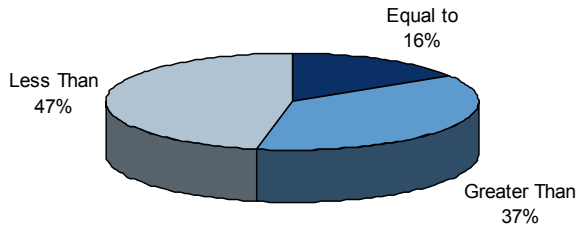
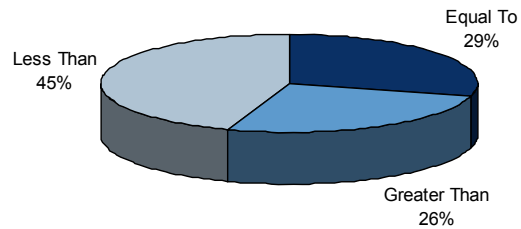


Figure 4: E&P Spending vs. Cash Flow in 2010



Source: Barclays Capital estimates

Source: Barclays Capital estimates

The vast majority of companies we surveyed (74%) expect to spend within their cash flow during 2010, with 45% projecting expenditures to be less than cash flow and 29% expecting expenditures to equal to cash flow. This represents an increase versus the prior year; during 2009, 63% of companies expected capital expenditures to be within cash flow, with 16% expecting expenditures to equal cash flow and 47% expecting capex to be lower than cash flow.

8. Have dislocations in the credit markets affected your spending for 2009? Do you expect they will in 2010?

Figure 5: Have Credit Market Conditions Affected Spending Plans for 2009?

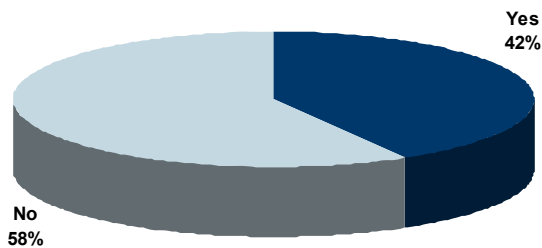
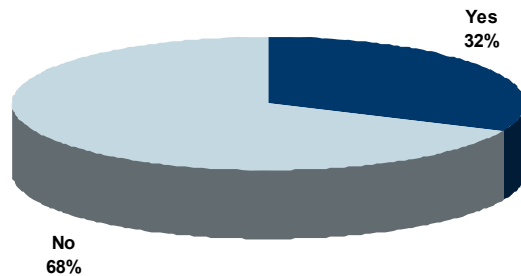


Figure 6: Do You Expect Credit Market Conditions to Affect Spending Plans for 2010?



Source: Barclays Capital estimates

Source: Barclays Capital estimates

Some 42% of companies indicated that challenging credit market conditions affected capital expenditure plans in 2009. However, a lesser percentage of respondents saw credit market conditions impact their spending plans during 2010 (32%).

9. What are the key determinants of E&P spending in 2010?

Figure 7: Key Determinants of E&P Spending in 2000-2010E (percentage of responses)

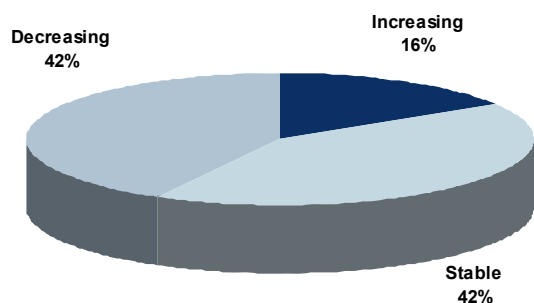
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Natural Gas Prices	54%	55%	51%	53%	61%	52%	73%	55%	67%	66%	68%
Cash Flow	48%	48%	47%	42%	36%	60%	54%	53%	59%	65%	68%
Oil Prices	45%	49%	39%	39%	51%	50%	44%	43%	51%	47%	59%
Capital Availability	35%	29%	23%	28%	23%	32%	39%	36%	37%	43%	52%
Drilling Costs	24%	31%	36%	37%	40%	41%	38%	35%	49%	35%	31%
Drilling Success	21%	26%	39%	35%	34%	43%	43%	30%	30%	44%	41%
Prospect Availability	18%	23%	45%	42%	53%	58%	51%	55%	39%	60%	45%

Source: Barclays Capital estimates

For the fifth year in a row, natural gas prices were highlighted as the most important determinant of E&P spending in the coming year, followed by cash flow. This is partly due to the large number of North American-based independents in our survey. The percentage of respondents citing capital availability as a key determinant has increased for the second straight year (to 35% from 29% in 2009 and 23% in 2008), while the number of companies highlighting drilling costs, drilling success, and prospect availability decreased for the second year in a row.

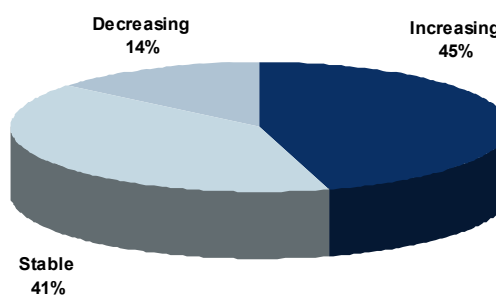
10. For 2009 and 2010, is the portion of your budget allocated to exploration increasing, decreasing, or remaining stable?

Figure 8: 2009 Exploration Budget versus Total E&P Capital Expenditures



Source: Barclays Capital estimates

Figure 9: Estimated Exploration Budget versus Total E&P Capital Expenditures

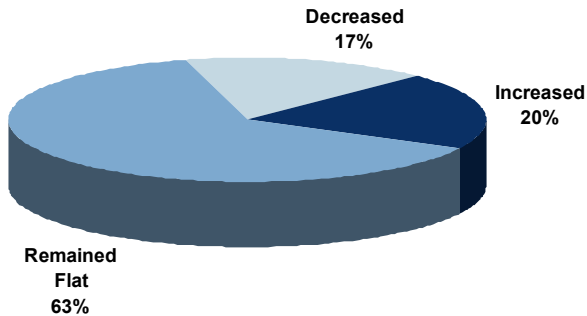


Source: Barclays Capital estimates

According to our survey, some 42% of companies decreased exploration as a percentage of capital budgets in 2009, while 42% maintained the percentage of exploration spending. In contrast, in 2010 45% of respondents anticipate spending more on exploration as a proportion of total capex, 41% anticipate exploration spending remaining stable as a percentage of total E&P spending, and 14% expect to spend less on exploration in 2010. This is a clear positive for seismic companies and also a positive trend for the major oil service companies.

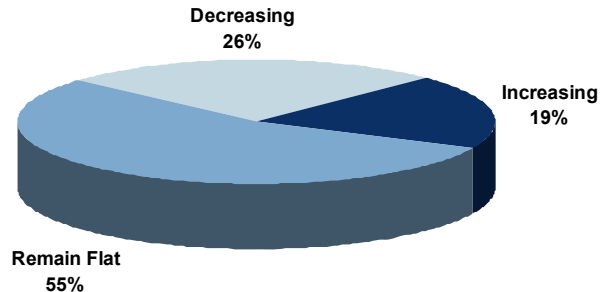
11. For 2009 and 2010, is the portion of your budget spent offshore increasing, decreasing, or remaining stable?

Figure 10: 2009 Offshore Budget as a Percentage of Total E&P Capex



Source: Barclays Capital estimates

Figure 11: Estimated 2010 Offshore Budget as a Percentage of Total E&P Capex

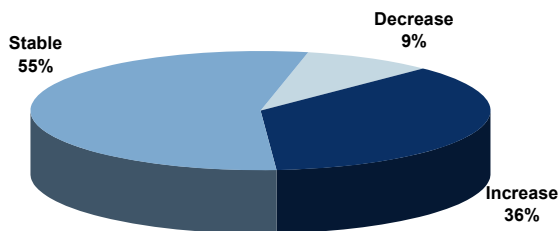


Source: Barclays Capital estimates

During 2009, 20% of the companies surveyed which spent money offshore spent an increased percentage of their budget there, while 17% spent a smaller percentage of their budget offshore. For 2010, 19% expect an increasing proportion of the budget to be offshore, while 26% expect the proportion to decline.

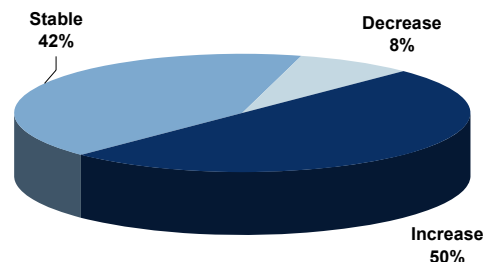
12. For 2009 and 2010, is the portion of your offshore budget spent on deepwater increasing, decreasing, or remaining stable?

Figure 12: 2009 Deepwater Budget as a Percentage of Total Offshore Capex



Source: Barclays Capital estimates

Figure 13: Estimated 2010 Deepwater Budget as a Percentage of Total Offshore Capex



Source: Barclays Capital estimates

Companies continue to focus on deepwater spending at the expense of shallow-water drilling. Fifty percent of respondents expect to increase the share of their total offshore spending dedicated to deepwater in 2010.

13. What are the most important technologies influencing your E&P business?

Figure 14: Most Important Technologies (ranked by percentage of responses)

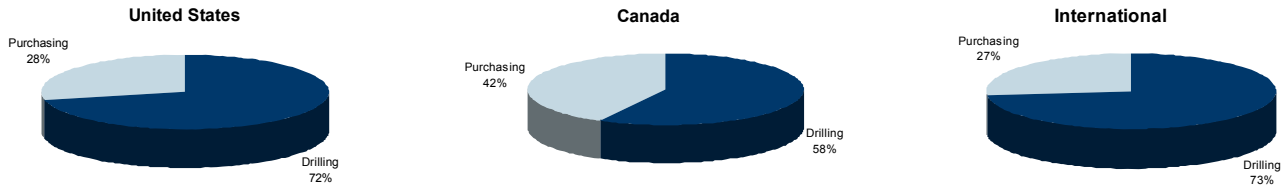
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Fracturing/ Stimulation	23%	26%	21%	26%	22%	16%	19%	14%	18%	11%	11%
Horizontal Drilling	23%	22%	16%	14%	16%	16%	14%	15%	14%	17%	12%
3-D/ 4-D Seismic	20%	19%	22%	22%	25%	29%	27%	29%	36%	58%	58%
Directional Drilling	7%	7%	11%	10%	9%	9%	11%	11%	11%	4%	4%
Reservoir Recovery Optimization	7%	7%	10%	9%	7%	8%	9%	10%	NA	NA	NA
Drill Bit Technology	5%	6%	4%	5%	8%	9%	5%	4%	4%	3%	2%
Measurement-While-Drilling	5%	1%	3%	4%	2%	1%	1%	3%	2%	1%	1%
Intelligent Well Completions	2%	3%	3%	4%	4%	4%	5%	5%	6%	1%	1%
Wireline Logging	2%	2%	3%	4%	3%	3%	4%	2%	3%	1%	4%
Underbalanced Drilling	2%	1%	2%	2%	3%	2%	4%	4%	2%	2%	3%
Deepwater Technology	2%	1%	2%	0%	1%	1%	1%	2%	2%	1%	4%
Expandable Products	1%	1%	0%	0%	0%	1%	1%	0%	NA	NA	NA

Source: Barclays Capital estimates

For the second consecutive year, Fracturing/Stimulation and Horizontal Drilling were most commonly cited among operators as having the greatest impact on their business. Given that stimulation technology and horizontal drilling are the main technologies used in unlocking shale plays, this is not surprising. 3D/4D Seismic placed third in this year's ranking. Directional Drilling, Reservoir Recovery Optimization, Drill Bit Technology, and Measurement-While-Drilling were also frequently mentioned as important technologies in the oilfield.

14. Are the economics of drilling or purchasing reserves more favorable in the following regions: the U.S., Canada, and internationally?

Figure 15: The Attraction of Economics of Drilling versus Purchasing Reserves



Source: Barclays Capital estimates

The majority of companies surveyed continue to prefer drilling economics over those of purchasing. The percentage of respondents reporting more favorable drilling economics was 72% in the U.S. (flat with our 2009 survey), 58% in Canada (versus 52% in 2009), and 73% internationally (up from 67% in 2009).

15. Is your company actively seeking to purchase reserves?

Figure 16: Actively Seeking to Purchase Reserves?



Source: Barclays Capital estimates

Although most companies continued to prefer drilling economics over purchasing economics, the number of operators actively seeking to purchase reserves increased for the second consecutive year, with 57% responding "yes" (up from 49% in the prior year survey) and 43% responding "no" (down from 51% in 2009).

16. How do you rate the economics of exploration in the following regions: U.S., Canada, and Outside North America?

Figure 17: Economics of Exploration in the U.S., Canada, and Outside North America

	Excellent					Good					Fair					Poor				
	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
United States	2%	5%	11%	14%	23%	44%	53%	49%	54%	55%	43%	34%	35%	27%	21%	11%	8%	4%	5%	1%
Canada	0%	5%	4%	6%	9%	21%	32%	32%	47%	60%	62%	51%	50%	43%	21%	17%	12%	14%	4%	9%
International	26%	18%	23%	14%	27%	53%	37%	43%	57%	54%	12%	39%	30%	24%	19%	9%	5%	4%	5%	0%

Source: Barclays Capital estimates

International exploration economics continue to be viewed best among the regions in our survey, while the outlook for exploration in North America continues to diminish. For 2010, 79% of companies believe conditions are "excellent" or "good" internationally, up from 55% in our prior survey. In the U.S., only 46% of surveyed companies believe conditions are excellent or good, down from a slight majority (55%) in 2009, and 54% of surveyed companies cited drilling economics as "fair" or "poor" (up from 42% in the prior year). Views on Canadian exploration economics also diminished versus last year, with approximately 62% believing the economics were fair (up from 51% in 2009) and 17% indicating that the economics of exploration are poor (compared with 12% in 2009).

Analyst Certification:

We, James D. Crandell and James C. West, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

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On September 20, 2008, Barclays Capital acquired Lehman Brothers' North American investment banking, capital markets, and private investment management businesses. All ratings and price targets prior to this date relate to coverage under Lehman Brothers Inc.

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 BARCLAYS CAPITAL RESEARCH COMPLIANCE
 745 SEVENTH AVENUE, 17TH FLOOR, NEW YORK, NY 10019
 OR
 REFER TO www.lehman.com/disclosures or call 1-212-526-1072**

Important Disclosures Continued:

The analysts responsible for preparing this report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by investment banking activities.

Mentioned Company	Ticker	Price	Price Date	Stock / Sector Rating
Baker Hughes	BHI	US\$ 40.78	15 Dec 2009	2-Equal Weight / 2-Neutral
Basic Energy Services	BAS	US\$ 7.80	15 Dec 2009	2-Equal Weight / 2-Neutral
BJ Services	BJS	US\$ 18.77	15 Dec 2009	2-Equal Weight / 2-Neutral
Bristow Group Inc.	BRS	US\$ 36.74	15 Dec 2009	2-Equal Weight / 2-Neutral
Cameron International	CAM	US\$ 38.87	15 Dec 2009	1-Overweight / 2-Neutral
CARBO Ceramics	CRR	US\$ 64.55	15 Dec 2009	3-Underweight / 2-Neutral
Chart Industries Inc.	GTLS	US\$ 17.86	15 Dec 2009	1-Overweight / 2-Neutral
Core Laboratories	CLB	US\$ 110.70	15 Dec 2009	1-Overweight / 2-Neutral
Diamond Offshore Drilling	DO	US\$ 98.18	15 Dec 2009	1-Overweight / 2-Neutral
Dresser-Rand Group Inc.	DRC	US\$ 30.17	15 Dec 2009	1-Overweight / 2-Neutral
Dril-Quip Inc.	DRQ	US\$ 54.66	15 Dec 2009	1-Overweight / 2-Neutral
ENSCO International	ESV	US\$ 43.32	15 Dec 2009	2-Equal Weight / 2-Neutral
Exterran Holdings Inc.	EXH	US\$ 21.20	15 Dec 2009	1-Overweight / 2-Neutral
FMC Technologies	FTI	US\$ 56.30	15 Dec 2009	2-Equal Weight / 2-Neutral
Global Industries, Ltd.	GLBL	US\$ 6.10	15 Dec 2009	2-Equal Weight / 2-Neutral
GulfMark Offshore, Inc.	GLF	US\$ 27.09	15 Dec 2009	1-Overweight / 2-Neutral
Halliburton Co.	HAL	US\$ 29.12	15 Dec 2009	2-Equal Weight / 2-Neutral
Helmerich & Payne Inc.	HP	US\$ 39.18	15 Dec 2009	2-Equal Weight / 2-Neutral
Hercules Offshore	HERO	US\$ 4.74	15 Dec 2009	3-Underweight / 2-Neutral
Hornbeck Offshore Services	HOS	US\$ 21.98	15 Dec 2009	1-Overweight / 2-Neutral
ION Geophysical Corp.	IO	US\$ 5.74	15 Dec 2009	1-Overweight / 2-Neutral
Key Energy Services	KEG	US\$ 8.28	15 Dec 2009	2-Equal Weight / 2-Neutral
Nabors Industries	NBR	US\$ 21.02	15 Dec 2009	2-Equal Weight / 2-Neutral
National Oilwell Varco	NOV	US\$ 44.73	15 Dec 2009	1-Overweight / 2-Neutral
Noble Corp.	NE	US\$ 41.48	15 Dec 2009	1-Overweight / 2-Neutral
Oceaneering International	OII	US\$ 56.31	15 Dec 2009	1-Overweight / 2-Neutral
Parker Drilling	PKD	US\$ 4.62	15 Dec 2009	2-Equal Weight / 2-Neutral
Patterson-UTI Energy	PTEN	US\$ 15.17	15 Dec 2009	3-Underweight / 2-Neutral
Pride International	PDE	US\$ 32.13	15 Dec 2009	2-Equal Weight / 2-Neutral
Rowan Companies	RDC	US\$ 24.05	15 Dec 2009	2-Equal Weight / 2-Neutral
Schlumberger Ltd.	SLB	US\$ 62.24	15 Dec 2009	2-Equal Weight / 2-Neutral
SEACOR Holdings, Inc.	CKH	US\$ 74.70	15 Dec 2009	2-Equal Weight / 2-Neutral
Seahawk Drilling	HAWK	US\$ 20.75	15 Dec 2009	2-Equal Weight / 2-Neutral
Smith International	SII	US\$ 26.98	15 Dec 2009	3-Underweight / 2-Neutral
Superior Energy Services Inc.	SPN	US\$ 23.37	15 Dec 2009	2-Equal Weight / 2-Neutral
Tetra Technologies Inc.	TTI	US\$ 9.79	15 Dec 2009	2-Equal Weight / 2-Neutral

Tidewater Inc.	TDW	US\$ 45.41	15 Dec 2009	1-Overweight / 2-Neutral
Transocean Ltd.	RIG	US\$ 83.36	15 Dec 2009	1-Overweight / 2-Neutral
Trico Marine Services Inc.	TRMA	US\$ 5.94	15 Dec 2009	2-Equal Weight / 2-Neutral
Weatherford International	WFT	US\$ 15.99	15 Dec 2009	1-Overweight / 2-Neutral

Other Material Conflicts

Barclays Capital is acting as financial advisor to XTO Energy Inc. on the potential sale of the company to ExxonMobil Corporation. Barclays Capital also provided a fairness opinion in connection with this potential transaction.

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Our coverage analysts use a relative rating system in which they rate stocks as 1-Overweight, 2-Equal Weight or 3-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 sector (the "sector coverage universe"). Below is the list of companies that constitute the sector coverage universe:

Baker Hughes (BHI)	Basic Energy Services (BAS)
BJ Services (BJS)	Bristow Group Inc. (BRS)
Cameron International (CAM)	CARBO Ceramics (CRR)
Chart Industries Inc. (GTLS)	Core Laboratories (CLB)
Diamond Offshore Drilling (DO)	Dresser-Rand Group Inc. (DRC)
Dril-Quip Inc. (DRQ)	ENSCO International (ESV)
Exterran Holdings Inc. (EXH)	FMC Technologies (FTI)
Global Industries, Ltd. (GLBL)	GulfMark Offshore, Inc. (GLF)
Halliburton Co. (HAL)	Helmerich & Payne Inc. (HP)
Hercules Offshore (HERO)	Hornbeck Offshore Services (HOS)
ION Geophysical Corp. (IO)	Key Energy Services (KEG)
Nabors Industries (NBR)	National Oilwell Varco (NOV)
Noble Corp. (NE)	Oceaneering International (OII)
Parker Drilling (PKD)	Patterson-UTI Energy (PTEN)
Pride International (PDE)	Rowan Companies (RDC)
Schlumberger Ltd. (SLB)	SEACOR Holdings, Inc. (CKH)
Seahawk Drilling (HAWK)	Smith International (SII)
Superior Energy Services Inc. (SPN)	Tetra Technologies Inc. (TTI)
Tidewater Inc. (TDW)	Transocean Ltd. (RIG)
Trico Marine Services Inc. (TRMA)	Weatherford International (WFT)

In addition to the stock rating, we provide sector views which rate the outlook for the sector coverage universe as 1-Positive, 2-Neutral or 3-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

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

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

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

RS-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 when Barclays Capital is acting in an advisory capacity in a merger or strategic transaction involving the company.

Sector View

1-Positive - sector coverage universe fundamentals/valuations are improving.

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

3-Negative - sector coverage universe fundamentals/valuations are deteriorating.

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