

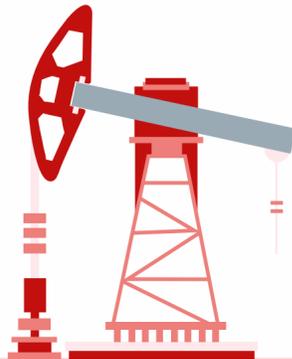
THE OIL AND GAS INDUSTRY - WHAT DO I NEED TO KNOW?

Stages in the Industry

Upstream

Exploration & Production "E&P" Companies

Their revenue comes directly from searching for new reserves and drilling to reach crude oil. *Crude oil* refers to unrefined oil that has just been extracted. They often contract out the actual drilling to drilling companies and the maintenance of well sites to oil servicing companies. E&P companies are also very high risk and technologically intensive so their operations require high investment capital.



Midstream

Transportation

These companies focus on moving the oil collected from wells to refineries through trucks or pipelines and they also store oil and gas if necessary.



Downstream

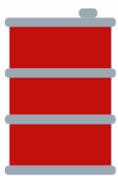
Refineries

These companies work to remove impurities from the extracted crude oil which allows the oil to be converted into public use. Refineries take us from crude oil to the gasoline we put in our cars, the asphalt we use to create roads and produce many more resources that are vital for society.

The Numbers and Terms You Should

Know

barrel = bbl
1 bbl = 42 gallons



M = 1000
Mbbl
1000 BARRELS

MM = 1 million
MMbbl
1 MILLION BARRELS

Example Case Questions

1. The goal of the client company is to understand what the capacity of the refinery should be and wants to make go/no go decision. What would you recommend?
2. The company needs to decide whether to drill and build a new well for natural gas, which would involve a major capital investment. Should the client pursue this venture or not?

[More case examples here!](#)

Organization of the Petroleum Exporting Countries (OPEC)



Demand Drivers
Change in driving or flying patterns (COVID-19 Pandemic)

Increased Demand for Petrochemicals



Colder Weather

Stay Up to Date on Current Events!

It's important to make sure you know what is happening in the industry so you're able to make knowledgeable insights during your interview! Show the interviewer that you made sure you put in the work beforehand!

Look Here to Start Getting Informed!

[Learn about everything in the Canadian Oil Patch](#)

[Get some big-picture economic news that is free from Haskayne students!](#)

Mergers and Aquisitions

Mergers and Acquisitions are becoming more rampant due to the depressed commodity prices. This means there was an excess supply and declining demand for oil, placing companies in a more vulnerable position where mergers became the best way forward. Some major mergers that have already occurred include [Cenovus & Husky](#) and [Arc Resources & Seven Generations](#).

Oil and Gas Trends

Sustainability

As social responsibility is increasingly at the forefront of a business' concerns, being environmentally conscious is vital for any oil and gas company. Utilizing digital technologies is a great way for companies to reduce their environmental impact. By using digital infrastructure, companies are able to track their emissions.

Strengthening internal policies to align with environmental regulations is another step companies can take. [Learn more here](#)

Oil & Gas in Alberta

Alberta has the fourth-largest oil sands in the world with 165.4 million barrels of oil in reserve. Alberta's oil and gas industry produces 70% of Canada's crude oil and 80% of Canada's natural gas. Following the trend towards sustainability, Alberta was the first region in North America to implement greenhouse gases legislation for emission reduction for industrial facilities using Carbon Capture and Storage and the Carbon Competitiveness Incentive Regulation.

Examples of Canadian Oil and Gas Companies

Canadian Natural Resources

Upstream Company

market capitalization: USD \$50.45 billion

Enbridge

Midstream Company

market capitalization: USD \$43.87 billion

Irving Oil

Downstream Company

private organization



UCCA