



Condensed Report

# Majors' growth strategies benchmarking

How do the majors ensure longevity in their portfolios?

Powered by Corporate Strategy Analytics

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# Oil majors' strategic focus varies significantly across key growth dimensions

Three key drivers affect prioritization across eight growth dimensions...

... resulting in varied strategic focus

Key drivers	Company	Strategic focus	Growth archetypes**
<p><b>1.S&amp;P 500 outperformed the majors' total shareholder return since 2019:</b> The resilience of oil and gas cash flows has emerged as a critical metric in how investors assess corporate performance, particularly as broader equity markets have delivered strong total shareholder returns since 2019. Shareholders are increasingly focused on whether companies can sustain competitive returns by maintaining - or growing - production through at least 2030, while consistently replacing reserves.</p> <p><b>2.Capital discipline and low-carbon reallocation are driving lower reserve replacement:</b> Growth strategies are increasingly shaped by strict capital allocation frameworks, shareholder returns, and hurdle-rate discipline rather than volume expansion, which make it challenging to maintain or grow production, as options that meet those criteria are limited. New resources are more expensive and geopolitical risks are higher.</p> <p><b>3.Majors return to upstream growth targets amid slowing energy transition:</b> Majors are refocusing on upstream growth to secure long-term production, strengthen cash flow resilience and meet investor expectations for sustained returns.</p> <p><b>Growth parameters*</b></p> <p><b>Upstream flexibility:</b> Preference for fast pay-back times and modular developments  <b>Frontier basins:</b> Exploration efforts in high-risk, high-reward, less-developed basins  <b>Shale:</b> Scale of shale production with high exposure to strong oil-price leverage  <b>Partnerships with NOCs:</b> Access to advantaged, lower-cost resources  <b>M&amp;A and portfolio high grading:</b> Use of M&amp;A to optimize upstream portfolios  <b>Gas and LNG:</b> Capacity additions toward gas and LNG as transition anchors  <b>Low-carbon electrons:</b> Investment focus in power generation  <b>Low-carbon molecules:</b> Investment focus in biofuels</p>	      	<p>ExxonMobil's strategy is focused on disciplined reinvestment into advantaged shale and opportunistic, counter-cyclical M&amp;A</p> <p>Chevron's focus is on shale and strategic M&amp;A, prioritizing free cash flow durability and balance sheet strength</p> <p>Shell has a substantial LNG pipeline, strong deepwater capabilities, while leveraging NOC partnerships for upstream growth</p> <p>Eni has a differentiated frontier basin model, leveraging exploration success and NOC partnerships, while also growing LNG volumes</p> <p>TotalEnergies has a diversified strategy spanning LNG, frontier basins, NOC cooperation and low-carbon electrons</p> <p>BP's focus in recent years has been on low-carbon electrons and molecules, but it has pivoted to reprioritize upstream</p> <p>Equinor's strategy is centered on brownfield expansions with extensive subsea tiebacks, and low payback time, with exposure to renewables investments</p>	<p>Shale and deal hunters</p> <p>Gas and NOC focus</p> <p>Low carbon focus</p> <p>Upstream flexibility</p>

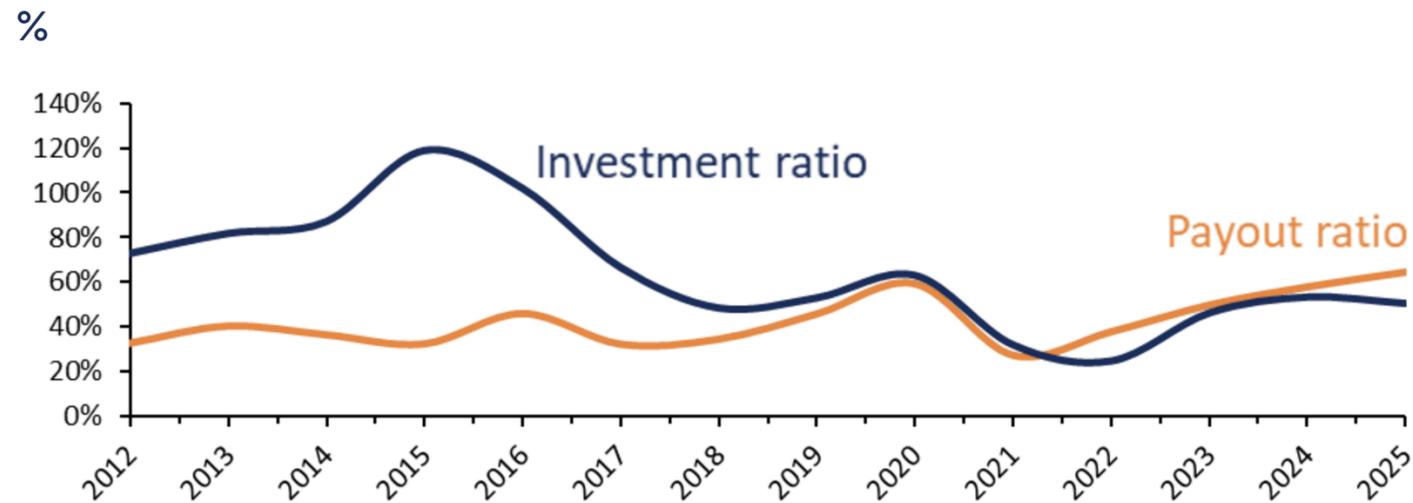
\*Parameters used for benchmarking global oil majors in this report. This report is focused on energy production, therefore downstream, chemicals and trading are not included. \*\* Based on the benchmarking results  
 Source: Rystad Energy research and analysis

# Capital discipline and low-carbon reallocation are driving lower reserve replacement

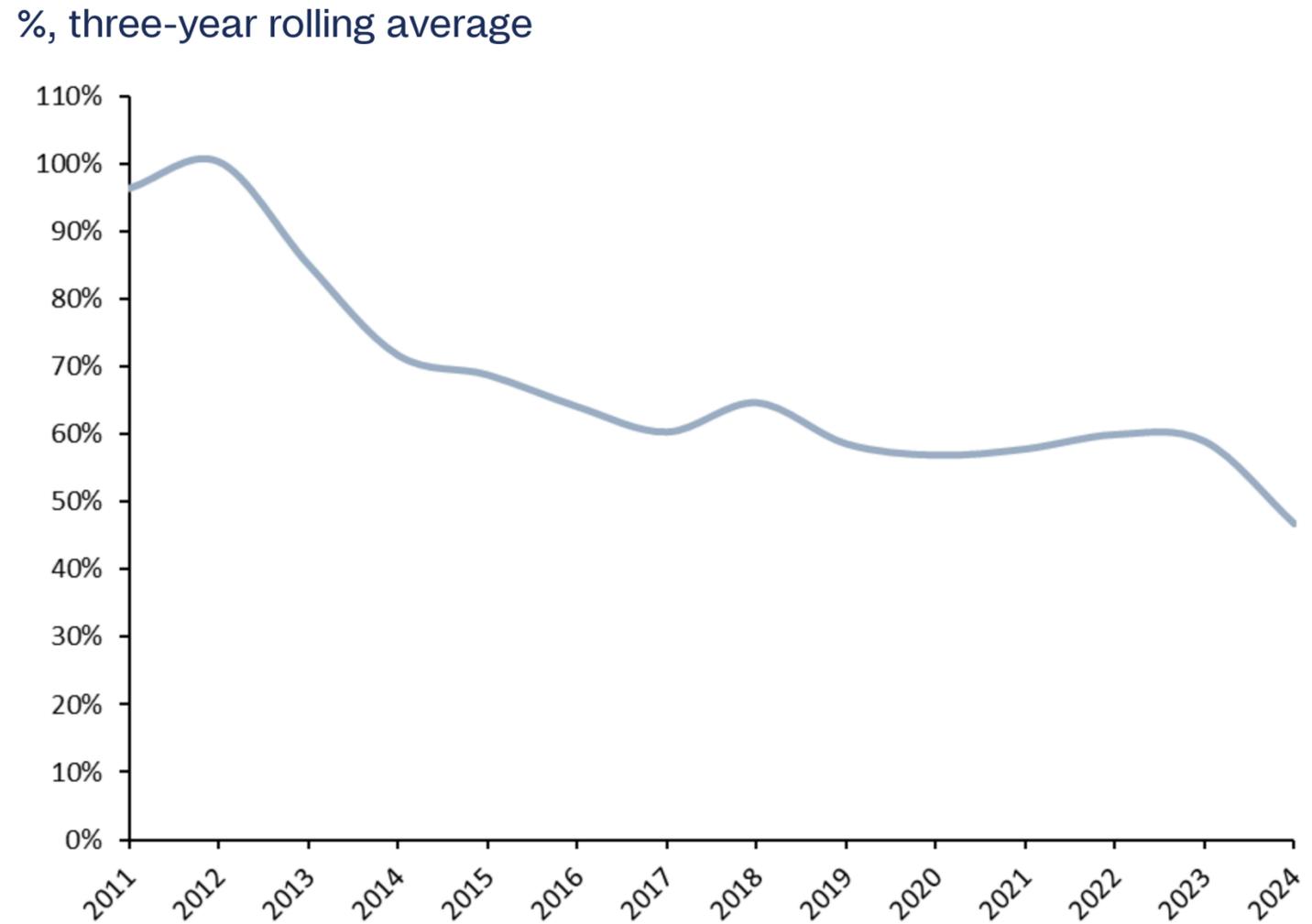
Shifting focus from growth at all costs to shareholder returns, alongside capital reallocation from exploration to low-carbon investment...

... has driven a sustained decline in upstream resource replacement ratio

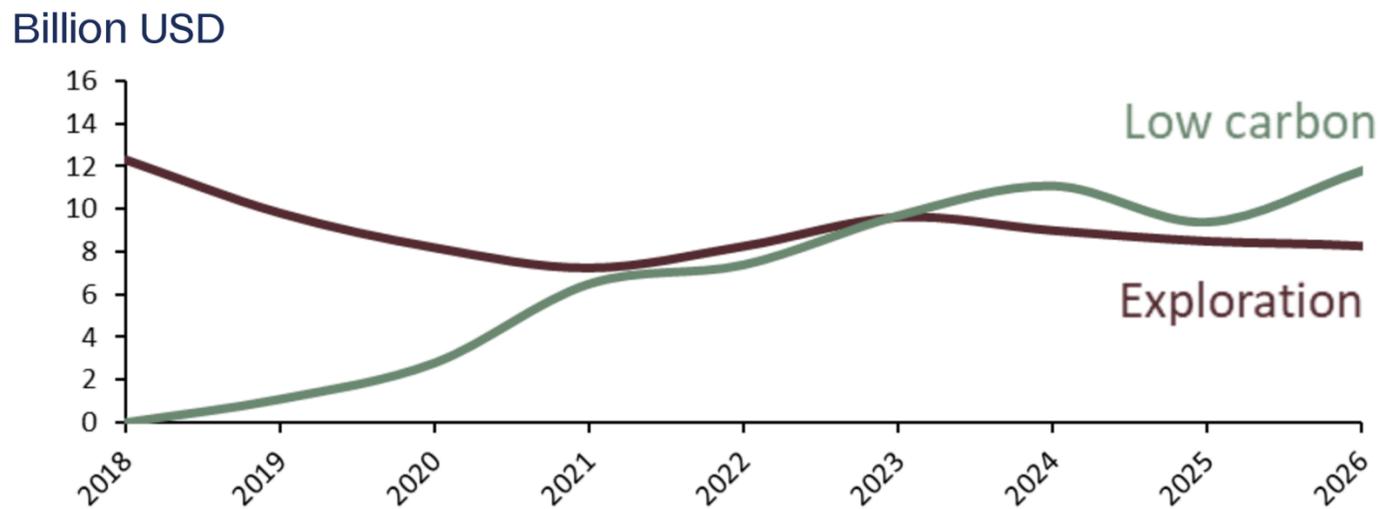
Investment and payout ratio\* for energy majors



Resources replacement ratio (RRR\*\*) for energy majors



Exploration and Low-carbon spending for energy majors



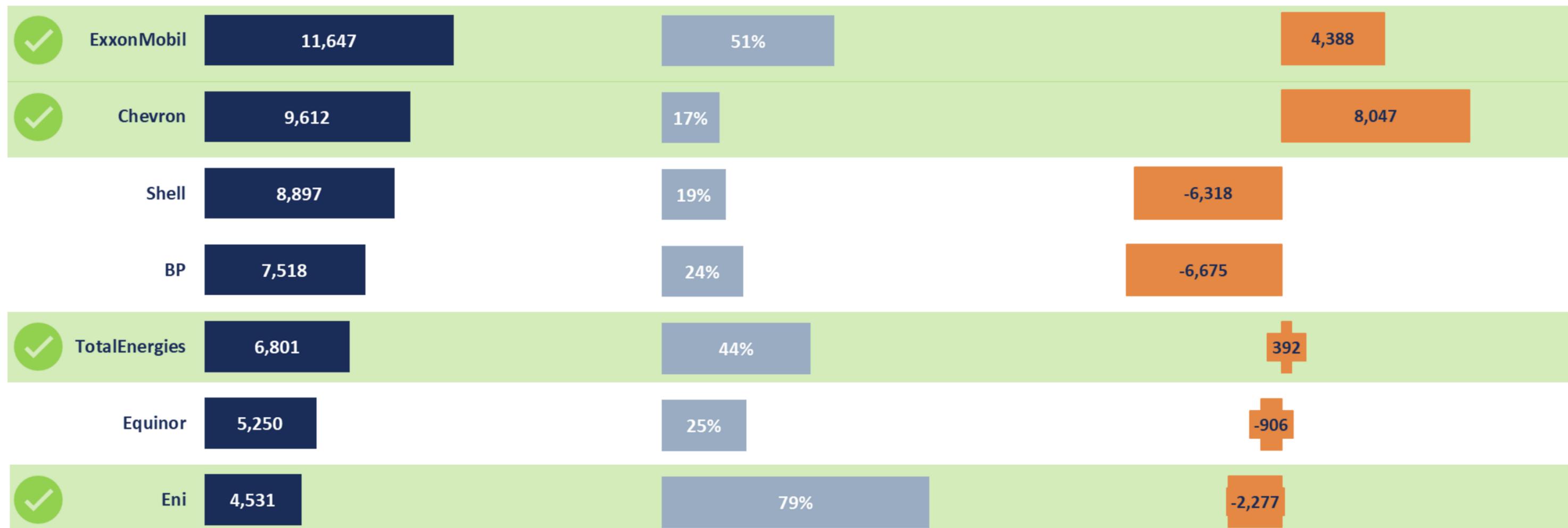
\*Investment ratio reflects reinvestment of cash flow, while payout ratio reflects cash returned to shareholders; \*\*RRR = resource additions/production, calculated as a three-year rolling average. Indicates whether production is being sustainably replaced. Source: Rystad Energy research and analysis, Rystad Energy UCube, Bloomberg, September 2025

## Organic resource replacement and M&A are key for portfolio replenishment

Cumulative hydrocarbons production, 2019-2025  
Million barrels of oil equivalent

Organic resources replacement ratio  
(RRR\*), 2019-2025 average  
Percentage

Total net traded resources, 2019-2025  
Million barrels of oil equivalents

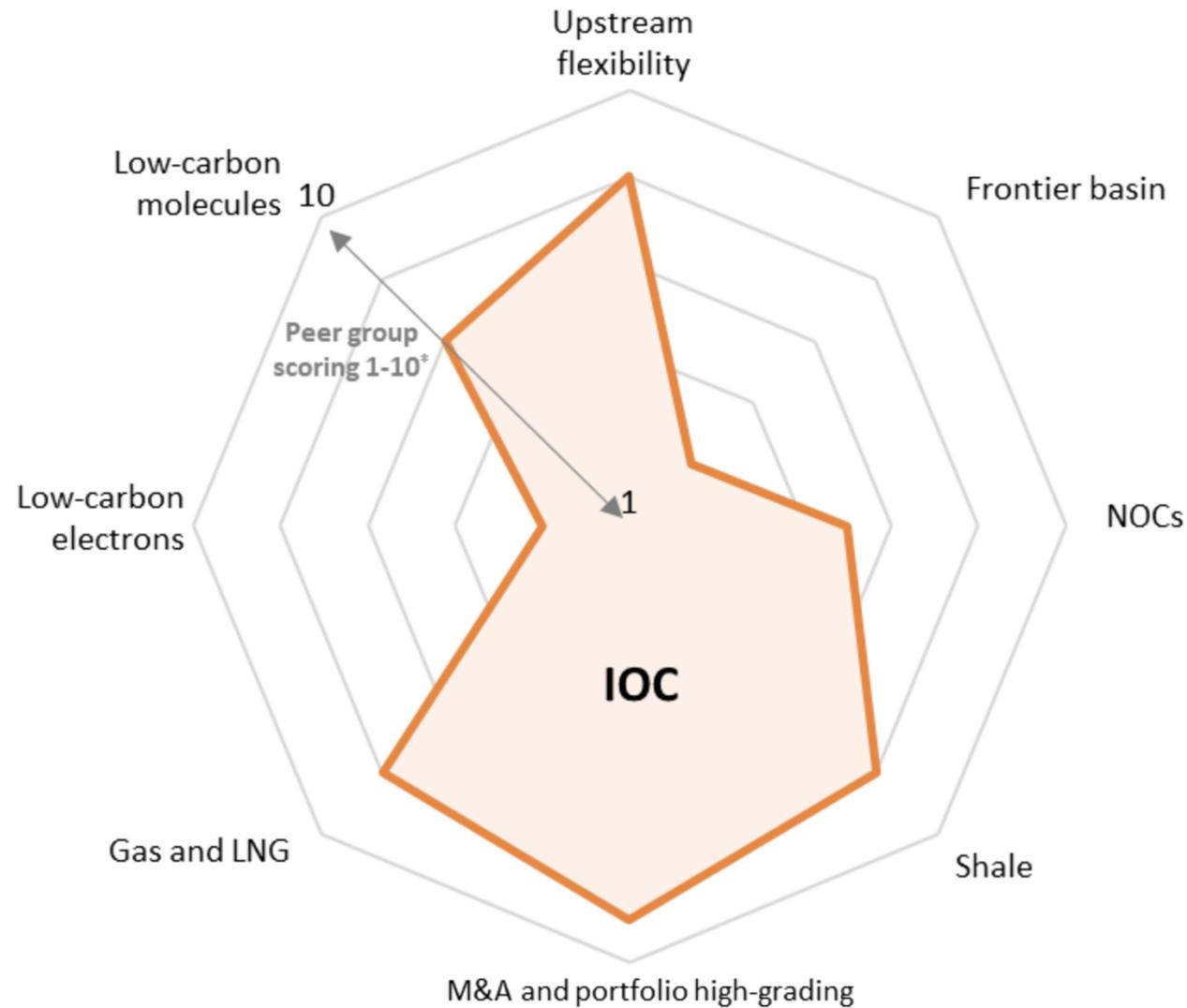


 Companies with upstream production longevity

\*RRR = resource additions/production. Indicates whether production is being sustainably replaced.  
Source: Rystad Energy research and analysis; Rystad Energy UCube

# The range of growth dimensions for IOCs to pursue is divided into eight dimensions

Peer group growth archetypes and competencies  
Illustrative example



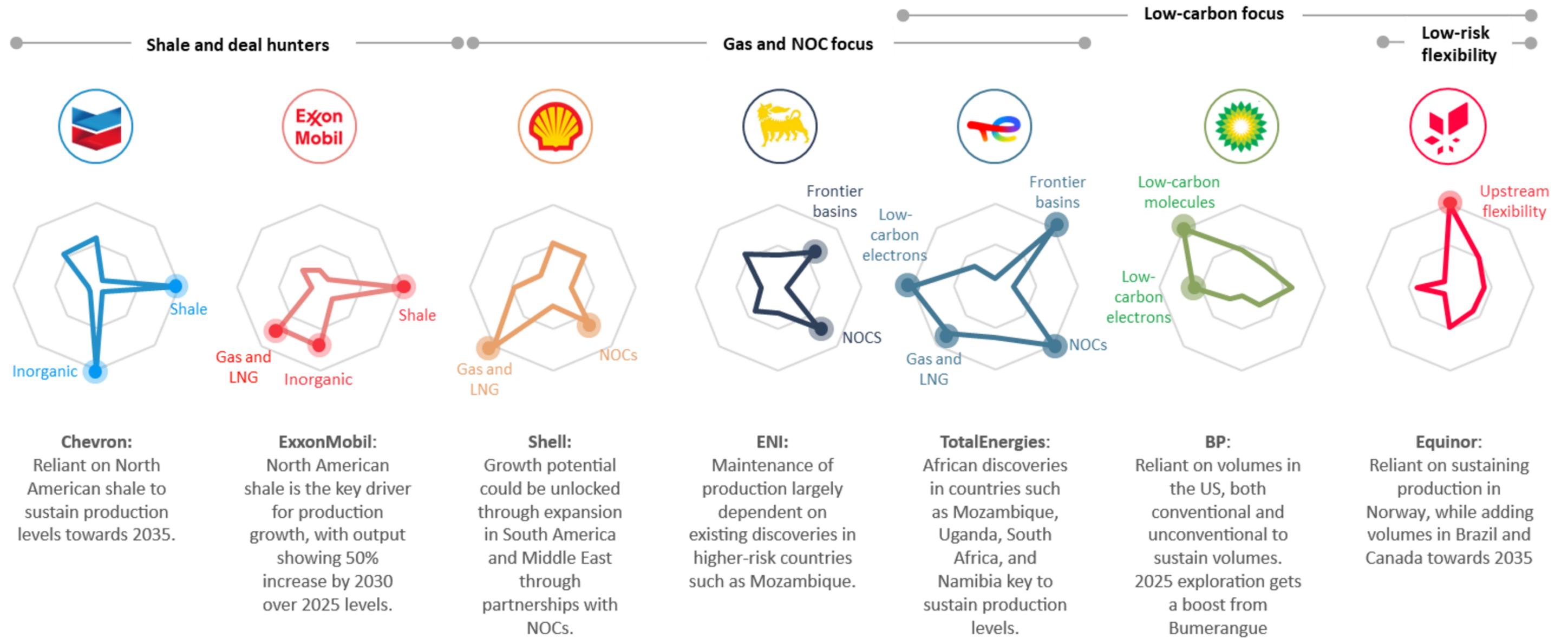
The spider chart shows the strategic growth focus of the oil majors in eight relevant categories, with KPIs normalized for the size of companies where relevant.

<p><b>Upstream flexibility</b> Preference for modular developments, brownfield expansions, and scalable investments to maintain strategic and capital flexibility.</p>	<p><b>Frontier basins</b> High-risk, high-reward exploration focused on securing large resource potential at relatively low entry cost in new, less-explored basins.</p>
<p><b>NOCs</b> Partner with NOCs to share resources, risks, and markets through joint ventures and long-term agreements to access advantaged, lower-cost, or strategically important barrels.</p>	<p><b>Shale</b> Extracting resources from shale rock formations using advanced drilling and hydraulic fracturing, offering high-risk, high-return exposure with strong oil-price leverage.</p>
<p><b>M&amp;A and portfolio high-grading</b> Use of acquisitions, divestments, and asset swaps to rebalance portfolios toward higher quality, more competitive positions.</p>	<p><b>Gas and LNG</b> Natural gas and LNG play a central role in extending portfolio relevance amid energy transition pressures.</p>
<p><b>Low-carbon electrons</b> Investment focus on low-carbon power generation.</p>	<p><b>Low-carbon molecules</b> Investment focus on low-carbon fuels and molecules, including biofuels and related value chains.</p>

\* Scoring is based on benchmark analysis, ranking the players from 1-10 per metric, with 1 being the lowest scoring player on the metric, and 10 the highest. The rest of the companies are distributed based on relative scoring on the scale. Source: Rystad Energy research and analysis

# Distinct growth strategies are clearly reflected in the scores across eight metrics

Peer group growth archetypes and competencies\*

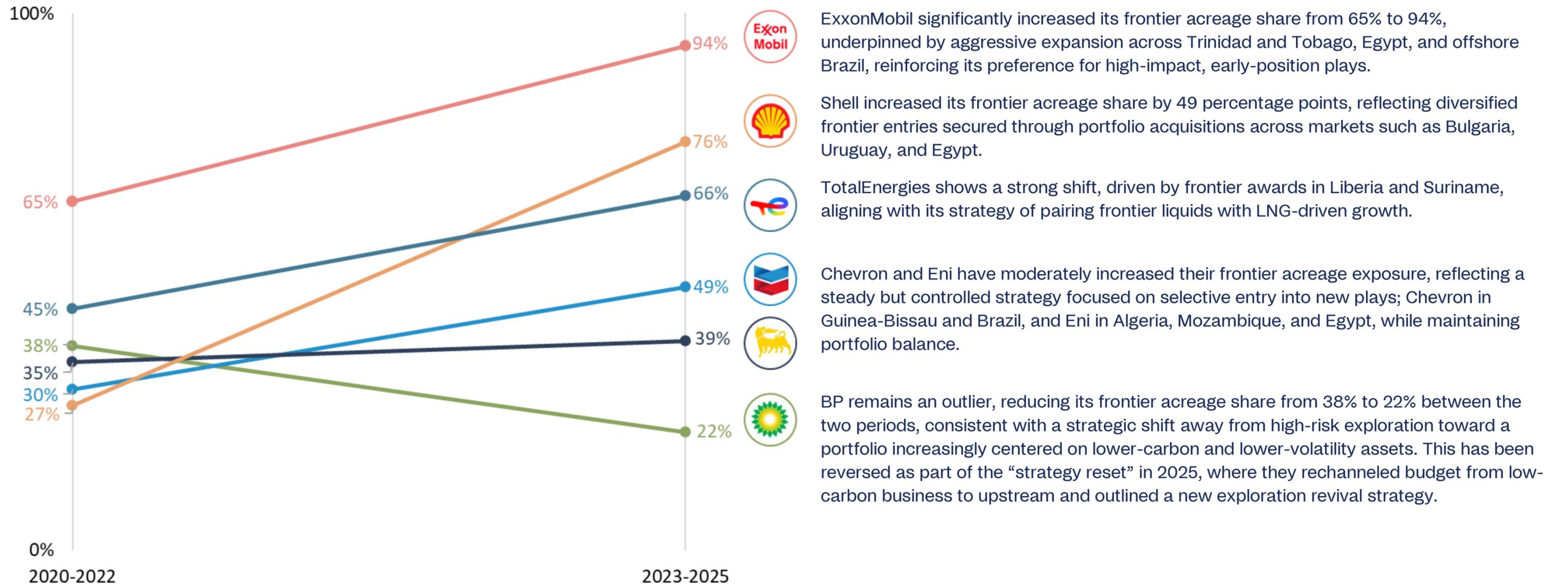


\*Scoring is based on benchmark analysis, ranking the players from 1-10, with 1 (center of spider chart) being the lowest-scoring company on the metric, and 10 the highest (outer part of spider chart). The rest of the companies are distributed based on relative scoring on the scale. Source: Rystad Energy research and analysis

# Shell has seen the largest change in awarded frontier acreage share

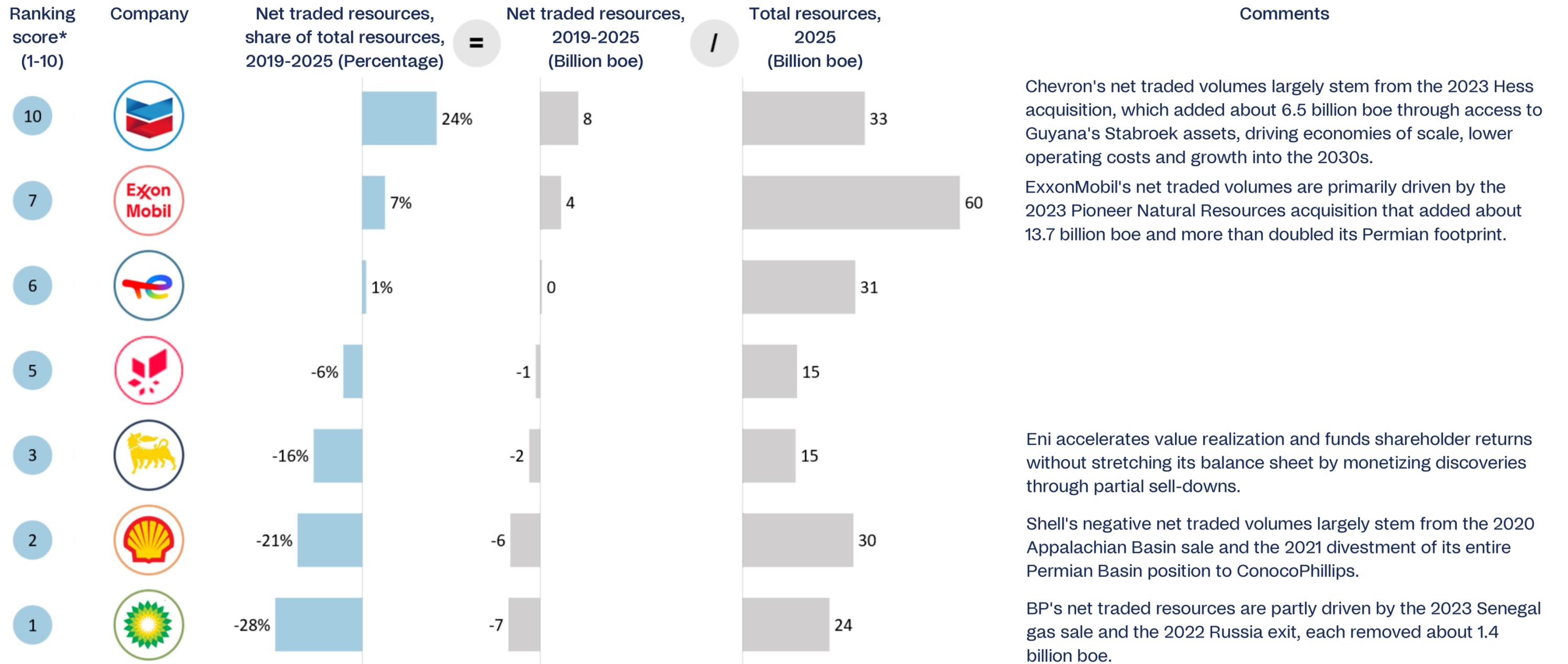
Frontier acreage share of total acreage awarded to majors, 2020-2025

Percentage



Source: Rystad Energy research and analysis, Rystad Energy UCube Exploration

# Chevron and ExxonMobil lead net traded resources, Equinor, Eni, Shell, and BP divest



\*Ranking scores are based on the key benchmarking metric, spanning 1-10 where 10 is highest performer and 1 is lowest performer and the remaining companies are distributed based on relative performance to these.

Source: Rystad Energy research and analysis, Rystad Energy UCube

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