

Exploration and Production Trends and the Emergence of the National Oil Companies

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Global market forces have created a dynamic, even volatile business environment for the oil and gas industry. As a result, the oil and gas industry has undergone numerous periods of expansion and contraction, which has not always been associated with the price of the commodity.

Historically, the oil and gas industry can be classified into three distinct periods, “Private Sector Growth – 1880 to 1935”, “National Oil Company Growth – 1936 to 1985” and “Private Sector Consolidation – 1986 to Present”.

Each period can be characterized by distinct economic drivers which resulted in unique outcomes for the oil and gas industry. As an example, the current “Private Sector Consolidation Period” marks the precipitous decline of the private sector major operators and the emergence of the national oil companies as the leaders of the global energy industry. The rise to prominence of the national oil companies has already resulted in dramatic changes to the global exploration and production trends and energy.