

Big Oil Makes Top Dollar



The first half of 2012 has brought more multi-billion dollar profits for major oil companies. So far, these companies have raked in more than \$70 billion in profits this year—exceeding the amount they made over the entire year in 2009. Big Oil certainly seems to be doing just fine, and yet they continue to receive numerous taxpayer-backed subsidies as if they are operating on a razor’s edge.

Below is a brief description of the 2012 quarterly profits for these companies so far, as illustrated by Table 1.

- **Exxon Mobile** made a record *\$15.9 billion* during the second quarter—a 69% increase over its first quarter profits and more than double its average quarterly profits over the past 10 years. This takes Exxon’s annual profits to more than **\$25 billion** so far in 2012.¹ Exxon is currently on pace to break its own annual record of \$45.2 billion set in 2008—the largest annual corporate profit in history.
- **Shell** hauled in *\$5.9 billion* during the second quarter—a 28% decrease over its first quarter profits but both the half and quarter have been above its ten-year average. This takes Shell’s annual profits to more than **\$13 billion** to date in 2012.²
- **Chevron’s** profits continue to climb steadily. It raked in *\$7.2 billion* in profit during the second quarter—an 11% increase over its first quarter profits while its ten-year quarterly average is just over half that at \$3.8 billion. This takes Chevron’s annual profits to more than **\$13 billion** so far in 2012.³
- Rebounding quickly from the Deepwater Horizon oil spill, **BP** posted profits over \$5 billion during every quarter of 2011 and nearly \$5 billion during the first quarter of 2012, though BP’s second quarter saw comparatively marginal profits of *\$238 million*. This takes BP’s annual profits to more than **\$5 billion** so far in 2012.⁴ BP’s sudden second quarter decrease in profits was a result of a series of write-downs on a number of major assets. These include a decrease in value of multiple refineries and shale gas resources held throughout the U.S. as well as the shuttering of a major drilling project in Alaska.⁵
- **ConocoPhillips** earned *\$2.2 billion* in profits during the second quarter down from first quarter results but consistent with their regularly high results. This takes ConocoPhillips’ annual profits to more than **\$5 billion** in 2012.⁶
- **Total S.A.** posted another strong quarter bringing in *\$3.7 billion*. This takes Total’s annual profits to nearly **\$8 billion**.⁷

Table 1: 2012 First Half Oil and Gas Industry Profits (billions)

| Company | First Quarter | Second Quarter | 2012 First Half Total |
|----------------------|---------------|----------------|-----------------------|
| ExxonMobil | 9.5 | 15.9 | 25.4 |
| Shell | 7.7 | 6.0 | 13.6 |
| Chevron | 6.5 | 7.2 | 13.7 |
| BP | 4.9 | 0.2 | 5.2 |
| ConocoPhillips | 2.9 | 2.3 | 5.2 |
| Total S.A. | 4.0 | 3.7 | 7.7 |
| Total Profits | | | \$70.8 |

Despite these massive profits, major oil companies continue to receive massive federal subsidies. In our Green Scissors 2012 report we identify more than a dozen of these subsidies, amounting to billions of dollars handed out to Big Oil each year. Over the past ten years these six companies alone have brought in \$1 trillion (See Table 2 below). But these are not companies who have found success recently; rather, Big Oil has posted huge profits for decades.

Table 2: Big Oil Total Profits Over Past Decade

| Company | Total Profits (2002-2011) (billions) |
|----------------------|---|
| ExxonMobil | 310.6 |
| Shell | 203.9 |
| Chevron | 151.8 |
| BP | 146.9 |
| Total S.A. | 123.5 |
| ConocoPhillips | 65.2 |
| Total Profits | \$ 1 Trillion |

With nearly \$16 trillion in national debt and budget sequestration looming we ought to be looking to oil and gas subsidies as the low-hanging fruit. Congress should cut the wasteful financial giveaways to Big Oil which is not only profitable but continues to sprint at world record pace. It's an easy step toward cutting down our trillion dollar deficits.

For more information, please visit www.taxpayer.net
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¹Exxon Mobile Corporation. "Exxon Mobil Corporation Announces Estimated Second Quarter 2012 Results." July 26, 2012. http://www.exxonmobil.com/Corporate/Files/news_release_earnings_2q12.pdf

² Royal Dutch Shell plc. "2nd Quarter And Half Year 2012 Unaudited Results." July 26, 2012. http://www-static.shell.com/static/investor/downloads/financial_information/quarterly_results/2012/q2/q2_2012_qra.pdf

³ Chevron Corporation. "Chevron Reports Second Quarter Net Income of \$7.2 Billion, Compared to \$7.7 Billion in Second Quarter 2011." July 27, 2012. <http://investor.chevron.com/phoenix.zhtml?c=130102&p=irol-reportsOther>

⁴ BP plc. "Second quarter and half year 2012." July 31, 2012. http://www.bp.com/liveassets/bp_internet/globalbp/STAGING/global_assets/downloads/B/bp_second_quarter_2012_results.pdf

⁵ Stanley Reed, "Series of Write-Downs Leads to a Loss at BP." *New York Times*. July 31, 2012. <http://www.nytimes.com/2012/08/01/business/energy-environment/01iht-bp01.html>

⁶ ConocoPhillips. "ConocoPhillips Reports Second-Quarter Earnings of \$2.3 Billion or \$1.80 Per Share." July 25, 2012. http://www.conocophillips.com/EN/newsroom/news_releases/2012NewsReleases/Pages/07-25-2012.aspx

⁷ Total S.A. "Second quarter and first half 2012 results." July 27, 2012. http://www.total.com/MEDIAS/MEDIAS_INFOS/5902/EN/Total-2012-en-2Q-Results-120727-pr.pdf