

Exxon Mobil third-quarter profits jump on higher oil prices



Exxon Mobil reported a big jump in third-quarter profits yesterday on higher oil prices and refining margins, and said the production ramp-up at key new US oilfields was on track. Net income surged 57.1% increase in profits to \$6.2bn. Revenues advanced 25.4% to \$76.6bn.

The results topped analyst expectations and follow a number of earnings disappointments in recent quarters, pushing the company's shares higher in pre-market trading. US oil prices were in the \$60 to \$70 a barrel range in the third quarter, well above the year-ago period, which was in the \$40 to \$50 range.

The US oil giant has struggled to maintain and grow production as old oil and natural gas projects suffer field decline and new investments take time to come online.

Oil and gas production was down 2.3% from the comparable quarter of the previous year, but rose 3.8% from the second quarter, which executives had described as a bottom due in

part to outages at key projects.

The company is bullish on new projects in the Permian Basin, a key US shale territory in Texas that helped the company notch higher output in its home market. "We're pleased with the increase in production from the second quarter of 2018 recognising it reflects contributions from just one of our key growth areas, the Permian," said chief executive Darren Woods. "We expect to continue to increase volumes over time as we ramp up activity in the Permian and new projects start up."

Shares rose 1.8% to \$82.15 in pre-market trading.

Chevron

US oil and natural gas producer Chevron Corp said yesterday its quarterly profit doubled as record oil and gas production helped overcome a series of one-time items.

With the price of crude in the third quarter up 44% from the same period a year ago, major oil companies' earnings have returned to levels not seen in as much as four years. Chevron topped analysts' estimates with third-quarter net income of \$4.05bn, or \$2.11 a share, compared with \$1.95bn, or \$1.03 per share, in the same quarter a year earlier.

"Our strong financial results reflect higher production and crude oil prices coupled with a continued focus on efficiency and productivity," said chief executive Michael Wirth in a statement.

Analysts were looking for the company to report \$2.06 per share profit, according to I/B/E/S data on Refinitiv.

Shares rose 2% in pre-market trading to \$113.53.

The stock declined 9% in October and was off 11% year to date through Thursday's close.

Chevron's production rose to 2.96mn barrels of oil equivalent per day (boed) from 2.72mn boed a year ago.

Quarterly results included \$930mn in one-time expenses for an asset impairment, a write-off and contract settlement offset by a \$350mn gain from the sale of its South African refining and marketing operations, the company said.

Profit in the company's downstream business, which refines

crude oil into gasoline and other products, fell 24% reflecting lower margins and year-earlier gains on asset sales.