

# Oil And Gas Industry Overview: Four Trends to Watch in 2024

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## New Report Shows U.S. Oil and Gas Leaders Embracing the Energy Transition, Leaning into Carbon Capture, Renewables and Energy Efficiency in 2024

- *Despite a two-year slowdown in capital expenditure growth, oil and gas executives are optimistic about 2024.*
- *More than three-quarters of oil and gas executives expect to increase their focus on renewables and environmental issues in the coming year.*
- *Planned carbon capture projects are on the rise, and decisionmakers believe they will have utility-scale applications within 10 years by 2034.*

**January 24, 2024 (DENVER)** — According to a new report from national law firm, Lathrop GPM, oil and gas (O&G) decision makers are turning to renewables, carbon capture technologies, energy efficiency improvements and other environmental initiatives to weather economic and regulatory headwinds and spur strategic growth in the year ahead.

This year's annual report, "2024 Oil and Gas Outlook and Trends," identifies four major developments expected to shape the industry in the year ahead. To support the report's external market research, Lathrop GPM surveyed 100 O&G executives in October 2023 on their expectations for the O&G sector next year. The majority (95%) were based in the U.S.

More than half of O&G decisionmakers see energy efficiency improvements and carbon capture, utilization and storage (CCUS) as the most significant operational and/or investment opportunities in 2024, the report finds. Further, survey respondents overwhelmingly believe that CCUS will have utility-scale application within the next decade, which comes as the industry has 154 planned, U.S. based CCUS projects in the development pipeline and seven already under construction. The success of these projects, O&G decisionmakers say, hinges on the siting and construction of new pipelines and enhanced system reliability.

Over three in four O&G executives are looking to increase their focus on renewables and environmental initiatives next year as well—a modest increase over last year's results. In addition, 62% of O&G executives say their companies plan to extend the life of old infrastructure in 2024 — a year-over-year percentage point



increase of 16%.

### **Energy deals lift 2024 CAPEX expectations**

These findings come despite a two-year slowdown in capital expenditure (CAPEX) growth across the industry, and 47% of O&G executives citing investment challenges related to tax incentives and subsidies. Still, O&G decisionmakers hold high expectations for CAPEX in 2024, buoyed by two last-minute, blockbuster deals in the fourth quarter 2023 involving Chevron and ExxonMobil.

"Between a positive outlook on CAPEX, healthy balance sheets and strong cash flows, O&G companies have the wind at their backs heading into 2024—and it should make for an exciting year," said Patrick McRorie, Chair of Lathrop GPM's energy practice. "As major industry players continue to adopt sustainable energy practices, some are playing the long game, positioning themselves as leaders in the global energy transition and the renewable energy sector."

However, fewer O&G executives (down from 42% to 32%) say they are implementing ESG policies in this year's report. Those that have or are considering implementing them cite regulatory pressure as the primary reason, though on average, respondents selected relevance and cost as the top two reasons for doing so.

Read the full report [linked here](#).