

## Charlie Beckham in Associated Press: Oil Prices Fall as Coronavirus Spreads Outside China

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Haynes Boone Partner [Charlie Beckham](#) was quoted in an *Associated Press* article about how oil prices have dropped and global demand weakened as the Coronavirus continues to spread to more countries.

Here is an excerpt:

Oil prices fell dramatically in mid-February, but had been steadily climbing back as the number of new cases of the virus in China slowed. In the last week, however, reports of the spreading virus knocked prices down. The benchmark for U.S. crude oil fell 16% during the week, settling Friday at \$44.76 a barrel. Brent crude, the international standard, dropped 14% for the week to its lowest levels since July 2017, closing Friday at \$50.52 a barrel.

The financial situation was deteriorating for the oil industry long before the coronavirus hit. Demand for oil was suppressed by ongoing trade tensions with China, concerns about climate change, growing adoption of renewable energy sources and steadily improving energy efficiency.

In the U.S., many oil and gas producers were already struggling under the financial pressure of low prices, caused in part by oversupply as companies figured out how to produce oil and gas more cheaply than ever before. In the past five years, 208 oil producers have filed for bankruptcy protection after racking up approximately \$121.7 billion in debt, according to law firm Haynes Boone.

The strain has especially hurt smaller producers that relied on debt and an expectation of higher prices to repay their loans.

“The weakness in the commodity price has driven many companies to the point that they cannot refinance their debt or their lenders have lost patience with the longer-term downturn in the energy industry,” said Charles Beckham, a partner at Haynes Boone.

To read the full article, click [here](#).