

Jeff Nichols in Forbes: ‘Global 2000: Big Profits for Big Oil, As Russian Sanctions Combine With Pent-Up Demand’

May 13, 2022 Jeff Nichols

PRACTICES Commodities, Energy Finance, Energy, Power and Natural Resources, Midstream, Oil and Gas

[Jeff Nichols](#), co-chair and partner in the Energy Practice Group, was quoted in a *Forbes* article. Read an excerpt below:

With gasoline and diesel hitting record prices amid a post-pandemic surge in driving and flying, it's no surprise that smart guys like Warren Buffett have been loading up on shares of some of the world's biggest energy companies including Chevron and Occidentals Petroleum. Giant profits are a welcome turnaround for Big Oil, after the 2020 pandemic lockdowns froze demand and drove oil prices temporarily down to zero. Chevron posted first-quarter revenue of \$54.4 billion, 75% higher than a year ago, thanks to surging oil and gas prices. Its shares are up 50% in a year. And consider Saudi Arabian Oil Company; the world's second-biggest by market value (after Apple) is also the most profitable, scoring \$105 billion last year. Energy companies were big movers on this year's Forbes Global 2000 list, with many jumping more than 300 points in overall rankings.

Despite the profit boom, this is a high-stress time for oil giants. President Vladimir Putin's invasion of Ukraine is turning the energy markets upside down, with a strong likelihood of crippling fuel shortages as sanctions take hold and Russian oil and natural gas find few buyers. To replace Russia, the world will need every molecule of hydrocarbons the energy giants can extract. ...

After relegating oil companies to purgatory for the past few years, there are even indications that ESG-focused investors are now finding some positive attributes in Big Oil. Jeff Nichols, partner and head of the energy practice at Haynes Boone, says that ESG is evolving to better appreciate the boon to the civilization of reliable energy. "Since Russia's invasion of Ukraine, concepts like 'energy security' and 'conflict-free oil' have entered the ESG lexicon."

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