

## Big Oil, Big Profits

Another quarter, another unsurprising set of reports of huge profits for the oil companies. Continuing to be some of the most profitable companies in the U.S., the third quarter was no exception. With six of the largest companies again posting big profits, these companies are on their way to make massive gains over the profits they made in 2010. In nine months, ExxonMobil has matched their total profits from all of last year. Shell managed to do the same feat in just six months. We'll wish these companies all the success in the world on their growing profits, as soon as they get straight and honest with Congress and tell them how they don't need the billions and billions they receive in taxpayer-funded subsidies every year.

The first three quarters of 2011 results are shown in Table 1 below:

**Table 1**

Company	First Quarter (Billions)	Second Quarter (Billions)	Third Quarter (Billions)	Total (Billions)
ExxonMobil	10.7	10.7	10.3	<b>31.7</b>
Shell	8.9	8.7	7.0	<b>24.6</b>
Chevron	6.2	7.7	7.8	<b>21.7</b>
BP	5.5	5.3	5.1	<b>15.9</b>
Total S.A.	4.2	4	4	<b>12.2</b>
ConocoPhillips	3	3.4	2.6	<b>9</b>
<b>Total Profits</b>				<b>\$115.1 billion</b>

Last year's profits showed that Big Oil is continuing its decade long trend of extracting billions in profits. In 2010, six of the largest oil and gas companies hauled in nearly \$90 billion in profits.

Table 2 lays out the quarterly profits earned by these oil companies last year. BP, which recorded a \$17 billion loss in the second quarter resulting from the Gulf of Mexico disaster, quickly emerged from the red with two straight quarters of profits amounting to more than \$6 billion. Companies like Chevron and Shell saw their profits nearly double from 2009.

**Table 2**

<b>Big Oil Quarterly 2010 Profits (Billions)</b>					
Company	1Q	2Q	3Q	4Q	Full Year
ExxonMobil	6.3	7.6	7.4	9.3	30.5
Chevron	4.6	5.4	3.8	5.3	19
Shell	4.9	4.5	3.5	5.7	18.6
Total S.A.	3.2	3.8	3.2	3.5	13.6
BP	5.6	-17	1.8	4.6	-4.9
ConocoPhillips	2.1	4.2	3.1	1.9	11.3
<b>Total Profits</b>					<b>\$88.1 billion</b>

With oil eclipsing the \$100/barrel mark again this year, Big Oil will likely rake in billions of dollars more in profits in 2011. Let's not forget what occurred in 2008 with high oil prices: Exxon posted the largest

annual corporate profit in U.S. history, Chevron became the second most profitable company in the U.S, and the five companies listed above (minus ConocoPhillips) pulled in nearly \$150 billion. Table 3 covers the profits for five companies over a ten year period (note that six companies are listed in tables 1 and 2). All told, these significant profits in 2010 continue to add on to a decade of raking in record breaking profits by the oil and gas industry.

**Table 3**

<b>Big Oil Total Profits 2001 – 2010 (\$ Billions)</b>	
BP	144
Chevron	128.2
Exxon	284.8
Shell	186
Total S.A.	127
<b>Total Profits</b>	<b>\$870 billion</b>

Despite Big Oil’s hearty profits, they continue to rake in hefty taxpayer subsidies. But the sweet deal may be turning sour. The President has called for the [elimination or reduction](#) of thirteen subsidies and programs that would save taxpayers an estimated \$46 billion over ten years. Speaker of the House John Boehner said in late April that oil companies “ought to be paying their fair share” of taxes. House Budget Committee Chairman Paul Ryan also expressed support for ending corporate loopholes and deductions, including those that benefit oil companies. As big profit numbers roll in for the third quarter, it will merely emphasize the billions of taxpayer dollars being wasted every year subsidizing Big Oil.

The oil industry itself is calling foul. Former CEO of Shell Oil said, “In the face of sustained high oil prices it was not an issue—for large companies—of needing the subsidies to entice us into looking for and producing more oil.”

TCS’s [2011](#) Subsidy Gusher report identifies specific cuts to oil and gas subsidies that will save taxpayers \$15 billion this year. Between 2001 and 2010 the top five oil companies alone profited over \$870 billion. **Over the next five years, oil companies are estimated to receive another \$78 billion in industry specific and general business subsidies.** Why are taxpayers supporting one of the most profitable industries in history?

With trillion dollar deficits forecasted for the years ahead, the handouts to profitable oil and gas companies must end. The 112th Congress must come together to eliminate these subsidies and protect the taxpayer. The gravy train to Big Oil must come to a full stop.