

Five Years of Consolidation Pressure in Global Energy M&A

A data-driven briefing on how rising load growth, scarce dispatchable assets, and capital rotation are reshaping deal activity across utilities, oil and gas, mining, and chemicals.



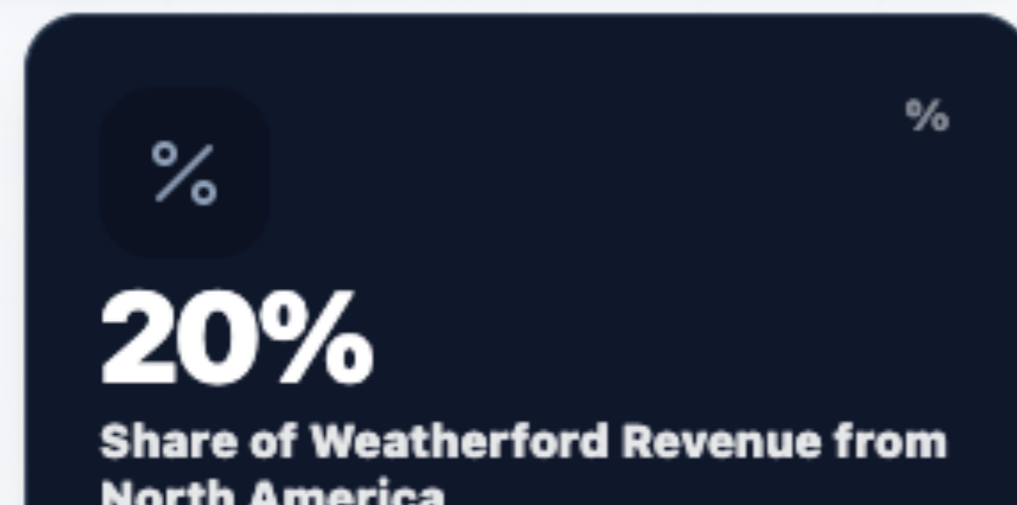
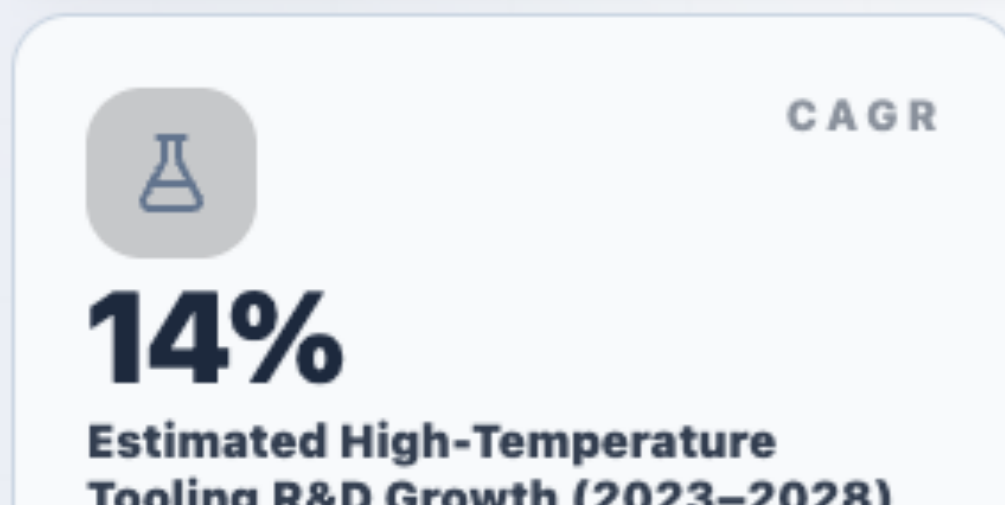
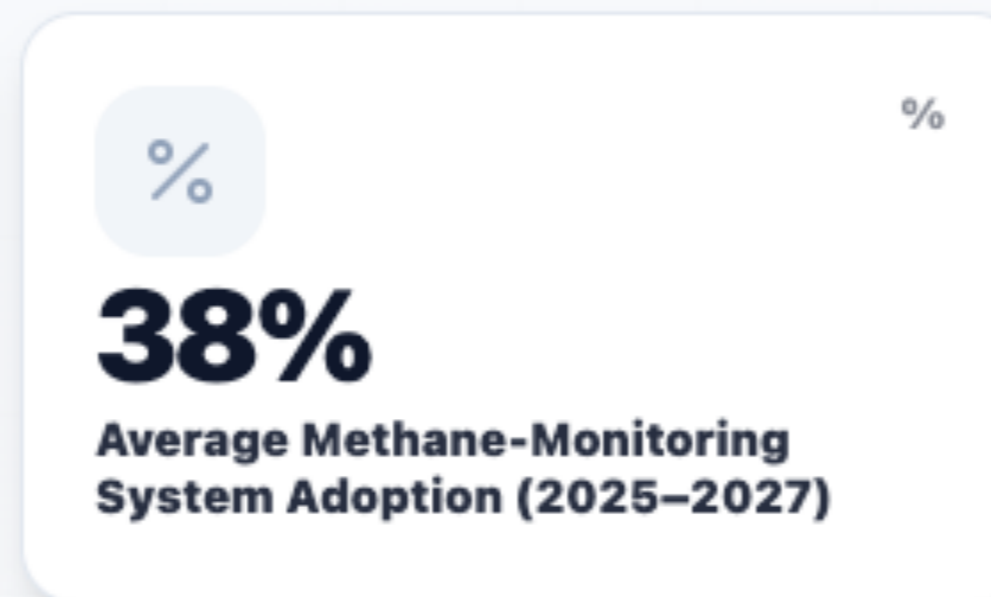
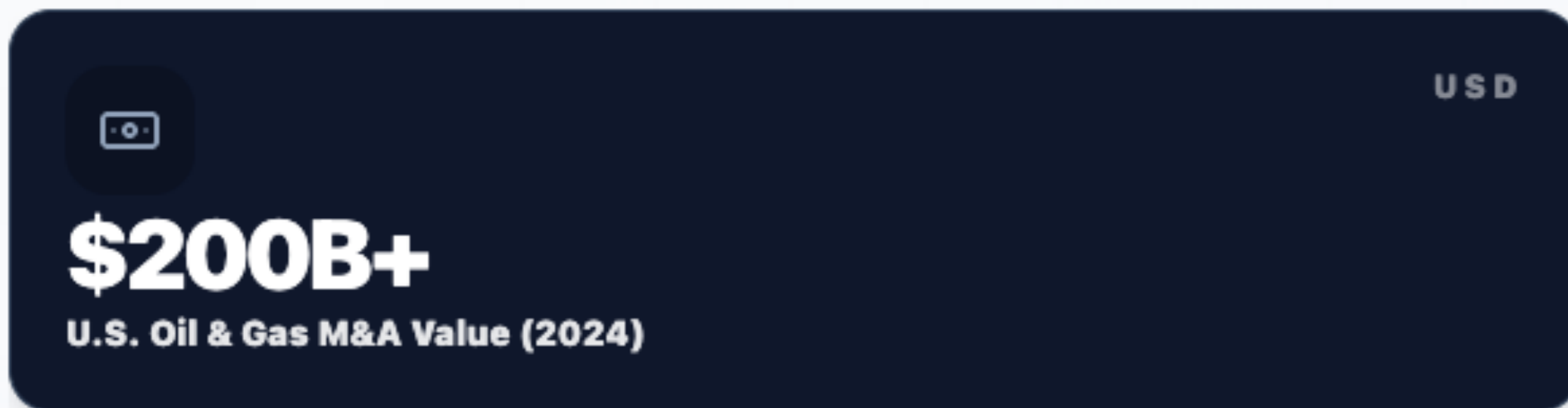
Technology Forces Reshaping Energy-Sector M&A Momentum

EXECUTIVE SUMMARY

U.S. oil and gas M&A surpassed \$200 billion in announced value during 2024, a four-fold increase from the prior year, and this rise is shaping how technology investment influences consolidation. Digitalization and automation are moving from pilot work to core functions, leading acquirers to target firms with credible monitoring, sensing, and workflow-automation technology. Wireline tools, emissions-management systems, and geothermal drilling capabilities are drawing steady attention, often as smaller add-on acquisitions rather than major deals. Weatherford has completed several small transactions this year to secure capabilities in slot recovery and plug-and-abandonment, an area linked to the long-term transition of aging fields. R&D interest is also shifting toward geothermal systems and advanced grid applications, building on partnerships such as those with Sarapi and Ever. Across the sector, high-temperature tools, carbon-storage monitoring technology, and methane-sensing platforms are emerging as acquisition targets because they fill capability gaps operators cannot address quickly through organic development. With stronger balance sheets and steady energy prices, these technology needs point to continued consolidation focused on operational intelligence, emissions compliance, and next-generation thermal and grid assets.



STRATEGIC PERFORMANCE DASHBOARD



Emerging technology in the energy sector is shown through digital interfaces and battery systems, signaling rising investment in advanced storage, monitoring, and data-driven optimization. The control panels indicate a shift toward integrated, real-time operational intelligence, while the branding points to a market push toward broader technological change. These elements reflect a competitive market where efficiency, automation, and next-generation energy-management tools support long-term performance.

KEY INSIGHTS

- Weatherford reported three February acquisitions tied to Wireline and innovation solutions, marking a shift toward targeted capability expansion.
- Digital monitoring requirements continue to rise, illustrated by the Honeywell methane-sensing partnership described in the interview.
- Geothermal drilling interest is expanding, reinforced by field examples such as active drilling in Hamburg for district heating.
- U.S. oil and gas M&A exceeded \$200 billion in 2024, driven partly by investors seeking technology assets to strengthen operational efficiency.

Core Market Data Metrics for Energy-Sector M&A



EXECUTIVE SUMMARY

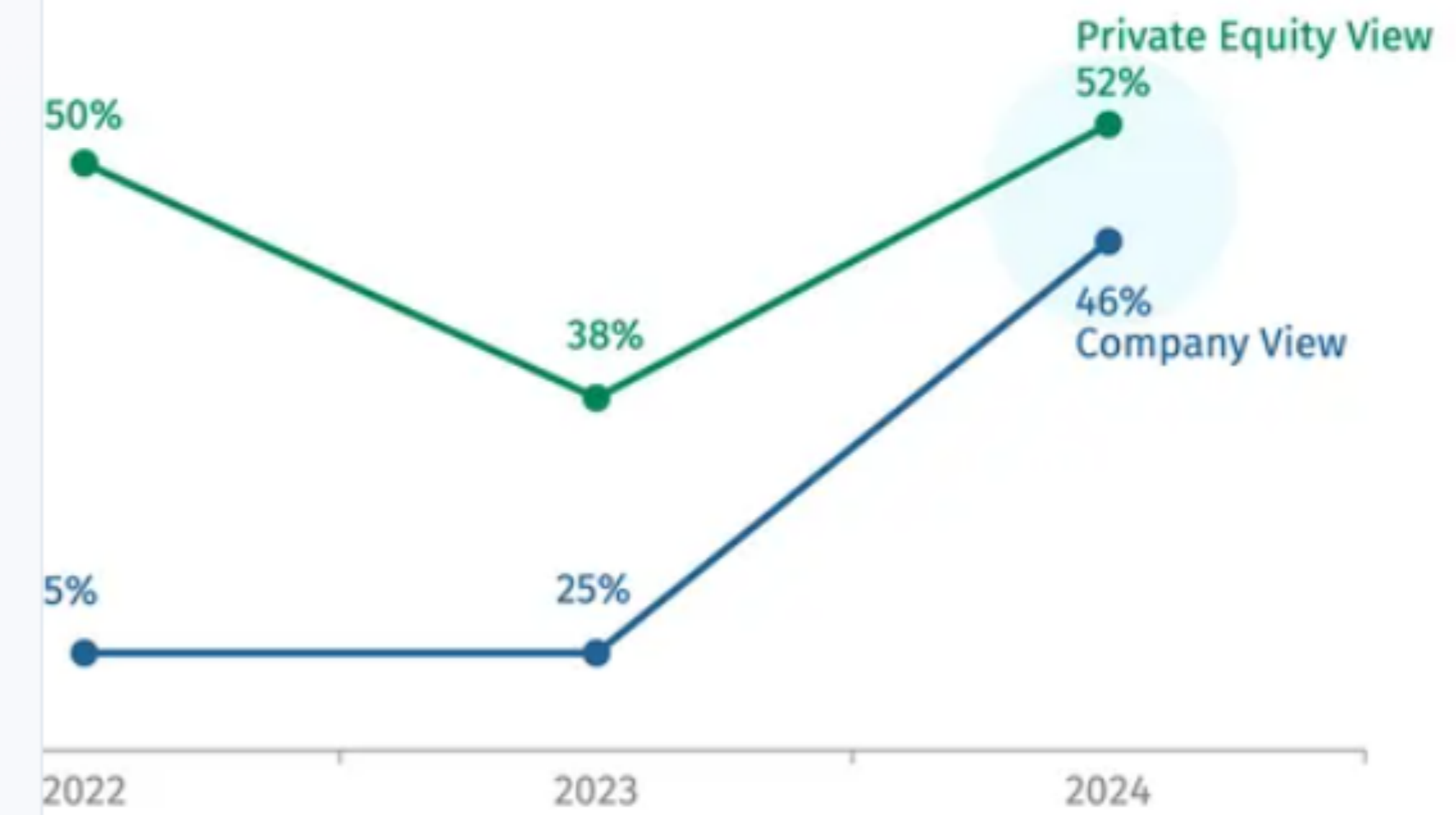
Energy-sector M&A crossed the \$400 billion mark in 2024, the highest level in three years, anchored by more than 10 megadeals and a renewed focus on scale. The upstream segment drove much of this activity: U.S. exploration and production transactions reached \$234 billion in 2023, and deals such as ExxonMobil's \$64.5 billion acquisition of Pioneer and Chevron's \$60 billion agreement for Hess reshaped the U.S. production hierarchy heading into 2025. These numbers signal a market where consolidation is not a temporary spike but a structural realignment built around acreage depth, lower unit costs, and tighter integration across basins such as the Permian. The shift isn't uniform. U.S. upstream M&A is projected to fall from \$105 billion in 2024 to about \$65 billion in 2025, suggesting a recalibration following the 2024 buying surge. Global energy and natural resources transactions rose by roughly 2% in value and 4% in volume during the first ten months of 2024, underscoring steady activity even as interest rates and geopolitics tempered some regions. Across hydrocarbons, chemicals, and power, the data points to a five-year window defined by larger deal sizes, concentrated buyer groups, and a tilt toward assets with long-life production or contracted cash flows. The metrics reflect a market where scale and certainty—rather than pure growth—are dictating deal flow.

STRATEGIC FACTORS

- 1 Global energy-sector deal activity exceeded \$400 billion in 2024, driven by more than 10 megadeals and marking the sector's strongest consolidation wave in three years.
- 2 U.S. upstream M&A is projected to shift from \$105 billion in 2024 to about \$65 billion in 2025, reflecting a normalization after the intense 2024 acquisition cycle.
- 3 Chevron's \$60 billion pursuit of Hess could raise its U.S. production share from 5% to 6%, while ExxonMobil's \$64.5 billion acquisition of Pioneer could bring its share close to 7%.
- 4 Global upstream transactions reached \$234 billion in 2023, the highest level in real 2023 dollars since 2012, underscoring a sustained multi-year return to consolidation.

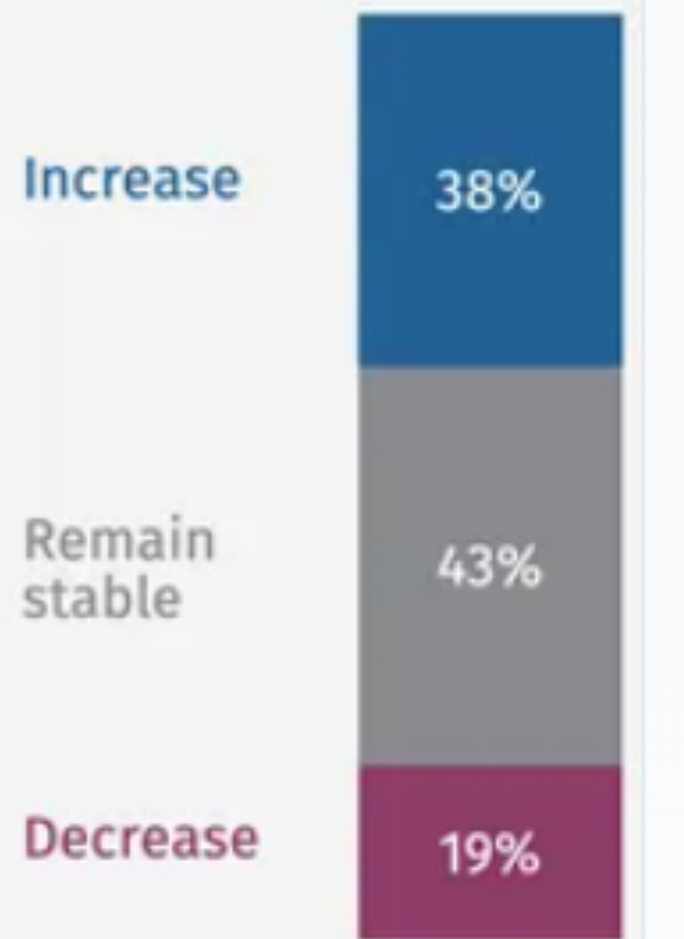
IG EXPECTATIONS FOR THE M&A ENVIRONMENT

M&A market will be strong



characterize the M&A environment in.... (% saying strong)?

2024 valuation expect



What is your expectation for com valuations over the next year?

Expectations for a strong M&A environment are rebounding sharply, with company views rising from 25 percent in 2023 to 46 percent in 2024, while private equity sentiment climbs even higher to 52 percent, reversing last year's dip from 50 percent to 38 percent. This renewed optimism aligns with valuation expectations, where 81 percent anticipate increases or stability in 2024 and only 19 percent foresee declines, signaling heightened confidence that improving market conditions and resilient valuations will accelerate transaction activity in the coming year.

Core Market Data Metrics for Energy-Sector M&A



DETAILED ANALYSIS

Deal Value Trajectory Across Core Energy Segments

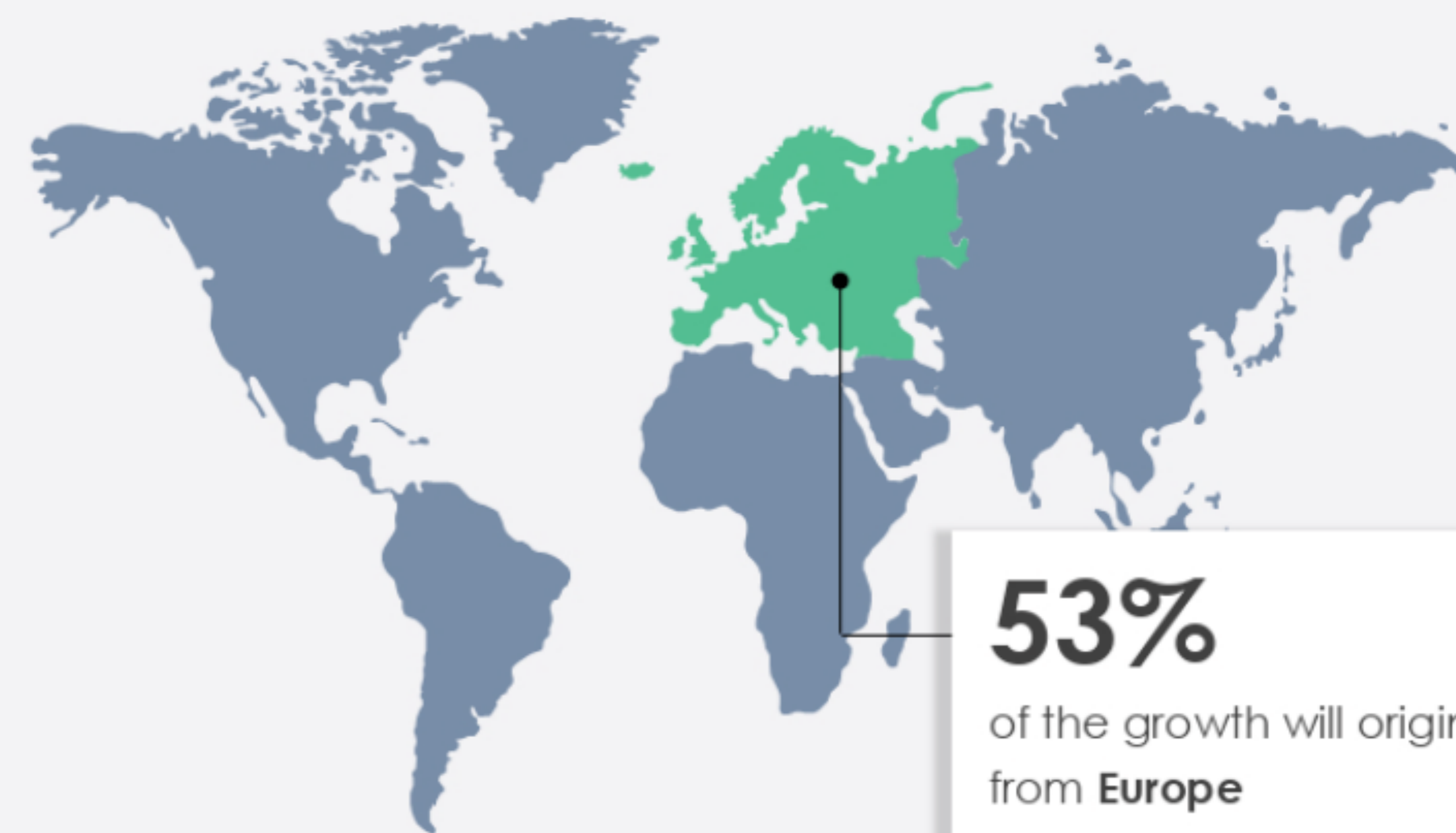
Deal activity surged in 2024, with the energy sector surpassing \$400 billion in announced transactions, setting a three-year high. Large oil and gas consolidations dominated the landscape, with scale-driven combinations representing more than 80% of strategic deals above the \$1 billion threshold. Meanwhile, global upstream M&A reached \$234 billion in 2023, historically the highest since 2012 in real terms. Chemical-sector transactions advanced more modestly but contributed to an overall 2% rise in value and a 4% increase in volume across energy and natural resources during the first ten months of 2024.

Shifts in U.S. Upstream and Global Consolidation Patterns

U.S. upstream deal value remains volatile, dropping from \$105 billion in 2024 to an expected \$65 billion in 2025 as the consolidation wave moderates. Major acquirers such as ExxonMobil and Chevron used large corporate deals to expand production footprints, particularly in the Permian Basin, where combined acreage positions can unlock more than 16 billion barrels of oil equivalent in long-term reserves. Global consolidation patterns mirror these trends, with Middle Eastern national oil companies increasing chemical-sector investment to rebalance portfolios. Cross-border transactions continued to gain momentum as companies sought assets offering durability amid fluctuating commodity prices.

Market Concentration and Asset Ownership Evolution

Recent megadeals are reshaping market concentration. Chevron's acquisition of Hess could raise its U.S. crude and NGL production share from roughly 5% to 6%, while ExxonMobil's combination with Pioneer could push its share near 7%. These figures illustrate a structural move toward fewer, larger operators controlling a greater share of producing assets. Transaction activity is increasingly tied to long-life, low-cost resources, with asset packages emphasizing complementary acreage, operational efficiencies, and predictable production profiles. The resulting landscape consolidates decision-making among major operators and positions them for stronger cash-flow resilience in the next cycle.



www.technavio.com

VERIFIED SOURCES

- www.bain.com
M&A in Energy and Natural Resources: Making Deal Economics Work in a Record Year
- www.eia.gov
M&A activity in 2023 furthers consolidation of U.S. crude oil and natural gas firms - U.S. Energy Information Administration (EIA)
- www.pwc.com
2026 Energy M&A Outlook: Trends Shaping US Deals
- mergersandacquisitions.net
Energy & Power M&A Trends, Multiples & Market Research Report | M&A Insights Blog