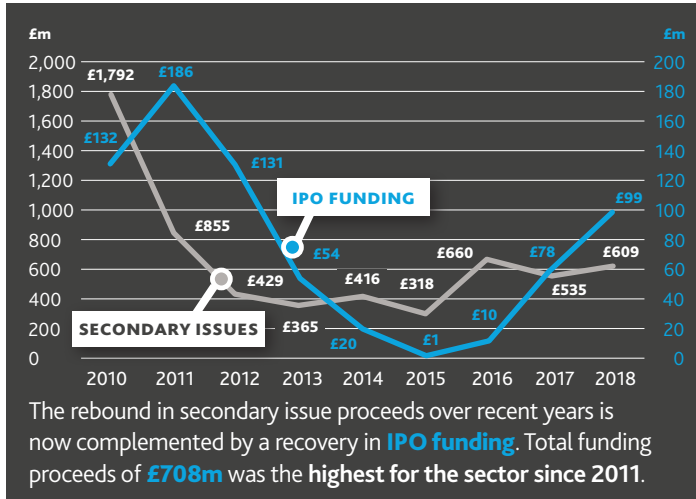


# DRILLING DOWN 2019

A review of the performance of AIM listed Oil & Gas companies in 2018

## THE RECOVERY CONTINUES... DESPITE DECLINE IN OIL PRICES

### MONEY, MONEY, MONEY

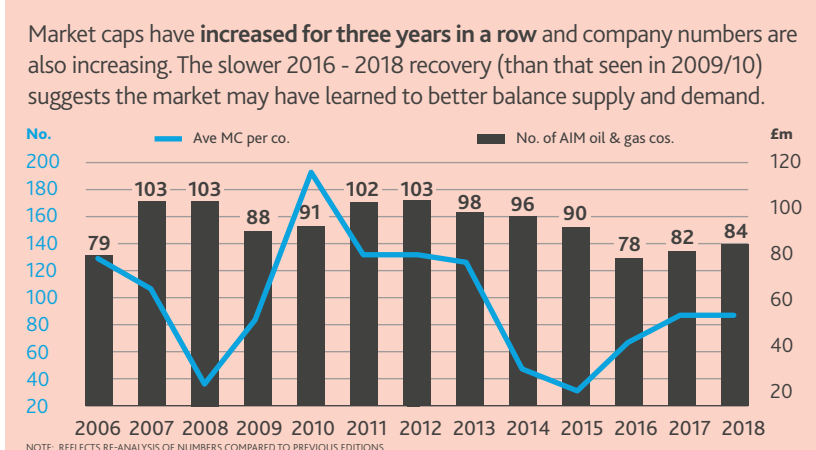


### OIL & GAS OUTLOOK

**01** Focus on ensuring portfolios are resilient to prices which are currently lower than the market's previous expectations and may remain relatively low for a longer period than had been anticipated.

**02** There may be an opportunity for companies to be bold and take a longer term investment strategy rather than bedding down and playing it safe – ie consider acquisitions and/or dispose of non-core investments.

**03** Do not take share prices at face value – there are always many other factors to consider when looking for the value of a business particularly in the oil and gas sector.

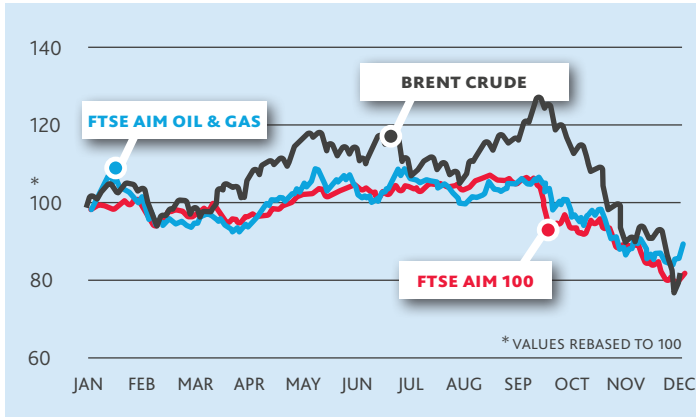


Total market caps **increased** despite **more fallers than risers** in 2018.

**2018**  
RISERS: 30  
FALLERS: 48

**2017**  
RISERS: 44  
FALLERS: 29

This suggests an increase in the quality of the larger oil & gas companies on AIM.



**AIM oil and gas index** (down 11%) closely tracked the wider AIM market (down 12%) but **outperformed oil prices** (down 19%). Oil and gas shares underperformed oil prices for the first three quarters, **suggesting investors sensed the risk of a price fall.**

### Find out more about how BDO can help you:

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