MNI: North American Service Company 4Q 2025

By Erica Blake (February 12, 2026)

Key Themes

- **Service companies** report being excited and ready to get back into Venezuela, providing the proper securities and assurances are provided.
- They expect **the sources of growth** for the year will be international business, with US demand for OFS to hold flat until prices begin to recover.
- **International-focused** companies expect there to be activity increases in the Middle East, Africa, and South America for 2H26 and into 2027.
- **US-focused companies** highlight that activity will likely be flat with prices in the $60/bbl range but are optimistic about gas activity with LNG and power demand rising.

See below summaries from the key U.S. oil and gas service companies in 4Q based on company calls:

Halliburton (HAL): The call highlighted their excitement to get back into Venezuela and they believe it has opportunity to be a growth engine again. Their US business contracted during the quarter, but the international business is flat to growing.

- They are excited about the opportunities for Halliburton in Venezuela and will "grow our business there as soon as commercial and legal terms are resolved, including payment certainty".
- They believe they can scale up quickly in Venezuela and are working through the mechanics around licensing. They would need to move equipment into the region but believe it to be straightforward as they still have operating bases in the region.
- Highlighted that Venezuela's business for them was $0.5 billion a decade ago but got smaller over time. They are optimistic about it being a larger business in the long term.
- Expect 2026 to be a year of rebalancing, with a moderation in crude supply increases and rising demand. They expect commodity prices are unlikely to rise, absent geopolitical disruptions. They expect international activity to be stable year-over-year, but moderate softness in North America.
- They believe supply and demand will rebalance in the medium term following favorable tailwinds from steeper decline rates, diminishing reservoir quality, and limited exploration success.
- HAL expects when prices return the US will recover first, so they will stack equipment that is uneconomic and preserve it for when North America recovers. They believe the market is at the bottom and it will improve, but the bias is towards there not being investment in the market in terms of more equipment and equipment is wearing out. Believe this to be rational in a market requiring returns.
- North American 4Q25 revenue fell 7% sequentially, driven by lower stimulation activity in US land and Canada, decreased fluid services in Gulf of America, and lower well intervention services in US land.
- For 2026, they see growth in Latin America across Brazil deep water, Argentina, Ecuador, and Guyana. Middle East is expected to be "flattish" and as well as Asia Pacific.
- Completed first autonomous geosteering run in the Caribbean, which maximized reservoir contact and delivered outstanding performance.
- HAL identified Argentina, the Caribbean, West Africa, and Algeria as areas that could surprise to the upside with investment in '26 and '27.
- They believe the ability to add frac fleets is limited and see that existing fleets are being repaired to keep working, and it wouldn't take much demand to create market tightness.

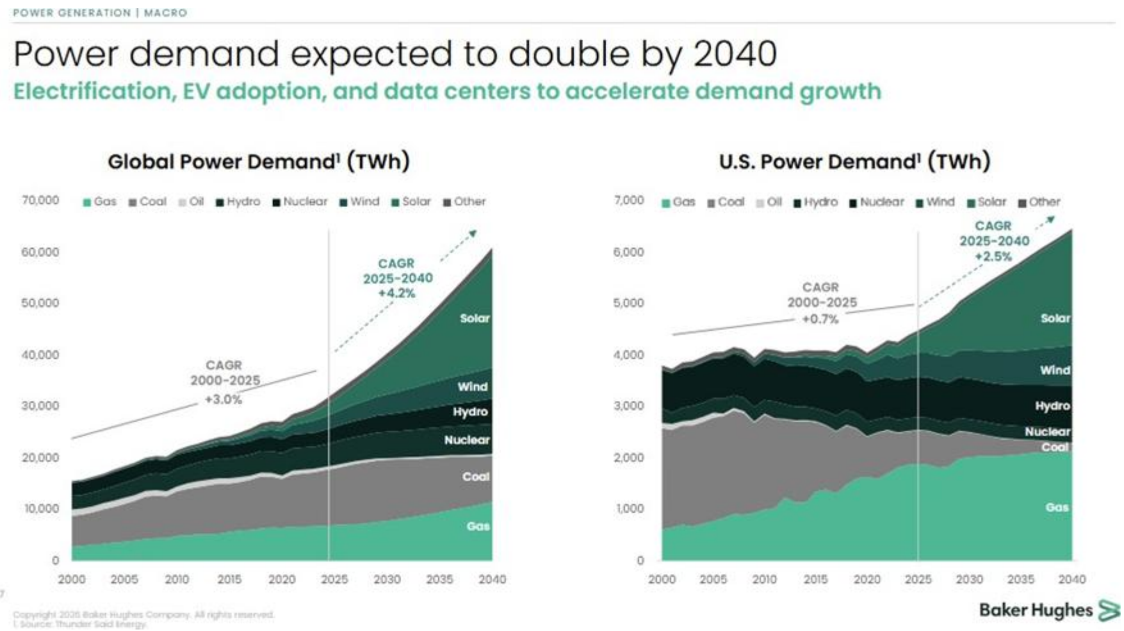
SLB Ltd (SLB): They reported sequential growth across all geographies for the first time since 2Q24, demonstrating global upstream activity has stabilized with key markets showing early signs of a rebound.

- Reported the quarter was supported by increased activity in Saudi Arabia, the UAE, Australia, East Asia, and Indonesia.
- For Venezuela, they highlighted they are the only international service company actively operating in Venezuela today as they are delivering diverse services to NRC under their license. They have maintained active facilities, equipment, and local personnels on the ground and can rapidly ramp-up activities in support of their industry with the appropriate licensing, safety parameters, and compliance measures in place.
- They noted that 10 years ago they had 3,000 employes and $1billion of revenue from Venezuela, and have been the largest partner of the national company. They have a significant set of assets ready to be deployed across the drilling services, across production with no less than 10 production sets across rig operations with rigs ready to mobilize. They did stress the need for the required licensing and financial security to be in place.
- Growth across Saudi Arabia, Africa, and Mexico accounted for the entire organic revenue decline in FY2025 and expect activity will improve through 2026.
- For the market outlook, they stated they expect near-term oversupply to keep downward pressure on commodity prices in 1H26, while elevated geopolitical uncertainties provide a price flow. They expect ECP operators to remain cautious and backlog their 2026 budgets.
- They expect market conditions to rebalance into 2027 but expect 2026 to have a gradual recovery in upstream investment with key international markets and offshore deepwater exiting 2026 at a higher level than 2025.
- They see operators are increasingly prioritizing performance assurance across the asset life cycle, reducing development timelines and accelerating optimization through digital solutions.
- They see Saudi Arabia rig counts returning to early 2025 levels by the end of 2026.
- They believe Libya has attracted a lot of investment and expect that the growth trend will continue in ’26 and ’27, driven by investment coming back in from international companies.
- They see a rebound in Algeria following successful licensing round and exploring commercial sales and they expect strength to continue into 2027.
- Egypt is seen as transitioning back offshore, with additional rigs mobilizing into deepwater offshore.
- They do not see significant spare capacity beyond what is being released into the market and that is a sign seen by the reinvestment into all capacity investment that are happening today across the Middle East. This is the set up for a rebalance in 2027 and beyond.

Baker Hughes (BKR): Much of the call focused on their business supporting natural gas fired generation and data center expansions. The noted they are in conversations on Venezuelan development but require guarantees. They expect US services to decline more than international service demand in 2026 but are optimistic for 2027 to bring new offshore FIDs.

- On Venezuela, they stated unlocking the production will require new investment in the country’s infrastructure. They are taking the long-term view as they evaluate opportunities and the activity they have in the market.
- Historically, they generated $0.5 billion of revenue in Venezuela and had a large presence in the country. They claimed they are one of the only American service companies that maintained the ongoing presence in Venezuela, supporting licensed operators with activities as they’ve gone forward.
- They believe moderate production increases will require substantial investment in well integrity, off- grid power generation, and equipment replacement, upgrades, and services.

- Similar to their peers, stated the need for security, legal, and a regulatory framework to support long- term investment in the country.
- In 2025, they took orders for $2.3 billion of LNG equipment orders and expect similar levels for 2026.
- Power system orders increased to $2.5 billion in 2025, with $1 billion tied to data center applications.
- They have secured a contract to supply over 40 BRUSH generators for gas-fired utility-scale power plants, which would deliver ~7 gigawatts (~0.7 Bcf/d) of generation.
- BKR expects to book $3 billion of data center-related orders between 2025 and 2027, and they expect global natural gas demand to grow 20% by 2040.
- They expect to exceed the 2026-26 guidance for 100 MTPA of LNG FID orders after reaching 83 MTPA of FIDs over the last two years.
- They hold a view of 800 MTPA installed base by 2030 which advances progress toward their 950 MTPA outlook for 2035. *This is likely their global view but not clearly specified in the opening remarks.
- For oil, North American operator spending is expected to decline at the mid-single digit rate, while global upstream spending is expected to have low single-digit declines.
- They see international spending to be slightly down, but longer-term, believe the outlook is constructive as offshore investment will be required to sustain production growth to meet demand.
- They expect global power demand to double by 2040 to ~60,000 TWh, implying a 4% compound annual growth rate, with gas-fired generation playing a significant role.



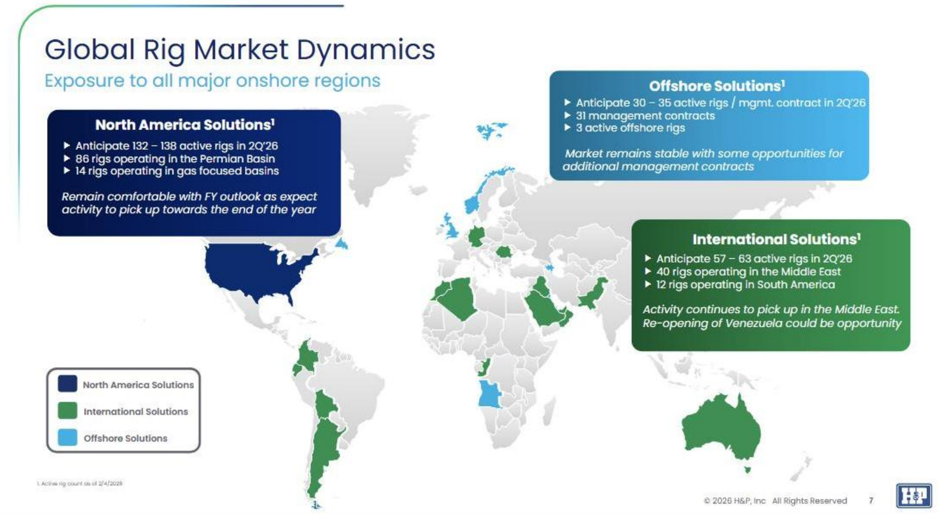
Liberty Energy (LBRT): Liberty stated in 2025 they strengthened their core oilfield service operations while aggressively expanding their reach into the growing power market. Much of the call's discussion was focused on the power segment of the business with little guidance provided on the oil and gas business.

- Liberty noted oil and gas market conditions have stabilized following softening activity from weaker oil prices and tariff-related volatility.
- Their 4Q25 completions activity defied normal seasonal sequential declines, surpassing expectations. They think companies were finishing up programs that had been delayed from the beginning of the year due to economic uncertainty.

- Completions demand is expected to hold firm in 2026, with North American producers responding to global oil market dynamics with flat oil production targets and modest growth in gas activity.
- Recent pricing pressures on completion services, combined with a slowdown in activity, have driven an acceleration in equipment cannibalization and attraction, while underinvestment in next- generation technology has limited the replacement of lost capacity.
- Liberty continues to get requests for continuous pumping and they are working to achieve that outcome, but intensity continues to climb and fleets continue to get larger. Places like the Western Haynesville will require the largest amount of horsepower on any given location in North America.
- Launched Atlas and Atlas IQ, a cloud-based completions data platform that automatically deploys with every Liberty crew, delivering sub-second operational equipment and performance data without requiring additional customer infrastructure.
- They plan to deploy 3 GW of power projects through 2029.
- They stated power demand from data centers is projected to grow threefold by 2030 but did not provide any specific demand levels associated with this comment.
- Noted onsite generation has emerged as the preferred long-term energy strategy for long-term power consumers due to evolving grid dynamics and market pressures.
- Entered into a primary energy supply agreement with a data center developer for 330 MW (33 MMcf/d) expansion in Texas, which will be developed in two phases coming online in 4Q27 and 2Q28.

Helmerichs Payne (HP): HCP highlighted optimism for international business segments with expectations for North American business services to hold through the first half of 2026 and are optimistic for the second half of the year. They have increased interest from Middle East and Africa IOC/NOC for rig services, which should somewhat offset reduction in North America.

- N.A. Rig Guidance: 132-138 average rigs in 2Q26, 132-148 average rigs in FY26
- International Rig Guidance: 57-63 average rigs in 2Q26, 58-68 average rigs in FY26
- Offshore Rig Guidance: 30-35 average rigs/mgmt. cont. in 2026
- Noth American rigs for HP exited down 4% from the prior quarter at 139 rigs.
- Noted they had some rig reactivations in Saudi Arabia which benefited first quarter results. They have raised the mass on 2 rigs and anticipate completing reactivations by mid-2026, with 7 rigs in total.
- Received 3 contract awards for geothermal rigs in Germany, Denmark, and the 4Q25 and 1 in North America during the current quarter.
- HP stated US private ECPs didn't "load to the wagon" in the fourth quarter and first quarter like they had in the past few years and their public ECP customers remain fiscally disciplined.
- They are cautiously optimistic on energy markets this year, though the risks are uneven between macroeconomic and geopolitical factors. They note while oil prices have somewhat rebounded, they have not been high enough for long enough to influence an uptick in activity.
- They anticipate oil-related investment to be soft this year, with greater upside in the following year.
- They expect gas markets to benefit from structural growth, led by LNG and power demand, but expect 2026 global upstream investment to remain flat overall.
- North American market expected to be the most restrained market, but activity should gradually improve through the year and into 2027.
- HP expects international markets to be more resilient, with an uptick in Middle East activity and South America.



H&P Rig Fleet

The Global Leader in Onshore Drilling

Regions	Average 1Q'26 Rigs			Exit 1Q'26 Rigs			Current 2Q'26 Rigs		
	Rigs Available	Rigs Contracted	% Contracted	Rigs Available	Rigs Contracted	% Contracted	Rigs Available	Rigs[1] Contracted	% Contracted
North America Solutions	**203**	**143**	**70%**	**203**	**139**	**68%**	**203**	**135**	**67%**
International Solutions	**131**	**59**	**45%**	**131**	**59**	**45%**	**131**	**62**	**47%**
Middle East[3]	77	38[4]	49%	77	39[4]	51%	77	40[4]	52%
South America	29	11	38%	29	10	34%	29	12	41%
Rest of World	25	10	40%	25	10	40%	25	10	40%
Offshore Solutions	**4**	**3**	**75%**	**4**	**3**	**75%**	**4**	**3**	**75%**
Total Fleet	**338**	**205**	**61%**	**338**	**201**	**59%**	**338**	**200**	**59%**

1. Contracted rig count as of 2/4/2026
2. 99% of H&P's rigs in North America Solutions are super-spec
3. Includes rigs in Saudi Arabia, Oman, Kuwait, and Bahrain
4. Does not include 24 rigs that have suspended operations in Saudi Arabia, as of February 4th

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Patterson (PTEN): Highlighted they expected US activity to remain flat at lower oil prices but are optimistic for gas related activity. They had extensive comments on their gas completions fleet being 100% utilized and expectations that the frac fleet in the US could become constrained without further investment.

- 1Q26 Rig Guidance: low-to-mid 90's
- Reduced CAPEX by 15% in 2026 in response to the macro-environment.
- They stated they have very little spare capacity in their frac assets, with their idle horsepower consisting entirely of older diesel equipment that is not part of the long-term strategy.
- They expect to have fewer fleets in operation as they direct capital toward their 100% natural gas equipment and away from the lower quality diesel assets. The gas fleets are fully utilized.
- They noted that industry is warning that the frac fleet is shrinking without acknowledging a move toward larger fleets and a flat trend in total horsepower deployed. Patterson stated the number of active fleets is less of a reliable metric to determine industry completing activity as a result.

Hendricks: "We are essentially sold out of all of our equipment that can burn natural gas. And when you're working in those gas markets, the operators, the ECPs certainly want to fuel that equipment with natural gas, and we would have to add to our asset base at that point, and that's going to cause a significant inflection in pricing in that point. So my expectation is that once we see an activity increase in these gas basins, it's really going to drive an increase in the pricing on the completions as well because we're going to have to add assets to do that."

- Patterson highlighted that recent data suggests reduced operations activity in 2025 is starting to impact production figures, and the industry is likely reaching a point where it will need to decide between declining production volumes and increased drilling activity to maintain production levels.
- The company does not believe that the industry can continue to operate at lower drilling levels without causing a more significant impact to production that has already occurred.
- They are optimistic about long-term prospects for natural gas. They expect most large customers will wait for a clear commodity price signal after peak winter demand before making changes to drilling plans.
- They've seen an increasing acceptance of performance-based commercial agreements and broader adoption of our drilling automation packages.
- Highlighted agreement to lease 2 high-spec rigs for work in the Vaca Muerta field in Argentina, which is a multi-year deal allowing them to put idle US assets to work.
- Noted that adding rigs in Argentina means they are relocating them from the US, which will reduce the US rig supply.
- They expect activity to stay relatively steady if prices stay in the 60 range.
- Hendricks: "If we're pumping 22 hours per day across all of our fleets and you want to take that number from 22 to 24, we may have to deploy in terms of capital another 20% to 30% of capital on location with more frac pumps, more high-pressure iron, more valves to be able to have a system out there that can achieve that." They note it is an economic decision for the ECP, they are capable of reaching the 24-hour mark physically.