

DAILY ENERGY POSTS / BLOG

When the Levee Breaks – Sliding Oil Prices Helped Make 2025 a Volatile Year for E&P Shareholders

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FINANCIAL

The stock market of 2025 often felt like two different movies playing on adjacent screens. On one, the broader market surged, fueled by AI-infused optimism and resilient consumer spending. On the other, economically sensitive sectors such as oil and gas stocks quietly slid into the background. While the S&P 500 marched steadily upward, exploration and production (E&P) stocks largely failed to keep pace. Oil prices fell sharply during the year, natural gas prices whipsawed and the traditional E&P investment playbook — free cash flow generation, dividends and buybacks — proved insufficient to offset macro headwinds for many companies. In today's RBN blog, we examine the 2025 stock market performance of the 35 public E&P companies we cover, breaking down results by peer group and linking shareholder returns to key drivers such as commodity exposure, leverage, dividends and strategic positioning.

As the analysis shows, 2025 was not simply a story of “energy underperformance,” but rather a reminder that in volatile markets, financial structure matters as much as resource quality — and that leverage can be either a tailwind or a headwind, depending on which way the commodity breezes are blowing. Yet beneath the surface,

performance across the sector was far from uniform. Some Gas-Weighted E&Ps thrived as natural gas prices recovered, while Oil-Weighted and Diversified E&Ps struggled to convince investors they could navigate a weaker crude environment without balance-sheet stress.

Figure 1 below shows the relative 2025 performance of the S&P 500 (gray line), SPDR S&P Oil & Gas Exploration & Production ETF (XOP; blue line) and WTI oil prices (orange line), all indexed to 100 starting on January 2, 2025. The S&P 500 outpaced the other two indices with a nearly 17% gain in 2025, while the XOP, an index of E&P companies, fell about 6% and WTI plunged by more than 20%. Henry Hub natural gas prices (not pictured) gyrated wildly during 2025, finally increasing 1% on the year. The median stock price change for our peer group of 35 companies was a 4% loss. The Gas-Weighted E&Ps were the best-performing peer group, sporting a 13% gain, while the Oil-Weighted E&Ps and the Diversified E&Ps fell by 11% and 20%, respectively. The poor performance of the Diversified E&Ps was influenced by the heavy debt load held by many of its companies. (More on that shortly.)

XOP Index vs. WTI Oil Price vs. S&P 500 Stock Market Performance

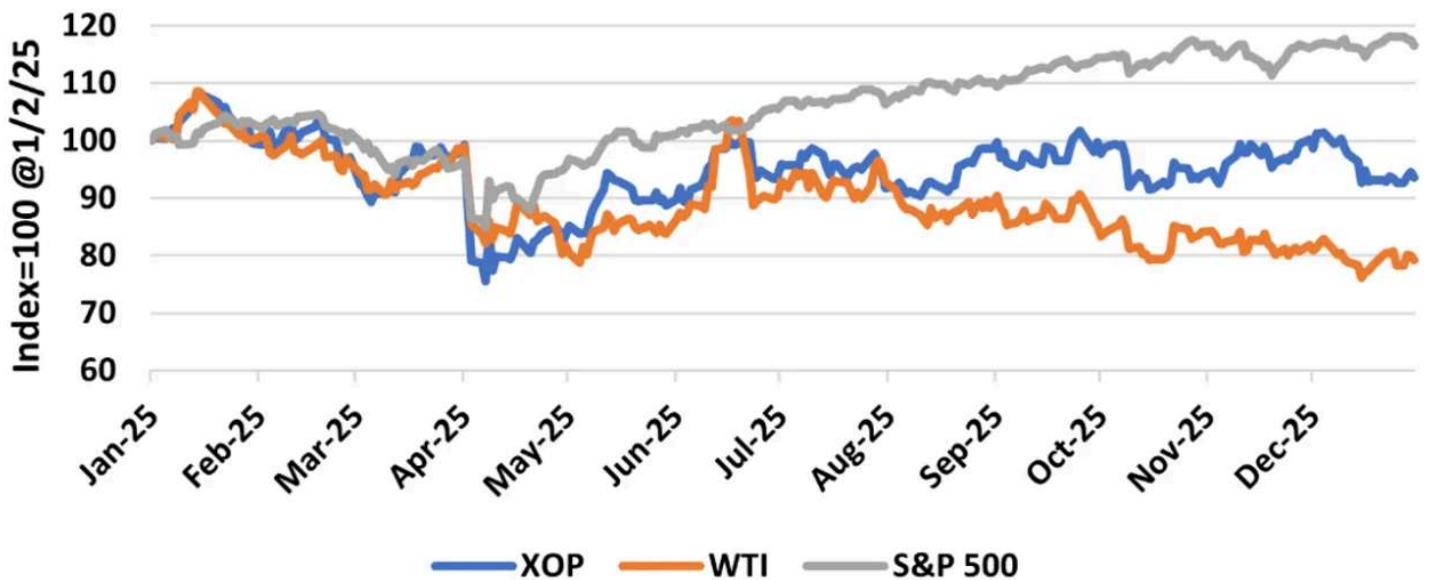


Figure 1. XOP Index vs. WTI Oil Price vs. S&P 500 Stock Market Performance.
Source: Oil & Gas Financial Analytics, LLC

Figure 2 below plots the debt-to-capital ratio (Y-axis) against 2025 shareholder returns (X-axis) for our universe of 35 companies. Shareholder returns, which reflect the change in share price plus the dividend of the stock, measure the total percentage change in the value of the holder's investment. Of note are the two ovals. The red oval highlights the high-debt companies that showed substantial erosion of shareholder value. All the companies in that oval have high oil or liquids exposure at a time when investors and E&Ps are concerned about weakening oil prices. The green oval contains two companies — Comstock Resources (CRK) and Natural Fuel Gas (NFG) — that have high leverage but also outperformed other E&Ps as they enjoyed the tailwinds afforded by buoyant natural gas prices. But pricing trends can turn on a moment's notice, so cleaning up the balance sheet is surely a top priority for all of the circled companies.

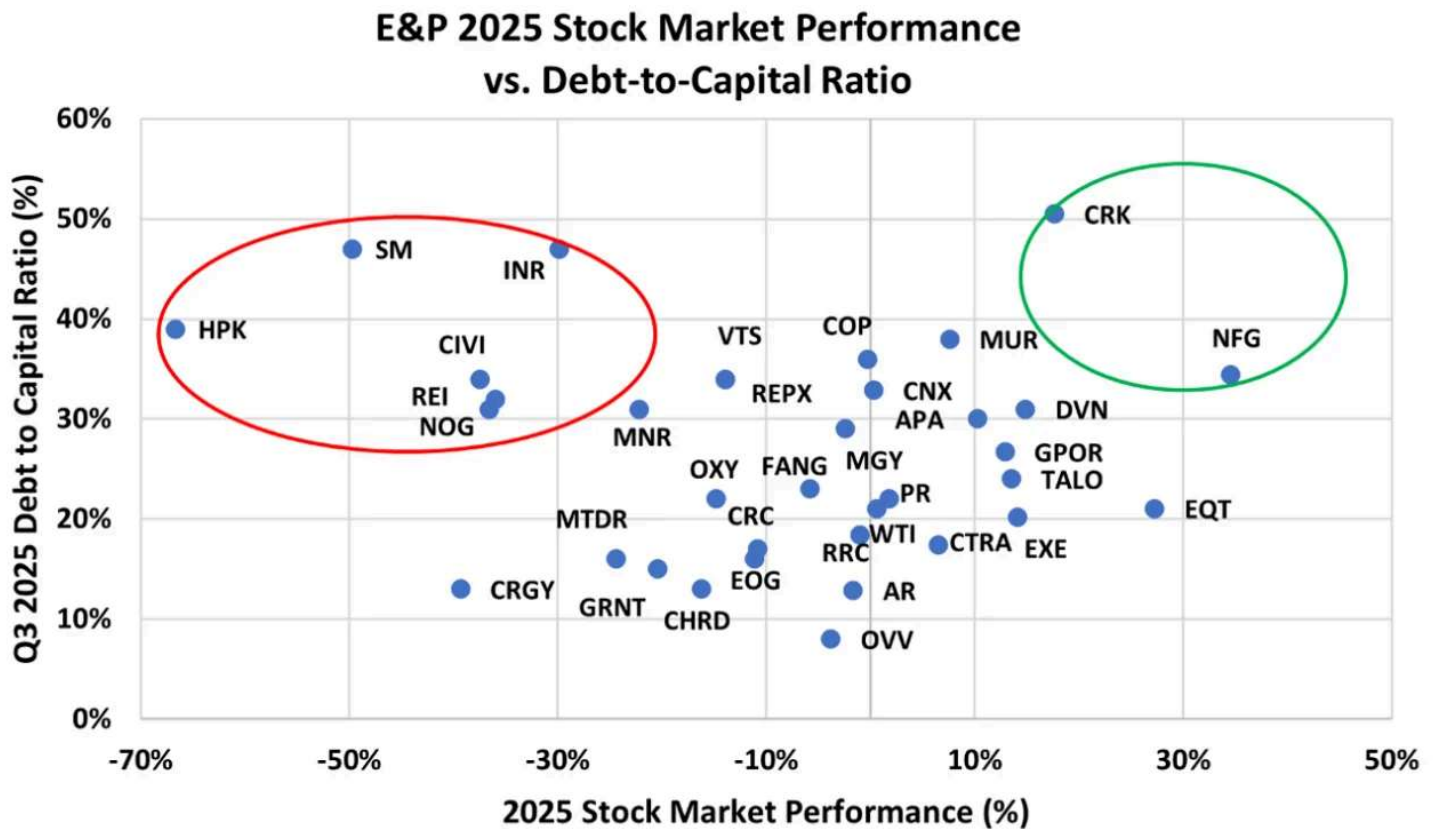


Figure 2. E&Ps 2025 Stock Market Performance vs. Debt-to-Capital Ratio.
Source: Oil & Gas Financial Analytics, LLC

Next, let's look at how things break down by peer group.

Oil-Weighted E&Ps

The Oil-Weighted E&Ps had a median total shareholder loss of 11% during 2025. Three companies were gainers and the remaining eight posted losses. The median stock price fell 14%, partially offset by a median 3% dividend. As shown in Figure 3 below, the three gainers were Devon Energy (DVN), Talos Energy (TALO) and Permian Resources (PR). Devon and Talos had solid shareholder returns of 15% and 13%, respectively; Devon's return was supplemented by a 3% dividend yield. Talos does not pay a dividend, but the market has been supportive of offshore producers. Permian Resources eked out a 2% gain due to the company's 4% dividend yield.

Oil-Weighted E&Ps 2025 Shareholder Return

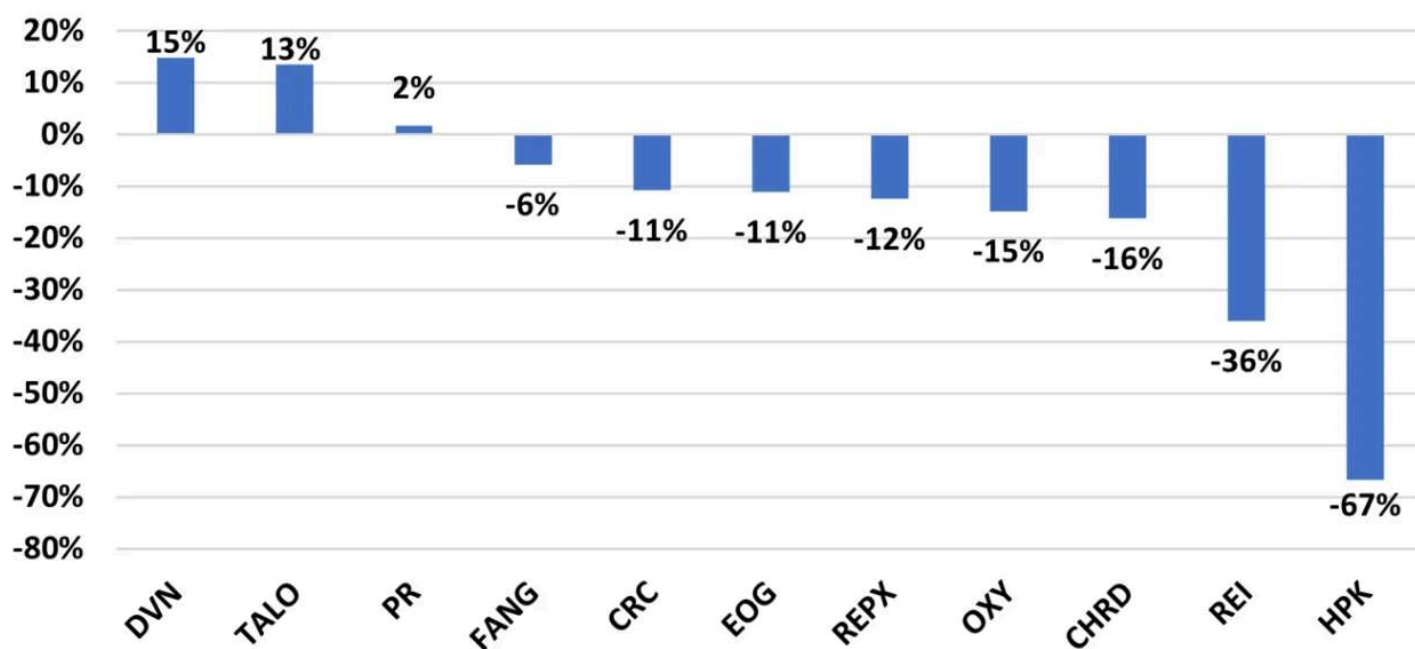


Figure 3. Oil-Weighted E&Ps 2025 Shareholder Return.

Source: Oil & Gas Financial Analytics, LLC

Two companies had much-larger-than-median shareholder losses during 2025: HighPeak Energy (HPK, -67%) and Ring Energy (REI, -36%). While no material event triggered either company's decline, Ring Energy is a high-cost shale producer with higher-than-median debt in the peer group, not a good place to be in a declining oil market. The company also recorded a \$73 million (\$38.12/boe) full-cost ceiling test impairment in Q3 2025 due to weakening oil prices. Similarly, HighPeak is one of the more highly levered producers in our universe of E&Ps and it recently announced a

major management restructuring to address investor concerns about leverage. Other notable companies posted median declines in shareholder value that reflected lower cash flows from lower oil prices, including Diamondback Energy (FANG, -6%), EOG Resources (EOG, -11%) and Occidental Petroleum (OXY, -15%).

Diversified E&Ps

The Diversified E&P peer group posted a median shareholder return of -20% during 2025, including a 3% median dividend yield. As shown in Figure 4 below, three companies had gains while one company broke even and 11 recorded declines, including five that had losses of 30% or more. The three companies that showed gains were APA Corp. (APA), Murphy Oil (MUR) and W&T Offshore (WTI). APA had a 10% gain, while Murphy and W&T increased shareholder wealth by 8% and 1%, respectively. APA made huge strides in reducing debt during 2025. Our tally for the company through the first nine months of 2025 includes \$1.4 billion in net debt repayments, bringing its debt-to-capital ratio to 30%, still above the 23% median for our universe but much lower than at the end of 2024. Murphy Oil had an 8% gain in shareholder return during 2025 on positive exploration results from its international offshore portfolio, including Vietnam and Cote d’Ivoire. Gulf producer WTI posted a 1% gain thanks to the 2% dividend paid out on the stock.

Diversified E&Ps 2025 Shareholder Return

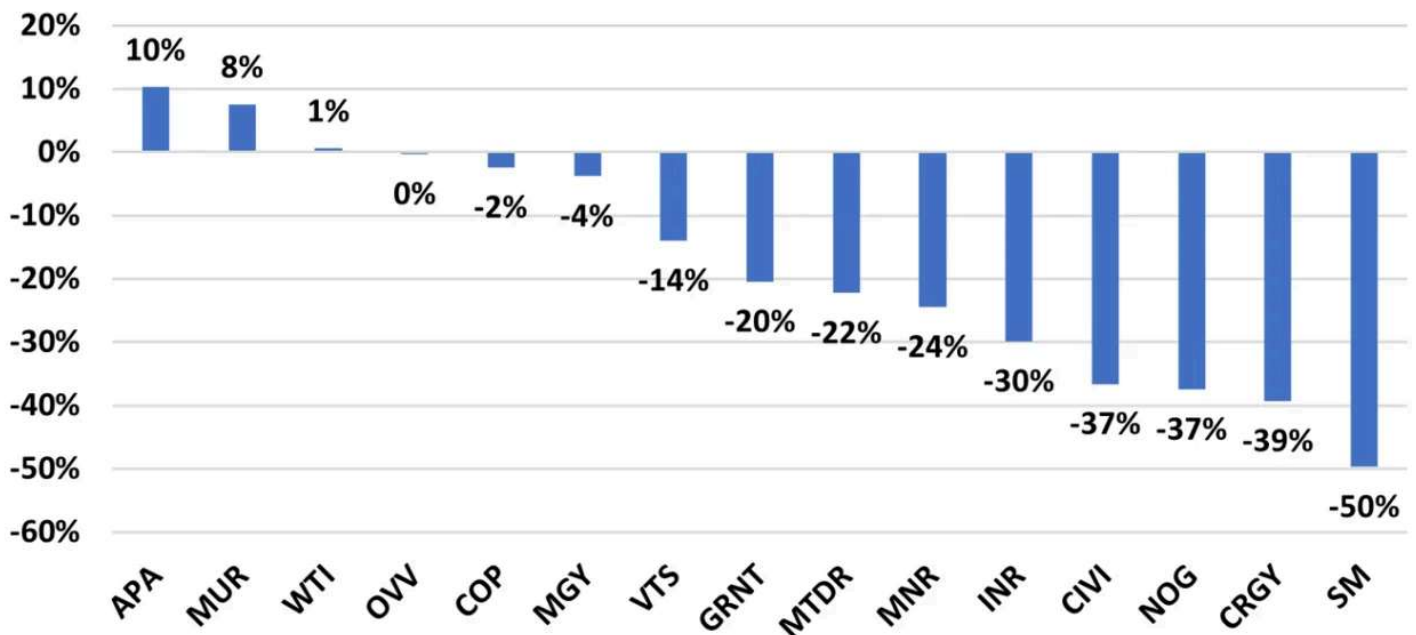


Figure 4. Diversified E&Ps 2025 Shareholder Return.

Source: Oil & Gas Financial Analytics, LLC

Five companies reported sharp losses: SM Energy (SM), Crescent Energy (CRGY), Civitas Resources (CIVI), Northern Oil & Gas (NOG) and Infinity Natural Resources (INR). SM's shares lost half their value in 2025. The company's higher-than-median debt-to-capital ratio of 34% and a weakening oil market most likely pressured its stock price. In addition, [SM is buying Civitas for \\$7 billion](#) in an all-stock deal that is expected to close in Q1 2026. The acquisition has been met with mixed reviews from analysts, with some citing the lack of operational synergies in the deal and the large amount of Civitas debt SM will be absorbing. Civitas's shareholder return was -37% in 2025. As with many other decliners, the company had a large debt-to-capital ratio of 38%. In addition, since the acquisition by SM is an all-stock deal, Civitas's shares have been moving in tandem with SM's share price.

Crescent's shareholders also suffered a 39% decline in 2025. Crescent has a higher-than-median debt load (36% debt-to-capital ratio) and it completed its acquisition of [another highly leveraged company in Vital Energy](#) (55% debt-to-capital ratio) in December. NOG lost 37% of its shareholder value as its share price fell 41%, which was partially offset by a 5% dividend. NOG is a non-operated producer that grows its asset base through acquisitions, in which it relies on its borrowing power to buy assets. The company had a slightly higher-than-median debt-to-capital ratio in Q3 2025. Infinity, which had its initial public offering (IPO) in late January 2025 at an opening price of \$21/share, saw its stock decline to \$14.73/share by the end of the year, a 30% drop.

Gas-Weighted E&Ps

The Gas-Weighted E&Ps had the best performance of the three peer groups with a median shareholder gain of 13%, driven by a recovering natural gas market. Share-price movements accounted for virtually the entire gain, as dividends only contributed 1% to the increase in shareholder return. As seen in Figure 5 below, total shareholder returns declined for only two companies, Antero Resources (AR) and Range Resources (RRC). Six companies posted positive results, with two reporting gains of more than 30%. The two, National Fuel Gas (NFG) and Comstock Resources (CRK), couldn't be more different. NFG is a western New York utility with Appalachian natural gas

reserves and production. It also pays a 3% dividend. Comstock is a non-dividend-paying E&P with Haynesville Shale assets. Both companies have higher-than-median leverage that most likely contributed to its outsized performance, given the tailwind of a stronger natural gas market.

Gas-Weighted E&Ps 2025 Shareholder Return

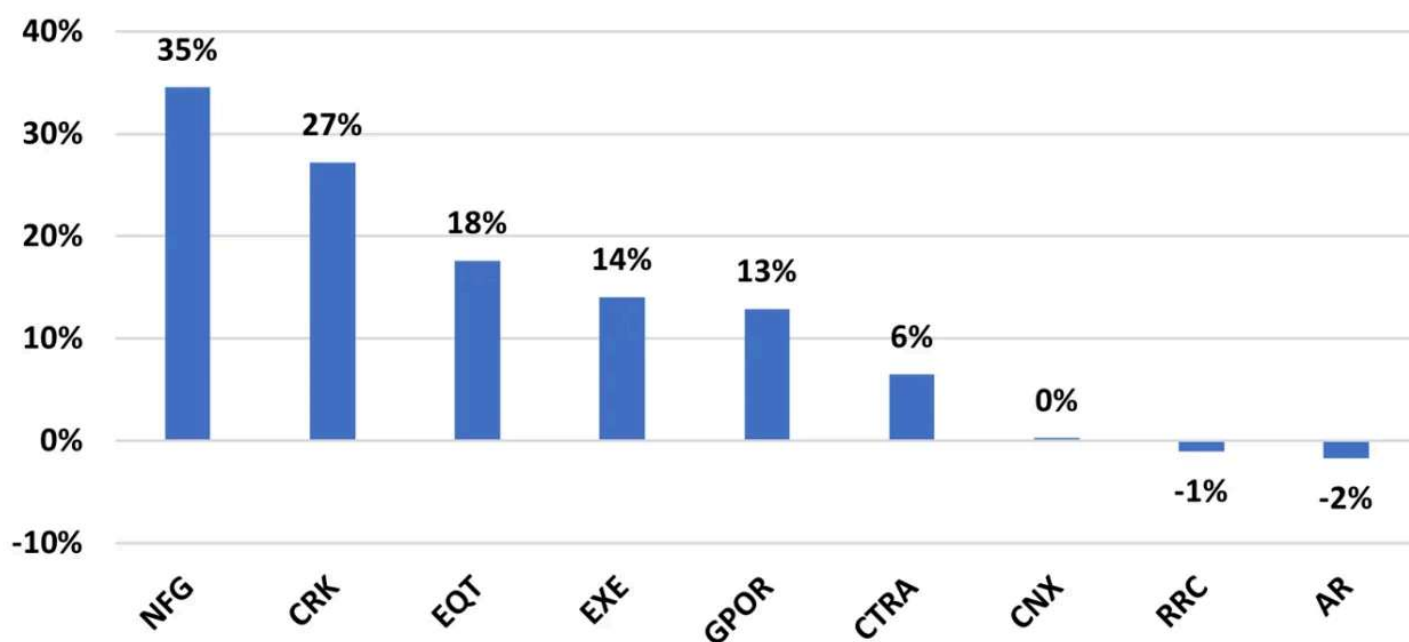


Figure 5. Gas-Weighted E&Ps 2025 Shareholder Return.

Source: Oil & Gas Financial Analytics, LLC

Three other companies, EQT Corp. (EQT), Gulfport Resources (GPOR) and Expand Energy (EXE), posted strong shareholder returns of 13%-18%. The remaining four companies all underperformed the peer group, three of which have a large chunk of liquids in their reserve and production profiles, which trade with oil prices. The four are Coterra Energy (CTRA), CNX Energy (CNX), Range Resources (RRC) and Antero Resources (AR). CNX is the least weighted to liquids in this group, with 92% natural gas in its Q3 2025 production. Coterra has a large swath of Permian oil (21%) and NGLs (17%) in its Q3 2025 production profile. Meanwhile, Range Resources and Antero have large amounts of Appalachian NGLs, at 30% and 35% of their production stream, respectively.

Looking Ahead

The steepest declines in E&P share prices came in Q4 2025 as concerns about slowing in the general economy accelerated as well as some tax-loss selling. Share prices are likely to languish unless geopolitical events, [such as supply disruptions from Venezuela](#), drive oil prices higher.

About the song

“When the Levee Breaks” was written by Kansas Joe McCoy and Memphis Minnie and was released as a 78-rpm single in June 1929. Released at a time before Billboard began tracking blues records, it was said to have been a moderate hit on jukeboxes. The song is a country-blues tune about the Great Mississippi Flood of 1927, which inundated 26,000 square miles of the Mississippi Delta, resulting in the deaths of hundreds of people — thousands of others lost their homes and businesses. Memphis Minnie was living with her family in Walls, MS, when the flood occurred. McCoy and Minnie recorded the song during their first recording session for Columbia Records in New York City in June 1929. It was released as a single in August 1929. Personnel on the record were: Kansas Joe McCoy (vocals, rhythm guitar) and Memphis Minnie (lead guitar).

Many other artists have recorded the song, the most well-known being Led Zeppelin, whose version appears as the fourth song on side two of their fourth album, *Led Zeppelin IV* (also known as the “Runes” album). *Led Zeppelin IV* has been certified 24X Platinum by the Recording Industry Association of America. Recorded at Hedley Grange in Hampshire, England, during January 1971, “When the Levee Breaks” was mixed at Sunset Sound in Hollywood with Jimmy Page at the production helm in February 1971. It is worth noting that Page recorded Led Zeppelin drummer John Bonham’s drums in a massive stone hall at Headley Grange, utilizing two additional mics down the hall for ambience while recording Bonham’s drums. Bonham’s two-bar intro to the song has been sampled many times by artists such as Eminem, Dr. Dre, Mike Oldfield and Sophie B. Hawkins.

Wilbur "Kansas Joe" McCoy died in January 1950, Memphis Minnie passed in August 1973, and John Bonham died in September 1980.

"About the Song" -- written by [Mickey McMahan](#) , RBN Director of Musicology

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