

350 THE PRICE OF OIL PROFITS



The Price of Oil Profits

Five oil companies set to enjoy US\$53 billion bonanza in their 2026 third-quarter profits while governments foot the bill and El Niño threatens millions of lives

Fossil fuel companies are about to report their third-quarter profits for 2026, but this is no ordinary shareholder update. The war in the Middle East has sent fuel prices soaring, and the IMF expects global inflation to rise to 4.7% this year, driven largely by energy and food costs. At the same time, extreme weather is hitting communities around the world. The "Godzilla" El Niño, supercharged by the climate crisis, could cause around 451,000 additional heat-related deaths between June 2026 and February 2027, according to the University of Chicago's Climate Impact Lab. The UN World Food Programme also warns it could push nearly 50 million more people into acute hunger by the end of 2027.

While most of the world struggles, BP, Chevron, ExxonMobil, Shell and TotalEnergies are expected to report around \$53 billion in combined profits this quarter, more than double their earnings a year ago, according to RBC Capital Markets estimates cited by Reuters columnist Ron Bousso on 28 September. These profits come from the very same energy crisis that is driving up prices for everyone else. **Yet, Big Oil insists that taxing more of their profits could threaten investment, energy security or fuel discounts.**

[This brief examines recent research alongside fossil fuel companies' statements to investors, revealing the other side of the story: how a crisis that puts families and economies under threat is actually seen as an opportunity to profit from disruption, expand production and increase shareholder payouts.](#)

New research puts Big Oil's resistance to taxation in a harsher light. In September, the Center for Climate Integrity published the **Climate Fraud 101 report** documenting how ExxonMobil, Shell, BP and Chevron understood the danger their operations posed to humanity, manufactured discredit to science and blocked progress on mitigation policies – allowing continued fossil fuel expansion and exacerbating climate impacts. **The same companies that helped delay climate action and fueled extreme weather are now resisting demands to pay their fair share.**

Taxing this quarter's windfall cannot settle decades of horrifying damage or prevent all the harm still to come, but they are a way to start fixing this imbalance. Governments cannot treat corporate payouts as untouchable while passing the costs of cooling homes, keeping clinics running and protecting people from deadly heat on to people by using taxpayer money to pay the bill.

Another round of fossil-fuel earnings announcements demands more scrutiny over who pays the price, and who profits. And it demands action to fix this equation too.

Since the beginning of the year governments have been announcing measures to cushion fuel prices, and according to the UNDP the number of countries running relief measures nearly doubled between April and September. France announced a €450 million fuel-support package, Canada estimated an additional C\$2.9 billion for extending fuel-excise tax relief, Brazil opened R\$6.605 billion in extraordinary fuel credit, Japan approved a reported ¥616 billion top-up for fuel support.¹

In Kenya, the fuel crisis has brought people onto the streets, with deadly consequences: four people were killed and more than 30 injured during protests against sharp fuel-price increases in May. In July, the government announced KSh945 million in fuel-price support for the July–August pricing cycle and extended reduced VAT on petrol and diesel. This necessary relief draws on public funds and reduces tax revenue.

UNDP estimates that the 2026 energy and food price shock could push around 130 million more people below the poverty line if households had to bear its full cost. **Households need this relief. The failure is not to provide help to people and families struggling to make the months end, but to repeat the same mistake over and over again:** governments repeatedly use public money – everyone’s money – to make fossil fuels affordable, while producers not only pocket the gains but make extra profits, and use that money to expand our dependence on the same fuels which will lead us directly to the next crisis.

To fix this imbalance, governments must immediately create mechanisms for making polluters pay. These include:

1 These figures cover announced allocations and estimated costs, rather than money already spent in full.

- **Permanent producer levy, taxing exceptional profits on top.** Governments should also restrict dividends and buybacks until independently assessed climate and cleanup obligations are securely funded. These measures must sit alongside binding production cuts. Our 2023 report, *TotalEnergies: This is what a total phase-out looks like* explores these regulatory and financial tools.
- **National fossil fuel phase-out roadmaps with deadlines, financing plans and public reporting on delivery.** Governments cannot leave the pace of a fossil fuel phase-out to companies planning further expansion. Those plans must identify which expansion decisions will stop, how fossil fuel dependence will fall and what support communities will receive. Uncertainty about the route cannot justify another decade of expansion.
- **Global mechanisms for redistribution of resources.** Producer levies and profits taxes on fossil fuel producers should be a source of revenue for developed country governments to deliver their public grant-based climate finance obligations to developing countries – helping advance the just transition and resource adaptation and loss and damage everywhere, not only in those places the polluting companies are headquartered.

International cooperation must help make those plans possible. **COP31** presents a real and immediate opportunity to advance on national and global phase out roadmaps. The **UN tax negotiations** should strengthen countries’ power to collect revenue, including by tackling profit shifting. And the **Tuvalu–Ireland phase-out process** should help further secure the cooperation countries need to leave fossil fuels behind.



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The closure of Hormuz meant that oil and gas supplies have tightened, but prices rise because people cannot simply stop buying: we still need to go work, food still needs to be transported, homes still need to be heated or cooled, etc. For an oil giant, that means that even selling less can mean earning more.

The opportunity does not end at the oilfield: these companies also own refineries that turn crude into petrol and diesel –and when those fuels become scarce, their selling prices rise faster than the cost of making them.

Analysing these companies’ investor reports, we clearly identified that what squeezes a household budget, increases the company’s profits – and is advertised to shareholders as a great “opportunity”. Here below are some of our findings:



TOTALENERGIES

Shareholders are promised years of rising rewards while households are warned that their discount could disappear if the company faces another tax.

- On 5 May 2026, Patrick Pouyanné warned that an additional tax on its refineries would mean "we will not be able to maintain the price cap at our stations in France". Household discounts were made conditional on the government's tax decision.
- On 28 September, TotalEnergies reaffirmed plans to increase oil and gas production by an average of 3% annually between 2025 and 2030, with ambitions for further growth through 2035. It also committed to annual dividend increases above 5% through 2030 and authorized \$2.5 billion in fourth-quarter buybacks. Expansion and shareholder rewards are being planned together.

By making fuel discounts conditional on its tax treatment, Total turns households' need for relief into leverage to protect its profits.

The disruption that leaves households needing relief is itself a business opportunity for Total. On 5 October, Pouyanné made the commercial logic explicit. Speaking at the Energy Intelligence Forum, he said he preferred "a world of disruption rather than a peaceful world" because it creates more opportunities.

On 15 October, Total put a number on the opportunity: it expected \$2 billion more cash from refining and chemicals than in the previous quarter.

Ten years earlier, our report with l'Observatoire des Multinationales exposed the gap between Total's climate commitments and its continued investment in new oil and gas. Its latest strategy prolongs the contradiction we identified: renewable investments and improvements in operational emissions sit alongside plans to extract more fossil fuels. **When Total warns that taxation threatens its investment plans, governments must ask what those plans deliver: an escape from fossil dependence, or another decade of it.**



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SHELL

Shell acknowledged the danger long before the current crisis. Its internal 1988 report warned about climate change. By 1998, it publicly described humanity as carrying out "a risky experiment with the planet", yet still listed continued oil and gas production for another 20–30 years as its first response to climate change.

Shell's executives have not only described the commercial opportunities created by the disruption, but also told investors how disruption creates value.

- On 7 May 2026, CEO Wael Sawan said according to the Wall Street Journal: "Volatility has created opportunities."
- Two weeks earlier, on 22 April, Shell Australia chair Cecile Wake had called proposals for a 25% LNG export-revenue tax and a windfall-profits tax "spectacularly ill-advised".
- On 30 July, alongside reporting \$9.8 billion in adjusted profits for the previous quarter, Shell announced another \$3 billion to buy back its own shares, returning money to shareholders.



BP

BP has repeatedly presented itself as part of the solution while protecting continued oil and gas investment.

On 28 April 2026, CEO Meg O'Neill described new windfall taxes as a "highly flawed response" and argued for cooperation with governments to supply energy, pointing to further North Sea opportunities. The proposed bargain is familiar: protect the company's investment plans in exchange for its promise of energy security.

By October, BP was putting a number on the benefit of expensive fuel: stronger refining margins were expected to add roughly \$2 billion to earnings from its products business compared with the previous quarter. **BP pressures governments to keep energy**



flowing, while opposing a larger public claim on the gains.

EXXONMOBIL

ExxonMobil's resistance to taxation must be read against the evidence that its own researchers understood the threat decades ago. **A 1988 internal Exxon draft instructed the company to "emphasize the uncertainty in scientific conclusions"**. Climate Fraud 101 traces how Exxon and its industry partners used uncertainty to resist action.

On 31 July 2026, Darren Woods reported US\$14.5 billion in quarterly earnings despite the temporary loss of approximately 10% of upstream production. Asked about windfall taxes on the same call, **Woods accused governments of scapegoating the industry and said: "we canceled investments that we had planned for Europe", attributing that decision to earlier windfall taxation.** He framed additional taxes as penalizing companies that had continued supplying those countries.

In that same quarter, Exxon distributed US\$9.4 billion to shareholders, including US\$5.1 billion in buybacks.

On 16 October, Exxon indicated that stronger refining margins could add **\$4.5 billion to quarterly earnings compared with Q2.** This is one earnings driver, not total profit. Lower oil prices were expected to reduce upstream earnings by roughly \$1.3 billion. **The fuel squeeze hurting consumers is creating a substantial earnings opportunity for Exxon.**



CHEVRON

Chevron helped develop an industry strategy that treated public understanding of climate science as a threat. In 1998, Chevron representatives participated in the group developing the American Petroleum Institute's "Global Climate Science Communications Action Plan". **The plan said "victory" would come when climate uncertainty became "conventional wisdom", media coverage treated scientific doubt as balanced and legitimate, and proponents of the Kyoto treaty "appear to be out of touch with reality".** It proposed recruiting supposedly independent scientists, using front groups and targeting teachers and students to block future climate measures.²

On 1 May 2026, Mike Wirth, Chevron CEO, argued that taxes on crisis profits could discourage future investment and create further supply vulnerabilities. He confirmed: "We're engaged with governments around the world to discuss these policies." In the same discussion, he welcomed relaxed fuel specifications and measures enabling additional Californian oil supply.

² Center for Climate Integrity, *Climate Fraud 101* (September 2026), p. 35, Document 55



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On 31 July, Wirth explained how disrupted Middle Eastern supplies had improved margins for Chevron Phillips Chemical's North American operations. The disruption was simultaneously a supply problem to work around and a commercial advantage in parts of the business.

By 15 October, Wirth was explicit about who should benefit: **Any windfall belongs to its shareholders,** he told the Financial Times. Chevron warns governments that taxing crisis profits could threaten investment, while telling investors that the windfall is theirs.



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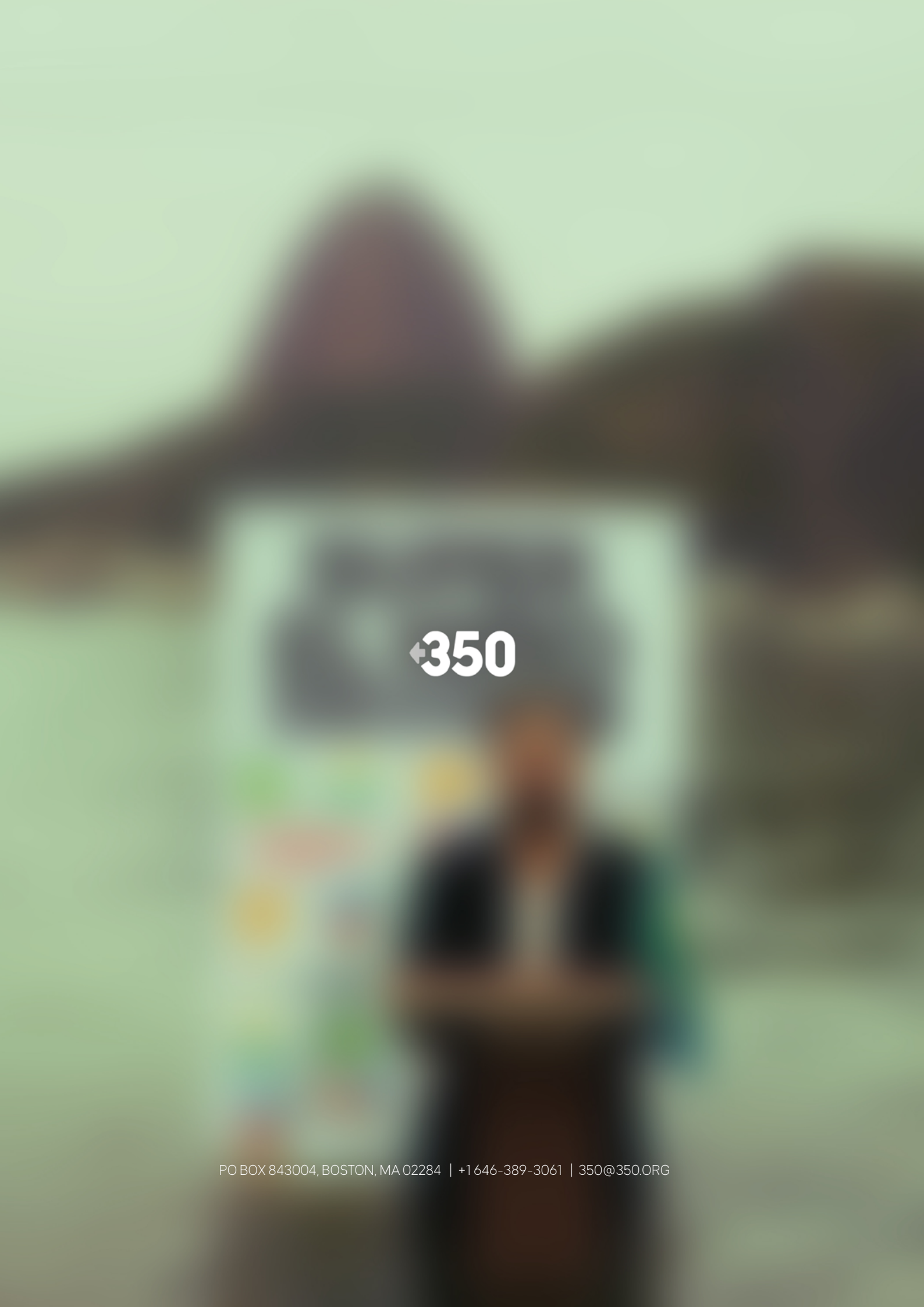
In a year of war, soaring prices and climate disaster, five oil companies are set to enjoy a US\$53 billion bonanza in a single quarter. Meanwhile, governments are on course to spend billions shielding people from high energy costs, and El Niño threatens millions of lives.

Keeping people dependent on unaffordable fuel while repeatedly spending public money to soften its price and leaving producers free to deepen it is a costly and immoral failure of policy. The companies that helped delay climate action cannot be allowed to write the terms of their own accountability.

It is time to make polluters pay. Taxing these windfall profits and committing to clear and well-resourced phase out roadmaps could help protect communities facing the worst of this crisis and fund the clean, affordable energy that would free us from fossil fuel price shocks for good. But the moment to act is now.

COP31 is a crucial opportunity for governments to show they are ready to stand with people rather than polluters. That momentum must carry forward: into the UN Tax Convention negotiations, where the world can rewrite global tax rules, and to Tuvalu, where the second Conference on Transitioning Away from Fossil Fuels will gather nations on the frontline of the climate crisis.

2026 made reality clear: the era of fossil fuel impunity must end, and the transition to a fair, clean energy future cannot wait.

A blurred background image showing a person holding a large white sign with the number 350 on it. The person is wearing a dark shirt and a green jacket. The background is out of focus, showing some greenery and a building.

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