

Introduction

The energy industry is comprised of all activities involved in extracting, processing and distributing natural resources to create energy. While it includes alternative energy sources, it is dominated by the production of petroleum and natural gas. The petroleum sector has always been unstable as disturbances in the supplier regions may greatly affect the supply, which in turn affects prices. Though bad for the consumer, the rise in the price per barrel of crude oil is good news for oil companies.



Industry Leaders and Fragmentation

The amounts are given in Billions USD

Company	Country	Sales	Profits	Market Value
ADN	Italy	\$6.31	\$0.44	\$5.30
Enel	Italy	\$4.26	\$0.26	\$3.12
AES	United States	\$14.12	\$0.66	\$7.47
AGL Energy	Australia	\$4.76	\$1.29	\$6.91
Altagery Energy	United States	\$3.43	\$0.39	\$3.69



Industry Composition

Primary Demand Drivers

- Economic activity
- Population growth

Profitability Drivers

- Increasing production from existing wells
- Achieving high success rate of new wells drilled
- Increasing production from existing wells
- Creating the best mix of products
- Controlling the short term demand cycle
- Managing risk
- Increasing efficiency of operations