

Big Oil Racks Up Windfall Profits While Consumers Pay Higher Prices

As Trump's war in Iran sends gas prices soaring, major oil companies are cashing in. The world's largest oil and gas companies made [\\$23 billion](#) in excess profits during the first month of Trump's war as crude oil surged to over \$100 per barrel, pushing up the price of gasoline, diesel, and jet fuel. Rather than softening price hikes for consumers or investing to prevent future crises, oil companies are rewarding shareholders and lining their own pockets.

Americans are paying higher prices for gas, food, and travel because of the Iran war.

- Gas prices have skyrocketed to [\\$4.50](#) per gallon, with lower-income households increasing their gas spending by more than [12%](#) as fuel costs consume a larger share of their budgets.
- The energy shock is rippling throughout the rest of the economy, with inflation rising [3.8%](#) in April and wholesale prices jumping [6%](#), driven by energy and transportation prices. Higher diesel prices are contributing to rising grocery prices as transportation costs increase.
- Higher jet fuel prices pushed airfare prices up nearly [3%](#) in April and more than 20% over the past year.

Major oil companies are taking windfall profits and delivering them to shareholders.

Executives on corporate earnings calls announced dividends and stock buybacks, instead of any efforts to bring down prices for consumers:

- ExxonMobil's adjusted profits reached \$8.8 billion in the first quarter of 2026. The company remained on pace for \$20 billion in buybacks this year while maintaining a quarterly dividend of \$1.03 per share. CEO Darren Woods said production growth would remain "**grounded in value, not volume,**" repeatedly emphasizing his focus on shareholder payouts and cash flow growth.
- In the first quarter of 2026. Shell earned \$6.9 billion, more than double the previous quarter. CEO Wael Sawan said **the company's commitment to returning 40% to 50% of cash flow to shareholders is "sacrosanct."** The company announced another 5% dividend increase and more than \$3 billion in buybacks for the 18th straight quarter.

- Chevron said **growing the dividend remains its “first and foremost” priority**, continuing its 39-year streak of dividend increases alongside approximately \$3 billion in quarterly buybacks.

Global energy trading has become a major profit center for oil companies during periods of geopolitical instability. As oil prices surged following the Iran war and Strait of Hormuz disruptions, executives openly discussed how volatility created profitable trading opportunities for their firms.

- Praising ExxonMobil's trading operation during the crisis, Exxon Mobil CEO Darren Woods said he was **“very happy that we had established that capability and it was in place in March when all this broke out.”** The company continues to use financial trading and hedging strategies designed to manage and capitalize on oil price volatility during supply disruptions.
- Discussing Shell's trading operations, Shell CEO Wael Sawan said **“if there is a capability around the world that is able to take advantage of volatility, it is our capability.”**
- BP reported significantly higher earnings tied in part to trading gains from supply disruptions, with one Morgan Stanley analyst asking executives whether the company was **“becoming a trading company with assets”** rather than **“an asset company with some trading.”**

Oil companies aren't investing despite major shortages. Instead of preparing for a major expansion in future supply, executives focused on maintaining existing spending plans, limiting rig growth, and preserving free cash flow. While new drilling would take time to translate into additional oil production, companies are not laying the groundwork for a substantial future increase in output even as profits soar.

- Chevron CFO Eimear Bonner said the company has no plans to increase capital expenditure, adding that **“capital spending and production outlooks are consistent with previous guidance.”**
 - The company reduced its rig count from four to three rigs, with executives explaining the company could maintain production by drilling longer laterals and maximizing existing infrastructure to **“drive strong free cash flow.”** Asked directly whether the crisis should prompt more drilling, CFO Eimear Bonner said **“it's too early to have a different view.”**

- Exxon Mobil does not plan to significantly alter its investment strategy in response to higher oil prices and market volatility. Exxon Mobil CEO Darren Woods said the company would continue prioritizing technological efficiency gains over materially increasing drilling activity.
- Shell said it would keep long-term capital expenditure plans effectively flat, with CFO Sinead Gorman emphasizing continued “cost and capital discipline.” Gorman later told analysts, **“feel free to keep mispricing and misunderstanding us. I’ll very happily buy back the shares.”**
- BP tightened its capital spending guidance. CFO Kate Thomson said the company remains **“resolute on the importance of maintaining capital discipline.”**