

2025

Mid-Year Update

Energy

Surplus Asset Market Trends

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Energy Surplus Asset Market Trends Report

Mid-Year Update

A Shifting Energy Landscape

Liquidity Services' January 2025 Energy Surplus Asset Market Trends Report highlighted the key drivers and challenges facing the Energy market, as well as the significant role surplus asset management plays in freeing up capital by optimizing idle or underutilized equipment.

In this mid-year snapshot, we revisit the report and look at the significant changes that have occurred in the industry since the beginning of 2025, including geopolitical shifts, economic pressures, and a deepening technological revolution.

Key Changes in the Oil & Gas Sector Since Early 2025

Capital Discipline and Operational Efficiency

Oil and gas companies are doubling down on production efficiency and capital discipline to stay profitable amid global uncertainty. Capital expenditures have risen by over 50% since 2021, with net profits increasing nearly 16% (Carr et al., 2024). Still, activity growth is slowing. The sector's business activity index declined from 6.0 in Q4 2024 to 3.8 in Q1 2025. Meanwhile, the company outlook index dropped 12 points to -4.9, reflecting growing concern about future conditions (Federal Reserve Bank of Dallas, 2025; Carr et al., 2024).

Growth of LNG Projects

Large-scale liquefied natural gas (LNG) initiatives, including the Venture Global Plaquemines LNG and Cheniere's Corpus Christi expansion, are transforming North America's energy export profile. These projects increasingly integrate renewable sources, pointing toward a hybridized energy future (Oilfield Workers, 2025).

Energy Transition and ESG Commitment

Firms are scaling up investments in low-carbon technologies, such as carbon capture, hydrogen production, and electrified operations, to align with their ESG objectives and long-term sustainability goals.

Global Volatility and Regulatory Pressure

Changes in international production strategies, domestic regulations, and supply chain constraints are contributing to increased market volatility, as seen in the Federal Reserve Bank of Dallas Energy Survey (2025), which reported a 21-point jump in the industry's uncertainty index to 43.1. Additionally, oil prices fell from \$80 per barrel in January 2025 to \$60 per barrel by May. Experts project a modest recovery to around \$65 per barrel by 2026, leaving producers cautious about ramping up investment (Kimball, 2025; Silverstein, 2025).

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What to Watch in the Coming Months

Interest Rate Cuts on the Horizon

Potential rate cuts from the U.S. Federal Reserve could lower financing costs and spur new energy investments (Carr et al., 2024).

Permian Basin Activity Realignment

While growth in the Permian Basin remained strong through 2024, the 2025 price dip has caused independent operators to reduce rig counts and cut capital expenditures by as much as 9% (IEA, 2025). Rising input costs for well construction are also contributing to strategic reassessments across the region.

Accelerated Digital Transformation

Operators are embracing digital twins, AI, and IoT platforms to enhance productivity, minimize downtime, and reduce emissions.

For a more detailed way forward, see the table below.

Macroeconomic environment	↑	Geopolitics	↓	Regulatory environment	↓
US Fed is projected to reduce interest rates by nearly 100 bps in 2025	↑ ↑	Middle East conflicts could keep oil prices volatile in the first half of 2025	↓ ↓	More than 25 countries will hold elections in 2025	↔
Deloitte's latest economic outlook shows 1.5% growth in real GDP in 2025	↑	Supply chain disruptions are likely to widen price differential between crude grades	↓	New environmental regulations in major markets	↓
China's stimulus to support its economic GDP growth to 4.8% in 2025	↑	OPEC+ spare capacity of 5.1 MMbbl/d provides some cushion	↑	Increasing tariffs aimed at boosting competitiveness of domestic industries	↓
↓					
Investment environment in 2025					
Cautiously positive ↑					
↓					
Probable actions by companies					
Improve productivity	Maintain capital discipline		Retain shareholder focus		
Focus on high quality acreage	Prioritize high-return projects		Maintain dividends and buybacks		
Enhance digital or IT spending	Prudent capital allocation		Optimize debt levels		
Tap synergies from alliances and acquisitions	Accelerate non-core asset sales		Increase investment in decarbonization		

Note: upward arrow means positive impact on the oil and gas industry; downward arrow means negative impact; sideways arrows mean neutral impact

Source: Carr et al., 2024

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Oil & Gas Equipment Market Trends – Late 2025

Market Growth and Momentum

The global oilfield equipment market is valued at \$240.31 billion in 2025 and projected to reach \$274.09 billion by 2030 (Mordor Intelligence, 2025). While this encompasses new and used assets, demand for used equipment is expected to surge in the short term due to:

- Extended lead times for new machinery
- Rising production costs
- Budget-conscious operators seeking value-driven options

As efficiency remains paramount, many companies, especially independents and service providers, are turning to used rigs, compressors, and production equipment to meet operational needs.

Valuation Drivers

Equipment values are being shaped by:

- Oil price fluctuations
- Increasing regulatory scrutiny on emissions
- Advances in automation
- Financial incentives for modernized systems

Strong Demand in Onshore Segment

As of February 2025, onshore rigs accounted for 88% of global activity, resulting in high demand for land-based equipment. Digital and IoT-enabled equipment is retaining value, while older units are depreciating faster, encouraging sellers to offload surplus gear through auctions.

ESG and Sustainability Priorities

Environmental performance now plays a central role in asset resale. Equipment that supports carbon capture, hydrogen integration, or LNG operations is in greater demand. This shift reflects the sector's continued focus on operational resilience and compliance with ESG standards.

Market Dynamics: Consolidation and Disposition Activity

Industry consolidation continues to reshape the competitive landscape. Following recent acquisitions by ExxonMobil, Chevron, and ConocoPhillips (Akin, 2024; M&A Community, 2024), 2025 is seeing a wave of portfolio optimization, with major firms divesting non-core assets and investing in midstream infrastructure. These shifts are contributing to higher volumes of surplus equipment entering the secondary market, especially in North America and Latin America, while developing markets absorb older inventories.

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What's ahead for the rest of 2025

Tight Supply of High-Quality Used Equipment

With upstream investment expected to increase among major operators, late-model equipment—particularly assets that are digitally optimized or ESG-compatible—will be in short supply. Sellers of such equipment can expect strong interest and favorable pricing (Slav, 2024).

Global Trade Disruption Driving Domestic Demand

Rising costs for imported materials and continued supply chain disruptions are increasing the appeal of available domestic equipment. This makes the resale and reuse of surplus assets a smart strategy for firms looking to maintain productivity while managing costs.

Strategic Timing, Stronger Outcomes: Repositioning Surplus for Maximum Impact

In a market defined by caution, consolidation, and constrained resources, your surplus equipment isn't just idle, it's influential. The current surge in demand for high-quality used oil and gas equipment, particularly ESG-compatible and digital-ready assets, has created a lucrative opportunity for sellers. But timing matters.

Whether you're navigating portfolio realignment, scaling back after recent capital expenditures (CAPEX) peaks, or simply clearing space for more strategic investments, monetizing surplus equipment now can deliver faster returns, an improved balance sheet, and greater agility heading into 2026.

Buyers are searching. Budgets are tightening. ESG scrutiny is intensifying. This is your opportunity to act with intent, not just to sell surplus, but to extract value from it.

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Your leader in surplus asset inventory

Every organization has surplus assets. Liquidity Services (NASDAQ:LQDT) works with clients to ensure surplus is sustainably transformed, generating capital that fuels strategic goals.

Liquidity Services partners with over 15,000 clients—including 150 Fortune 1000 companies—to sell their surplus equipment. The company maintains a robust database of over 5.5 million registered buyers, and executes over one million transactions annually across 100 countries. With over \$10 billion in completed online transactions, Liquidity Services has cemented its market strength through a steadfast focus on compliance, extensive global reach, and dedicated client support.

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