

Eric Johnson Discusses the Impact on Oil M&A Deals Following Failed OPEC Talks and COVID-19 Spread

MARCH 9, 2020

The energy industry experienced unprecedented volatility on March 9 as oil prices saw the largest single-day drop since the U.S. invaded Iraq in 1991. Stocks worldwide fell sharply after OPEC failed to strike a deal with its allies on production cuts. The declines were further exacerbated by fears surrounding the coronavirus spread.

Winston & Strawn Partner Eric Johnson in Houston told *The Texas Lawbook* that the combination of the coronavirus and the feud between Russia and the Saudis “is the perfect storm of facts and circumstances” that will likely cause many current oil M&A deals to stall or die. Eric said greatly reduced oil prices will have an even more dramatic impact on the oil industry if they continue for several months and extend through the reserve base lending determinations done by banks starting April 1.

“If we have a real nasty revision of the borrowing base, then it would have a seriously negative impact on E&P [exploration and production] companies as well as the service companies,” he says.

To view the full *Texas Lawbook* article “No Place to Hide for Energy,” click [here](#). (subscription required)

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