North Sea Reporter

News & Analysis – keeping you informed

17 September 2025
Issue 849

www.klenergypublishing.com

Inside This Issue

Contents

IEA says annual investment of $500bn needed to offset faster output decline

The International Energy Agency (IEA) has issued new estimates suggesting that accelerating production decline rates mean that investment of as much as $500 billion per annum is now needed to keep global oil and gas output flat.

The IEA, in a report on *The Implications of Oil and Gas Field Decline Rates* published yesterday (Tuesday), said that the trend was "largely due to higher reliance on shale and deep offshore resources".

IEA executive director Fatih Birol said: "Nearly 90% of upstream investment annually is dedicated to offsetting losses of supply at existing fields."

He added: "Decline rates are the elephant in the room for any discussion of investment needs in oil and gas and our new analysis shows that they have accelerated in recent years." The trend "means that the industry has to run much faster just to stand still".

The IEA's report says that whereas in 2010 a halt to upstream investment would have cut oil production by just under 4 million b/d that year, the figure would be 5.5 million b/d today.

For natural gas, decline rates have increased to 270 Bcm per annum from 180 Bcm/year over the same period, the IEA added.

The IEA said production trajectories vary by field types and by region, with supergiant fields in the Middle East showing decline rates of less than 2% per year, but smaller offshore fields in Europe, for example, averaging more than 15% per year.

Tight oil and shale gas production would fall as much as 35% in a first year without investment, it said, with declines of another 15% in a second year.

In Europe, meantime, which has a "very high" share of offshore fields, decline rates are the highest regionally at 9.7%. *(Continued on page 2)*