

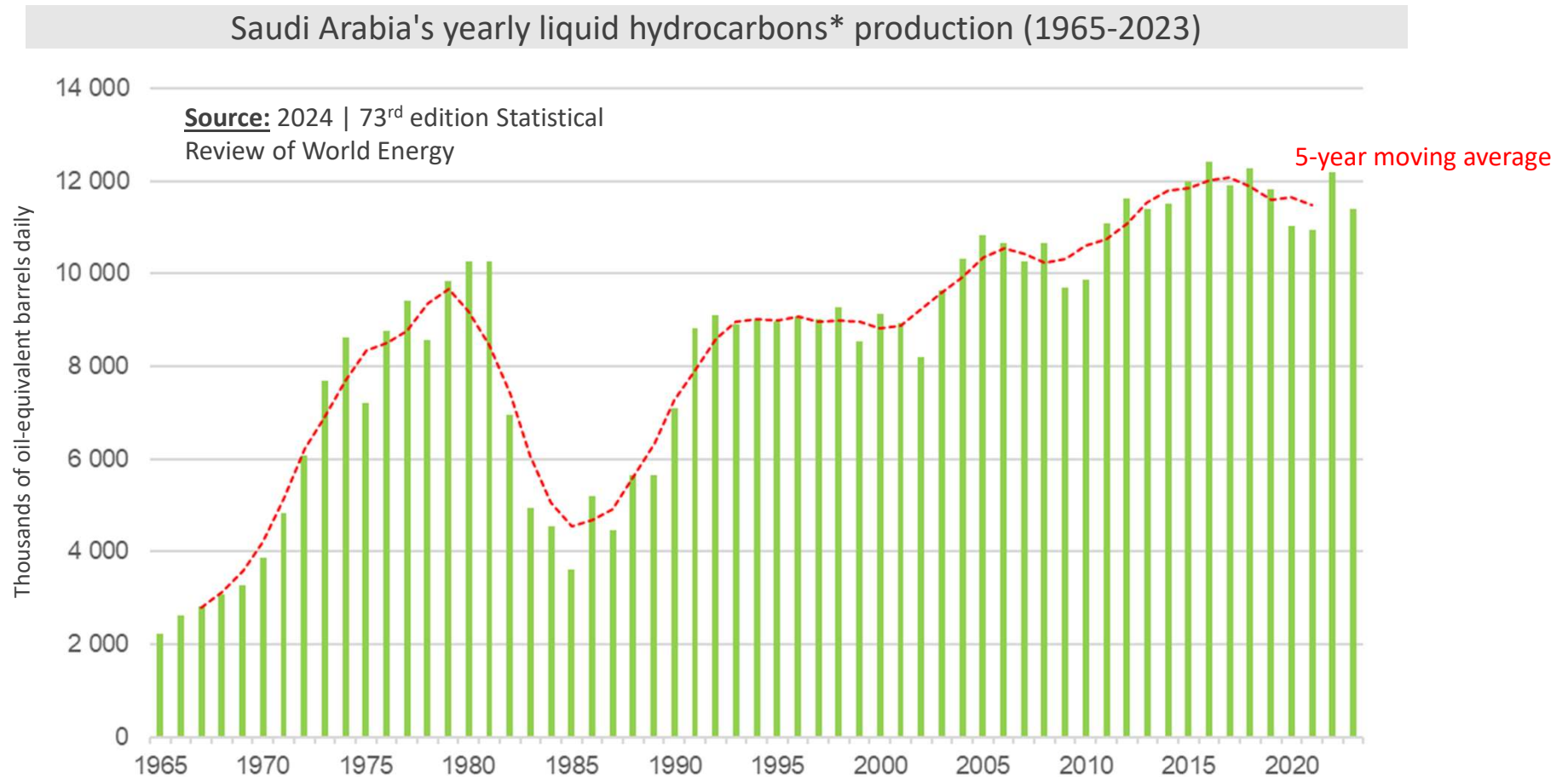
# Saudi Aramco's Upstream investment spending over the past 5 years



October 15, 2024

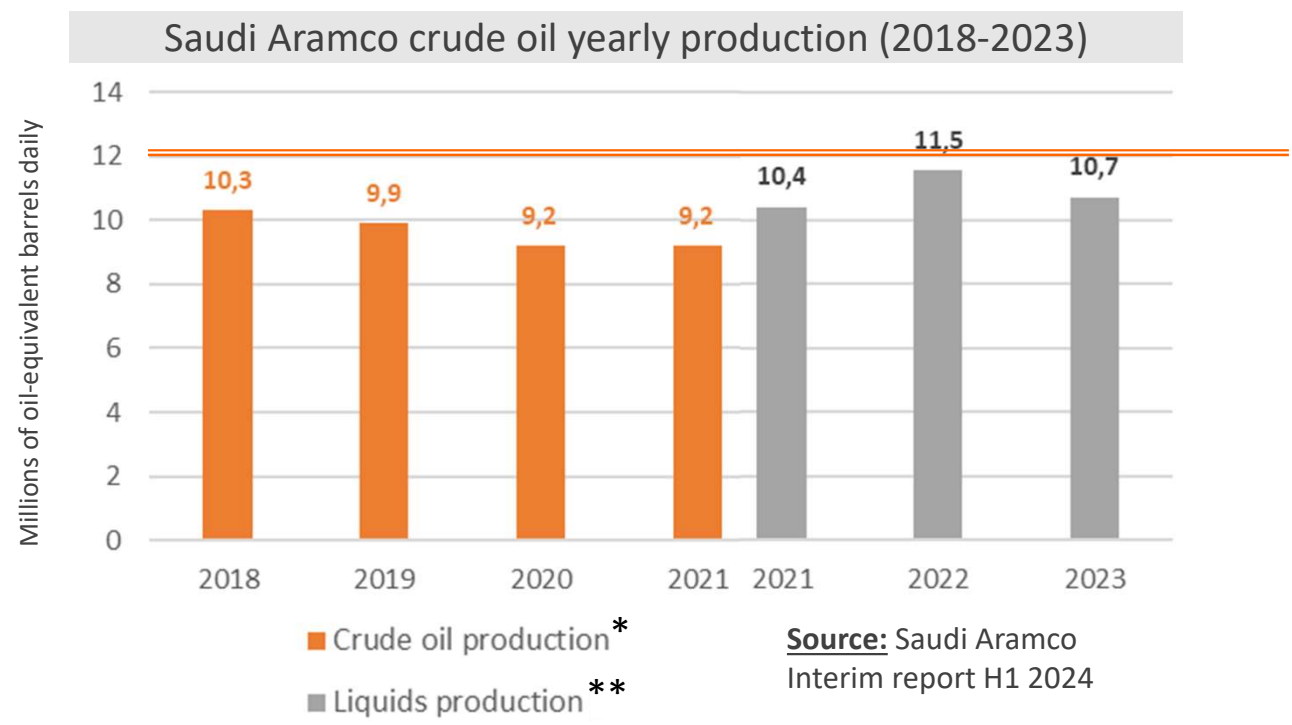
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Since the oil counter-shock, liquids production has grown in stages then has fallen slightly in recent years as a result of OPEC quotas



\* Includes crude oil, condensates (lease condensate or gas condensates that require further refining) and NGLs (natural gas liquids - ethane, LPG and naphtha separated from the production of natural gas)

The country's maximum crude oil production capacity was revised downwards in early 2024 from 13 to 12 million barrels per day

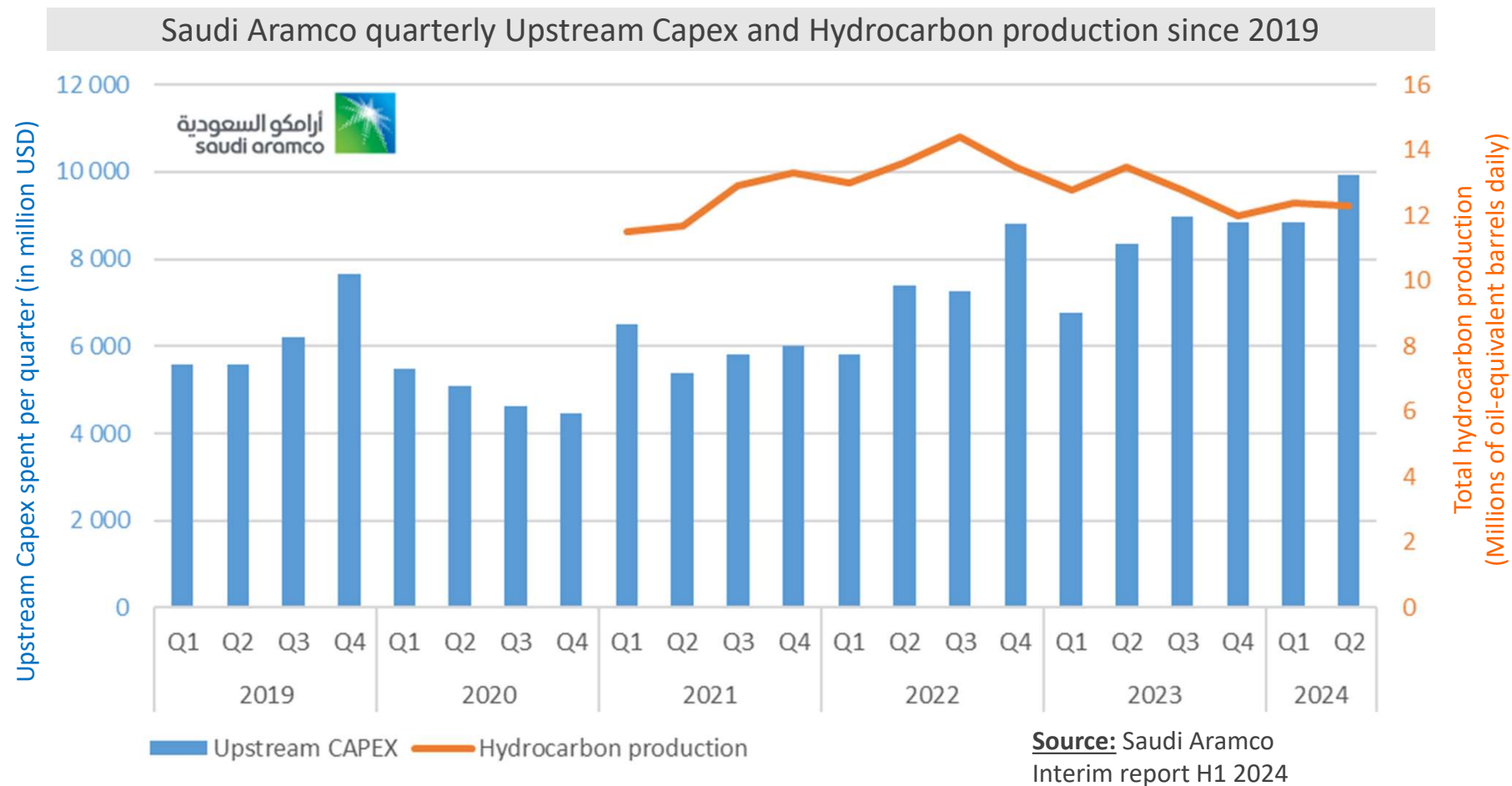


**Current Crude Oil Maximum Sustainable Capacity\*\*\* (MSC) = 12 million barrels per day**

- In March 2020, the **MSC target for 2027** has been fixed at **13 million barrels per day** by the Ministry of Energy
- In January 2024, the “13 million barrels” target was abandoned and Aramco received directive to maintain MSC at **12 million barrels per day**

\* Includes blended condensate  
\*\* is comprised of crude oil, NGL and condensate  
\*\*\* is the average maximum number of barrels per day of crude oil that can be produced for one year during any future planning period, after taking into account all planned maintenance. The MSC excludes AGOC’s crude oil production capacity.

Upstream investment spending has been steadily increasing since 2020 (x2 in 4 years)



The aim of the ongoing liquids development projects is to maintain the MSC at 12.0 mmbpd and preserve Aramco's operational flexibility

## Liquids developments in progress

Greenfield

**Onshore**

The Dammam development project, which is expected to add crude oil production of 25,000 bpd later this year and 50,000 bpd in 2027.

Brownfield

**Offshore**

The Marjan and Berri crude oil increments, which are expected to add production capacity of 300,000 bpd and 250,000 bpd, respectively, by 2025.

Brownfield

**Offshore**

The Zuluf crude oil increment, which is expected to provide a central facility to process a total of 600 mbpd of crude oil from the Zuluf field by 2026.



The aim of the ongoing gas development projects is to increase gas production by more than 60% by 2030 over 2021 production levels, subject to domestic demand

## Gas developments in progress

Greenfield

Design, procurement, and construction activities continued at the Jafurah Gas Plant, part of the Jafurah unconventional gas field development.

**Phase one is expected to commence production in 2025** and phase two is underway with the announcement of contract awards worth approximately \$12.4 billion. Production from the Jafurah gas development is expected to **reach a sustainable sales gas rate of 2.0 bscfd by 2030**, in addition to significant volumes of ethane, NGL, and condensate

**Onshore**

Brownfield

The Tanajib Gas Plant, part of the Marjan development program, continued with construction and procurement activities. The Plant is expected to be **onstream by 2025 and add 2.6 bscfd** of additional processing capacity from the **Marjan and Zuluf fields**;

**Offshore**

Greenfield

Hawiyah Unayzah Gas Reservoir Storage, the **first underground natural gas storage in the Kingdom**, commenced reproduction of stored gas into the Master Gas System. This reproduction flow can **provide up to 2.0 bscfd of natural gas into the Master Gas System** based on demand;

**Onshore**

## Few take-aways

- The country's **liquids production** has been **stagnant for a dozen years**, and even **declining for the last four**, mainly **due to the OPEC quota policy**, which is a consequence of the shale oil boom in the USA.
- The **announcement**, at the beginning of 2024, **that crude oil production capacity would no longer be increased** between now and 2027, **was justified by the forecast glut of oil on the global market** in the short-to-medium term...
- **...but could also have other explanations**, such as the **unexpected decline of certain fields** and/or **concerns about the level of reserves** in the ground, which could explain why the **Upstream investment program has been rising sharply in recent years**, even though the aim is solely to maintain the country's production capacity.
- Furthermore, it is surprising that the country's Upstream investments correspond **essentially** to the **redevelopment of existing fields** (brownfield projects) and **not to the development of new fields** (greenfield projects).
- Finally, most of these (re)developments concern **offshore fields, which are a priori more costly**, which calls into question the residual redevelopment potential of onshore fields.
- The desire to **significantly increase gas production by 2030** is explained by the **strong growth in local consumption**, notably for electricity generation, but could **also reflect the desire to increase the country's crude oil export potential without additional reserves and/or production capacity** (in 2022, 33% of the Kingdom's electricity was produced from oil).