



The Megaproject update

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Tags: [chris skrebowski](#), [crude oil](#), [manifa](#), [opec](#), [saudi arabia](#), [tar sands](#) [[list all tags](#)]

Thanks to [Matt](#) for pointing to the [Sydney peak Oil site](#) where the latest Megaprojects list from Chris Skrebowski has been made available. This is an upgrade from last October and shows some fairly significant changes. I haven't finished reviewing all the projects yet, since he now carries the projections forward past 2010 in more detail, and has also included more OPEC information. The latter is due to a more open attitude from OPEC, and a more detailed [list from them](#). Their [site](#) is worth a visit. As a result Chris's list, for example, has seven new projects for this year alone that were not on the last list. His numbers now also reflect the anticipated increased production from the Athabasca sands in Canada, and also NGL and condensate production that can be anticipated from mainly natural gas wells.

To give a very rough number his overall projected increase in production, if all the projects now scheduled come on line on time and at current targeted capacities, is that production will go up by something less than 1 mbd a year over his last projection. To put this in context, back last October, estimating a 5% decrease in existing well production, and an average of around 1.75 mbd of increased demand per year would give an annual shortfall in production of around 3.2 mbd relative to anticipated demand in each of the next four years. He had anticipated that oil demand for 2005 would be 83.5 mbd, increased demand would be 1.4 mbd, while there would be an increase in supply of 2.4 mbd, of which non-OPEC would provide 1.5 mbd. Depletion would be at 4.2 mbd.

Chris's list is well worth getting hold of, and perhaps at some future time I can go through the anticipated projects in a similar way to that we did for the [CERA list](#) last year. Incidentally the first project on that list [Bonga](#) came on stream last December and has now reached 120,000 bd on its way to a target of 225,000 bd.

Of course the big problem, and this is not really addressed in the update, comes from the actual depletion rates, and the steps that are being taken to compensate. With Saudi Arabia admitting to a level of up around 800,000 bd/year in existing wells and then stating that this will be overcome by increased in-field drilling (ie not a new project) the numbers for offsetting production do not appear and we are left with trying to estimate changes based on rig numbers and the like.

Just to run over my own pet observation one more time, I do note that the list now includes Manifa to come on line in 2011 at 300,000 bd, and in 2012 at 700,000 bd. The reason I keep mentioning this is that Saudi Arabia list it as part of their available oil that no-one buys so "demand cannot be that critical". However, because of its [composition](#) that oil requires a special refinery and the Saudi's have only recently recognized reality and planned to build one. Thus the appearance of the oil on the projected market of the future. But it also recognizes that current

Saudi projections of capacity are still about 1 mbd high.



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