

# Long term view on global upstream resource base and impact of technology

## Situation



A major oil company requested IHS Markit's assistance to develop an approach to represent the potential long term impact of developments in upstream technologies on the global upstream resource base. The intention was to provide an unbiased industry view on technology impact to inform technology prioritization and as input to long-term strategic direction for the organization.

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## Action



Upstream Oil & Gas Consultants:

- Established an estimate of the global inventory of oil and gas resources, segmented by resource type (onshore, offshore, deepwater, oil, gas, unconventional)
- Introduced a technology classification schema through which to model the impact of technology on each resource class
- Assessed the relative impact on cost and recovery on a technology 'heat map'
- Applied the technology impact assessment on a future cost of supply curve to understand the merit order of each resource class
- Worked closely with the client to internalize the approach and enable the client to apply the frameworks to its own portfolio

## Result



The study provided a techno-economic fundamental analysis to help detect industry trends and disruptive forces and inform long term strategic investment decisions around organization, portfolio and R&D focus areas.