



Discoveries delivers the goods



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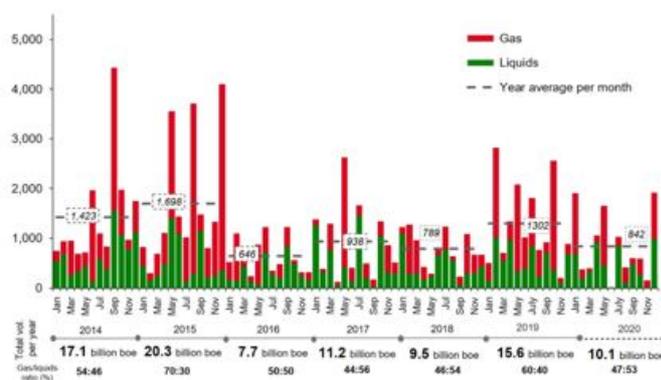
Discoveries delivered the goods in 2020, led by Russia and Suriname

Global oil and gas exploration performed well in 2020, despite falling oil prices, budget cuts and travel bans caused by the Covid-19 pandemic. Concern that exploration results would plummet to new lows as upstream players deferred activities were put to shame as the wells that did go ahead ended up delivering more than 10 billion barrels of oil equivalent – safely above the 2016 low of 7.7 billion boe.

The number of new discoveries halved to 89 from 180 in 2019 and volumes declined, but nevertheless new volumes climbed above the 9.5 billion boe found in 2018. Liquids slightly dominated with about 53% of the new volumes. The discoveries were evenly split between land and sea with 44 onshore and 45 offshore, but in volume terms offshore led the way with just over three-quarters of the resources added in 2020. Of these resources, 29% was found in ultra-deep waters, down from 45% in 2019. The deepwater share jumped to 44% from 20% in 2019, while shallow waters delivered 27% of last year's offshore volumes, falling from 34% the year before.

Geographically, the Americas was the clear winner with around 39% of the new volumes, securing the top spot for a second year running thanks to success in Guyana and Suriname, as well as some discoveries in Brazil and Mexico. Russia was the second-best region on 27% while the Middle East accounted for 14%.

Figure 1: Global conventional discoveries
Million barrels of oil equivalent



Source: Rystad Energy ECube, Rystad Energy research and analysis

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COVID-19 Report:

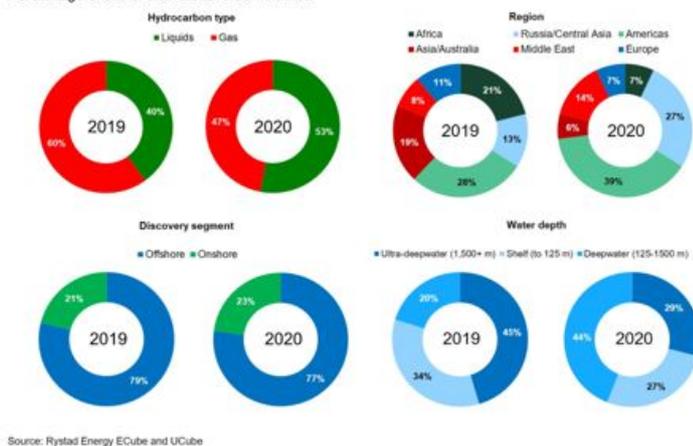
Rystad Energy's public version of the COVID-19 Report will be updated monthly, offering scenario analyses, and evaluating the impact on global energy markets. >> [Access here](#)



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Figure 2: Summary of global discoveries 2019 vs 2020
Percentage share of total discovered volumes



Norway tastes exploration success in 2020 despite pandemic-induced slump

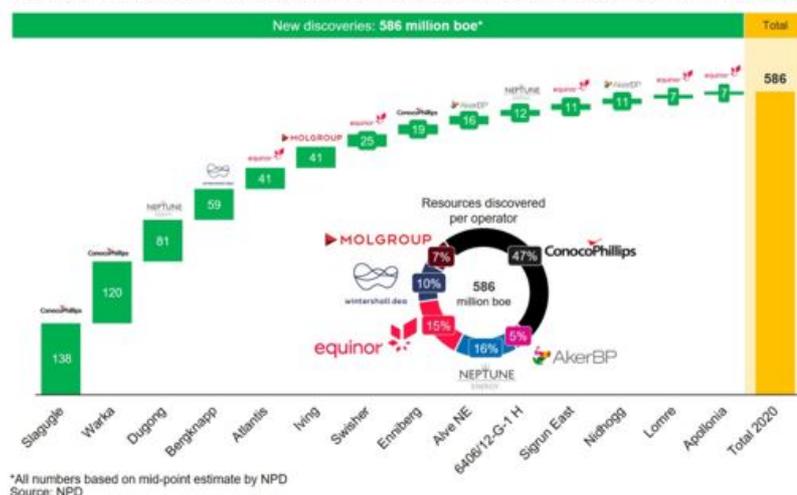
Norway capped off a surprisingly rewarding exploration year with yet another significant discovery mid December, elevating the country's collective tally of discovered resources in 2020 to nearly 600 million barrels of oil equivalent (boe). This volume assessment, which is based on the mid-point estimate provided by the Norwegian Petroleum Directorate (NPD), makes 2020 the country's most productive exploration year since before oil prices crashed in 2014.

Overall, the year saw a modest 33 wellbores completed on the Norwegian continental shelf (NCS) – a lower number than initially expected due to the Covid-19 pandemic – but the volumetric results still rival those of previous years that showed higher drilling activity. One more well is currently in progress in Norway but is not expected to be completed before the end of the month.

December's discovery well – the Slagugle wildcat – was drilled in the Norwegian Sea by US major ConocoPhillips, which notched its second NCS find in six weeks. Preliminary estimates put the size of the Slagugle prospect at between 75 million and 200 million boe, generating a mid-point estimate of about 138 million boe. This makes Slagugle the country's largest discovery of the year, slightly ahead of the Warka find announced by the same operator in early November. With these finds, ConocoPhillips convincingly secures the crown as Norway's exploration champion of 2020, accounting for almost half of all discovered resources.

Figure 3 stacks all of Norway's 2020 discoveries, with their reported mid-point estimates as published by the NPD upon announcement. Including ConocoPhillips' Slagugle, the final tally adds up to 586 million boe across 14 discoveries, all of which are located close to existing infrastructure and could therefore be commercially viable despite the limited size of the smallest accumulations.

Figure 3: Norwegian discoveries in 2020 add up to nearly 600 million boe

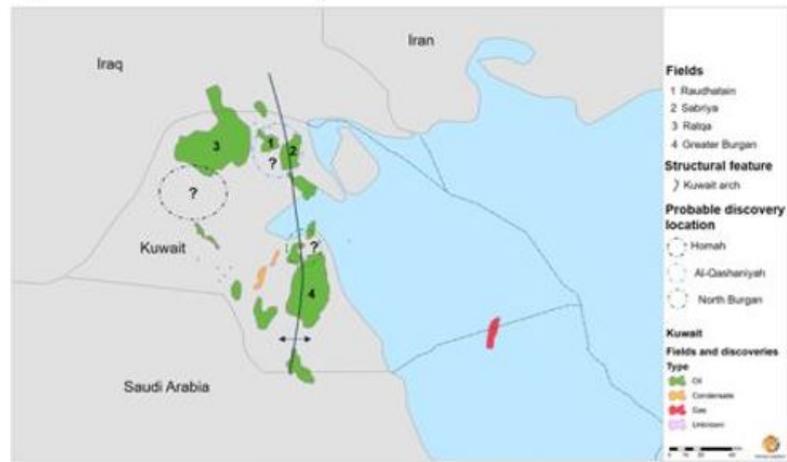


Kuwait announces trio of new discoveries after four-year hiatus

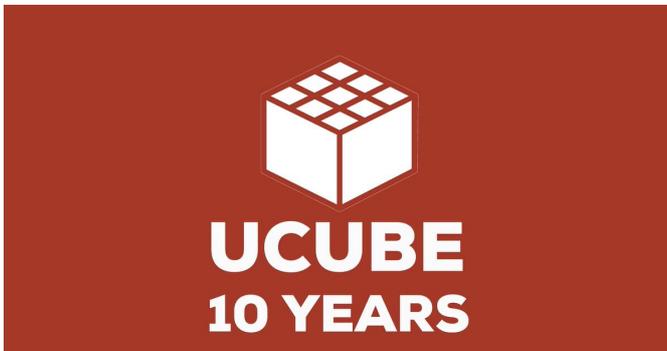
Kuwait earlier this month announced three major oil and gas discoveries, the first since 2016, adding to national oil reserves that ranked seventh in the world with an estimated 101.5 billion barrels at the end of 2019. The new onshore finds have been flow tested and include the Homah oil field, Al Qashaniyah and an unnamed discovery north of the giant Burgan field. Together they open up further potential for Kuwait to increase its resources, which the country needs if it is to reach its target of producing 4 million barrels per day of oil in 2040.

The Homah discovery is in the northwestern region of Kuwait and is said to spread over an area of more than 70 square kilometers. The discovery flowed 1,452 barrels per day of light oil. The location and oil quality boosts the exploration potential of the underexplored western and northwestern parts of the country. The second discovery, al-Qashaniyah, is located in northern Kuwait close to the Raudhatain and Sabriya fields and produced 1,819 barrels of light oil with 49 degrees API and 2.78 million cubic feet of associated gas per day. The Albain upper Burgan sandstone reservoir is a major productive interval in both the Raudhatain and Sabriya fields and is found in the western flank and crest of the north-trending Kuwait arch. In addition, hydrocarbon is also contributed from the lower Burgan sandstone, Maddud limestones and the Zubair formations. The third discovery is situated north of the Burgan field, the world's largest sandstone reservoir.

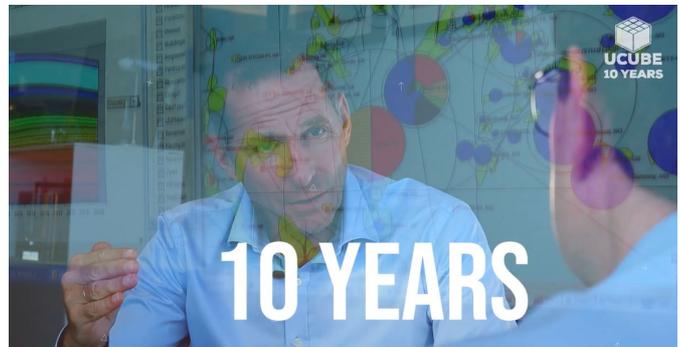
Figure 4: Kuwait fields with probable location of new discoveries



Source: Rystad Energy UCube & GIS services



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