

How do international investors find commercial success in Asia Pacific?

Antonio Dimabuyu, Dylan Mair

S&P Global Commodity Insights, Singapore

Asia Pacific's upstream oil and gas activity faces diminishing returns from mature basins, but tapping upside potential remains critical to addressing energy stability and security in most of the region. Local demand and LNG exports are projected to grow in the long term, increasing the supply gap. Imports could address this gap at the cost of stability and security. With Asian countries introducing improvements in fiscal terms to attract upstream investments this is a good time to assess opportunities.

This presentation will provide case studies for growth that highlight the following themes:

- Minimizing monetization time – Near field barrels with infrastructure in place will be the path of least resistance for upstream players in the region. With ullage increasing in existing facilities, which recent discoveries are being fast-tracked for development? What enables quicker development of these discoveries? Is there commercial YTF in these proven areas?
- Balanced portfolios – With financing proving difficult for pure exploration plays, we look at further strategies explorers use to leverage and even enhance production. Do any assets on the market provide potential to jump-start exploration expansion? We compare the strategies of recent PE-funded and self-funded entrants.
- Aligning with "basin masters" to improve success rates – Existing players have doubled down on core basins to drive capital efficiency and find upside growth. National oil companies are also playing a bigger role and regional independents are emerging via mergers within proven areas. Partnering or strategically investing with these companies may also accelerate monetization through faster access to development tie-ins.
- Unlocking stranded resources – More discovered resource opportunities have been made available by governments. We review efforts to monetize marginal assets in the region.
- CCUS creating new growth opportunities – Pressure to manage emissions will continue to burden CO₂-plagued assets in Asia Pacific. We explore how the regulatory environment is changing, potentially releasing some of this potential.

Ultimately, Asia Pacific upstream offers a spectrum of opportunities with varying scale and risk profiles. This, combined with some governments signaling a willingness to improve the operating and fiscal environment, makes the region an increasingly attractive investment destination.