

Oman Oil And Gas - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

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Report description:

Oman Oil And Gas Market Analysis

The Oman Oil And Gas Market is expected to grow from USD 5.85 billion in 2025 to USD 6.01 billion in 2026 and is forecast to reach USD 6.86 billion by 2031 at 2.68% CAGR over 2026-2031.

Production stability across mature onshore fields, tighter project economics for discoveries, and rising gas demand from power and petrochemicals underpin this measured trajectory. Enhanced Oil Recovery (EOR) programs and the Block 61 tight-gas expansion sustain upstream volumes, while downstream refinery debottlenecking and petrochemical integration add value to each exported barrel. International operators leverage liberalized Production Sharing Contracts (PSCs) to deploy advanced digital solutions that lift recovery factors and curb operating costs. At the same time, green-hydrogen investments exceeding USD 20 billion align the sector with Oman Vision 2040's diversification goals without derailing near-term hydrocarbon revenue streams.

Oman Oil And Gas Market Trends and Insights

Block 61 Gas Expansion Reshapes Supply Dynamics

Block 61 supplies 1.2 billion cubic feet per day (bcf/d) and targets 1.5 bcf/d by 2026, confirming the commercial development of tight gas in the Middle East. Phase 2 adds 500 million cubic feet per day, utilizing multi-stage hydraulic fracturing, and directly supports Oman LNG's Train 4 project. Water-recycling systems limit freshwater intake, addressing concerns about scarcity in the

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desert interior. Success at Khazzan-Ghazeer has catalyzed analogous investment in Blocks 77 and 40, collectively assessed at more than 2 bcf/d potential. These volumes underpin domestic power supply and sustain LNG exports, shielding fiscal revenues against oil-price swings. The project's digital twin platform has already reduced unplanned downtime by 10%, illustrating the technology's role in enhancing the resilience of the Oman oil and gas market.

Production Sharing Contract Liberalization Accelerates Capital Inflow

The 2024 PSC overhaul reduced the government's take from 85% to 75% for discoveries and extended the cost-recovery period to 10 years. The auction of 15 blocks secured USD 1.2 billion in signature bonuses, leading to a 40% increase in exploration spending to USD 800 million. Streamlined environmental approvals now trim typical project lead times by 18 months. Operators welcome a clear local-content target of 35%, which nurtures domestic supply-chain capacity without stalling project schedules. The updated regime, therefore, attracts technology-intensive majors that can monetize frontier acreage and share digital expertise with national partners, thereby strengthening the competitive landscape of the Oman oil and gas market.

Oil-Price Volatility Clouds Capital Allocation

Brent's 2024 range of USD 70-90/bbl complicates the sanctioning of EOR projects that require USD 45-50/bbl breakevens. Developers employ modular concepts to stagger funding and trim initial outlays by up to 40%. Hedging shields 40-60% of production but reduces returns by 2-3 percentage points. The treasury, therefore, prioritizes quick-payout gas schemes over heavier oil projects. Lower-cost digital monitoring mitigates some volatility, yet fluctuating prices remain the most immediate headwind for the Oman oil and gas market.

Other drivers and restraints analyzed in the detailed report include:

Domestic Power and Petrochemical Demand Sustains Gas Consumption
Downstream Capacity Build-Out Bolsters Regional Hub Status
Energy-Transition Pressure Narrows Long-Term Oil Window

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Upstream activities accounted for 73.80% of Oman's oil and gas market share in 2025, generating the bulk of fiscal receipts that fund diversification programs. Polymer flooding and miscible-gas injection at Amal, Marmul, and Harweel lifted aggregate rates by 39,000 b/d, lengthening field life by about a decade. Midstream pipelines, at 18.40% share, trail upstream in revenue but enjoy stable tariffs linked to take-or-pay agreements. Targeted investments strengthen feedstock security for polypropylene and polyethylene facilities serving GCC manufacturers, thereby embedding greater domestic value addition along the twin 42-inch pipelines that channel Block 61 output to coastal LNG and petrochemical hubs, while reducing transport costs by approximately USD 1.50 per barrel.

Downstream assets capture just 7.80% of the Oman oil and gas market size today, yet the segment's integrated business model earns higher margins per barrel than crude exports. Duqm's complex now runs 11% above nameplate, validating process-control upgrades and workforce skill transfer. Continuous emissions monitoring and flare-gas recovery meet Oman Environmental Authority thresholds without impeding throughput. The build-out also enhances feedstock security for polypropylene and polyethylene plants that supply GCC manufacturers, thereby embedding domestic value addition within the broader Oman oil and gas market.

The Oman Oil and Gas Market Report is Segmented by Sector (Upstream, Midstream, and Downstream), Location (Onshore and

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Offshore), and Service (Construction, Maintenance and Turn-Around, and Decommissioning). The Market Sizes and Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Petroleum Development Oman (PDO) OQ Exploration & Production Occidental Oman BP Oman Shell Development Oman TotalEnergies E&P Oman Eni Oman China National Petroleum Corp. (CNPC) CC Energy Development Daleel Petroleum ARA Petroleum Masirah Oil Ltd. Oman LNG OQ Chemicals Oman Oil Marketing Co. Sohar Refinery Company Partex Oil & Gas Petrofac Oman Samsung Engineering Oman Larsen & Toubro Oman

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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