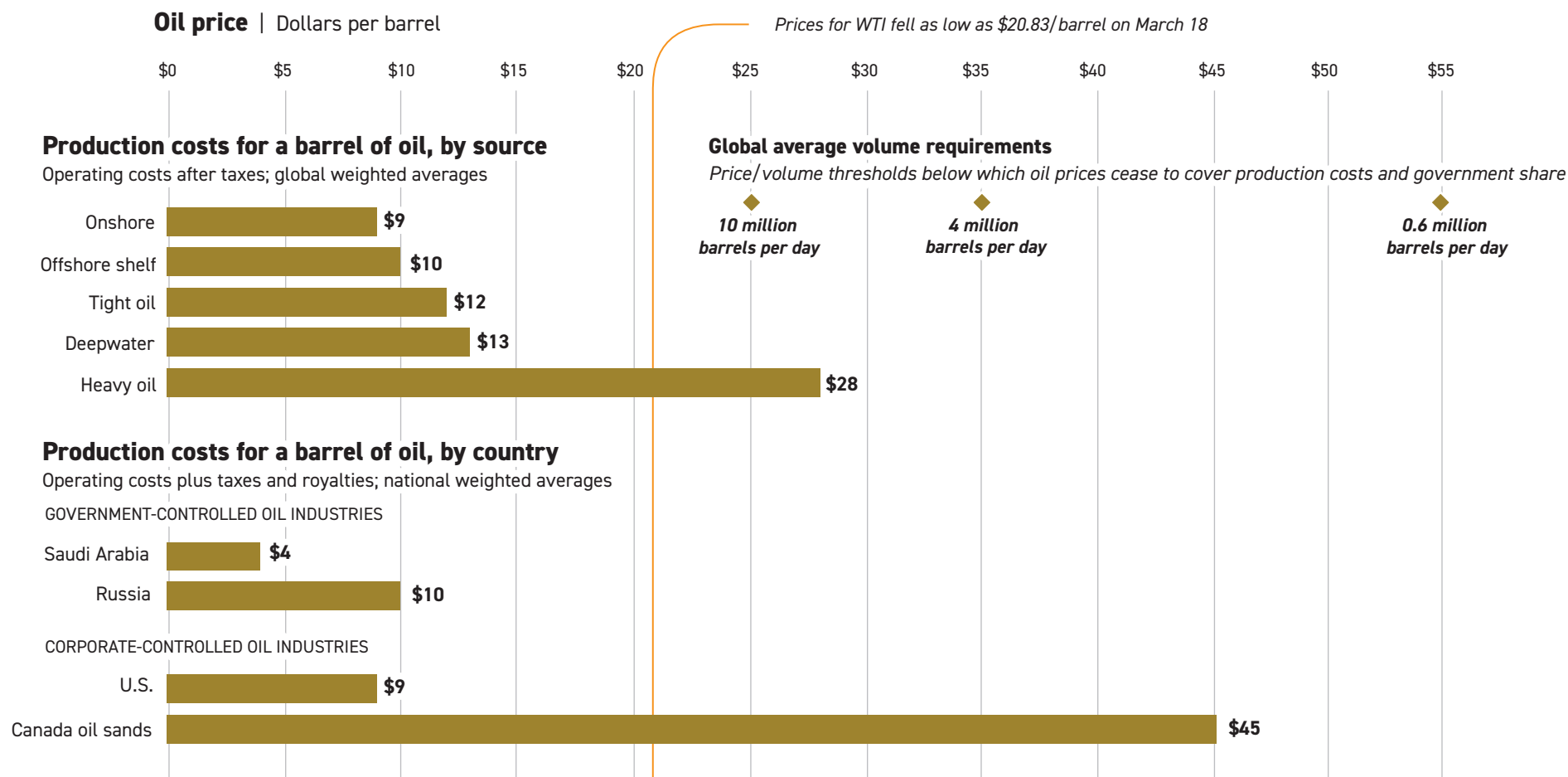


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Threshold for oil industry shutdown varies by origin

Oil prices have collapsed amid reduction in demand caused by the coronavirus and Saudi Arabia's production war with Russia. Prices and demand are so low that profits may not cover production costs, according to an analysis by Wood Mackenzie. At some locations, natural gas revenues cover all operating costs for oil extraction. But at marginal wells, where operating costs can reach \$55 per barrel, production shutdowns might have long-lasting consequences: "Given the difficulties and costs associated with restarting mature production, a proportion of this supply may never return," the analysis said.



Source: Wood Mackenzie

By Patterson Clark, POLITICO Pro DataPoint