Asia-Pacific's Upstream Investment Cycle: Why Regional CAPEX Is Defying the Energy Transition

Asia Pacific's oil and gas CAPEX is set to hit $238.09 billion by 2030, and green finance rules are reshaping which projects get funded and which get left behind.

THE SHORT ANSWER

Why is Asia Pacific's oil and gas investment growing despite the energy transition?

Regional CAPEX is forecast to reach $238.09 billion by 2030, up from $191.01 billion in 2025, a 4.5% CAGR. Upstream projects dominate, at over 71% of 2024 spend, as national oil companies pursue energy security through deep water gas and LNG.

In this briefing

01

The Unstoppable Upstream Imperative

- Asia Pacific oil and gas CAPEX is forecast to reach $238.09 billion by 2030, up from $191.01 billion in 2025, a 4.5% CAGR. This is a strong vote of confidence in regional hydrocarbon assets despite energy transition rhetoric.
- Upstream took over 71% of CAPEX in 2024, driven by state energy security mandates. National oil companies are backing deep water gas, LNG and shale as vital national interests, narrowing the field for international operators.
- Projects now need genuinely competitive break-even levels and scale. Indonesia's LNG capacity push and Malaysia's floating LNG commitment show the kind of large, insulated projects capturing investment.

FIG.54.01 · DATA

The Unstoppable Upstream Imperative

Metric	Figure
Regional CAPEX 2025	$191.01 billion
Regional CAPEX 2030 (forecast)	$238.09 billion
CAGR 2025 to 2030	4.5%
Upstream share of 2024 CAPEX	Over 71%

FIGURES AS STATED IN THE FULL DOSSIER; ESTIMATES MARKED AS SUCH.

02

Green Finance as the New Market Filter

- Green finance rules are the biggest headwind. Bodies like the Monetary Authority of Singapore are cutting fossil fuel lending eligibility, raising borrowing costs and applying tougher ESG scrutiny.
- This is not a ban but a filter. Mid-scale or marginal upstream projects now face borrowing costs up 200 to 300 basis points, pushing developers toward large-scale, high-quality projects that can absorb the extra cost.
- Leadership must re-test break-even points on every planned Final Investment Decision. Projects outside the global top quartile for cost and scale risk losing access to traditional finance.

03

Beyond the Wellhead: Downstream's Quiet Revolution

- Downstream is the fastest growing segment, expanding at a projected 5.1% CAGR, driven by demand for petrochemical feedstocks such as naphtha and natural gas liquids.
- China and India are building new petrochemical capacity, often replacing older European facilities, as petrochemicals become the leading source of oil demand growth.
- Integrating upstream gas production directly into local petrochemical complexes offers better margins and reduces exposure to falling refined product demand.

FIG.54.03 · DATA

Beyond the Wellhead: Downstream's Quiet Revolution

Segment	Key Figure
Upstream	Over 71% of 2024 CAPEX market share
Downstream	5.1% projected CAGR, the fastest growing segment

FIGURES AS STATED IN THE FULL DOSSIER; ESTIMATES MARKED AS SUCH.

04

A Geopolitical Dimension: Insulating Supply

- Maritime security risks and regional competition are pushing a greater focus on domestic and regional supply chains, most visible in onshore CAPEX, which was over 65% of the market in 2024.
- China's shale and India's tight oil lead this onshore build out, driving contracts for horizontal drilling, real time reservoir imaging and gas gathering infrastructure.
- Service providers need local content compliance and resilient in country operations to meet national oil company requirements for supply security.

FIG.54.04 · DATA

A Geopolitical Dimension: Insulating Supply

Metric	Figure
Onshore share of 2024 CAPEX	Over 65%
Leading onshore markets	China (shale), India (tight oil)

FIGURES AS STATED IN THE FULL DOSSIER; ESTIMATES MARKED AS SUCH.

What matters

01 Asia Pacific oil and gas CAPEX is forecast to grow from $191.01 billion in 2025 to $238.09 billion by 2030, a 4.5% CAGR.

02 Upstream commands over 71% of CAPEX, concentrated in large, low break-even deep water gas and LNG projects.

03 Green finance rules are raising borrowing costs by 200 to 300 basis points, favouring scale and pushing out marginal projects.

04 Downstream petrochemicals are the fastest growing segment, at a 5.1% CAGR, led by China and India.

05 Onshore CAPEX, over 65% of the 2024 market, reflects a geopolitical push for domestic and regional supply security.

Continue the analysis

FULL DOSSIER, SOURCES & FAQ:

https://projectfifty4.com/vietnams-policy-overhaul-the-catalyst-for-asias-next-upstream-investment-cycle/

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