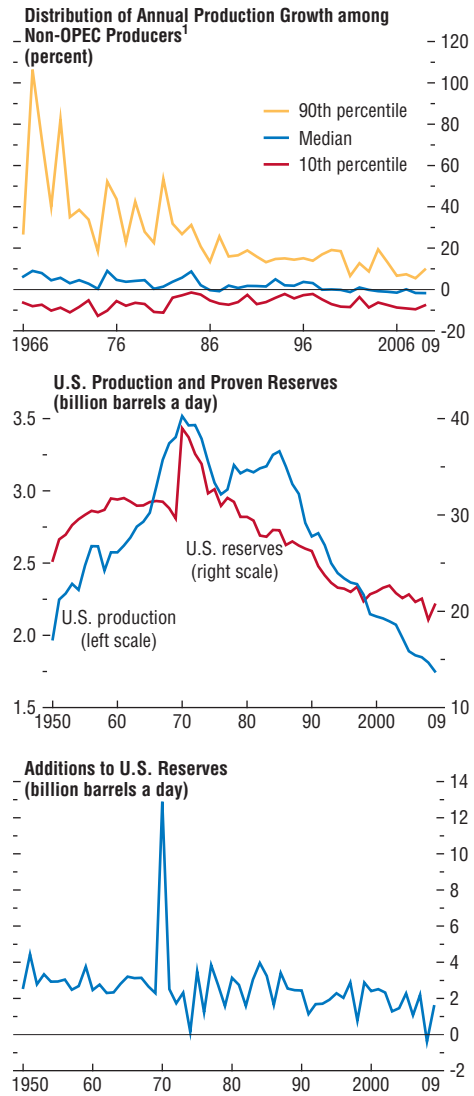


Figure 3.1.1. Life Cycle of Global Oil Production

Many giant oil fields have reached maturity. However, the decline rate of oil production has been relatively low because the marginal return from additional drilling has been high enough to support continued exploration and oil investment.



Sources: BP, *Statistical Review of World Energy*, June 2010; U.S. Energy Information Administration; and IMF staff calculations.
¹OPEC = Organization of Petroleum Exporting Countries.