

# Sustainability Meets Innovation: Unconventional Oil Market Gains Momentum

*Emerging economies in Asia and Latin America drive demand for unconventional oil as industrialization and urbanization surge, straining global oil supplies.*

WILMINGTON, DE, UNITED STATES, March 3, 2025 /EINPresswire.com/ -- According to a [unconventional oil market](#) report published by Allied Market Research, titled, "Unconventional Oil Market," The unconventional oil market size was valued at \$354.9 billion in 2023, and is estimated to reach \$530.2 billion by 2033, growing at a CAGR of 4.2% from 2024 to 2033.



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Unconventional oil refers to oil resources that are extracted using methods and techniques which are distinct from the conventional drilling production methods used for traditional oil reservoirs. Shale oil is categorized as unconventional as it is trapped within shale rock formations and requires hydraulic fracturing technique. These techniques are different from the conventional vertical drilling utilized to extract oil from traditional reservoirs.

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The relentless growth of emerging economies, particularly in regions such as Asia and Latin America, drives the demand for unconventional oil. As these economies continue to industrialize and urbanize, their energy demands soar, placing immense pressure on global oil supplies. According to the International Energy Agency (IEA), the Oil 2023 medium-term market report forecasts that based on current government policies and market trends, global oil demand is expected to rise by 6% between 2022 and 2028. Unconventional oil resources offer a means to meet this surging demand and maintain stability in the global energy market. Furthermore, technological advancements have made the extraction of unconventional oil more economically viable. Techniques such as hydraulic fracturing (fracking) and horizontal drilling have unlocked

vast reserves of previously inaccessible oil trapped in shale formations and tight rock formations. All these factors are expected to drive the global unconventional oil market trends.

However, inconsistent regulations increase compliance costs and administrative burdens for companies operating in the unconventional oil sector. For instance, the federal role in regulating oil and gas extraction activities and hydraulic fracturing has been the subject of considerable debate and legislative proposals for several years, but legislation has not been enacted. With different regulatory requirements in different regions, companies must allocate additional resources to understand, interpret, and comply with various sets of rules and standards. This fragmentation of regulations adds to operational expenses and delays project development and deployment of resources, further impeding growth in the sector. All these factors hamper the global unconventional oil market growth.

The deployment of innovative emissions reduction technologies, such as methane capture and utilization systems, carbon capture and storage (CCS), and renewable energy integration, offers significant opportunities to mitigate the carbon footprint of unconventional oil production. Methane emissions from extraction, processing, and transportation operations are captured and converted into valuable products or injected underground for long-term storage, reducing overall emissions intensity. All these factors are anticipated to offer new growth opportunities for the global unconventional oil market during the forecast period.

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The global unconventional oil market is segmented into type, technology, operations and region. On the basis of type, the market is classified as extra heavy oil, bitumen, oil shale, and heavy oil. As per technology, the market is categorized into steam assisted gravity drainage (SAGD), cyclic steam stimulation (CSS), expanding solvent steam assisted gravity drainage (ES SAGD), and others. By operations, the market is segmented into upstream, midstream, and downstream. Region wise, the market is analyzed across North America, Europe, Asia-Pacific, and LAMEA.

On the basis of type, the market is classified as extra heavy oil, bitumen, oil shale, and heavy oil. The heavy oil segment is anticipated to grow at the fastest CAGR of 4.8% during the forecast period. Heavy oil offers diversification in the global oil supply portfolio. With geopolitical uncertainties and fluctuations in oil prices, having a diverse range of oil resources helps mitigate risks associated with supply disruptions and market volatility. Furthermore, heavy oil plays a crucial role in meeting specific market demands, particularly for refined products. While lighter crude oils are typically favored for gasoline production, heavy oil is well-suited for producing diesel fuel, bunker fuel, asphalt, and other heavier refined products.

On the basis of technology, the market is categorized into steam assisted gravity drainage (SAGD), cyclic steam stimulation (CSS), expanding solvent steam assisted gravity drainage (ES SAGD), and others. The steam assisted gravity drainage (SAGD) segment is anticipated to grow at the fastest CAGR of 4.6% during the forecast period. The environmental benefits of SAGD

compared to alternative extraction methods drive its adoption in unconventional oil. While oil sands extraction has historically been associated with high greenhouse gas emissions and environmental impacts, SAGD offers a more environmentally responsible approach by reducing the surface disturbance and water usage associated with open-pit mining operations. In addition, advancements in steam generation technologies have enabled operators to utilize cleaner energy sources and implement carbon capture and storage initiatives to mitigate emissions, improving the overall sustainability of oil sands development.

By operations, the market is segmented into upstream, midstream, and downstream. The upstream segment is anticipated to grow at the fastest CAGR of 4.5% during the forecast period. Geopolitical factors play a significant role in driving upstream activities in unconventional oil production. With concerns about energy security and geopolitical instability in traditional oil-producing regions, countries are increasingly turning to domestic unconventional resources to boost their energy independence. This strategic imperative has led to policies and incentives aimed at promoting domestic oil production, further stimulating upstream investment and development.

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Region wise, the market is analyzed across North America, Europe, Asia-Pacific, and LAMEA. The Asia-Pacific region is anticipated to grow at the fastest CAGR of 4.9% during the forecast period. Conventional oil reserves in the region facing constraints and declining production rates, there is a need to explore alternative sources to meet escalating energy requirements. According to the International Energy Agency (IEA), fossil fuels fall from almost four-fifths of total energy supply today to slightly over one-fifth by 2050. Unconventional oil such as shale oil and tight oil, presents an attractive opportunity to supplement traditional oil supplies and alleviate pressure on import-dependent economies. Moreover, geopolitical considerations and energy security concerns play a significant role in driving the interest in unconventional oil in the Asia-Pacific region.

Key players in the global unconventional oil industry include Suncor Energy Inc., Cenovus Inc., Sunshine Oilsands Ltd., Imperial Oil Limited, ConocoPhillips Company, ExxonMobil Corporation, Canadian Natural, Royal Dutch Shell plc, Chevron Corporation, and Athabasca Oil Corporation.

#### Key Market Insights

- By type, the oil shale segment was the highest revenue contributor to the market accounting for less than two-fifths of global unconventional oil market share in 2022.
- On the basis of technology, the steam assisted gravity drainage (SAGD) segment was the highest revenue contributor to the global unconventional oil market outlook in 2022.
- On the basis of operations, the upstream segment was the highest revenue contributor to the market accounting for less than half of the global unconventional oil market share in 2022.
- Region-wise, North America was the highest revenue contributor of global unconventional oil market analysis in 2022.

David Correa  
Allied Analytics LLP  
+1 5038946022

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