



Oil & Gas  
Authority

# Good business: the future for the UKCS

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Offshore Europe 2021

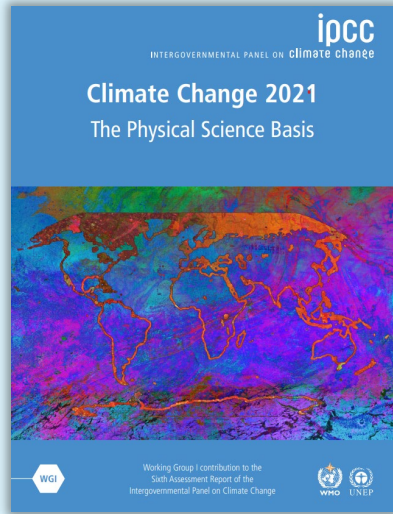
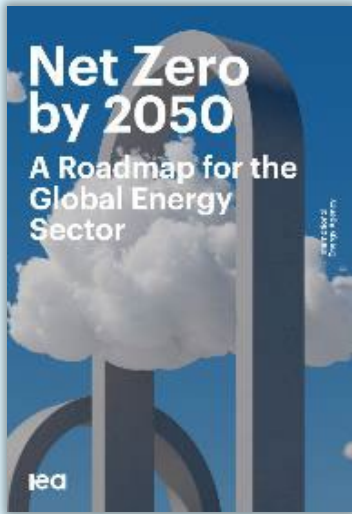
Dr Andy Samuel, Chief Executive

9 September 2021

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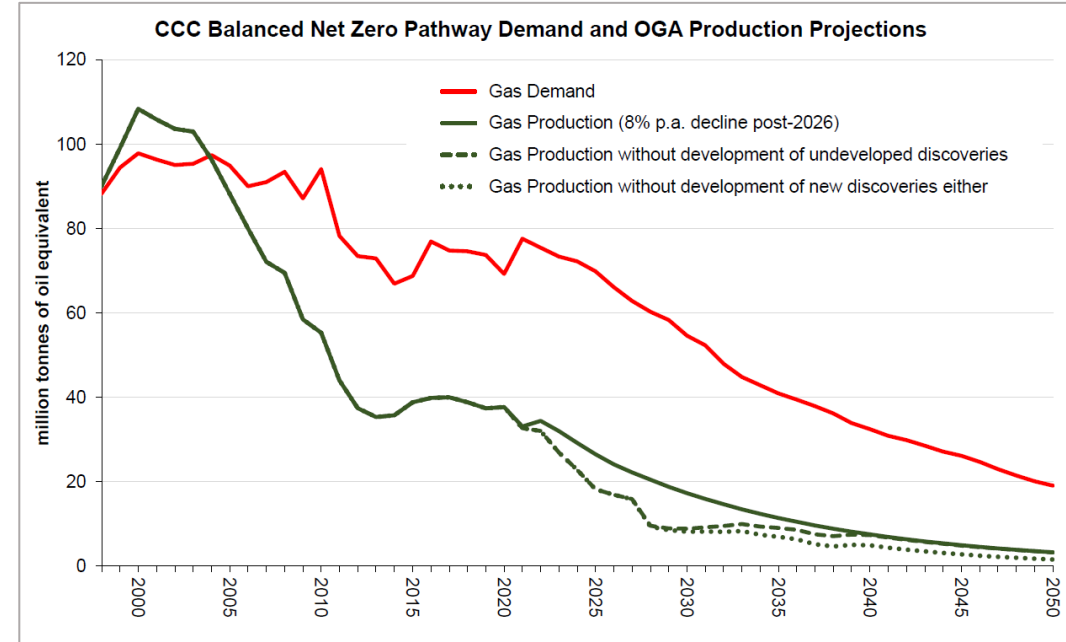
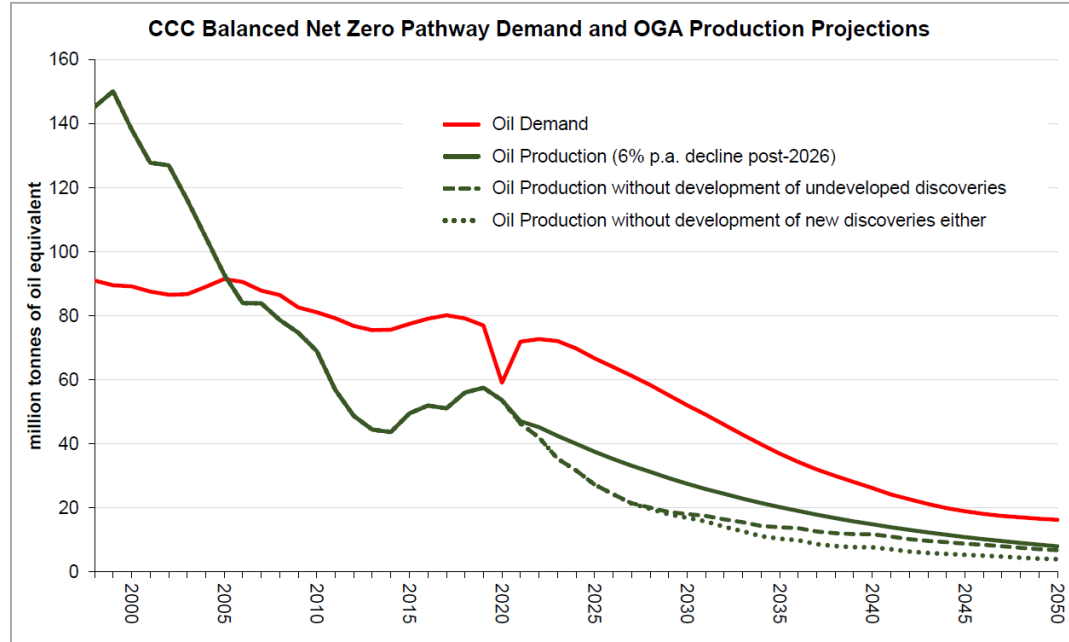
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# Oil and gas under the spotlight



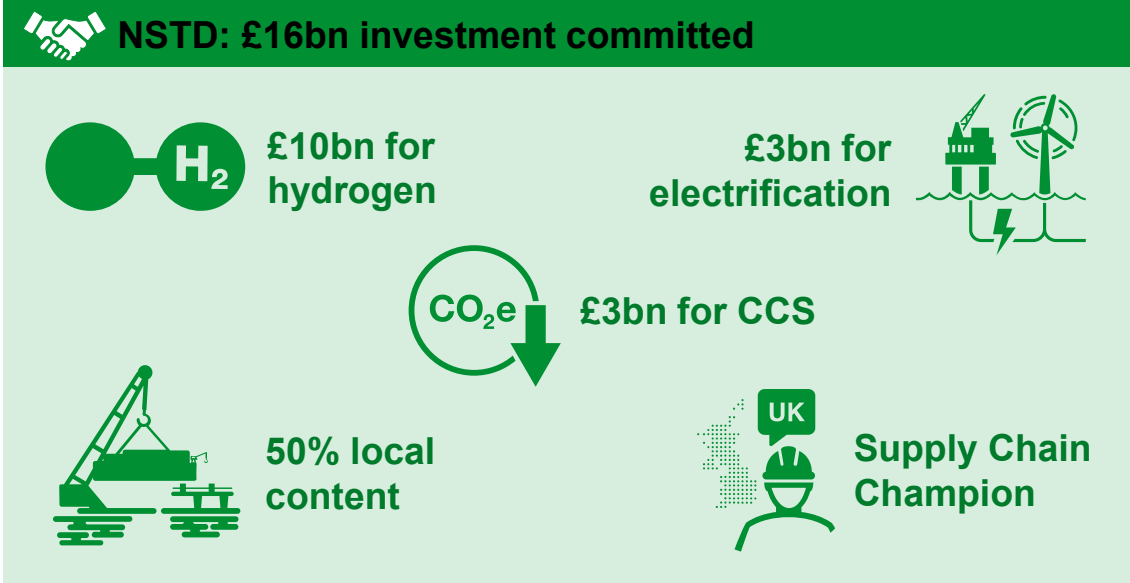
Oil & gas meets  
c.  $\frac{3}{4}$   
UK energy demand

 **-33%**  
Reserves replacement

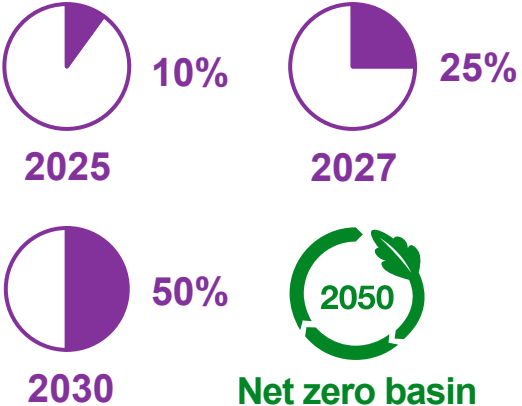


# North Sea Transition Deal

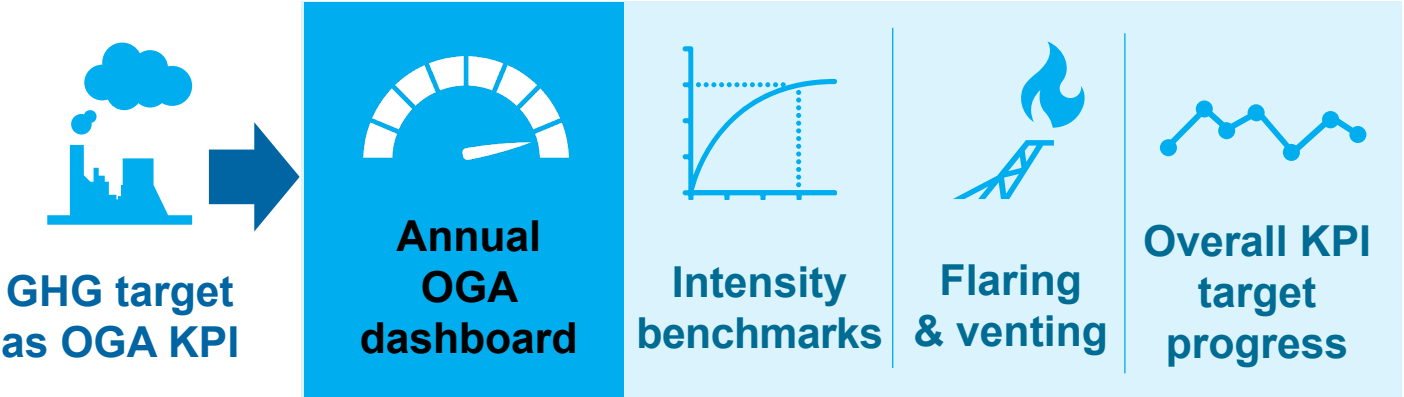
- Govt & industry commitment to transition
- First of kind for G7 country
- Future licensing climate checkpoint
- Quid pro quo



## Industry commitment to reducing upstream GHG emissions



## OGA tracking and monitoring progress



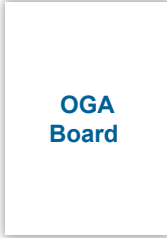





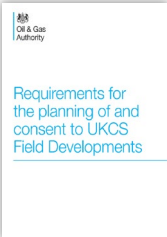

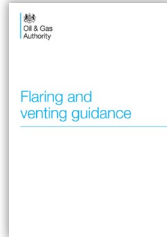



# Good business – not business as usual



Oil & Gas Authority

## Framework

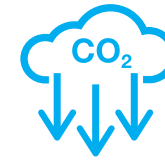
 <p>The OGA Strategy</p>	 <p><b>OGA Strategy</b></p>	 <p>OGA Board</p>	 <p><b>Board</b></p>
 <p>"Delivering the 'T' of ESG" reporting</p>	 <p><b>Supporting Obligation</b></p>	 <p>Net Zero Stewardship Expectation 11</p>	 <p><b>Net zero expectation</b></p>
 <p>Requirements for the planning of and consent to UKCS Field Developments</p>	 <p><b>New fields</b></p>	 <p>Flaring and venting guidance</p>	 <p><b>Flaring &amp; venting</b></p>

## OGA interventions & industry progress



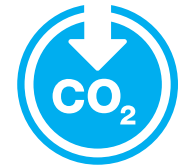
**22%**

Annual reduction in flaring volume



**10%**

Annual reduction in CO2 emissions



**980,000**

tonnes CO2 avoided YTD



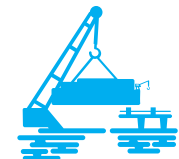
**80%**

OGA PE target retained



**11.2/boe**

Unit operating cost



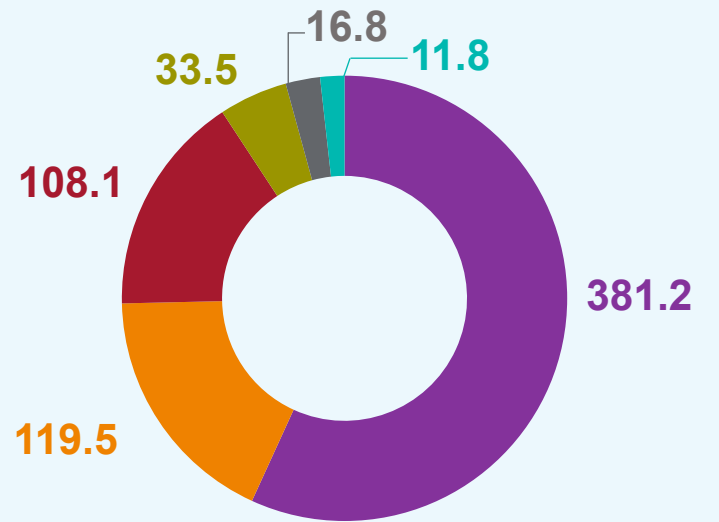
**23%**

Decom cost reduction since 2017





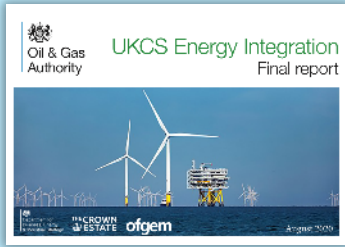
## UKCS investor landscape: share of production (mmboe)



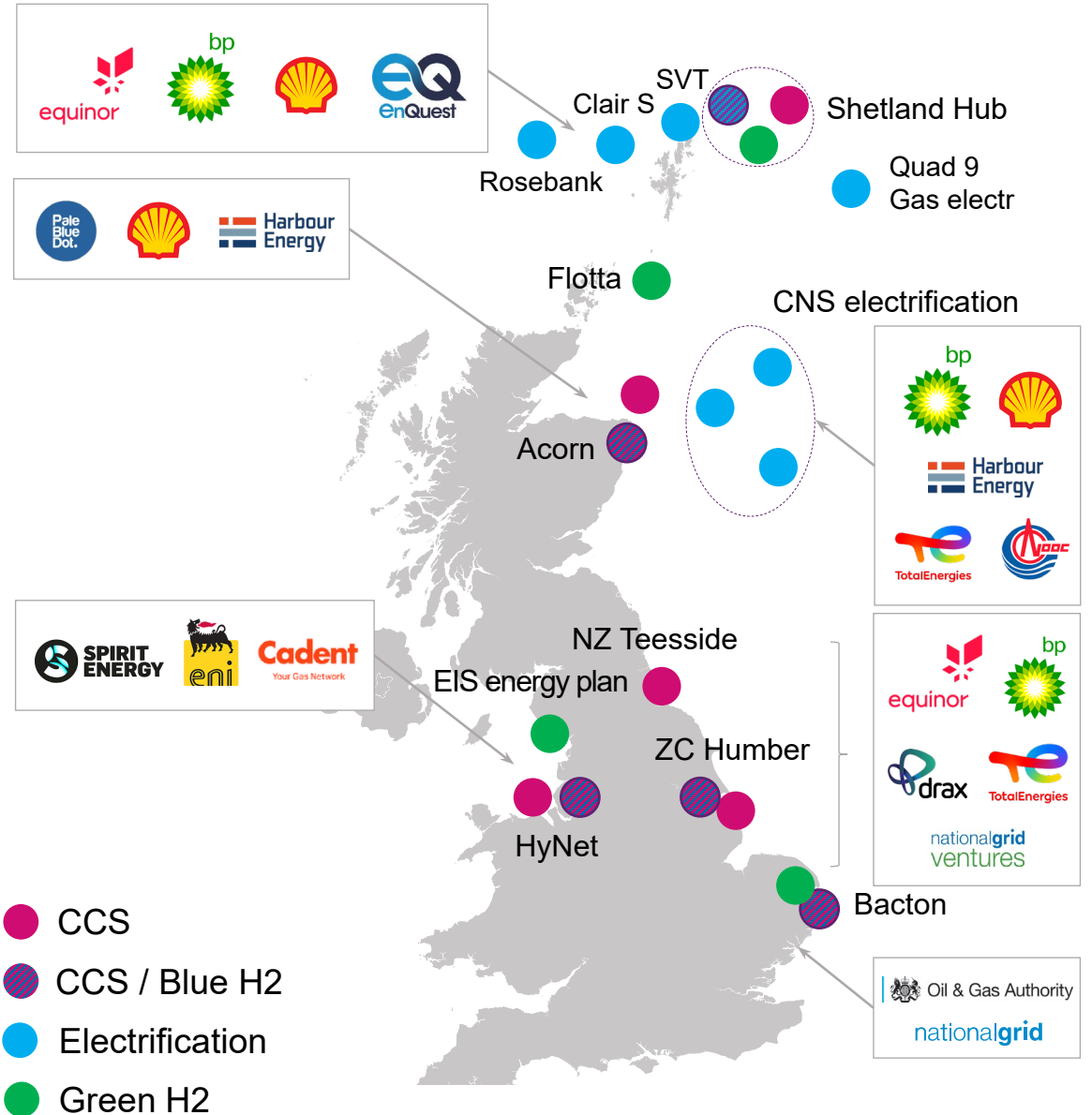
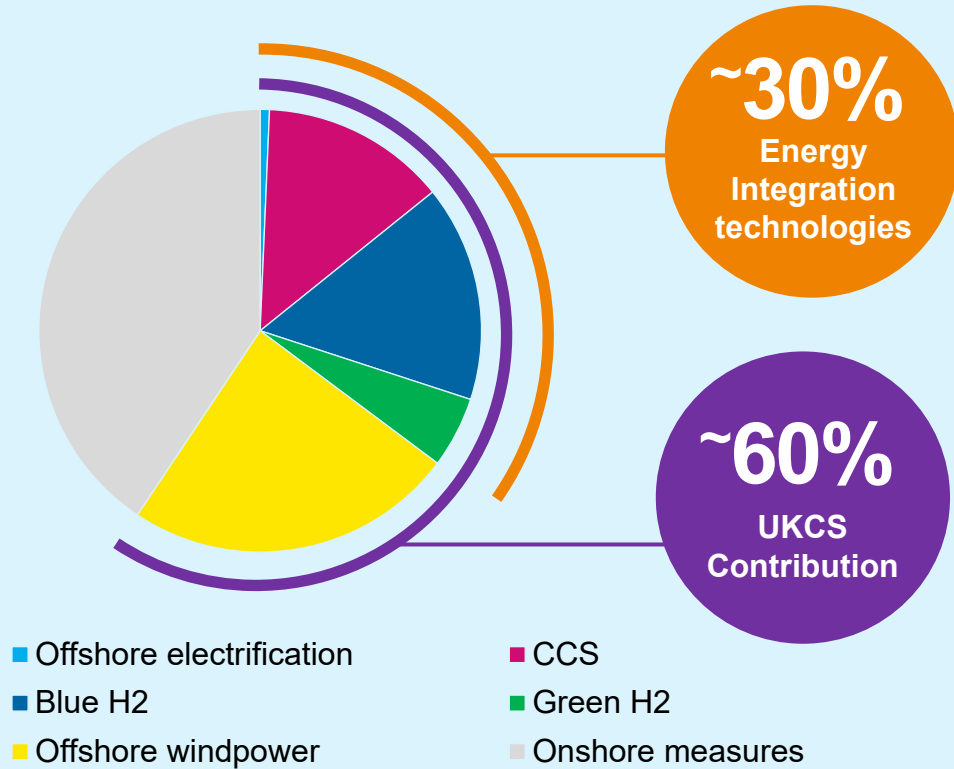
- Supermajor/large cap
- Private equity
- Other
- Mid cap
- Small cap
- Utilities



# New chapter for the North Sea



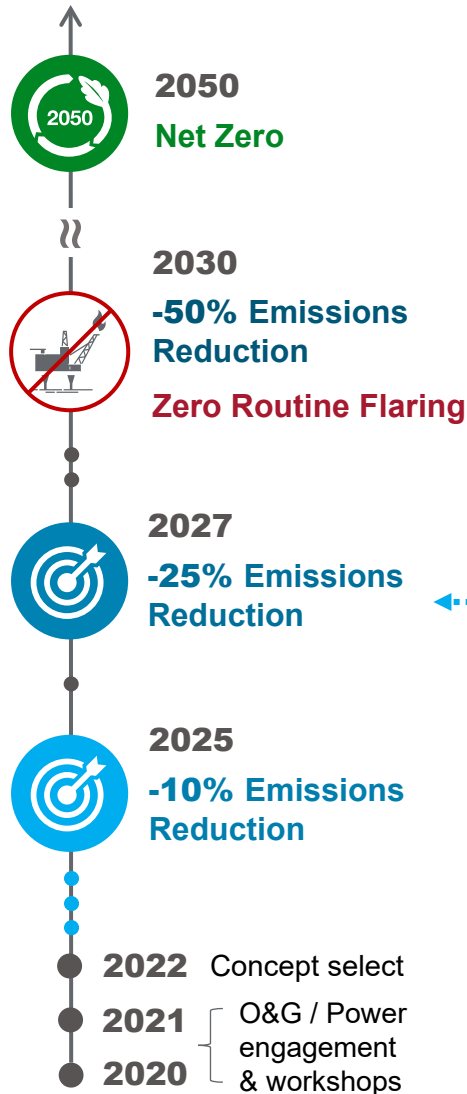
## 2050 net zero emission abatement from 2018 baseline



# Electrification is crucial

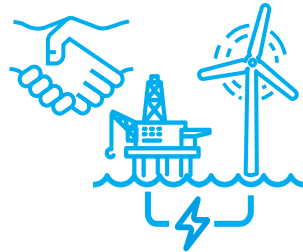


## Expected Timeline



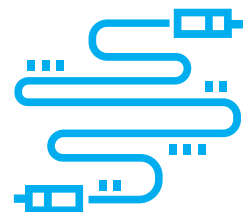
## Hitting emissions reduction targets

Critical to 25% emissions reduction target by 2027



## More collaboration required, at pace

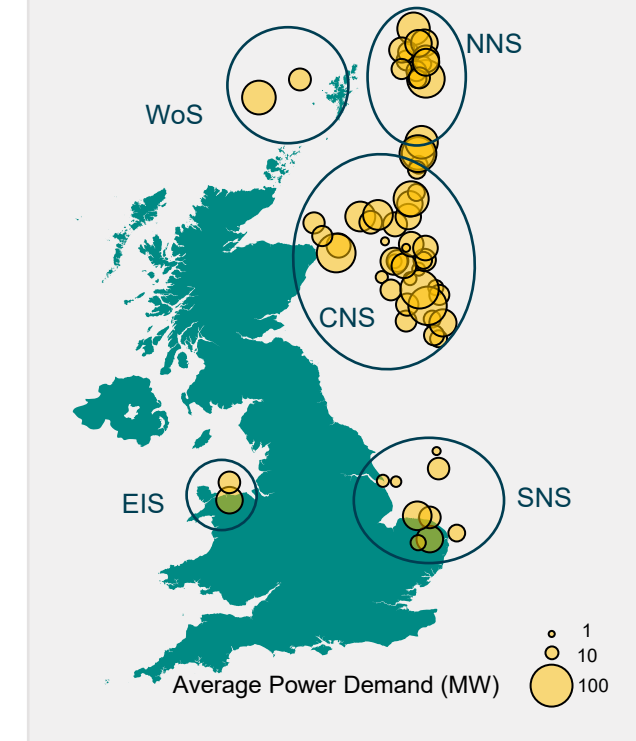
- Alignment between partners, governments and other sectors
- Regional schemes in CNS & WoS



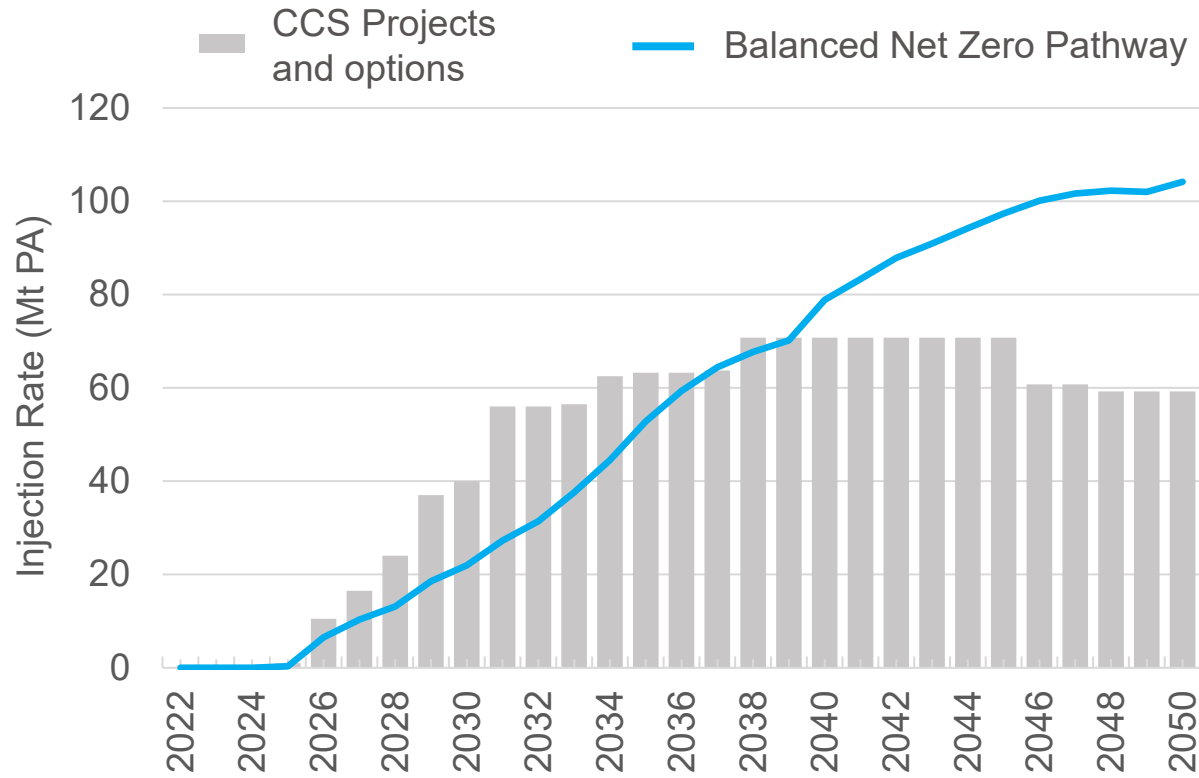
## Infrastructure legacy

- Investment in offshore transmission
- Grid capacity expansion
- Supporting offshore wind growth (+30GW by 2030, and 1GW floating wind)

UKCS emission abatement opportunity (OGA, EIP)



# CCS – the time is now



## Opportunity

Potential to get ahead of the curve

78

Total UKCS CO<sub>2</sub> storage resource estimate

75-175

CCC estimate requirement in 2050



Spatial planning to high-grade future sites



3

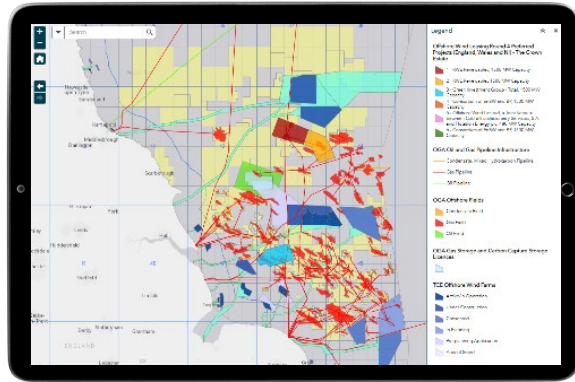
carbon storage licences being stewarded towards permit application and first CO<sub>2</sub> injection

3

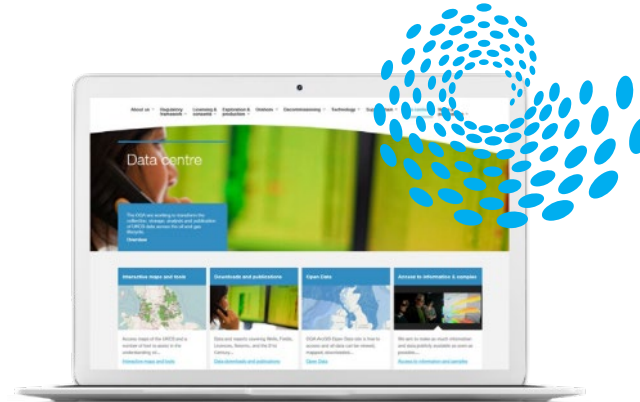
carbon storage licences applications being assessed



## Geographic Information Systems (GIS)



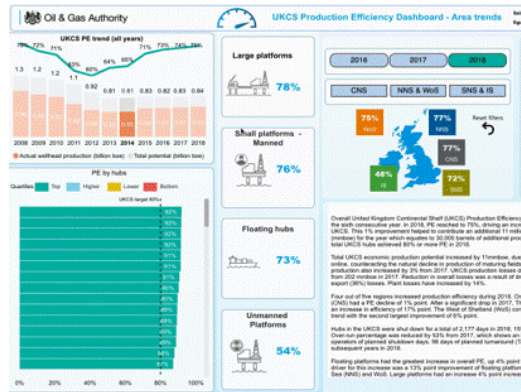
## Digital Energy Platform



- Open to all
- Cloud based
- View & download data
- Integrated with other data sources
- Authoritative

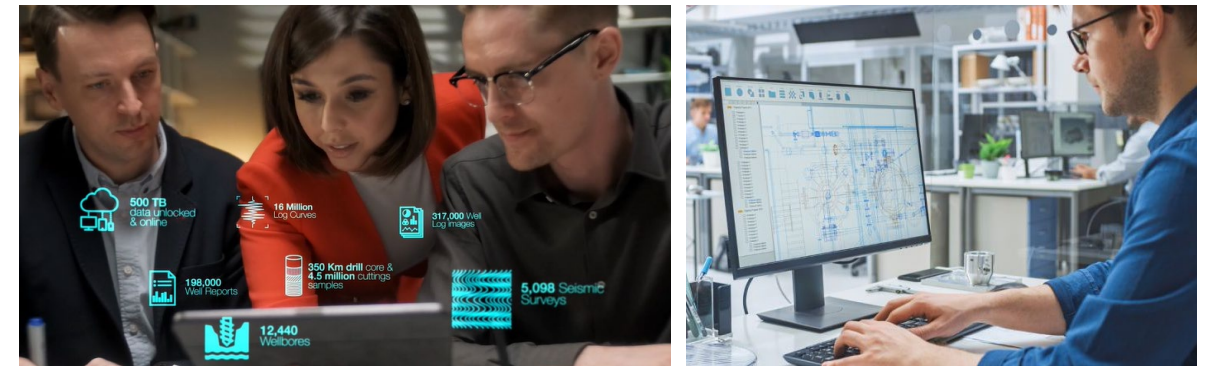
## Insights

Data collected, analysed and disclosed to encourage action

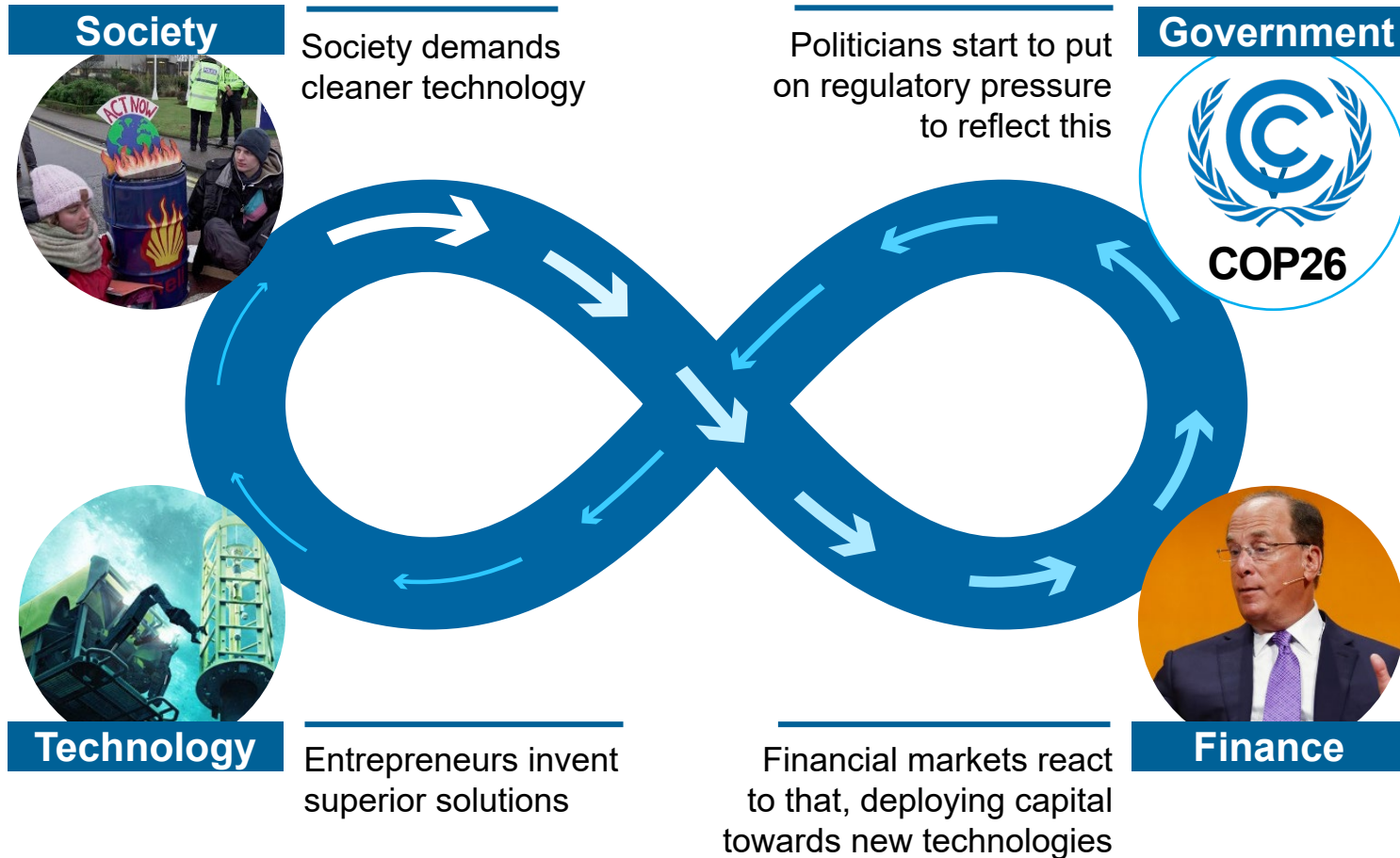


## Advancing the energy transition

New NDR already being used by industry & academia across multiple CCS & hydrogen studies



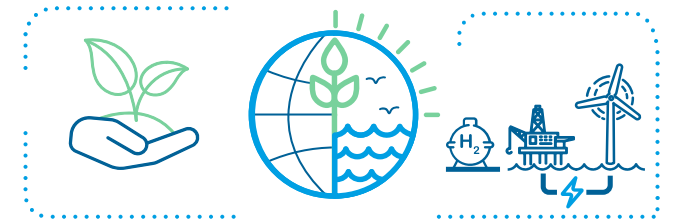
# Pace of change – positive feedback loop



## Leading with purpose



Climate change – Loss of Biodiversity – Social inequality



Unique opportunity post pandemic green and just recovery



Requires whole systems approach and down to all of us



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# Thank you

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