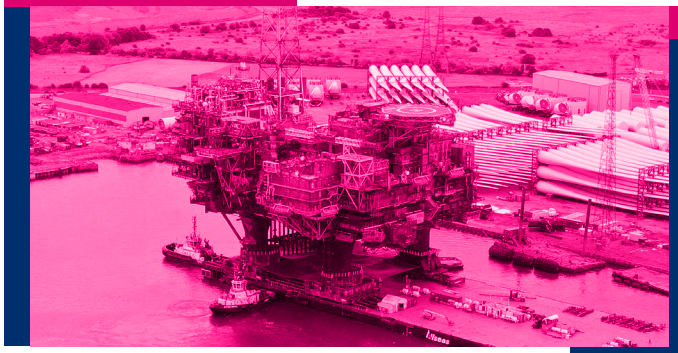
North Sea Transition Authority

UKCS Decommissioning

Cost and Performance Update

2025





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Executive summary

Decommissioning is a key activity for the UK's upstream oil and gas sector, with operators spending a record £2.4 billion in this area in 2024, clear evidence that they are dedicating significant resources to cleaning up their legacy. Indeed, the sector is in a pivotal 10-year period, with operators estimating they will commit £27 billion to decommissioning between 2023 and 2032 – more than half the total forecast (2025 onwards) cost of fully decommissioning the remaining UKCS scope, which now stands at £44 billion in 2024 constant prices. The cost of decommissioning for 2023 onwards in 2021 prices is £41billion.

It is vital that industry undertakes decommissioning activities in an effective manner that limits the cost of tax-relief to the Exchequer and helps the UK's supply chain continue to offer competitive services in the North Sea, cementing its reputation as world leader in this field.

While several companies are performing admirably and are in the top quartile for efficiency, many are struggling to keep costs under control. The 2025 Cost and Performance Update from the North Sea Transition Authority (**NSTA**) shows that all decommissioning activities have become more expensive, resulting in a £3bn increase in the estimate for 2023–32, from £24bn in last year's report. The increase is due to multiple factors, including decommissioning work being brought forward, inflation, higher day rates for rigs and activities exceeding planners' initial cost estimates. With high expenditure expected near-term, industry must act with urgency to consolidate best practice across the basin and capture cost-efficiencies, or the opportunity will be lost. It can do this by planning thoroughly, engaging with the UK's world-leading supply chain at the earliest opportunity and adopting innovative technologies and contracting models.

The activity with the greatest potential for cost savings is well plugging and abandonment (**P&A**), which is forecast to make up about half of total decommissioning expenditure. It is also the area causing the greatest concern, as too many companies are delaying well P&A work. A backlog of more than 500 wells which missed their original decommissioning deadline has built up, while in excess of 1,000 wells will be due for P&A between 2026 and 2030.

Wells are decommissioned in stages as different vessels and equipment are required to carry out specific jobs. In 2024, operators undertook some form of decommissioning work on 223 wells, moving them through the abandonment stages. While this is a sizeable

volume of work, only 103 of those wells were progressed to final abandonment status, considerably below the projected 300 wells which need to be fully decommissioned annually to clear the existing backlog and additional wells due to become inactive.

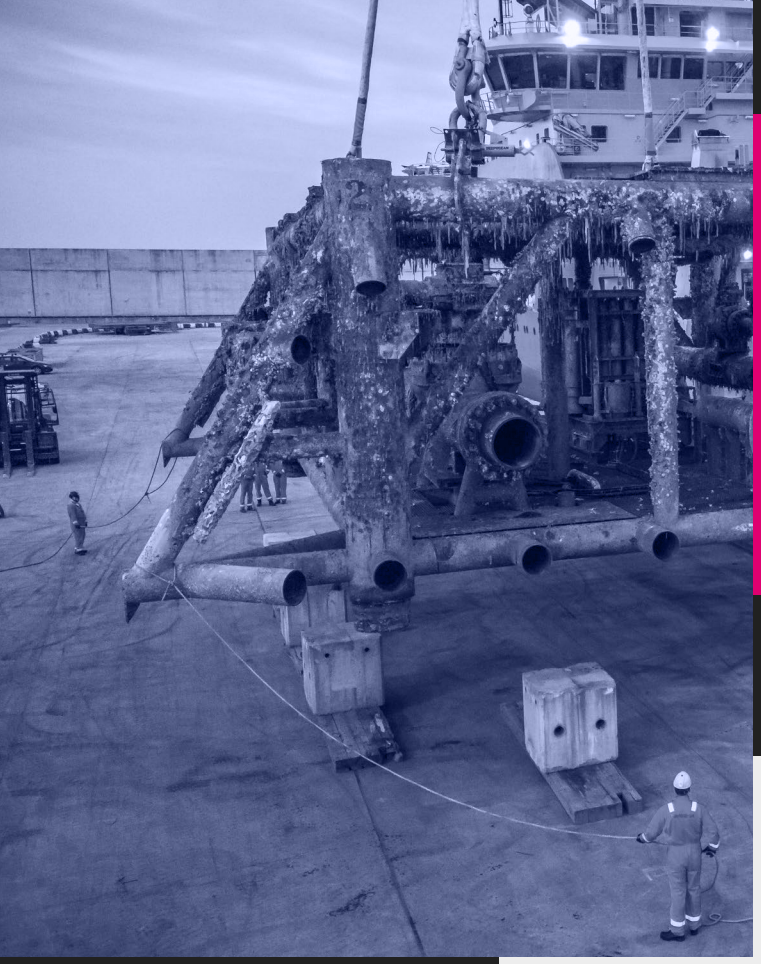
The supply chain should be able to count on well P&A as a reliable revenue stream which keeps them anchored in the basin until more service companies can transfer their skills to energy transition projects, such as carbon storage, which are now starting to materialise and create opportunities.

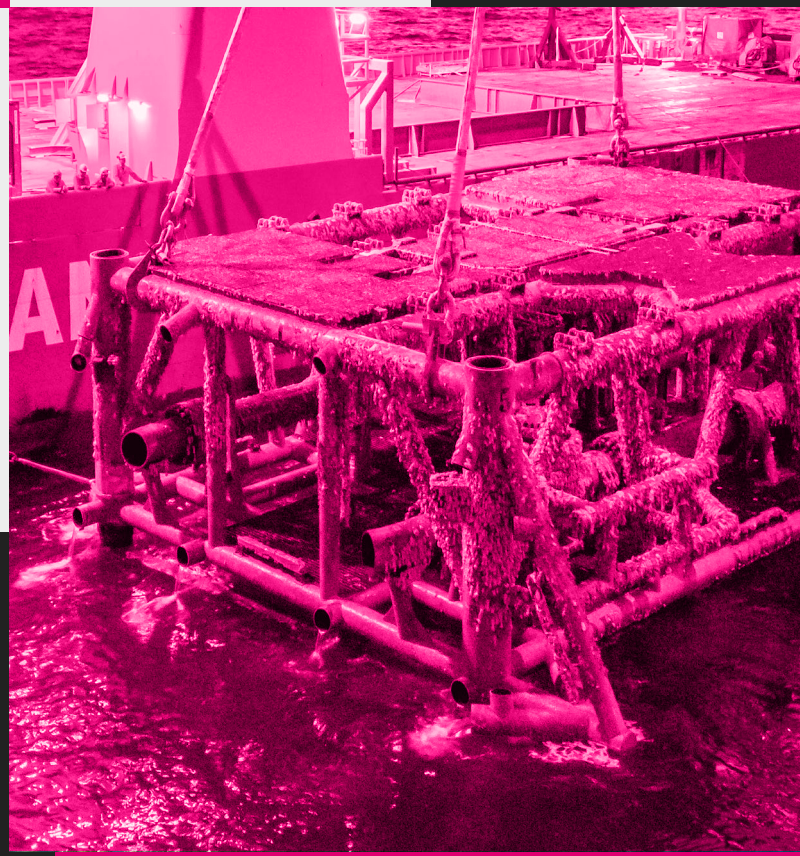
However, operators have not been awarding well P&A contracts quickly enough or on a sufficient scale, prompting rig owners to look for opportunities overseas in hope of securing longer deals and at higher day rates than in the UK. If supply chain capacity continues to shrink in the UK, costs will likely rise further, as there are already not enough rigs in the basin to meet forecast demand. In fact, analysts have suggested that further deferrals could push up well P&A costs by £4 billion. Attracting rigs back to the UK, or reactivating cold-stacked units, will drive up costs. Overall, well P&A delays risks wells becoming more expensive to decommission over time.

The NSTA is committed to holding industry to account on its legal obligation to decommission wells after they permanently stop producing. The regulator has provided clear expectations and written to licensees to remind them of their responsibilities. It opened investigations into missed well P&A deadlines for the first time last year and has consulted on proposals to publish a league table of well decommissioning performance.

The NSTA is also doing its utmost to help companies save time and money on well decommissioning by making more information freely available all the time, including through its Data Visibility Dashboards and Tree and Wellhead Information for Subsea Tooling database.

Furthermore, the NSTA has developed an initial well P&A plan to help industry sequence this activity effectively in the coming years. The authority is using this information to identify opportunities to set up cost-efficient well decommissioning campaigns involving multiple operators and fields. The NSTA expects operators to rise to the challenge on well decommissioning, either using the information in the well P&A plan, or through their own initiative to ramp up their activity levels and clear the backlog to safeguard their credibility.





Cost of decommissioning

The actual UKCS decommissioning spend in 2024, £2.4bn (Figure 1), is the highest recorded rate of spend to date and consistent with the amount forecast.

The forecast cost of decommissioning the remaining UKCS scope, from 2025 onwards, is £44bn (Figure 2) in constant 2024 prices (Appendix 1).

Figure 1: Actual decommissioning costs

(£bn, 2024 prices, + adjustments)

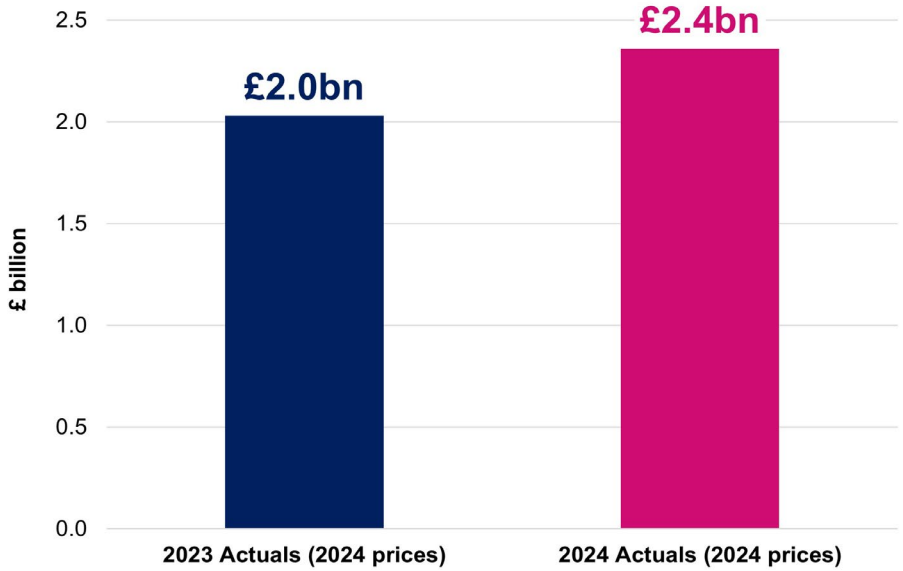
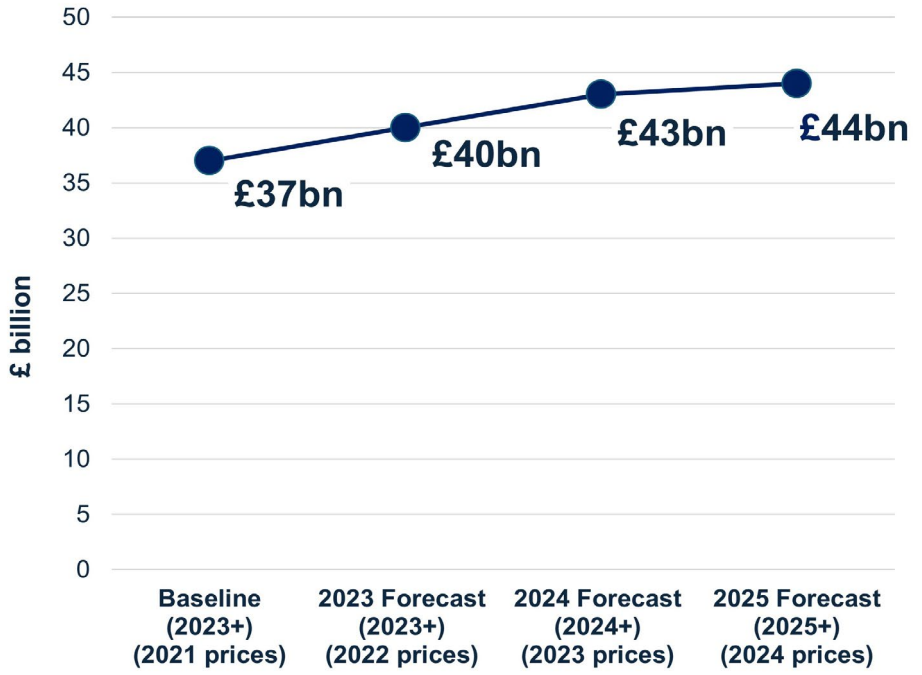


Figure 2: Forecast decommissioning costs

(£bn, constant prices, + adjustments)



The cumulative actual spend, of £4.4bn, over the two prior years is equivalent to 10% of the remaining full basin forecast.

As more than half of remaining decommissioning expenditure is forecast to be committed between 2023 and 2032, industry recognises that action taken during this period is fundamental to delivering cost efficient decommissioning. Section 3 of this report provides further details on this critical decommissioning window.

Cost escalation drivers

Key factors contributing to the increased forecast may include:

- Accelerated Cessation of Production (**CoP**)
- Inflation
- Uncertainty within the oil and gas sector
- Competition from other UK energy sectors including Carbon Capture & Storage (**CCS**), renewable energy and nuclear
- Global competition for offshore decommissioning
- Access to, and cost of, capital to invest in people, processes and facilities.

While many of these factors may be considered beyond the direct control of industry the impact is significant. This reinforces the need for industry to capitalise on the competitive advantage of existing expertise, increasing domestic demand coupled with the certainty that should arise with fulfilling a regulatory obligation.

Despite execution of a considerable scope, equivalent to £4.4bn, cost forecasts have increased across all of the Work Breakdown Structure (**WBS**) elements since the 2021 re-baseline (Table 1), with a cumulative increase pre-adjustment for inflation of circa 20%.

Cost of decommissioning

Table 1: Cost of decommissioning per 12 x Work Breakdown Structure (WBS)

(£bn, 2024 and 2021 prices, no adjustments – field decommissioning costs only)

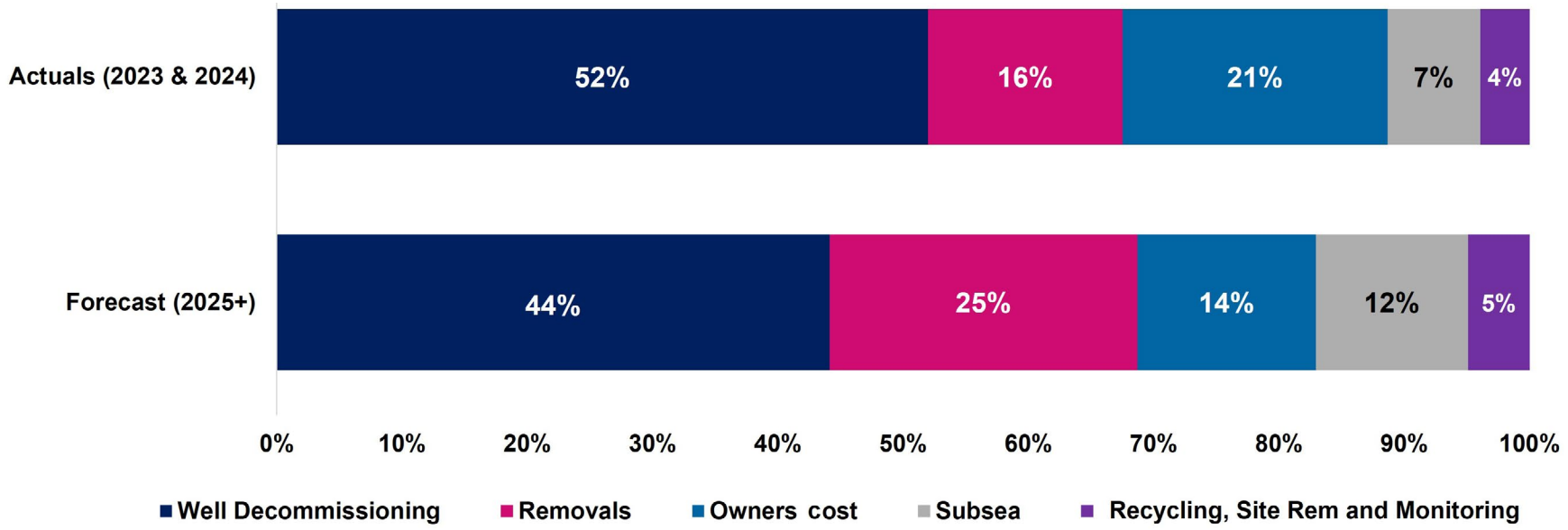
WBS category	2025 forecast (2024 prices) (2025+)	2022 baseline (2021 prices) (2023+)	% Difference
1. Project Management	£2.2bn	£2.1bn	6%
2. Facility Running/Owner	£3.5bn	£3.1bn	12%
3a. Well Abandonment (platform)	£7.6bn	£6.0bn	27%
3b. Well Abandonment (subsea)	£9.9bn	£8.5bn	17%
4. Making Safe	£2.0bn	£1.3bn	55%
5. Topside Preparation	£1.2bn	£1.1bn	15%
6. Topside Removal	£3.5bn	£3.4bn	5%
7. Substructure Removal	£2.9bn	£2.6bn	15%
8. Subsea Infrastructure	£4.8bn	£3.4bn	39%
9. Onshore Recycling and Disposal	£1.1bn	£1.1bn	9%
10. Site Remediation	£0.5bn	£0.3bn	61%
11. Monitoring	£0.3bn	£0.2bn	30%
Total	**£40bn**	**£33bn**	**20%**

The NSTA Decommissioning Strategy (link) promotes collaboration and commercial transformation as two of the key enablers underpinning delivery of cost-effective decommissioning.

Some companies have fully embraced these principles and have delivered or are forecasting first quartile cost-effective outcomes, though overall costs are expected to grow medium term, and external pressures remain. With the right mindset and leadership support/commitment, multiple further opportunities for collaboration and cost-effective decommissioning, do still exist.

Well decommissioning has historically accounted for circa 50% of the forecast/actual cost of decommissioning. However, as well decommissioning is gradually executed, some of the other WBS categories become more prominent, including removals, which contributes up to 25% of the remaining forecast (Figure 3). Appendix 2 demonstrates the changing profile of forecast spend broken down by each of the forthcoming decades.

Figure 3: WBS Categories: Actuals vs Forecast (%) (2024 prices, no adjustments – field decommissioning costs only)



Decade of decommissioning (2023–2032)

The growth in the overall forecast (2025+) to £44bn is dominated by an increase for the period 2023–2032, with subsequent decades remaining broadly consistent with previous estimates (Figure 4). Despite operators' abandonment expenditure hitting record highs across 2023–24, their forecasts are growing at a faster rate, which is why the overall cost estimate for remaining decommissioning work continues to increase, not decrease (Figure 5).

Figure 4: Decommissioning cost profile per decade (£bn, 2023+, constant prices, +adjustments)

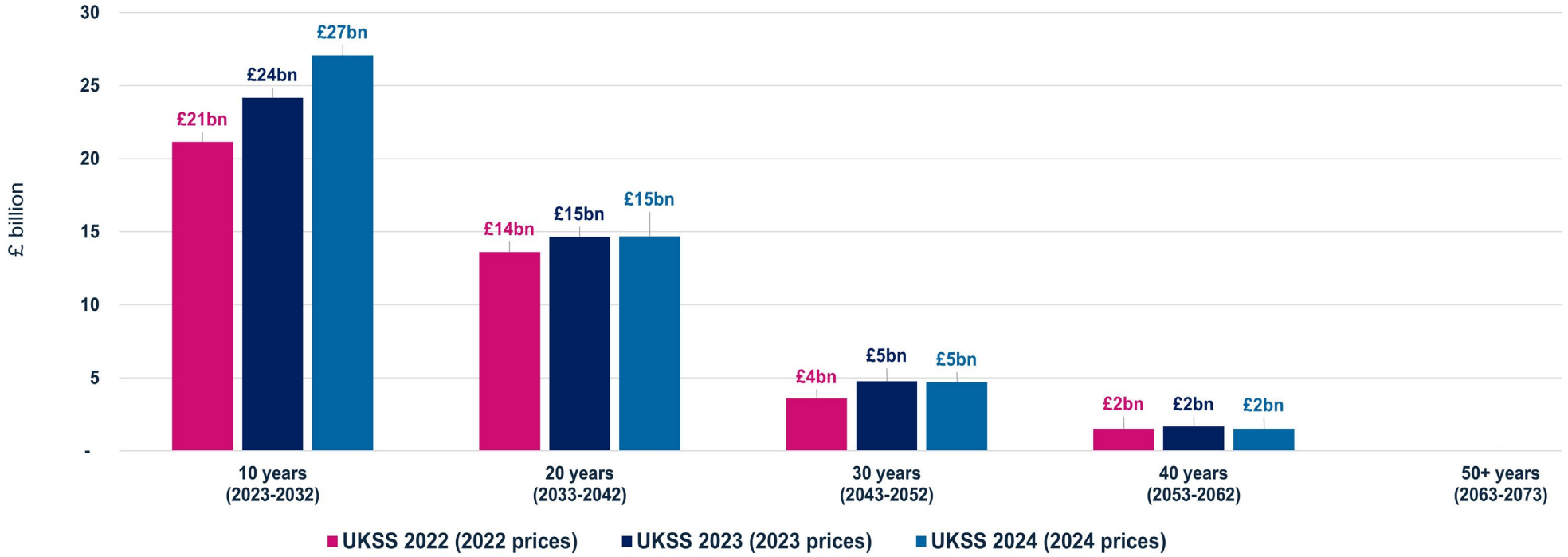
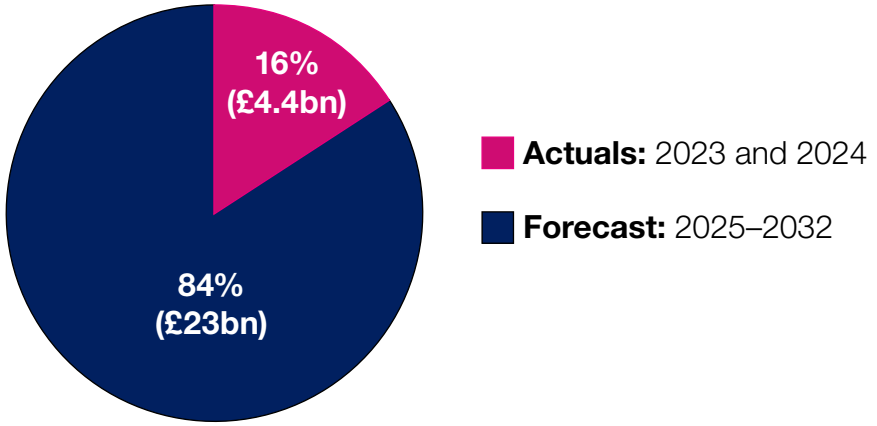


Figure 5: % of actuals spent in 2023–2032 decade
(£bn, 2023–2032, 2024 prices, + adjustments)



The growth in the forecast for the remainder of the current decade of decommissioning is understood to be due to several factors:

- Short-term forecasts being updated as progress with planning and execution improve clarity
- Short-term forecasts being updated to account for current market conditions and responses to market enquires e.g. Request for Information (RFI) and Request for Proposal (RFP) feeding back into class 3 or class 2 project estimates etc.
- Updated intelligence into downhole well conditions based on well surveillance/intervention
- Short-term forecasts may be influenced by potentially higher costs of decommissioning wells to a standard required for carbon dioxide storage.

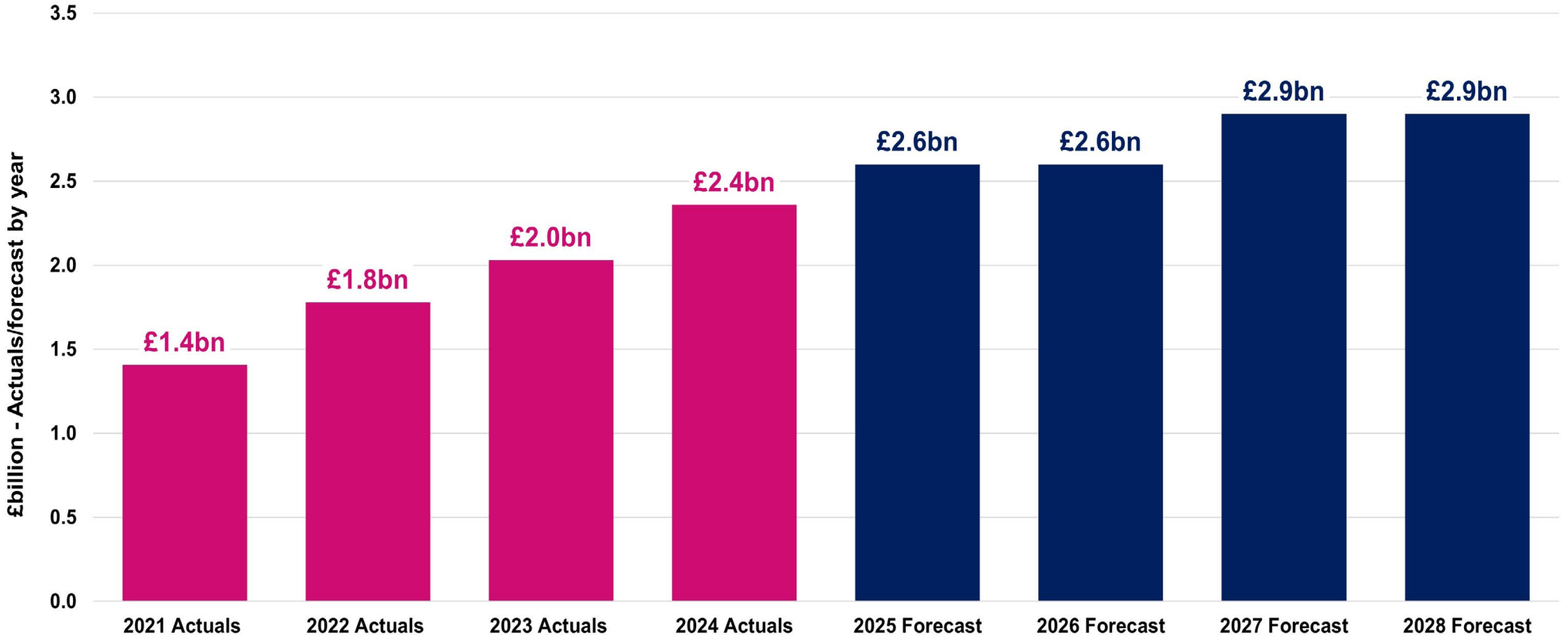
The flat nature of the long-term forecasts reflects long-term financial planning assumptions and estimating norms remaining broadly unchanged by fluctuations in current market conditions.

The growth in the near term estimate highlights a further step up in activity with actual spend forecast to ramp up to £2.9bn per annum (Figure 6) through to the end of the decade. In this environment the need for rigorous planning, execution efficiency and capital efficiency remain critical for all stakeholders.

Industry must continue to focus on robust project discipline and governance with front end loading and preparation in the glidepath years leading up to Cessation of Production (**CoP**) in accordance with NSTA Stewardship Expectations (Asset Stewardship Expectations).

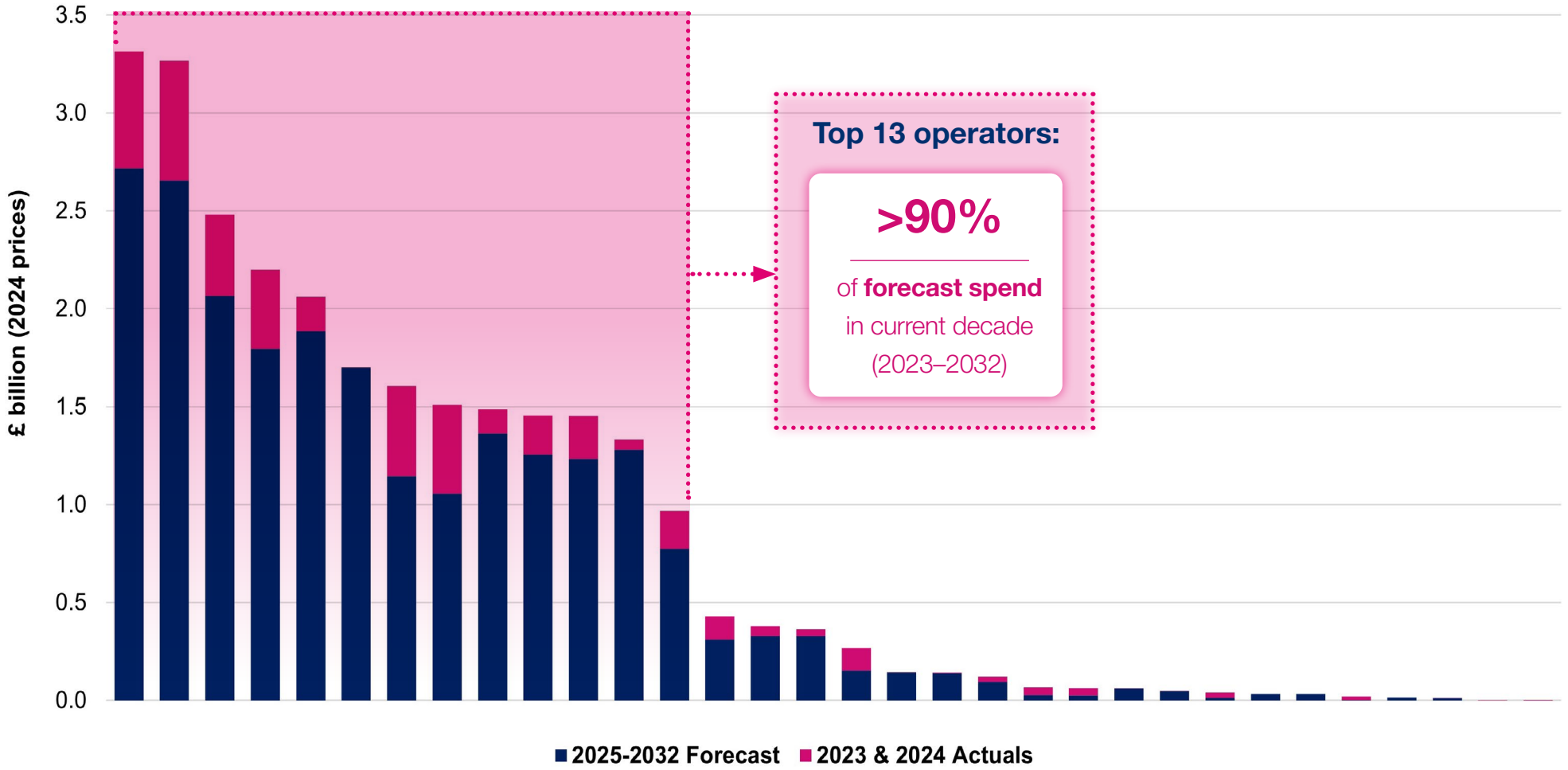
Decade of decommissioning (2023–2032)

Figure 6: Decommissioning expenditure (£bn, actuals and forecast, 2024 prices, +adjustments)



Thirteen operators are responsible for over 90% of the decommissioning spend (Figure 7) in the decade ending 2032. While several of these operators have the potential to deliver cost efficient decommissioning through economies of scale within their own portfolios, there may be bigger opportunities through collaboration and all operators will benefit from open and transparent sharing and implementation of learnings; embracing the opportunity to collaborate (NSTA Decommissioning Strategy) and leverage the competency and capability of the decommissioning supply chain.

Figure 7: Operator spend in 2023–2032 decade (£bn, 2023–2032, 2024 prices, + adjustments)



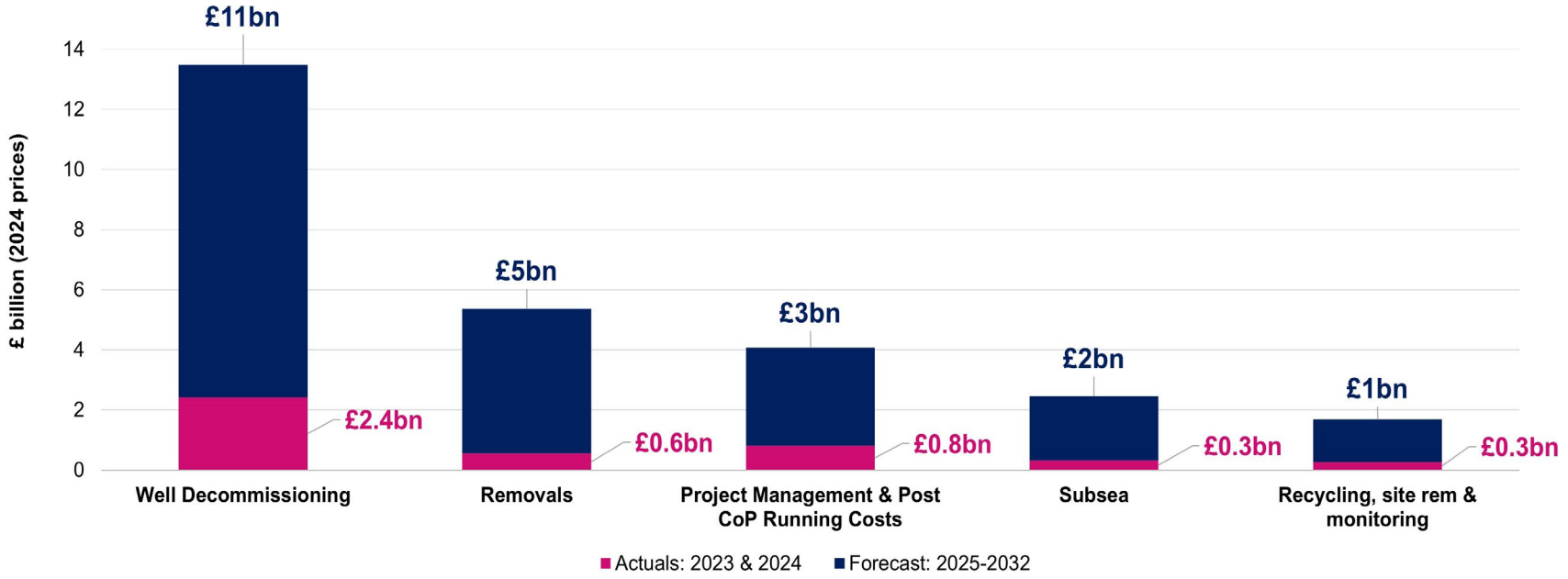
The forecast cost change from 2024 to 2025 per operator (anonymised) is provided within Appendix 5

Decade spend by WBS

When considered against an aggregated view of the Work Breakdown Structure (WBS), well decommissioning continues to dominate the spend profile of the decade, representing circa 55% of the cumulative actual spend to date. Well decommissioning spend is forecast to be sustained at 50% of remaining forecast through to the end of 2032 (Appendix 2).

Figure 8 provides a breakdown by decommissioning categories for actuals and forecast (2025–2032) and Appendix 3 provides a breakdown of cumulative actual spend for period 2023–2024 to the full range of Offshore Energies UK (**OEUK**) WBS categories.

Figure 8: Cost of decommissioning (2023–2032) (actuals and forecast) per Work Breakdown Structure (WBS)
(£bn, 2024 prices, +adjustments)



“In year” (2024) activity and actual spend

Table 2 presents a summary of in-year (2024) actual spend broken down into a subset of four of the key activity areas and their relative contribution to the total actual spend of £2.4bn.

Platform P&A remains a key enabler and driver of reduced post-CoP running costs and in most decommissioning projects, P&A is the forerunner to the majority of all subsequent decommissioning activities and energy transition.

Table 2: 2024 actual cost of decommissioning (2024 prices) and associated activities

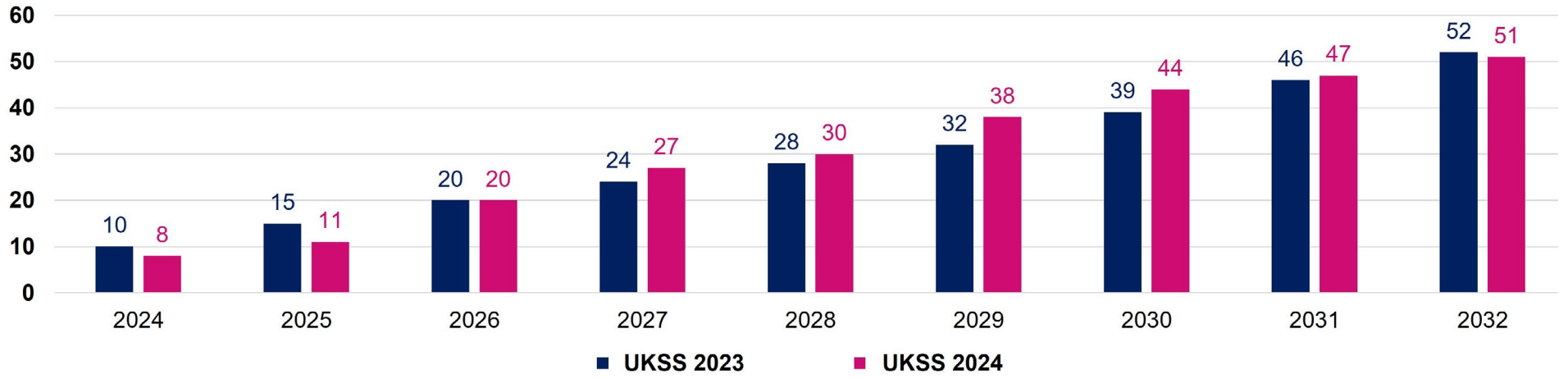
WBS category	Well abandonment (platform)	Well abandonment (subsea) and E&A subsea wells	Facility running/owner costs	Topside and substructure removal
Actual spend in 2024 (£MM)	£619MM	£550MM	£293MM	£165
Activities associated	No. of platform wells achieving AB3 or intended AB2 (derogated) status in year: **43**	No. of subsea wells achieving AB3 status in year: **60**[1]	No. of assets with post-CoP running costs in 2024: 76	No. of topsides removed: **8** No. of substructures removed: **6**

[1] Includes E&A subsea wells, of which 21 achieved AB3 status in year.

Performance metrics

The decommissioning cost forecast and profile is a function of a wide range of internal and external factors some of which are beyond the direct control of the industry. Decommissioning decision making, planning readiness, early supply chain engagement during planning and execution strategies are drivers of cost efficiency and within the control of industry.

Figure 9: Performance metric 6: cumulative number of CoPs for major installations
(source: UKCS Stewardship Survey (UKSS) Activity Section)



Insights from an assessment of some leading indicators (Table 3):

- Reducing trend in pre-COP platform well P&A
- Increasing trend in number of assets within glidepath window
- Operators' actual technology spend consistently higher than prior years' forecast

Table 3: Leading indicators

	Metric	Units	2023 Report: Measure leading[2]	2024 Report: Measure leading[3]	2025 Report: Measure leading[4]
1	Forecast decommissioning costs	£(bn)	£40bn (2023+)	**£43bn** (2024+)	**£44bn** (2025+)
2	UKCS platform wells forecast to be decommissioning pre-CoP	%	60% (2023+)	**45%** (2024+)	**44%** (2025+)
3	Forecast total UKCS post-CoP running cost	£(bn)	£3.4bn (2023+)	**£3.7bn** (2024+)	**£3.5bn** (2025+)
4	Change in 10-year forecast (2023–2032)[5]	%	6%	**14%**	**13%**
5	No. of assets expected to CoP in next 6yrs	No.	**171** (2023–2028)	**183** (2024–2029)	**193** (2025–2030)
6	No. of assets with CoP Movement within current decade (2024–2032)	**Net change in CoP +10 (Figure 9)**			
7	Operator technology spend on well decommissioning[6]	£MM p.a	**Forecast: £7.4MM** (2023) **Actual: £4.6MM** (2022)	**Forecast: £10.0MM** (2024) **Actual: £8.7MM** (2023)	**Forecast: £12.3MM** (2025) **Actual: £11.0MM** (2024)

[2] 2022 prices for financial related performance metrics
[3] 2023 prices for financial related performance metric
[4] 2024 prices for financial related performance metrics
[5] Does not include '+adjustments' so excluding unsanctioned fields/projects, terminals and trunk pipelines and E&A wells
[6] Direct operators spend, excluding supply chain

Well decommissioning

Depending on a number of factors such as well abandonment requirements, execution strategy, and the regulatory processes, individual wells may take multiple years to complete their journey to being fully decommissioned. In 2024, operators spent just over £1bn carrying out decommissioning work on 223 wells, of which 103 reached fully decommissioned status[7].

Across the UKCS basin, 16 operators undertook some form of downhole work or wellhead severance/conductor removal in 2024.

As the largest individual cost centre, well decommissioning still provides significant opportunities to deliver cost savings and cost-effective outcomes, including through:

- Multi-operator rig and/or vessel share
- Pre-P&A well inspection and/or surveillance campaigns
- Development/deployment of new and proven technology and techniques, including using old solutions in new ways
- Aggregation of supply chain capabilities
- Multi-operator environmental barrier and wellhead severance campaigns
- Data gathering during intervention on shut in and poorly performing production wells

Due to the considerable size of both cost and opportunity with respect to well decommissioning, the NSTA has focused recent effort on enhancing the well decommissioning section of its UKCS Decommissioning Benchmarking Report ("Benchmarking Report").

This year's publication features a significant increase in both the quality and quantity of actuals (i.e., executed) well decommissioning data, along with enhanced report functionality and improved interactivity for the reader. Highlights include:

- The inclusion of over 1,100 wells – a six-fold increase on the 2024 report
- The augmentation of UKSS data points with WONS (Well Operations Notification System) barrier data
- The interconnectivity of the key cost, duration and WoW/NPT benchmarks
- The introduction of historical quartile trends for key well categories across the cost, duration and WoW/NPT benchmarks

As in previous years, in providing curated high-level data, the 2025 Benchmarking Report is intended as a management-level report. It supports:

- Calibration of performance
- Identification of cost-efficiency opportunities and threats
- The achievement of first quartile performance by operators, in line with the NSTA's expectations
- Holding industry to account for minimising the cost of decommissioning

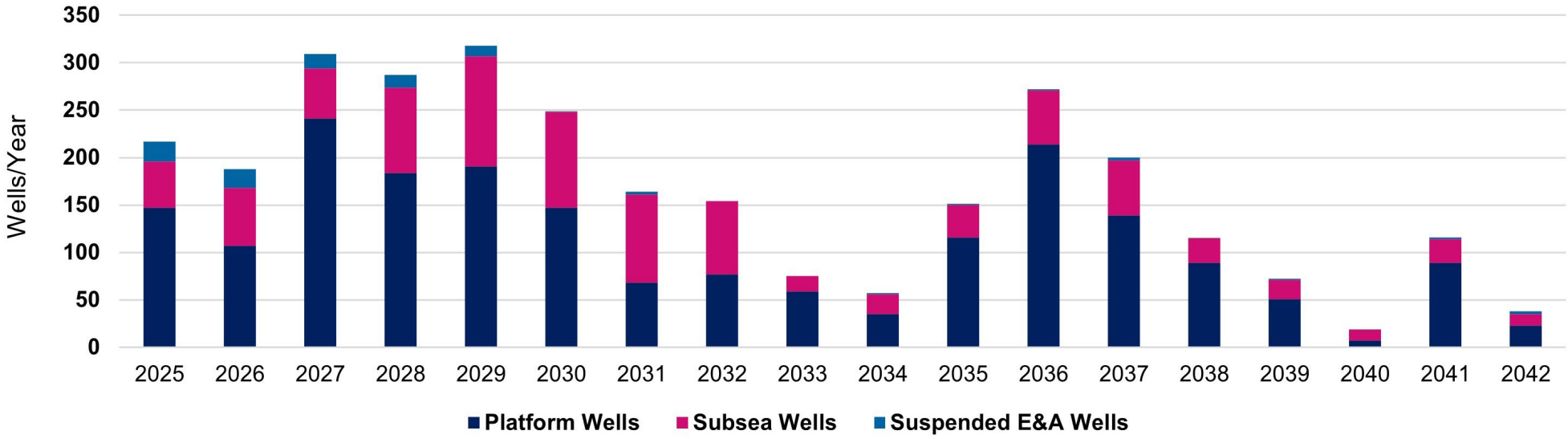
[7] AB2 (derogated)/AB3

Despite the level of activity to date, there is a backlog of more than 500 wells which have not yet been progressed to final abandonment status (AB2 (derogated)/AB3), in line with the NSTA wells guidance (Well Consents Guidance). Suspended E&A (Exploration & Appraisal) wells make up 109 of the wells in the backlog.

The growing backlog of overdue wells presents a significant risk to the future cost of decommissioning.

The medium-term outlook for inactive wells (Figure 10) indicated that by the end of 2030, circa 1,700 wells will be inactive pending final AB2 (derogated) /AB3 abandonment. Industry would need to sustain a well abandonment execution rate in the region of 250 – 300 wells per annum to clear the backlog while simultaneously addressing the upcoming inactive wells.

Figure 10: Inactive well decommissioning profile (UKSS 2024)



Well decommissioning

The NSTA has led a UKCS basin wide assessment of well decommissioning through to 2030 and developed developed a model and inital plan to demonstrate the scale of the opportunity to collaborate, set up well P&A campaigns, and maximise the utilisation of the finite supply chain resources.

It is evident that the UK needs to not only retain but grow the current well decommissioning supply chain capacity to meet demand. Despite this obvious demand, evidence already exists of rigs/vessels, many of which are ideally suited to executing well P&A, being either stacked (warm and cold) or moving to other regions where more predictable and long-term contracts are being provided (Appendix 4a/4b). Many of these resources are considered irreplaceable for P&A.

If the current supply chain fails to secure sufficient work, there is a serious risk of further loss of critical resources from the basin.

Given the growing level of inactive wells underpinned by regulatory obligations, a decline in the UK rig, vessel or semi-sub market is not only a significant risk to UK operators being able to fulfil their regulatory, environmental and social obligations in a timely and cost-effective manner, but also likely to detrimentally impact the cost of decommissioning.

The UK supply chain has historically marketed some well decommissioning resources at a discounted price point relative to that of the global rig market. The risk of short-term market contraction is that in the medium-term rates will potentially rise. It was recently widely reported through market intelligence (Westwood: Deferred well plug and abandonment could add $5.5 billion to UK decommissioning bill – Westwood) that further deferral of well decommissioning could lead to an increase in cost in excess of £4bn (circa equivalent to cumulative actual spend to date).

For overseas or cold-stacked assets, the cost of re-establishing a presence in the UK presents a potential barrier to re-entry, which could in turn drive unit rates even higher.

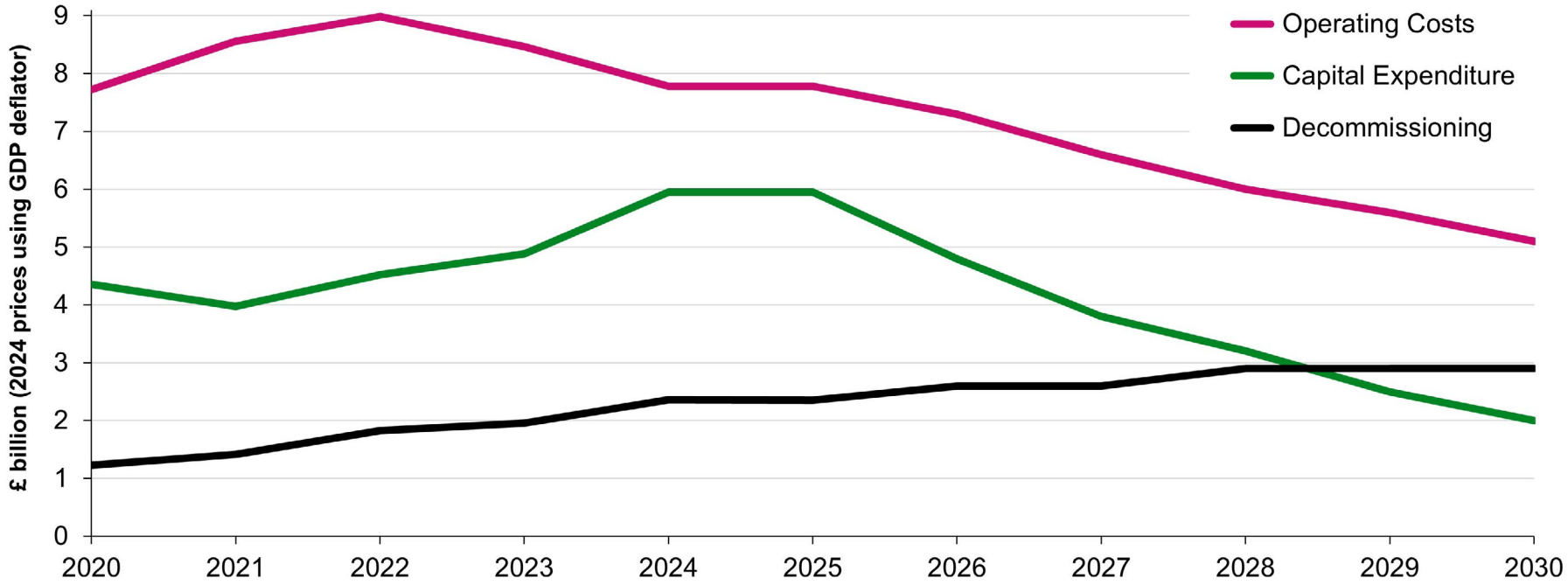
The combination of a significant and growing backlog of suspended and inactive wells, a contracting UK supply chain and the risk of increasing well decommissioning costs are the prime reasons why the NSTA has been repeatedly clear with messaging to industry regarding expectations for timely well decommissioning delivery. The NSTA is considering further measures to drive action where appropriate in this critical area.

Basin expenditure demographic

Spending on decommissioning is forecast to comprise more than 20% of total UKCS expenditure over the next five years as activity continues to ramp up near term (Figure 11). This represents a significant change in spend profile for the industry when compared to the previous five years (Figure 12a/b).

As decommissioning activity takes on greater significance in the near to medium term, it should not only provide a stable and predictable market opportunity for the supply chain, but also a key bridge to the energy transition.

Figure 11: Actual/projected UK upstream oil and gas expenditure (£bn, 2020–2030, 2024 prices)

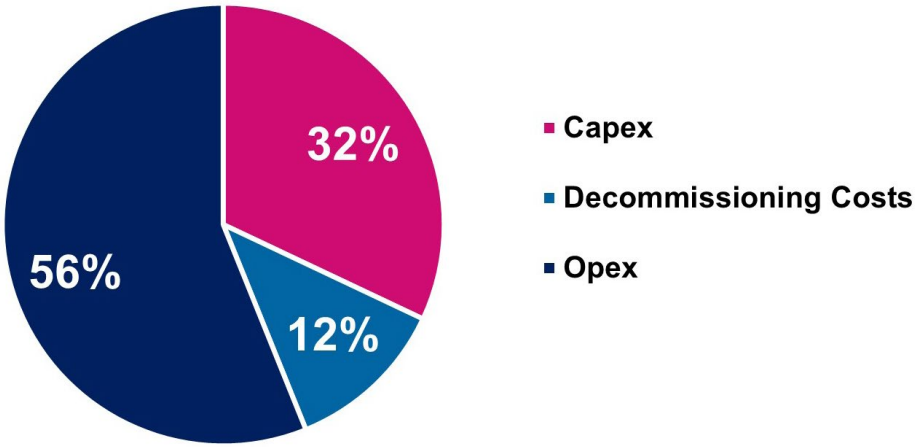


Basin expenditure demographic

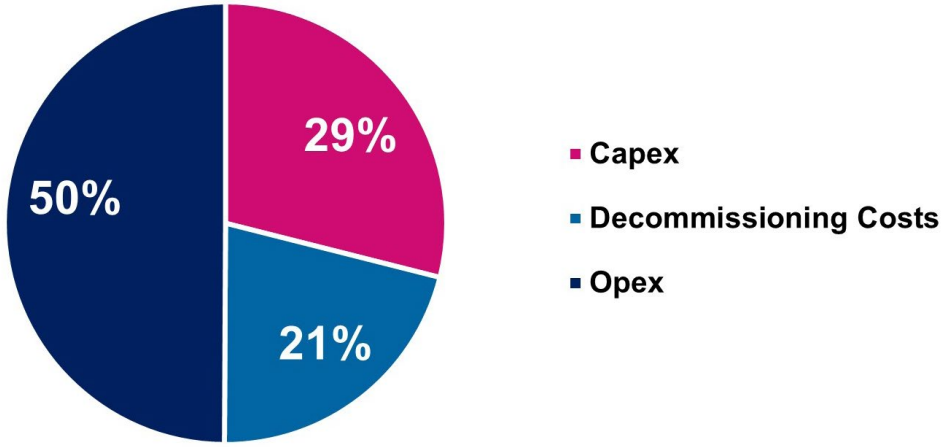
Supply Chain Action Plans (SCAPs) submitted to the NSTA indicate that 91% of the value of decommissioning contracts awarded during the year to 31 March 2025 went to UK based organisations.

Figure 12a and 12b: Cost breakdown by OPEX/CAPEX/decommissioning costs (£bn, 2020–2030, 2024 prices)

UKCS cost breakdown 2020–2024



UKCS cost breakdown 2025–2030



Decommissioning risks and opportunities

Industry efforts to decommission UKCS infrastructure in a cost-effective manner remain subject to multiple risks and opportunities.

Risks

Contraction of the UK decommissioning supply chain (New report shows UK is losing 'mission critical' net zero supply chain to foreign projects) (including loss of Tier 2 and SME capability) due to:

- Increasing competition for UKCS supply chain capability/capacity from other energy sectors or other global regions
- Low contractual commitment from the UK industry and low resource utilisation
- Lack of availability and competition for transferable skills and resources
- Well P&A deferral and corresponding knock-on effect to follow on WBS elements (e.g. UK onshore disposal and recycling market)

Increase in **UKCS decommissioning scope** arising from:

- Environmental policy updates including amendments to OSPAR 98/3
- Updates to other regulatory processes or procedures which result in an increase in decommissioning scope that are not included in current financial planning and reporting

Geopolitical instability, macro-economic pressures and **economic policies**, including:

- Direct and indirect impact of global and UK inflation on the energy sector and decommissioning
- Effect of policy on investment decisions
- Access to finance and investor confidence

Net zero, **reuse** and **repurposing**

- Scope and cost growth from increased CCS licensing rounds and CCS project development
- Wells decommissioning to the required CCS standard (e.g. additional intermediate barriers and or intersect wells)
- Sub-optimal decommissioning sequencing and availability of critical path

Opportunities

Growth in **UK skills base** and increased opportunity to **export UK decommissioning capability** and **knowledge** to other regions; increased UK local content.

Establishment of **alternative decommissioning business models** (e.g. consortium or joint venture models) formed on the principle of collaboration between owner/operators and strategic supply chain partners.

Economies of scale and **efficiency** from learning through aggregation of scope across multiple entities to establish campaign models of execution.

Continued investment in and **deployment** at scale of proven incremental and disruptive technologies.

Expectations

Expectations

Throughout the decommissioning lifecycle and in support of cost-effective decommissioning, the NSTA continues to expect the following of industry:

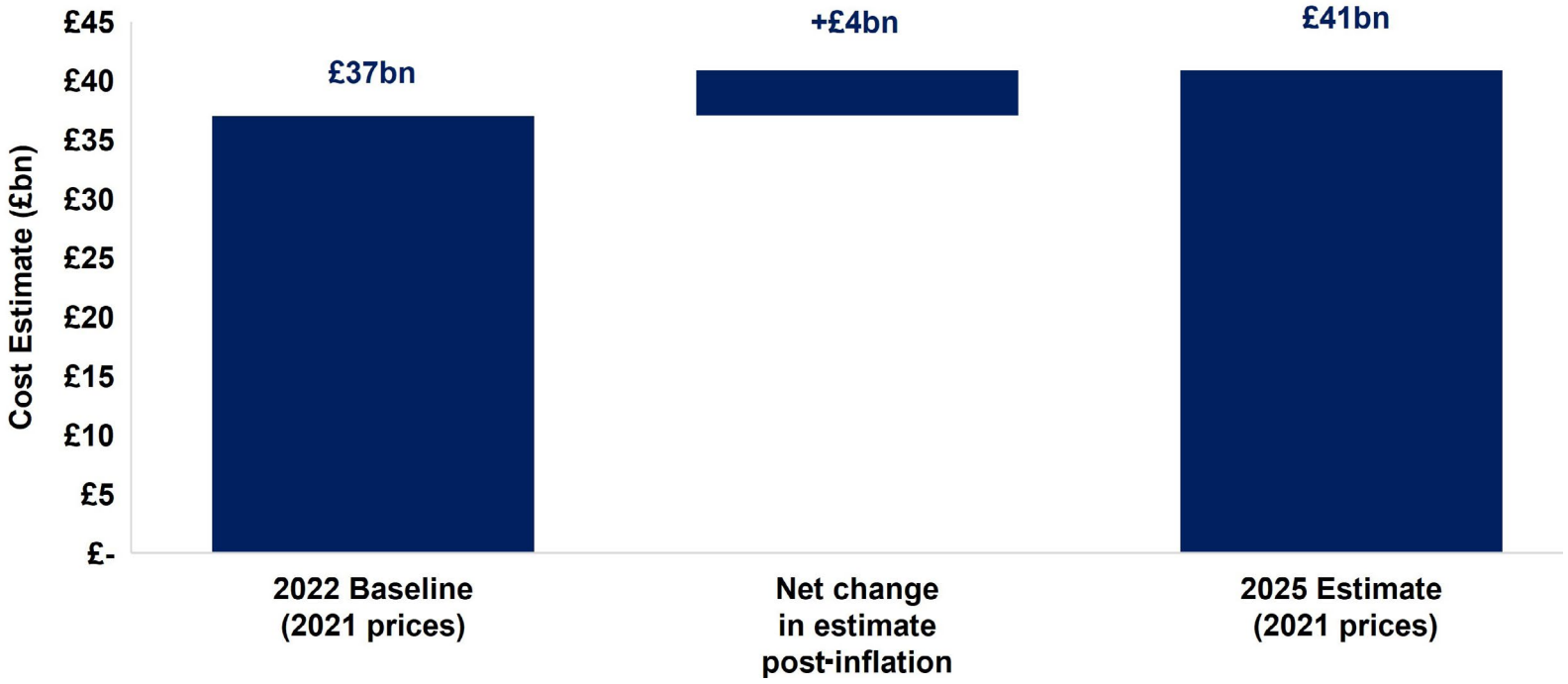
1. **Comply with obligations set out in the Petroleum Act 1998 and the OGA Strategy.**
2. **Fulfil the requirements of Stewardship Expectations (Asset Stewardship Expectations):**
   - SE10 Cost-Effective Decommissioning
   - SE11 Net Zero
   - SE12 Supply Chain Collaboration and Cooperation
3. **Compliance with NSTA well decommissioning guidelines UKCS Well Applications and Consents Guide.**
4. **Commitment to the North Sea Transition Deal including the voluntary industry target of 50% local UK content for oil and gas decommissioning projects.**

Progress vs baseline forecast (constant prices)

In November 2022 the NSTA re-baselined the estimated cost of decommissioning redundant offshore oil and gas infrastructure to £37bn, setting a new target with industry to reduce costs by 10% by the end of 2028.

In 2025 the estimated cost of decommissioning has risen by 11% in current prices from the baseline to £41bn (2021 prices) (Figure 13).

Figure 13: Cost Estimate 2025 (£bn, 2023+, 2021 prices, +adjustments)



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Appendices

Appendix 1: Decommissioning cost estimate methodology (2025)

Unless otherwise indicated, the decommissioning section of the 2024 UKCS Stewardship Survey was used as the data source for all analysis and reporting, with decommissioning cost inputs provided by all operators for all current and unsanctioned offshore facilities, pipelines development wells, suspended open water exploration and appraisal wells and onshore terminals. Data was collected using the Offshore Energies UK (**OEUK**) Work Breakdown Structure (**WBS**)[1].

Reference to '+adjustments' indicates the inclusion of unsanctioned projects, sanctioned, non-producing fields, terminals and trunk pipelines and E&A wells, based on data submitted in other sections of the Stewardship Survey.

Reference within the report to 'no adjustments' indicates field decommissioning costs only.

Reference to Decommissioning Cost Estimate or Cost Estimate refers to 2023–2073 costs unless otherwise stated.

[1] OEUK: Decommissioning Work Breakdown Structure Guidelines

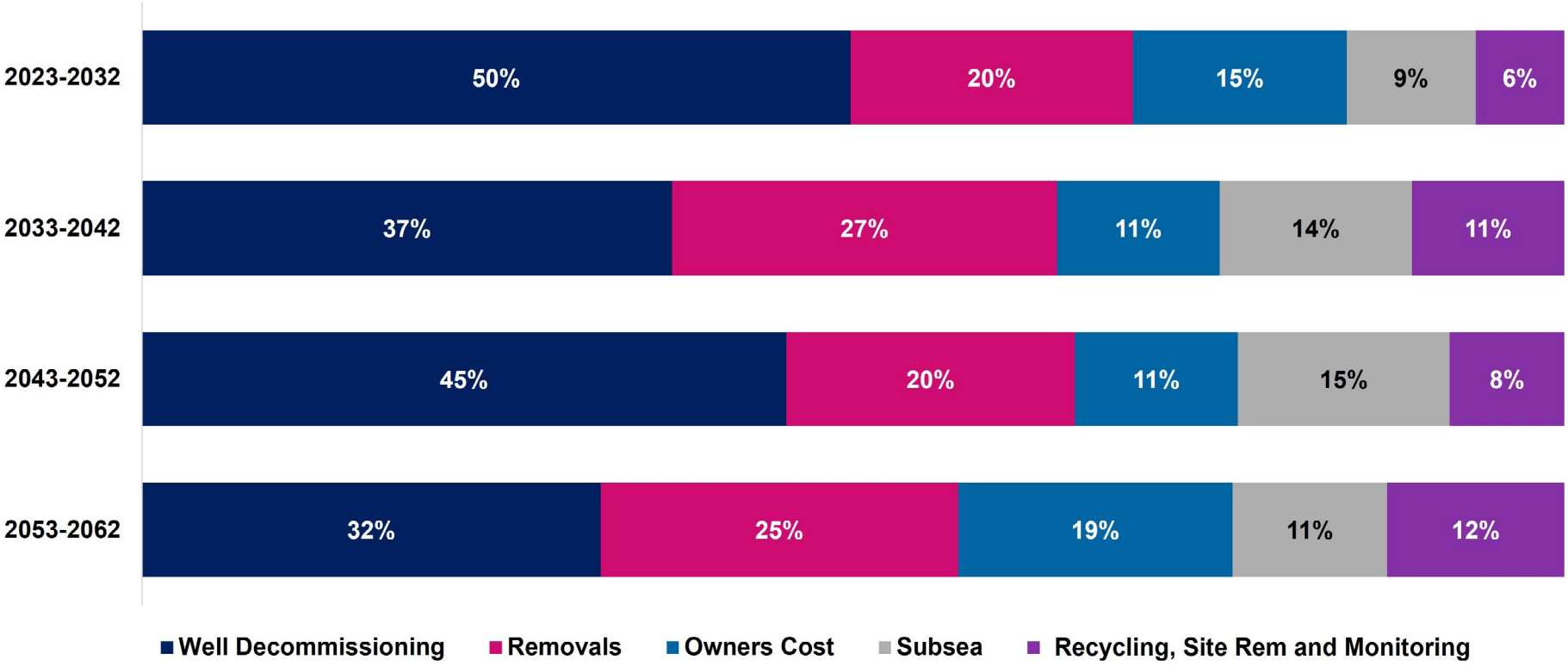
Appendices

Method	Baseline	2023 Estimate	2024 Estimate	2023 Actuals	2025 Forecast	2023 and 2024 Actuals
Estimate Type	Forecast	Forecast	Forecast	Actuals	Forecast	Actuals
Cost Estimate	£37 billion	£40 billion	£43 billion	£2 billion	£44 billion	£4 billion
Prices (£money)	2021	2022	2023	2023	2024	2024
Years (included)	2023+	2023+	2024+	2023 only	2025+	2023 and 2024 only
Profile Type	Best estimate, Full (not like for like)	Best estimate Full (not like for like)	Best estimate, Full (not like for like)	Actuals, Full (not like for like)	Best estimate, Full (not like for like)	Actuals
Scope	All UKCS Fields Unsanctioned Projects Sanctioned, Non-Producing Fields, Terminals and Trunk Pipelines, E&A Wells	All UKCS Fields Unsanctioned Projects Sanctioned, Non-Producing Fields, Terminals and Trunk Pipelines, E&A Wells	All UKCS Fields Unsanctioned Projects Sanctioned, Non-Producing Fields, Terminals and Trunk Pipelines, E&A Wells	All UKCS Fields Unsanctioned Projects Sanctioned, Non-Producing Fields, Terminals and Trunk Pipelines, E&A Wells	All UKCS Fields and Unsanctioned Projects, Sanctioned, Non-Producing Fields, Terminals and Trunk Pipelines, E&A Wells	All UKCS Fields and Unsanctioned Projects, Sanctioned, Non-Producing Fields, Terminals and Trunk Pipelines, E&A Wells

Inflation:

An adjustment for inflation has been made to the forecast using the GDP deflator, however the GDP-deflator is an economy wide deflation factor which does not fully reflect the rate of inflation in the UK oil and gas industry.
Source: GDP deflators at market prices, and money GDP March 2025 (Quarterly National Accounts).

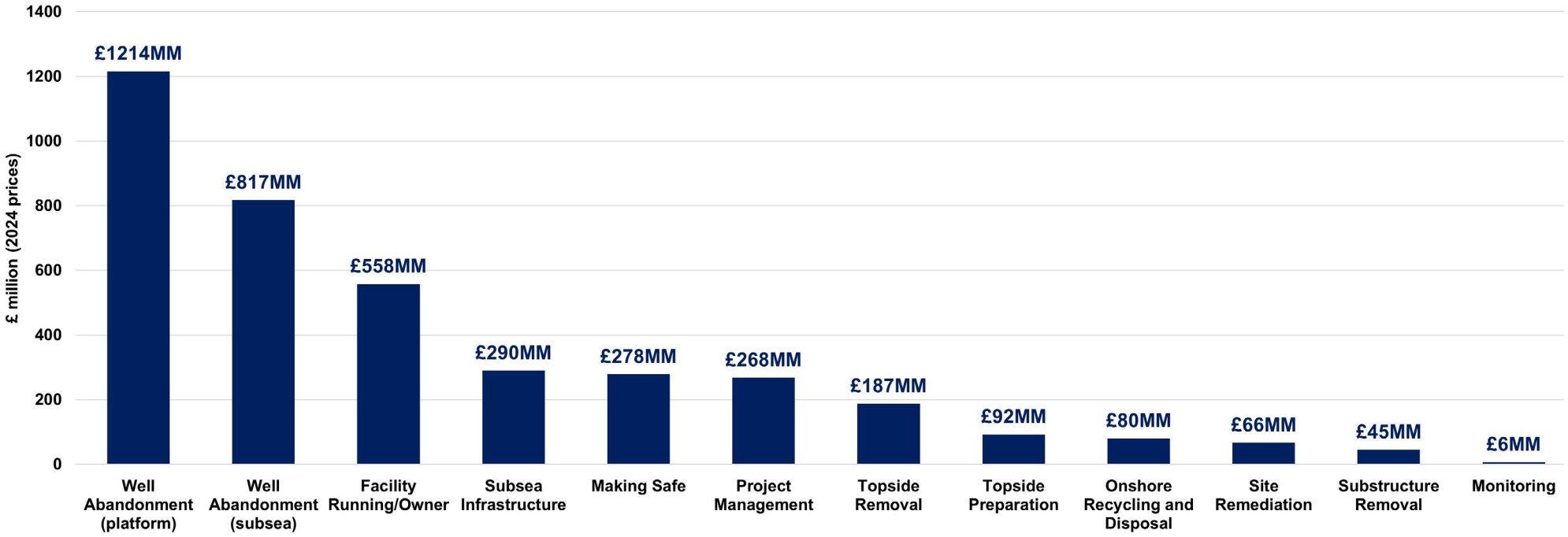
Appendix 2: WBS categories by decades (%) (2024 prices, + adjustments)



Appendix 3: Cumulative (2023 and 2024) actual decommissioning spend per full OEUK WBS breakdown

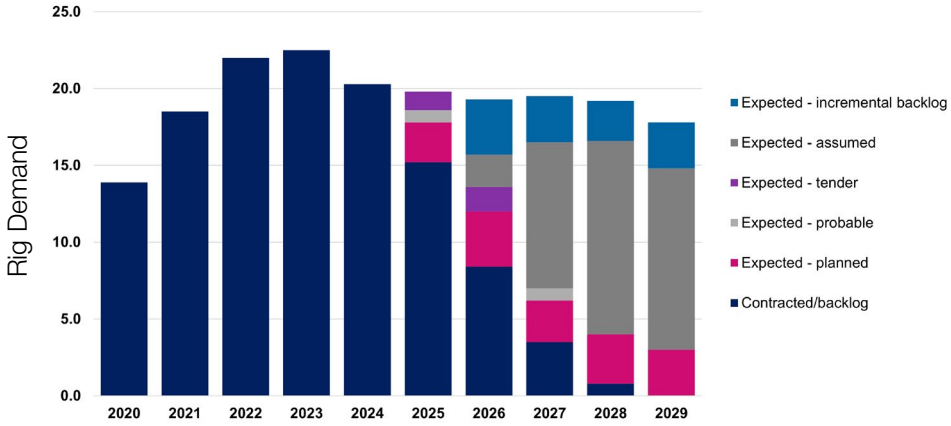
(£bn, 2024 prices, no adjustments – field decommissioning costs only)

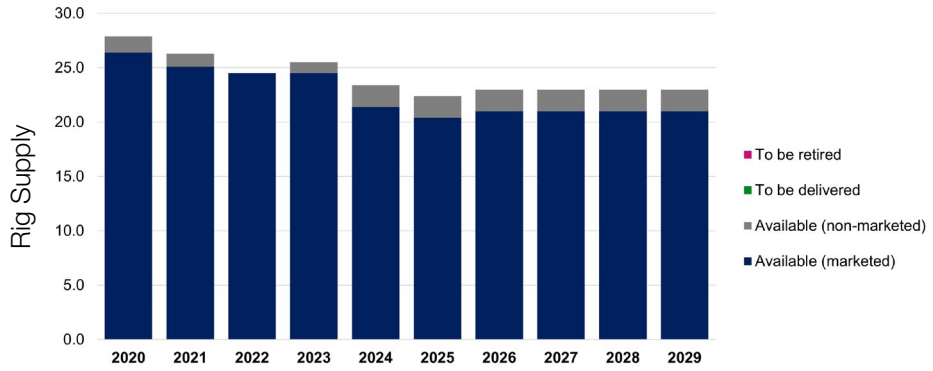
Total = £3.9billion



Appendix 4a: Jack-up rig demand and supply for the UK and other North West Europe

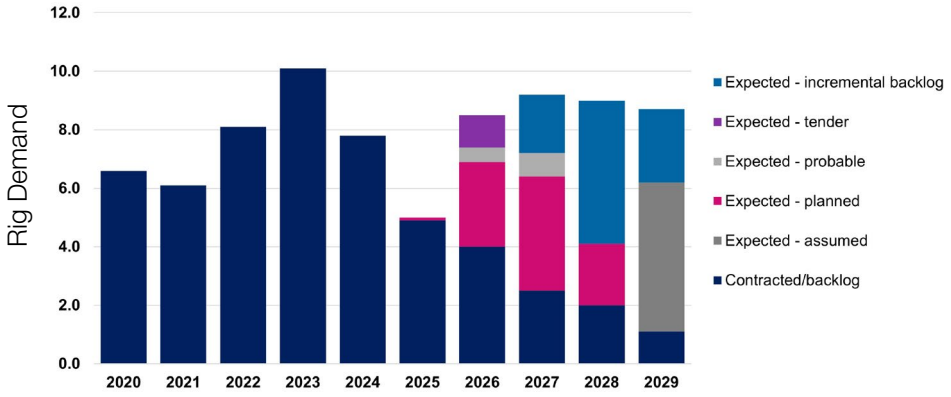
(source: Westwood Global Energy, May 2025)

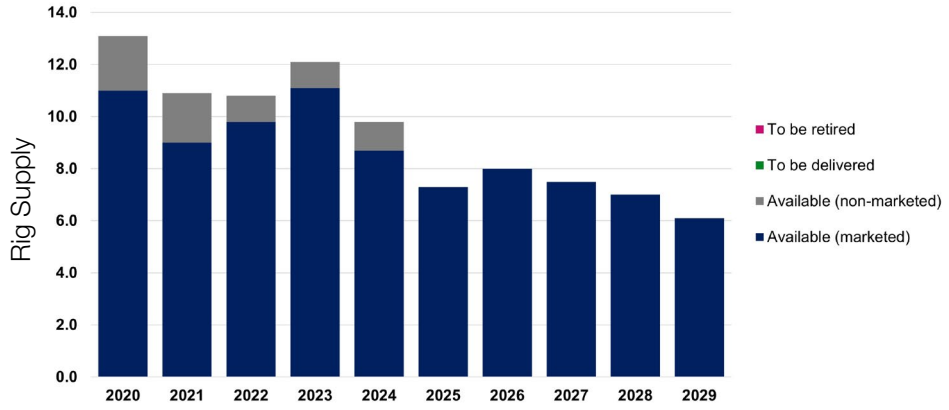




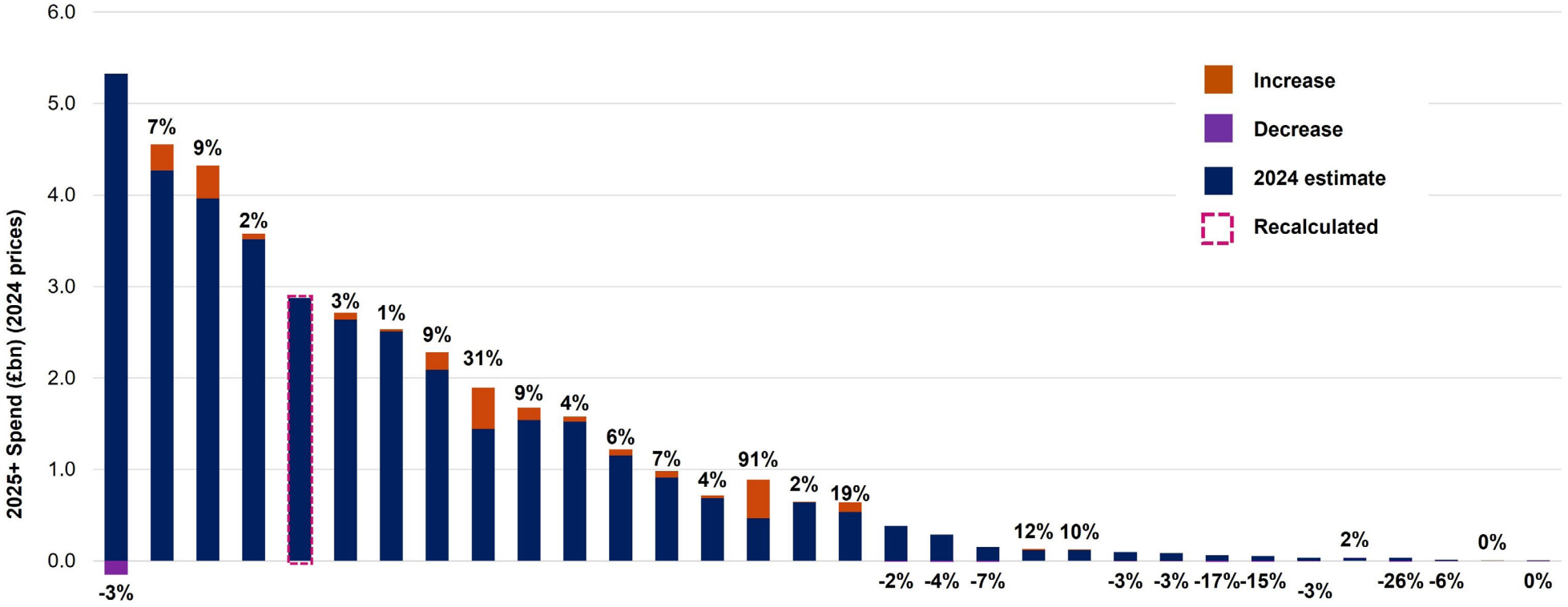
Appendix 4b: Semi-sub rig Demand and Supply for the UK and other North West Europe

(source: Westwood Global Energy, May 2025)





Appendix 5: Decommissioning operator forecast cost change 2024 vs 2025 estimate
(£bn, 2025+, 2024 prices, no adjustments – field decommissioning costs only)



Glossary of acronyms and abbreviations

AB2 (derogated) – Abandoned Mechanical Status 2 (derogated): Formal definition "All "in well" isolation work is complete. Derogation to leave the well origin or well equipment e.g. conductor, above the well origin has been granted by OPRED". However, AB2 derogated is here applied also in cases where derogation has not been granted by OPRED but where a derogation decision is pending or where well equipment e.g. conductor, has been removed to applied-for/to-be-applied-for derogation elevation

AB3 – Abandoned Mechanical Status 3: the well origin and all conductor above the well origin have been removed

CAPEX – Capital expenditure

CCS – Carbon Capture and Storage

CoP – Cessation of Production

E&A – Exploration and appraisal

GDP – Gross domestic product

NPT – Non-productive time

NSTA – North Sea Transition Authority

OEUK – Offshore Energies UK

OPEX – Operating expenditure

P&A – Plugging and Abandonment

RFI – Request for information

RFP – Request for proposal

SCAP – Supply Chain Action Plan

UKCS – UK Continental Shelf

UKSS – UKCS Stewardship Survey

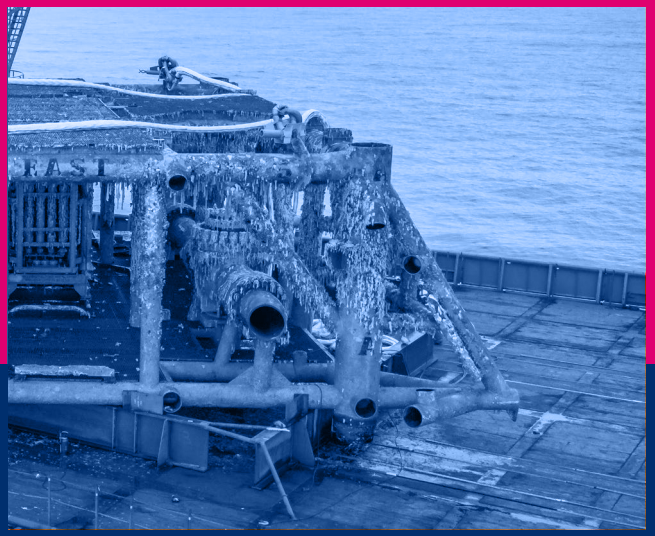
WBS – Work breakdown structure

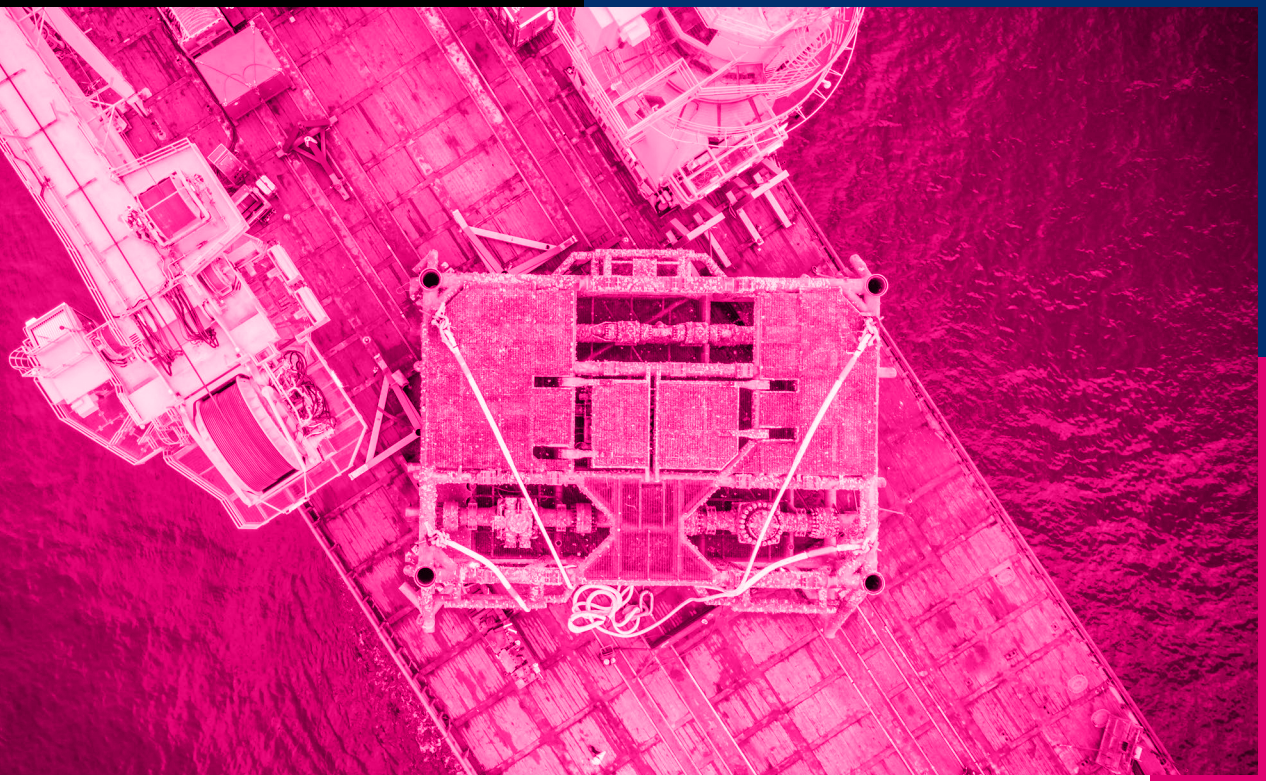
WONS – Well Operations Notification System

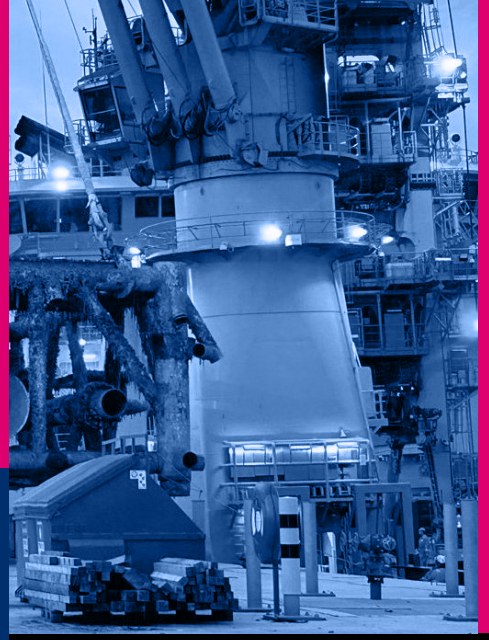
WoW – Waiting on weather

£MM – UK pounds (millions)

£bn – UK pounds (billions)







North Sea Transition Authority

The North Sea Transition Authority is the business name for the Oil and Gas Authority, a limited company registered in England and Wales with registered number 09666504 and VAT registered number 249433979.
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