

RELIABLE AND RESPONSIBLE PARTNERS: A PLAN FOR CLEAN AND SECURE ENERGY

The UK has diverse, secure and reliable energy sources. For over 50 years, its offshore energy industry has helped meet the country's power and fuel needs with domestically produced oil and gas.

We look with horror at the war in Ukraine. Many international oil companies are exiting their joint ventures in Russia in protest and we recognise the UK government's commitment to phase out Russian oil imports by the end of this year.

The UK offshore energy industry is committed to being a reliable and responsible energy partner. The changing context does not change the facts, and we continue to accelerate both the decarbonisation of our sector and the solutions required to decarbonise the UK economy.

We are acutely aware that this crisis exacerbates an existing energy price crisis. We are proud to pay UK taxes and continue to invest in the production of cleaner energies.

Today we outline our plan to deliver secure clean energy for the UK today, tomorrow and in future.

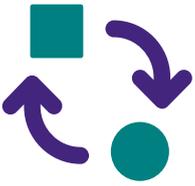


Short Term – A partner for security

Over the last five decades our industry has produced 4bn metric tons of oil and 3 trillion cubic metres of natural gas from UK waters, contributing £375bn in UK production taxes alone. Government figures show that Russian supplies account for just over a tenth of UK oil and petroleum product needs and 4% of UK gas supply. The removal of these resources will have a more limited impact on our energy security compared with other countries. But steps must be taken today to ensure the UK sector can continue to deliver cleaner, reliable energy supplies safely into the market.

We need to:

- **Make the most of responsible and reliable energy partners**, including the UK offshore oil and gas industry. The North Sea Transition Deal will help reduce reliance on fossil fuels, but, in the meantime, new projects are required to keep domestic production stable. With sustained and visible government and regulatory support, industry can contribute around 40% of UK gas consumption and the equivalent of more than two thirds of oil consumption throughout the next two years.
- **Make decisions rapidly**, and we ask government to ensure regulators prioritise the recovery of UK's oil and gas resources, with rapid but robust decisions to support production with an ever-decreasing carbon footprint meeting the targets set out in the North Sea Transition Deal.
- **Amend the gas quality specification**. In the UK this is narrower than most countries in the European Union – this would increase the quantities of gas that could be delivered from existing production.
- **Ensure long-term fiscal stability and predictability** for our members who invest over the long term – so they need to know the long-term fiscal and regulatory landscape when making major investment decisions on hydrogen, wind, oil, gas or carbon capture and storage projects.



Medium Term – A partner for responsible change

This crisis reinforces the need to think long term and manage the UK's energy transition responsibly. Co-ordinated action in the medium term will decide the success of our collective efforts to meet the government's target of net zero carbon emissions by 2050.

We need to:

- **Commit to a planned transition**, as the production of oil and gas from UK water continues to decline, investment decisions for projects which will start producing in the middle of the decade need to be taken now. This requires commitment from governments to a planned transition which recognises the underpinning role of oil and gas in the energy transition.
- **Strengthen resilience through increased storage**, which could be reconfigured for the deployment of hydrogen in future. Government could explore changes to market design to incentivise greater capacity of gas and hydrogen storage in the UK.
- **Unlock £16bn investment in cleaner energy** through the North Sea Transition Deal which commits government and industry to work together to support cleaner energies and the drive to net zero. Key to this is the development of business models that can bring forward transformational industry investment, thereby making the most of the resources we can develop today, in support of our needs tomorrow.
- **Turbo-charge the offshore wind revolution**: the electrification of oil and gas platforms goes hand in hand with the expansion of offshore wind and returns more UK gas directly to consumers instead of using it to power offshore operations. We ask the UK government to direct regulators to accelerate the rapid expansion of offshore electricity networks.
- **Maintain the integrity of European energy markets**, by implementing the energy section of Co-operation Agreement signed by the UK and the European Union. This will provide certainty to the continued, efficient and secure cross-border delivery of energy, supporting integrated European energy markets and enabling further structures to be developed if required.



Long Term – A partner for clean energies

Through the North Sea Transition Deal, the offshore energy industry stands ready to plug hydrogen and wind as well as oil and gas into our energy mix in the coming decades. Our commitments already set out the private investment from our sector and the support from government required. There are steps the UK can take now to send clear signals to energy producers, as demand for oil and gas continues to decline.

We need to:

- **Deliver new energy legislation** which updates regulatory frameworks so that CCUS and hydrogen can achieve their full potential, and to accelerate renewables capacity development.
- **Set an ambitious outcome for hydrogen** as an option in commercial and residential settings, and for freight and public transport, to accelerate investment and develop a UK capability.
- **Support the UK's world-class supply chain** by backing our plan for clean and secure offshore energy, recognising that delivering the North Sea Transition Deal requires a healthy and competitive supply chain anchored in the UK.
- **Champion a local response to a global challenge**, working in partnership to champion our transition success stories, our people and our skills on the world stage. We ask that governments and regulators deliver strategic and long-term export opportunities for cleaner energies, as well as for the skills, capabilities and infrastructure developed in the UK.