

OGUK

Exploration in a low-carbon future



exploration
task force

October 2020



Exploration is driving the low-carbon future...

The Committee on Climate Change forecast that UK oil and gas demand in 2050 will be **400 million boe** per annum

- Oil and Gas are a vital **part of the UK's energy mix** now, through to 2050, and beyond, as noted by Committee on Climate Change.
- Continued exploration and production in a low-carbon way **reduces imports**, and supports skilled UK workers, UK economy and net-zero emission reduction targets.
- Delivering a low-carbon future will be achieved by **protecting infrastructure already present** in the UKCS (UK Continental Shelf) today through continued activity.
- Retaining and attracting **key subsurface skills** is essential to ensure the basin achieves net-zero.

In 2019, oil and gas made up **76% of Total UK energy**



We will continue to rely on oil and gas in a net-zero world

Source: BEIS - Dukes



Industry is important in supporting energy security..

On average,
160 million boe
was discovered
per year
2010-2019

In 2019, UKCS reserves reduced by net **300 million boe.**



Source: OGA

The UK **does not produce enough domestically to support** our total energy demand.

We continue to **deplete our reserves** faster than we are finding new discoveries.

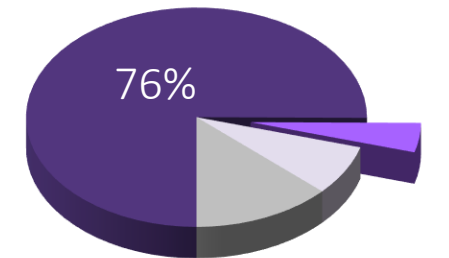
Renewable energy has made positive gains in supporting UK electricity demand, 37% in 2019, but their **contribution to total energy demand** remains small.

Until we can support total energy demand through alternative sources, we must **invest in low-carbon domestic exploration**

Failing to balance consumption and production only **increases** reliance on imports.



In 2019, **renewable energy supported 3.7%** of the UK Total Energy Demand



- Oil & Gas
- Renewable electricity
- Non-Renewable electricity
- Other (incl. coal & bionenergy)

Source: BEIS ET.1.2

Maximising our domestic production in a low-carbon way supports the UK...

In 2019, the UK net import figure was over **500 million boe**

35.2%
Net Import
Dependency



Source: DUKES 2020- BEIS

Total Government revenues from O&G 2019-2020 production was **£863 million**



Source: Statistics of Government revenues - BEIS

The UK energy need in 2019 relied on imports to meet total demand.

Reducing our imports allows:

- 150,000 skilled UK **workforce to remain supported.**
- Industry to continue to significantly **contribute to the UK economy.**
- Greater **accountability and transparency of emissions** to accelerate net-zero.

Gas Emissions:



In 2019, UK's Liquefied Natural Gas (LNG) imports increased by **159%** compared to 2018.

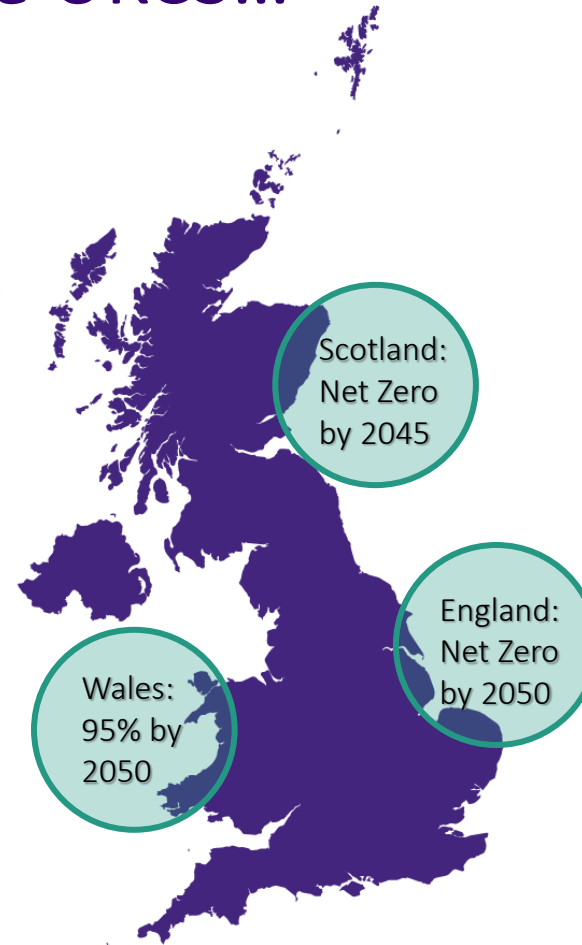
49% of UK's 2019 LNG imports came from Qatar.

Source: OGA, BEIS

Industry is re-inventing the UKCS...

Oil and gas is changing to achieve net-zero

- Industry is essential in **achieving net-zero**.
- **Optimising indigenous opportunities** is required for the energy security future.
- Additional resources must be found to **reduce imports**.
- Industry is **evolving and growing** through energy integration: CCUS, Hydrogen, Offshore wind, Geothermal..



Industry has the potential to provide **60% of the UK Net Zero Emissions** abatement needs.

Source: OGA Energy Integration Paper

Achieving our UK net-zero future

- We will **reduce our emissions** and work with society to reduce emissions from our products.
- **Large scale investment** will be required, but not at the detriment of the user.
- It is essential to retain and attract key **geoscience and engineering talent**.
- Appropriate **infrastructure must be kept viable** for alternative energy sources.



Exploration know-how is driving net-zero.

The UK is a global leader in the energy transition.

Developing new net-zero industries




Driving our net-zero future



Supporting 150,000 skilled UK workers



Talent must be retained and attracted to deliver net-zero



Delivers key workers for the energy transition



Supporting the UK economy



The OGUK logo consists of the letters 'OGUK' in a bold, sans-serif font. The 'O' and 'G' are purple, while the 'U' and 'K' are green. The logo is positioned in the top left corner of the slide.

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