

OEUK Economic & Sustainability Update, and Industry Annual Review

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60Mt GHG
emissions
cut

Minimum 4
CCUS
Clusters

10GW
hydrogen
production

£16bn
investment
unlocked

40,000
jobs
created

North Sea Transition Deal



The UK North Sea Transition Deal: the first by a G7 country, accelerating the energy transition, reducing UK emissions, creating new jobs across the UK

Supply Decarbonisation

cutting upstream Oil and Gas industry production emissions through an ambitious emissions reduction programme

CCUS

enabling large parts of UK industry and society to eliminate emissions

Hydrogen

providing a realistic alternative for heating, heavy industry, and transport

Supply Chain Transformation

developing expertise that underpins energy-sector wide export growth from the UK, creating a globally competitive energy supply chain of international repute

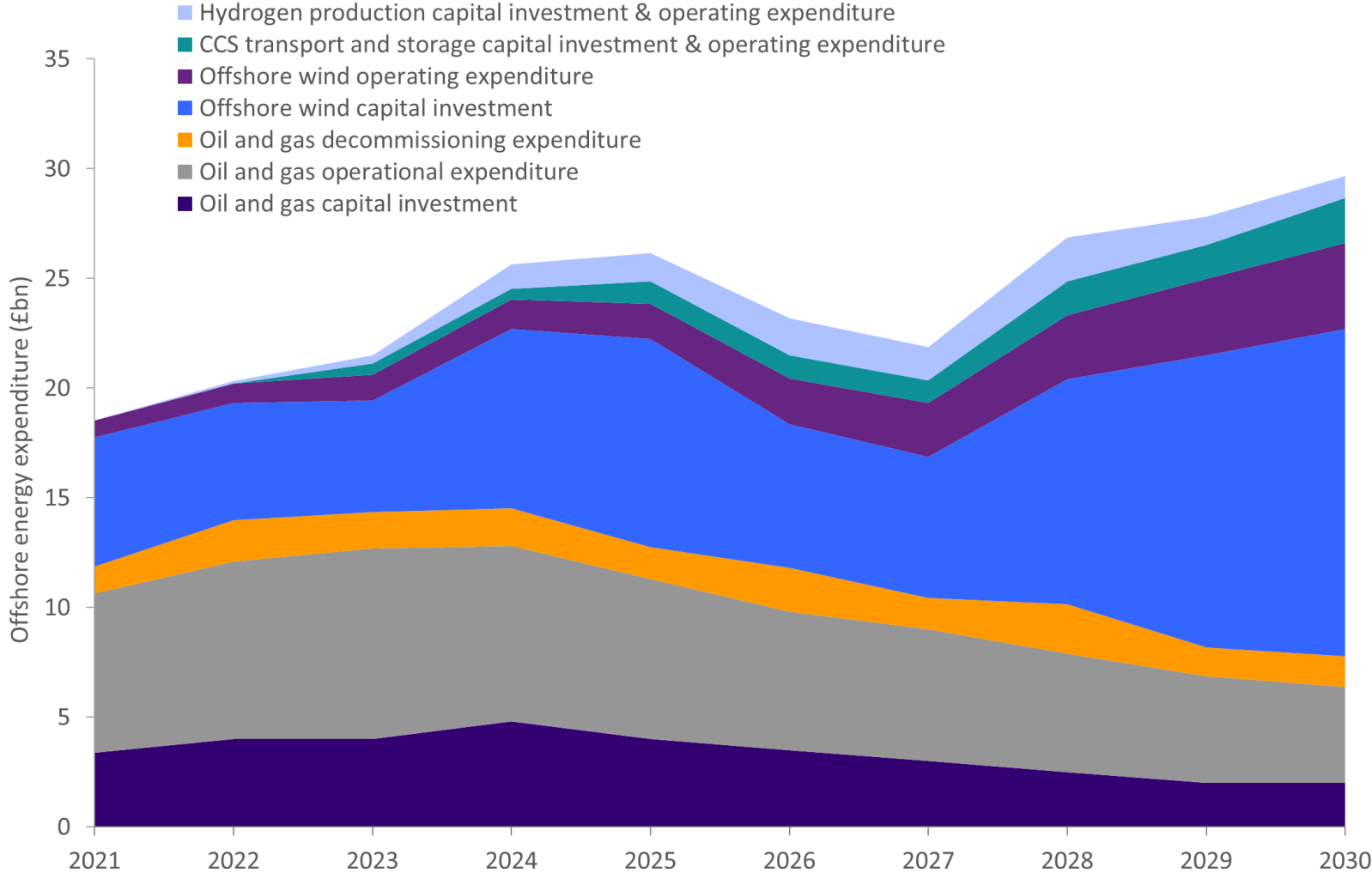
People & Skills

securing, stimulating, and creating tens of thousands of high-quality jobs in industrial heartlands



The offshore energy opportunity is growing

Annual spend could increase by 50% - but there are big hurdles



Source: NSTA, Rystad, OEUK

£200
0
bn

£200bn potential energy spend in the remainder of the decade

£100
bn

Half of this - £100bn – yet to be committed



Profile shifts from one-third low carbon now, to three-quarters by 2030



Securing it is key to future of sector and net zero role

An engine for economic growth

Oil and gas activity supports about 220,000 jobs across the UK and generates £30bn GVA

Domestic oil and gas activity supports around **220,000 jobs** in the UK.



Oil and gas activity supports jobs in every region of the country.

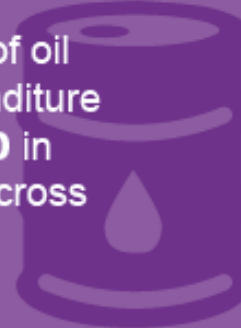


The oil and gas sector is a major contributor to the economy, generating almost **£30bn** in GVA in 2022.

**£30
bn**



Every **£1.00** of oil and gas expenditure leads to **£2.30** in value-added across the economy.



OEUK members are leading projects in **offshore wind, carbon capture and storage** and **low carbon hydrogen**.

Over £400bn in production taxes in the last 50 years.

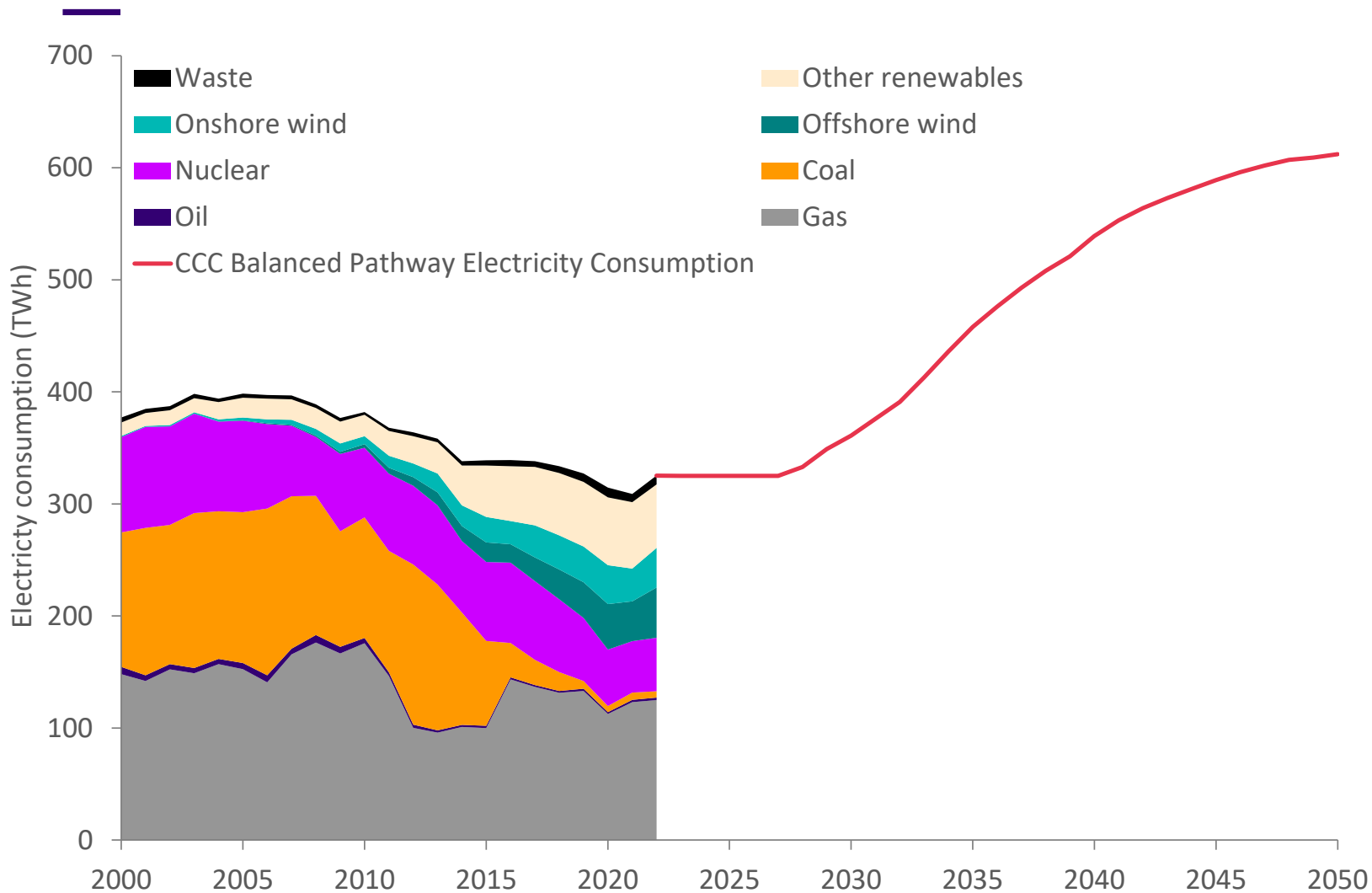
- Estimated **£13.6bn** in taxes since 2021.
- Forecast **£40bn** 2023-28.

**£40
bn**

50 years of oil and gas experience are key to realising the **benefits of these growing sectors**.

A massive scale up in electrification is needed for net zero

How to reverse the long-term trend?



Source: DESNZ, CCC, OEUK



Electricity use has fallen
20% since 2005



Consumption will need to
double by 2050;
Supply decarbonised by
2035

40
%

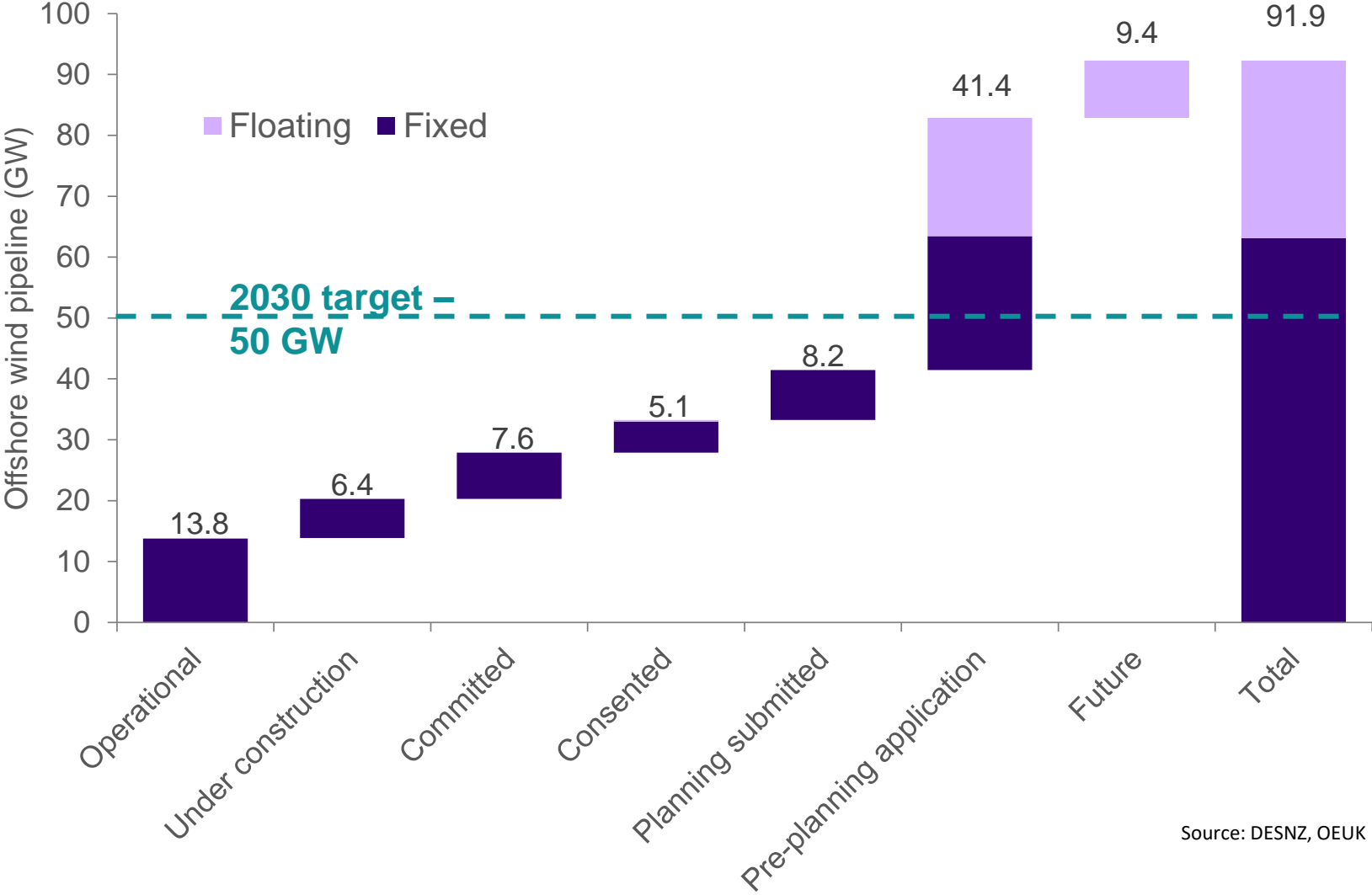
Gas is single largest
source of supply –
almost 40%



Offshore wind and nuclear
at heart of future growth –
but flexibility needed

The UK has the world's second largest offshore wind opportunity

Increasing challenges put progress at threat



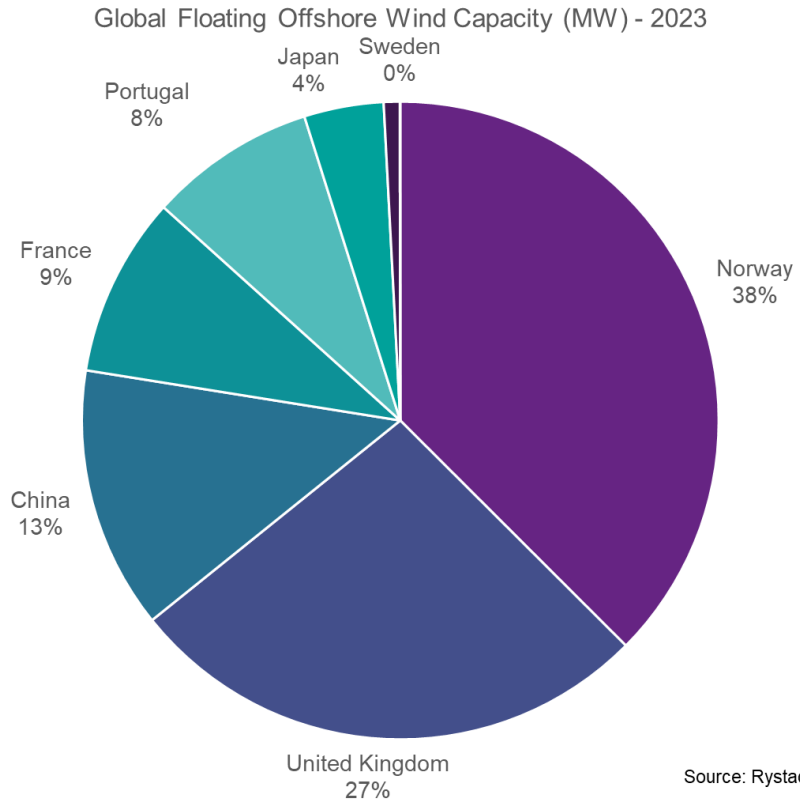
Offshore wind - key enablers:

Halve grid access and regulatory timelines

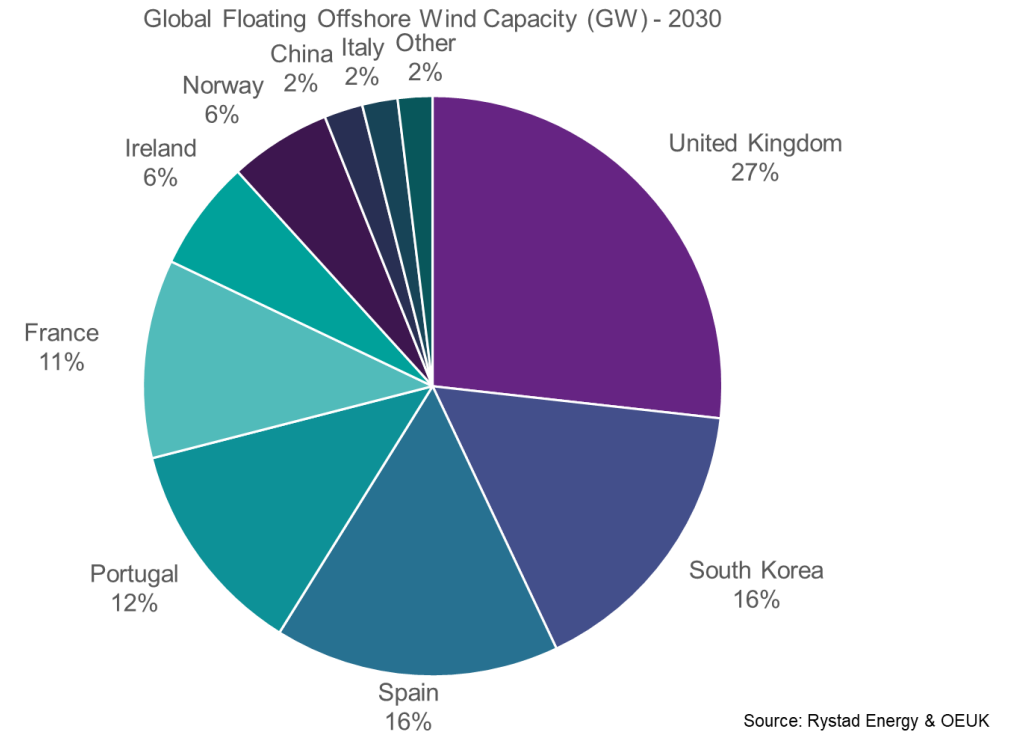
Ensure CfD's are competitive, whilst recognising challenges

Build on supply chain strength with early strategic investment

2023 Emerging Floating Wind Market 300MW capacity



2030 Commercial Scale Floating Wind Market >13GW capacity



INTOG (5,5 GW floating capacity) can meet on its own the UK Floating Wind target for 2030 and represent a large portion of the global install capacity by 2030

UK needs to supercharge homegrown offshore energy

Total offshore energy spend could reach £200bn this decade in oil and gas, offshore wind, carbon capture and storage, and low carbon hydrogen

Half of this amount - £100 billion - is waiting on final investment decisions from businesses that need renewed certainty

Concerted policy support, a stable and globally competitive tax regime and improved planning and regulatory timelines all critical to unlocking potential

Huge opportunity for energy supply, sustainability, affordability, jobs and economic growth