

Open letter to UK and Scottish political party leaders regarding future oil and gas developments in the UKCS

Dear MP/MSP

We are writing to express our collective concern about the recent nature of the debate regarding future oil and gas developments on the UK Continental Shelf.

Statements calling for an end to new exploration and production have shaken investor confidence and placed tens of thousands of jobs – together with the economic wellbeing of whole communities across the UK – at risk.

They also threaten the very basis of a fair and inclusive transition at the most crucial point in our collective journey to a net-zero society.

A transition, by definition, is a change of state over time. This is one of the most complex challenges we have faced in our history and it doesn't lend itself to a simple, 'Who's good, who's bad? Who's green, who's not?' approach. To characterise it in this way is overly simplistic.

We must now pause and allow for a reasoned debate about our energy future to take place. At the same time, we urge politicians to reflect carefully on their public statements on oil and gas and the impact they have on investment in the industry. We must not create an adverse policy environment at this crucial moment in our energy transition journey.

There are three fundamental points which need to be considered as we map out our energy future.

1) Energy Demand

Approximately 73% of our national energy needs today are met by oil & gas. Consumer demand cannot be switched off overnight. By 2050, the International Energy Agency projects that global oil and gas demand will fall by 80%, but even then 20million barrels per day will be required to meet our needs. Therefore, there is **no** current future scenario where there is **not** a requirement for some oil and gas. Meantime, it continues to be required for people to travel, heat and power their homes and for the manufacture of many everyday goods.

This leaves us with two options; to produce this domestically, with full control over the regulatory environment in which it is extracted; or to import an increasing amount of our energy, with the heavier carbon toll that shipping it from other parts of the world carries. The latter makes little economic sense, and even less environmental sense.

2) Energy Security

New developments in the North Sea are not increasing production; they are offsetting decline and doing so with a much-reduced carbon footprint. We already import 30% of our supply. Increasing this and relying on other countries to provide it places our energy security at risk and exposes consumers to price spikes and power shortages like the ones experienced as recently as October.

3) Energy Transition

A cliff-edge end to oil and gas production threatens tens of thousands of jobs and our ability to deliver a homegrown energy transition. We must avoid a repeat of what happened to our mining communities in the 1980s. Currently, the UK sector directly supports 160,000 jobs with 80% in traditional oil and gas. A recent study shows that a well-managed transition could see this number grow to 200,000 by 2030 with two-thirds of the roles being in low carbon energy. A remarkable shift inside a decade. These low carbon

jobs are not available at scale yet, but with the right support, investment and training they can be in the near future.

We all want to get to the same net zero destination, there is no one in denial about the direction of travel. All that needs to be agreed upon is the steps we take to get there and, crucially, the order in which we take them. The North Sea can be at the heart of driving this positive change, if we make the right decisions now.

To meet our ambitious targets, we must harness the expertise, knowledge, financial capital and infrastructure of our world-class oil and gas industry and supply chain. Doing so will allow us to move to net zero through developing carbon capture utilisation and storage, offshore wind and hydrogen technologies powered by UK businesses.

In summary, a just transition must focus on continuing to meet our energy requirements, protecting jobs and diversifying our economy whilst contributing significantly to sustainable growth and meeting net zero.

We have a once in a lifetime opportunity to secure our nation's future energy security, prosperity and our climate, but we urgently need a balanced debate between all stakeholders and clear, supportive government policy if we are to succeed.

Yours sincerely,



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