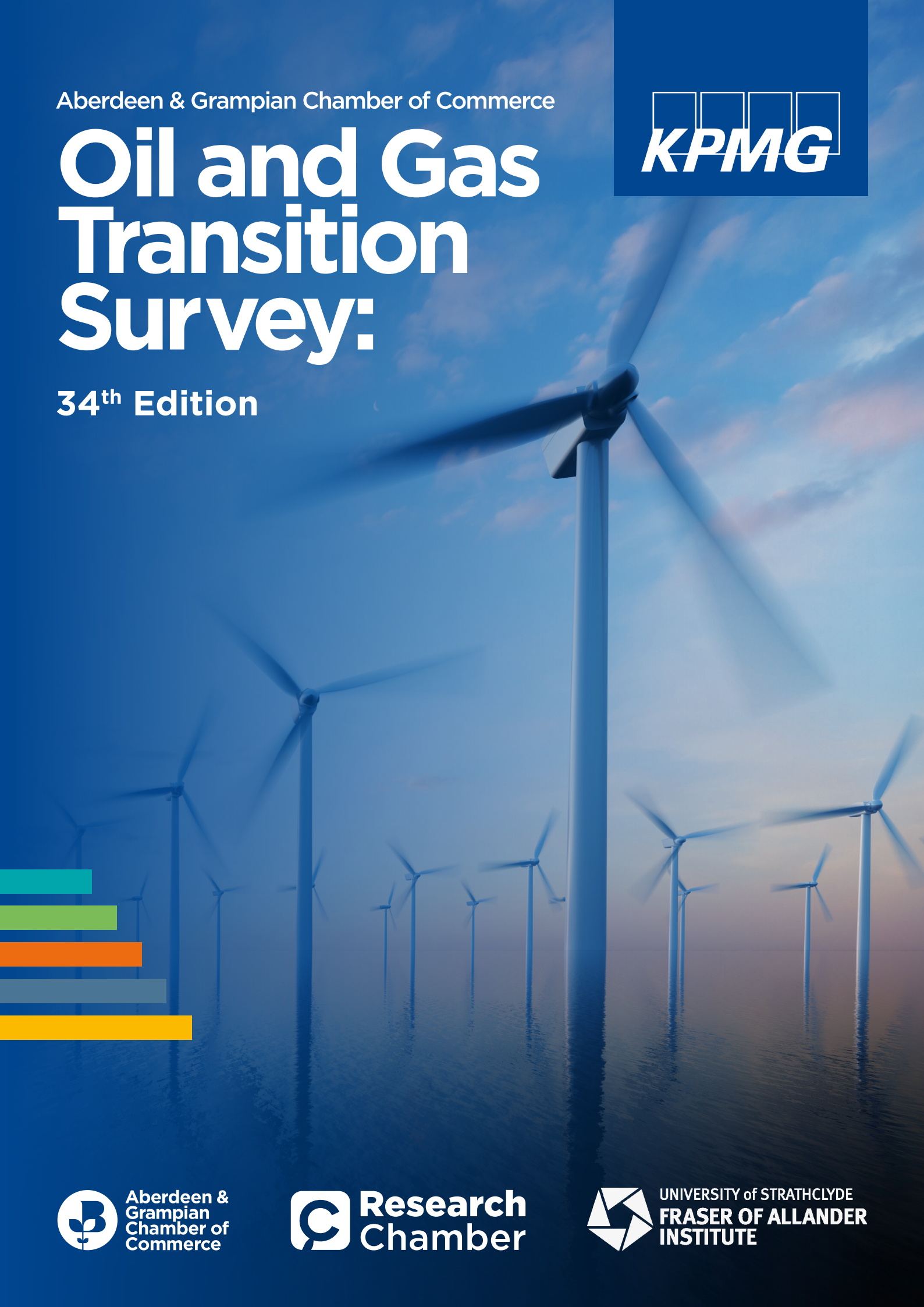
Aberdeen & Grampian Chamber of Commerce

Oil and Gas Transition Survey:

34th Edition

KPMG



Aberdeen & Grampian Chamber of Commerce

Research Chamber

UNIVERSITY of STRATHCLYDE
FRASER OF ALLANDER INSTITUTE

Chamber viewpoint

Europe's oil and gas capital, not the climate problem but very much part of the solution

COP26 will bring back into sharp focus, the global imperative that is climate change. Setting targets is fine, but how will they be achieved?

Being at the heart of the drive to develop and deliver green energy solutions is, perhaps, a bigger and longer term economic opportunity for the Aberdeen city region than when oil was discovered in the North Sea in the 60s.

The collective expertise, innovation and skills built up in the area over the last 60 years across operators, supply chain, universities, agencies and other partners mean we are well placed to once again be at the vanguard of innovation and change. We have the momentum and must not let the opportunity pass.

What evidence is there for this?

- The UK Government North Sea Transition Deal has Aberdeen front and centre of its ambition to harness the expertise of the oil and gas sector and anchor it to the UK to ensure energy security while driving the necessary change.
- For Europe to reach climate neutrality by 2050, it will require offshore wind capacity to increase from 23 GW today to up to 450 GW, with half of this capacity to be installed in the North Sea. Equinor pioneered the world's first floating wind farm off the coast of Peterhead but this was just the start. In fact, if the joint bp & EnBW ScotWind bid is successful, Aberdeen will become bp's global offshore wind O&M centre of excellence. And TotalEnergies recently announced that Aberdeen has been chosen as a global hub for their offshore wind operations.
- Aberdeen has a vision to be a world leading hydrogen city and develop Scotland's first commercially scalable, investable, hydrogen production and distribution facility.
- The Aberdeen Energy Transition Zone (ETZ) will be built close to the newly constructed Aberdeen South Harbour and is expected to directly support 2,500 green jobs, plus a further 10,000 transition-related jobs by 2030.
- By making use of oil and gas pipelines that are already in place- offshore geology that is ideal for permanently storing carbon dioxide- the Acorn project will be a vital catalyst for the next phase of the UK's journey to Net Zero. And it has the potential to deliver over 20% of UK's blue hydrogen target by 2030.
- In fact, the joint venture between Storegga and Canadian company Carbon Engineering, located at St Fergus seeks to remove up to one million tonnes of CO_2 every year through Direct Air Capture (DAC). It could be the largest DAC facility in Europe and depending on the final configuration, potentially the biggest in the world.

All of this and more is part of a projected £170+ billion investment in capital and operating activities in the UK offshore energy sector between 2021-2030, much of it located in this region or powered by companies and people based here.

A pretty compelling case then but we consistently hear the push back that this activity will not support the volume of high value jobs sustained by oil and gas.

Not so, according to the UK Offshore Energy Workforce Transferability Review undertaken by Robert Gordon University which forecast that around 200,000 people will be required by 2030 to underpin the developing offshore wind, hydrogen, CCUS as well as the vital ongoing oil and gas activities in the UK offshore energy sector. This compares to around 160,000 people directly and indirectly employed in the UK offshore energy sector in 2021.

And it's fascinating to observe the shift in focus of these roles. Currently 80% are engaged in traditional oil & gas but within ten years 65% of them will be in low carbon energy.

But as we embark on this exciting and vital journey, we must not forget that we are in transition; with a responsibility to maintain our country's energy security. Ensuring our homes are warm, lights on, the goods we all consume coming off production lines and keeping our country moving.

Aberdeen. A climate positive place. A net exporter of net zero.

Contents

Sponsor's foreword

The Oil & Gas Transition Survey, conducted by the Aberdeen & Grampian Chamber of Commerce's Research Chamber in partnership with the Fraser of Allander Institute and KPMG UK, is published as the industry stands at a fork in the road. Building on over a decade of research into the sector, this landmark report is published to coincide with COP26, and gives special focus to the energy transition and examines how oil and gas firms are faring on that journey.

This survey has been conducted during a period fraught with UK-wide supply chain issues, rising energy prices and growing concerns over wholesale gas prices. These fluctuations in demand have given rise to more acute questions around consumer energy use and how the oil and gas industry should evolve.

Often singled out by campaigners and political decision-makers as the 'source of the problem', the oil and gas industry has marched forward with its own radical agenda for change in recent years. Indeed, the industry slashed carbon emissions by 10% last year, equal to 1.8 million tonnes of CO_2, according to a report from industry body OGUK. Nearly half the reductions in 2020 were due to industry action, including efficiency improvements and reduced flaring and venting.

And as we cautiously emerge from the CV-19 pandemic, the sector has the potential to both grow the economy and be a driving force in facilitating the transition to a lower-carbon economy and a net zero future.

The direction of travel is clear amongst oil and gas companies. They are expecting their businesses to transform substantially and at pace across the next decade. The firms we surveyed predict that on average, the share of their business outside of oil and gas will jump from 21% today to 47% by 2030. With growing demand from renewables to support North Sea offshore wind development via leasing rounds, as well as traditional decommissioning projects, the work will continue to grow and vary.

Most oil and gas firms are doing far more than paying lip service to sustainability. The vast majority we surveyed believe that strong sustainability credentials are critical to their long-term success. Sustainability planning has huge potential to drive bottom line growth and is fast becoming part of a business's licence to operate. Socio-economic and public pressures have complicated the debate around transition and many business stakeholders, including consumers, lenders, and shareholders, are exerting significant pressure on businesses to build a sustainable greener future.

Despite this, two in five of those we surveyed have not committed to carbon neutral targets. Two years ago, that figure might not have come as a surprise, but today it jars. Without clear plans to transition to an integrated energy sector which involves oil and gas and renewables, with viable solutions on transportation and heating, many firms are now facing a clear fork in the road – evolve and thrive or be left behind.

It is heartening to see the sector showing green shoots of recovery as confidence and investment returns, with 69% of companies expecting revenue to rise in 2022. Firms also continue to be optimistic about recruitment over the medium term, with 52% of businesses expecting to increase their core staff headcount over the next three years, however, skill shortages remain.

76% of firms are roundly positive about Scotland's future potential as an energy heavyweight, and Aberdeen being the energy hub at the heart of that vision. Careful planning and investment at a corporate and government level are needed to make sure Scotland's years of experience, skills and infrastructure are used to their full potential as we move towards a greener future.

It's clear the industry is on the cusp of transformation, and with many businesses having already chosen their path – and heading towards a greener future, the question is how many more will follow and how quickly.

Martin Findlay
office senior partner
KPMG Aberdeen

Survey context

This is the 34th edition of the Chamber's long-running research programme, representing over 15 years of insight into the sector.

With the UN COP26 Climate Change conference taking place as we publish the results, our most recent survey focuses on how the industry is already taking the initiative and transforming itself to power the UK's energy transition.

We explored the challenges facing firms in the sector as they looked to fulfil their own net-zero ambitions and diversify into new activities. And a few of the fantastic companies based in the region that are taking the vital steps to decarbonise their operations, have shared some reflections from their journeys later in the report.

Our headline trend data which forms the basis of our results shows a mixed picture. While industry confidence for the year ahead has continued to rise in the historically more resilient international space, confidence in the UKCS has dipped once more into negative territory.
This is mirrored somewhat in our activity results, where, with the exception of renewables, our respondent firms broadly found the value of UKCS work trending down in comparison to international activity.

Looking beyond these headline metrics though, there is some clear positivity, when compared with surveys conducted during the height of the pandemic. Almost 70% of firms expect that revenues will rise in the coming year, and over half expect their core staff headcount to rise over the medium term.

Our results show that firms expect that the coming decade will be decisive for their own transitions. Businesses expect that activity outside of oil and gas will account for about 50% of their activity, on average, by 2030. That's a major leap from the current figure of about 20% today.

This transformation will not be without challenge, however. Only about a third of firms are 'very confident' that they'll be able to source the non-oil and gas skills they need to meet their longer-term strategic ambitions. About two-thirds expressed concern about their ability to identify the skills they will need to drive forward their diversification strategies.

And over 40% identified access to sources of funding as a barrier. Only a quarter of firms stated that transition support was accessible or visible to them. So, it's vital that we better translate the initiatives that are in place to enable businesses to take the required practical actions.

There have been plenty of positive recent developments to help address these challenges. These include the appointment of Sian Lloyd-Rees as the Supply Chain Champion as outlined in the North Sea Transition Deal, and the launch of the 'My Energy Future' programme in May by OPITO to inspire young people to consider a career in the sector, linked to the Energy Skills Alliance.

This shows that things aren't standing still, but what is clear is that a bold, ambitious but realistic approach by policy makers and business leaders- at a scale and pace not seen since the industrial revolution- will be required to make the step change needed to achieve our climate goals.

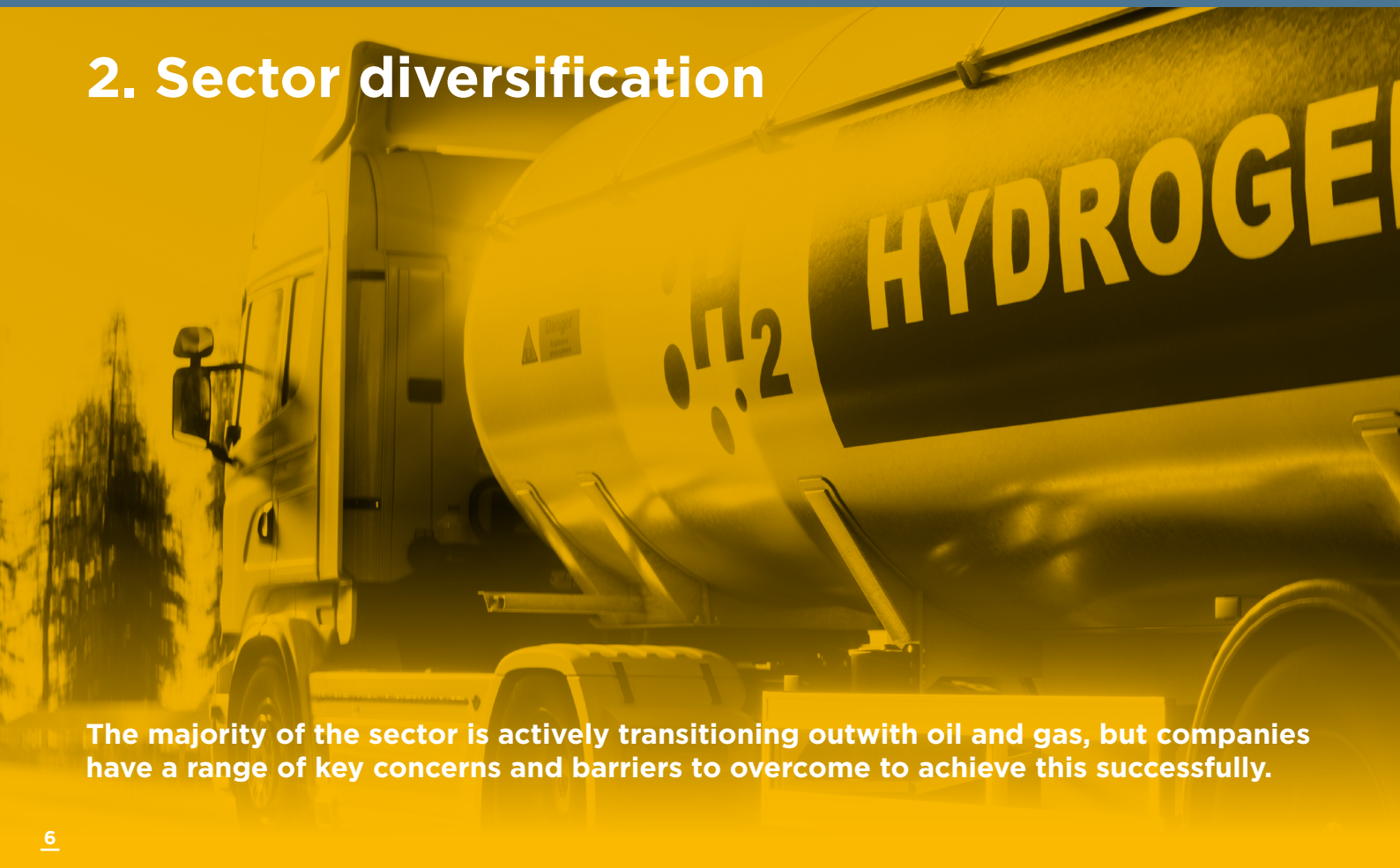
It's also fundamental for the prosperity of the North-east of Scotland and the UK as a whole that we get this right. In this survey, firms across the oil and gas sector have demonstrated a clear ambition and commitment to transform their businesses and drive the low-carbon economy in the coming decade. By putting the right support in place and working in partnership we can make this happen, creating the sustainable, high-skilled jobs that will drive the future economy of this region.

Shane Taylor
policy manager
Aberdeen & Grampian Chamber of Commerce

1. Sector trends and outlook

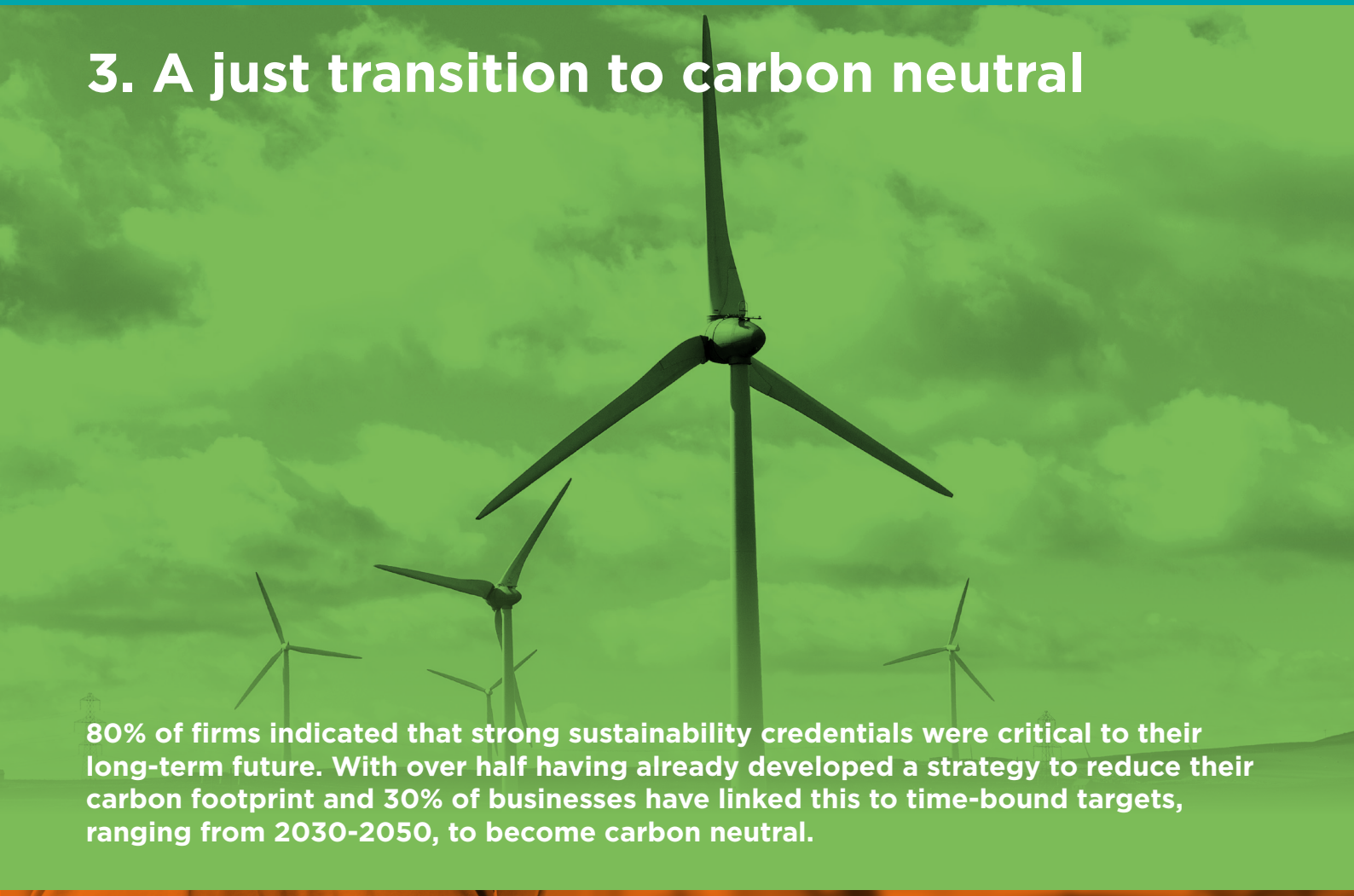
The sector believes that revenues/headcount will rise, but optimism currently largely driven by international work, rather than UKCS.

2. Sector diversification



The majority of the sector is actively transitioning outwith oil and gas, but companies have a range of key concerns and barriers to overcome to achieve this successfully.

3. A just transition to carbon neutral



80% of firms indicated that strong sustainability credentials were critical to their long-term future. With over half having already developed a strategy to reduce their carbon footprint and 30% of businesses have linked this to time-bound targets, ranging from 2030-2050, to become carbon neutral.

4. Recruitment and skills gaps

The sector has identified a range of key skills gaps, particularly in non oil and gas activities. Concerns expressed by respondents about a loss of skilled workers.

Sector trends and outlook

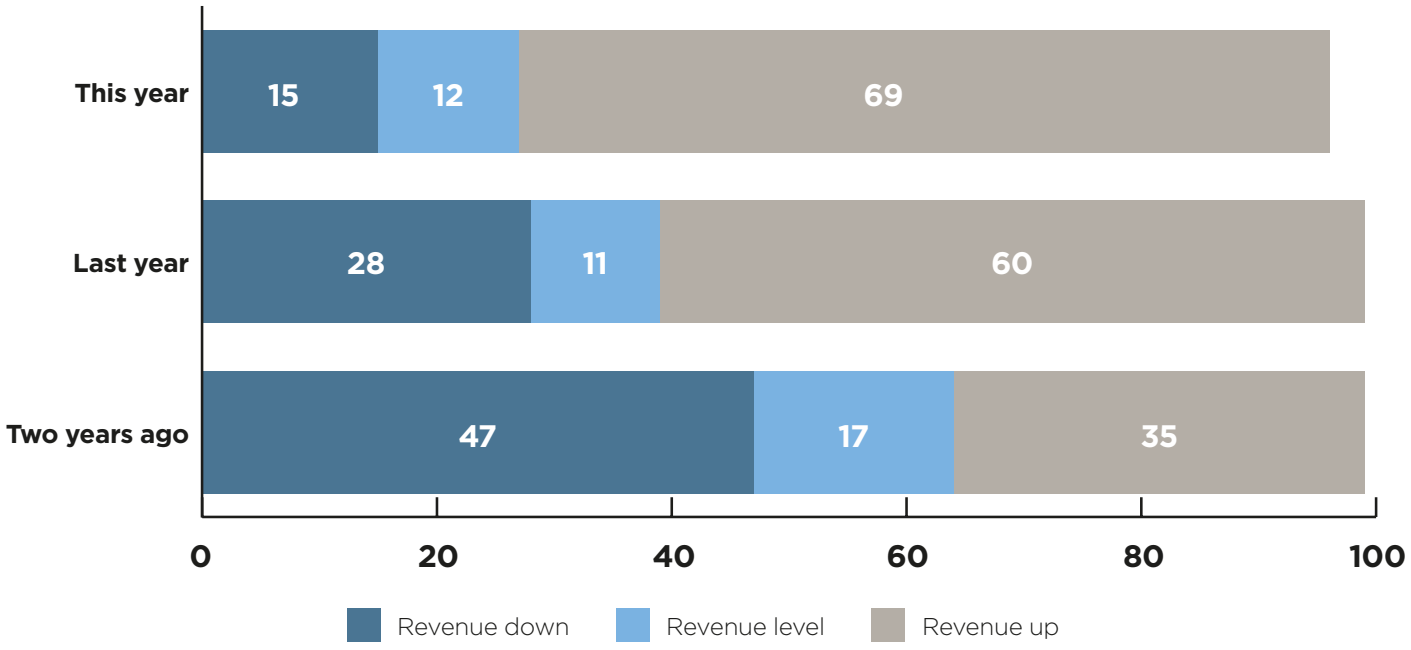
Overall, the sector continues to be positive about the future, with 69% of companies expecting revenue to rise in 2022. Similarly, three quarters of companies report being either 'moderately' or 'extremely' optimistic about Aberdeen, Scotland and the UK playing a leading role as a future energy hub.

Chamber viewpoint

1. Sector believes that revenues will rise in 2022, nearly double the percentage of two years ago
2. Sector headcount forecast to rise, for core staff in particular
3. UKCS value of work trending down, with the notable exception of renewables
4. Value of international work trending higher than UKCS, with the exception of renewables
5. Percentage of businesses working at optimum levels has risen in both the UKCS and internationally
6. The sector confidence in UKCS has declined in the second half of this year
7. Confidence remains high internationally

1. Sector believes that revenues will rise next year, confidence twice that of two years ago

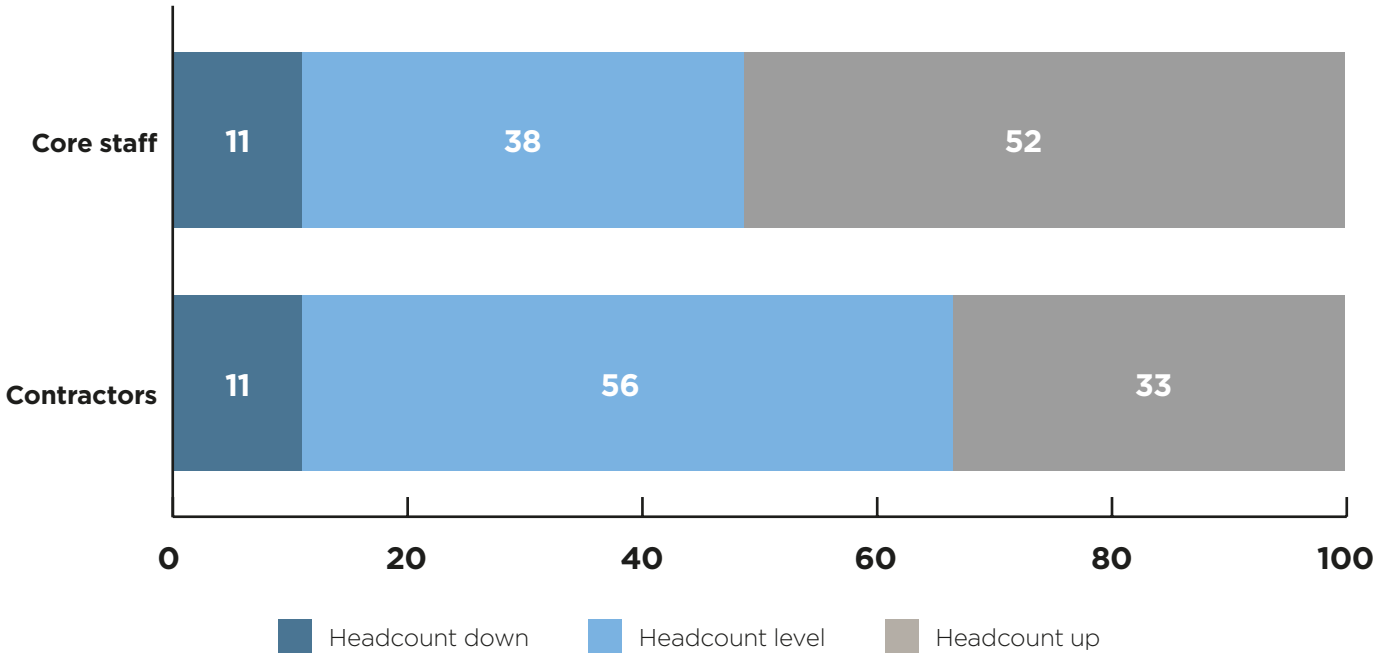
Q: To what extent do you expect your organisation's revenue to change in 2022, compared to 2021?



% sector view of revenue change v previous years

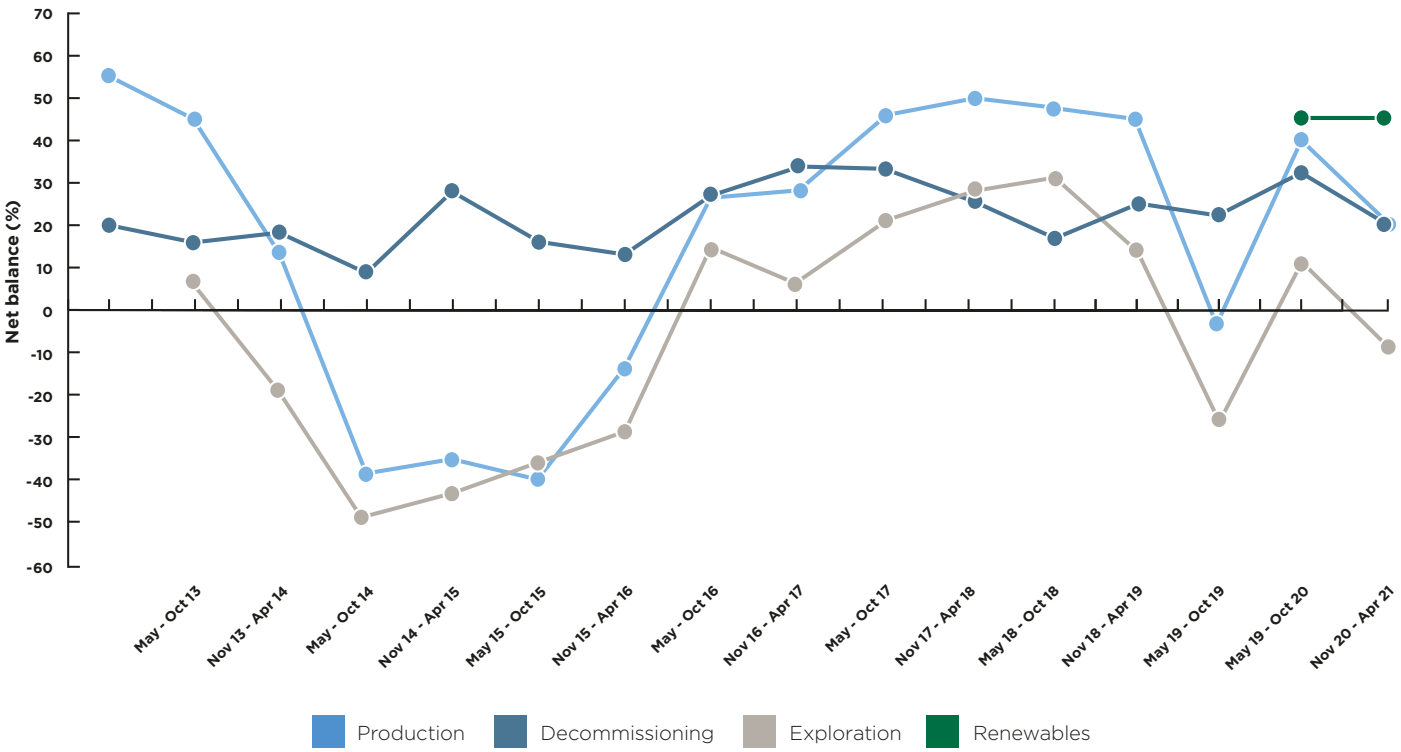
2. Sector headcount forecast to rise, for core staff in particular

Q: How do you expect your head count to change over the next three years for...



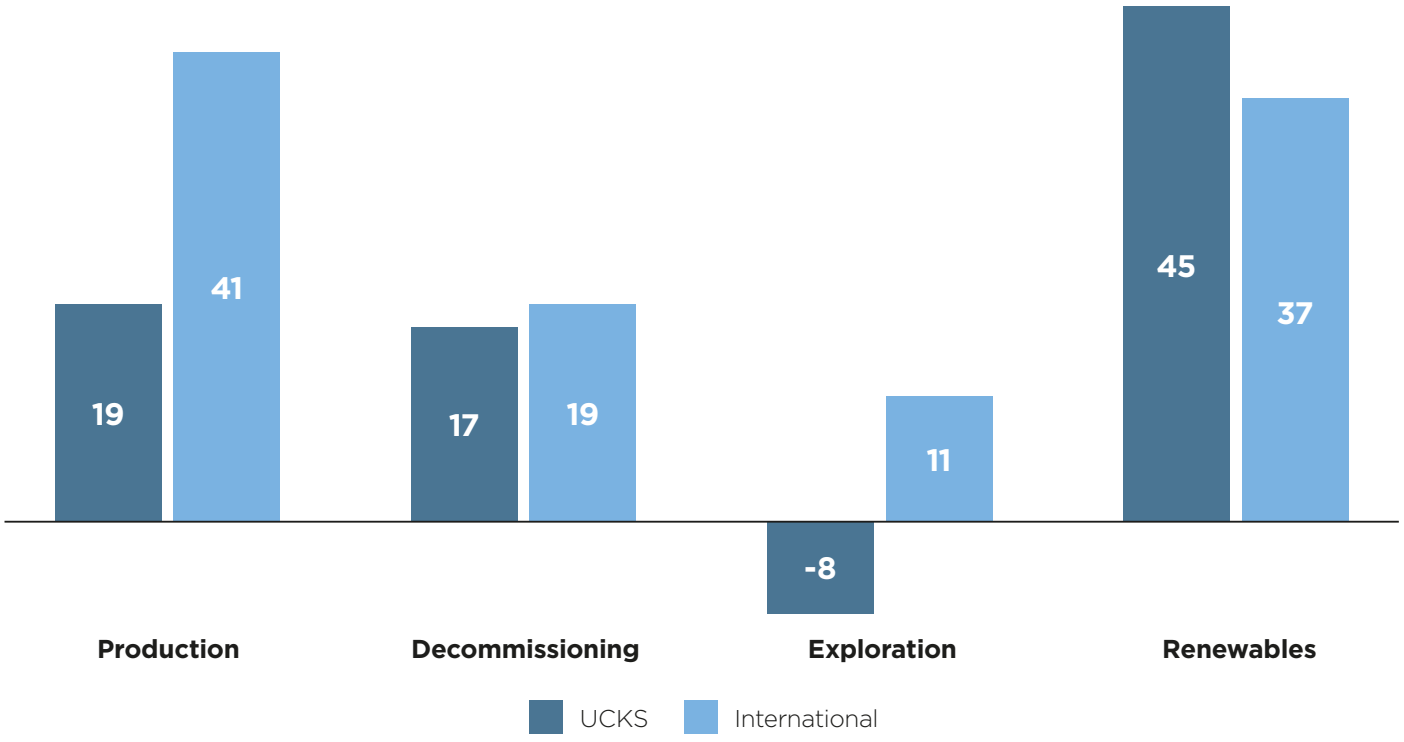
3. UKCS value of work trending down, with the notable exception of renewables

Q: Excluding seasonal factors, what are the trends in the total value of your organisation's work in the UKCS?



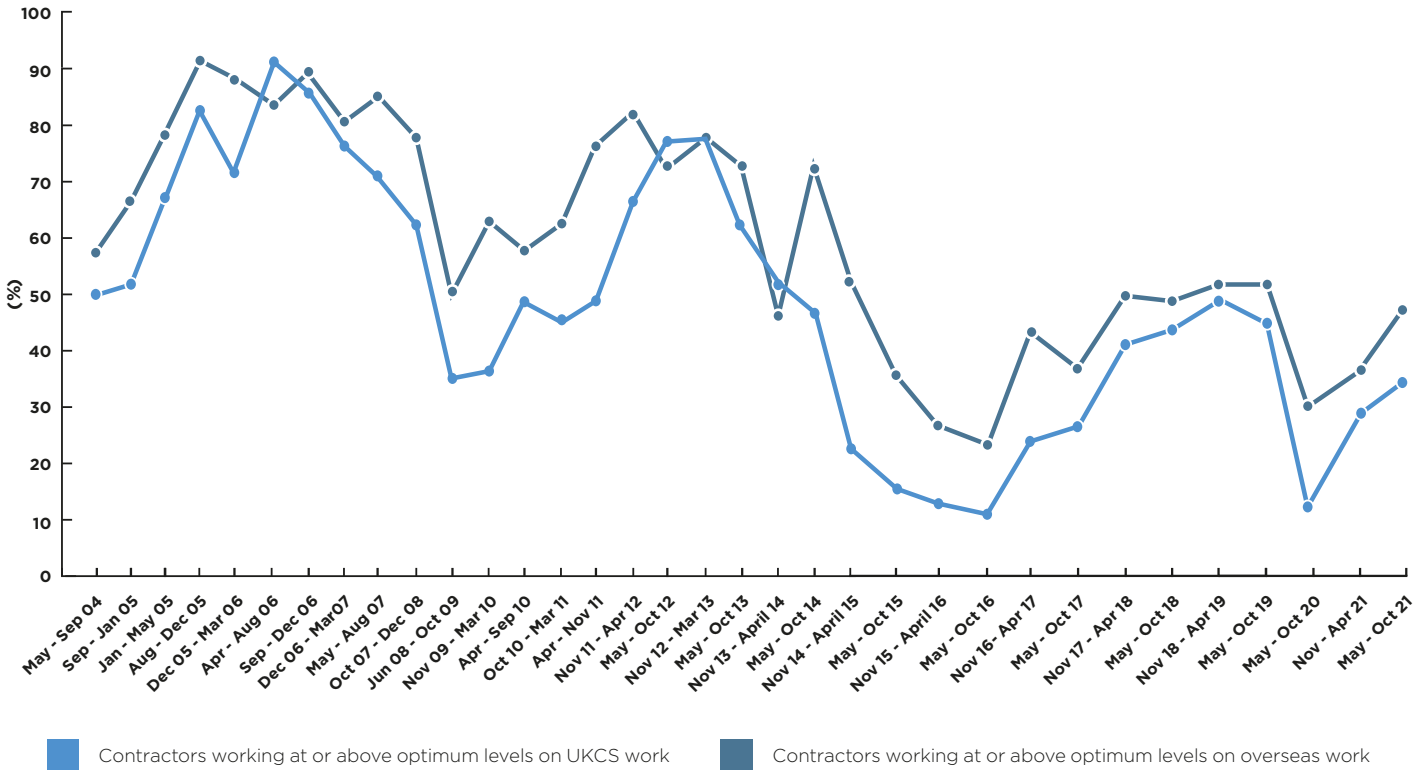
4. Value of international work trending higher than UKCS, with the exception of renewables

Q: Excluding seasonal factors, what are the trends in the total value of your organisation's work in the UKCS/International?



5. Percentage of businesses working at optimum levels has risen in both the UKCS and internationally

Q: Is the level of UKCS-based/overseas-based work leading to you working above or below optimum levels in the UKCS?

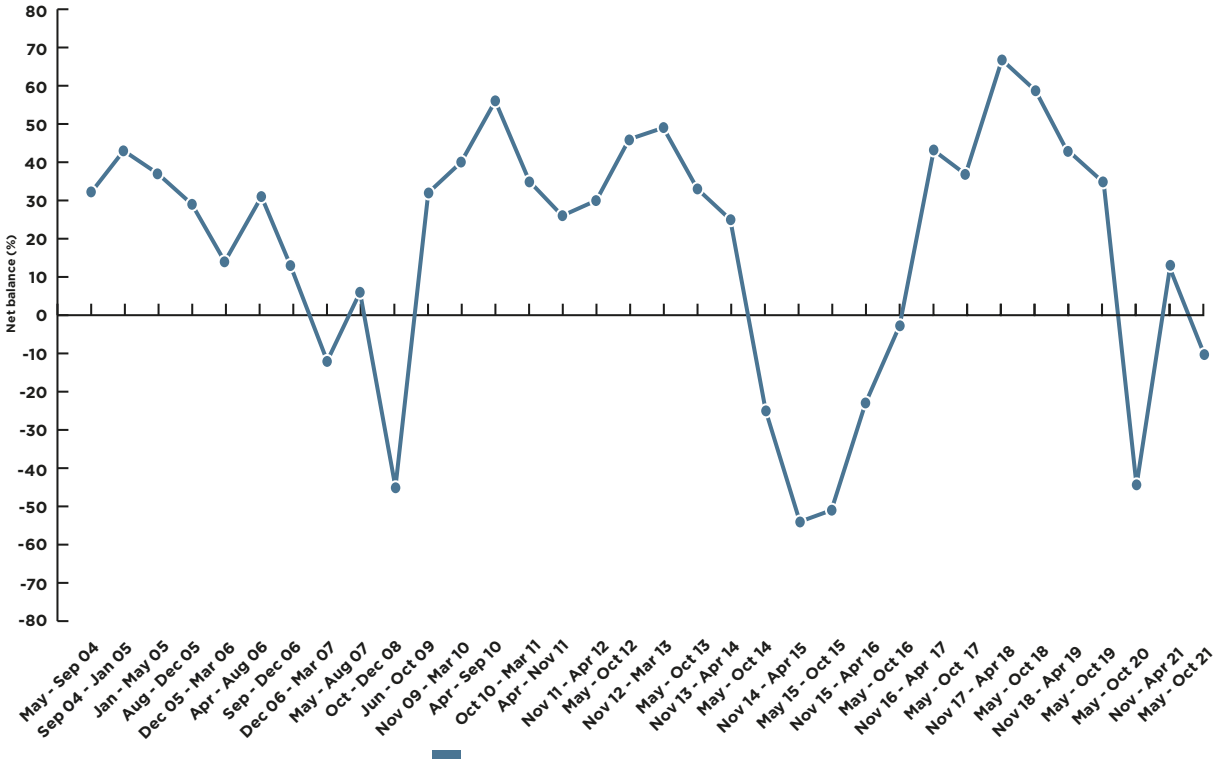


Contractors working at or above optimum levels on UKCS work

Contractors working at or above optimum levels on overseas work

6. The sector confidence in UKCS has declined in the second half of this year

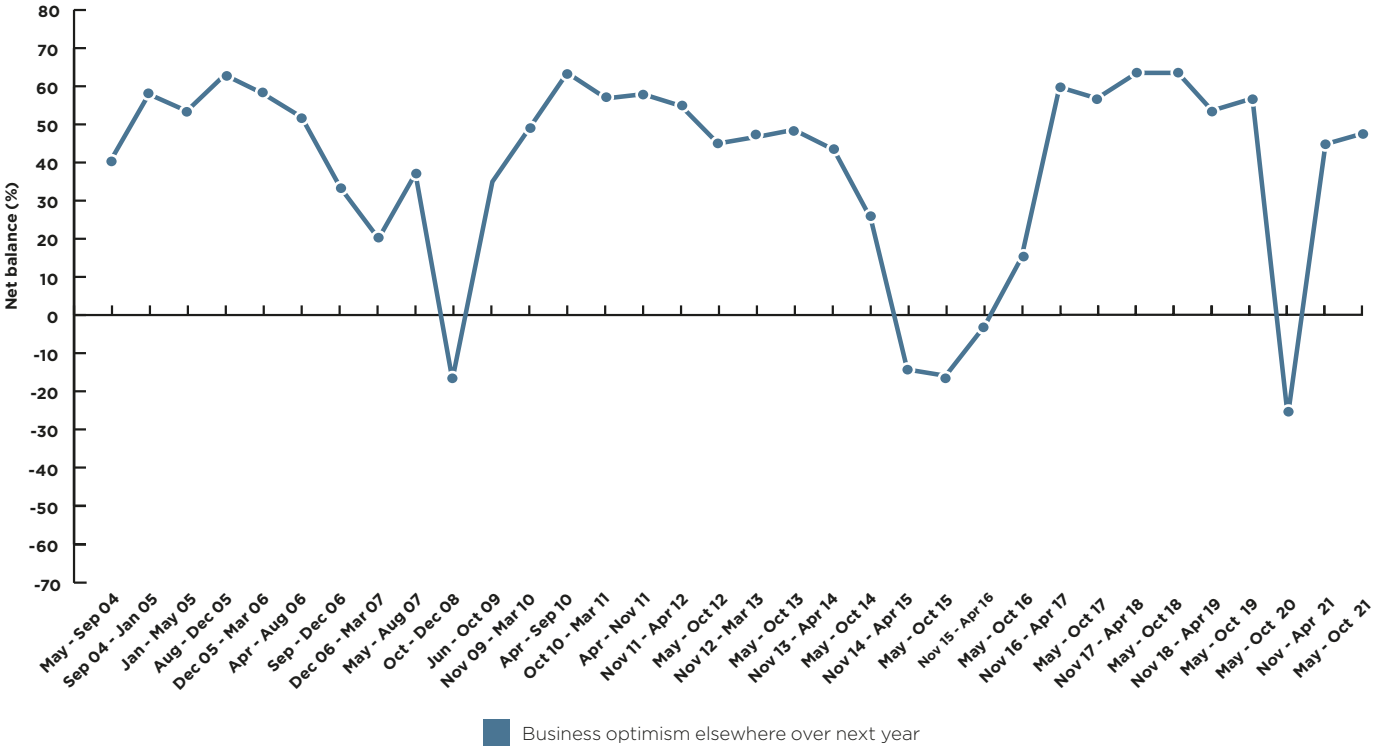
Q: Are you more or less confident about the business situation in the UKCS oil and gas sector over the next year?



Business optimism in UKCS over next year

7. Confidence remains high in international work

Q: Are you more/less confident about the business situation in the oil and gas sector elsewhere over the next year?



Legasea Ltd case study

1. Tell us a little bit about your business, what you do and what makes you different?

Legasea is an environmental service company for the energy industry, with a focus on the circular economy for subsea equipment, specialising in a range of electrical, hydraulic, and mechanical engineering services.

The circular economy principles, on which the company was founded, differentiate Legasea from many other companies. The primary goal is to reduce waste in every element of the business, whilst reducing costs and lead times for clients.

2. Can you tell us about the transition journey your business has been on and any challenges you have overcome?

The company was founded in 2018 and has grown from a concept to a rapidly expanding business in that time, reducing costs and carbon emissions for a wide range of global clients, and significantly advancing the drive towards a sustainable future for the energy sector.

Whilst there have been many challenges along the way since founding the company three years ago, we have enjoyed playing a key role in supporting energy transition.

3. What advice would you give to businesses embarking on a similar transition journey?

Each business is different, and the opportunities to make a positive difference will vary from company to company.

However, most of the oil and gas producers are moving in the same direction, increasing investment in renewables, and pursuing significant emissions reductions, with many targeting net zero goals.

For this to be achieved, the existing supply chain has an opportunity to play a pivotal role by adapting services offered to suit the changing needs of clients.

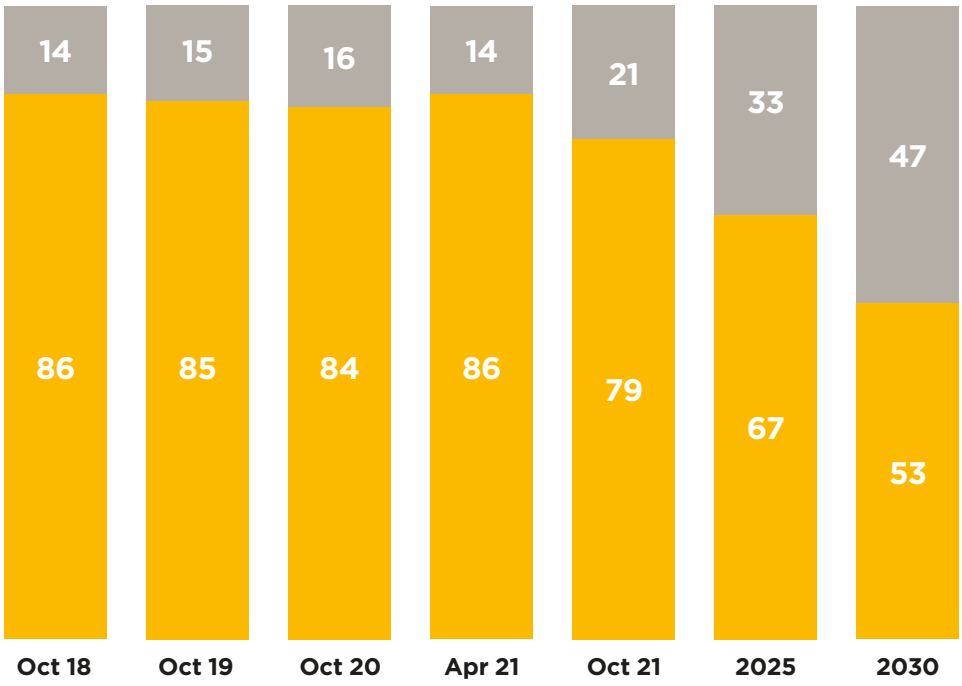
Sector diversification

76% of firms are roundly positive about Scotland's future potential as an energy heavyweight, and Aberdeen being the energy hub at the heart of that vision. Careful planning and investment at a corporate and government level are needed to make sure Scotland's years of experience, skills and infrastructure are used to their full potential as we move towards a greener future.

KPMG viewpoint

8. Sector expects transformation from oil and gas to pick up pace to 2030

Q: What percentage of your business is in oil and gas activities? What percentage of your business do you expect to be within oil and gas activities by 2025? By 2030?



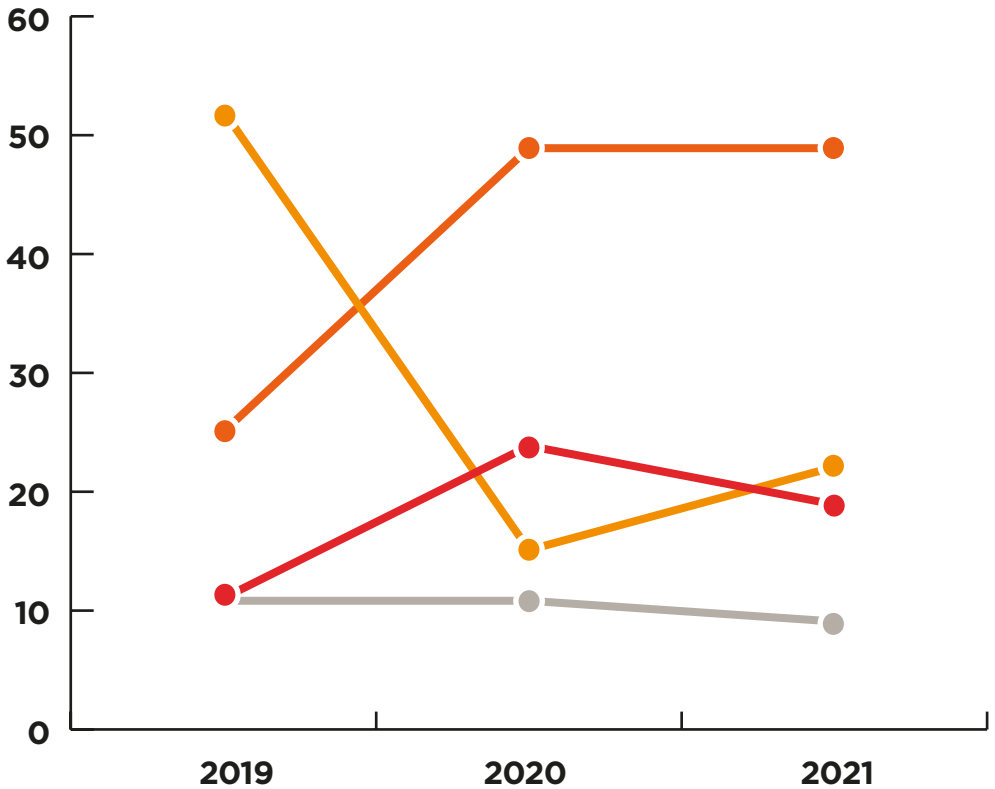
If your business is not 100% oil and gas activity, what are the remaining proportions of your activities in other sectors?

Offshore wind (46%)
'Other' engineering (34%)
Decommissioning (18%)
'Other' renewables (18%)

Note: Oct 2021/2025/2030 data drawn from the October 2021 survey

9. Most sector businesses are actively diversifying outwith oil and gas. One in five have no plans to change.

Q: Which of the following best describes your business strategy and approach to energy transition?

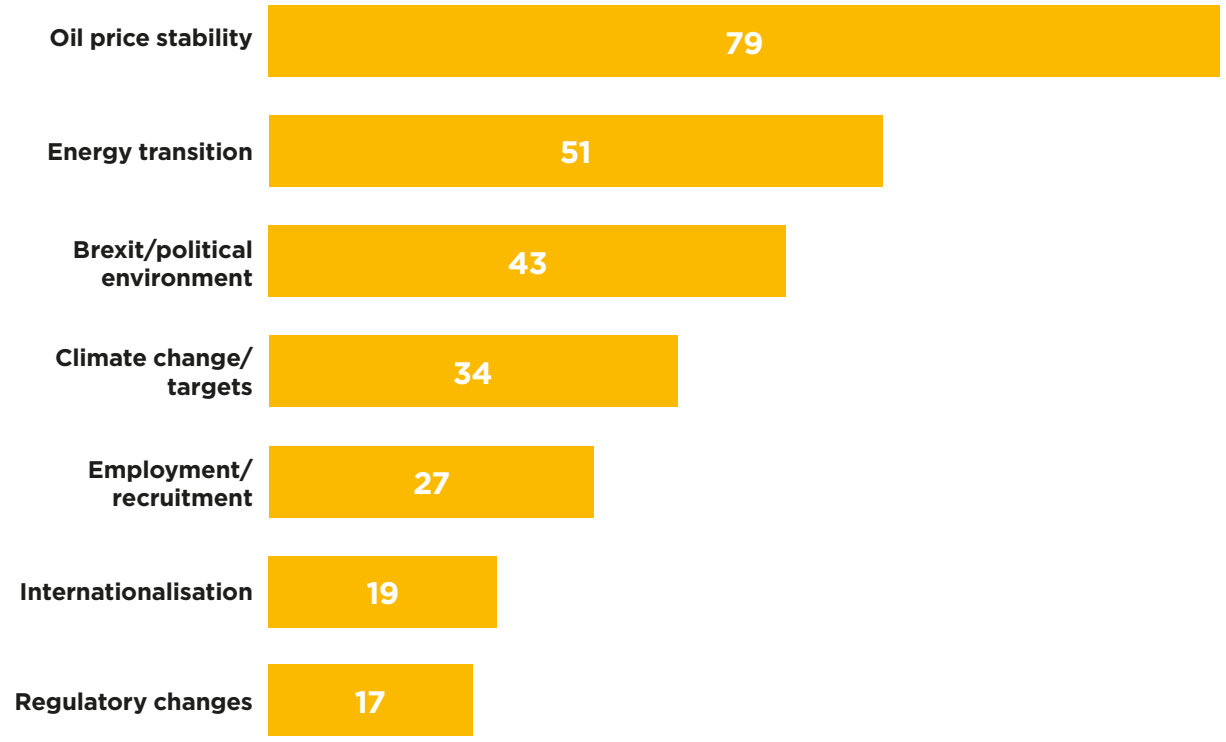


If diversification is not of interest to your organisation, please tell us why.

Example comment: 'It would mean a total change in our business to markets we don't have a supply chain for.'

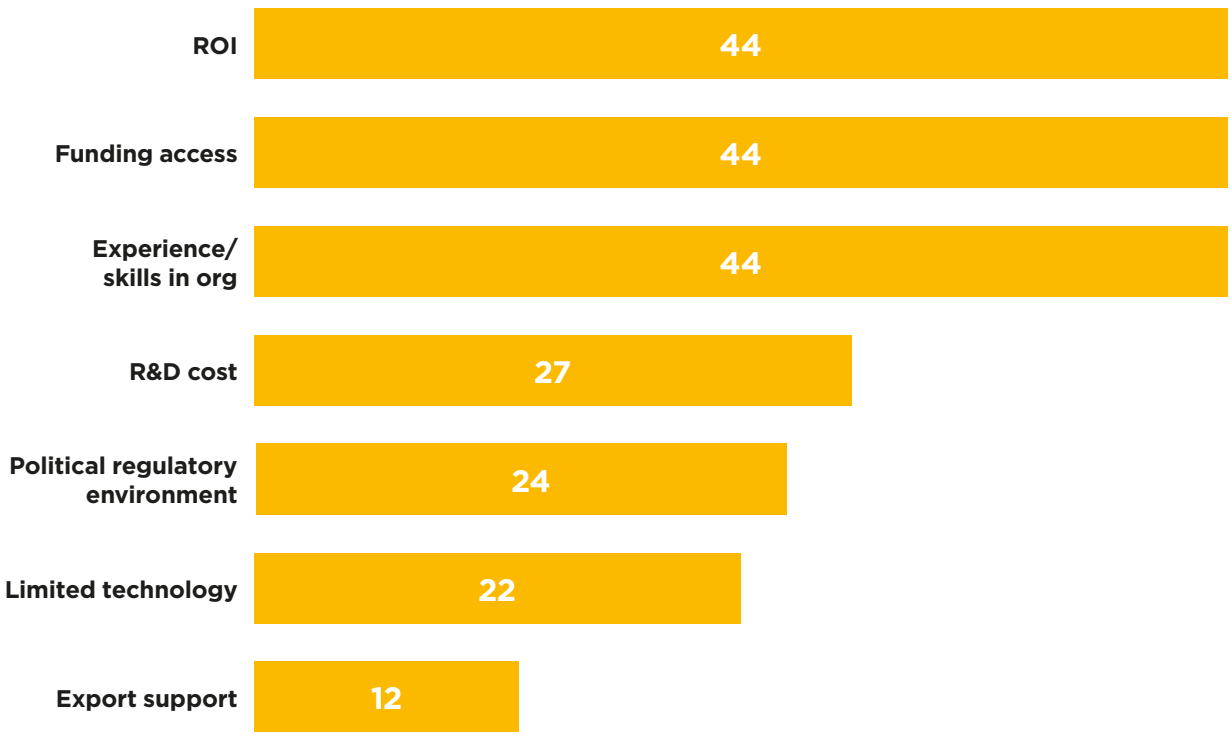
10. Challenges and opportunities 2021 - 2030

Q: What are the top three concerns for your organisation's long-term future (i.e. next 10 years)?



11. Range of barriers to sector diversification

Q: Which of the following, if any, would you consider as barriers / challenges to diversification into other forms of energy?



% identifying area as a barrier to diversification

12. Diversification concerns and solutions

When it comes to energy transition and ensuring your business has the skills to drive forward your diversification plans, are you concerned about any of the following?

- Identifying skills gaps 64%
- Attracting employees 50%
- Retraining costs 36%
- Identifying training providers 24%

Concerns

Are you implementing any of the following to minimise potential skills shortages in your business?

- Retraining existing staff 62%
- Graduate recruitment 47%
- Contractors 40%
- Increasing pay 28%
- Rebrand 22%

Solutions

Nucore Group case study

1. Tell us a little bit about your business, what you do and what makes you different?

Two established companies, Oteac Ltd (formed in 1986) and HVAC & Refrigeration Engineering Ltd (formed in 1999) inaugurated in 2016 and officially launched as Nucore Group in January 2021.

Offering safety critical design, manufacture, installation, commissioning and maintenance, the group provide solutions to fire safety (detection and suppression), security (CCTV etc), heating, ventilation, air conditioning, refrigeration and modular door requirements our clients may have, on a worldwide basis.

We offer "single point of contact" integrated solutions. In addition, on a client asset, a fire safety technician accompanies an HVAC engineer who will assist each other whilst carrying out their own specialist duties, thus negating the need for a third technician.

This unique integrated offering is aimed at increasing safety and reducing mobilisations to an asset.

2. Can you tell us about the transition journey your business has been on and any challenges you have overcome?

More of an extension than a transition. We recognised the broad experience of many of our directors, managers and technicians, along with investment in additional training and the employment of key personnel from other sectors, could position us to move into other fields of the energy industry, with the renewable sector being a viable target.

A key task was to promote our offering at the correct level and assure companies in the sector were aware of the capability that we already offer. The additional steps that we had taken from investing in training etc, placed us perfectly to support those companies as well as holding a capability to bring innovation to the sector.

Of the major UK wind farms to which our offering is suited (circa 40) we now provide, to varying degrees, products and services to 19 of those.

3. What advice would you give to businesses embarking on a similar transition journey?

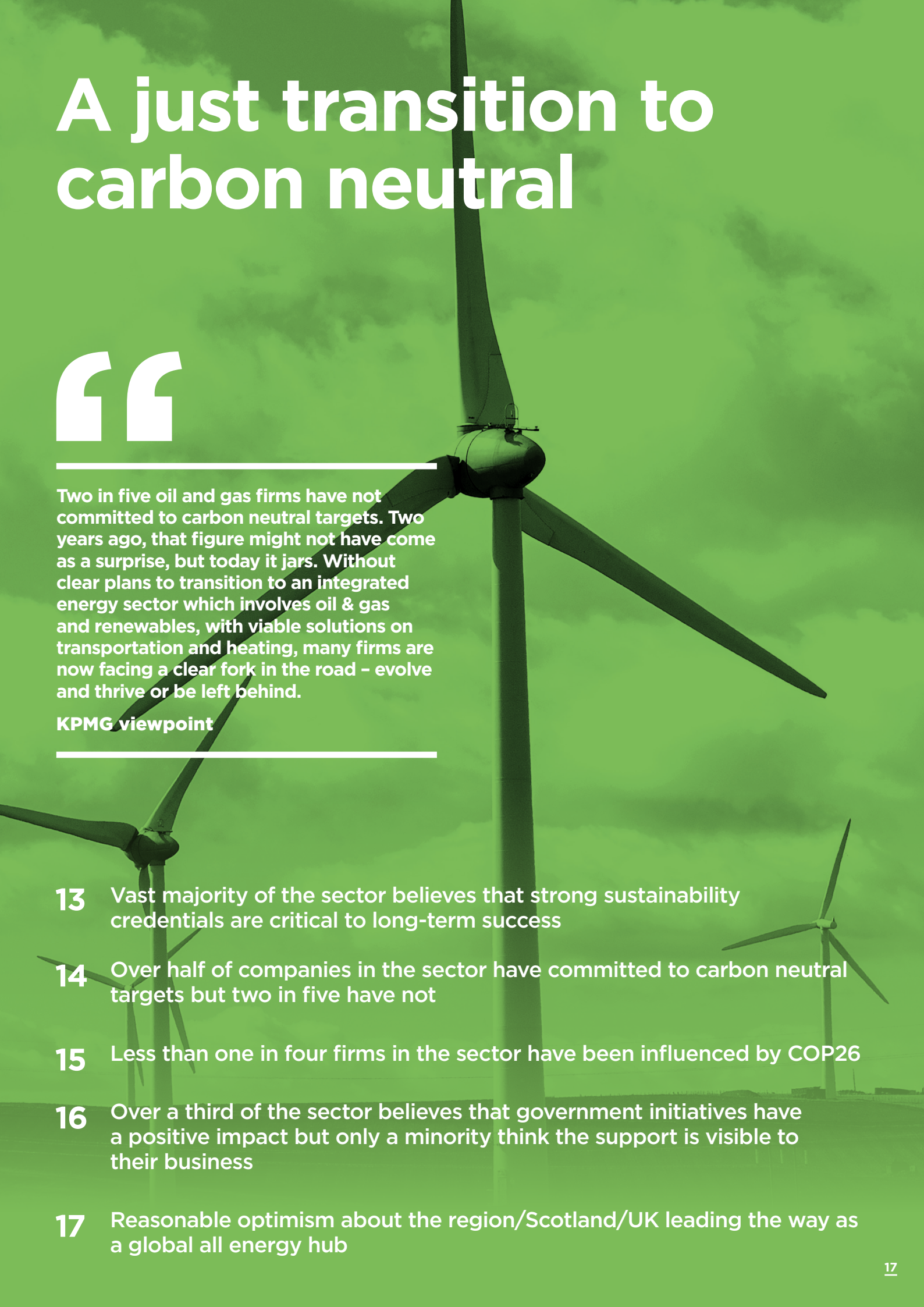
Part of our entry to additional energy markets included registering and/or submitting our capabilities and experience on a multitude of relevant databases, supplier portals etc.

We also connected with various "clusters" such as Deep Wind and Forth and Tay as well as associated with Offshore Wind Growth Partnership which all prove beneficial for project updates.

We also found joining other bodies such as AGCC and AREG to be very useful for news feeds, bulletins and seminars as well as Aberdeen & Grampian Chamber of Commerce's various webinars and supply chain events.

Investment in our people has also been fundamental in delivering our promises.

A just transition to carbon neutral

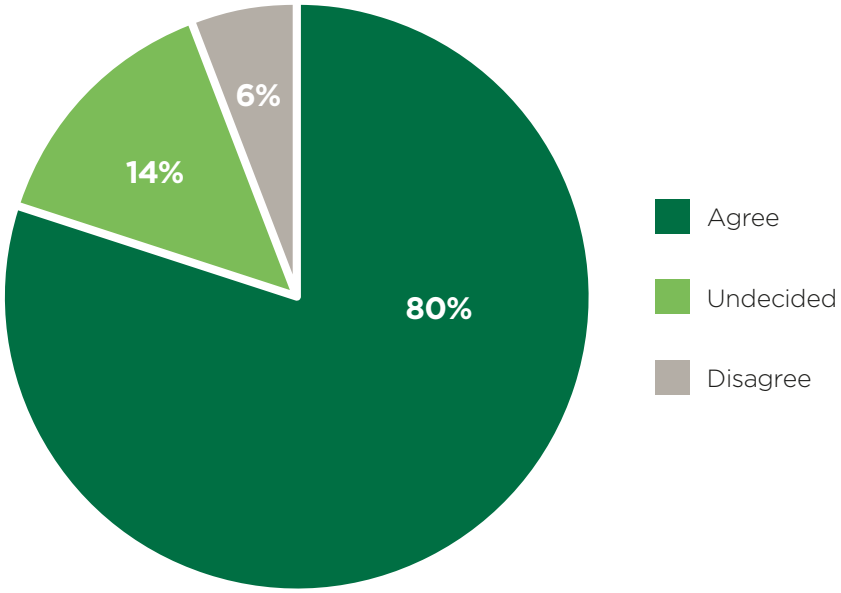


Two in five oil and gas firms have not committed to carbon neutral targets. Two years ago, that figure might not have come as a surprise, but today it jars. Without clear plans to transition to an integrated energy sector which involves oil & gas and renewables, with viable solutions on transportation and heating, many firms are now facing a clear fork in the road – evolve and thrive or be left behind.

KPMG viewpoint

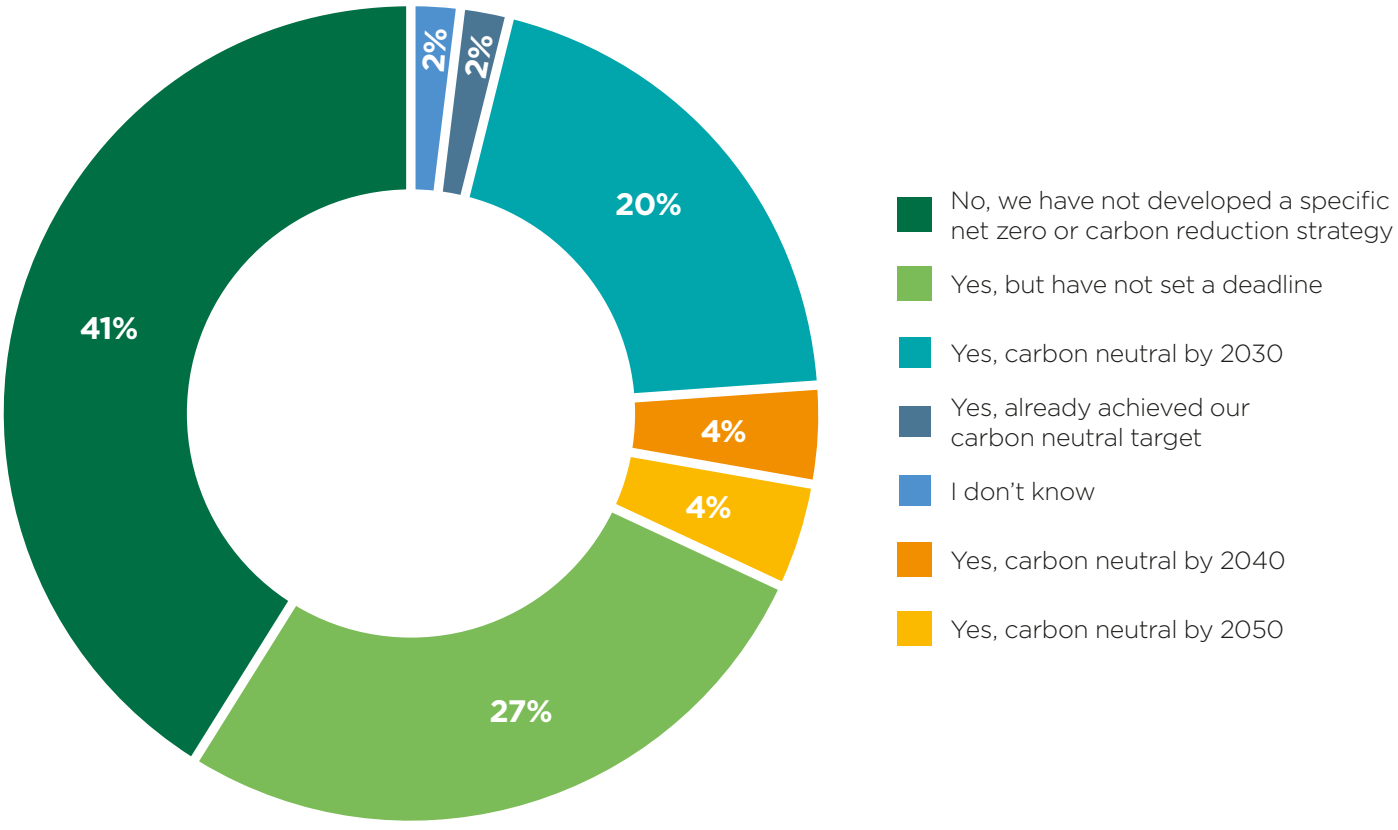
13. Vast majority of the sector believes that strong sustainability credentials are critical to their long-term success

Q: To what extent would you agree that strong sustainability credentials are critical to your long-term success?



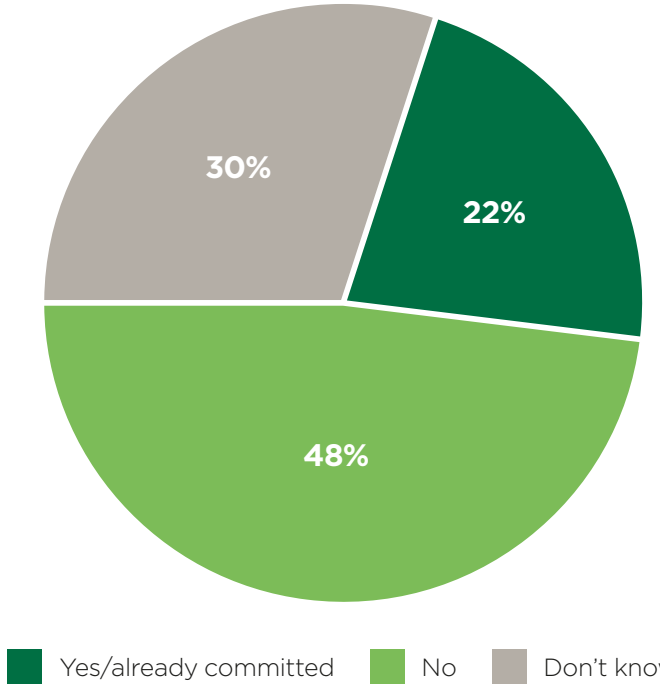
14. Over half of the sector has committed to carbon neutral targets but two in five companies has not

Q: Has your business developed a specific net zero strategy or a strategy to reduce your carbon footprint?

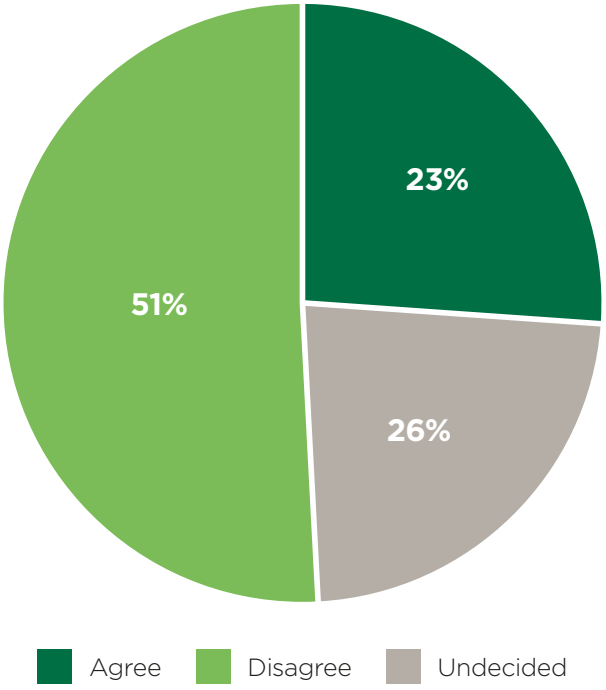


15. Less than one in four of the sector has been influenced by COP26

Have you commitment to a pre-COP26 pledge?

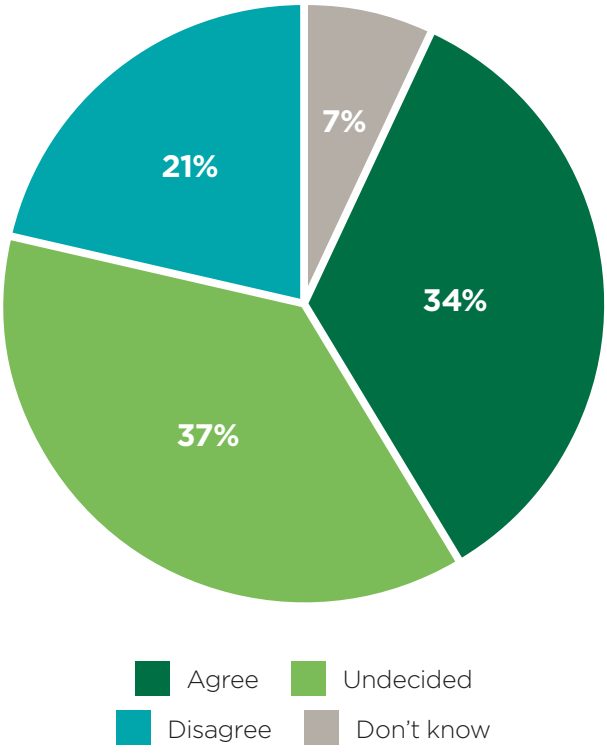


Has COP26 been a net zero accelerator?

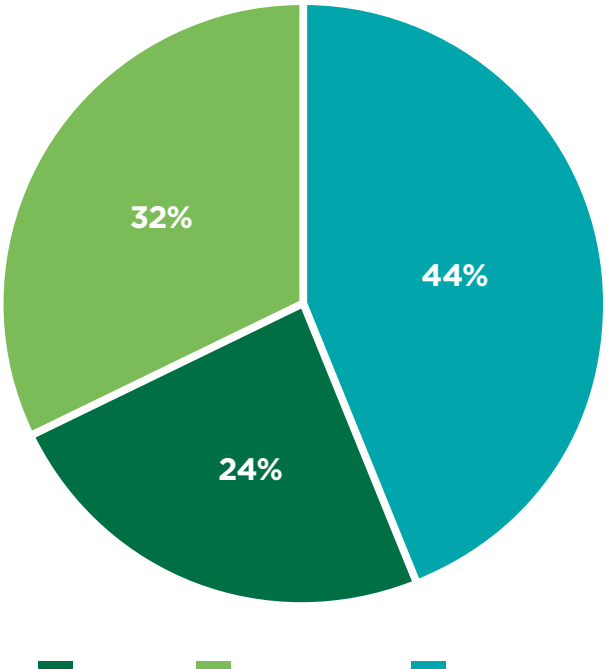


16. Over a third of the sector believes that government initiatives have a positive impact but only a minority think the support is visible to their business

Percentage positive impact

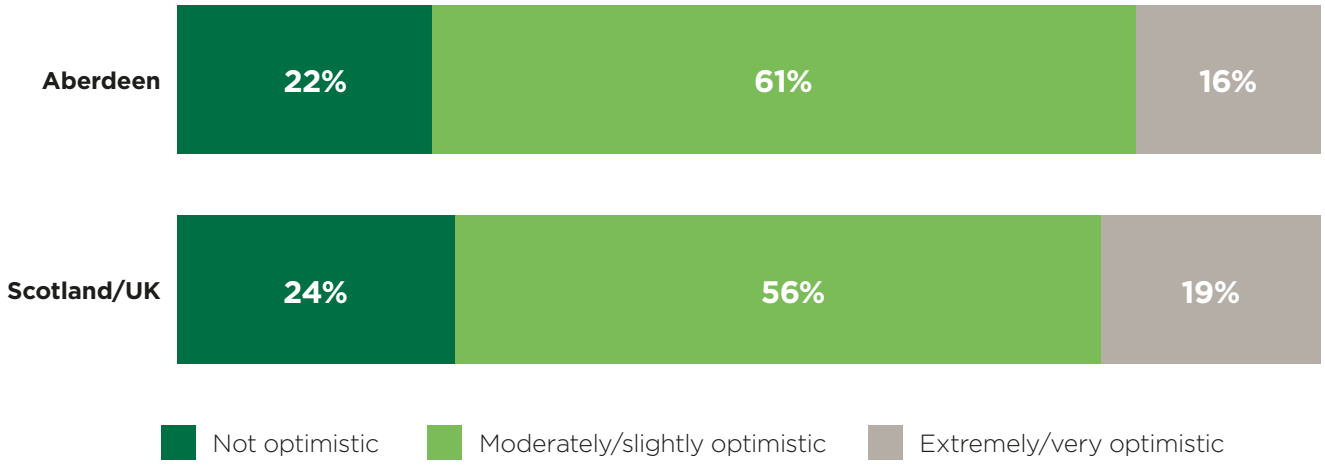


Percentage support is visible



17. Reasonable optimism about the region/Scotland/UK leading the way as a global all energy hub

Q: How optimistic are you about the long-term future of a) Aberdeen and b) Scotland/UK as leading the way as an oil and gas energy hub?



TEXO case study

1. Tell us a little bit about your business, what you do and what makes you different?

TEXO is a multi-disciplinary engineering company offering a range of services and expertise that can be delivered to projects across a variety of sectors from energy to construction – onshore and offshore. Each of our seven services – encompassing engineering, fabrication, modular builds, airborne and ground survey, data capture and storage, design, digital modelling, scenario planning and remote access and communication – has its own expert team. These teams can be dovetailed to provide a full service across a larger project, or delivered as a single-expertise service. Being able to offer this range of skills allows our clients to use a single supplier, reduces costs, lowers environmental footprints and makes the most efficient use of time.

2. Can you tell us about the transition journey your business has been on and any challenges you have overcome?

Our onshore and offshore expertise has made TEXO increasingly sought-after for high-profile projects in the renewables sector. For example, we played a prominent role in the manufacture and fabrication of the world's largest tidal turbine, the Orbital Marine Power O2, which is now in operation off the coast of Orkney. We have also worked on wind turbines and have invested in resources and expertise that allows us to bid for more work in this sector.

In addition to contributing directly to environmentally-positive projects, we have been working closely with our clients to offer services that dramatically reduce the need for expensive and climate damaging travel for necessary works such as asset inspection.

Our airborne survey division uses highly skilled pilots to conduct drone surveys. With one pilot able to do the work of several traditional surveyors, we reduce the need for personnel on site, whilst increasing site safety and removing the need for downtime on the client's site. Our TEXZone software also allows pre-inspection modelling, helping our survey teams see exactly where they need to fly. This makes the survey process faster, more accurate and reduces travel and time on site.

Working alongside our latest service, Livestream, clients can access real-time images of their assets without leaving home or office. This enables faster, more precise decision making, keeps the asset running without interruption and significantly reduces the requirement to travel to site. Indeed, we have successfully used Livestream to manage a remote asset in Australia whilst client personnel in the UK viewed images and organised repairs in real time.

3. What advice would you give to businesses embarking on a similar transition journey?

At TEXO, we always ask ourselves the question: "Is there a smarter way of doing something?" That constant striving to do things better has influenced our service offerings and the way we work with clients.

We think it's important to understand that there are both ethical and commercial benefits to transitioning to working in more environmentally-friendly ways, offering services driven by robust technology that help to reduce both our and our clients' carbon footprints. Our advice is to embrace this change, look for ways to get ahead of it and build great relationships with your clients so that they choose to work with you because your values match theirs.

Our aim is to provide all our clients with a sustainable, cost-effective solution that is economically and environmentally viable and valuable for all parties. We firmly believe that business can have a significant positive impact whilst creating commercial growth and success.

Recruitment and skills gaps

Companies reported that they were losing more staff that usual to roles outwith the sector (39%) and to retirement (26%), underlining the importance of programmes like the Energy Skills Alliance which aim to create a true 'all-energy career proposition'.

Chamber viewpoint

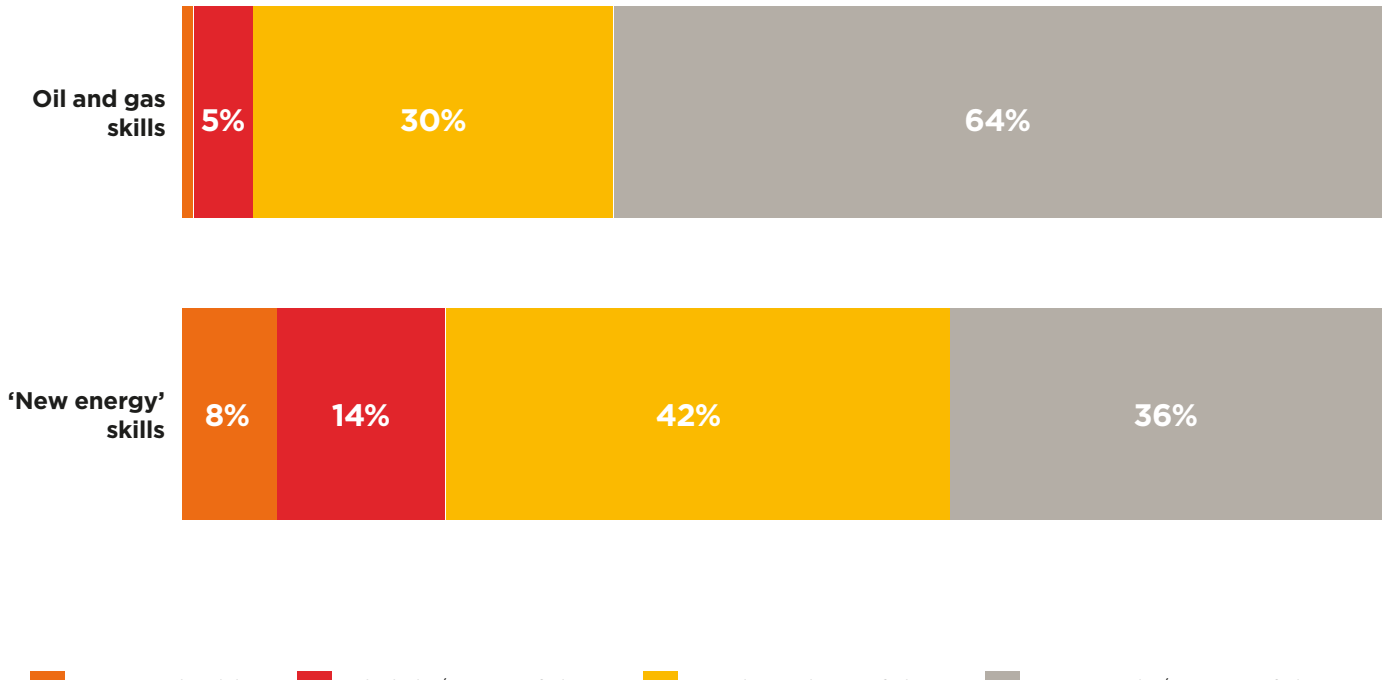
18. Technical skills are most ‘difficult to recruit’

Q: Have you experienced any difficulties in recruiting any of the following roles?

Skills area	Technical	Trades	Managerial	Admin
% experiencing difficulty in recruiting	26%	12%	11%	0%
What skills are in short supply? Example comments	‘Practical operational skills and experience. The industry is replete with managers, administrators and bureaucrats.’ ‘Most skills are now in short supply due to the volatile way the industry operates. There needs to be more commitment from employers to retain the experience that has been built up over decades. Most engineering roles will be lost in future as the expertise cannot be passed on.’ ‘Digital knowledge and capabilities.’			

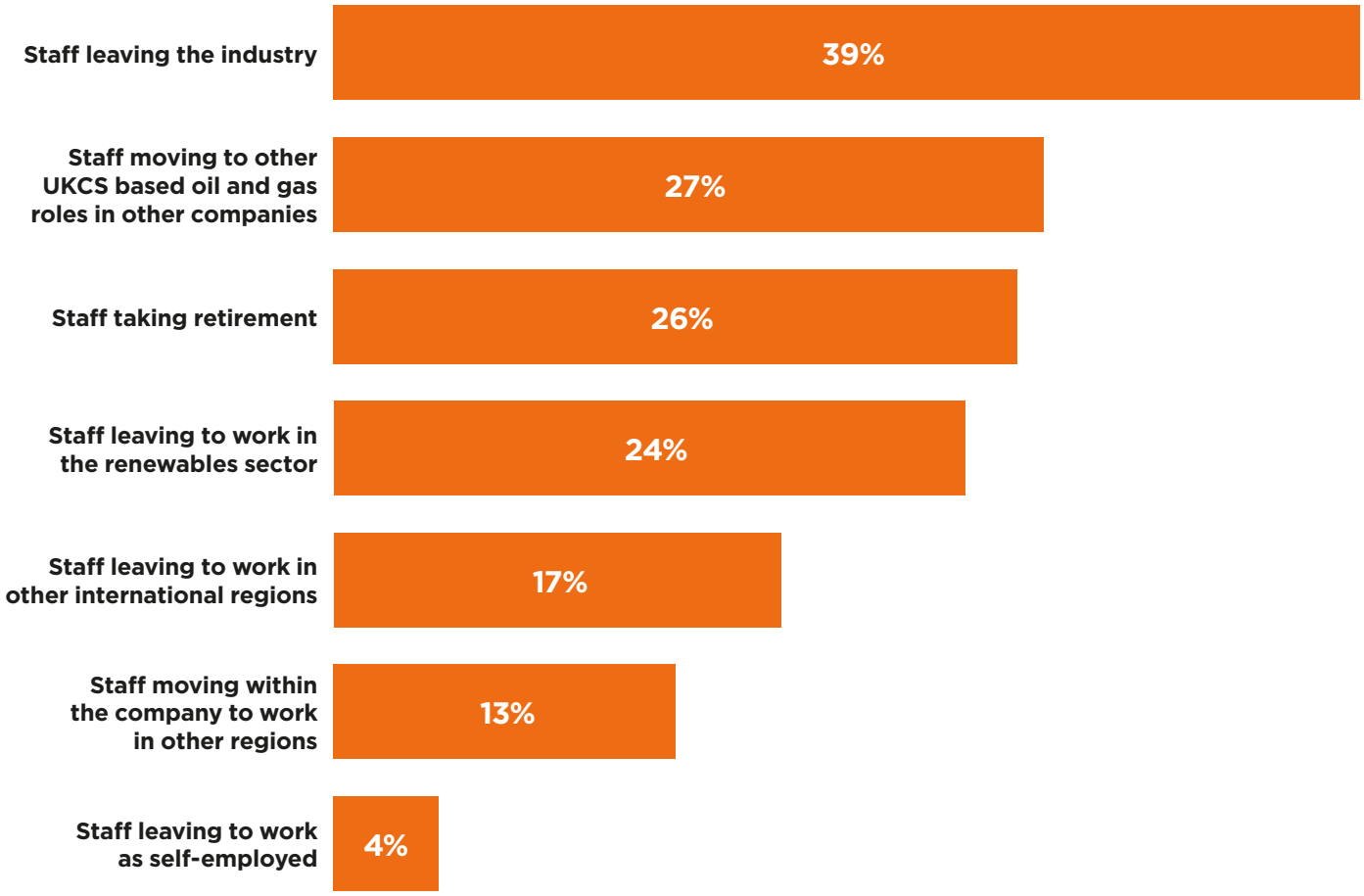
19. Transition may be constrained by skills shortages

Q: How confident are you that your businesses will be able to secure the skills you need to deliver your longer term strategic objectives?



20. Concerning indicators of a skills drain

Q: Are you losing more UK-based qualified staff than usual to any of the following?...% saying yes



Policy recommendations

Our results have highlighted that firms currently working in the industry are committed to being part of the transition, but they continue to face some clear challenges.

A significant portion of firms in our survey had not yet developed a strategy for net-zero or to reduce the carbon footprint of their own business. Firms also report a range of issues with skills linked to diversification, funding support to deliver their diversification plans, and many didn't believe that existing support was accessible enough.

Some of these challenges are already being addressed as part of broader workstreams via initiatives such as the North Sea Transition Deal, examining the transferability of skills across oil and gas and renewables, but there are some areas where additional action could boost the ability of firms to transition successfully.

Help firms to define and deliver their own carbon reduction plans

Approximately 40% of firms surveyed were yet to develop a net-zero or carbon reduction strategy for their own business. Although this is slightly ahead of the wider economy, all firms will need to consider how they reduce their carbon footprint in the coming months. Particularly when considering prior Chamber research which showcased that an increasing number of businesses will be integrating the requirement for a credible strategy into their procurement processes.

Boosting support to upscale climate literacy training for businesses, such as the pilot programme currently being delivered by the Chamber via the North East Economic Recovery and Skills Fund, would allow more firms to make that vital first step to setting out their own path to net-zero.

Support the sector to recruit the workforce of the future

Given the focus on skills as a concern, it's vital that work to deliver foundational initiatives like the Energy Skills Alliance, Climate Emergency Skills Action Plan, Green Jobs Taskforce and the People & Skills Plan linked to the North Sea Transition Deal progress as planned.

Our research highlighted that approximately two-thirds of businesses were concerned about their ability to identify critical skills gaps in their diversification plans. Firms should be provided with focused support or matched with an education provider to map and align their diversification strategy to their future skills needs. This would help to mitigate a critical pain point in diversifying into new sectors, and allow firms to take advantage of the significant work driven by the aforementioned initiatives to foster workforce transferability.

Invest in place-based net zero infrastructure to accelerate the transition – back the scottish cluster

Large-scale investments like the Aberdeen Hydrogen Hub and the Energy Transition Zone will create attractive opportunities for skilled talent from the oil and gas sector to apply their transferable skills to low carbon industries. These major place-based investments also act to boost confidence and drive firms to further develop their capability in critical new technologies.

In our 33rd survey, 45% of firms expected to be involved in carbon capture in the medium term. Carbon capture and storage will also be critical to our net-zero ambitions, described as 'a necessity, not an option' by the Climate Change Committee. The recent decision to label the Scottish Cluster as a 'reserve' project will hamper the development of this vital capability within the Scottish supply chain.

The UK Government should recognise the pressing need for additional carbon capture capacity, and the significant advantages it offers in reducing emissions via CO_2 shipping from other parts of the UK and via direct air capture. The UK Government should reconsider this recent decision and progress the Scottish Cluster as a third 'Track-1' cluster.

Appendix

The Oil and Gas Transition Survey was conducted by the Research Chamber at Aberdeen & Grampian Chamber of Commerce and supported by Strathclyde University's Fraser of Allander Institute.

Methodology

We would like to thank all survey participants. Without your time and input we could not have delivered this research. Your continued support is invaluable to us in meeting our commitment to bring you independent and impartial insights into the key issues facing your business and the wider sector.

Our sponsor

The Chamber of Commerce would like to express its thanks to KPMG UK for their ongoing support as sponsor of this strategically important research study series.

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Research Chamber

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