

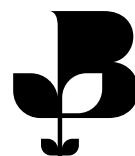


NORTH SEA TRANSITION TASKFORCE
SECURING THE FUTURE OF THE ENERGY
TRANSITION IN THE NORTH SEA



**Aberdeen &
Grampian
Chamber of
Commerce**

STONEHAVEN

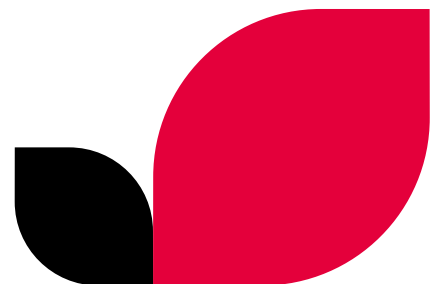


**British
Chambers of
Commerce**



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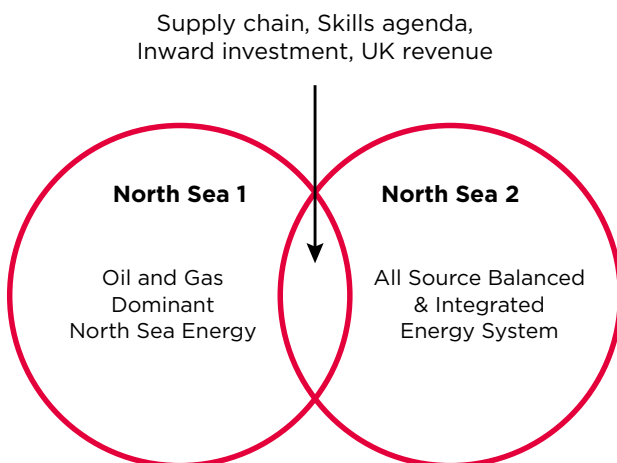
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SUMMARY

The North Sea has been a tremendous asset for the UK since the first modern oil and gas extractions over 50 years ago. The industry has supported thousands of well-paid and highly skilled jobs, underpinned economic activity right across the UK and has provided over £400 billion of production taxes for the public purse.¹ The North Sea is now a mature oil and gas basin, but a new future beckons, one in which the North Sea is a major resource to power a net zero economy, sustaining good jobs and economic activity into a long-term future.

Managing the transition from a North Sea dominated by oil and gas production, to a new North Sea which successfully exploits its potential for commercially viable renewable energy, is of vital strategic importance for the UK. The future success of the North Sea currently rests on the overlap between the ‘two North Seas’, ensuring that a gap does not open up at the expense of a just transition for communities, jobs and a net zero future. The urgency of dealing with the risks of climate change and the challenges of a newly uncertain geopolitical context demand that the UK uses its resources intelligently and to best effect.



Done well, a successful just transition will hasten our journey as a country towards net zero. Through the redeployment of the business expertise and individual skills that have built a world-class oil and gas industry, the North Sea transition can bring forward a renewable energy future. A well-handled transition will support the UK's growth, underpin its industrial strategy and support the UK's energy security. Done badly, it risks a rapid erosion of its infrastructure, existing world-leading supply chain and skilled workforce, to the detriment of economic activity in many communities throughout the UK. Moreover, a mishandled transition will diminish the revenues that could help pay for a renewable future and shackle the efforts to achieve a clean energy economy.

There is a window of opportunity to get this right, but that window is closing fast. Confidence is draining from the North Sea. There is a serious risk that the ecosystem that has supported activity in the North Sea to date will erode too rapidly to form the foundation for the new North Sea. There is an urgent need to establish a plan for a just transition which gives businesses, investors, the workforce and the public a clear line of sight into a sustainable and viable future for the North Sea. As a vital national asset in the UK, we need to see national action, with a coherent strategy.

The main responsibility for creating the right conditions for a successful transition rests with government, primarily the UK government, but also the Scottish government and the many agencies and other public bodies that have some role in the overly complex governance arrangements that pertain over the North Sea basin. Business and industry should play its part, taking investment risks in a responsible way to deliver economic value and good quality jobs. But it is government that needs to act now and act fast to create the right conditions for industry to commit investor resources and entrepreneurial energy into the North Sea, rather than see it lost to other more attractive propositions around the globe.

There are three interlocking issues that have combined to cause uncertainty over the North Sea transition. They are:

- changes to the fiscal regime for oil and gas extraction that have called into question the profitability of investment in the North Sea oil and gas sector;
- changes in the regulatory context, driven both by the ruling in the Finch case about the environmental obligations of companies investing in new oil and gas extraction and the incoming government's position on new exploratory drilling; and
- changes in the wider economic environment, in particular increases in interest rates, that have delayed investments in clean energy alternatives alongside the slow pace of granting planning permissions for new projects and the backlog of projects waiting to connect to the grid.

The North Sea Transition Taskforce has heard loud and clear that these problems could lead to a widening gap between the current world and the anticipated new North Sea. Simply put, there is a risk that oil and gas production will decline faster than anticipated, while wind and other renewable projects take longer to get established. If that gap is allowed to open, there will not be a viable industry left to transition to the renewable future.

Through its recently launched consultations, the UK government has acknowledged that it needs to take action on these issues. But its proposed actions risk being too slow and lacking the coherence that a successful transition requires.

This Taskforce is calling on government to urgently:

- put in place a stable, predictable and viable tax regime for North Sea oil and gas. Central to this should be the replacement of the Energy Profits Levy (commonly known as the Windfall Tax) at the earliest, appropriate opportunity with a new regime that is proportionate and adjustable in predictable ways in response to changes in the price of oil and gas. A stable fiscal regime would end the over-hanging threat of arbitrary changes and give businesses certainty about their future tax obligations, thereby supporting long-term investment. This must be the outcome of the Treasury's recent consultation;ⁱⁱ

- develop a clear regime for the regulation of extraction and exploratory drilling for the remainder of the projected life of the North Sea as a viable oil and gas basin, including licensees' environmental obligations. This should recognise the ongoing UK demand for hydrocarbons even in a net zero future and seek to promote the utilisation of UK assets over higher-carbon imports of LNG, while optimising revenue to the UK exchequer, UK jobs and UK economic growth while also ensuring that the UK meets its legally binding climate commitments;
- put in place a comprehensive multi-annual framework of government support to underpin investment in offshore wind, both fixed and floating, CCUS and hydrogen. In the Contract for Difference (CfD) mechanism, the government has a proven vehicle to support wind investment; the government needs to carry through on its commitments to make CfDs more flexible in response to current economic conditions. The government also needs to offer industry assurance that it will stick with its plans to support CCUS and hydrogen generation through to the point where the technologies are proven and economically viable.

Rapid action by the government on these fronts will address the immediate loss of confidence in the future of the North Sea. But this cannot be a one-off. Governance of the North Sea's transition is complex and, at times, opaque; there is no single plan to which industry, NGOs, unions, skills providers and other stakeholders can refer to understand how the various elements that will determine the future of the North Sea fit together.

In an ideal world, government would aspire to a single agency, with operational independence, to devise and deliver a plan for the North Sea transition. However, the Taskforce recognises that the problem is too urgent to propose that the government wait for the outcome of a full review and reformation of North Sea governance. Moreover, there is a limit to how far structural changes to agency responsibility could resolve governance complexity; there are too many cross-cutting interests to boil down into a single structure and the extent of the national interest engaged will always require political oversight. Instead, the Taskforce is calling on government to:

- create a powerful, ministerially led committee, that brings together relevant UK government departments, the Scottish government, the appropriate agencies, industry and unions to take responsibility for North Sea transition as a mission that supports the wider government objectives for growth and net zero;
- through that committee, to task the North Sea Transition Authority to convene National Energy System Operator (NESO), Crown Estate, Crown Estate Scotland, Great British Energy (GBE) and other agencies, unions and industry to draw up an overarching plan for the North Sea transition to which government can be held to account.

With a plan established, the government should then work to put North Sea governance on a long-term stable footing, fit for the decades ahead, to give investors, industry, workers and communities the confidence they need in the future of the North Sea.

This is a bold proposition. Long-term planning for the North Sea, as for many aspects of the UK economy, has not been a priority for successive governments; indeed, it is arguably somewhat alien to the British way of governing. governments do not like to have their hands tied. But we are well past the point where there is any rational argument for the sort of reactive politicking that has too often bedevilled debate about the future of the North Sea. Politicians need to raise their game and seek advantage in commitment to a cross-government, long-term plan for the North Sea transition. Much depends on their vision; tens of thousands of jobs, the economic well-being of communities across the UK and our pathway to a net zero future.



INTRODUCTION: THE NORTH SEA TRANSITION TASKFORCE

The North Sea Transition Taskforce was established in November last year. It is a short-life group whose focus is to produce this report, providing a clear set of recommendations to government in an otherwise noisy debate.

The need for a Taskforce emerged from a growing sense that a national asset was not being well managed and dissatisfaction with the policy context in which industry has to operate in the North Sea. Unions are concerned about the threat to jobs. NGOs are concerned about how action on the North Sea fits into wider plans for the progress towards net zero. A report prepared by the British Chambers of Commerce, *Securing the long-term future for North Sea energy production*, set out that frustration and called for a Taskforce to map out a way forward.ⁱⁱⁱ

Members of the taskforce are:

Philip Rycroft (Chair), former Permanent Secretary for the Department for Exiting the EU and Second Permanent Secretary for Cabinet Office.

Shevaun Haviland (Executive Director), Director General of the British Chambers of Commerce

Nick Butler, Founding Chair of the Policy Institute at King's College London.

Prof. Paul de Leeuw, Director of the Energy Transition Institute at Robert Gordon University, Aberdeen.

Peter Welsh, Head of Campaigns and Communications for GMB in Scotland.

Dr. Sally Uren OBE, Executive Director and Chief Acceleration Officer of Forum for the Future.

Sarah Moore, Chief Executive Officer of Peterson Energy Logistics.

Steven Gray, Managing Partner and Co-founder of Ventex, a climate technology venture studio.

Trevor Garlick, unaffiliated.

While the Taskforce represents a range of experience and interests in the North Sea, its membership could not cover all relevant interests. In addition to the input of the Taskforce itself, Stonehaven Campaigns undertook a comprehensive range of interviews with interested parties including trade unions, industry bodies, NGOs, supply chain organisations, academics, government agencies and operators. Stonehaven Campaigns also conducted a survey of public opinion, involving a nationally representative sample of 2,035 adults in February 2025. For the purpose of this document, operators will be used interchangeably to mean either operators or operators and developers.

Those interviews have informed the writing of this report. Interviewees confirmed the concerns that were set out in the report *Securing the long-term future for North Sea energy production*, published in September 2024. Key findings were:

- a concern that, without clarity on transition, world-leading skills in the UK workforce will migrate to other parts of the world where the opportunities are greater;
- the lack of a holistic and long-term view of the North Sea which sets out the pathways for both oil and gas and renewables and maps out potential workforce consequences;
- that the biggest issue affecting the North Sea currently is the degree of uncertainty surrounding the government's intentions, and its effect on investor confidence;
- that the lack of join up between the UK and the devolved governments, between government departments and between government and its agencies deepened this uncertainty;
- concern over a lack of collaboration with our North Sea neighbours, which is inhibiting a basin-wide approach to the North Sea and compromising our energy security.

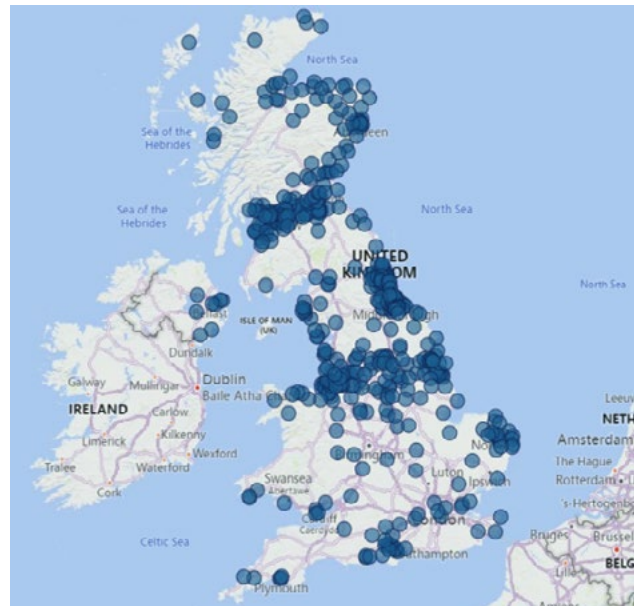
Responsibility for using the recommendations of this report to keep the pressure on government will rest primarily with the British Chambers of Commerce and the national network of Chambers, working with businesses, unions, and NGOs across the country. The Taskforce itself will no longer have a formal role, though members stand ready to continue to engage with the debate on how the North Sea transition is managed.

CURRENT SITUATION: WHAT IS THE PROBLEM?

The North Sea is a tremendous asset for the UK.

- current oil and gas operations in the North Sea support 120,000 jobs directly and through the supply chain, with another 80,000 induced jobs – namely jobs supported by the economic activity of those workers in the wider economy.^{iv} These jobs are vitally important across the UK, with high concentrations in Aberdeen and the North-East of Scotland, the North-East of England and East Anglia (see Figure i);
- tax revenue from the North Sea has fluctuated, from £10.6 billion in 2008/09 to £0.5 billion in 2020/21 and back to £9.9 billion in 2022/23 and £5 billion in 2023/24.^v In addition, the public purse has benefited from other taxes (income tax, VAT, corporation tax) generated by the economic activity stimulated by the industry;
- although the North Sea is a mature basin, in 2023 it was still producing 55% of the UK's natural gas demand and 66% of the UK's primary oil demand;^{vi}
- physical assets located in the North Sea (platforms, pipes, cables) represent a massive investment in the North Sea. While much of this asset base can only be used for extraction of oil and gas and will have to be decommissioned in due course, some of it can be repurposed to support the new industries of the North Sea, in particular CCUS and wind;
- the development of the North Sea basin to date has led to the creation of a vibrant supply chain that exports its skills and technology round the world. For example, in 2022 the UK held one third of share of the market for subsea services which was anticipated to grow from £8bn of revenue to £45bn by 2035 if it remained on the same trajectory.^{vii}

Figure i: Distribution of workforce of major Aberdeen based energy supply chain business



While the North Sea basin is a mature basin as a source of oil and gas, there are still reserves which could be economically extracted to meet the UK's present and future needs for hydrocarbons. Oil and gas currently supply 78% of the UK's total energy needs.^{viii} Even under the most optimistic net zero scenarios, the UK will continue to require substantial quantities of hydrocarbons over the next few decades to keep transport running, industries functioning and houses, schools, hospitals, and other buildings warm. Demand reduction, an issue which is beyond the remit of the Taskforce, will be the key driver of future demand for hydrocarbons and will require continued technological innovation and consistent government intervention.

Figure ii. UK Oil: DESNZ NZS and CCC BNZP Demand and NSTA Production Projections

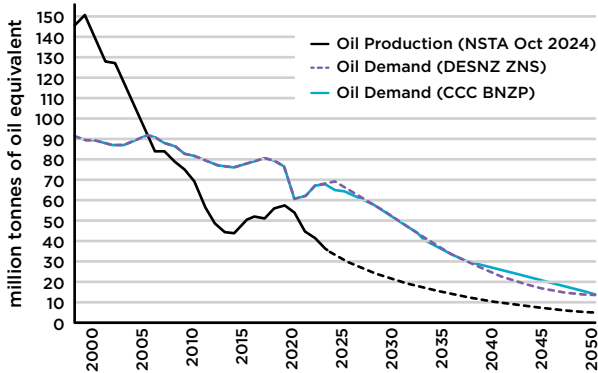
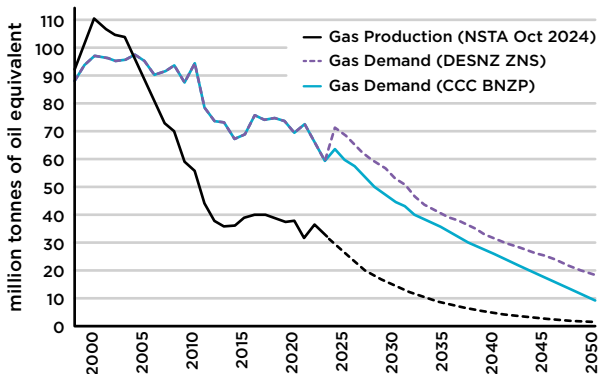


Figure iii. UK Gross Gas: DESNZ NZS and CCC BNZP Demand and NSTA Production Projections^{ix}

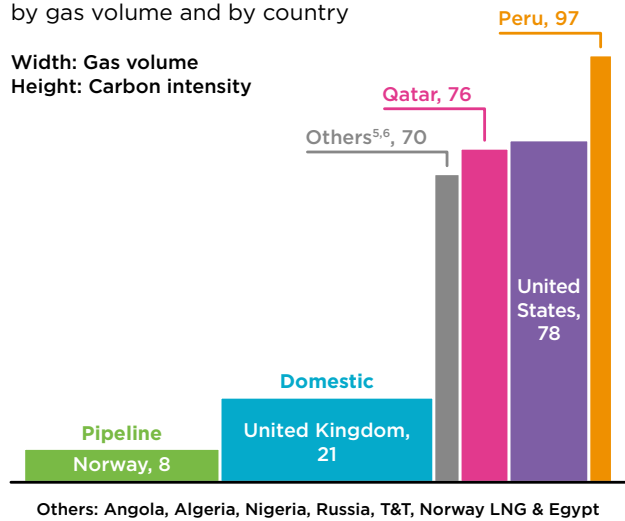


The North Sea can meet some, though not all, of that hydrocarbon need, thereby strengthening the UK's energy security. The UK needs 15 billion barrels of oil equivalent out to 2050. Currently, only 4 billion of that is forecast to be produced domestically, though that number could produce an additional 2-3 billion, according to Offshore Energies UK's Business Outlook Report 2025.* through maximising economic recovery from the North Sea. Therm for therm, gas produced in the North Sea, whether from UK waters or piped from Norwegian waters, is less carbon intensive than imported Liquefied Natural Gas (LNG): gas extracted from the UK is 4 times less carbon intensive than imported LNG (21kgCO₂/boe compared to 79kgCO₂/boe by the time it reaches the UK). As such, using North Sea gas for as long as the UK has to use gas makes climate sense.* Using resources from UK waters also ensures that more of the economic value add is captured for the UK, through taxes paid in the UK and jobs located in the UK.

Figure iv. 2022 UK Gas supply carbon intensities^{xi}

2022 carbon intensity (kgCO₂/boe) by gas volume and by country

Width: Gas volume
Height: Carbon intensity



Some argue that there is no point in producing oil from the North Sea because much of it is exported and should therefore be left under the sea rather than extracted. However, around 75% of UKCS oil is exported for refining with much of the product reimported into the UK to meet UK needs.^{xii} This is due to the configuration of, and reduced capacity in, the UK refining sector.^{xiii} When Grangemouth closes, the UK will have five refineries, down from 18 in the late 1970s, so the UK will need to continue to balance exports and imports to secure supplies for manufacturing and fuels. In 2024, the UK exported £5.3 billion of crude oil to the Netherlands and imported £6.7 billion of refined product.^{xiv}

Moreover, the UK has a direct interest in the energy security of neighbouring countries; it is not in our interests to increase the reliance of our allies on oil and gas from Russia or other non-democratic countries. While UK production cannot by any means plug the gap in wider European need, it can make a useful contribution during periods of low domestic demand.^{xv}

All these current and future benefits from the oil and gas industry are put at risk if the decline of the basin is not well managed. An accelerated and uncontrolled decline will have the following impacts:

- damage to a world-class business system and consequent loss of jobs and skilled people who will no longer be available to support the transition of the North Sea, as a mobile workforce seeks work elsewhere;
- an increased reliance on imports of oil and gas, much of which will be at higher carbon intensities than the North Sea product, thereby setting back both climate objectives and the goal of energy security;
- loss of exchequer receipts, both from production and related economic activity;
- a bottleneck in decommissioning demand, as assets are taken out of use before the end of their useful life, through supply chain constraints, which will push up costs for the industry and also for government, which carries a proportion of decommissioning liabilities, and so places a burden on the taxpayer;^{xvi}
- potential loss of assets, resources, equipment and skills that could be repurposed to service of the new industries of the North Sea.

All this would add up to a significant own goal for the UK. We would lose jobs, tax receipts and economic value to other countries. The UK would be poorer as a result and the government's drive for growth undermined. There would be a direct carbon cost due to reliance on higher-carbon imports. In the light of the rapidly evolving international context, reducing self-reliance in terms of oil and gas production, even if prices are set at international market levels, cannot help the UK's energy security. Communities dependent on the North Sea would take an economic hit similar to that faced by coalmining communities due to the precipitate and unplanned dismantling of that industry.

THIS RISK IS REAL AND IT IS NOW.

Companies are already giving up on the North Sea. Surveys by the Aberdeen and Grampian Chamber of Commerce show that confidence is at its lowest level since the survey began over two decades ago.^{xvii} Investment is declining at a faster rate than anticipated, having already been knocked by the Covid-19 pandemic which saw a large drop in capital expenditure. Subsequently, the market appeared to be in recovery but uncertainty on licensing and the fiscal regime have set that back.^{xviii} Ultimately, this has led to significant moves from operators, such as Apache's decision to leave the UKCS, Shell and Equinor's ongoing merger, and recently announced job cuts in BP, Harbour and Well-Safe Solutions.^{xix,xx}

THE WIDENING GAP AND THE SUPPLY CHAIN

Data collected by Rystad Energy and published by OEUK highlights the gap emerging to meet targets should the supply chain not be properly supported.

For oil and gas, rigs are mobile and as more are taken out of the UK to service other jurisdictions, capacity for extraction to meet demand and the decommissioning process is compromised.

For wind, there is growing production but the supply chain needs the capabilities and capacity to manufacture and construct the assets.

The businesses making up the supply chain need the confidence to invest in the necessary people and tools to deliver an effective transition, but right now there is a growing risk that neither will be adequately serviced.

Figure v

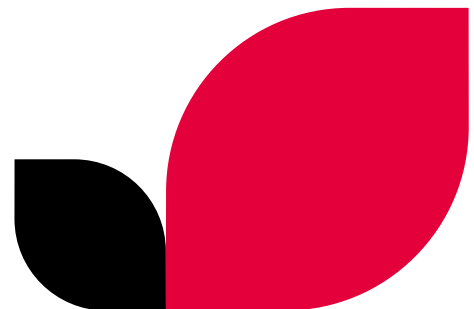
ACTIVITY METRIC	2025	2026	2027	2028	2029	2030
Rig Demand (rig count)	11	11	12	8	10	9
Offshore wells drilled & completed	54	49	44	43	43	34
'Christmas trees' installed	24	18	19	15	17	4
Oil country tubular goods demand ('000 metric tonnes)	22.63	16.81	19.86	16.48	16.36	14.32

Source: Rystad Energy Supply Chain Analysis of E&P operators

Figure vi

	2025	2026	2027	2028	2029	2030
Number of turbines	209	197	256	150	262	420
Number of array cables	219	206	268	156	270	432
Number of export cables	6	5	7	7	5	17
Number of offshore substations	5	2	3	6	5	12

Source: Rystad Energy - Offshore Wind



What are the root causes of this loss of confidence? Our interviews and surveys confirm that the main issue is uncertainty in the industry about the intentions of government and lack of a clear line of sight into the future. The AGCC's Energy Transition Survey shows that the political environment was the number one concern for industry in 2024, climbing up from 7th in April 2022.^{xxi}

Signalling from government is critical for a capital-intensive industry like oil and gas. Investment horizons extend far beyond the political cycle. Yet the signals from government, both at UK and Scottish level, have in recent years been mixed at best, inconsistent at worst:

- commitments on the Energy Profits Levy have been overridden by seemingly arbitrary changes. The October 2024 budget increased the EPL rate by three percentage points to 38%, removed the 29% investment allowance, and extended the time the levy applies until 31 March 2030. More positively, the budget retained the availability of 100% first year capital allowances within the EPL, and confirmed that the decarbonisation allowance would also remain and would be set at 66%.^{xxii} While this was welcomed by the industry, this has stopped a bad situation getting worse, rather than dealing with the underlying problem of a fiscal regime which has become unpredictable and makes the industry in the UK uncompetitive by international standards;
- of the 15 EU member states that introduced EPL equivalent taxes after the Russian invasion of Ukraine all but 3 have reversed them; the UK is the only major economic power in Europe to still have a windfall tax in place following the Spanish government's failed attempt to extend in January 2025;
- the industry's environmental responsibilities have become newly uncertain, and possibly more onerous, due to the Finch ruling and the outcome of the challenges to the development of the Jackdaw and Rosebank fields. There remains lack of parity between emissions on domestic production compared to imports, particularly as it relates to scope 3 emissions;
- the UK government's commitment to ban exploratory drilling has called into question its wider intentions regarding extraction of oil and gas from the North Sea.

TIMELINE - CHANGES TO THE ENERGY PROFITS LEVY (EPL)

May 2022

The EPL was introduced at a rate of 25% as a response to soaring energy company profits during the energy crisis. The EPL included a 80% investment allowance and was due to end by 31 December 2025.

November 2022

The government announced a 10% rise in the EPL from January 2023, bringing the windfall tax rate to 35% and extended it to March 2028. Additionally, it reduced the investment allowance to 29% - except for investment expenditure targeted at upstream decarbonisation, for which allowances remained at 80%.

June 2023

Government announced the Energy Security Investment Mechanism, setting a price threshold which would trigger an early repeal of the EPL if met.

March 2024

EPL was extended by an additional year (2029)

July 2024

The EPL rate was further increased to 38% and extended until March 2030. The general investment allowance of 29% was abolished and the decarbonisation allowance reduced to 66%.

At the same time, project plans for investment in a renewable future for the North Sea, in particular wind, are slipping. A combination of factors is inhibiting investment decisions, not least the increased cost of money due to higher interest rates and inflation in the cost of materials and products which has been impacted by supply chain constraints.

Alongside these wider economic concerns, investors in renewable projects face a range of policy-related problems. These include:

- significant delays in securing grid connections due to limited network capacity as a result of insufficient investment, as well as ‘zombie projects’ clogging the connections queue;
- delays in granting of consents and planning permission, in a system which requires urgent digitisation and simplification to remove burdens on business and authorities;
- issues in the CfD system such as low Administrative Strike Prices (the maximum clearing price in the auction) not reflecting the increase in finance and material costs due to inflation, which have contributed to the poor results of Allocation Round 5, resulting in no CfDs for offshore wind.

The net result has been a significant slowdown in the pipeline of new projects. Without a rapid government response, the UK risks losing the lead it has worked so hard to achieve in the offshore wind industry.

These are not partisan political points. Industry looks to government, whichever political parties are in power at any given time, to provide consistent and coherent policy in the national interest that endures over the political cycle. That points to the most salient problem identified by those we have engaged:

- the lack of an overarching, multiannual plan for the North Sea transition, which encompasses all relevant energy-related activities – oil and gas, wind, CCUS, hydrogen, decommissioning – as well as taking account of other North Sea interests like fisheries, marine conservation and transport.

Other countries show that such long-term plans are possible, even in politically contested contexts.

THE NETHERLANDS INTEGRATED ENERGY AND CLIMATE AGREEMENT (2019)

The National Climate Agreement (2019) contains sector-specific agreements on what they will do to help achieve climate goals. It covers 5 sectors (electricity, industry, transport, agriculture, built environment). These agreements have developed on the basis that carbon emission reduction should be feasible and affordable for everyone. The Climate Agreement was developed through a process involving diverse groups from across society.

- 100+ stakeholders participated in discussions & 5 sectoral platform led by an independent chair who regularly convened in a Climate Council that monitored coordination and cohesion with regard to cross-cutting themes;
- citizens could also submit ideas, questions and plans online and a climate council delegation toured the country;
- the IEA’s Executive Director, argued that this is “an excellent example of how collaborative policy-making can lay the framework for ambitious targets.

The Netherlands’ approach to managing their portion of the North Sea presents a blueprint for the effective management of energy potential by creating a stake for the public and industry in its delivery.

NORWAY'S SOVEREIGN WEALTH FUND

In 1990, the Norwegian Parliament passed legislation to establish the Government Pension Fund Global (GPF) to maximise the opportunity which oil and gas provided to its economy. In 2025, the fund is much evolved to include other national investment but oil and gas continues to play an important role.^{xxiii}

The funds raised have been used to invest in decarbonisation efforts, including renewable energy projects across the globe. Despite not every investment itself bringing great return, the government remain committed to investing in renewables and delivering them domestically.^{xxiv}

Whilst a sovereign wealth fund of this scale could seem out of reach, the Norwegian example shows how proper taxation and redistribution of oil and gas revenue can directly support renewable targets. The UK's National Wealth Fund could have a role to play making this a success.

This is the crux of the matter. Inconsistent policy making over the North Sea is threatening to lead to an accelerated decline of current industries and a slow start for the new. Not only would this lead to an unnecessary loss of economic activity in the UK, it would risk a growing gap between North Sea as it is now and the North Sea as it could be; it would lead not to a transition but a hard stop for oil and gas production and a belated and more costly expansion of the North Sea as a source of renewable energy.



NORTH SEA OF THE FUTURE

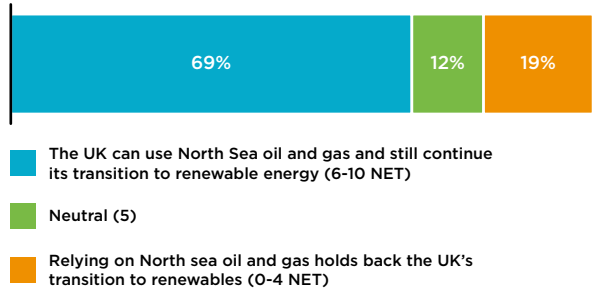
This need not be. A successful transition remains within reach, just. What does it look like?

The North Sea can be an integral part of the UK's net zero future. Repurposing the skills and assets that have supported the North Sea to date will speed up the transition to the new North Sea, whereby declining oil and gas output is replaced over time by a comprehensive renewables infrastructure. This assumes:

- a managed run down in oil and gas production, that takes account of the economic viability of extraction in a mature basin but also recognises the advantages of sourcing as much of the UK's hydrocarbon needs from its own resources as is consistent with a realistic pathway to net zero;
- oil and gas production that reduces its carbon footprint through the development of energy hubs, which integrate multiple generators to convert, store and supply various energy carriers, supported by a continued drive on electrification of platforms and an end to flaring;
- a simplification of the planning and consent regime for new offshore projects;
- consistent long-term commitment to support the expansion of offshore wind production, including floating wind, to its full potential, taking account of other North Sea users, including CCUS and fisheries;
- consistent long-term support to get CCUS, through co-investment with industry, to a point where it is commercially viable; including funding for refinery CCUS projects;
- identification and maintenance of those physical assets that can be repurposed to support CCUS;
- a glidepath for UK-first decommissioning of other end-of-life assets on a trajectory that the supply chain can absorb, thereby minimising cost to industry and taxpayers;
- an energy pricing mechanism through the Review of Electricity Market Arrangements (REMA), which ensure any change in structure does not dis-benefit or marginalise capital projects across the UK;
- cooperation with other North Sea littoral states to build a North Sea grid to optimise energy flows to iron out, where possible, peaks and troughs in individual country production;
- incentivising of the development of a green hydrogen industry, to utilise 'spare' energy when wind production is at its peak;
- a vibrant UK supply chain with concomitant UK jobs and a skills infrastructure that can service fixed and floating wind projects and other renewable projects as well as oil and gas.

Figure vii. The majority recognise the use of oil and gas as complementary and not an obstacle to the UK's net zero goals.

Choose the number on the slide that best matches your opinion on North Sea oil and Gas.



Data Source: Stonehaven nat-rep polling, Feb 2025, n=2,035

That is the vision that government should be planning to achieve. A plan for transition on this basis would form a key plank of the government's industrial strategy and be a major opportunity for the UK in terms of economic growth and global leadership. This could mean that:

- Scotland's total installed renewable energy resources capacity could grow to over 80GW by 2050, largely driven by offshore wind expansion. The estimated economic contribution (in gross terms) of this total capacity is annual GVA of ~£14.5bn (~3.5% of Scottish GVA) and ~110,000 jobs;^{xxv}
- the UK could further entrench itself as a global leader in effective management of a mature basin. Indeed, as the basin is maturing, operators are using it as a testing ground to manage the transition, which provides the UK with a unique first mover advantage in terms of transition planning and decommissioning. Moreover, a successful transition in the North Sea could improve the UK's relationship with neighbouring partners through collaboration and information sharing (i.e. export of skills, tech, strategic planning), which would form the basis of the reintegration of the UK into a wider European energy system;
- the UK public purse would benefit from the increase in economic activity associated with the North Sea and continued tax revenue from responsible oil and gas extraction. Indeed, HMT estimates that the UK oil and gas industry could contribute to a further £19bn in tax receipts between now and 2030.^{xxvi}



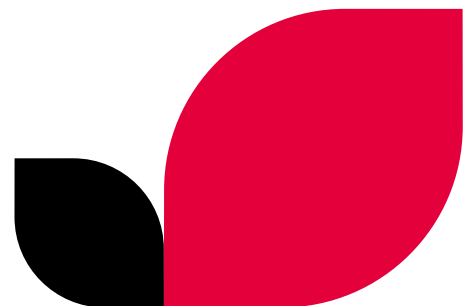
A PRINCIPLES-BASED APPROACH

Any plan for transition worth its salt will look well into the future, consistent with investment horizons. Events over such a timeframe are uncertain, as is the speed and direction of technological innovation. No sensible plan can be immutable, but industry and a wider public need to understand what will guide decision-making in response to new circumstances. This requires a principles-driven approach which is adaptable to changing needs but is adaptable in a predictable way.

The taskforce proposes that government planning should be informed by the following principles:

- the overarching priority is to achieve net zero, recognising that this is not incompatible with economic growth;
- the safeguarding of the UK's energy security by reducing, as far as possible, reliance on imports of higher-carbon cost hydrocarbons produced elsewhere in the world;
- a bias towards utilising the UK supply chain and sustaining UK jobs, thereby using existing skills where possible and incentivising reskilling where not;
- seeking to keep energy prices as low as possible;
- the optimising of returns to the UK exchequer.

These principles are consistent with both a successful pathway to net zero and the drive to grow the UK economy. There will at times be tension between them; that is inevitable in the complex and uncharted transition to net zero. But by espousing such principles, government will be in a better position to explain its policy decisions at any particular point. At minimum, it reduces the risk of arbitrary or short-term political decision-making by requiring the government to explain clearly the rationale for the action it is proposing.



HOW SHOULD GOVERNMENT ACHIEVE THIS?

IMMEDIATE ACTION

There is an urgent need for government to restore confidence in the North Sea, to create the conditions for a successful transition from a heavily oil and gas dependent industry to one in which renewables are predominant. The UK government has acknowledged that need in its recent consultations which cover the full gambit of North Sea oil and gas operations, spanning the fiscal, operational, environmental, and regulatory management of the basin. The Taskforce welcomes the government's consultations but urges that the outcomes of them are considered with a holistic future for the North Sea in mind.

On the fiscal regime, the taskforce recommends that the government put in place a stable and predictable tax regime for North Sea oil and gas. Central to this should be a replacement of the Energy Profits Levy as soon as is practicable by a new regime that is proportionate and adjustable in predictable ways in response to changes in the price of oil and gas.^{xxvii} Waiting until the sunset clause expires in 2030, as suggested by the HMT consultation, is to wait too long. Though the intent of the consultation appears to be positive, HMT should recognise that the current tax puts the industry in the UK at a competitive disadvantage and is throttling investment. Businesses based in the UK have to argue for investment, often in competition with projects elsewhere in the globe. Indeed, there is a real risk that the government realises less revenue by persisting with a regime that inhibits investment and the consequent economic activity.

The government consultation on the EPL proposes either a revenue or a profits-based approach to the replacement of the EPL, although it does not set out the thresholds for either and proposes a separate regime for gas and for oil. It is not for the Taskforce to opine on the merits of either option, or the other detailed questions asked in the consultation paper. But, assuming a broad consensus for a change and for thresholds set out a reasonable rate, there is no rational reason why the Treasury should delay until 2030 the replacement of the flawed EPL.

Swift action on the fiscal regime would end the over-hanging threat of arbitrary changes to the tax regime and give businesses certainty about their likely future tax obligations, thereby supporting long-term investment.

Figure viii. When made aware of the full tax burden faced by industry, support for windfall taxes fall short of reaching electorate consensus.

To what extent do you support or oppose a tax on the profits of oil and gas companies? **Unprompted**

The Government has put a 38% tax on the profits of gas and oil producers.



To what extent do you support or oppose a tax on the profits of oil and gas companies? **Prompted**

The Government has put a 38% tax on the profits of gas and oil producers. This sits on top of all the other taxes that these companies face, bringing their total tax paid to 78%.



Data Source: Stonehaven nat-rep polling, Feb 2025, n=2,035

On the wider environmental and regulatory context, the government has made clear that it remains committed to the future of the North Sea as an oil and gas producing basin. Keir Starmer, in an address at the Scottish Labour Conference, stated that “oil and gas will be part of our energy mix for decades to come, into the 2050s”.^{xxviii} Since the Labour manifesto commitment on banning new exploratory drilling, the UK government's language on oil and gas appears to have become more nuanced. The Taskforce welcomes that evolution of the government's position.

In line with the Taskforce's proposed principles, the uncertain geopolitical context and continuing concerns about the UK's energy security argue against a binary position on future drilling. The government should, as a minimum, publicly state that it will allow continued drilling in fields that have already been given prior consent (infrastructure-led exploration). The government's consultation paper on the North Sea's energy future argues that new exploratory drilling would add little economic value and indicates that the government will stick by its manifesto commitment to ban it entirely. This is more of a political than an economically rational decision. The future is uncertain. Even the presumed limited resources currently untapped may at some point be essential to meet UK demand and energy security.

As the government considers the impact of the Finch, Jackdaw and Rosebank rulings it should act quickly to provide clarity on the expectations of industry. It is welcome that the UK government has said it will honour licences and consents granted pre-election, but legal ambiguity created by these legal rulings generates uncertainty, which ultimately places cost burdens on all involved and disincentivises investment. Scope 3 emissions need to be addressed within the wider context of decarbonising the UK. But that needs to be done in a way which does not put additional burdens on home produced oil and gas as opposed to the imported product.

The government is also exploring changes to the CfD regime through a consultation launched in February 2025.^{xxix} Contracts for Difference have underpinned the expansion of offshore wind since 2013. It has proved to be a successful mechanism, albeit that adjustments to pricing assumptions have proved necessary in response to changing external circumstances, as was necessary after no bids for offshore wind were received in Allocation Round 5.

Pricing will always be subject to fluctuation driven by the wider economic climate, but the government can adjust the framework of rules that determine whether new projects are an investable proposition. The taskforce welcomes the government's proposals to simplify the criteria for fixed bottom offshore wind projects and the provision of greater certainty through mechanisms such as an extension to the current 15-year lifetime of CfDs.

GB Energy has an important role to play in ensuring a healthy pipeline of renewables projects. Through co-investing with the private sector, GB Energy can help de-risk projects, get them moving and so build confidence in the supply chain. It is important that the UK government continues to support GB Energy and that it keeps a focus on investing to make projects happen.

The taskforce also welcomes the government's recent commitments to support CCUS, through a 25 year commitment of funding,^{xxx} and hydrogen projects, through recent updates to the Hydrogen Strategy.^{xxxi} As novel technologies, consistent government support is crucial to test to what extent CCUS and hydrogen can be an economically, as well as environmentally, sustainable part of the

UK's future economic landscape. The government will need to move further, quickly, to establish the five clusters that the country will need by 2050, including the Scottish Acorn cluster.

FUTURE GOVERNANCE OF THE NORTH SEA TRANSITION

Rapid action by the government on these fronts will go some way to address the immediate loss of confidence in the future of the North Sea. But this cannot be a one off. Governance of North Sea transition is complex and at times opaque; there is no single plan to which industry, NGOs, unions and other stakeholders can refer to understand how the various elements that will determine the future of the North Sea fit together. Additionally, forecasting for demand and production is not an exact science, so isolated action can soon become outdated in a rapidly evolving context. To ensure certainty and coherence over the medium and longer term, the government needs to work with other stakeholders to develop an overarching plan for the North Sea transition and put in place governance powerful enough to ensure that all relevant actors fulfil their part in delivering the plan.

Within the UK government alone, there are a number of departments with key interests in decisions taken on the North Sea:

- The Department for Energy Security and Net Zero (DESNZ) for overall energy policy;
- HM Treasury for tax and growth;
- The Department for Business (DBT) for industrial strategy;
- The Department for Environment, Food and Rural Affairs (DEFRA) for marine conservation and fisheries;
- The Ministry for Housing, Communities and Local Government (MHCLG) for planning and local government issues;
- The Ministry of Defence (MOD) for security issues;
- Department of Transport (DfT) for mobility.

Much policy for the North Sea is reserved to the UK government, but the Scottish government also has important North Sea responsibilities including for licensing new wind projects, for planning of onshore infrastructure and for skills. The boundary between what is reserved and what is devolved is complex; the key to managing it is a good working relationship between the two governments. Through the Taskforce's research we have noted the recent improvements in that relationship, but that will need to be sustained to ensure meaningful alignment of priorities when strategic decisions are made.

In addition, a number of agencies at arm's length from government have important regulatory functions, as set out in the diagram (figure ix) published by NSTA:^{xxxii}

Figure ix

Energy transition including:	
Carbon storage and offshore hydrogen transportation and storage licensing and permitting authority	NSTA
UK energy policy, including CCS, hydrogen, renewable energy, legislation	DESNZ
Seabed leasing	The Crown Estate (England and Wales), Crown Estate Scotland
Marine leasing	Marine Management Organisation (England), Scottish Government, Natural Resources Wales
Offshore transmission, expected economic regulator for CCS	OFGEM

Oil and gas policy including:	
Overall oil and gas policy Legislation	DESNZ
Offshore decommissioning	DESNZ - OPRED, NSTA, His Majesty's Treasury (HMT)
Fiscal and taxation	HMT (NSTA providing expertise and evidence)
Supply chain and business impact	DESNZ & NSTA
Environment	DESNZ - OPRED
International relations and trade	DESNZ, Department for International Trade NSTA, Foreign and Commonwealth Office

Exploration and production including:	
Offshore, onshore, gas storage and gas unloading licensing Field development plan consents Offshore pipeline works authorisation Infrastructure Commercial matters and changes of control Flaring and venting consents Metering and allocation Production outages Offshore decom efficiency, costs, technology Supply chain action plans Effective net zero assessment Emissions benchmarking	North Sea Transition Authority (NSTA)
Offshore decom programme approval, execution and monitoring	DESNZ - OPRED
Offshore environmental management and inspection	DESNZ - OPRED
Health and safety management	HSE
Environmental aspects of onshore regulations	Environment Agency (England)

DESNZ: Department for Energy Security and Net Zero
OPRED: Offshore Petroleum Regulator for Environment and Decommissioning

This is an unwieldy set of governance arrangements. None of these agencies has a complete overview of the North Sea transition, not even the North Sea Transition Authority itself whose remit does not include wind. No agency has the task of producing an overall plan for transition and government has hitherto declined to fill that gap itself. Issuing consultations from separate departments (HMT and DESNZ) gives the appearance of a failure to join up across government; indeed, the two recent consultations work to different timescales, with HMT apparently operating to a 2030 timeline while the DESNZ consultation takes a longer view.

These arrangements have evolved piecemeal over time to no great masterplan, instead evolving to reflect the changing priorities of different governments. While far from perfect, attempting to adjust the boundaries between the various actors or to simplify the overall governance landscape would be the work of many months and would probably entail primary legislation. The need for a coherent plan for the North Sea is too urgent to wait for a full review and reformation of North Sea governance.

Moreover, there is a limit to how far structural changes to the various responsibilities could resolve governance complexity; there are too many cross-cutting interests to boil down into a single structure. That will remain a fact of life. Instead, the Taskforce is calling on government to do two things:

- create a powerful, ministerially led North Sea Transition Oversight committee, that brings together relevant UK government departments, the Scottish government and the appropriate agencies, industry and unions to take responsibility for North Sea transition as a mission that supports the wider government mission for growth;
- through that committee, to task a single agency, the North Sea Transition Authority, to work collaboratively with other agencies, industry and unions to draw up an overarching plan for the transition to which governments and agencies can be held to account.



NORTH SEA TRANSITION COMMITTEE

The UK government is taking a mission-led approach to its overarching priority of growth. Given the importance of the North Sea to that wider growth agenda and the complexity of issues that need to be coordinated, a mission-led approach to North Sea transition is also appropriate. This approach would enable government to take a system-wide view of the North Sea and would consolidate and maximise the impact of government support, which is essential in a fiscally constrained environment. This requires relevant departments and agencies to commit to a collaborative approach to achieving the goal, subordinating their own interests to the greater good. In this case, it will also require close collaboration between the UK and the Scottish governments.

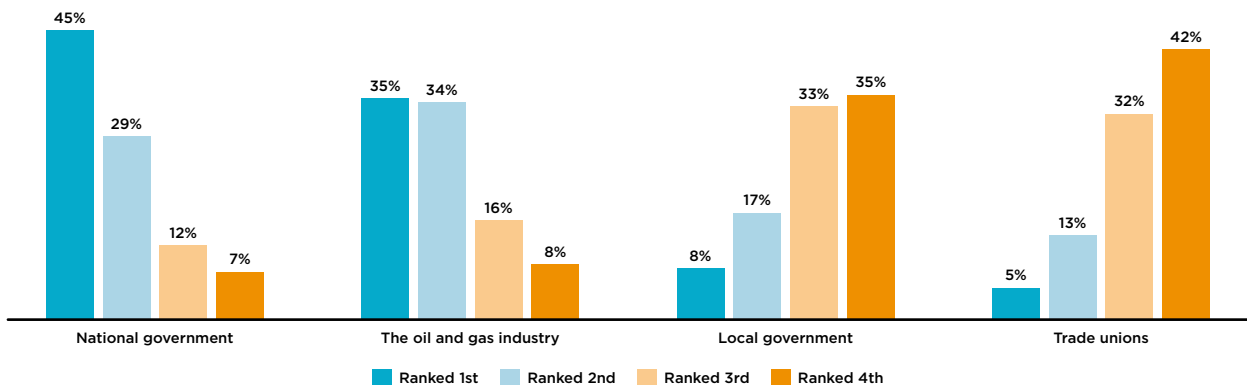
Given the hierarchical nature of government, a mission-led approach will only work if ministers and officials know that they will be held accountable for their contribution to the common objective. A North Sea transition mission will need the explicit endorsement and backing of the Prime Minister, No. 10, and the Treasury, as well as day-to-day leadership by a dedicated minister. The Minister for Energy is already designated as minister for North Sea Transition; that should become a more prominent part of his role as he takes leadership of the delivery of the mission.

The mission will need to be given tangible expression in government through the creation of an appropriate governance committee, chaired by the Minister for North Sea Transition and involving all relevant Whitehall departments at ministerial and senior official level, the Scottish government and senior officials from the relevant agencies, industry and unions. This committee should meet regularly and should engage all stakeholders through inviting attendance at meetings to provide input on particular issues. Engagement with relevant stakeholders will be crucial to ensure the plan is feasible and affordable.

Figure x

Figure x. National government and industry are seen as the most responsible actors in reskilling North Sea workers.

If the majority of people in the UK agreed that we should help oil and gas workers retrain for green energy jobs, who should be most and least responsible for making it happen?



Data Source: Stonehaven nat-rep polling, Feb 2025, n=2,035

A NORTH SEA TRANSITION PLAN

The first challenge for the North Sea Transition committee should be to commission the preparation of a multi-annual and comprehensive plan for the transition. There are two examples of similar commissions which the committee could draw on: the commission given to Chris Stark to deliver clean energy by 2030; and the commission given to NESO to produce a spatial plan for the electricity grid. Both those commissions are admirable in their directness and focus; the North Sea transition requires something similar.

No one agency has responsibility for all the different policy issues that will need to be covered by a comprehensive plan for transition. So producing a plan will be a work of collaboration. But one agency must act as a single point of leadership. The North Sea Transition Authority (NSTA) was created from the Oil and Gas Authority in 2015, which in turn was a direct outcome of the Wood Review of 2014,^{xxxiii} with an expectation that it would play a significant role in shepherding the transition. The NSTA has a basin-wide perspective on oil and gas developments, in addition to its regulatory role. The North Sea has evolved since the NSTA's creation, with a need for more of a focus on effective management of the transition to a renewables future, and as such the NSTA should evolve too.

As the agency with the most extensive relevant expertise, the Taskforce recommends to government that responsibility for coordinating and drawing up the transition plan should be handed to the NSTA. government should formally commission NSTA with clear objectives and milestones, in turn it will require the regulator to extend the reach of its understanding to comprehend sectors for which it is not currently responsible, in particular wind and other offshore renewables. This model has preceded in the direction from government to NESO for the Strategic Spatial Energy Plan, without the need for significant reform legislatively or otherwise.

It is not uncommon for a regulator to hold multiple responsibilities. Part of this function is to directly regulate sectors, but also to provide the strategic direction to the industry within which they operate in line with government objectives. This evolved role for the NSTA is consistent with the Treasury's drive to 'cut red tape' and programme regulators to drive growth.

The NSTA already has close relations with the majority of relevant actors and will need to work closely with the Crown Estate, Crown Estate Scotland and NESO on the spatial aspects of North Sea transition. It should liaise closely with the officials responsible for the regulation of other elements of the transition, such as wind licences, in the UK and Scottish governments. This will be a challenge, but no other entity has the requisite broad experience and contacts within industry to adopt the central role. As such, the NSTA will need to use its convening power to address shared challenges, develop a comprehensive plan and advise government on implementation.

As a regulator, the NSTA's main functions relate to the operators of North Sea platforms rather than the supply chain that supports these operations, though they have a dialogue with key suppliers. That supply chain will be vital to transition; the NSTA will need to rapidly build its understanding of the supply chain ecosystem which services both oil and gas and the renewables industry, and take on an enhanced role in responsibility for overseeing workforce plans.

GBE also have an important role to play in bringing the plan together. Their function in securing public-private partnerships to deliver investment in green technology will play an important role in the medium- to long-term renewable future. This is critical to unlocking the future of the North Sea and as such they should remain focused on this aim, whilst both feeding into the plan and responding to its outputs.

There is always a risk that the ask for a plan leads to a hiatus where not very much happens. This cannot be allowed to happen with North Sea transition; the problem is too urgent. Rather than wait for the perfect plan, the Transition Committee should task the NSTA to produce a working outline of a plan before the end of 2025 and then decide the order in which detailed elements of the plan should be developed.

A good and comprehensive plan, properly implemented, will deliver multiple benefits, in terms of economic growth, tax take, energy security and the pathway to net zero.

Government should be held to account for its success in both developing a transition plan and implementing it. The Mission committee should report regularly on the success of transition, including progress on critical KPIs. It will be for the committee, guided by the NSTA, to devise such KPIs, but they might include the following indicators:

- investment levels in oil and gas;
- the number of jobs in relevant industries;
- the increase in offshore wind capacity;
- UK supply chain content in both oil and gas and renewables activity;
- successful implementation of CCUS and hydrogen projects;
- UK's progress on meeting legally binding climate targets.



WHAT SHOULD THE PLAN COVER?

When developing a plan, clarity and stability of the overall framework is the most important marker of success. The commission from the government committee must provide a clear indication of the objectives, involved organisations, and the areas to be addressed.

Underpinning all of this is the data required to inform decision making. Much of this is held by industry and so data sharing and transparency will be key to driving progress, aside from simple representation in meetings. However, this is not a one-sided arrangement, and transparency on findings from government and the regulators must be provided to industry in return.

The key pillars of the plan are likely to be the following:

SPATIAL PLANNING

Clarity on what activity has priority across segmented regions of the North Sea.

- the NSTA should determine the optimal allocation of areas in the North Sea, taking into account different economic uses, including oil and gas and renewable energy, but also fisheries and transport, and preserving marine ecosystems;
- this will necessitate data-sharing and collaboration between different stakeholders, including NESO, the Crown Estate, Crown Estate Scotland, the Scottish government and DEFR;
- a spatial plan for the North Sea will not only help to identify and mitigate the major spatial and environmental trade-offs resulting from net zero, but it will provide investor confidence by setting deployment targets for specific technologies in specific zones, and build the evidence base to support investment in new networks;
- as a corollary, the establishment of spatial zones can inform the North Sea planning regime by identifying where simplification of planning processes is necessary, and where streamlining of regulatory frameworks would accelerate investment in priority sectors such as offshore wind and CCUS.

SKILLS AND WORKFORCE PLANNING

Working with industry and unions locally and regionally to establish skills requirements for the transition. The UK has a world-class workforce which is having to manage the uncertain context it operates in; the aim should be the retention and expansion of this workforce and its reskilling for new industries. This needs to be addressed by:

- skill mapping exercise – a workforce plan underpinned by data about where, when, how many, and what type of jobs will be needed to support the transition;
- harmonising skills standards – harmonising renewable standards with those of oil and gas, building on the Energy Skills Passport and working with leading experts such as Opito;
- funding – ensuring that government funding, from both UK and Scottish governments, is aligned to the industries own commitments to training to develop the right skills for the transition.

SUPPLY CHAIN GROWTH

Currently only around 5-6% of the components for our offshore assets are developed in the UK. That situation may be difficult to reverse for offshore fixed wind, but the UK can still build a world-leading supply chain for emerging technologies like floating wind, CCUS and hydrogen. A plan for the North Sea needs to set out:

- the support required to the UK's manufacturing sector, building on the UK's investment in research and development, to optimise the opportunity for developers to source their material and other requirements within the UK. This should become an integral part of the wider Industrial Strategy;
- how standards for relevant products and systems are developed and deployed to ensure that UK businesses can fully service the transition, particularly for emerging technologies like CCUS and hydrogen;
- how a UK based supply chain can develop an export market based on strength in the home market.

NORTH SEA GRID

Advising government on how to best work with other countries around the North Sea to create grid interconnectivity and strengthen energy security. This should include advice on:

- the UK's involvement with the North Sea Energy Cooperation (NSEC) pact with EU member states on the North Sea littoral. Pushing for full membership would support cross border energy infrastructure investment;
- the coordination of interconnection opportunities whereby multipurpose interconnectors can decarbonise operations while also allowing the best fit of energy production with domestic demand;
- information and coordination on CCUS to avoid duplication of effort;
- the relationship with Norway and the likely need for imported gas which can reduce the higher carbon import alternatives such as LNG.^{xxxiv}

As work on the plan develops, and the government committee develops confidence in its role, unnecessary complications, contradictions and inadequacies in the structures of North Sea governance and underpinning legislation will become more apparent. As far as possible, work on implementing the plan should not be held up by any such problems; government will have to find work arounds. But in the longer term, it makes sense to consider how management of the North Sea can be sensibly managed over the two to three decades ahead.

With a plan established, the government should then work to put North Sea governance on a long-term stable footing, fit for the decades ahead, to give investors, industry, workers and communities the confidence they need in the future of the North Sea.

CONCLUSION

Unless governments act swiftly, there will be no transition; the old North Sea will fade away, along with the skills of individuals and the entrepreneurial skills of businesses in the North Sea supply chain. The opportunity to realise the potential of the North Sea for a clean energy future will be set back; the UK will make slower progress to net zero and economic and tax value will be lost to other countries.

The UK has an ambition to set an international example of how to successfully transition from oil and gas to a renewables future. This is within reach. With rapid and decisive action, the government can resolve the uncertainties that are holding back investment and give investors, operators, the supply chain and individuals the confidence they need to remain committed to the North Sea. Sorting out the fiscal regime, resolving uncertainty in the regulatory environment and resolving the obstacles to deployment of renewable technologies will go a long way to providing that confidence. Beyond that, everyone with an interest in the future of the North Sea needs to know that there is a comprehensive plan for the transition which will be driven by government and sustained over time. Get this right, and the future of the North Sea will be secured.

But time is running out. government needs to act, and act now.



APPENDIX

- i. Oil and gas price mechanism consultation (HTML) - <https://www.gov.uk/government/consultations/oil-and-gas-price-mechanism-consultation/oil-and-gas-price-mechanism-consultation-html>
- ii. Oil and gas price mechanism consultation - <https://www.gov.uk/government/consultations/oil-and-gas-price-mechanism-consultation>
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- vii. https://www.globalunderwaterhub.com/media-centre/guh_white_paper_digital.pdf
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- ix. Natural Gas Carbon Footprint Analysis - <https://www.nstauthority.co.uk/the-move-to-net-zero/net-zero-benchmarking-and-analysis/natural-gas-carbon-footprint-analysis/>
- x. <https://www.nstauthority.co.uk/media/5tib5x4n/nsta-gas-import-fact-sheet.pdf>
- xi. <https://www.systemiq.earth/wp-content/uploads/2025/02/Energy-transition-UK-Continental-Shelf.pdf>
- xii. For details on the UK downstream sector, see <https://www.fuelsindustryuk.org/>
- xiii. Trade and Investment Factsheet - <https://assets.publishing.service.gov.uk/media/67b7279bbd116e3d7b1cf364/netherlands-trade-and-investment-factsheet-2025-02-21.pdf>
- xiv. Energy Trends December 2024 https://assets.publishing.service.gov.uk/media/677bbbed6d119b3453766549e/Energy_Trends_December_2024.pdf
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- xvi. <https://agcc.fra1.digitaloceanspaces.com/files/ET40-Autumn-2024-FINAL.pdf>
- xvii. <https://www.bdo.co.uk/getmedia/3bf5856c-a5ea-4147-884e-6d327195deff/BDO-UK-Oil-Gas-Report-2023.pdf>
- xviii. Aberdeen's Well-Safe Solutions to cut scores of jobs - <https://www.pressandjournal.co.uk/fp/business/local/6706613/aberdeens-well-safe-solutions-plans-scores-of-job-cuts/>
- xix. https://oeuk.org.uk/wp-content/uploads/woocommerce_uploads/2025/03/Supply-Chain-Report-2025-a5fecj.pdf
- xx. <https://agcc.fra1.cdn.digitaloceanspaces.com/files/ET40-Autumn-2024-FINAL.pdf>
- xxi. HM Treasury, Autumn Budget 2024 paragraphs 2.59 – 2.60 https://assets.publishing.service.gov.uk/media/672b9695fbd69e1861921c63/Autumn_Budget_2024_Accessible.pdf
- xxii. <https://www.nbim.no/en/about-us/about-the-fund/>
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- xxiv. <https://s3-eu-west-2.amazonaws.com/www.snp.org/uploads/2022/10/The-economic-opportunity-from-renewable-energy-green-technology-REPORT.pdf>
- xxv. https://assets.publishing.service.gov.uk/media/67c8426e75d7505462fc65a0/Oil_and_Gas_Price_Mechanism_Consultation_Final_PDF__1_.pdf

- xxvi. The Energy Security Investment Mechanism ostensibly allows for this; it sets a price floor above which the Windfall Tax must be paid, and below which the Tax is suspended. However, the level of the price floor is arguably too low. Arrangements made in 2024 mean that the Windfall Tax is suspended if oil prices fall below \$71.40 a barrel and if gas prices fall below £0.54 a therm for two consecutive quarters, these prices are adjusted by CPI annually thereafter; however, prices have often been above these levels for the last 20 years.
 - xxvii. Starmer: Oil and gas in energy mix for decades to come - <https://www.bbc.co.uk/news/av/uk-politics-65822221>
 - xxviii. Further reforms to the Contracts for Difference scheme for Allocation Round 7 - <https://www.gov.uk/government/consultations/further-reforms-to-the-contracts-for-difference-scheme-for-allocation-round-7>
 - xxix. Government reignites industrial heartlands 10 days out from the International Investment Summit - <https://www.gov.uk/government/news/government-reignites-industrial-heartlands-10-days-out-from-the-international-investment-summit>
 - xxx. Hydrogen strategy update to the market: December 2024 - <https://www.gov.uk/government/publications/hydrogen-strategy-update-to-the-market-december-2024>
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