



Industry & decom update

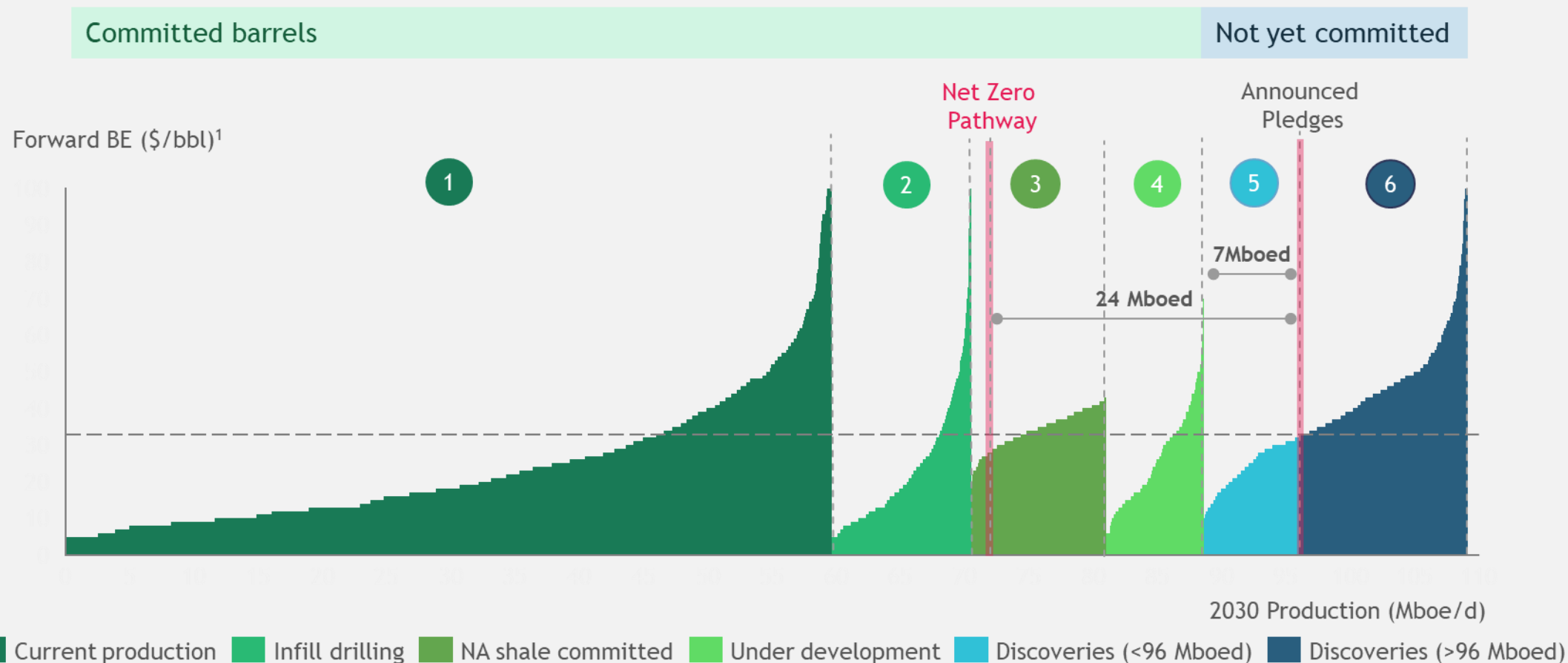
Decom Live @ Great Yarmouth

5 OCTOBER 2022



We have more oil than we need, in a net zero scenario

Global liquids supply curve for 2030, 60\$/bbl fixed price scenario

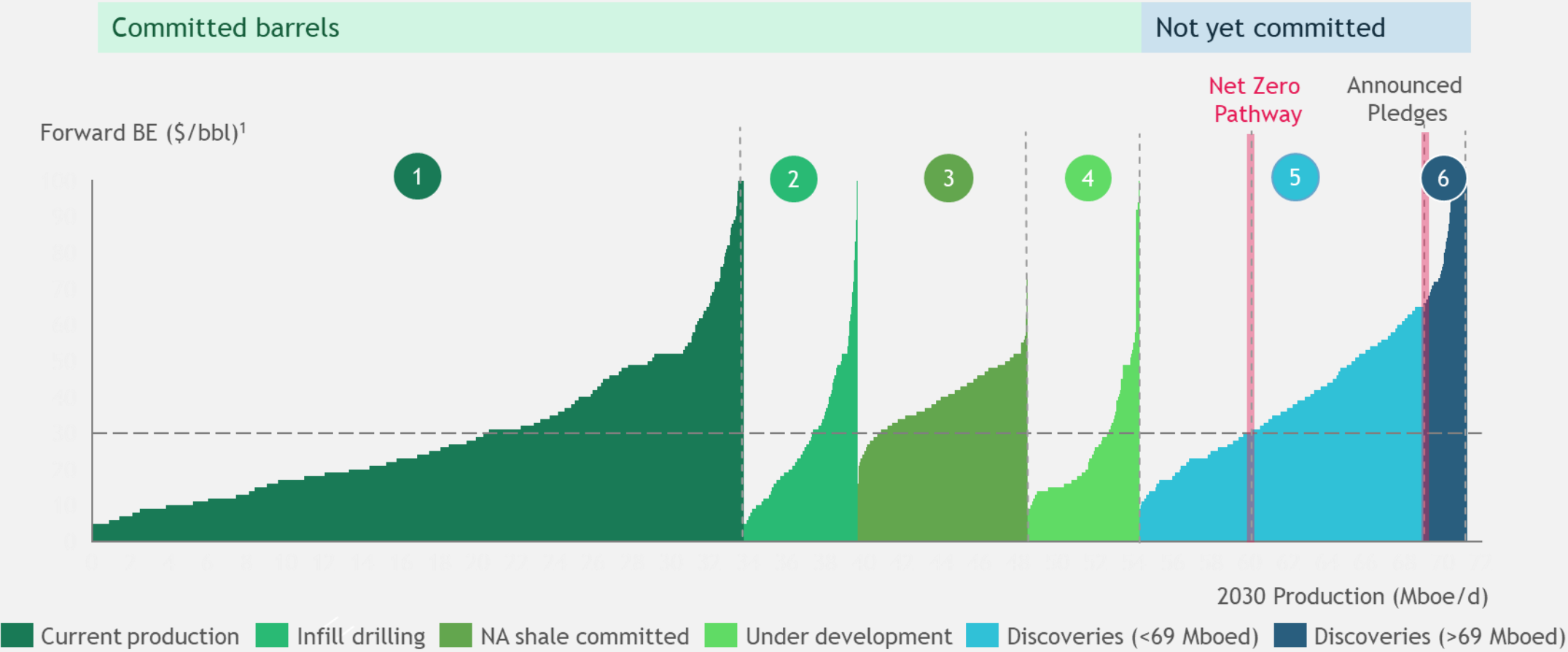


1. Breakeven costs have been capped at \$100; 2. Assets that have been discovered but have yet to undergo any develop; 3. US & Canada Shale infill drilling breakeven costs assumes high grading of most economic resources first

Source: Rystad, IEA, BCG Decarbonization Team

But we need all the gas we can get

Global gas supply curve for 2030, 60\$/boe fixed price scenario



1. Breakeven costs have been capped at \$100; 2. Assets that have been discovered but have yet to undergo any develop
Source: Rystad, IEA, BCG Decarbonization Team

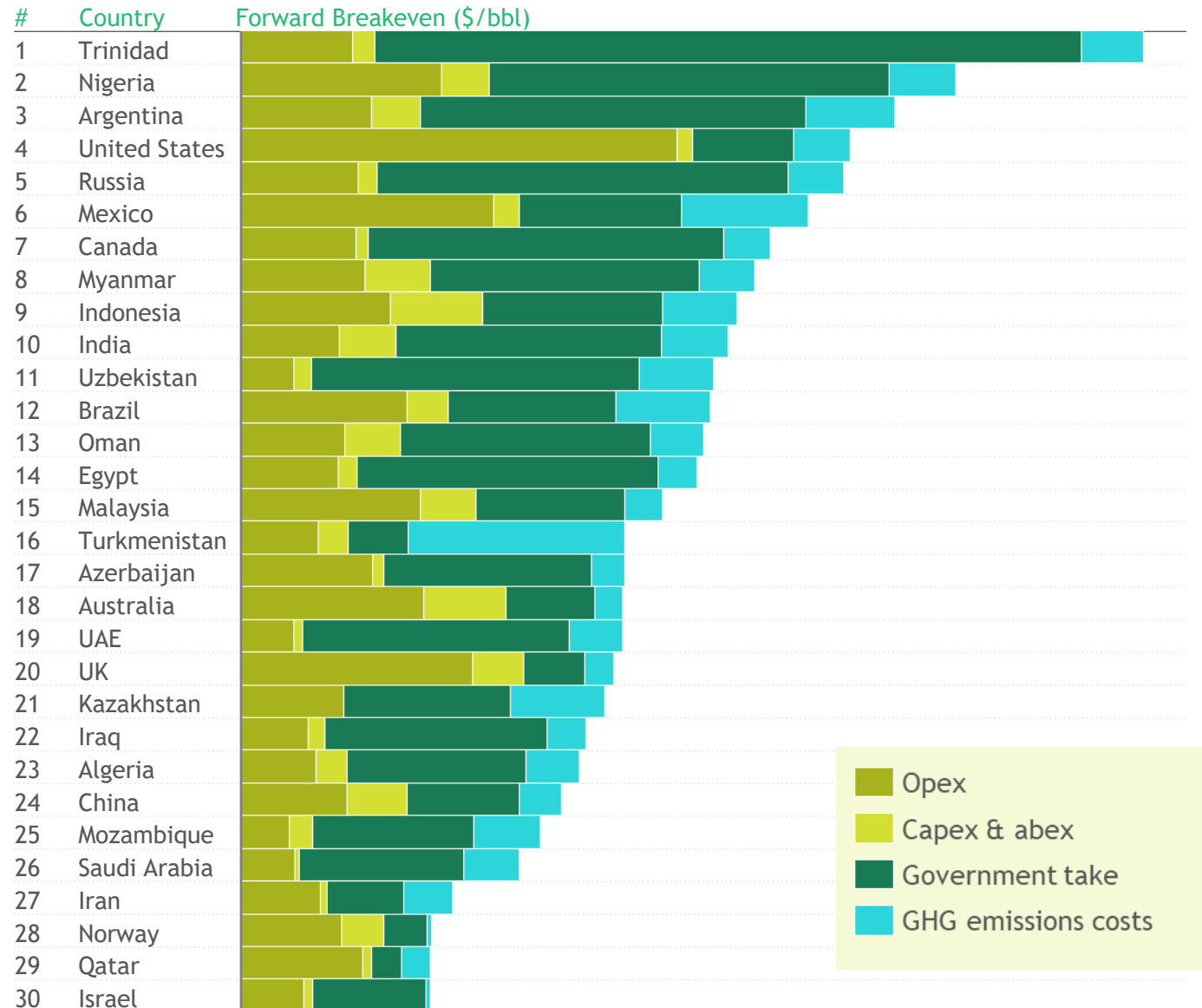
Which barrels will win?

Most cost competitive

Most carbon competitive

Domestic barrels

Global gas supply curve for 2030; *Only producing assets*, 60\$/bbl fixed price scenario



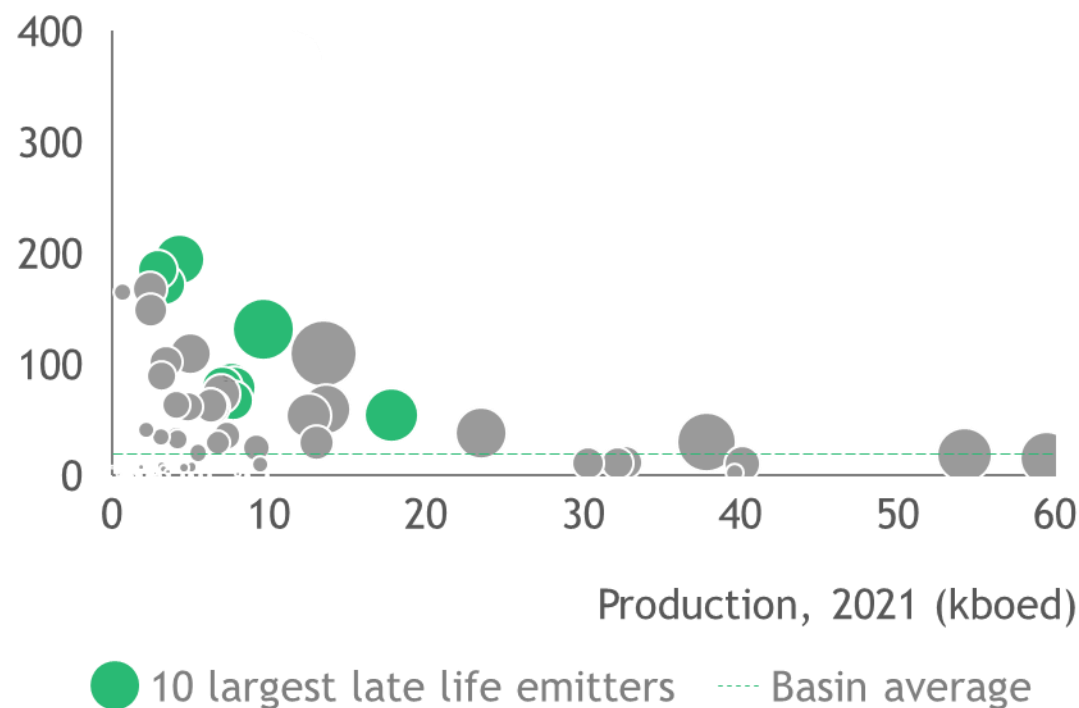
GHG emissions costs assume a \$100/tCO₂e for both CO₂+CH₄ emissions and countries' GHG emissions intensity in 2022; CAPEX and OPEX use future costs in real terms and future production
Source: Rystad, IEA, BCG Decarbonization Team

Late life assets contribute a disproportionate and increasing levels of emissions

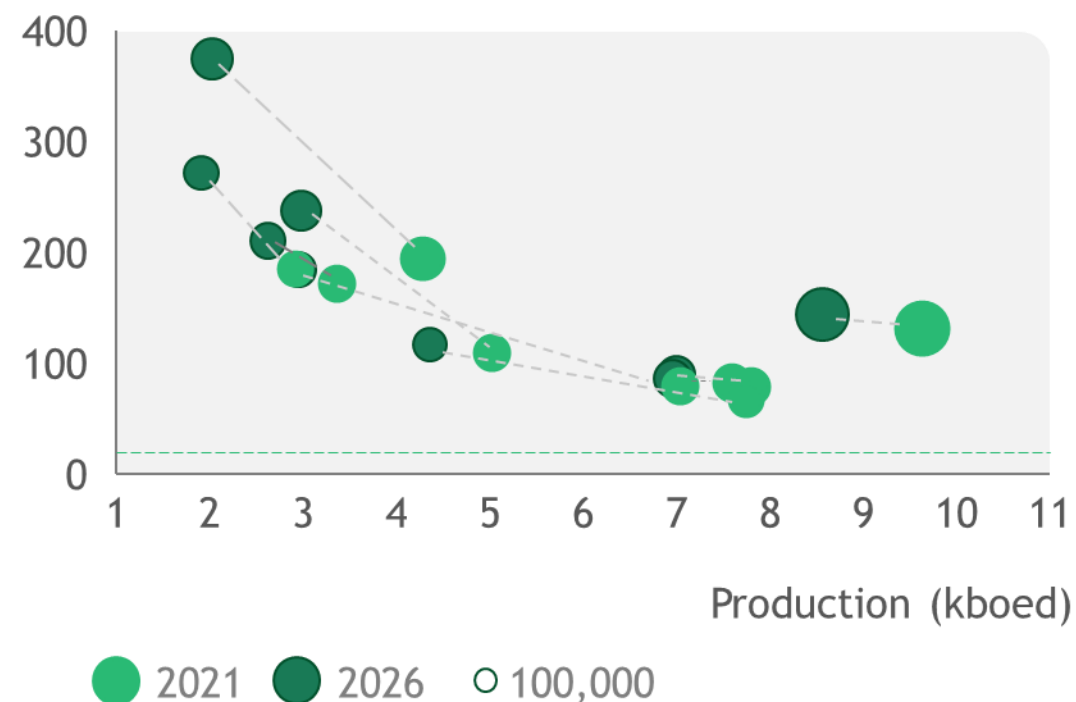
2021

Trajectory 2021 to 2026

CI of 80 offshore assets in 2021 (kgCO₂/boe)

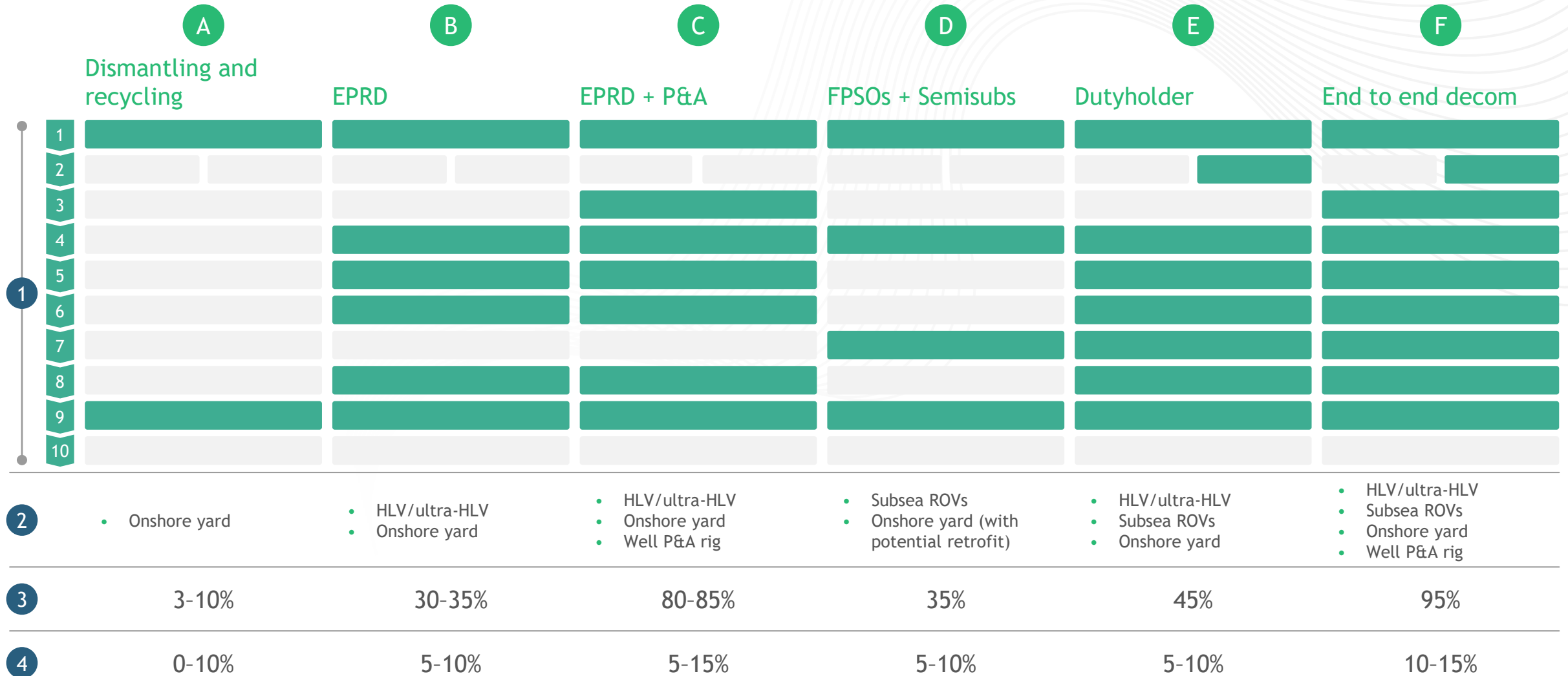


CI Trajectory of 10 late life offshore assets (kgCO₂/boe)



CI=Carbon intensity including scope 1 emissions; Left: Analysis of all 80 offshore producing assets in the UK, excl. floaters and subsea tiebacks; Right: Analysis of 10 highest emitting producing offshore assets in the UK with estimated remaining economic life <10yrs, excl. floaters; For 5 assets, data is for last production year as CoP year <2026
Source: Rystad; BCG O&G Decommissioning; BCG O&G Decarbonization

What can decom contractors offer



How can decom contractors sell it

	Multi-operator turnkey P&A campaign	Multi-operator lump-sum P&A campaign	Multi-well turnkey to a consortium	Multi-well turnkey to a specialist	Joint Operating Agreement with a consortium
					
		   			
		 	  		  
			 Operator	 Supplier	

Source: Expert interviews; Public statements; BCG O&G Decommissioning Team



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