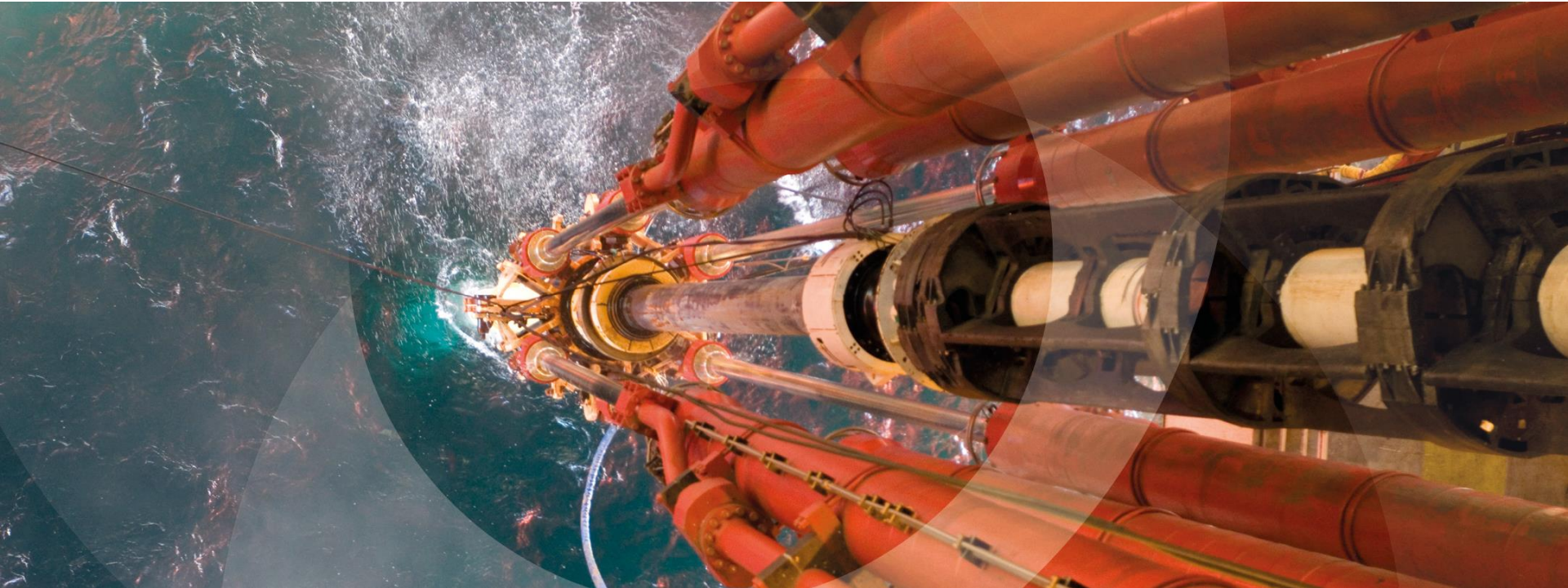


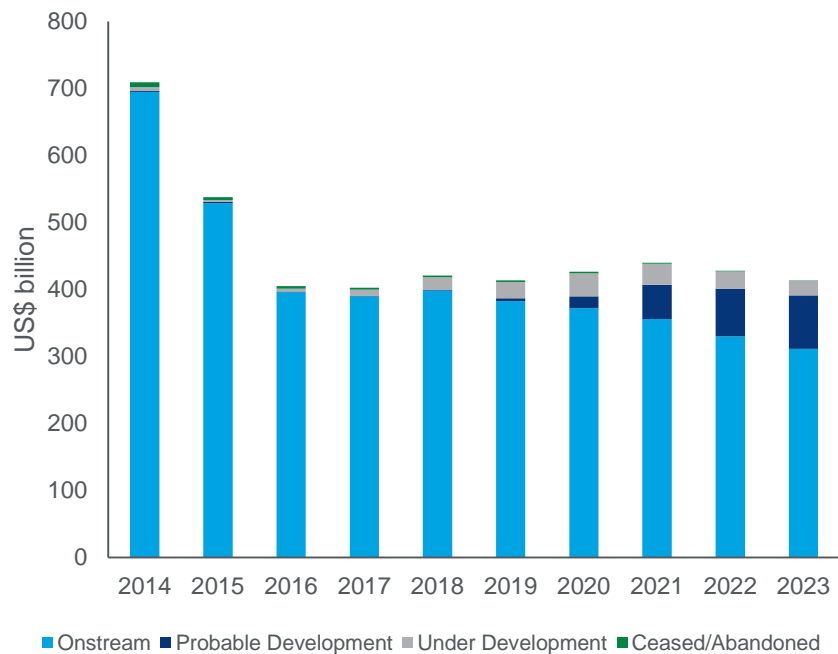
Investment trends and the North Sea

Jessica Brewer, Principal Analyst North Sea Upstream, March 2020

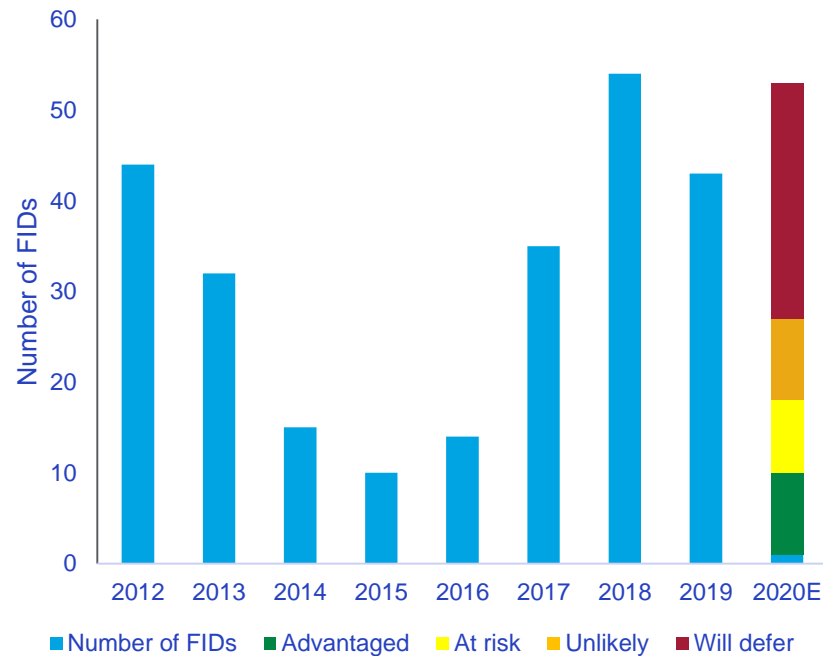


Capital spend had stabilised but the outlook is now uncertain. Delays to project sanctions are expected

Global investment by development status



Major project* sanctions by year



2019 ended with 43 project FIDs: gas projects returned to the fore

Sanctioned major* projects in 2019 by country, theme and operator



Africa and Russia led the way

23.6 billion boe sanctioned

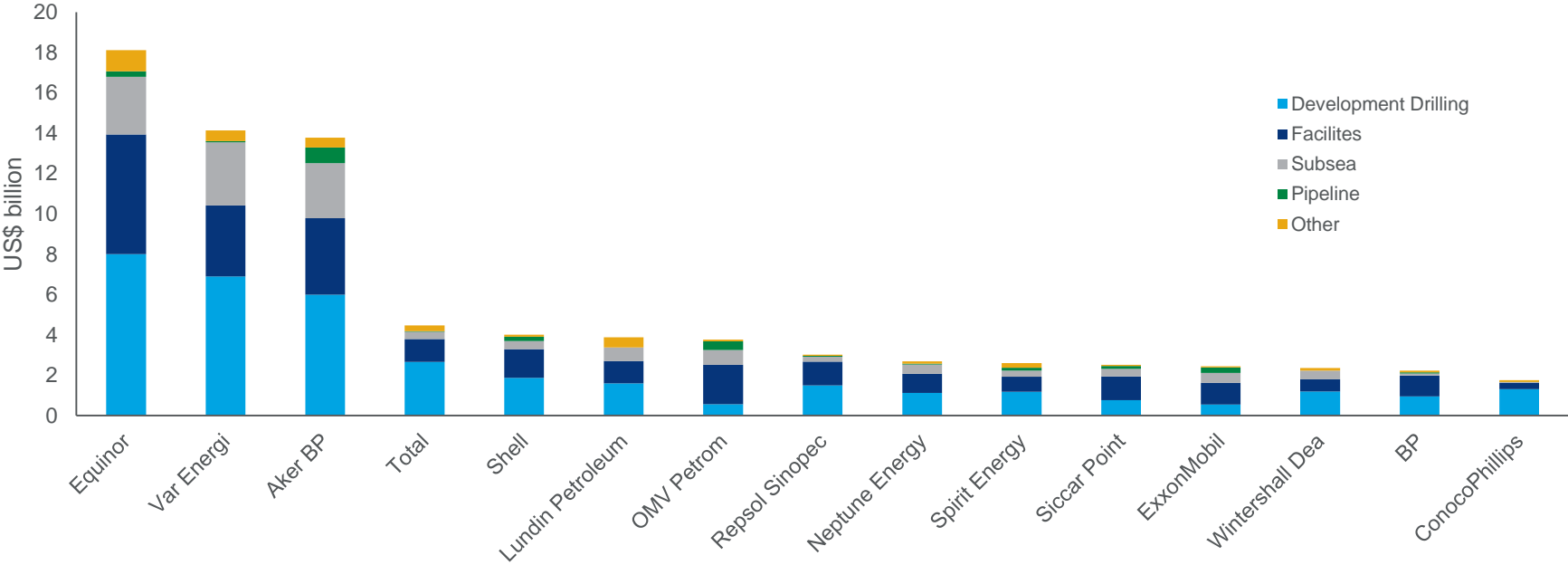
US\$106 billion sanctioned capex

Source: Wood Mackenzie Pre-FID Upstream Project Tracker.

* Reserves greater than 50 mboe

North Sea capex is dominated by Norway-focused players

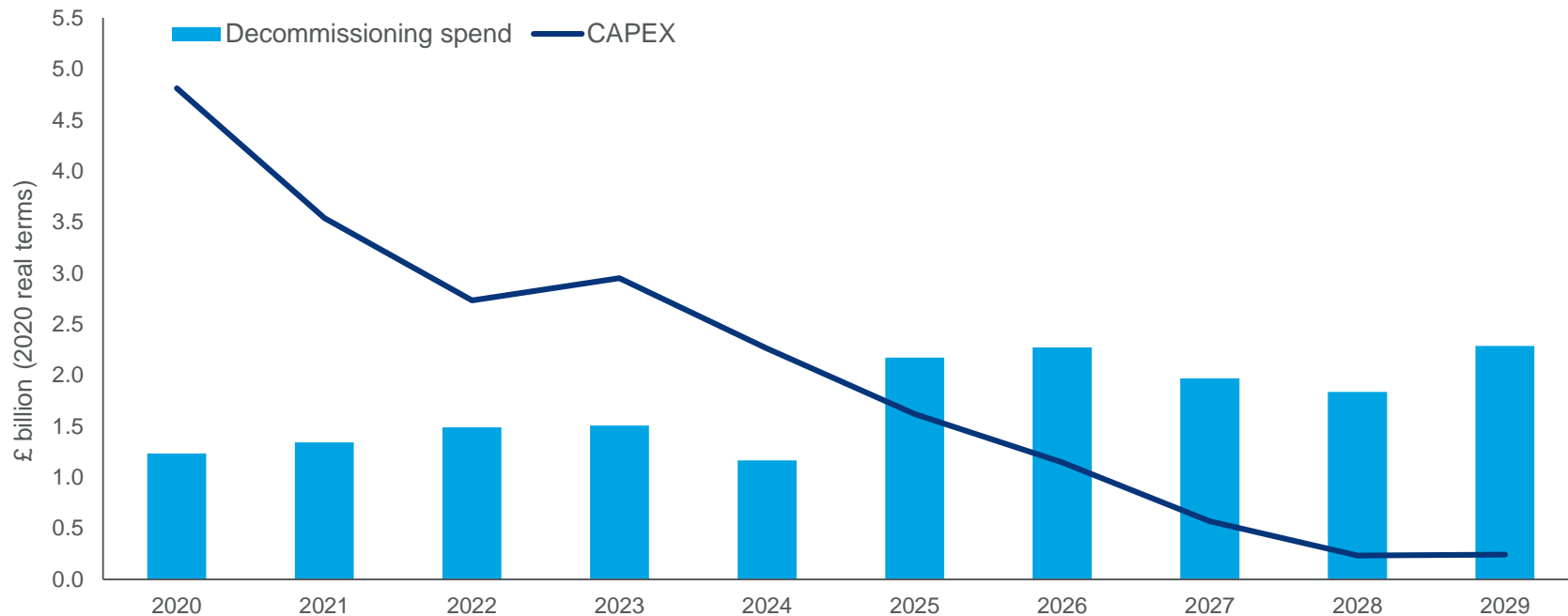
Top 15 operators by development capex 2020 - 2024



Source: Wood Mackenzie Lens

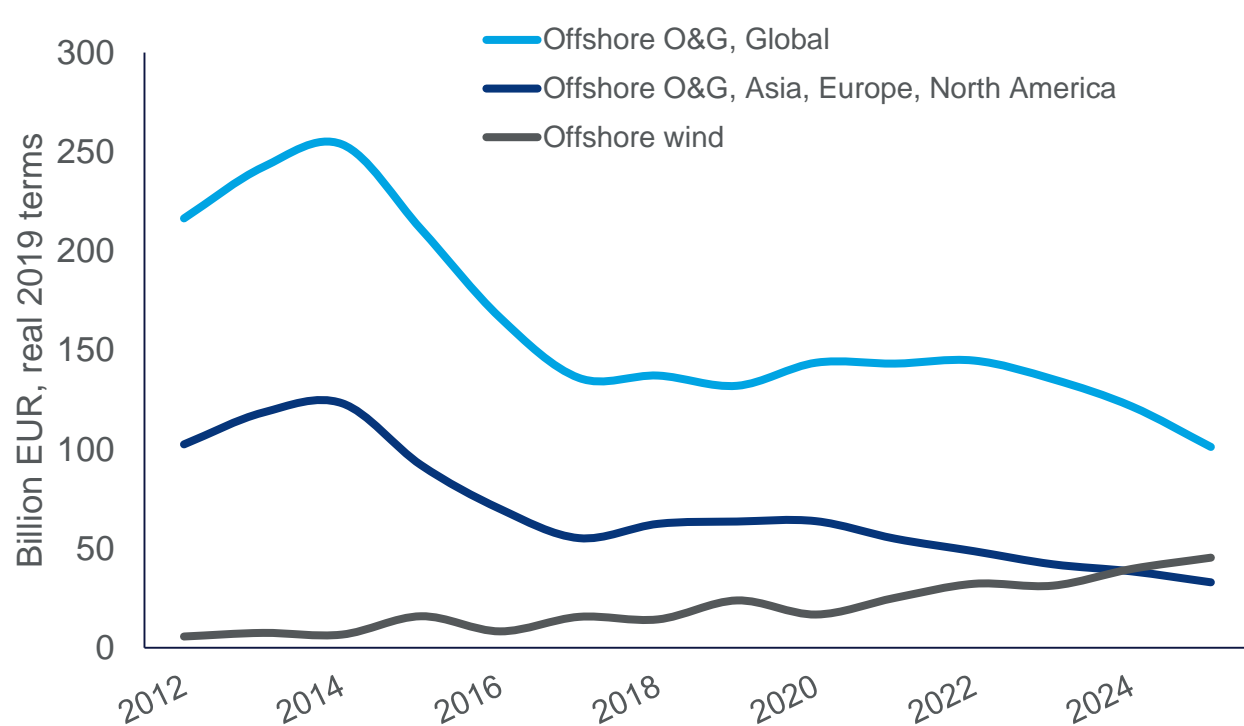
Without new investment, decommissioning spend in the UK will overtake development spend in 2025

2020-2029 decommissioning versus capital spend



Oil and gas is still by far the largest sector – but offshore wind is about to launch its first great phase of growth

Development capex: offshore wind vs. offshore upstream oil and gas



Forecast approved

80%

~50%

Project complexity



Project size





Jessica Brewer

Principal Analyst North Sea Upstream

Biography

Jessica is a principal analyst in the North Sea upstream team with a focus on the UK Continental Shelf. She leads the North Sea regional coverage of the energy transition in the upstream space.

She spent eight years covering the Middle East upstream sector with a focus on the 'big oil' producers. This included being responsible for Wood Mackenzie's Iraq coverage for five years and she acted as the Iraq country expert on several consultancy projects, covering upstream strategy and opportunity screening studies.

Jessica joined Wood Mackenzie as an upstream research analyst in 2012. She relocated to London in 2019 after spending four years based in Dubai. As well as writing topical analysis, she has presented at conferences and appeared on TV and radio, providing insight on the region's oil and gas sector.

Prior to joining Wood Mackenzie, Jessica worked as a Well Services engineer with Schlumberger in Western Siberia, Sakhalin and the US Gulf of Mexico.

Education

MSc, Energy, Trade and Finance, Cass Business School

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