

Norway is now UK's primary gas supplier and declining North Sea output means UK faces importing 80% of its gas and oil within a decade, warns OEUK report

EMBARGOED UNTIL 00:01, TUESDAY, MARCH 29.

'Energy security is now national security,' says chief executive Deirdre Michie, warning that long-term investment and policy-making will be essential for the energy transition.

FULL REPORT, PICTURES AND GRAPHICS AVAILABLE [AT THIS LINK](#)

The UK will have to import almost all its gas and most of its oil from overseas suppliers unless billions of pounds are invested in new North Sea exploration and production facilities, a report from Offshore Energies UK has warned.

Without new investment, by 2030 around 80% of UK gas supplies and more than 70% of oil will have to be sourced abroad, according the 2022 Business Outlook report from OEUK, whose 400 members embrace established industries like oil, gas and offshore wind, plus emerging technologies like hydrogen production and CO2 capture.

It finds that, although there are enough oil and gas reserves to support the UK for at least 15 years, there has been too little investment in the platforms, pipelines and other infrastructure needed to access it.

Offshore wind, whose expansion has been a major success for the industry, is still too small to be able to replace the declines in oil and gas output from the North Sea – although this is expected to change over decades.

“Production of oil and gas will fall by up to 15% a year unless there is rapid investment in new infrastructure,” the report will say. “This decline is much faster than the predicted reduction in UK energy demand so, if there is no such investment then, by 2030, we will be reliant on other countries for around 80% of our gas and 70% of our oil.”

The research, led by Ross Dornan, OEUK's market intelligence manager, offers some stark insights into the impact on the UK if there is insufficient investment in energy – including offshore wind. These include:

- **Norway has already become the UK's primary gas supplier.** New figures show that the amount of gas from Norway exceeded UK supplies for the first time. The UK consumed 76 billion cubic metres (bcm) of which 32bcm were Norwegian and 29bcm were from the UK continental shelf
- **The UK's reliance on gas and oil has increased during the pandemic.** Gas and oil supplied 75% of the UK's total energy in 2021 – about 2% more than in 2020.
- **Gas is still the UK's largest energy source,** supplying 43% of total UK energy last year.
- **Oil is the second largest energy source** at 32% of total energy
- **The UK's production of oil and gas fell sharply in 2021.**
 1. Oil Production was 45m tonnes
 2. Gas production was 29bn cubic metres of gas
 3. These figures represented a 17% decline on 2020 and a 20% decline on 2019
- **Imports surged in 2021** when the UK's net imports were the equivalent of:
 1. 62% of its gas
 2. 18% of its oil
- **Imports will keep rising.** By 2030, without additional investment the UK will have to import
 1. Around 80% of its gas

2. 70% of its oil

Investment in the oil and gas sector has fallen from about £16 billion/year in 2014 to £5.5 billion in 2019 and a predicted £4 billion this year. The causes are varied but the UK's complex regulatory environment, plus the political disagreements around issues like climate change and windfall taxes are all factors deterring investment.

Offshore wind, the most successful form of renewable energy to date, also requires significant investment if its expansion is to continue. The OEUK report finds that the UK must invest £60 billion in 3,000 new offshore wind turbines if it is to meet its target of quadrupling wind-powered electricity generation by 2030.

Ross Dornan said: "About 75% of the UK's total energy comes from oil and gas - about 2% up on last year. That is because 80% of our homes are heated by gas which is also used to make 42% of our electricity. We also have 32 million vehicles that rely on petrol and diesel.

"The energy gap between what we produce ourselves and that which comes from other nations will keep growing unless we invest in exploration and production on the UK's continental shelf. We must also accelerate the development of cleaner energy like hydrogen. Investment now will give us energy security in the years to come.

"Additionally, the emissions generated by processing and transporting our own oil and gas are much lower than for imports."

Deirdre Michie, chief executive of OEUK, said: "Our industry is changing just like the countries it serves. We are proud to have provided most of the nation's energy for the last five decades. We are also very proud to have paid £375 billion in UK production taxes alone over that same period. We are still contributing. By 2027, that cumulative sum is forecast to rise to £400 billion.

"Last year OEUK signed the North Sea Transition Deal, a partnership with the UK government supporting the nation's transition to a lower-carbon future and providing safe and secure energy throughout that transition. But that transition will only happen if our policymakers can create and sustain the right environment for long-term investment across all forms of energy production.

"To achieve that we need stable long-term regulatory policies, clear and predictable fiscal policies and improved political alignment across all the countries and parties of the UK.

"Energy security is now a matter of national security. Our policymakers need to plan not just for the coming elections but the coming decades."

Issued by the Communications Team, OEUK.

Contact media@oeuk.org.uk

Lucy Gordon lgordon@oeuk.org.uk or 07891 769 113

Jonathan Leake (National Media Advisor) 07538 552909

Full report, pictures and graphics available at the link below.

<https://oeuk->

[my.sharepoint.com/:f/g/personal/jleake_oeuk_org_uk/EILSArU6iLxFpUEHoUq1sNsB7QHQt2HxDrJvZPGJ56shEg?e=po4Ph7](https://oeuk-my.sharepoint.com/:f/g/personal/jleake_oeuk_org_uk/EILSArU6iLxFpUEHoUq1sNsB7QHQt2HxDrJvZPGJ56shEg?e=po4Ph7)

[Offshore Energies UK](#) is the leading trade body for the UK's integrating offshore energies industry. Our membership includes over 400 organisations with an interest in offshore oil, gas, carbon capture and storage, hydrogen and wind. From operators to the supply chain and across the lifecycle from production to decommissioning, they are safely providing cleaner fuel, power and products to the UK. Working together with our members, we are a driving force supporting the UK in ensuring security of energy supply while helping to meet its net zero ambitions. We work on behalf of the sector and our members to inform understanding with facts, evidence and data, engage on a range of key issues and support the broader value of this industry in a changing energy landscape.