

DECOMMISSIONING INSIGHT 2023



The decommissioning outlook for
the UK's Offshore Energy Industry

DECOMMISSIONING INSIGHT 2023

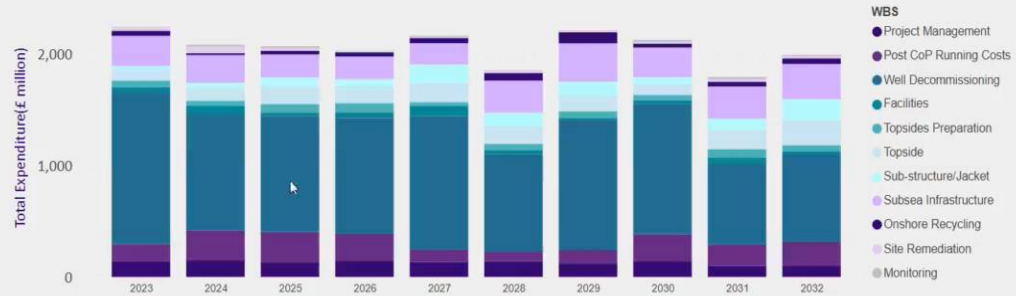


The decommissioning outlook for
the UK's Offshore Energy Industry



Decommissioning Insight 2023 Dashboard

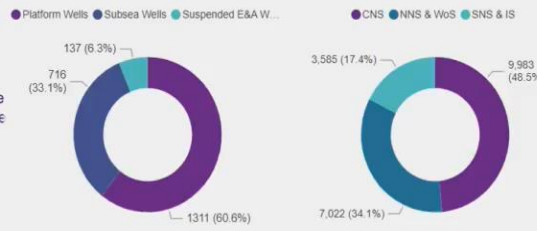
Work breakdown structure Well decom & removals Average well costs Other



- WBS**
- Project Management
 - Post CoP Running Costs
 - Well Decommissioning
 - Facilities
 - Topsides Preparation
 - Topside
 - Sub-structure/Jacket
 - Subsea Infrastructure
 - Onshore Recycling
 - Site Remediation
 - Monitoring

Over 2,100 wells are set to be decommissioned in the next 10 years.

60% of wells to be decommissioned are forecasted to be Platform Wells over the next 10 years.



Decommissioning spend in the North Sea set to top £20bn in the next 10 years

The Central North Sea and Northern North Sea are expected to continue to dominate spend in over the next 10 years.



Interactive Decommissioning Toolkit

Decommissioning Insight 2023

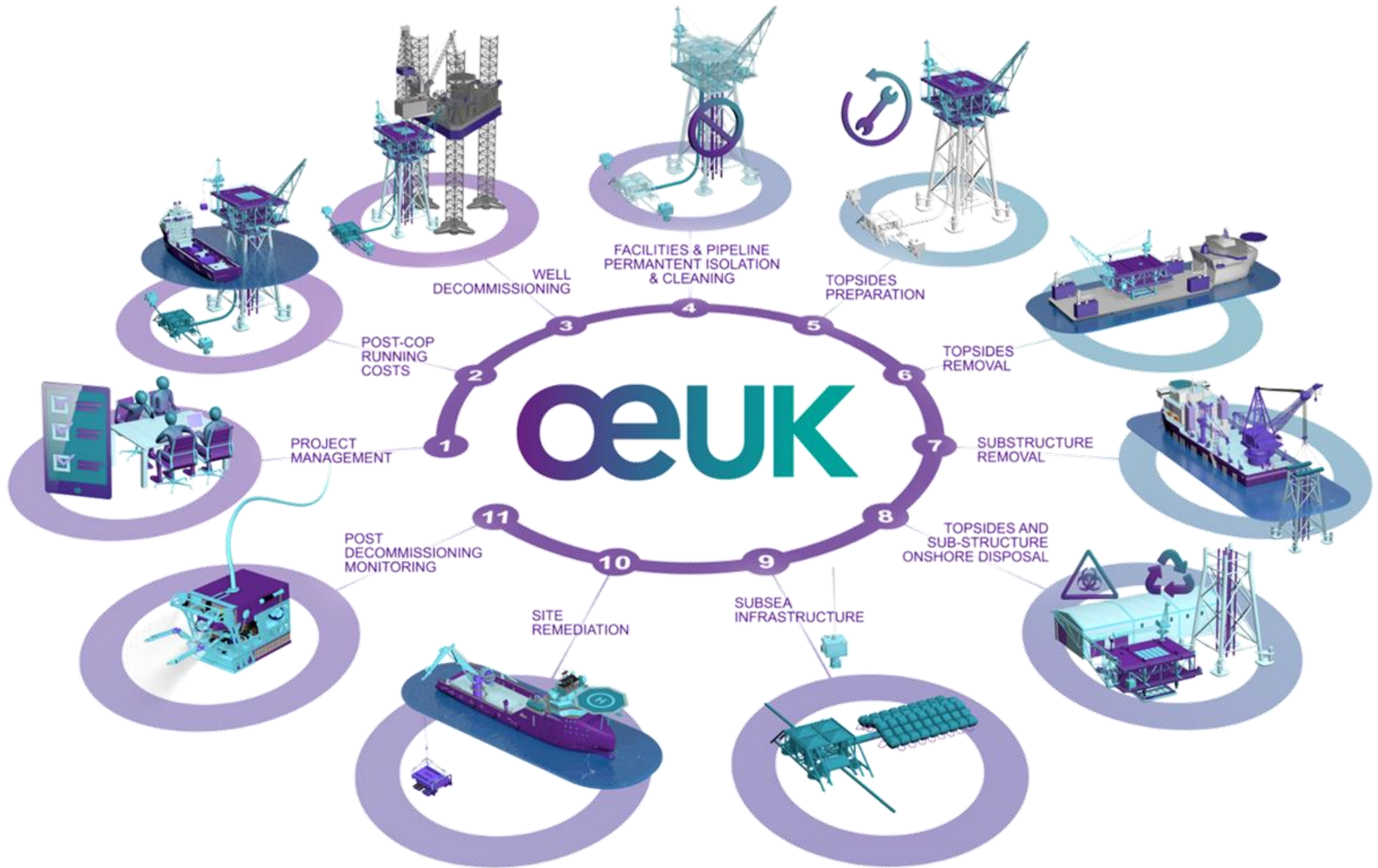


The UK supply chain and operators have made big strides in re-using, recycling and repurposing end-of-life assets.

Better collaboration and visibility will continue to extract more value from decommissioning operations.

The UK decommissioning experience is a model that can be exported, along with its expertise.

The industry is operating in a challenging environment, particularly against the backdrop of Energy Profits Levy. Concerted action is needed.



Delivering Decommissioning



(£bn)	Spend	2022-2031 forecast spend	% of next 10 year spend
2021 Actual	1.27	19.73	6.5%
2022 Forecast	1.97	19.73	10.0%







2022 – A massive year for decommissioning

£1.6bn

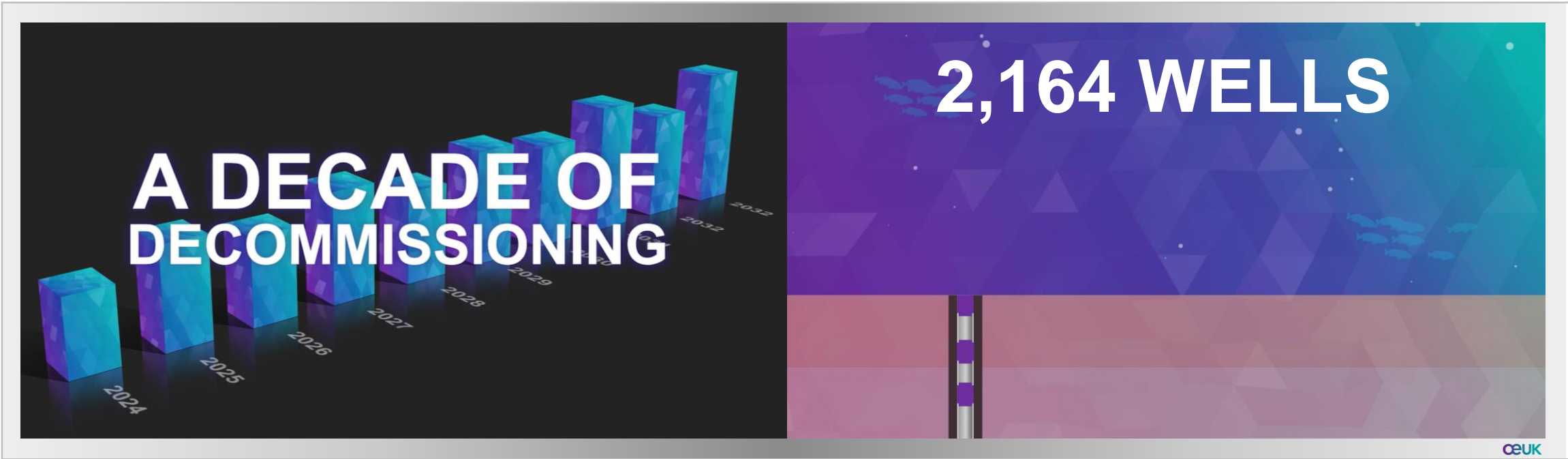
2022 – **28% increase** in annual decommissioning spend

37% increase

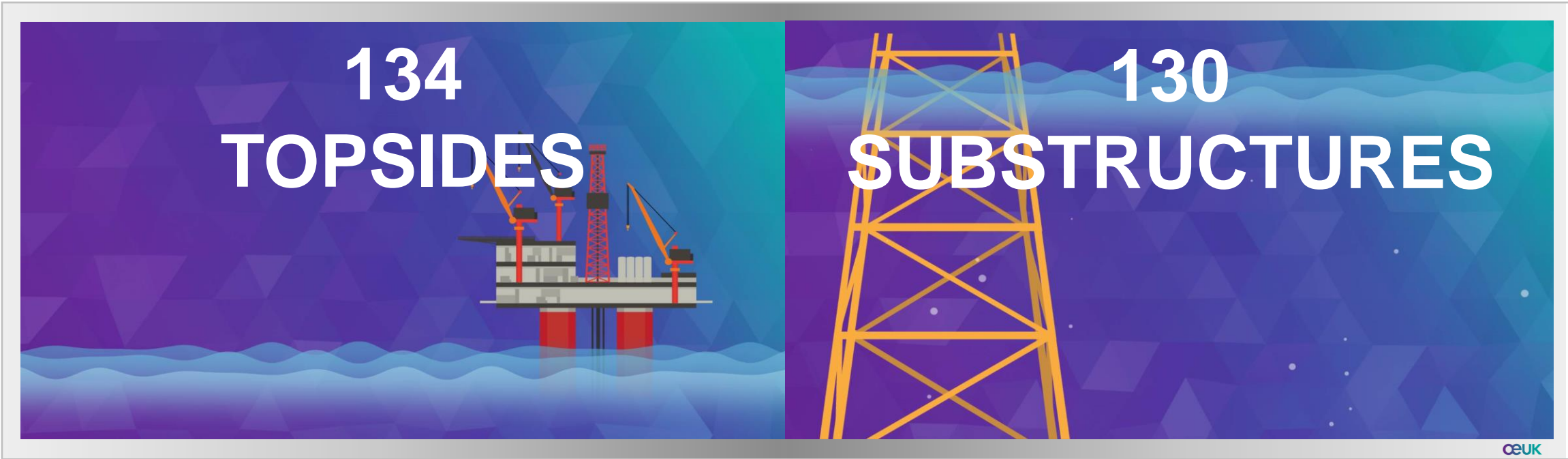
2023 – Forecast is **£2.2bn**

Decommissioning activity	2022 (actuals)	2023 (forecast)
Wells 	139 wells	210 wells
	98 platform wells	109 platform wells
	30 subsea wells	62 subsea wells
	11 E&A	39 E&A
Topsides 	13 topsides	8 topsides
	63,082 tonnes	9,148 tonnes
Substructures 	13 jackets	10 jackets
	33,110 tonnes	13,225 tonnes
Subsea Infrastructure to be removed 	3 km of pipelines removed	16.5 km of pipelines to be removed
	932 tonnes	8,208 tonnes
	1,193 mattresses	2,163 mattresses

Decommissioning Decade



Decommissioning Decade

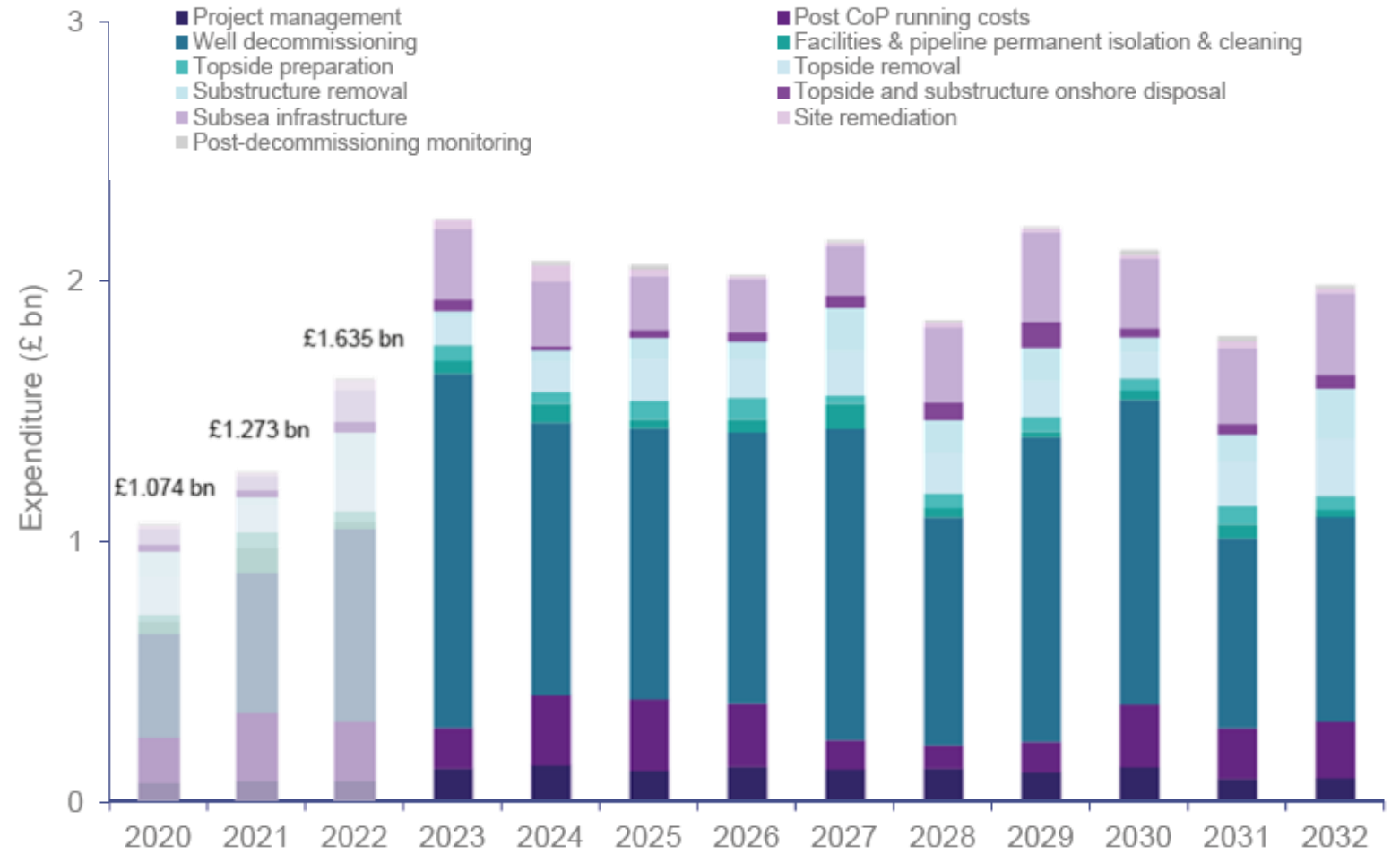
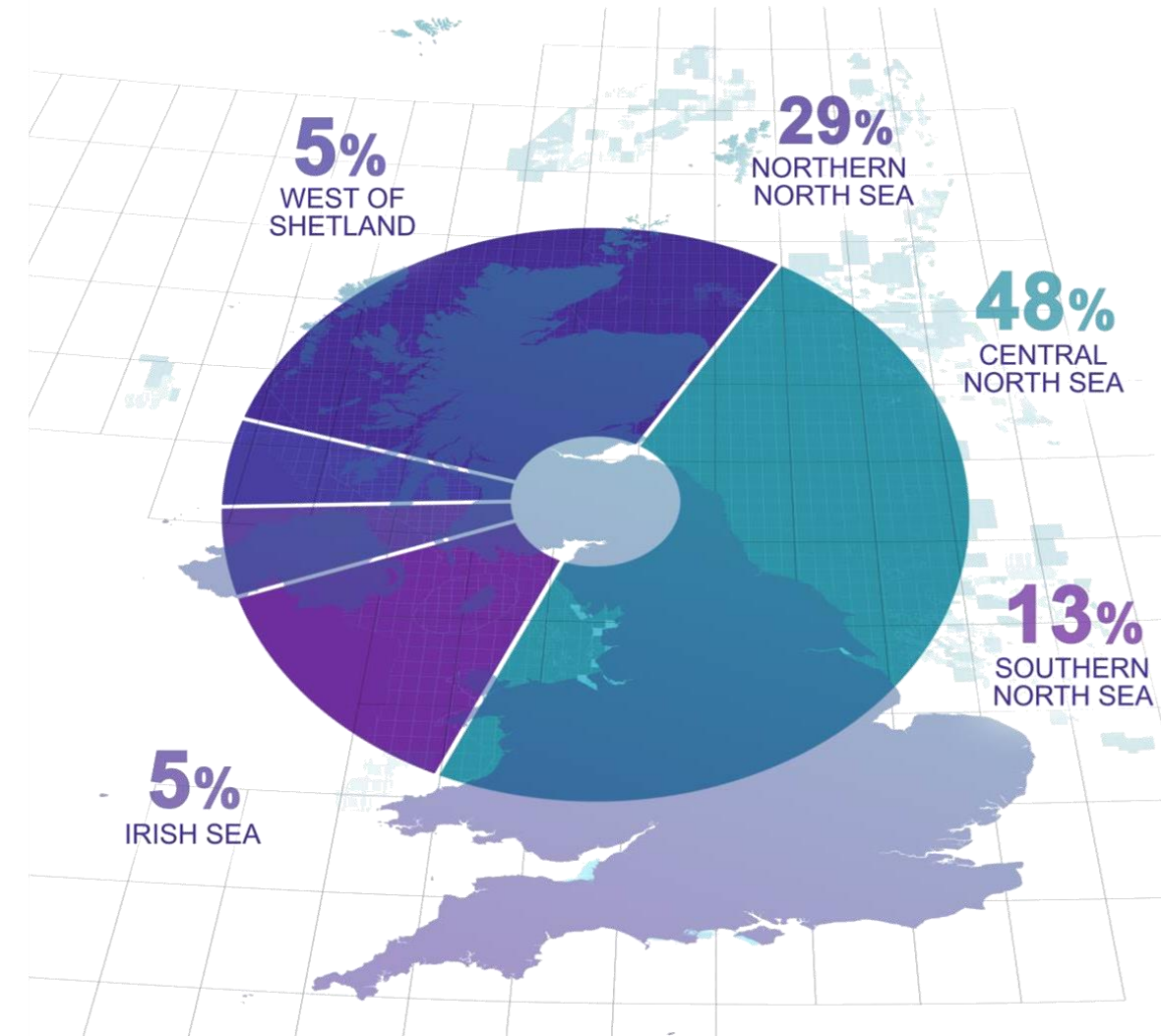


œUK

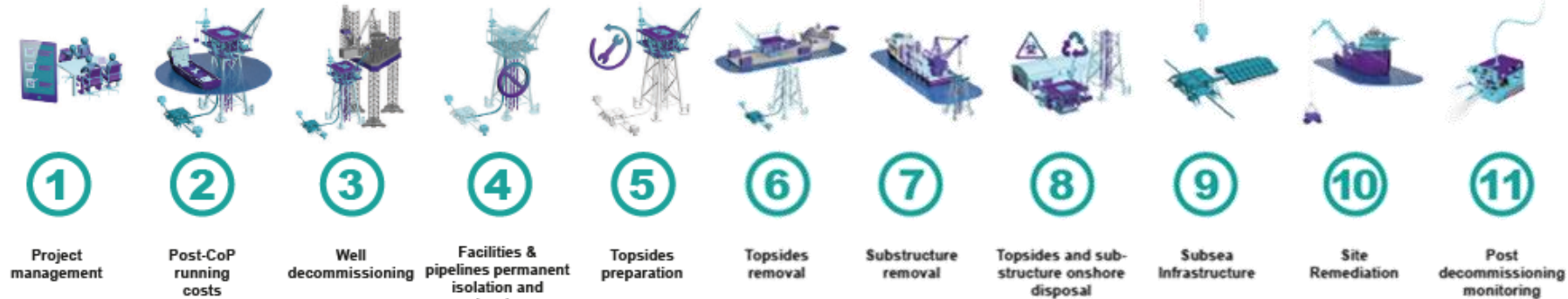
Decommissioning Decade



Decommissioning Forecast



Decommissioning Forecast



		6%	9%	51%	2%	3%	7%	5%	2%	13%	1%	>1%	Total
Expenditure (£mn)	CNS	£580	£1,054	£5,445	£155	£197	£623	£375	£195	£1,236	£72	£51	£9,983
	NNS & WoS	£486	£703	£3,387	£241	£235	£443	£256	£186	£991	£72	£21	£7,022
	SNS & IS	£233	£156	£1,576	£74	£146	£424	£359	£91	£395	£101	£30	£3,585
	Total	£1,299	£1,913	£10,408	£471	£578	£1,490	£990	£472	£2,622	£245	£120	£20,591

Wells Wells Wells

Actual and forecast numbers of wells being decommissioned, by type

2022 Actual	2023 Forecast	Activity from 2024-2032
139 wells, <i>of which:</i>	210 wells, <i>of which:</i>	1,954 wells, <i>of which:</i>
98 platform	109 platform	1,202 platform
30 subsea	62 subsea	654 subsea
11 E&A	39 E&A	98 E&A

Wells Wells Wells

51%

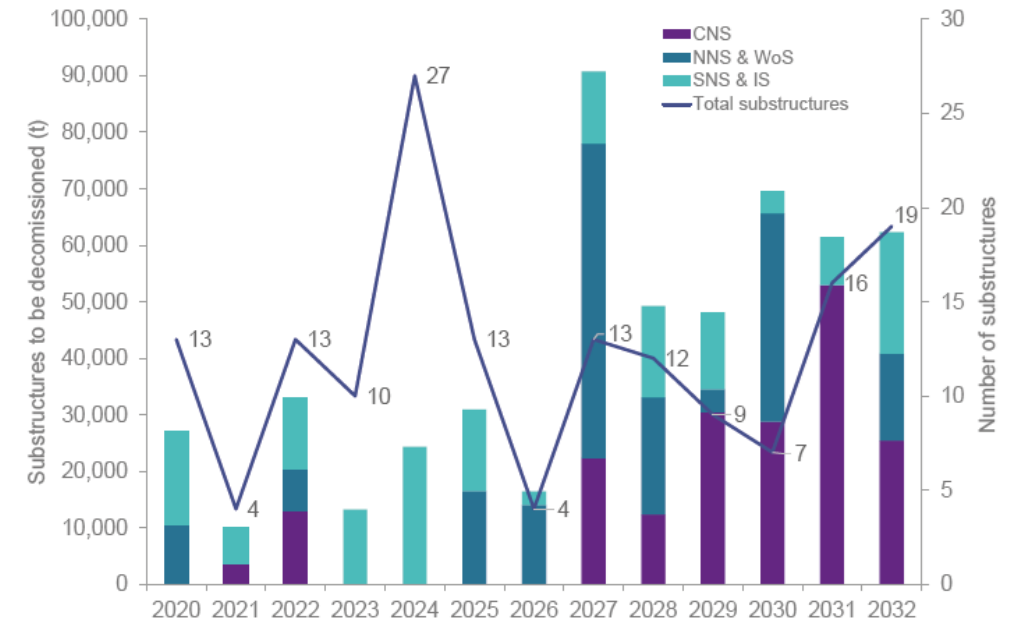
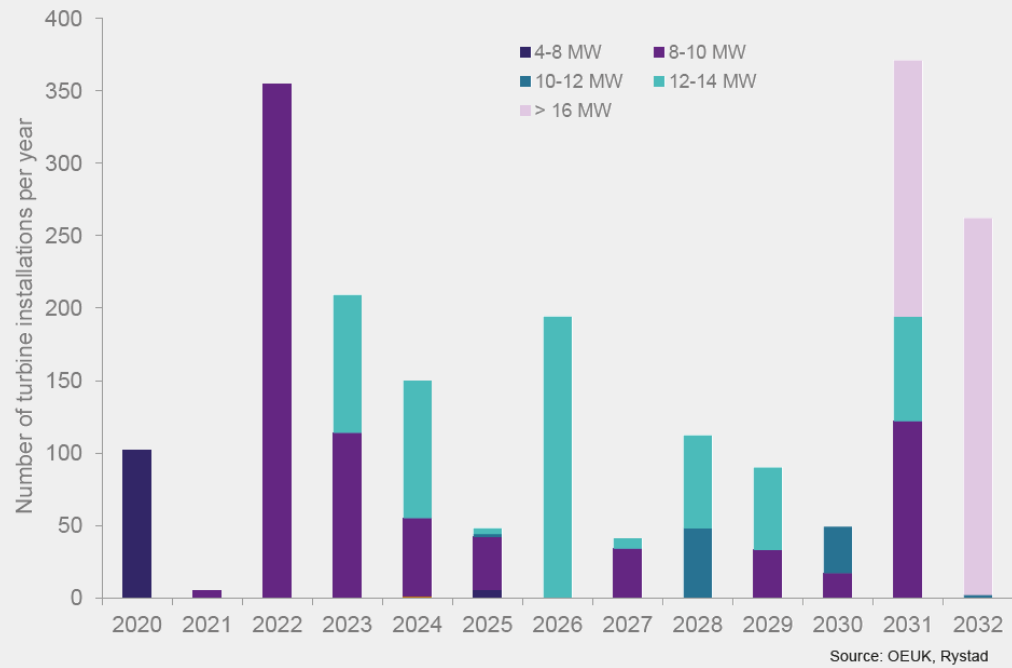
Wells decommissioning accounts for 51% of expenditure over the next decade

50%

Year-on-year increase is expected in number of wells to be decommissioned in 2023



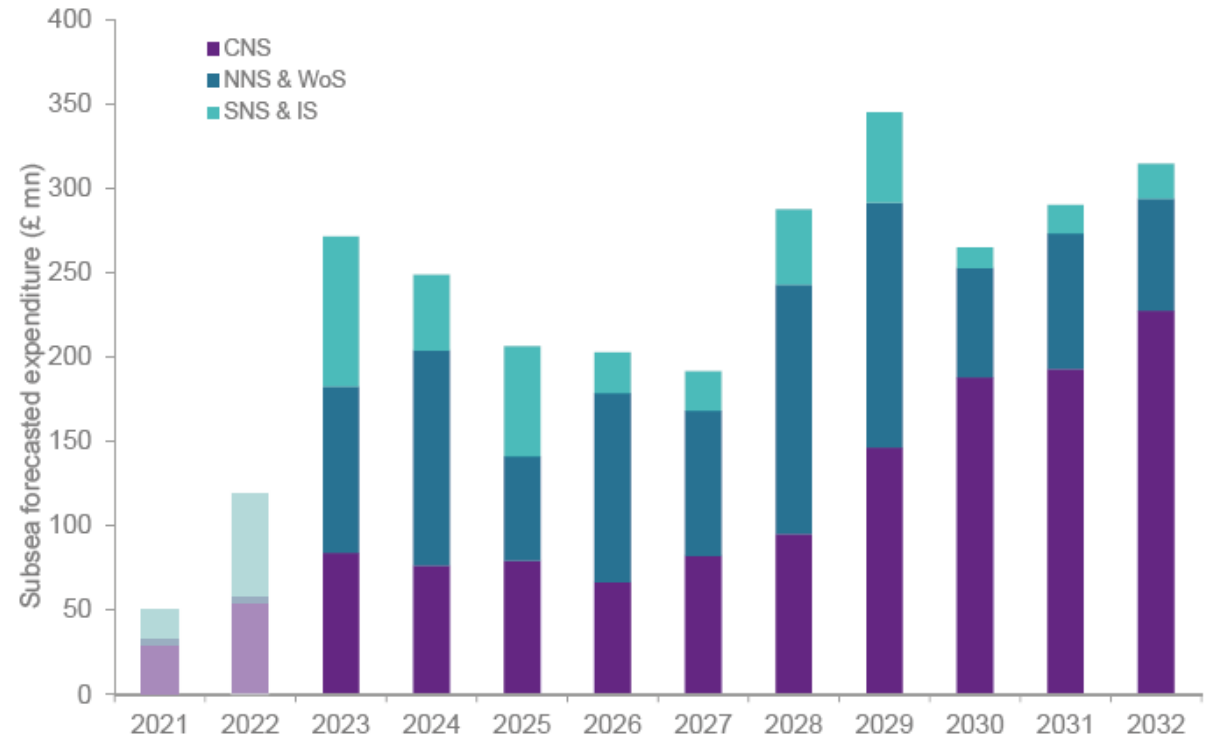
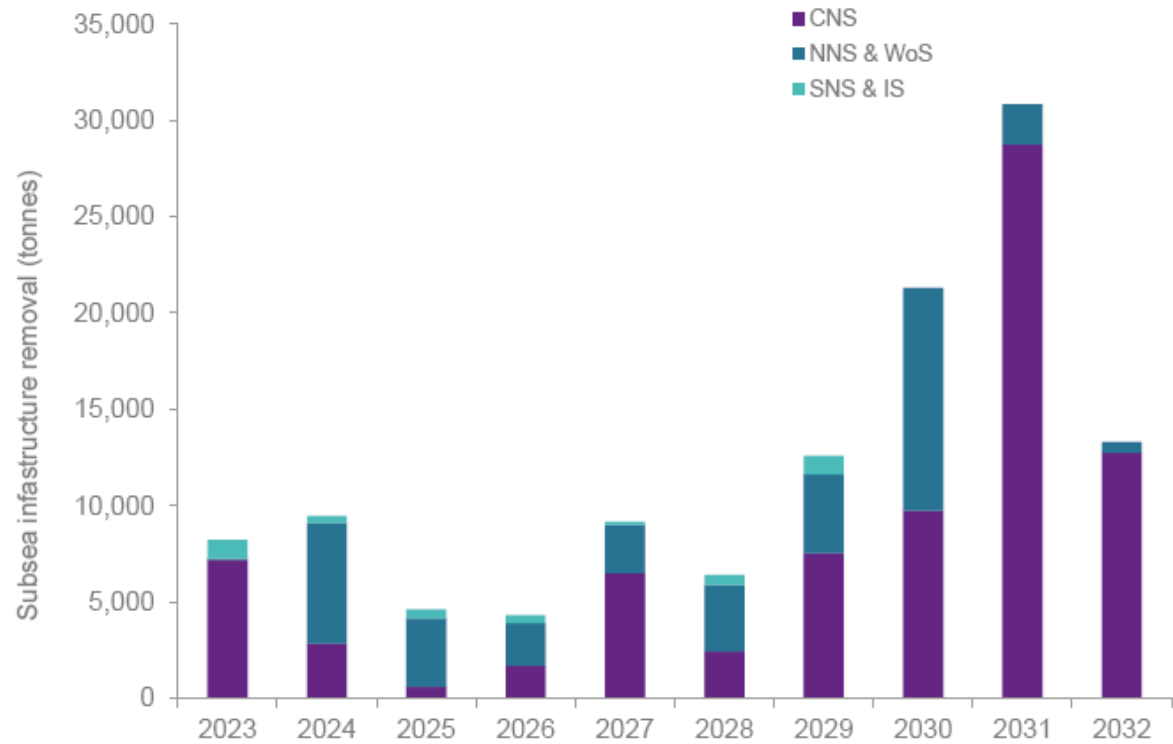
Integrated Energies



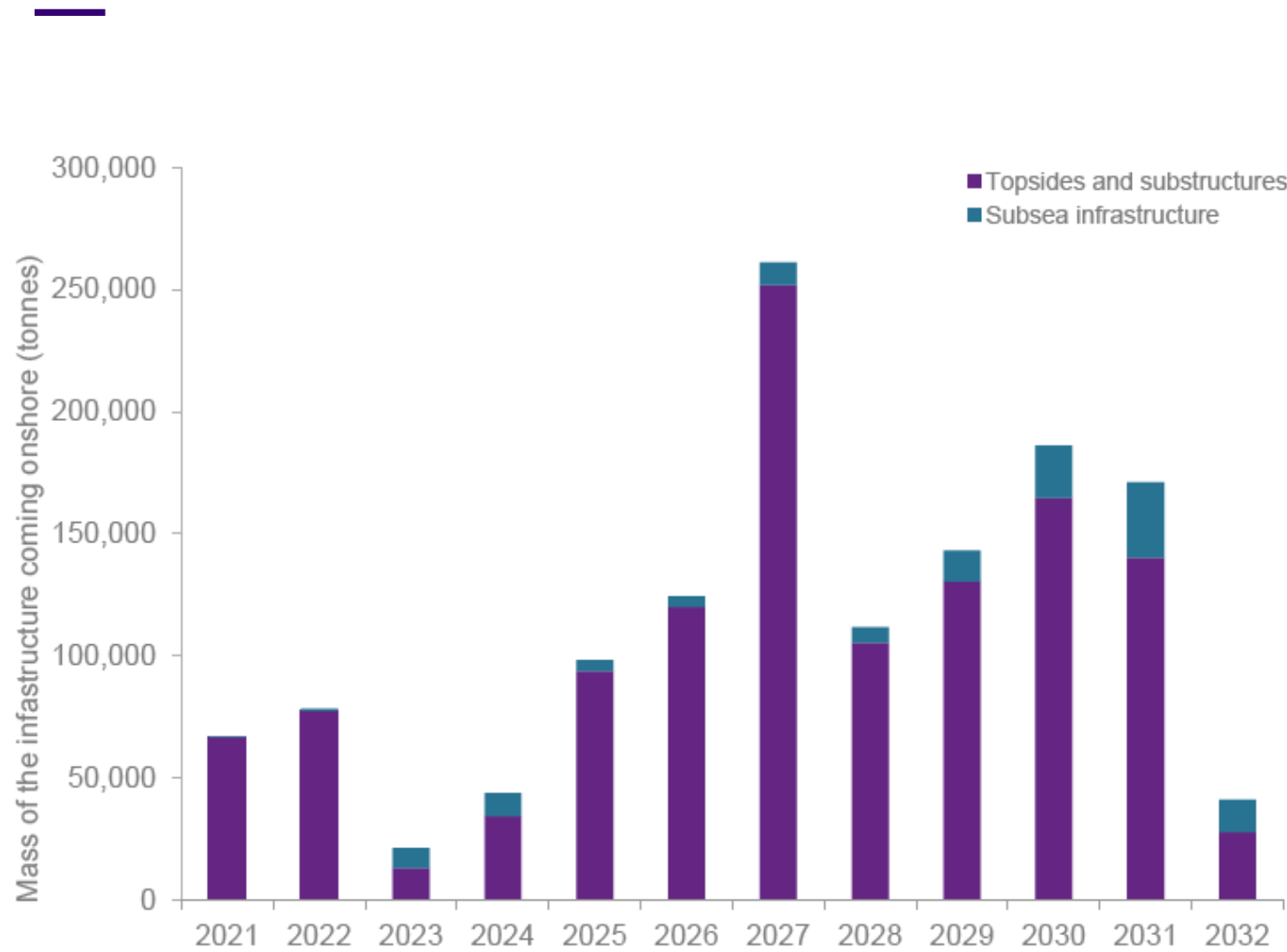
Subsea Infrastructure

2022 (Actual)	2023 (Forecast)	Activity from 2024-2032
3 km	16 km	348 km pipelines planned to be removed
932 tonnes	8,208 tonnes	111,918 tonnes of subsea structures to be removed
1,193 mattresses	2,163 mattresses	37,048 mattresses to be removed

\$300 mn/yr
2028-2032 basin average spend

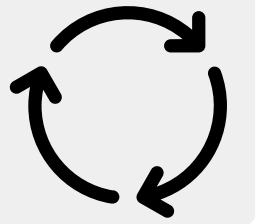


Onshore Dismantling and Re-use

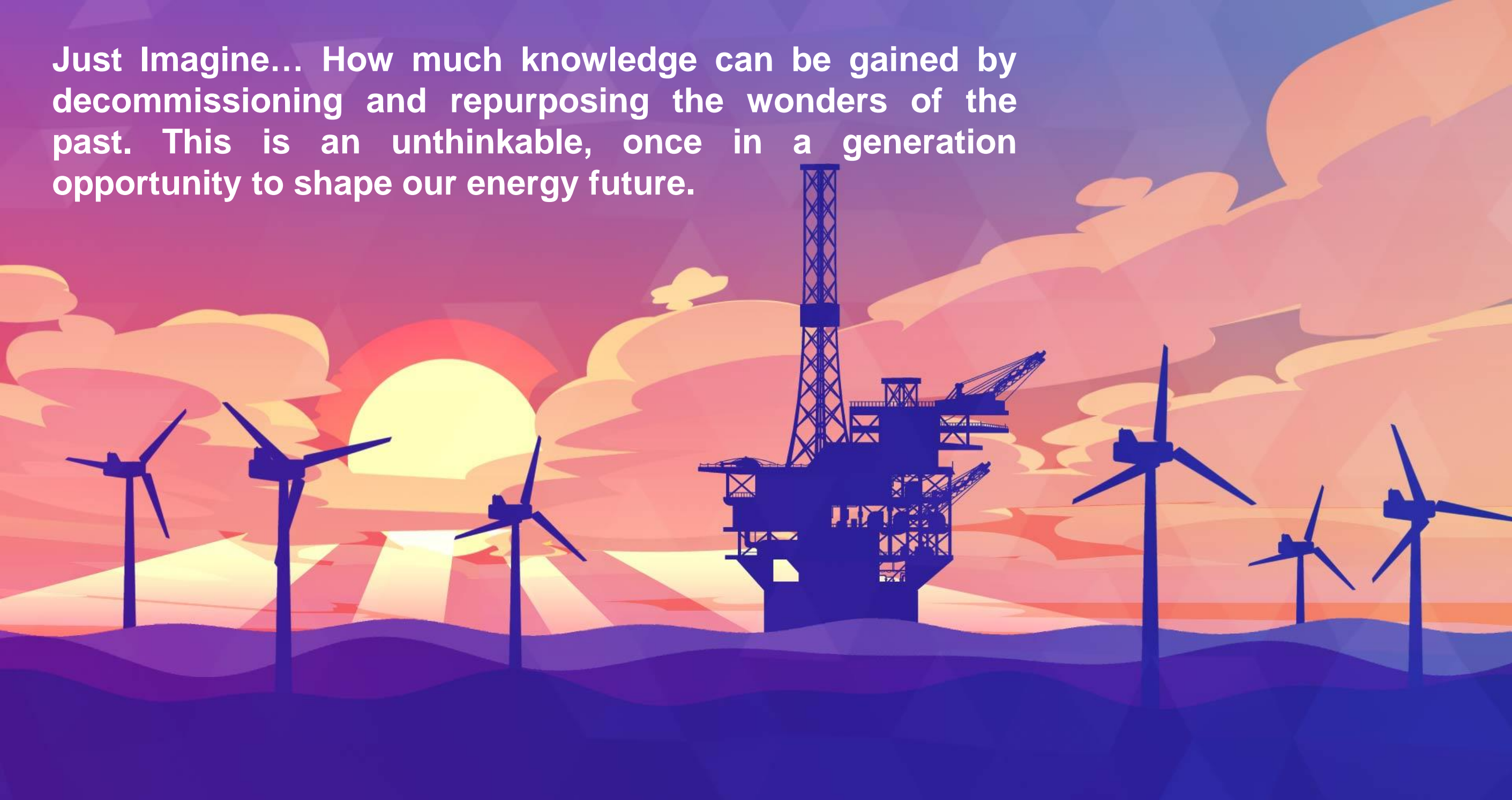


>37K Mattresses to be recovered

>1mn Tonnes of infrastructure

 Re-Use Opportunities

Just Imagine... How much knowledge can be gained by decommissioning and repurposing the wonders of the past. This is an unthinkable, once in a generation opportunity to shape our energy future.



Join us today
membership@OEUK.org.uk

Aberdeen Office

4th Floor
Annan House
33-35 Palmerston Road
Aberdeen
AB11 5QP

+44 (0)1224 577 250

London Office

1st Floor
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

+44 (0)20 7802 2400