



Turning the tide

The transformation of the North Sea

PwC and Oil & Gas UK

There is a changing of the guard underway in the North Sea. Every few years doomsayers prophesise the imminent demise of the basin but the UKCS is a resilient place. Cost discipline combined with innovation are helping companies to navigate the economic turbulence the region has faced in recent years.

Three years on from our groundbreaking report '**Sea Change – the Future of North Sea Oil & Gas**', PwC and OGUK have collaborated to bring you a current perspective, based on interviews with over 20 senior stakeholders from the industry.



Key themes

Competitiveness



Collaboration between operators and supply chain is vital



Innovation and technology are essential

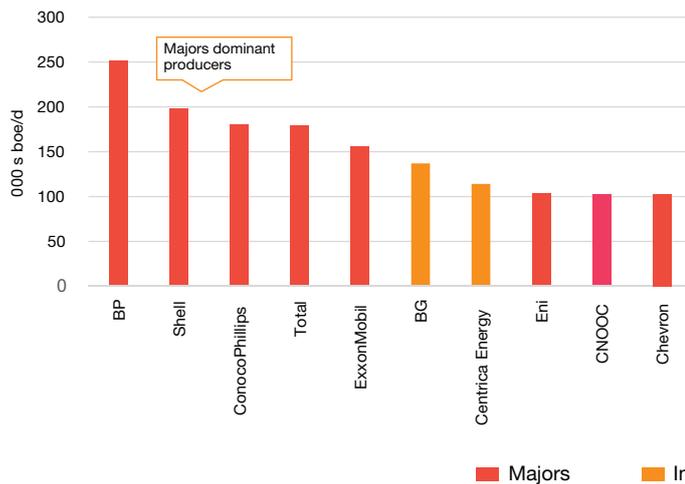


Partnership models are critical for the future

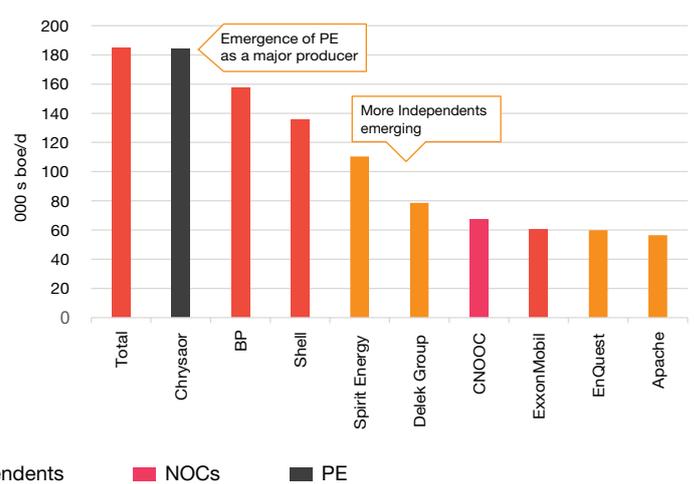
Investment

Evolution of top 10 oil & gas producers in the UKCS (2009 – 2019)

Top 10 Producers 2009



Top 10 Producers 2019



Source: Rystad Energy; PwC Strategy & research

The energy transition



More hurdles to investment



Increased investor scrutiny



A need to articulate value



A showcase for low carbon solutions

Key questions

- 1 What are the growth strategies that will allow operators and oil services to grow their businesses sustainably in a dynamic and evolving market?
- 2 What are the core capabilities market players need to develop to be successful and how do they acquire these capabilities? Is it through acquisitions or partnerships?
- 3 And finally, how should oil and gas companies position themselves to flourish in a world where we are rapidly transitioning to a lower carbon society?

These are fundamental questions to pose and some might argue even existential. For nearly 50 years, oil and gas from the North Sea have shaped the UK's economic prosperity. We are now witnessing the dawn of a new low carbon era where the North Sea has the potential to shape the energy transition and underpin the nation's ongoing prosperity.

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