

UK Continental Shelf Oil and Gas Production and the UK Economy

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BERR | Department for Business
Enterprise & Regulatory Reform

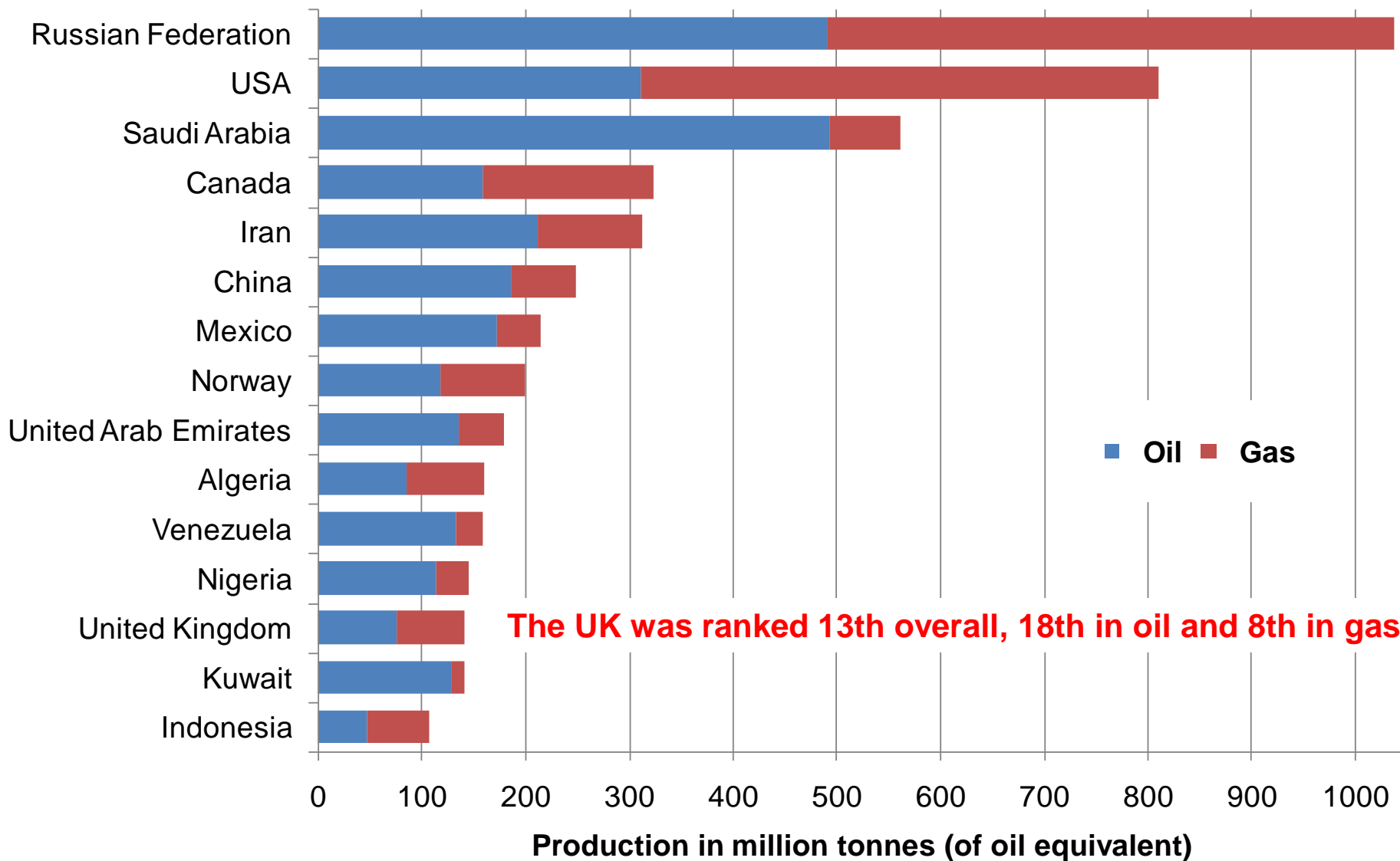
Outline

- Production and Reserves
- Expenditure
- Prices, Income and Taxation
- Gross Value Added
- Employment
- Trade
- Recent Production History
- Production (and Demand) Projections

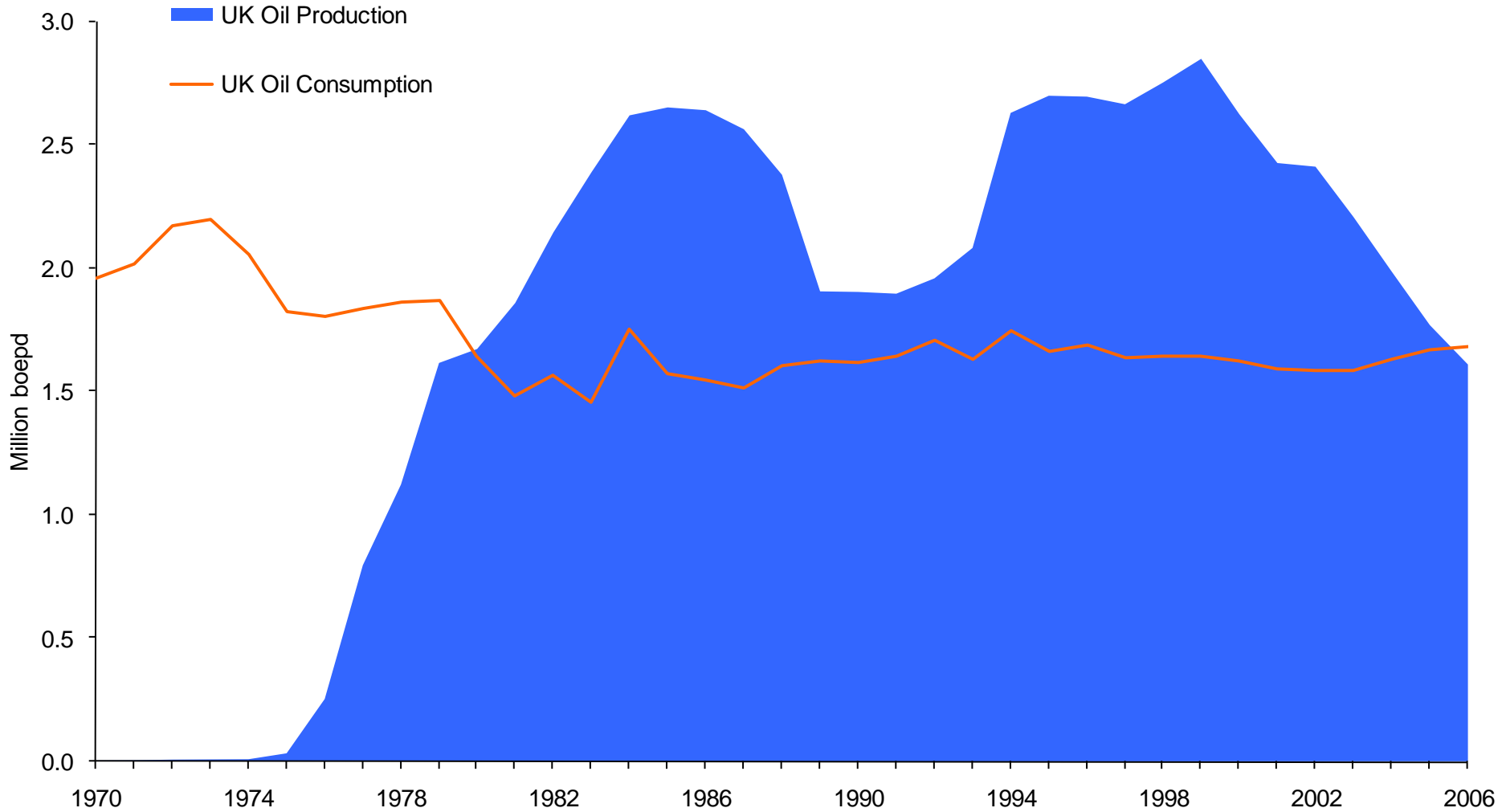
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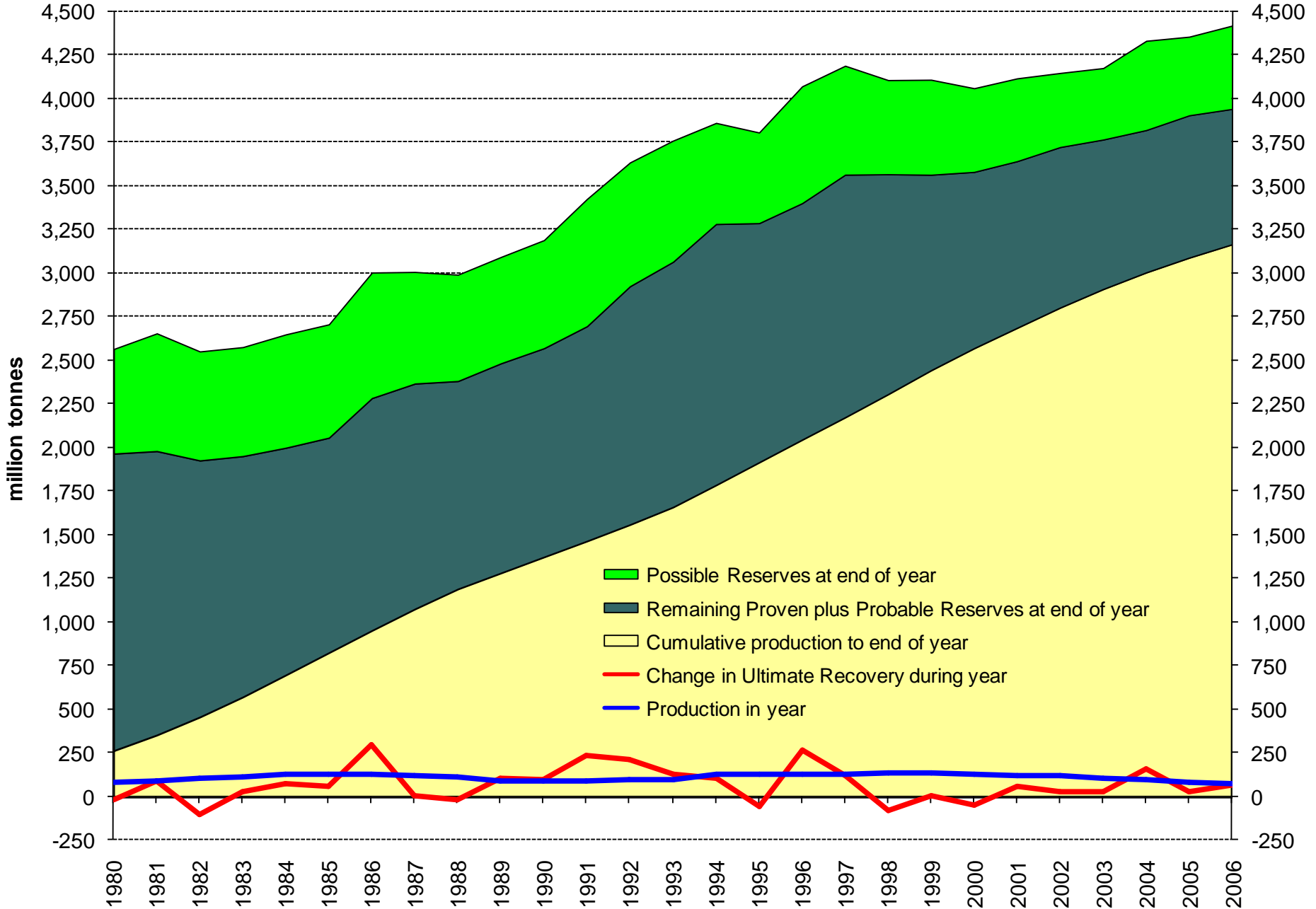
Major Oil and Gas Producing Countries 2007



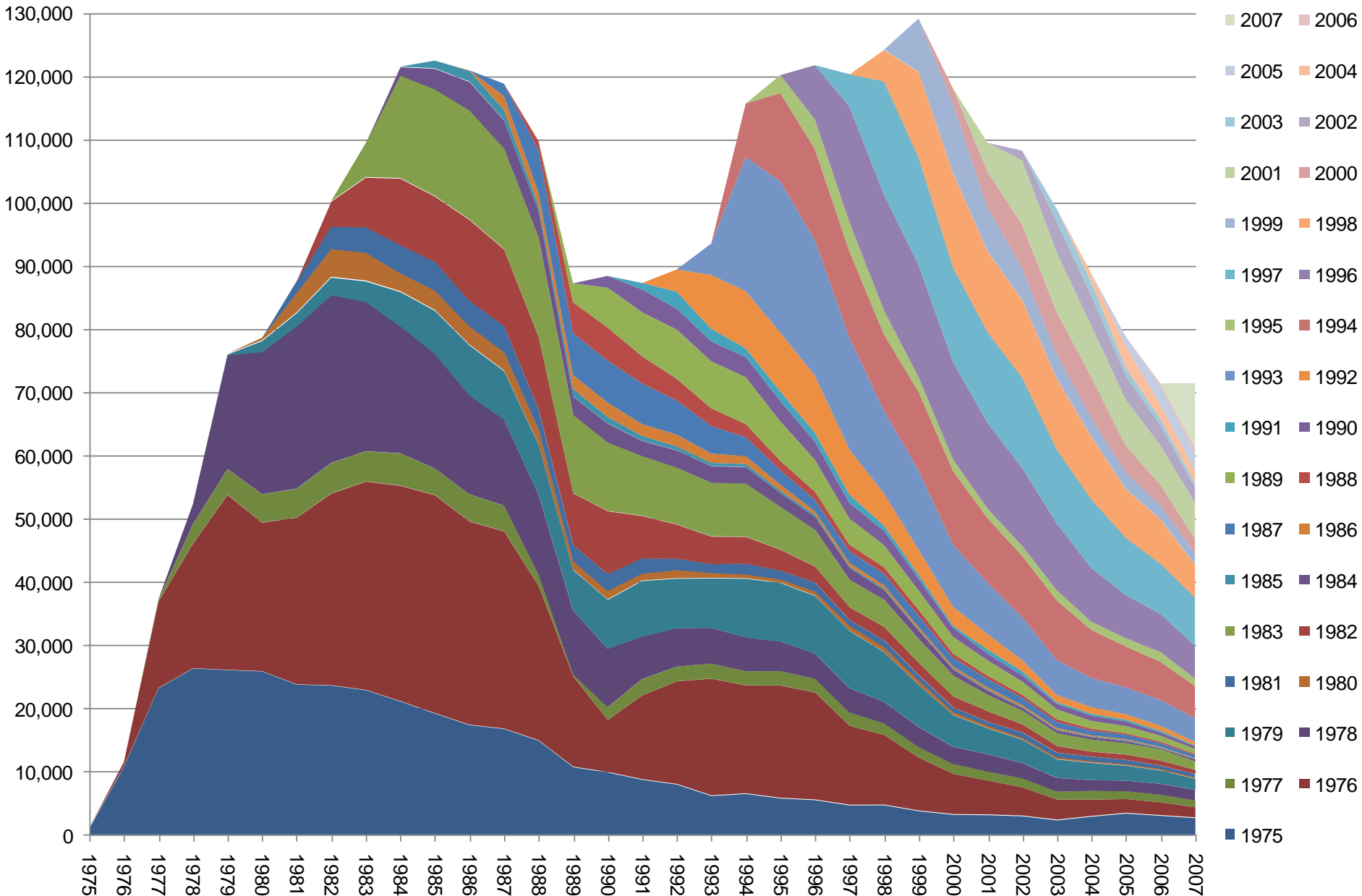
UK Oil Production and Consumption



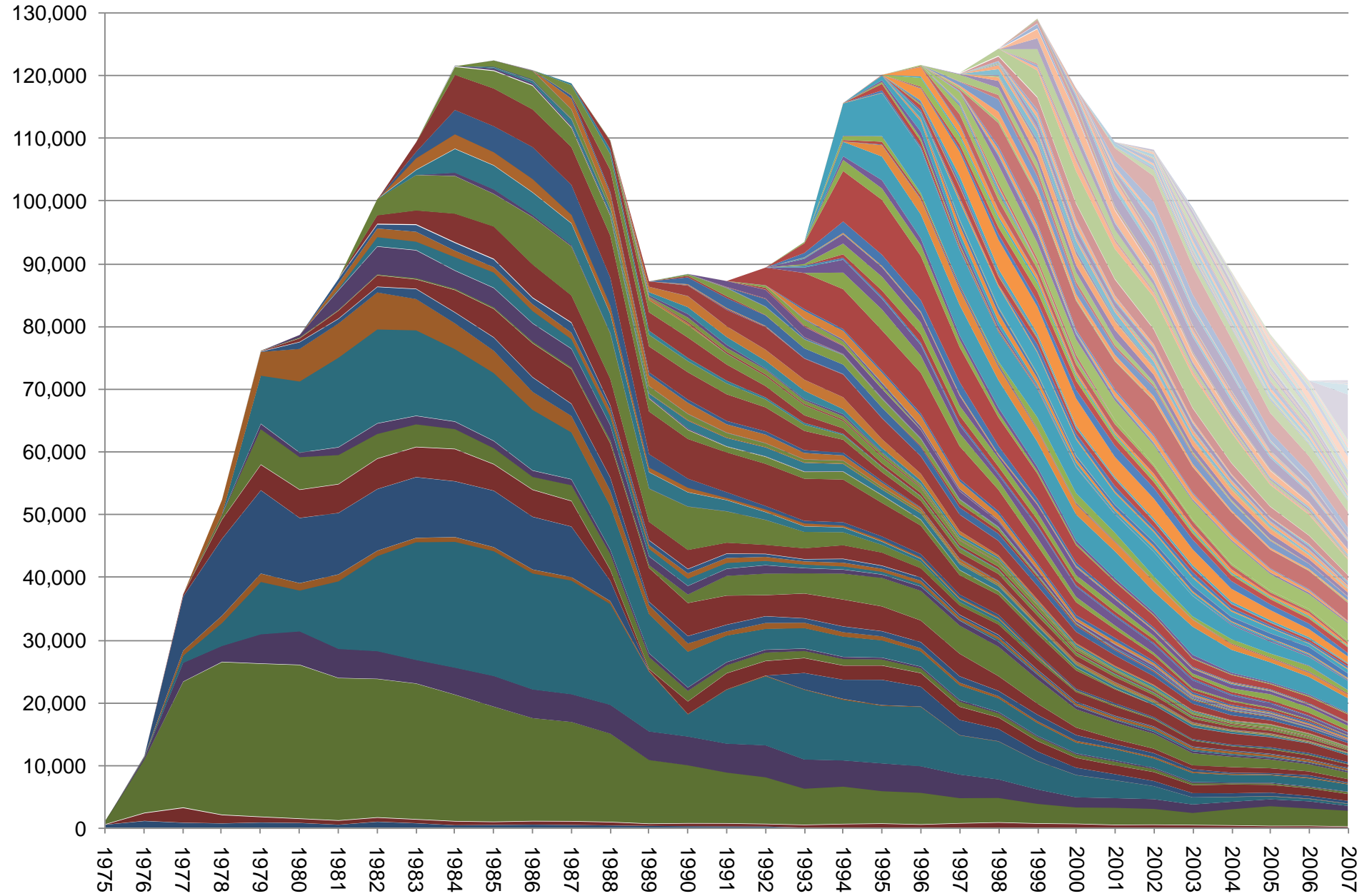
UK Continental Shelf Oil Reserves and Production



UK Oil Production by field start-up date (thousand tonnes)

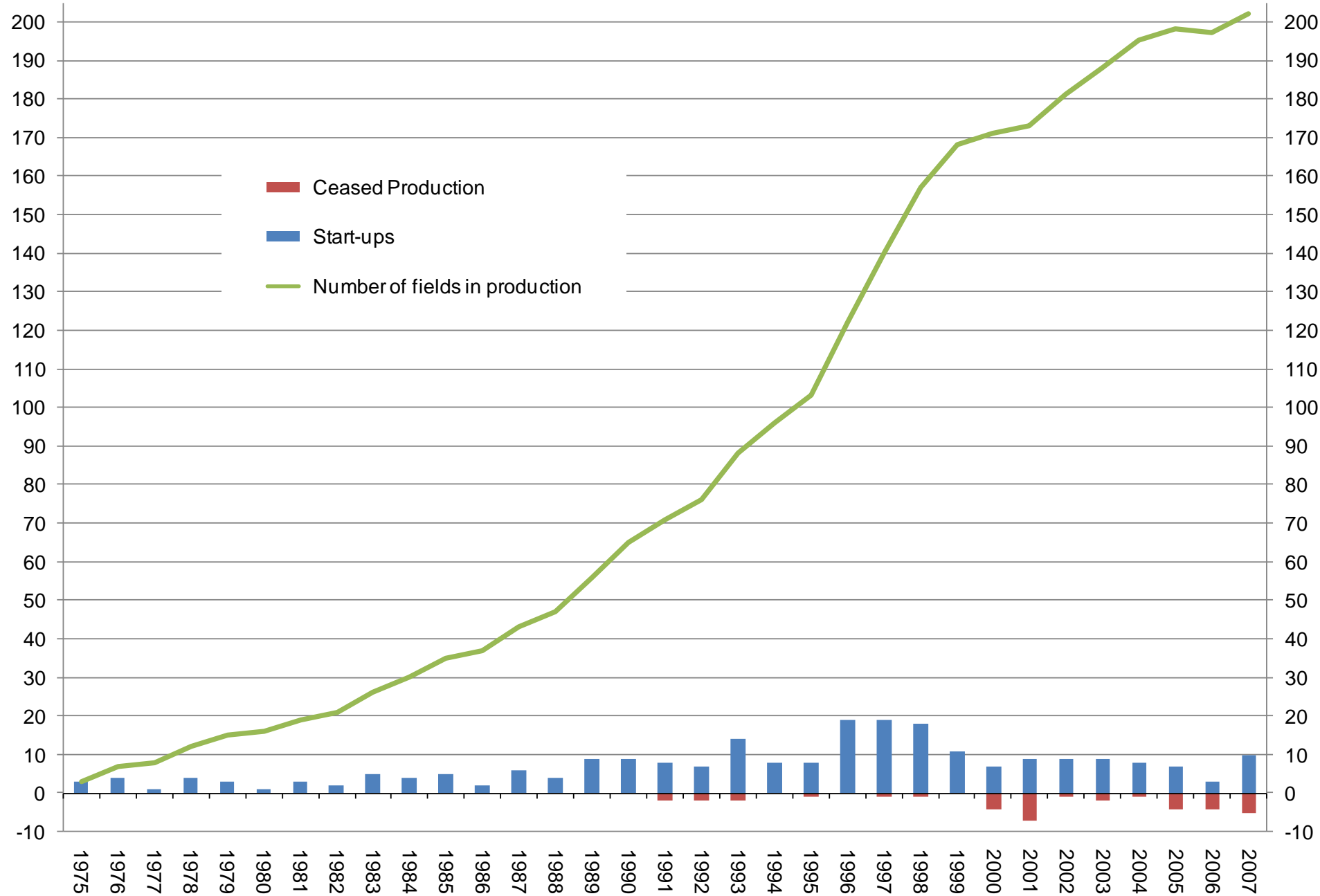


UK Oil Production by field (thousand tonnes)

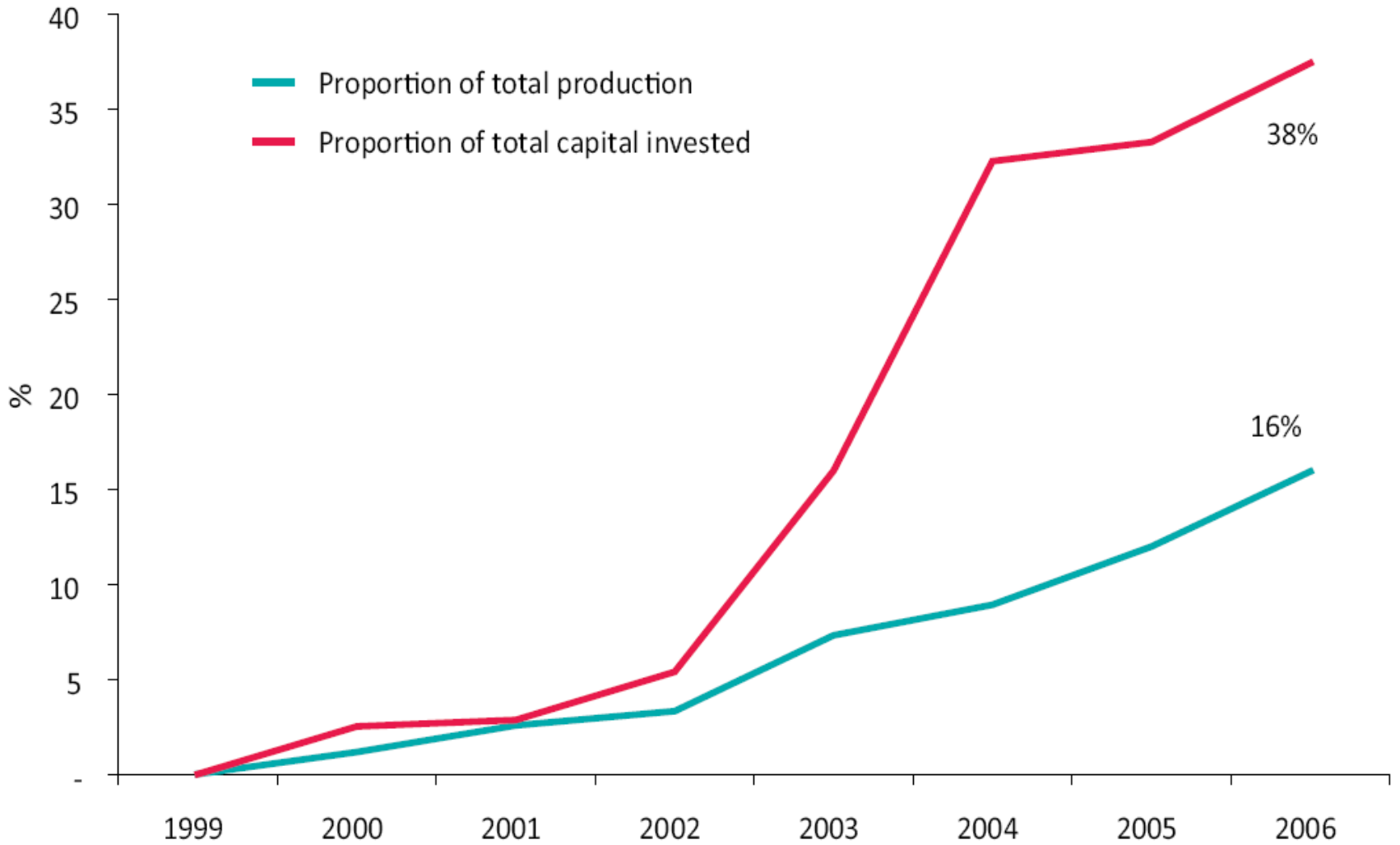


WOOD	TWEEDSMUIR	SAXON	NICOL	ENOCH	DUART
DONAN {MAERSK}	BUZZARD	BRENDA	BLANE	MERGANSER	GOOSANDER
GLENELG	RHUM	PICT	GADWALL	FARRAGON	CLAIR
CARNOUSTIE	BRECHIN	SCOTER	PLAYFAIR	JAMES	HOWE
GOLDENEYE	CLAPHAM	BROOM	NETHAN	SYCAMORE	SEYMOUR
PENGUIN WEST	PENGUIN EAST	CALEDONIA	BRAEMAR	DOUGLAS WEST	ARDMORE
EWT ONSHORE	TULLICH	OTTER	MIRREN	MADOES	MACLURE
JADE	HAWKINS	HANNAY	HALLEY	SKUA	SKENE
KYLE	KESTREL	FRANKLIN	ELGIN	BLAKE	BEAULY
LEADON	SHEARWATER	KEITH	GUILLEMOT W	GUILLEMOT NW	COOK
COLUMBA BD	BITTERN	RUBIE	ROSS	RENEE	PIERCE
ORION	JANICE	HERON	GANNET G	EGRET	BUCKLAND
NEWTON ON TRENT	STORRINGTON	SCHIEHALLION	MUNGO	MONAN	MARNOCK
MALLARD	LOYAL	LARCH	KEDDINGTON	GRANT	GANNET E
GALLEY	FLORA	COLUMBA E	COLD HANWORTH	BROCKHAM	BRITANNIA
FISKERTON AIRFIELD	WEST BRAE	TEAL	MERLIN	MACCULLOCH	KINGFISHER
IONA	GOODWORTH	GANNET F	FOINAVEN	FLEMING	ERSKINE
DRAKE	CURLEW	CAPTAIN	SEDGWICK	EWT OFFSHORE	BLADON
DURWARD	DAUNTLESS	THELMA	TELFORD	TEAL SOUTH	STRATHSPEY
SOUTH MAGNUS	SCAMPTON	PELICAN	NEVIS	LENNOX	HARDING
GUILLEMOT A	FERGUS	DUNLIN SOUTH WEST	DOUGLAS	BANFF	ARKWRIGHT
ANDREW	BRIMMOND	COLUMBA B	MINING LICENCES	JUDY	JOANNE
FIFE	BIRCH	COLUMBA D	BLENHEIM	DONAN	STIRLING
NELSON	MEDWIN	MACHAR	LYELL	ELLON	DUNBAR
ALBA	TONI	TIFFANY	SCOTT	SALTIRE	LOMOND
LEVEN	HUDSON	GRYPHON	GANNET A	EVEREST	EAST GLENTWORTH
CHANTER	BRUCE	BRAE EAST	MILLER	GANNET D	GANNET C
GANNET B	BEINN	EMERALD	STAFFA	WEST FIRSBY	SINGLETON
REMPSTONE	OSPREY	LONG CLAWSON	WAREHAM	ANGUS	KIRKCLINGTON
STOCKBRIDGE	PALMERS WOOD	KITTIWAKE	CYRUS	ARBROATH	HAMISH
WHISBY	MOIRA	BLAIR	TERN	SCAMPTON NORTH	ROB ROY
IVANHOE	GLAMIS	BRAE CENTRAL	DON	LINNHE	CRAWFORD
HORNDEAN	HERRIARD	EIDER	BRAE NORTH	WEST BECKINGHAM	STANTON
NESS	CROSBY WARREN	CLYDE	ALWYN NORTH	PETRONELLA	BALMORAL
NETTLEHAM	HUMBLY GROVE	HIGHLANDER	FARLEYS WOOD	INNES	WELTON
SCAPA	DEVERON	HUTTON	MAGNUS	BRAE SOUTH	HUTTON NORTH WEST
MAUREEN	DUNCAN	FULMAR	CORMORANT NORTH	TARTAN	BUCHAN
BEATRICE	MURCHISON	WYTCH FARM	STATFJORD	CORMORANT SOUTH	THISTLE
NINIAN	HEATHER {AND EXT}	DUNLIN	CLAYMORE	PIPER	MONTROSE
BRENT	BERYL	FORTIES	AUK	ARGYLL	

Number of UK Oil Fields in Production

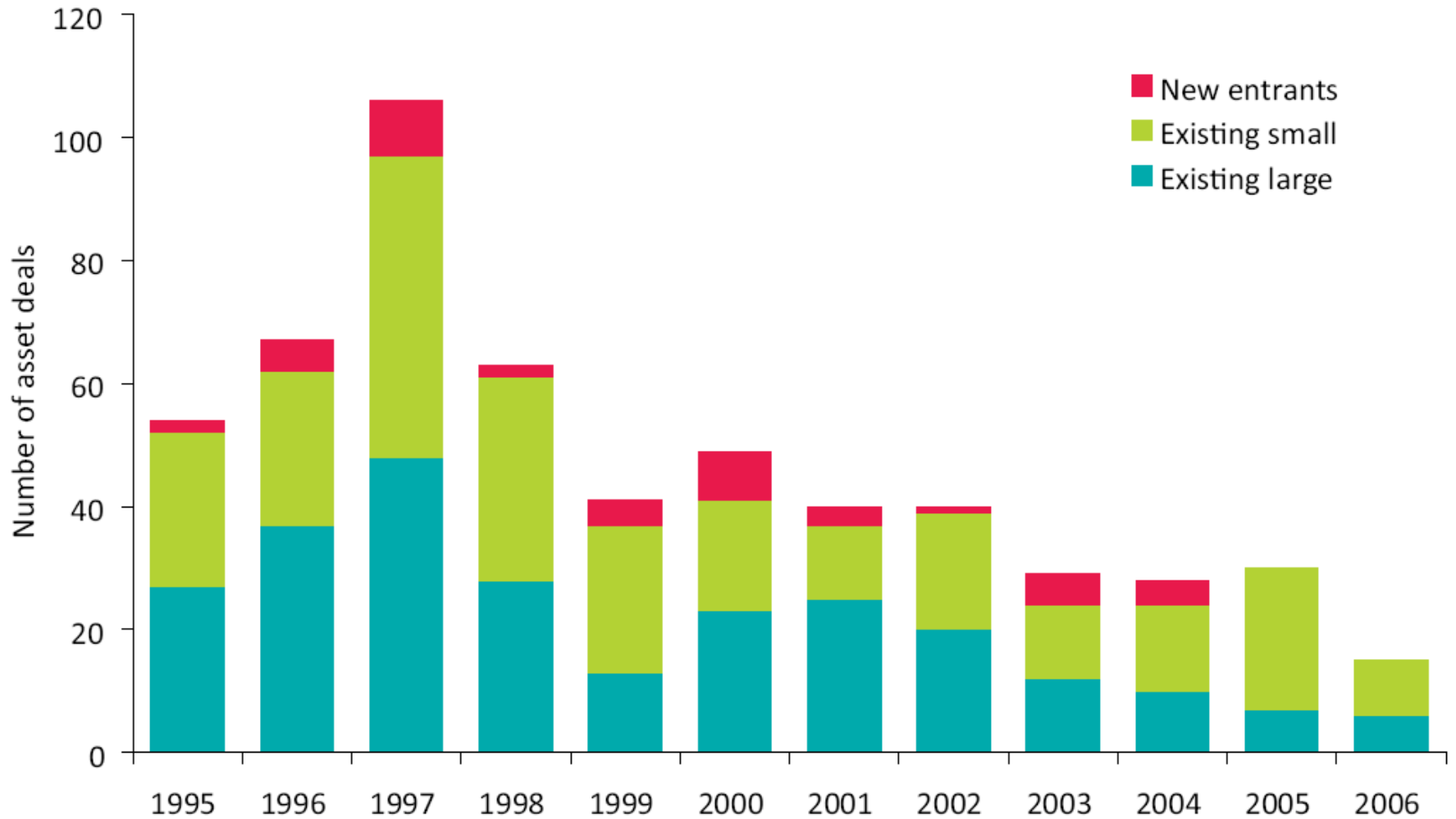


New Entrants' Contribution to Production & Investment 1999–2006



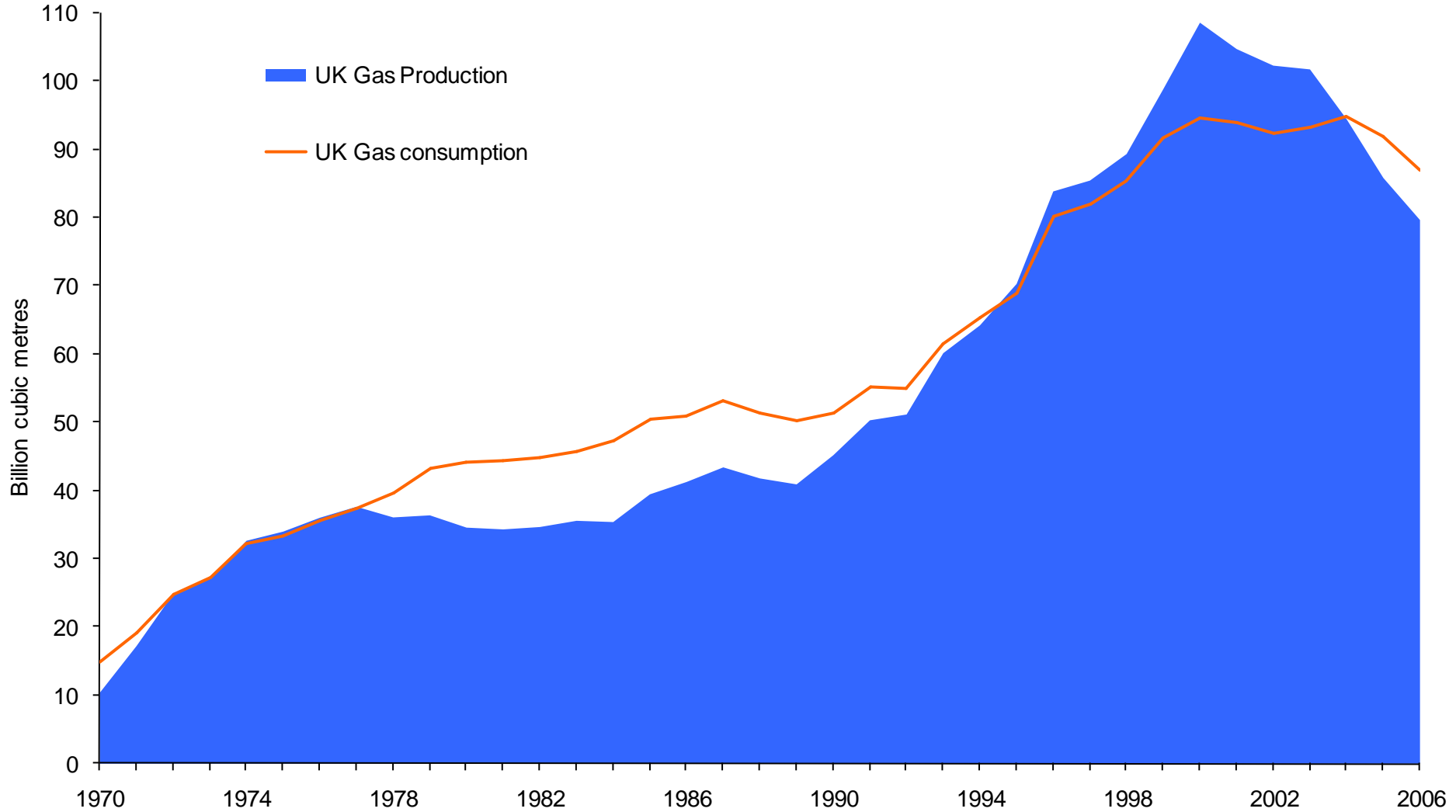
Source: Wood Mackenzie

Buyers of UKCS Assets 1995–2006

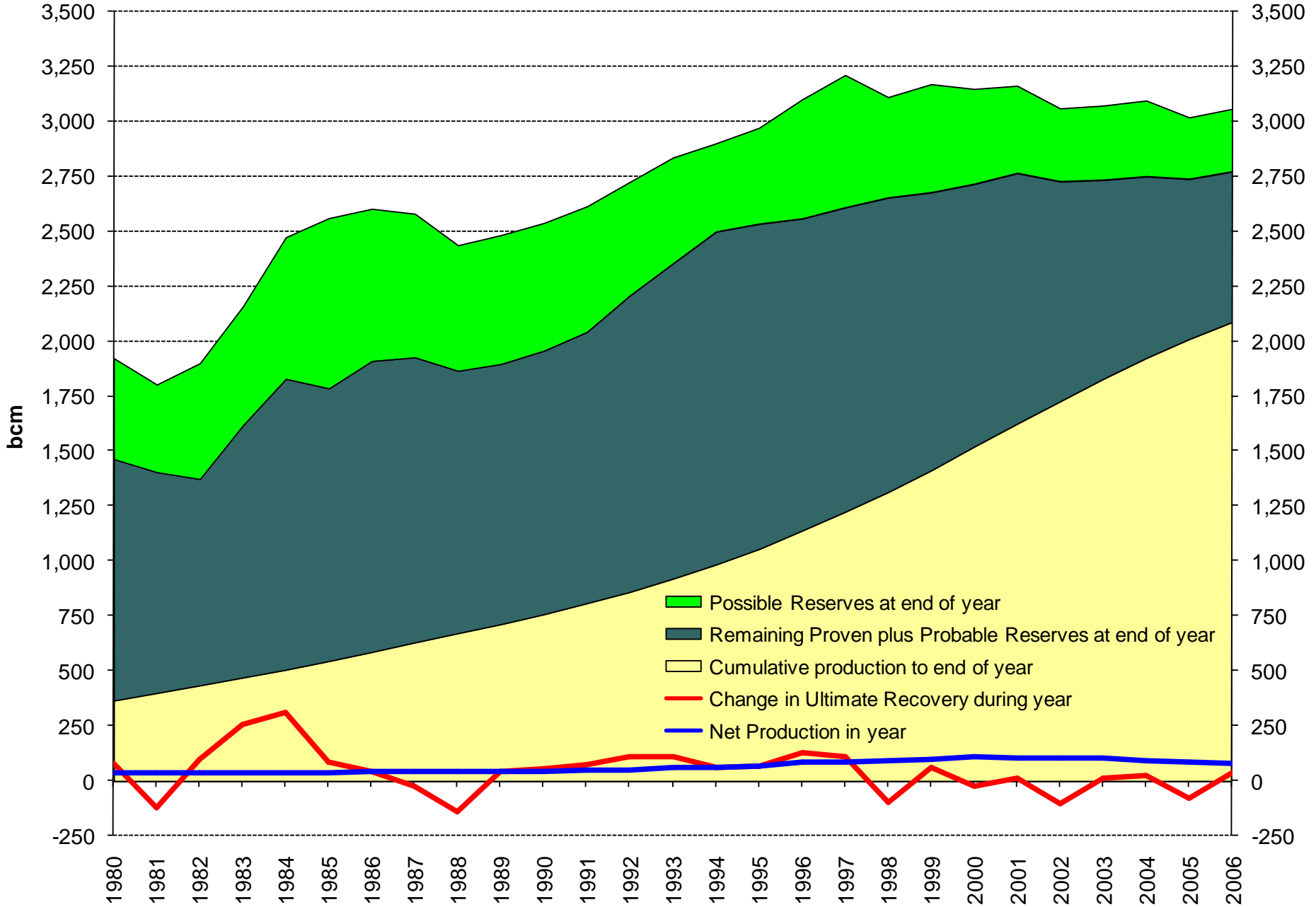


Source: Wood Mackenzie

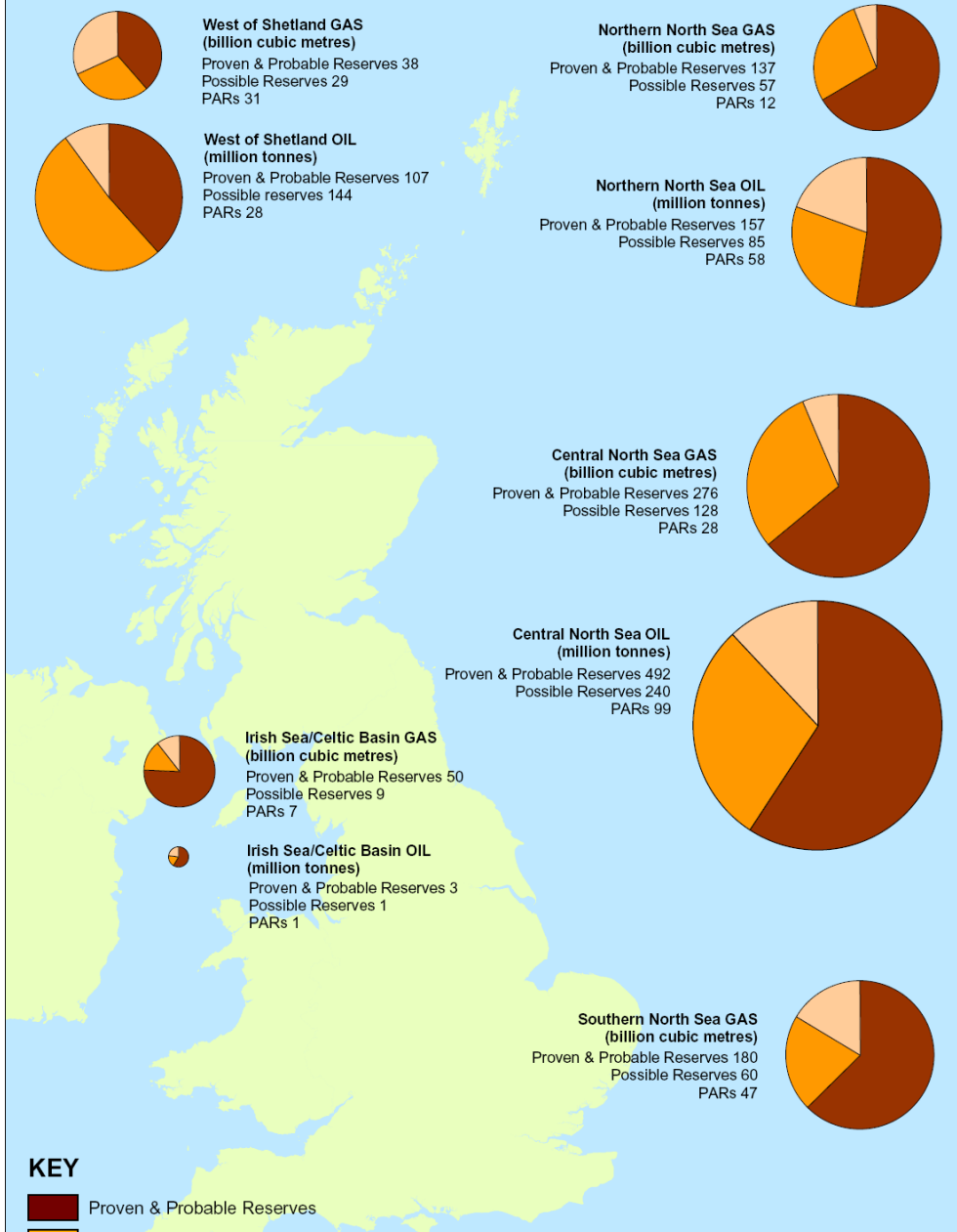
UK Gas Production and Consumption



UK Continental Shelf Gas Reserves and Production



Pie Charts Showing Potential for UK Reserves Growth



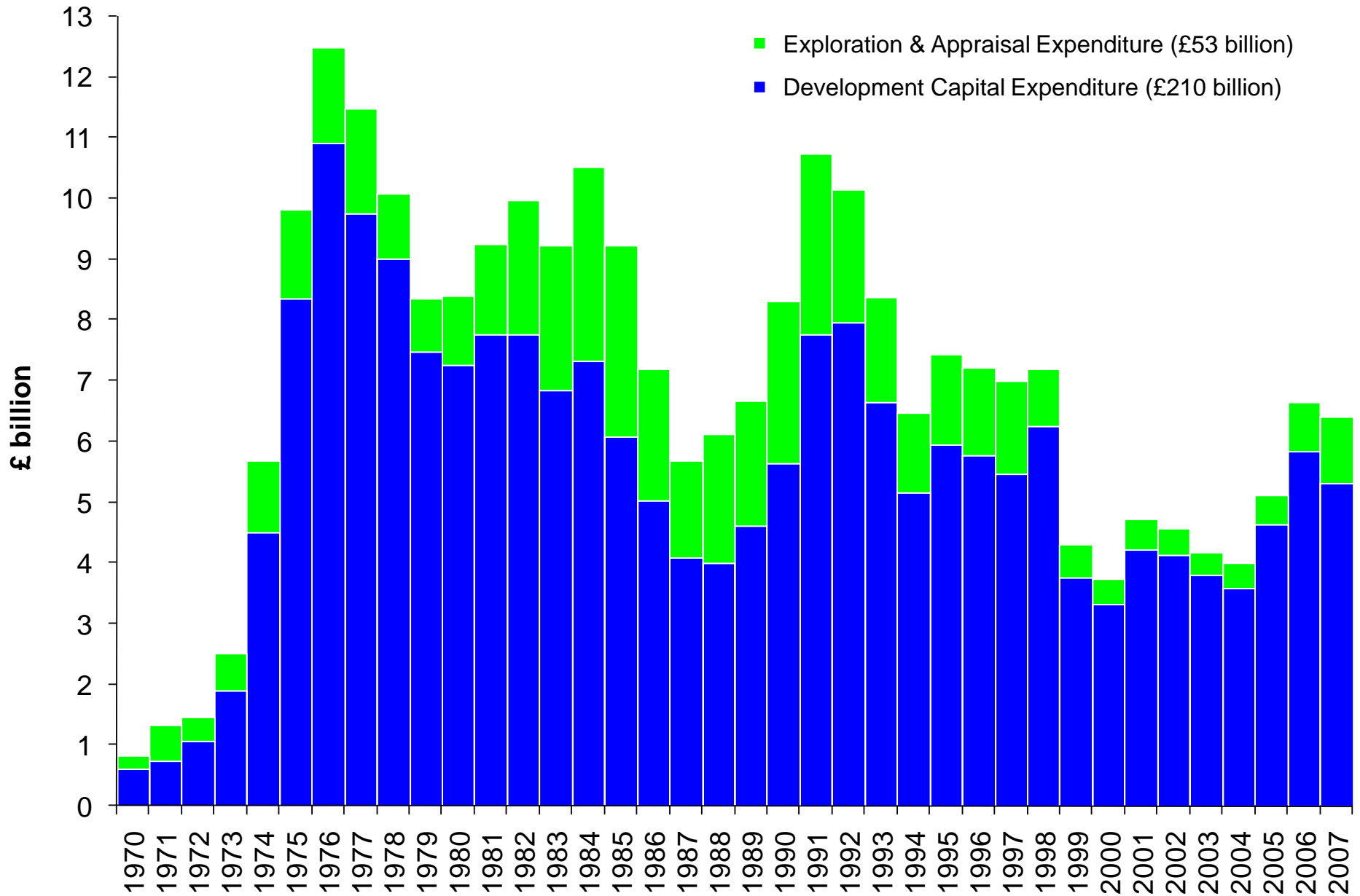
KEY

- Proven & Probable Reserves
- Possible Reserves
- Potential Additional Resources (PARs) - Central Estimate

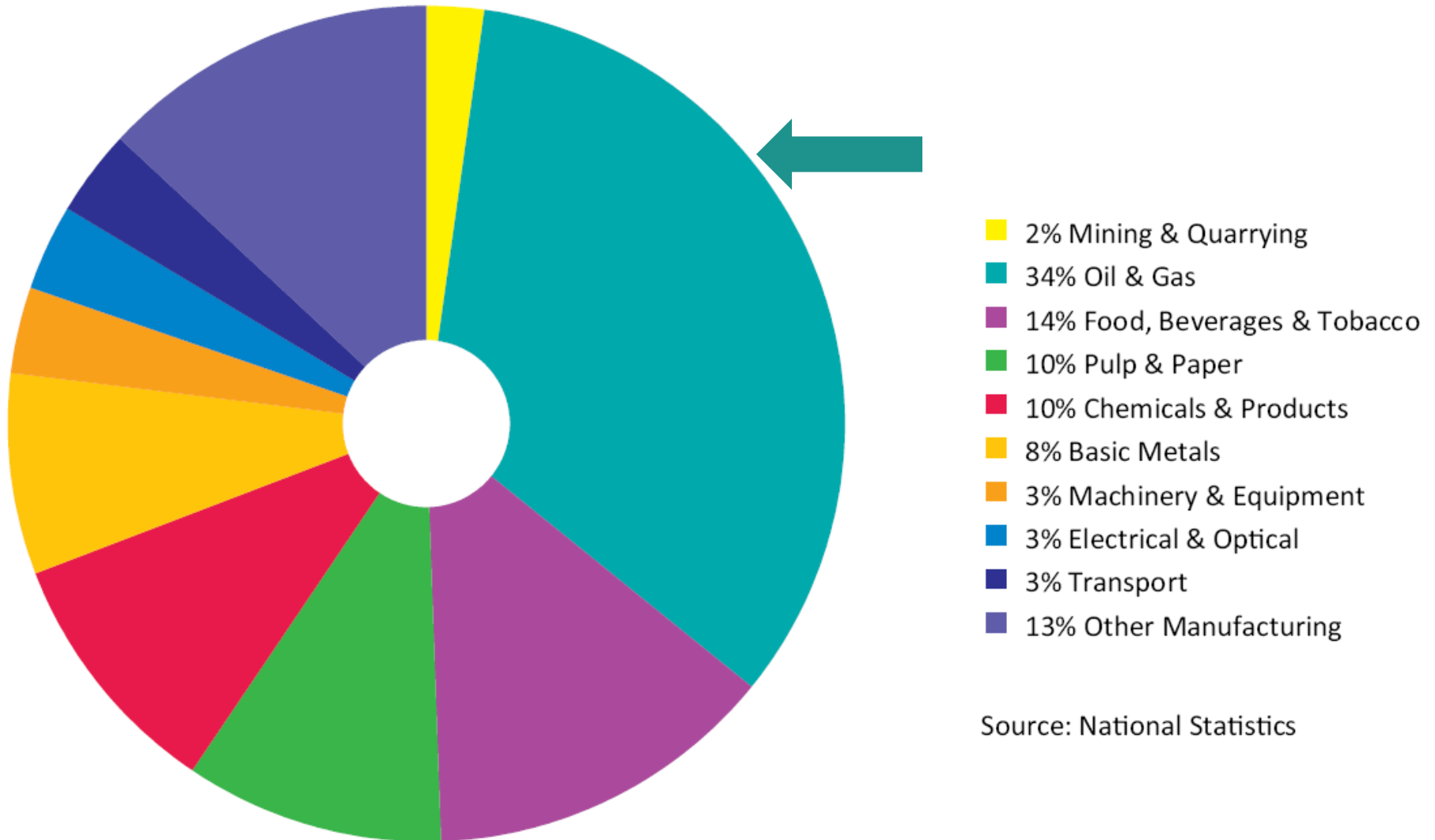
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UKCS Capital Expenditure 1970–2007 (2007 prices)

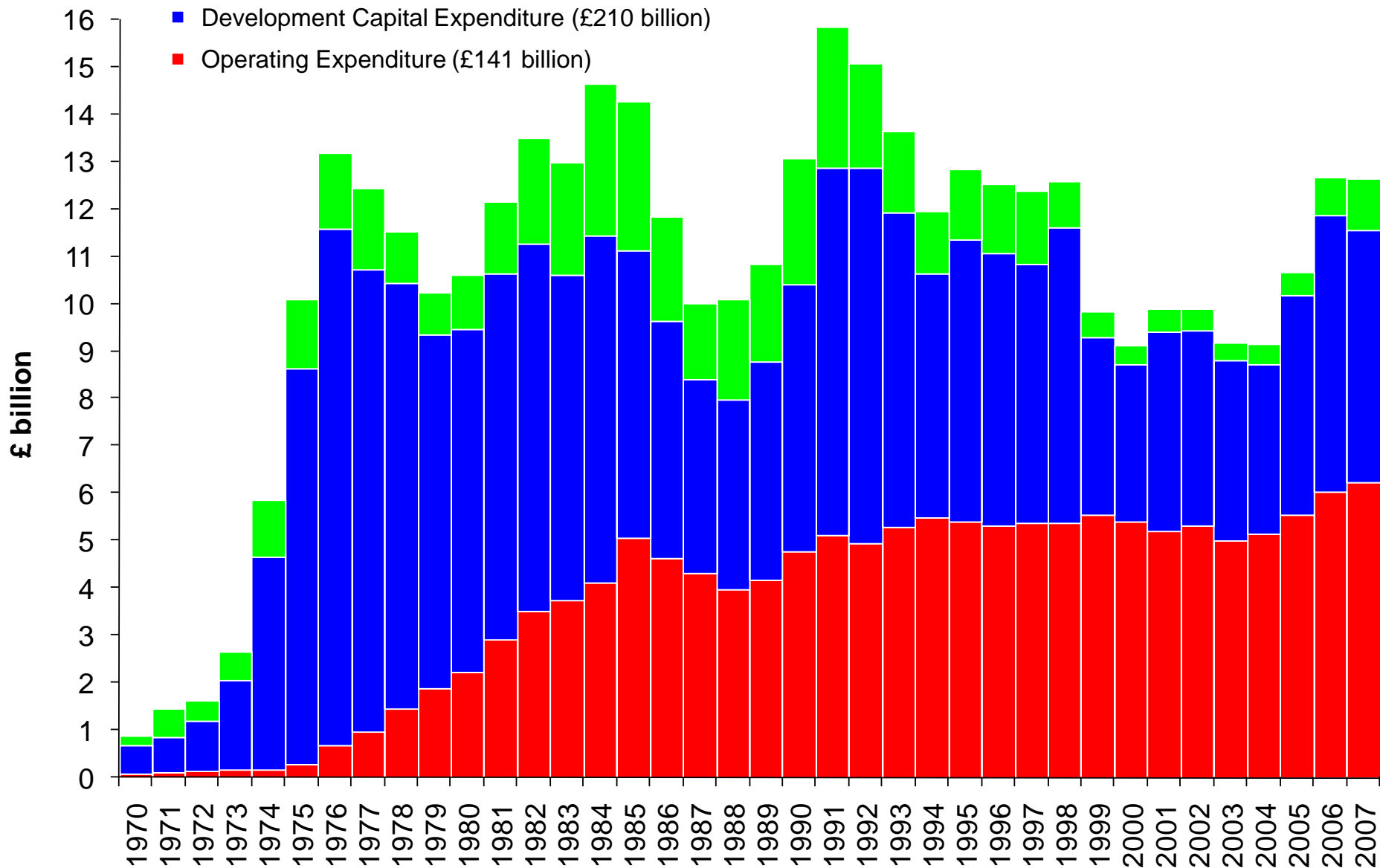


Industry Investment 2005 by Sector



UKCS Expenditure 1970–2007 (2007 prices)

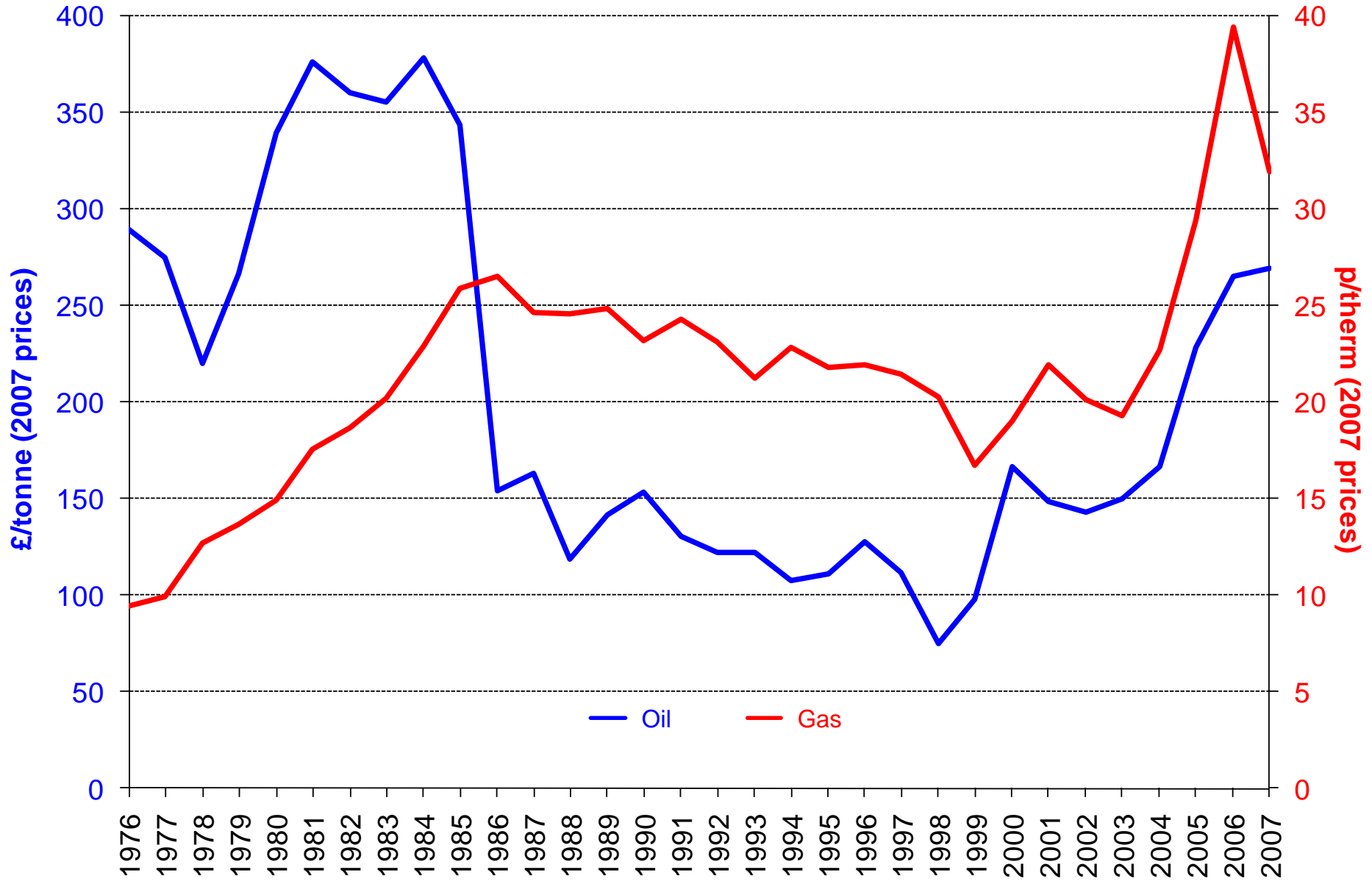
- Exploration & Appraisal Expenditure (£53 billion)
- Development Capital Expenditure (£210 billion)
- Operating Expenditure (£141 billion)



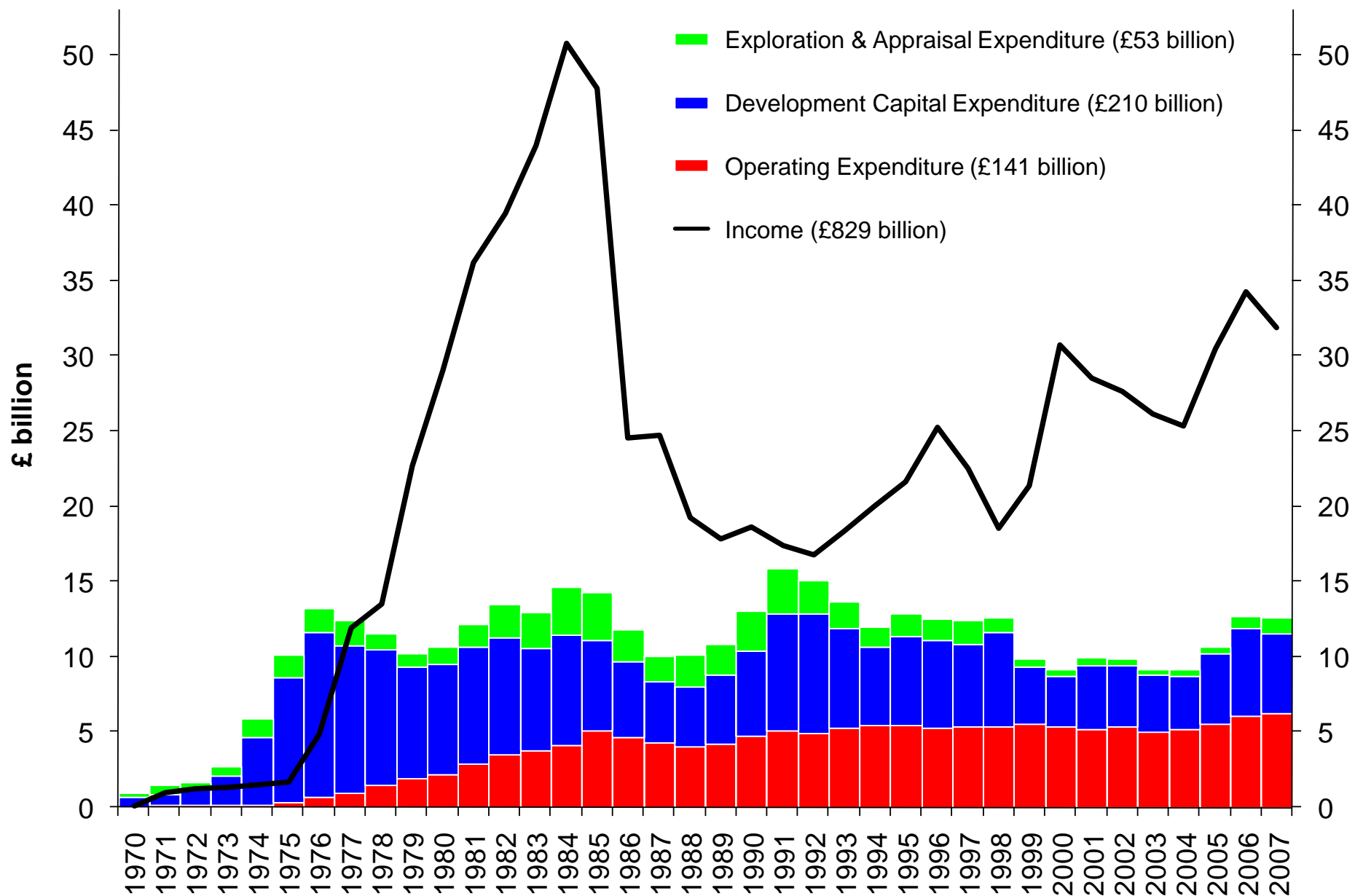
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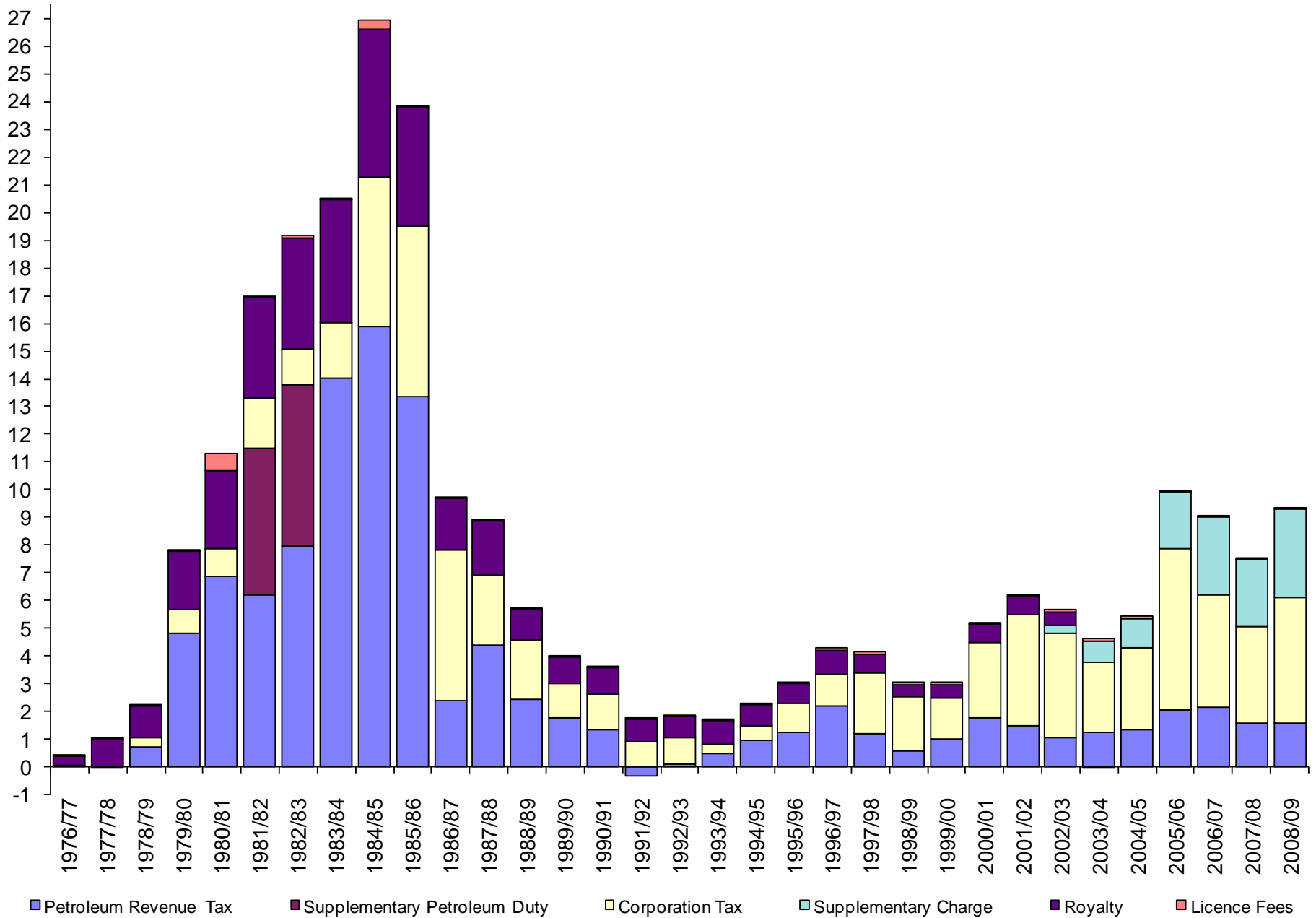
Average Oil and Gas Prices received by UKCS Producers



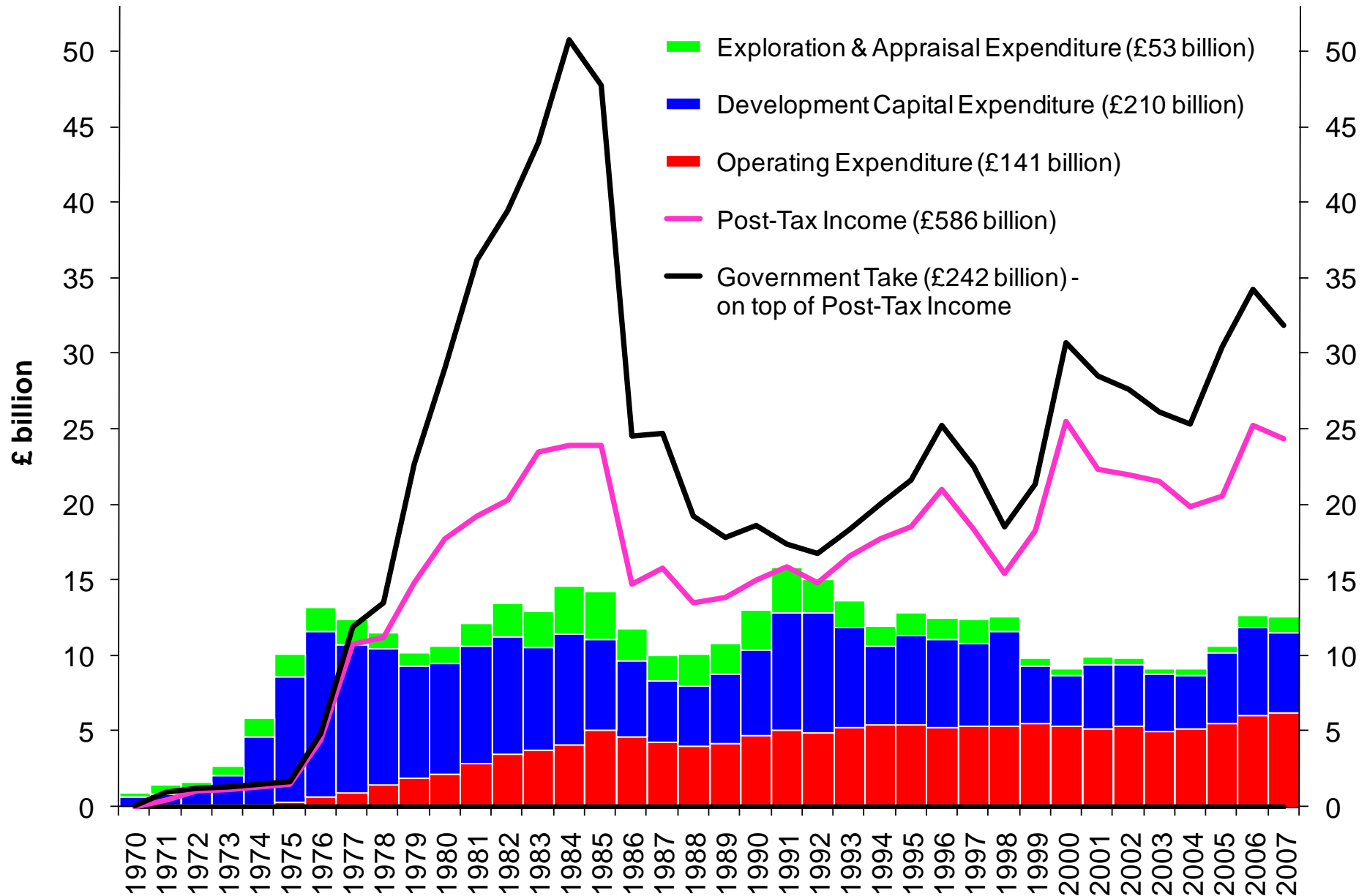
UKCS Income and Expenditure 1970–2007 (2007 prices)



Government revenues from UK oil and gas production (£ billion, 2006/07 prices)

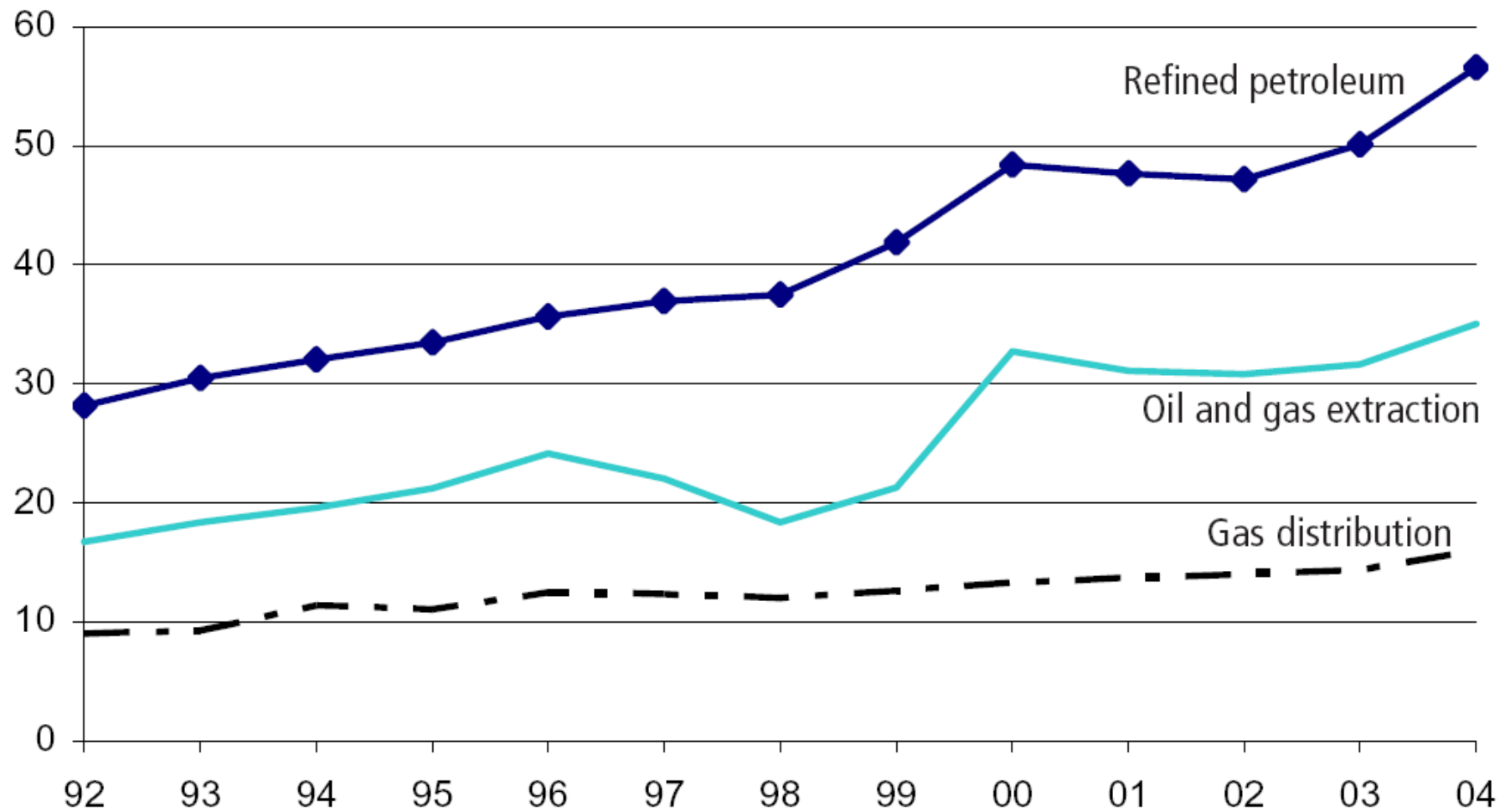


UKCS Income and Expenditure 1970–2007 (2007 prices)



Supply of oil and gas sector by product

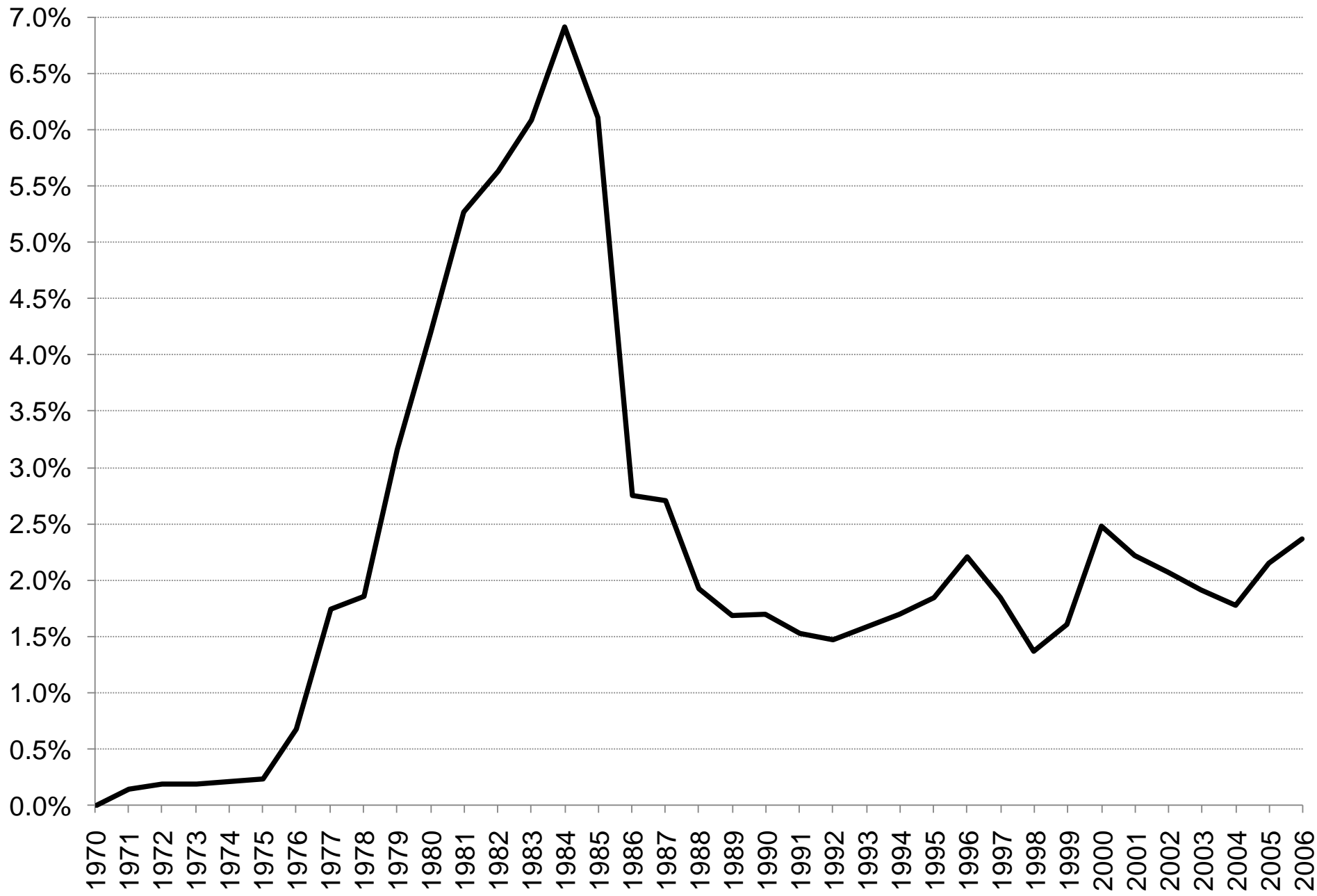
£ billion



Outline

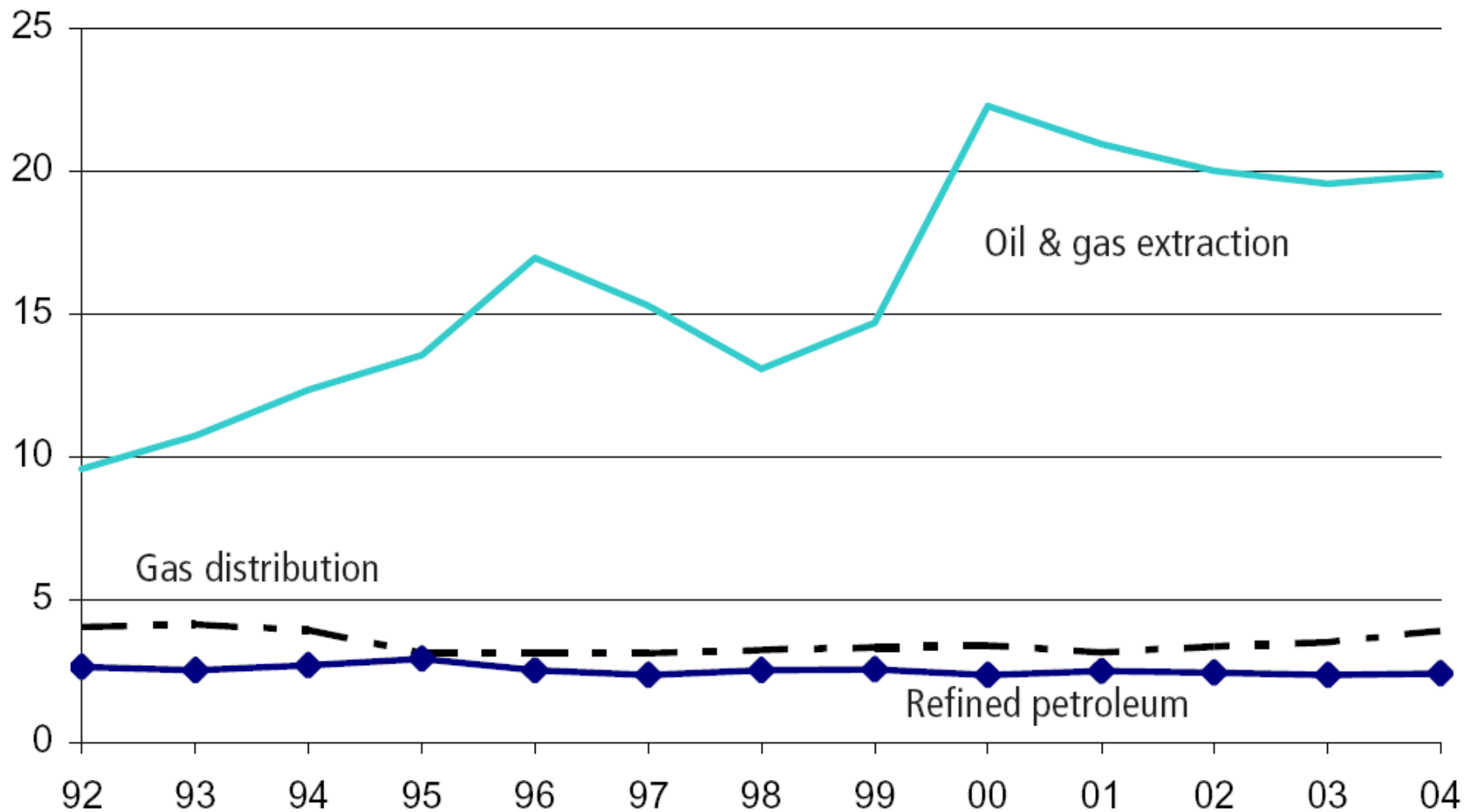
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- Prices, Income and Taxation
- **Gross Value Added**
- Employment
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Direct contribution of the Upstream Oil & Gas sector to UK GVA



Oil and gas sector GVA by industry group

£ billion



UK Gross Value Added 2005 by Sector

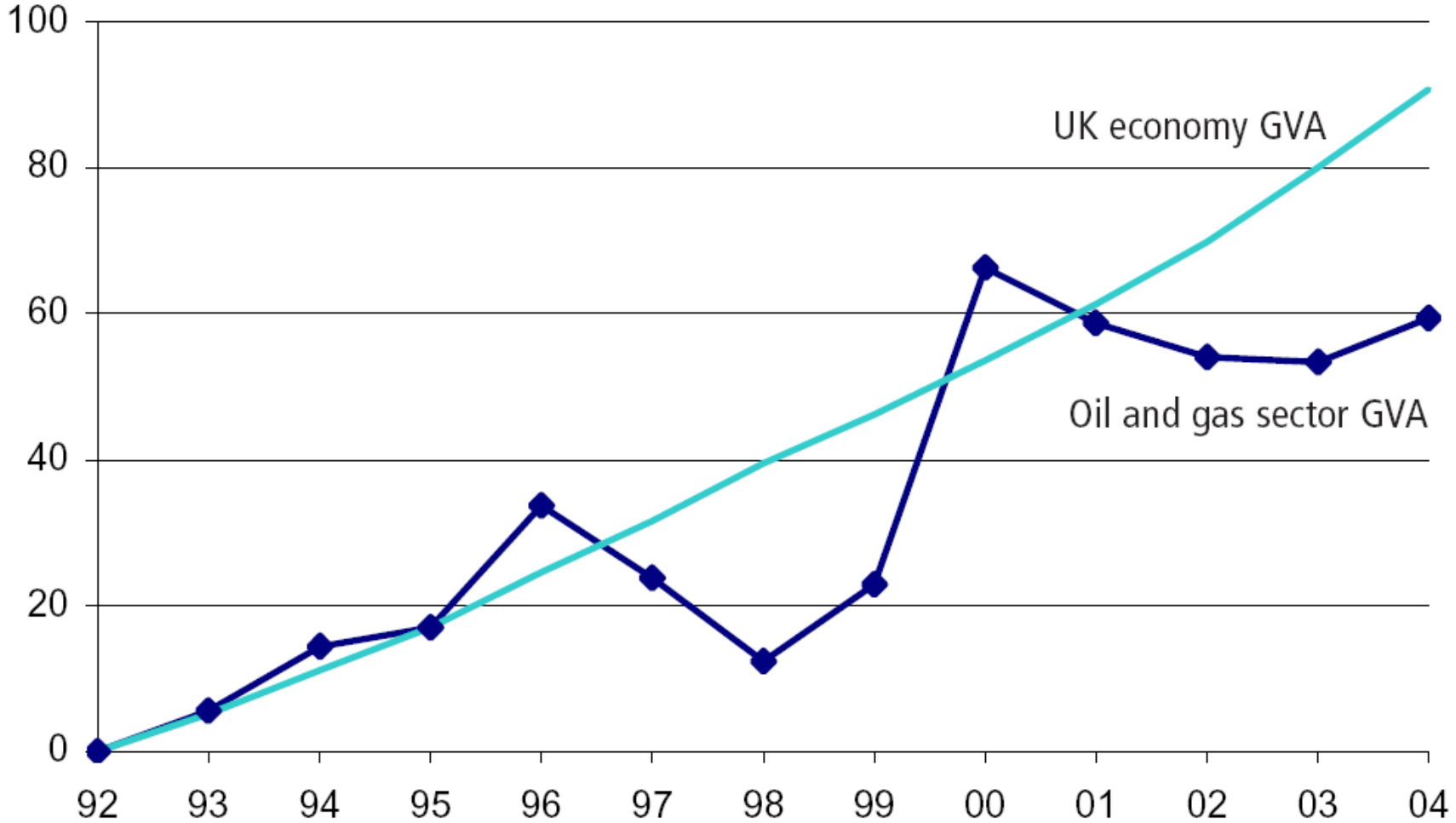


- 1% Mining & Quarrying
- 13% Oil & Gas
- 13% Food, Beverages & Tobacco
- 12% Pulp & Paper
- 10% Chemicals & Products
- 9% Basic Metals
- 7% Machinery & Equipment
- 9% Electrical & Optical
- 7% Transport
- 18% Other Manufacturing

Source: National Statistics

GVA: Oil and gas sector growth relative to the UK economy

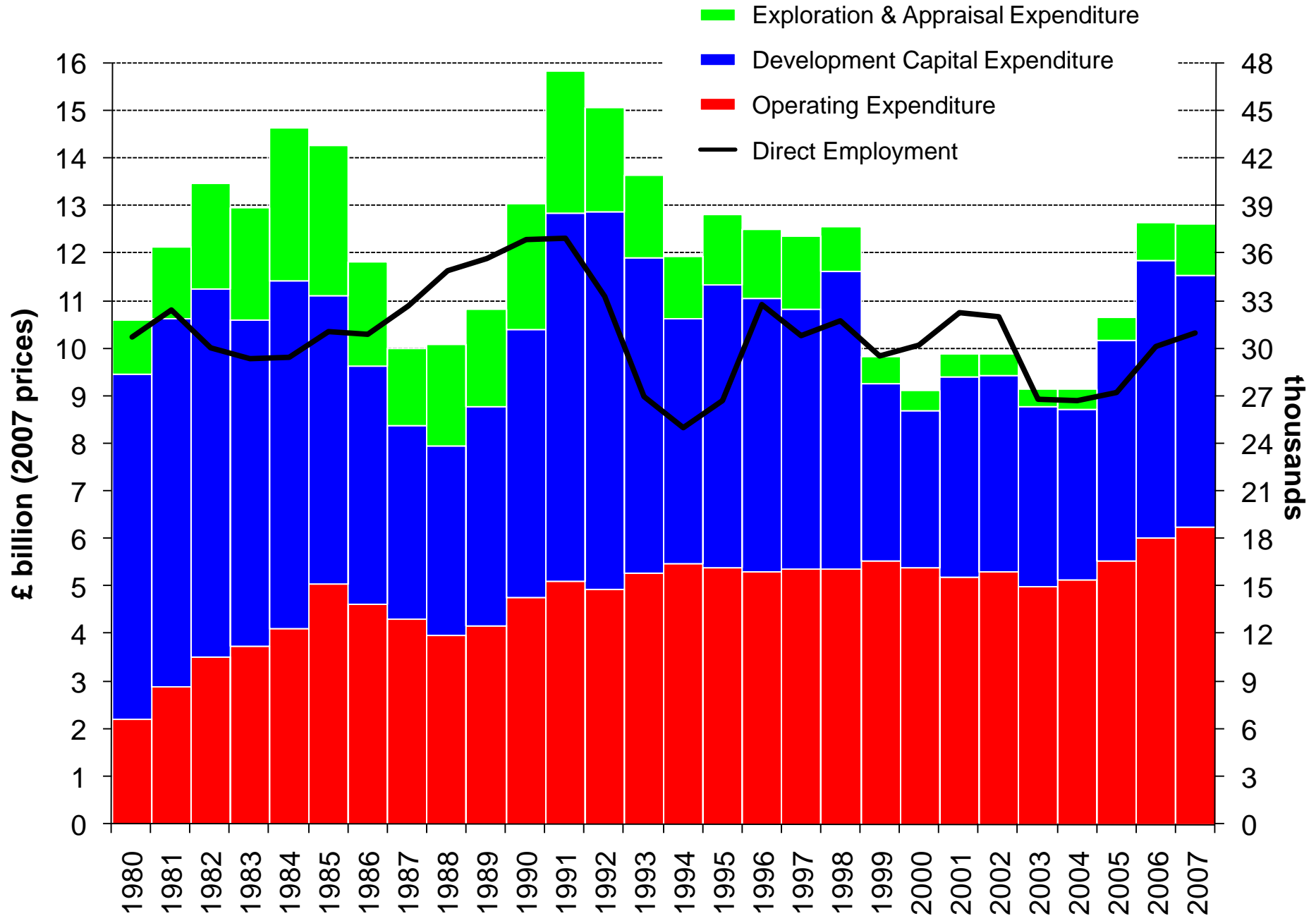
Per cent growth (Rebased to 1992)



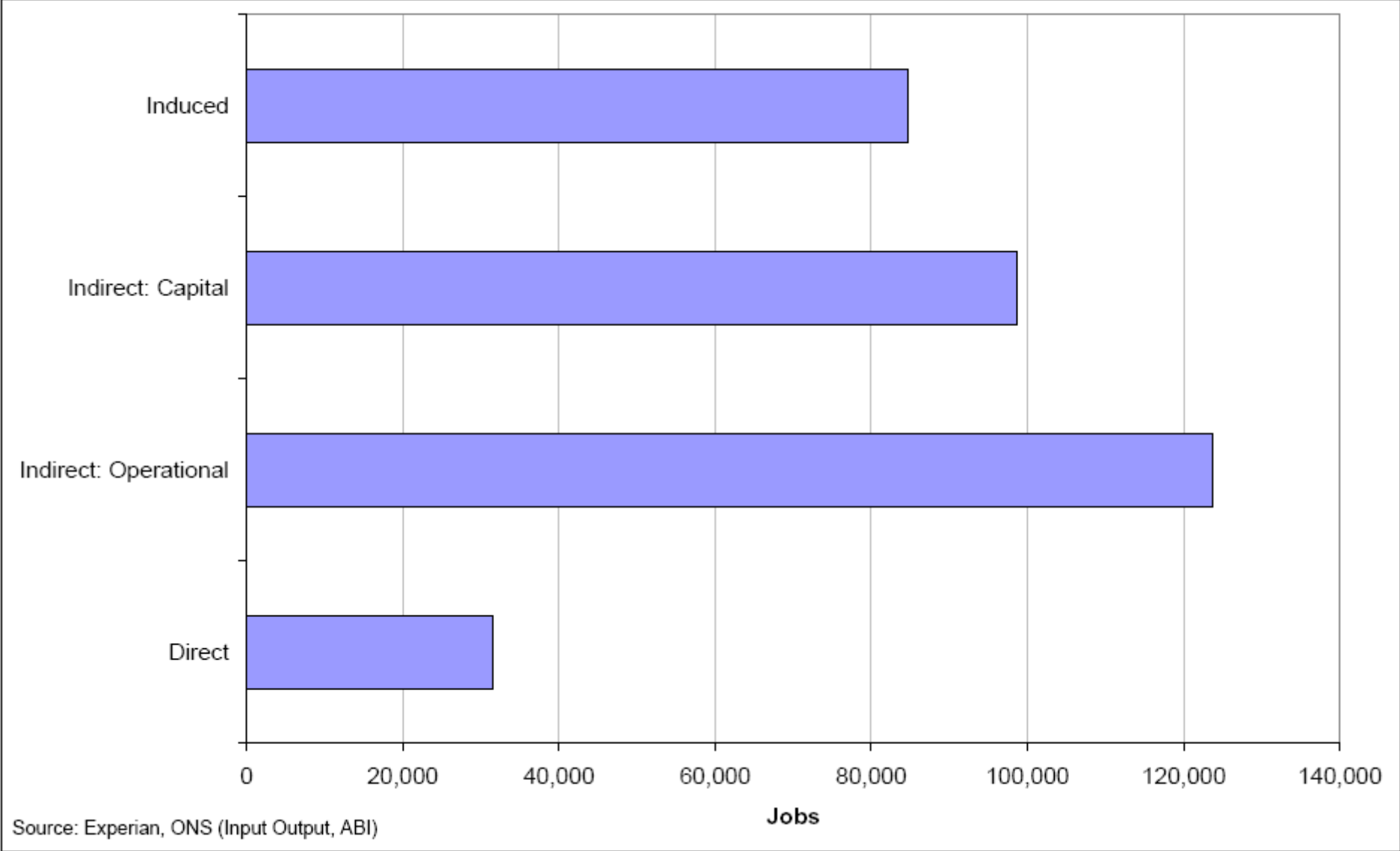
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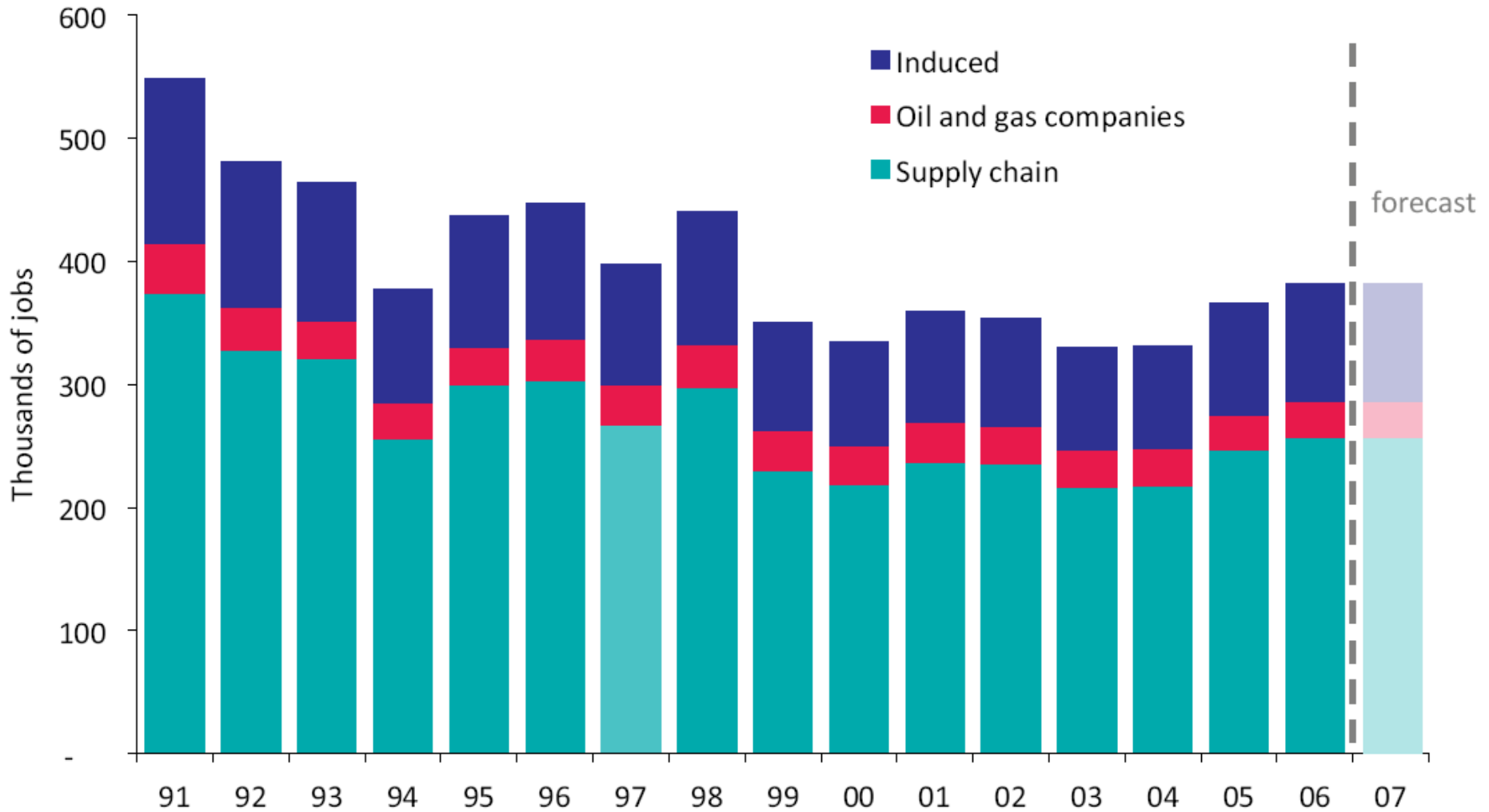
UKCS Expenditure and Oil and Gas Extraction Employment



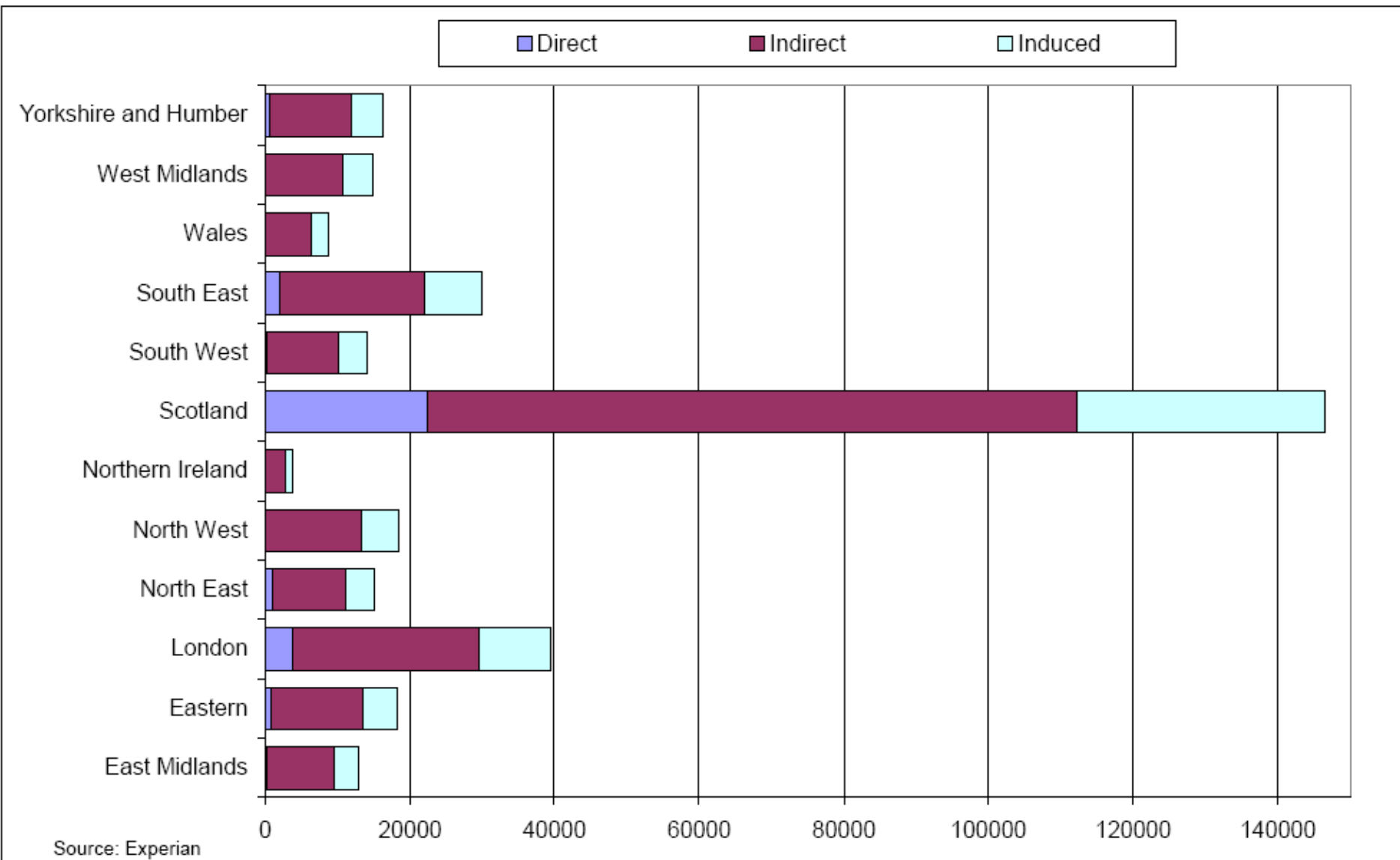
Employment In and Supported by UK E&P Activity



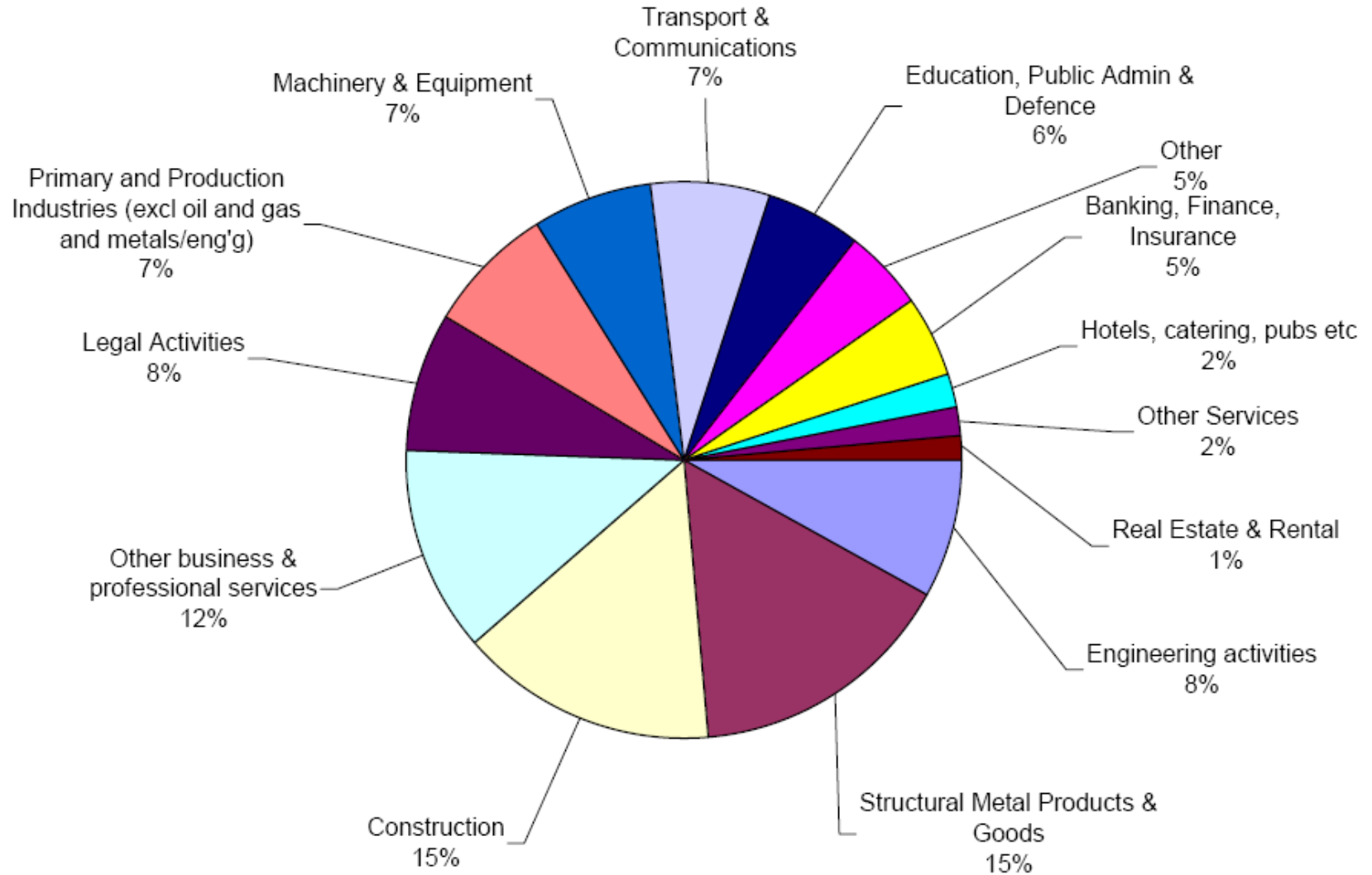
UK Oil and Gas Industry Employment 1991–2007 (excluding export activity)



UK Oil and Gas Industry Employment by Region 2004



UK Oil and Gas Supply Chain Employment by Sector 2004

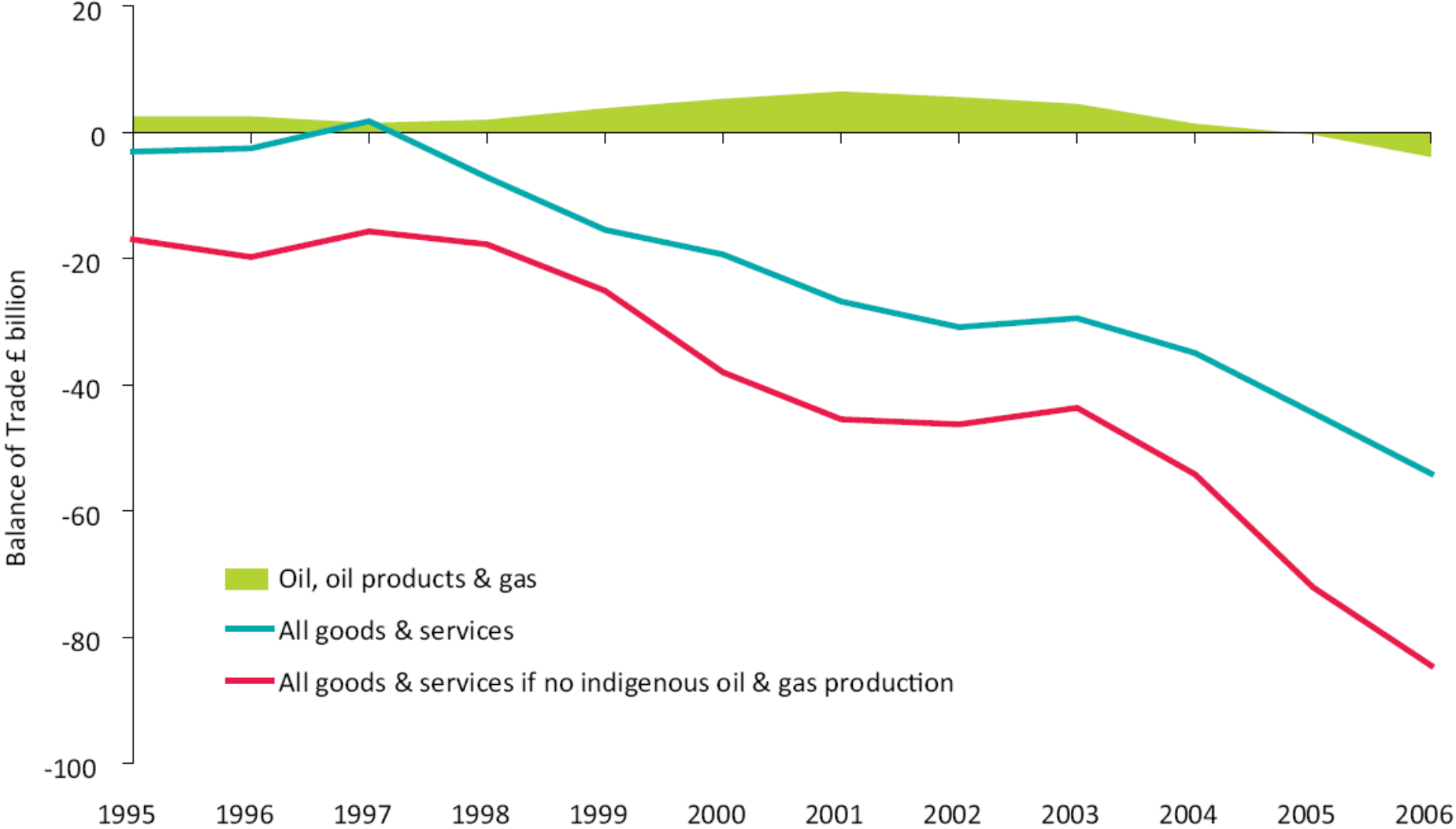


Source: Experian

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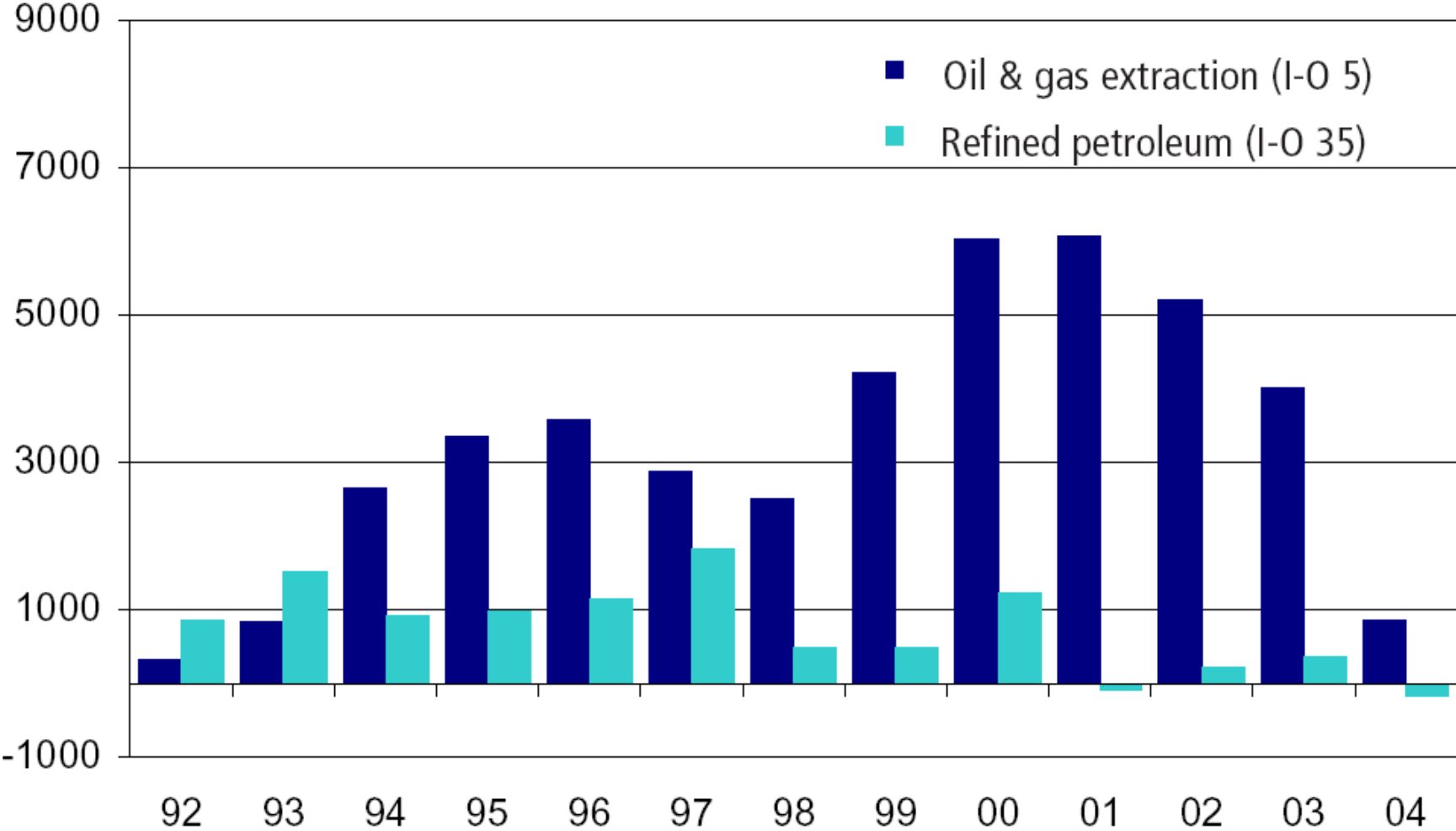
UK Balance of Trade: Crude Oil, Oil Products and Natural Gas 1995–2006



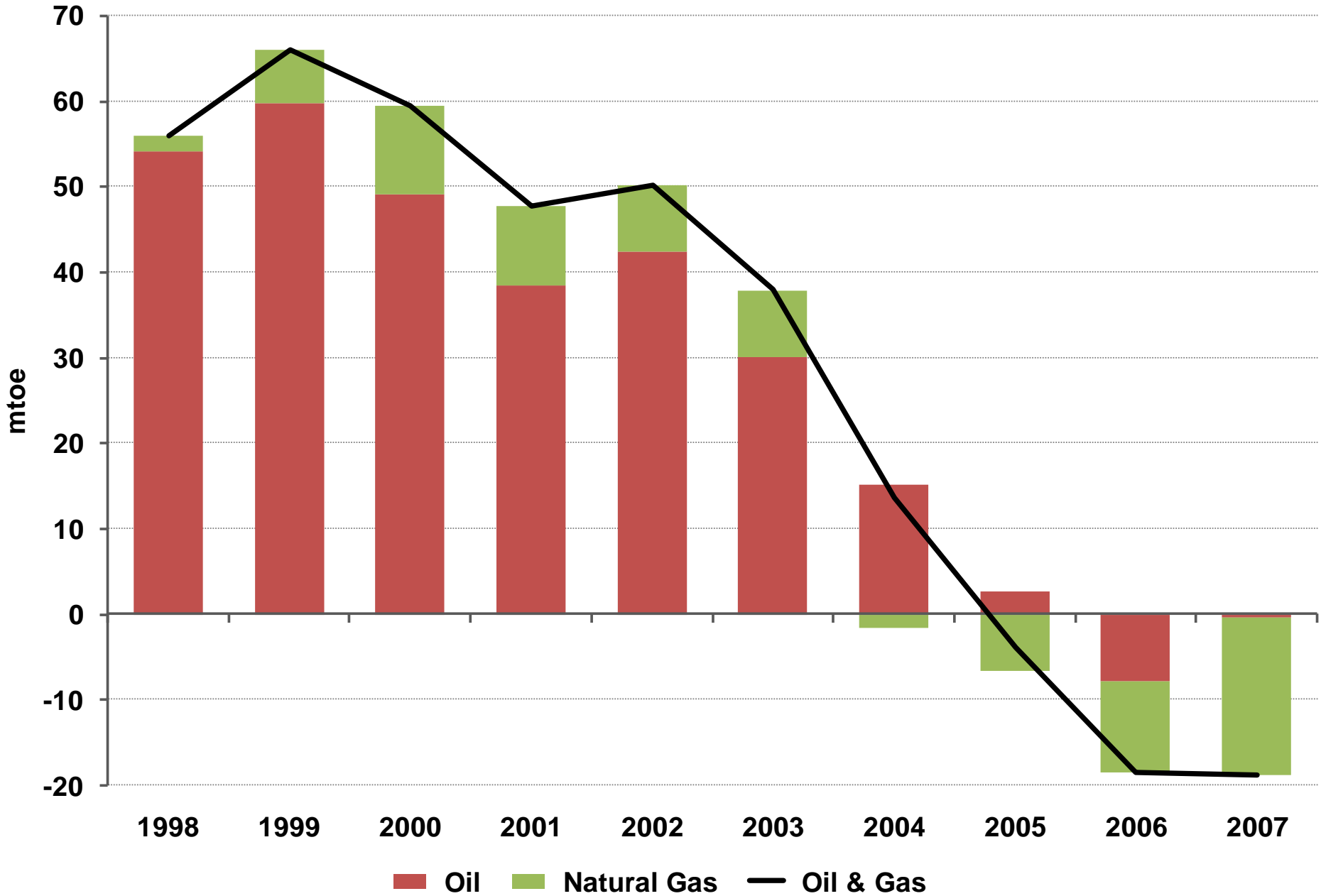
Source: National Statistics

Net trade balance (by product)

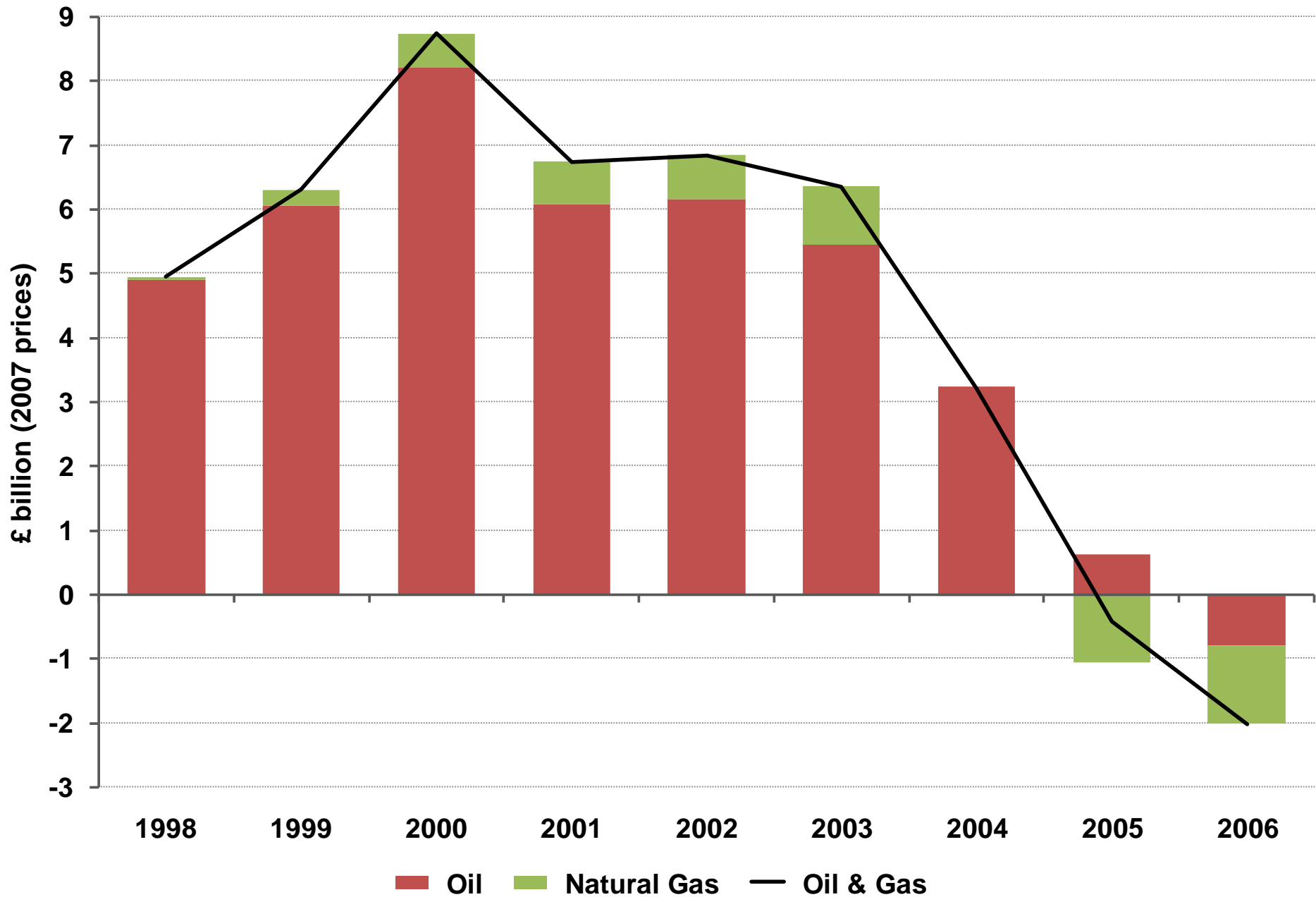
£ million (exports *less* imports)



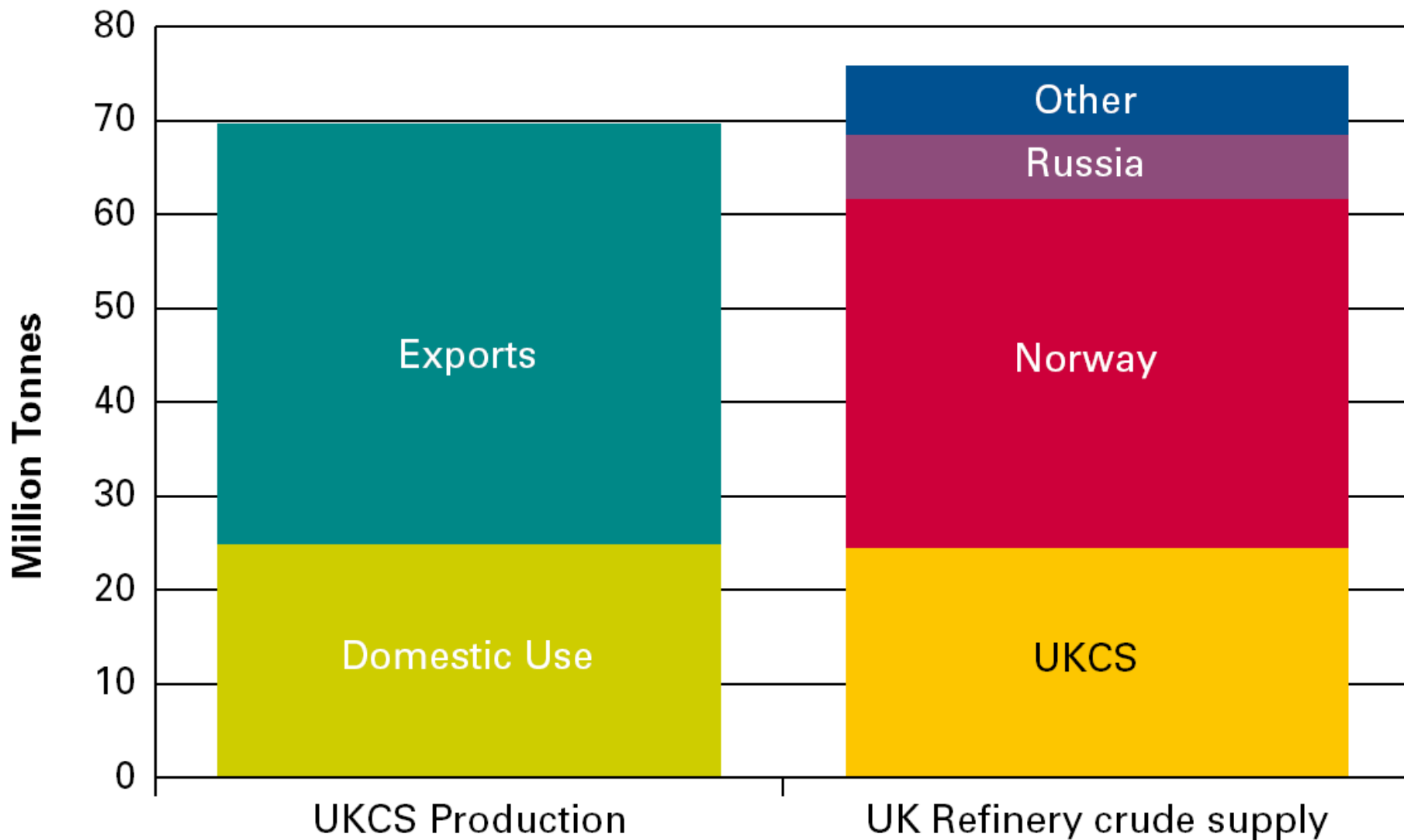
Net UK Exports of Oil & Gas



Value (Cost) of UK Oil & Gas Exports (Imports)

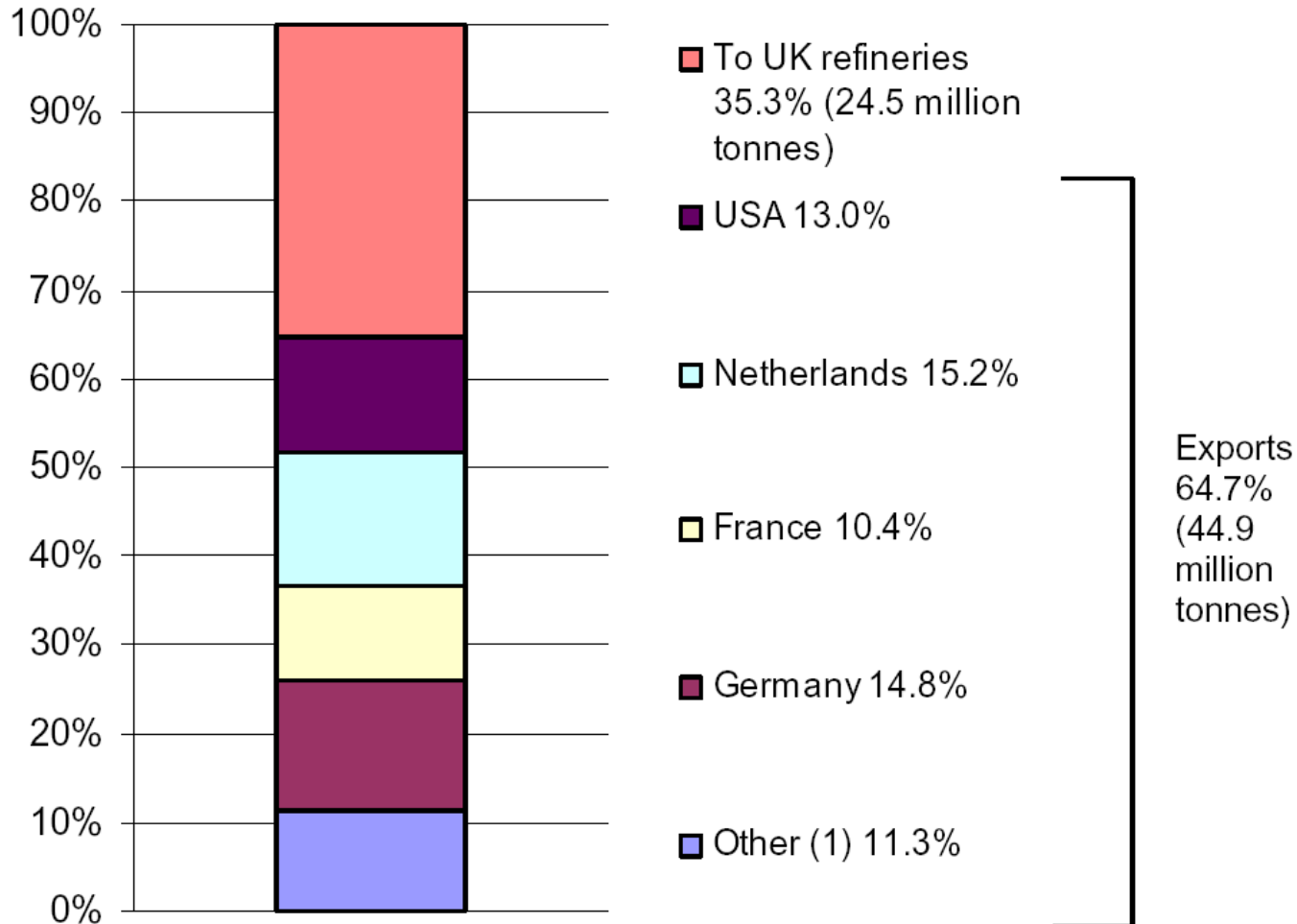


Destination of UK crude oil production and sources of UK supply, 2006



UKCS disposals of crude oil 2006

Total disposals: 69 million tonnes

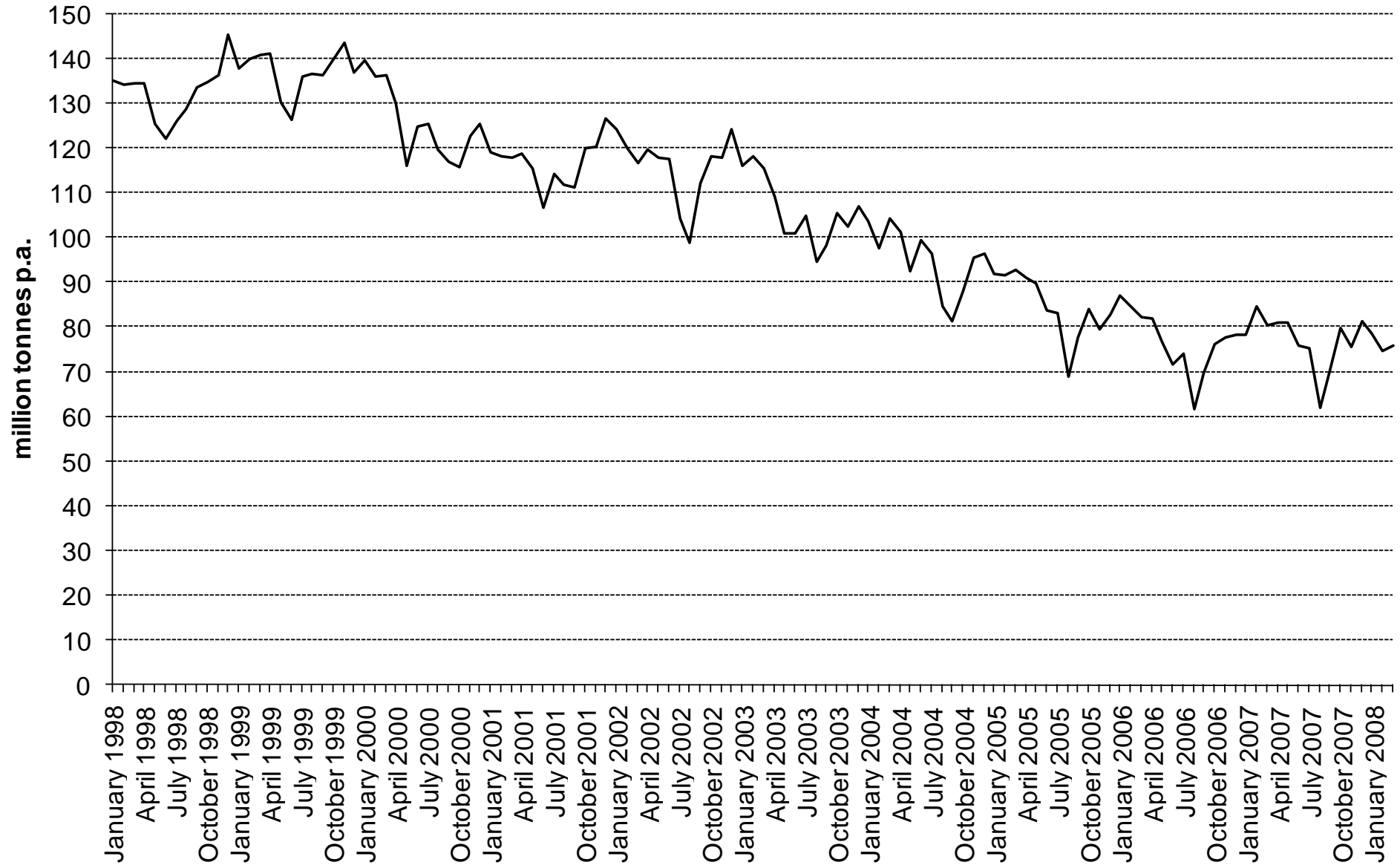


(1) Of which: Canada 3.6%, Italy 1.8% and Finland 1.1%.

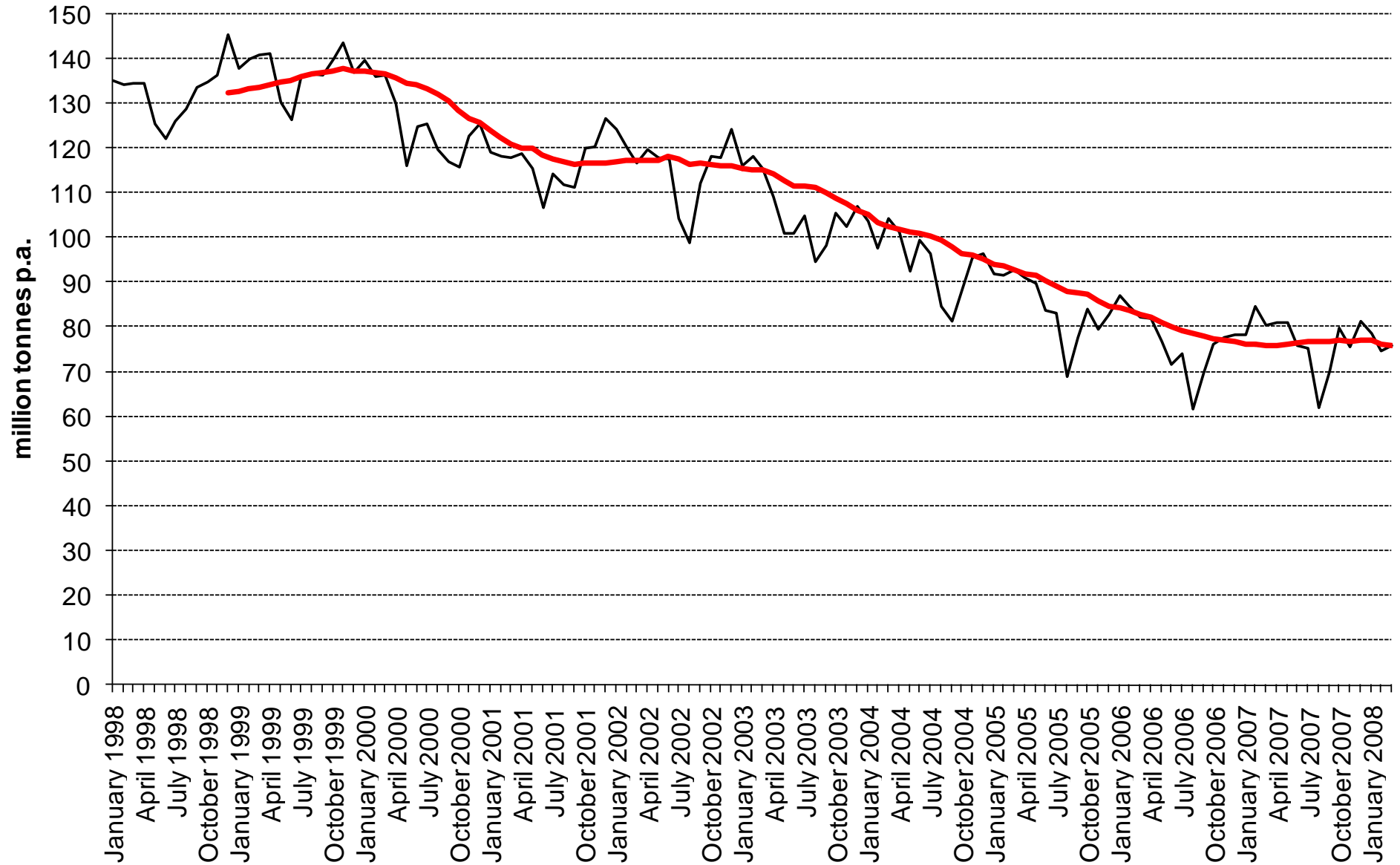
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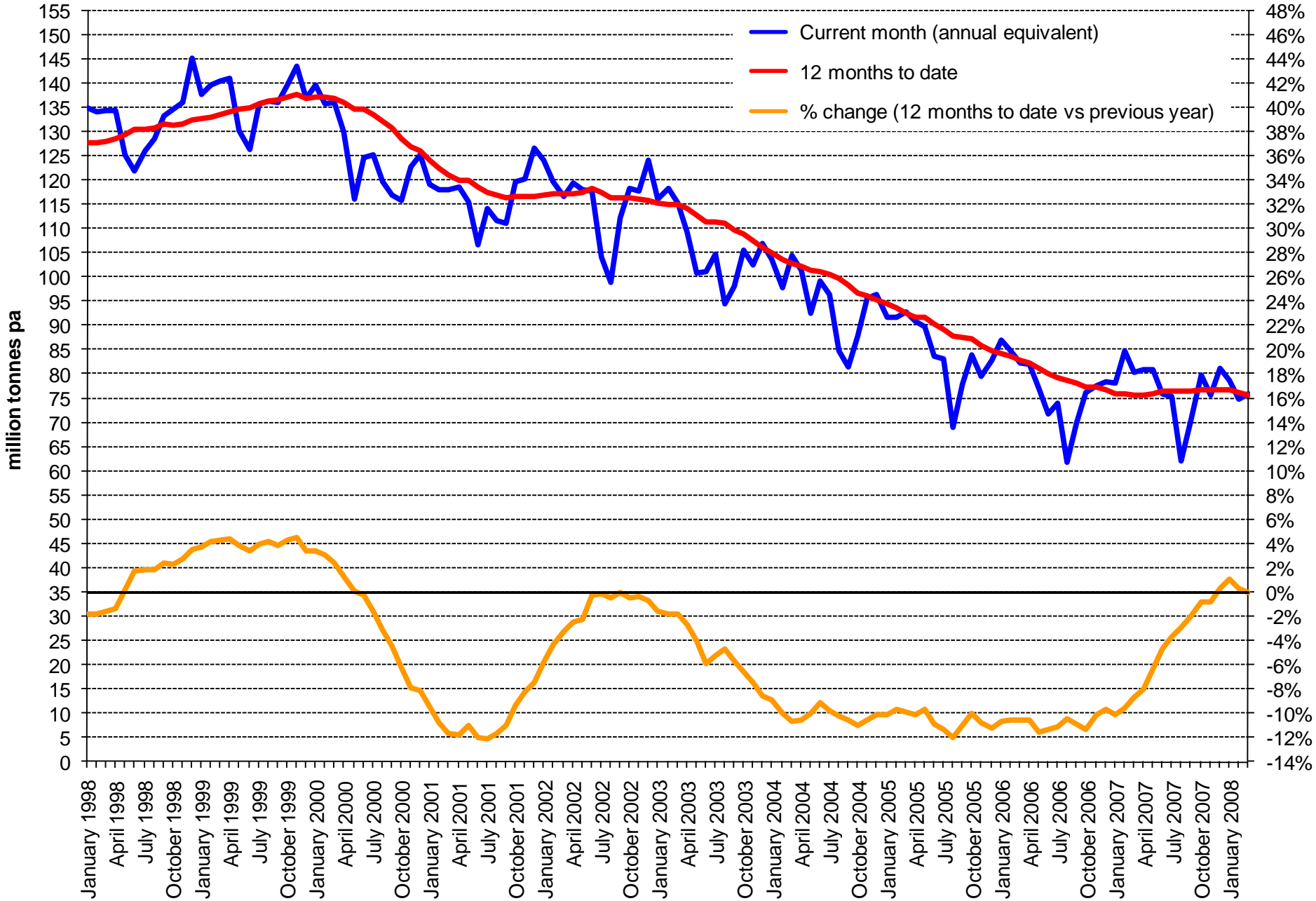
UK Oil (including NGL) Production



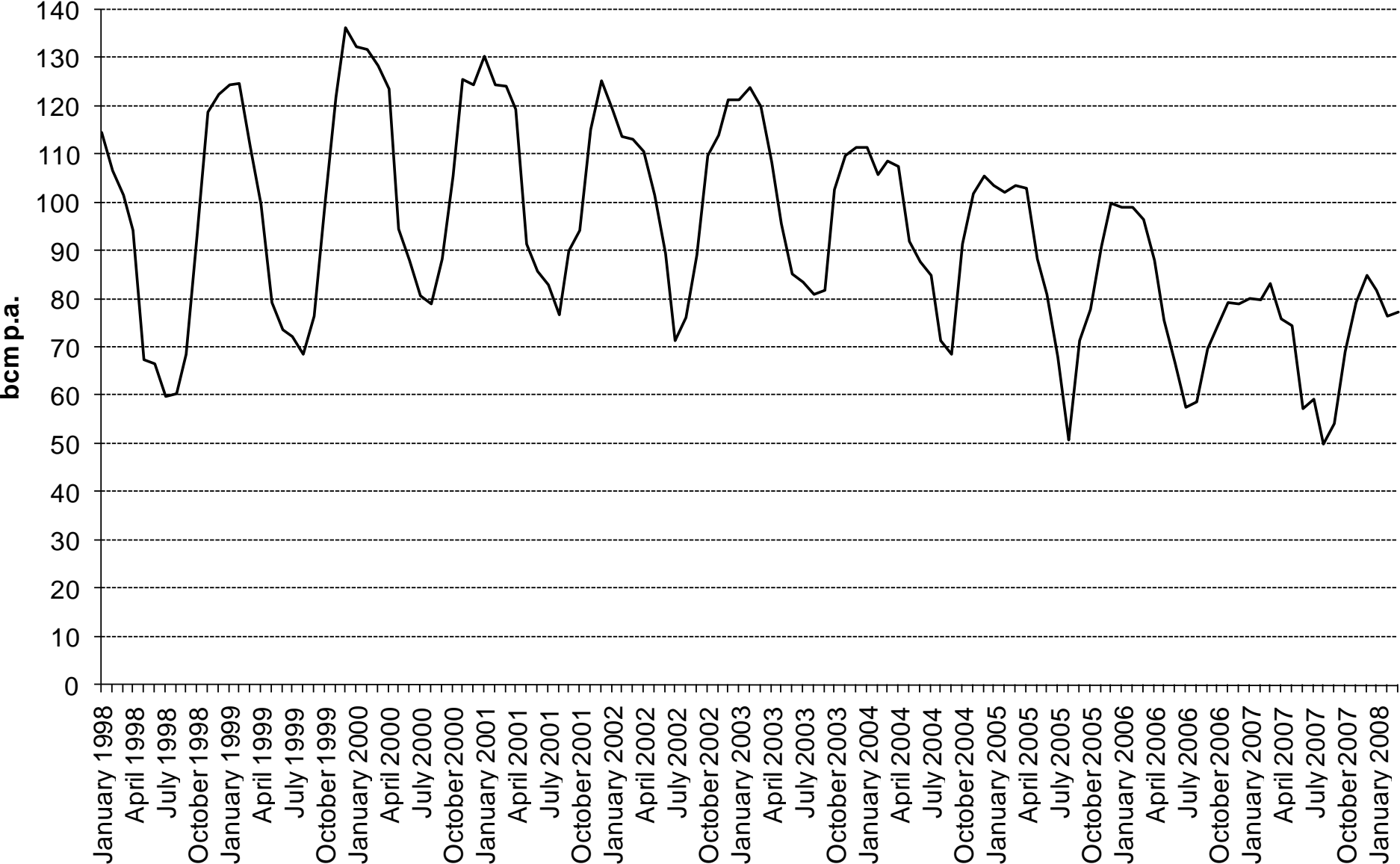
UK Oil (including NGL) Production



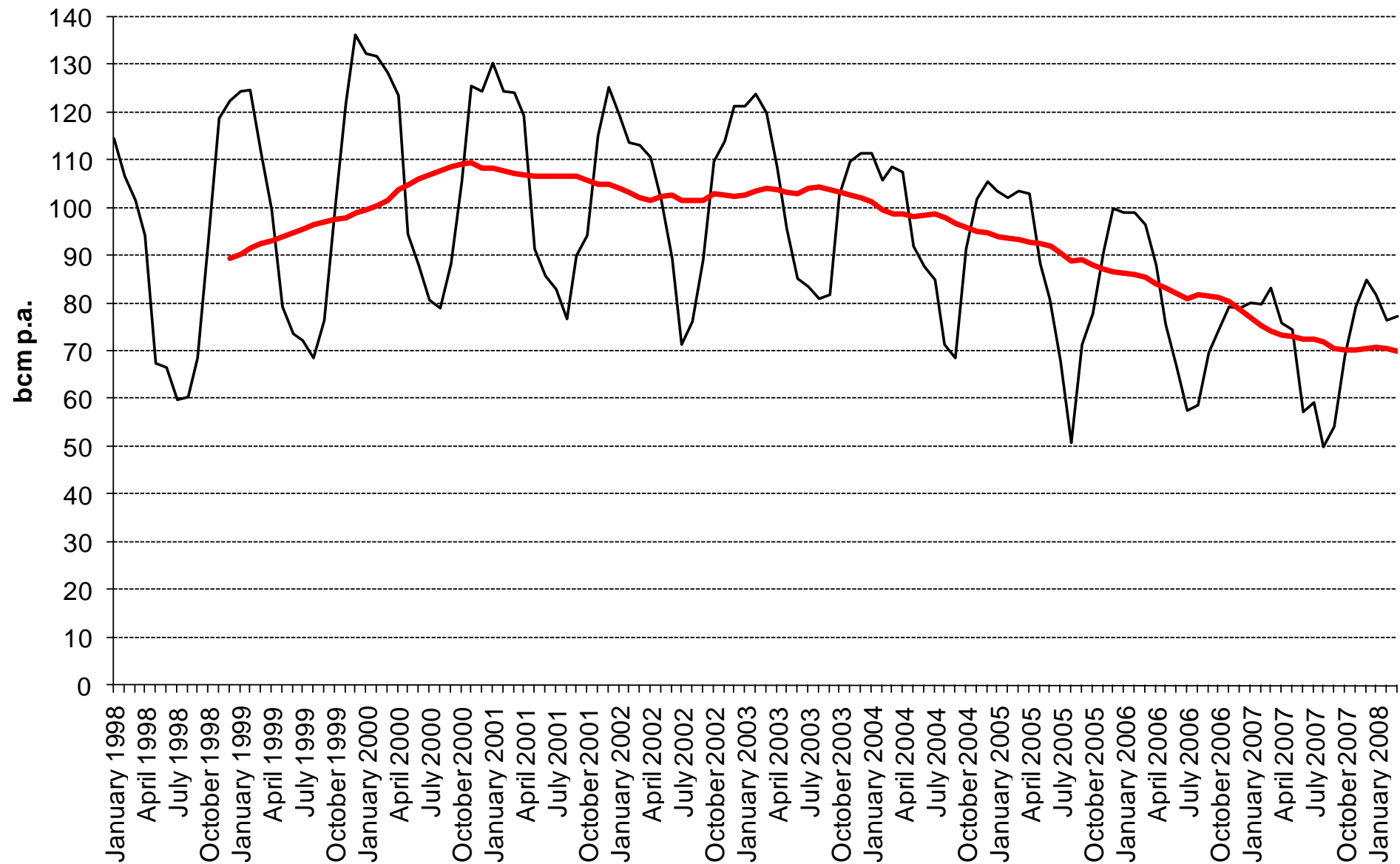
UKCS Oil Production



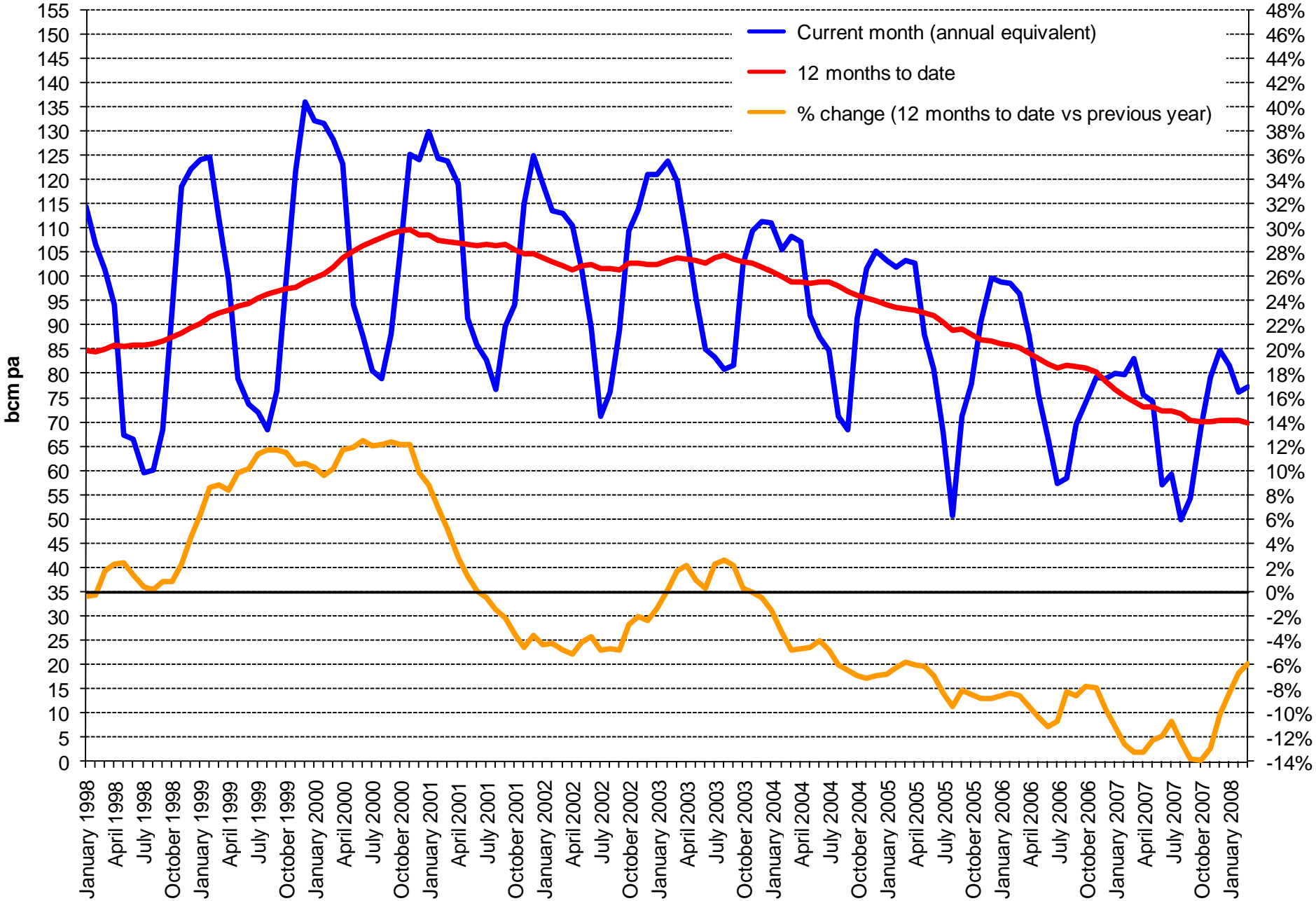
UK Net Gas Production



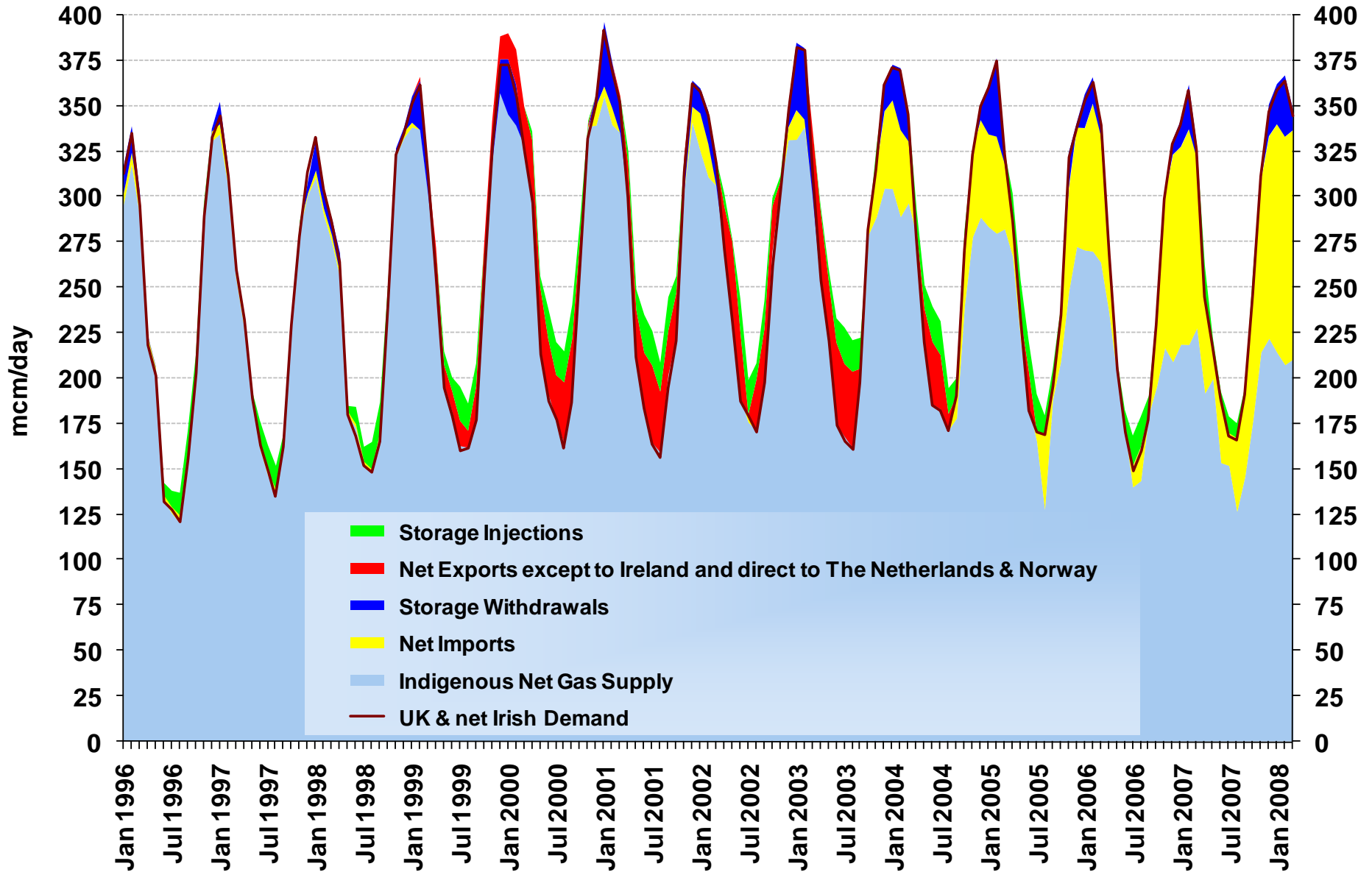
UK Net Gas Production



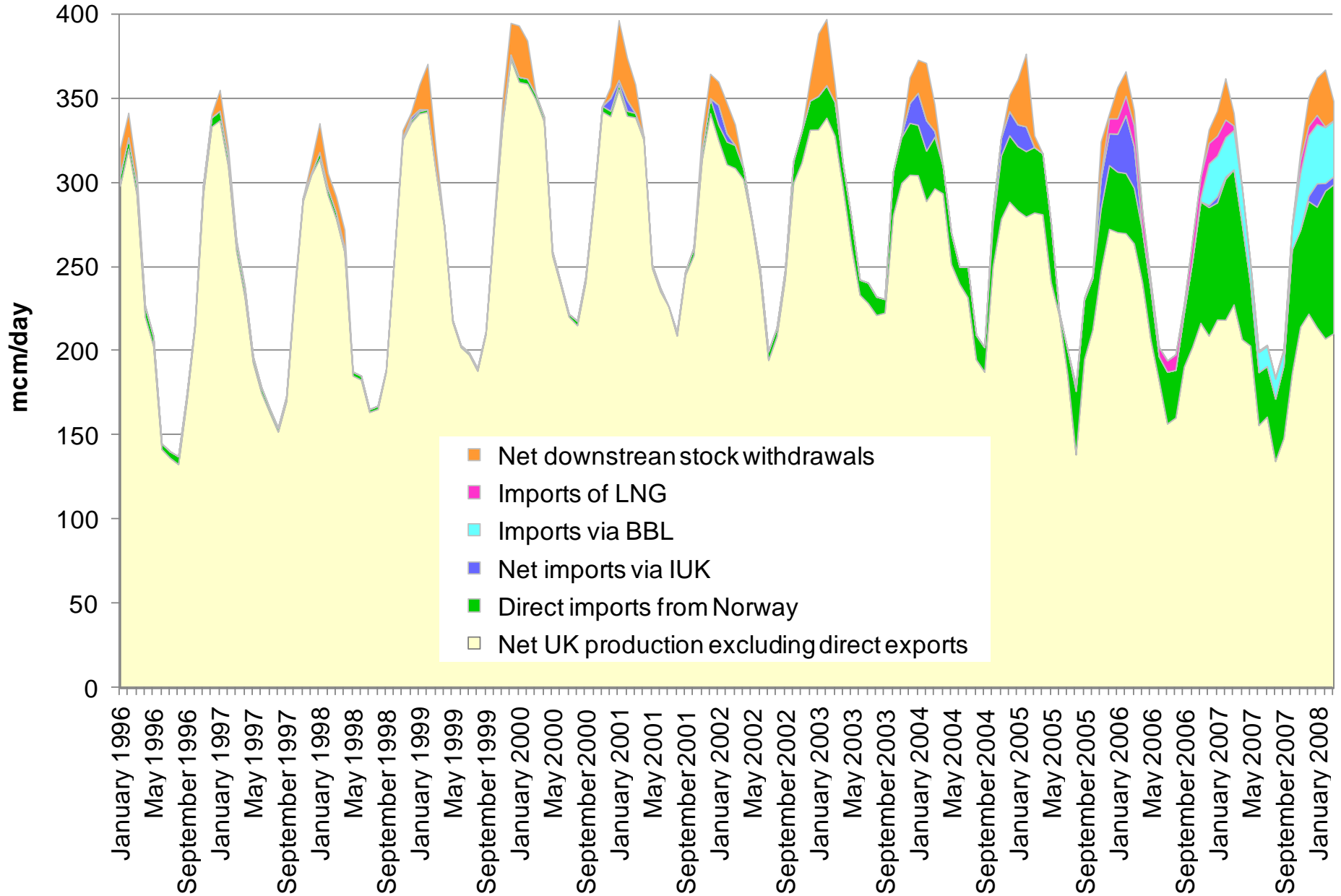
UKCS Gas Production



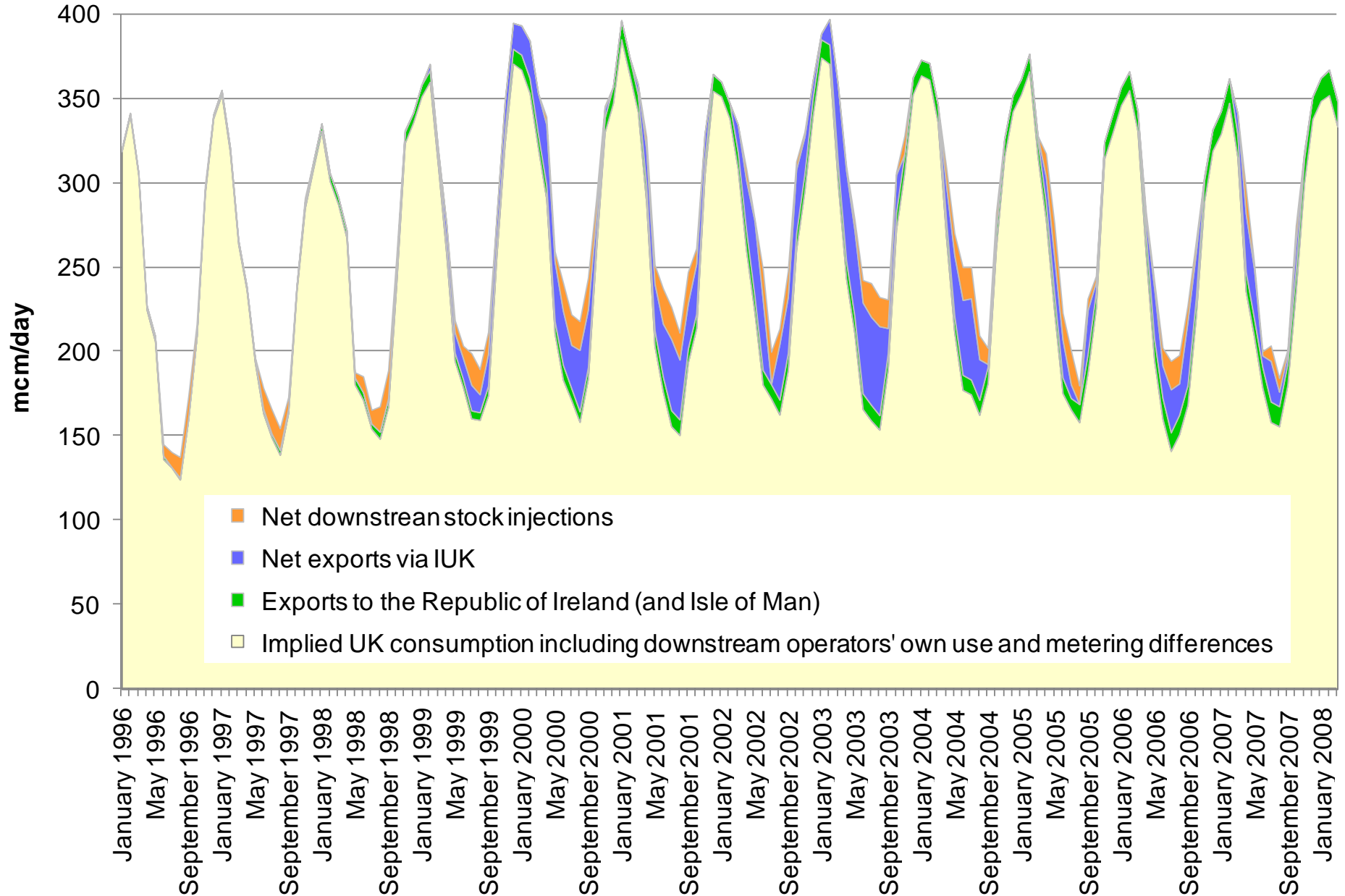
UK Monthly Gas Supply and Demand



UK Monthly Gas Supply



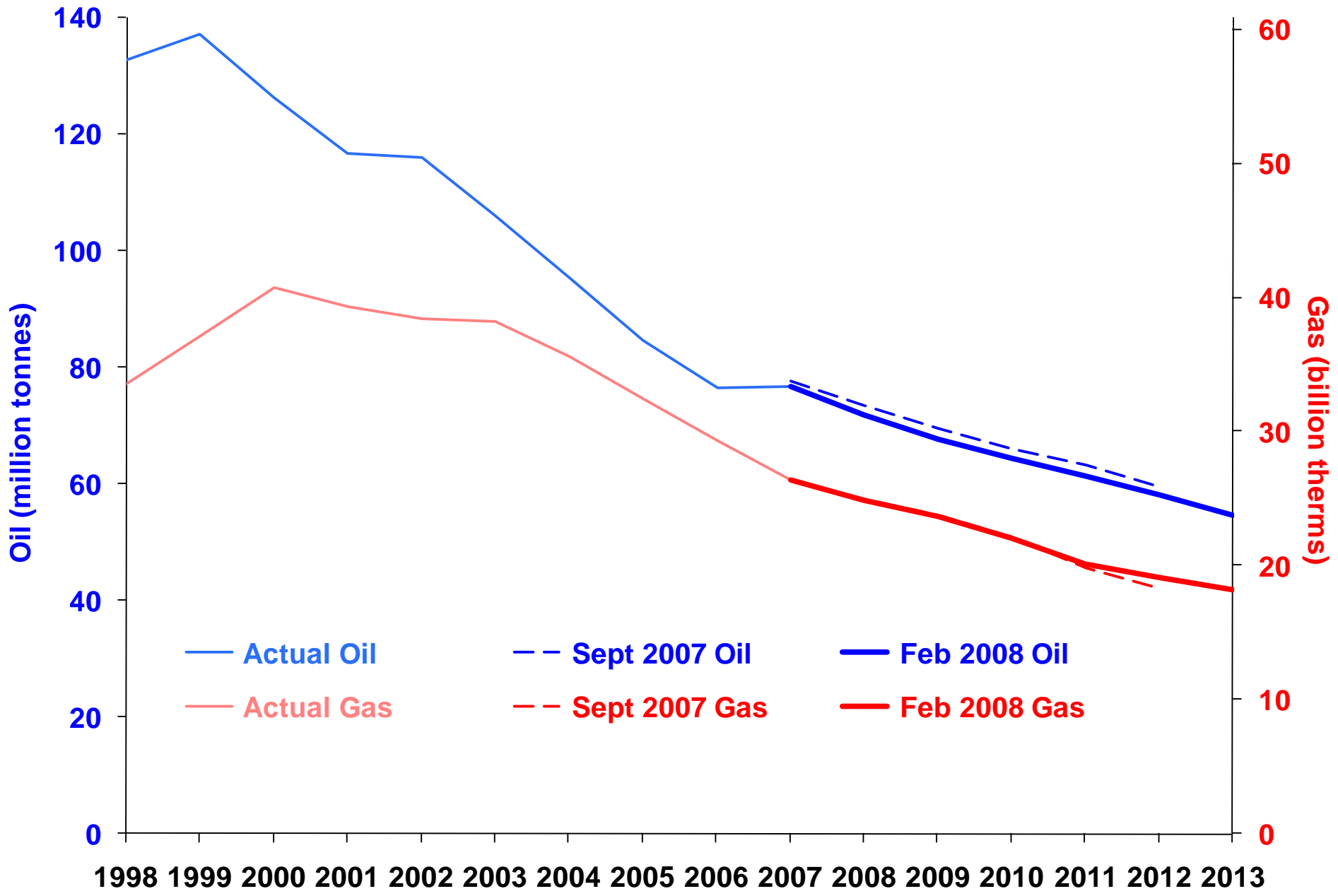
UK Monthly Gas Demand



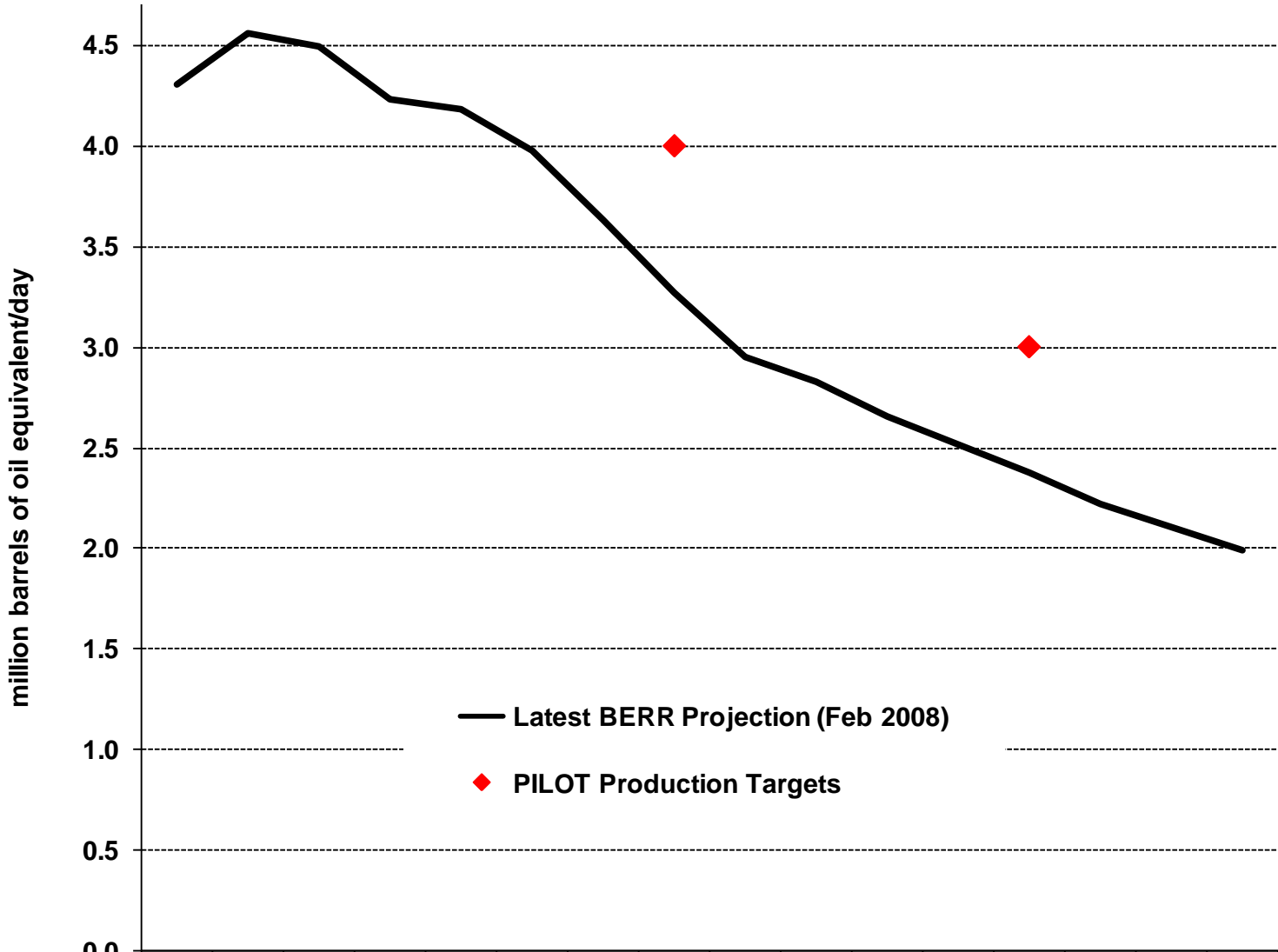
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Actual/Projected UKCS Oil and Gas Production



Projected UKCS Oil and Gas Production and PILOT Targets



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Latest BERR Projection (Feb 2008)	4.3	4.6	4.5	4.2	4.2	4.0	3.6	3.3	2.9	2.8	2.6	2.5	2.4	2.2	2.1	2.0
PILOT Production Targets								4.0					3.0			

Actual/Projected UK **Oil** and **Gas** Production and Demand
 (million tonnes of oil equivalent)

