

The logo for ENVERUS, featuring the word "ENVERUS" in a bold, black, sans-serif font. To the left of the text is a stylized graphic consisting of several overlapping circles in shades of green and orange, with small colored dots at their intersections.

ENVERUS

Upstream E&P Trends in the North Sea and Beyond: Foundations for the Future?

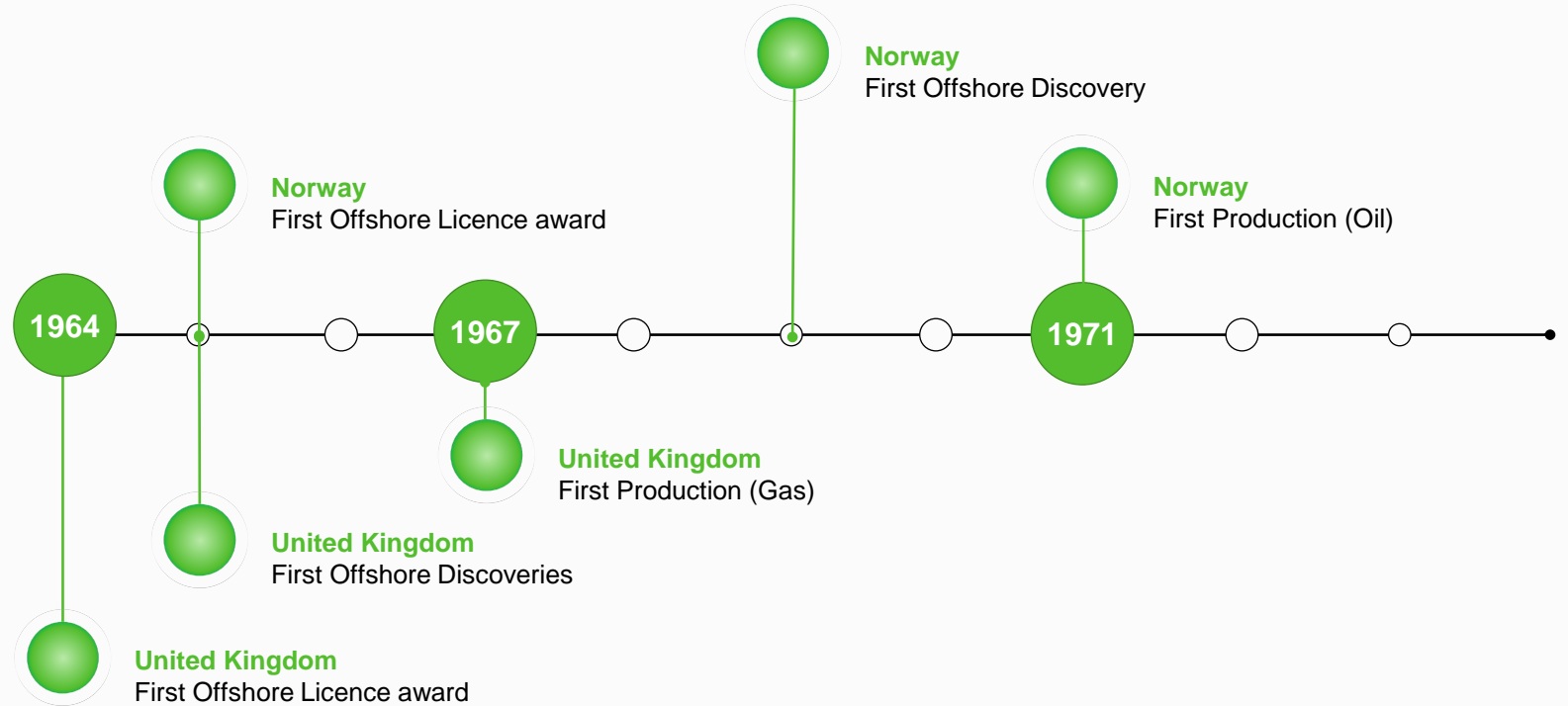
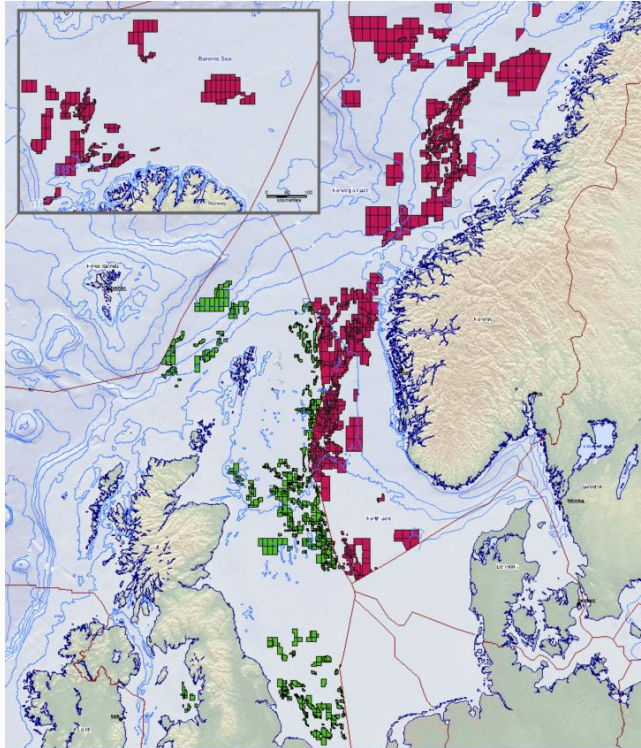
Patrick Ruddy & Anne Jones

May 2024

The logo for DEVEX 2024, featuring the text "DEVEX 2024" in a white, bold, sans-serif font on a blue rectangular background.

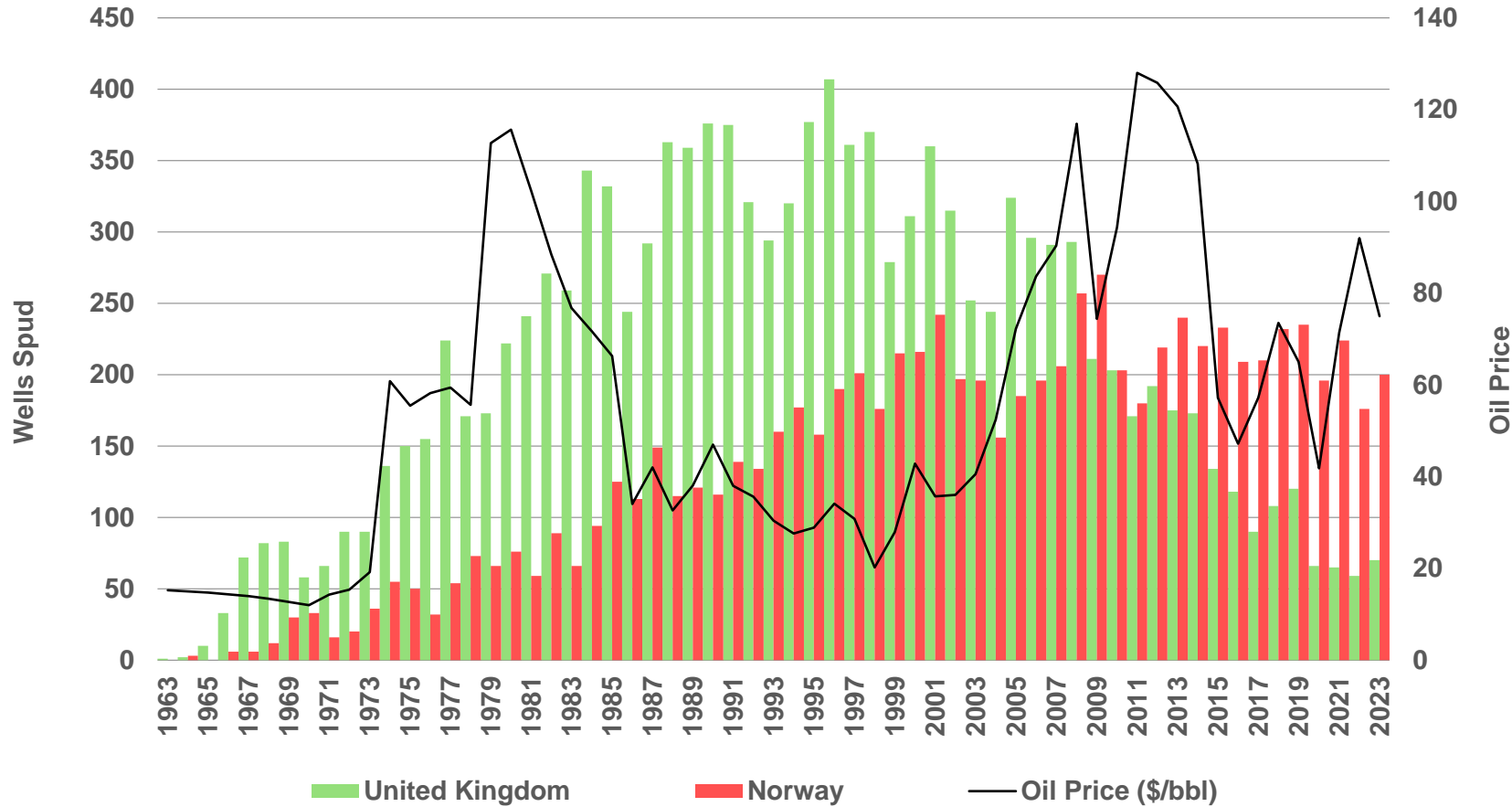
DEVEX 2024

UK / Norway: Similar Beginnings

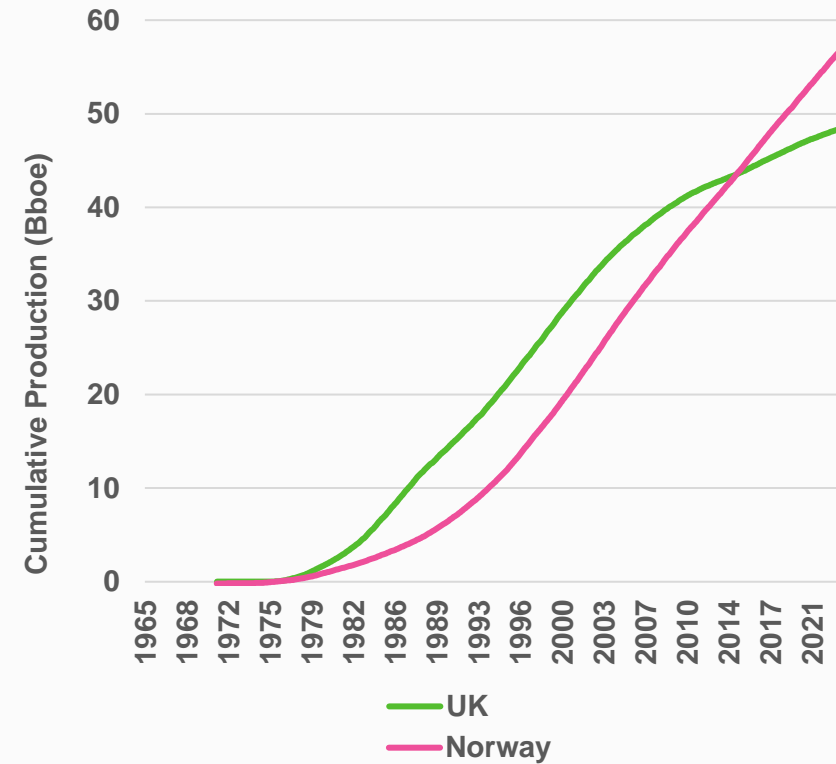
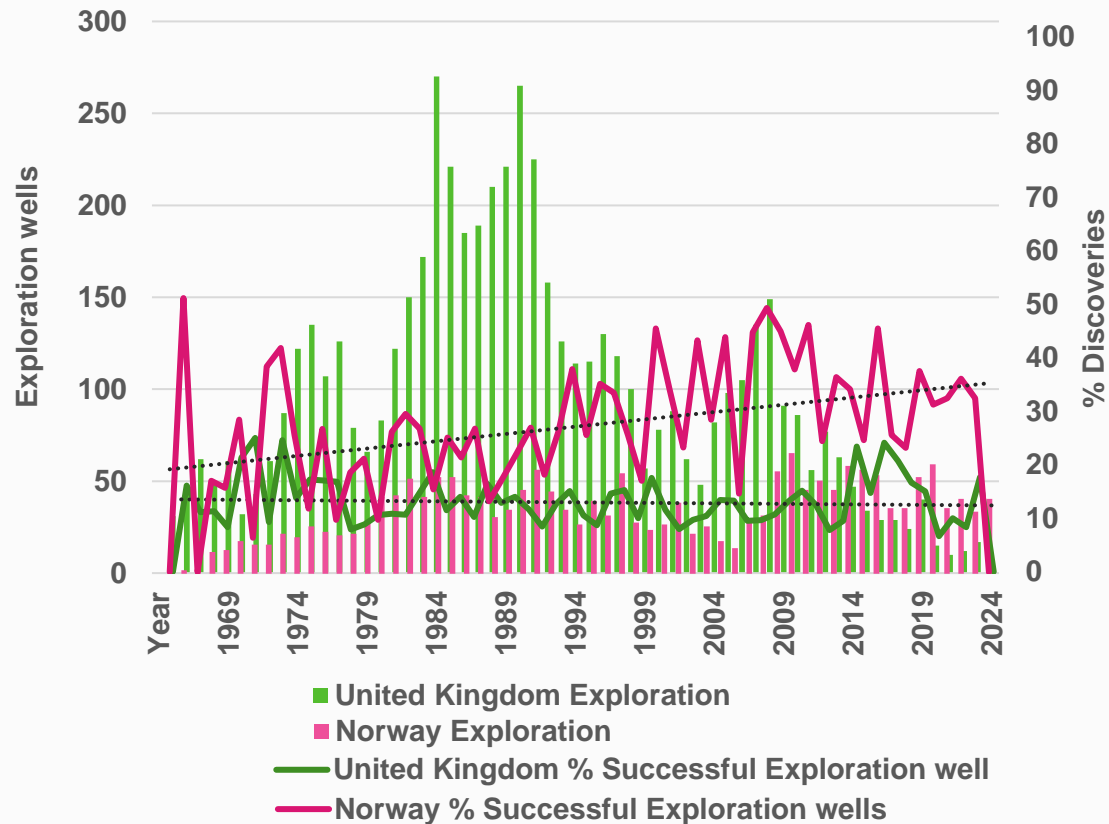


Offshore Drilling Activity

Best of times, worst of times; age of wisdom, age of foolishness...

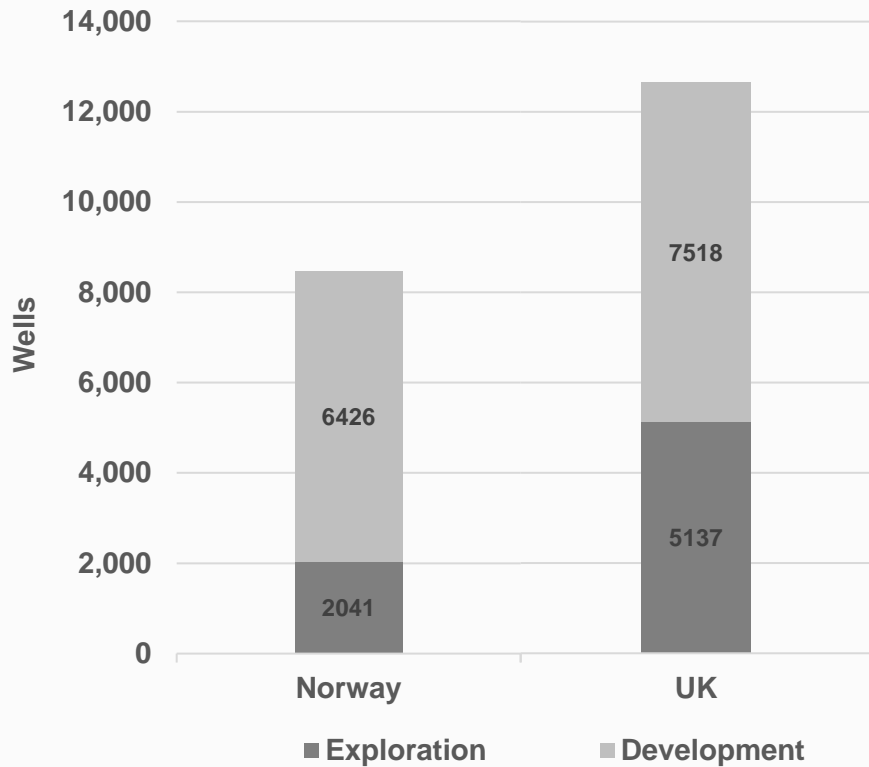


Exploration, Success Rates, & Production

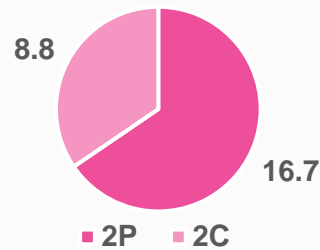


Reserves

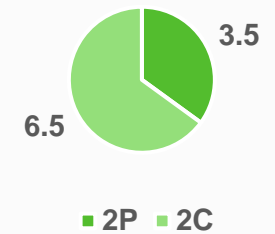
Two Different Approaches: Diverging fortunes



Norway Reserves/Resource (bboe)



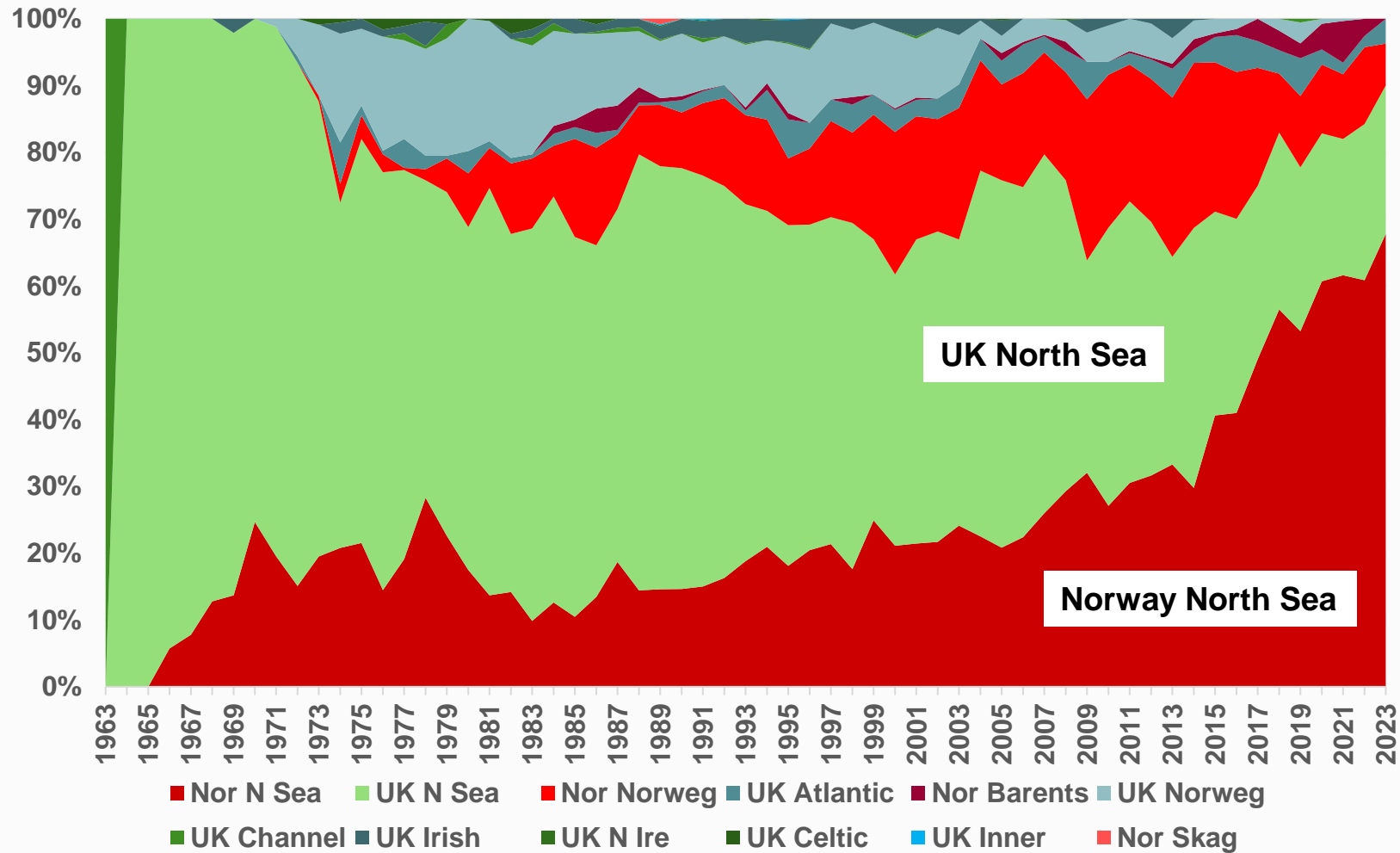
UK Reserves/Resource (bboe)



Two Different Approaches: Diverging outcomes

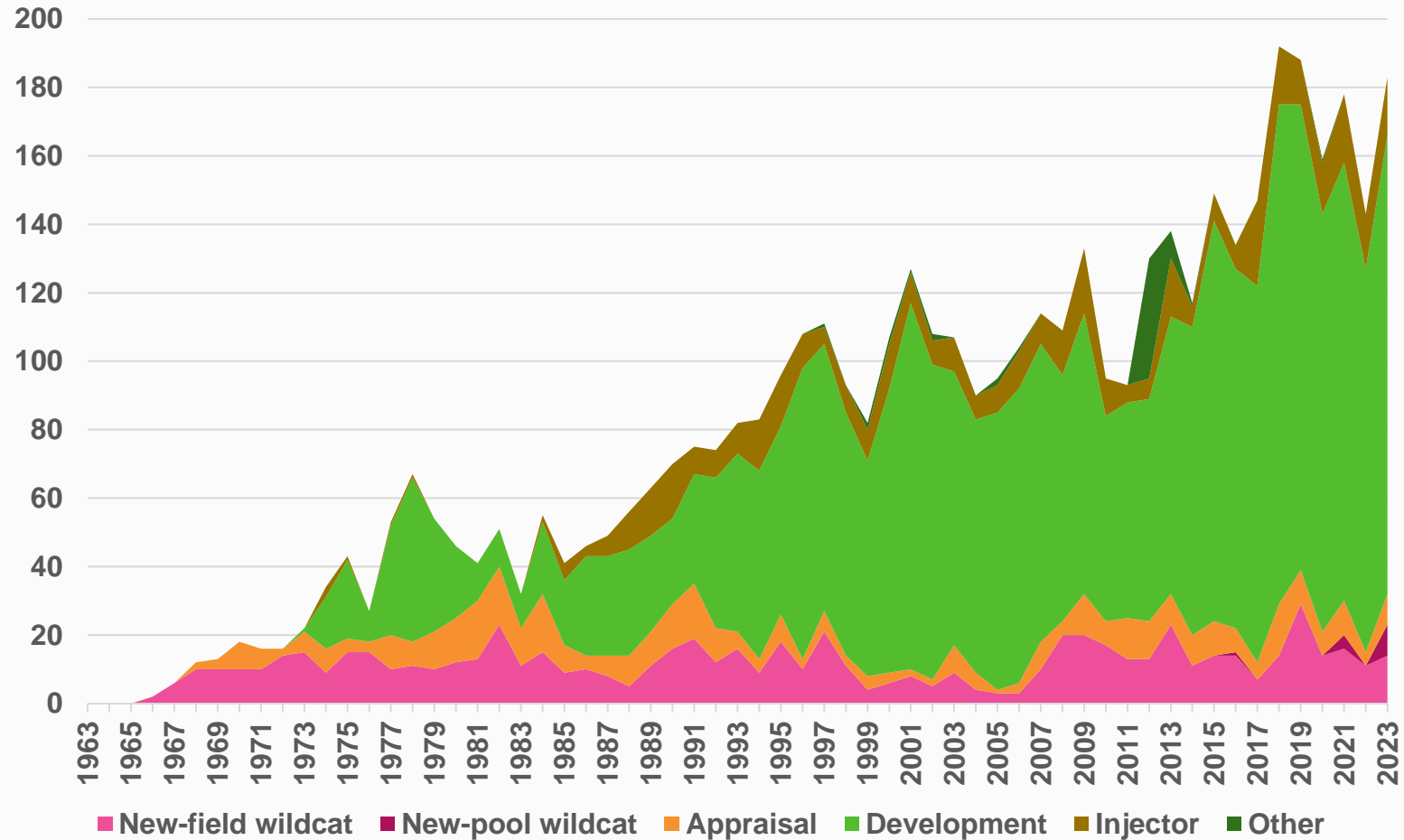
Regional Comparison

North Sea comprises 90% of drilling activity



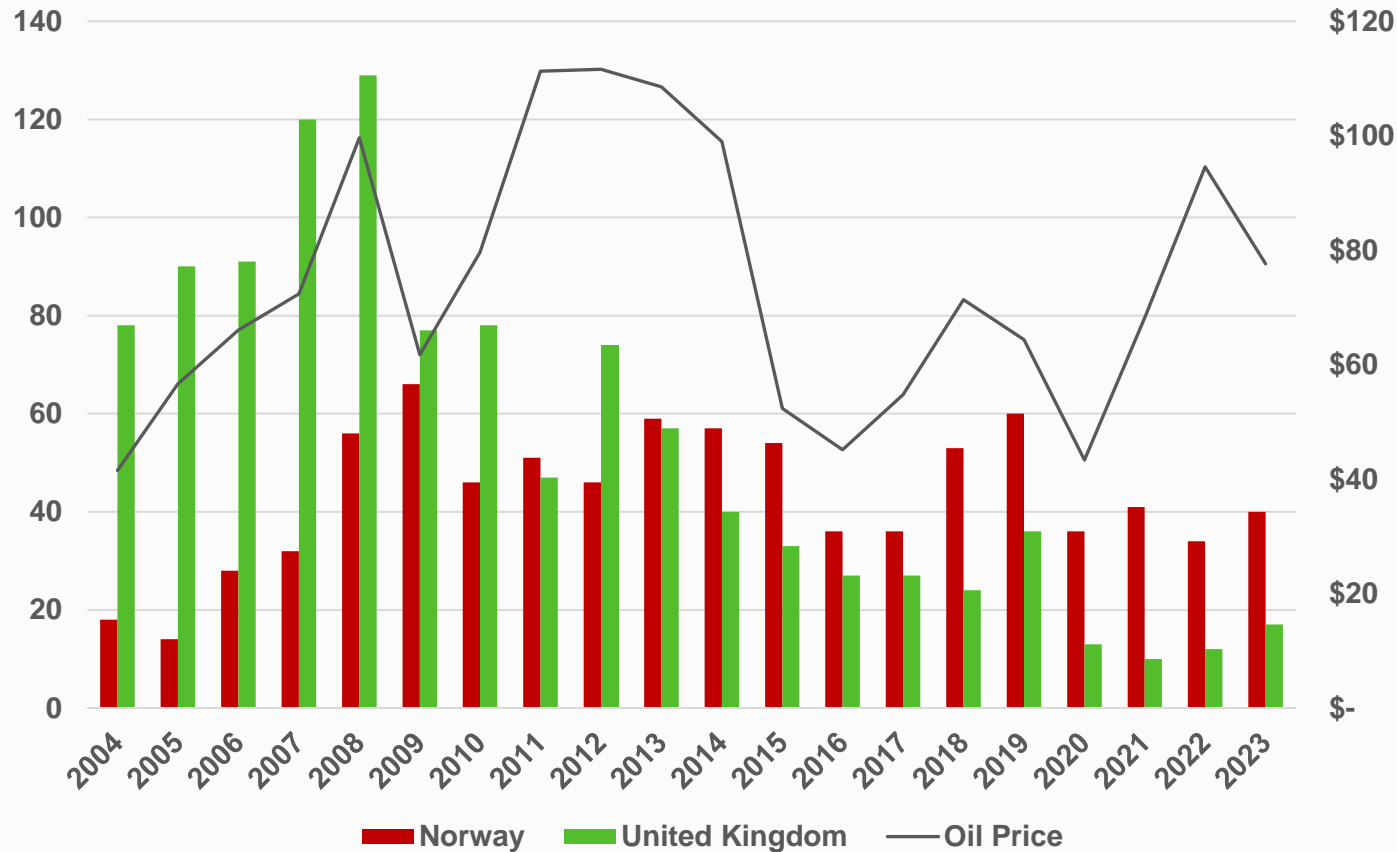
Norway North Sea Focus

Drilling activity flat to increasing – what lies ahead?

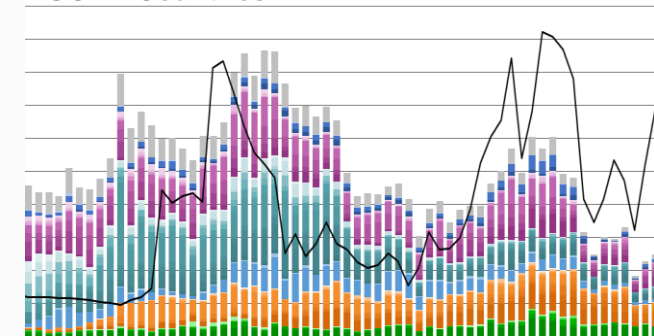


Drilling Activity: Relationship to Oil Price

Exploration & Appraisal Wells

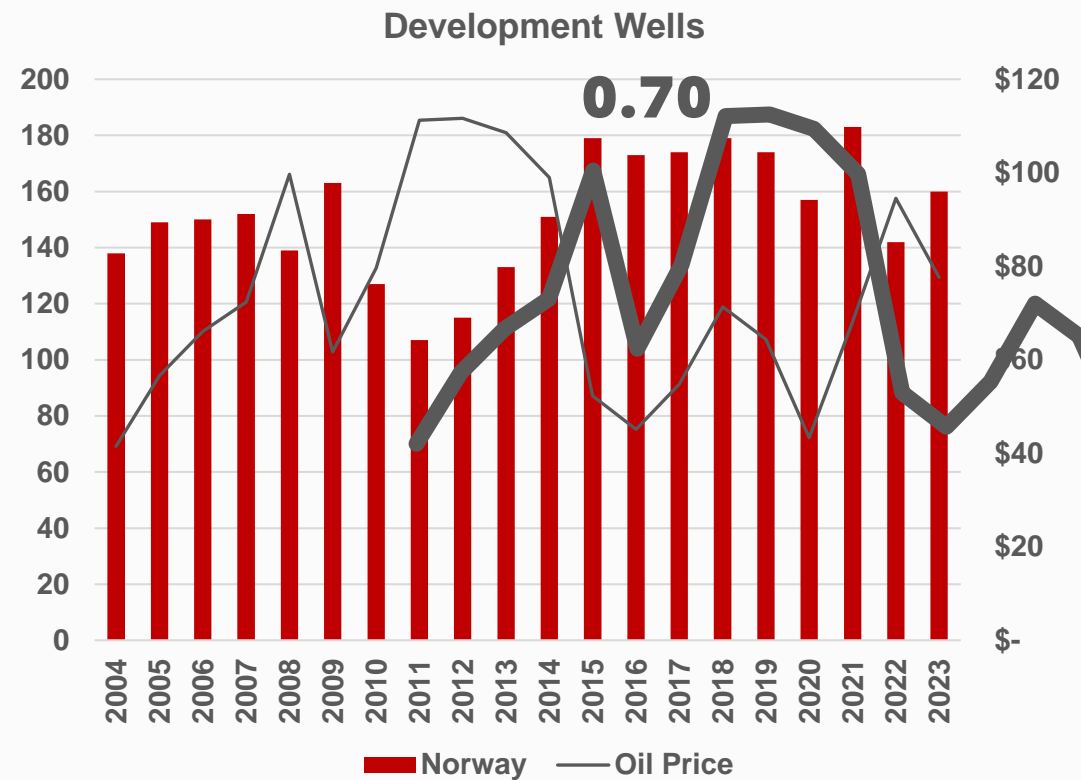
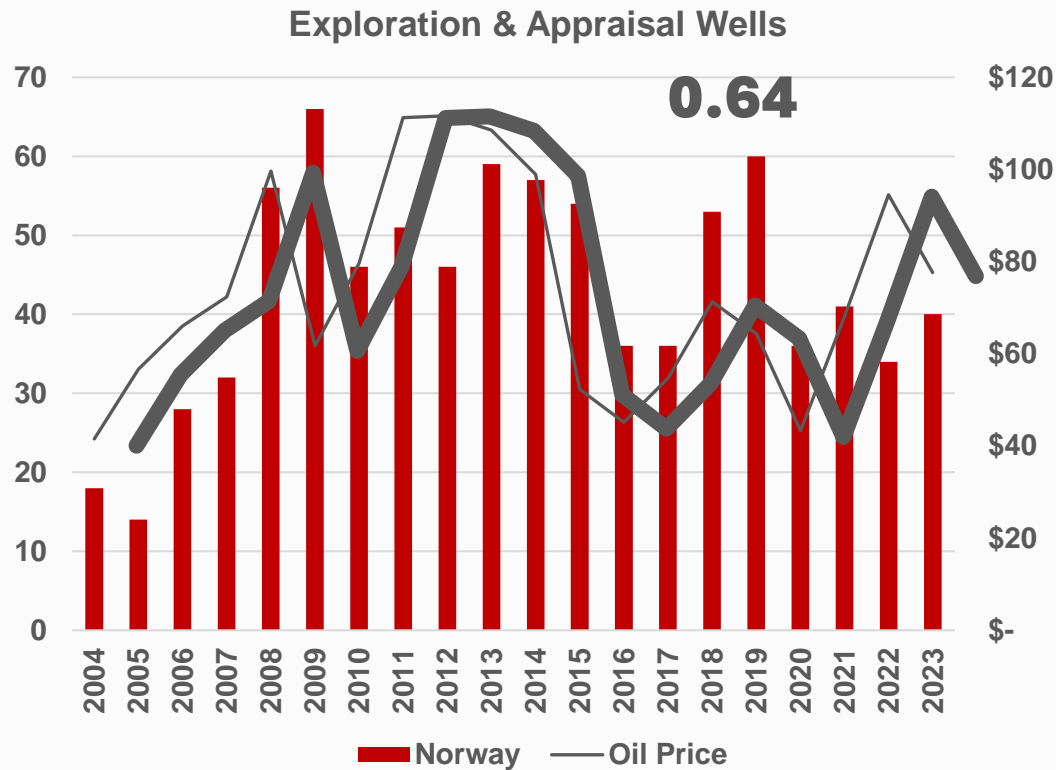


NOCAR Countries



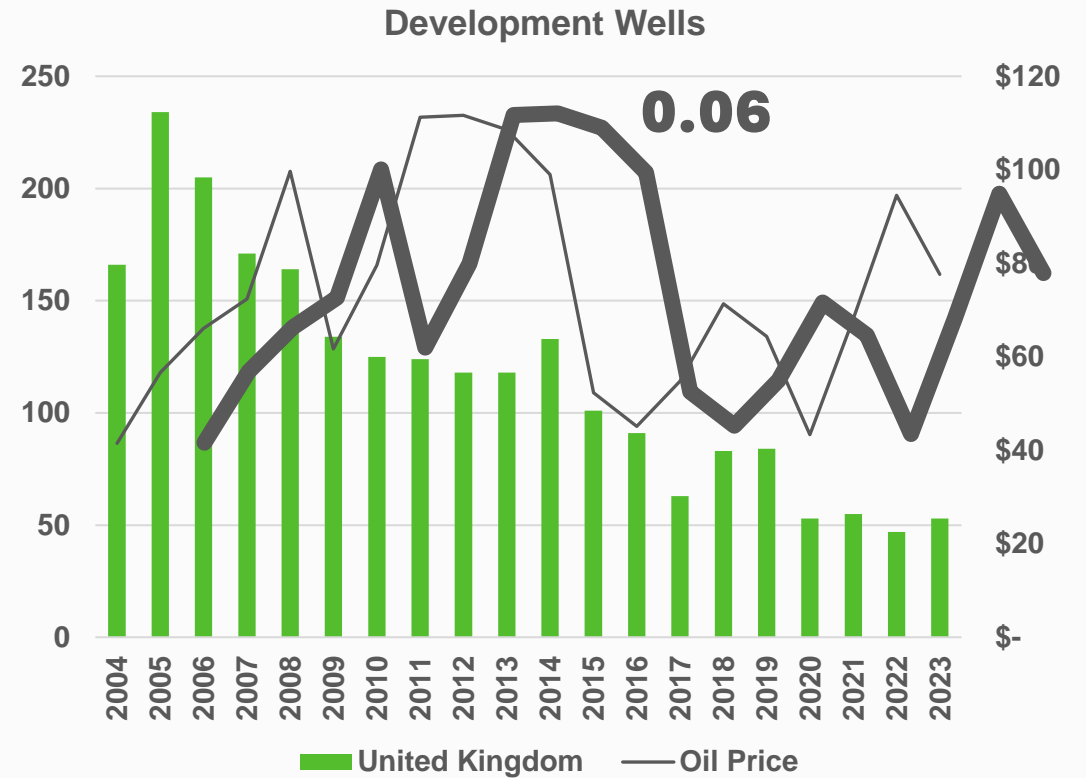
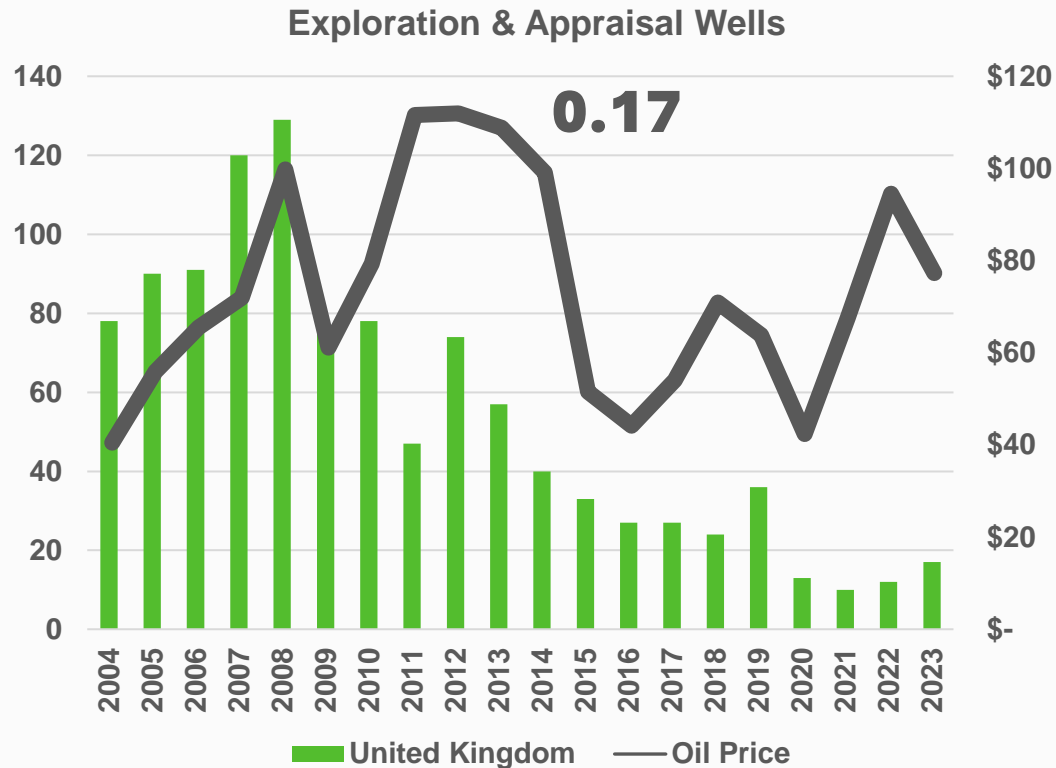
Drilling Activity: Relationship to Oil Price

Norway E&A predictably follows price within ~1 year, development by ~7 years



Drilling Activity: Relationship to Oil Price

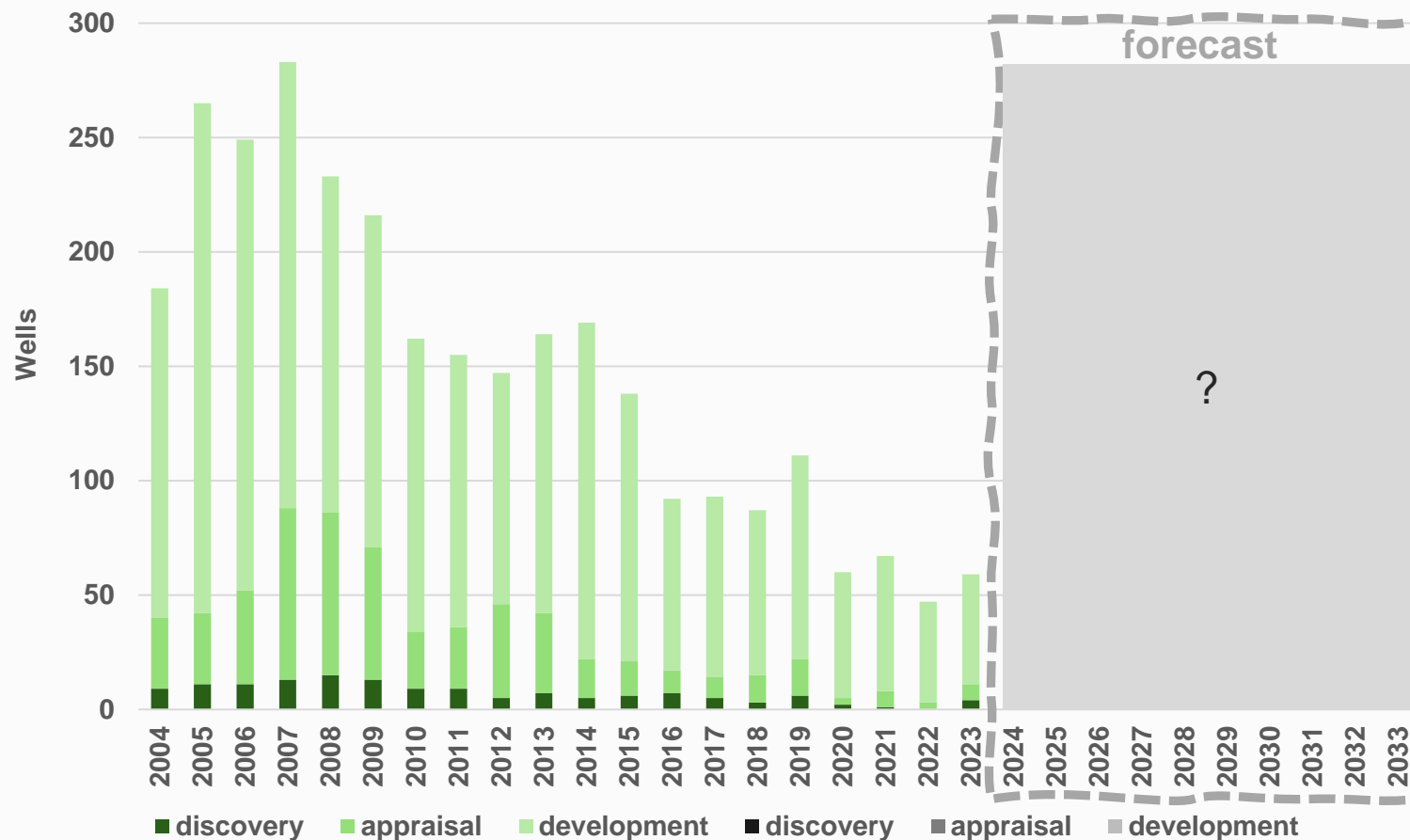
UK E&A and development activity barely correlate – at any time delay...



Forecasting Activity: UK

Appraisal lags discovery by <5 years

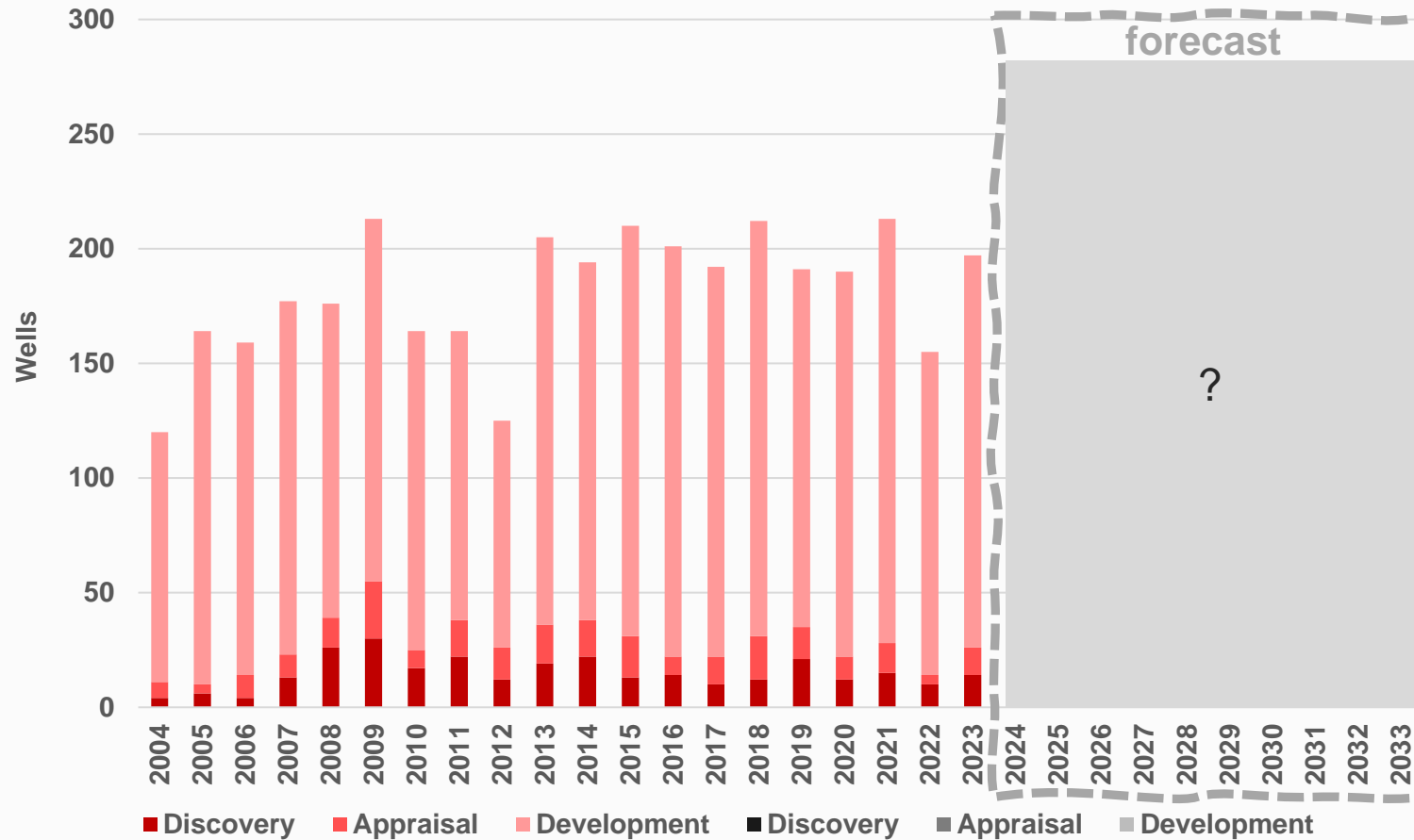
Development lags appraisal by ~6 years



Forecasting Activity: Norway

Appraisal lags discovery by ~1 year

Development lags appraisal by ~6 years



Takeaways

Focused optimism

1

North Sea is the place to be

90% of drilling activity

2

Norway bright spot for years to come

Foundations laid for decades of significant activity

3

Small group driving activity

Equinor, Aker BP, ConocoPhillips, Vår, Harbour(?)

4

Price-activity decoupling

Strong prices will not lead to large uptick in activity

5

Wild cards

Norway: Barents Sea, environmental pressure

UK: Field redevelopment, fiscal terms

