

## **4<sup>th</sup> EMB Forum Arctic 2050**

### **The Industry perspective of Arctic Oil and Gas Exploration**

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**12 March 2014, Brussels**

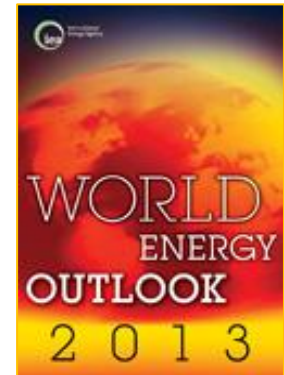
# Agenda

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- 1. Why arctic oil & gas**
  - 2. Arctic challenges**
  - 3. Cooperation and OGP**
  - 4. OGP Arctic Committee**
  - 5. OGP projects**
  - 6. Conclusions**

# Energy Demand and Arctic Supply

# OGP

- **Global energy demand trends<sup>1</sup>**
  - Strong growth
  - Slow change in energy mix
  - Fossil fuels 75% by 2035
- **Arctic Resource Volumes<sup>2</sup>**
  - YTF oil 13%, YTF gas 30%
  - Total YTF expectation > 400 billion boe
  - 67% gas
  - 84% located offshore



# Arctic Characteristics and Industry

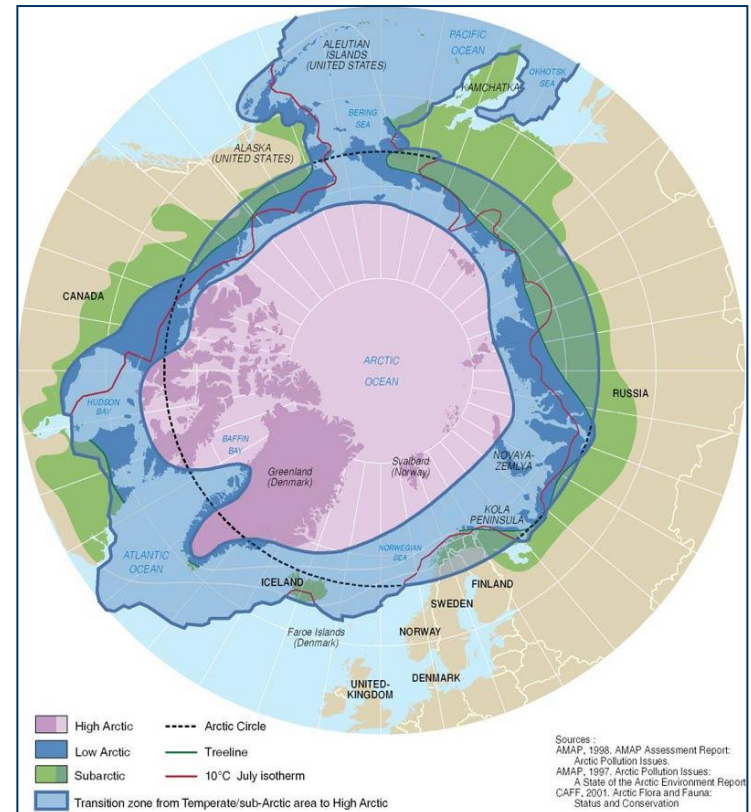
# OGP

- **Different Arctic Locations**

- Climate and variability
- Sea ice
- Environment
- People
- Business climate
- Public attention

- **Industry**

- History
- Step by step
- Long term
- Multiple sectors
- Cooperation



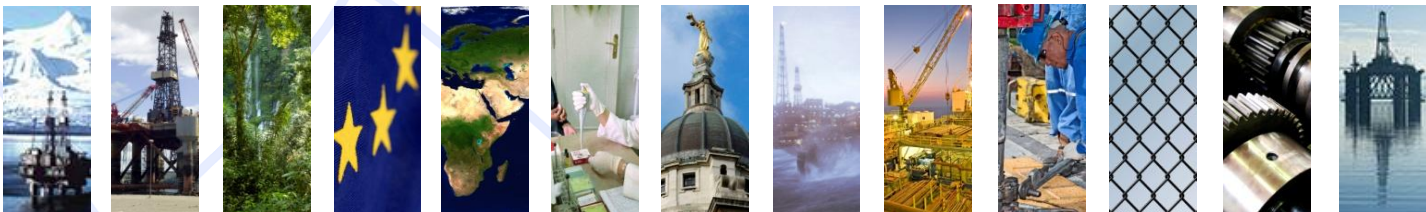
## OGP since 1974

- **82 members, upstream oil and gas companies and national and other associations and associate members (contractors)**
- **OGP's member companies produce over half of the world's oil and over a third of its gas**
- **Headquarters in London and an office in Brussels dedicated to EU issues**

*To work on behalf of the world's oil and gas exploration and production (E&P) companies to promote safe, responsible and sustainable operations*



- **OGP is a committee-based organisation, with members providing the participants of 13 standing committees**
  - Arctic
  - Environment
  - Health
  - Safety
  - Wells
  - Communications
  - European Union
  - Legal
  - Security
  - Decommissioning
  - Geomatics
  - Metocean
  - Standards
- **Each committee has its own specialist subcommittees and task forces**
- **Larger projects separately funded through Joint Industry Projects**



# Role of Arctic Committee

**The AC provides the technical and advocacy focal point for the E&P industry on issues related to activities in the Arctic and other cold region environments**

## **Active membership**

**BP, Cairn Energy, Chevron, ConocoPhillips, ENI, ExxonMobil, Husky, Inpex, Shell, Statoil, Total and API, CAPP, NOGA**

## **Work streams**

- **Arctic Policy and Regulatory Advocacy**
- **Oil Spill Prevention and Response**
- **Operating in ice - capabilities & standards**
- **Cooperation Arctic Council**



# Arctic Response Technology JIP

# OGP

**The Project is aimed at creating international research programmes to further enhance industry knowledge and capabilities in the area of arctic oil spill response and to raise awareness of existing industry oil spill response capabilities in the Arctic**

- Dispersants
- Environmental effects
- Trajectory modeling
- Remote sensing
- Mechanical recovery
- In-situ burning





# Sound & Marine Life JIP

**The Project aims to better characterise the sounds the upstream oil & gas industry produce; to determine the potential impacts of these sounds on marine life and thereby to improve risk assessments and mitigation**



- The characteristics of sound from oil & gas operations and how those sounds spread
- Physical, physiological and hearing effects of those sounds on marine life
- Behavioural reactions and biologically significant effects
- Mitigation and monitoring
- The most effective research tools

## Good Practice Guide

### Environmental management in Arctic oil & gas operations - good practice guide

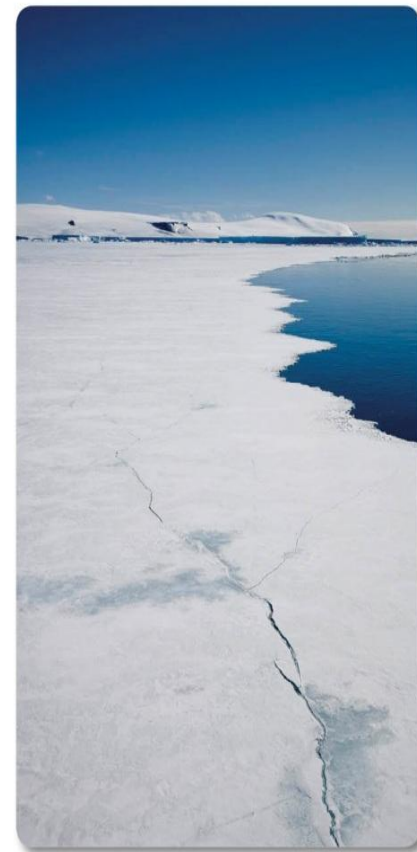
**Objective - to provide information which helps companies to identify and manage potential impacts to Arctic environment and its peoples from oil and gas activities by sharing good management practices**

- Arctic oil and gas context
- Arctic peoples and governance
- Physical and biological environment
- Arctic sensitivity to development
- Potential oil & gas impacts
- Risk management and planning
- Arctic mitigation practices onshore and offshore



## Summary

- **Energy demand is increasing**
- **Arctic Governments license acreage for exploration and development**
- **There are Arctic challenges & opportunities**
- **The Arctic Committee in OGP focuses on responsible operations**
- **Industry is overseeing a wealth of scientific studies to inform investment decisions**
- **Global Cooperation in the Arctic with key stakeholders (and other industries) is vital**





**Thank you**

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