

Aberdeen & Grampian Chamber of Commerce

Energy Transition

42nd Survey | Autumn 2025



D2Zero



JOHNSTON
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Research
Chamber



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Sponsor forewords

The findings of this Energy Transition 42 report present a stark but timely reminder of the crossroads at which our energy sector now stands. For decades, this basin has powered the UK, anchored our energy security, and sustained thousands of highly skilled jobs. The pace and scale of change facing the sector today is unprecedented – and this survey captures that reality with clarity.

Perhaps the most striking message from industry is the crisis of confidence in the UK Continental Shelf. Revenue expectations have fallen to historic lows. Investment that once flowed naturally into the basin is increasingly diverted to jurisdictions where policy is predictable and the fiscal regime is stable.

And for the first time in this survey's long history, a third of companies now expect to reduce their North-east headcount within five years. These are not abstract statistics. They translate directly into fewer opportunities for people, a shrinking supply chain, and a diminished national capability at precisely the moment when the UK needs its energy workforce more than ever.

Yet the findings should not be interpreted as a lack of ambition from industry. The opposite is true. Across the supply chain, companies are demonstrating remarkable resilience and adaptability. One in two is now active beyond oil and gas or moving into new energy markets. Diversification is no longer a sidebar to the energy story in this region; it is central to how businesses are planning for the next decade.

But diversification without clear and coherent energy policy is a difficult path to follow. The message from respondents is unmistakable – policy uncertainty is eroding confidence across every part of the energy system. The Energy Profits Levy has stalled investment, delayed electrification and decommissioning projects, and undermined the business case for developments that would otherwise support jobs through the transition.

Nine in ten companies say the absence of a clear Scottish energy strategy is damaging confidence. And most businesses remain unclear on the remit of GB Energy – a mechanism that, if given a clear purpose and the right mandate, could help unlock progress rather than stall it.

Against this challenging backdrop, it is essential to reflect not only on the risks, but on the prize. Because the opportunity for North-east Scotland, if we get this right, is nothing short of transformational.

Recent analysis highlights a £96billion offshore wind pipeline within reach of this region. Scotland is positioned to capture a significant share of the global floating wind market, with the skills, port infrastructure and proximity to leasing sites that developers need.

In CCUS, the Acorn project alone represents nearly £18billion in economic value and could anchor thousands of long-term jobs. And in digitalisation, emissions-reduction technologies, remote operations, and well-plugging and abandonment, this region is already leading, and has the potential to build globally competitive clusters.

These opportunities are real. They are measurable. And they map directly onto the expertise of our existing workforce. But they require an investment environment that encourages companies to commit, rather than one that forces them to look elsewhere.

At D2Zero, our focus is on enabling emissions reduction today while accelerating investment into the technologies that deliver a net-zero tomorrow. We see daily the ingenuity, capability, and ambition that exists across this region. We know that the companies who built the North Sea are the same companies who will help decarbonise it, and who will export that expertise to energy markets around the world. But they can only do so if the UK chooses to compete for that future.

This report makes clear what is needed: policy stability, a predictable fiscal regime, accelerated grid and consenting reform, and a just transition that protects the people and supply chain who will build the next generation of energy infrastructure.

North-east Scotland has powered the UK for half a century. With the right choices, it will power its net-zero future too. But the window for action is narrowing. The challenge now, for government, industry, and all of us invested in this region, is to turn the opportunity described in these pages into reality.

D2Zero is proud to support this research, proud to stand with the companies who contributed to it, and proud to champion a future where this region remains at the heart of the UK's energy story.



Nicola MacLeod
General Counsel & Head of Corporate Affairs
D2Zero

As we look ahead to the UK Government's Autumn Budget, the Energy Transition 42 survey finds the industry despondent. Confidence in the UK Continental Shelf (UKCS) remains low - unchanged from the previous survey - and revenue and profit expectations have softened.

It also reveals a sector at a critical juncture. While the UK market struggles with instability and policy ambiguity, a more pragmatic and commercially balanced evolution is taking place overseas.

This growing divergence poses a distinct threat to the UKCS. Companies cannot wait indefinitely for clarity and are actively diverting investment to international markets such as Norway, the UAE and the US.

Compared with the UK, international markets offer stability and dual focus. Production remains dominant but is funding investment in renewables and decarbonisation. Overseas regimes provide clearer frameworks and predictable returns, explaining why 42% of projected 2026 revenue is expected to come from outside the UKCS. But the UK can compete. With clarity and consistency, it can leverage its supply chain to capture transition opportunities at home and abroad.

The survey shows clearly that the UKCS is shifting rapidly toward decommissioning and transition projects. Production and exploration have fallen sharply - down 29% and 41% respectively - while renewables and decarbonisation show steady growth. This reallocation reflects regulatory pressure and economic reality, but it also signals opportunity. The UKCS supply chain has decades of engineering expertise, world-class offshore capability, and proven resilience. These strengths can be redeployed to deliver offshore wind, carbon capture utilisation and storage, and electrification at scale as long as a supportive policy framework can be established.

Jobs and skills remain a critical asset. According to the survey, talent is leaving for international roles, drawn by markets offering certainty and opportunity. If this trend persists, the UK risks losing the expertise needed to deliver on its energy transition goals. But the capability exists - and with the right conditions, it can be retained and expanded. Skills developed in oil and gas are directly transferable to offshore wind, carbon capture and electrification. The challenge is not capability - it is confidence.

There is important alignment on what matters most. Energy security has surged as a strategic priority, with near-universal agreement that domestic and European resilience is critical amid global instability. The survey also shows strong consensus that ending the Energy Profits Levy early would unlock investment, protect jobs, and increase tax revenues. This rare unity creates an opportunity for collective advocacy and decisive policy action.

Diversification is happening, and the UK supply chain's ambition is clear. By 2030, new energy is forecast to account for just over half of business activity, with growth concentrated in decommissioning, offshore wind, and carbon capture. These segments will require new capabilities, partnerships, and investment models but our industry has the experience, the technology, and the determination to lead.

The message from this survey is unequivocal. The UK must restore confidence through fiscal clarity and regulatory stability while removing political party influence and bias. The forthcoming Budget is a critical moment - a chance to signal long-term commitment and create conditions for investment. The energy transition is not a distant horizon; it is unfolding now. With ambition, expertise, and the right support, the UKCS can remain competitive, deliver secure energy, and lead the transition for decades to come.



Mark Stewart
*Partner and Sector Head of Energy, Infrastructure
and Sustainability, Johnston Carmichael LLP*



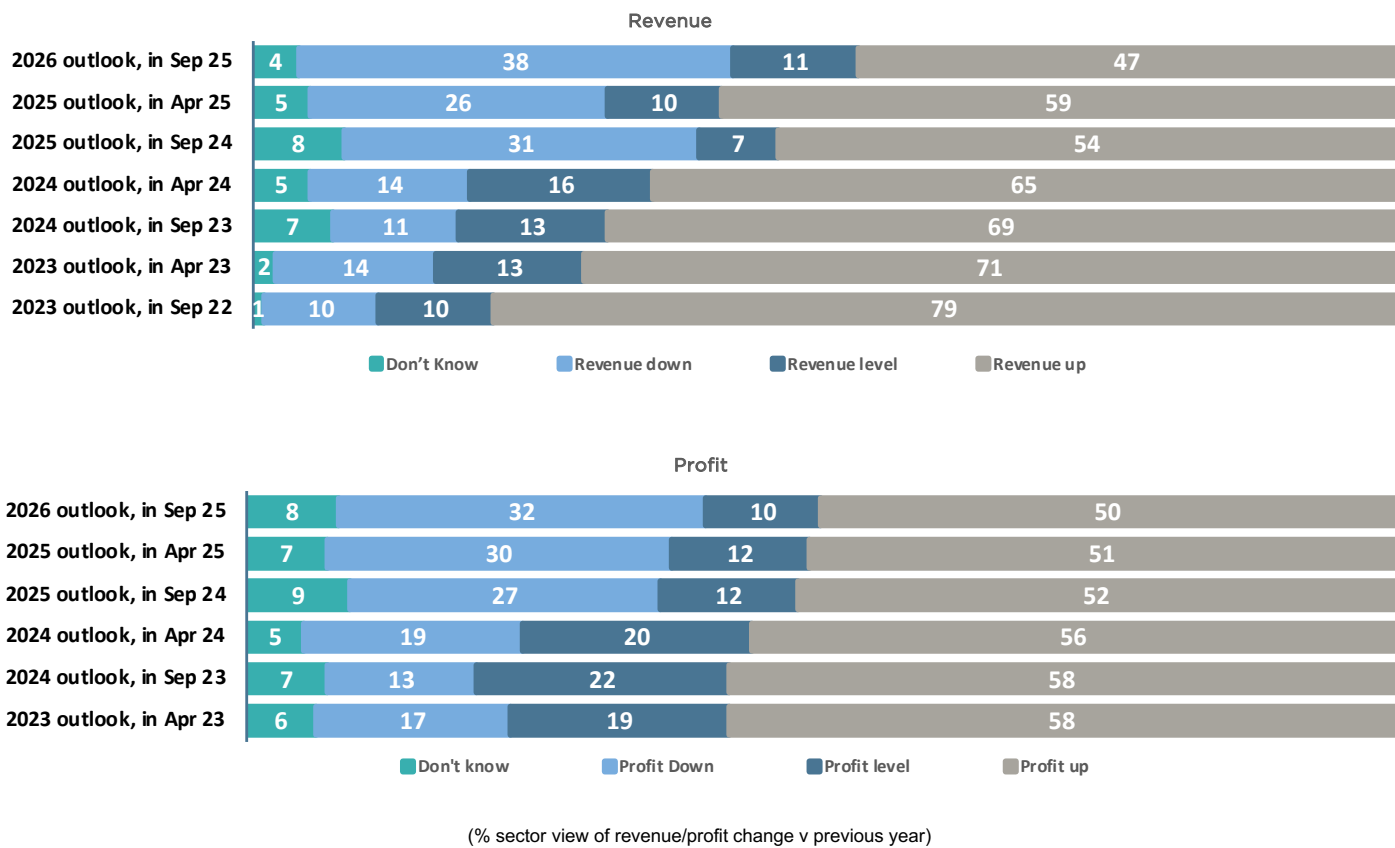
David Wilson
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Johnston Carmichael LLP*

Sector trends and outlook talking points

- The sharp downward trend in positive revenue growth forecasts continues. Greater stability in profit expectations tells a story of significant cost mitigation
- The significant share of overseas revenue suggests that companies are increasingly realising opportunities beyond the UKCS
- We continue to see exploration and production at historically low levels and medium-term trends in the value of renewables and decarbonisation projects also on the decline
- Unlike in the UKCS, all activity trends in international activity are net positive, however we see significant fluctuations in project type
- Government policy and taxation remain the most important factors influencing UKCS activity in the next year ahead even of demand and commodity price. Concerns around access to finance are low suggesting that given the right conditions, the sector has the means to invest.
- Outside the UKCS, activity is driven primarily by commercial fundamentals not political or regulatory factors
- Confidence in the UKCS remains historically low with EPL being the key trigger. In contrast, confidence in international markets remains significantly net positive

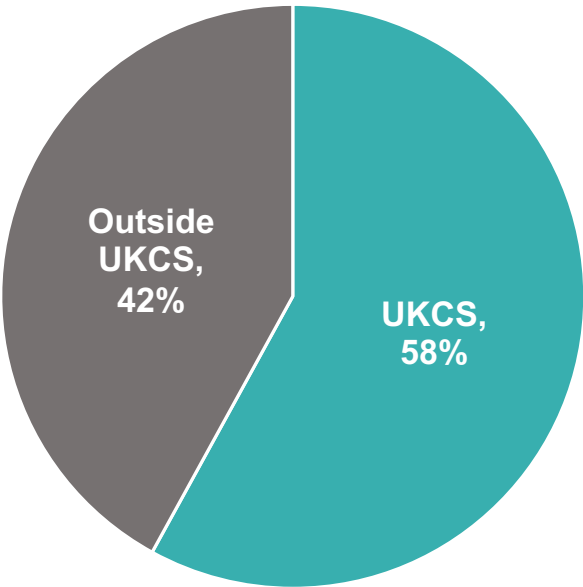
1. The sharp downward trend in positive revenue growth forecasts continues. Greater stability in profit expectations tells a story of significant cost mitigation

Q: To what extent do you expect your organisation's **revenue / profit** to change in 2026, compared to 2025:



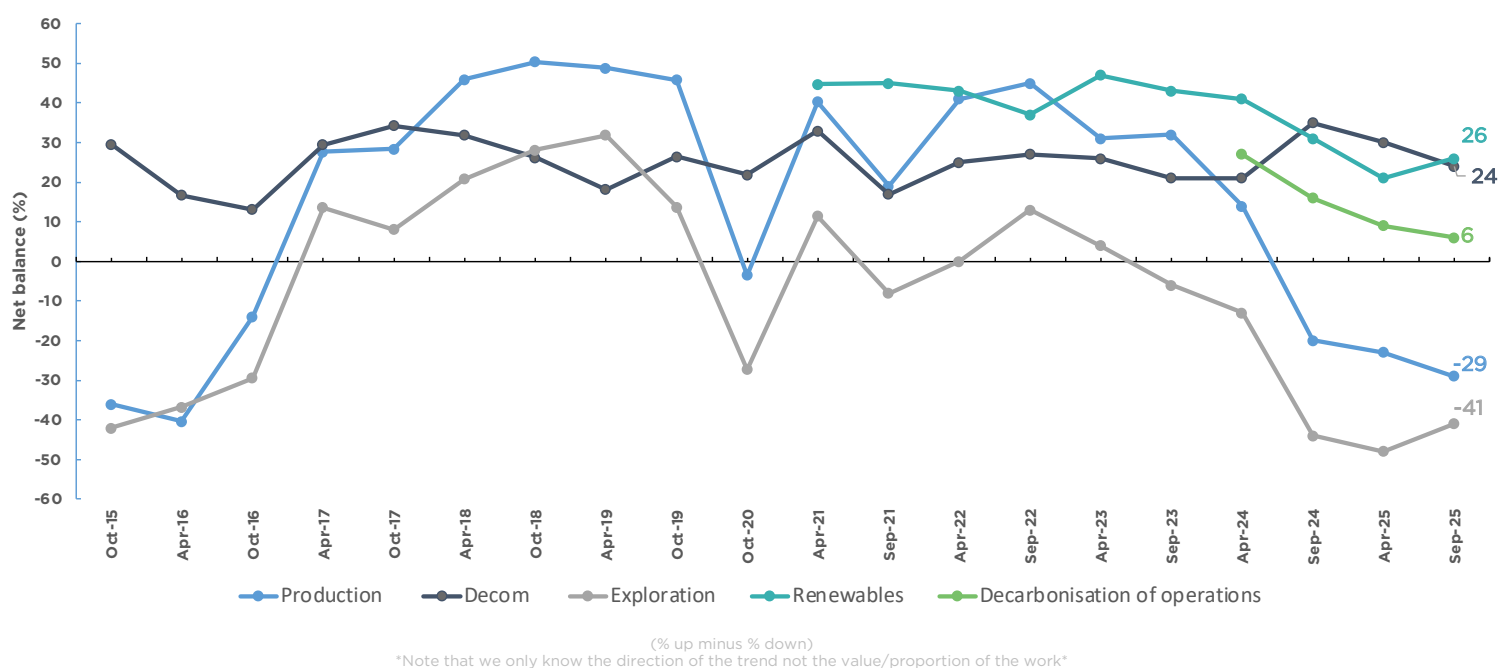
2. The significant share of overseas revenue suggests that companies are increasingly realising opportunities beyond the UKCS

Q: What proportion of your turnover in 2026 will come from UKCS activity versus non-UKCS activity?



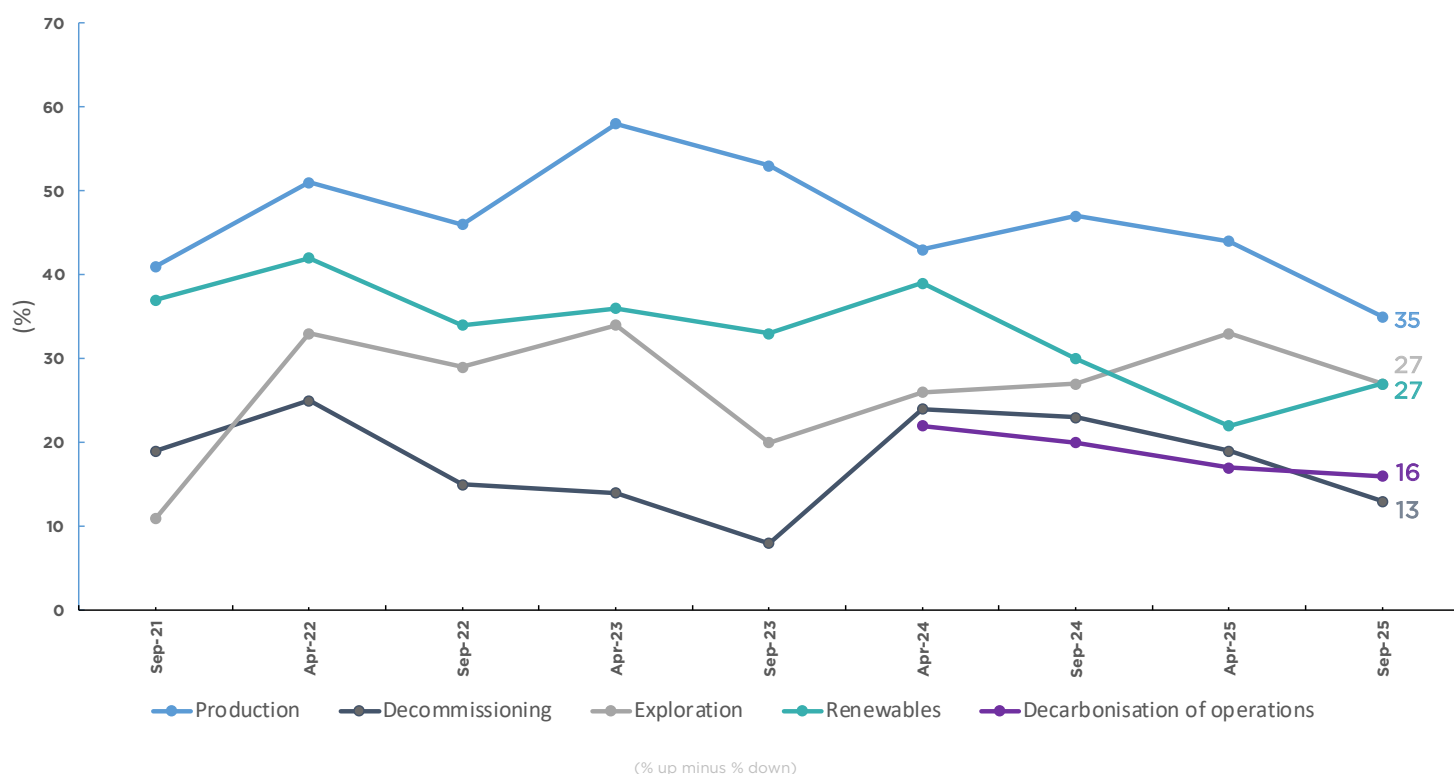
3. We continue to see exploration and production at historically low levels and medium-term trends in the value of renewables and decarbonisation projects also on the decline.

Q: What are the trends in the total value of your organisation's work in the UKCS of:



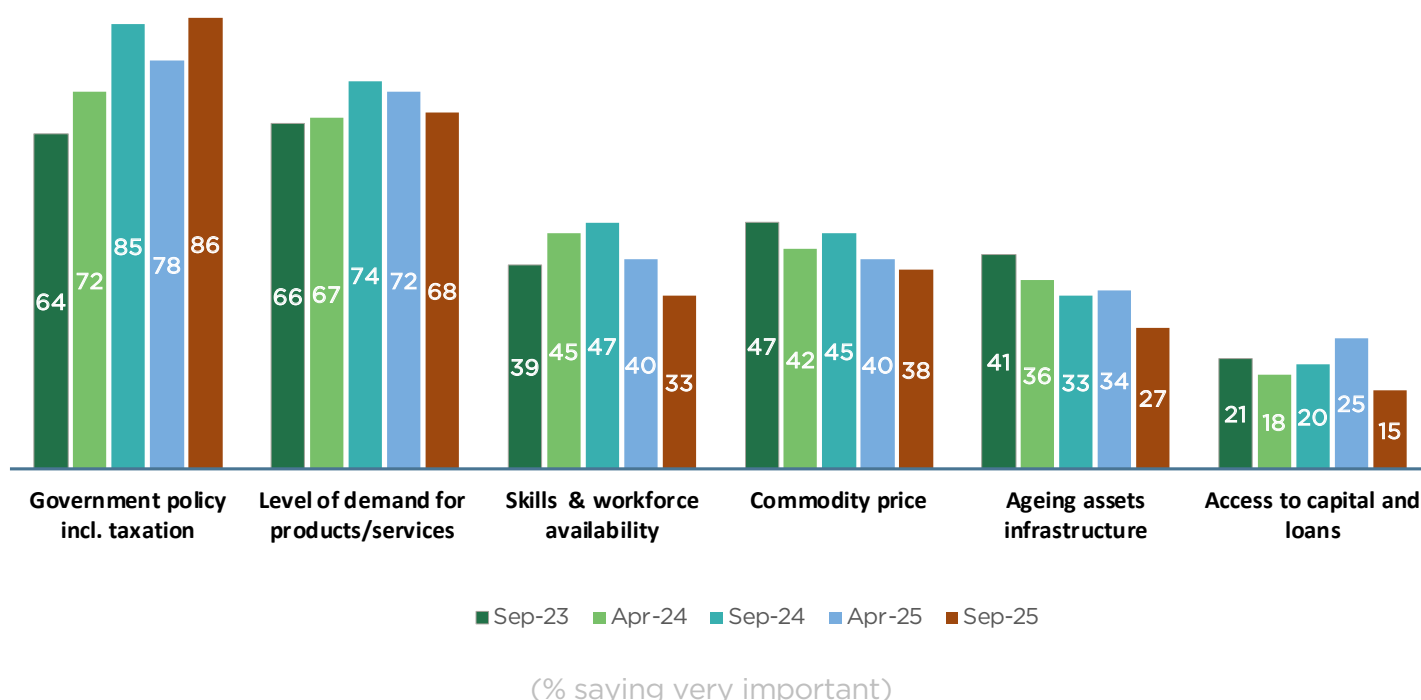
4. Unlike in the UKCS, all activity trends in international activity are net positive, however we see significant fluctuations in project type

Q: What are the trends in the total value of your organisation's work outside the UKCS:



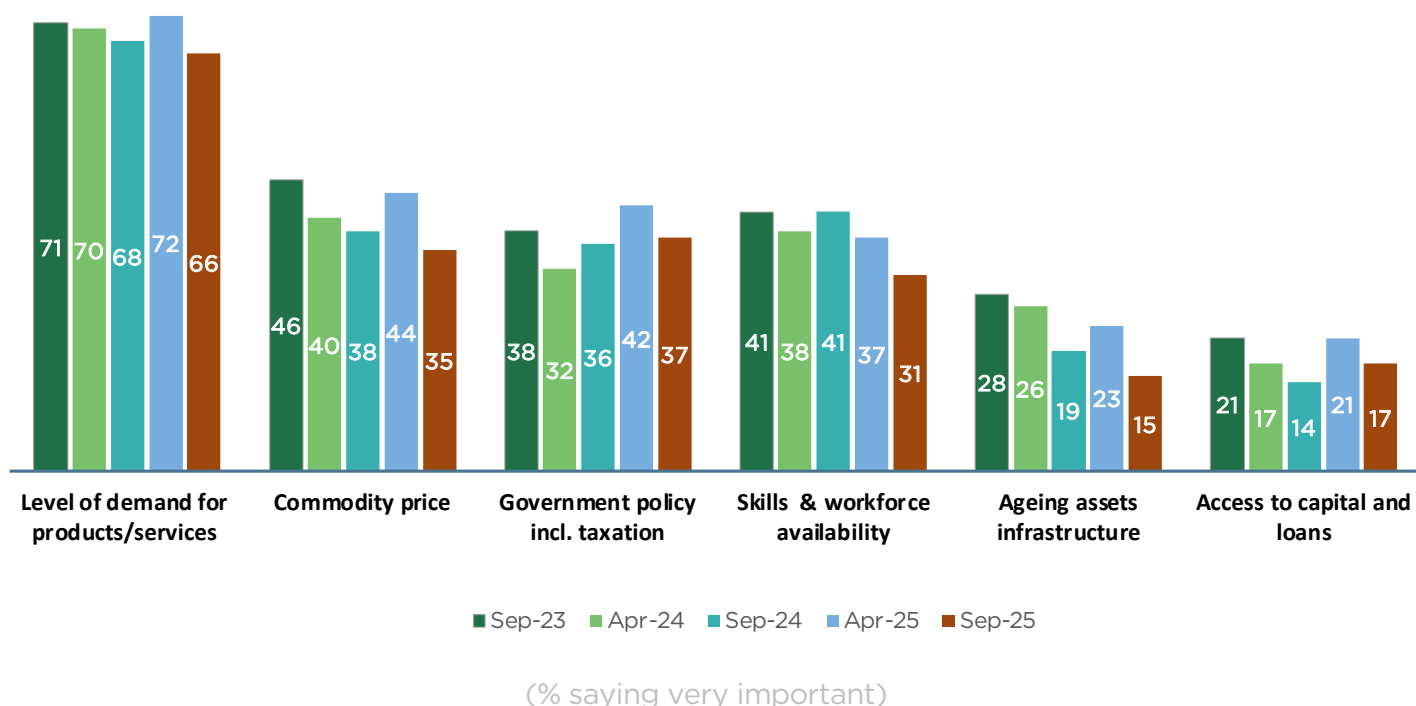
5. Government policy and taxation remain the most important factors influencing UKCS activity in the next year ahead even of demand and commodity price. Concerns around access to finance are low suggesting that given the right conditions, the sector has the means to invest

Q:UKCS; How important are the following factors in the level of activity over the next year?



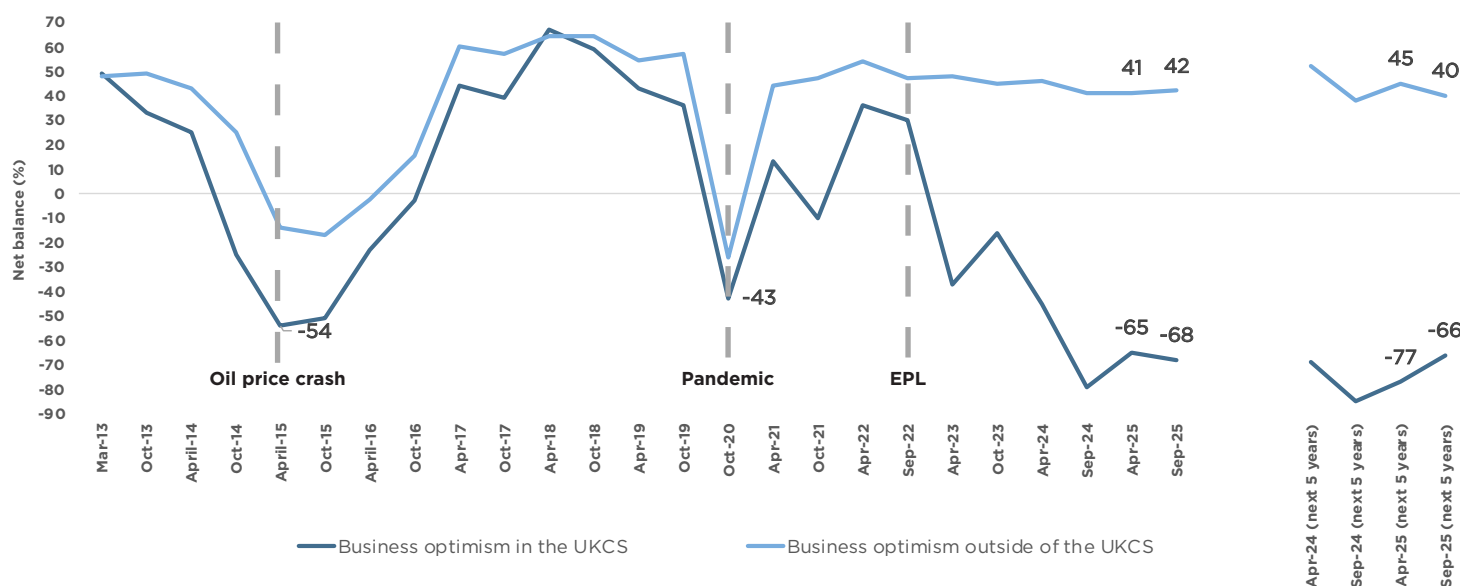
6. Outside the UKCS, activity is driven primarily by commercial fundamentals – demand and commodity pricing. Political or regulatory factors play a less important role, illustrating the greater predictability and stability businesses associate with international markets

Q:Outside UKCS; How important are the following factors in the level of activity over the next year?



7. Confidence in the UKCS remains historically low with EPL being the key trigger. In contrast, confidence in international markets remains significantly net positive

Q: Compared to 12 months ago, how confident are you about the business situation in the oil & gas sector in the UKCS and outside of the UKCS over the next year and 5 years?



How confident are you about the business situation and why do you say that?

Widespread pessimism about the outlook for the UKCS oil and gas sector, driven primarily by frustration with government policy, political uncertainty and the Energy Profits Levy. Many businesses describe a sharp decline in investment confidence and report diverting resources to overseas markets such as Norway, the UAE and the United States, where fiscal and regulatory conditions are viewed as more stable and supportive. Respondents also express concern that the UK's approach to the energy transition is unbalanced, undermining domestic production while increasing reliance on imports. Although a small minority identify opportunities in decommissioning and hold cautious optimism that future policy changes could restore stability, the overall sentiment reflects deep disillusionment with the current environment for investment and operations in the UKCS.

Theme	Description	Illustrative Quotes
1. Hostile and unstable UK Government & fiscal regime	Strong frustration with UK and Scottish Government policies, particularly the Energy Profits Levy (windfall tax) and lack of long-term policy stability. Viewed as undermining investor confidence and accelerating decline.	"Whatever the rhetoric from government, energy and economic policies are designed to drive down investment in UK oil and gas production." "The UK Government has not changed its position on tax and we are seeing a further weakening of our UKCS order book."
2. Shift of investment overseas	Many respondents describe redirecting investment and activity to markets such as the UAE, Norway, and the US, citing greater fiscal stability and political support.	"We have a business unit in UK and one in UAE, the sentiment in the two regions couldn't be more different." "We are busier in Norway and Germany."
3. Decline in UKCS activity and confidence	Clear narrative of accelerated decline, with projects drying up, lack of drilling activity, and skills loss. UKCS seen as a "no go zone" for new investment.	"There is zero spend in UKCS on drilling now – all opportunities for us are now US, Brazil and Norway." "UKCS is declining rapidly due to government taxation policy leading to no confidence to invest."
4. Unbalanced or unrealistic energy transition	Belief that the Net Zero agenda and political rhetoric are unbalanced, undermining domestic production while still relying on imported hydrocarbons.	"There is no balanced energy transition taking place."
5. Emerging opportunities in decommissioning and overseas services	A smaller group highlight growth areas such as decommissioning or overseas contracts, suggesting some resilience despite UK challenges.	"Our services in decom are in high demand." "Demand for our product overseas should see growth."

Energy Transition Case Study - Well-Safe Solutions



Tell us a little bit about your business.

Well-Safe Solutions is focused on creating a sustainable future for the energy sector through safe and efficient well life cycle services. We support all stages of the well life cycle, from drilling to decommissioning, as part of the wider global energy transition. With origins as the world's first Tier 1 contractor specializing in well decommissioning, we offer full project capability in-house using our assets, Well-Safe Guardian, Defender and Protector, along with our well engineering and management department. This service offering includes supplying assets, front-end engineering and design, subsurface basis of design, drilling, workover, intervention, remediation, completion and decommissioning solutions. This is delivered through a highly competent and motivated team who embody Well-Safe's commitment to responsible well management operations.

Can you tell us about the transition your business has been on?

As a company that has recently turned eight years old, we haven't been around for long but have had energy transition as a founding principle. As a Tier 1 organisation our operations are often multifaceted, and this presents us with diverse opportunities with which we can influence our own sustainability and

transition impact, as well as those of our clients. Identifying which opportunities to pursue has on occasion been difficult, as value must be identified early on and the metrics to determine this are not always obvious. Hindsight, in a fast changing sector with many influencers, is a wonderful thing.

We have been able to build experience and learn from the projects that we have delivered. With the addition of key internal objectives such as gaining ISO 50001:2018 (Energy Management System), developing a Carbon Management & Reduction Plan and our annual ESG report, we are actively decreasing emission intensity of our assets operations, reducing our impact on the environment and help our customers navigate the road to net zero carbon emissions. For Well Engineering, the energy transition comes in many shapes and sizes. From a methodological point of view, we champion the ALARP principle (risk management, decision making frameworks and cost benefit analysis) which feeds into "minimum scoping", meaning that reducing scope has a clear and obviously beneficial impact on the environment and adds value to our customers. From a pure engineering context, we have embarked on transitioning skilled jobs into Geothermal and CCUS. There are directly comparable skillsets required in these areas of Well Engineering and Subsurface,

to name but a few, and making this move is important in attracting the best talent to Well-Safe. Further, we have created an Energy Transition Team within the Well-Safe with representation from numerous functions – not only Engineering or Operations. This helps ensure that the whole organisation has sustainability and energy transition at the forefront of our thinking.

What advice would you give to businesses embarking on a similar transition journey?

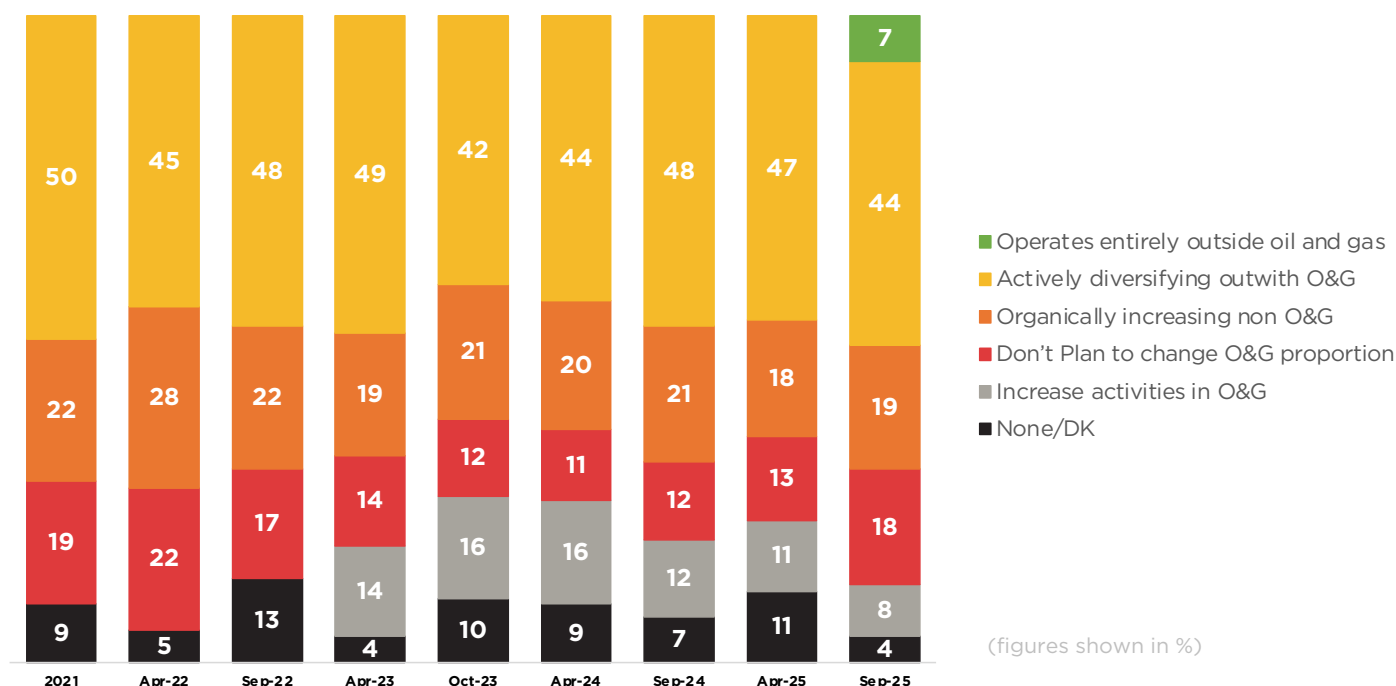
Opportunities need to be investigated but can be a double-edged sword. Those that are impactful and add value should be pursued, but these qualities need to be identified early on to avoid wasted effort. Build experience, learn from lessons, and use that to navigate what is important and what is not. Diversification can be key, see what other opportunities are available without necessarily needing to make wholesale changes or make large investments. Keeping good networks is also vital. Well-Safe Solutions could not have made the progress we have without our networks, service providers and clients. It's all about joining the dots.

Sector diversification talking points

- Diversification plans relatively constant over a four-year period demonstrating lack of opportunity and progress with the energy transition
- Since 2022 there has been a ten percentage point shift from oil & gas to other activities. The 2030 forecast shows the highest percentage yet of non oil & gas activity, although not at the pace required to deliver on government 'clean' energy targets
- Government policy, tax and legal uncertainty and wider market economics seen as the main barriers to decommissioning activity in the North Sea
- Changes in fiscal and regulatory policy alongside a more predictable project pipeline and better standardisation of practices could help unlock the decomm opportunity
- The trend away from the UK and towards international work continues to be clear. Although the latest results may indicate that the timeline has softened, firms still anticipate that around half of their work will be overseas by 2030
- UK tax policy remains the leading concern for companies over the next five years, followed by market stability, and UK licensing policy. In turn, this is slowing progress with the energy transition.
- Profitability / lack of return on investment were identified as other key challenges to diversification, followed by the pace of project consent, planning, and grid capacity.
- Optimism about the UK, Scotland, and Aberdeen as future global energy hubs declining over time. This is most pronounced for Aberdeen, where positive sentiment has weakened sharply

8. Diversification plans relatively constant over a four-year period demonstrating lack of opportunity and progress with the energy transition

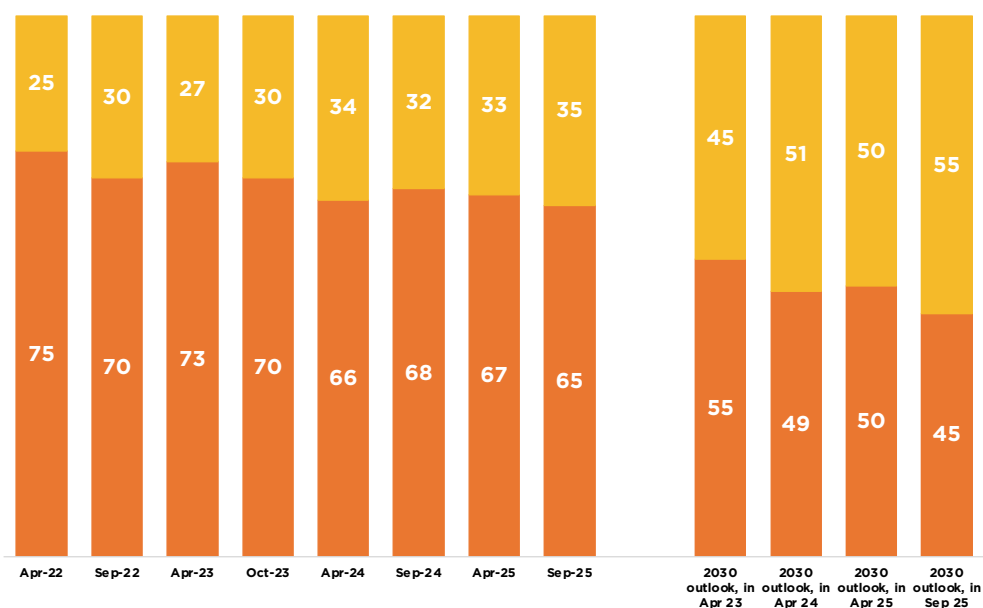
Q: Which of the following best describes your business' strategy and approach to energy transition?



9. Since 2022 there has been a ten percentage point shift from oil & gas to other activities. The 2030 forecast shows the highest percentage yet of non oil & gas activity, although not at the pace required to deliver on government 'clean' energy targets

Q: What is the breakdown of your business activities today?

and forecast at 2030?

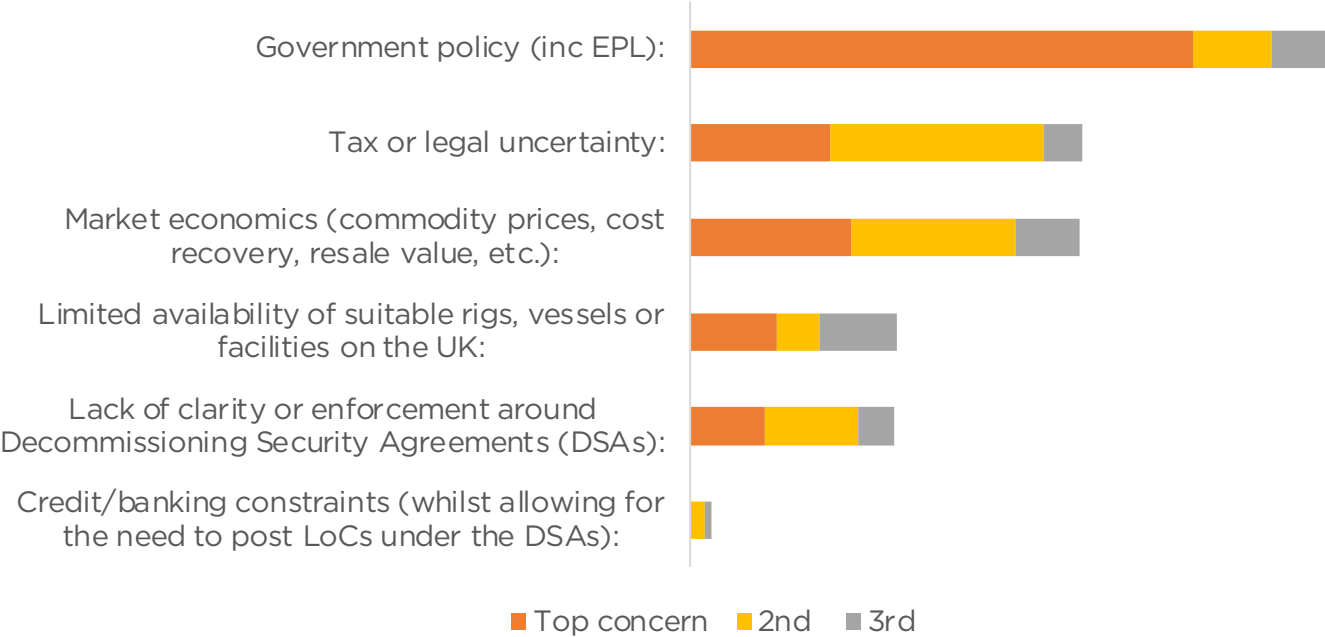


	Current % Sept.-25	Expected % at 2030
Decommissioning	7.9	12.1
Offshore wind	5.2	8.4
Other (Manufacturing, Distillation, Biomass,...)	4	6.7
Carbon capture & storage	2	5.9
Marine	2.5	3.1
Subsea engineering	2.8	2.7
Geothermal	1.2	2.7
General/civil engineering	2.5	2
Power generation	1.9	1.8
Grid/infrastructure	1.1	1.8
Defence	0.8	1.7
Hydrogen production and/or transportation	0.3	1.7
Electrification/Decarbonisation of operations	1	1.3
Onshore wind	0.9	1.2
Nuclear	0.6	1.1
Solar	0.1	0.3

% Business outwith oil and gas
% Business in oil and gas

10. Government policy, tax and legal uncertainty and wider market economics seen as the main barriers to decommissioning activity in the North Sea

Q: From your perspective, what do you see as the primary barriers preventing decommissioning activity in the North Sea from happening at the expected pace?

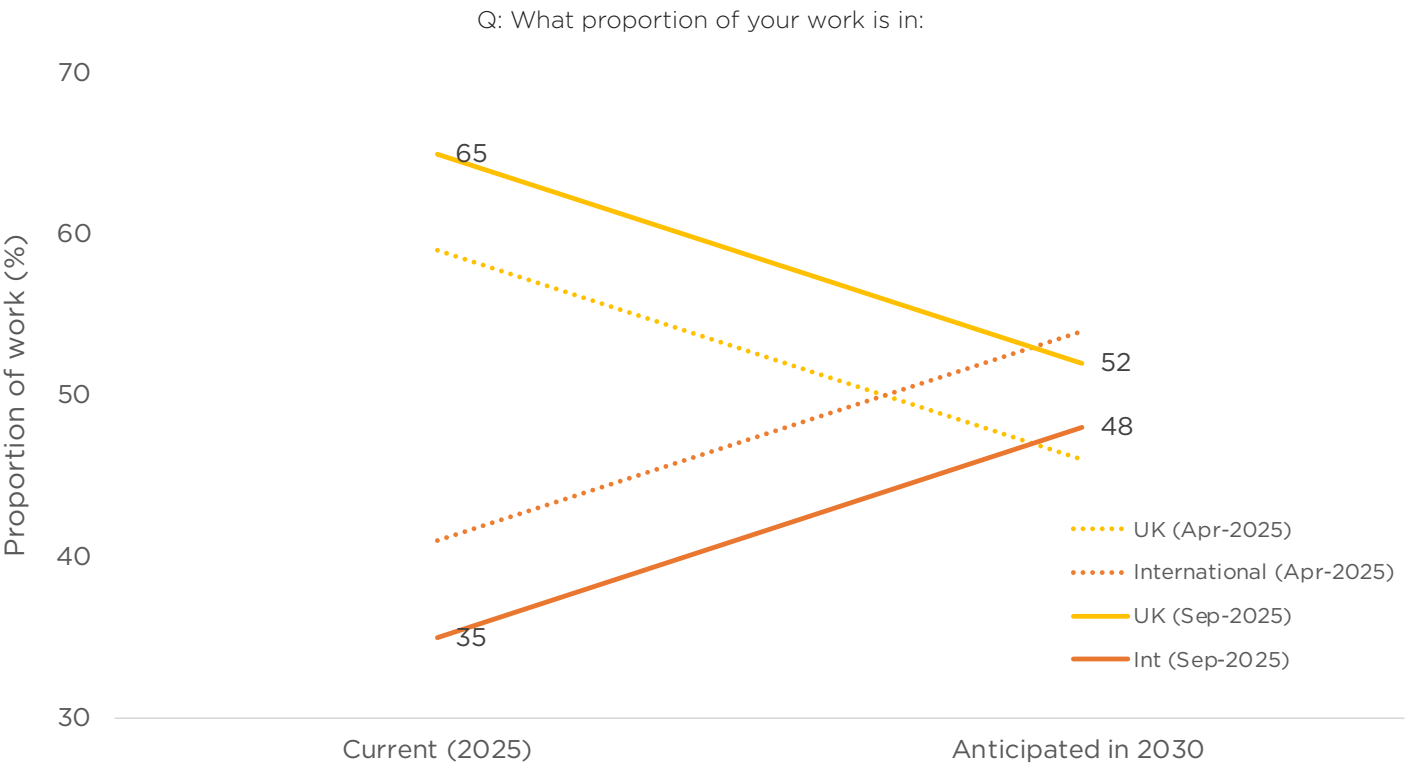


11. What single factor would make the biggest difference in unlocking the multi-billion-pound supply chain opportunity offered by decommissioning activity in the UKCS?

Key Themes and Illustrative Comments

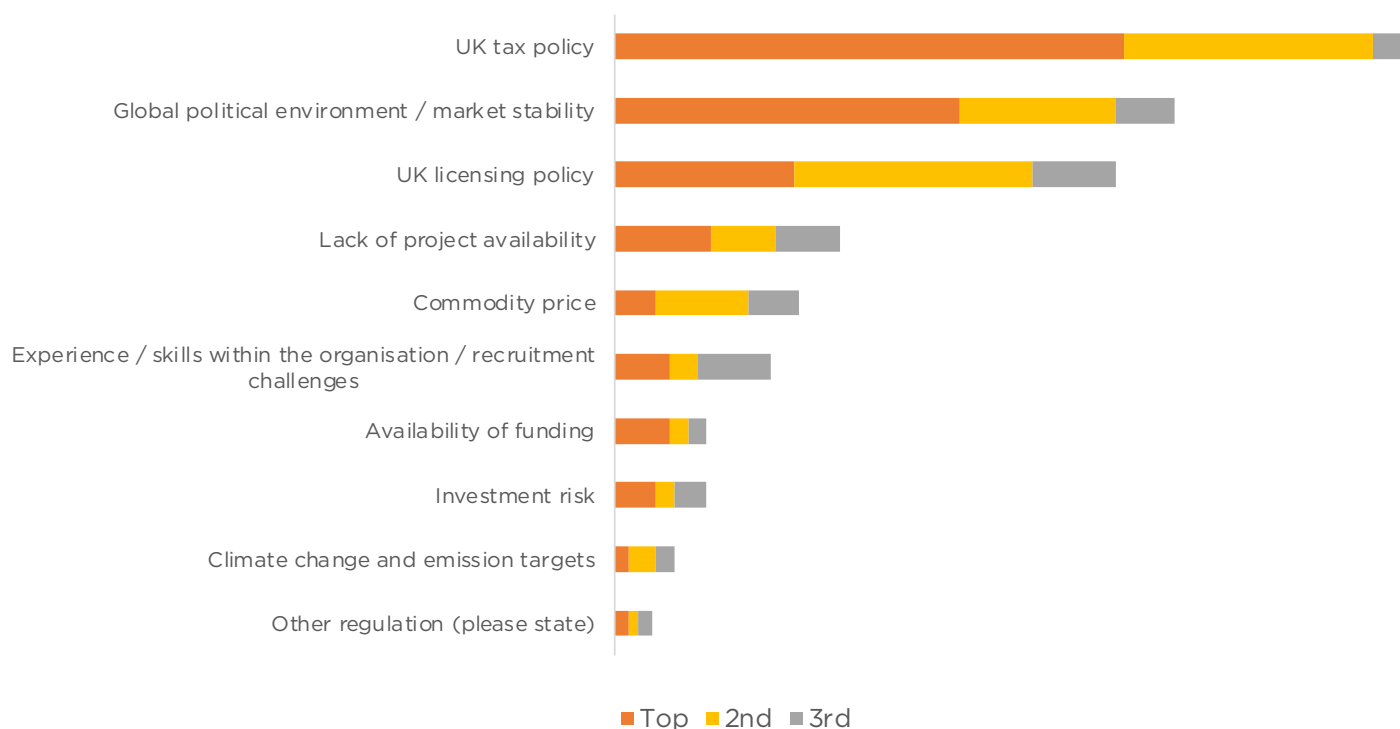
1. Government and Fiscal Policy Stability	"Remove EPL. Why would any operator want to spend money decommissioning when they are being taxed 78% on their profits?" "Change in UK Energy Policy & associated taxation." "There appears no future stability and hence ability to long-term plan — all driven by government policy uncertainty."
2. Regulatory Clarity and Streamlining	"A clear, stable, and streamlined regulatory framework that consistently governs decommissioning activities, timelines, and cost recovery." "The NSTA should keep the politicians and cheap media headlines out of the picture and apply greater practical enforcement on agreed decom timetables."
3. Predictable Contracting and Work Pipeline	"Inconsistent and unpredictable contracting opportunities in the UKCS." "The decommissioning opportunity needs a cohesive, coordinated approach across operators to ensure a managed pipeline of decom activity."
4. Local Content and Supply Chain Development	"All UKCS installations should be fully decommissioned in the UK — the ability to prioritise local content would create a vital industry for the supply chain."
5. Standardisation and Coordination	"Standardisation of practices, technologies, and contracting models across operators and regions." "Cohesive, coordinated approach across operators."
6. Investment Sentiment and Market Confidence	"Government needs to accelerate current thinking." "Removal of value-destructive taxes that remove all discretionary cash flow from operators."
7. Operational and Resource Constraints	"Limited availability of suitable rigs, vessels and facilities in the UK." "A lack of skilled workforce."

12. The trend away from the UK and towards international work continues to be clear. Although the latest results may indicate that the timeline has softened, firms still anticipate that around half of their work will be overseas by 2030



13. UK tax policy remains the leading concern for companies over the next five years, followed by market stability, and UK licensing policy. In turn, this is slowing progress with the energy transition.

Q: What are the top three concerns for your organisation over the next 5 years?



Q: Please expand on your answer

Respondents expressed widespread frustration with what they view as unstable and unsupportive UK government policy, with many stating that current fiscal and regulatory conditions are driving investment away from the UKCS:

“Energy policy is resulting in investment in the UKCS disappearing and being spent in other regions”

“The UKCS has become un-investable for some and is heading to become un-investable for all.”

Several highlighted the need for greater policy clarity and faster progress on transition projects:

“the UK needs long-term decisions to create stability for investment”

“government needs to sanction energy transition projects to enable us to grow.”

Others emphasised barriers to innovation and funding:

“There is not a clear pathway to innovate... there is not fluid dialogue between innovators and funders.”

A recurring concern was also the perception of a hostile policy environment:

“demonising the upstream sector makes investment and employment attractiveness reduce massively”

“government policy is the silver bullet.”

14. Profitability / lack of return on investment were identified as other key challenges to diversification, followed by the pace of project consent, planning, and grid capacity.

Q: Which of the following do you consider as the main challenges to diversification into renewable energy over the next 5 years (to 2030)?



Q: Please expand on your answer and if 'Other challenges' - please expand on that:

Respondents highlighted poor financial returns as the main obstacle to diversification, with several noting that renewables are **“not profitable without grants”** and **“reliant on subsidies.”**

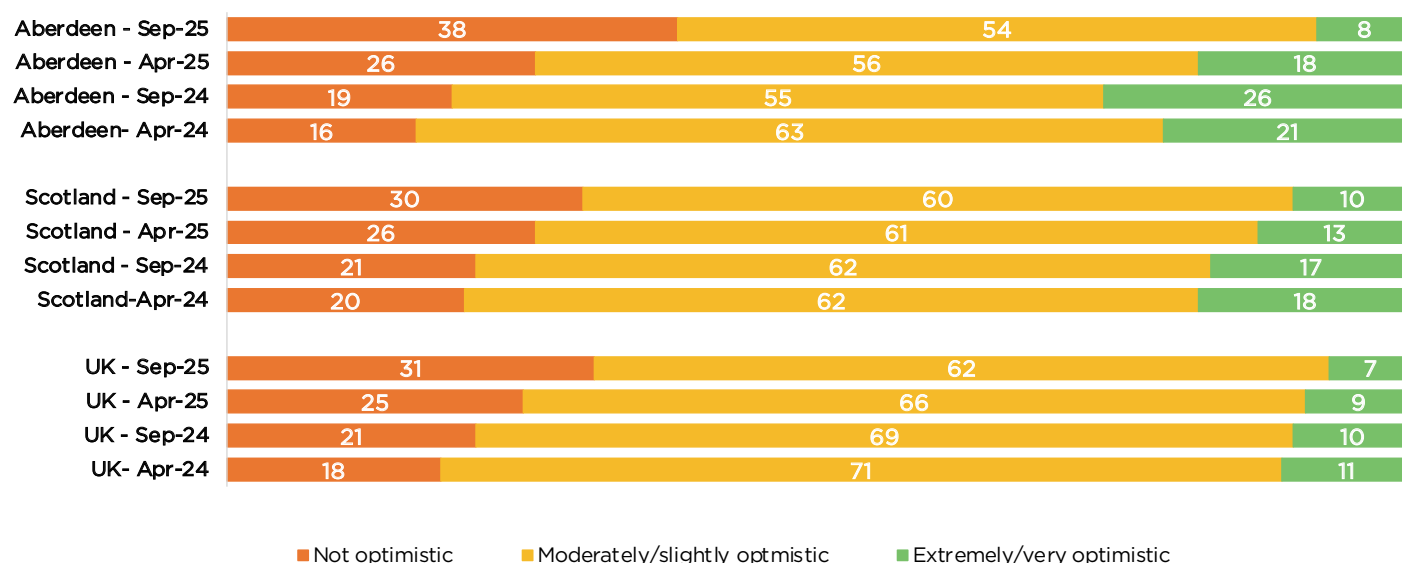
Policy and regulatory barriers were also criticised, including **“CfD parameters and transmission charging reform”** and government pricing decisions that **“make UK electricity the most expensive in Europe.”**

Others cited limited UK-based suppliers, skills gaps, and a disconnect between technical and financial expertise as further challenges.

Overall, the comments reflect frustration with weak profitability, policy misalignment, and supply chain limitations slowing progress in renewable diversification.

15. Optimism about the UK, Scotland, and Aberdeen as future global energy hubs declining over time. This is most pronounced for Aberdeen, where positive sentiment has weakened sharply

Q: How optimistic are you about the long-term future of a) Aberdeen, b) Scotland, & c) UK as leading the way as an integrated globally recognised energy hub focused on the delivery of net zero?



Aberdeen	Scotland	UK
Aberdeen can transform from a fossil fuel hub to a centre of excellence in hydrogen, offshore wind, and carbon capture. Large-scale private investment in renewables facilities is promising — fortune favours the brave. Aberdeen has a world-class skills base, but delivery is hampered by weak policy and limited government support. "Opportunities exist with the right interventions, though the city remains too focused on oil and gas. Aberdeen is a city that is dead already due to the collapse of oil and gas activity. Limited diversification and lack of leadership are holding the region back. The supply chain and skills base are shrinking with little government support.	Scotland has strong potential in offshore wind and renewables if well supported. Local councils' proactive decarbonisation strategies are impressive. Scotland's track record in wind energy is a real strength. Scotland is better placed than the rest of the UK to lead the transition. Delays in offshore wind and lack of funding are holding progress back. Glasgow Council's regional initiatives show positive movement. Scotland is falling behind in renewables due to policy confusion and lack of execution. Shutting down oil and gas without sufficient renewables replacement undermines energy stability. The government's transition strategy is blinkered.	Economic sense will force governments to change. The UK can become a major renewables leader if policy direction improves. With the right background factors, the transition can accelerate. The UK retains potential if policy direction changes. A significant change of direction is needed. Pragmatic government action is required to support a balanced transition, innovation, and energy security. Government policy is confused and incompetent. Excessive focus on net zero is hurting industry. Unrealistic targets, policy collapse, and lack of leadership are driving pessimism.



Energy Transition Case Study - Buchan Offshore Wind



Tell us a bit about your project

Buchan Offshore Wind is the developer of a floating offshore wind farm 75 km northeast of Fraserburgh on the Aberdeenshire coast. With a capacity close to 1GW and a connection date of 2033, it is anticipated that its construction later this decade will spark significant investment in Scotland's ports and bring long term jobs to Aberdeenshire and the Highlands.

This summer the project submitted its offshore consent application to Scottish Ministers and in October submitted a planning application to Aberdeenshire Council for the onshore infrastructure required to connect the multi-billion pound energy project to the electricity grid.

The works include a cable landfall on the Aberdeenshire coast at Rattray Head and an underground cable route which will extend around 20 km south to the project substation on a site close to the existing Peterhead Substation.

It is estimated the project's development would see more than £900 million invested in Scotland's manufacturing sector and supply chain, with around 2,900 jobs in Scotland at the peak of construction and close to 300 ongoing jobs during operation.

Floating foundations

What makes Buchan Offshore Wind stand out is that it will be one of the first in a new generation of floating offshore wind farms – built far out at sea using new foundation types to access offshore wind in deep waters. Unlike many developers which have not yet chosen their foundation, Buchan Offshore Wind has selected its preferred foundation type – known as the Damping Pool® – developed by project shareholder BW Ideol.

The Damping Pool is a concrete-filled steel structure which is already proven at scale in France and has received DNV certification for its design.

Earlier this year, the Damping Pool was ranked first out of 107 floating offshore wind foundation concepts in an independent and in-depth study conducted by OpenWater Renewables Ltd for the UK Technology Leadership Board.

The study relied on a rigorous and transparent methodology, assessing a theoretical 750 MW wind farm located offshore Scotland. Concepts were scored against 38 weighted criteria covering technical performance, commercial viability, project risk, and site-specific challenges such as installation and accessibility in North Sea conditions. In addition, BW Ideol has calculated that the use of concrete over steel reduces the CO₂ footprint of each floater by 30 percent over its lifecycle, and the proposed use of synthetic mooring ropes would further

increase the green credentials of the technology.

Concrete plans – Ardersier

Whilst most floating foundation designs are likely to be made from steel in Asia and then assembled in Scotland, BW Ideol has an exclusive agreement with the Ardersier Energy Transition Facility on the Moray Firth to build a bespoke manufacturing facility and production line for the local mass production of concrete floating foundations.

This single production line will have the capacity to deliver one concrete foundation every 12 days using a gantry-slip forming method and will be capable of supplying several projects across the North Sea. This project would create up to 1,300 direct and 3,900 indirect jobs significantly boosting the UK's offshore wind supply chain.

Next steps

Floating offshore wind offers a significant opportunity for Scotland to play a leading role in this exciting new technology – using many of the port facilities, and the skills, which have underpinned Scotland's oil and gas industry for decades. Hurdles remain. The pioneering first projects need to be consented, financed and built – however Buchan Offshore Wind believes it has a compelling case to be one of the UK's very first large-scale floating offshore wind schemes – with foundations built in Scotland.

Net zero and ESG strategies talking points

- Net zero and ESG commitments remain low on the radar of respondents. Maintaining profitability and financial stability remains the top business priority, followed by diversification into new markets and improving operational efficiency
- There continues to be a significant proportion of companies without net zero strategies and a trend for others to push out the timeline for achievement
- In terms of ESG strategies, we are seeing a steady fall off in commitment over recent surveys
- Over a third of respondents continue to report no requirement from customers to demonstrate net zero/ESG credentials when bidding for work

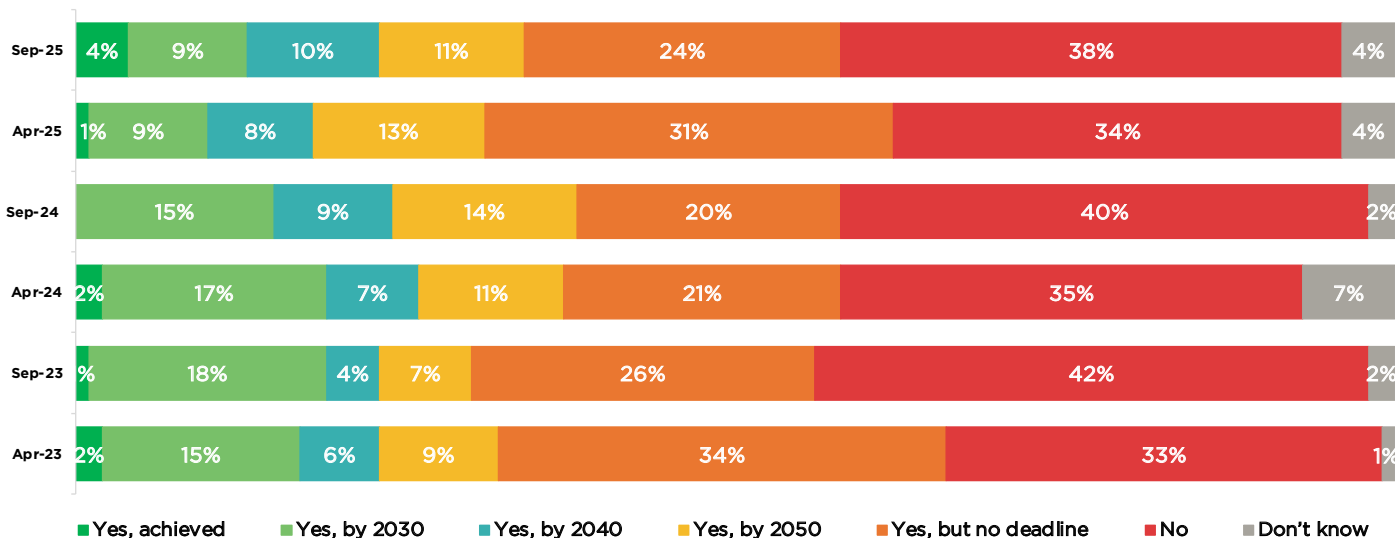
16. Net zero and ESG commitments remain low on the radar of respondents. Maintaining profitability and financial stability remains the top business priority, followed by diversification into new markets and improving operational efficiency

Q: Please choose your top 3 business priorities in order of importance to your organisation.



17. There continues to be a significant proportion of companies without net zero strategies and a trend for others to push out the timeline for achievement

Q: Has your business developed a specific net-zero strategy?



18. How are engaged companies tracking progress?

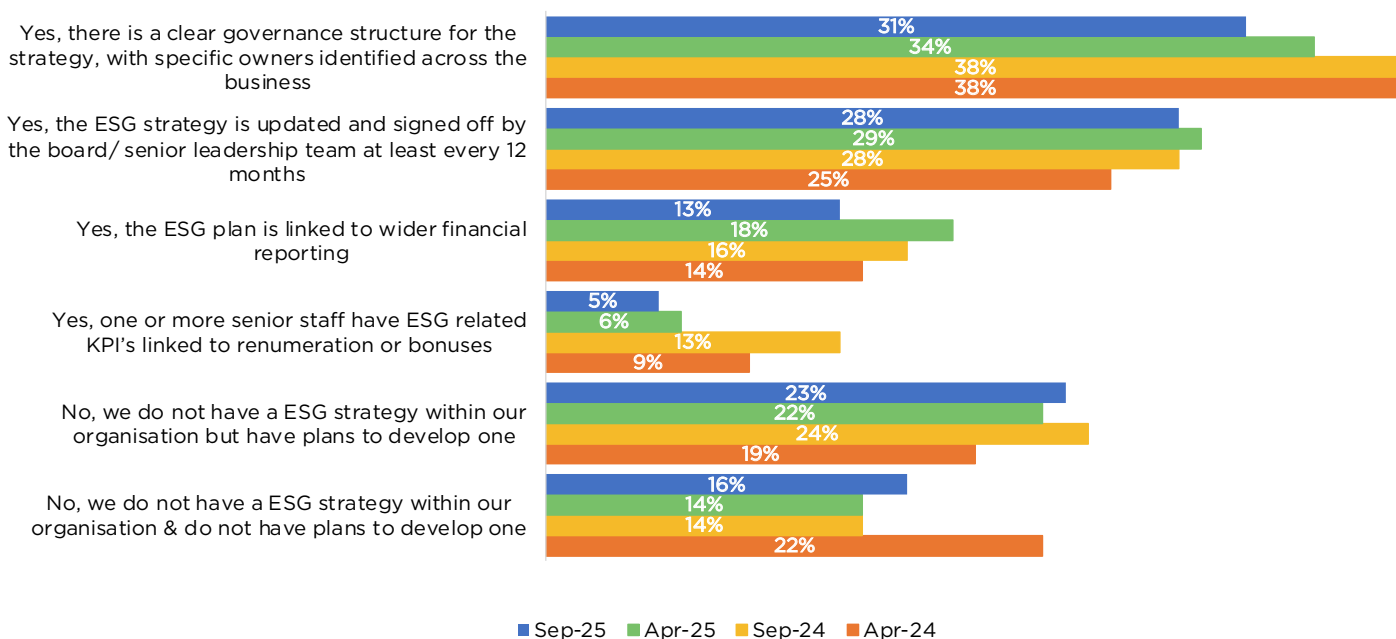
Key Takeaways from 33 Responses

- Annual reporting and uploads to formal portals (like CDP) are common, alongside ESG/Sustainability reports published yearly or biannually.
- Many responses mention ongoing, monthly, or annual monitoring of carbon footprint, energy usage, and key environmental metrics through internal systems, audits, or stakeholder reports.

Sustainability priorities are reflected in targets for emissions reduction, sometimes set out to 2030, and specific actions like insulating facilities and switching to LED lights.
- Commitment is shown through the employment of dedicated coordinators, adoption of frameworks (ISO 9001), and partnerships with carbon consultants or schemes such as SBTi.
- A minority describe tracking processes as 'manual,' with some highlighting the current lack of external demand for ESG status from clients or suppliers.
- Offset initiatives and broader strategies include tree planting to compensate for CO₂ and live environmental plans to regularly review impact.
- Several mention global tracking frameworks via parent companies, integration with business management systems, and ongoing attempts to add or improve functionality for monitoring progress.
- Consultancy firms note challenges in reducing Oil & Gas-related projects due to market and policy context, demonstrating sector-specific complexities in meeting sustainability goals.

19. In terms of ESG strategies, we are seeing a steady fall off in commitment over recent surveys

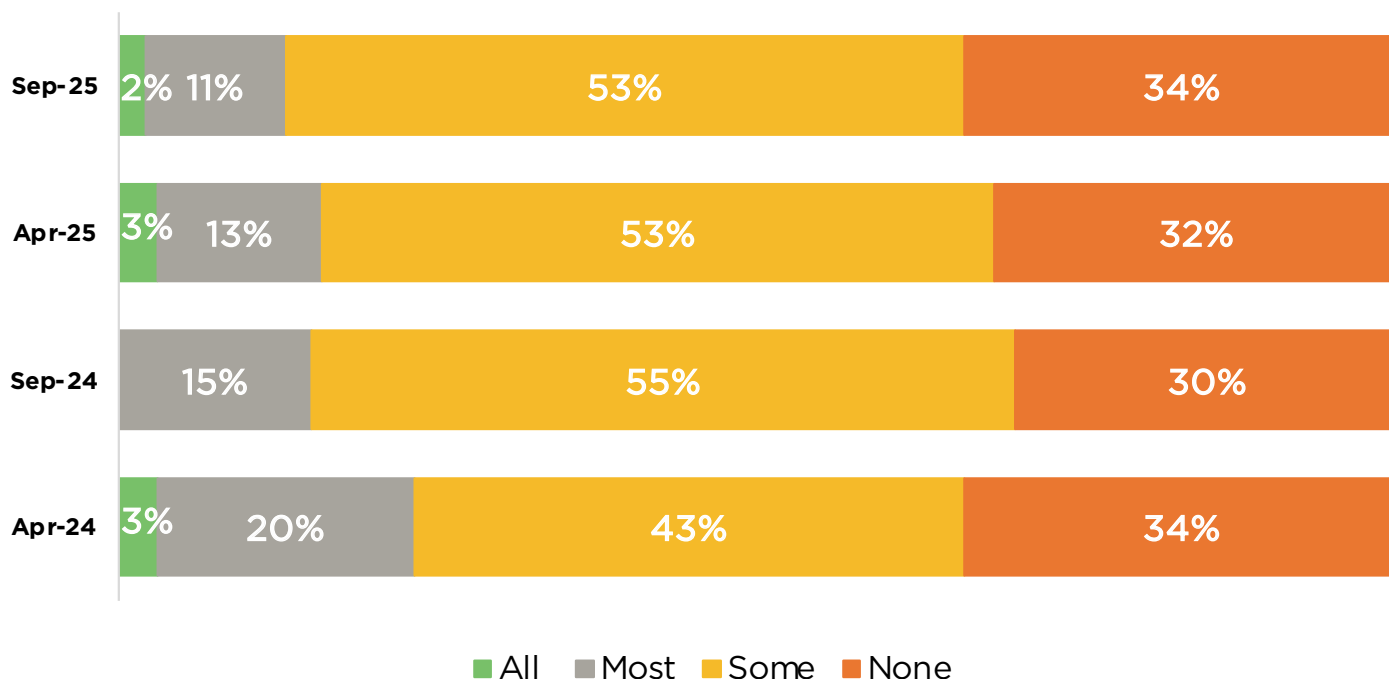
Q: Do you have a wider Environmental Social Governance (ESG) strategy within your organisation, that has board/ senior leadership level support?



(Multiple responses)

20. Over a third of respondents continue to report no requirement from customers to demonstrate net zero/ESG credentials when bidding for work

Q: To what extent are your customers requesting validation of your approach to net zero / other ESG commitments?



Q: Please specify what level of evidence / assurance customers are seeking?

- Most client and tender requirements are met through written responses, policy documents, and completion of ESG or Net Zero questionnaires.
- Formal audits, accreditations (such as ISO), and submission of annual reports (including GHG data and SBTi) are commonly required to demonstrate compliance.
- Failing to provide clear ESG evidence, especially via mandated online portals or direct customer requests, can result in loss of business or exclusion from tenders.
- Though practices vary, there is a growing trend for more detailed evidence of operational ESG activity, with some businesses integrating innovative approaches beyond compliance to address environmental risks and value creation.
- Overall, the sample reveals a landscape of routine compliance, formal audits, and increased written evidence demands—interspersed with pockets of genuine environmental innovation and operational alignment in a sector responding to broader customer and regulatory pressures.



Energy Transition Case Study - Ocean Winds



Ocean Winds (OW) develop, finance, construct and operate offshore wind farms around the globe and are currently present in 8 countries. In the UK our portfolio includes the operational Moray East (950 MW) and Moray West (882MW) wind farms in the Moray Firth, making us the largest offshore wind operator in Scotland. Next in the pipeline is the Caledonia (2,000MW) project also located in the Moray Firth and the 2,300MW Arven floating project off the east coast of Shetland. Ocean Winds has a strong track record of delivering clean energy infrastructure, providing long-term high-quality jobs and enabling supply chain diversification.

Workforce

With a strong commitment to driving the energy transition, Ocean Winds is proud that 60% of our staff across our Operations and Maintenance teams in Fraserburgh and Buckie come from an oil and gas background. By locating our projects in areas like the North-east of Scotland, we've been able to tap into the skilled labour pool while supporting local economic growth, highlighting the benefit of locating new clean energy projects in parts of the UK with an experienced offshore workforce. Ocean Winds has also invested heavily in skills development programmes for the workforce of the future, with a particular focus in the North-east of Scotland. In partnership with Energy Skills Partnership

(ESP) and NESCol we've developed several programmes to address recognised skills gaps including a pre-apprenticeship programme in welding and innovative augmented reality welding training equipment for the college network. We've also supported several school STEM initiatives including the STEM Leader 7 qualification.

Supply Chain

We have played an active role in supporting the oil and gas supply chain to diversify into the growing offshore wind sector including through direct procurement and mentoring by technical and procurement specialists from OW ahead of fabrication tenders to maximise selection prospects. At Port of Nigg, Global Energy Group, a company with deep roots in the oil and gas sector, fabricated two complex J-tube cages that were critical foundation elements for our Moray West project. Balmoral, with expertise in the O&G subsea sector supplied cable protection and Seaway7 delivered the inter-array cable installation for Moray West, subcontracting the cables to JDR in Hartlepool, another company with a strong UK heritage in O&G. OW led the creation of the DeepWind Cluster in partnership with Highlands and Islands Enterprise. DeepWind was hugely successful, as evidenced by the membership base of nearly 1,000 Scottish companies and

including all active offshore wind developers in Scotland. Over 350 members were from the O&G supply chain heartlands of the northeast. As part of activity to support a more co-ordinated national approach, the DeepWind Cluster merged with Forth and Tay Offshore cluster to form the Clean Energy Cluster earlier this year. Additionally, OW has supported major port investments in Invergordon and Nigg through awarding major contracts, allowing them to build the infrastructure necessary for diversification into renewables.

Barriers to Deployment at Pace

In Scotland, increasingly higher and volatile Transmission Network Use of System (TNUoS) charges and Transmission Loss Multipliers (TLMs) are creating significant barriers to the operation and future deployment of offshore wind projects. Regulatory misalignment with wider policy goals now poses a growing threat to the North Sea's energy transition. Urgent intervention is needed to correct harmful locational market signals eroding value from existing assets, creating windfall losses and deterring future investment in Scotland. Rising grid constraint costs threaten to undermine public and investor confidence, reinforcing a false narrative that offshore wind in these areas is uneconomical due to limited grid access and/or consumer impact of network investment. Government must continue its drive to build out the grid and stimulate the demand necessary to unlock the potential for offshore wind generation off the coasts of the North-east and the islands of Scotland, where the UK's wind energy resource is most abundant.

Without urgent reform, there is a real risk that electricity market conditions result in failed expectations around an orderly transition for the energy supply chain and jobs underpinned by offshore wind. Market reform and the build out of the transmission network will allow offshore wind projects to progress, providing the order books needed for the supply chain, encouraging further investment, enabling the energy transition to secure our work force and deliver energy security.

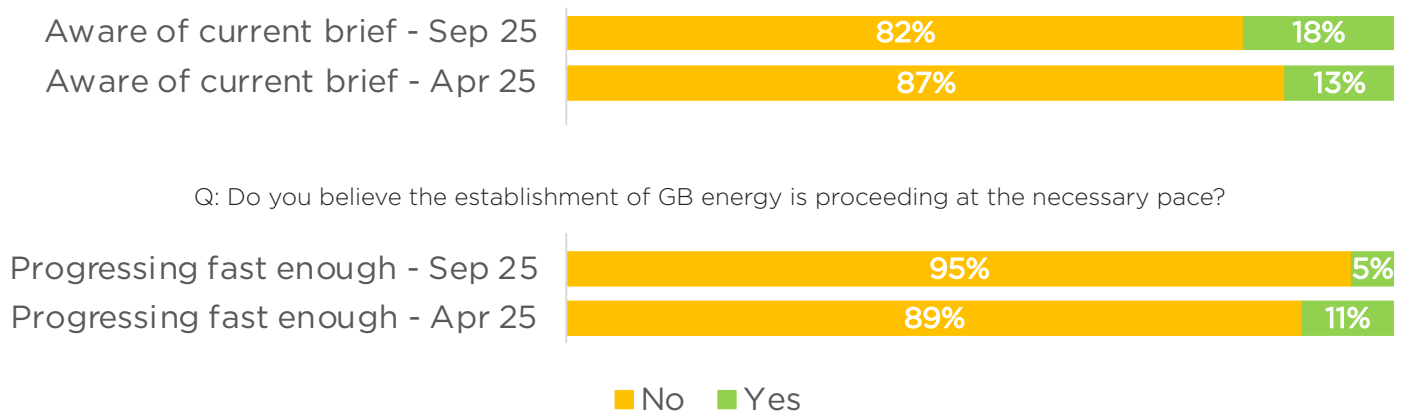
Government policy and regulatory environment talking points



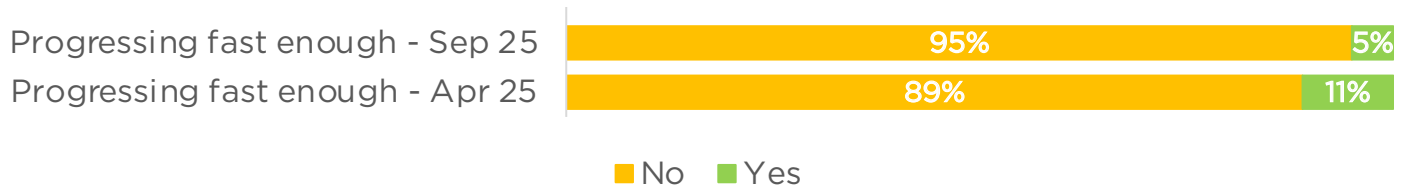
- Most businesses are still unclear on GB Energy's current remit and consensus is growing that action is not moving quickly enough. Respondent views on what its main areas of focus should be, are wide ranging
- Supply chain engagement with the HMT/DESNZ consultations was limited, and confidence in their potential to drive meaningful policy change was low
- Increased support for continued domestic oil and gas production where operators can demonstrate lower emissions than imported equivalents and deliver greater domestic economic value
- Clear strengthening of views that ending the Energy Profits Levy ahead of 2030 would help boost investment, protect jobs, and increase tax revenues and on domestic energy security being of vital importance
- The majority of respondents agree that a return to the pre EPL fiscal regime from 2026-27 will unlock the greatest positive impact with longer term stability also being of vital importance
- 9 in 10 companies clearly think that the continued absence of clear energy policy from Scottish Government is damaging confidence and investment

21. Most businesses are still unclear on GB Energy’s current remit and consensus is growing that action is not moving quickly enough. Respondent views on what its main areas of focus should be, are wide ranging

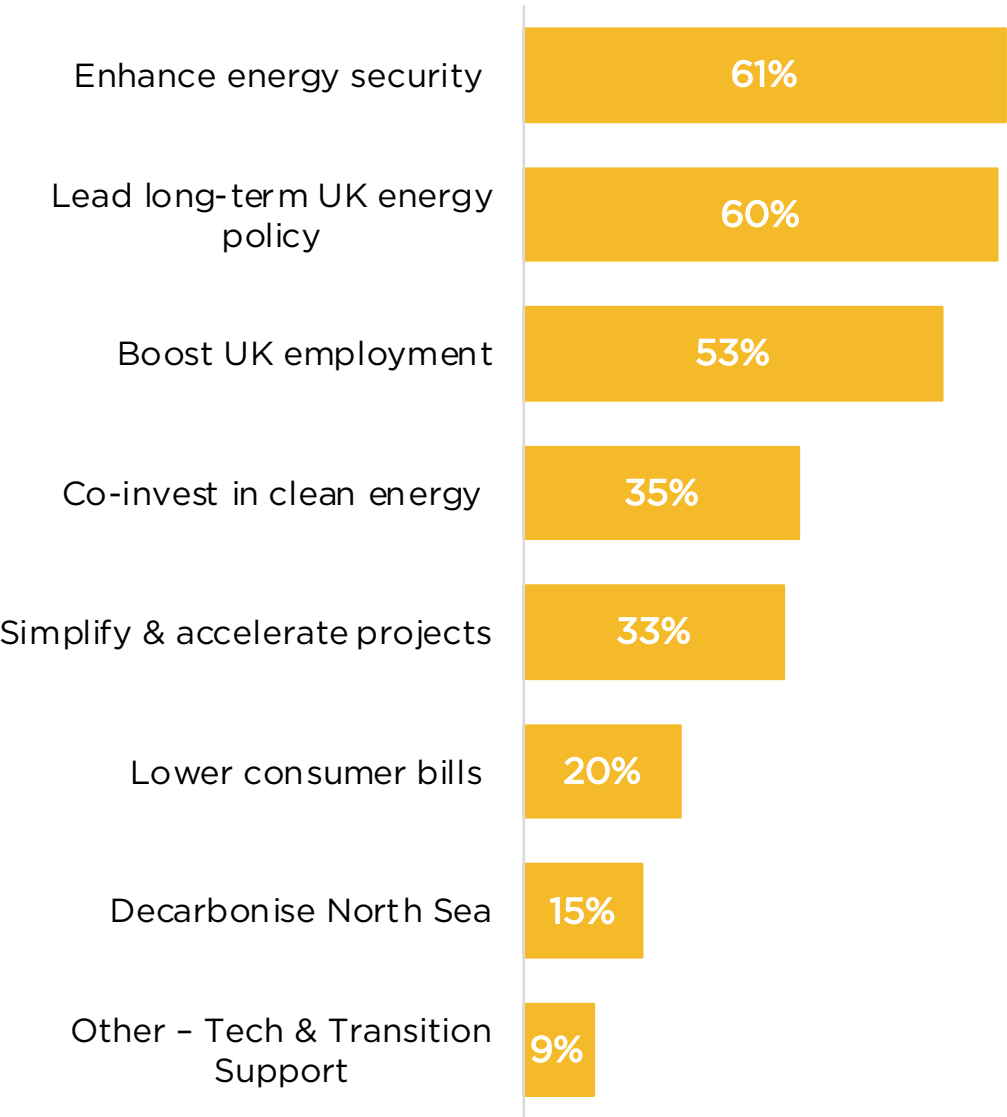
Q: Are you clear on what the current brief of GB energy is?



Q: Do you believe the establishment of GB energy is proceeding at the necessary pace?



Q: What do you think should be its three main areas of focus?



22. Comments on GB Energy

Q: Do you have any other thoughts on GB Energy currently?

Lack of clarity and purpose

“Concise tangible objectives of GB Energy seem unclear.”

“Does it have independent powers to make a difference?”

“Purpose unclear. Costs high. ROI not clear.”

Perception of political branding or ideological project

“A complete waste of time and money — a distraction tactic from a government trying to destroy the upstream industry for ideological reasons.”

“Appears to be a politically and ideological creation with no serious value add.”

Concerns over pace, delivery and funding

“It still feels early-stage and underfunded compared to its ambitions.”

“Seems very slow to act or support new projects.”

Even if intentions are positive, the organisation has yet to demonstrate meaningful delivery.

Lack of industry engagement and credibility

“Why were they not exhibiting or present at the recent OE2025 conference?”

“GB Energy never heard of us or will ever explore what we do.”

Preference for a balanced, pragmatic energy mix

“It should be at the cutting edge of renewables but alongside the existing Oil & Gas sector which is still required.”

“Focus on growth and stop being idealistic on exterminating O&G.”

Minority constructive views

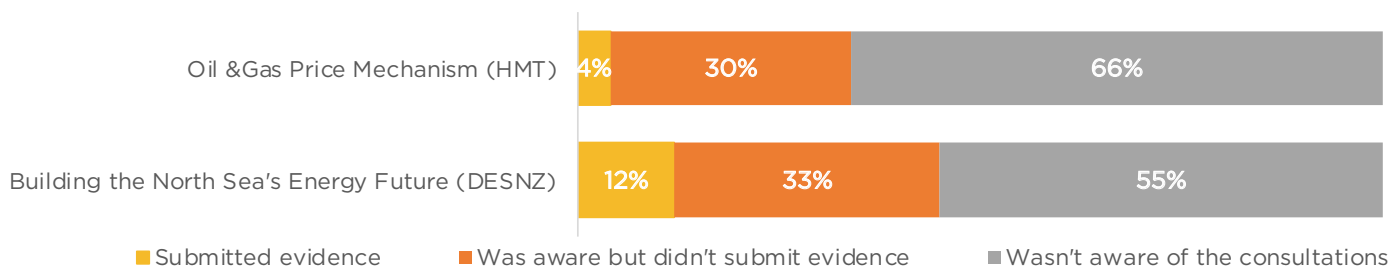
“GB Energy should take the lead on establishing world-leading renewables technology development in the UK.”

“Needs to be operating assets over the long term — otherwise it will become irrelevant.”

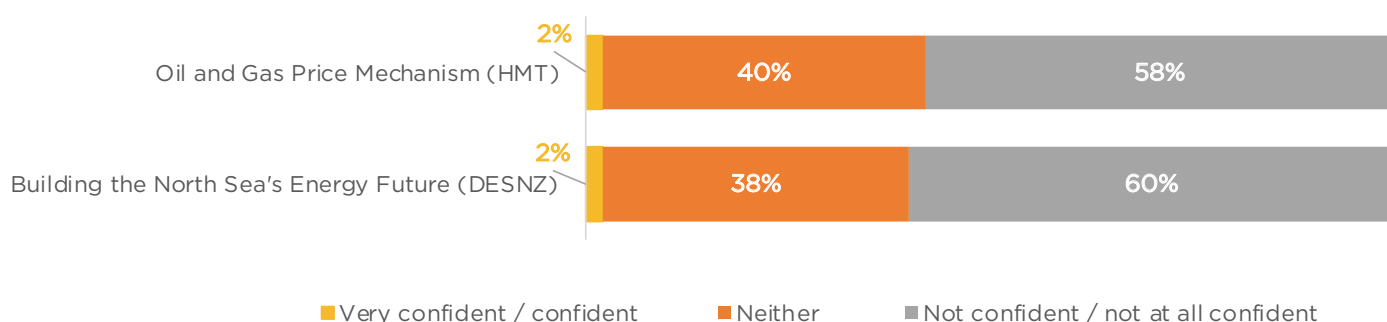


23. Supply chain engagement with the HMT/DESNZ consultations was limited, and confidence in their potential to drive meaningful policy change was low

Q: Regarding the following UK Government energy-related consultations, please indicate your level of engagement

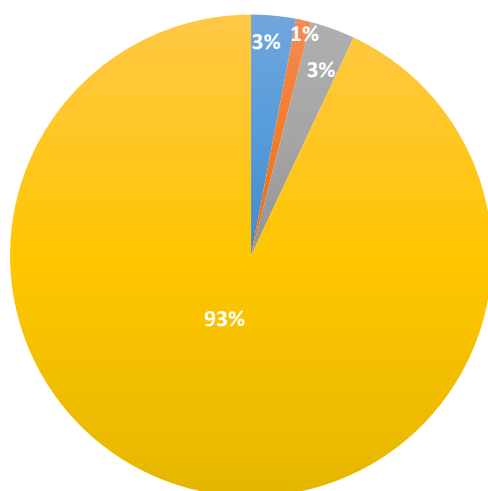


Q: How confident are you that these consultations will result in meaningful policy change?



24. Increased support for continued domestic oil and gas production where operators can demonstrate lower emissions than imported equivalents and deliver greater domestic economic value.

Q: Which of these statements is closest to your view:



Other:

Electrification should be prioritised.

The ability to control fuels production from extraction to distribution is essential for national security, especially in current geopolitical uncertainty.

The Energy Transition need to happen over a longer term now than 2030.

■ Other

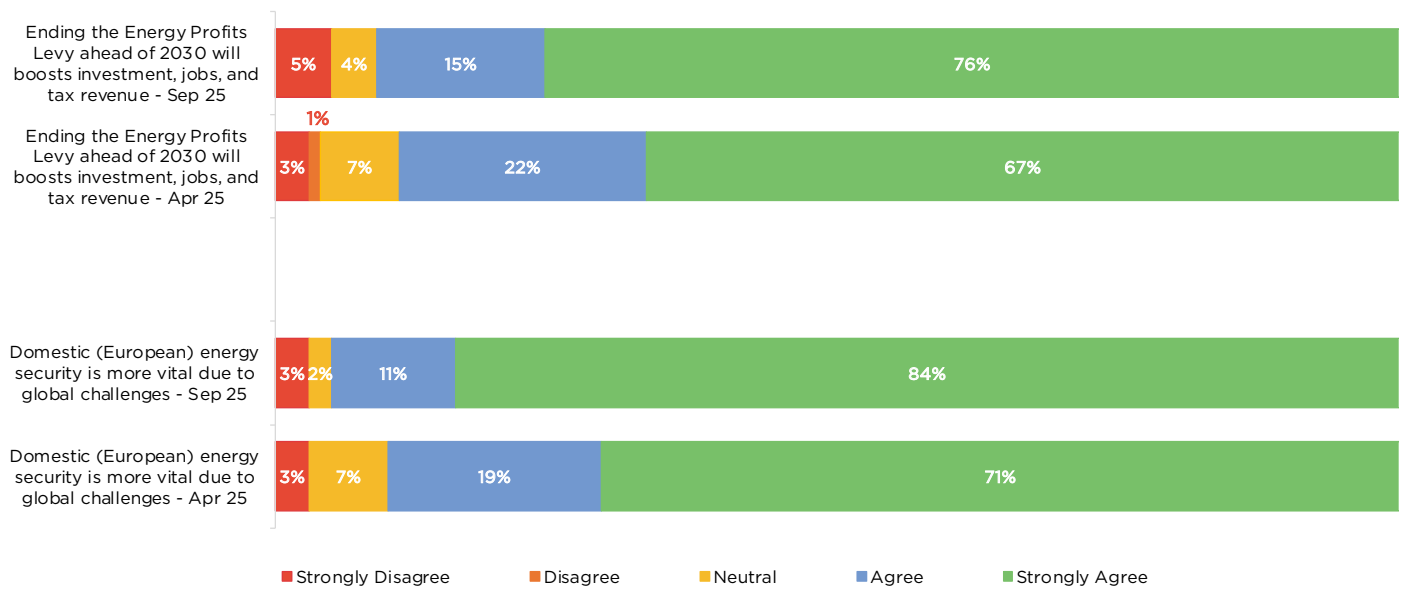
■ All current licenses North Sea licences should be revoked and the decline of domestic oil and gas production accelerated

■ Only current fields and projects with licences and consents awarded before 2024 should proceed

■ Additional licenses and consents should be granted where operators can clearly demonstrate emissions will be lower than imported equivalents and will generate increased domestic GVA

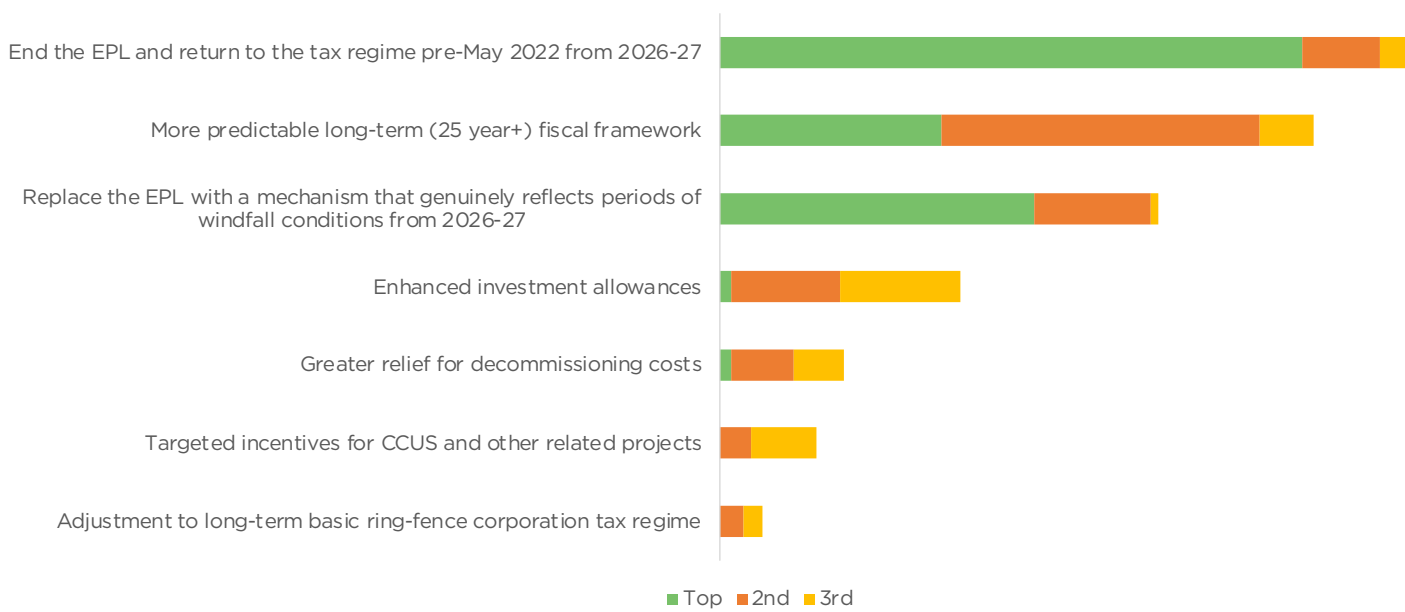
25. Clear strengthening of views that ending the Energy Profits Levy ahead of 2030 would help boost investment, protect jobs, and increase tax revenues and on domestic energy security being of vital importance

Q: On a scale of Strongly Disagree to Strongly Agree please indicate your views on the following:



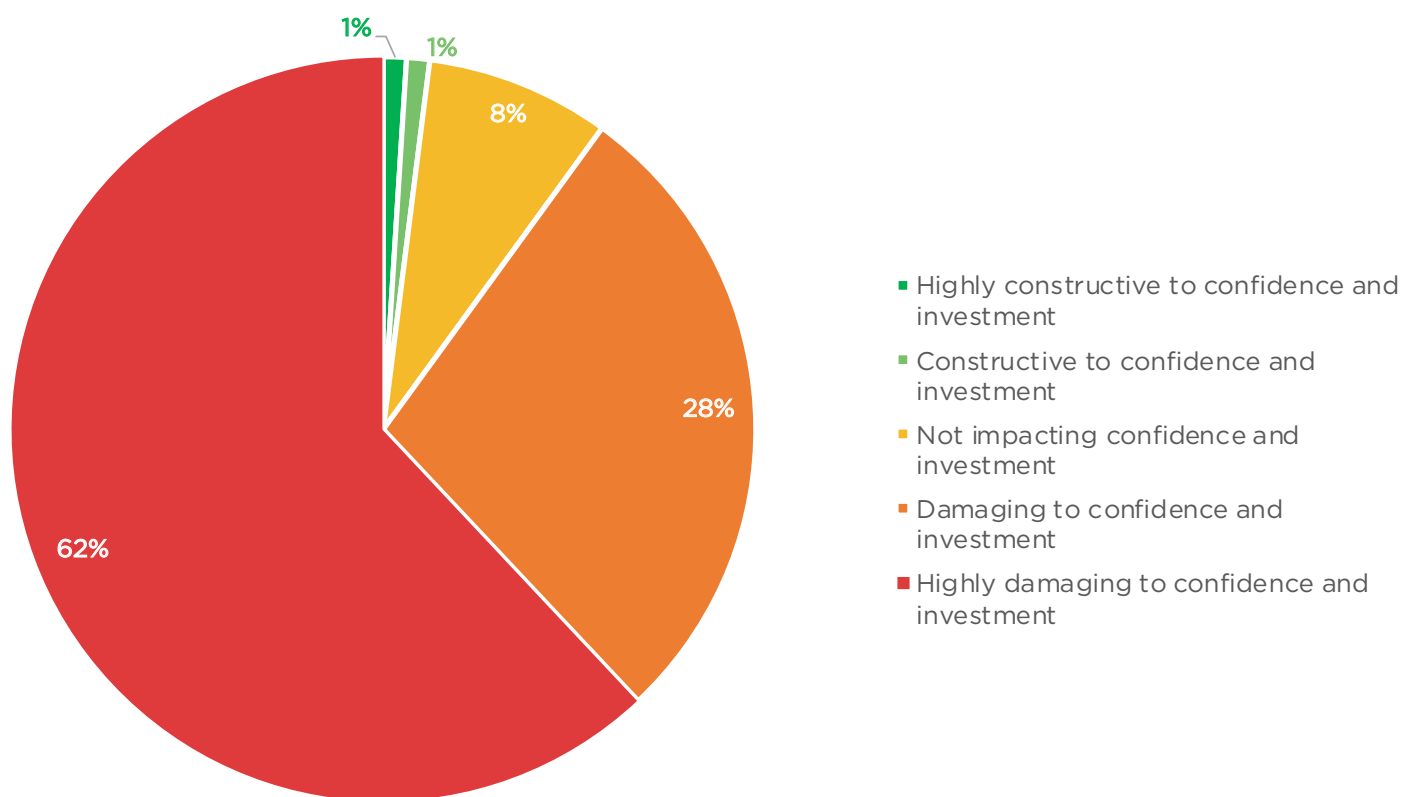
26. The majority of respondents agree that a return to the pre EPL fiscal regime from 2026-27 will unlock the greatest positive impact with longer term stability also being of vital importance.

Q: Which of the following changes to the current North Sea fiscal regime would unlock the greatest positive impact?



27. 9 in 10 companies clearly think that the continued absence of clear energy policy from Scottish Government is damaging confidence and investment

Q: The continued absence of clear energy policy from Scottish Government is:



Energy Transition Case Study - First Tech Group



By
Martin Suttie,
Managing Director

The world is going to need more energy. The North Sea is a prime spot to provide more energy with more oil and gas, with fixed and floating wind and other technologies such as Hydrogen all suggesting a bright future ahead for the North Sea.

The North Sea also has decades worth of decommissioning work to be fulfilled.

The above are all facts and as the Chairman of a group of companies that can assist in to a significant extent in any offshore operation I should be putting all our focus into the North Sea?

My family have owned and managed upstream and oilfield service businesses in Aberdeen for nearly 40 years so if I am looking for some diversification then I believe almost every other company will be as well.

That is not to say the North Sea won't remain important to us, I have lived, and likely will live my whole life here but those with less deep roots may well find it easier to find pastures new in basins offering a more clear direction of travel.

So what are we doing to diversify our group. Almost half our turnover is offshore wind related now.

In 2013 our Management Team at First Subsea recognized the decline in installation of FPSOs round the world and engineered a connection solution

for fixed offshore wind. That business now employs around 100 people with most of its turnover in the renewable sector, all around the world. We have not rested on our laurels though and believe we have a big role to play in heavy lift and caisson and conductor removal in decommissioning but like so many in that sector are frustrated but the extremely slow ramp up in activity.

Last year First Integrated Solutions acquired Tusk Lifting. Tusk is a similar business to First Integrated but offers greater diversification into petrochemical, nuclear and defence industries. Their depots are Teesside, Hull, Liverpool and Glasgow and we expect to set up further depots in the coming months and years.

In February this year, First Marine Solutions acquired Andrews Survey, a business based in Aberdeen that has been trading for 47 years. That business provides survey and positioning services and equipment to some of the biggest vessel companies in the world. That means that from Aberdeen we are assisting vessels in all corners of the world in many different industries, such as oil and gas in the UK or abroad, offshore wind or telecoms.

FMS are also installing renewables and oil and gas infrastructure in India, Africa, USA and various other locations.

As North Sea activity declines its

natural as a group we will look to establish further presence out with the UK and set up up locations overseas. We are already doing this in two locations 1000s of miles away as I write this.

There is a possible future where Aberdeen becomes extremely buoyant again:

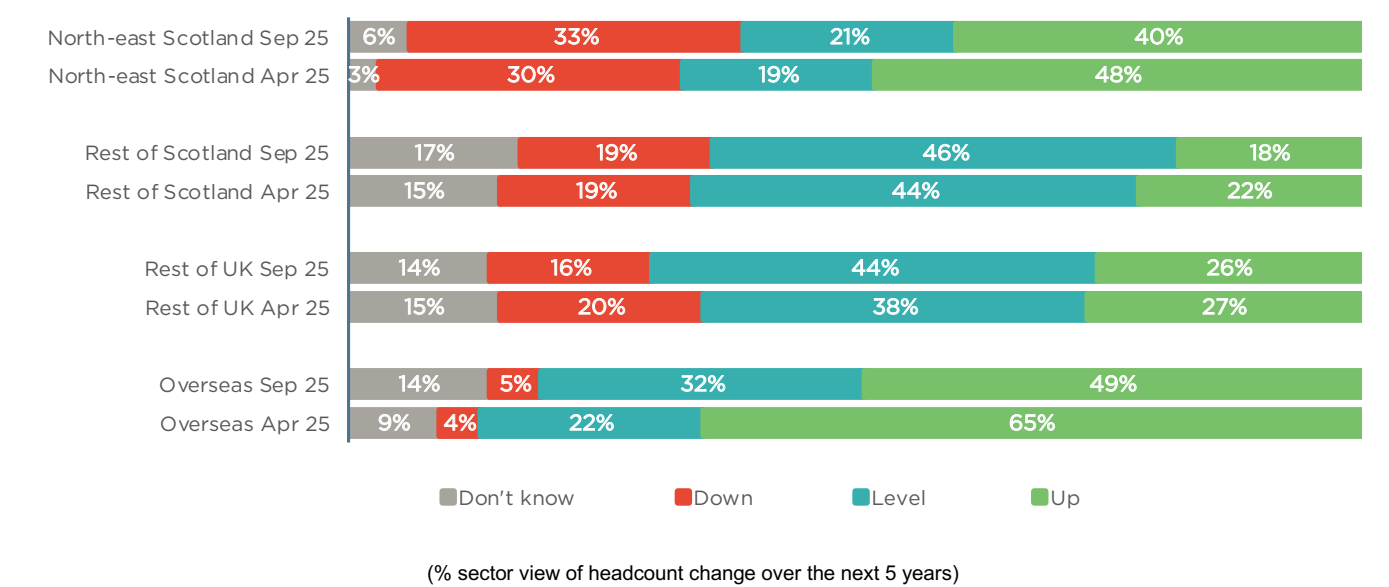
1. Oil and gas new developments, there are some big undeveloped fields that can and should happen
2. Decommissioning is genuinely ramped up in a manner commensurate with the amount of work that requires to be done
3. Floating offshore wind is unlocked and proven in the North Sea and then hopefully exported with the North Sea expertise to basins all over the world importantly to basins with no oil and gas industry as well.
4. Hydrogen projects happen
5. Carbon Capture projects kick off and again expertise can be exported worldwide
6. Wave and Tidal projects continue to develop
7. Should the above all happen and if the governments really are striving for growth and energy security then the above should all be in their plan.

Recruitment and skills gaps talking points

- A third of respondents forecast a reduction in their North-east Scotland workforce over the next five years with fewer expecting growth in regional roles. Meanwhile around half of companies expect to increase international headcount
- Easing in reported levels of difficulty in recruiting for key job/skill types continues as greater numbers of staff in the market. Technical roles remain most challenging to recruit for
- Confidence in securing future skills remains mixed among respondents. Concerns remain about ability to attract graduates to the sector
- There remain mixed views on the importance of DEI among respondents
- With regard UK-based energy workforce patterns – over two-fifths of respondents say they are losing more staff than usual to international roles and to other industries or sectors. 38% say they are seeing a higher than usual level of staff retiring
- Majority expect that ‘green’ energy job growth will take 10 years or more to fully replace lost oil and gas roles, with a substantial proportion believing it will never happen

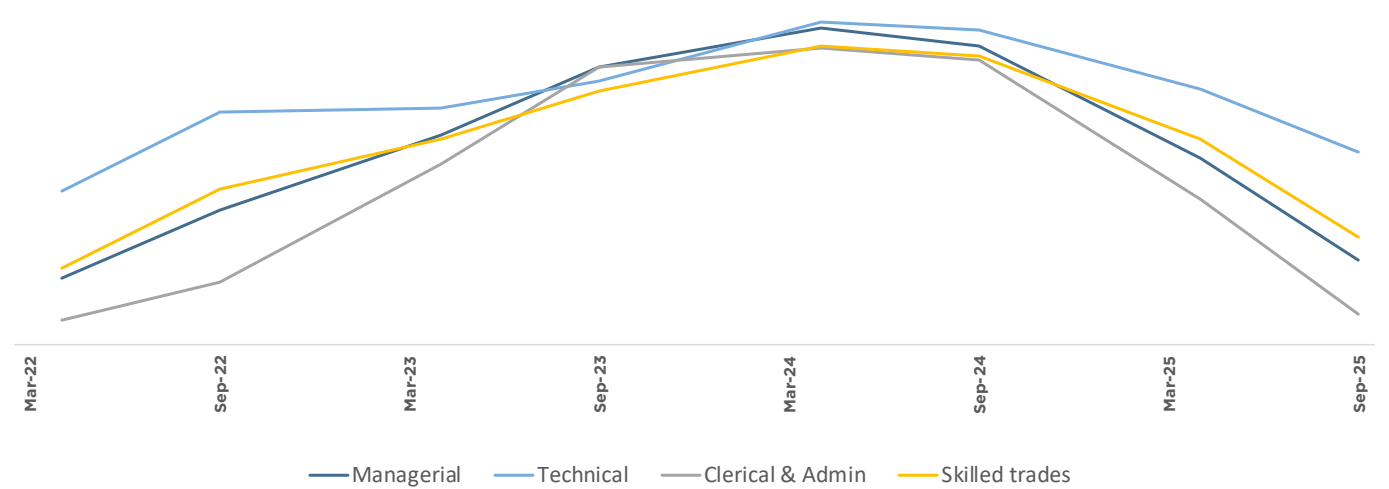
28. A third of respondents forecast a reduction in their North-east Scotland workforce over the next five years with fewer expecting growth in regional roles. Meanwhile around half of companies expect to increase international headcount

Q: How do you expect your head count to change over the next 5 years for...



29. Easing in reported levels of difficulty in recruiting for key job/skill types continues as greater numbers of staff in the market. Technical roles remain most challenging to recruit for

Q: Have you experienced any difficulties in recruiting any of the following roles in the past 12 months?



A 2-point moving average has been applied to better highlight underlying trends in recruitment difficulties over time.

Comments on recruitment market

Q: Please share your observations on the recruitment difficulties you've experienced:

1. Shortage of Experienced Technical Personnel

A lot of skilled competent personnel with 20-30 years experience are leaving the industry or moving overseas. School leavers and graduates are not at a level to enter workforce which leads me to believe there has been a dumbing down of education system in UK for the last decade or longer.

2. Sector Perception and Negative Sentiment

Many skilled staff leaving the industry or going overseas due to negative media and uncertainty in our sector. The uncertainty and lack of positivity, direction and long-term decision making by governments has caused a vortex of confusion with the young generation and caused the older experienced to seek employment overseas.

3. Structural and Economic Barriers

As a small company we cannot offer the same level of competitive salary larger companies can. Local, reception and administrative staff, hard to find. Best potential candidates are Central European but language difficulties can be a limiting factor.

4. Regional Variations and Exceptions

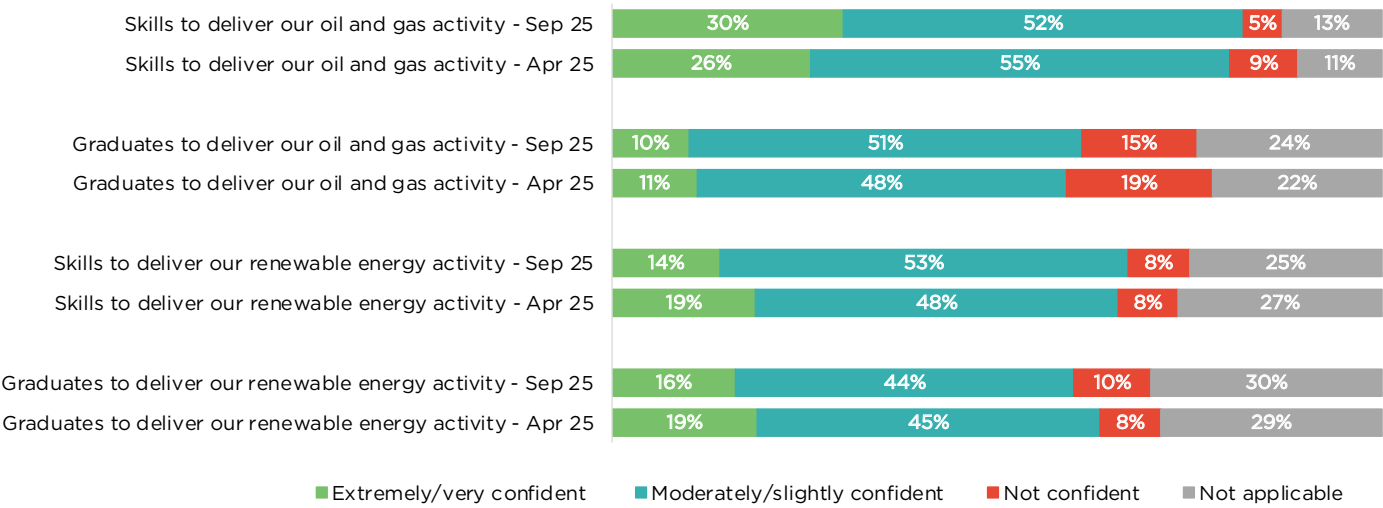
Due to the industry types near our plant/HQ in Teesside we still have access to suitably skilled labour in the area. Despite there being plenty of talent available, we still find it tough to recruit the right people.

5. Sector-Specific Niche Challenges

This is one of the most strained areas. Roles in offshore wind, hydrogen, and carbon capture require niche skills, and competition is fierce across the UK. It's difficult to attract highly skilled people into startup environment in UK.

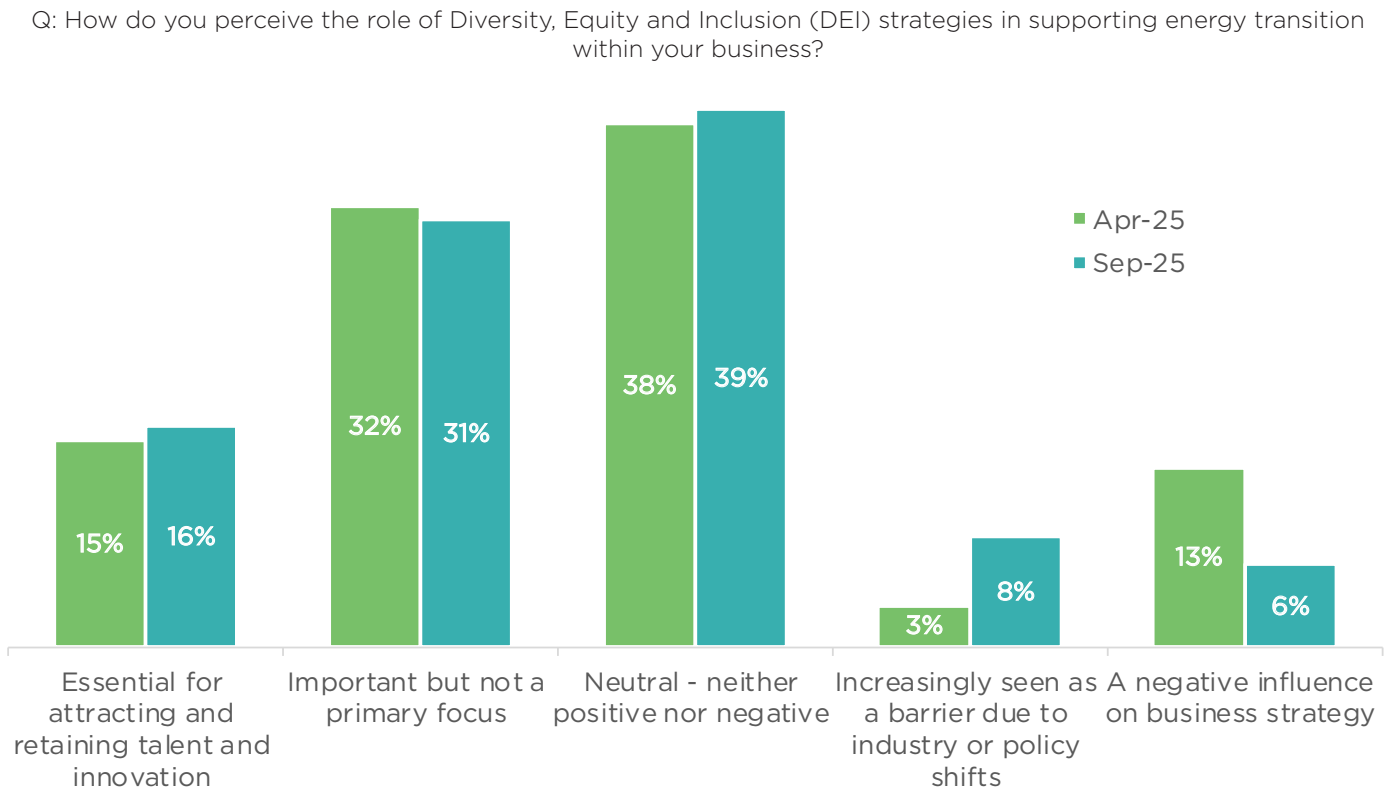
30. Confidence in securing future skills remains mixed among respondents. Concerns remain about ability to attract graduates to the sector

Q: How confident are you that your businesses will be able to secure the skills you need to deliver your longer-term strategic objectives?

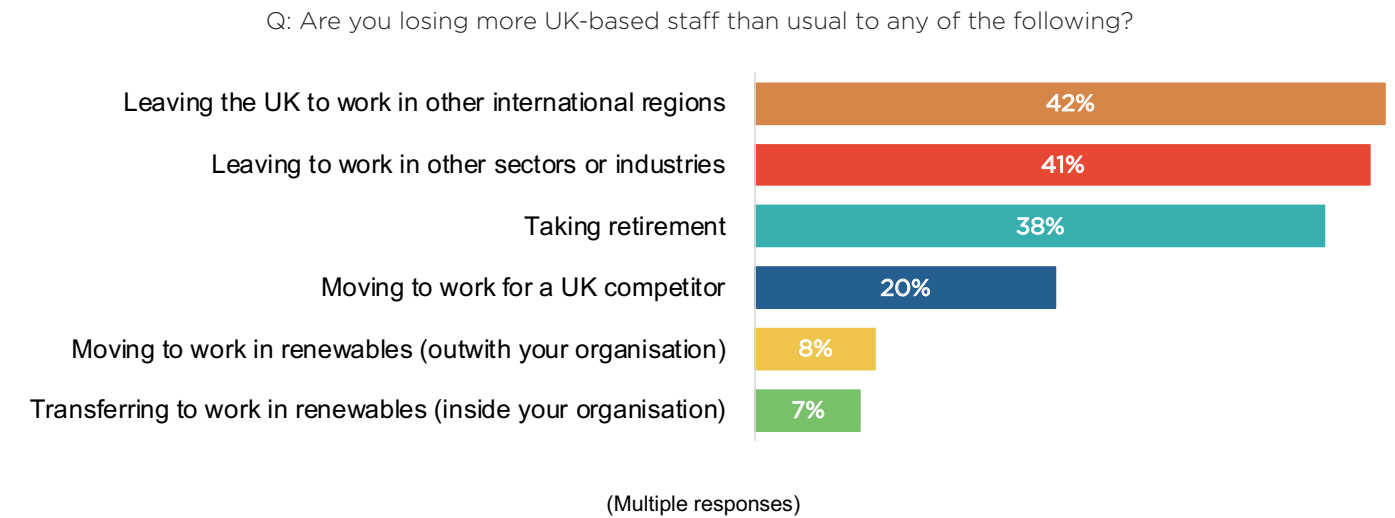


Extremely/very confident Moderately/slightly confident Not confident Not applicable

31. There remain mixed views on the importance of DEI among respondents.

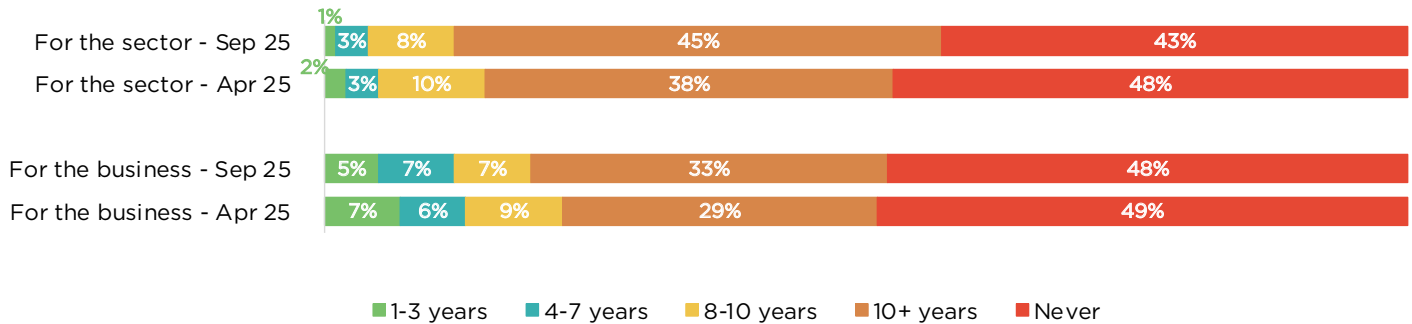


32. With regard UK-based energy workforce patterns – over two-fifths of respondents say they are losing more staff than usual to international roles and to other industries or sectors. 38% say they are seeing a higher than usual level of staff retiring



33. Majority expect that 'green' energy job growth will take 10 years or more to fully replace lost oil and gas roles, with a substantial proportion believing it will never happen

Q: How long do you estimate it will take for green energy job growth to fully replace lost oil and gas jobs?



Why do you say that?

1. Scale and workforce differences

If you build a Platform you end up employing 300-400 staff for 25 Years. If you build a wind farm you end up with 5-10 staff for 25 Years.

Operational CCS projects likely to be mostly subsea, therefore require less people than O&G production.

2. Skills and knowledge transfer barriers

At present we have little transferrable skills to green energy.

3. Offshore / international supply chains

So-called green energy infrastructure is being mostly imported.

4. Economic and commercial challenges

Planning and consents are way too slow. Too much red tape. ROI unclear. Very few projects actually under construction.

5. Sectoral transition and timing issues

The O&G industry is collapsing faster than the green industry is growing. The changes will be irreversible.

6. Policy and strategic planning concerns

Policies promoted in (almost) the last decade has been significantly damaging... without having a clear path to green energy job growth.

7. Attitudinal / cultural factors

People see Oil & Gas as a dying industry and don't wish to be there if that is the case.

Given the limited sample size (40), these trends should be interpreted as useful qualitative signals rather than definitive conclusions, and descriptive analysis and context are more valuable than rigorous statistical inference.

AGCC viewpoint and recommendations

Replace the Energy Profits Levy (EPL) with an internationally competitive successor regime in 2026

Without timely reform, the EPL risks accelerating the decline of the North Sea industry and its wider supply chain, with direct consequences for jobs and the economy. Clarity and stability in the fiscal regime are essential. Replacing the EPL, alongside a supportive outcome to the Building the North Sea's Energy Future consultation, would be pragmatic and confidence-building steps that will protect jobs, ensure continued investment and greater energy security.

Independent analysis shows that £50 billion of investment could be unlocked if the EPL is replaced now. This would deliver up to £137 billion in gross value added (GVA) to the UK economy and safeguard 160,000 jobs — building on the 47,000 jobs and £15.5 billion in output already supported by Scotland's renewable energy industry and supply chain.

Level the playing field between North Sea production and LNG imports

The UK's growing reliance on imported Liquefied Natural Gas (LNG) is being driven by a policy and fiscal imbalance that penalises North Sea production while giving overseas imports a free pass. When assessing new licences for domestic oil and gas projects, the UK Government includes Scope 3 emissions, those produced when the fuel is ultimately used, yet ignores these same emissions when importing LNG. This inconsistency means that gas from the North Sea, among the cleanest in the world, faces tougher environmental scrutiny than higher-emission imports shipped from abroad.

At the same time, the tax regime tilts the field further. North Sea operators face an effective tax rate of 78% under the Energy Profits Levy, while imported LNG remains untaxed. This creates a perverse incentive to import higher-emission gas rather than support domestic production that sustains UK jobs, infrastructure, and tax revenues. The Government should therefore establish a fair framework that applies consistent standards to all energy consumed in the UK, regardless of its origin.

Deliver bold investment for offshore wind through Allocation Round 7 (AR7)

Delivering a prosperous economy and lasting energy security for the UK relies on both oil and gas and renewable energy. Yet renewable energy jobs are not being created at the pace or scale required to replace those being lost in oil and gas. AR7 provides an immediate opportunity to bridge that gap.

Although this year's auction is operating in a challenging economic environment, a record amount of capacity is eligible for AR7, and strong competition should help secure new capacity at the best value for consumers. This includes around 6.7 GW of Scottish offshore wind, which must be maximised to inject fresh momentum into

Scotland's energy transition and build on strategic supply chain investment to date.

Regrettably, the budget announced this autumn would limit the benefits reaching consumers and communities. Given that no contracts have been awarded to fixed-bottom offshore wind projects in Scotland since 2022, this mission-critical auction risks undermining the UK's ability to sustain growth and avoid long-term dislocation in its energy workforce.

Managing co-location in a multi-energy North Sea

The UK's increasingly crowded seabed - shared by offshore wind, carbon capture and storage (CCS), and oil and gas - risks becoming a bottleneck for the energy transition without coordinated planning. A recent University of Aberdeen study found that seismic monitoring, drilling access, and decommissioning conflicts create major technical challenges where projects overlap, potentially delaying progress toward net zero and weakening energy security.

While co-location is possible, it carries significant risks for monitoring, safety, and cost. To mitigate these, the Government should lead the development of an integrated regulatory framework that aligns leasing and licensing for wind, CCS, and oil and gas projects, encourages data sharing and early collaboration, and ensures efficient use of the seabed. Such a joined-up approach would reduce delays, cut costs, and accelerate investment in a secure, low-carbon energy future.



About the survey

The 42nd AGCC Energy Transition (previously Oil & Gas) survey is supported leading business advisory firm Johnston Carmichael and clean energy group D2Zero. This year's survey took place at a pivotal moment for the industry, as we wait with bated breath for Government's response to two key consultations on the future of the North Sea. The report has become established as a vital source of industry intelligence for businesses, policy makers and the media and the feedback gathered is instrumental in ensuring that the industry's voice is heard, enabling us to set out the practical challenges faced by the sector and ensure the necessary policy interventions are put in place.

Research approach

The online survey was updated with partner input to reflect the current environment and was live between September 10th and October 13th 2025. Direct approaches were made to previous responders, sponsor networks, other trade bodies and followed up by telephone calls to key contacts. The survey was promoted more widely through Chamber news channels and in other media.

113 organisations including operators and supply chain companies and collectively employing over 21,000 people in the UK, completed the survey. The research was managed by Research Chamber, the in-house commercial research arm of Aberdeen & Grampian Chamber of Commerce.

Thank you

The Research Chamber/Aberdeen & Grampian Chamber of Commerce would like to thank all energy businesses who responded to this survey. Without your input, we could not have delivered this research. Your continued support is invaluable to us in meeting our commitment to bring you independent and impartial insights into the key issues facing your business and the wider sector.

We would also like to thank our partners, Johnston Carmichael and clean energy group D2Zero for their support of this strategically important research work, helping the sector's voice be heard.

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