

Aberdeen & Grampian Chamber of Commerce

# Energy Transition

43<sup>rd</sup> Survey | Spring 2026



D2Zero



JOHNSTON  
CARMICHAEL



Research  
Chamber

# Contents

<b>Sponsor forewords</b>	<b>4</b>
<b>Section 1 - Sector trends and outlook</b>	<b>6</b>
<b>SSEN Transmission case study</b>	<b>12</b>
<b>Section 2 - Sector diversification</b>	<b>13</b>
<b>ASCO case study</b>	<b>19</b>
<b>Section 3 - Sustainability &amp; transition readiness</b>	<b>20</b>
<b>Fugro case study</b>	<b>23</b>
<b>Section 4 - Government policy &amp; regulatory environment</b>	<b>24</b>
<b>Section 5 - Recruitment &amp; skills gaps</b>	<b>31</b>
<b>AGCC viewpoint and recommendations</b>	<b>38</b>
<b>About the survey</b>	<b>40</b>

# Sponsor forewords

**The global events which have unfolded since the last edition of this survey have reinforced a reality that should never be taken for granted - that energy security matters.**

From continuing instability in the Middle East to growing geopolitical competition over energy supply, the past year has once again demonstrated the importance of secure, reliable and resilient domestic energy systems.

Against that backdrop, the findings of Energy Transition 43 offer an important reminder that businesses across the North-east of Scotland continue to see enormous long-term opportunity in the future of the North Sea and the wider energy transition.

Indeed, 93% of respondents either agreed or strongly agreed that there remains a future for oil and gas activity in the basin if the UK creates the right fiscal and regulatory conditions to support it.

That is a significant finding because it demonstrates that industry has not lost confidence in the capability of the region, its workforce or its ability to help deliver the UK's long-term energy ambitions. What businesses are increasingly seeking is the stability, policy clarity and infrastructure needed to unlock that opportunity fully.

Across the survey, companies continue to demonstrate resilience, adaptability and a willingness to invest in the future. Businesses are diversifying into offshore wind, carbon capture, electrification and wider decarbonisation activity; they are investing in technology, developing new capabilities and supporting the workforce needed to deliver the next generation of energy infrastructure.

At the same time, respondents consistently identify several barriers which continue to slow the pace of progress. Grid constraints, transmission charging, planning delays, consenting complexity and ongoing fiscal uncertainty are all highlighted as areas where greater alignment and long-term certainty would help accelerate investment and project delivery.

The North-east of Scotland remains one of the world's leading centres of offshore engineering expertise, supply chain capability and energy innovation. The skills, experience and industrial capability developed through the North Sea over the past five decades are precisely the capabilities now required to deliver offshore wind, carbon capture, electrification and wider low-carbon infrastructure.

One of the clearest themes running throughout this report is therefore the importance of a balanced and well-managed transition - one which accelerates lower-carbon technologies while also recognising the continuing role domestic oil and gas production will play in supporting energy security, industrial capability and workforce resilience during what will inevitably be a multi-decade transition.

The opportunity for this region remains substantial. The expertise still exists here in our highly skilled workforce and globally recognised supply chain. With the right policy environment, stable fiscal frameworks and continued investment in infrastructure and project delivery, the North-east of Scotland is exceptionally well placed to remain a globally significant integrated energy hub for decades to come.

At D2Zero, we continue to see every day the innovation, determination and ambition which exists across the sector. Energy Transition 43 makes clear that businesses are ready to play their part in delivering the UK's energy future. The challenge now is ensuring the conditions are in place to allow that transition to succeed in a way which supports both economic resilience and long-term energy security.



**The energy sector in North-east Scotland has rarely faced a period of greater complexity, contradiction and consequence than it does today.**

The direction of travel towards a lower-carbon economy is clear, necessary and widely supported across industry with businesses throughout the region investing significant time, capital and expertise into supporting the UK's energy transition ambitions. From offshore wind and electrification to carbon capture, hydrogen and wider decarbonisation technologies, there is genuine innovation and commitment emerging across the sector.

It's clear that the North Sea remains a critical component of the UK economy, energy system and wider industrial capability. Oil and gas continue to underpin a significant proportion of domestic energy demand, while the sector itself supports hundreds of thousands of jobs directly and indirectly across the entire UK. Here in the North-east of Scotland, the industry's economic contribution extends far beyond operators and producers alone. Professional services, engineering, manufacturing, logistics, technology, hospitality, local communities and more all remain deeply interconnected with energy activity.

What we have been consistently finding from conversations within the sector, and reflected in this survey, is concern around pace and a lack of certainty – not opposition to transition itself. Businesses are increasingly operating within an environment where long-term investment decisions are being impacted not simply by taxation levels or commodity volatility, but by wider uncertainty around future policy direction and ongoing political narrative and instability.

In many respects, businesses can and still do adapt to challenge – the UK energy sector has done so repeatedly over decades. However, we know that capital investment, workforce planning and infrastructure development all require long-term visibility. Without that visibility, caution inevitably begins to replace confidence.

The latest Energy Transition Survey findings reflect an industry willing to evolve, invest and adapt but increasingly and understandably concerned about policy volatility, investment uncertainty and the absence of a genuinely balanced just transition strategy. If the UK is to achieve both energy security and successful decarbonisation, then pragmatism, stability and long-term confidence is key.

Recent political and industry debate has only reinforced this. From discussions at All-Energy 2026 through to the proposals outlined within the King's Speech around an Energy Independence Bill, it's clear that energy security needs to be at the centre of national economic policy. Simultaneously, increasingly polarised debate

surrounding the future of the North Sea continues to create uncertainty across investors, operators and the wider supply chain.

This is particularly important in an industry where investment horizons are measured not in months, but often decades.

Increasingly, the concern being expressed across industry is not about the principle of transition itself, but about the risk of creating policy imbalance - where the pace of decline in existing domestic energy capability materially outstrips the pace at which replacement industries, infrastructure and investment are realistically able to scale.

The survey also reinforces the extent to which the wider supply chain continues to face significant pressure. Larger operators may retain relatively strong balance sheets, but many SME and mid-market businesses are operating within a far more challenging environment. Rising employment costs, inflationary pressures, financing costs and uncertain project pipelines are combining to create increasing strain across parts of the supply chain which have historically formed the backbone of the North-east economy.

Despite softer business confidence in certain segments, businesses continue to also report shortages of experienced technical, engineering and professional personnel. The transition agenda itself is adding further complexity, as companies seek to retain existing capability while simultaneously building new expertise in emerging technologies and markets.

The North-east of Scotland possesses decades of globally recognised expertise in offshore engineering, project delivery, subsea capability and large-scale energy infrastructure. These are not legacy skills with diminishing relevance. They are precisely the capabilities required to support successful energy transition projects both domestically and internationally.

There remains enormous potential for the region to play a leading role in the next chapter of the global energy system. But achieving that potential requires realism alongside ambition. Transition technologies and markets will continue to develop, but many remain commercially immature or heavily dependent upon policy support and investment confidence. A successful transition therefore requires balance: maintaining energy security, economic competitiveness and industrial capability while scaling lower-carbon solutions at a pace the economy and infrastructure can realistically support.

Perhaps the strongest message emerging from the sector is therefore the need for energy policy to sit above short-term political cycles. Major capital allocation decisions across oil and gas, offshore wind, CCS, hydrogen, electrification and grid infrastructure are not

just measured over electoral terms. Stable, pragmatic and investable policy frameworks remain essential if the UK is to attract long-term investment, retain critical skills and deliver a transition which is both economically and operationally sustainable.

Against this backdrop, the importance of constructive dialogue between industry and policymakers has never been greater. Too often, public debate surrounding energy policy becomes polarised between competing extremes. In reality, most businesses operate from a far more pragmatic position.

The survey demonstrates that most do not view the future through the lens of “either/or”. The overwhelming majority recognise the need to accelerate lower-carbon technologies and support decarbonisation. Equally, they also recognise the continuing importance of domestic oil and gas production, energy affordability, industrial competitiveness and national resilience during what will inevitably be a multi-decade transition.

What businesses are consistently seeking is not special treatment or protection from change. Rather, they are seeking stable policy frameworks, long-term visibility and a transition strategy grounded in commercial and operational reality. Above all, they want confidence that the UK remains committed to remaining an attractive place to invest, innovate and build long-term energy capability.

The North-east has repeatedly demonstrated resilience, adaptability and leadership through periods of enormous industrial change, and can do so again. But rather than on just aspiration, a successful transition will be measured tangibly by whether we retain jobs, skills, investment, industrial capacity and energy security while building the lower-carbon economy of the future.

The energy transition remains one of the defining economic and industrial challenges of our time. Ensuring it is delivered in a way which supports both environmental ambition and economic resilience will be critical to the region and wider nation.

The North-east is ready and retains many of the capabilities required to support that future successfully. However, confidence is far harder to rebuild than maintain and without the stability and support that the sector craves, it risks losing it entirely.



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

**David Wilson**  
*Aberdeen office managing partner  
Johnston Carmichael LLP*

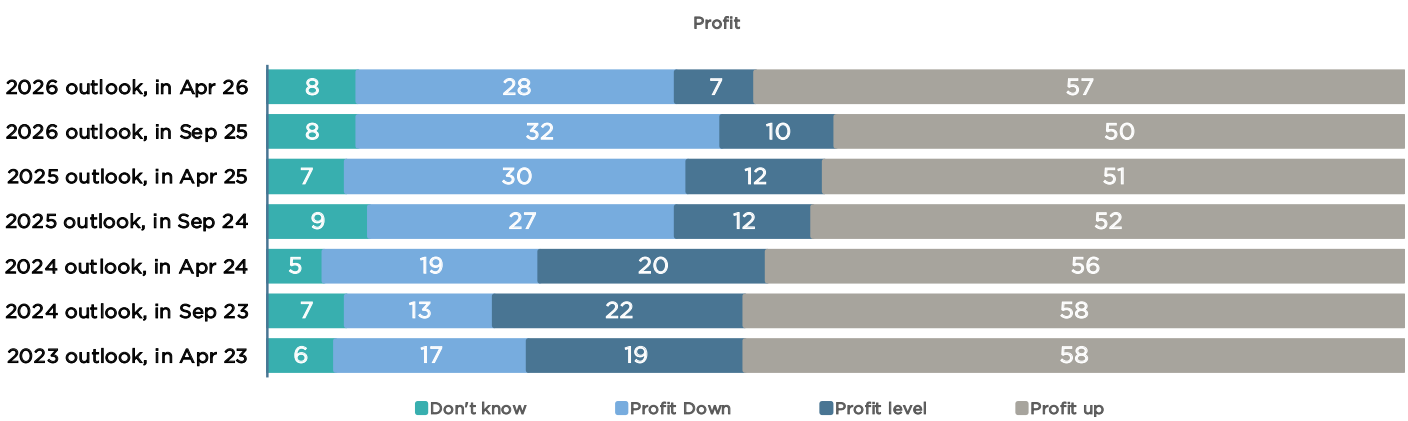
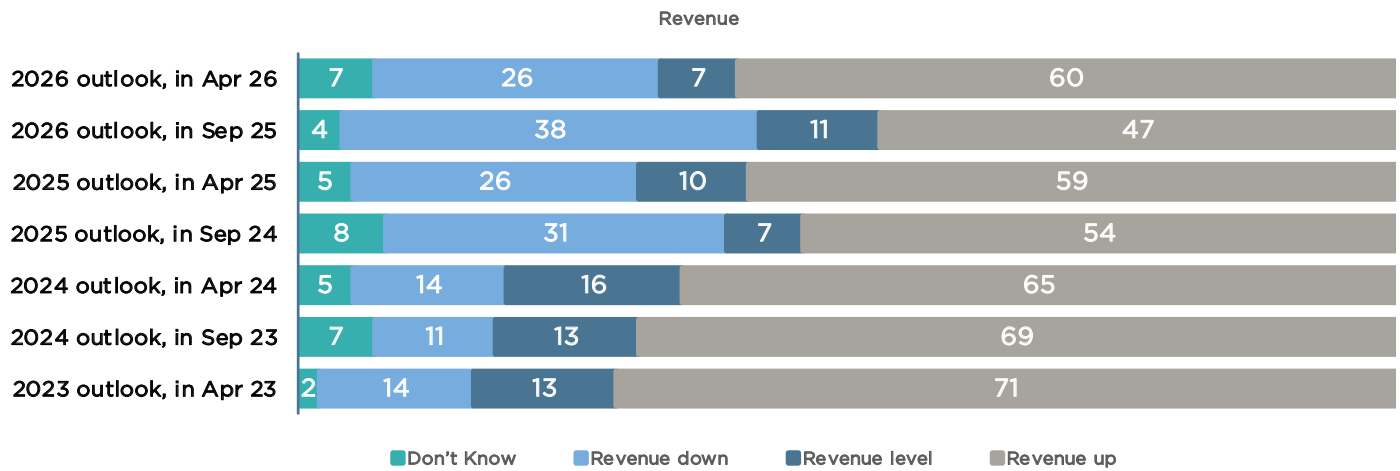
# Sector trends and outlook talking points



- From historically low points in the last dataset, we see revenue and profit predictions returning closer to the norm of the last three years, possibly related to the global context and nature of the industry.
- While UK activity still accounts for the majority of their revenue, respondents are forecasting that, in less than five years, overseas markets will have become their main source of income.
- Downward trends in decarbonisation of operations and renewables activity in the UK continue. But respondents did report a sharp uptick in decommissioning work.
- International activity is outperforming the UKCS across most project categories, particularly in production, exploration, and decommissioning, though renewables and decarbonisation work is declining overseas as well as domestically.
- Interestingly respondents tell us that other government energy policy (i.e. licencing and consenting) is ahead even of tax policy as a barrier to UKCS activity. Level of demand for products and services is at its highest mark in over two years, possibly reflecting global conditions. There was a notable increase in companies reporting difficulty in accessing capital and loans.
- In contrast, outside the UKCS, demand for products and services by far remains the most important driver of activity demonstrating the negative impact in the UK of interventionist policy.
- Business optimism continues to diverge between the UKCS and international markets since summer 2022. Confidence in the UKCS remains deeply negative highlighting sustained pessimism around domestic sector conditions. In contrast, optimism outside the UKCS is increasingly net positive, strengthening significantly in both short and medium-term outlook since the last survey.

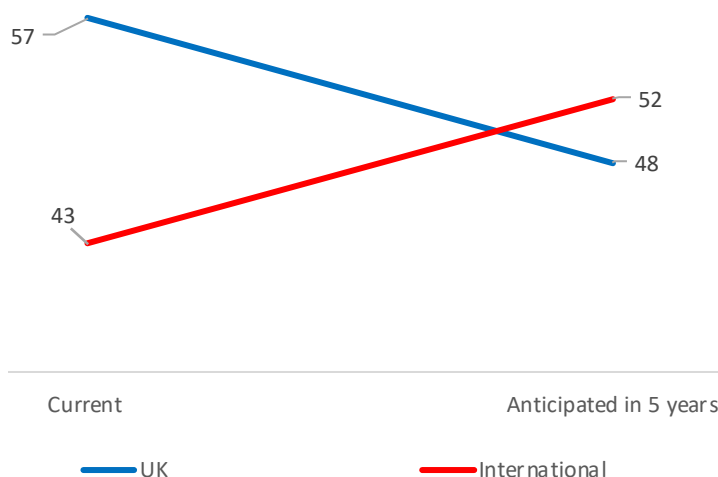
# 1. From historically low points in the last dataset, we see revenue and profit predictions returning closer to the norm of the last three years, possibly related to the global context and nature of the industry.

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



(% sector view of revenue/profit change v previous year)

## 2a). While UK activity still accounts for the majority of their revenue, respondents are forecasting that, in less than five years, overseas markets will have become their main source of income.



Q: What proportion of your revenue is in:

	Current (2026)	Anticipated in 5 years
<b>UK</b>	57	48
<b>Europe</b>	13	15
<b>Rest of the world</b>	30	37

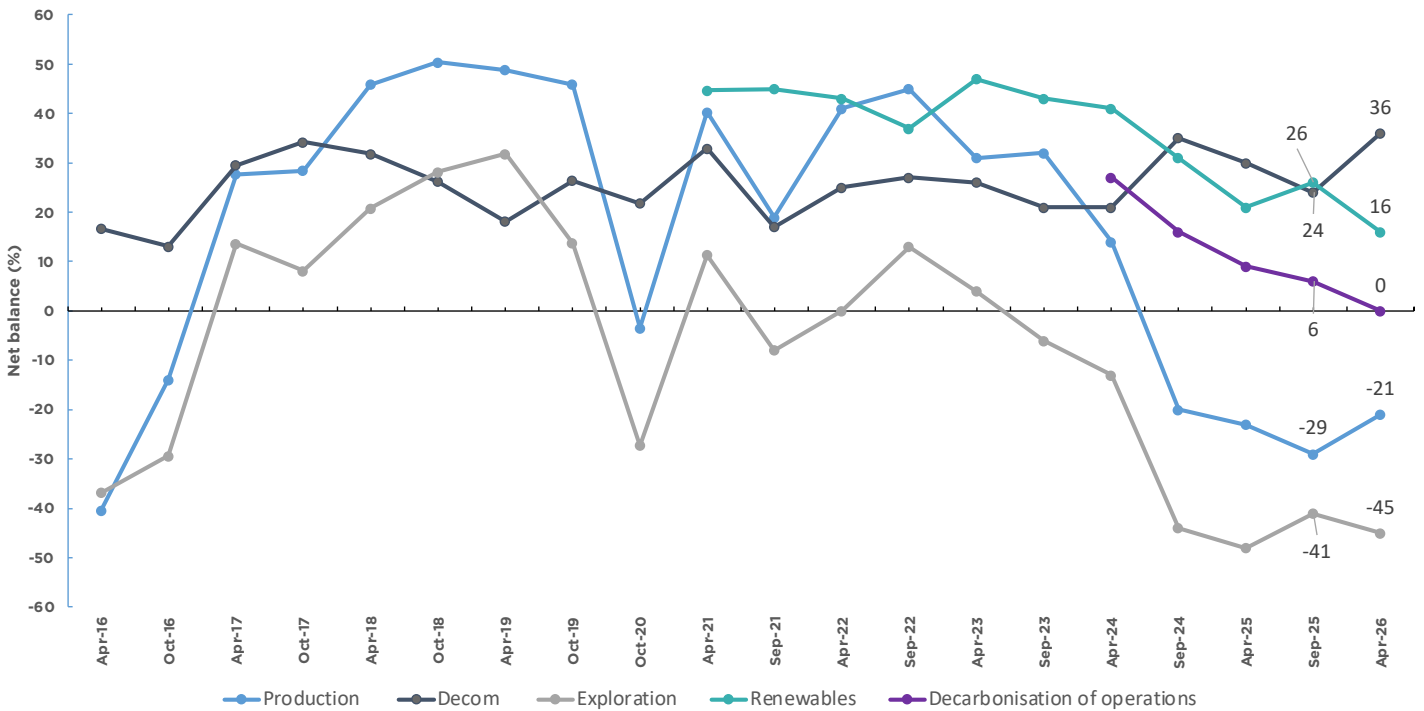
**2b).** The shift in revenue distribution is primarily driven by a combination of push factors in the UK, notably policy uncertainty, taxation, and declining North Sea activity, and pull factors internationally, including stronger investment pipelines, clearer long-term strategies, and more commercially attractive markets. As a result, the Middle East, Africa, and the America are consistently identified as offering the greatest growth opportunities, while Europe plays a secondary but important role, particularly in energy transition activities.

Q: Can you say what driving this and which markets are offering most opportunity?

Segment (revenue shift)	Typical change pattern	Key drivers	What's driving the shift	Markets offering most opportunity
UK-focused → Staying UK-focused	UK remains dominant (e.g. 80–100% → similar)	Localised business models - Infrastructure / ports / legal constraints - UK energy (electricity, grid, decommissioning)	These organisations are structurally tied to the UK or operate in sectors where domestic demand remains stable. Growth is incremental rather than transformational.	- UK (electricity transmission, infrastructure) - Some limited Europe (e.g. grid, renewables)
UK-focused → Diversifying internationally <i>(Dominant pattern)</i>	High UK share → declining UK, rising ROW	UK policy & taxation (EPL, licensing) - Decline in North Sea activity - Reduced investment confidence - Need to sustain business	Businesses are actively reducing reliance on the UK due to perceived policy instability and shrinking oil & gas activity. Internationalisation is often described as essential for survival.	- Middle East (very prominent) - West Africa (Angola, Nigeria, Namibia) - North America (US, Gulf of Mexico) - Brazil / Latin America - Asia-Pacific
Already international → Expanding further internationally	Low UK → even lower UK, strong ROW growth	Established global operations - Stronger demand abroad - Higher margins internationally - Client-led global delivery	These firms are less dependent on UK conditions and are scaling in markets where investment, activity, and profitability are stronger.	- Middle East - Africa - US & Americas - Southeast Asia - Australia
Balanced/global → Rebalancing away from UK	Mixed split → increased ROW share	Portfolio diversification - Client demand shifting globally - Oil & gas decline in UK - Growth in new sectors	Firms are adjusting portfolios in response to both declining UK oil & gas and emerging opportunities in new sectors and geographies.	- Middle East - Norway - Africa - Brazil - Global offshore markets
Europe-focused growth <i>(niche segment)</i>	Increase in Europe share	Energy transition opportunities - More stable/regional policy (vs UK) - Norway activity	A smaller group sees Europe as a key growth region, particularly where energy transition activity is more advanced or stable.	- Norway (frequently cited) - Northern Europe - EU energy transition markets

### 3. Downward trends in decarbonisation of operations and renewables activity in the UK continue. But respondents did report a sharp uptick in decommissioning work.

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

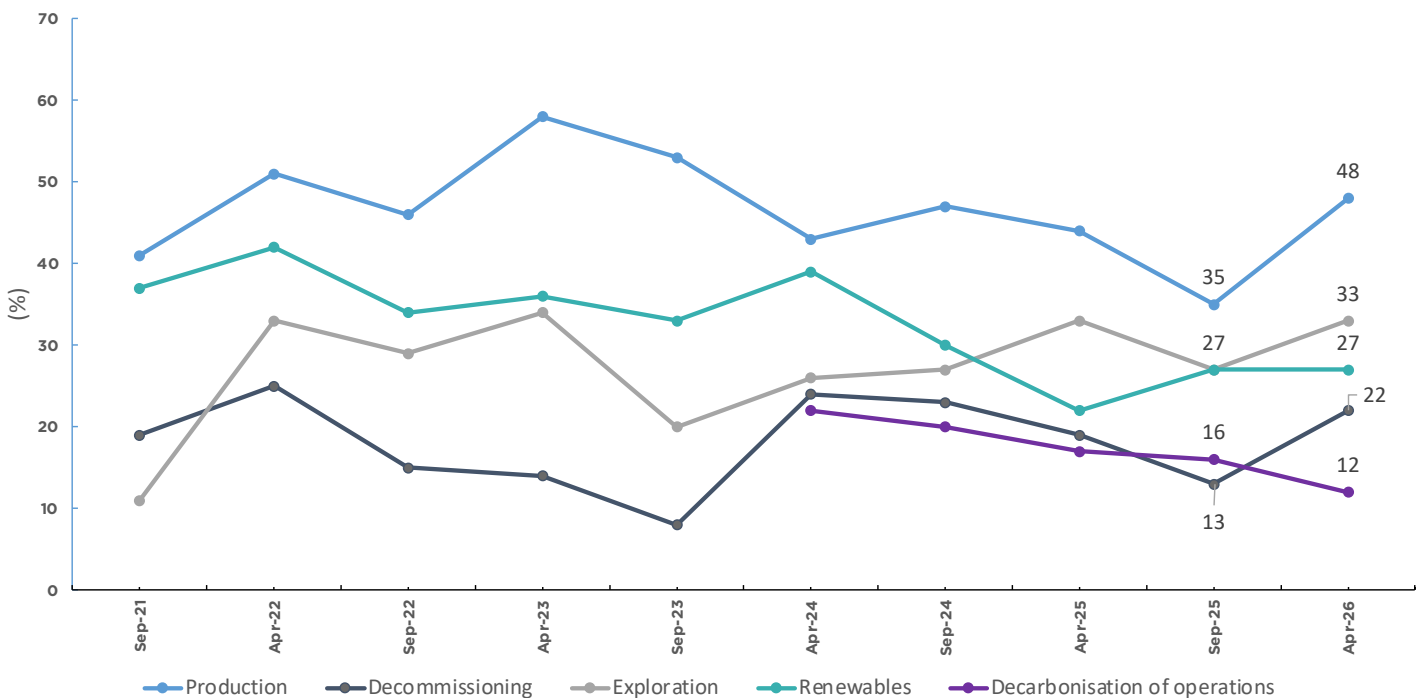


(% up minus % down)

\*Note that we only know the direction of the trend not the value/proportion of the work\*

### 4. International activity is outperforming the UKCS across most project categories, particularly in production, exploration, and decommissioning, though renewables and decarbonisation work is declining overseas as well as domestically.

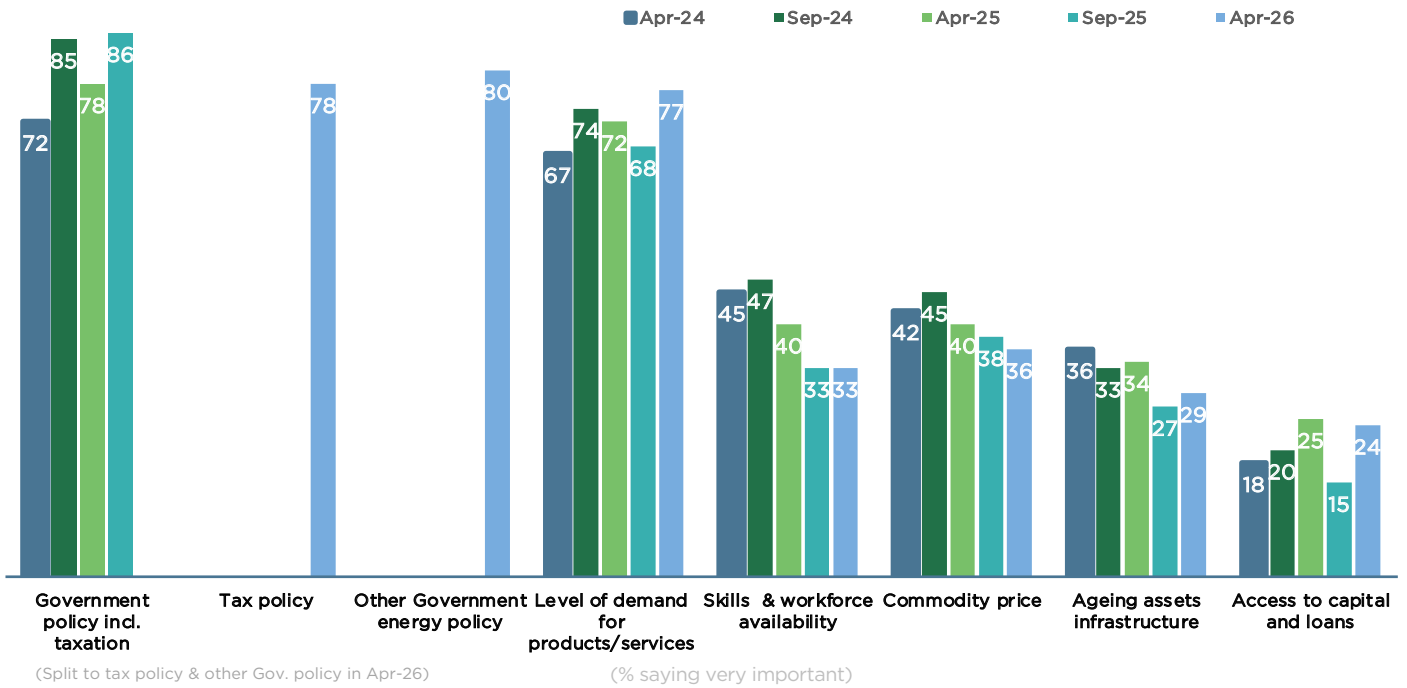
Q: What are the trends in the total value of your organisation's work **outside the UKCS**:



(% up minus % down)

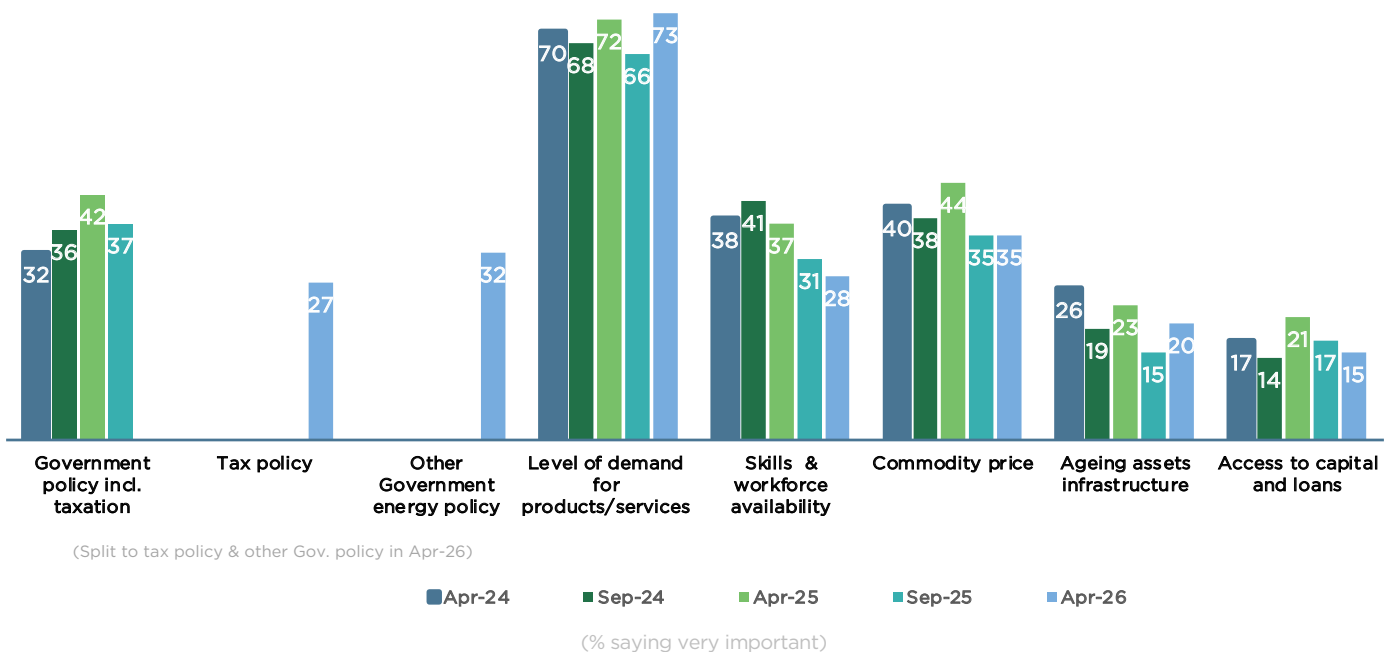
**5. Interestingly respondents tell us that other government energy policy (i.e. licencing and consenting) is ahead even of tax policy as a barrier to UKCS activity. Level of demand for products and services is at its highest mark in over two years, possibly reflecting global conditions. There was a notable increase in companies reporting difficulty in accessing capital and loans.**

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



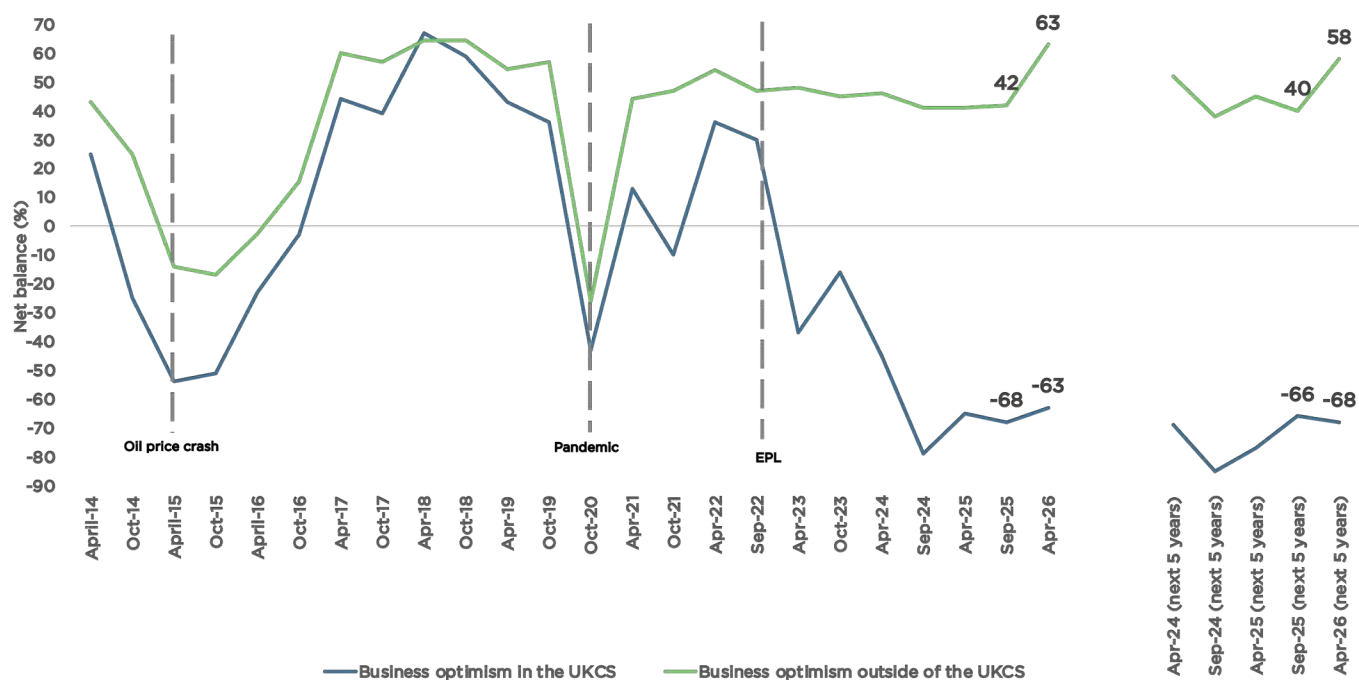
**6. In contrast, outside the UKCS, demand for products and services by far remains the most important driver of activity demonstrating the negative impact in the UK of interventionist policy.**

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



## 7. Business optimism continues to diverge between the UKCS and international markets since summer 2022. Confidence in the UKCS remains deeply negative highlighting sustained pessimism around domestic sector conditions. In contrast, optimism outside the UKCS is increasingly net positive, strengthening significantly in both short and medium-term outlook since the last survey.

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?



Why do you say that?

Theme	Description	Illustrative Quotes
<b>Government policy &amp; fiscal uncertainty</b>	The dominant concern was UK and Scottish Government policy, particularly the Energy Profits Levy (EPL), windfall taxes, lack of new licences, and unclear long-term strategy. Respondents felt policy was actively discouraging investment and accelerating decline in the UKCS.	“Government policies are hammering the sector” “Policy not geology is determining the outcome” “The UKCS is being taxed into extinction”
<b>International markets stronger than UKCS</b>	Many businesses reported stronger confidence and growth opportunities outside the UK, particularly in the Middle East, Africa, Norway, Brazil, and the USA. Overseas markets were seen as more supportive of oil & gas investment and energy mix strategies.	“All our growth is outside the UK” “Customers have record backlog internationally” “Nothing doing here in the UK except Decomm rigs”
<b>Managed decline, decommissioning &amp; reduced UKCS activity</b>	Respondents described the UKCS as a mature basin moving increasingly toward decommissioning, with fewer new projects, less drilling activity, and a shrinking pipeline of work beyond late-life asset management.	“We are decommissioning around 15 assets per annum” “UKCS is a diminishing asset”
<b>Workforce, skills &amp; regional economic impact</b>	Falling confidence is affecting employment, skills retention, and the wider Aberdeen and North-east economy. Businesses highlighted redundancies, early retirements, talent leaving overseas, and increasing pressure on SMEs.	“Reducing UK workforce by >50%” “Younger ones moving overseas” “Talent in Aberdeen will continue to move abroad”
<b>Energy security &amp; need for a pragmatic transition</b>	Many respondents supported the energy transition but felt the UK approach lacked pragmatism. They argued for a balanced energy mix where oil & gas, renewables, and nuclear coexist to protect affordability, jobs, and national energy security.	“Transition, not abandonment” “Oil & gas, renewables and nuclear should coexist” “National energy security should be top priority”

# Energy Transition Case Study - SSEN Transmission

The north of Scotland is one of the UK's most important clean energy regions. With some of Europe's best renewable resources, the area has a crucial role to play in delivering energy security with home-grown clean power – the path to more affordable bills. But unlocking that opportunity depends on a modern electricity transmission network capable of moving clean power from where it's generated to where it's needed. Here at SSEN Transmission, based in Scotland, that's our responsibility.

Upgrading the network is a national priority. For SSEN Transmission, this means delivering investment of around £29bn by 2030. The scale is unprecedented, bringing both opportunity and challenge.

## A delivery challenge

The case for investment is clear. Successive governments at Westminster and Holyrood have set ambitious targets to decarbonise electricity and expand renewable generation at pace. At the same time, electricity demand is expected to grow significantly as transport and heating are electrified.

Securing timeous planning decisions is a key challenge, as projects in the past have taken several years to secure the necessary consents. New guidance issued last year by the Scottish Government to determine priority applications for transmission infrastructure within 52 weeks was a big step in the right direction, but it needs to become reality if we are to deliver on energy security and clean power targets.

## Working with communities

Alongside challenges, there is a clear societal dimension. The transmission grid is essential national infrastructure, but it is delivered locally - often in rural communities where its impact can be most visible.

That makes engagement and collaboration essential. Across the north of Scotland, SSEN Transmission has undertaken extensive consultation to help shape proposals and respond to local concerns, making changes to plans where possible.

Balancing national need with local



**Scottish & Southern**  
Electricity Networks

TRANSMISSION

considerations is not straightforward, but it is fundamental to delivering infrastructure in a way that commands public confidence.

## Delivering at pace

The importance of this area in the UK's energy system is growing – our network in the north of Scotland will have the capacity to meet a fifth of Great Britain's demand for clean power.

But delivery at this scale brings practical challenges. Projects span large and remote geographies, placing pressure on supply chains, skilled labour and accommodation. Addressing these issues is critical.

## Tangible benefits in the north east

While the long-term benefits of grid investment are clear, there are tangible impacts already being felt locally, including work for local businesses and helping people transition from oil and gas based employment.

In Aberdeenshire, SSEN Transmission has committed to supporting the delivery of over 300 new homes – boosting affordable and social housing. These will initially accommodate construction project workers but will become a long-term asset for local communities, helping to relieve housing pressures.

Community benefit funding is also making a difference. For example, our Regional fund has supported Aberdeen's new Energy Transition Skills Hub, amid a range of projects;

recipients of our East Coast local fund include Inverurie First Responders; and our Eastern Green Link 2 local fund has made an award to Peterhead FC Community Foundation and other organisations.

## A long-term opportunity

Looking ahead, the impact of this investment will extend far beyond the construction phase.

A modernised transmission network will enable more renewable generation, strengthening the north east's position as a clean energy hub. It will also support wider economic growth, creating opportunities for businesses in the supply chain, and help to attract new industries.

For the north east, this is a generational opportunity - one that combines economic growth with the transition to a cleaner, more secure, more affordable energy system.

## Delivering together

Upgrading the transmission network is not without its challenges, but it is essential to our energy security and affordability. Success will depend on collaboration - between industry, all spheres of government, and communities - to ensure infrastructure can be delivered at pace while bringing lasting local benefits.

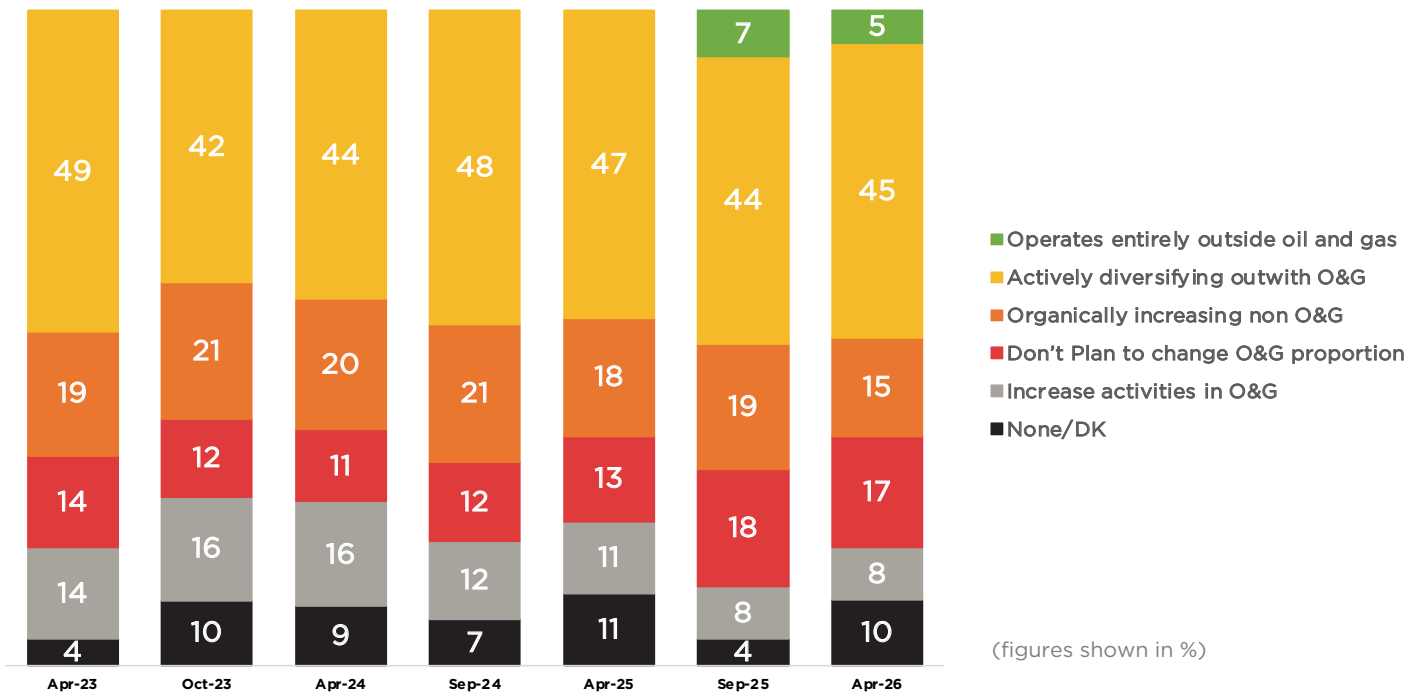
For the north east in particular, the prize is clear: a stronger regional economy, underpinned by the opportunities of a secure, clean power future.

# Sector diversification talking points

- The intent around energy transition remains broadly stable overall, with around two-thirds of respondents actively or organically seeking to diversify their activity profile.
- This latest survey shows a marked shift of current and longer-term focus towards (international) oil and gas operations to the detriment of 'new energy' activities.
- The reduction in the five-year outlook for offshore wind, CCS and decommissioning activity since the last survey is marked.
- Although respondents see major opportunity in North Sea decommissioning, the reality appears somewhat different.
- Although project availability, pace and profitability are key constraints to companies diversifying their operations, the key barriers remain market stability and government policy.
- Levels of pessimism about the UK, Scotland and Aberdeen becoming established as leaders in the future energy system continues to increase markedly.

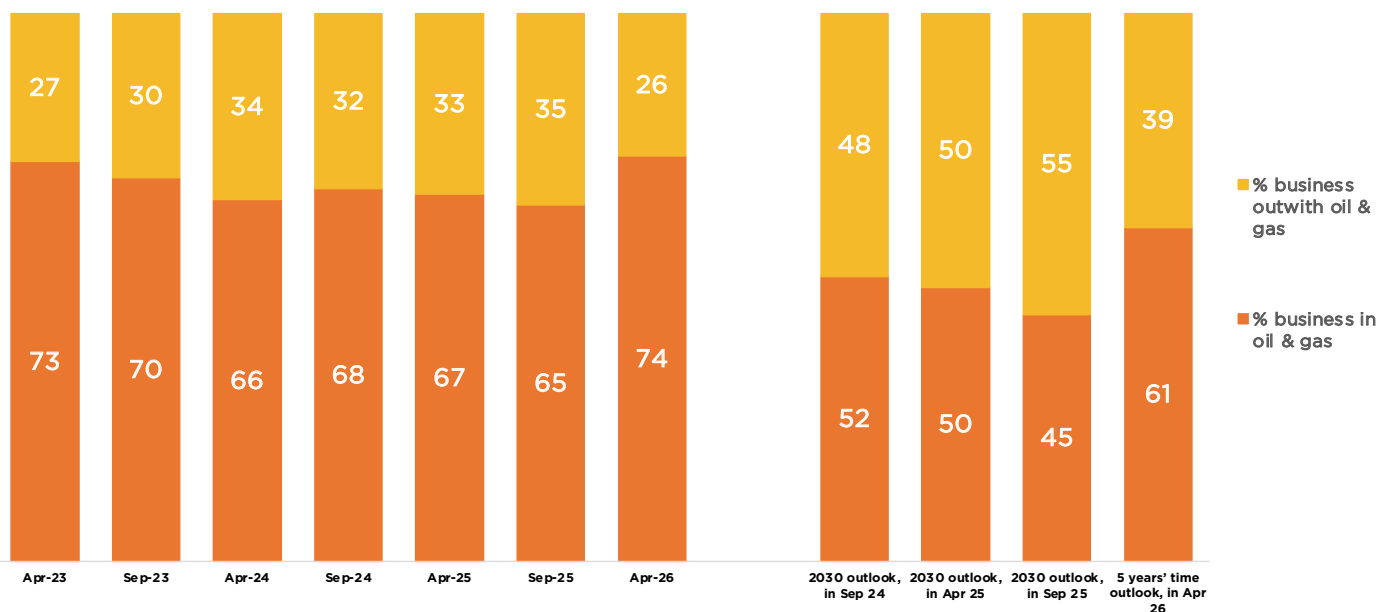
**8. The intent around energy transition remains broadly stable overall, with around two-thirds of respondents actively or organically seeking to diversify their activity profile.**

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



**9a). This latest survey shows a marked shift of current and longer-term focus towards (international) oil and gas operations to the detriment of 'new energy' activities.**

Q: What is the breakdown of your business activities today and forecast in 5 years' time?



Note: The 5 years' time outlook drawn from the Apr. 2026 survey.

(Data is the mean, figures shown in %)

**9b).** This is how respondents see their work profile now and in five years time. The reduction in the five-year outlook for offshore wind, CCS and decommissioning activity since the last survey is marked.

Q: What is the breakdown of your non-oil & gas activities today and forecast in 5 years' time?

	September 2025		April 2026	
	Current %	Expected % in 5 years' time	Current %	Expected % in 5 years' time
<b>Total Non-Oil &amp; Gas</b>	<b>35</b>	<b>55</b>	<b>26</b>	<b>39</b>
<b>Decommissioning</b>	7.9	12.1	5.6	8.8
<b>Subsea engineering</b>	2.8	2.7	3.7	4.1
<b>Marine</b>	2.5	3.1	3.1	3.9
<b>Offshore wind</b>	5.2	8.4	2.6	4.6
<b>Other (Aquaculture, Battery Storage, Food &amp; Drink, General Industrial, Mining, cruise, Biofuels, space)</b>	4	6.7	2	2.8
<b>Carbon capture &amp; storage</b>	2	5.9	1.5	2.8
<b>General/civil engineering</b>	2.5	2	1.3	1.9
<b>Geothermal</b>	1.2	2.7	1.1	1.8
<b>Electrification/Decarbonisation of operations</b>	1	1.3	1	1.1
<b>Power generation</b>	1.9	1.8	0.9	1.3
<b>Nuclear</b>	0.6	1.1	0.8	1
<b>Grid/infrastructure</b>	1.1	1.8	0.7	1.4
<b>Hydrogen production and/or transportation</b>	0.3	1.7	0.7	1.3
<b>Onshore wind</b>	0.9	1.2	0.5	0.8
<b>Defence</b>	0.8	1.7	0.3	1
<b>Solar</b>	0.1	0.3	0.2	0.4



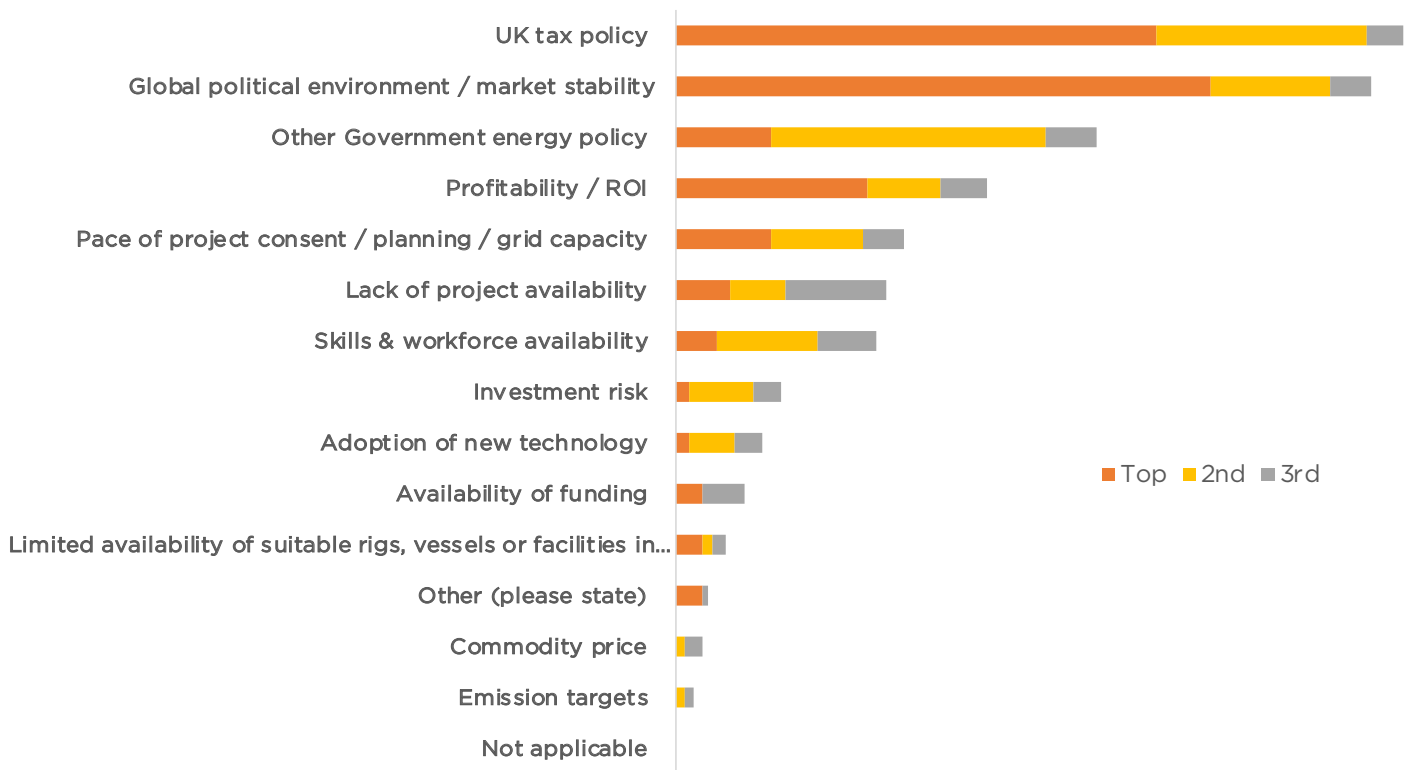
## 10. Although respondents see major opportunity in North Sea decommissioning, the reality appears somewhat different.

Q: What do you see as the main barriers preventing the realisation of the multi-billion supply chain opportunity offered by North Sea decommissioning activity?

Theme	Description	Illustrative Quotes
<b>Government policy, fiscal regime &amp; regulation</b>	The most common barrier identified was government policy uncertainty, including the EPL (Energy Profits Levy), punitive taxation, unclear decommissioning strategy, and complex multi-layered regulation. Respondents felt this reduces operator confidence, delays investment decisions, and discourages timely decommissioning activity.	<p>“No UK Government plan or strategy”</p> <p>“UK Government fiscal policy remains the biggest barrier”</p> <p>“Government policy and the EPL”</p> <p>“Punitive taxation levels”</p>
<b>Operator delays, deferred spend &amp; lack of commitment</b>	Many respondents said operators continue to delay decommissioning, “kick the can down the road,” and avoid committing capital due to cost pressures and uncertainty. Without stronger enforcement or incentives, projects are repeatedly postponed.	<p>“Operators kick the can down the road”</p> <p>“Procrastination by Operators”</p> <p>“No one wants to spend on Decommissioning”</p> <p>“Decommissioning works being deferred”</p>
<b>Fragmented pipeline &amp; poor visibility of work</b>	Businesses highlighted the lack of predictable project timelines and long-term planning. Work is often procured project-by-project rather than through coordinated programmes, making it difficult for suppliers to invest, recruit, and scale capability with confidence.	<p>“Lots of talk and hype, but not much real activity”</p> <p>“Fragmented and unpredictable project timelines”</p> <p>“Timescales are too extended for effective resource utilisation”</p>
<b>Supply chain access, skills &amp; infrastructure constraints</b>	Respondents pointed to shortages in vessels, rigs, port infrastructure, laydown space, and skilled labour, alongside concerns that smaller UK businesses are being excluded in favour of large multinational contractors. Skills loss from workforce decline was also seen as a major risk.	<p>“Availability of local supply chain and workforce”</p> <p>“Smaller companies are forced to burden the risk”</p> <p>“Loss of skills, experience and knowledge”</p> <p>“We do not have the port structure or lay down space”</p>
<b>Cost pressures &amp; lowest-cost procurement</b>	High decommissioning costs, vessel scarcity, tight margins, and procurement based on lowest price rather than local value were seen as major barriers. Respondents felt too much work risks being awarded overseas, limiting UK supply chain benefit.	<p>“It will be done as cheaply as possible and awarded to the lowest bidder”</p> <p>“Operators looking to lowest price geographies”</p> <p>“Heavy lift ships are overseas owned”</p> <p>“High costs and tight margins”</p>

# 11. Although project availability, pace and profitability are key constraints to companies diversifying their operations, the key barriers remain market stability and government policy.

Q: Which of the following do you consider as the main challenges to diversification over the next 5 years?

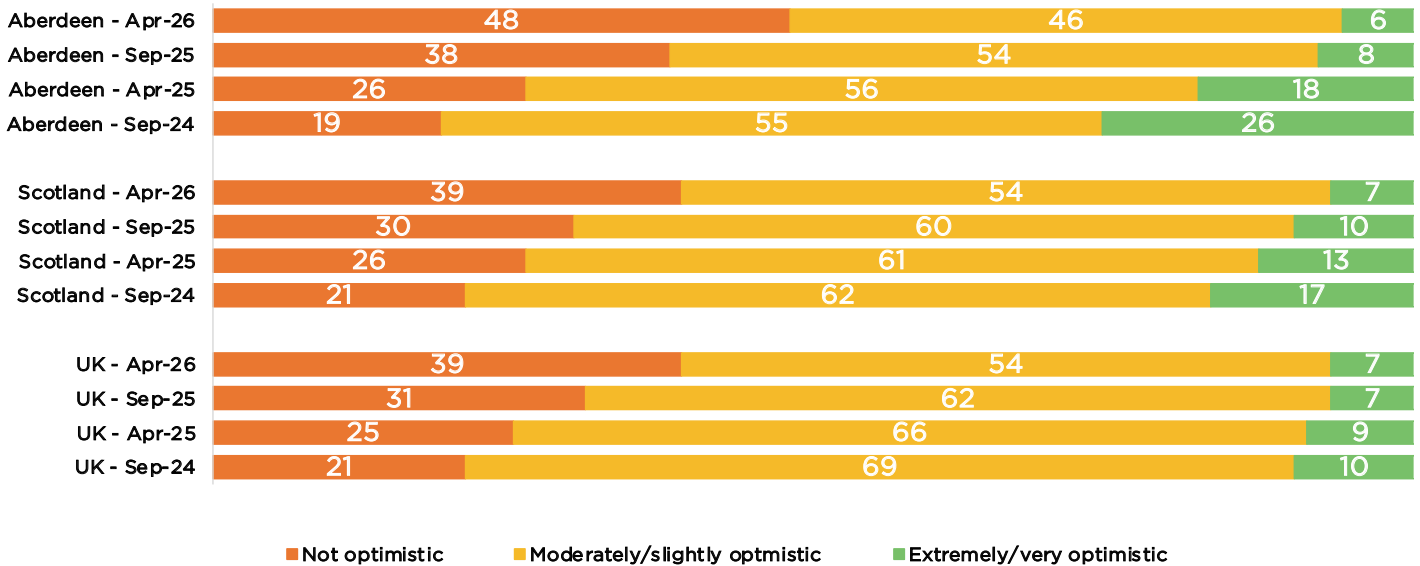


Q: Please expand on your answer:

Theme	Description	Illustrative Quotes
<b>Government policy, taxation &amp; investment confidence</b>	The strongest theme was frustration with UK tax policy, the EPL, and wider government energy policy creating an unstable and unattractive investment environment. Respondents felt frequent policy changes, punitive taxation, and lack of long-term strategy were discouraging both oil & gas investment and diversification into new energy sectors.	“No UK Government reliable plan” “Nobody wants to invest in the UK” “UK tax policy gives no incentive” “EPL contributed to major projects being cancelled”
<b>Delays in energy transition projects, planning &amp; grid capacity</b>	Many businesses highlighted that diversification opportunities exist, but actual projects are being delayed by slow planning approvals, grid connection constraints, outdated CfD structures, and lack of operator commitment. This creates poor visibility and makes it difficult for supply chain companies to invest in diversification.	“No actual projects being awarded” “Planning is taking too long” “We do not have the planning permissions yet for the grid connections” “CfD needs to be amended”
<b>Skills, commercial viability &amp; global competition</b>	Companies reported that diversification is difficult because renewable projects often offer lower margins, weaker ROI, and stronger competition than traditional oil & gas work. Skills shortages, workforce migration, and international market competition were also seen as major barriers to successful transition.	“Renewables projects are economically challenging” “Workforce will move abroad” “Profitability is far leaner than existing O&G” “UK contracts still being awarded overseas”

## 12. Levels of pessimism about the UK, Scotland and Aberdeen becoming established as leaders in the future energy system continues to increase markedly.

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?



Q: Why do you say that?

Aberdeen	Scotland	UK
<p>"GB Energy headquartered in Aberdeen. Knowledge and skills in region."</p> <p>"We are expanding our footprint in Aberdeen and see it as a key enabler of the energy transition given the expertise in energy."</p> <p>"Great work by ETZ and AGCC putting Aberdeen on map."</p> <p>"The North-east has a long history of entrepreneurs and engineering excellence and will always be able to be creative and adaptive."</p> <p>"Aberdeen is dying in front of our eyes, and the UK Scotland do not support or even trust the private sector. Little more than Tax cattle for a burgeoning welfare state with an ever-ageing population."</p> <p>"Aberdeen is being all but abandoned with the windfall tax destroying the O&amp;G industry."</p>	<p>"Scotland has the abundance of natural resources and workforce in the North-east with the skills to transition to green technologies."</p> <p>"Scotland has the natural resources, offshore capability and workforce to support leadership in green technologies and operations."</p> <p>"Aberdeen, Scotland and the UK clearly retain strong capability, experience and infrastructure which could support a meaningful role in green energy technologies and operations."</p> <p>"There is strong potential for Scotland if planning, grid constraints and policy consistency are improved."</p> <p>"Offshore Renewables will be HQ'd in Scottish Central Belt or London - and they will naturally gravitate towards using companies based there."</p> <p>"Scotland is losing skills, investment and competitiveness due to poor policy and lack of coherent long-term strategy."</p>	<p>"Extremely optimistic for the UK because of its scale, engineering capability, and ability to lead globally if the right policy framework is put in place."</p> <p>"The fundamentals are strong - deep engineering capability, world-class offshore experience, and a growing track record in areas like offshore wind, CCS, hydrogen and geothermal."</p> <p>"Governments come and go so change is almost inevitable and the UK will benefit greatly from policy change, if it comes early enough."</p> <p>"Companies can only invest in a predictable market with stable tax regimes. Nobody wants to invest in the UK."</p> <p>"We are at least 10 to 15 years behind Denmark and there is no show of confidence of funding from the UK Government for the infrastructure required."</p>

■ Extremely/very optimistic    
 ■ Moderately/slightly optimistic    
 ■ Not optimistic

# Energy Transition Case Study - ASCO



**For businesses with a long heritage in energy, diversification is often talked about as a future ambition. In reality, it has become a strategic route to resilience, relevance and long-term growth.**

For ASCO, a business with nearly 60 years of heritage in oil and gas, energy remains important. But the market conditions shaping the sector are changing. Traditional oil and gas activity in the UK is not providing the same certainty of long-term growth it once did. Renewables continue to offer significant potential; however, the market is still maturing and does not yet provide the same level of consistent, predictable project work.

Rather than wait for traditional markets to return to old patterns, ASCO has focused on where its experience can create the greatest value next. Its expertise was developed in oil and gas, but it was never limited to it. The business has spent decades operating in complex, high-risk environments where materials, people, assets, facilities and information must come together safely, efficiently and with precision. That experience is increasingly being applied across defence, critical infrastructure, industrial manufacturing, metals, pulp and paper, nuclear and offshore wind.

Defence is one example of that transition. With resilience, national security and sovereign capability now firmly on the agenda, the sector is facing many of the same challenges

ASCO has long helped clients solve: fragmented supply chains, poor materials visibility, cost pressure, schedule risk and the need to deliver major programmes with greater certainty. In these environments, logistics and materials management can determine whether programmes move forward or stall. If materials are not available, traceable, correctly configured and ready when required, delivery suffers.

The challenge is that diversification does not happen simply because a business has transferable skills; one of the biggest barriers is perception. ASCO has had to overcome the risk of being seen only as an oil and gas logistics provider, or as a smaller version of traditional logistics competitors, when its proposition is much broader. It can diagnose operational problems, design better operating models and deliver them on the ground, combining strategic thinking with practical execution.

Another barrier is credibility in new sectors. Even where the operational challenges are similar, new markets want proof. They need to know that a partner can work in complex, high-pressure and security-sensitive environments, and that transformation will lead to measurable outcomes such as reduced waste, better inventory control, fewer delays, lower cost, improved assurance and greater delivery confidence.

There is also an internal transition to manage. Diversification requires

clarity, commercial discipline and consistency across sectors and geographies. ASCO's work to strengthen its operating model, unify acquired brands under the ASCO name and improve connection across its global footprint has been central to the strategy.

That sector-led strategy has been executed in parallel with geographic diversification. From its roots in the UK, ASCO has continued to build internationally across markets including Australia, Canada, Trinidad and Tobago and Norway. This is not about exporting UK talent into other regions. It is about continuing to strengthen in existing locations, retaining and developing local capability and applying ASCO's operating discipline across sectors.

There is already evidence that this strategy is taking hold. ASCO secured more than £450m in contracts in 2024, EBITDA has increased by 63% over five years, and work outside oil and gas now accounts for around 15% of UK operations and 30% in Norway.

This is not a move away from energy, but a move away from dependency. Oil and gas gave ASCO its foundation, but the experience built there now has wider relevance. The next phase is about using that experience in markets where complexity is increasing, delivery cannot be left to chance, and reliability and resilience matter just as much.

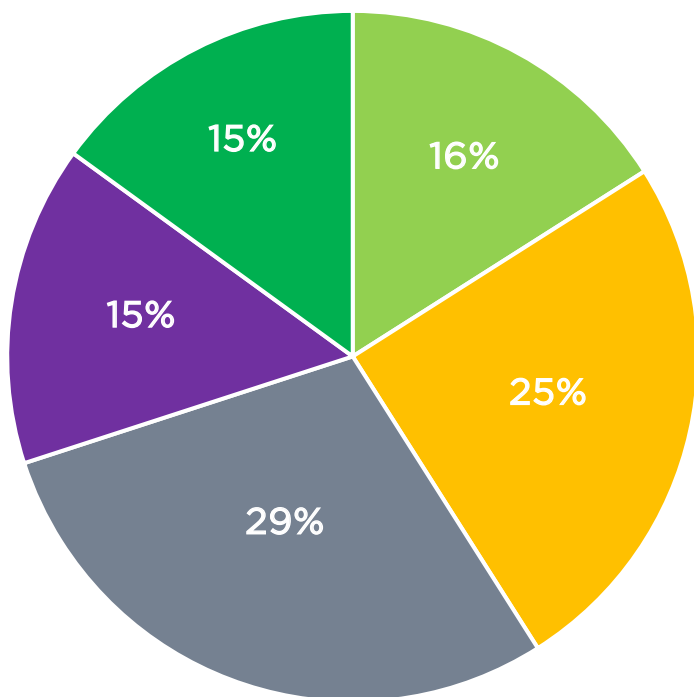
# Sustainability & transition readiness talking points



- Most organisations remain in the early-to-mid stages of sustainability maturity, with only 30% having fully embedded or actively managed net-zero approaches covering Scope 1-3 emissions, while 41% still lack a formal programme or delivery plan.
- Emissions tracking is still at a relatively early stage for many organisations, with 28% not quantifying this at all . While most are measuring at least some emissions, only 15% are actively measuring and managing Scope 3 supply chain impacts.
- Sustainability action is primarily being driven by internal leadership and need for compliance. It is not largely viewed as being commercially or financially advantageous.
- Over half would continue with their current sustainability plans even if regulation were delayed or softened indicating that sustainability is now embedded in the strategy and operations of many companies.

**13. Most organisations remain in the early-to-mid stages of sustainability maturity, with only 30% having fully embedded or actively managed net-zero approaches covering Scope 1-3 emissions, while 41% still lack a formal programme or delivery plan.**

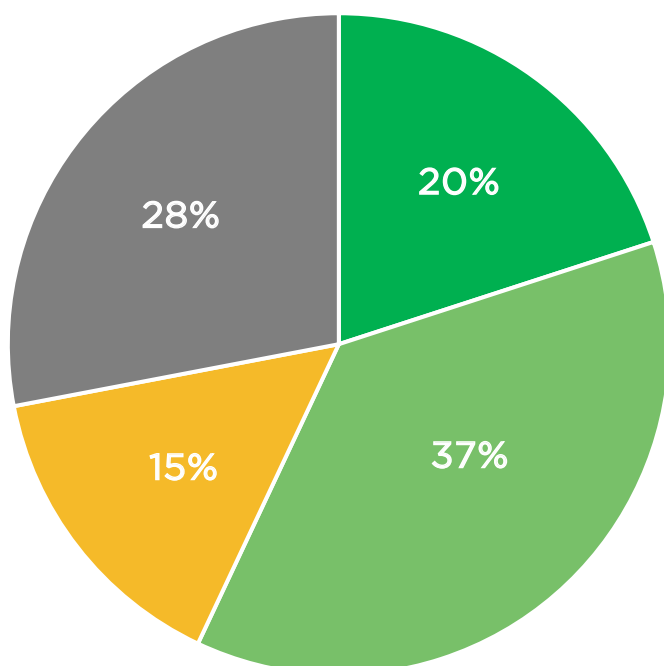
Q: Which of the following best describes your organisation's current sustainability maturity?



- No formal sustainability or climate reduction programme
- High-level ambitions, but no quantified baseline or delivery plan
- Emissions baseline established (Scope 1 and 2) with defined reduction actions
- Scope 1, 2 and material Scope 3 emissions quantified and actively managed (net-zero plan)
- Sustainability fully embedded into capital allocation, procurement and operations

**14. Emissions tracking is still at a relatively early stage for many organisations, with 28% not quantifying this at all. While most are measuring at least some emissions, only 15% are actively measuring and managing Scope 3 supply chain impacts.**

Q: Which emissions does your organisation currently measure with reasonable confidence?



- Scope 1 (direct fuel/process emissions)
- Scope 2 (purchased electricity/heat)
- Scope 3 - material supply chain emissions quantified and actively managed
- We do not currently quantify emissions

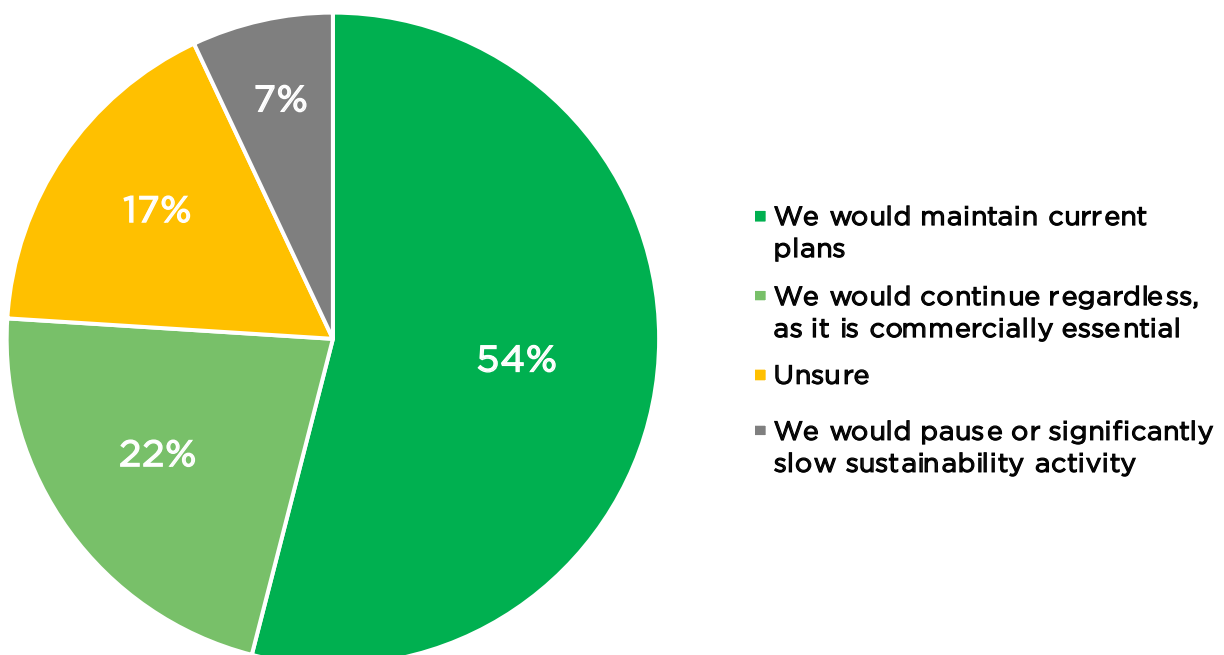
**15. Sustainability action is primarily being driven by internal leadership and need for compliance. It is not largely viewed as being commercially or financially advantageous.**

Q: What are the primary drivers behind your organisation's sustainability actions?



**16. Over half would continue with their current sustainability plans even if regulation were delayed or softened indicating that sustainability is now embedded in the strategy and operations of many companies.**

Q: If sustainability regulation were delayed or softened, how would this affect your organisation's sustainability programme?



# Energy Transition Case Study - Fugro



## How are remote inspection services reshaping Geo data for offshore projects?

Offshore energy projects are becoming larger, more complex, and more closely scrutinised. At the same time, operators face growing pressure to control costs, improve safety, and maintain confidence in project delivery.

Fugro is seeing these pressures reshape what clients expect from Geo-data services. Access to reliable data remains critical, but clients also need faster insight, stronger operational visibility and the ability to respond quickly when conditions change offshore. That is driving increased adoption of remote inspection services across the offshore industry.

By combining near real-time Geo-data delivery with remote expertise and uncrewed technologies, remote inspection services are helping clients to reduce offshore exposure, improve operational sustainability, and make more informed decisions throughout project execution.

### **Safer operations, faster access to expertise**

Traditional offshore survey and inspection campaigns already combine data acquisition, processing and interpretation during operations. Remote inspection services build on these capabilities by changing how expertise is deployed across projects.

Through Fugro's global network of remote operations centres (ROCs), clients can access a wider pool of specialists without increasing offshore personnel. Surveyors, data analysts, and asset integrity specialists can support offshore activities remotely and be brought into projects as needed.

For clients, this creates greater flexibility and responsiveness. Technical challenges can be escalated more quickly, specialist input can be provided as soon as anomalies are identified, and expertise can be shared efficiently across multiple projects simultaneously. Operational safety is also improved by transferring offshore personnel to onshore roles, while maintaining operational oversight and data quality.

That capability depends on resilient digital infrastructure. Secure offshore-to-onshore data transfer, reliable communications and integrated digital workflows allow offshore and onshore teams to work from the same live information. Combined with live streaming and remote system access, project teams can shorten decision loops and maintain visibility as operations progress.

Fugro is expanding the development and utilisation of uncrewed surface vessels (USVs). These USVs support inspection and light geophysical surveys, improve operational safety with no crew onboard, and consume

just 5% of the fuel required by traditional survey vessels for similar campaigns.

### **Improving confidence during offshore delivery**

Delayed or fragmented data remains a major challenge for offshore projects. When critical information arrives too late, decisions become more cautious, often leading to additional offshore activity, increased vessel time and unnecessary cost.

Fugro's remote inspection model helps address this by improving visibility throughout offshore operations. Near real-time access to Geo-data allows project teams to review findings as work progresses, validate assumptions earlier and respond more quickly to changing offshore conditions.

As offshore asset portfolios expand and floating wind developments introduce new operational demands, this responsiveness becomes increasingly important. Confidence no longer comes from collecting more data alone. It comes from understanding the right data quickly enough to act on it effectively.

That confidence also depends on trust in how operational information is managed. As offshore operations become more connected, secure data transfer and cybersecurity are playing an increasingly important role in protecting project data and maintaining continuity across offshore activities.

### **Building a stronger foundation for offshore projects**

Remote inspection services do not replace conventional offshore operations. They strengthen them by combining offshore experience with wider access to expertise, safer delivery models and faster operational insight.

Clients can benefit from clearer visibility into offshore activity, reduced operational risk, and greater confidence in project decisions.

As offshore projects continue to evolve, connected and responsive Geo-data services will play an increasingly important role in helping operators deliver projects safely, efficiently and with greater certainty.

# Government policy and regulatory environment talking points

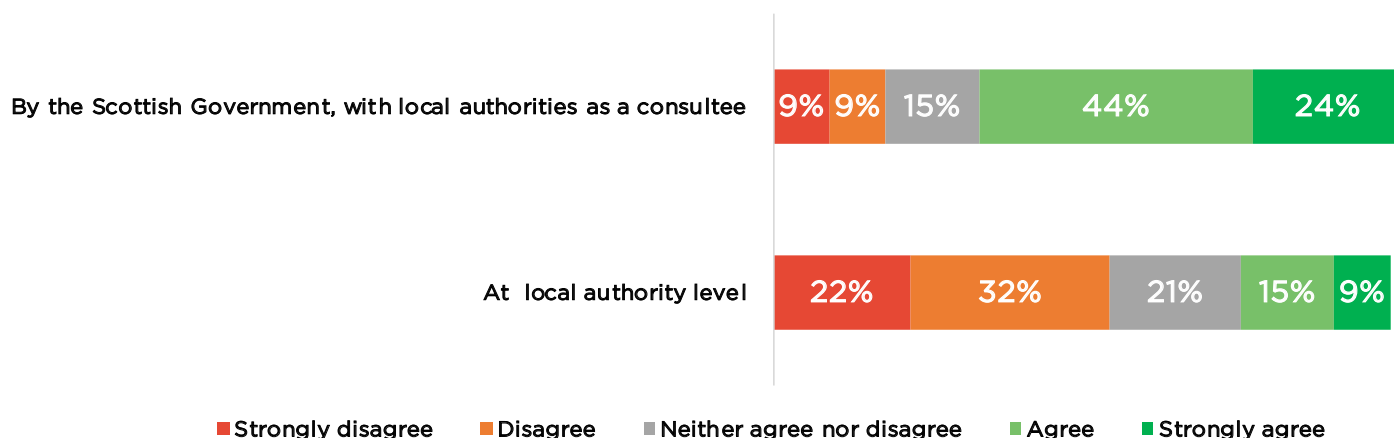
- Clear preference among respondents for centralised decision-making to accelerate grid infrastructure. Only a minority support decisions being made at local level, while a strong majority favour Scottish Government-led decisions with local authorities acting in a consultative role.
- There is overwhelming condemnation of the current transmission charging system, with only 4% of respondents believing that it is fair and just 6% disagreeing that it needs to be reformed.
- Almost three-fifths of organisations did not engage with UK Government energy consultations in the past year with the main reason given, perhaps surprisingly, being lack of awareness. Scepticism about their impact and time and resource constraints were other factors, particularly among SME supply chain respondents.
- Just 8% of respondents agreed that the North Sea Future plan published by DESNZ in November 2025 provides the right framework for industry.
- There is overwhelming support for a more flexible UK Government approach to oil and gas regulation and taxation in response to current geopolitical and energy market conditions. 93% of respondents believe change is justified, while only a very small minority do not.
- 87% agree that new North Sea licences and consents should be granted where operators can clearly demonstrate emissions will be lower than imported equivalents and operations will generate increased domestic investment and GVA.
- There is very strong consensus that, with appropriate fiscal and regulatory frameworks, there is still a positive future for oil and gas activity in the North Sea.
- Views on the future oil and gas price mechanism (OGPM) are mixed, with more respondents disagreeing that it provides a fair framework for future taxation than supporting it.
- However, there is a strong preference for the early introduction of the OGPM, with the vast majority selecting 2026 as the appropriate timing. This is reinforced by near-universal agreement that bringing the mechanism in earlier than 2030 would unlock additional investment and activity in the North Sea.
- Over 90% of respondents described current lack of clarity on energy policy from the Scottish Government as being damaging or highly damaging to industry confidence and investment.

## 17. Clear preference among respondents for centralised decision-making to accelerate grid infrastructure. Only a minority support decisions being made at local level, while a strong majority favour Scottish Government-led decisions with local authorities acting in a consultative role.

The delivery of onshore grid infrastructure is crucial to unlocking the potential of the Scotland leasing round. However, several recent planning applications have been attracted substantial community opposition and have been blocked by local councillors.

Q. To what extent do you agree or disagree with the following statements:

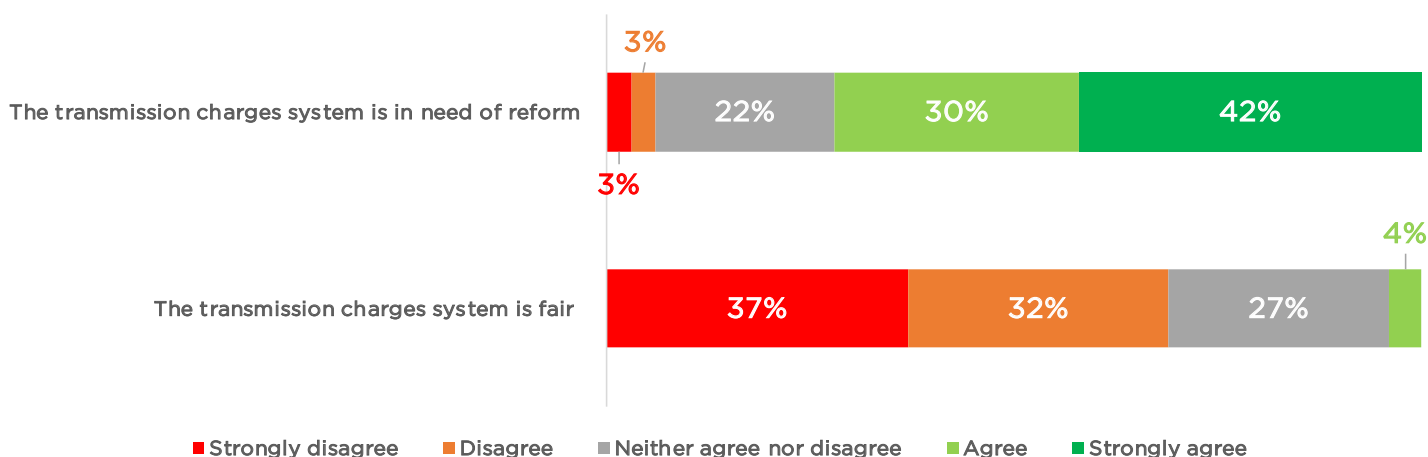
Decisions about grid infrastructure of strategic national importance should be made:



## 18. There is overwhelming condemnation of the current transmission charging system, with only 4% of respondents believing that it is fair and just 6% disagreeing that it needs to be reformed.

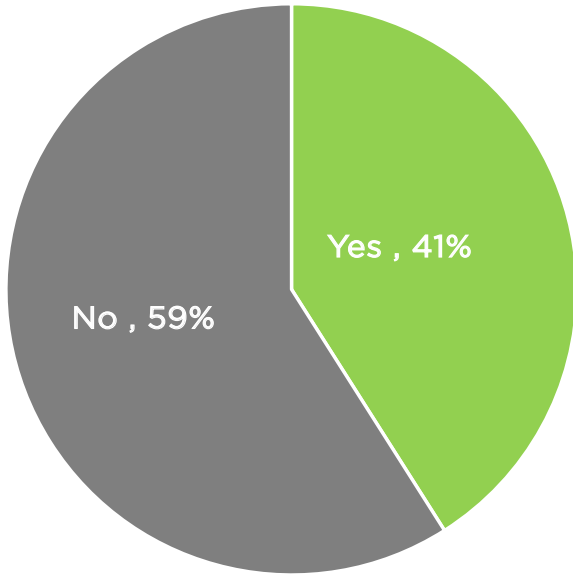
Companies developing renewable energy projects are charged levies, known as transmission charges, to pay for upgrading and maintaining the UK electricity grid. These transmission charges are calculated in relation to population sizes, meaning that developers in the North of Scotland are charged more than developers in parts of Southern England.

Q. To what extent do you agree or disagree with the following statements:

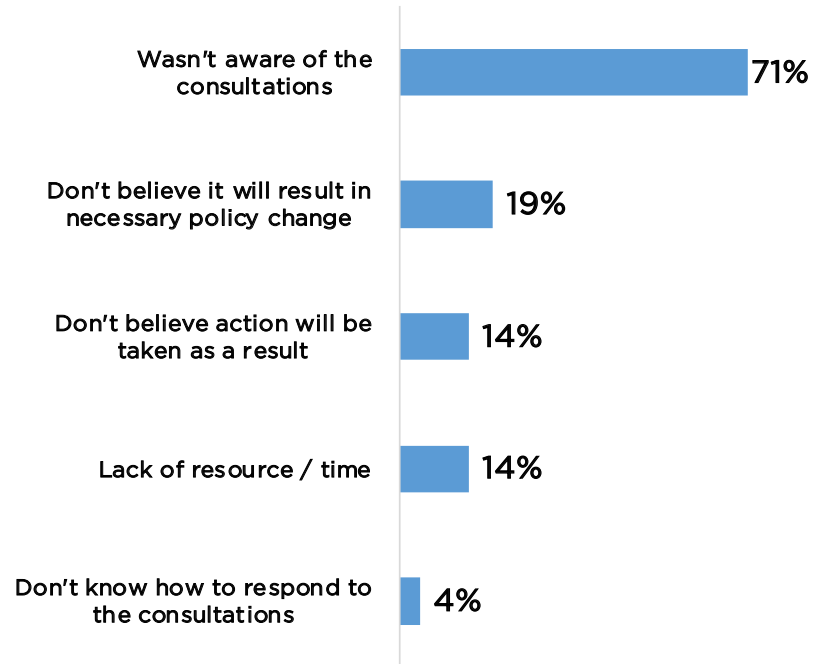


**19. Almost three-fifths of organisations did not engage with UK Government energy consultations in the past year with the main reason given, perhaps surprisingly, being lack of awareness. Scepticism about their impact and time and resource constraints were other factors, particularly among SME supply chain respondents.**

Q: Over the past 12 months have you responded to any UK Government consultations on the future of energy?

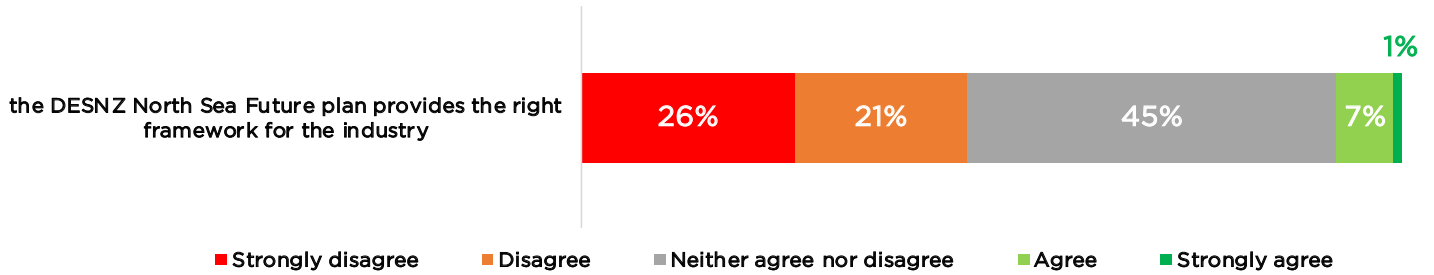


Q: Why not?



**20. Just 8% of respondents agreed that the North Sea Future plan published by DESNZ in November 2025 provides the right framework for industry.**

Q: To what extent do you agree that:



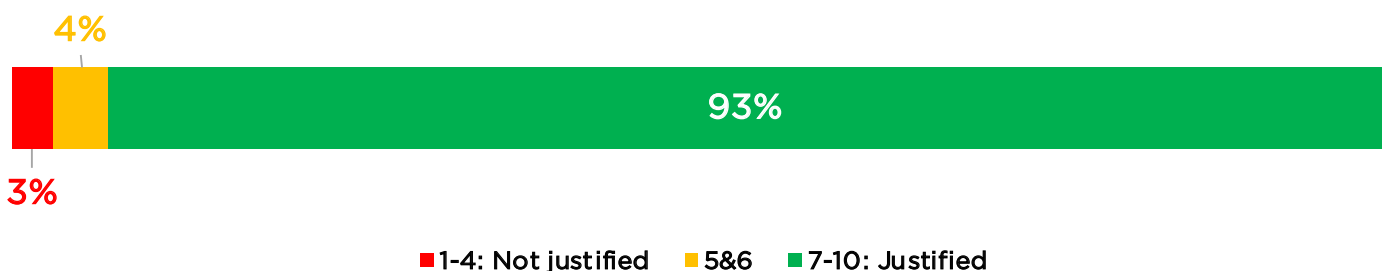
Q: Why do you say that?

Rank	Theme	Mentions	Summary
1	Support for balanced transition / continued oil & gas production	18	The most common view was that the UK should continue developing domestic oil and gas alongside renewables to protect energy security, jobs, and economic stability during the transition.
2	Criticism of government policy and leadership	16	Many respondents expressed frustration with UK Government and DESNZ policy, describing it as unrealistic, politically driven, unclear, or disconnected from industry realities.
3	Concerns about investment uncertainty and industry decline	12	Respondents frequently argued that current policy uncertainty is discouraging investment, weakening confidence, and accelerating decline within the North Sea supply chain.
4	Renewables not ready to replace oil & gas	11	A strong theme was that infrastructure is not fit for purpose to enable early roll out of renewable projects at scale.
5	Energy security concerns	10	Many responses highlighted fears that reducing domestic oil and gas production too quickly will increase reliance on imports and weaken UK energy security.

**21. There is overwhelming support for a more flexible UK Government approach to oil and gas regulation and taxation in response to current geopolitical and energy market conditions. 93% of respondents believe change is justified, while only a very small minority do not.**

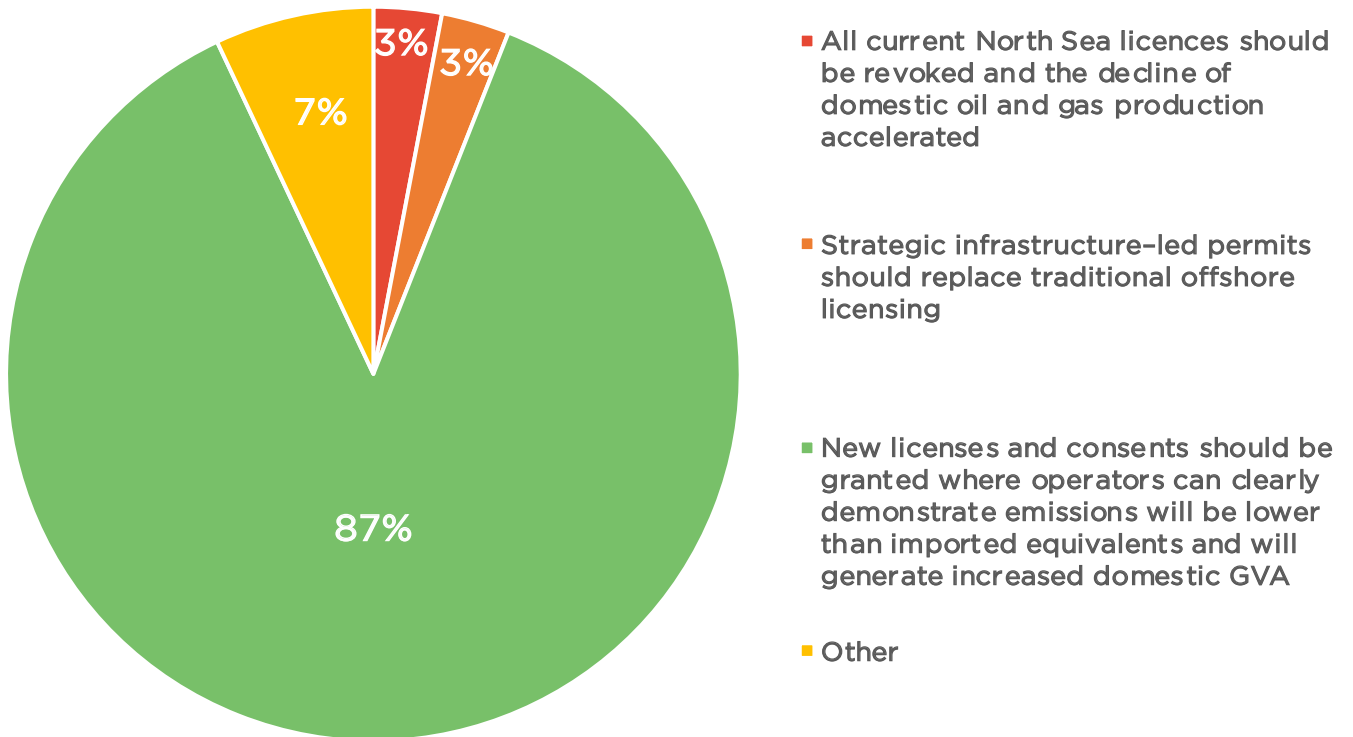
Q: On a scale of 1-10, where 1 means “not at all justified” and 10 means “entirely justified”, to what extent do you believe:

**Current global geopolitical and energy market conditions justify a more flexible UK Government stance on oil and gas regulation and taxation to underpin UK energy security.**



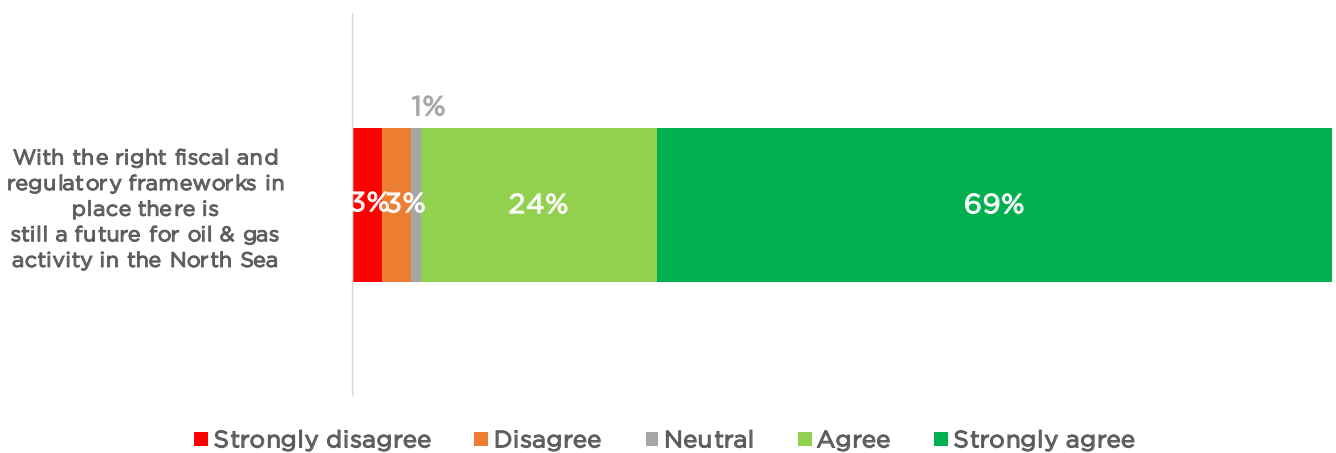
**22. 87% agree that new North Sea licences and consents should be granted where operators can clearly demonstrate emissions will be lower than imported equivalents and operations will generate increased domestic investment and GVA.**

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



**23a). It's all over?... Maybe not quite yet. There is very strong consensus that, with appropriate fiscal and regulatory frameworks, there is still a positive future for oil and gas activity in the North Sea.**

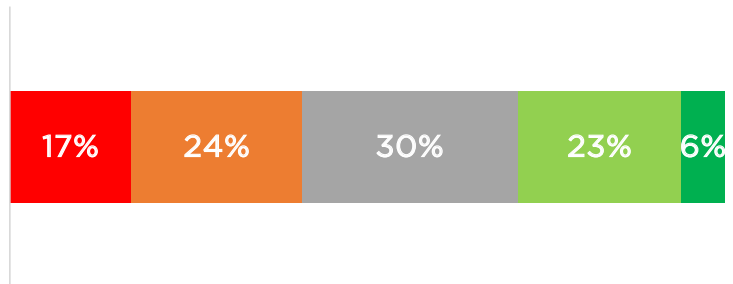
Q: On a scale of Strongly Disagree to Strongly Agree please indicate your views on the following:



**23b).** Views on the future oil and gas price mechanism (OGPM) are mixed, with more respondents disagreeing that it provides a fair framework for future taxation than supporting it.

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

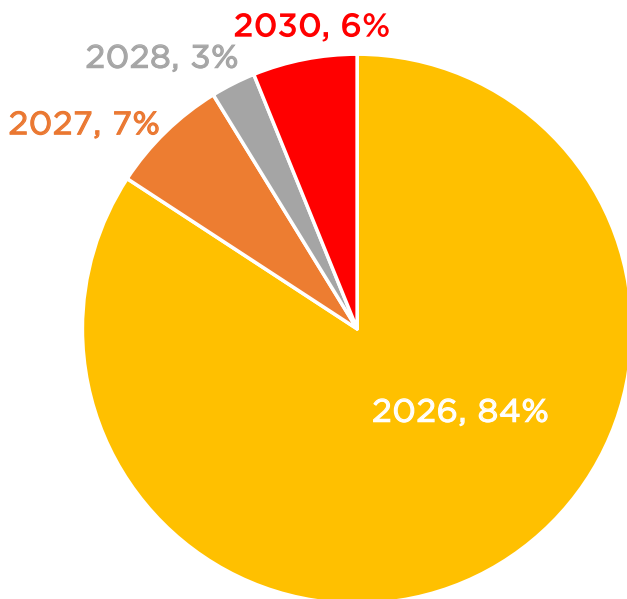
The oil and gas price mechanism (OGPM) provides a fair framework for future taxation



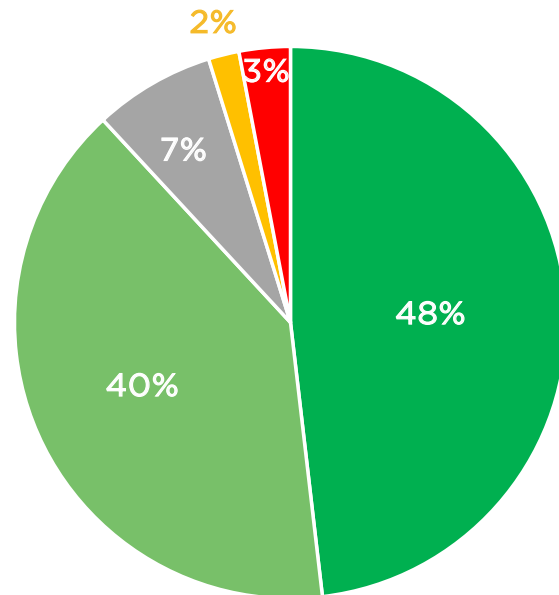
Strongly disagree Disagree Neutral Agree Strongly agree

**24.** However, there is a strong preference for the early introduction of the OGPM, with the vast majority selecting 2026 as the appropriate timing. This is reinforced by near-universal agreement that bringing the mechanism in earlier than 2030 would unlock additional investment and activity in the North Sea.

Q: When is the right time to bring in the oil and gas price mechanism?



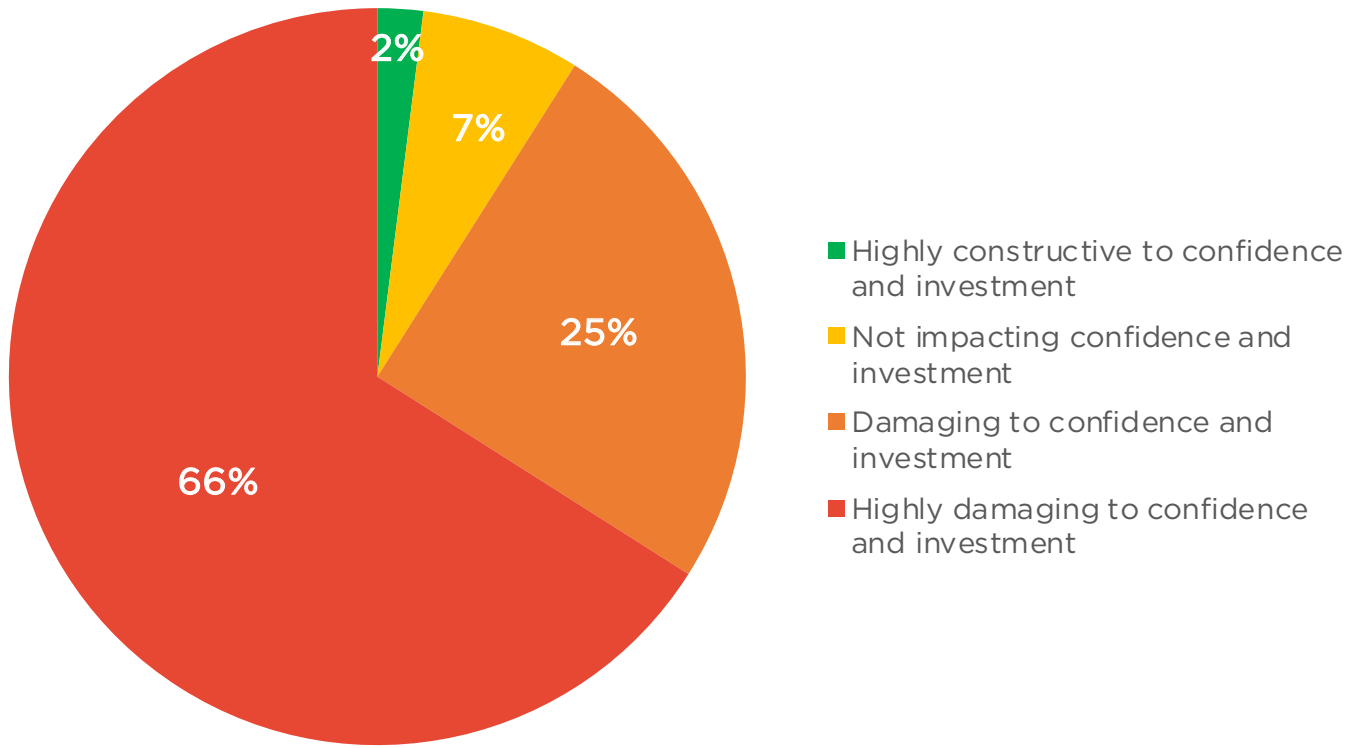
Q: Bringing the oil & gas price mechanism in earlier than 2030 would unlock additional investment and activity in the North Sea



Strongly agree Disagree Agree Strongly disagree Neither agree nor disagree

**25.** Over 90% of respondents described current lack of clarity on energy policy from the Scottish Government as being damaging or highly damaging to industry confidence and investment.

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

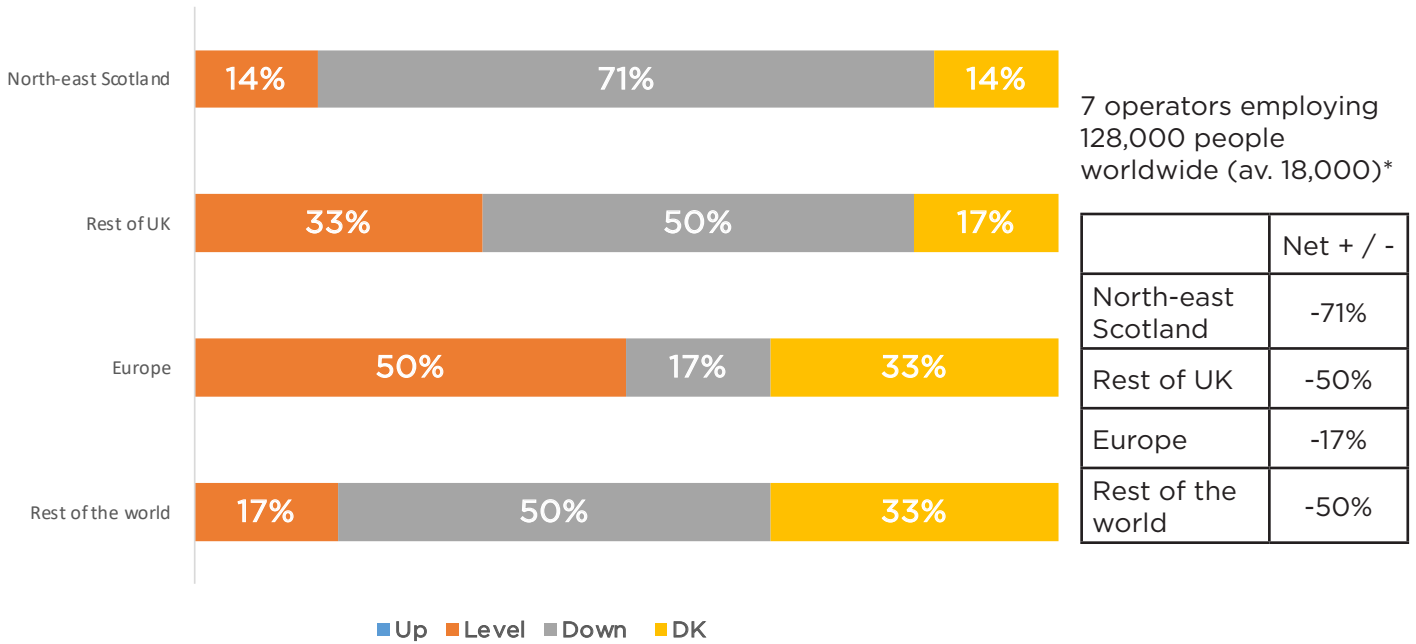


# Recruitment and skills gaps talking points

- Operator respondents reported significant net reductions in headcount over the last year across all markets, but with the most negative impact on roles in the North-east of Scotland. None of them reported increases in staff numbers in any market during that time.
- Service company responses painted a slightly brighter picture reporting net increases in headcount across all regions, albeit accounting for significantly smaller numbers than for operators. The highest growth was in the Rest of the World, reinforcing the issue of talent leakage from the UK.
- Operators are forecasting further significant decreases in headcount in the North-east of Scotland over the next five years but interestingly level across operations in other parts of the UK.
- Service company respondents, again, were more bullish in forward headcount forecasting with net growth expected in all regions but with a greater emphasis outside of Europe where more opportunities exist.
- Less than half of businesses cited recruitment challenges as an issue. Where challenges were encountered, they related to a shortage of suitable skills in the UK labour market, amplified by competition for people from overseas markets. Other significant factors included security of future employment and location being unattractive.
- Respondents continue to report seeing high levels of staff leaving to work overseas. Early retirement and leaving the industry altogether are also notable factors, due to lack of future sector confidence. Movement into “new energy” roles remains relatively low both within and outside organisations.
- These results showed a small uptick in confidence at individual company level about the timescale for new energy roles to replace traditional work. At an industry level however, almost three quarters of respondents believe this will never be achieved or take more than ten years.
- Fewer than 10% of respondents are confident that, given current trends, the UK will have the skills capacity to deliver the energy transition with 40% believing it will not. Almost half think that there is still a chance but only with swift and decisive policy change. Ironically, some suggest the skills might need to be imported!

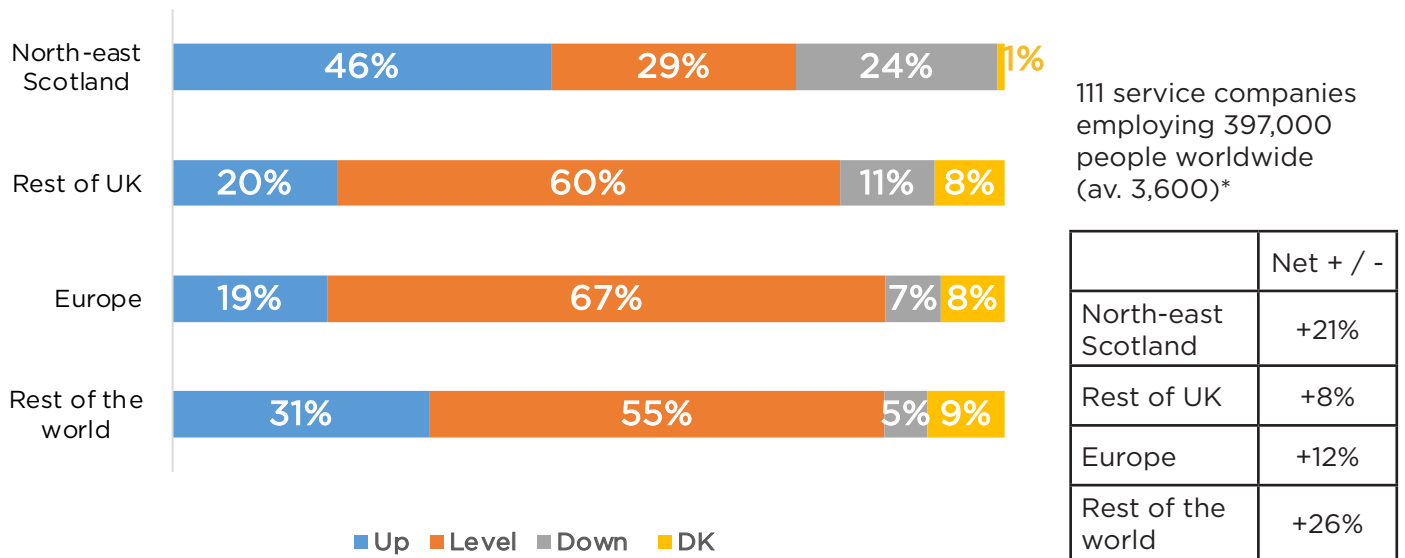
**26a).** Operator respondents reported significant net reductions in headcount over the last year across all markets, but with the most negative impact on roles in the North-east of Scotland. None of them reported increases in staff numbers in any market during that time.

Q. How has your head count (operators) changed over **the past 12 months** for:



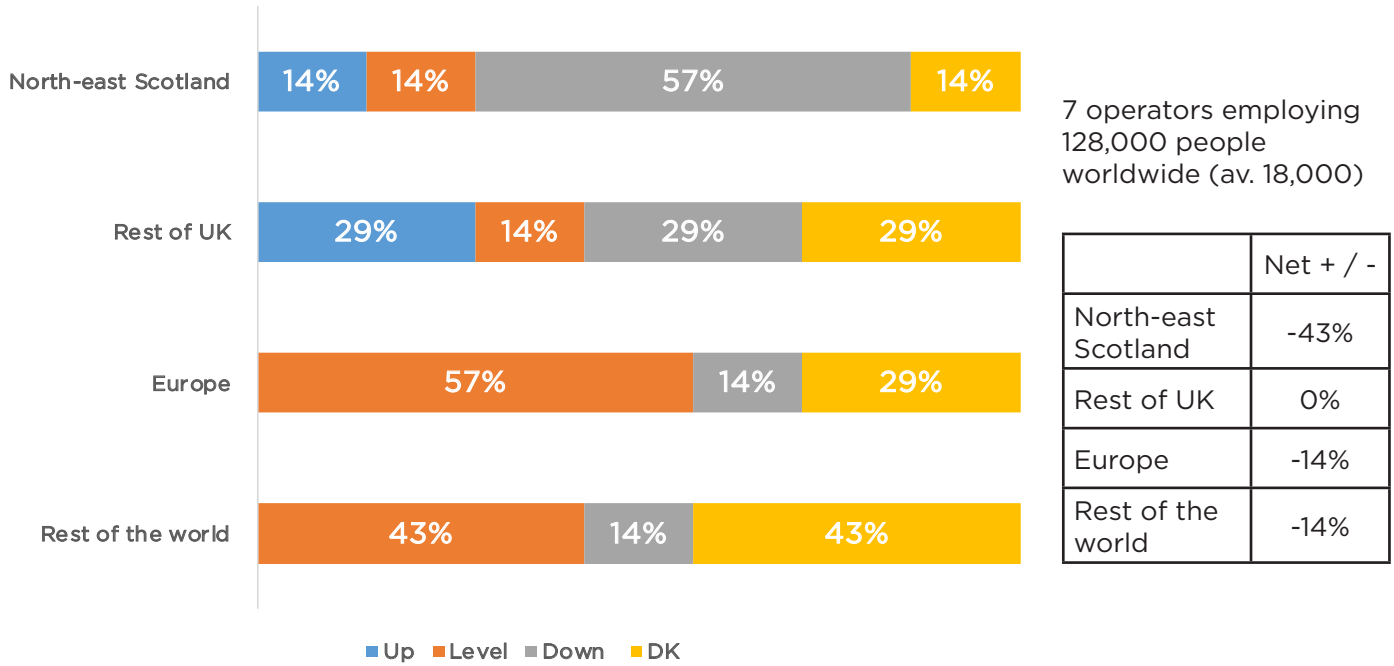
**26b).** Service company responses painted a slightly brighter picture reporting net increases in headcount across all regions, albeit accounting for significantly smaller numbers than for operators\*. The highest growth was in the Rest of the World- reinforcing the issue of talent leakage from the UK.

Q. How has your head count (service companies ) changed **over the past 12 months** for:



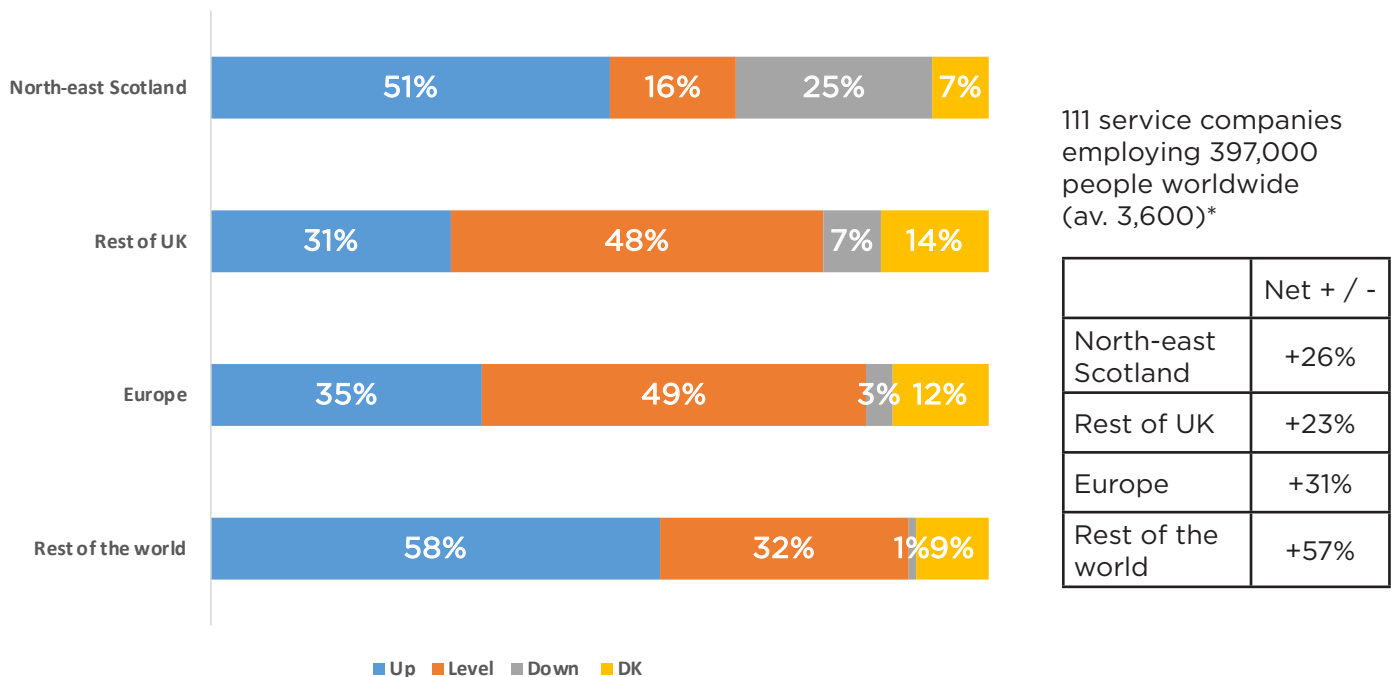
**27a).** Operators are forecasting further significant decreases in headcount in the North-east of Scotland over the next five years but interestingly level across operations in other parts of the UK.

Q: How do you expect your head count (operators) to change over **the next 5 years** for:



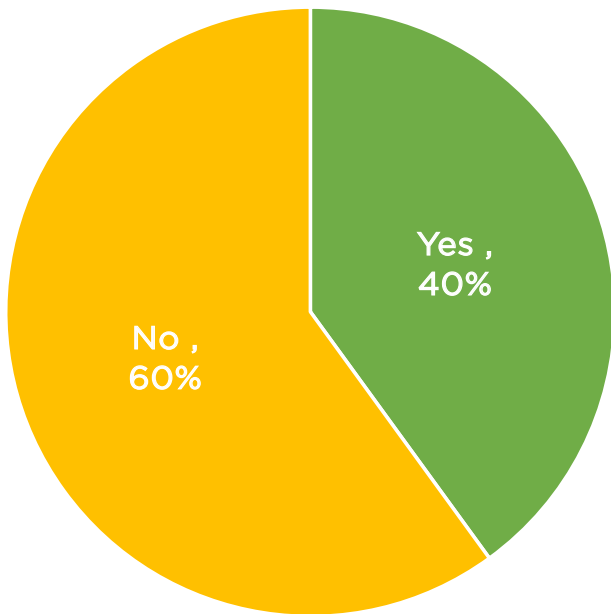
**27b).** Service company respondents, again, were more bullish in forward headcount forecasting with net growth expected in all regions but with a greater emphasis outside of Europe where more opportunities exist.

Q: How do you expect your head count (service companies ) to change over **the next 5 years** for:

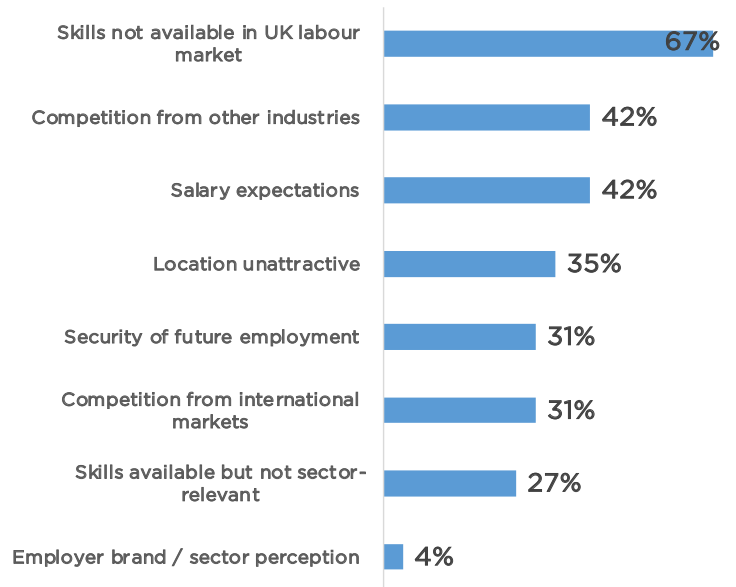


**28. Less than half of businesses cited recruitment challenges as an issue. Where challenges were encountered, they related to a shortage of suitable skills in the UK labour market, amplified by competition for people from overseas markets. Other significant factors included security of future employment and location being unattractive.**

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

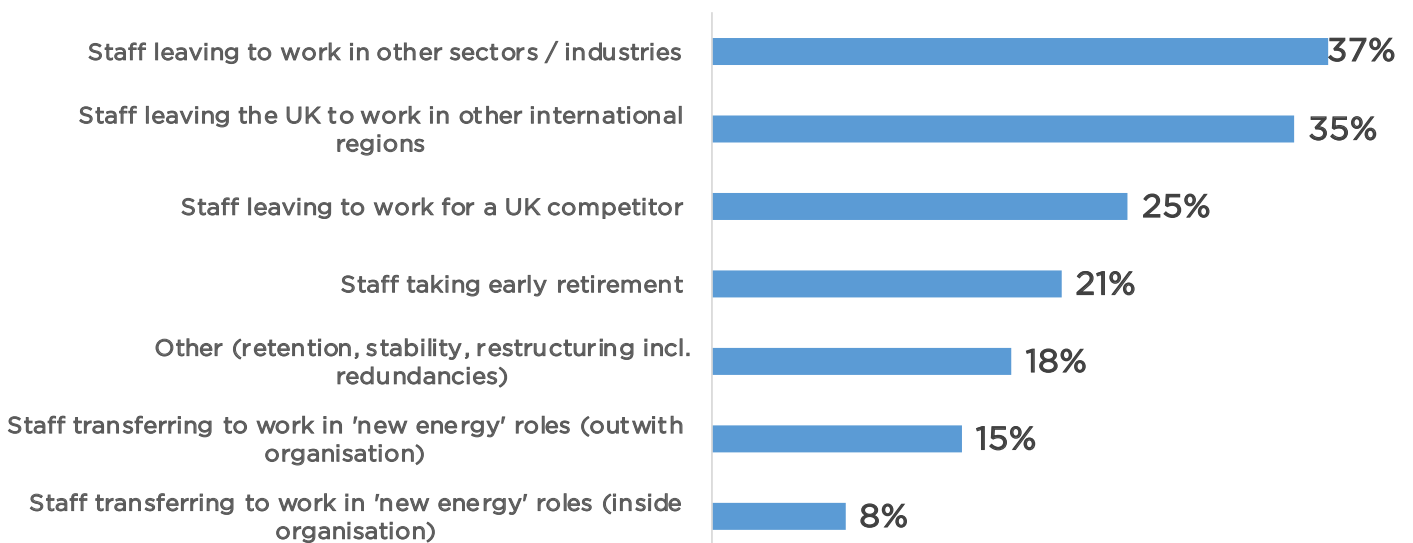


Q: What are the main reasons for difficulty recruiting staff?



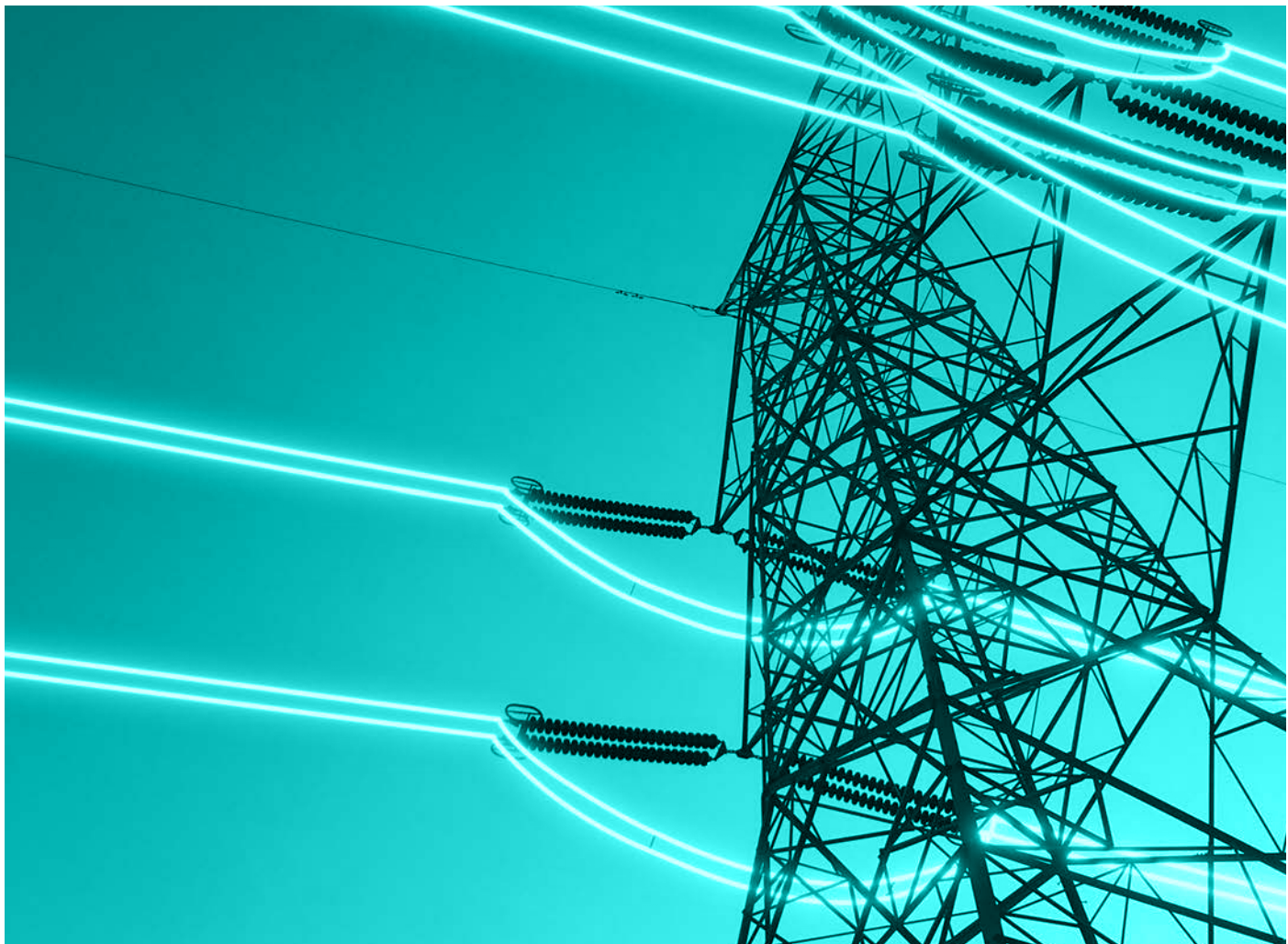
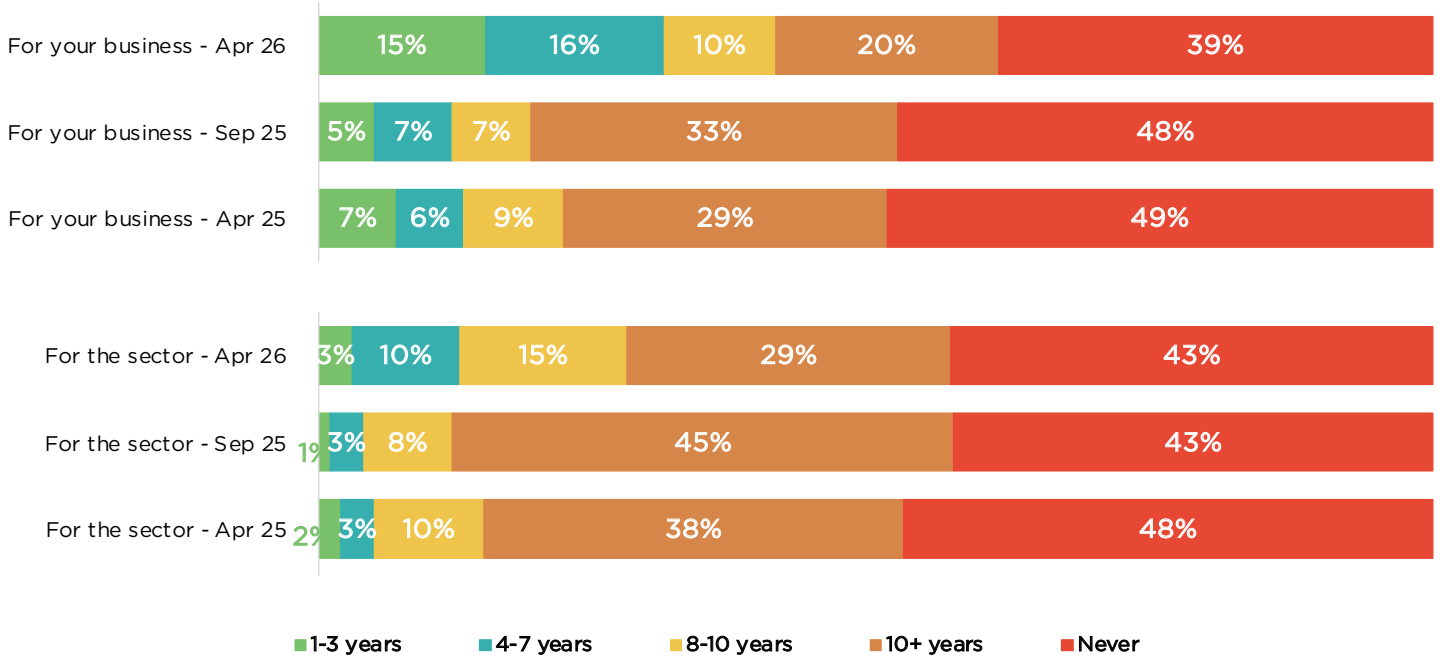
**29. Respondents continue to report seeing high levels of staff leaving to work overseas. Early retirement and leaving the industry altogether are also notable factors, due to lack of future sector confidence. Movement into “new energy” roles remains relatively low both within and outside organisations.**

Q: Which of the following are true of your current workforce trends?



**30a).** These results showed a small uptick in confidence at individual company level about the timescale for new energy roles to replace traditional work. At an industry level however, almost three quarters of respondents believe this will never be achieved or take more than ten years.

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



**30b). When asked why they believed this, respondents cited new energy activity as less labour intensive with lower volumes of long-term operational roles. Frustration with the pace and direction of government policy was also a key factor, highlighting the growing mismatch between the accelerated decline of domestic oil & gas activity alongside delays in the development of replacement industries.**

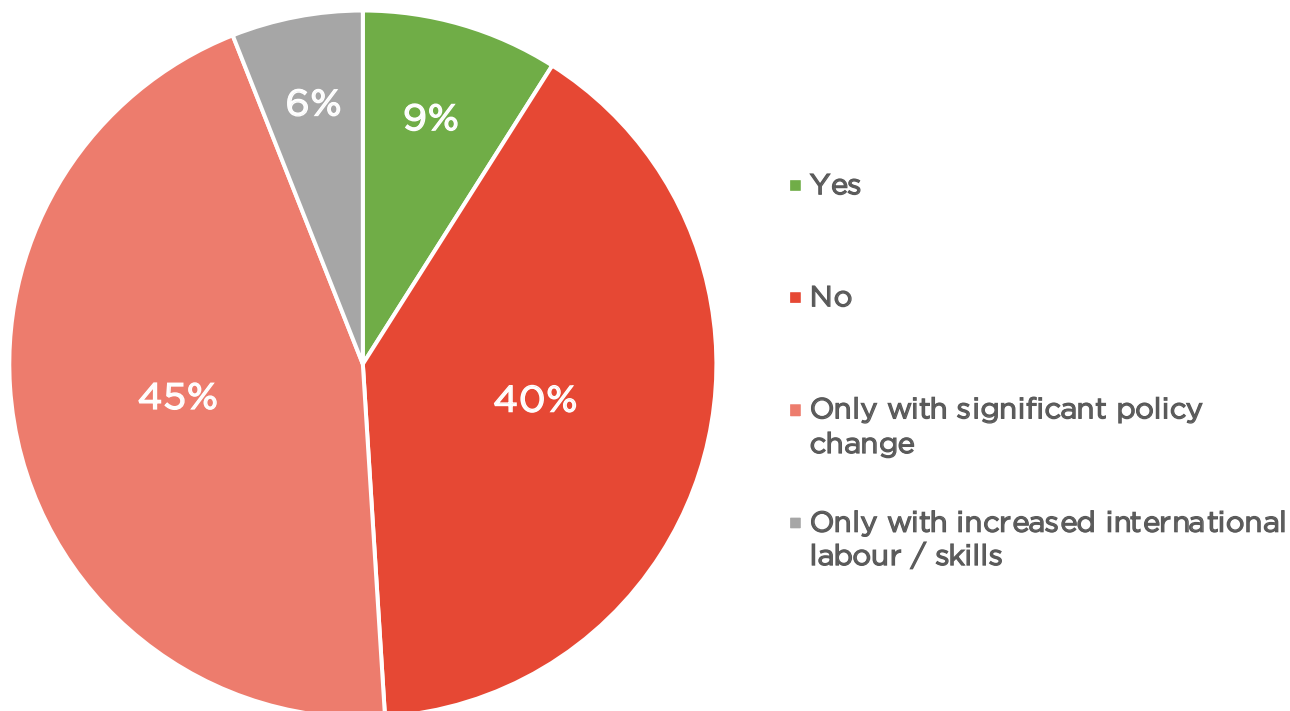
Q: What makes you say that?

Rank	Theme	Mentions	Summary
1	New energy creates fewer jobs than oil & gas	22	The dominant theme is that renewables and low-carbon sectors are significantly less labour intensive than oil & gas, particularly in operations, maintenance, and supply chain activity. Many believe replacement jobs will be only a fraction of existing employment levels.
2	Transition is too slow / delayed	12	Respondents repeatedly highlight long project timelines, slow investment cycles, planning delays, and the lag between oil & gas decline and new energy growth.
3	Policy and government concerns	11	Many criticise UK and Scottish Government energy policy, describing it as unclear, unsupportive, poorly managed, or damaging to investor confidence and the supply chain.
4	Skills transfer challenges	10	Respondents question the assumption that oil & gas skills are easily transferable, noting retraining needs, different technologies, and mismatches between sectors.
5	Oil & gas demand will continue	8	Several respondents argue that oil & gas will remain essential globally for decades, meaning the sector will continue to play a major economic role.
6	Supply chain and economic impacts	8	Concerns that UK companies are losing work internationally, skilled workers are leaving the sector, and the wider North-east economy will suffer from reduced high-value activity.
7	Renewables seen as lower value / lower pay	7	Some believe new energy roles will offer lower salaries, less stability, and reduced economic value compared to traditional oil & gas employment.
8	Infrastructure and technology immaturity	6	Respondents note that sectors such as hydrogen, CCS, and offshore wind are still developing, uncertain, or lack sufficient infrastructure to support large-scale employment.
9	Need for diversification beyond energy	4	A smaller group state their businesses will need to diversify into other industrial sectors because energy transition opportunities alone will not sustain current business models.
10	Calls for a gradual / managed transition	4	Some argue that transition should happen more slowly and organically to avoid damaging the workforce and supply chain.

Given the limited sample size (64), 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.

**31.** Fewer than 10% of respondents are confident that, given current trends, the UK will have the skills capacity to deliver the energy transition with 40% believing it will not. Almost half think that there is still a chance but only with swift and decisive policy change. Ironically, some suggest the skills might need to be imported!

Q: If current trends continue, do you believe the UK will have sufficient skills capacity to deliver its energy transition ambitions?



# AGCC viewpoint and recommendations

## Level the playing field between North Sea production and LNG imports

Businesses responding to Energy Transition 43 continue to express frustration that UK policy increasingly disadvantages domestic production while simultaneously increasing reliance on imported hydrocarbons. There was strong support throughout the survey for continued domestic oil and gas production – and consent for new projects – where operators can demonstrate lower emissions than imported alternatives and deliver greater economic value to the UK.

In many cases, imported LNG carries higher lifecycle emissions, longer transportation supply chains and lower domestic economic benefit than UK-produced energy. At the same time, North Sea operators continue to face a significantly more challenging fiscal and regulatory environment than imported supply.

The Chamber believes government should establish a genuinely level playing field between domestic production and LNG imports through a more balanced and consistent approach to lifecycle emissions, taxation and energy security. A successful energy transition must recognise both climate objectives and the importance of maintaining domestic industrial capability, jobs and secure energy supply.

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

Respondents continue to identify fiscal instability and policy uncertainty as the single biggest barriers to investment in the UK Continental Shelf. While confidence in international markets remains strongly positive, confidence in the UKCS remains historically weak. Companies continue to redirect investment, people, vessels and capability towards regions where governments are viewed as more stable and predictable long-term partners.

The Chamber believes the UK Government should accelerate implementation of the Oil & Gas Price Mechanism (OGPM) significantly ahead of the current 2030 timetable. North Sea operators have told the UK Government they are prepared to invest £17.5 billion into new domestic oil and gas projects under these circumstances, protecting jobs and unlocking the equivalent of 1.1 billion barrels of oil and gas by 2030, strengthening energy security.

## Reform Transmission Network Use of System (TNUoS) charging

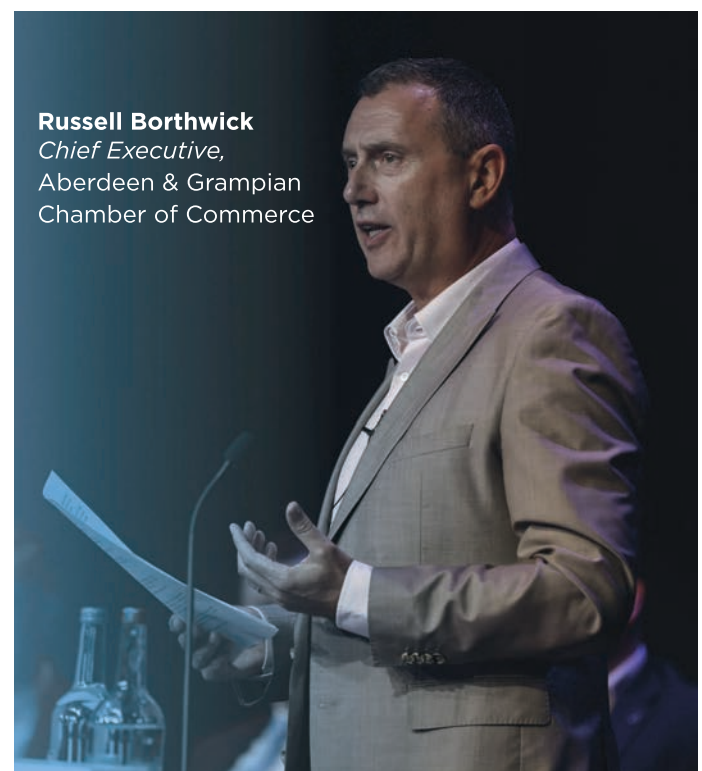
This survey reinforces growing industry concern that the current transmission charging regime is undermining Scotland's renewable energy opportunity. Businesses repeatedly identified transmission charging, grid capacity and consenting delays as major barriers preventing offshore wind and wider electrification projects from progressing at the pace required.

High and volatile TNUoS charges continue to weaken the commercial case for renewable energy investment in the North-east of Scotland despite the region possessing some of Europe's strongest renewable resources. Without reform, there is a growing risk that project delays and infrastructure constraints will widen the gap between declining traditional activity and the pace of new energy deployment. The Chamber believes urgent reform is required to improve long-term investment certainty, accelerate offshore wind deployment, support industrial electrification and unlock long-term supply chain opportunities across Scotland.

## Accelerate planning, consenting and grid delivery

The survey findings demonstrate that one of the biggest constraints on transition progress is no longer ambition, but delivery. Respondents consistently identified planning delays, consenting complexity and grid infrastructure bottlenecks as key barriers preventing investment from moving at pace.

Businesses continue to support offshore wind, decarbonisation and wider transition projects, but many believe the systems required to deliver those projects are no longer operating efficiently enough. The Chamber believes governments and regulators must urgently streamline consenting processes, accelerate strategic grid investment, reduce delays for nationally significant infrastructure and improve coordination between planners, regulators and network operators. The UK cannot deliver transition ambitions at scale without modernising the infrastructure and regulatory systems needed to support major energy projects.



**Russell Borthwick**  
*Chief Executive,*  
Aberdeen & Grampian  
Chamber of Commerce



# About the survey

The 43rd AGCC Energy Transition (previously Oil & Gas) survey is supported by leading business advisory firm Johnston Carmichael and the clean energy group D2Zero. This year's survey took place with the backdrop of a Middle East conflict, highly dynamic geo-political landscape and a challenging policy environment.

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 changes are secured.

## Research approach

The online survey was updated with partner input to reflect the current environment and was live between 26 March and 24 April 2026. Direct approaches were made to previous respondents, Chamber energy networks, and other trade bodies, with follow-up telephone calls to key contacts. The survey was also promoted more widely through Chamber news channels and other media.

A total of 121 organisations, including 7 operators, fully completed the survey (with a further 10 partial responses). Collectively, respondents employ over 72,000 people in the UK and 430,000 people globally. The research was managed by Research Chamber, the Chamber's in-house commercial research team at 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.

## Project team

### David Wilson

**Aberdeen Office Managing Partner**

Johnston Carmichael

**T** 01224 212222

**E** david.wilson@jcca.co.uk

### Nicola Macleod

**General Counsel and Head of Corporate Affairs**

D2Zero

**T** 01224 618755

**E** nicola.macleod@d2z.com

### Russell Borthwick

**Chief Executive**

Aberdeen & Grampian Chamber of Commerce

**T** 01224 343911

**E** russell.borthwick@agcc.co.uk

### Ryan Crighton

**Director of Policy and Marketing**

Aberdeen & Grampian Chamber of Commerce

**T** 01224 343926

**E** ryan.crighton@agcc.co.uk

### Sarah McColl

**Research & Insights Manager**

Aberdeen & Grampian Chamber of Commerce

**T** 01224 343912

**E** sarah.mccoll@agcc.co.uk

### Samira Heshmatzadeh

**Senior Research Executive**

Aberdeen & Grampian Chamber of Commerce

**T** 01224 343930

**E** samira.heshmatzadeh@agcc.co.uk



**The Research Chamber** helps businesses make better decisions and unlock growth by understanding markets, customers and competitors. We know and understand what drives business better than any external agency can. We know what's important to you and how to help you get there.

Contact us at [research@agcc.co.uk](mailto:research@agcc.co.uk)