



kellas

MIDSTREAM

Industry Decarbonisation

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The Kellas Way – Pushing the Boundaries of Midstream




Independent energy infrastructure company

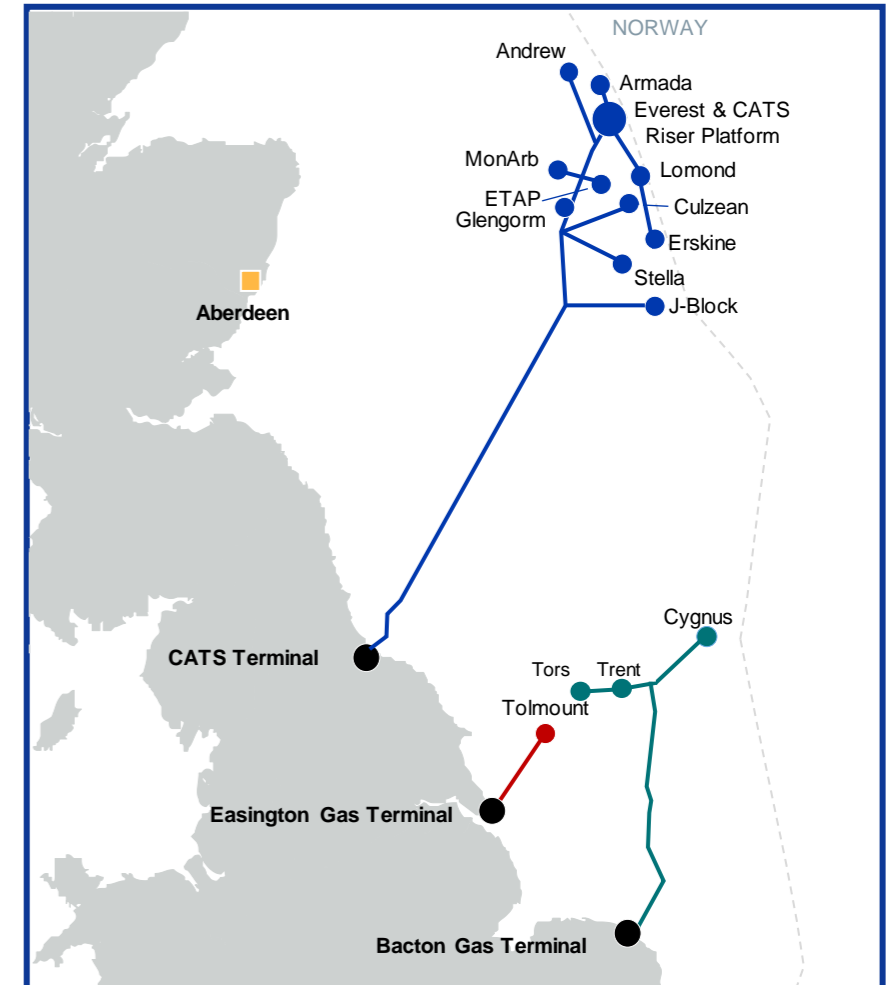
Own & operate critical midstream infrastructure

 **Nurture & sustain our existing assets**
CATS, ETS, HGS

 **Grow our gas infrastructure business**
New customers, new investments, new assets

 **Facilitate the energy transition**
Building a new business around Net Zero

-  | Central Area Transmission System (CATS)
-  | Humber Gathering System (HGS)
-  | Esmond Transportation System (ETS)



INTEGRITY

Honesty, trust, credibility

PARTNERSHIP

Collaboration, cooperation, agility, mutual interest

TENACITY

Determination, experience, professionalism

Importance of the Domestic Oil & Gas Industry



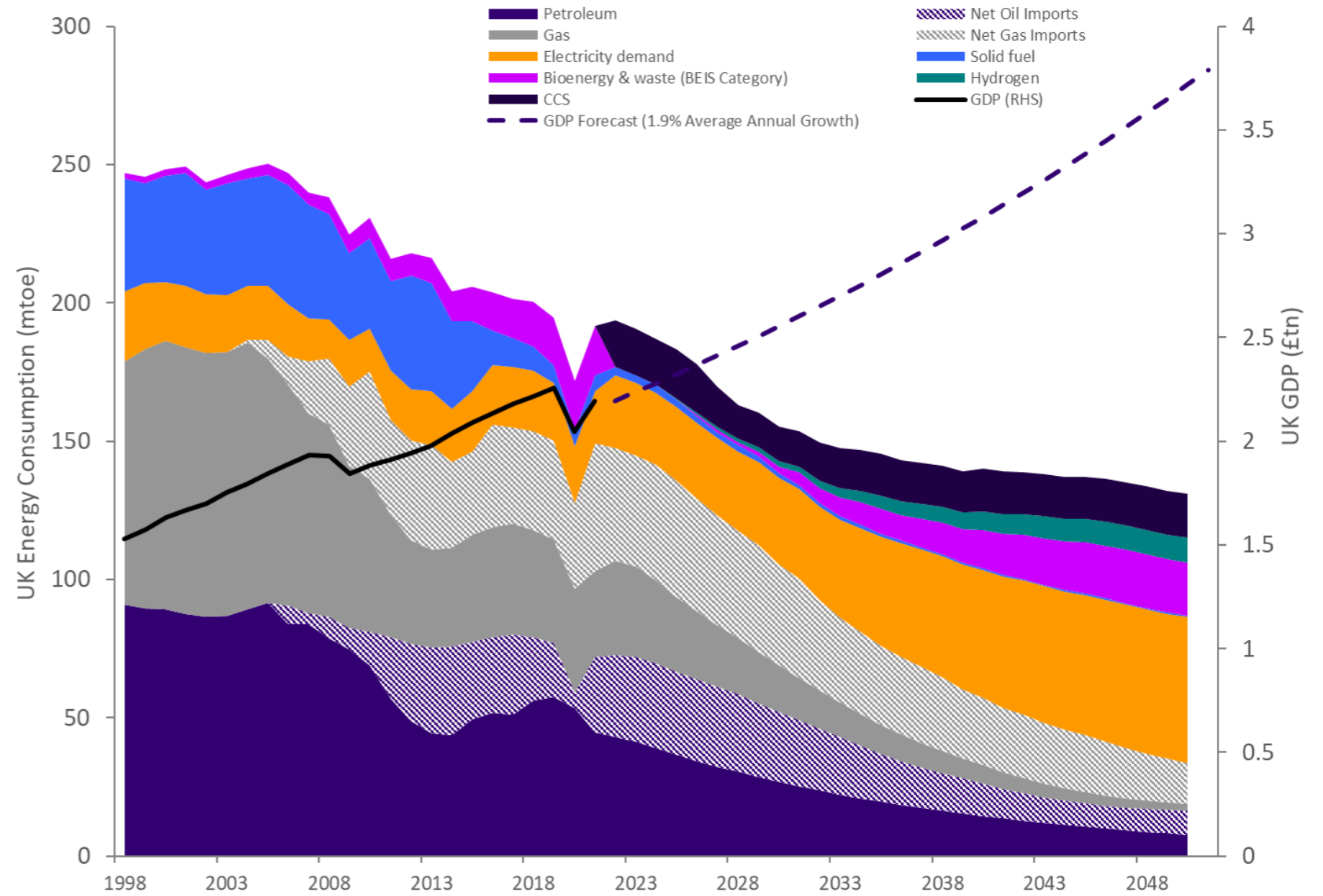
2021
70% UK energy demand from oil & gas

Future
UK needs oil & gas for decades to come; production can't meet demand

Continued investment
To avoid excessive imports

Domestic supplies
Lower carbon footprint, generate taxes & provide supply security

Energy transition
Driven by delivery of supply chain and skills from domestic oil & gas

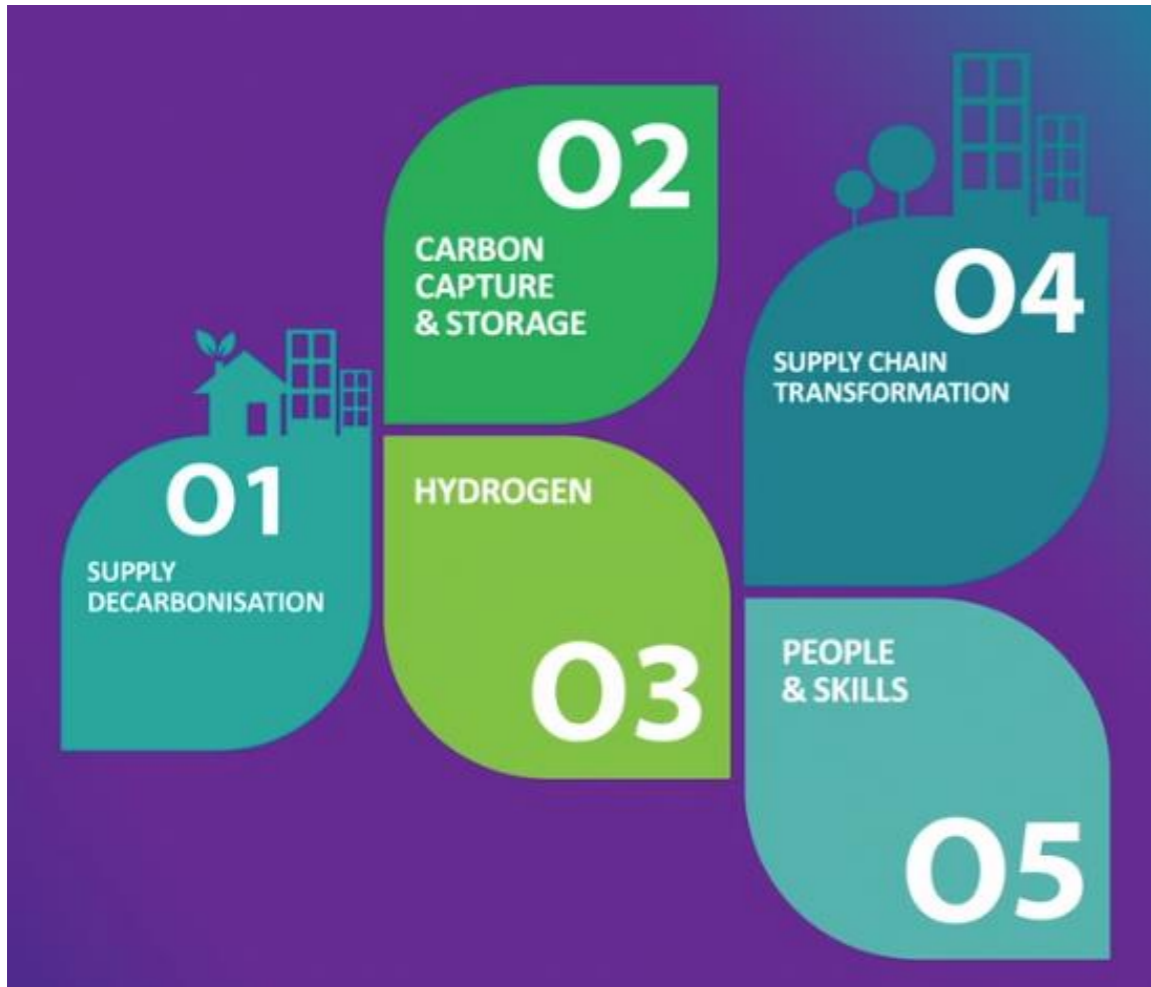


Source: OEUK, BEIS, CCC, ONS

Commitment to Decarbonise – North Sea Transition Deal (NSTD)



NSTD – 1 year on
Progress with the 5 commitments



01 Supply Decarbonisation

Cutting emissions through an emissions reduction programme and alternative low carbon sources

02 Carbon Capture & Storage

Capturing carbon released through production and in society to reduce the UK's carbon footprint

03 Hydrogen

Developing a hydrogen revolution in the UK to provide a realistic alternative for heating, heavy industry, and transportation

04 Supply Chain Transformation

Developing insight that underpins energy-sector wide export growth from the UK, creating a globally competitive energy supply chain with great reputation

05 People & Skills

Securing and stimulating tens of thousands of high-quality jobs in industrial heartlands across the UK

Decarbonising Our Operations



25% reduction in carbon intensity
In our existing operations over the last 2-3 years



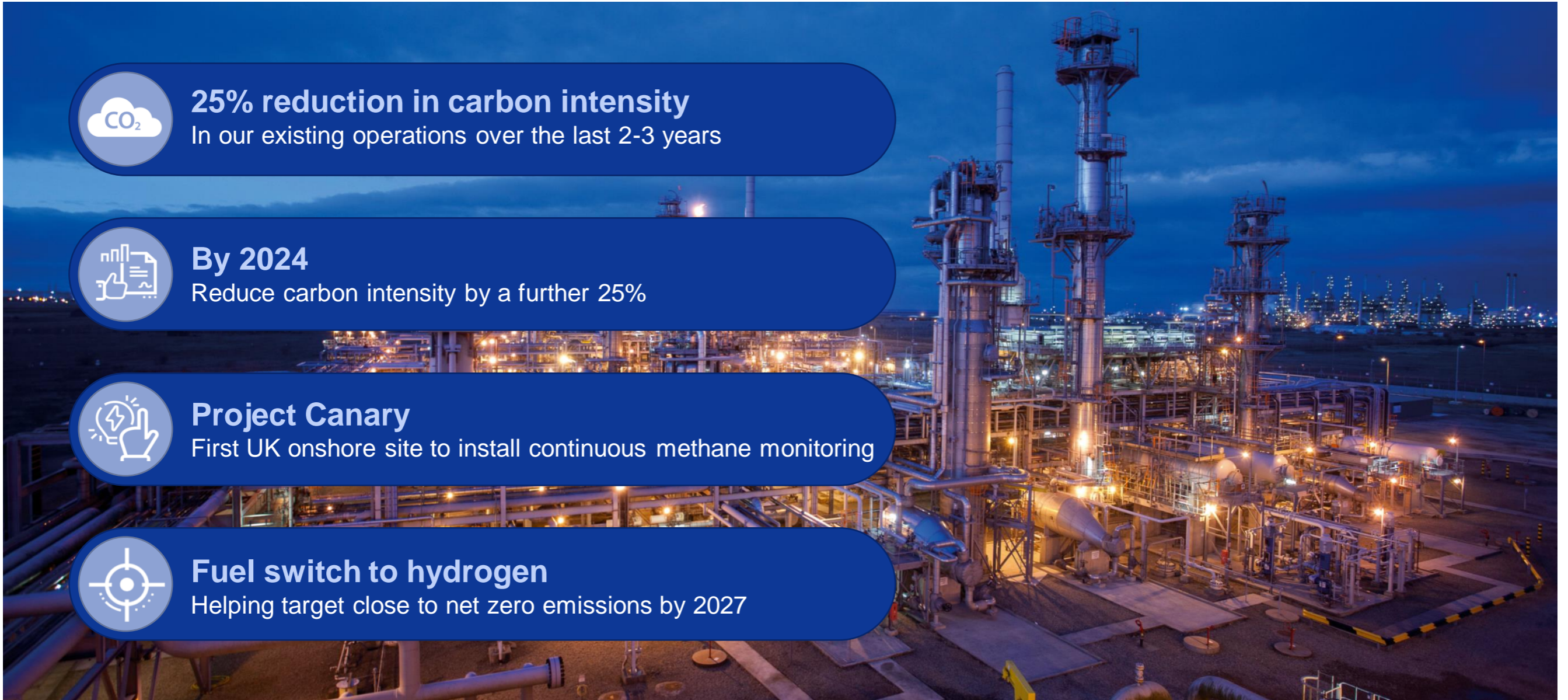
By 2024
Reduce carbon intensity by a further 25%



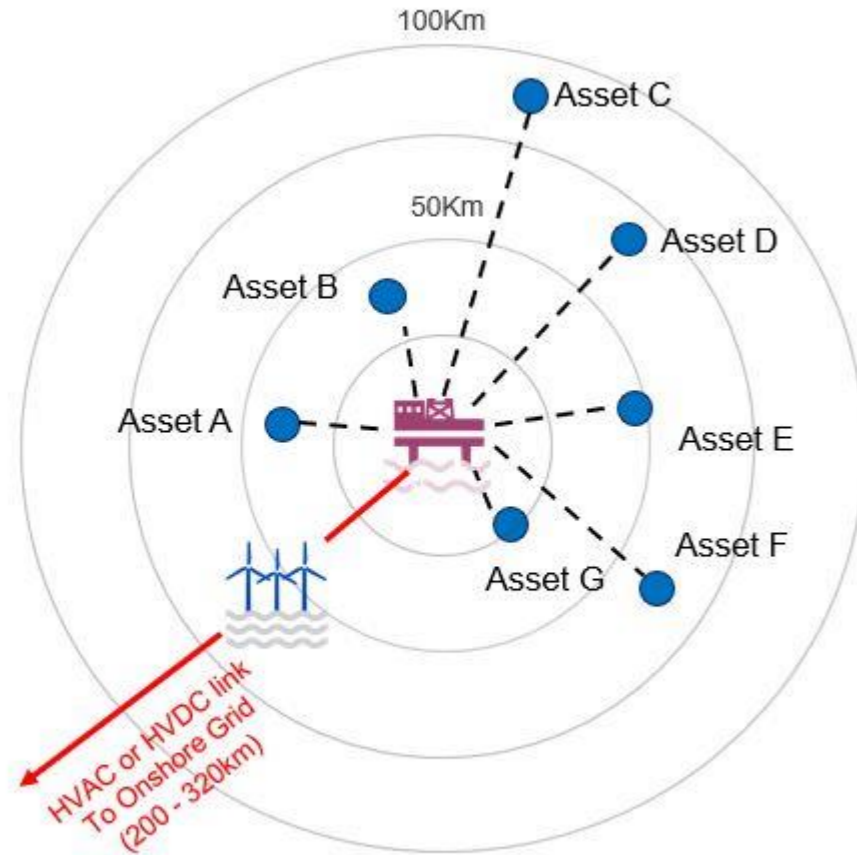
Project Canary
First UK onshore site to install continuous methane monitoring







Fuel switch to hydrogen
Helping target close to net zero emissions by 2027



Decarbonising Offshore Platforms: Electrification



Potential future North Sea electrification scheme

-  **Connect to Offshore Wind and Onshore Grid**
Lower power cost, Maximise CO2 reductions and availability
-  **Regulatory clarity**
Grid Access, CfD, OFTO application
-  **Overcome economic challenges**
Share infrastructure costs, Onshore grid charges
-  **Timely project delivery**
NSTD targets, Remaining field life

Hydrogen Production – H2NorthEast



 **Build on successful CATS operation**
Deliver 1GW+ of low carbon hydrogen by 2030

 **Industrial & domestic demand**
Decarbonise Teesside industries & blend into NTS





Domestic oil & gas industry has a vital role to play

Provide low carbon energy & enable the UK to transition to net zero by 2050 (2045 Scotland)



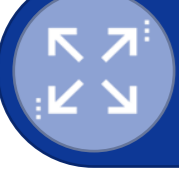
Kellas is in action to reduce our own emissions

We must remain relevant & ensure we have a sustainable future



Electrification of UK offshore oil & gas platforms is essential

Reduce emissions & enable low carbon energy supplies



Hydrogen production from H2NorthEast is critical

Convert low carbon domestic gas to decarbonise heavy industry on Teesside

Thank you

www.kellasmidstream.com

