Which path for Canada, phasing out emissions, Saudi Aramco close to deciding, promising Namibia results, and UK’s “first-ever carbon licensing round”

Canada is facing a series of challenges on its road to net zero with provincial governments on different pathways, but there needs to be an acceptance that going slow "represents a terrible gamble", said the nation's Minister of Energy and Natural Resources, Jonathan Wilkinson, on Sunday.

The minister told an audience at the opening ceremony of the 2023 World Petroleum Congress in Calgary that the world needs to achieve net zero emissions by 2050 and that meaningful progress by 2030 is necessary.

Canada has a detailed and comprehensive plan for net zero by 2050, but cannot get there "if we begin this journey in 2040", he said.

Wilkinson said there are two paths that Canada could take. The first accepts that climate change is a scientific reality, one that has to be addressed. The second path pretends the climate concern is a fallacy that would fade "and we don't really need to do anything significant".

"If we choose the second path, our environment will suffer, our economy will suffer, our competitiveness will suffer," he said.
Also speaking during the WPC opening ceremony, the head of Canada’s Alberta government said her administration will work to phase out carbon dioxide emissions while reaffirming that oil and gas will have a central role in the future energy mix.

Premier Danielle Smith said her government is “bullish” on the outlook for hydrocarbons.

“We’re developing the clean tech industry that will allow the world to enjoy the benefit of hydrocarbons while sequestering emissions. That is our goal: to phase out emissions, not to phase out oil and natural gas,” she said, to cheers from the audience.

Canada will invest to develop low-carbon and alternative energy sources, including ammonia, biomass, small nuclear reactors, carbon capture and storage, and direct air capture, but the central role oil and gas will play in meeting future energy demand will remain, Smith said.
Over in the Middle East, Saudi Aramco is close to deciding on at least nine offshore engineering, procurement, construction and installation contracts for the expansion of its giant Safaniyah oilfield.

The new expansion phase at the largest offshore oilfield in the world is crucial to Aramco’s ambition to increase its oil production capacity to 13 million barrels per day by 2027, up from the existing 12 million bpd.

The multiple offshore EPCI deals are worth billions of dollars and are at the heart of this strategy.

Safaniyah produces about 1.3 million bpd, and the latest expansion phase could boost output to up to 2 million bpd.

Check out the full story from Upstream’s Middle East Editor Nishant Ugal.
And in Africa, initial results from a critical production test on the offshore wildcat that discovered TotalEnergies’ huge Venus oilfield in Namibia’s prolific Orange basin are promising, according to well-placed sources.

Venus could be Sub-Saharan Africa’s biggest ever offshore oil discovery: Namibian state oil company Namcor said it is estimated to hold 5 billion barrels in place.

If more oil is found to the west — a drilling campaign is underway — this estimate could feasibly approach 12 billion barrels, Upstream previously reported.

Drilled in about 3000 metres of water in February 2022, the Venus-1X discovery well hit 84 metres of net pay in a high-quality Lower Cretaceous sandstone reservoir.

This probe found light oil and associated gas after being drilled to a total depth of 6296 metres in Block 2913B, but was not tested at the time.

After wrapping up that wildcat, TotalEnergies spent the next year or so studying the subsurface of Block 2913B and Block 2912, immediately to the west, eventually pulling together a two-rig exploration and appraisal campaign that would use up a big portion of its global 2023 exploration budget.
Northern Ocean’s semi-submersible rig Deepsea Mira is on location at Venus-1X carrying out drill stem tests, and Upstream is told by informed sources that early results are positive.

Check out the full story by Upstream’s Africa Correspondent Iain Esau.

In Europe, Eni and Shell were among the winners in the awarding of 21 UK North Sea carbon capture and storage (CCS) licences announced on Friday.

Fourteen companies were awarded licences in depleted oil and gas reservoirs and saline aquifers covering about 12,000 square kilometres, in what the North Sea Transition Authority (NSTA) billed as the country’s “first-ever carbon licensing round”.

The reservoirs could sequester up to 30 million tonnes of carbon dioxide per annum by 2030, or about 10% of the UK’s total CO2 emissions in 2021, the agency said.

Shell, Eni and UK independent Perenco won licences off the coast of Norfolk, eastern England, that could form part of the Bacton Energy Hub, which will combine CCS, hydrogen and offshore wind projects.
The round included storage sites off the coasts of Aberdeen in eastern Scotland, Teesside in north-east England and Liverpool in north-west England.

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