“Shortcomings” of transition approach, no more bridesmaid role for CCS, Saudi support for energy transformation, underestimating the challenge, and dignitaries & dazzling entertainment

Two of Saudi Arabia’s top energy leaders took centre stage at the 24th World Petroleum Congress on Monday, highlighting opportunities for the kingdom in the energy transition but also stressing their belief in the importance of continued investment in oil and gas.

A premature phase-out of fossil fuels would put global energy security at risk, said Saudi Aramco chief executive Amin Nasser, who called for a new approach to address what he characterized as the “shortcomings” of the energy transition.

Nasser was speaking after being presented with the Dewhurst Award, in recognition for services to the petroleum industry.

The head of the world’s largest oil producer criticised what he described as political targets for reducing oil and gas production. He suggested such targets are removed from the needs of energy markets and from the realities of the existing supply/demand balance.
“I see many shortcomings [in the approach to the energy transition],” he said in Calgary, speaking of “unrealistic targets for the energy mix”.

Yet Nasser said the role of carbon capture and storage within the energy transition has been too marginal and the technology should take a more prominent position as part of governments’ and industry’s plans to decarbonise.

The process of achieving net-zero emissions by 2050 will require a series of approaches that will rely heavily on technologies to achieve carbon sequestration and carbon removal from the atmosphere, he said, calling for “more attention to CCS and man-made carbon sinks, including direct air capture”.

“CCS can no longer be the bridesmaid of the transition. It has to have a central role,” Nasser said, suggesting that CCS capacity needs to grow 120 times from today’s level by 2050, to deliver sufficient sequestration capacity to achieve net-zero emission goals.
Saudi Minister of Energy Prince Abdulaziz bin Salman said the kingdom is committed to the energy transition, not just domestically but also in supporting other nations on their journey.

"We're going to make sure that people understand Saudi Arabia is no longer going to be just a hydrocarbon producer. Saudi Arabia is converting to become an energy producer, taking into account that we are the lowest-cost producer," he said in Calgary.

Saudi Arabia’s ambition is to generate 50% of its electricity from renewables, and to possibly act as a bridge for bringing parties together for the trade of hydrogen and renewable electricity.

“We feel strongly that we are the cheapest producers of renewable energy," Prince Abdulaziz said. “We could be the cheapest producers of green hydrogen. We want to sell hydrogen. We want to sell green electricity."
On the subject of hydrocarbon production, Prince Abdulaziz reiterated Saudi Arabia’s commitment to energy security, with the main ambition of supporting sustainable energy markets.

Leaders from three major oil and gas producers said they expect energy demand will continue to grow in the coming years even as the world gradually transitions from fossil fuels to renewable sources.

Darren Woods, chief executive at US supermajor ExxonMobil, said global economic growth will drive energy demand higher, but he warned it is difficult to replace today’s energy system – in which oil consumption stands at approximately 100 million barrels per day.

“We have got to come up with solutions to see the transition happen,” said Woods, but he suggested it would take time. “There seems to be somewhat of a wishful
thinking that we are going to flip the switch and we will go from where we are today to where we will be tomorrow."

“I think people underestimate the size of the global energy system and the challenge of moving from what we have today,” he said.

Oil and natural gas fields face a natural production decline every year, so the industry needs to maintain some level of investment; otherwise, the world will run short of supply and prices will rise, he said.

“Hopefully energy will continue to grow with much less emissions associated with it,” he added.

But before all of the serious talk on Monday in the plenary, CEO and ministerial sessions at the Congress, the opening ceremony on Sunday night brought a mix of circus performers who twirled fire and hoops or juggled knives. Bands delighted the crowd with a range of musical selections. Dignitaries expressed different ideas for
how to approach the energy transition in Canada. And dancers showcased a variety of dance moves.

Check out all the action in this gallery of opening ceremony images.

Upstream will keep you informed throughout the week during the 24th World Petroleum Congress. Check back regularly online at our Live Centre "News studio" channel for news and insight gathered at the event.

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