

New North Sea oil and gas licences: UK energy boost or political games?

This government says that new North Sea oil and gas licences will boost UK energy security and reduce our reliance on gas imports, which they claim is better for the climate. With the recent announcement of [new North Sea licences](#) and the King's Speech also [rumoured](#) to include legislation introducing new annual oil and gas licensing rounds, this briefing asks: **Do the government's claims stand up to scrutiny?**

Will new North Sea licences increase UK gas supply?

New North Sea licences will make only a very marginal difference to the amount of gas the UK is forced to import. This is because after 50 years of drilling, most of what's left in the ageing North Sea basin is oil (70%), the majority of which the UK exports, not gas. In short, we've already burned most of our gas.

New North Sea licences issued under the Conservatives since 2010 have only led to:

- **9 weeks worth of gas being discovered**
- **16 days worth of gas actually being produced.**

In the past 13 years under Conservative governments, hundreds of licences have been issued through six licensing rounds. These have resulted in [only a dozen new fields](#) (five new discoveries, and seven previously discovered and then relicensed fields), which contain enough gas to last the UK just nine weeks. Only half of these fields have actually gone into production, though, with the amount of gas produced to date [equivalent to just 16 days worth of UK gas](#) demand. Half of this (8 days worth) has been produced by one gas field – Sillimanite, which is 30% owned by Russian gas giant Gazprom – and this gas is exported directly to the Netherlands.*

According to official projections, new fields would in total provide an extra year's worth of gas from now and 2050.

Significant new gas discoveries in the basin are unlikely, a fact recognised by the head of the industry regulator, the North Sea Transition Authority, who last year said new licensing was likely to make a difference only ["around the edges"](#), given the age and geology of the basin. Uplift's analysis of official projections show that new field developments, including newly and previously licenced fields, would provide only an additional [three weeks worth of gas](#) a year, some of which could be exported. Put another way, new licensing will only give us one extra year's worth of UK gas demand between now and 2050.

The North Sea contains already licensed but as yet undeveloped fields that do contain significant reserves of mainly oil. The largest of these is the Rosebank oil field off the Shetland coast, which

received its licences to explore in the early 2000s. The government consented to allow the Norwegian oil firm, Equinor, to develop Rosebank in September 2023.

Is domestically produced gas better for the climate than imports?

The Prime Minister claims that UK produced gas is “[good for the climate](#), because the alternative is shipping energy here from halfway around the world with three or four times the carbon emissions.”

Norway’s gas, which accounts for more than 50% of UK imports, is half as polluting as UK produced gas.

UK gas production is twice as polluting as gas imported via pipelines from Norway, which make up [more than half](#) of the UK’s gas imports. Average emissions from all the gas we import are [twice that of UK gas](#), and only small amounts of the very dirtiest LNG imports, some of which is then re-exported to Europe, are ‘three to four times’ more polluting than domestic gas production. These comparisons, however, only relate to production emissions – the pollution created to get the oil and gas out of the ground – which are negligible compared to the emissions from burning the gas. The only way to reduce emissions at the scale required to tackle climate change is to substitute gas – domestically produced or otherwise – with clean renewable energy.

Is new licensing the answer to the UK’s energy crisis?

The central problem facing the UK is not one of energy supply, but energy affordability. With average energy bills still double what they were two years ago, an [estimated six million households](#) are living in fuel poverty as we head into winter. [More than one million children](#) live in a house that went without heating, hot water and electricity in the first half of this year. Last year, British households [were the worst hit by the energy crisis](#) in western Europe due to our high dependency on gas to heat our homes and generate electricity.

Increasing domestic supply will make no difference to gas prices. All of the UK’s remaining reserves belong to the energy companies that own the licences, who sell it at international market prices, either selling it back to us at a profit or exporting it. New UK oil and gas production does not affect the market price – and therefore the price UK consumers pay – a fact that government ministers have publicly admitted.

This government is selling us a pipe dream instead of being straight with people about how this country secures an affordable supply of energy.

The only way to permanently lower bills and deliver genuine energy security is to insulate homes and accelerate the building of homegrown renewable energy.

**Uplift’s analysis of oil and gas licensing rounds launched since May 2010 can be found [here](#).*