Oil & Natural Gas in the Energy Transition

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DISCUSSION ROADMAP

- Interdependencies: Economy-Energy-Environment
- Energy Transitions
- Roles for Oil and Natural Gas in the Energy Mix
POPULATION-ECONOMY-ENERGY-ENVIRONMENT INTERDEPENDENCE

**Population**
- 1990: 6 Billion People
- 2018: 10 Billion People
- 2050*: 12 Billion People
  - +43%

**Economy**
- 1990: 0 Trillion Real 2018 USD (PPP)
- 2018: 50 Trillion Real 2018 USD (PPP)
- 2050*: 75 Trillion Real 2018 USD (PPP)
  - +150%

**Global Energy Demand**
- 1990: 10 Billion Tonnes Oil Equivalent
- 2018: 15 Billion Tonnes Oil Equivalent
- 2050*: 20 Billion Tonnes Oil Equivalent
  - +67%

**Energy Related CO₂ Emissions**
- 1990: 0 Billion Tonnes
- 2018: 10 Billion Tonnes
- 2050*: 15 Billion Tonnes
  - +60%

*Year 2050 Projections taken from U.N. for population, COP based on IHSMarkit for global economy, and COP estimates for energy demand and energy related CO₂ emissions.
GLOBAL ENERGY MIX: MULTIPLE TRANSITIONS UNDERWAY

TOTAL PRIMARY ENERGY DEMAND (BILLION TONNES OIL EQUIVALENT)

- Coal
- Oil/Gas
- Nuclear
- Solar/Wind
- Other

Key Drivers

- Technologies
- Government Policies
- Consumer Trends/Preferences

Potential Outcomes by 2050

Source: ConocoPhillips estimates based on industry consultants' and publicly available projections. “Other” includes hydro, biomass and other energy sources.
Oil and natural gas remain important sources of affordable, reliable energy.
SUPPLIES NEEDED FROM ALL TYPES OF RESOURCES

CRUDE OIL

- Onshore: 60% in 2018, 51% in 2050
- Shale: 10% in 2018, 17% in 2050
- Offshore: 30% in 2018, 32% in 2050

NATURAL GAS

- Onshore: 39% in 2018, 32% in 2050
- Shale: 29% in 2018, 29% in 2050
- Offshore: 20% in 2018, 19% in 2050

Source: ConocoPhillips, Rystad Energy Ucube January 2020
SUMMARY

- Energy Transitions create opportunities and challenges

- “All of the above” energy effort needed to meet world’s growing needs affordably and equitably

- Oil and Natural Gas are fundamental to preserving affordable, reliable energy for all