

The role of oil and gas in the energy transition

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About ConocoPhillips

13 Countries with operations and activities

~10,000 Employees worldwide

Houston, TX Company headquarters

> **COP** NYSE ticker

- Explore for, produce, transport and market hydrocarbons, including crude oil, natural gas, natural gas liquids (NGL), liquefied natural gas (LNG) and bitumen
- Operations and activities in 13 countries
- ~10,000 employees worldwide
- Six operating segments
 - \circ Alaska
 - \circ Lower 48
 - \circ Canada
 - Europe, Middle East and North Africa
 - Asia Pacific
 - \circ Other International
- **Low-Carbon Team** is exploring potential opportunities related to the future energy transition

Rapid decarbonization challenge



GLOBAL POPULATION



GLOBAL ECONOMY







TECHNOLOGY BREAKTHROUGHS + GLOBAL POLICY COORDINATION ARE ESSENTIAL

Source: Population, GDP and historical CO2 emissions from IHSMarkit. Forward looking CO₂ from industry consultants, publicly available data, and COP estimates based

Decarbonizing by 2050 costs trillions every year



WILL COSTS INFLUENCE TRANSITION PACE?

¹Total investment estimated from IEA's Net Zero by 2050 report using the average annual investment in Figure 4.2.

Share of fossil energy remains high



Source: Energy Policy Research, BP, Vaclav Smil

Exajoules

Oil and gas remain prominent energy sources in all scenarios



Hydrocarbons in daily life





VAST RANGE OF USES ... FEW STRONG SUBSTITUTES TODAY

9

Oil and gas industry is important in the future energy mix

Industry Actions







- Track record of developing complex technologies
- Investing in new low carbon technologies (CCUS, Direct Air Capture, Hydrogen) and asset electrification
- Restructuring business models to reduce emissions
- Stronger policy support for low carbon technologies

Key takeaways









OIL & GAS are critical to meeting world energy needs & enabling a lower carbon future PACE of Transition dependent on capital & critical changes in technology & consumer behaviors DURABLE, PRAGMATIC POLICIES needed to ensure equitable, secure, affordable energy NATIONAL PETROLEUM COUNCIL

CHARTING THE COLURS Reducing GHG Emissions from the U.S. Natural Gas Supply Chain

May 1, 2024



The integrated solution: Charting the Course





and a crucial role for natural gas

Abundant, affordable natural gas is the largest source of primary energy production and will continue to play a crucial role in energy security and an important role in economic security beyond 2050 under all Energy Information Agency (EIA) scenarios.²

With advances in technology and policy, one study¹ pathway outlines a 2050 reduction potential of:

70% methane

33% carbon dioxide 52% combined GHGs

¹Technology, Innovation, and Policies (TIP) pathway, relative to a 2020 baseline

²EIA does not currently provide a scenario that targets net zero by 2050. EIA scenarios all assume existing policies and regulations only.



Industry, government, communities and academia working together to support GHG emissions reductions





2050 vision elements and categories

	Taking action	Scaling impact	Building foundations
Measurement, monitoring, reporting, and verification	Enhance capacity to monitor and report methane emissions	Scale the use of emissions monitoring and reporting	Deploy standards to differentiate GHG intensity of natural gas
	Improve use of and confidence in GHG emissions reporting	Harmonize GHG emissions data and tools	
Societal impacts, benefits, and community engagement	Maximize effectiveness of community benefits; improve understanding of impacts	Build capacity for community engagement best practices; document impacts and benefits	Scale government incentives for and expand use of community benefit planning
Incentives for GHG emissions abatement	Expand existing market mechanisms and voluntary initiatives	Introduce new market mechanisms, voluntary standards and tech. investment	Develop new economy-wide and/or sectoral market mechanisms
Regulatory effectiveness and durable policy	Maximize effectiveness and impact of existing and proposed regulations	Demonstrate, deploy, and harmonize technologies to support regulations	Implement durable policy to create a stable investment environment
Industry and operator actions	Develop additional capabilities of oil and gas operators	Enhance industry and operator cooperation	Develop and deploy new methods for assessing industry progress



How to access the study report

NATIONAL PETROLEUM COUNCIL

CHARTING THE COLORSE Reducing GHG Emissions from the U.S. Natural Gas Supply Chain



Study website:

chartingthecourse.npc.org





Questions and answers