

Continental Europe Energy Council (CEEC) 2022 -02-23 Trip Report

CEEC's 5th Virtual mtg held on-line Meeting only due to Covid Travel Restrictions

Meeting attended on-line by Roger McMechan, CGEF Director

CEEC meets semi-annually, typically through in-person meetings at various locations in Europe/Western Asia hosted by one of the member companies. CEEC is a group of approximately 70 upstream energy companies with assets within the Central-Eastern Europe and Caspian area. The objective of the meetings is to provide a forum for the regional oil and gas community to stay connected through social networking, information sharing and industry presentations.

The Feb 23, 2022 meeting was held on line due to Covid travel restrictions and was attended by 48 companies who operate in a total of 15 different countries.

The formal Keynote Industry presentations during the meeting were:

1. Hydrogen Europe: *"EU's Road to 2030 is paved with Hydrogen"*. HE has 330 members made of producers, gov'ts and other stakeholders. They have a conference scheduled for Oct 25-27, 2022 in Brussels.

Presentation was an interesting overview of the status of hydrogen energy in Europe with some useful information on power and H2 costs...interesting to note that currently, approx.. 80% of world supply of H2 is produced in N America. Most of this presentation is Euro-centric

2. OPC UK (Oil Production Consultants) – *"Introduction to ESG"*. A description of the various international ESG (Environmental /Social/Governance) reporting Frameworks, Reporting standards and ESG disclosure guidelines for companies. This presentation is a very good primer on ESG scoring/rating systems used by banks, insurance companies, investment managers, corporates, shareholders, public (government bodies) etc. along with some practical examples of ESG scoring and how it's applied to Oil and Gas producers (2 examples were Woodside and Tullow). Financial institutions are paying attention to ESG scores for individual companies, in particular "Sustainable" Funds which are becoming more mainstream and now make up \$2 Trillion of the investment market.

a. Message here is "Better ESG score = Better access to capital.

b. Once ESG can be measured consistently, it can/will be regulated

3. OPC : *"Overcoming Commercial and Regulatory Barriers to CCS _Lessons learnt from the North Sea"* A great overview of the current CCS (Carbon Capture and Sequestration) costs and a breakdown. By OPC's estimation, 60-80% of the cost of CCS is in the capture and compression of the CO2 with ~10-15% in sequestration and the balance in transportation. Some good info on the cost of CO2 (daily carbon prices are currently ~90EUR/tonne on the EUA futures market). Also, some good thoughts around CCS barriers/considerations and project timeframes (for the North Sea I assume). CCS project lives are estimated to be ~30 years for Capture, Transport and Storage facilities but the monitoring of the Storage facility can add another 50 years to a project's liability.

Finally, some closing remarks on Lessons Learned:

a. Hubs and Clusters: industry and government coordination and support essential

b. Proposed Transport and Storage business models

Government Section:

5 governments gave presentations to the meeting: Albania, Croatia, Georgia, Greece and Poland. Each government gave presentations on the status of recent exploration licencing/PSA rounds as well as a description of upcoming bid rounds for acreage in their respective countries. Croatia and Poland also provided an update on ESG/CCS initiatives including making some existing wells that might be available for geothermal (Croatia) and an update on the strategy for the evolving hydrogen production, transportation and storage of Hydrogen and laws affecting CCS (Poland).

Members Only Section:

This section of the meeting is similar to a Scout meeting format in which each member presents a report on recent activities in the region and any investment opportunities that they have available. This section is confidential to members only.

Next CEEC Mtg is scheduled for May 12-14th, 2022 in Tbilisi, Georgia hosted by Georgia Oil and Gas Ltd at the Radisson Blu Iveria Hotel.

If you have any questions on this information, please contact Roger McMechan rmcmechan@cgef.org (403 870 1653)



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