

## Flaring & Emissions, Reporting & Plans, for 12 E&Ps

This is about a study into flaring & methane emissions for 12 E&P companies which shows that one company is good, a few are bad and the rest are in between.

It looks at their past and their future.

To gather useful data, we have drilled into the Flaring & Emissions Reporting and Plans for:

10 Majors (to be reported on shortly) and 12 E&Ps, namely Aker BP, Diversified Energy, Energean, Enquest, Harbour Energy, Ithaca Energy, Jadestone Energy, Neptune Energy, Savannah Energy, Scirocco Energy, Seplat Energy, Serica Energy.

We have examined ‘Lagging’ (what was reported for 2021) and ‘Leading’ (what is planned for 2022-2024) indicators; analysis has been anonymised and follows this colour coding:

Colour	‘Lagging’	‘Leading’
Green	Extensive, Quantitative	Measurement Targeted
Light Green	Limited, Quantitative	Wordy
Yellow	Qualitative	Vague
Red	Largely Absent	Largely Absent
Black	No Data (as of 18/06/2022)	No Data (as of 18/06/2022)

It is worth emphasising that the results below – for the 12 E&Ps - are the consequence of interrogating companies’ Annual and Sustainability Reports for 2021, published by mid-June 2022, and applying a straightforward judgement on what can be found:

Company	‘Lagging’	‘Leading’
A	Light Green	Light Green
B	Green	Light Green
C	Red	Green
D	Yellow	Yellow
E	Green	Light Green
F	Light Green	Light Green
G	Green	Light Green
H	Green	Yellow
I	Black	Yellow
J	Green	Green
K	Light Green	Yellow
L	Black	Black

What is evident under ‘Lagging’ is that – with 4 exceptions – companies are beginning to report quantitative data, quite extensively in 5 cases.

However, nearly all of that which is reported consists of ‘engineering estimates’ – we understand ‘proxy data’ is on the verge of becoming a fashionable term – that is, not based on actual measurements.

For this reason, under ‘Leading’ we have searched for evidence that, over the current and next two years, a company will pursue such actual measurements. Here the picture is much more mixed, with only two companies clearly targeting measurement with others invoking a qualitative ‘promise’, for example a ‘Gas is Good!’ approach or adherence to whatever their host nation(s) expect.

In summary, these results suggest that only one company – Company J – is performing well in both Reporting and Planning with respect to Flaring & Emissions; put another way, Company J is an example to all at a time the oil & gas industry is under considerable duress as to its flaring and emissions performance.

Lest anybody still believes this is a minor problem, please note the volumes highlighted by the IEA in its 2022 Global Methane Tracker, report, also for 2021:

*“We estimate that the global energy sector was responsible for around 135 million tonnes of methane emitted into the atmosphere in 2021. Following the Covid-induced decline in 2020, this represents a year-on-year increase in energy-related methane emissions of almost 5%, largely due to higher fossil fuel demand and production as economies recovered from the shock of the pandemic.*

*The inclusion in the Global Methane Tracker of country-by-country estimates for coal activities, alongside those for oil and gas operations, makes the People’s Republic of China (hereafter “China”) the largest source of global energy-related methane emissions, with 28 million tonnes (Mt), followed by Russian Federation (hereafter “Russia”) (18 Mt) and the United States (17 Mt).*

*The energy sector is responsible for around 40% of total methane emissions attributable to human activity, second only to agriculture. Of the 135 million tonnes of energy-related emissions, an estimated 42 Mt are from coal mine methane, 41 Mt from oil, 39 Mt are from extracting, processing and transporting natural gas, 9 Mt from the incomplete combustion of bioenergy (largely when wood and other solid biomass is used as a traditional cooking fuel), and 4 Mt leaks from end-use equipment.*

*The wasteful leakage of methane, the main component of natural gas, is all the more striking given today’s backdrop of very tight and volatile gas markets. Methane leaks in 2021 from fossil fuel operations, if captured and marketed, would have made an additional 180 billion cubic metres of gas available to the market, an amount similar to all the gas used in Europe’s power sector.”*

<https://www.iea.org/reports/global-methane-tracker-2022/overview>

The last paragraph is particularly striking!