

# North Sea Reporter

News & Analysis – keeping you informed

16 July 2025

Issue 840

[www.klenergypublishing.com](http://www.klenergypublishing.com)

## INSIDE THIS ISSUE

Yggdrasil oil boost	8
Angola gas well hits pay	13
Sofia monopile milestone	16

## CONTENTS

Rig market	2
Contracts	6
Production	7
Drilling	8
Africa briefing	13
Oil price	14
Seismic	14
Companies	15
Environment	15
Renewables	16
People	19
Conferences	19

## NSTA warns operators need to start tackling well backlog immediately

The North Sea Transition Authority (NSTA) has warned that operators need to get started immediately on tackling the backlog of wells in UK waters that are already due for decommissioning.

The regulator, in its *Decommissioning Cost and Performance Update*, published last Thursday (10 July), said that action is needed now to stop drilling rigs leaving the North Sea which would threaten billions of pounds of additional costs for both operators and UK taxpayers.

The NSTA highlighted in its report the key role of decommissioning for the UK oil and gas sector. It said operators spent a record £2.4 billion (\$3.2 billion) on decommissioning last year, adding that this provided “clear evidence that they are dedicating significant resources to cleaning up their legacy”.

The regulator said the sector is now in a “pivotal” 10-year period, with operators estimating decommissioning expenditure will reach £27 billion between 2023 and 2032. Highlighting costs pressures, that estimate is £3 billion higher than the £24 billion forecast for the same period made last year.

The NSTA said all decommissioning activities have become more expensive, with cost increases caused by multiple factors, including work being brought forward, inflation, higher dayrates for rigs and activities exceeding initial cost estimates.

The report said the forecast for fully decommissioning the UKCS now stands at £44 billion in 2024 constant prices.

The regulator said that given the high expenditure expected in the near term, operators should “act with urgency to consolidate best practice across the basin and capture cost-efficiencies”. It advises thorough planning, engagement with the UK supply chain at the earliest opportunity and the adoption of innovative technologies and contracting models. *(Continued on page 2)*