

# Daily Energy Markets

## Energy Transition

### VIEWS YOU CAN USE

Source: Comments made at The 9th Oman Energy ESG Forum



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### Moving forward on ESG Implementation?

We have already moved away from merely ESG compliance to proactivity. If the last 12 to 24 months has taught us anything, it's about volatility. Post-COVID, we've seen an energy demand rebound and we have seen immense geopolitical tensions and that has led to a lot of volatility in energy markets. I think it's brought this new trilemma back on the table, which is about security, affordability, and sustainability. Two years ago, we were talking about sustainability and climate. Now, we're talking about all those three elements and the last 12 months has been a constant lesson in managing all three KPIs. I think what underpins that for energy companies is that sustainability is here to stay. Climate change is real and our ability to manage that is critical.

### Pathway to Energy Transition in Oman?

Firstly, it's about cost competitiveness. Petroleum Development Oman is a big part of the economic revenue stream for the country today, and it needs to be in the future because that drives Oman Vision 2040 and it drives and funds economic diversification. Secondly, it is about carbon competitiveness. We cannot go on producing oil and gas without abating the emissions associated with our production. Thirdly, we need to grow our base. We need to grow oil and gas revenue sustainably and in an abated fashion by continuing to invest in low carbon technologies. We have a roadmap for that so we will transition, but you cannot flick a switch and turn off 70% of the country's revenue base.

### In-Country Value Beyond a 'Tick in the Box'?

The challenge we have is that our current ecosystem is a little bit disaggregated. What we need to see in this transformation around energy systems through the lens of ICV, is demand aggregation. We need far more standardization and a simplification of ICV because we all do it a little differently. We need a stronger regulatory role in what defines ICV. We also need to see a two-way street on this. At the moment, ICV in some sectors and in some industries and companies is treated as a tick in the box. What we need to see is quality and competence in our contractor partners across the whole industry, with better visibility on demand aggregation and quality control from government. ■



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