Exploration & Production

Securing energy supplies for the future

Our more focused Exploration & Production division is exploring new prospects and breathing new life into existing assets.

Drilling for the future
West of Shetland

A new offshore prospect has the potential to double Spirit Energy’s current production.

In its first major deal as a newly created business, Spirit Energy is funding a $180 million (£139 million) drilling campaign in the ‘frontier’ region 60 miles West of Shetland, seeking to exploit oil stored in a non-traditional rock formation, a ‘fractured basement’. The project could transform the business, as well as securing important new energy supplies for UK customers.

In fractured basins, oil resides within cracks in the volcanic rock, unlike more conventional UK reservoirs where it’s found in the pores of sandstone rock.

This opportunity has the potential to be one of the last world-class developments in the UK, holding an estimated 2 billion barrels of oil across four licences. In everyday terms, that’s the same sort of size as Centrica’s Morecambe Bay field, which at its peak produced enough gas to supply a fifth of all UK households.

Working with Hurricane Energy, the licence operator, three test wells will be drilled into two of the licences, Warwick and Lincoln. If the tests are successful, and the field moves towards full development, Spirit Energy will become the licence operator, cementing its position as one of Europe’s leading oil and gas companies.

2 billion
estimated barrels of oil

“It’s not often that you get the opportunity to work on something like this. It could become the cornerstone asset of Spirit Energy for the next 20 years.”

Viv Harvey
Manager Geology (TA), Spirit Energy

Fractured basement production presents a new opportunity for Spirit Energy and for the UK.

Example of a similar rock formation in the Shetlands
New lease of life until 2030 and beyond

How we’re working with others to secure the future of one of the UK’s key gas processing sites.

In 2018 Centrica Storage Limited (CSL) won a landmark contract worth more than £200 million to process gas from the Tolmount field, one of the biggest recent discoveries in the Southern North Sea.

“Tolmount marks a significant milestone for the future of the Easington terminal and clearly shows CSL is open for business as a gas processing hub for the Southern North Sea gas basin.”

Greg McKenna
Chief executive officer, CSL

The contract will extend the life of our Easington gas terminal until at least 2030, safeguarding around 80 jobs. With production from the former storage facility at Rough due to run out by 2022, securing this contract was vital to the future of Easington.

The Tolmount field development project – a joint venture between HGS, Premier Oil and Dana Petroleum – could produce enough gas to supply around 2.5 million UK homes for 10 to 15 years. So, Easington will play a key part in keeping UK customers supplied with gas for many years to come.

Hundreds more jobs will be created over the next two years as extensive modifications are made to the terminal to receive and process the gas, which will arrive through a new pipeline. The Tolmount platform will be an unmanned facility which CSL will control remotely from Easington.

“From the outset we were impressed by the ‘can-do’ mentality of the Centrica Storage team as well as their management of the existing facilities. Together we completed detailed and complex negotiations in record time, enabling our Tolmount gas field to be sanctioned and breathing new life into the Easington terminal.”

Robin Allan
Chief operating officer, Premier Oil