

CONNECTING CAPABILITY WITH OPPORTUNITY



decomnorthsea.com



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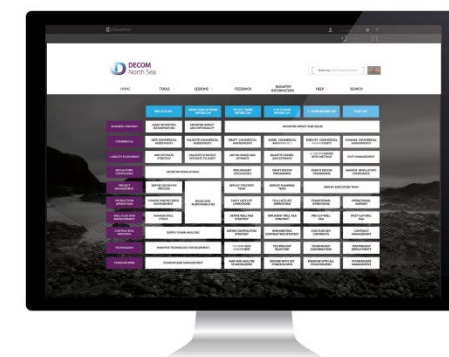
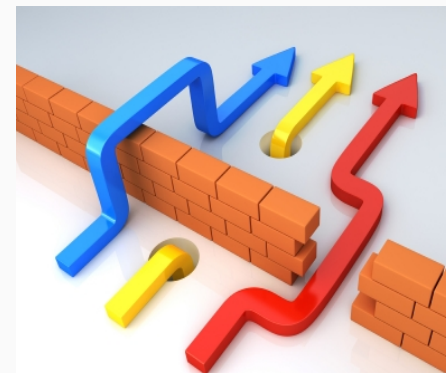
SUT Business Breakfast January 31st 2019



Connect Capability with Opportunity

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Remove Roadblocks to Sector Development





Decom North Sea, since 2010

Connecting **Capability** with **Opportunity**, uniquely focused solely on **late life** and **decommissioning**

- Pan-North Sea membership of 350; 26 operator members; contractors from across the supply chain and strategic partners.
- Provides access to a facilitated networking platform between the operating community, the supply chain, technology organisations, regulators and other industry associations.
- Raises awareness of and promotes your company through a range of media including our quarterly publication 'Decom News', fortnightly e-bulletins, the Decom North Sea website, members' directory and member spotlight events.
- Creates the opportunity to participate in a range of collaborative events ranging from major conferences, seminars and workshops to facilitated one-to-one introductions to targeted players in the decommissioning sector.
- Facilitates your organisation's ability to have a say in decommissioning sector engagement through access to and participation in a broad range of decommissioning sector initiatives and member-driven special interest work groups.



Our Strategic Partners





Future Status

- In contrast with 2018 - 2020 plans for 2021 onwards are poorly defined with increased delays.
- Higher oil price has provided most operators with improving cashflow, debt reduction options and new investment in E&P which is likely to drive decommissioning activity beyond 2020, hence the uncertainty going forward.
- In combination with operators selling assets in an improving market, new owners will look to extend life and further delay decommissioning activity.
- Many of the fields with delayed decommissioning have already ceased production; an incomplete view of the regulator's position on forcing the start of decommissioning is adding further uncertainty.
- Latest assessments combined with the trending delays of post-2020 activity suggest that rather than a large single peak of activity, an increase to around 50 fields a year starting substantive offshore decommissioning activity and then a more stable 40-50 fields per year all the way through to 2030.



What is the Reality?

- Fluctuating oil price
- Competition for capital from E&P and late-life Options
- Risks of early Cessation of Production (CoP)
- Opportunities to extend field-life (MER)
- Lack of operator predictability – inconsistent workload
- Protracted and evolving regulatory processes
- Limited Supply Chain capacity and investment capability
- Incomplete data sets, inexperience and lack of process
- Slow introduction of technology solutions
- Under-developed industry aggregation and economies of scale



Opportunities in UK Sector

Planning

- Predictable timing of project execution
- Decoupling of scopes for Regulatory Approval
- Improved Regulatory engagement and context on commitments
- Benchmarking, knowledge transfer and lessons sharing

Execution

- Aggregation, standardisation and economies of scale
- Contractor Alliancing
- Mindset Change from reverse engineering to demolition
- Uptake of new technology

Efficiency

- Better Market Visibility to Supply Chain
- Risk-based design (well P&A and platform removal)
- Innovative Treatment of Decom Liabilities in M&A Activity
- Anticipation and monitoring of regulatory trends

Decom North Sea Member Initiatives



Market Intelligence

To provide a central location for sourcing and analysis of market intelligence.



Proforma for Regulatory Submission

Provide a common understanding of Regulator requirements and streamline the process of preparing submissions by providing proformas/templates.



Decommissioning Directory+

To provide a comprehensive catalogue of service suppliers by key categories, with service capabilities validated and verified with case studies.



Re-use

Improve the fraction of decommissioned materials re-used rather than recycled or sent to landfill.



Mapping Industry Bodies

To illustrate the participating bodies in key areas of interest, to highlight gaps or overlap and opportunities for cooperation.



Lessons Learnt from Execution

To collate lessons learnt from decommissioning operations from Operators, execution contractors and engineering consultancies.



Interface with Health & Safety Regulations

Good practice for preparation and submission of HSE management documentation.

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