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**Offshore Decommissioning Congress**  
**2020**

[decomnorthsea.com](http://decomnorthsea.com)

# “CONNECTING CAPABILITY WITH OPPORTUNITY”

Decom North Sea is a multi-region, not-for-profit membership organisation centred on the late-life & decommissioning sector and focused on connecting your capability with business opportunities



## Connecting

Through our directory and facilitation services you can connect your capability with business opportunities in the UK and internationally



## Networking

Through our networking services you can interact effectively at a wide range of physical and online events from workshops and webinars to technical forums and high profile sector conferences



## Knowledge Sharing

Through our online members portal, technical forums and events you have the ability to access and share knowledge through the members community



## Market Intelligence

Access market information, data and perspectives from official sources and key analysts to spot business opportunities



## Information & Updates

Keep updated with member's only online access to the Members Portal with unique resources, sector information and shared knowledge & experience



## Recognition & Awards

Raise your profile and be recognised by your peers for contribution and achievement through the internationally recognised Decom Awards



## Influence & Advocacy

Through our accessibility to governmental organisations, regulators, technology institutes, sector academia and other trade associations you have the opportunity to influence and inform the direction of the sector



## Global Connections

Through our accessibility to governmental organisations, partner relationships and contacts in key international markets you can



## Facilitated introductions

Connecting you with key individuals to across the membership to advance business development and collaboration opportunities



## Opportunity development

Access to supporting initiatives and activities to open new opportunities through sector development, connections to associated markets or new geographies



## Lessons learnt & Specialist Contact

Access to key lessons learnt and direct contact with global specialists or participation in specialist forums tackling sector challenges



## Guidelines & Standards

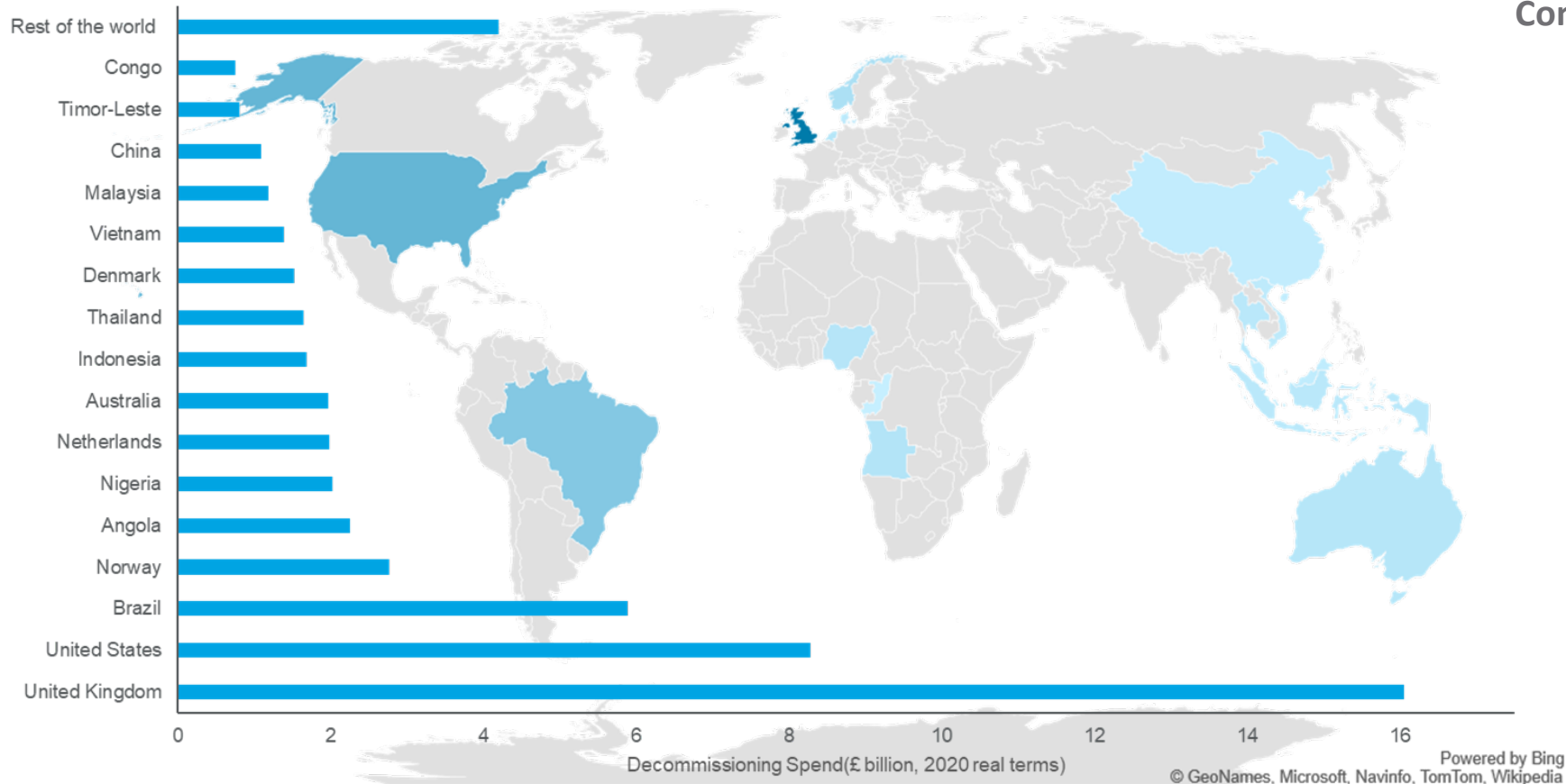
Input into the development of new guidelines and standards for the sector to advance safety, environmental protection and facilitate innovation in practices and processes



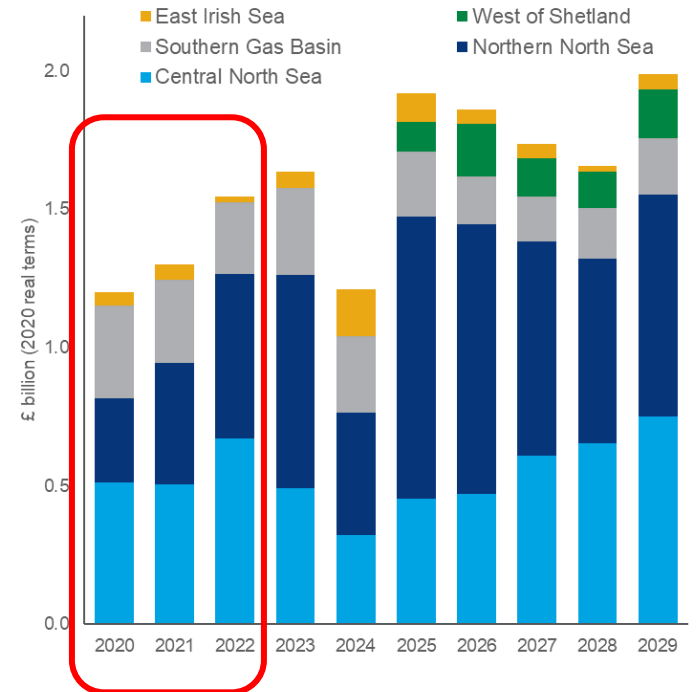
# MARKET OVERVIEW & CHALLENGES

UK is still the dominant market by scale but with increased uncertainty on timing

Total offshore decommissioning spend by country 2020-2029



Confidence on timing?



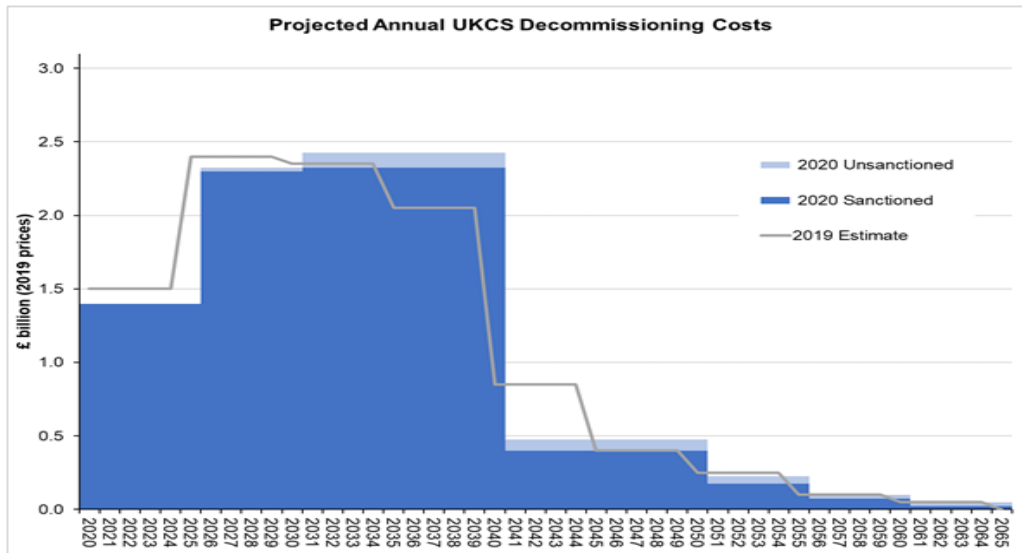
Source: Wood Mackenzie Lens Upstream

# MARKET OVERVIEW & CHALLENGES

## OGA update from last week (Aug 2020)

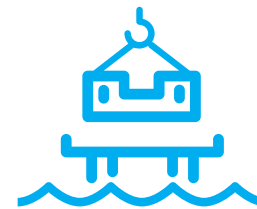


**Decom funds:** Significant drop in actual decommissioning spend now expected in 20/21 vs plan



35% of decommissioning deferred (2020/21) – mainly wells

- Significant drop in the level of activity in 20/21.
- OGUK survey suggests realignment and improvement by 2022.
- Exacerbating issues for a supply chain that was already strained

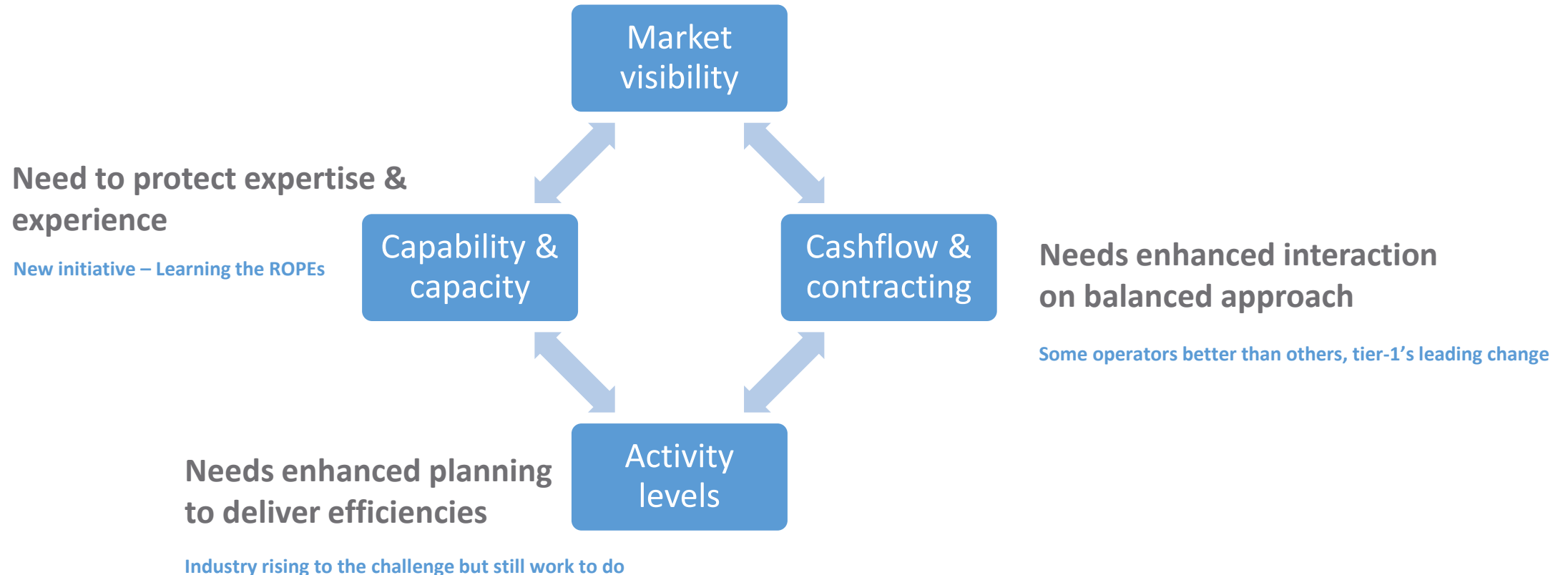


- **Accelerated CoP:** Sustained lower commodity prices is impacting on CoP dates.
- **Decom Cost Risk:** Minimising post CoP opex requires planning pre-CoP

# MARKET CHALLENGES – SUPPLY CHAIN

Needs increasing transparency

Working with OGA and Operators



# DÉJÀ VU? – another crisis, the same arguments

## Operator perspective...

“The best time to do decommissioning is during a downturn”

“We don’t have the cash to do decommissioning”

“It is decommissioning or exploration/development”

“the supply chain will always be there; they have in the past”

## Societal perspective...

“The industry needs to fulfil its obligations, not just put things off till tomorrow”

“The industry avoids its responsibilities”

## Supply chain perspective...

“it is always tomorrow’s jam”

“they don’t realise the situation that is developing, we can’t afford to keep the people”

“margins are thin, contracts are awful; and I’m expected to invest”

“this is as dire as it gets after 30yrs in the business”

Over 80% of surveyed ex-DNS members have pulled out of the sector entirely, citing visibility and consistency as major drivers to get out?

# TIME TO CHANGE THE GAME?



Can we continue to chase the carrot whilst accepting repeated job losses across the sector?

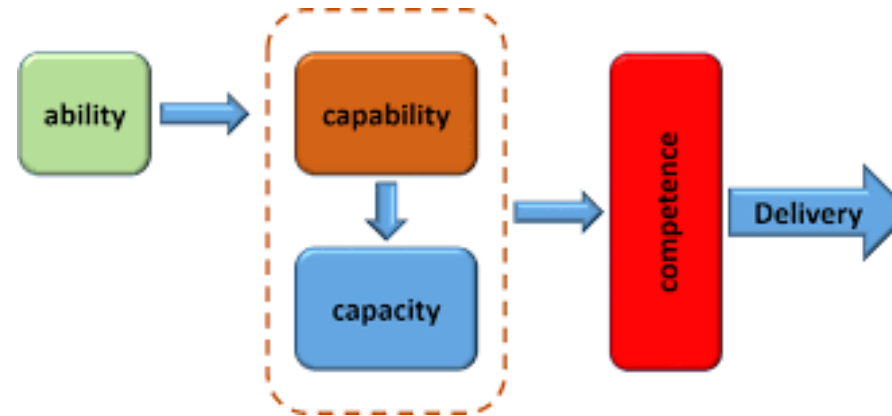


We accept a loss of capacity in downturns, but can we accept a loss of capability & expertise?



# TIME TO CHANGE THE GAME?

Will it affect our ability to delivery?



It will lead to increased financial costs but may lead to greater human costs...



Or worse....





A large offshore oil rig is shown at sea, with its complex steel structure extending into the water. The rig features several tall chimneys and a crane. The sky is overcast, and the water is dark. The entire image has a teal color overlay.

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