

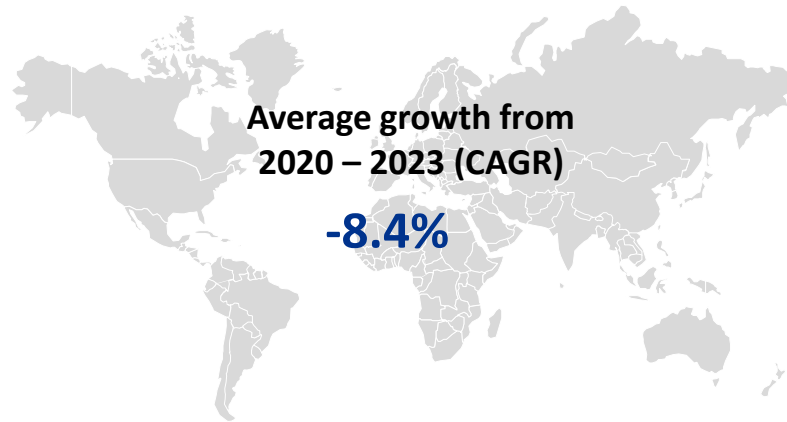
Decommissioning: Alliances and lessons learned

John Cox, Decommissioning Manager, Worley
26th August 2020

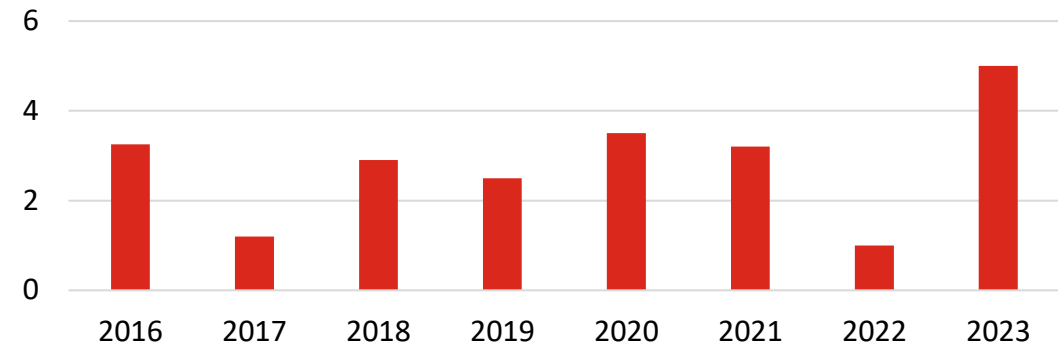


Decommissioning global / regional spend 2020 – 2023

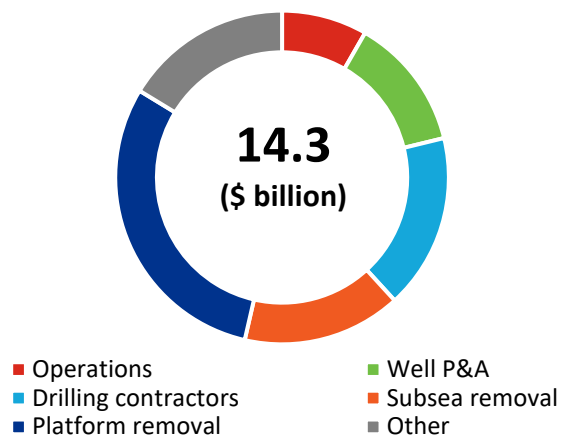
European: Regional View



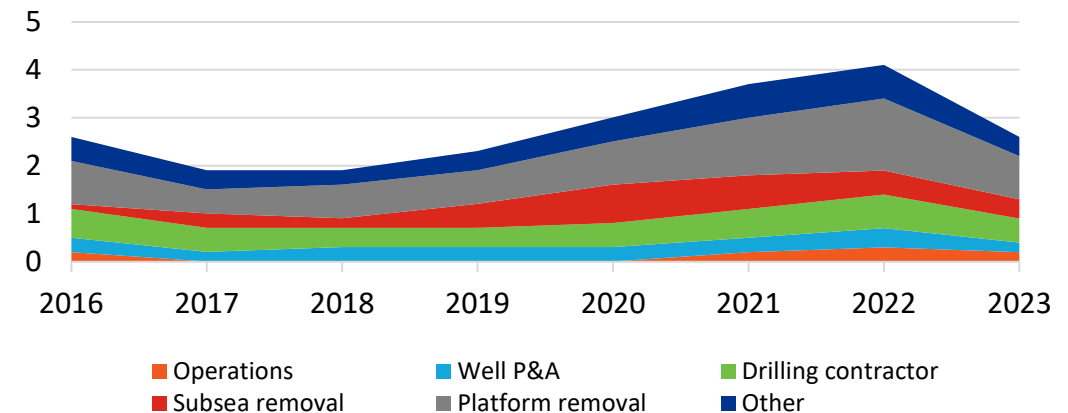
Offshore decommissioning commitments (by last production year, \$ billion)



2020 – 2023 decommissioning expenditure



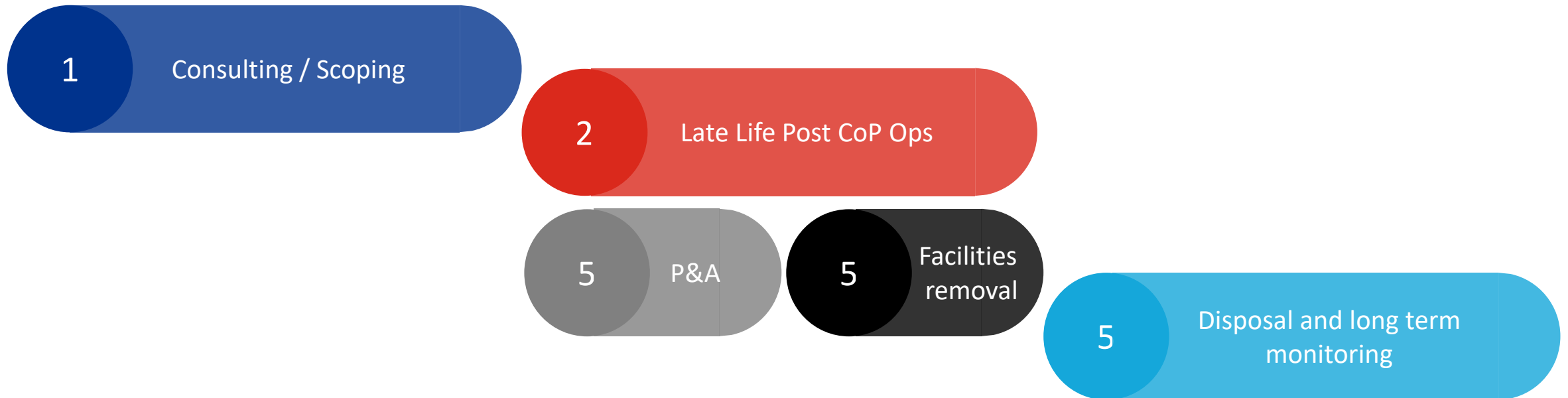
Decommissioning expenditure (\$ billion)



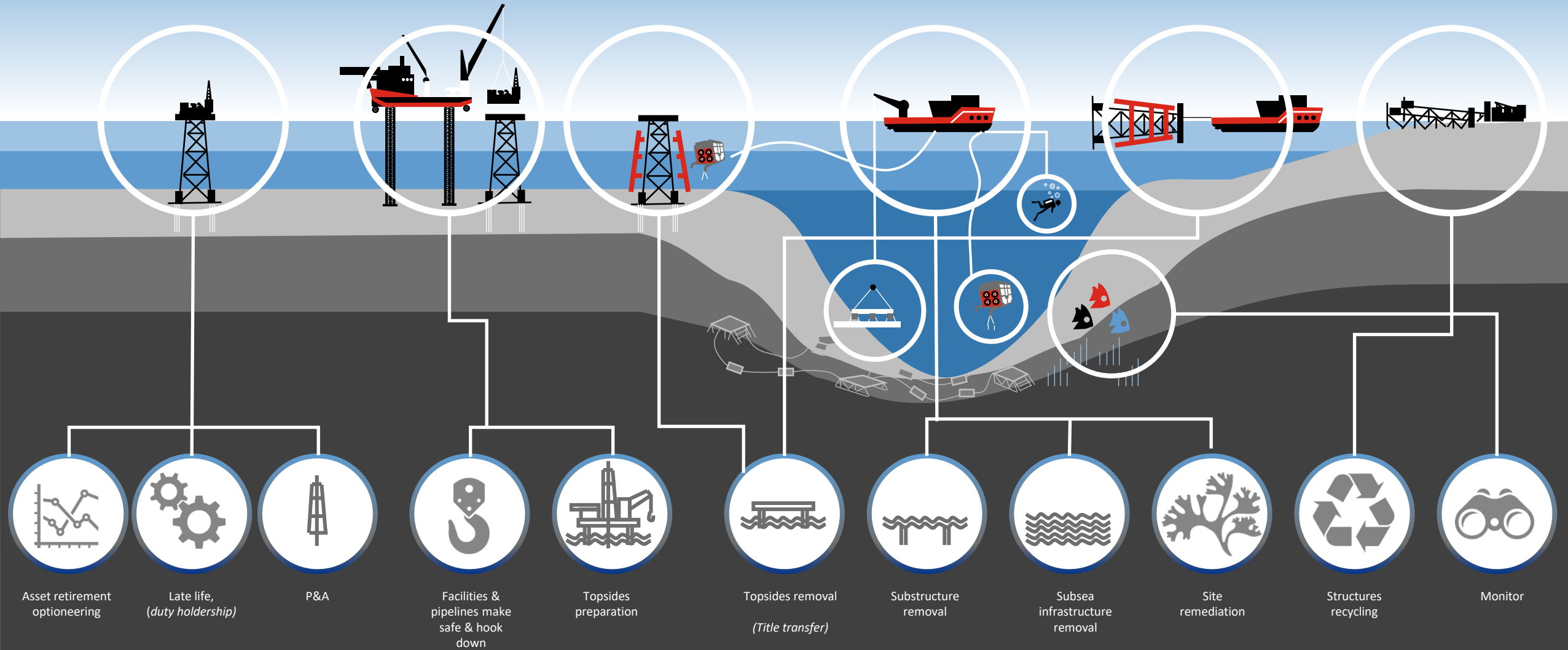
An end-to-end approach to decommissioning and restoration

Five phase late life and decommissioning & restoration model

Worley, Lloyds Register and OOS have created a global decommissioning consortium that aims to reduce interfaces, costs and risks.

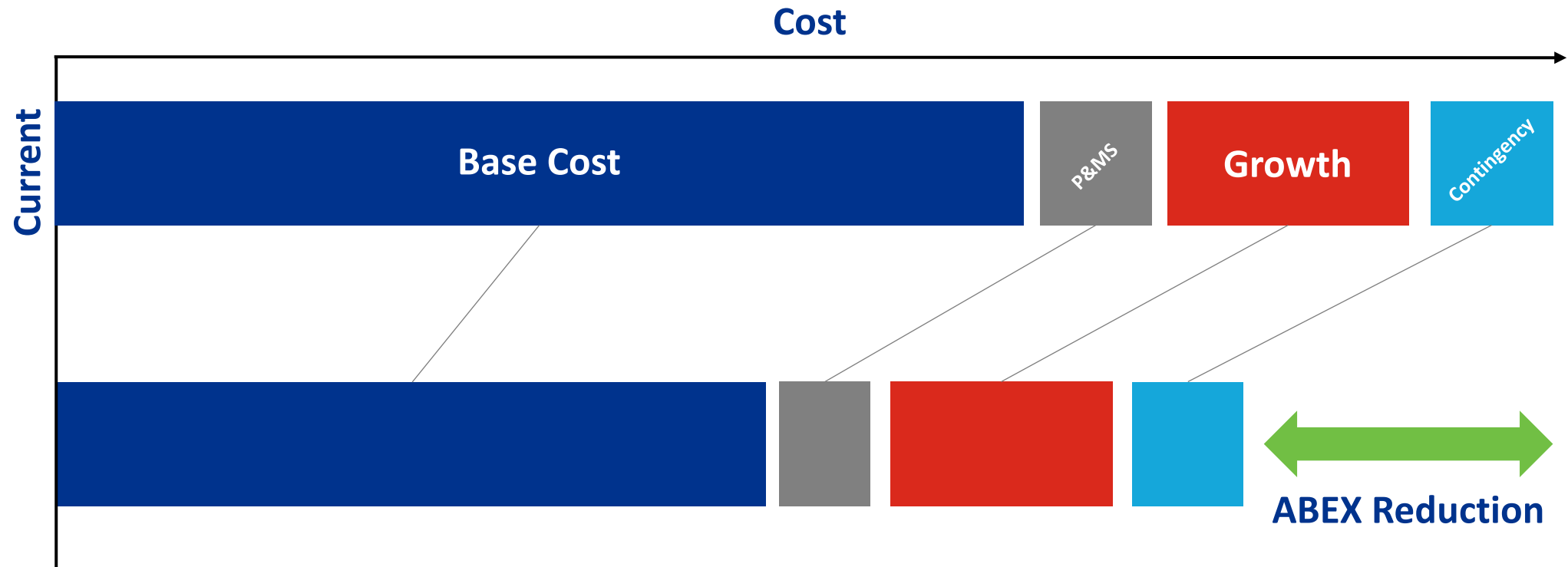


Maximum value achieved through a fully managed end-to-end solution



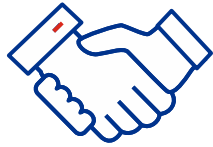
Alternative contracting strategies

Potential abandonment expenditure (ABEX) reduction



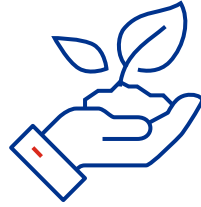
Alternative contracting strategies

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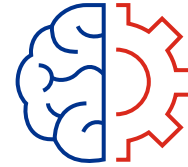
Contingency

- Single contingency pot across portfolio. No overlaps, no 'silos'
- Commercials aligned with 'no change'



Growth

- Simplified 'template' designs
- Reward linked to base cost achievement. No financial reward in growth
- Elimination of 'preferential' change.



Project Management / Services

- Integrated 'alliance' team. Reduced headcount
- Common planning, cost, DCC and other support functions
- Inclusive decision making
- The "One Team" Approach

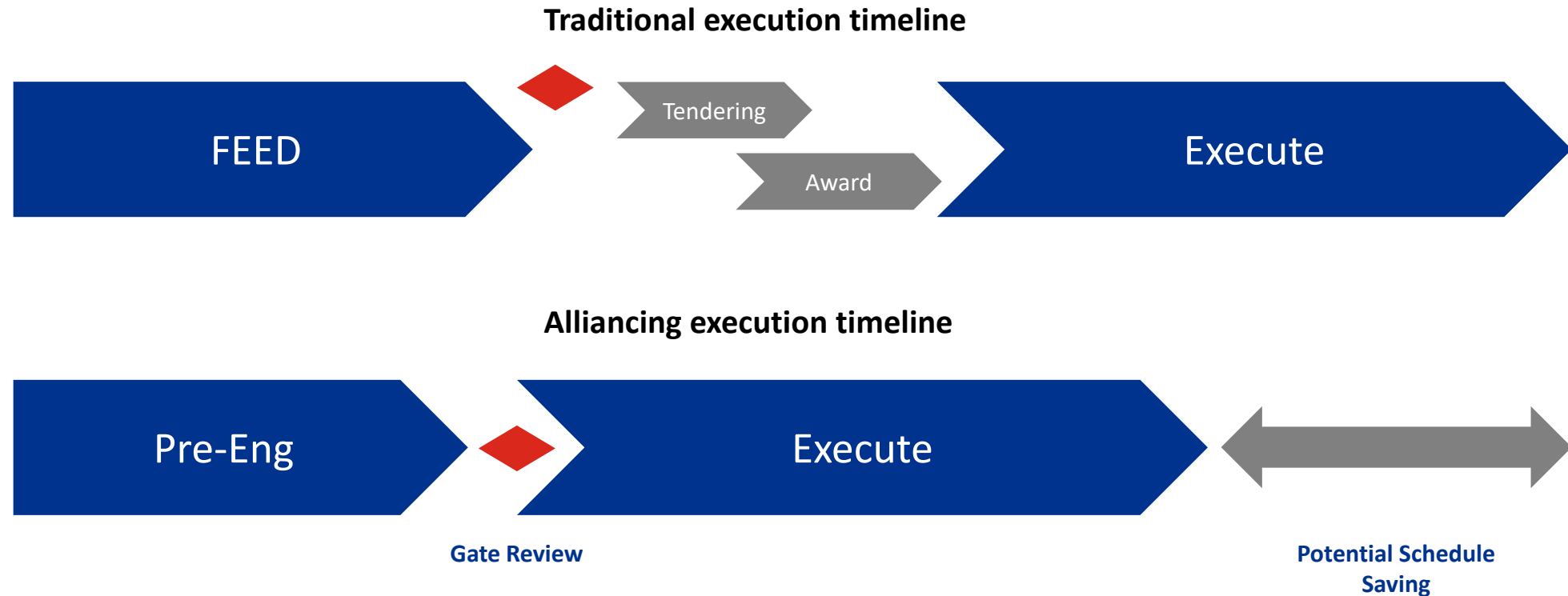


Base Costs

- Front End Loading / Early engagement
- Life cycle (EPRD) delivery (Concept/FEED/Execute)
- Drive value through Supply Chain (standard Services, closer alignment, in consortium services)
- Optimized Schedule
- Potential to reduce owners costs

Alternative contracting strategies

Potential D&R schedule improvements

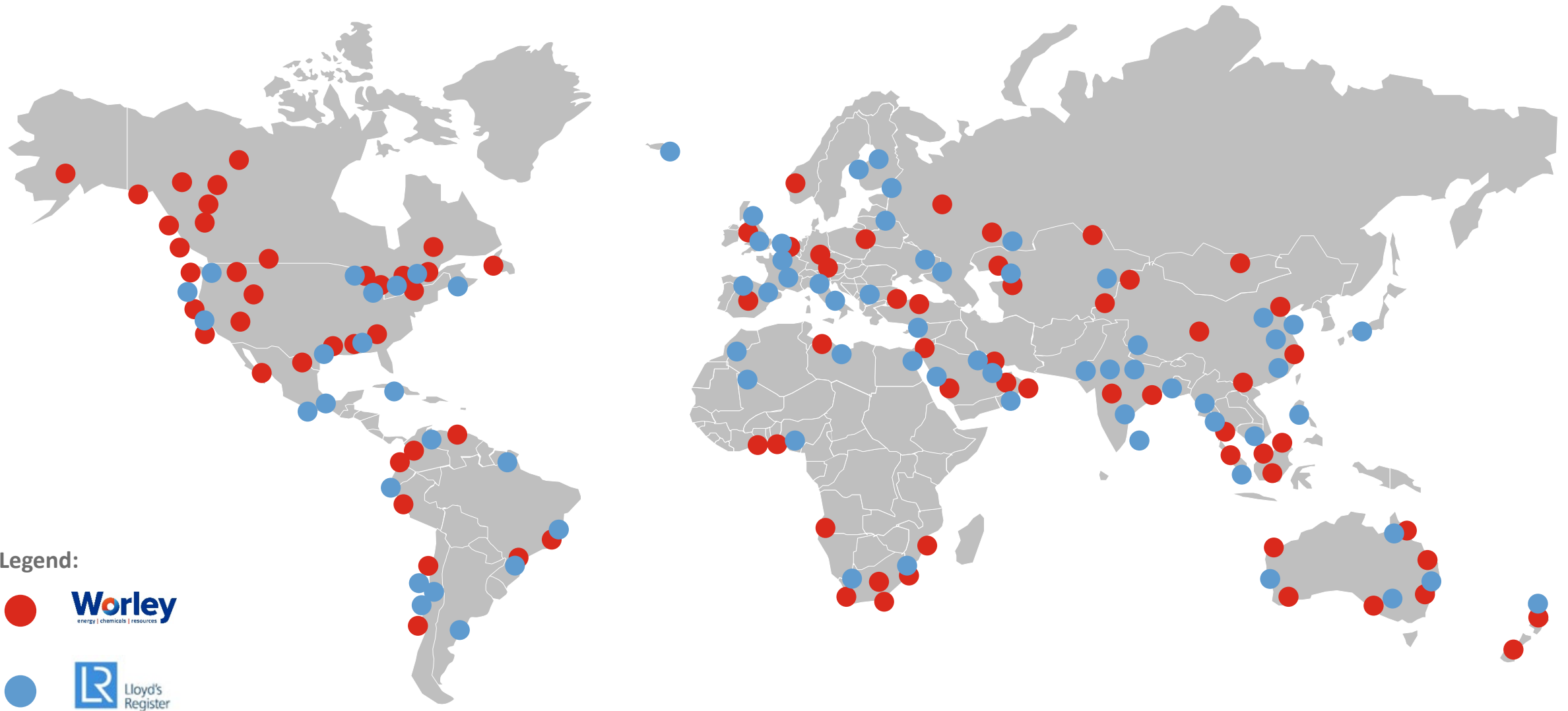


Alternative contracting strategies

Organisation

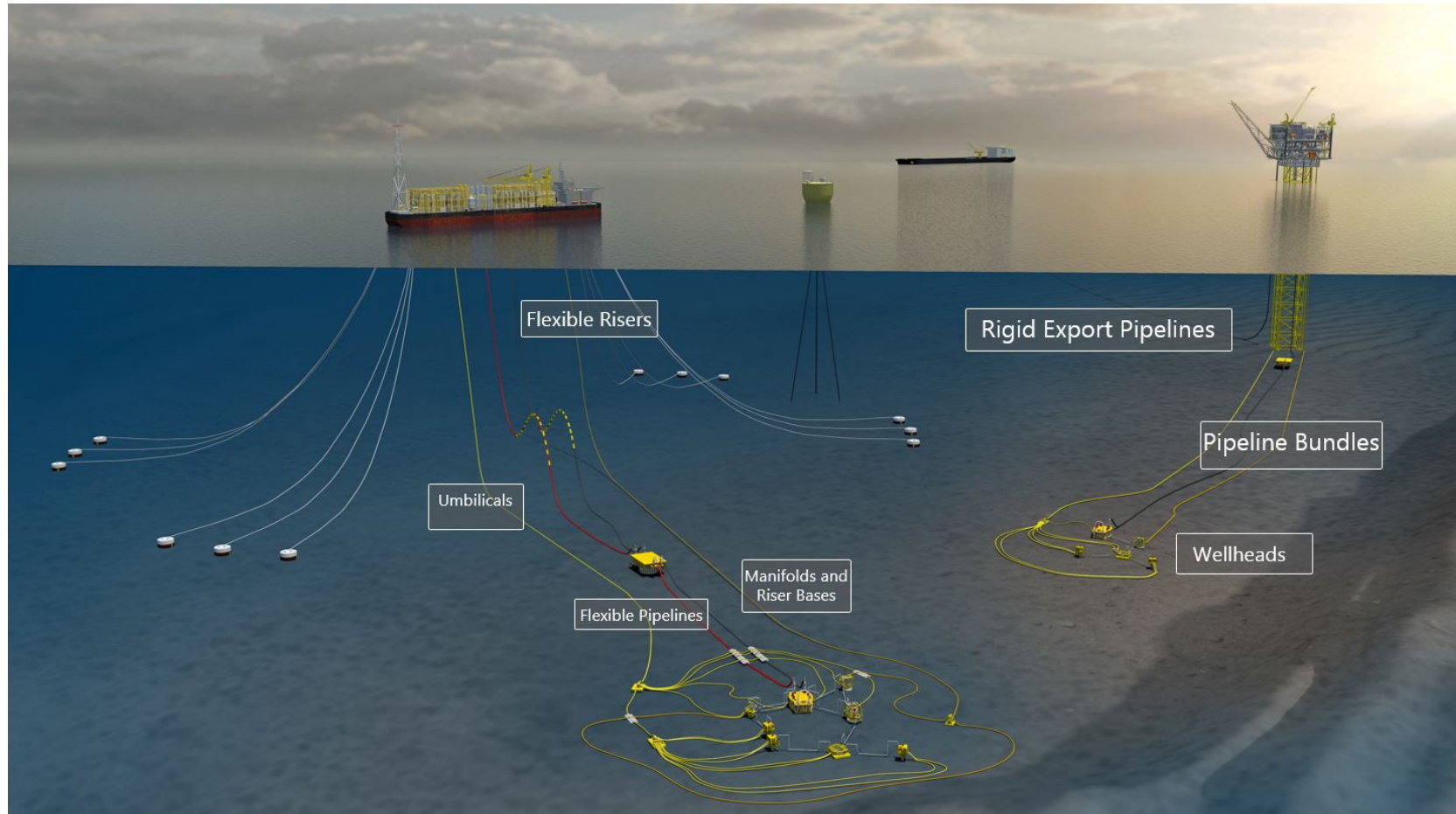
- 1 Driving value – best of each business
- 2 Lean management processes
- 3 Clear accountability and responsibility
- 4 Aligned systems and reporting
- 5 Optimised management headcount
- 6 Overlapping minimised – can work independently or with the customer

The consortium's global reach



What next?

Design for Decommissioning (D4D)



Worley
energy | chemicals | resources