DECOM North Sea

CONNECTING CAPABILITY WITH **OPPORTUNITY**

Supply Chain Capacity and Capability

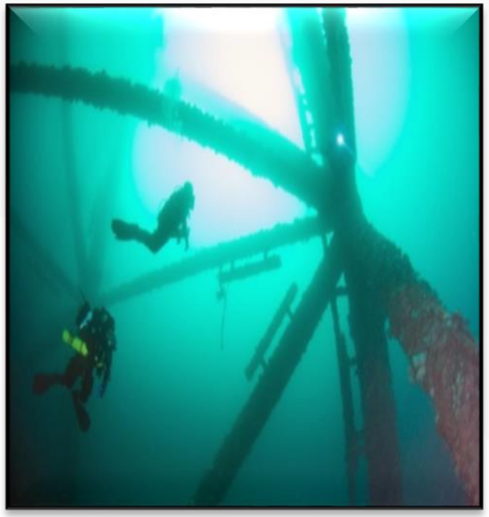
decomnorthsea.com

Potential size of market ≥ 2025 based on anticipated CoP dates

DECOM North Sea

(NOTE: Assume removal starts within 2 years of CoP)

Topside Tonnage	490,000 Approx.	FPSO Tonnage	127,000 Approx.	Jacket Tonnage	290,000 Approx.	Substructure Tonnage	28,000 Approx.



Potential for 165 CoP (Cessation of Production) anticipated up to 2023

Potential. No. of projects:

NNS/WoS	20
CNS	70
SNS/IS	75

Potentially **880** platform and **450** subsea wells

1. COP dates are not absolute and can change due to external circumstances which would impact on the dates of actual decommissioning and removal of infrastructure 2. The total jacket Tonnage does NOT include gravity based structures. Source: BEIS (2015)

“Demonstrate we have the capability to service UK decommissioning activity”

“Raise awareness of our indigenous capability and capacity to export”

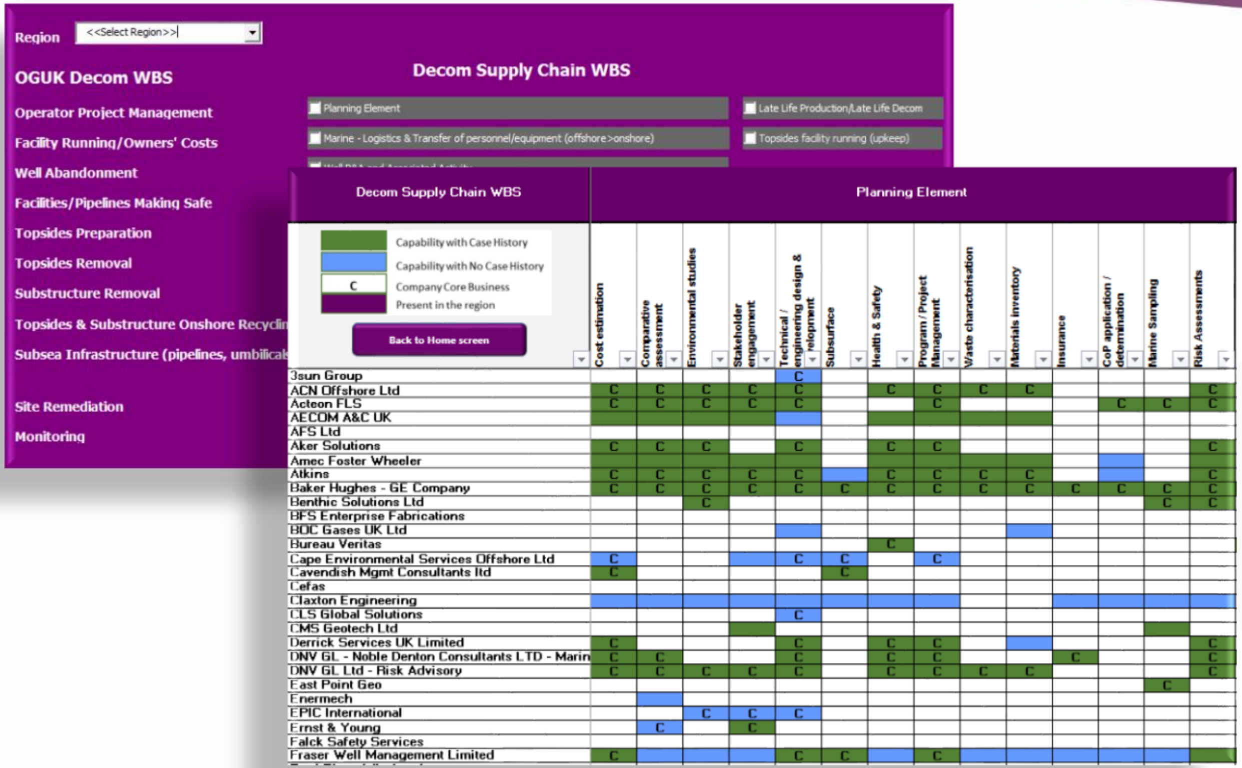
“Understand the upcoming supply and demand to effectively prepare for competitive decommissioning”

Interactive session – poll slide placeholder

Q: Do you we have the capacity and capability to undertake Decom in the UK?

A:

- *Yes (it already exists)*
- *Yes (but we need some help to maximize opportunity)*
- *No*
- *Not enough information to make this assessment*



1

Supply Chain Capability Matrix

User friendly tool to easily identify companies providing decommissioning services/assets and whom have the ability to service the UK/UKCS

2

Supply Chain Capacity Report

A report which gives a snapshot of the current decommissioning supply vs. demand for UK/UKCS.

Element #1 - Supply Chain Capability Matrix

Scottish Enterprise

Oil & Gas Authority

DECOM North Sea

FPAL

EEEGR
EAST OF ENGLAND ENERGY GROUP

EIC

fedf

nof energy

Matrix Work Breakdown Structure (WBS)

DECOM North Sea

OGUK WBS (as of 2013)	Decom Supply Chain Structure		
Operator Project Management	Planning Element (Before CoP - with Consultants)	Late Life Production/Late Life Decom	
Facility Running/Owners' Costs	Topsides facility running (upkeep)	Marine - Logistics & Transfer of personnel/equipment (offshore>onshore)	
Well Abandonment	Well P&A and Associated Activity		
Facilities/Pipelines Making Safe	Topside facilities making safe (flushing/cleaning) & Removal of Hazardous Waste	Subsea making safe (flushing/cleaning)	
Topsides Preparation	Topsides Preparation & Disconnection (re-plumbing and installation)		
Topsides Removal	Topside Removal (any offshore dismantlement & removal)		
Substructure Removal	Substructure (Jacket) Removal (recovery and any offshore dismantlement)		
Topsides & Substructure Onshore Recycling	Asset & Equipment Receipt	Dismantling	Waste Management
Subsea Infrastructure (pipelines/umbilicals)	Subsea Infrastructure Preparation & Disconnection (replumbing/installation)	Subsea Infrastructure Removal (recovery & any offshore dismantlement)	
Site Remediation	Site remediation		
Monitoring	Long Term Monitoring		

Element #1 - Supply Chain Capability Matrix

- Released December 2017

- Available through Decom North Sea, Oil & Gas Authority and Scottish Enterprise, or the contributing memberships: FPAL, EEEGR, EIC, FEDF and NOF Energy.

- Annual update

- Continuous Improvement

Element #2 - Supply Chain Capacity Report


Oil & Gas Authority

Decommissioning Delivery Programme

Element #2 - Supply Chain Capacity Report

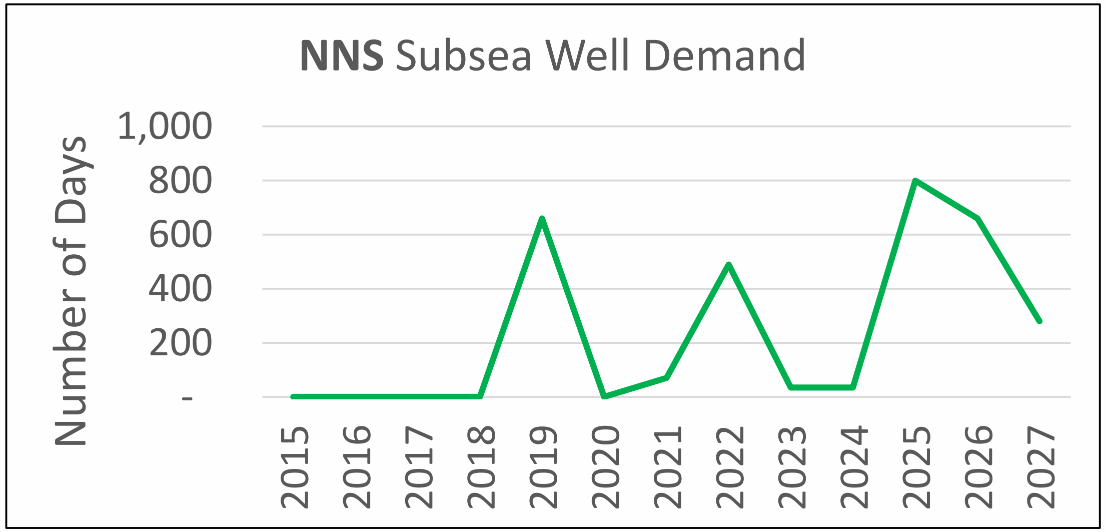
5 key focus areas for decommissioning are:

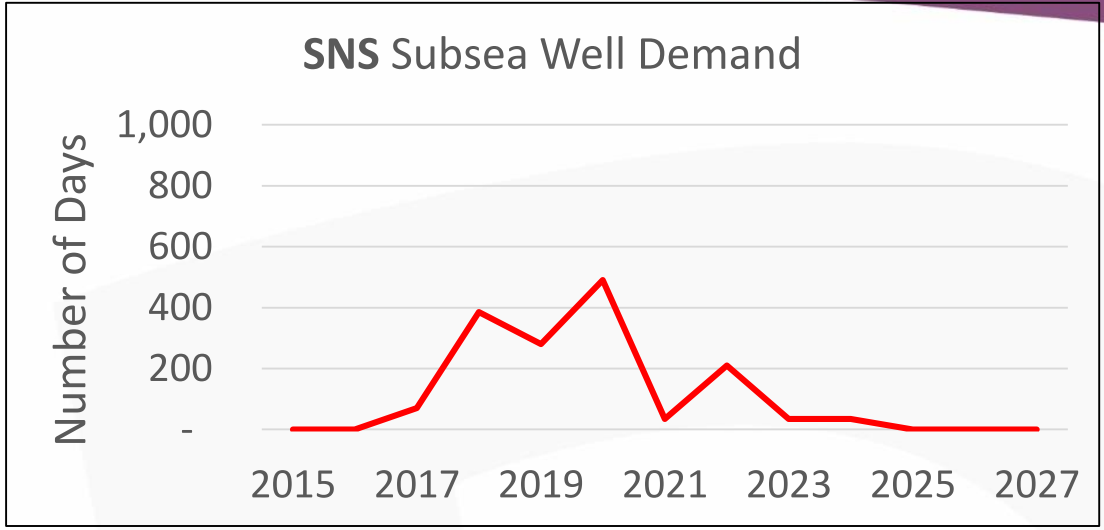
- Knowledge exchange
- Decom. readiness
- Life support for decom.
- Innovative removal solutions
- Residual liabilities

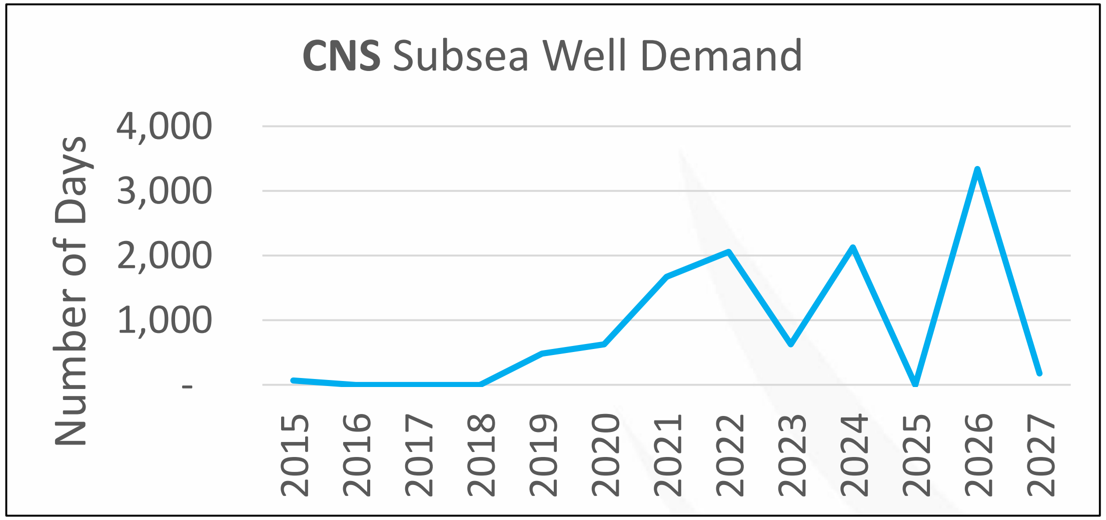
Market Outlook:

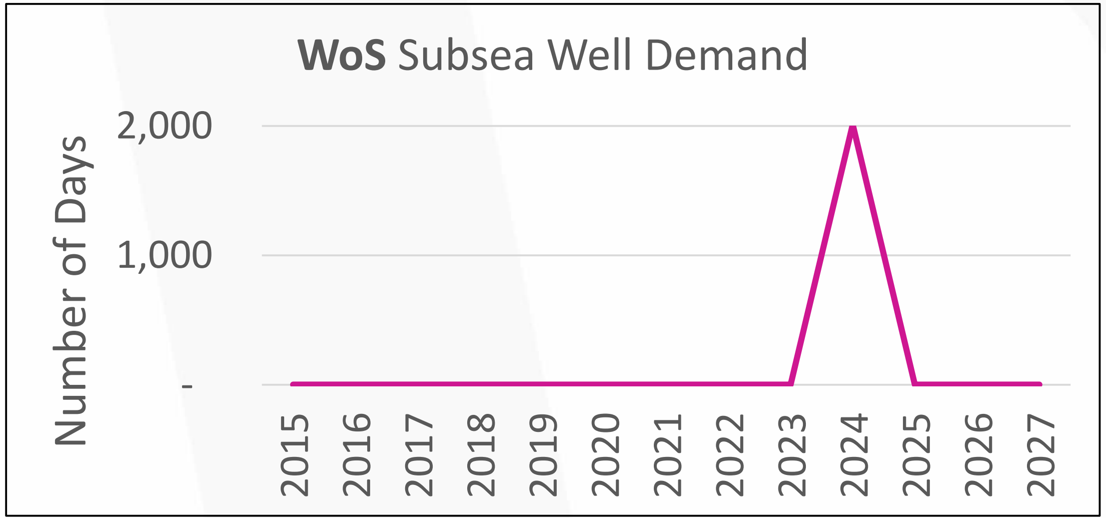
- UK Mobile Rig Fleet Status
- Increased in tendering expected activity increase 2018/19 within NW Europe
- Slight increase in mobile rig rates (below sustainability and inability to bring out of cold stack)
- Increase in platform drilling
- Older rigs being retired
- New builds

Element #2 - Supply Chain Capacity Report









Element #2 - Supply Chain Capacity Report

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- Uncertainty of CoP
- Budget Announcement
- Limited Case Histories
- Limited Decom Knowledge
- Lack of schedule availability
- Limited Supply Information

Element #2 - Supply Chain Capacity Report

- Industry contribution required
- Released (Q1 – 2018).
- Available through Scottish Enterprise, Decom North Sea and Oil & Gas Authority
- Annual update, will allow for trend analysis to be conducted
- Continuous Improvement (increasing the scope/scale of the survey)
- Participation (survey response/improvement for future)

“Demonstrate we have the capability to service UK decommissioning activity”

“Raise awareness of our indigenous capability and capacity to export”

“Understand the upcoming supply and demand to effectively prepare for competitive decommissioning”

Interactive session – poll slide placeholder

Q: What is your company's involvement in decommissioning?

A:

- *Already working in UK decom sector*
- *Not in decom yet (but mainly UK focus)*
- *Not in decom yet (but mainly international focus)*
- *Not interested in decommissioning*