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## Investment in a mature basin

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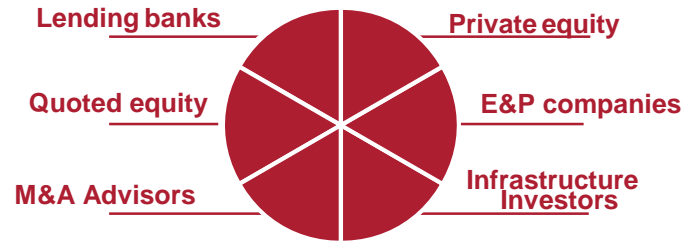
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Wednesday 29 November 2017

# Creating the right conditions

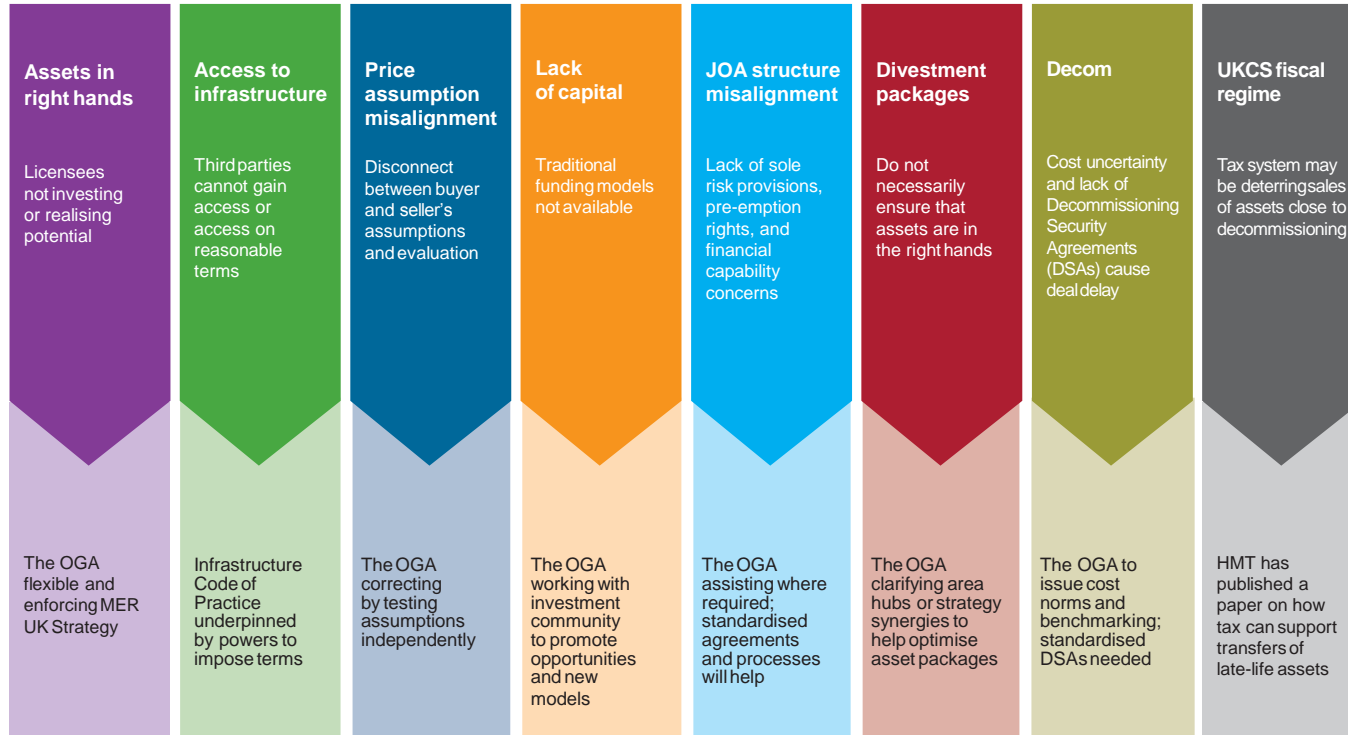


OGA are **promoting the UKCS** to attract new and diverse sources of long term capital funding, and protecting existing investment



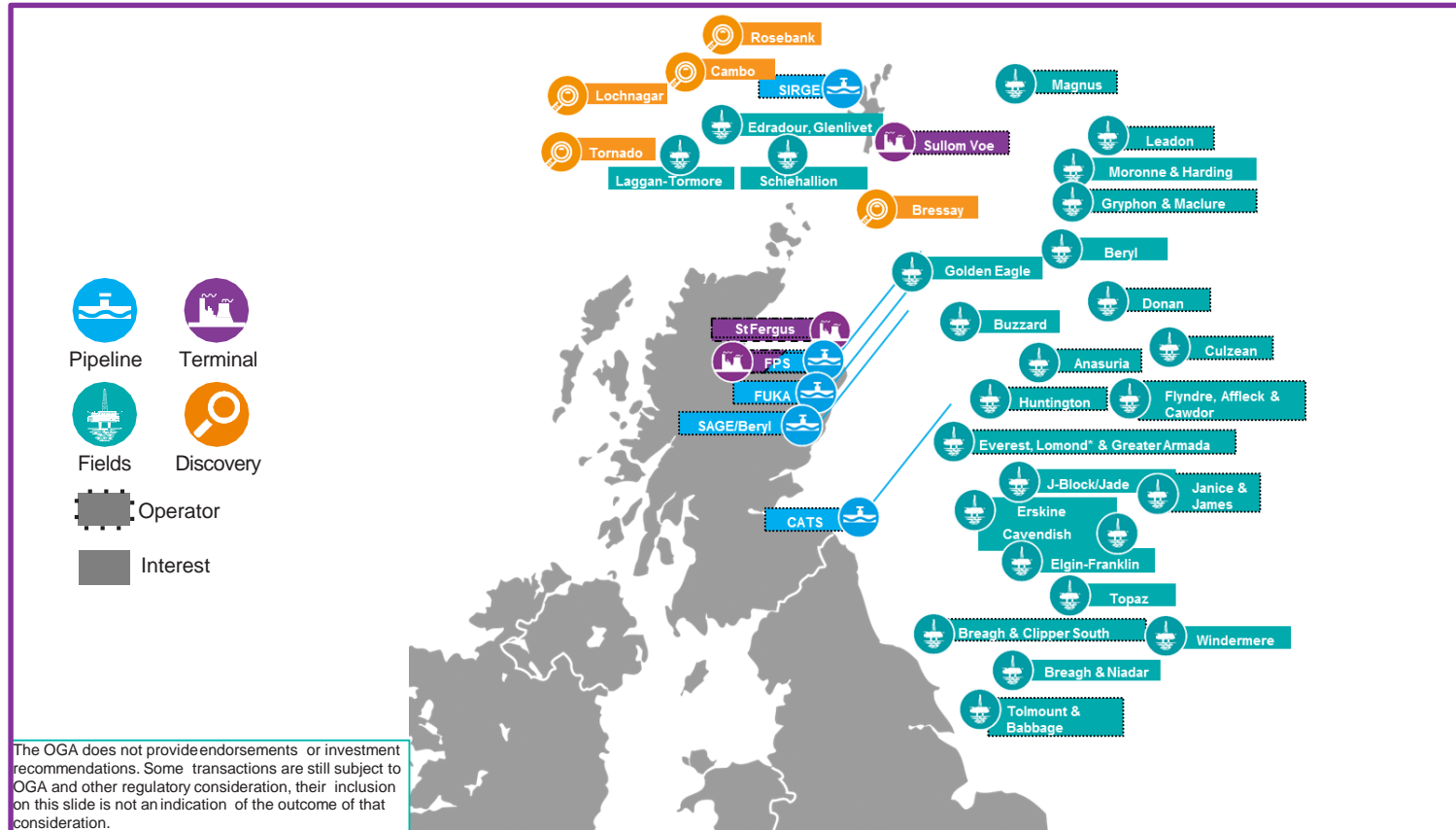
OGA are **working with investors** to identify barriers to investment and with government to mitigate them

# Mitigating barriers to investment



Systematically removing barriers

# “Right assets, right hands”



The OGA does not provide endorsements or investment recommendations. Some transactions are still subject to OGA and other regulatory consideration, their inclusion on this slide is not an indication of the outcome of that consideration.

# Commercial solutions for decom



## Example 1- BP/ EnQuest

Retain liability for the cost of decommissioning the existing wells and infrastructure.

## Example 2- Shell and Esso/ AOC

Payment of a pre-determined % of asset profits into a “decommissioning trust fund”.

## Example 3- Shell/ Chrysaor

Retain a fixed (\$1bn) liability for the cost of decommissioning.

## Example 4- BP/ Serica

Retain a fixed cost liability for the estimated cost of decommissioning at the point of sale.

## Example 5- Maersk/ Total

Total to take over all decommissioning obligations estimated at \$2.9bn.

## Example 6- Engie/ Neptune

Neptune to take on an estimated €1.1bn of decommissioning liability.

# Decommissioning insurance

Working with industry to support the creation of new and innovative commercial solutions to market problems.

## Section 29 Insurance

- Credit default swaps
- New DSA structures
- Can an insurance policy be used to provide HMG with decom security?

## Post Decom Liability

- Well control insurance
- Can existing insurance products be adapted to meet market need?

## Decom Cost Over-run

- Is a Decommissioning All Risk (DAR) Policy possible?
- What needs to happen to improve decom cost security?

## A Financial Guarantee for Decom costs

## Post Decom Liability

## Decom All Risk Policies

### Focus on:

- Product development
- Suitability for policy holders
- Legal considerations

Workshop 1 (19 September 2017)

Workshop 2 (Deep Dive, December 2017)



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# Thank you

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