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Authority

UKCS Decommissioning

Sustain and Transform

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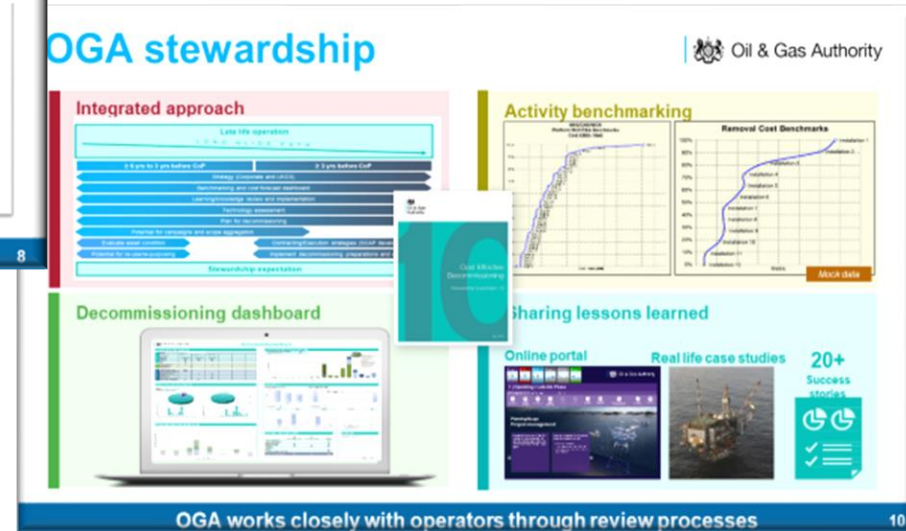
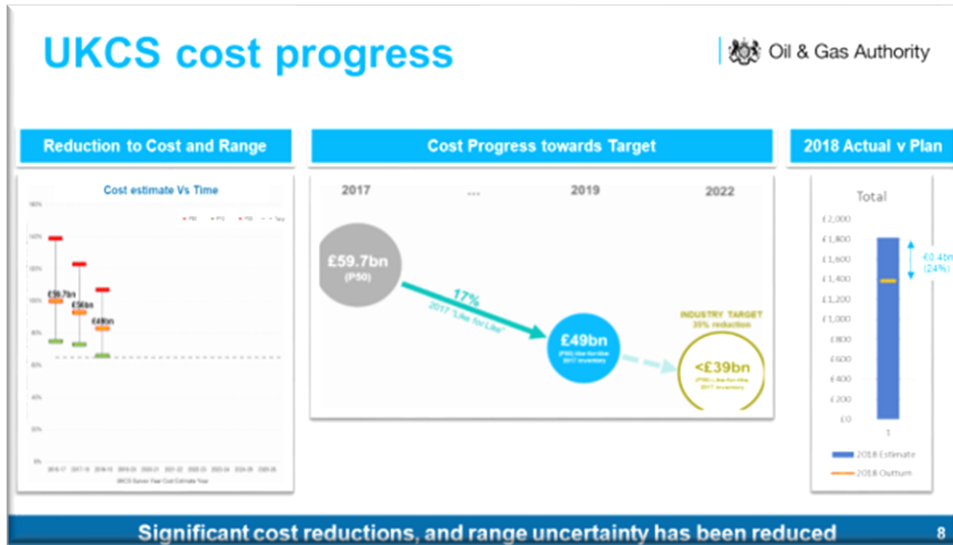
Outline



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- Sustain Performance
- Transform approach
 - How
 - Why
 - Campaign opportunities
 - Just off the press
- Next steps to deliver
- Key messages
- How can we all be winners?

Sustaining our performance



To meet our 35% cost reduction target

Transform



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Why?

- To go beyond 35%
- Mitigate against risk to reach target
 - Market driven cost increase
 - Technology expectation
 - No investments in capability

Go beyond and manage risk

Key messages - transform



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Learning lessons



US: nuclear, onshore, offshore

UK: successful offshore decom projects

Contracting strategy

Innovation

Trust in the supply chain



Decommissioning at scale



e.g. East of Shetland

Technology

Integrate transformation technology into a risk-based approach



People

People strategy

Make decom fun!



Sustaining Decommissioning Excellence: To meet our 35% cost reduction target and more!

Transform



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How?

- Scope aggregation opportunities
 - Campaigns (*E&A wells*)
 - Area based (*EoS*)
 - Scope based (*subsea infrastructure*)
- Supply chain to deliver the solutions
 - Best positioned to retain and build expertise
 - Develop export capability

Well Abandonment Campaign Opportunities (E&A wells)



Abandonment Complexity Category	Total well number
0	1
1	5
2	1
3	8
4	0
Blank/Null Response	2

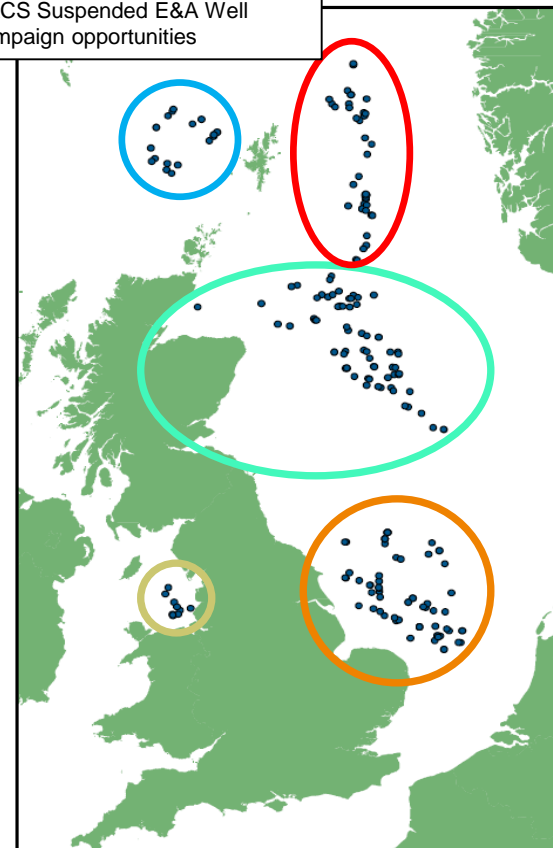
Abandonment Complexity Category	Total well number
0	1
1	17
2	1
3	12
4	9
Blank/Null Response	1

Abandonment Complexity Category	Total well number
0	0
1	28
2	3
3	31
4	12
Blank/Null Response	1

Abandonment Complexity Category	Total well number
0	2
1	21
2	6
3	15
4	4
Blank/Null Response	12

Abandonment Complexity Category	Total well number
0	1
1	2
2	0
3	7
4	3
Blank/Null Response	0

UKCS Suspended E&A Well campaign opportunities



- 206 Suspended E&A Wells
- 5 Campaign opportunities identified, by area
- **Average suspension 24 years**

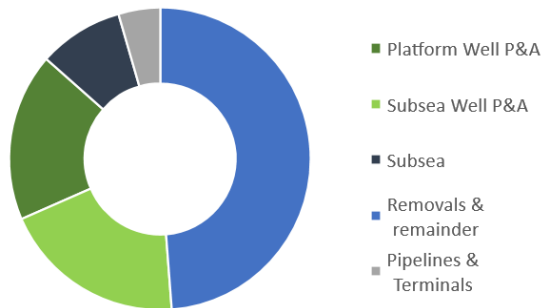
50% of the wells in cat 0,1,2 – first win campaign opportunity

Area based decom EoS opportunity example

East of Shetland Decom Estimate:

£5.6bn

Spend by WBS Element:



Scope

>30 fields

To decommission



>240,000 tonnes

Topsides to be removed



>230,000 tonnes

Substructures to be removed,
~10 derogations



>480 wells

To be decommissioned

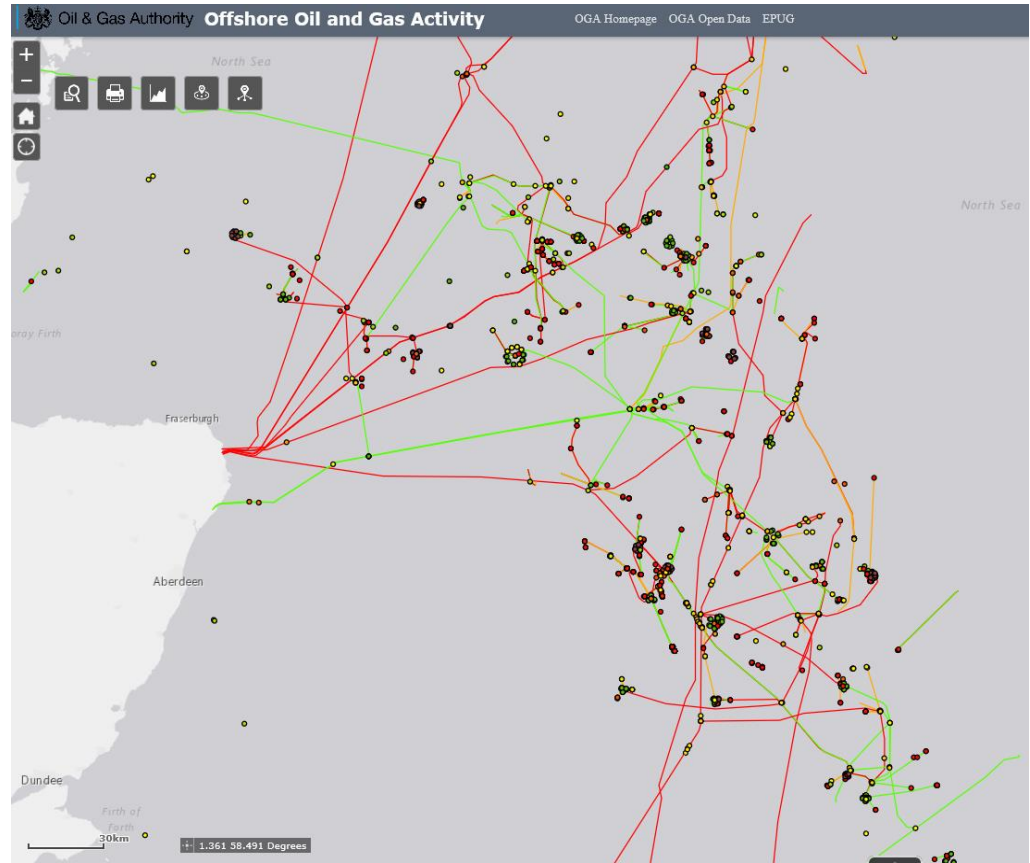
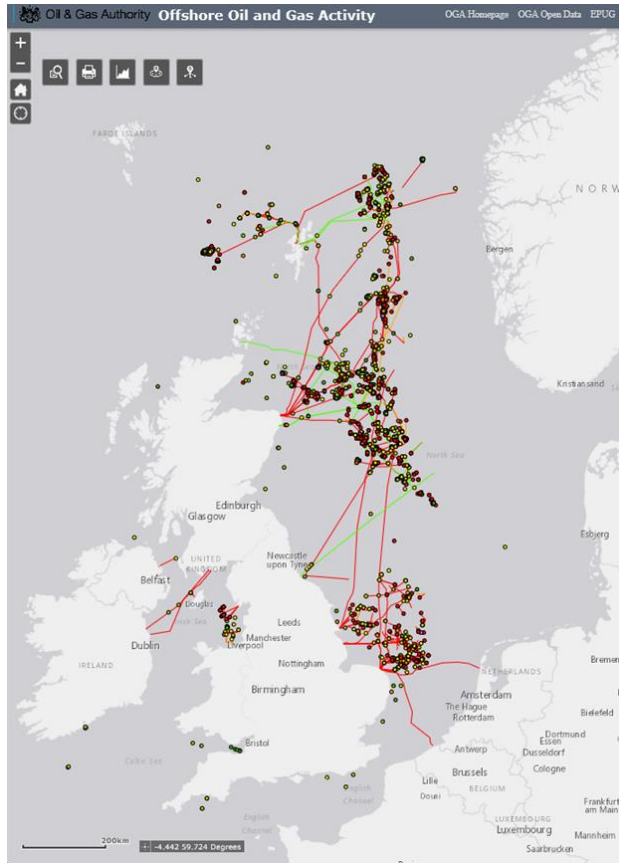
~360 platform, ~110 subsea, ~15 E&A



Scope based- sub sea infrastructure



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Enough scope to aggregate

Just off the press!



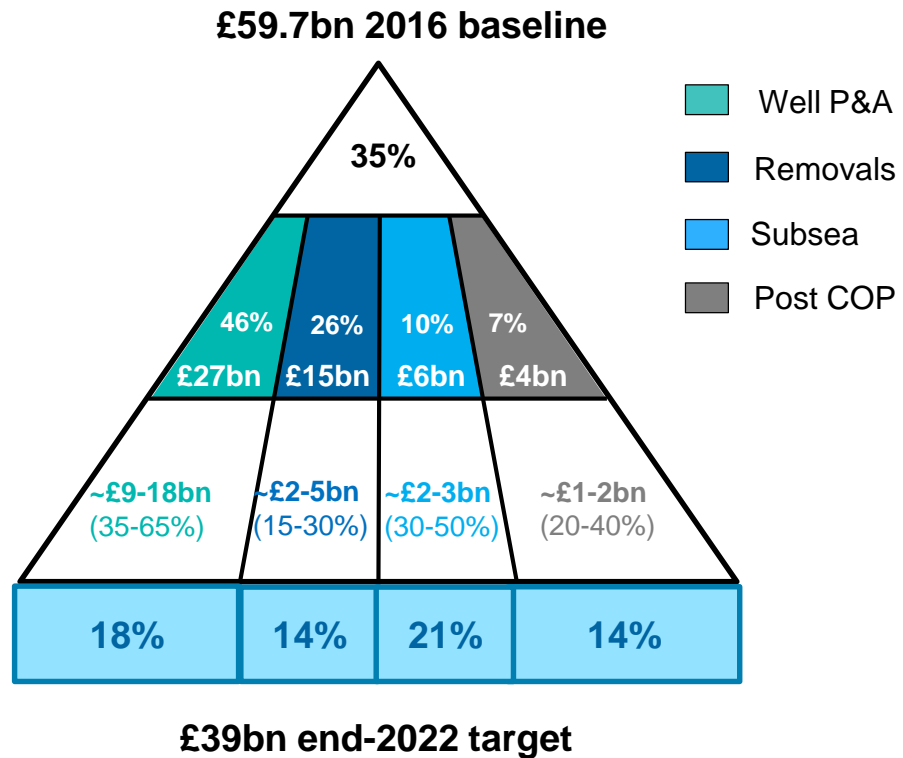
Next steps to deliver

Target Reduction

Key Costs

Reduction Required

Achieved to Date



Forward priorities/commitments

P&A




- Barrier technology
- Maximise well P&A rig-less/thru tubing
- Campaigns

Subsea




- Scope aggregation
- Technology development for bundle removal

Removals



- Alternative technologies from heavy lift
- Contracting models
- Innovative transportation technologies

Post CoP Running Costs



- Early execution of well P&A before CoP
- Simulation technology to enhance planning and facilitate scope aggregation
- Improved clean and flush technology

Key messages



- Continue the cost reduction drive
- Be alert to energy transition opportunities



- Is decommissioning your core business?
- Can you capture value from new supply chain offerings?
- Are there economies of scale through scope aggregation with others?



- Do you have a clear value proposition?
- Can you create innovative solutions?
- How can you support and enable scope aggregation?

How can we all be winners?



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What drives value?

Operator

- Certainty on cost and timing
- Liability/obligation fulfilled
- Low risk

Supply Chain

- Predictability on work

UK Plc

- Reduced risk to government and obligations fulfilled
- Lowest possible cost to taxpayer
- Capability developed to support lowest cost and export potential

Building our future together and fulfil our social responsibility