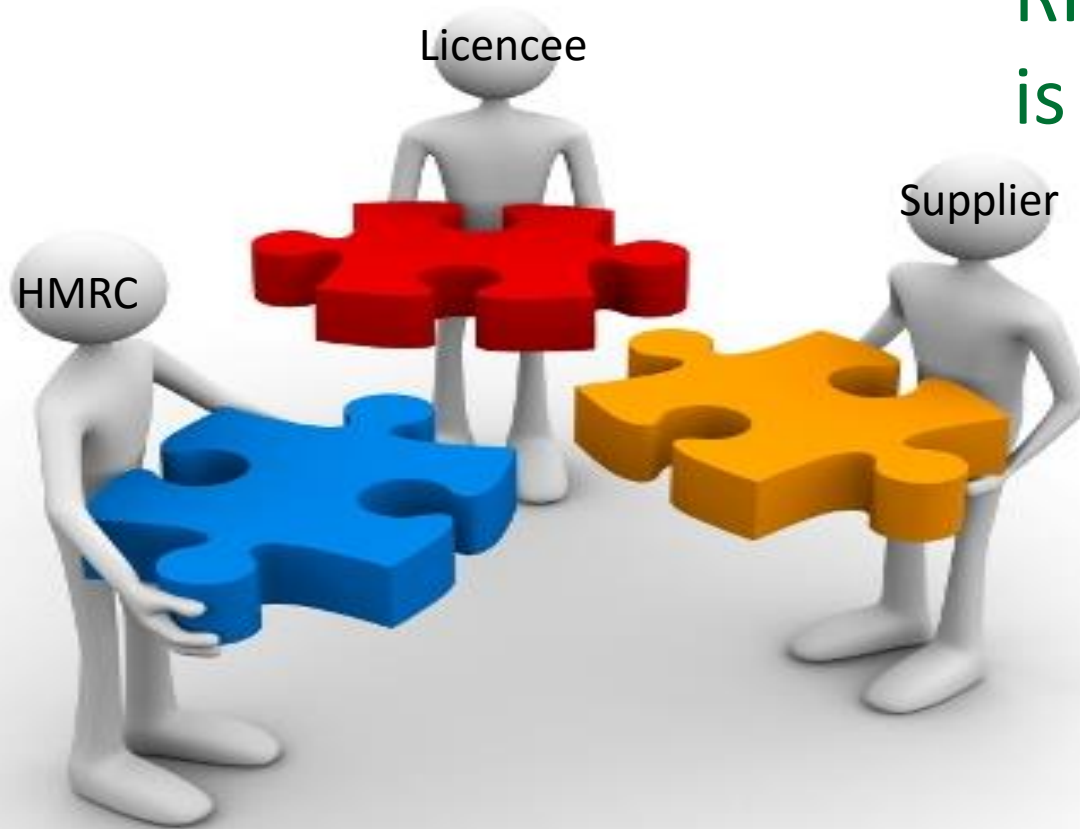


The Offshore North Sea ***The Future?***

Agenda

**RISK Management
is critical**



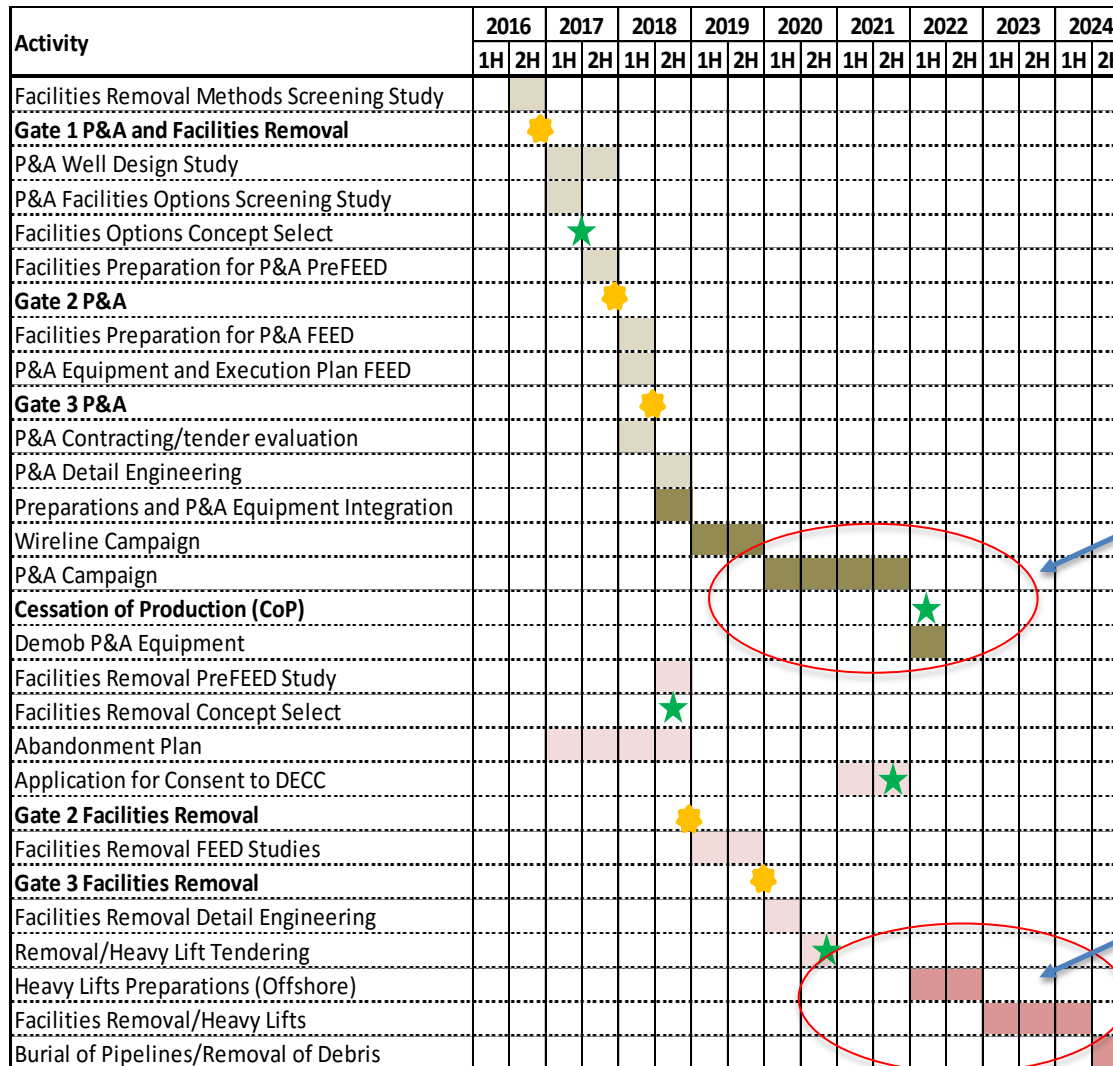
**Reserves
Environment
Tax
Cost
Technology
Legal
Project
Supply Chain**

Planning for this!



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Typical Decomm Timeline



Abbreviations

P&A > Plug and Abandonment (Wells)
FEED > Front End Engineering Design

Legend

Dark shaded colours > Offshore work
Light Shaded colours > Onshore Activities

Drilling rig required here

Heavy lift vessel required here

UK North Sea- Government/Tax Perspective

UK: The British government has incurred a loss from North Sea oil and gas production for the first time since records began almost half a century ago. While as recently as 2011 the industry contributed almost £11bn to the country's coffers, last year's dramatic global decline in oil prices caused the balance sheet to fall into the red for the first time since records started being kept in 1968-69. The UK Treasury received £538m in corporation tax from North Sea oil and gas production in 2015-16, but incurred a £562m loss in petroleum revenue tax, **leaving a negative balance of -£24m**, the figures published by HM Revenue and Customs show. In a statement, HMRC said "significant" investment in existing and new oil and gas projects, "increasing amounts" of **decommissioning expenditure** and a decline in the volumes of oil and gas produced had contributed to the overall loss.

Source: HM Revenue & Customs, May 2016

Petromall Next Steps

- Tax Complexity Workshop- September, 2016
 - Stephen Blythe
- Cost Estimating- October, 2016
 - George Antadze
- Project Management- November, 2016
 - Graham Scotton
- Late Life Asset Management- December, 2016
 - Christopher Lloyd/Graham Scotton

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