

Minute note - Cross Party Group on Oil and Gas - AGM

Held on Wednesday 5 March 2014, 13:30 - 14:30

Committee Room 2, the Scottish Parliament, Edinburgh, EH99 1SP

In attendance:

MSPs:

Tavish Scott
Maureen Watt
Lewis Macdonald
Nanette Milne
Richard Baker
Alison McInnes
Mark McDonald
Rhoda Grant
Kevin Stewart
Christian Allard

Padraig McCloskey, Shell
Muriel Roberts, Chevron
Kim Seeley, Chevron
Christine Jones
Carole Barbone, CNR International
Gareth Williams, SCDI
Darah Zahran, OPITO
Fiona Lindsay, Stork
Hannah Bardell, Stork
Mike Duncan SDS
Ally Rae, BP
Christopher Wallace, Scottish Parliament
Tina Lin, Scottish Parliament
Jonathan Milne, Maersk Oil North Sea UK Limited
Michelle Cullis, Pinsent Masons
Adam Coughlin, Pinsent Masons

Apologies:

Dennis Robertson MSP
Graham Rennie, Lombard
Bill Cattanach, DECC
Brian Nixon, Decom North Sea
Sylvia Buchan, DECC
Alastair Ross, Pinsent Mason
Malcolm Ricketts, Scottish Government
Alex Hill, Met Office
Cameron Ramsay, Cogna Limited
Rachel Eliot, Grampian Chamber of Commerce
Ian Armstrong, SCDI
James Trolland, Spae Consulting
Ian Coupar, Energy North

Iain Brotchie, Total E&P

AGM:

Alison McInnes nominated Tavish Scott and Nanette Milne as co-conveners, seconded by Rhoda Grant
Rhoda Grant nominated Maureen Watt and Lewis Macdonald as co-conveners, seconded by Alison McInnes

The group agreed that Tavish Scott, Nanette Milne, Maureen Watt and Lewis Macdonald would be co-conveners for 2014.

Tavish Scott welcomed Oil & Gas UK Economics Director Michael Tholen to the meeting.

Michael Tholen gave an overview of the recently published Wood Review, focusing on the recommendations to maximise economic recovery from the UKCS. He then explained the main findings from the Oil & Gas Activity Survey: record investment, climbing costs, slumping exploration and as yet untapped reserves.

Questions from the floor and subsequent discussions included:

- The likely composition of the new regulator as recommended by the Wood Review
- The reasons why rig availability was limited exploration (industry competition, global competition, increased drilling time)
- Why were oil companies having issues raising finance (large business with a global footprint - global competition for investment funding, small businesses - banks often won't lend for exploration as it's seen as too risky and the equity market is very competitive)
- Why there is a rapid decline in production (all companies encountering production issues, assets becoming difficult to operate efficiently, new fields are coming on stream, which should boost overall production)
- International examples of Government activity to boost production and exploration, including state sponsored seismic surveying in areas where industry is reluctant to explore. (e.g. Netherlands and Norway)
- The cost pressures for operators - rising cost of salaries, steel, rigs.
- The bareboat charter issue - the industry is currently in discussion with the Treasury about how to find a solution to this fiscal change.

The next meetings of the group will be

- 14 May - 18:00 - 19:00 (helicopter safety)
- 13 August - 18:00 - 19:00 (skills)
- 29 October - 18:00 - 19:00 (tbc)

Tavish Scott thanked all MSPs and members for attending and the meeting closed at 14:30.

Ends.