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21 June 2018

Pete Wishart MP  
Scottish Affairs Committee Chairman  
House of Commons  
London  
SW1A 0AA

Dear *Mr Wishart,*

I wanted to write on behalf of Oil & Gas UK to thank you for the invitation to give evidence to the Scottish Affairs Committee on 12 June 2018. My colleagues Alix Thom, Jenny Stanning and I appreciate your interest in our industry and its future and the opportunity to talk not only about the challenges we face, but also the progress we have made and the opportunities that remain.

The Committee's questions covered a wide variety of areas from exploration to technology, skills to health and safety and I hope you found our responses informative and helpful.

Industry's commitment to delivering safe and efficient operations in a competitive basin is absolute. In terms of government backing, ongoing support to the HMT's driving investment plan is crucial as is strategic management of Brexit for our industry which has the same challenges faced by other sectors. As we look ahead to a lower carbon economy, oil and gas has a key role to play along with other energy sources and the government's development of a comprehensive energy policy would be a key enabler in ensuring a managed transition is delivered.

I understand that you have requested further information on the sector deal, which is below. I also include some examples of what the Transformational Technology Centre of Excellence could pursue as that was an area that one of your colleagues was keen to hear more about. I should be grateful if you would share this information with the full Committee.

### *Oil & Gas Industry Sector Deal*

*What stage does Oil & Gas UK see the deal as being at? Are you expecting BEIS to make an announcement within a certain timeframe?*

The Oil and Gas Industry Champion, Trevor Garlick, submitted the oil and gas sector deal proposal to BEIS in time to be considered as part of the second wave of sector deals. We are confident that we have presented one that can contribute significantly towards achieving the industry's Vision 2035, particularly in terms of export opportunities.

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The proposals came from extensive cross-industry engagement and consultation and the group who developed the deal, with strong support from Oil & Gas UK, worked closely with BEIS officials.

Four "Sector Deals" have been published to date (Creative Industries, AI, Automotive and Life Sciences). We understand that around 60 sectors have expressed an interest in a deal to the UK Government and therefore the department will have many proposals to consider. We are hopeful that we will hear if the deal is to progress to a formal negotiation stage over summer. In the meantime, Oil & Gas UK is supporting further industry-wide activities looking at how we maximise the impact from the three main proposals in the Sector Deal.

*If there's any additional information on the Industrial Strategy Challenge Fund submissions that you think it would be useful for the Committee to know of, please feel free to share this with me also. Oil & Gas UK submitted letters in support of both bids – they are attached for your information.*

**Transformational technology project examples:**

**Robotics and artificial intelligence:** Partner with the Edinburgh Centre of Robotics on the wide-scale deployment of robotics in the offshore oil and gas industry.

**Renewable offshore grid:** Explore how to replace current gas-fired power generation across UKCS oil and gas installations with reliable sources of renewable power through an offshore grid.


**Low carbon, smart facilities:** Design flexible, re-usable and recyclable facilities, that minimise emissions, optimise productivity, maximise recovery and enhance safety.

**High value products produced at source:** Develop technologies and processes that enable the production of low carbon, market-ready products at source eg, hydrogen.

**Offshore automation:** Develop technologies that enable remote operations on the UKCS as well as onshore control centres in the UK operating in basins across the world.

I hope that you enjoy the evidence session in Aberdeen. It is really good that a Westminster Committee is out and about in the UK and I trust that you will hear further interesting insights from my industry colleagues. I am sure that you have a busy agenda for Monday, but should you or indeed any of the Committee want to visit one of our Oil & Gas UK members while you are in Aberdeen, please do let me know.

Yours sincerely



Deirdre Michie  
Chief Executive

Encs.

# OIL & GAS UK

10 April 2018

Colette Cohen  
Chief Executive  
The Oil & Gas Technology Centre  
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Aberdeen  
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Dear Colette

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On behalf of Oil & Gas UK, the leading industry body for the UK offshore oil and gas industry, I am writing to express our strong support for The Oil and Gas Technology Centre (OGTC) Expression of Interest in the Industrial Strategy Challenge Fund, in support of the Clean Growth and AI and Data Economy "Grand Challenges" in the UK Government's Industrial Strategy.

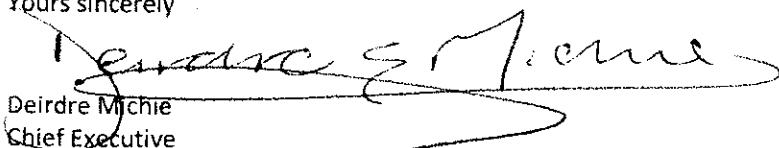
The OGTC application builds on the oil and gas industry's draft proposal for a sector deal, currently with BEIS for consideration and resulting from months of engagement across the industry. The deal supports the delivery of Vision 2035 in producing an additional 3 to 4 billion barrels by 2035. Vision 2035 aspires to deliver such production as well as double the UK's share of the global technology and services market from 3.7% with the ambition of generating up to £290 billion of additional revenue for the UK by 2035.

The OGTC's Expression of Interest is for an additional Solution Centre to be added to the existing Oil & Gas Technology Centre focused on Transformational Technology. The sector deal proposal supports the transitioning and transforming of the oil and gas industry to be an integral part of a balanced, lower carbon energy mix where technology innovation has a key role to play. Expanding the capacity of the OGTC allows the industry and government to build on OGTC's success to date and capitalise on its networks across the UK technology developer landscape, academia and between industrial sectors.

The sector deal proposal for Transformational Technology would take the OGTC beyond its original funded remit and as such it will require further resource if it is to contribute to the delivery of the objectives set out in the industry's sector deal proposal, namely:

- Delivering lower carbon operations
- Increasing efficiency and productivity to support Maximising Economic Recovery (MER UK)
- Increasing automation and remote operations to support MER UK
- Creating a global competitive advantage as a leader in transformational energy technologies.

Yours sincerely



Deirdre Michie  
Chief Executive

Oil & Gas UK is the trading name for The UK Oil and Gas Industry Association Ltd.  
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# OIL & GAS UK

18 April 2018

Neil Gordon  
Chief Executive  
Subsea UK  
30 Abercrombie Court  
Prospect Road  
Westhill  
Aberdeenshire AB32 6FE

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Dear Neil

On behalf of Oil & Gas UK, the leading industry body for the UK offshore oil and gas industry, I am writing to express our strong support for Subsea UK's Expression of Interest (EOI) to the Industrial Strategy Challenge Fund on behalf of a consortium of industry and academia.

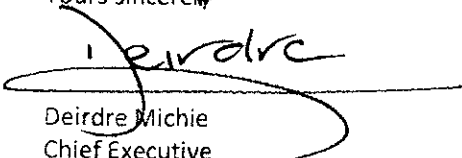
The Subsea UK application builds on the industry's draft proposal for an oil and gas sector deal, currently with BEIS for consideration. The industry's proposal for a sector deal follows months of engagement across the industry including the underwater engineering community. Specifically, the proposal for an Underwater Innovation Centre (UIC) will focus on leveraging the UK's position as a subsea market leader and securing a larger share of the increasing underwater engineering sector, both domestically and internationally, which could yield substantial opportunities for the UK.

Creating a dedicated Underwater Innovation Centre in Aberdeen, connected closely with all the existing UK testing and industrial clusters, as proposed in the Sector Deal, will provide a catalyst for cross-sector activity and cement the UK's leading position in this arena. For example, we would expect the proposed UIC to connect closely with the Underwater Centre in Fort William - one of only two places in the world that can train saturation divers and an internationally sought-after test location for subsea equipment.

Oil & Gas UK believes there is much the oil and gas industry can offer to other energy industries and those in the blue economy. Subsea UK's EOI supports a vision to diversify and integrate the UK's underwater engineering industries through aligned research, development, deployment, commercialisation, marketing, and export of products and services. It also supports the building of the next generation of skills across oil and gas, offshore renewables, defence, marine science and deep-sea mining.

We hope that you will take into consideration this letter of support.

Yours sincerely



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