



## in this issue



### **1986 to 2006 - The Lessons Learnt from Piper Alpha**

Twenty years on, the industry continues its efforts to place safety foremost on the agenda



### **Face to Face: Interview with Mick Borwell, Oil & Gas UK's environmental issues manager**

Mick Borwell discusses the Marine Bill and its potential impact on the oil and gas sector



### **The Oil & Gas UK Next Generation Conference**

Young oil and gas professionals express their views on the future direction of the industry

## Welcome

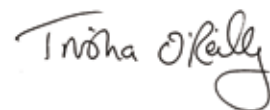
July 6 marks the 20th Anniversary of the Piper Alpha disaster. In this issue, Oil & Gas UK director Chris Allen writes of the lessons learnt from that tragic night twenty years ago (see page 7), and of the industry's continuing efforts to place safety foremost on the agenda. There is mention too of a new Oil & Gas UK DVD which has been released to ensure that corporate memory does not fade as new generations of oil and gas workers join the industry.

We also bring details of a masterclass in Corrosion Management in Aberdeen next month, part of the industry response to HSE's KP3 report on asset integrity, where two new publications on corrosion management will be launched, and the work being done by Aberdeen-based charity UCAN to raise awareness of urological cancer.

While the spotlight remains rightly on the sector's health and safety performance, media attention in April swung firmly towards the North Sea and the offshore oil and gas industry for very different reasons. Journalists were quick to seize upon the secondary effect of the two day strike at the Ineos Grangemouth Refinery, which had a disproportionate economic impact on UK oil and gas production. The loss of steam, water and power provided by the refinery to the Kinneil processing plant shut in the Forties pipeline system, affecting production from around 70 oil and gas fields in the central North Sea – roughly 700,000 barrels of oil and 80 million cubic metres of gas a day.

Oil & Gas UK estimates the damage to our members from five days of lost production to be a conservative £50 million a day. But the loss in tax earnings to the UK Exchequer was also considerable, equating to at least £25 million a day, a point which was widely picked up and reported by the broadcast and print media at the time.

It is unfortunate that it takes an event such as the Grangemouth dispute to raise the profile of our industry in the eyes of the general public and Government, and highlight its still significant place in the UK economy. But that was not a message overlooked by the 220 young industry professionals who attended the Oil & Gas UK Next Generation Conference just a week earlier. The delegates clearly took the view that the UK's offshore sector has a long term future and came forward with over 200 recommendations on the direction they believed the industry should take to maintain its economic contribution for decades to come. Our report on page 6 mentions just a few of these proposals.



Trisha O'Reilly  
Communications Director

Wireline is published by Oil & Gas UK, the leading representative organisation for the UK offshore oil and gas industry. Oil & Gas UK's members are companies licensed by the Government to explore for and produce oil and gas in UK waters and those who form any part of the industry's supply chain.

We want to hear your views on our newsletter so please send us your feedback as well as ideas for future articles. We would also welcome letters to the editor which we would aim to publish in future editions.

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## News and Views

# Time to declare industry brilliance!

### Secretary of State to attend awards ceremony

With the search now officially on for nominations to compete in this year's prestigious Oil & Gas UK Awards, we are delighted to announce that Secretary of State, the Rt Hon John Hutton MP, will attend the Awards Ceremony in Aberdeen this autumn to present the prizes.

The 2008 Awards, which will be sponsored once again by Maersk Oil, celebrate the people and businesses which make an exceptional contribution to our industry. This year, two new award categories are being introduced for the first time.

Nominations are now open for:

- **The Oil & Gas UK Award for Overall Excellence (sponsored by Marathon Oil UK)**, which recognises outstanding achievement by young people working in our industry today;
- **The Oil & Gas UK Award for Young Technician of the Year (sponsored by OPITO, The Oil & Gas Academy)**, which recognises the vital contribution of our industry's technicians;
- **The Oil & Gas UK Award for Mentoring (sponsored by Shell UK)**, which recognises the important role mentors play in passing on their knowledge and expertise to the next generation of oil and gas workers;

And new for this year:

- **The Oil & Gas UK Joint Award for Supply Chain Business Innovation (sponsored by BERR)**, which recognises the creation and implementation of novel contracting strategies between operator and contractor, with the potential for wider application across the industry;
- **The Oil & Gas UK Award for Supply Chain Professional Development (sponsored by Bibby Offshore)**, which recognises the outstanding commitment made by an organisation to the professional development of its supply chain practitioners.

The rules are simpler this year as well. We want candidates and companies that typify outstanding achievement for each category. All we need is your nomination and the reasons why – full details of the criteria for each award and how to enter are available at [www.oilandgasuk.co.uk](http://www.oilandgasuk.co.uk).

The closing date for entries is August 4 and the winners will be announced at the Oil & Gas UK Awards dinner on November 12 at the Aberdeen Exhibition and Conference Centre. Book your table at the dinner now at [www.oilandgasuk.co.uk/new/events](http://www.oilandgasuk.co.uk/new/events)



Oil & Gas UK <sup>08</sup>  
Awards

Principal Sponsor

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*Celebrating talent in the UK offshore oil and gas industry*

**Join the celebrations at the Oil & Gas UK Awards '08**

**Book your table now at [www.oilandgasuk.co.uk](http://www.oilandgasuk.co.uk)**

Don't miss your opportunity to attend this celebration of business talent and industry brilliance. The gala dinner presents an excellent networking opportunity with your industry peers, over great food and entertainment. Tables are selling fast, so book online at a cost of £1,000 plus VAT.

**The dinner takes place on November 12, 2008 at the Aberdeen Exhibition and Conference Centre.**



## News and Views

### Oil & Gas UK appoints new co-chairs

**Bob Keiller, chief executive officer of PSN, and Archie Kennedy, managing director of ConocoPhillips (UK) Ltd, are the new joint chairmen of the Oil & Gas UK Board, following elections held in mid-April.**

Bob Keiller takes over from Tom Smith of Nessco as chairman of the Contractor Council, while Archie Kennedy replaces BP's Dave Blackwood as chairman of the Operator Council, following the end of their fixed terms of office.

Malcolm Webb, Oil & Gas UK chief executive, expressed his delight at the new appointments, saying that Bob Keiller and Archie Kennedy brought with them a wealth of knowledge and experience of the oil and gas business.

He also thanked both Dave Blackwood and Tom Smith for their inspirational leadership, tireless hard work and support as Oil & Gas UK's first co-chairs. Their vision had ensured Oil & Gas UK built on the strengths that existed within UKOOA, he said, and successfully expanded it to encompass the UK's world class supply chain.

"They have played a vital role in helping create an organisation that is well-equipped to represent the industry as oil and gas development in the North Sea matures and the supply chain continues to grow as an internationally recognised centre of excellence in UK and world markets", Malcolm commented. Tom Smith and Dave Blackwood will continue to serve on the Oil & Gas UK Board.



Archie Kennedy, managing director, ConocoPhillips (UK) Ltd



Bob Keiller, chief executive officer, PSN

### UCAN sends nurse offshore to raise awareness of urological cancer

**Aberdeen-based charity UCAN is flying a nurse offshore to offer potentially lifesaving advice on urological cancer.**

Offshore workers traditionally fit into the groups most at risk of developing urological cancers, with older men most likely to suffer from prostate cancer, and testicular cancer remaining the most common cancer affecting younger men in the 20 to 44 age bracket. Research nurse Catherine Paterson, 26, plans to tell workers how to spot the early symptoms of the four main urological cancers - kidney, bladder, testicular and prostate. Her post was created after TOTAL E&P UK provided funding for the position for three years. The charity also receives the support of other Oil & Gas UK members, including Wood Group, Subsea 7, Talisman, Maersk and KCA Deutag.

Catherine said: "Urological cancers affect both men and women but my drive is to tackle men's attitudes and increase their knowledge. The offshore environment is

an ideal place as the workforce is largely male dominated. Hopefully, after my trips people will head home armed with the knowledge which will empower them to seek further medical advice should an abnormality be suspected." Catherine has just completed her basic safety and emergency training and took her first trip offshore at the end of May.

Laura Cliffe, head of HR operations at TOTAL, said that she hoped Catherine's visits will give staff the opportunity they may not have had until now to ask questions. She said that the company was delighted to be supporting Catherine in her role as research nurse and ultimately helping UCAN to reach its goal of reducing the risk of urological cancer.

Around 18,000 people die of urological cancers in the UK every year, and this figure is rising. Based at Aberdeen Royal Infirmary and the University of Aberdeen, UCAN was established in late 2005 to raise awareness of the disease and improve the

support and quality of life for patients by raising £2.6 million to bolster NHS services. The charity hopes to raise the remaining £700,000 this year.

UCAN opened its Cancer Care Centre in Ward 44 at Aberdeen Royal Infirmary in January. It is the first urological facility of its kind in the UK and has specialist nurses on hand to offer information, guidance and support to newly diagnosed patients.

**For more information on UCAN visit: [www.ucanhelp.org.uk](http://www.ucanhelp.org.uk) or call Kate Synott on Tel. 01224 559312.**



Research nurse Catherine Paterson takes advice offshore

## News and Views

### Safety DVD ensures lessons from Piper Alpha will not be forgotten

**Oil & Gas UK has released a new DVD to pass on the important lessons learnt from the Piper Alpha disaster twenty years ago and ensure that the industry's corporate memory is protected for the next generation of offshore workers.**

The DVD is aimed at young professionals in the industry and captures a presentation given by Oil & Gas UK to industry graduates and young employees earlier this year. It includes a shortened version of a BBC "docudrama" about the disaster, followed by two presentations: the first delivered by Chris Allen, director at Oil & Gas UK, detailing the lessons learnt from Piper Alpha and the consequent changes in the industry's approach to safety; the second a personal account from a Piper Alpha survivor.

The DVD is primarily aimed at those companies who were unable to send people along to the original session or who

want to run in-house training sessions for their new employees. The DVD underlines the important role each individual plays not only in ensuring their own safety but that of colleagues working alongside them and how the proper management of process safety is essential to prevent major accidents.

An increasing number of today's young entrants to the industry were not even born at the time of the Piper Alpha

disaster, but they will all play a role in ensuring that the North Sea continues to operate safely. It is therefore vital that they appreciate the lessons from Piper Alpha and the importance of each of their individual contributions to safety.

The DVD will be released to Oil & Gas UK members free of charge upon request. For more information contact Jessica Burton by email: [jburton@oilandgasuk.co.uk](mailto:jburton@oilandgasuk.co.uk) or Tel. 01224 577250.



Chris Allen, HSE director at Oil & Gas UK presents the lessons learnt from Piper Alpha to industry graduates and young employees

Picture courtesy of the Press and Journal

### Foundations laid for Seismic DataStore

**Common Data Access (CDA) and Oil & Gas UK have taken a significant step forward to make it easier for industry to share and access the huge amount of data amassed over the past forty years of seismic activity on the UK continental shelf.**

The new CDA-managed Seismic DataStore, to be launched later this year after a competitive tender exercise, proposes to become the new centralised repository for digital seismic data and, as such, an indispensable tool in the quest to maximise recovery of the UK's oil and gas reserves through further exploration.

The initiative will dramatically improve the quality of seismic data available to users, and the time taken to retrieve it, allowing the industry, and in particular new companies entering the UKCS, to accelerate and enhance their response to license rounds, asset deals and other business opportunities.

Changes to the regulatory framework have been required to make the Seismic DataStore operate effectively. Licensees are currently obliged under the Petroleum Act 1998 to hold information gathered during seismic activity in perpetuity unless they choose to archive it voluntarily, after a set period, to the National Hydrocarbons Data Archive (NHDA). However, the PON 9 regulations governing the archiving of data to the NHDA required all the data relating to a particular licence, whether on wells, seismic activity or other subsurface activity, to be archived together. The complexity of the data, the large number of parties involved in each licence and the difficulty of gathering together all available data on a particular licence meant that companies found the task of archiving with the NHDA particularly onerous.

In response Oil & Gas UK, jointly with CDA and BERR, has reviewed and updated its Seismic Data Release Guidelines to

help companies comply with the data release regulations and thus improve the voluntary data release process. The guidelines are available free of charge at <http://www.oilandgasuk.co.uk/ukooa/newpublications/pdfs/SEI05.pdf>.

Secondly, CDA, working with the British Geological Survey (BGS), has succeeded in securing BERR's agreement that any data relating to a specific seismic survey or well can be archived to the NHDA independently, without association with other data on the same licence. The benefits are three-fold: being able to hand over only some parts of the data relating to a licence makes the whole process of archiving with the NHDA much easier; it releases companies from the costly obligation to hold accurate records in a useable form in perpetuity; and finally it allows the information to be made available at low cost to other companies wishing to explore the province.



## News and Views

### Young oil and gas professionals express their views on the future direction of the industry

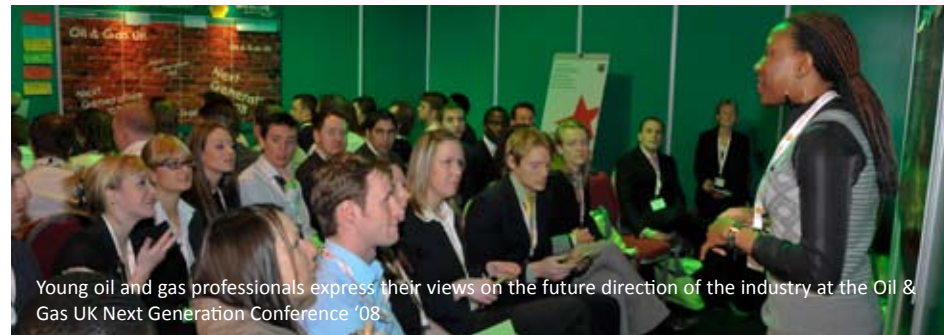
Over 200 young oil and gas professionals, all in the first ten years of their career, attended Oil & Gas UK's Next Generation Conference on April 23 and challenged the offshore industry with their recommendations on a range of major issues affecting the sector's future.

The Next Generation Conference, sponsored by Maersk Oil, heard views from the industry's future leaders who had travelled to Aberdeen Exhibition and Conference Centre to discuss ways forward on health and safety, economic and commercial challenges, skills and the environment.

Safety recommendations included establishing a global knowledge base for sharing and communicating lessons and best practice; amongst the environmental recommendations were calls for more proactive investment in innovative technologies, greater transparency in industry performance and the more efficient use of existing infrastructure. Included in recommendations on industry skills were suggestions to improve the relationship between industry and

educational institutions and calls for more commitment to training employees already within the industry. A key recommendation from the business session was to see how new technology could be developed and deployed to help maximise ultimate recovery from the UK continental shelf. Oil & Gas UK was also encouraged to continue lobbying to get the industry's messages on taxation better understood.

Malcolm Webb, chief executive of Oil & Gas UK, was delighted at the conference's success. "The industry's younger professionals were challenged to think innovatively about major issues facing the sector and the role they play in building



Young oil and gas professionals express their views on the future direction of the industry at the Oil & Gas UK Next Generation Conference '08.

our industry's future", he said. "It is imperative that the industry continues to recognise the importance of informing, developing, and moreover listening to the next generation of leaders. This conference has certainly played a part in that and I look forward to discussing their ideas and recommendations with the Oil & Gas UK Councils at our meetings in June."

The Next Generation Conference White Paper, which records the recommendations from the day, can be found at [http://www.oilandgasuk.co.uk/new/next\\_generation\\_conference.cfm](http://www.oilandgasuk.co.uk/new/next_generation_conference.cfm)

The conference was also supported by AGR Petroleum Services and Technip UK Limited.

### New guidelines launched at Effective Corrosion Management Masterclass

Two new industry guidelines are to be launched at an Oil & Gas UK masterclass on corrosion management on June 18 at the Marcliffe Hotel and Spa in Aberdeen.

The masterclass will highlight the principal corrosion threats, their appearance and likely locations and will also identify the conditions that may give rise to corrosion, together with relevant mitigation methods. The event will promote the effective management of corrosion as a key contributor to the maintenance of asset integrity, and will provide the platform for the launch of the new guidelines:

'Guidance for Corrosion Management in Oil and Gas Production and Processing' and 'A Corrosion Threats Guide for Upstream Oil and Gas Production Plant'.

The first guideline has been compiled jointly by Oil & Gas UK and the Energy Institute to assist industry in identifying and managing corrosion in the oil and gas industry. The contents are based on an earlier report, 'Review of Corrosion Management for Offshore Oil and Gas Processing' developed for the HSE, which has been updated and significantly enhanced to improve presentation and to engage a wider audience.

While the first publication is specifically aimed at those with substantial knowledge of corrosion issues, the second publication, the corrosion threat handbook, is aimed at key managers and engineers who are less familiar with the issue.

For further information on the masterclass or to book your place visit: [www.oilandgasuk.co.uk](http://www.oilandgasuk.co.uk). For information about the new guidelines, contact Katasha Rose on Tel. 020 7802 2400 or email [publicationenquiries@oilandgasuk.co.uk](mailto:publicationenquiries@oilandgasuk.co.uk).

## Feature Article

### 1986 to 2006 - The lessons learnt from Piper Alpha

Twenty years on, the industry continues its efforts to place safety foremost on the agenda



The Piper Alpha Memorial in Hazlehead Park, Aberdeen

Picture courtesy of Newsline Scotland

by Chris Allen, Oil & Gas UK HSE director



Piper Alpha was a turning point for the UK oil and gas industry. The disaster, which claimed 167 lives on July 6, 1988, had a huge impact, leading to significant changes in the industry's approach to safety management, regulation and training. Those changes began with the public inquiry chaired by Lord Cullen and remain in place today.

In total, Lord Cullen made 106 recommendations, including the transfer of responsibility for offshore safety to the Health and Safety Executive, setting up a safety case regime, replacing existing prescriptive legislation with goal setting requirements (including the Safety Case and Offshore Installations Regulations),

encouraging greater workforce involvement and making major changes to the design of offshore platforms including the provision of temporary safety refuge on every platform.

Yet, despite those changes initiated almost two decades ago, people are still getting hurt or losing their lives in our industry and even with the improvements made, there can be no complacency about our safety performance. Key to making further progress is personal responsibility for safety, as championed by the Step Change in Safety initiative, where individuals at all levels are encouraged to take ownership of safety ensuring not only their own safety but that of their colleagues as well.

Today the offshore industry compares well with many other industries in terms of its reportable injury safety performance. Last year saw the lowest number of major injuries since 1995, despite a considerable increase in the offshore workforce recently. The number of dangerous occurrences also decreased to the lowest level in the last ten years. However, whilst the number of both major and significant hydrocarbon releases has halved over the last ten years, recent figures are less encouraging and asset integrity remains a key pinch point for the UK oil and gas industry. The industry is working hard on the issue and

is investing more than £1 billion a year to keep installations in a safe condition.

There are a number of successful cross industry initiatives which aim to raise awareness of asset integrity issues within the industry and amongst individual companies. However, in the end, safety is not just a company matter, but it is something for every individual working offshore or onshore. As Brian Appleton pointed out following Piper Alpha, "the sum and quality of our individual contributions to the management of safety determines whether the colleagues we work with live or die". This quote is still as valid today as it was 20 years ago. We need to continue to make sure that this message resonates with the new generation of workers, many of whom weren't even born at the time of Piper Alpha.

**6 July: Memorial Service**  
20th Anniversary of Piper Alpha Tragedy, 2pm

*The Reverend Andrew Jolly, Chaplain to the UK Oil and Gas Industry, will lead a memorial service at Kirk of St. Nicholas Uniting, Union Street, Aberdeen. This will be followed at 4pm by an Act of Remembrance at the Piper Alpha Memorial in Hazlehead Park, Aberdeen.*



## Feature Article

# Face to Face: an interview with Mick Borwell, Oil & Gas UK's environmental issues manager

**Alexa Chaffer interviews Mick Borwell and questions him on the Marine Bill and its potential impact on the oil and gas sector.**

**What is Oil & Gas UK's specific interest in the Marine Bill?**

The government has a vision for a 'clean, healthy, safe, productive and biologically diverse oceans and seas' and believes a Marine Act, which provides a new framework to balance the needs of conservation, energy and other resources, is the right approach. Such a wide ranging piece of legislation, which would introduce a new planning process for activities in the marine environment, could significantly affect the upstream industry.

Oil & Gas UK has been involved in the development of the draft Marine Bill to ensure that the needs of the industry for exploration and production are understood by DEFRA.

**Will the Marine Bill have a big impact on the sector's day to day activities?**

The Bill should enable strategic decisions to be made about what activities, including those for nature conservation, are allowed in the marine environment, and where they should take place. This could mean that seismic or exploration drilling may be excluded from a particular area in favour of another industrial activity or for nature conservation - however our operations can usually coexist quite happily with other sea users.

The marine planning process will be driven by policy statements that should help prioritise which activities are given priority in a given area and Oil & Gas UK will maintain the high profile of the industry during the development of these policies.

**What costs will the Marine Bill entail for industry?**

The Bill provides the mechanism for establishing a network of Marine Conservation Zones (MCZ) across the UKCS. If restrictions on commercial activities are severe and zones are established on top of or near potential oil or gas reservoirs then costs will increase because of the need to do more surveys and studies, re-route pipelines, use directional drilling or to do more monitoring of operations, particularly seismic. It is possible that the placement of a conservation zone could affect the commercial viability of a prospect. Oil & Gas UK believes that multiple use of all sea areas should be the starting assumption and restrictions should only apply where necessary to protect the environment.

**Does the oil and gas industry support the Marine Bill?**

The industry supports the Bill because it should provide the framework for sustainable use of the marine environment. The planning system could provide certainty to all sea users about where and when activities can or can't take place and what restrictions might apply - but this will only happen if it is absolutely clear what government expects the marine environment to deliver.

**What is the role of the Sea Users and Developers Group (SUDG)?**

SUDG is a coalition of commercial interests that operate in the marine environment, including port authorities, the renewables, cables and aggregates sectors and also the Crown Estate as landlord of much of the seabed, which came together to develop a common position on the Marine Bill. Oil & Gas UK is an active member. The group has been influential in ensuring that the

Bill retains sustainability at its core rather than being conservation focussed. The group meets regularly with environmental NGOs and is about to publish a significant study looking at the economic contribution made by sea users to the UK.

**The new Marine Management Organisation (MMO) proposed in the Bill is expected to control all licensing – why is the oil and gas industry arguing to keep its licensing with BERR?**

The industry has worked with BERR to develop a licensing and permitting system that works well and can accommodate changes to project schedules. This will only work if the regulator understands the industry – which BERR does. If the licensing were to be moved to a new organisation, we would be concerned about the possibility of costly delays that might result in reserves ultimately not being developed.

**Would the proposed marine protected areas be closed to oil and gas operations?**

Some NGOs believe conservation zones or marine protected areas should be closed to all extractive industries. Our position is that not all activities are detrimental and there is no need to exclude these, although there may be a need to limit some activities during certain sensitive times of the year - for example during fish spawning periods. Either way we don't think a total exclusion is necessary.

In practice, a few highly protected areas may well be established where no activity will take place, but we think it is unlikely that these will affect areas with oil and gas operations.

**What benefits and risks does the Marine Bill bring our industry?**

The Marine Bill should provide certainty with respect to the areas available for exploration and production and the conservation issues that will need to be considered. It should also provide the means to resolve conflicts between interests wanting to exploit the same area of sea. However, if the implementation of a network of MCZs is not done correctly

then potentially the cost of operating on the UKCS could increase and deter new investment.

**Where does the Scottish Marine Bill fit?**

The Scottish Marine Bill will only apply within the 12 nautical miles of territorial sea (from the coastline) for which the Scottish Government has devolved powers for conservation. The UK bill will cover all other sea areas.

Unless further conservation powers are devolved to the Scottish Government the impact on the oil and gas industry will not be significant, although any new pipelines making landfall in Scotland would be subject to the two different pieces of legislation.

**For further information on the Marine Bill and Scottish Marine Bill, contact Mick Borwell on Tel. 01224 577256 or email: mborwell@oilandgasuk.co.uk**



**Mick Borwell discusses the Marine Bill and its potential impact on the oil and gas sector**



# Political Update

## Westminster and Holyrood



### Industry concerns raised during passage of Energy Bill

Big thanks go to John Robertson MP (pictured above) and Charles Hendry MP for tabling amendments to the Energy Bill on behalf of Oil & Gas UK. Relating to issues of commercial confidentiality, third party access to infrastructure and Section 29 notices (decommissioning liabilities), the amendments were debated during lively sessions of the Committee Stage of the Energy Bill.

The Energy Minister, Malcolm Wicks MP responded favourably to John Robertson's amendment on Section 29 notices and much behind-the-scenes work has taken place with BERR officials to find a solution which industry would be happy with. A delegation of industry representatives met with the Minister on April 25 to state their case. This resulted in a government amendment being tabled at Report stage, which goes some way to addressing the industry concerns. It is now hoped that further clarification on decommissioning liabilities will be given during the Lords stages of the Bill, accompanied by updated BERR guidelines and explanatory notes to the Bill.

### Marine Bill

The long awaited draft of the Marine Bill was launched by Hilary Benn MP and Jonathan Shaw MP at the DEFRA offices on April 3 and the Marine Bill was announced in May in the precursor to the Queen's speech. Oil & Gas UK has successfully lobbied to retain oil and gas licensing with BERR rather than move it to the new Marine Management Organisation (MMO)

which the draft Bill seeks to create. Oil & Gas UK will be submitting written evidence before the deadline of June 26, 2008. For more information visit: <http://www.defra.gov.uk/corporate/consult/marinebill/>

### Parliamentary Groups

Prior to the publication of the draft Marine Bill, the All Party Oil & Gas Group at Westminster heard a presentation from the Sea Users and Developers Group (SUDG) about the proposed legislation. SUDG comprises a number of industries, including offshore oil and gas, committed to the sustainable development of the marine environment.

On May 14 the Oil & Gas Cross Party Group at Holyrood held a very well attended joint meeting with the Science & Technology Cross Party Group on the subject of Carbon Capture and Storage (CCS). Both Oil & Gas Groups will hear presentations about the lessons learned since Piper Alpha from Chris Allen of Oil & Gas UK in mid June.

For more information about Oil & Gas UK's government relations activities, contact Rona Macdonald on Tel. 020 7802 2421 or email [rmacdonald@oilandgasuk.co.uk](mailto:rmacdonald@oilandgasuk.co.uk).

### Energy Minister's Message to Youth Conferece



The Energy Minister Malcolm Wicks MP filming the Next Generation DVD with Oil & Gas UK staff, from left to right, Alexa Chaffer and Rona Macdonald.

The Energy Minister, Malcolm Wicks MP, showed his support for the next generation of oil and gas workers by taking part in the filming of the DVD that was shown at the event. To see him in action visit: <http://www.oilandgasuk.co.uk/videofiles/nextgeneration.wmv>.

## European Union Update

Oil & Gas UK continues to lobby Brussels on energy legislation in the form of the EU's proposed new Gas Directive. This law, currently being debated by MEPs and 27 national governments from across the European Union, will ultimately set new rules and structure for the internal EU gas market. The most important aspect for our sector is to preserve the industry's ability to continue to invest in a timely manner to bring new supplies to market.

Oil & Gas UK has been lobbying to improve those parts of the draft law which set these new rules. MEPs Alyn Smith (SNP) and John Purvis (Conservative) have been particularly active in supporting the industry's position which has been developed through OGP, tabling sixteen amendments and seeing them through the Parliamentary process.

The Climate Change package is also rapidly approaching the active legislative phase. Most importantly for Oil & Gas UK, the package includes a proposal for the third phase of the EU Emissions Trading Scheme, 2012 - 2020. The main issues are the imposition of an increasing amount of auctioning of allowances (effectively another tax on the industry), so-called 'carbon leakage' (ie businesses transferring production out of the EU) and, perversely, the definition of electricity production in relation to electricity generation which is undertaken by the major power generating companies. As drafted, the new legislation treats all forms of electricity production as if it were electricity generation which means that all allowances for this activity will have to be bought at auction from 2013 onwards. This would catch our industry and various others like us, such as refining, chemicals, iron and steel, and paper which produce electricity for their own consumption. Oil & Gas UK and OGP are both lobbying on this potentially expensive development.

## Dates for your diary

### Oil & Gas UK 08 Breakfast Season

Sponsored by  
**RBS**  
The Royal Bank of Scotland

**Aberdeen Summer Breakfast**  
27 August 2008 7.00am – 9.00am  
Beach Ballroom, Beach Promenade, Aberdeen, AB24 5NR

### Oil & Gas UK 08 Seminar Series

Sponsored by  
**AkerSolutions**

**Decommissioning Seminar – Engaging the Supply Chain**  
12 June 2008 9.00am – 5.00pm  
Aberdeen Exhibition & Conference Centre, Aberdeen, AB23 8BL

### Other Events and Important Dates

#### Memorial Service: 20th Anniversary of Piper Alpha Tragedy

Sunday 6 July 2008 2pm  
The Reverend Andrew Jolly, Chaplain to the UK Oil and Gas Industry, will lead a memorial service at Kirk of St. Nicholas Uniting, Union Street, Aberdeen. This will be followed at 4 pm by an Act of Remembrance at the Piper Alpha Memorial in Hazlehead Park, Aberdeen.

### Oil & Gas UK 08 Master Class

**Effective Corrosion Management Masterclass**  
18 June 2008 8.30am – 2.00pm  
The Marcliffe Hotel and Spa, North Deeside Road, Aberdeen, AB15 9YA

### PILOT SHARE FAIR 10

**PILOT Share Fair 10**  
11 November 2008 9.00am – 5.00pm  
Aberdeen Exhibition & Conference Centre, Aberdeen, AB23 8BL

### Oil & Gas UK 08 Supply Chain Conference

**Oil & Gas UK Supply Chain Conference '08**  
12 November 2008 9.00am – 5.00pm  
Aberdeen Exhibition & Conference Centre, Aberdeen, AB23 8BL

### Oil & Gas UK 08 Awards

Principal Sponsor  
**MAERSK OIL**

**Oil & Gas UK Awards '08**  
12 November 2008 7.00pm – midnight  
Aberdeen Exhibition & Conference Centre, Aberdeen, AB23 8BL

For further information on the events or for sponsorship opportunities, please contact Louise Wood or Stacey Hopkin  
Tel: 01224 577250 or visit [www.oilandgasuk.co.uk/new/events](http://www.oilandgasuk.co.uk/new/events)

## And finally...



Energy Minister Malcolm Wicks MP joined Malcolm Webb at OTC in Houston in May where they visited the stands of Oil & Gas UK member companies and attended a private lunch for senior UK industry representatives as well as an evening reception hosted by OPITO, The Oil & Gas Academy.

They are pictured here talking to Colin Black from Stats Group, the Aberdeen-based process and pipeline integrity service company.

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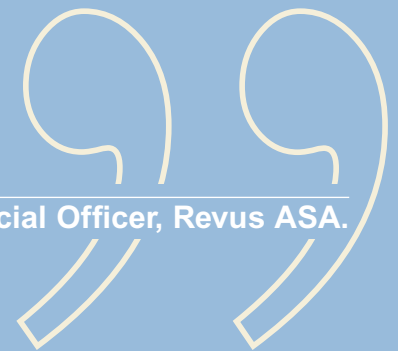
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Geir Hjellvik, Chief Financial Officer, Revus ASA.

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