

The background of the slide features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the left and right sides of the slide, framing the central text area.

Scottish strategy for Oil and Gas and relationship with Japan

October 2018

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Scottish Enterprise - Head of Oil and Gas



50+ years

experience of oil & gas
exploration and production in the
harsh North Sea environment



43.5bn

barrels of oil
equivalent
recovered



10-20bn

barrels of
recoverable
resources remain

OUR RICH HERITAGE

AND COMMITMENT TO MAXIMISING NORTH SEA RECOVERY
GUARANTEES A PRODUCTIVE FUTURE FOR OIL & GAS



\$8bn

of M&A
deals in
2017



£17b

expenditure forecast for
North Sea decommissioning
over the period to 2025



5%

increase in
production
forecast for 2018

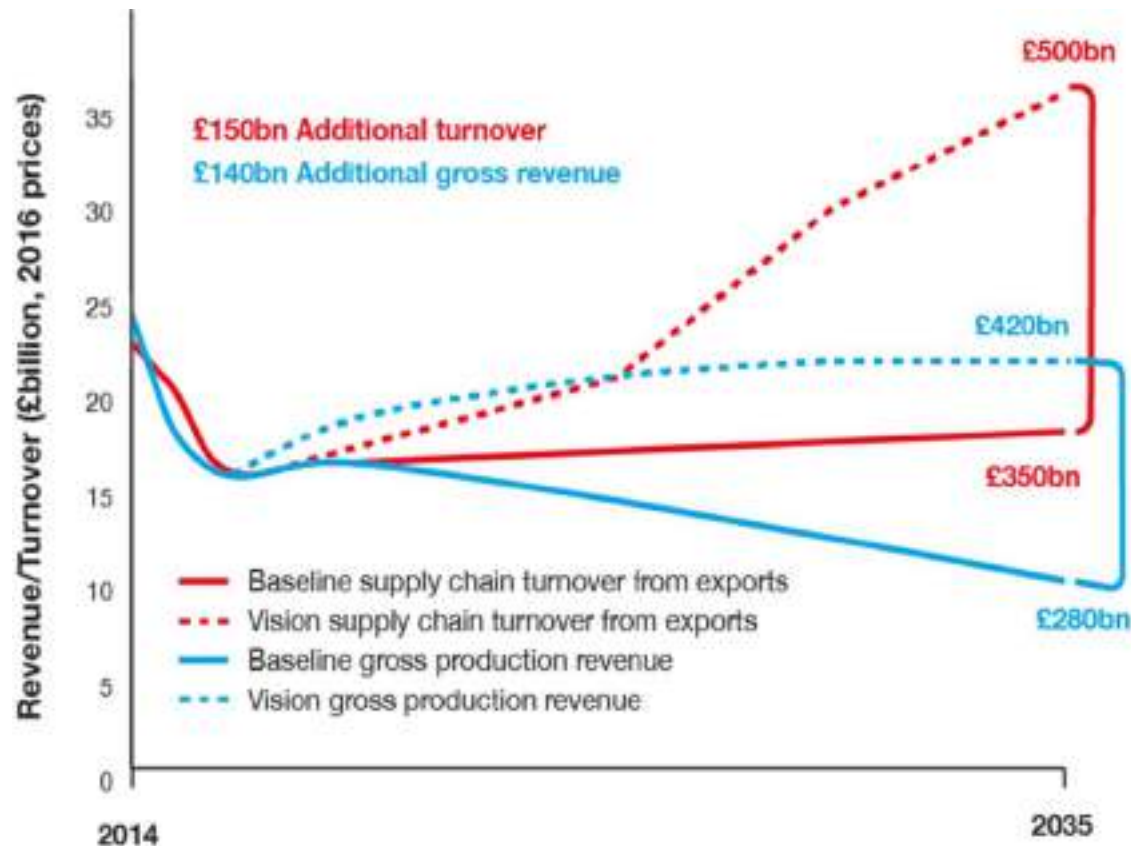


\$5bn

of capital
investment
forecast for 2018

Our Focus - Maximising Economic Recovery

**VISION
2035**



Maximise
Economic
Recovery

£140bn
additional revenue



Grow supply
chain & double
exports

£150bn
additional revenue



Overall
prize

£920bn
revenue

Examples of Scotland and Japan Relationship

- ▶ JX Nippon
- ▶ Xodus
- ▶ WFS
- ▶ Robert Gordons University





Our Oil and Gas Priorities

- ▶ Innovation
- ▶ Subsea
- ▶ Decommissioning
- ▶ International Activity

Subsea Engineering:

Our Action Plan



Three themes of the Plan

- ▶ Supporting the supply chain - Both in oil and gas and outwith – and at home and abroad
- ▶ Increase innovation levels in the industry
- ▶ Ensuring we have the right levels of infrastructure

Highlights – supporting the supply chain

What we have done

- ▶ Undertaken benchmarking work to compare Scotland to other hubs
- ▶ Identified priority international non-oil gas markets
- ▶ Directory of company subsea capability

Coming down the line/future focus

- ▶ Norway Pilot approach – understand the opportunities there in more detail
- ▶ Looking at a cluster model for Subsea
- ▶ Focus on most significant companies – engagement with global leadership team to anchor them in Scotland

Highlights – Innovation

What we have done

- ▶ Progressing the Nippon Foundation relationship
- ▶ Some significant projects supported (Balmoral – TUV NEL – BHGE)
- ▶ Commissioned research onto future technology trends

Coming down the line/future focus

- ▶ Continuing our relationship with Nippon
- ▶ Dedicated innovation call on Subsea
- ▶ Looking at technology 'spread' across sectors
- ▶ Manufacturing 4.0 – seeking additional oil and gas companies

Highlights – Infrastructure

What we have done

- ▶ Initially assessed testing and demonstration needs for the UK sector
- ▶ To help build the case for a Underwater Innovation Hub (part of the Oil and Gas sector deal)
- ▶ To help universities build their research strengths

Coming down the line/future focus

- ▶ National 'Robotarium' Test facility proposal
- ▶ Helping to develop the UIH plan and other plans further
- ▶ Energy Asset register

Balmoral Subsea Centre, Aberdeen

Facility offering a comprehensive range of tests including hydrostatic, mechanical and laboratory trials





10.8GW

pipeline of renewables under construction, awaiting construction or in planning



25%

of Europe's entire offshore wind resource crosses the seas around Scotland



10GW

of renewable electricity capacity

**OUR ABUNDANT RESOURCES
AND AMBITIOUS DECARBONISATION TARGETS
ARE POWERING THE GROWTH OF OUR RENEWABLES INDUSTRY**



68.1%

of Scotland's total electricity demand met by renewables sources in 2017



50%

of Scotland's total energy demand to be supplied by renewables in 2030

East Coast Oil & Gas





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THE EUROPEAN MARINE ENERGY CENTRE LTD

#SCOTLAND|SNOW