September 30, 2019

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-166-2019)

On September 10, 2019, the Department of Natural Resources received your request for access to the following records/information:

The minister of the department of natural resources recently attended the SPE Offshore Europe conference in Aberdeen Scotland. Please provide copies of any briefing materials prepared for her in advance of this conference relating to her attendance there.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The record is attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a) and 35(1)(d)(f)(g) of ATIPPA, 2015 as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party.

35. (1)(f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or
instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations.

35. (1)(g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body.

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide access to the requested information. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P.O. Box 13004, Stn. A
St. John’s, NL A1B 3V8
Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.
For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at http://www.atipp.gov.nl.ca/info/index.html.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

Rod Hynes

Rod Hynes
ATIPP Coordinator
Decision/Direction Note
Department of Natural Resources

Title: Offshore Europe (OE) Conference and Exhibition, September 3-6, 2019, Aberdeen, Scotland.

Decision/Direction Required:
• Whether to approve Departmental staff to attend OE.

• It is recommended that the Marketing Coordinator attend the conference and exhibition at a cost of $5,500. A Journey Authorization is attached for signatures.

Background and Current Status:
• The Department of Natural Resources (DNR), in partnership with the Newfoundland and Labrador Oil and Gas Industries Association (Noia), has been promoting the local oil and gas supply and service community by attending three international oil and gas trade shows. These include the annual Offshore Technology Conference (OTC) in Houston, TX, and Offshore Europe (OE) in Aberdeen, Scotland and Offshore Northern Seas (ONS) in Stavanger, Norway in alternating years.

• OE attracts the leading service/technology companies and operators promoting solutions to optimize exploration and production. Concurrent with the exhibition, the Society of Petroleum Engineers (SPE) hosts a technical conference on current relevant issues. These sessions are usually well attended by local and international delegates and technology transfer opportunities are actively pursued.

• Newfoundland and Labrador based companies in attendance use the booth as a base from which to do their sales/networking and to familiarize themselves with trends and opportunities in the industry. Previous attendees report that OE is a cost effective means to touch base with their global client base that may not participate at North American supply and service marketing events.

• As part of the Government Renewal Initiative (GRI) within government, and with sponsorship from the Atlantic Canada Opportunities Agency (ACOA), DNR has entered an informal partnership with Nova Scotia’s Department of Energy and Mines (DEM), Noia, and the Maritimes Energy Association (MEA) for a joint Atlantic Canada pavilion for European exhibitions including OE 2019 and ONS 2020.

• The partnership arrangement with ACOA, Noia, DEM and the MEA has significantly reduced the cost of participation by DNR and allows NL firms to continue their presence at this European tradeshow.

• For OE 2019 MEA agreed to be the lead agency and sourced funding from ACOA for 75% of floor space rental, exhibition management fees and administration fees. The total booth expenses for the event were approx. $170,000. The Provinces of NL and NS shared equally the remaining additional 25% (~ $21,000 each). Each delegate company is charged a $500 CAD registration fee, regardless of how many attendees they send. Note that DNR’s and Nova Scotia’s contributions have already been expended to meet exhibition space deposit requirements.

• DNR has been attending Offshore Europe since the early 1990’s and participated in the
2017 exhibition with ~ 800 sq. ft. booth. A total of 43 delegates attended from Atlantic Canada with 8 (representing 5 companies/organizations) coming from Nova Scotia and 43 (representing 17 companies/organizations) from Newfoundland and Labrador. The Newfoundland and Labrador numbers compare quite favourable to the last two OE conferences as only 18 and 28 delegates attended the 2015 and 2013 events respectively. Delegate feedback was very positive and the boardroom at the booth was heavily used throughout the four days of the event.

- Approximately 22 delegates are now confirmed for participation at OE for 2019.

- DNR has secured a block 20 rooms in a new hotel located in downtown Aberdeen; Sandman Signature Aberdeen, St. Andrew Street. Deadline for cancellation of unused rooms in July 31st, 2019.

- The venue for OE is new for 2019, being held at P&J Live, located near the airport. A number of new hotels have been built in that area as well.

Analysis:
- The booth to be used at OE will be approximately 800 square feet with a front desk, general seating area and small boardroom. The booth will be branded Atlantic Canada and will feature the logos of the four coordinating entities (MEA, Nola, NS and NL).

- As a regular attendee, DNR has prime floor space at OE. It has been agreed by all parties that DNR will continue to retain this floor space and “sublet” the space to MEA for the Atlantic Canada Pavilion.

- In the past, Scottish Development International (SDI) have been active in organizing B2B networking sessions at OE for the Atlantic Canadian group. Similar activates are being explored for this year.

Alternatives:
Option 1: A total of one staff from the Petroleum Development Group attend OE 2019. (Recommended)

Advantages:
- OE continues to be an excellent European venue for NL firms to promote their capacity and capability to a targeted audience.

- DNR’s participation at the event supports the new partnership arrangement between the Atlantic Provinces and ACOA.

- Departmental staff will support the NL delegates thus allowing them more time to conduct business.

- Departmental staff will participate at Atlantic Canada events which demonstrate government’s commitment to industry.

- The cost of attending - $26,500 (DNR’s space contribution and travel costs for one staff) is significantly less than previous years entire show costs (~$165,000) which allows for cost effective, continued marketing and promotion.

- The cost of attending has been budgeted with the Marketing and Promotional Divisions budget.

Disadvantages:
• Department incurs expenditures to attend.

Option 2: The Department not send staff to ONS. (Not Recommended)

Advantages:
• Department would create some savings in the Marketing and Promotional budget.

Disadvantages:
• Loss of participation and continuity with OE may result in less desirable space allocation at future events.
• Non participation maybe viewed by industry (and partner organizations) as non-support for a key provincial industry.
• Loss of opportunity to promote the positive developments in industry to an international audience.

Prepared/Approved by: B. Kendell
Ministerial Approval:
July 24, 2019
Information Note
Department of Natural Resources

Title: Prediction for 2019 Call for Bids

Issue: To inform the Minister of Natural Resources on the forecasted results of the upcoming 2019 Call for Bids that closes November 6, 2019 and whether there will be similar bid activity levels as in recent years.

Background and Current Status:

- On April 3, 2019, the CNLOPB announced Call for Bids for the South Eastern Newfoundland (SE NL) and Jeanne d’Arc regions (see Attachment 1). The Call for Bids (CFBs) closes November 6, 2019 at 12 pm NST. There are nine parcels in SE NL and four in Jeanne d’Arc. The sole criterion for selecting a winning bid will be the work commitment, requiring a minimum bid of $10,000,000.

- Recent CFBs have been very successful in offshore NL, setting records since 2016.
  - In 2018, 17 parcels were posted in Flemish Pass and the Orphan Basin of Eastern Newfoundland (ENL) including nine reposted parcels. There was a record cumulative successful bid amount of $1,386,273,936 and a record single successful bid of $621,021,200 made by BHP Billiton.
  - In 2017, three parcels were offered in the Jeanne d’Arc region. Only one parcel was awarded with a successful bid of $15,098,888 by Husky Oil and BP Canada. No bids were received for the other two parcels.
  - In 2016, 13 parcels were posted in ENL including four reposted parcels, and three in Jeanne d’Arc. Six parcels were awarded in ENL and two in Jeanne d’Arc. The successful bids totaled $757,989,794.

- The Jeanne d’Arc region is a mature basin, having high activity levels whereas the SE NL region is considered a low activity region, having only four wells drilled on the shelf.

- In the SE NL region, there is one exploration licence (EL) currently held, EL 1136. It is held by ExxonMobil (33.34%), Suncor (33.33%), and Total (33.33%) and expires January 15, 2021 unless a well is drilled. The EL’s work commitment bid was $21,000,000.

- Seismic program acquisitions have been record setting as well. Seismic data has been acquired over upcoming CFBs areas to help assess the prospectivity of the parcels and drive exploration (see Attachment 2).
  - For the Carson Basin CFBs, an extensive 5 km x 5 km 2D grid and the Cape Broyle 3D has been acquired by MKI.
  - For the Jeanne d’Arc CFBs, there is moderate 2D and 3D seismic coverage and MKI is in the process of acquiring a large 5,000 km² 3D called Jeanne d’Arc over much of the basin. This 3D will cover one CFBs parcel and two ELs (1155 and 1161) that were awarded in 2018 to Husky and BP, and in 2019 to Suncor, Husky, and Equinor, respectively.

Analysis:

- The Petroleum Development Marketing and Promotions and Petroleum Geoscience teams attend various petroleum shows and conferences throughout the year that provide direct communications with exploration companies that are assessing NL’s offshore.
• Companies have also expressed interest in the 2021 CFBs, located to the south of the 2019 CFBs (see Attachment 3).
  
• A presentation by Davison and Barreto (2019) that garnered a lot of interest at the 2019 AAPG Annual Convention and Exhibition suggested the potential for Jurassic source rock in the Carson Basin.
  
• The new Jeanne d'Arc 3D seismic program is driven by industry interest. It will likely identify new fallow fields in the Jeanne d'Arc region, lead to bids and further drive exploration.
  
• In June 2019 at the NOIA conference, Total's CEO, Christine Healy, and ExxonMobil's President, Peter Larden, mentioned in their speeches that the regulatory environment in Canada was a significant impediment to investment in Canada and erodes their confidence in our jurisdiction, despite having the fourth best resource on the planet. Total said that the time that it takes for environmental assessments to complete, erodes 40% of the value of a project over a 4-year period. ExxonMobil quoted a reduction of 75% over a 4-year period.
  
• Whether the 2019 CFBs will lead to another record-setting year is unknown however, the Division does not expect it to be a failure.

**Action Being Taken:**
• None at this time.

**Prepared/Approved by:** A. Krakowka/J. Petrovic
**Ministerial Approval:**

_August 12, 2019_
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Attachment 2: Modern 3D Seismic Data over 2019 Call for Bids
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Information Note
Department of Natural Resources

Title: Aberdeen Renewable Energy Group (AREG)

Issue: To inform the Minister of Natural Resources about AREG and the role they play in the promotion of renewable energy in Aberdeen.

Background and Current Status:
- Aberdeen Renewable Energy Group (AREG) works on behalf of its members to promote the capabilities of companies and organizations in the North East of Scotland and around the UK in the renewable energy sector, and to assist them in accessing new opportunities.

- Through investment attraction and their membership network of energy professionals, AREG assists supply chain growth and are now expanding their portfolio by building global energy capital status and exploring international markets.

- AREG focuses on a number of renewable sectors, including biomass and geothermal energy, hydropower, hydrogen and fuel cells, offshore and onshore wind energy, solar and tidal energy.

- Current supported projects include:
  - The European Offshore Wind Deployment Centre (EOWDC)
    - Scotland’s largest offshore wind test and demonstration facility which has been developed by Vattenfall-owned Aberdeen Offshore Wind Farm Limited.
    - Located in Aberdeen Bay, the innovative 93.2MW 11-turbine offshore wind scheme is trialing next generation technology and boosting the industry’s drive to competitive clean power.
    - First power generation began in the summer of 2018 with an anticipated project life of 20 years.

  - Europe Leading Blue Energy (ELBE)
    - AREG is developing an international strategy for marine energy, working with organizations across Europe. The Europe Leading Blue Energy (ELBE) project seeks to position Europe as the world technological and industrial leader in blue energy.
    - The ELBE project is part of the European Union’s Cluster Collaboration Platform and has been selected as the main representative of the energy sector during the recent call first stage.
    - The 18-month project will be implemented by a consortium of organizations, which includes AREG, Flanders’ Maritime Cluster (Belgium), Offshoreväst (Sweden) y Offshoreenergy.dk (Denmark), under the co-ordination of the Basque Energy Cluster in Spain.
    - The partners involved represent 532 organizations, 17 blue energy test and demonstration centres, 24 wave energy developers, seven tidal developers and seven floating offshore wind developers.
• Hydrogen
  o H2 Aberdeen is an initiative working to bring about a hydrogen economy in the Aberdeen City Region. Its aim is to reinforce the area’s position as an energy city, now and in the future.
  o H2 Aberdeen aims to stimulate innovative hydrogen projects, advance the take-up of hydrogen technologies and position Aberdeen as a centre for excellence for hydrogen technology.

• Equinor’s pioneering Hywind project
  o The world’s first floating windfarm, off the coast of Aberdeenshire, is now supplying power to thousands of homes.
  o AREG backed this project since early conception. With wind turbines nearly twice the size of Big Ben and blades the same width as a passenger plane’s wing span, the project team has overcome many technical challenges to make the concept a reality.
  o The £200 million ($320 million CAD) project, co-financed by Abu Dhabi’s Masdar, has created 10 jobs in Peterhead, with staff in Aberdeen and Great Yarmouth providing support.

Analysis:
• Companies and institutions in Aberdeen City and Shire developed the first oil and gas industry in the North Sea, and have evolved and adapted their industry to survive in changing circumstances and to develop the technologies that keep Scotland at the forefront of the global energy race.

• Aberdeen is recognized as a Global Energy Hub in a vibrant, entrepreneurial region of Scotland’s North East, home to a unique mix of opportunities and skills across various sectors including energy, technology, life sciences and food & drink.

• Transferable skills - with more than 40 years of knowledge and experience working in one of the harshest marine environments in the world, and as a Centre of excellence, Aberdeen is recognized as a global hub for innovation in energy.

Action Being Taken:
• None at this time.

Prepared/Approved by: B. Kendell
Ministerial Approval:

August 28, 2019
Information Note
Department of Natural Resources

Title: European Offshore Wind Deployment Centre (EOWDC)

Issue: To inform the Minister of Natural Resources EOWDC's activities and accomplishments.

Background and Current Status:
- The European Offshore Wind Deployment Centre (EOWDC) is Scotland's largest offshore wind test and demonstration facility which has been developed by Vattenfall-owned Aberdeen Offshore Wind Farm Limited and is supported by AREG.

- Located in Aberdeen Bay, the innovative 93.2MW 11-turbine offshore wind scheme is trialing next generation technology and boosting the industry's drive to competitive clean power.

- Underlining the vision for more than £300 million ($489 million CAD) is the installation of V164-8.4MW turbines paired with suction bucket jacket foundations, an industry first. Suction bucket jackets form a key component of the EOWDC and underpin the facility's test and demonstration of innovation. The novel foundation type, a three-legged jacket foundation with suction buckets, support each of the 11 wind turbines. The game-changing foundations were installed in one lift, enabling faster and efficient installation.

- Construction of the facility, which includes 66kV cabling, began in October 2016, with first power generated on 1st July 2018. By utilizing next generation 66kV cabling to transport the energy produced from the turbines to the onshore substation improves efficiency and reliability. The implementation of this cabling contributes to the offshore industry's cost reductions targets, improving lifecycle costs and lowering levelised cost of electricity. The project has a 20 year life expectancy, with the operations and maintenance team is based at Aberdeen Harbour.

- The EOWDC has been awarded up to €40 million of funding from the European Union and is supported by Aberdeen Renewable Energy Group (AREG).

Project Facts
- Annually produce 309 GWh
- Have an installed capacity of 92.4MW
- Annually displace 132,977 tonnes of CO2
- Produce enough electricity every year to meet the equivalent annual demand of 78,529 homes
- Generate the equivalent of 70% of Aberdeen's domestic electricity demand and 23% of Aberdeen's total demand
- Annual displace of CO2 Annually displaces over 134,000 tonnes of CO2, the equivalent of removing approximately 35,000 cars from UK roads
- Annual investment £150,000 to a Community Benefit program

Analysis:
- Offshore wind is seen as critical to delivering the UK's future low carbon economy and meeting climate change obligations.

- The industry has published a vision of delivering 30GW — approximately four times that produced today and approximately 30% of the UK's total energy requirements, by 2030.
• The target is for the industry to employ 27,000 people and increase exports fivefold to £2.5bn per annum by 2030.

• Huge opportunity exists for UK supply chain companies to bring innovative products and services to market to meet the growing demand, both in the UK and internationally.

**Action Being Taken:**
- None at this time.

**Prepared/Approved by:** B. Kendell

**Ministerial Approval:**

**August 28, 2019**
Meeting Note
Department of Natural Resources
ASCO Group Ltd.
Wednesday, September 4, 2019
2:30 – 6:00 PM
Tour of ASCO’s South Base - Peterhead
Tour begins at; Unit A, 11 Harvest Avenue, D2 Business Park,
Dyce, Aberdeen, AB21 0BQ, Scotland

Attendees: ASCO Group:
Fraser Stewart

DNR:
Minister Siobhan Coady
Ted Lomond
Jim Keating

Purpose of Meeting:
- Overview of ASCO, its international activities and company activities in Newfoundland & Labrador.

Background:
- Headquartered in Aberdeen, Scotland for 50 years, ASCO currently operates in 60 locations across six countries, employing approximately 1,600 people. Group revenue in 2016 was £455 million. ASCO is owned by Doughty Hanson Private Equity Partners and ASCO Management.

- ASCO has an established network of bases in Peterhead, in the Northeast of Scotland. Key services delivered in the area include, but are not limited to: warehousing, transport, materials management, quayside services and shore base management, fuels and lubricants supply, marine and ships agency services, freight management, environmental services and safety training and advisory.

- Their core business is the operation of Supply Bases, providing support across the life of offshore fields from exploration, through development to production and decommissioning. Their largest supply base operations are in the North-East of Scotland (Peterhead and Aberdeen) with further bases in Great Yarmouth, Norway, Trinidad and Australia.

- ASCO oil & gas logistics and supply chain services supports more oil and gas companies, in more locations, than any other specialist oil and gas logistics provider. Encompassing offshore logistics, onshore logistics (including warehousing, materials management, trucking and land rig moving), environmental management, marine management, personnel provision and project freight management. In Canada ASCO employs 260+ professionals throughout Newfoundland, Nova Scotia, and Alberta.

- ASCO supports it clients through Health, Safety, Environment & Quality (HSEQ) to meet the world's growing energy needs in an economically, environmentally, safe and socially responsible manner. They also provide security through risk assessment through the ASCO Group Business Continuity Arrangements.
• ASCO recently acquired NSL Ltd, an international safety and lifting specialists with head office in D2 Business Park, Dyce, Aberdeen. It houses the technical department where all technical documents, training course material and Safety Awareness Materials are developed, for management and support of training and technical services worldwide.

• ASCO is a key link in the supply of Marine Gas Oil (MGO) to the offshore market in the UK and Norway, connecting customers via a fuel storage and distribution network. In excess of one million tonnes of MGO is handled every year. ASCO is a specialist in co-mingled fuel storage, providing product owners with a cost effective storage solution. ASCO ensures chartered vessels are fit for purpose, optimizing vessel turnaround times in parallel with our supply base operations.

• ASCO’s Newfoundland base is located on Corisande Drive, Mount Pearl, offering 110,000 ft² of indoor, heated, serviced and secure space with an additional 16 acres of yard storage space.

Agenda Item #1 – ASCO Group International Projects:
• May wish to discuss ASCO Group ongoing international projects, especially Aberdeen.

Analysis
• In July 2019, ASCO secured a contract extension with the leading oil exploration and development company, Aker BP ASA, as it continues to strengthen its partnerships in Norway. The contract extension will see ASCO deliver integrated supply base management, transport and freight management, and logistics services for Aker BP in Tananger, Sandnessjøen and Farsund, which will be delivered over a three 3-year period.

• Through the partnership, ASCO will work with Aker BP to develop further opportunities for digitization including the optimization, simplification and streamlining of processes.

Potential Speaking Points
• Congratulate ASCO on their continued success and growth in the UK.

Proposed Actions
• No proposed Actions.

Agenda Item #2 – TBD:
• May wish to discuss ASCO’s operations in Canada and Newfoundland.

Analysis
• ASCO’s Canadian onshore oilfield services company, Moko, based in Alberta expanded its presence by purchasing three Alberta based, specialized oilfield services companies in multi-million dollar deals: It acquired Alberta-based EJR Trucking, Manatokan Oilfield Logistics and Docktor Oilfield Transport Corporation.

• EJR Trucking and Docktor Oilfield Transport Corporation are oilfield logistics companies, specializing in drilling logistics and infield services and Manatokan is a specialist oilfield waste management company. The acquisitions double Asco’s staff numbers in Canada to more than 260.
Potential Speaking Points

- Congratulate ASCO on their recent growth in Canada
- Discuss operations in Newfoundland and Labrador and potential growth there, as well as any barriers and challenges that they face.

Proposed Actions
- No proposed Actions

Prepared / Approved by:  B. Kendell
Ministerial Approval:

August 28, 2019
Meeting Note
Department of Natural Resources
Oil and Gas Authority (OGA), Aberdeen
Wednesday, September 4, 2017
8:30 – 9:45 AM
OGA Headquarters
AB1 Building 48, Huntly Street, Aberdeen, Scotland, AB10 1SH

Attendees:  OGA:
Bill Cattenach
Sylvia Buchanan

DNR:
Minister Siobhan Coady
Ted Lomond
Gordon McIntosh

Purpose of Meeting:
• Overview of OGA activates, roles and responsibilities for development and management of the United Kingdom’s (UK’s) oil and gas sector.

Background:
• Created as one of the key recommendations of Sir Ian Wood’s 2014 Review of the United Kingdom Continental Shelf (UKCS), the OGA became an Executive Agency on April 1, 2015. This created operational independence from the DECC (now the Department for Business, Energy and Industrial Strategy) and transferred direct accountability for exploration and development decisions and approvals.

• On October 1, 2016 the OGA became a government company, limited by shares under the Companies Act 2006, with the Secretary of State for Business, Energy and Industrial Strategy the sole shareholder. The OGA is largely funded by an industry levy introduced on October 1, 2015. Headquarters are in Aberdeen with a satellite office in London.

• The Oil and Gas Authority’s role is to regulate, influence and promote the UK oil and gas industry in order to optimize efficiency and maximize economic recovery while maintaining high standards of safety and environmental management of the UK’s oil and gas resources.

• The OGA regulates the licensing of exploration and development of the UK’s offshore and the offshore carbon dioxide storage and gas storage and unloading activities in accordance with the MER UK Strategy.

• The OGA is also responsible for the licensing of exploration and development of England’s onshore oil and gas resources through issuance of well consents, development programme approvals, completion of work programme approvals and production consents. It also works with operators to manage the risk of induced seismicity from such operations.

• OGA works with industry to make sure that existing technologies are deployed to their full effect and relevant new technologies are developed to extend the life of mature fields. The goal is to help unlock up to half of the 3 billion barrels of oil equivalent of existing discoveries not being developed.
• The technology strategy aims to achieve MER UK objectives by revitalizing exploration, enabling the development of marginal discoveries, and reducing the cost of developments, operations and decommissioning. The strategy will be implemented by the MER UK Technology Leadership Board, the Oil and Gas Technology Centre (OGTC) and the OGA, working together to encourage the industry to deploy appropriate technology solutions.

• While the OGA does not regulate the service sector, it works collaboratively with the industry, governments and trade associations. A supply chain strategy has been developed which sets the framework of the supply chain team to promote and strengthen exports and focus on developing a strong and competitive UK based oil and gas sector.

• In 2016 the OGA published a data strategy to leverage legacy systems and existing industry resources to transform the collection, storage, analysis and publication of data across the oil and gas lifecycle. In 2017, it consulted on new regulations for the retention and disclosure of Information and Samples.

Agenda Item #1 – Discussion of OGA’s second Corporate Plan (published April 2019):
• May wish to discuss relevant common challenges to industry development.

Analysis
• The Corporate Plan is the Authority’s five year plan supporting continued work with industry, governments and others to maximize the economic recovery (MER) of the UK’s hydrocarbon resources, consistent with the drive to embody regulatory excellence.

• The new plan recommits to the ambition, framework and seven themes laid out in the inaugural ‘OGA Way Forward’ Corporate Plan 2015: revitalizing exploration, improve asset stewardship, drive regional development, improve decommissioning efficiency, leveraging technology and data, creating the right conditions and developing people, processes and systems.

Potential Speaking Points
• Congratulate OGA on their continued evolution to provide a framework of balanced development of the sector.

• Acknowledge similarities of achievements and challenges by DNR as it develops it ‘Way Forward’ and advance 2030 strategies.

• Suggestion on how DNR and the OGA may work more closely with Newfoundland and Labrador in the future, both formally and informally.

Proposed Actions
• No proposed Actions.

Agenda Item #2 – TBD:
• May wish to discuss the balance of oil and gas development in an environmentally responsible manner, including onshore seismic acquisition and the status of fracking activities.

Analysis
• The Oil and Gas Authority’s role is to regulate, influence and promote the UK oil and gas industry in order to optimize efficiency and maximize economic recovery while maintaining
high standards of safety and environmental protection. The OGA is responsible for the licensing of exploration and development of England’s onshore oil and gas resources. It also works with operators to manage the risk of induced seismicity from such operations.

- An estimated 200 conventional onshore wells have been subject to low volume hydraulic fracturing; around 10% of all onshore wells in the United Kingdom, including Wyutch Farm, which is the largest onshore conventional oil field in Western Europe.

Potential Speaking Points
- Acknowledge the completion of our public review on fracturing in Western Newfoundland, its implications and challenges.

Proposed Actions
- No proposed Actions

Prepared / Approved by:  B. Kendell
Ministerial Approval:  
August 28, 2019
Meeting Note
Department of Natural Resources
Subsea 7
Wednesday, September 4, 2019
10:30 AM – 12:30 PM
Subsea 7 Office
East Campus, Prospect Road, Arnhall Business Park, Westhill, Aberdeenshire, Scotland

Attendees: Subsea 7:
Jonathan (Jon) Tame, VP group Projects and Operations
See Attachment 1 for biography

NR:
Minister Siobhan Coady
Ted Lomond
Gordon McIntosh

Purpose of Meeting:
- Overview of Subsea 7, its activities internationally and in Newfoundland & Labrador.

Background:
- On January 7, 2011, Subsea 7 S.A. was created through a merger of Acergy S.A. and Subsea 7 Inc. Subsea 7 is headquartered in London, UK.

- Subsea 7 is a seabed-to-surface engineering, construction and services contractor to the offshore energy industry worldwide. The company has a workforce of 11,000+ (including 1,700+ engineers), across 33 countries, and 90+ nationalities. After the 2016 downturn in the oil and gas industry, and subsequent reductions in vessels and staff, Subsea 7 has recently rebuilt its workforce by over 20%.

- Subsea 7’s offshore operations span five decades, successfully completing over 1000+ projects. Subsea 7 has operated in Canada since 2006 and, in 2008, established its headquarters in St. John’s. The company currently employs 35 people in its St. John’s office, down from ~60 in 2016.

- Subsea 7 offers full energy lifecycle services from concept and design, engineering and fabrication, commissioning, maintenance, extension and decommissioning.

- Subsea 7 has three lines of business:
  o subsea, umbilicals, risers and flowlines, (SURF), representing 77% of revenue
  o conventional and conventional refurbishment, life-of-field, i-tech, (ROV)
  o renewables and heavy lifting (offshore wind, tidal, and wave)

- SURF systems are the most significant portion of their business and are their largest growth market. Subsea 7 has performed engineering, procurement, construction and installation (EPCI) work related to SURF.

- Subsea 7 has an extensive infrastructure of pipeline spoolbases, fabrication and operations support yards with a fleet of 34 vessels and 165 ROVs.
• In 2018, Subsea 7 had revenues of USD $4.1 billion, up 15% since 2016, but a decline from previous years of USD $4.8 billion in 2015 and USD $6.9 billion in 2014.

• Digitalization strategy in development with new VP assigned. Focus areas within i-Tech 7, early engagement and Pipeline Bundles.
  o Planning software made available by Schlumberger to Subsea Integration Alliance for early engagement
  o i-Tech 7 and Leidos have a 5 year digitalization partnership agreement – using artificial intelligence and automation to reduce the costs of life of field services
  o Monitoring equipment incorporated into Pipeline Bundle Towhead

• Subsea 7 has launched a creative meeting space for employees; a new human resource initiative, the Ideas Lab. The Ideas Lab supports the culture of innovation and business improvement and reinforces the Company’s Vision and Values.

• Within this room they are trialling a specialist Dimension 10 Virtual Reality system, which will enable the joint exploring of 3D models and environments with our colleagues in St. John’s, as well as clients like ExxonMobil, Equinor and BP. As well as design collaboration, there is potential for project rehearsal and familiarisation for our offshore teams, e.g. divers and ROV.

Agenda Item #1 – Subsea 7 International Projects:
• May wish to discuss Subsea 7’s ongoing international projects.

Analysis
• Subsea 7 has a strong presence internationally in the oil and gas industry and has recently focused on work associated with the renewable energy industry.

• In June 2017, Subsea 7 acquired portions of the business, EMAS Chiyoda Subsea in a move to increase their presence in the Middle East. As a result of the acquisition, Subsea 7 will be assuming a long-term agreement and three current projects in Saudi Arabia.

• Recently, Subsea 7 has been awarded several large international contracts covering fabrication and installation of subsea oil and gas components:
  o Johan Sverdrup Phase 2 (Norway).
  o EHS bypass (Norway).
  o Hornsea Tow wind farm (UK).
  o 8 projects recently awarded: BP Mad Dog 2, Fieldwood Katmai, BP Manuel, Esso West Barracouta, Woodside SNE Phase 1 (FEED), Woodside Scarborough (FEED)

• In March 2017, Subsea 7 acquired Seaway Heavy Lifting (SHL), a specialist offshore contractor that operates two world-class heavy lift vessels. SHL employs 550 people and is headquartered in the Netherlands. The acquisition of SHL increases Subsea 7’s position in the areas of renewables, heavy lifting and decommissioning services.
• Subsea 7 was awarded a US$1.3 billion contract in May 2016 with Beatrice Offshore Windfarm Limited for EPCI work associated with 84 offshore wind turbines in Scotland, UK.

• Subsea 7 were contracted to complete SURF work on 7 of 22 global offshore developments achieving Final Investment Decision (FID) in 2018.

Potential Speaking Points
• Congratulate and inquire further on Subsea 7 work in the international subsea oil and gas and renewable energy sectors.

• Acknowledge and discuss the oil and gas industry downturn and its impact on businesses which support the industry.

• Inquire where Subsea 7 anticipates growth areas in offshore oil and gas development and opportunities for the company going forward.

Proposed Actions
• No proposed Actions.

Agenda Item #2 – Subsea 7 Activities in Newfoundland and Labrador:
• May wish to discuss Subsea 7’s activities and projects in Newfoundland and Labrador.

Analysis
• Subsea 7 has worked on various offshore NL projects including:
  o Currently in design competitions for Bay du Nord and Hibernia West
  o Recently completed the Offshore Loading System (OLS) for Hebron
  o Husky SeaRose Off station program – Cover Plate Retrieval (2011-12)
  o Suncor Terra Nova Riser & Flowline Replacement (2012-13)
  o ExxonMobil Hibernia OLS South Hose Repair (2010)
  o Suncor Energy Terra Nova Annulus Choke Valves Replacement Project (2010)
  o Terra Nova Mooring Chain Repair (2006)

• In February 2014, Subsea 7 was awarded an $83 million three-year subsea construction services contract for the project management, engineering and installation of two Offshore Loading Systems for the Hebron Project. Engineering and project management are being conducted from Subsea 7’s offices in St John’s.

Potential Speaking Points
• Congratulate Subsea 7 on the work they have done in the NL offshore and inquire about future plans in the province.

• Ask the extent to which Subsea 7 conducts or plans to conduct research and development in the Province.

• Query Subsea 7 about opportunities for hiring/training local residents, including work term students and new graduates.
- Ask Subsea 7 about its views for the future NL offshore industry, including any emerging technologies, and any challenges to local growth in the region.

**Proposed Actions**
- No proposed Actions

**Prepared / Approved by:** B. Kendell
**Ministerial Approval:**

**August 28, 2019**
Attachment 1 – Biography

Jonathan (Jon) Tame  
VP UK and Canada  
Subsea 7, Aberdeen, United Kingdom

Mr. Tame has nearly thirty years' experience in the marine/offshore field. After graduation from the University of Newcastle upon Tyne with a B.Eng. (Hons.) in Naval Architecture & Shipbuilding he worked with Haliburton on a global basis for 9 years. In 1997 he became Americas Project Director for European Marine Contractors Ltd., including stints in Houston, New Orleans and Halifax.

He joined Subsea 7 in 2004, initially in commercial development and fleet management. In July 2016 Jon became VP Group Projects and Operations, and more recently in April 2018 the VP for UK and Canada.
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