

News story: UK government committed to maximising economic opportunity in North Sea

New Energy Minister Richard Harrington has told oil and gas leaders they have the 'full support' of the UK government in maximising the economic opportunity in the North Sea during his first visit to the region in his new ministerial post.

The UK Energy Minister met and addressed oil and gas industry leaders at the Maximising Economic Recovery (MER) Forum and the Oil and Gas Joint Council as well as attending meetings on the Industrial Strategy's role for supporting the sector and the prospect of Remote Islands Wind.

The Minister also listened to proposals from industry for an ambitious and deliverable oil and gas sector deal under the Industrial Strategy.

UK Energy Minister Richard Harrington said:

These are challenging but exciting times with new opportunities in North Sea oil and gas.

We are working with the sector to build on the £2.3 billion worth of UK government support through our modern Industrial Strategy.

I want to make it clear that the industry has full support of the UK government, and that we are continuing to create the right environment through a stable and supportive package to allow business, enterprise and jobs to flourish.

Over the past 50 years the oil and gas industry has extracted more than 43 billion barrels and current production accounts for over 50% of UK gas demand and around 65% of UK oil demand.

With 10 to 20 billion barrels of oil yet to be recovered by 2035, an estimated £140 billion additional gross revenue from production, and an additional £150 billion turnover from exports could be achieved if the industry is able to make the most of maximising recovery and accessing the global market for oil and gas goods and services.

In June, the first delivery of oil was delivered from one of the largest new drilling operations in the North Sea, following a £2 billion investment in the Kraken oilfield by oil and gas development and production company EnQuest. This was made possible by the UK government's support for the sector.

Last month the [Oil and Gas Authority \(OGA\)](#) opened its 30th Offshore Licensing

Round, making awards to companies that promise to maximise economic recovery of the UK's oil and gas resources. The number of applications shows continued support and belief in the UK oil industry.

This morning Total announced that it has started-up production from the Edradour and Glenlivet fields off Shetland. Delivered ahead of schedule and under budget these projects will bring additional production capacity of up to 56,000 barrels of oil and is further evidence of confidence in the industry.

UK Government Minister, Lord Duncan said:

In my role as UK Government Minister for Scotland I will continue to fight to protect Scotland's world class oil and gas industry. We've supported Aberdeen through £125m investment in the City and Region Deal, which was key to setting up the innovative Oil & Gas Technology centre I saw today.

The oil and gas industry can rest assured that the UK government will continue to do everything we can to support this critical sector of the Scottish and British economy.

Andy Samuel, chief executive of the Oil and Gas Authority, said:

Today we held the MER UK Forum in Aberdeen and I very much value the continued close working with the oil and gas industry and strong support from the government. Together, this work is actively helping to maximise economic recovery and position the UK as an attractive basin to invest in, with significant remaining potential.

Deirdre Michie, Chief Executive of Oil & Gas UK, said:

I welcome the Minister's assurances that the industry has the full support of the UK government. The oil and gas industry has a critical role to play, helping meet the UK's energy needs, generating revenue for the economy and supporting hundreds of thousands of UK jobs and other significant UK industries.

We look forward to working with the new energy minister to ensure that government policy like the Industrial Strategy and the UK Budget supports our own industry efforts to make the basin a competitive investment proposition.

While in Aberdeen the energy minister also met oil and gas apprentices and ex industry training instructors at the ASET International Oil & Gas Training Academy, a wholly-owned subsidiary company of North East Scotland College,

and the Dynamic Advanced Response Training (DART) Simulator at Robert Gordon University.

Atholl Menzies, Chief Executive at ASET, said:

The ASET International Oil & Gas Training Academy plays a critical role in supporting the UK oil and gas sector through the skills development of personnel. We provide highly specialised oil and gas technical based vocational training, from new entrant to senior professional level and we train with market-leading technology and equipment including a live and integrated, replicated offshore production platform.

All of this will be brought together under the modern Industrial Strategy, and to ensure energy is as affordable as possible for consumers and businesses later this year the government will be publishing a road map to help businesses reduce their energy costs.