

PRESS RELEASE

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Oil and Gas Industry Collaboration to Help Simplify Commercial and Legal Practices

A rising number of UK operator companies are demonstrating their commitment to working smarter by signing up to two initiatives designed to reduce the legal and commercial complexity of offshore operations. As a result of collaboration between UK operators, supported by Oil & Gas UK and the Oil and Gas Authority (OGA), increasing take up of new Standard Study Agreement and an updated Commercial Code of Practice will help the sector's drive to improve the efficiency of businesses across the UK Continental Shelf (UKCS).

The increasing level of co-operation suggests that the work of the industry's Efficiency Task Force (ETF), as a catalyst to make the UKCS more resilient and globally competitive, is taking effect. More companies are rallying behind the ETF Industry Behaviour Charter which aims to drive the cultural change needed to secure a sustainable future for the UK North Sea. This trend has also been observed in a recent survey by Oil & Gas UK and Deloitte which revealed both operators and suppliers reporting higher levels of successful collaborations than the previous year.

Mike Tholen, Oil & Gas UK's upstream policy director, said: "The industry is rising to the challenge set by the OGA, and before that the Wood Review, to remove the barriers to activity in mature areas of the UKCS. It is clear industry is increasingly co-operative in its bid to simplify complexity and reduce the time taken to carry out commercial and legal negotiations. Initiatives such as these are key to addressing the basin's competitiveness and unlocking new developments.

"Oil & Gas UK's new Standard Study Agreement, for example, provides a framework for more efficient commercial and technical arrangements between offshore infrastructure owners and third parties seeking to develop discoveries which are currently stranded."

Simon Churchfield, commercial manager in the OGA's Regulation Directorate, said: "We are very impressed with the way that industry has taken on the challenge and established a process for delivering change.

"These are great first steps and we look forward to supporting industry as it tackles more model form agreements and works to embed the revised Commercial Code of Practice and its supporting guidance into everyday working culture."

To date, 30 companies have registered their commitment to the refreshed Commercial Code of Practice which has been rewritten to reflect the obligations associated with the MER UK strategy and negotiation best practices from across the industry. The Code, first established by Oil & Gas UK in 2002, is designed to help companies take a co-operative approach to reaching commercial agreements in a timely and efficient manner through good practice and senior management commitment.

For further information, please contact Lucy Coleman on 01224 577343 or lmcoleman@oilandgasuk.co.uk or Jennifer Phillips on 01224 577279 jphillips@oilandgasuk.co.uk

Notes

1. The new Industry Model Form: Study Agreement, which can be found [here](#) complements the existing Infrastructure Code of Practice ("ICOP") which aims to facilitate third party access to existing infrastructure. The ICOP is now administered by the OGA, and was previously overseen by DECC.
2. The new Industry Model Form: Study Agreement is the latest addition to the suite of Oil & Gas UK Standard agreements and is available to members free of charge. Other standard agreements include the joint operating agreement, decommissioning security agreement, confidentiality agreement and pipeline proximity agreement.
3. Information about the Commercial Code of Practice is available [here](#).
4. Oil & Gas UK's wholly owned subsidiary LOGIC (Leading Oil & Gas Industry Competitiveness) provides a separate suite of standard contracts for the supply chain.
5. Information on the Efficiency Task Force can be found [here](#).
6. Oil & Gas UK is the leading representative organisation for the UK offshore oil and gas industry. Its membership comprises oil and gas producers and contractor companies.