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Intelligent innovation can reboot the oil and gas industry and recharge investment

SPE Intelligent Energy 2016 (IE16) is underway in Aberdeen, UK with a call to action by investors to avoid 'bad' capex cuts, improve transparency and create real value through innovation.

The theme of the three-day event is 'New Horizons: Intelligent Energy in a Changing World'. The exhibition is showcasing the latest smart technologies and intelligent energy solutions at the seventh edition of the biennial event being held for the first time in Aberdeen.

Rob West, a partner with investment research company Redburn, presented at the opening scene-setter session. He said the industry must focus on meaningful capex cuts to generate long-term value and change. "We want to avoid project delays, under maintenance and sharp pull backs in drilling. The best companies are moving away from slash and burn reactions. They are looking at new, simple ways of designing and managing projects. What the investment community wants to see is sustainable capex reduction than can improve long-run returns."

The plenary session at today's IE16 explored how intelligent energy solutions can help the industry through the downturn and create efficiencies in procedures and processes. It focused on different ways to manage asset integrity and how integrated and autonomous systems, across all operations, should be considered as integral to future activity.

According to analysis of recent oil and gas activity by Redburn, the industry cut capex and opex by two-thirds in real-terms from 1980 to 2002. Labour productivity quadrupled, helped by new technologies.

"Currently investors are struggling to see how companies are actually deploying our capital," added West. "More transparency is needed on the actual technology that's being brought to bear and how it's reshaping cost for the industry. Investors will reward evidence for these value-enhancements. We really need to see companies thinking in the long-run, being counter-cyclical and improving their

processes and that's the thing that really excites me. IE16 is giving the financial sector an insight into innovation and how the industry is adapting."

As in previous editions, the 2016 conference has been produced by SPE and comprises of a three-day technical programme with more than 75 papers covering topics including technology, integrated operations, workflow examples and solutions, leadership, cyber security and big data. The exhibition, organised by Reed Exhibitions, is showcasing new and developing technologies and expertise by leading operators, service companies and technology providers.

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Photo caption – image 1: Rob West, a partner with investment research company Redburn, presented at the opening scene-setter session

Photo caption – image 2: Exhibition floor at SPE Intelligent Energy 2016

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Notes

About Reed Exhibitions

Reed Exhibitions is the world's leading events organiser, with over 500 events in 43 countries. In 2014 Reed brought together over seven million event participants from around the world generating billions of dollars in business. Today Reed events are held throughout the Americas, Europe, the Middle East, Asia Pacific and Africa and organised by 41 fully staffed offices. Reed Exhibitions serves 43 industry sectors with trade and consumer events. It is part of the RELX Group plc, a world-leading provider of information solutions for professional customers across industries. www.reedexpo.com

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