

UK Oil and Gas Industry Launch Recruitment Drive to Provide Trained Skilled Labour

The UK offshore oil and gas industry is launching a major recruitment drive with Government backing to address concerns that the sector is heading for a shortage of skilled technicians over the next five to ten years.

Oil and gas exploration and production companies, through their representative body, the UK Offshore Operators Association (UKOOA), and the government/industry PILOT initiative, will contribute an additional £1.5 million over the next three years to boost the number of technician apprenticeships in a bid to reverse ageing trends in the current workforce.

Brian Wilson, Energy Minister and PILOT chairman, said: "This initiative is both vital and urgent. Pilot is all about investing in the future success of our industry. A skilled workforce is a key component to continued success and this initiative will help us to achieve the challenging targets set for the industry."

"The Industry needs to recruit and train approximately 150 new technicians each year to replace those leaving the sector either to retire or to take up jobs elsewhere. This new funding will boost the Industry's recruitment and training effort and expand the pool of trained, skilled labour," explains Michel Contie, managing director of TotalFinaElf, who co-ordinated this issue on behalf of the operators for the Industry Leadership Team (ILT). "Almost half of all production technicians employed in the offshore oil and gas industry today are over 45 years of age. This figure is expected to rise to some 60 percent by 2005."

The funding will allow the ECITB (the Engineering and Construction Industries Training Board), which had originally agreed to train 42 production technicians for the offshore industry this year, to provide an extra 38 apprenticeship places. This will bring to 80 the total number of offshore technician apprenticeships on offer this year through the ECITB.

These apprenticeships are in addition to 72 technician training places that oil and gas companies have already committed to fund this year through schemes managed on behalf of the Industry by the National Training Organisation for oil and gas extraction (OPITO), or by individual companies. The additional ECITB apprenticeships will make up the shortfall to deliver the 150 training places required for 2001. The total cost of these schemes alone over the next three to four years will amount to some £7.8 million.

Mike Salter, chairman of PILOT's National Training Organisations (NTO) group and member of the ILT, said: "The initiative is a direct follow on from the UKOOA funded Skills Foresight Report which was launched for OPITO in February 2000 by the current Energy Minister, Brian Wilson, when he was Minister of State at the Scotland Office. It is the result of pan-industry discussions and co-operation between not only OPITO and the ECITB but also UKOOA and the Offshore Contractors Association (OCA). It provides a framework for an annual review of future training requirements and the funding of that training for the long-term future of the industry.

"During the coming months we will be

developing a longer term strategic approach in order to continue to address this problem in 2002 and beyond"

Michel Contie adds: "The oil and gas industry has collectively recognised that the risk of a technician skills shortage was a strategic issue which might have affected its overall performance and reputation if not managed by some sort of centralised approach. ECITB involvement, as well as alignment of contractor and operator communities, was critical to a successful outcome in ensuring that the target of 150 trainees for this year was achieved.

More Discoveries for Satellite Accelerator

LOGIC has announced new opportunities to be offered to the market place under the Satellite Accelerator initiative.

- Don and Don West fields (est 180mmbbl) – operated by BP with partner Conoco.
- Jill and Julia (est 9mmbbl) – operated by Phillips with partners AGIP and BG.

LOGIC has also announced the Well Design and Technology Team for Kessog, the third Satellite Accelerator project. An integrated Well Design Team, with Halliburton, Schlumberger and Baker Hughes, has been selected to solve Kessog's HPHT challenges. The full field development could involve investment of £250million. **Contact: Charles Miskin** (charles.miskin@logic-oil.com)

Oil Industry Promotes Career Opportunities on Internet

Oilcareers.com, the specialist on-line recruitment service, has expanded its website to include a comprehensive guide to career opportunities offered by the UK's multi-billion pound offshore oil and gas industry.

The industry, which is the world's fourth largest producer of gas and 9th in world oil production, needs to attract a steady stream of new recruits to replace its ageing workforce and allow it to continue producing the nations' oil and gas in the decades to come. Yet, in common with many other engineering sectors, the industry is often by-passed when young people come to look at their career options.

"The offshore oil and gas industry is one

of the UK's greatest industrial success stories. For over three decades, it has overcome huge technical and physical challenges to provide the country with over 80 percent of its primary fuel. Yet, few school leavers or young graduates are aware of the opportunities the industry has to offer, both on and offshore," says Oilcareer.com's managing director Graeme Munro.

"There are currently around 6,000 companies employing 270,000 people either directly involved in finding and producing oil and gas, or providing goods or services in support.

These companies need engineers, technicians, drilling and well specialists, geologists and geophysicists as well as IT

experts, telecommunications operators, medics, chefs, stewards, operations supervisors and managers, business, finance and legal people. There are many different functions in the oil and gas process, all integrated to form a highly sophisticated, technology-driven industry in a unique environment"

The website, which has government and industry backing, describes life offshore and the different jobs involved. It was developed in co-operation with OPITO, the industry's training organisation, and highlights the skills and qualifications that are required, provides details of apprenticeships and links to various industry and professional bodies.

DEAL Continues to Upgrade

CDA has continued to improve the DEAL website (www.ukdeal.co.uk) since it was first released in September 2000. DEAL is being used by most of the oil companies and data vendor companies in UK. Almost 600 users have now registered on DEAL, with many other users accessing the site anonymously. Details of more than 50,000 data products are posted on the 'uDEAL' marketplace and the service has prompted almost 200 enquiries, encompassing more than 6,000 data products.

CDA has continued to improve the DEAL service since its launch last September. New upgrades in the pipeline include the DEAL/CDA repository link ('eDEAL') and the extension of uDEAL to include regional reports and data products related to fields. One other area of development is the

extension of the iDEAL database for the management and storage of UKCS surface and sub-sea structures (including pipelines, spans, platforms and suspended wells). CDA is establishing a managed environment for this data under DEAL and will provide regular updates of the data to the Sea Fish Industry Authority. The first such release is scheduled for October 2001.

There was considerable interest shown in DEAL at the AAPG (Denver) and at the EAGE (Amsterdam) in June. This interest resulted in a significant increase of visits to the DEAL site from outside the UK. CDA and Schlumberger/IndigoPool have now agreed in principle to implement closer links between DEAL and LIFT.

Brownfields - LOGIC Announces Major Benchmarking Project

LOGIC has announced the launch of a major Brownfield Benchmarking project to look at highlighting the potential of remaining reserves in 'Brownfield' fields in the UKCS. LOGIC has contracted AUPEC to perform the Benchmarking Study on behalf of PILOT and the participating organisations are BP, Shell, Talisman, Kerr McGee, Enterprise and Total Fina Elf.

In addition to the Benchmarking Study LOGIC, with Schlumberger, and on behalf of Pilot, organised a Brownfield Showcase on 31st May. The Showcase, which was free of charge, presented 10 leading edge Brownfield technologies / solutions to over 350 attendees. The presentations will shortly be available on CD, contact Alistair Punt (alistair.punt@logic-oil.com) at LOGIC if you would like a copy.

NOVA - The UK Oil and Gas Industry's Own Venture Capital Fund for New Technology Starts to Shine

NOVA – The UK oil and gas industry's own venture capital fund for new technology starts to shine.

It took over three years and a lot of hard talking to get the Nova ball moving but, with the announcement of its first two investments and a third close to completion, Nova Technology Fund is now on a roll.

The Nova Fund, Aberdeen Growth VCTI and Strathdon Investments have invested a combined £1 million in AMGas, a Bedfordshire-based manufacturer of ingenious flammable gas sensors. Nova is

also part of a syndicate which has invested £800,000 in Vibtech, a Scottish company developing a cable-free seismic acquisition system.

David Owen, Industry Director of Nova, said; "We anticipate that by early June, Nova will have been the key element in delivering a combined £2.3 million of development capital into new technologies in the PILOT target areas."

The Nova process is also delivering spin-off benefits; "Because we are a specialist fund with a high level of experience in the oil and gas industry, we can provide a more

in-depth technical assessment of proposals and companies than might otherwise be the case for a more general investor. We also have a good idea of the likely take-up of the finished product through our extensive contacts with the end-users. This has a multiplier effect on available investment as other funding sources come to view Nova interest as a seal of approval. This is good news for those UKCS companies looking for finance to develop the technology we need for a competitive future at home and for a strong export performance."

Though not originally part of the PILOT programme, the Nova fund is now an integral part of the PILOT strategy to deliver a competitive UKCS in 2010. To find out more about Nova, its investment process and how to apply, please contact either Barry Hood or David Owen on 01224 705471 or visit the website at www.novafund.co.uk.

LOGIC Conference Hailed as Beginning of New Era for the UKCS

LOGIC's (Leading Oil and Gas Industry Competitiveness) third annual conference has been hailed as the beginning of a new era for the UKCS. Over 250 delegates attended the two-day conference at Aberdeen's Exhibition and Conference Centre on May 23 & 24 to learn how the industry can work together to sustain UKCS activity and increase export potential.

Delegates from across the whole supply chain heard presentations from over 22 speakers from both operators and contractors including keynote presentations from Ian Smith of Oracle and Neil Bruce of AMEC. The networking continued at Trinity Hall, Aberdeen, with a Conference Dinner attended by over 100 delegates. On the second day delegates were given the opportunity to interact

with industry leaders in 12 cross-industry workshops.

LOGIC Chief Executive Chris Freeman said it is clear that the industry is now realising the real benefit of working together: "We've had a great deal of very positive feedback during the two days and we have received a lot of requests from companies on how they could become actively involved, as well as a large number of suggestions for potential new activities."

David Wood, Commercial Procurement Manager at Shell, said: "I have been very impressed by the range and quality of work done by LOGIC over the last 12 months. It's great to see the continued emphasis on improving the effectiveness of the industry's supply chains which we all know is essential to the long-term viability of our

industry in the UKCS."

Assistant General Manager of Enterprise Oil, Ron Davie, said: "It's excellent to see large and small companies coming together to communicate and collaborate. Small SMEs are finally getting a chance to talk to the majors and LOGIC has been the oil to the machine in that it's facilitation role has allowed many of the collaborative projects such as Satellite Accelerator to happen."

A CD-rom with the conference presentations and video clips of the presenters will soon be available, free of charge, – for more information please visit the LOGIC website at www.logic-oil.com.

Next year's LOGIC Conference will be held on May 22 & 23 at the Aberdeen Exhibition & Conference Centre.

Unlocking Value Through New Relationships - Offshore Europe 2001

Thirty five years of production as a world-class oil and gas basin has left the North Sea facing new challenges to meet Europe's energy needs.

Offshore Europe 2001 roundtable Unlocking Value Through New Relationships focuses on the issues to be tackled by industry to ensure it continues to maximise recovery and increase efficiency while protecting the environment and improving safety.

Already, industry and governments have seen the development of new relationships and co-operation to unlock value and ensure the future health of the North Sea.

PILOT, set up in the UK in January 2000, and KON-KRAFT, launched in Norway last autumn, provide strategic leadership and ensure delivery of the conditions needed to allow the two sectors to retain their leading positions as active centres in oil and gas exploration and development.

Both programmes comprise key government representatives and industry leaders and aim to keep the UK and Norwegian contracting and services industry competitive. They also keep a watching brief on health, safety and environmental matters; fiscal matters and exports.

Whether there is enough energy to extend the collaboration across the North Sea basin is likely to provoke some interesting debate. The roundtable will also review the progress of initiatives such as PILOT and KON-KRAFT and look ahead at potential developments of industry/government/service sector co-operation.

Panel speakers will include: Malcolm Brinded, PILOT member and UK country chairman, Shell UK; Iain Todd, PILOT member and director of oil and gas industry development for the DTI; Gunnar Gjerde, deputy director general, Norwegian Ministry of Petroleum and

Energy; and Kjell-Erik Ostdahl, general manager and vice president, Schlumberger Oilfield Services, Scandinavia.

For more information, email Andrew Hogg, Business Advisor, BP Exploration at hoggaj@bp.com

LOGIC puts the 'E' into Evolution

For the first time ever, the exhibition will feature an area dedicated to e-commerce; the LOGIC sponsored e-zone will provide visitors and exhibitors with information about the very latest e-business solutions for the oil and gas sector.

The companies signing up with the Offshore Europe organisers to exhibit in the e-zone include some of the leading developers, integrators and solution providers of e-business to the oil and gas industry. Visitors to the zone will have the opportunity to view and discuss with developers some of the latest e-business solutions, state-of-the-art technology and services for doing business on the web.

Alistair Punt, said: "Aberdeen and the UK have an opportunity to be a world leader in the new technology industry and e-zone will draw attention to this region and the many talented individuals and companies that are headquartered here."

Offshore Europe 2001 takes place at the Aberdeen Exhibition & Conference Centre from 4-7 September.

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Jargon Buster

LOGIC: Leading Oil and Gas Industry Competitiveness
LIFT: Licence Information for Trading
DEAL: Digital Energy Atlas and Library
ITF: The Industry Technology Facilitator