



**Minutes of OGA Board meeting on 17 May 2018
48 Huntly Street, Aberdeen**

Members	In attendance
Frances Morris-Jones Chair	Clare Dobson (agenda items 4 and 5) Deputy Director, Energy Cyber Security, BEIS
Mary Hardy Non-executive Director	Simon Murphy (agenda items 4 and 5) Senior Policy Advisor, Energy Cyber Security
Robert Armour Non-executive Director	David Wilson (agenda items 4 and 5) Head of Procurement and IT
Andy Samuel Chief Executive	Richard Craig (agenda items 4 and 5) IT Security Manager
Nic Granger Chief Financial Officer	Gunther Newcombe (agenda items 7 & 8) Director of Operations
Emily Bourne Shareholder Representative Director	Nils Cohrs (agenda item 7) Head of Decommissioning
	Russell Richardson Company Secretary
	Susan Gair PS to Chief Executive
	Fiona Gruber Board Secretary

1. Welcome and introductions

The Chair welcomed directors and guests to the board.

2. Minutes and matters arising

The board approved the minutes of the April meeting, noting some minor amendments. All outstanding actions on the action log were closed.

3. Conflicts of interest

No conflict of interest with any agenda item, nor as a result of new appointments, was declared by any member of the board.

4. BEIS cyber security policy update

The BEIS Deputy Director for Energy Cyber Security presented an overview of the current cyber threat picture and BEIS's work with the National Cyber Security Centre (NCSC) to support voluntary action by industry in priority areas. She outlined the staged approach which BEIS is taking in moving from this voluntary approach to implementing the EU Directive on Security of Network and Information Systems for critical national infrastructure. BEIS is working with the OGA and industry to better understand the cross-sector risks and mitigations and to scope a plan for upstream oil and gas.

The board thanked her for her comprehensive update and endorsed the need to minimise regulatory overload for the sector. The board underlined the importance of collaborating

through existing bodies such as OGUK and reiterated the OGA's willingness to support energy cyber security activity as appropriate.

5. OGA cyber security strategy

The Chief Financial Officer presented the OGA's strategy for protecting its information systems and assets, setting out how it will be implemented and the assurance to be provided to the Audit and Risk Committee. She set out the thinking behind the risk assessment, which balances cost against adequate risk mitigation.

The board supported her recommendations on the OGA's risk appetite for now and the longer term and agreed that the board would want to review its cyber risk appetite regularly. The board agreed that cyber security training should be mandatory for all staff, and that board members would join training sessions when their schedules permitted. They supported a continued intranet awareness campaign on phishing and other matters and asked the board secretary to save recent awareness messages in the board reading room. The board was pleased to note that the team was seeking advice and learning from a range of bodies.

6. Shareholder update

The Shareholder Representative Director informed the board that the joint Written Ministerial Statement on shale policy had that day been laid in Parliament. BEIS would be leading a series of industry events to listen to views on the proposals in the statement.

She confirmed that the data retention regulations had now come into force and that the disclosure regulations were expected to be laid in the coming week. She further confirmed that Helena Charlton was now in post as the Head of Oil and Gas Policy team.

7. Decommissioning cost estimate update

The Director of Operations and the Head of Decommissioning presented the draft decommissioning cost update and lessons learned report. The report will be published in June, once the data have been quality assured and peer reviewed by government partners. The team's preliminary analysis shows that industry is responding to the cost reduction target, providing tangible evidence that significant cost reduction should be achievable.

The team will continue working closely with the Decommissioning Task Force (DTF), the Technology Leadership Board (TLB) and the OGTC to support the development of technologies, and in collaboration with the supply chain, to develop innovative contracting models to counter potential market inflation.

The board commended a very comprehensive package and welcomed the progress in bringing costs down, but cautioned that pressure to drive costs down must be sustained.

8. SNS and EIS energy integration

The Director of Operations set out the OGA's current thinking on the potential to develop synergies between oil and gas and renewables infrastructure in the Southern North Sea and the Eastern Irish Sea. Having consulted other organisations, such as TNO, and established an industry forum, the team has written a draft gas-to-wire paper setting out the OGA's potential role in joining the dots for the energy transition.



The board supported the OGA continuing with this work and agreed that effective and transparent collaboration with other departments would be imperative. They asked that their thanks be conveyed to the SNS Area Manager, who had not been able to attend the board meeting.

9. Onshore liabilities

The General Counsel, on behalf of the Director of Regulation, presented an outline project plan detailing what would be needed to implement any procedure to actively manage potential decommissioning liabilities for onshore wells, with the current focus on liabilities associated with future hydraulically fracked wells. The plan sets out the potential cost implications for the OGA of such work and suggested a number of ways it might be funded.

The board thanked him for the update and agreed that early clarification of the government's thinking on onshore well liabilities would be welcome.

10. Chief Executive report

The Chief Executive reported very good participation by industry at the annual tier zero meeting. The OGA's intensive preparation paid off, with operators engaging constructively on behaviours, and some have already used their benchmarks to make the case to increase investment.

The 30th Licensing Round awards are to be announced in the next week, going to a broad range of applicants, with a good number to go into FDP. The OGA's use of technical montages, data packs and the innovate licence have produced strong outcomes across the basin.

The Chief Executive cautioned that he and his team would need to prioritise again, particularly given the high level of FDP activity.

The Chief Executive updated the board on the implications for Rhum of the recent US decision on sanctions.

11. CFO report

The CFO presented the monthly finance report, in a new format, which was well received.

12. 2017-18 Annual Report

The board discussed the draft annual report and agreed some changes, principally to the formulation of the principal risks. Directors agreed to forward any further comments to the board secretary by the middle of the following week.

13. Board training and skills matrix.

The board noted that the skills matrix was now populated and agreed that the nomination committee would discuss it further later in the year.

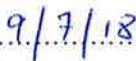


14. Future meetings

The Chair presented her draft future board schedule, proposing extended meetings combined with informal lunches with staff and meetings with external stakeholders. The proposed plan will be further developed with the Chief Executive's office and the board secretary. The programme for Oslo in June is now confirmed and a briefing pack will be circulated a week in advance of the visit.

There was no other business.


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Chair


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Date