

Offshore Europe Conference Highlights Strategic Thinking

At a time when the world's offshore industry is seeing huge changes in the way it does business, and in the midst of an economic climate that makes every decision a potential company maker—or breaker—the need to identify the most viable strategy going forward is vital. The Offshore Europe conference, to be held 8–11 September in Aberdeen, will provide the opportunity to listen and participate in strategic discussions with some of the global upstream industry's key leaders. The theme of this year's conference is “Energy at a Crossroads: Making Choices.”

Offshore Europe is the largest E&P event outside of North America. The first conference was in 1973, and since then it has evolved into a biennial event held at the Aberdeen Exhibition and Conference Centre. In 2007, the conference attracted an all-time record of 40,179 visitors.

Technical Program



Andersen

The technical program will begin on Tuesday with the opening plenary session “Energy at a Crossroads.” The session will be moderated by Thomas Thune Andersen, 2009 Offshore Europe chairperson and chief executive officer (CEO), Maersk Oil. Speakers will include Connie Hedegaard, Danish Minister of Climate and Energy; Andrew Gould, president, Schlumberger; Guilherme Estrella, director of E&P for Petrobras; and John Manzoni, CEO, Talisman Energy.

While the conference began as a North Sea-oriented event, Andersen says that it has evolved into an international forum. “We see that the technologies and the

discussions that take place here have relevance for other parts of the world are also brought to this forum. We are seeing huge changes in the operating model used by offshore oil, gas, and energy companies to address their business, and more important choices need to be made if it is to be prepared structurally and technically for the future.”

Andersen says the conference will focus on four main themes. “There will be climate and energy, there will be the operating model, there will be breakthrough technologies, and the people side of things. We want to try and achieve a discussion, an opportunity for the participants to both be involved at a strategic high level, as well as looking at the technology and the very much hands-on and practical side of things,” says Andersen.

Fourteen technical sessions will be featured at the conference led by experts in the industry. The conference will also feature breakfast briefings, topical lunches, and coffee and knowledge-sharing sessions. Three topical lunches will take place during the conference. On Tuesday, Paul Horsnell, managing director, head of commodities research, Barclays Capital, will speak at the topical lunch “Economics of Oil.” Wednesday's topical lunch “Competitiveness of the UK Continental Shelf—Can the majors still play a role?” will feature speaker Christophe de Margerie, CEO of Total. The topical lunch “Nanotechnology” will take place on Thursday and feature speaker Paul Ching, Meridian Resource.

Panel Sessions

Five panel sessions will take place during the conference. The sessions are titled “Towards a Low Carbon Future,” “Nurturing and Managing Talent in a Global Industry,” “Operating Models

at a Crossroad,” “Breakthrough Technologies,” and “The Next Trillion Barrels.” These sessions present a positive outlook on the industry and how to take strategies and use them in the workplace.



Bozon

The first panel session, “Towards a Low Carbon Future” will take place on Tuesday. The session will explore the potential for the emergence of broad measures to reduce carbon emissions in the near future, and the possible consequences of such measures for the oil and gas industry. The session will be moderated by Mike Sheppard, Schlumberger fellow, Schlumberger, and include session speakers Ron Oxburgh, former chairperson of Shell; Ivo Bozon, director, McKinsey & Company; Katrina Landis, chief operating officer, BP Alternative Energy; and Graeme Sweeney, executive vice president, future fuel and CO₂, Shell International.

On Wednesday, the panel session titled “Nurturing and Managing Talent in a Global Industry” will feature speakers Bob Fryer, vice president, global talent and learning, Shell International E&P; Abe Palaz, director of education and R&D partnership, Halliburton; and Alistair Oag, director of curriculum for drilling and well engineering, Next. The session is aiming to provide industry, government, and academic perspectives around the issues associated with nurturing and managing a global talent pool and associated challenges.

The third panel session “Operating Models at a Crossroad” will also take

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- Drive corporate performance and manage risk and compliance to reduce time-to-decision. Drive insights, increase transparency, and manage risk and compliance across the oil and gas tiered value network.

- Accelerate the innovation process to improve time-to-oil by leveraging new technologies, global collaboration teams, and new alliances and partnerships.

- Enable a resilient and high-velocity supply-chain performance network to respond flexibly to market changes and new opportunities across multiple enterprises and organizations, from the well head to the pump.

- Observe and serve customers globally, with insights into their specific needs. In oil and gas marketing and retail, enhance consumer experiences with innovative services, all to drive profitable revenue growth.

A number of business-critical actions are now imperative in the oil and gas industry. First and foremost is the need to re-examine the E&P projects in the current capital-expenditure portfolio. This requires the ability to quickly rescore the internal rates of return while resetting underlying hydrocarbon reference pricing and assumptions on development costs. Projects already under way will be analyzed to see the impact of delaying or mothballing the project vs. accepting the penalties incurred. Potential new projects will also be reviewed and re-evaluated.

Project-management solutions can help oil and gas companies make better business decisions faster by modeling global assumptions embedded in their project portfolio through “what if” analyses for fast-changing conditions. Once committed, capital-project lifecycle solutions enable projects to

be managed from concept to fabrication and on to handover and commissioning, by ensuring that critical documentation is captured and used through the life of the project. Integration of this information into an asset lifecycle plan increases efficiency and reduces costs.

Risk re-evaluations and improved risk controls are required, and new risk-management scenarios must be considered. Such evaluations call for improved modeling capabilities. High-performance-computing cluster servers create the opportunity to increase the modeling capacity for evolving business environments and dramatically increase the speed at which business models can be tested against new scenarios.

Optimization of production curves will be required to ensure that every well and reservoir is optimized for maximum recovery. Optimization on this scale will require more use of real-time surveillance data integrated with data from other disciplines such as geology and petrophysics. This, in turn, will require better visibility and use of real-time data to improve upstream operations, combining integration tools into backbone systems such as production-history repositories, well-history document repositories, and maintenance systems. Role-based portals can be created from this platform, enabling consistent high-quality decision making across the upstream enterprise.

In summary, there is increasing pressure on oil and gas companies to achieve more with less. Greater business agility is required to cope with the fast-changing volatility of the new business environment. Speed and faster reaction times are needed, supported by business systems that are flexible and adaptable to any business condition. **JPT**

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place on Wednesday. Moderated by Ed Crooks, energy editor, *Financial Times*, the session will feature speakers Peter Barker-Homek, CEO, TAQA; Ayman Asfari, CEO, Petrofac; Andy Bartlett, global head, oil and gas corporate advisory, Standard Chartered; and John Browne, former CEO of BP. Speakers will investigate the traditional relationship between contractors, oil companies, and host nations. As the industry sees the current operating landscapes change responding to oil price and tight supply and equipment markets, the speakers will be asked to assess different operating models such as production facility companies and equity agreements, and how each fit different types of organization and host countries.

“Breakthrough Technologies” will take place on Thursday. This session will begin with a discussion of several significant breakthroughs in our industry’s history—with a focus on those that are game changers. Looking closely at drivers and barriers, the session will then progress to a discussion of the innovation cycle, followed by a close examination of the implementation



Jacobs

Steve Jacobs, president of RMI, and speakers Axel Rosenø, assistant professor, Copenhagen Business School; Bob Peebler, Input/Output; Arthur Delargy, independent consultant, Petro-Canada; and Richard Ella, Schlumberger.

The panel sessions will conclude on Thursday with “The Next Trillion Barrels.” The session will take a look forward to the discovery and extraction of the next trillion barrels of oil equivalent. In addition to examining the expected characteristics and challenges of exploiting the next generation of reserves, the session will also explore what new technologies and efficiency models may be needed to accomplish this task. Finally, given current economic backdrop and commodity prices, the discussion will turn to discerning who will pay for—

of three emerging technologies: cableless seismic, floating liquefied natural gas, and integrated reservoir modeling. The session will feature moderator and speaker



Probert



Hobbs

and develop—the technology needed to discover and extract the next trillion. Speakers will include Lee Tilman, production manager, North Sea production, ExxonMobil; Tim Probert, president of the drilling and evaluation division and corporate development, Halliburton; Bill Pike, editor-in-chief, *E&P*; and David Hobbs, head of research, Cambridge Energy Research Associates.

The final day of the conference will feature “Energize Your Future at Offshore Europe,” which is traditionally known as Education Day. Future engineers are encouraged to learn more about the oil and gas industry and the opportunities that are available. **JPT**

More information about the conference is available at www.offshore-europe.co.uk.