

North Sea Supply Chain : Key Facts*

Around **30,000** people work offshore in UK waters

Operating costs have risen by **1/3** since 2011 to £9.7B in 2014

Cost growth in OPEX

2003-2013

+11%

Offshore costs
& maintenance

+16%

Well maintenance

+7%

Logistics

+14%

Admin support

x2 Lifting costs have doubled since 2010


Now: Average £17 (\$26) per barrel



Offshore Productivity

measured by Wrench Time

Less than **30%** of a 12hr shift

=
 **4hr**



Lost time

Administration = 1.6hr

Waiting = 1hr

Meetings = 2hr

19

North Sea fields have lifting costs exceeding **£30** (\$46) per barrel

Production efficiency on UKCS

Between 2004-2012

81%



60%

*Sources

McKinsey&Company, Meeting the challenge of increasing North Sea Costs

McKinsey&Company, Tackling the asset production efficiency crisis in the North Sea

The Conference Board - Global and Scottish Productivity Seminar Report