



Wednesday, May 13, 2020

Dr Andy Samuel
Chief Executive
Oil and Gas Authority
AB1 Building, 2nd Floor
48 Huntly Street
Aberdeen
AB10 1SH

CC: Nick Richardson

Dear Dr Samuel,

We appreciate the work undertaken by you, and the team at the OGA in working with stakeholders to tackle the impacts on industry stemming from the COVID-19 pandemic. Further to our letter to Secretary of State Alok Sharma and copied to yourself in late March, we had a productive discussion with Nick Richardson on 23rd April, during which it was highlighted that we may make suggestions regarding sector specific business support measures that could be considered.

We would therefore like to take the opportunity to put forward a number of suggestions, compiled in consultation with our Members;

1. The OGA should ensure that licensees remain committed to work programs, without postponement or interruption. Licenses awarded in recent years will have work programs that include the purchase of geophysical data, reprocessing of data or the collection of new data. These commitments should be honoured.
2. Access to liquidity to cover fixed costs for a period of reduced revenues as a result of the COVID-19 pandemic and infection control measures.
3. Access to liquidity to carry out scheduled operations, in which clients request deferred payment or push for activities related to operational challenges presented by the COVID-19 pandemic.
4. Access to liquidity by providing guarantees that enable acceptable priced loan financing for projects that will in turn be repaid through future sales of data.
5. Consideration of further OGA funded exploration projects within frontier regions, and additional reprocessing projects.
6. Wage compensation as a targeted tool and an alternative to furloughing personnel from roles which may not return immediately due to reduced activity levels following the severe decline in oil price and commensurate drop in spending on exploration. This would help to retain competence and manpower in the

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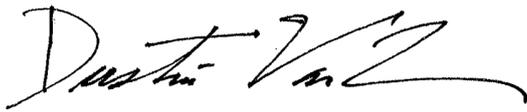
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industry. Personnel could be involved in reprocessing projects, research and development and ongoing maintenance of assets.

7. Incentivisation of research and development projects, including CCUS and other elements aligned with MER strategy and Net Zero goals.

If these could be further considered by OGA and brought to the attention of relevant stakeholders, we would be very grateful. We have also been in touch with Minister Paul Wheelhouse of the Scottish Government, and provided him with the same suggested points for consideration with the new Strategic Leadership Group. Our goal is to ensure that projects can continue, that competence and skillsets are not lost due to losses of personnel or protracted periods of furlough, and that the long-term viability of the industry is protected. We believe this is essential in order to maintain productive rates of discovery, maintenance of existing work programs for development and recovery and in securing expertise for the further development of measures to aid the energy transition and carbon reduction targets.

Sincerely,

A handwritten signature in black ink, appearing to read "Dustin Van Liew". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dustin Van Liew
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