Ad hoc PILOT meeting
31st March, 12.00 – 13.00,
Tredgold Room, 1 Great George Street, London

You may wish to say a few words to set the scene for the meeting:

- I was glad we were able to arrange this meeting at such short notice to hear your concerns about the immediate effects of the Budget announcement last week.

- The Oil and Gas Industry is vitally important, both in terms of Security of Supply and in the contribution it makes to the economy and employment.

You may wish to ask [redacted] *Redacted under exemption 40*
of Oil and Gas UK to lead the Industry discussion.

Reason for the meeting:

To hear industry's concerns about the budget announcement of an increase to the Supplementary charge.

[redacted] 40 of Oil and Gas UK wrote to ask for this Emergency PILOT meeting to allow PILOT members to highlight the affects the increase will have on the PILOT goal of maximising economic recovery of our Oil and Gas reserves.

[redacted]

[redacted] *Redacted under exemption 35*

While the tax change is an issue for the Treasury (Oil and Gas UK have written separately to the Chancellor) the meeting will focus on the wider implications that this decision may have on energy security.

<u>Industry may raise the following issues:</u>

- Current gas price is around $60 a barrel of oil equivalent, well below the suggested "trigger" of $75 a barrel, however the budget increase is based on a higher oil price of over $100 per barrel.
- Sentiment on the long term stability of the UKCS for investment has been severely damaged.
- The Budget changes will significantly stifle future investment in the UK Continental Shelf.
- Decisions on investment are considered on a long term oil price, often considerably lower than the current oil price.
- Other basins may offer healthier investment opportunities.

Lines to take

- Keen to understand industry's concerns and how they see it affecting their investment plans.
- We recognise the importance of continued investment in the North Sea to maximise our recovery of our oil and gas reserves.

Attendees :

Industry

[redacted] - Oil & Gas UK

[redacted] *Redacted under exemption 40*

Government

Michael Moore - Secretary of State for Scotland
Charles Hendry - Minister of State for Energy & Climate Change
Justine Greening - Economic Secretary to the Treasury
Jim Campbell - Head of Energy and Development Unit - DECC
Simon Toole - Director, Licensing, Exploration & Development – EDU –DECC

[redacted] *Redacted under exemption 40*

Background

A paper which highlights the likely affects on investment is attached

Industry reaction

[redacted] *Redacted under exemption 35*

So far we have heard directly from the following companies registering their concerns and possible changes to their investment plans (in email or copied into letters to HMT).

[redacted]

[redacted] *Redacted under exemption 43*

[redacted]

LOGISTICS

Name of event	PILOT meeting
Date	31st March
Description/Objectives of event	As per steering brief
Time Minister expected to arrive	12.00
Time Minister is speaking (& for how long)	As per steering brief
Time Minister will leave	13.00
Who will meet Minister on arrival?	Jim Campbell (DECC)
Will there be questions? (If so, describe how managed & timescale)	As per steering brief
Who will introduce Minister?	Not required
Who else is speaking in same session? (In order, with start & finish times, including Minister.)	As per steering brief
Brief description of attendees & Number of attendees	As per brief
Brief description of room/environment Minister is speaking in.	Tredgold Room, 1 Great George Street, London
How formal is event? (Please include details of dress)	Business dress
Podium available?	Not required
Media arrangements made by event organisers.	None
Media coverage discussed with Press Office? (if appropriate)	
Suggested media strategy (if appropriate)	None

Mobile Numbers : Jim Campbell [redacted]
Simon Toole [redacted]
[redacted] *Redacted under exemption 40*