

It's a pleasure to be here today. Thank you to very much to the organisers Granite PR and in particular Brett Jackson.

May I acknowledge all honoured guests but in particular the Lord Provost of Aberdeen and the Deputy Provost of Aberdeenshire.

As Brett {has mentioned} this event came about due to the fortunate coincidence of a miserable day on a boat in the, I am told, beautiful (but on the day fog covered) fjords of Stavanger in August, a few glasses of Prosecco and the conversation which flowed between a number of the people here today. I am delighted that we were able to follow up on the creative thoughts of that day and that so many have responded positively to the invitation to attend.

Whilst it was foggy in Stavanger and today it is not that great here I can say with absolute certainty that a few hours ago before the sun set this was the scene on Cottesloe Beach in Perth.

Another very very good reason to do business in W.A.

I think there are many opportunities to be explored to do just that and I will expand on those in a minute.

My first experience of Aberdeen as Agent General came when representing the Government here in September last year.

Having arrived in the UK on a Tuesday evening, by the following Monday, my first day in the new role, I was here in Aberdeen attending Offshore Europe – which was somewhat of a shock coming from 30C to 30F inside a week.

It was also a bit of a shock when I took a few hours off to find my ancestral home, only to discover it was a very modest house in Albert Tce. A vision shattered!

That aside, coming here was a very important first step in coming to understand the oil and gas industry from a Northern Hemisphere perspective and better appreciating the influence and contribution that companies based here in Scotland, 'blue collar' and 'white collar', have made to the industry in Western Australia.

It seems half of Scotland has a relative in Perth!

Colleagues of mine more familiar with Aberdeen and its industrial capabilities and expertise, maintain that we in Western Australia are somewhere between 5-10 years behind you in the development of our own fully-fledged industry service and support platform.

One of the primary reasons for being here today is to remind you that Western Australia, both onshore and offshore, STILL represents a business development opportunity whether for plant and equipment or operational service support and maintenance.

Yes, I am aware of the impact low oil prices have had on the industry, particularly here in the North East of Scotland and the consequent shake out that has occurred. We have had a not dissimilar shake out in our mining resources sector, particularly in iron ore – so we understand and recognise the pain it causes.

However, the impact of low oil prices has not been as severe for us.

As many of you will know, the bulk of development offshore Western Australia is gas-based, with a number of LNG Liquefied Natural Gas (LNG) projects either producing or close to coming on stream.

And, while the overall 'activity' cycle has moved from construction to operations, there are still A\$89 billion worth of LNG projects under construction, with a further A\$20 billion under consideration and this BEFORE the International Energy Agency's 'Bright Gas Future' mid-November report forecasting a 50% increase in demand for natural gas over the next 25 years.

Australia's A\$200 billion investment in new LNG plants such as Gorgon and Wheatstone together with Shell's new and exciting Floating LNG development, Prelude, is set to supply the ever-increasing demand for energy particularly from the Indo-Pacific region.

The IEA has identified China, India and the Middle East as the main centres of gas demand and growth going forward, with demand increasing by 221%; 278% and 82% respectively by 2040.

It also expects inter-regional gas trade to increase significantly with a shift in trade flows towards the Asia-Pacific basin – which can only be good for Australia.

In addition, LNG being considered as a wedge fuel as the world moves towards a more renewables based fuel mix will ensure it will be a very important fuel for the future.

I recognise it is not all plain-sailing and Western Australia is not necessarily the panacea for all the pain being experienced here in Aberdeen. And yes, we have had our own set-backs – Woodside Energy deferring a decision on its Browse FLNG development; BP withdrawing from its involvement in the Australian Bight Project to name but two.

However, similarly there are examples of current and prospective developments taking place across the Western Australian offshore landscape for which we still need to access the technology and expertise that comes out of Europe and the US.

Projects such as Woodside's Western Flank Development and its Greater Enfield Project along with Shell's FLNG Prelude have all engaged this year with the UK/European supply chain to service and support elements of these projects.

The Australian Government's commitment to upscaling the country's maritime defence capability with various Australia-based build programs for new submarines and surface vessels is adding a new dimension and opportunity particularly for the marine engineering sector.

In much the same way that industry here responded to the growth in activity in the offshore wind sector, so Western Australian companies, many of whom are engaged in the oil and gas sector, are responding to the opportunities being presented by defence. With over half of Australia's Maritime Defence capability being homebased in the waters adjacent to Perth we are poised to see significant growth in an already vibrant industry.

This is an exciting development for Western Australia and will lead to billions of dollars' worth of economic activity taking place in the Perth Region over the coming decades. Much of the expertise required will be readily transferrable from the energy sector.

Western Australia's capability to engage in the design and delivery of multi-billion dollar-scale resources projects is enhanced by the presence of the Australian Marine Complex Common Use Facility, a Government-funded facility that has attracted a cluster of about 200 companies – local as well as international – with the expertise to help deliver for example large-scale process plant for offshore application as well as ship building/ship repair service support.

I will now run a short video which showcases the facility.

I hope that helps you better understand the geographic environment for industry in W.A. The video does however display the AMC and Common User Facility from a mainly shipbuilding perspective.

Over the last 15 years it has also been the hub for Offshore LNG construction, maintenance and servicing activity. It will continue to fulfil that role. The integrated Industrial facility around this Maritime Complex is a vibrant and marine focussed hub for all engaged in this industry

I think that there are many particular areas of potential shared interest between WA and Aberdeen. For example:

- I would anticipate that there will be an increased reliance on tie backs to extract value from existing gas resources. So, subsea expertise is going to be an ongoing and growing requirement in Western Australia.
- Technology transfer within the energy sector remains an opportunity for all with expertise to share.
- In particular, I make mention of renewable energy with a number of Perth companies already active in Europe.

- Decommissioning expertise developed in the North Sea will be invaluable as we start to address this challenge, a process which has started but an area where you are well ahead of the knowledge curve compared to us.
- Another completely unrelated area could be our shared interest in Food and Nutrition science. I understand this is an area of focus for your scientific institutions.

Western Australia's location so close to the growing Asian region means that its unique high quality "green" produce is much in demand. Enhancing our offering is a key focus. Perhaps expertise developed in Aberdeen may be of interest?

I referred at the outset to my first visit to Aberdeen last year – to attend the Offshore Europe exhibition. In return I would now like to encourage you to visit my home city, Perth, to attend the Australasian Oil and Gas (AOG) conference and exhibition, scheduled 22-24 February 2017 and to perhaps explore some of the business opportunities I have identified

Bill Hare, event organiser for AOG 2017 who will speak on video in a minute, will sell the event better than I can. However, what is not in doubt that being on the ground for the AOG event will provide a unique opportunity to engage with and access a range of project developers and contractors. These will include the North-West Shelf Project Joint Venture, which is keen to work with industry and the supply chain to assess innovation and collaboration opportunities.

Before concluding, I would like to show the latest video clip of Shell's FLNG Prelude project, which I hope is the forerunner of a number of similar such projects, including Browse FLNG and possibly the Scarborough field development, that are likely to dot the landscape offshore Western Australia in years to come.

I encourage you to be part of all of this development activity.

[Run Video](#)

Every time I see a clip of this project I am blown away by its size and scale.

Finally, the idea that these two great Energy provinces can enhance their already strong links is, I think, a worthy one and I personally and the West Australian Government looks forward to working with Aberdeen Industry and Governments to do so.

If we have time I am more than happy to take questions. In addition, my colleague Stuart Russell and I will be around for while at the conclusion of this event and happy to have a chat.

Alternatively, our contact details are set out behind me.

Thank you.