North Sea Transition Authority

Minutes of NSTA Board meeting on 20th May 2026
10.00-15.00
1 Marischal Square, Broad Street, Aberdeen

Directors	**In attendance**
Liz Ditchburn Chair	Rebecca Hewstone Director of Energy Development, DESNZ
Stuart Payne Chief Executive	Jane de Lozey (items 4 and 5) Director of Regulation
Sarah Deasley Non-executive Director	Marc Benton (item 5) Head of Investor Finance
Malcolm Brown Non-executive Director	Ian Knott (item 5) Head of Licensee Finance
Nic Granger Chief Information and Financial Officer	Sarah Steele (item 4) Legal Manager
Rebecca Wiles Non-executive Director	Denise Fawcett (item 4) Senior Legal Advisor
Sara Vaughan Non-executive Director	Russell Richardson Company Secretary
Apologies: Ian Chisholm, Non-executive Director Mitch Flegg, Non-executive Director Vicky Dawe, Shareholder Director	Fiona Gruber Head of Governance and Board Secretary

1. Welcome and introductions
The Chair welcomed directors to the meeting, including Rebecca Wiles to her first board meeting and Rebecca Hewstone on behalf of Vicky Dawe.

2. Conflicts of interest
No conflict of interest with any agenda item, nor as a result of new appointments, was declared by any director.

Rebecca Wiles confirmed that she had declared her interests prior to her appointment. She is a director of Tullow Oil plc.

Sara Vaughan confirmed her recent appointments as Deputy Chair of South Staffordshire plc. and Deputy Chair of South Staffordshire Water plc.

The board did not consider any of these appointments to represent a conflict of interest.

3. Minutes and matters arising
The board discussed and approved the minutes of the 19th March 2026 meeting, subject to minor changes, and reviewed the action log.

4. Change in control assessment
The Director of Regulation (DoR) presented her recommendation regarding a change in control application for the board's decision, which had previously been considered by the board on 20 November 2025. The board considered the recommendation and reached a further minded to decision in respect of it. Any further decision is to follow once representations have been sought from the relevant parties.

5. M&A update
The executive presented an overview of their annual review of UKCS licensee financial resilience and gave an update on M&A activity, which continues to be very busy, with companies consolidating and making licence changes to optimise their tax position.

Q1 financial performance was down and although supply chain price increases have been relatively moderate there are concerns about long term capacity in the basin. Shareholders and investors are seriously concerned about continued delays to consenting major production projects and continue to be concerned about the impact of the EPL.

The RBL market is increasing and becoming more innovative and large producing companies have been able to raise capital at good rates. Smaller E&P companies continue to lack access to capital.

With consolidation expected to continue and an increasing number of companies projected to move towards COP, the need to focus on timely decommissioning will become even more important.

The board discussed the findings in some detail and agreed that it would need to reconsider decommissioning scenarios later in the year.

6. Chair's report
The Chair updated the board on her recent meetings with senior industry leaders, the Chair of NESO, the Scottish Government's DG for Net Zero and OEUK. She attended the All Energy conference in Glasgow which was very busy and generated good conversations in the margins.

She has asked Ian Chisholm to review the composition of the audit and risk committee, including the potential to co-opt an expert adviser to the committee; and she has asked Sara Vaughan to review the terms of reference of the remuneration and nomination committees and the broader question of how people issues are handled across committees and the full board.

7.Committee reports
The Chair confirmed that the nomination committee's 16th April 2026 recommendation to extend the Chief Executive's appointment until 31st July 2031 had been approved by DESNZ. The board approved the extension.

The remuneration committee met prior to the board meeting and discussed and agreed 2025-26 bonus awards for staff below SCS and bonus proposals for SCS staff. The committee was briefed on the process for 2026-27 pay awards. The committee agreed to appoint Sara Vaughan as a People NED.

8. Safety and environment report
The Chief Executive presented the safety and environment report.

9. Chief Executive report
The Chief Executive confirmed that EnQuest had appealed against the NSTA's decision to issue a financial penalty notice totalling £16,500,000 for failures to comply with a petroleum related requirement. He confirmed that the NSTA was well prepared to defend its decision.

The recent Tier Zero meeting generated some constructive conversations and good contributions from the majority of Managing Directors present, including on taking steps to maintain existing production levels, remaining focused on emissions reduction, and building on decommissioning progress to unlock more value through collaboration.

As part of the legislative agenda for the new parliamentary session, the Energy Independence Bill has been announced. The timing of the introduction of the Bill will be confirmed by DESNZ.

10. Finance report
The CIFO confirmed a relatively high financial surplus for 2025-26 due to having budgeted more for legal costs, higher fee income due to increased M&A activity, and some programme underspend due to reduced costs and reprioritisation.

The finance team will seek to improve forecasting but will continue to budget for 100% staff costs as the NSTA cannot raise funds in year and is not permitted to maintain a strategic reserve.

11. Shareholder update
The Shareholder Director updated the board on departmental business and on progress with the planned introduction of the Energy Independence Bill.

12. Annual report process
The Head of Governance confirmed the process for the board to review and approve the annual report and accounts.

13. Board delegation schedule
The General Counsel presented the annual schedule of delegation to the leadership team, which the board approved subject to minor amendment.

14. Agenda planning
The Chief Executive outlined the programme for the board visit to Tyneside in July.

15. AOB
The board will be asked in correspondence to formally appoint Ian Chisholm as Chair of the audit and risk committee in advance of the June committee meeting.

Liz Ditchburn, Chair
18th June 2026