Oil & Gas Authority

Competition & Collaboration

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Contents

The Importance of Collaboration

"Effective collaboration will be fundamental to the successful future of the UK Continental Shelf"[1]

1. For the United Kingdom's ('**UK**') oil and gas industry, collaboration (in its meaning of working together for a common purpose) is not a new concept – from licensees entering into joint operating agreements to industry initiatives such as *Step Change in Safety*[2] – it is a matter of custom and practice, bringing shared knowledge, different perspectives and experience of risk diversification.

2. In June 2013, the then Secretary of State for Energy and Climate Change, Edward Davey MP, asked Sir Ian Wood to conduct an independently led review of UK Continental Shelf ('**UKCS**') oil and gas recovery, looking specifically at how economic recovery in the UKCS could be maximised.

3. It was noted at the time that the UK's oil and gas industry ('**Industry**') is of national importance and makes a substantial contribution to the UK's economy, energy security and employment. However, as one of the most mature basins in the world, the UKCS faced unprecedented challenges, and a focussed, in-depth review was merited.

4. The Wood Review final report (the '**Review**'), published on 24 February 2014[3], made four key recommendations to maximise economic recovery from the UKCS, one being to develop and implement important sector strategies covering *exploration, asset stewardship, regional development, infrastructure, technology* and *decommissioning.*

5. If these recommendations were implemented in full – and urgently – the Review identified the potential for increased production of around 3-4 billion barrels of oil equivalent ('**boe**') over the next 20 years[4], estimated by the Review team to be worth around £200 billion to the UK economy and putting the UK in a much stronger position to recover the (up to) 24 billion boe oil and gas resources estimated to remain as reserves.

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[1] UKCS Maximising Recovery Review: Final report (pg27) – Sir Ian Wood [Footnote 3].

[2] https://www.stepchangeinsafety.net/

[3] The final report of the Wood Review can be found at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471452/UKCS_Maximising_Recovery_Review_FINAL_72pp_locked.pdf.

[4] Assumed to be the period 2016-35.

6. This potential increase in production was assumed to come from a combination of[5]:

   - an increased rate of exploration, estimated to deliver an additional 1.0-1.5 billion boe (*Review team analysis*) – with up to 300-475 (low-high case) wells drilled;
   - more effective implementation of enhanced oil recovery, estimated to deliver an additional 0.5-1 billion boe, ranging up to 6 billion boe in a best case scenario (*DECC analysis*);
   - improved use of infrastructure, enabling an estimated additional 0.5-2.0 billion boe to be recovered (*based on Infrastructure Access Group report to PILOT, May 2013*); and,
   - postponement of decommissioning (by five years on average), delivering an estimated additional 1.0 billion boe (*Review team analysis*).

7. Throughout the Review, and across the four key recommendations, emphasis was placed on the need for Industry's existing collaborative approach to be extended right across all activities – whether in areas such as production efficiency, rig sharing, more effective deployment of new technology, improved shutdown co-ordination, sharing access to key spares or decommissioning.

8. Following a consultation process and a response by the UK government[6], implementation of the Wood Review recommendations led, among other things, to the setting up of the Oil and Gas Authority ('**OGA**')[7], establishing the principal objective for Industry to maximise the economic recovery of UK petroleum ('**MER UK**'), and the production of a strategy for enabling that principal objective to be met (the '**MER UK Strategy**')[8].

9. Specifically, section 9A of the Petroleum Act 1998 (as amended), sets out the principal objective of:

   maximising the economic recovery of UK Petroleum, in particular through… development, construction, deployment and use of equipment used in the petroleum industry … and… ***collaboration among [relevant] persons*** (Emphasis added)

   with an obligation (section 9C) on all such relevant persons to act in accordance with that strategy.

10. In this way, collaboration was elevated from being a matter of general practice to a statutory obligation, with a very specific aim.

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[5] Source - The Wood Review implementation impact assessment - found at:https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/370077/Implementation_of_the_Wood_Review_proposals_for_UK_offshore_oil_and_gas_regulation_-_IA.pdf.

[6] The response "Implementing the Wood Review Recommendations", published in November 2014, can be read in full at: https://www.ogauthority.co.uk/media/1018/wood_review_government_response.pdf.

[7] The OGA was initially set up as an executive agency of the (then) Department of Energy and Climate Change and then, with effect from 1 October 2016, as a Government company.

[8] The MER UK Strategy can be found at: https://www.ogauthority.co.uk/media/1022/mer_uk_strategy.pdf. See also the MER UK Strategy impact assessment - https://www.ogauthority.co.uk/media/1043/20160308_-_mer_uk__strategy_-_impact_assessment_-_signed_by_minister.pdf.

The MER UK strategy

11. The MER UK Strategy was published on 18 March 2016 and its Central Obligation requires that *"relevant persons must … take the steps necessary to secure that the maximum value of economically recoverable petroleum is recovered from the strata beneath relevant UK waters."*

12. The Central Obligation is binding on all relevant persons and, to assist with its effective delivery, the MER UK Strategy also sets out a number of Supporting Obligations, Required Actions and Behaviours. These expand on how the Central Obligation applies in particular circumstances and specify the actions and behaviours to be adopted by relevant persons when carrying out activities in the UKCS.

13. The MER UK Strategy also contains a number of Safeguards subject to which the Central and Supporting Obligations, Required Actions and Behaviours should be read. In this context, it states that no obligation imposed by or under the MER UK Strategy permits or requires any conduct which would otherwise be prohibited by or under any legislation, including legislation related to **competition law.**

The Role of Competition Law

14. The potential application of competition law in this context has been considered by the Competition and Markets Authority ('**CMA**')[9], in a letter to the Secretary of State for Energy and Climate Change dated 3 December 2015[10]. In that letter, the CMA emphasised the need for the OGA to ensure that it does not act in ways when exercising its powers that might, even inadvertently, encourage or facilitate breaches of competition law by others.

15. The CMA also noted the *"fact that an agreement is sanctioned by the OGA does not necessarily prevent it from falling foul of national or European competition law"* and that it is ultimately the responsibility of the parties to any agreement to assure themselves that such agreements are compliant with competition law.

16. However, the CMA did recognise that collaboration can be beneficial, depending on the benefits such collaboration brings, and noted the importance of guarding "*against the **risk that unwarranted caution** about the potential application of competition law to such beneficial collaboration **chills legitimate activity.***" (Emphasis added.)

17. The OGA has actioned the recommendations made by the CMA in that letter, which were primarily concerned with ensuring that, in discharging its responsibilities, the OGA takes due account of the risks to competition and of the impact of its actions on competition in relevant markets.

Collaboration

18. The MER UK Strategy sets out that relevant persons must:

    a. *where relevant, consider whether collaboration or co-operation with other relevant persons and those providing services […] in the region could reduce costs, increase recovery of economically recoverable petroleum or otherwise affect their compliance with the obligation in question;*

    b. *where it is considered possible that such collaboration or co-operation might improve recovery, reduce costs or otherwise affect their compliance with obligations arising from or under this Strategy, relevant persons must give due consideration to such possibilities; and,*

    c. *co-operate with the OGA.*

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[9] The UK's primary competition authority – see: https://www.gov.uk/government/organisations/competition-and-markets-authority/about.

[10] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482374/CMA_letter_to_the_Rt_Hon_Amber_Rudd_MP_-_Energy_Bill_competition_issues.pdf.

19. Collaboration between those in an industry is a regular occurrence – including, as mentioned in paragraph 1 above, in the UKCS. In many ways, collaboration can have a beneficial impact in the markets relevant to the Industry, given the potentially large project risks often involved (e.g. in field developments, decommissioning)[11].

20. Such collaboration is primarily of a concern where the outcome of that collaboration is anti-competitive, and the EU and UK competition law regimes set out certain legal rules for evaluating that (**Article 101 TFEU**[12] and **Chapter I Competition Act**[13]) (for a summary of which, see paragraphs 24 - 37 below).

21. Both those regimes are based on the principle of self-assessment whereby the onus of determining whether or not engagement in a particular agreement or activity is competition law compliant lies with each individual business (taking its own legal advice).

22. While it is not the OGA's place to advise persons whether their involvement in respect of a particular activity may be in breach of competition law, it is the OGA's view that such considerations should not be used as an excuse not to comply with the obligations set out in the MER UK Strategy, unless they are well-founded.

23. In that context, it is worth considering briefly here what agreements and/or conduct are prohibited under TFEU or Competition Act, and any exemptions or exceptions to the application of those rules that may apply.

Anti-competitive agreements

24. In summary, **Article 101 (1) TFEU** and **section 2 (1) Competition Act** both prohibit, in certain circumstances, agreements between undertakings[14], decisions of associations of undertakings (which may include those taken by trade associations) and concerted practices (referred to collectively as **"agreements"** for the purposes of this note[15]) which have as their *object*[16] or *effect* an appreciable prevention, restriction or distortion of competition, and which may affect trade between EU Member States or within the UK. Penalties for infringement of either of these provisions can include fines of up to 10% of annual worldwide group turnover depending on the severity of the matter.

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[11] See also for example the discussion at paragraph 29 below.

[12] Treaty on the Functioning of the European Union - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/228848/7310.pdf.

[13] Competition Act 1998 – http://www.legislation.gov.uk/ukpga/1998/41/contents.

[14] An undertaking includes any natural or legal person engaged in an economic activity, regardless of legal status and the way it is financed. This can therefore include public sector bodies engaged in an economic activity.

[15] Such agreements do not need to be in writing and include so-called gentlemen's agreements.

[16] i.e. contain restrictions which are regarded as so serious that, by their very nature (taking into account their content, objectives, and the legal and economic context), they are capable of restricting competition - Case C-67/13 P Groupement des cartes bancaires (CB) v Commission [2014] - http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A62013CJ0067.

25. In relation to collaboration, the rules apply where there is a horizontal agreement (i.e. between competitors) or vertical agreement (i.e. between businesses at different levels in the supply chain) and may include in an Industry context agreements to fix prices (directly or indirectly), output or capacity, limit production, allocate markets or customers, or exchange competitively sensitive information[17].

Exemptions and Exceptions

Pro-competitive outcomes

26. Where such rules apply, there are certain exemptions and exceptions available to Industry - in summary, where an agreement or conduct that might otherwise infringe the above prohibitions might be exempt if, broadly (see paragraph 27), it can be shown that it produces pro-competitive benefits that are shared with consumers, outweigh any anti-competitive impacts and are no more restrictive than necessary to achieve those benefits.

27. More specifically, an exemption is available where an agreement[18]:

- contributes to improving production or distribution, or promoting technical or economic progress *i.e. it leads to efficiency gains;*
- allows consumers a fair share of the resulting benefit i.e. the efficiency gains must be passed on; **and which**:
- does not impose any anti-competitive restrictions beyond those which are strictly necessary ('indispensable') to attain the improvement objectives;
- does not allow the parties to the agreement the possibility of eliminating competition in respect of a substantial part of the products in question.

28. As such, agreements on technical or operational matters (but with no material commercial implications), or those that give rise to significant efficiencies, are unlikely to raise concerns under competition law[19]. Further, collaboration to encourage improvements in efficiency of recovery, for example, could be expected to fall into this category[20].

[17] Other agreements that can have the object or effect of appreciably preventing, restricting or distorting competition can include fixing trading conditions, collusive tendering (bid-rigging), joint purchasing or selling, restricting advertising and setting technical or design standards.

[18] Summary of section 9 of the Competition Act 1998 (as amended) and Article 101(3) TFEU.

[19] As noted by the CMA in its letter to the Secretary of State, page 6 [see footnote 10 above].

[20] Ibid.

29. In fact, it has been stated that the creation or improvement of the tangible and intangible infrastructure on which the EU economy depends is a relevant benefit under Article 101(3) TFEU[21] – and further, that if parties can show that the infrastructure could not be built at all without their collaboration, then the agreement may fall outside the scope of Article 101(1) TFEU entirely[22], subject to the appropriate competitive safeguards being in place.

De minimis

30. Where competitors have low market shares in the relevant market where the collaboration is taking place, there might not be an appreciable impact on competition. Such agreements are *de minimis* for the purposes of the prohibitions in question.

31. The European Commission (**'Commission'**)[23], has taken the view (set out in its *de minimis* notice[24]) that agreements between undertakings which affect trade between Member States do not *"appreciably restrict"* competition (within the meaning of Article 101 TFEU) if the aggregate market share of the parties to the agreement does not exceed 10% for horizontal agreements, or 15% for vertical agreements[25].

32. However, in order for an agreement to benefit from the *de minimis* notice, it must not restrict competition by object or contain one or more of the restrictions listed as *"hardcore"* restrictions in any current (or future) block exemption (see paragraphs 35 to 37 below), which include such restrictions as price fixing, market sharing or limitations of output or sales.

33. The CMA is required to have regard to the Commission's *de minimis* notice and therefore, as a matter of practice, the CMA is likely to find that an agreement will not fall within the Chapter I Competition Act prohibitions when it is covered by the *de minimis* notice[26].

34. Further, agreements which exceed these thresholds may be found to have no appreciable effect on competition depending on factors including the provisions of the agreement and the structure of the market, such as entry/exit conditions or the strength of buyer power within the relevant market.

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[21] See for example Bellamy and Child, European Union Law of Competition (7th ed.) p197 – the European Commission has previously applied the exemption to the: establishment of trade fairs [Sippa, OJ 1991 L60/19, [1992] 5 CMLR 528, para 17]; improvement of telecommunications [Eirpage, OJ 1991 L306/22, [1993] 4 CMLR 64, para 14]; improvements to the generation and distribution of electricity [Scottish Nuclear, Nuclear Energy Agreement, OJ 1991 L178/31] and, the construction and operation of the Channel Tunnel [Night Services, OJ 1994 L259/20, [1995] 5 CMLR 76, para 59].

[22] Ibid. See for example, O2 UK/T-Mobile UK – UK network sharing agreement, OJ 2003 L200/59, [2004] 4 CMLR 1401.

[23] The European Commission directly enforces EU competition rules - http://ec.europa.eu/competition/index_en.html.

[24] Commission De Minimis Notice - *Notice on agreements of minor importance which do not appreciably restrict competition under Article 101(1) of the Treaty on the Functioning of the European Union* 2014/C 291/01 - http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0830(01)&from=EN.

[25] For markets where there is a cumulative effect of parallel networks of similar agreements, these market share thresholds are reduced to 5%.

[26] Paragraphs 2.18 and 2.19 of OFT guidance on "Agreements and Concerted practices" (OFT 401). https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284396/oft401.pdf

Block exemption

35. There may also be a "block" exemption (i.e. an exemption which applies generally to any agreement where the requirements of that exemption are met) available to Industry participants in certain circumstances, depending on what is being considered, or what has been entered into, and on the market shares of the parties. Various block exemptions are available for certain categories of agreement such as technology transfer agreements, vertical agreements and - of some relevance to MER UK - R&D agreements[27].

36. The exemption for R&D agreements recognises that collaboration on research or joint development, and in the exploitation of the results, is most likely to promote technical and economic progress if the parties contribute complementary skills, assets or activities to the co-operation. This also includes scenarios where one party merely finances the research and development activities of another party.

37. To be exempted the collaboration/ agreement must not contain any hard-core restrictions[28] or excluded restrictions[29], must state that all the parties have **full access** to the final results of the R&D (including any resulting intellectual property rights and know-how) for the purposes of further R&D and exploitation, and the parties must satisfy certain market share thresholds. If the parties limit their rights of exploitation, access to the results for the purposes of exploitation may be limited accordingly.

Exchange of Information

38. In relation to the MER UK Strategy, an important consideration is how far the exchange of information in itself raises anti-competitive concerns.

39. In its letter to the Secretary of State (mentioned above), the CMA noted that should competitively sensitive information or insight about competitors' actions be shared among competitors, competition may be dampened and suppliers may (inadvertently or otherwise) be encouraged to breach competition law[30].

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[27] Commission Regulation EU 1217/2010 - http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Acc0012.

[28] In addition to the hardcore restrictions identified in paragraph 32 above, the following amount to hardcore restrictions under the block exemption applicable to R&D agreements: restricting the freedom of parties to carry out R&D independently or in cooperation with third parties in a field unconnected with the R&D under the R&D agreement, and certain customer allocation.

[29] Excluded restrictions include 'no-challenge' clauses concerning intellectual property rights, and certain restrictions on licensing.

[30] The CMA also gave the example of the exchange of future pricing information which may give firms insight into the competitive constraints faced by their rivals and give an indication of their plans, thereby reducing competitive uncertainty.

40. The question of what information is sufficiently commercially sensitive to give rise to any competition law issues will depend on the circumstances and the market concerned in each individual case, noting though that some asymmetries in knowledge are inevitable in industries. Paragraphs 75 - 94 of the Commission's *Guidelines on the applicability of Article 101 to horizontal co-operation agreements* (2011) set out guidance on this[31]. Also, previous Commission/CMA decisions give some indication as to the kinds of information exchange which are likely to give rise to concern.

41. Generally, information which is:

    a. historic in nature is of lower risk than current data or data on future plans – the older the data, the lower the risk.

    b. aggregated across a number of competitors or which, although not aggregated, is anonymous so particular competitors cannot be identified, is of lower risk than identifiable data.

    c. already readily (and genuinely) publicly available is unlikely to give rise to competition concerns.

    d. exchanged regularly is of greater concern than one-off exchanges.

    e. sent by an independent source generally presents a lower risk than information sent directly by a competitor.

    f. qualitative generally presents a lower risk than information which is quantitative.

    Therefore, Industry is generally encouraged to make the information it holds in relevant areas publicly available, subject to commercial sensitivities.

42. In the particular context of oil and gas markets, an important consideration is whether the sharing of such information is likely to impact the competitive behaviour in such markets in terms of such things as pricing decisions or how much oil or gas to produce and when.

[31] http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Al26062

Sheffield Bus Network – Case Study[32]

As an example, the CMA considered (in letter response) whether the plans to reform bus services in the South Yorkshire region through the collaboration of bus service providers potentially raised any competition concerns.

The intention of the plan was to introduce a coordinated, efficient and integrated bus network through such things as a simplified and integrated ticket scheme and sharing of customer data. The stated aim of such collaboration was to work better together to reduce pollution and congestion, and introduce efficiency.

In considering the arrangement, the CMA noted that appropriate firewalls were in place to ensure integrating customer management records, smart ticketing and real time data did not result in sharing of commercially sensitive information between competitors. The CMA also noted that there would be continuing rivalry between bus operators both in bidding to run particular services and through on-the-road competition, where routes overlapped.

The CMA reminded the parties to the agreement to be alert to the risk of such arrangements leading to an increase in geographic market segregation, and provide scope for the networks to evolve to allow for possible new entrants.

[32] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/490517/CMA_response_to_South_Yorkshire_Passenger_Transport_Executive.pdf.

Considerations for Industry

43. The OGA calls on Industry, prior to citing competition law as a justification not to collaborate with others under MER UK, to consider among other things whether:

a. UK/EU competition rules apply.

44. As the EU Court of First Instance has termed it, Industry should take an *"economically realistic approach"*[33] when considering competition issues. Therefore, Industry should consider the actual market conditions in which the collaboration is to take place and whether the competition rules apply in the first place.

45. This requires Industry to consider, *among other things*, the competitive structure of the market (including market power of the parties involved) when assessing any impacts of the intended collaboration.

b. There are pro-competitive outcomes.

46. Oil and gas are commodity products and their price is sensitive to supply. Therefore, though dependent on the facts in each case, any project which is intended to increase supply (including by reducing the cost of finding and development of such resources) should (even if marginally) contribute to a reduction in prices for those products, and ultimately the prices paid by consumers (e.g. for petroleum products, the price of which is strongly correlated to the price of crude oil). In a highly competitive market, such as that for the exploration for crude oil and gas,there is little reason to believe that ultimately consumers will not benefit from the development and production of such additional resources.

47. The efficiency gains resulting from the collaboration will be an important consideration, especially where one operator cannot afford to act by itself on a particular issue. When evaluating such gains, it is worthwhile for Industry to consider what the market impacts would be in each particular situation if the collaboration did not go ahead i.e. the counter-factual. It is through such a consideration that the benefits of what is being proposed can be further assessed.

48. In addition, when considering the pro-competitive outcomes of the proposed collaboration, it is for Industry to take account of the particular nature of the oil and gas market under consideration, and *"the problems peculiar to [that market]"*[34] rather than applying a 'one size fits all' approach.

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[33] European Night Services v Commission [1998] ECR II – 3141 - http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A61994TJ0374.

[34] http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:61985CJ0045&from=EN (Case 45/85) Verband der Sachversicherer e.V. v Commission of the European Communities, ECR [1987] page 405.

49. Further, it is also worthwhile noting that efficiencies flowing from agreements between undertakings can originate from a number of different sources.

50. As recognised by the Commission in its *Guidelines on the application of Article 101(3)*[35], one very important source of cost savings is the development of new production technologies and methods, which is relevant to the oil and gas value chains. Another important source of efficiency is synergies resulting from an integration of existing assets where the combination of parties' respective assets may produce a cost/output configuration that would not otherwise be possible.

51. Efficiencies in the form of cost reductions can also follow from collaboration that allows for better planning of production, reducing the need to hold expensive inventory and allowing for better capacity utilisation.

52. Further, collaboration may also generate various efficiencies of a qualitative nature e.g. through quality improvements.

53. Indeed, technical and technological advances form an essential and dynamic part of the economy, generating significant benefits in the form of new or improved goods and services. By cooperating, Industry may be able to create efficiencies that would have been possible only with substantial delay or at a higher cost.

c. The agreement is *de minimis*

54. As noted above, EU (and UK) competition law does contain a *de minimis* principle for some agreements where the parties have low shares of the relevant market and, therefore, any impact on competition is unlikely to be appreciable (provided that there is no restriction of competition by object or hardcore restrictions).

55. In its decisions, albeit relating primarily to mergers in the oil and gas sector and procurement[36], the Commission has identified a number of product and geographic markets which may be of relevance when considering the relevant market[37], including[38]:

- Exploration for crude oil and gas – *the market is world-wide;*
- Development and production of crude oil – *the market is world-wide;*
- Development and production of natural gas – *market for the upstream supply of gas (comprising also the development and production of gas) to customers in the EEA.*
- Development, production and upstream wholesale supply of natural gas to large importers/wholesalers - *national market or, potentially, slightly wider in scope;*

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[35] http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52004XC0427(07)&from=EN.

[36] See the exemption granted by the European Commission on 29 March 2010 that the Utilities Directive 2004/17/EC shall not apply to contracts awarded by contracting entities for the following services to be carried out in England, Scotland and Wales: (a) exploration for oil and natural gas; (b) production of oil, and (c) production of natural gas - http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010D0192.

[37] Note that these decisions on market definition do not offer binding precedents for other cases, but they may offer guidance.

[38] Case No COMP/M.7631 - ROYAL DUTCH SHELL/ BG GROUP of 2 September 2015 - http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=2_M_7631

- Separate Liquefied Natural Gas markets including liquefaction, wholesale supply, shipping and re-gasification – for example *markets related to availability of liquefaction plants (eg EEA, North America east coast, Caribbean);*

- Crude oil pipeline transportation - *UK Northern North Sea ('**NNS**') and Southern North Sea ('**SNS**');*

- processing of oil and of gas – *markets for each of NNS, SNS and Norway areas; and,*

- Gas pipeline transportation - *NNS and SNS.*

In this regard, it may be likely that there will be little or no elimination of competition in respect of petroleum products which are sold onto a commodity market, to which a producing area may contribute a negligible amount. It is worth noting that, in 2015, total UK production of both oil and gas accounted for only 1% of global supply and of that, UK gas production accounted for 17% of European gas production (excluding Russia) and less than 10% of total European gas demand[39].

d. There is an applicable Block exemption

56. Industry should also consider whether any block exemptions apply to any collaboration being proposed.

[39] OGA analysis of data published in - BP Statistical Review of World Energy (http://www.bp.com/statisticalreview), published in June 2016.

Conclusion

57. The OGA encourages, supports and aims to facilitate, where appropriate, collaboration across the Industry that is compliant with competition law, in a way to maximise the economic recovery of offshore oil and gas.

58. In this regard, the OGA acknowledges the collaborative work already being undertaken by Industry in this area[40].

59. While this note provides a description of matters related to competition law and collaboration in the relevant oil and gas markets, it is not a substitute for any regulation or law and is not legal advice on such issues.

[40] http://oilandgasuk.co.uk/oil-gas-uk-and-deloitte-analysis-suggests-collaboration-in-offshore-industry-increasing/