

Minutes of NSTA Board meeting on 22nd May 2025
10.15-15.00
1 Marischal Square, Broad Street, Aberdeen

| Directors | In attendance |
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| Liz Ditchburn Chair | Radojka Miljevic, Partner, Campbell Tickell Observer (board performance review) |
| Iain Lanaghan Non-executive Director | Mary Champion, Associate Consultant, Campbell Tickell Observer (board performance review) - via Teams |
| Stuart Payne Chief Executive | Tom Wheeler (items 9 and 10) Director of Operations |
| Nic Granger Chief Information and Financial Officer | Brenda Wyllie (item 9) West of Shetland and Northern North Sea Area Manager |
| Sara Vaughan Non-executive Director | Adam Bradley (item 9) Central and Southern North Sea Area Manager |
| Sarah Deasley Non-executive Director | Kevin Christopherson (item 9) BDM, Central and Southern North Sea |
| Fiona Mettam Shareholder Director | Geoff Greenhowe (item 9) Asset Stewardship Lead |
| Malcolm Brown Non-executive Director | Andy Brooks (item 10) Director of New Ventures |
| | Nick Richardson (item 10 - via Teams) Head of Exploration and New Ventures |
| | Alistair Macfarlane (item 10 - via Teams) Manager, UK Carbon Transportation and Storage |
| | Viana Iancu (item 10 - via Teams) BDM UK Carbon Transportation and Storage |
| | Russell Richardson, General Counsel and Company Secretary |
| | Fiona Gruber Board Secretary |

BDM - Business Development Manager

1. Welcome and introductions

Liz Ditchburn welcomed directors and Campbell Tickell, as observers, to the meeting.

2. Conflicts of interest

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

3. Minutes and matters arising

Directors discussed and approved the minutes of the 20th March meeting, subject to a minor change, and reviewed the action log.

Fiona Mettam left the meeting.

4. Committee reports

The nomination committee met prior to the meeting and discussed succession planning for non-executive directors. The committee discussed and agreed outline search criteria and agreed to run a campaign to recruit two to three non-executive directors for appointment by 2026.

The remuneration committee met prior to the board meeting and discussed and agreed 2024-25 bonus awards for staff below SCS and bonus proposals for SCS staff. The committee also received a brief update on the process for 2025-26 pay awards.

5. Safety and environment report

The Chief Executive was pleased to share that the HSE has recently noted that the pace of work on maintenance backlogs, which is their current priority for the offshore sector, has picked up.

Campbell Tickell observers left the meeting.

6. Chief Executive report

The Chief Executive presented his overview of NSTA activity, with the highlight being the approval of three carbon storage licences for Hynet. The annual Tier Zero meeting was challenging but constructive with industry leaders keen to hear the outcomes of the government's current consultations, including the fiscal landscape and petroleum licensing.

The General Counsel updated the board on ongoing litigation.

The board thanked the executive for their update and looked forward to discussing these matters further at future meetings.

Performance report

The board noted the updated KPI reports, for 2024-25 year-end and Q1 2025-26, as provided as advance reading in the board book.

Campbell Tickell observers rejoined the meeting.

7. Finance report

The Chief Information and Financial Officer (CIFO) presented an overview of the NSTA's current and previous year financial position and highlighted that the projected amount of 2024-25 levy to be returned to industry will be much lower than previously projected due to higher legal spend. The executive is committed to reviewing and learning from recent experience of managing legal processes and costs. The board supports this process and asked for the learning to be shared with the board.

Ongoing litigation has had a significant impact on the NSTA's finances, with the conditions having been met to make a £1.2m provision in the 2024-25 financial year and the NSTA's 2025-26 budget being reviewed to ensure any additional costs can be funded. The board requested that future reports split the legal cost line between the NSTA's legal costs and other parties'.

The NSTA has forewarned the DESNZ Permanent Secretary of the provision and potential DESNZ liability. The NSTA is working with DESNZ to identify potential future risk mitigations given the observed increase in litigation.

The board discussed these important issues, noted the work being done to reallocate budget and supported the work to identify risk mitigations.

Fiona Mettam rejoined the meeting.

8. Shareholder report

The Shareholder Director updated the board on departmental business and the department's consideration of responses to the North Sea licensing consultation.

9. Electrification update

The executive presented a progress report on the electrification work being undertaken by the NSTA, industry perspectives including investment appetite, initial experience with the electrification reasonableness assessment and some options for further action by the NSTA to address identified barriers.

The board thanked the team for an excellent presentation and clear information and reviewed and discussed the key issues in the paper. The board endorsed the overall NSTA approach to the implementation of the OGA plan with respect to electrification, noted current analysis for key hubs, endorsed the approach to evaluating electrification reasonableness, and endorsed the proposed next steps in relation to certain hub operators. The board further asked the executive to consider different potential scenarios and their likely impact on emissions.

10. Carbon storage licensing and permitting process

The executive gave the board an overview of the governance of the carbon dioxide appraisal and storage licence lifecycle including the NSTA's roles and responsibilities, the interface with other regulators and agencies, and in particular how two key decisions, the award of a carbon storage licence and the award of a carbon storage permit are made. The executive also described their experience with these processes to date and highlighted some key risks and issues identified and how they had been handled.

The board discussed and reviewed the report and commended the team for the clarity of the presentation of the full lifecycle and the decision processes involved. The information had provided the board with assurance that this relatively new process was being handled effectively with appropriate controls and process in place. It was clear that the teams had utilised their deep knowledge and expertise gained from the oil and gas regime and taken that into the development of the carbon storage process. The board also commended the team's approach to learning from the experience of the award of the first storage permits.

11. 2024-25 Annual Report: strategic report

The executive presented the draft 2024-25 strategic report for the board's review. Directors discussed the draft report and shared their comments, focusing particularly on the environment report and the principal risks section. They requested some revisions to the drafting.

The audit and risk committee will take assurance on the full 2024-25 Annual Report and Accounts on 18th June, before it is presented to the board for approval on 19th June.

12. Board delegation schedule

The Company Secretary presented the board delegation schedule, updated to reflect changes introduced in the most recent framework document update, and noted that the schedule would in future be brought to the board annually.

The board discussed, reviewed and affirmed the schedule, and asked the Company Secretary to confirm certain wording at the next audit and risk committee.

13. Agenda planning

The board discussed the board planner and noted upcoming events.

There was no other business.



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Chair

19th June 2025