# OIL & GAS AUSTRALIA SECTOR UPDATE February 2014



PROVIDING PEOPLE POWER



# TEN LIVE GROUP



If you want to succeed and achieve your business goals, you will need a strong relationship with a resource provider who can deliver a 360° service to assist you - Contact Ten Live!

#### OIL & GAS AUSTRALIA - SECTOR UPDATE - FEBRUARY 2014

#### LNG – AUSTRALIA COULD BECOME WORLD'S LARGEST EXPORTER OF LNG BY 2017

- A Morgan Stanley report in December 2013 predicts that a "huge ramp-up" in LNG output that could transform Australia's economy "Australia is where the action is Australia 'to be an energy superpower' by mid-2017" and claims that Australia could overtake Qatar by to become the world's biggest exporter of LNG as soon as 2017 rather that 2030 as widely assumed"
- Australia is currently the fifth largest exporter of LNG and there are currently seven liquefaction facilities
  under construction in Australia, with a capacity of 62m tons per year as Australia plans to triple its LNG
  capacity over the coming four or five years, which will allow it become the largest LNG exporter in the world

#### **OIL & GAS SKILLS SHORTAGE - SET TO CONTINUE**

As the oil and gas industry in Australia faces unprecedented growth, is already competing for labour with the mining sector which has also grown significantly over the last five years and as the industry makes it move from construction to production, a report in December 2013 by the Australian Workforce and Productivity Agency (AWPA) shows that;

- The number of jobs in oil and gas is likely to jump by nearly two thirds from just under 39,000 workers in 2013 to 61,212 in 2018
- Chair of AWPA Philip Bullock said the resource sector was facing a skills shortage for high-level specialist operators with wide experience "As our resource sector transitions to an operations phase and we embark on major LNG and coal seam projects, resources companies will face challenges in recruiting and retaining workers with the required specialist operational skills and experience,"
- A skills capability gap exists at all levels from "blue collar" to managerial level. There is also a growing demand for technical personnel in oil and gas process operations and maintenance, and supervisors with technical and safety experience and front-line management skills. The report identifies a shortage of drillers, mining engineers, and chemical, gas, petroleum and power generation plant operators
- The report says it will be "difficult to source" many of these specialist roles locally unless the industry and Australian government implement training programmes to train workers and therefore highly trained foreign workers will be required to fill experience gaps in the short-term, for example;
- Queensland's natural gas resources have sparked an LNG boom in the region, with the CEO of Energy Skills Queensland warning that the industry faces the a skills shortage "Queensland is predicting they will employ up to 17,000 workers in the gas sector by 2024. This is more than double what they originally predicted, and it is likely they will need to look to migration to fill skill shortages. The gas sector in Queensland is now a globally significant industry which will create thousands of job opportunities for overseas workers not just in gas, but across a whole range of industries, due to the gas sector fuelling economic growth throughout Queensland,"
- Global energy giant Shell has said about 10% of its workforce on the Prelude floating LNG project off northern Australia will be filled by highly trained foreign staff



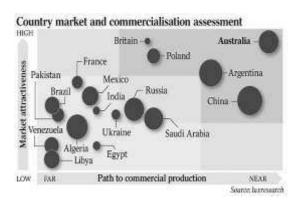
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#### AUSTRALIA SHALE GAS – THE NEXT BIG PLAY IN THE WORLD SHALE GAS MARKET

- In June 2013 the U.S. Energy Information Administration (E.I.A.) estimated that Australia has;
  - The most attractive shale gas prospects outside North America
  - The 7<sup>th</sup> biggest potential shale gas resources
  - The 6<sup>th</sup>biggest shale oil resources in the world
  - Australia's shale gas reserves could be as much as 10 times the existing known gas reserves
- A January 2014 report by Lux Research also predicts that Australia "is primed to become the next big play" in the fracking market, ahead of China and Argentina;



AUSTRALIA is being touted as the place most able to replicate the shale gas and oil success of the U.S., overtaking China, where exploration is struggling to gain traction, and other nations that pose too much regulatory risk.

Lux Research say Australia's shale and tight oil and gas resources were complemented by external factors unique outside the U.S. - "Existing infrastructure, low population density in resource-rich regions and a welcoming government position Australia at the forefront of shale development"

- U.S. companies such as ConocoPhillips (COP), Statoil ASA, BG Group Plc and Hess Corp have all invested in shale gas exploration with many investing in joint ventures with Australian companies;
  - Chevron Corp, the second-largest U.S. energy company paid \$349m for 60% in a natural gas exploration campaign with Beach Energy in its first shale investment in Australia in 2013
  - BG Group have partnered with Senex Energy, DrillSearch, Ambassador and Strike Energy
  - In January 2014 Houston-based Magnum Hunter shale producer announced it was entering into joint ventures with New Standard Energy and Ambassador Oil and Gas. Magnum Hunter head of exploration Kip Ferguson said Australia had been a more appealing destination than Colombia, Mexico, Argentina and Poland and expected interest in Australia from US players to grow; "As North America becomes highly saturated and opportunities become more scarce, companies with broader thinking need to look abroad to find unconventional resources....! think it will pick up and we are trying to be ahead of the game and be the leader of the pack...The unconventional potential in Australia is phenomenal. We like other places but, Australia has the most potential because of other things like a marketplace, deals and acreage."
  - The Cooper Basin, with existing gas processing and transportation infrastructure, may be the nation's first commercial source of shale oil and gas, according to the EIA's report. Other onshore regions being targeted outside the Cooper Basin include the Perth Basin - where Norwest Energy and AWE Energy are active and basins in the Northern Territory

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# **Ten Live: Global Customer Centric Solutions**

Programs created and continuously improved to deliver our service to assist you in meeting your business objectives:

Ten Live: INSIDE
Ten Live: ENGAGE
Ten Live: DELIVER
Ten Live: MAINTAIN

Customer Centric Services to choose from, either full 360° or individual services from:

### **Global Resource Management**

- **❖** Ten Live : ENGAGE©
- ❖ Attract and Engage skilled PEOPLE to achieve business goals
- Attract and maintain availability of Flexible Contract Staff to either retain consistently on long term assignments or manage their availability for peaks when you need them, hiring and off hiring when relevant
- ❖ Bulk Payroll and Invoicing both Contract and Internal Staff
- Advertising & Response Handling
- Training, Inducting and Coaching
- Staff Retention
- Legal Services
- Accountancy Services

#### **Technology Services**

- **❖** Ten Live : DELIVER
- Identify the most up to date technology to cost effectively overcome your challenges to meet and exceed your business objectives
- Install technology by our highly skilled operations teams
- Train your staff to use the technology effectively
- Project Management of the installation operation
- **❖** Ten Live : Maintain
- Product Maintenance by highly skilled operations teams

# **Consultancy & Project Management**

- **❖** Ten Live : INSIDE
- Work Internally with Customers to identify key areas where we can provide solutions and support
- Project Management
- People / Employee Engagement Consultancy
- Business Strategy Management Consultancy
- Continuous Improvement Certification, Compliance and Auditing Services
- ❖ ISO, Six Sigma, TPM
- Training
- Risk Assessment
- QHSE Consultancy



# **About Ten Live**

Ten Live is an international recruitment and resource management company with over 60 years' combined experience in the recruitment sector, the expertise and the commitment to work together with the oil & gas industry in the UKCS to find the right recruitment and retention solutions to ensure success.

With our roots in Scotland, Ten Live operate across the United Kingdom, Australia, MENA, Asia Pacific, Africa and the U.S.

Officially one of the Top 90 companies in Scotland.

We offer a range of specialist recruitment and resource management services in Energy, Telecoms and Logistics markets – not only recruiting but ensuring staff are fully trained prior to joining your organisation. Ten Live go above and beyond simply placing a candidate; we work continually with them, providing training to ensure they are offering you the best they can.

have immediate access to a global pool of highly-skilled oil & gas personnel and personnel in a range of other sectors with the transferrable skills & experience which can be easily integrated into oil & gas.

Ten Live's unique TEN LIVE: ENGAGE program offers both employers and job seekers a high degree of certainty in sourcing the right person for the right role.

http://www.tenlivegroup.com/sectors/energy

Ten Live

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