



In the pipeline: North Sea production at Bacton has been reduced with the importing of gas from Holland, Scandinavia and Belgium increasing. New projects mean up to 50pc of the UK's gas could come through Bacton.

# Region has crucial role in powering UK

The region's fast-evolving oil and gas industry is exploring new world markets – and could soon benefit from fresh opportunities closer to home.

The government's green light for a new generation of nuclear power stations should give the East of England's thriving energy industry a multi-million pound boost if the favoured Sizewell C project goes ahead in Suffolk.

A report commissioned by the East of England Energy Group (EEEGR) – which represents both the fossil fuel and renewable sectors – has suggested that demand for new sources of power could herald a golden era for businesses possessing skills and expertise developed through the offshore industry.

The report highlighted areas of opportunity, including energy conservation work, the distribution of generated power, combined heat and power installations, nuclear power construction and operation, the development of power systems and associated infrastructure.

Sizewell C potentially offers the greatest single opportunity, but government proposals for five new "green" towns could also open doors for the region's energy industry. This employs 15,000 people – mostly in Norfolk and Suffolk – and contributes more than £1bn a year to the local economy.

EEEGR members will hope their position is strengthened by a collective new brand identity after unveiling The Energy Region – the East of England as its slogan.

The new identity aims to emphasise the region's determination to remain at the forefront of the energy world as it embraces a new era of renewables alongside its long-established role as the hub of the offshore gas industry.

Upgrades to the Bacton gas terminal in north Norfolk underline the region's crucial role in securing the UK's energy requirements.

Bacton was built to handle gas brought ashore from the North Sea, and the opening of the Interconnector pipeline in 1998 enabled gas to be exported to the continent. But increased demand and reduced North Sea production have switched the emphasis to import capacity.

The new £300m Balgzand-Bacton line enables gas to flow in from the Dutch and Norwegian sectors, providing 8pc of UK gas requirements. And a two-phase £150m upgrade of the Interconnector means more gas can be imported from Zebrugge. Such projects could see up to 50pc of the nation's gas supply passing through Bacton.

With Southern North Sea (SNS) reserves dwindling, oil majors including Exxon Mobil, BP and ConocoPhillips have sold their pipelines and platforms. But Shell remains, and a new generation of smaller explorers such as Tullow Oil, Perenco, Gaz de France, RWE Dea and Venture Productions are maximising the life of existing fields.

Meanwhile, engineers from the region's leading offshore companies now work on projects all over the globe.

Rapid growth has continued at Norwich-based Acteon with the acquisition of US-based project management business Pacific Management Technologies – now rechristened Interact PMTL. Acteon has also added three companies from the Aberdeen-based Craig Group, buying Seatronics, International Mooring Systems and Chain Corporation International.

Offshore engineering company Aquaterra was founded in 2005, and its expertise in designing low-cost platforms has landed contracts in Vietnam, west Africa, Tunisia and Egypt. In August it opened new offices near Norwich International airport, and in October it was crowned Best New Business at the EDP Business Awards.

The industry suffered a blow in December when £4m losses forced Yarmouth-based drilling rig manufacturer Derrick Services still out of pocket as the company's debts were wiped out.

Yet the overall picture remains bright, with Lowestoft engineering giant SLP adding to its bulging order book with a multi-million-pound contract from BP Norge AS for the engineering and construction of a 180-cabin "hotel" platform, a power module, and three equipment rooms. The five modules will be used in the Valhall field in the Norwegian sector of the North Sea.

Yarmouth-based Seajacks International has raised more than £85m from Norwegian investors to finance the construction of two self-propelled "jack-up" units. These will begin servicing gas platforms off the Norfolk coast from 2009.

And Yarmouth-based subsea contractor Oceanteam 2000 (Ot2k) announced in November that it was investing £7m in three heavy-duty Triton XLX remotely operated vehicles from Florida-based manufacturer Perry Slingsby Systems.



Energy boost: East Anglia's offshore wind industry, like this site at Scroby Sands off the coast at Great Yarmouth, is well-placed to cash in on a multi-million pound market.

# Big money bonanza in the wind

Government plans to dramatically increase the number of offshore wind farms could benefit the environment while sparking a multi-billion-pound bonanza for the region's energy specialists.

East Anglia's offshore wind energy industry is set to spearhead an energy revolution that could see 7000 wind turbines generating enough electricity to power every home in the UK by 2020.

The region is well-placed to cash in on a multi-billion-pound market following the government's announcement of plans for up to 7000 wind turbines generating a colossal 33 gigawatts of energy.

At present just 2pc of our power comes from renewables, and wind is the source for less than 1gw. Yet wind-generated electricity could be powering every home in the UK by 2020 if the proposals unveiled in December come to fruition.

The finite nature of fossil fuels and mounting fears over global warming have made it essential that we harness more sustainable and environmentally friendly energy sources.

Wind turbines, bioenergy and tidal power are all expected to play vital roles in meeting future energy needs, while also protecting the planet. And that offers the East of England a golden opportunity to capitalise on 40 years' experience in the North Sea oil and gas industries.

Back in 2006, the over-riding message to emerge from the Offshore Wind Conference was that Lowestoft – which hosted the event – and Yarmouth could stand at the helm of the world's energy industry in 20 years.

Such lofty aims can only be boosted by the construction of Lowestoft's flagship £6.4m Orbis Energy renewable energy centre, which will include 30 offices to serve as a magnet for renewables businesses.

The plans for up to 7000 new wind turbines reinforce the view that our region will be a major player in the renewables sector – especially when Yarmouth's new Eastport outer harbour is opened.

However, many energy experts believe it is an ambitious target given the delays which have dogged many offshore wind farms projects so far.

Scroby Sands is still the only wind farm to have been built off the east of England, and it has suffered a number of operational problems.

Other wind farms planned for the Wash, the north Norfolk coast, and the Suffolk and Essex coastlines have yet to get off the drawing board.

But James Beal, managing director of Renewables East, which promotes the sustainable energy market, says: "We are learning lessons from the early schemes, and the next few years will see a lot of the projects come to fruition. It is an exciting time for the industry, and in East Anglia we are well-placed to play a major part."

Irish energy company Airtricity has been given the go-ahead for its £950m Greater Gabbard scheme, which will see 140 turbines built 12 miles off the Suffolk coast between Felixstowe and Aldeburgh. Construction is due to begin in 2009.

And Lowestoft-based engineering firm SLP has been working on a massive £60m contract to supply foundations for up to 100 turbines at Warwick



Learning lessons: James Beal, managing director of Renewables East, which is based at the University of East Anglia.

Energy's £300m Thanet Wind Farm, off the Essex coast.

Foundations are being laid for Centrica's £300m Lynn and Inner Dowding wind farms off the Lincolnshire coast, close to Skegness. Centrica is promoting three more wind farms off the Lincolnshire and north Norfolk coasts – Docking Shoal, Lines and Race Bank.

Other schemes include Scira Offshore Energy's plan for 88 turbines at Sheringham Shoal. Construction could start in 2010 or 2011, and the project could power 178,000 homes.

Biofuels could also play a vital part in meeting future energy needs, with Renewables East spearheading the creation of a green corridor of bioethanol processing plants. The alcohol-based fuel is usually distilled from sugar beet or wheat, making the region's strong agricultural base an ideal location.

A major step forward was taken in November, with the official opening of British Sugar's new £20m bioethanol processing plant next to its beet sugar factory at Wissington, near Downham Market.

The award-winning green refinery will produce 70 million litres of bioethanol a year. It also uses the latest technology to cut emissions, and locally-generated heat and power in the production process.

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