

FREE WEBINAR SERIES

Developing the Marginal Field Business Case



Thursday 30th July 11AM Lagos

Agenda

WHAT/WHERE

Resource
Local/Country
Assessment
Market Assessment
Local Laws and
Regulations

HOW/WHEN

Granting Instrument
Development and
Production Concepts
Finance
Infrastructure and
Export Systems
Supply Chain and
Logistics
HSSE

WHY

Strategic Fit
Economics
Competition
Downstream
Opportunities

Resource

WHAT / WHERE

- Play and basin analysis, prospectivity
- Size, potential for material business, growth prospects
- Type and quality of hydrocarbon
- Risks and uncertainties
- Reserves, contingent resources, prospective resources

Local/Country/Regional Assessment

WHAT/WHERE

- Politics, government and institutions
- Security and social order
- Economic policy and conditions (e.g. inflation, currency)
- Local and regional capacity and capability building
- PESTLE: Politics/ Economics/ Social/ Technical/ Legal/ Environment

Market Assessment

WHAT/WHERE

- Markets served: location, size, growth, competition, type
- Characterisation of customer(s)
- Transportation, storage and blending issues
- Prices and volumes achievable, contracting mechanism



Local Laws and Regulations

WHAT/WHERE

- Industry structure (ministry, NNPC, DPR, regulator)
- Local versus company standards
- Stability of politics, laws and regulations
- Local content and NNPC involvement



Strategic Fit

- Any important technology developed and/or deployed
- Geology, hydrocarbon type, E&P life cycle stage
- Markets served and synergies with existing business
- Geopolitical, country and regional aspects

WHY

Competition



- Competitive strength of opportunity and business
- Competitive threat and response
- Potential joint venture partners
- Bidding strategy and premium

WHY

Economics – Asset Valuation

- Opportunity for material value creation
- Economic metrics
- Sources of value (competitive edge), decision quality
- Risks and uncertainties: ranges, upsides and downsides

WHY

Downstream Opportunities

- What further processing will be required, costs
- Any trade-offs with upstream
- Hydrocarbon, operational and commercial synergies
- Control of infrastructure, product trading synergies

WHY



Granting Instrument

HOW/WHEN

- Petroleum regime, OML
- Fiscal terms
- Stability of terms and investor protection
- Minimum work required
- Duration of granting instrument and major milestones

Development + Production Feasibility/ Concepts

HOW/
WHEN

- Recovery scheme, wells, facilities and offtake
- Life cycle costs, production rate, recovery, reserves
- Major trade offs and optimisation
- Schedule, major milestones and resource availability
- Socio-economic benefits
- Risks



Finance

HOW/WHEN

- Amount of funds required
- Phasing of funding
- Use of funds
- Source and cost of funds



Infrastructure and Export Systems

HOW/
WHEN

- Integrity and access (capacity, timing and cost)
- Existing versus new build (ownership, control and costs)
- Capital expenditure versus operating expenditure
- Other infrastructure: roads, bridges



Health, Safety, Environment and Security

HOW/WHEN

- Major hazards present
- Major environmentally sensitive issues
- HSSE management requirements resource and costs
- Sabotage, theft and costs of providing security
- Risk mitigations
- CSR



Supply Chain and Logistics

HOW/
WHEN

- Supply chain risk management and sustainability
- Optimisation of specifications
- Total cost of ownership
- Supplier performance management and innovation
- Category and contracting strategies





Q & A

Further Support for Marginal Fields

- Online “3 Day MBA in O&G”
 - Regular 3 Day MBA in O&G with a Marginal Fields emphasis
 - Delegates from Nigeria
 - August/September
- Virtual Workshops on Marginal Fields (1-2 hours each):
 - Bidding Process
 - Legal Aspects
 - Asset Management
 - Asset Valuation
 - Corporate Social Responsibility (CSR)
- FREE Webinar Series
 - Thursday 6th August at 1PM London (BST): Leadership