Case study

# UKCS acquisition support

**Project details**

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| **Start date** | 2015 |
| **End date** | 2015 |
| **Location** | UKCS |

## Overview

ADIL's client was a new entrant to the oil and gas industry and were actively looking to acquire assets in the UKCS.

The client had a very experienced, but small, team and approached ADIL to undertake detailed and rapid due diligence on an acquisition target - a non-operated share in a UKCS development.

The main input requested by the client was the complex drilling schedule associated with their 1P, 2P and 3P reserves scenarios. This was an iterative process.

## ADIL's approach

ADIL assembled a cross discipline team, with cross functional capability from across our service offering, utilising the breadth of our experience and expertise. The team took an integrated approach to the valuation of assets, recognising the crucial interface between the subsurface and facilities.

ADIL worked seamlessly with the client's subsurface consultant and managed this interface on behalf of the client. A member of the ADIL team worked within the subsurface consultant's office for the duration of the project to ensure strong integration.

The team reviewed documentation in the virtual data room (VDR) to develop an independent position to inform the client. The experience and expertise of the ADIL team gave them the ability to anticipate and understand the client's requirements throughout the project.

As well as feeding back to the client, and integrating with the subsurface consultant, the ADIL team also liaised with and presented to the client's financial backers.

## Deliverables

ADIL were able to provide the client with a very accurate and rapid assessment of the assets, which gave them a solid foundation to make an offer to purchase them.

ADIL specifically provided an independent position on the following:

- Capex spend to date and out turn forecasts
  - Breakdown by major capex items
  - Include cost escalation assumptions
- Project schedule and major milestone dates
- Opex estimates
- Variable costs including work-overs for ESP failures
- Production efficiency/uptime forecasts
- Drilling schedules, well designs, durations and costs
- Abex