

Case study

# UKCS due diligence

**Project details**

 **Start date** 2015

 **End date** 2015

 **Location** UKCS

**Overview**

ADIL's client had an opportunity to acquire a major package of assets, which included over 40 platforms, 20 subsea developments and over 10 undeveloped fields, but there was a very short timeframe, of around four weeks, to decide whether or not to bid for this package of assets.

ADIL were approached to provide due diligence support for surface facilities and drilling, to verify CAPEX, OPEX and ABEX for the package of assets.

The client did not have the capability to undertake the due diligence required for this number of assets within their organisation and approached ADIL to deliver this for them. This included due diligence of surface facilities and drilling to verify CAPEX, OPEX and ABEX for the package of assets. ADIL were also asked to examine all potential development and exploitation opportunities for the assets and recommended costs and schedules for those assets.

The client recognised that ADIL could add value by also understanding

potential upsides from the assets. They had worked with ADIL previously and were pleased with the support that had been provided.

**ADIL's approach**

ADIL assembled a cross discipline team, with functional capability from across our service offering, utilising the breadth of our experience and expertise. The team had extensive experience of delivering due diligence projects and some members of the team were specifically drafted in due to their knowledge of the assets in question.

The team took an integrated approach to the assessment of assets, recognising the crucial interface between the subsurface and facilities. The team worked seven days a week to execute the work required.

Due to the scale of the due diligence required, ADIL assigned individuals from their team to effectively act as asset managers to assess each of the assets. Discipline support was provided from within ADIL to each of these asset managers.

The asset managers took a holistic approach to reviewing each asset, validating operating costs, CAPEX and ABEX and then looking at the asset as a whole to assess how the client could maximise value. This also focused on potential upsides for the clients.

ADIL did not undertake the subsurface due diligence for the client, but did work seamlessly with the client's subsurface consultant and managed this interface on behalf of the client. A member of the ADIL worked within the subsurface consultant's office for the duration of the project to ensure strong integration.

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The team held daily project meetings, which the client was invited to attend, and regularly presented what had been established to the client's investors.

### **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 delivered:

- Verified CAPEX, OPEX and ABEX for the package of assets
- A red flag review of key issues
- Identification of valuable insights into the portfolio upsides: and operating efficiency improvements
- Support to help the client prepare for presentations to financial institutions