

Above-ground risk assessment of a South American country in support of a potential asset acquisition

Situation



An Asian National Oil Company was evaluating the potential acquisition of an oil-producing field and unexplored acreage in a South American country. The client was interested in understanding its eventual exposure to above-ground risk as an operator, and was looking for the identification of specific recommendations and actions to mitigate the risks.

Action



Upstream Oil & Gas Consultants:

- Provided a detailed overview of the operating environment in the country, including governmental relations, regulatory framework, fiscal and contractual environment, national hydrocarbon policy, key stakeholders and competitive landscape
- Leveraged IHS Markit's team's expertise and political and legal knowledge of the country, IHS Markit identified and ranked important above ground risks
- Developed and used three forward-looking political and economic scenarios to provide insight on how the risks would change under each scenario
- Reviewed and ranked a set of recommended mitigation actions against the risks identified, supported by its understanding of mitigation strategies employed by companies operating in the country

Result



IHS Markit delivered a robust qualitative evaluation of risks, and an expert assessment of the current and future E&P investment environment in the country. The client developed a clear picture of the real risks relevant to potential operations in the country, and gained an understanding of the extent to which they could be managed and how.

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