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

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.

**Situation**

**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.

For more information visit www.ihs.com/upstream-consulting