

Developed a global Independent's E&P business strategy

Situation



Over the previous five years a global Independent had focused on wildcat exploration for growth, and the company had attained significant production and reserves targets. Lower resources prices meant that leadership had to make difficult investment decisions, given the company's many growth prospects. Going ahead with all the available opportunities would challenge financial sustainability.

Action



Upstream Oil & Gas Consultants:

- IHS Markit worked with the Independent to determine the value and risks associated with its entire portfolio of E&P assets: producing, development, and exploration
- The portfolio analysis revealed a gap in short-term reserves growth and a medium-term challenge in production sustainability. To overcome these challenges we identified and analysed different new growth strategies and how they would impact key performance metrics
- Facilitated multiple interactions between the key decision makers which enabled them to collaborate and devise a preferred strategy

Result



Using the insights from our analysis, the global Independent decided to pursue transactions that would deliver near-term reserve growth targets, and to farm-down lower value assets in order to deploy capital in other areas. It also modified its exploration strategy, increasing investment in shorter lead time, lower risk, smaller and more profitable prospects.

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