

ASSET ACQUISITION STUDIES

Background

Our objective is to enable the client company to identify candidate assets for potential acquisition. We prepare our analyses according to client specified criteria, for example, a minimum and maximum current production rate; required timings; selected areas; reserves size; play type etc.

The work scope and deliverables are set out below:

Hannon Westwood Expertise

Hannon Westwood's proprietary UKCS database and related modelling applications allow for the creation of investment plans and sensitivity studies based both on the target assets and on the combined client and target portfolios. The oil & gas Resource Database is linked with Hannon Westwood's proprietary Ownership Database of **core and non-core classifications** on all UKCS working interests for producing assets, undeveloped discoveries and exploration prospects.

Typical Scope of Work

Target Asset Analysis

1. **Asset characteristics:** An in-depth evaluation of potential target assets that fit the specified criteria agreed at the initial planning meeting
2. **Portfolio characteristics:** Analysis and description of the key characteristics of the assets within the target companies' portfolios and their potential to impact delivery of the client company's growth targets.
3. **Search Focus:** The primary focus will be within the specified criteria but we do not exclude candidate assets outside this if we believe they are of sufficient quality and merit.
4. **Incremental benefits:** Identification of potential areas of value growth through the impact of scale, influence, portfolio upgrade, drill out rates, financial and operational synergies.

Deliverables:

1. Planning Meeting – an interactive workshop designed to understand the client's requirements against which to build a list of target assets.
 2. **Review:** An evaluation of the list of target acquisition candidates is presented in a one-day interactive workshop including a summary description of the potential assets to be acquired e.g. location, potential equity availability, field production profiles, summary of infrastructure, any known future field development plans etc.
 3. **Final presentation:** A final presentation pack is produced for use in client company internal presentations and meetings.
 4. **Materials:** A copy of all presentation materials and backup information in the form of spreadsheet data etc. utilised during the process is provided to the client company
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