

Acquiring and divesting oil and gas assets and companies

1-3 November 2010, London, UK



El member £1,880.00 inc VAT Non-member £2,115.00 inc VAT*

*includes complimentary Affiliate membership to the Energy Institute

Access to quality international producing assets and reserves combined with infrastructure synergies, economies of scale and rapid growth potential are the key factors driving companies towards acquisitions and mergers. On the other hand portfolio rationalisation, lack of materiality and harvesting value in times of volatile commodity prices drives companies to divest assets and, in some cases, seek mergers. Whether a buyer or seller the mergers, acquisition and divestment (MA&D) process in the oil and gas industry requires careful management and a structured approach if values are to be maximised and deals completed in an efficient manner and timeframe. When conducted competently MA&D can help to promote investor confidence, growth, returns and operating efficiency in difficult and uncertain markets.

Competition for funding, cost of capital and stock market multiples in the past decade have prompted a trend towards major companies merging to remain competitive on a global scale. There have been winners and losers in this trend, and the stakes remain high for conducting MA&D effectively. Historical trends in oil and gas industry specific key performance indicators (KPIs) reveal those companies likely to prosper and those likely to become targets for acquisition. Successful companies have KPI trends that demonstrate their ability to divest of non-core assets and to concentrate on areas of core expertise based on technical, commercial and geographic focus.

This course develops the theme of optimising corporate and portfolio value focusing on the role of business development in ensuring long-term growth and improved returns through mergers and acquisitions. It concentrates on process and the recognition of the factors driving companies to merge, acquire and divest assets and the use of core competencies and asset base to provide competitive advantages. The principles, skills and techniques required for successful MA&D activity apply to both large and small companies.

Topics covered include:

Day one – MA&D drivers and industry performance

- Factors driving oil and gas companies to merge, acquire and divest
- Key performance indicators and benchmarking relevant to MA&D
- Exercise: evaluation of key performance indicators
- Historical performance of oil and gas sectors
- Generic strategies complemented by acquisition and divestment
- Identifying and exploiting synergies
- Case studies: mergers of major oil and gas companies
- Case studies: acquisitions and divestments that have failed
- Transition phase of ownership and control following an acquisition
- Human resource issues require careful planning
- Review criteria for success in MA&D activity

Day two – Structured approach to acquisition and divestment process

- Asset evaluation process – fair market value concept
- Recognising and accounting for risk and opportunity
- Exercise: competitive bidding
- Data rooms and due diligence
- Reserves audits and valuations associated with upstream deals
- Formulating proposals: offers and counter-offers

- Letters of intent confirming agreement subject to conditions
- Sale and purchase agreements – key issues
- Conditions precedent, representations and warranties
- Effective dates and their significance
- Identifying and addressing trailing liabilities
- Exercise: SWOT analysis of MA&D candidates
- Independent engineering, environmental, safety (etc) audits
- Completion of agreement – what this usually entails
- Portfolio approach to MA&D evaluation and selection
- Structuring divestment programmes

Day three – Strategic, financial and payment issues

- Competitive bidding theory and practice
- Case study: Libya bidding rounds of 2005
- Leveraging acquisition values using debt
- Project financing acquisitions
- Integrating tax pools and exploiting tax positions
- Financial management and structure of mergers and acquisitions
- Exercise: structuring takeover terms
- Valuation of long-life assets
- Limitations of discounted cash flow techniques
- Effective use of options and deferred payments
- Exercise: evaluation of acquisition alternatives
- Pitfalls in MA&D process

Who should attend?

This course is designed for a multi-disciplined audience from commercial, technical, corporate, human resources, planning, portfolio, financial, legal and risk management backgrounds.

Course content addresses issues and skills relevant to professionals and support staff involved in mergers, acquisitions and divestment activities from across the industry. This would include, but not be limited to: acquisition advisers, asset managers, bankers, buyers, economists, engineers, geologists, financiers, insurers, investors, lawyers, negotiators, planners, portfolio managers, and risk analysts.

Registration form

To register, by post or fax, please complete this registration form in BLOCK CAPITALS and return it to the address below, together with payment of all fees.

Nick Wilkinson, EI Oil and Gas Training, Energy Institute, 61 New Cavendish Street, London W1G 7AR, UK
 f: +44 (0)20 7255 1472

To register by email, please provide the same contact details (shown below), together with the relevant course details and send to: nwilkinson@energyinst.org To book online, visit: www.energyinst.org

I am/my employer is a member of the EI and entitled to the EI member's rate. EI Membership Number:

Family name: Mr/Mrs/Miss/Ms/Dr/Other:

Given name(s): Name to be used on badge:

Job title or present position:

Company/Organisation:

Name and address against which an invoice should be raised:

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Mailing address for joining instructions (if different to invoice address above):

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Please indicate if you have any particular dietary requirements:

I confirm that I have read and agree to the conditions of registration as specified in the General Information section.

Signature: Date:

Under UK Excise Regulations, delegates from all countries are required to pay VAT on any course taking place in the UK.

Course Title:

Course date: Cost of course: £

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Course date: Cost of course: £

Less 10% discount for each **subsequent** delegate from the **same** company attending the **same** course on the **same** date £

TOTAL PAYMENT £

The total amount may be paid by Sterling Cheque or Draft drawn on a bank in the UK.

I enclose my remittance, made payable to the Energy Institute, for: £inc VAT

To pay by Credit or Charge Card, circle appropriate card name and give card details below:



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General information

Payment

Full payment must be received before a place can be guaranteed. Under UK Excise Regulations, delegates from all countries are required to pay VAT on any event taking place in the UK. Please note that VAT may be liable to amendment. All prices are correct at the time of going to press, but may be subject to change without prior notice.

Acknowledgement of registration

Confirmation of registration and a VAT receipt will be sent to all delegates. Joining instructions will be sent out prior to the start date of the course. If you have not received your acknowledgement seven days prior to the start date of the course, please contact EI Oil and Gas Training at the Energy Institute to confirm your booking.

Language and course materials

All presentations, course materials and supporting documentation will be presented in English.

Cancellation

In the event of a delegate cancelling, a refund of the registration fee less a 20% administration charge will be made provided that notice is received in writing at least 28 days before the date of the course. No refunds will be paid after that date. However, course papers, as supplied to attendees, will be provided after the event.

Substitution

If you are unable to attend, a substitute delegate may attend in your place, provided that EI Oil and Gas Training is notified in advance.

Enquiries

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About the course provider

The Energy Institute (EI) is the leading professional body for the energy industries, representing almost 12,000 professionals both nationally and internationally.

A Royal Charter membership organisation, the Energy Institute serves society with independence, professionalism and a wealth of expertise in energy matters, creating a home for energy professionals and a scientific and technical reservoir for industry. It is licensed by the Engineering Council (UK) to offer Chartered, Incorporated and Engineering Technician status to engineers.

The Energy Institute (EI) cannot accept any liability for any loss, cost or expense suffered or incurred by

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DATA PROTECTION ACT

The EI will hold your personal data on its computer database. This information may be accessed, retrieved and used by the EI and its associates for normal administrative purposes. If you are based outside the European Economic Area (the 'EEA'), information about you may be transferred outside the EEA. The EI may also periodically send you information on membership, training courses, events, conferences and publications in which you may be interested. If you do not wish to receive such information, please tick this box

The EI would also like to share your personal information with carefully selected third parties in order to provide you with information on other events and benefits that may be of interest to you. Your data may be managed by a third party in the capacity of a list processor only and the data owner will at all times be the EI. If you are happy for your details to be used in this way, please tick this box