

North Africa

Risk-based acquisition strategy enables client to evaluate potential overseas asset

Halliburton uses its global petrotechnical expertise to support client's acquisition plan

CHALLENGE

- Develop an asset acquisition strategy
- Review and analyze a large amount of data on a tight deadline
- Evaluate a complex area to determine asset value

SOLUTION

- Analyze surface and subsurface data to develop a risk-based, life-of-field asset valuation
- Collaborate with client and financial institution to develop a competitive bid strategy

RESULT

- Determined a risk-based, life-of-field value for the asset
- Identified critical risks and uncertainties that could impact profitability
- Assisted in delivering a competitive bid strategy and bid package

Overview

A client in North Africa sought to acquire a non-operating interest in low-risk/high-value oil and gas assets. Acquiring interests in overseas assets would supplement the country's diminishing domestic hydrocarbon supply and enable the client to support the nation's rapid growth and associated energy demands. In collaboration with a financial institution, Halliburton Consulting developed a risk-based acquisition strategy with a robust, surface- to-subsurface, petrotechnical and financial evaluation of the assets, to accomplish the acquisition goals.

Challenges

The client required a due-diligence asset evaluation to determine an appropriate bidding strategy. The Halliburton Consulting team was tasked with quickly and accurately analyzing a large amount of data for the complex area being considered for acquisition. In addition, our consultants needed to collaborate closely with client staff regarding valuation work that had already been performed.

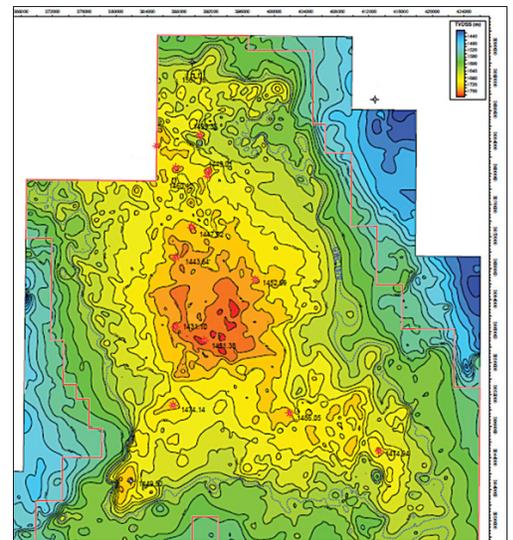


Figure 1: Complex area of interest

Solutions

The multidisciplinary Halliburton Consulting team analyzed surface, subsurface, and marketing data to develop a risk-based, life-of-field value for the asset. Results were presented to the client and the financial institution, and a bid strategy was then developed that met the client's guidelines and restrictions.

Results

The Halliburton Consulting team determined a risk-based, life-of-field value for the asset; identified critical risks and uncertainties that could impact profitability; and assisted in delivering a competitive bid strategy and bid package. The team's work revealed initial reserve estimates were too high. Consequently, Halliburton Consulting provided a more realistic reserve estimate, which allowed for a more accurate bidding strategy for the client. The client submitted a \$150MM USD bid for the asset.

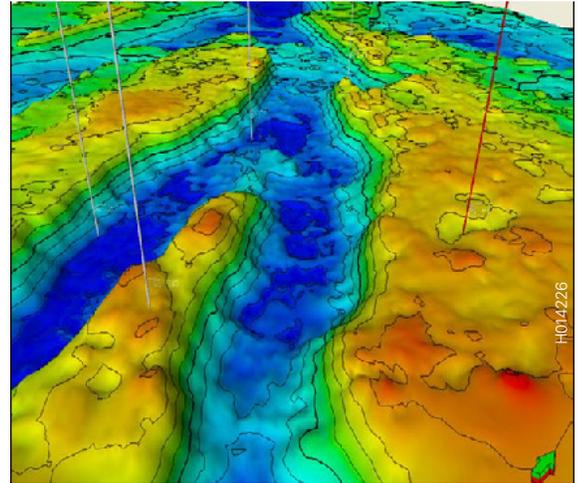


Figure 2: Seismic model of area of evaluation

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