



# Oil & Gas Investment Advisory Services

SCA - Premium Service Provider  
to the Oil & Gas Industry

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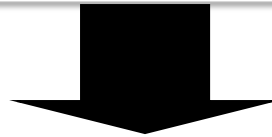
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# Oil & Gas Investment Advisory Services

## IDENTIFY OPPORTUNITIES

1. Proactively contact global oil & gas entities
2. Identify opportunities that fit the client's investment criteria

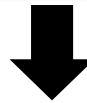


## INVESTMENT CRITERIA SCREEN



## EVALUATE OPPORTUNITIES

1. Evaluate all available data and information to confirm technical validity
2. Build economic model to assess risk and value
3. Conduct due diligence
4. Recommend appropriate action



## ADVISE DURING NEGOTIATION & CONSUMATION of DEAL



## MANAGE OPPORTUNITIES

1. Provide asset team(s) to actively manage the acquired investment opportunities
2. Optimize long term profitability



# O&G Investment Advisory Services

## Identify Opportunities

- Understand Client's corporate strategy and investment objectives
- Jointly develop investment criteria
  - Geographic preferences
  - Risk profile (e.g. exploration licenses, development program, producing asset acquisition)
  - Reserve/resource or production rate targets
  - Economic parameters (Internal Rate of Return, Time to Payout)
  - Budget constraints or allocations
  - Type, size and number of investments desired in portfolio
- Proactively contact global oil & gas entities to identify opportunities
  - Seek negotiated sales vs. open auction opportunities
  - Utilize SCA's high level contacts at many US major and independent O&G entities
  - SCA's consultants are experienced in looking for global opportunities
- Prioritize opportunities that fit the client's investment criteria
- Meet with client to define and agree to projects to be advanced



# O&G Investment Advisory Services

## Evaluate Opportunities

- Perform evaluation of all available data and information
  - Confirm technical validity of the opportunity
  - Assess risk factors and identify risk abatement opportunities
  - Identify reserve/resource potential, probabilistic distribution
  - Determine potential value based on accurate economic models and discounted cash flow evaluations
  - Recommend appropriate action
- ❖ **SCA's consultants will provide an independent, unbiased evaluation to identify the best possible opportunities for the investor**



# O&G Investment Advisory Services

## Manage Opportunities

- Provide asset team(s) to actively manage the acquired investment opportunities
  - Monitor drilling operations and other operations related activities for acquired opportunities
  - Monitor oil and gas production
  - Provide all required technical support (geoscience and engineering)
  - Make operational recommendations as appropriate
  - Review invoices from operator to ensure proper cost allocation
  - Prepare reports for client or investors as requested
  - Attend joint owner meetings with or on behalf of client
  - Train and mentor client's staff to assume asset management responsibilities
- Optimize long-term profitability
  - Recommend opportunities for increased participation
  - “Red Flag” indicators of declining performance
  - Recommend operational improvements
  - Identify poor quality remedial operations for non-participation



# Fee Structure

## ❖ Fees to be negotiated with client depending on services required

- **Retainer:** Lump sum payment to cover cost of search for new opportunities
- **Consulting:** Hourly/weekly/monthly fee structure for technical services as required to evaluate potential opportunities
- **Management:** Monthly fee structure for all services as required to manage acquired assets
- **Specialty Services:** Hourly/weekly/monthly fee structure for unique skills or administrative services required to supplement the client's work force.
- Fee structure can be modified to meet client, SCA, or SEC requirements



# Fee Structure

**IDENTIFY OPPORTUNITIES**

RETAINER

INVESTMENT CRITERIA SCREEN

**EVALUATE OPPORTUNITIES**

CONSULTING

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**MANAGE OPPORTUNITIES**

MANAGEMENT

LONG TERM PROFITABILITY



# SCA Staff

- **Global Business Development Manager:** Proactively contact global oil & gas companies to identify opportunities that fit client's objectives; assist client with deal structure and negotiations
- **Geoscience & Engineering Technical Review Team:** Evaluate technical validity of opportunities, determine potential value with economic modeling, and recommend acquisition strategy
- **Global Operations Manager:** Coordinate management of client's asset portfolio and submit reports to client
- **Asset Management Team:** Provide expert consulting services to monitor asset operations, conduct required technical work, review cost and revenue allocation and assess long term performance
- **Supplemental Experts:** as required



# SCA Staff

**IDENTIFY OPPORTUNITIES**



**INVESTMENT CRITERIA SCREEN**



**EVALUATE OPPORTUNITIES**



**ADVISE DURING NEGOTIATION & CONSUMATION of DEAL**



**MANAGE OPPORTUNITIES**

**LONG TERM PROFITABILITY**

Global  
Business  
Development  
Manager

Geoscience &  
Engineering  
Technical  
Review Team

Global  
Business  
Development  
Manager

Global  
Operations  
Manager

Asset  
Management  
Team



# O&G Investment Advisory Services

## BENEFITS

- Global experience in the evaluation of oil & gas opportunities
- High level contacts at many US major and independent O&G companies
- Highly experienced consultants with strong technical and business expertise
- Portfolio management expertise at all levels
- Globally recognized training program in upstream oil & gas
- Consultants with excellent skills for mentoring staff
- Proven portfolio management business model



# O&G Investment Advisory Services

## EXAMPLES

**Project Assessment:** SCA has a long-term relationship with a Europe-based investment fund to provide technical analysis of drilling and production projects brought to the fund by a US-based opportunity generator. The SCA team evaluates the technical merits of each opportunity, performs economic analysis, and recommends participation or non-participation based on criteria and risk categories developed with the client. SCA prepares a brief report on each project summarizing the analysis and recommendation. SCA also provides evaluation of contracts, invoices and operations reports over the life of the projects and makes operational recommendations on behalf of the client.



# O&G Investment Advisory Services

## EXAMPLES

**Producing Asset Acquisitions:** An SCA team of experts including a geologist, geophysicist and reservoir engineer worked with our client to evaluate a data room for a large, US-based asset sale. The SCA team prepared an assessment of exploration and development upside based on information provided by the seller in a virtual data room, publicly available information and personal familiarity with the assets. The client was successful in making the acquisition **with a bid in excess of \$400 million.**

**Asset Acquisitions - International:** An SCA team assessed a large, stranded gas development project for potential acquisition by a company based outside the US. The project involved evaluation of a large volume of seismic, well, facilities, commercial and economic data in a virtual data room, plus in-depth interaction with the seller's technical team (also non-US based). The SCA team included the following experts: geologist, geophysicist, reservoir engineer, facilities engineer, and petrophysicist.



# O&G Investment Advisory Services

## EXAMPLES

**Exploration Joint Venture Partnership:** A team of SCA geoscience experts and technical support staff assisted an international client to gain entry into the Gulf of Mexico deepwater play through formation of joint venture agreements. The team provided in depth knowledge of existing and emerging plays while assisting in multiple data room evaluations of joint venture opportunities. The client subsequently acquired a large deepwater lease position for approximately **\$800 million** through joint venture agreements with two major Gulf of Mexico players. SCA also helped the client to fill key technical staff positions in a newly formed Houston office.



# O&G Investment Advisory Services

## EXAMPLES

**Exploration and Producing Asset Evaluation:** SCA has provided investment advisory services for participation in exploration, development, re-development and producing properties around the world, **collectively valued in the Billions of Dollars.** Advisory services include technical and economic analyses of oil and gas investment opportunities located in a wide variety of geological basins, tectonic settings, and drilling environments (offshore and onshore). Recent clients include:

- Wall Street investment firms
- International investment funds
- US and International oil and gas companies.

