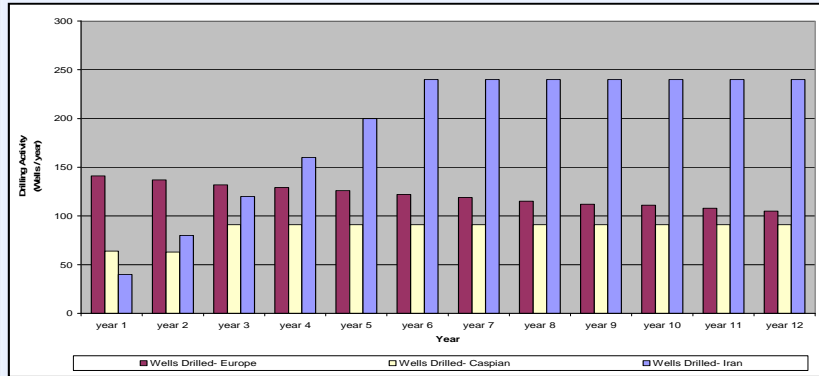




Market Analysis: Developing a Market Assessment to Support an Onshore Drilling Acquisition

Forecast Drilling Activity by Region



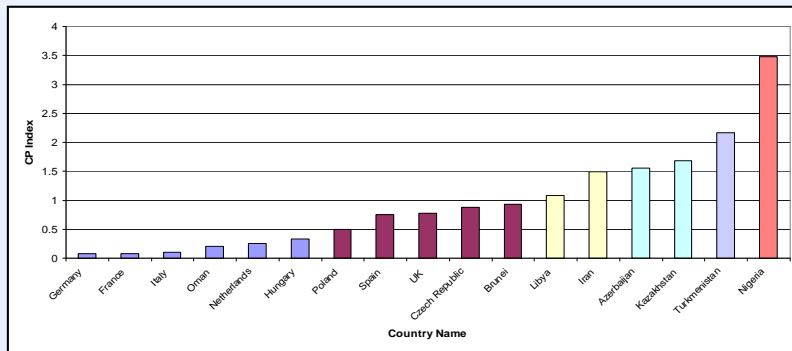
Challenge

An established drilling group was considering acquiring a drilling contractor with an international and onshore drilling capability. As part of its due diligence process, the client needed an independent organization to assess the market and provide an analysis of the risk of operating in the identified countries.

Solution

IHS evaluated the target countries' drilling markets using historic and current data on exploration and development well requirements with projections on anticipated activity. Also, by identifying each country's political situation and the availability of export routes in other developing regions, we formed the basis for a range of potential outcomes. The risk assessments were based on established country petroleum risk factors in the IHS database and were supplemented by an assessment of typical commercial business risks.

Risk Index for Range of Countries



Results

With the IHS analysis, which placed European and Caspian projections in a global context of prevailing US and international trends and activity and highlighted uncertainties and risks, the client had support for its decision to pursue the acquisition, which proceeded satisfactorily.