

Deal Advisory / Tax and Legal

M&A pick up in the E&P sector



There are signs of optimism – among E&P companies, investors, financial institutions and equity analysts – around the current oil price and the timing of a future oil price recovery; a view is that the bottom has been tested, and that oil prices will recover steadily.

We anticipate a growing consensus on the oil price developments, and we observe that the gap between buyer and seller price expectations (the bid-ask spread) is narrowing. Furthermore, we observe a number of assets on the Norwegian Continental Shelf mature for sale,

and that debt and equity markets continue to be open.

In this environment, we expect to see an increase in the number of deals on the Norwegian Continental Shelf over the next twelve to eighteen months. From a valuation

perspective, a key question is whether the current situation is advantageous for potential buyers to make their move: a window of opportunities to complete deals at “reasonable” valuations levels before equity markets starts to price in improved market outlooks.

Transaction Services

The Transaction Services team provides M&A support from pre-deal evaluation to completion and post-deal integration or separation. We help our clients to identify opportunities and risk in their acquisitions, disposals and JVs and assist with buy-outs and IPOs.

Our service include:

- Due diligences for the assessment of new ventures and investments
- VDD and vendor assistance
- Regulatory (Capital Markets) Assistance and Reporting
- SPA Contract Assistance, Completion Accounts, Price Adjustments
- Transaction Structuring Assistance
- Carve out Assistance

Valuation

Our Valuation Service team has extensive experience in providing valuation services in relation to transactions, reorganisations, disputes, litigations, financial reporting, restructurings and funds within the Oil & Gas sector.

Our service include:

- Valuation
- Fairness opinion
- Purchase price allocation
- Financial modelling related to strategic decisions, negotiation, financing, risk management and reporting
- Dispute resolution

Tax and Legal

KPMG has specialists within the tax and legal areas, especially within international corporate tax, petroleum tax, M&A processes. Beyond the legal expertise, we have heavy technical and commercial know-how including vast industry experience. In addition to the in-depth knowledge of SPA mechanisms and standard contract, we have extensive experience with international contract negotiations.

Our service include:

- Tax due diligence on buy and sell side
- Corporate Tax
- Petroleum Tax
- Transfer Pricing
- VAT & Customs
- Contract drafting and review
- International contract negotiations
- Dispute resolution



International network

KPMG Deal Advisory is a part of a network of professionals which combines global understanding and deal experience with local knowledge. Our global network allows us to mobilise international teams, who have a sense of regional market conditions and can consider local issues such as taxes and market regulations, in a timely manner.

Industry credentials

KPMG works with the whole E&P value chain and life cycle. Clients include oil producers such as Statoil, Shell, Wintershall and Det Norske, as well as wide range of oil service entities from rig owners to consulting and engineering companies.

M&A

Within the E&P sector we have recently been advisors on both buy and sell side transactions with deal values of multiple billion. M&A activity includes North Sea assets, Gassled assets and share transactions.

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