

Oil and Gas Project Blaze



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The situation

The business sits within well management of the oilfield services sector and was formed as a private equity owned carve out of an international multi-disciplined oilfield services major.

Having only been established for 18 months it had outperformed original budget but with the fall in the oil prices and the industry wide reduction in exploration in the UK Continental Shelf the company's revenue outlook disappeared almost overnight.

How we helped

In light of the negative trend in the market we were initially engaged to perform a short term cash flow review and options analysis for the company and the lender. We advised that the business was unsustainable on its existing cost base without significant improvements in its revenue forecast.

With no material change in the oil price forecast, or market sentiment to increase exploration, we were engaged to run an M&A process in order to find a purchaser for the business.

The outcome

A buyer of the business was not found and therefore a Managed Exit of the business was commenced by the directors which we supported and the business has now been placed in to Members Voluntary Liquidation (MVL) with funds due to be returned to shareholders.



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