Two miles down and underwater
Shale under pressure

Extraction of value from M&A in shale—outlook could trigger deep consolidation in the US shale industry—and staying on the sidelines may no longer be an option.

1+1 ≠ 2
Is your target greater than the sum of its parts?

Prioritize engineering before valuation
Align current engineering and drilling assumptions with current shale realities

Extracting value from M&A in shale—What not to buy is as important as what to buy

Is it an augmentor?

70% of deals are bought at a premium of 2X to 4X
Deals in tier 1 have achieved 10% lower productivity than tiers 2 and 3
Complex wells don’t guarantee results
In geology, how is more important than where

Is your target live at the right elevation?
When it comes to M&A in shale, every layer matters

The expedients:
The value traps:
The augmentors:
The ingredients:

Look for strong engineering and assets
High-potential geology (tier-1) doesn’t guarantee success
The deal should help you extend an existing model or build new capabilities

Do oil and gas mix?

Would having a balanced or gas-heavy portfolio be an effective strategy Gas has changed

Does your target live at the right elevation?