



Oil & Gas M&A services

A holistic approach to transaction and consulting services

Why Deloitte?

As technical advancements, regulatory developments, and competitive forces continue to change the global landscape, energy companies must constantly evolve and seek new opportunities for growth to keep pace with the dynamic industry in which they operate. As a result, energy companies are looking to mergers and acquisitions (M&A) as a means to spur growth, create efficiencies, and strengthen their competitive position.

We advise both corporate and private equity buyers on M&A transactions across the entire life cycle, and we serve energy clients across all sectors, including oil and gas, power and utilities, renewable energy, and mining. Our approach is holistic and disciplined, focusing on significant risk issues and key value drivers.

An integrated professional services firm

We are positioned to serve our clients through the entire life cycle of a deal and have experienced teams backed by advisors who provide a full range of service capabilities. Deloitte is unique among professional service firms in that we combine practitioners from a broad range of specialties and offer integrated solutions—including accounting, audit, tax, consulting, valuation, and financial advisory services—to address the complex issues specific to your industry.

A commitment to energy-focused clients

Our professionals have extensive experience serving both private equity investors focusing on energy investments, as well as corporate clients considering strategic transactions. With many of our practitioners coming directly from the energy industry, we are well-versed in the unique challenges and opportunities our clients are facing. By leveraging this first-hand experience and industry perspective, we are better able to assist our clients with tackling their most critical business issues.

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Deeply experienced professionals

Deloitte's global network of more than 12,000 M&A professionals maintains a high level of involvement in client transactions, with more than 3,000 practitioners dedicated to the energy industry. Our professionals combine functional expertise with deep industry knowledge developed by working with leading energy companies through hundreds of M&A transactions. In addition, our collaborative culture helps us build and sustain enduring relationships with our clients by offering integrated solutions that can span multiple business disciplines.

We go beyond the deal

In today's competitive M&A environment, companies aren't just looking to grow, they're looking to innovate. Deloitte offers a range of specialty services specific to the energy industry, including market analysis and price forecasting, back office support services, reserves evaluation and estimation, and strategy and operations that can drive value and innovation across the entire M&A life cycle.

Deloitte's Energy & Resources practice works with leaders in the oil and gas industry¹:



Serves **97%** of the *Fortune* 500 oil and gas companies



Provides **81%** of the *Fortune* 500 oil and gas companies with Advisory services



Provides **86%** of the *Fortune* 500 oil and gas companies with Tax services



Provides **75%** of the *Fortune* 500 oil and gas companies with Consulting services



Serves over **65%** of the largest private equity firms in the United States, including 8 of the top 10



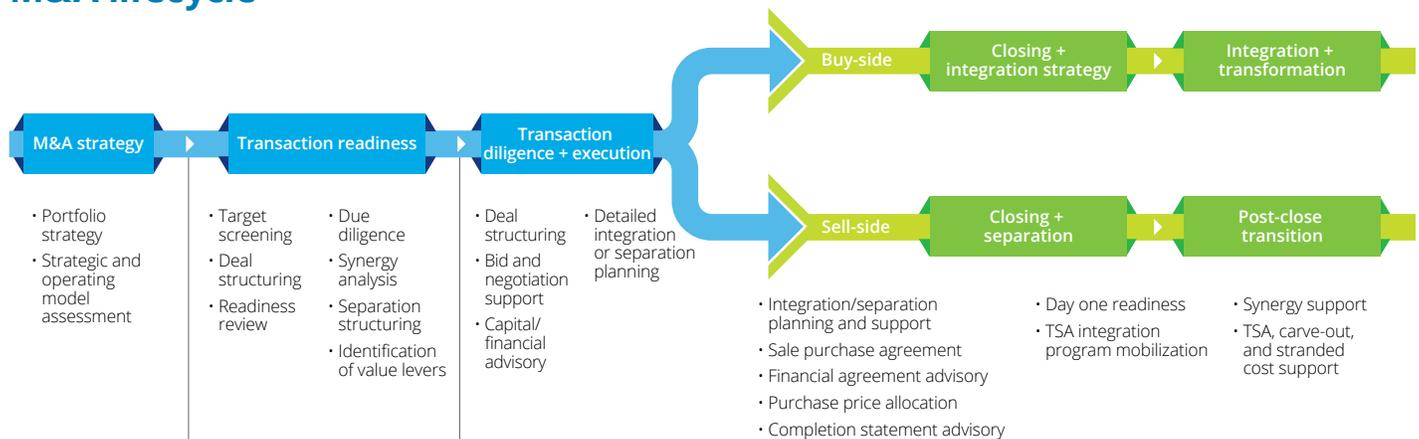
Has been involved in **half** of the **20 largest** private equity deals in history

1. *Fortune* statistics are from the 2016 *Fortune* report, covering 2015 data.

Deloitte's M&A services

Whether a transaction includes buying, selling, or partnering, our broad resources and multidisciplinary, integrated approach supports client needs across the entire M&A transaction lifecycle.

M&A lifecycle



M&A strategy and execution

Strategy

Clients need a growth strategy, before they can think about acquisitions. This includes identifying business unit and organizational objectives and determining whether those can be achieved through M&A. It means understanding market opportunities, aligning acquisition and corporate strategies, and building cultures and business models that drive them. As part of a larger M&A strategy, organizations should also develop their divestiture strategies.

Transaction readiness

It is critical that a client know as much as possible about its acquisition target or buyer. Preliminary due diligence occurs in the transaction readiness phase, which involves establishment of key evaluation criteria and facilitation of target or buyer selection.

Transaction diligence and execution

Performing valuations, conducting due diligence, assessing deal benefits, evaluating efficient tax structures, planning for integration/separation, and streamlining deal closing are all part of the transaction diligence and execution phase. Comprehensive financial accounting, tax, information technology, human resources, strategic, operational, and transactional due diligence processes help identify efficiencies and risks and may strengthen a client's negotiating position, resulting in more effective letters of intent, sale and purchase agreements, and transaction services agreements.

Closing integration/separation

Buy-side

Closing and integration strategy. The closing and integration strategy planning phase involves defining success and measurement criteria, building a communication strategy into the integration plan, integrating and retaining key personnel, building tactical plans for the first 100 days, and transitioning into the post-merger environment.

Integration and transformation. Post-day one is the start of the new organization and begins the work of implementing the combined organization structure and work processes.

Sell-side

Closing and separation. While divestiture activities can create a major strain on an organization's resources, the organization must maintain operational excellence between the time of the announcement and final execution of the divestiture. This task should not be underestimated. Meeting day one requirements and positioning for day two business processes is difficult while simultaneously operating in an environment of business as usual and separation.

Post-close transition. In most divestitures, the work does not end on day one. Day one is followed by a long separation process to fully transition operational and technology assets to the buyer. During this period, sellers provide services under transition service agreements (TSA), meeting agreed upon service levels, and removing inefficiencies (e.g., stranded costs) from their operations.

Oil & Gas

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Through the Center, Deloitte's Energy & Resources group leads the debate on critical topics on the minds of executives—from the impact of legislative and regulatory policy, to operational efficiency, to sustainable and profitable growth. We provide comprehensive solutions through a global network of specialists and thought leaders.

With locations in Houston and Washington, DC, the Center offers interaction through seminars, roundtables and other forms of engagement, where established and growing companies can come together to learn, discuss, and debate.

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