It’s time for Africa

Africa is on an upward curve. According to the World Bank, Africa could be on the brink of an economic takeoff, much like China was 30 years ago and India 20 years ago. This growth is underpinned by a longer-term process of economic and regulatory reform that has occurred across much of the continent since the end of the Cold War, a period during which inflation has been brought under control, foreign debt and budget deficits were reduced, state-owned enterprises privatized, regulatory and legal systems strengthened, and many African economies opened up to international trade and investment. Political stability in African countries is leading to a legal and tax environment that becomes more certain, but also more challenging for existing operations. Such challenges arise as governments react more quickly to adapt their tax environment to changing economic conditions.

Most African economies proved resilient through the global financial crisis, with the sub-Saharan region, for example, rebounding very strongly from a slight dip in 2009 to grow, according to International Monetary Fund (IMF) estimates, by more than 6% in 2012. The region is expected to grow by more than 7% in 2013, and by an average of almost 8% per year over the 2014-2018 period.

As an aggregate market, Africa is large: according to the IMF, in purchasing power parity terms, its GDP share of the world total was estimated at about 4% in 2012, which is almost equal to India and greater than Russia and Brazil. Business leaders are planning new developments and expanding existing ones, demonstrating why Africa’s share of new global foreign direct investments (FDI) projects has improved recently. Looking forward, capital investments are forecast to grow to US$150b in 2015 and create 350,000 jobs per annum. Although Africa currently attracts more than 5% of global FDI projects, we believe this does not reflect the increasing attractiveness of the African growth story. Africa is unusual in this respect. Although Africa’s proportion of global FDI has grown to some extent over the last decade, it does not grow at the same rate and highest returns on investment in the world.

2. International Monetary Fund, Global Economic Database, April 2013.
3. Oxford Economics research conducted on behalf of EY.
Political stability in African countries is leading to a legal and tax environment that becomes more certain, but also more challenging for existing operations. Challenges come from the increasing reaction speed of governments to adapt their tax environment to changing economic conditions.

Resources generally, and oil and gas specifically, have played an important role in the continent’s growth. Nineteen African countries are significant producers of oil and/or gas, and the revenues from higher prices and the investments that new discoveries are attracting have made a key contribution to growth. At the end of 2012, African oil and gas reserves were estimated to be more than 215 billion barrels of oil equivalent (boe). While the majority of proved reserves and production remains concentrated in six countries – Nigeria, Libya, Algeria, Angola (oil), South Sudan (oil) and Egypt (gas) – there have been significant new discoveries in Ghana, Tanzania, Mozambique, Kenya and Uganda, with strong prospects also seen in Sierra Leone and Mali. Most of these new discoveries are not yet counted as proved reserves. Nigeria, Algeria and Libya currently dominate reserves, and the three countries collectively account for more than 75% of the region’s total proved reserves.

So it is not surprising that investors are optimistic about the potential for growth in the African oil and gas sector. While Africa, as elsewhere, has risks, the rewards are commensurately high. In addition, oil and gas tax terms in certain African countries are considered as competitive on a worldwide basis. As the oil and gas tax regime is new for many African countries, EY tax professionals cooperate with tax authorities and governments, providing experience and advice on developing legislation.

African proved reserves of oil and gas (end-2012)

Source: BP Statistical Review of World Energy, BP plc, June 2013

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Our presence in Africa

At EY, we draw upon our global and local knowledge to help you retain the confidence of investors, manage your risk, strengthen your controls, grasp opportunities and achieve your potential. Our clients find that our single point of contact coordination model significantly enhances their ability to operate, particularly across multiple countries in Africa.

EY is highly integrated across Africa, which is very significant for our clients as we run our business by service line, sectors and functions, instead of by country, which means for you as a client:

- Consistent quality standards everywhere
- “Single point of contact” service
- The right EY resource irrespective of country location

We believe that these benefits significantly enhance our quality of service and speed of response.

EY Africa has a presence in 36 African countries and provides support in the remaining African continent. In addition, we can provide support from our London Africa desk and Paris African Center. Our network throughout the region helps demonstrate that we are responsive to the needs of our clients, stimulating trade and enhancing business relationships.
Our global organization

EY is one of the world’s leading professional services organizations, committed to doing its part in building a better working world with extensive knowledge and hands-on industry experience.

In a better working world, trust increases, capital flows smoothly and investors make informed decisions. A better working world also develops talent in all its forms and encourages collaboration. The insights and quality services that EY delivers help build trust and confidence in the world’s capital markets and economies.

Our professionals think globally and act locally on our clients’ behalf. Our firm has a strong account management philosophy, supported by leading-edge knowledge management and seamless technology. We accomplish this level of service through highly effective internal communication.

For many years, our firm has been at the forefront of providing leading advice to the oil and gas industry worldwide. EY ranks first among all firms in providing external audit services to public companies in the Fortune 1000. Our leadership and presence across the country and around the world provide our clients with readily accessible, highly experienced professionals anywhere they conduct business – today and tomorrow.

Fortune 1000 Big Four audit market share*

* By number of companies audited as of May 2013
Our dedication to oil and gas

EY’s Global Oil & Gas practice consists of a network of more than 9,600 professionals with extensive experience working in the oil and gas industry. Our professionals serve a wide range of companies – independent exploration and production companies, oilfield services companies, independent refiners, major integrated corporations and national oil companies.

Our Global Oil & Gas Centers, like the professionals in our Global Oil & Gas practice, are strategically located in areas that allow us to best serve the needs of the oil and gas industry. In addition to our Houston, London, Moscow and Bahrain Centers, we have Satellite Centers in Aberdeen, Beijing, Brisbane, Calgary, Cape Town, Johannesburg, Lagos, Perth, Rio de Janeiro, Singapore and Stavanger.

Our experienced and dedicated Global Oil & Gas Center resources:

- Anticipate market trends and identify the services that companies in the oil and gas industry need
- Execute the mobility of our global resources so that we provide the right people in the right places at the right time to serve our clients
- Develop and deliver oil and gas specific training to our professionals to provide the knowledge necessary to deliver high-quality services to our clients
- Develop points of view on relevant industry issues so that our clients stay informed about key developments and trends

Our deep industry focus helps EY make a difference. It allows us to help companies in the oil and gas industry meet their goals and compete more effectively.

EY has established a global network of more than 9,600 professionals supported by 15 Global Oil & Gas Centers.
The oil and gas industry is going through a period of fundamental change. The challenges of meeting growing global demand for energy against the backdrop of naturally declining production and reserves from existing fields are significant. In order to meet these challenges, the industry is moving into new areas with the growth of unconventional resources as a cost-effective, viable resource: ultra deepwater and the Arctic. With the International Energy Agency (IEA) forecasting approximately $20 trillion needing to be spent to meet future demand for oil and gas between now and 2035, the issues oil and gas companies are facing span the technical, commercial, financial and HSE aspects of their business.¹

We have identified below a number of key industry issues and highlighted some of the ways in which EY is assisting companies in meeting those challenges.

¹ World Energy Outlook 2012, IEA.
### Regulatory compliance

Recent years have seen both an increase in regulation and an increased focus on regulatory compliance. Companies have increased their efforts to ensure compliance with existing and new regulations, such as Sarbanes-Oxley (SOX) and the Foreign Corrupt Practices Act. Many companies also face increased environmental reporting requirements and managing the transition to International Financial Reporting Standards in certain geographies. The pace of change in this area is likely to accelerate with Dodd-Frank, the UK Bribery Act, potential new deepwater drilling regulations and increasingly stringent environmental regulation and reporting all set to add to the workload of the compliance functions, finance departments and the broader organization.

**How is EY assisting?**

- Completing statutory audits
- Completing sustainability audit assurance
- Completing compliance risk assessments
- Identifying and implementing improvements to the controls framework
- Identifying and implementing controls and compliance monitoring tools and processes
- Advising and preparing statutory and tax reporting
- Supporting internal audit functions
- Providing SOX/JSOX guidance and documentation resources

### Counterparty risk

Historically, oil and gas companies have entered into joint ventures on large projects to share capital, technology, expertise and risk. The attention on joint ventures and contracting partners has been put into focus by recent events and can expose companies to considerable financial and reputational risk. There needs to be absolute clarity within these contracts regarding responsibilities, decision-making and potential legal liabilities. In addition to this contractual clarity, there will be an increased emphasis on venture partner and contractor financial strength and their ability to withstand the potential financial pressures that result from a major incident.

**How is EY assisting?**

- Completing valuations, financial due diligence and modeling
- Completing joint venture audits and assurance
- Reviewing and improving enterprise-wide governance, risk and compliance with advice and resources
- Supporting internal audit functions with expertise and resources in key areas and geographies
- Providing capital and debt advice

### Cost management

Oil and gas companies have seen significant increases in drilling, service, production and operating costs over the past decade. Economic volatility has put the spotlight directly on cost management as an area of competitive advantage. The increasing levels of upstream capital expenditure that are being seen across the industry are a further incentive for leading organizations to optimize their costs and working capital.

**How is EY assisting?**

- Optimizing working capital and management processes
- Optimizing supply chain processes from both a tax and operational perspective
- Standardizing complex processes and implementing shared services
- Rationalizing procurement processes and optimizing spend
- Implementing driver-based planning and making organizations focus on the key performance metrics that drive the business

### Managing capital projects

With the industry experiencing a period of major capital investment, the number of mega-projects with multibillion-dollar budgets has increased dramatically in recent years. The budgets have become so large and the technical, construction business and procurement processes so complex that the difference between average project management and leading project management processes can often equate to billions of dollars.

**How is EY assisting?**

- Reviewing and challenging business case assumptions and approaches
- Developing and standardizing capital project management processes
- Providing advice on tax and legal entity structuring
- Providing delivery assurance reviews during critical phases of the project to provide management with an independent view of cost/time performance
- Completing contract and procurement compliance reviews
<table>
<thead>
<tr>
<th>Industry issues</th>
<th>How is EY assisting?</th>
</tr>
</thead>
</table>
| **Access to reserves**  
The vast majority of the world’s oil and gas resources are located in countries that often restrict access for independent companies. Even in more “open” economies, access to resources can be limited by environmental or political restrictions. As a result, exploration and production activities are moving into increasingly remote and risky locations. Larger, more technically challenging and capital intensive projects are leading to more joint ventures, which are necessary to help companies share the associated risks, technology and capital. Unconventional resources (such as oil sands, shale gas and coal bed methane) are becoming an important part of oil and gas companies’ portfolios as technology makes them cost-effective and the need for energy makes them an important part of the supply mix. |  
+ Reviewing and assessing business cases  
+ Completing or assuring valuations and data modeling  
+ Providing new country entry service, including legal entity and tax structuring |
| **Portfolio management**  
The industry is in a period of transition; many factors are combining to drive high transaction levels across the industry, thereby driving portfolio rationalization. There are significant opportunities to acquire downstream assets in many Organization for Economic Cooperation and Development markets, as we see a migration of capital from the downstream to the upstream. The large number of megaprojects in the upstream also has created a record number of major new joint ventures. In addition, the shale gas boom in the US has created opportunities that have attracted the attention of the majors and driven consolidation in this sector. Combining these issues with a fast-changing regulatory, tax and economic environment means that developing and implementing strategic investment and divestment plans has never been more complex. |  
+ Providing financial and operational carve-out services  
+ Providing valuation services  
+ Providing buy- and sell-side due diligence  
+ Providing postmerger integration services  
+ Providing buy- and sell-side tax advice |
| **IT security**  
IT security has increasingly become an issue for oil and gas companies. Disruption to operations caused by cyber attacks on company systems may compromise safety and operational and financial performance. Competitive companies are realizing that they cannot effectively manage risk in a global environment if they ignore the threat of cyber theft. |  
+ Assessing IT audits and security  
+ Supporting clients to assess and improve risk-related IT processes  
+ Developing and implementing customized IT risk management frameworks and processes  
+ Developing IT strategy and architecture  
+ Advising on IT sourcing strategy and processes |
| **Human capital deficit**  
With new reserves becoming harder to find, the industry is moving to new frontiers and with the growth in unconventional plays, the demand for experienced engineers and geologists is increasing. Despite fewer young engineers and geologists entering the industry, and with an aging workforce, there is a premium on industry experience and the battle for talent will continue to intensify over the next few years. The problem is exacerbated by the increasing prevalence of national content laws, which may prevent areas with skills shortfalls. |  
+ Providing expatriate tax and payroll services  
+ Advising on global mobility policies and processes  
+ Advising on remuneration and reward strategies  
+ Providing business process design and standardization  
+ Providing shared service design, implementation and optimization |
Assurance services

**External audit**

EY's global audit methodology takes a risk-based approach that focuses on the drivers of the business, the associated risks and their potential effects on financial statements.

The depth and strength of our professionals and oil and gas practice worldwide allow us to bring to our audit clients insights and experience from our entire organization. Our external audit clients benefit from our network of professionals that have subject matter experience on the wide variety of accounting and regulatory issues that companies in the oil and gas industry face.

When technical issues arise, EY promotes a culture of collaboration between our clients and our local offices. We believe that understanding the culture and industry in a geographic region is beneficial to the client and that close proximity to advisory resources accelerates open communication and leads to rapid issue resolution.

We invest in knowledge and communication networks that give our audit teams access to up-to-the-minute information and the tools to execute efficient, insightful audits. EY has established a detailed system of policies and controls, along with comprehensive independence standards, that enable our audit professionals to deliver a high-quality audit in which you can have confidence.

**Climate change and corporate responsibility**

EY also provides assurance services related to climate change and corporate responsibility. We have developed an approach that seeks to review and test the processes that underpin the management of social, ethical and environmental issues, allowing us to challenge whether the report reflects what is actually in place. We currently provide independent assurance over non-financial reporting for several major oil and gas companies. We can also provide sustainability assurance readiness assessments and assurance reporting on sustainability.

**Other assurance services**

In addition to external audit services, we offer other assurance-related services applicable to companies in the oil and gas industry, such as statutory audits, Sarbanes-Oxley compliance, assessment of procedures and controls relating to privacy and confidentiality, performance measurements, systems reliability, information security and outsourced process controls.

Our teams examine processes and outcomes of non-financial risk assessments to confirm whether non-financial risks appropriate to the business have been identified and whether adequate controls have been established to mitigate these risks. We review internal monitoring and reporting mechanisms to test the adequacy of management information and internal reporting. We work to understand existing internal oversight for key non-financial issues, highlighting strengths and identifying potential areas for improvement.

**Financial Accounting Advisory Services (FAAS)**

We can provide assistance on many of your current critical issues, including IFRS conversion support, implementation of new accounting standards, accounting experience during financial due diligence, accounting control or process support and assistance with public offerings. For those companies that are increasing M&A activity or undertaking financial transformations or similar projects, our knowledge of how these accounting changes will impact those decisions has proven extremely valuable. This intersection of accounting acumen and business advice is where FAAS can add true value to your organization.

**Fraud Investigation and Dispute Services (FIDS)**

Our Fraud Investigation and Dispute Services professionals can help you address the challenges and risks of doing business in today’s legal and regulatory environment. The oil and gas industry’s operating and contracting model necessitates numerous third party relationships with suppliers, services companies, distributors and joint venture partners which presents some unique legal and regulatory challenges.

With a history of intense scrutiny and recent calls for increasing transparency of information in operations, materials sourcing and payments, companies in the oil and gas industry require assistance now more than ever to successfully navigate the legal and regulatory landscape.
EY can provide this assistance, whether it be in relation to a dispute with a business partner, regulatory enquiry, internal investigation or even assessing the background of a prospective business partner or the legacy bribery and corruption risks of a proposed acquisition.

We can help you manage risks in your supply and distribution chains, trace and document the source of conflict minerals, quantify the value of payments to foreign governments and improve your operations to help prevent fraud and abuse. And our global network of FIDS professionals means we can quickly respond to your requirements with a team that includes oil and gas professionals in the relevant geography who understand your company, the industry and challenges of the local environment.

### Fortune 250

**Oil and gas companies audit market share**

*By number of companies audited by the Big Four as of May 2013.*

<table>
<thead>
<tr>
<th>Firm</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EY</td>
<td>32%</td>
</tr>
<tr>
<td>PwC</td>
<td>28%</td>
</tr>
<tr>
<td>KPMG</td>
<td>20%</td>
</tr>
<tr>
<td>Deloitte</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Oil and gas audit clients

- Apache Corporation
- Marubeni Corporation
- BG Group
- McMoRan Exploration
- BP p.l.c.
- National Oilwell Varco, Inc.
- Cal Dive International
- Neste Oil Oyj
- Calumet Specialty Products Partners
- Oceaneering International
- Cameron International
- Oil States International
- CEPSA
- OMV AG
- Cheniere Energy
- Petrofac Ltd.
- Cobalt Energy
- PetroQuest Energy
- Comstock Resources
- Phillips 66
- ConocoPhillips
- Pioneer Natural Resources
- Credo Petroleum
- Qatar Petroleum
- Dana Gas Co.
- Range Resources
- Delek Group Limited
- Rosneft
- ENI S.p.A.
- Santos
- EP Energy
- Stone Energy
- EQT
- Swift Energy
- Forest Oil
- Talisman Energy
- Goodrich Petroleum
- Technip S.A.
- Helix Energy Solutions
- Tesoro Corporation
- Helmerich & Payne
- TETRA Technologies
- Hercules Offshore
- Total S.A.
- Hess Corporation
- Transocean Ltd.
- HollyFrontier Corporation
- Ultra Petroleum
- JX Holdings, Inc.
- W&T Offshore
- Koc Holding AS
- Williams Companies
- Koch Industries
- Woodside Petroleum
Tax services

We are renowned for our insightful advice and the depth of our industry experience across the globe. We have extensive experience serving major oil and gas companies, large national oil companies and companies of all sizes, including new start-up players that have thrived by utilizing our deep experience.

Tax compliance

For tax compliance, our professionals can assist companies in the oil and gas industry with corporate income tax, royalty, production taxes, property taxes, compliance, statutory reporting, tax accounting calculations, expatriate tax return processing and indirect tax reporting.

Compliance and reporting make huge demands on tax and finance functions. We understand that what you need is access, visibility and control. Our market-leading approach combines extensive local compliance and accounting experience, with a standard global compliance process and web-based tools. You can access the resources of our dedicated compliance and reporting professionals in one country or globally with a single point of contact.

Tax advisory

Our tax advisory professionals can assist companies with transaction planning, enterprise risk management activities and alignment of their tax planning strategies with their business operations. Our corporate and international tax professionals help clients structure transactions tax-effectively, manage the tax burden and improve sustainable growth.

Our tax advisory services help companies in the oil and gas industry address issues such as the tax impacts associated with alternative energy, manage international assignments for key employees and understand the tax considerations involved with expanding operations into new countries.

Transaction advisory services

Our global network of experienced transaction advisory professionals work with many of the world’s leading oil and gas companies, fast-growing companies and private equity firms on many highly complex cross-border deals in the global market. Our focus is on helping companies improve their growth, profitability and competitiveness, and our global reach means that wherever a company operates in the world, we can help achieve the value that investors expect.

We have broad financial, commercial, tax and accounting knowledge tailored for the oil and gas industry. We continually challenge ourselves to develop services that are highly relevant to our clients, given the evolving regulatory and industry requirements.

We provide a broad range of transaction services for corporate development advisory (valuation and strategic finance), transaction management (advisory, transaction support, transaction tax services and post-deal recommendations) and capital management (corporate restructuring and capital markets).

Our key areas of focus for companies in the oil and gas industry include:

- **Corporate development advisory** – company, portfolio and asset evaluations, and review of internal decision support models
- **Transaction management** – advising on acquisition or disposals, evaluating joint ventures and alliances, buy-side and sell-side due diligence, tax structuring advice and carve-out accounting
- **Capital management** – evaluating working capital needs, identifying cash flow improvements and debt and equity raising
- **Integration advisory** – determining and analyzing post-acquisition integration and, in some cases, portfolio realignment
Advisory services

EY’s Advisory services for companies in the oil and gas industry are focused on performance improvement and risk management.

**Performance improvement**

**Finance**

Our finance professionals help oil and gas companies identify and actively monitor the key drivers of business performance. They assess and improve the overall financial and management reporting to provide client leadership teams with the information they need to direct the business in the most cost-effective manner. Because of the global nature of the oil and gas industry, our team also possesses key insights into the most recent advancements in providing shared support services, and they work with clients to bring about further improvements to their shared services organizations.

Because of the capital intensity of the oil and gas industry, our team also possesses specific experience across the value chain of major capital projects. Our seasoned professionals help assess and improve the work processes as well as identify key risks in ensuring that major capital projects are completed on time and on budget, and meet their intended design parameters.

**Customer**

Our customer professionals tend to be focused on the downstream segment of the oil and gas industry, where they help companies define, identify and manage their most valuable customers. They work with clients to build and deploy robust operating models to efficiently capture market share in competitive markets.

**Supply chain and operations**

Our supply chain and operations professionals provide insights into supply chain improvements by addressing critical areas for oil and gas companies, such as procurement, logistics, engineering, field operations, manufacturing and distribution. This team focuses on helping clients run their end-to-end supply chains and operations effectively and efficiently in order to improve cash flow and profitability.

**Information technology advisory and risk**

Our information technology professionals are skilled at enabling key business and operations improvements through the effective deployment of information technology. We help IT measure, enable and improve IT effectiveness to increase the overall return on investment. These services include demand management, application and infrastructure optimization and consolidation and solution architecture, and IT security services.

**Risk**

**Program management**

An organization’s ability to recognize, prepare for and manage business risks will impact its performance and progress. Effective risk management isn’t just about protecting a business – it’s also about making it better. We do this by helping companies in the oil and gas industry understand their business risks and develop plans to accept, manage or capitalize on them.

Our risk management services are focused on assessments (assessing risk potential and processes), improvement (designing and assisting with implementation of improvements to achieve business objectives) and monitoring (evaluating whether processes, initiatives and functions are operating as expected). Our team also effectively works with oil and gas clients to design and carry out effective internal audit programs.

**People and organizational change**

Our people and organization professionals are skilled at designing and supporting the execution of key change management approaches in order to support oil and gas client leadership teams in carrying out major initiatives. Our team members draw upon their knowledge of market-leading practices to help clients across all areas of human resource management, including employee performance, talent management, succession planning and organizational design.

**Strategic direction**

Our strategic direction professionals understand business operations and use their knowledge of operational requirements to support clients in defining and developing their strategic vision. They focus on translating corporate strategy into operational strategy, for either the client’s entire organization or certain functions within it.
Our commitment to the industry

Forums and events
Solving tough problems requires dialogue on the issues. The vision of our Global Oil & Gas Centers is to convene industry executives with the seasoned professionals of EY to discuss issues vital to your future success. We do this by hosting a number of highly regarded proprietary seminars and roundtables around the world on hot topics, such as International Financial Reporting Standards (IFRS), climate change and regional regulations.

We also participate in many industry events to support the mission of dialogue, such as the World Gas Congress, World Petroleum Congress, World National Oil Company (NOC) Congress, Offshore North Sea/Europe (ONS), Oil & Gas Africa Week, Rio Oil & Gas, International Petroleum (IP) Week, Independent Petroleum Association of America (IPAA) Oil & Gas Investment Symposium (OGIS), and Gulf Publishing’s Women’s Global Leadership in Energy and Technology Conference.

Training and webcasts
With information, regulations and trends moving at a staggering pace, ensuring that you are armed with the most current information and perspectives is a difficult challenge. In support of the flow of information, the EY Global Oil & Gas Centers are committed to providing technical training and webcasts to help you navigate the issues of the day. Find our latest webcasts by visiting ey.com/webcasts.

EY Entrepreneur Of The Year®
Our time-honored event, the EY Entrepreneur Of The Year awards program, has celebrated outstanding new market entrants for more than 25 years. It makes a difference through the unique way it recognizes the contribution of people who inspire others with their vision, leadership and achievement.

Connect with us
EY Client Portal® is our password-protected website. It delivers news, insights, references, collaborative workspaces and business, tax, accounting and auditing information. With relevant knowledge resources and online business tools, it is designed to help you work more efficiently.

Staying connected is important to keep up with industry trends and issues. Visit our Global Oil & Gas home page at ey.com/oilandgas for the latest updates on oil and gas thought leadership and sponsored events. You can also sign up for industry email alerts on ey.com. Our social media channels will also help you to stay up to date on our reports, surveys and more. Join us for discussions on LinkedIn® under the group name EY Global Oil & Gas Center and on Twitter @EY_OilGas.

Experience matters. Our deep industry focus helps companies in the oil and gas industry face today’s challenges and compete more effectively. The EY Global Oil & Gas Centers are committed to sharing our knowledge through various mediums with industry leaders of today and tomorrow.
Tap into our industry insights

Through our Global Oil & Gas Centers, we foster dialogue among industry stakeholders to identify insights that impact your business and proactively react to rapidly changing markets. Our thought leadership is designed to help you successfully address the complexities of today's global oil and gas business. See a selection of our recurring and topical publications below. To view all our publications and client alerts, visit ey.com/oilandgas.

Recurrent thought leadership

Business Pulse: Oil and Gas risks and opportunities report
The report addresses the top 10 risks most likely to affect the oil and gas companies each year and the shape of the industry in the future. An understanding of how to respond to these challenges is essential for oil and gas companies as well as the opportunities they present.

Global oil and gas reserves study
The Global oil and gas reserves study is a compilation and analysis of certain oil and gas reserve disclosure information as reported by publicly traded companies. The report presents the worldwide exploration and production results for 75 companies for the five-year period and provides information by region for the 75 companies.

Global oil and gas tax guide
The Global oil and gas tax guide summarizes the oil and gas corporate tax regimes in 70 countries and provides a directory of oil and gas tax contacts.

Global oil and gas transactions review
Each year, we review the global oil and gas transactions from the prior year. In this report, we look at some of the main trends in oil and gas merger and acquisition activity in the last 12 months and consider the outlook for deal activity across the sector.

Good Petroleum
To assist clients with the IFRS disclosure requirements in the oil and gas industry, EY produces model financial statements titled Good Petroleum, which are updated annually.

Oil and Gas Global Capital Confidence Barometer
Our biannual survey of oil and gas executives conducted by the Economist Intelligence Unit gauges corporate confidence in the economic outlook, and identifies boardroom trends and practices in the way companies manage their capital agenda.

Oil and Gas Eye
Oil and Gas Eye is the first tracking index within AIM that monitors the health of the oil and gas subcomponent of the AIM market on a quarterly basis.

Topical thought leadership

Global LNG: Will new demand and new supply mean new pricing?
LNG demand growth is front-loaded, but in the wake of a capacity surge over the last few years, capacity growth is now back-loaded. We are seeing a post-Fukushima squeeze, as well as a slowdown in near-term capacity additions, pointing to relatively tight markets over the next few years.

Rolling with the unconventional revolution
We are witnessing a fundamental change in crude logistics. In this publication, we examine the resulting supply/demand imbalances and logistical bottlenecks that point to a need for better long-term pipeline solutions and a more efficient pipeline network. We also highlight opportunities for oil producers and refiners to take advantage of these imbalances and bottlenecks by using rail transportation.

Natural gas in Africa: The frontiers of the Golden Age
Africa is currently a small but growing part of the global gas picture. With the huge recent discoveries in offshore East Africa, the future of African gas is expected to shift eastward. Development of Africa's unconventional gas resources — largely in North Africa and South Africa — could substantially add to the potential new supply.

Arctic oil and gas
The region above the Arctic Circle accounts for only about 6% of the Earth's surface area, but it could account for as much as 20% of the world's undiscovered but recoverable oil and natural gas resources. This paper highlights the challenges to Arctic resource recovery, risks to plan and prepare for, as well as a summary of comparative assessments.

Cash in the barrel
This report features a working capital benchmark analysis of some of the leading oil and gas industry players, by sector. Through the identification of key working capital trends within oil and gas, this report provides insights into how companies can improve their performance in this area.
## EY Africa contacts

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