

Gaffney  
Cline

Russia Expertise



## About GaffneyCline

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GaffneyCline is a global consultancy that has been offering technical, commercial, and strategic advice to the oil and gas sector since 1962. GaffneyCline's reputation demonstrates that its advice, along with its insight, is high-quality, impartial, technically based, and commercially astute. GaffneyCline is often referred to as one of the leading Reserves consultants within the industry, but in reality, GaffneyCline offers a full range of upstream, midstream and downstream technical and commercial consultancy services. These range from seismic interpretation, static and dynamic reservoir modelling, field development planning, field engineering, gas monetisation, LNG/GTL, expert witness, mergers and acquisition, economics and project finance. GaffneyCline operates worldwide from three main offices in London, Houston and Singapore, and from regional offices located in Buenos Aires, Sydney and Moscow.

## GaffneyCline Russia Experience

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GaffneyCline has been working with leading organizations in Russia and Caspian region countries since 1993, serving a wide range of local and international clients, from oil and gas companies to banks and international financial organizations. The geographical coverage of GaffneyCline projects includes all major oil and gas basins across Russia, from mature Caspian to frontier North Sakhalin. The scope of these projects has been very diverse, including field development planning and implementation, asset acquisition, refinery and gas processing plant audits, government strategy, dispute assistance and a wide range of oil and gas Reserves and Resource audits and evaluations.

Brief summaries of a limited selection of these projects are provided below.

# Our Experience

## Technical Due Diligence: Western Siberia

GaffneyCline executed the technical due diligence of a tight oil field in Nazym area, Western Siberia for a Middle Eastern Oil Company. GaffneyCline evaluated the subsurface technical risks and strategic assumptions in the valuation. Correlative benchmarking of project costs against similar developments in the area was a key part of the due diligence.

## Acquisition Due Diligence: Eastern Siberia

GaffneyCline undertook the technical due diligence of a large Eastern Siberian oil asset as part of an acquisition by a large Asian Operator. The work involved a detailed audit of the development plan and production profiles, the generation of an independent view on the purchase and recommendations to the buyer.

## Corporate Acquisition Due Diligence: Eastern Siberia

GaffneyCline acted as a Technical Consultant in support of a potential acquisition of an interest in an independent Russian oil company holding oil and gas assets. GaffneyCline attended a data room and led the evaluation of all subsurface data. The work included an audit of the geoscience, petroleum engineering and commercial aspects of the project to derive resource estimates and NPVs.

## Technical Advisor: Two Significant Portfolio Sales

GaffneyCline audited the development and production plans of two major asset portfolios in the preparation of materials for a corporate acquisition. The assurance involved the identification of upside potential and the evaluation of risk for the purchaser and included considerable direct field work in support of the sale process.

## Major Gas Field Review, Northern Russia

On behalf of a major Russian bank and as part of a Lending Document preparation, GaffneyCline has performed a detailed review of a major gas field at a very early stage of development, located in Northern Russia. The review has been done in a close collaboration with the operational and management teams of the field operator. The work included, amongst others, a detailed analysis of critical points of the field development: drilling schedule, equipment and all the drilling related contractors' capabilities.

## Reserves, Technical and Commercial Advisor: Sakhalin

Since 1999 GaffneyCline has been providing technical and commercial advice to the Group of LNG buyers and Lenders to the Sakhalin-II project. The project involved the development of three large oil and gas condensate fields located offshore Sakhalin Island and construction of pipelines, an LNG plant and associated export facilities.

## LNG Joint Venture: Russian Arctic

GaffneyCline conducted an independent audit of the resource volumes in a large gas-condensate field located in the Russian Arctic. GaffneyCline also conducted an economic evaluation of participation in the development and LNG project.

### GaffneyCline Projects in Russia



# Our Experience

## Competent Person's Report for Successful AIM Listing

GaffneyCline prepared a Competent Person's Report (CPR) on assets in Timan-Pechora and Volga-Urals basins as part of a successful Initial Public Offering (IPO) on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE).

## EOR Evaluation: Fractured Carbonate Field

GaffneyCline was engaged to assess a range of optimal enhanced oil recovery (EOR) techniques for the Usinskoye heavy oil field in Komi region of Russia using a multivariate simulation approach. The objective was to enhance oil production and to reduce development costs in a complex and challenging subsurface reservoir. A pilot program focussed on fracture characterisation, volumetric sweep, 3-phase saturations, target oil production and injection rates.

## Development Review: Tight Oil Field, Western Siberia

GaffneyCline conducted a comprehensive engineering and geological study of the Vinogradova tight oil field in Western Siberia. The project objectives were to optimise appraisal risks and early development programmes to reduce CAPEX and improve well performance.

## Unconventional Reservoir Development: Western Siberia

GaffneyCline performed an integrated assessment of the technical and commercial development potential of the Upper Jurassic Bazhenov shale. This included geomechanical modelling and designing the optimum completion technique for horizontal wells in the pilot study area.

## Opportunity Profiling and Strategic Advice: Russian Acquisitions

GaffneyCline conducted a profiling of acquisition opportunities in Russia. A range of indicators were developed which allowed the client to consider all strategic options, to define critical corporate value drivers, and identify the optimal suite of assets for potential acquisition.

## Improved Productivity Assessment: Oil Field, Russian Arctic

GaffneyCline was requested to complete an independent audit of an Engineering, Procurement and Construction (EPC) contract and its progress at the start of a crucial winter construction season for an undeveloped oil field in the Russian Arctic. GaffneyCline identified a number of critical issues (staffing, project planning software, critical path analysis, and project management processes) and generated potential solutions which the JV management was able to raise with the Contractor to ensure the project aligned with the original schedule.

## Environmental and Business Review of Corporate Technical Capability

On behalf of the European Bank of Reconstruction and Development (EBRD) who were considering issuing a loan to a Russian service company, GaffneyCline carried out a review of the company's technical capabilities and plans to expand into new service areas. The work included an audit of the company's environmental practices and business plans.

## PRMS Reserves and Resources Evaluation: Western Siberia

GaffneyCline conducted an audit of the oil and gas Reserves and Contingent Resources for a Western Siberian portfolio. This involved a review of newly constructed static and dynamic reservoir models. A series of workshops helped mentor the Client through SPE-PRMS compliant methodology for resource classification.

## Mature Oil Field Re-Development: Western Siberia

GaffneyCline was commissioned to design a re-development plan for the Yuzhno-Yagunskoye field in Western Siberia with the objective of identifying bypassed oil, improving efficiency and well planning. The work included building a new reservoir model, estimating reserves and providing recommendations on the field development.

## Field Development Peer Review

On behalf of a large Russian bank, GaffneyCline undertook a peer review of a field development project for several gas condensate fields located in the Volga-Urals Basin in order to support a loan to a small independent operator. The operator planned to expand production that involved doubling of a gas processing plant capacity and building of a 250 km long pipeline. GaffneyCline conducted a peer review of the field development report including reservoir characterization, static and dynamic models, in-place volumes, reservoir engineering, production profiles, facilities, CAPEX and OPEX profiles, project schedule, key project uncertainties and risks.

### GaffneyCline Russian Projects

Job Category	Number of Jobs
Block/Asset Review	34
Reserves	22
Arbitration/Expert Opinion	10
Field Development Studies	8
Gas Utilization	7
Other	10
<b>Total</b>	<b>91</b>



For more information about GaffneyCline's integrated services, please contact your regional GaffneyCline office.

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