

## FPSO End Of Life Options Review | 2014

### North Sea production Company Ltd

Customers: David Cannon, Managing Director, Derek Rowe, Director

**Dundas scope:** Option Evaluation, Cost Estimation, Market Analysis

#### PROJECT DESCRIPTION

Following 18 years in service of the MacCulloch field, operated by ConocoPhillips, the FPSO services agreement with the North Sea Producer owners was terminated under the appropriate clauses in the contract at fairly short notice. The owners of the FPSO asset needed a high quality review of their options to be carried out quickly. Dundas was selected to support the senior management team to prepare recommendations for the Board of Directors.



*Testimonial: "I can confirm, on behalf of the North Sea Production Company Limited that your company carried out extensive exercises to assess the viability for re-deployment of the asset including scrap, stacking, upgrade, and straight sale. The exercise was global in nature, extremely intensive and very detailed. The work you carried and resultant report was of the highest calibre, it satisfied every question we put to you and provided sufficient information for us to make informed decisions, it was an excellent piece of work. I would not hesitate to recommend your company to any Client, if any of same wish to make direct contact with me I will be happy to do so. Kind regards Derek Rowe Director NSPCL"*



#### DUNDAS ROLE

Dundas was asked to prepare a quantitative and qualitative review of the options available for the North Sea Producer;

- Warm stack
- Cold stack
- Refurbish and redeploy
- Sell
- Scrap

Dundas mobilised a multi-discipline team and was able to make a fully justified recommendation to the shareholders and board of directors within two months. The scope included the following

- Bottom-up detailed estimate of the OPEX associated with warm stack and cold stack options
- Indicative estimate of refurbish costs from analogue projects
- Market survey of opportunities to sell or redeploy from public domain sources and private industry contacts and networking
- Estimate of scrap value net of shipping costs for a range of options – Europe, Indian Sub-Continent and China
- Brokering discussions with potential purchasers and their due diligence engineering contractor
- Formal reporting and presentation to senior management
- Decision analysis