

infrastructure sharing: case study

offshore NW Australia

situation

NW Australia has a number of stranded gas accumulations which are unable to support the expense of a dedicated pipeline and terminal independently. The Australian Federal Government were keen to collaborate with the public sector to explore shared infrastructure to exploit stranded reserves.

value driver

Explore innovative project finance models for a common infrastructure to achieve collective realisation of all stranded accumulations.

result

io proposed a preliminary common infrastructure framework and finance model, preparing the ground work for the further study of joint industry techno- economic.



challenge

Most major NW Australia offshore oil and gas developments have their own dedicated production infrastructure (e.g. pipelines, processing and export terminals). Unlike other more mature basins, such as GoM and UKCS, collaboration between operators to share infrastructure is very limited. The challenge required a development framework for 3rd party infrastructure development in order to realise the benefits and flexibility of pay-as-you-use shared infrastructure to effectively monetise the stranded resource base.



io approach

- ✓ to utilise our “Consortium Model” and “Project Finance” toolkits with SMEs in “commercial structuring” and “gas infrastructure delivery” to perform high level screening of offshore basins for candidates marginal stranded fields.



actions taken

- ✓ reviewed infrastructure requirements, pipeline routes, infrastructure hubs and potential P/L options
- ✓ governmental and public stakeholder engagement & consensus building – JIP framework proposal
- ✓ provided a shared infrastructure framework include economic basis for cost sharing
- ✓ proved the economic viability of ‘stranded’ assets using shared infrastructure
- ✓ proved a robust business case for the 3rd party owned production infrastructure
- ✓ provided a contractual outline and operating model for an “infrastructure owner”, commercial entity
- ✓ developed a preliminary economic and financial model for the “infrastructure owner”

infrastructure sharing capability

io provides a unique integrated technical and commercial approach

We act as a trusted advisor and collaborative catalyst to generate solutions using our unique integrated technical and commercial approach.

Why not get in touch to find out more about how the io way can add value to your business by delivering greater certainty and higher decision quality.

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holistic technical support

- ✓ full field development conceptual evaluation and modelling
- ✓ generation of potential shared infrastructure schemes
- ✓ cost estimation and scheduling

economic and financial support

- ✓ full field economic modelling (i.e. comparison of stand alone vs shared)
- ✓ shared infrastructure economic modelling and optimisation

commercial and regulatory support

- ✓ trusted 3rd party to discuss and review potential solutions with licence holders
- ✓ development of financial model for potential infrastructure solutions
- ✓ optimise solutions and develop business case
- ✓ develop a contractor consortium with finance in order to build-own-operate infrastructure
- ✓ discuss and liaise with appropriate regulatory bodies

risk and uncertainty evaluation support

- ✓ systems thinking approach and decision quality (DQ) framework
- ✓ quick and insightful traffic light type risk register format
- ✓ bespoke risk evaluation tools: sensitivity analysis, Monte Carlo simulation and Real Option Analysis