

BACKGROUND INFORMATION

Ascend Energy Solutions offers solutions to operators and investors who need assistance with technical due diligence, commercial review, and asset valuation during the acquisition process. Our team provides expertise in multiple facets of the acquisition process and acts as an extension of the acquisition team to help add value and reduce risk for the project.



ABOUT THE CLIENT

Our client is a midstream infrastructure company with crude oil and carbon dioxide pipeline and storage assets. Their experienced management team has a proven track record in the execution of creative midstream solutions to benefit their customers.

THEIR CHALLENGE

Our client was investigating the acquisition of a crude oil transmission pipeline with associated storage terminals and pumping facilities. Due to the scale of the target system and the requirement for a quick transaction close, they needed experienced pipeline operators to assist in performing the technical due diligence and provide an independent opinion on the valuation.

They chose the Ascend team to support the project due to our expertise in constructing and operating regulated oil and gas pipelines and our experience with evaluating assets. Our team has provided due diligence for over \$10 billion in energy facility and pipeline assets for both clients and internal acquisition.



Crude Pipeline Acquisition Due Diligence

OUR SOLUTION

Because our team of consultants are all experienced operators of regulated pipeline assets, we approached the project with a focus on the key risks for the potential owners and investors. In preparation for the review we provided the client with a comprehensive list of documents and data that would be required from the seller for a thorough review. We then performed an initial review of the data provided to assess technical aspects such as design specifications and operations and maintenance history, as well as commercial and financial information such as contracts, capital and expense budgets, and the project pro forma.

The data review was also used to generate follow up questions for the site visit. During the site visit, it is critical to be able to communicate with operations, maintenance, and management personnel at a detailed level to determine where there might be underlying issues. Our team's operational experience allowed us to drill down and identify, assess, and quantify potential risks and we worked with our client to provide recommendations to mitigate them.



The product of the due diligence study was a comprehensive report addressing the technical, commercial, and financial aspects of the acquisition. Since the client's team included individuals with backgrounds that varied from engineers to bankers, the report was written with enough detail to be technically thorough, but also included sufficient explanation to be useful for a wider audience.

RESULTS

Ascend's methodology for performing due diligence, combined with the operational experience of our team, allowed our client to properly quantify the risks in the acquisition and effectively price their offering. This resulted in a significant cost reduction and allowed their investors to feel confident in the transaction. The comprehensive evaluation and fast turnaround met our client's goals and resulted in a successful acquisition of the assets. The success of this project has also led them to select the Ascend team for several additional evaluations.

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FEATURED PROJECT

