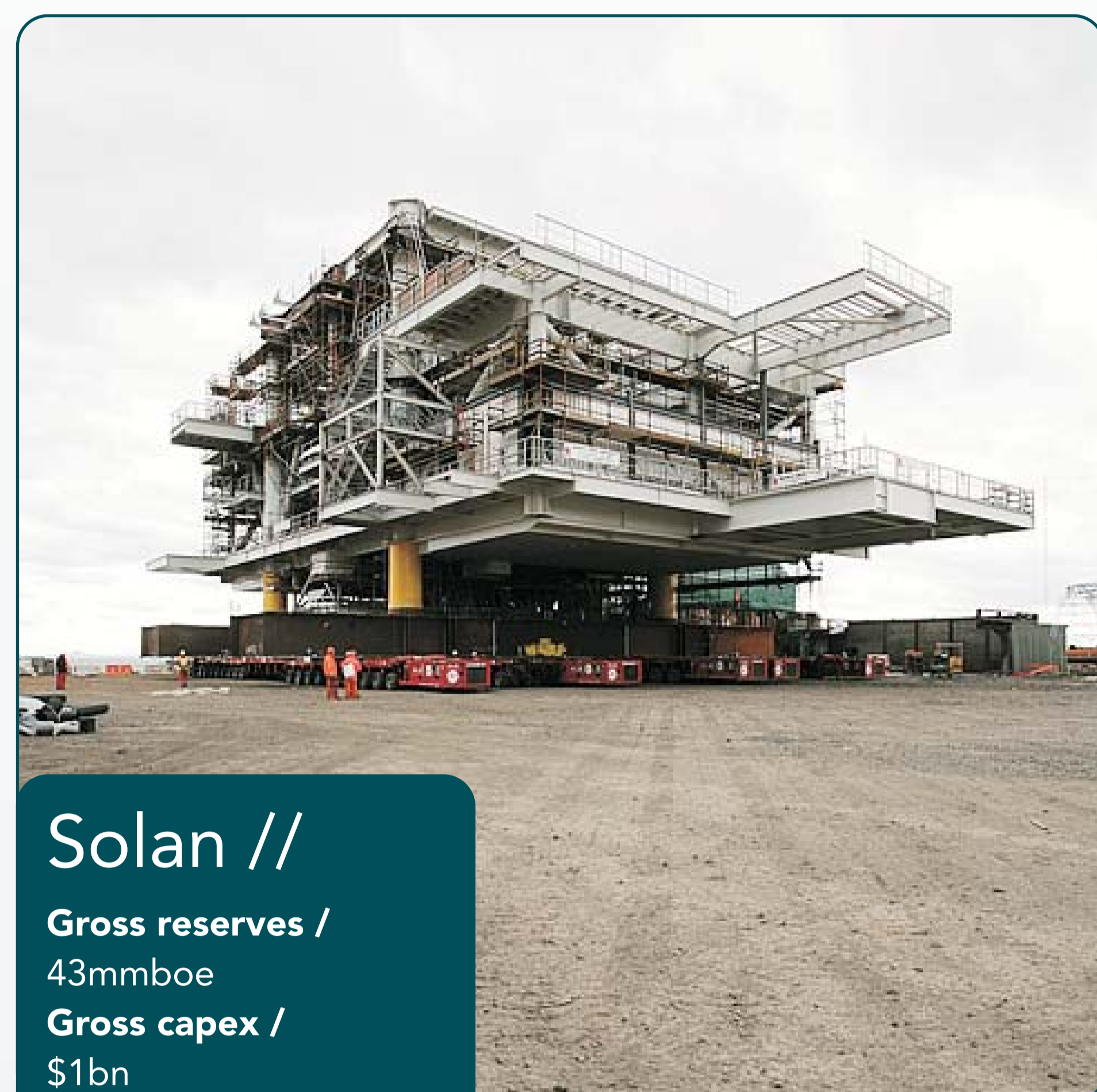


Premier has a portfolio of exploration, development and production assets around the world. In total we manage a growing reserve and resource base in excess of 700 mmbobe.



Solan //

Gross reserves /
43mmbobe
Gross capex /
\$1bn
First oil /
Q4 2014

Globally the Finance function plays a vital role in successful oil and gas project delivery (i.e. on time and budget) and it is important that the finance and technical teams work closely together. In this paper I have attempted to list the main areas where Finance can contribute and assist project managers to deliver successfully.

1. Pre-final investment decisions

- Project costing assurance
- Financing
- Tax structuring
- Agreement with partners
- Corporate approvals
- Pool cost allocation methodology
- Foreign exchange hedging/management strategy
- Return on capital employed and accounting profit impact

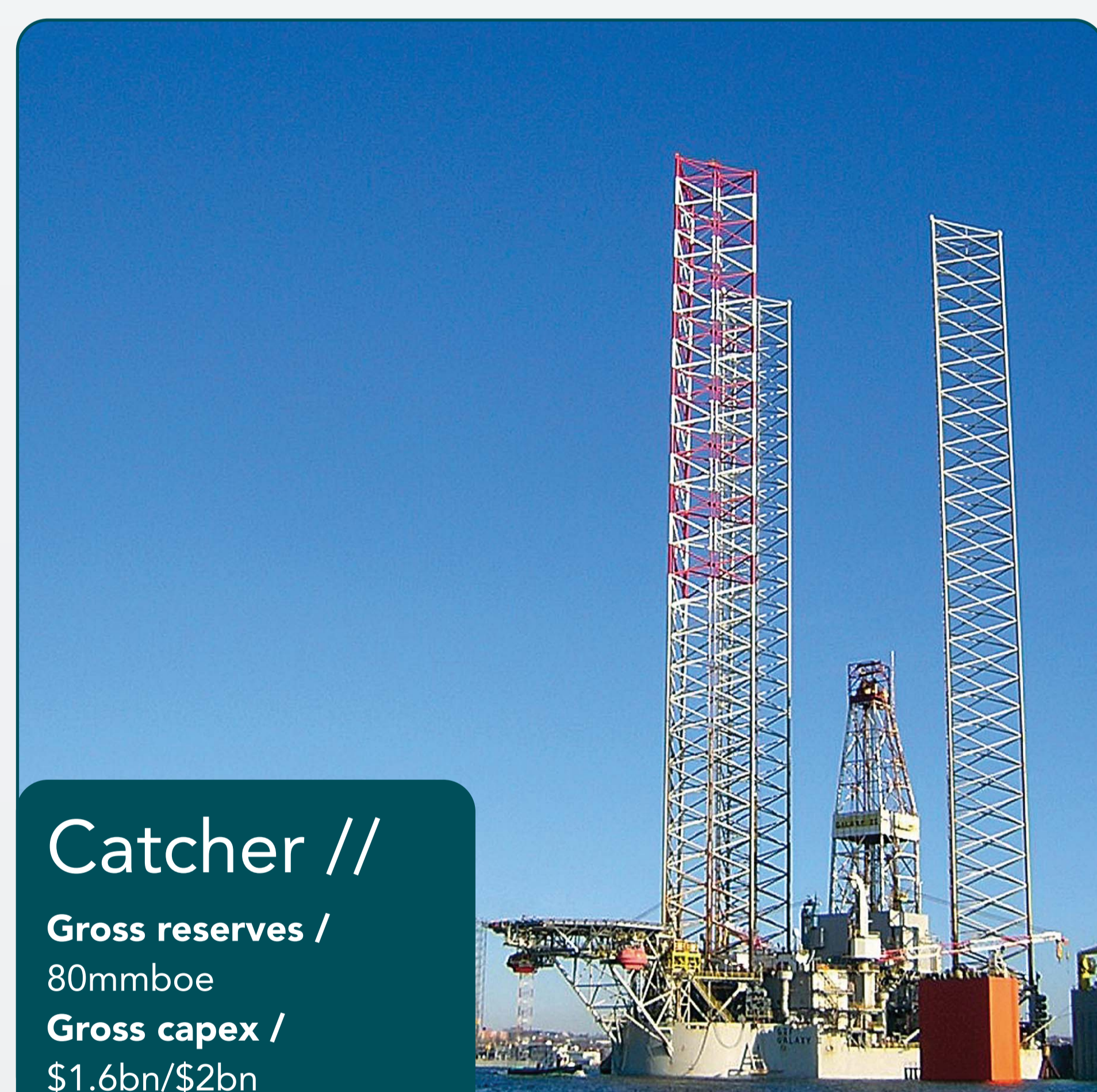
2. Project start up

- Reporting framework
- Commitment controls process
- Corporate, JV and Government budget monitoring
- Executing structure
- Completion of financing
- Commercial contracts negotiation and review
- Counter party risk management on all major contracting parties
- Assisting in Construction All Risk Insurance process

3. Project progress and completion

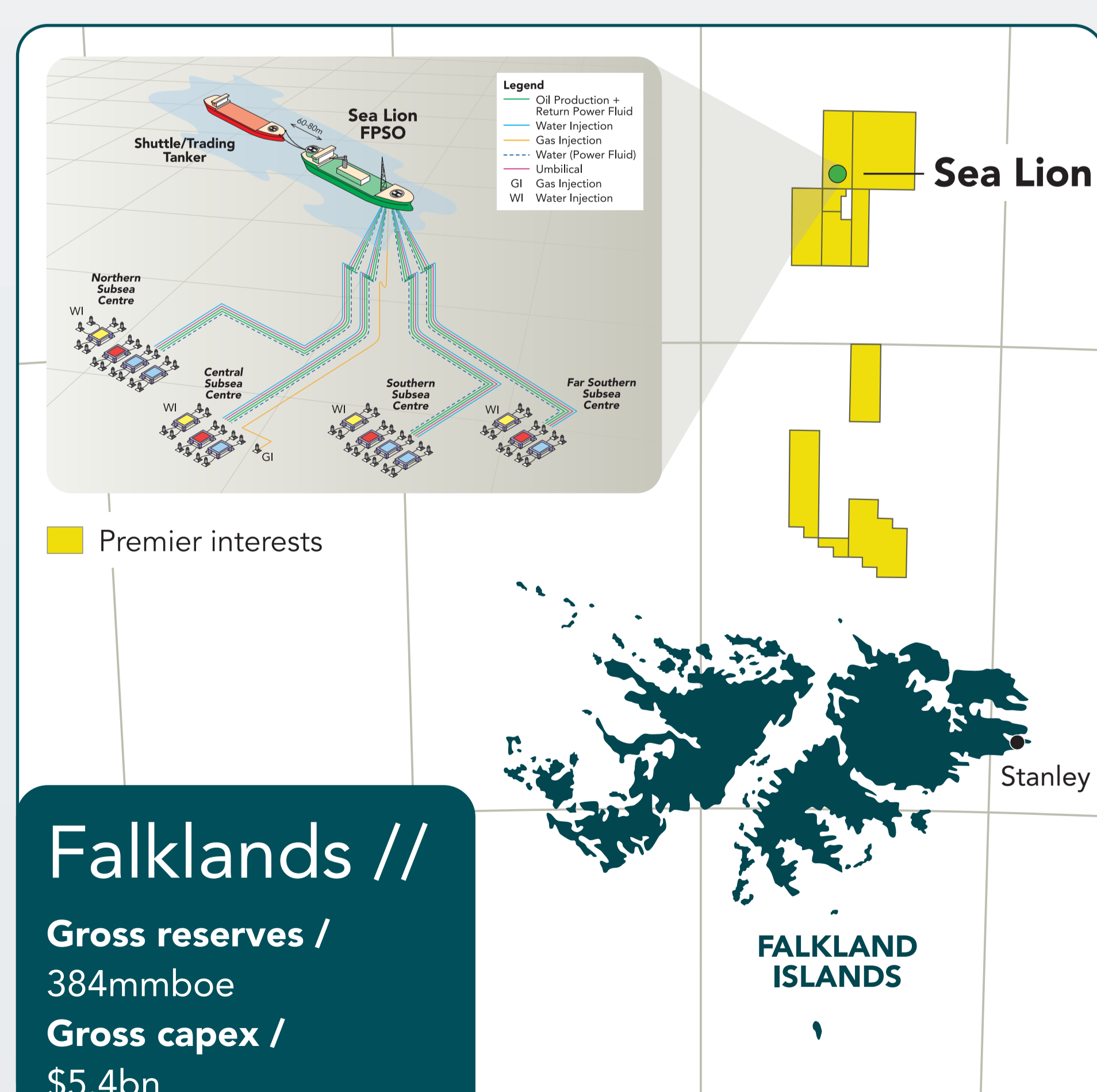
- Keeping all stakeholders fully informed
- Assurance on project forecasts
- FX management and hedging strategy execution
- Cash flow forecasting
- Commitments control
- Project accounting and cost accruals
- Contracts compliance and control
- Commodity hedging

A discussion on each of these processes will reveal that while generally most of the project teams are more inward looking, the Finance function can provide an outsider's view on the project. This will keep project managers current with their obligations to their ultimate customers (the operator's Board of Directors or shareholders, partners or Governments in PSC and service contract structure). Furthermore, the function has the ability to assist projects with cost recovery and deployment of the latest financial tools to manage financial risks and enhance project returns.



Catcher //

Gross reserves /
80mmbobe
Gross capex /
\$1.6bn/\$2bn
First oil /
2017



Falklands //

Gross reserves /
384mmbobe
Gross capex /
\$5.4bn
First oil /
2018/2019

Development Capex (US\$ million)

