

OPPORTUNITIES, CHALLENGES AND RISKS OF UNCONVENTIONAL GAS DEVELOPMENT PANEL DISCUSSION

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Oliver Wyman's Global Risk Center explores the decision-making challenges for complex risks that are reshaping industries, economies and societies

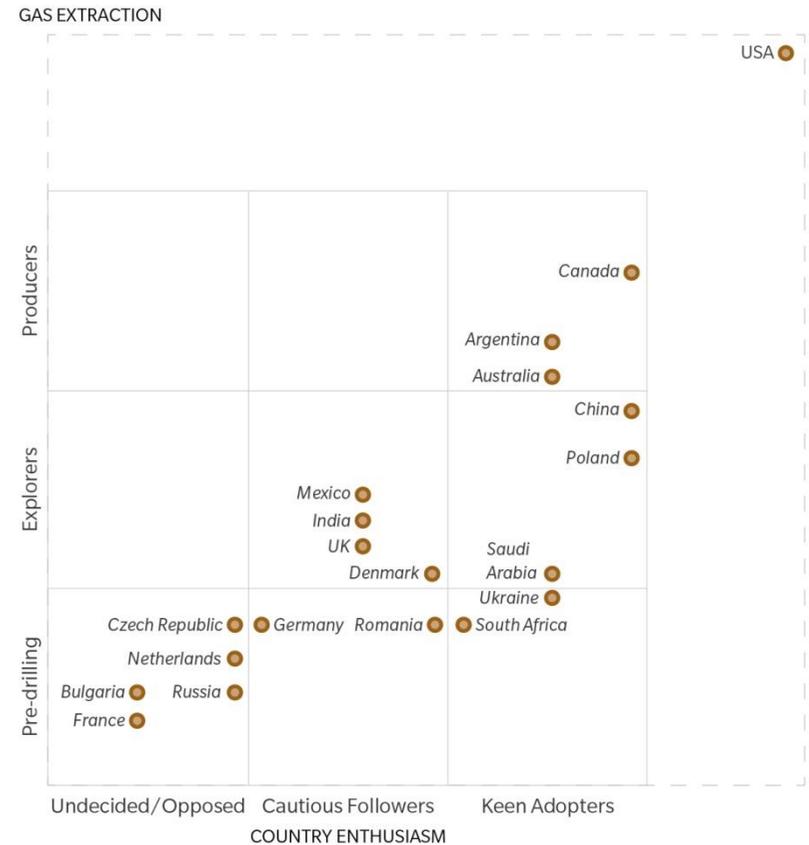
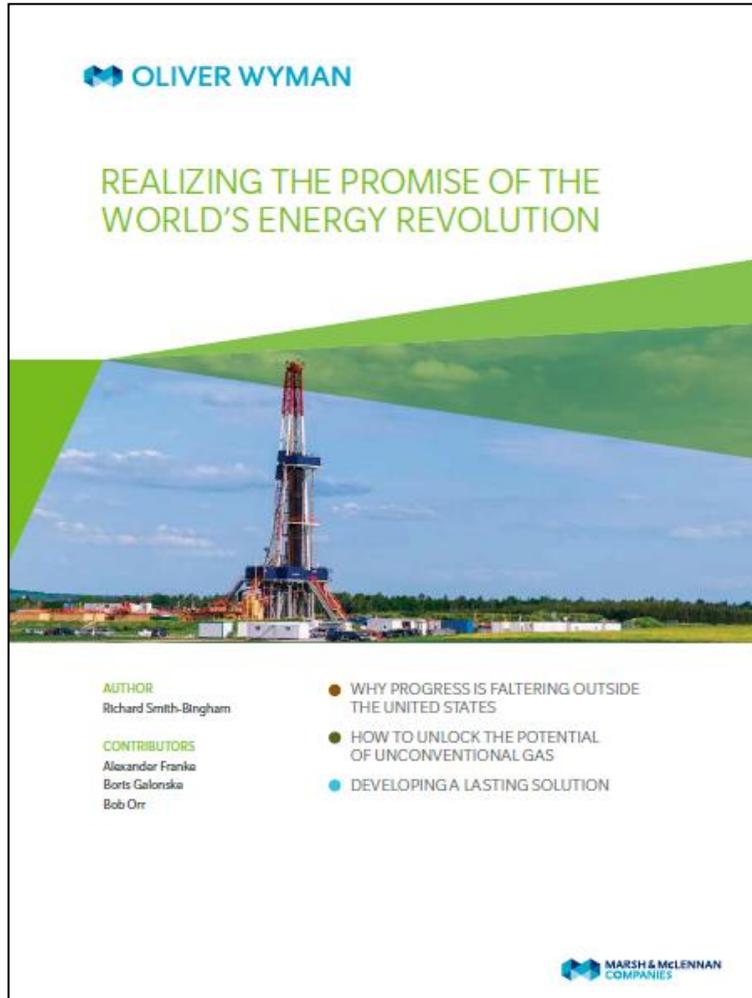
Platforms

| | |
|---|---|
| 1 Resource security | <ul style="list-style-type: none">• Policy innovation for energy sustainability• Long term investing in (green) infrastructure• Strategies for commodity price volatility |
| 2 Emerging risks | <ul style="list-style-type: none">• Long-range outlook on leading global risks• Key contributing factors to risk emergence• Company ability to address tail events |
| 3 Risk-based decision making | <ul style="list-style-type: none">• Corporate risk governance principles• Risk forecasting in an age of uncertainty• Risk-adjusted financial planning |
| 4 Multi-national risk governance | <ul style="list-style-type: none">• Risk governance deficits and consequences• Risk assessment and financing• Crisis management• Country resilience and preparedness |

Partners

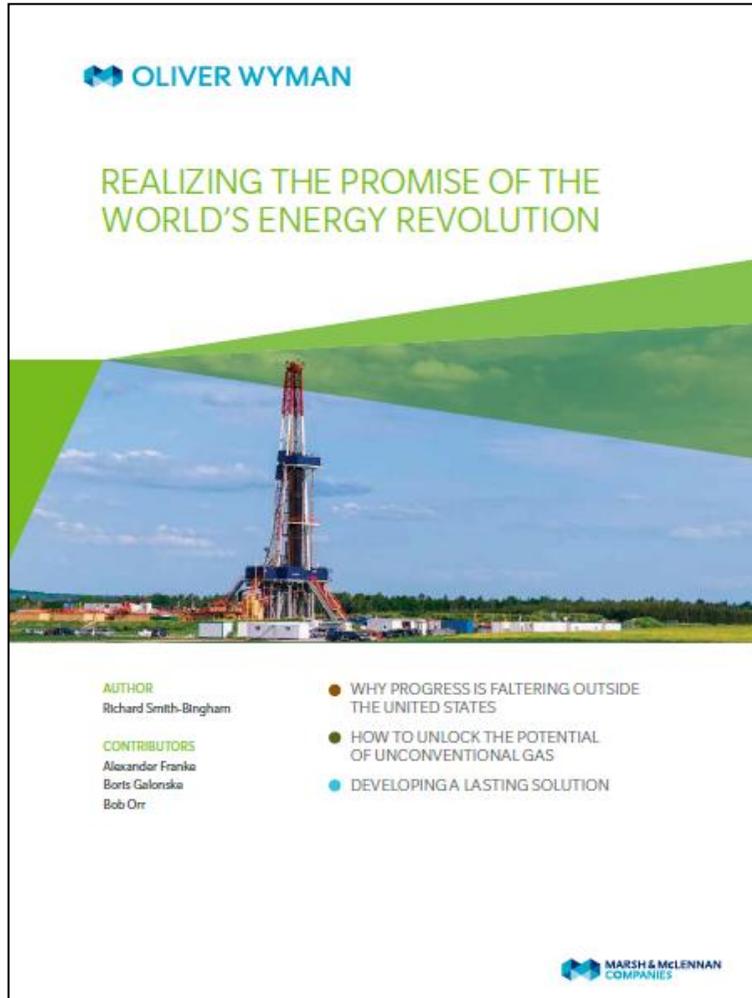


Our paper on unconventional gas looked at the measures needed to avoid policy reversal, abortive expenditures, execution failures, and loss of trust



Source: http://www.oliverwyman.com/insights/publications/2013/aug/realizing-the-promise-of-the-world-s-energy-revolution.html#_Uzl-yBBNqri
Country positioning as at May 2013

The paper identified five core requirements to unlock the potential and achieve lasting solutions



Unlocking the potential

1. Align policy goals and investment
2. Address key uncertainties through regulation
3. Develop high-quality institutional and infrastructure support
4. Build confidence through data collection
5. Engage early with local stakeholder concerns



Source: <http://www.oliverwyman.com/insights/publications/2013/aug/realizing-the-promise-of-the-world-s-energy-revolution.html#.UzI-yBBNqri>

Global developments over the past nine months suggest that there remains much to do to establish an environment for drilling that gives confidence to all



Geopolitical friction has increased the appeal of unconventional assets to countries



Regulations should evolve to recognize technological advances and changes in the risk environment



Many governments are struggling to balance attracting investment and regulating operation



Monitoring regimes and the data available on operational incidents could be improved



Strategic and commercial success remains uncertain and is still a long-term play



A reliably safe operating culture is critical to ensuring trust in the sector

