

Full Course Title: AFREN plc: Strategic Positioning for Global Independent Oil & Gas Companies

Course Title for Registration System: AFREN: Strategic Position for Oil and Gas

Course Number: SIPAU9000.005

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Meeting Date/Times: R 11:00A – 12:50P

Location: IAB 409

Office Hours: By appointment

Credits: 3

Course Overview:

Brief description of client:

Afren is a leading independent exploration and production company – listed on London's Main Market and a constituent of the FTSE 250. Our portfolio now extends to 31 assets in 12 countries, from Nigeria, Ghana, Cote d'Ivoire, Nigeria and Sao Tome & Principe JDZ, Congo Brazzaville and South Africa, East African opportunities in Ethiopia, Kenya, Madagascar, Seychelles, Tanzania and more recently the Middle East through entry to the Kurdistan region of Iraq. Our activities span the full-cycle E&P value chain of exploration, appraisal, development through to production, and are focused in areas that represent globally significant and growing sources of international oil supply and high impact exploration fairways. Maintaining strong relationships with indigenous companies, National Oil Companies and suppliers are top Afren priorities - as are ambitious Corporate Social Responsibility and ethical policies that ensure significant resources re-enter local economies. Together, these unique factors have contributed to Afren's strong positioning in the E&P universe.

This project is being sponsored by the Chief Executive's office. The primary goal is to understand the future role of Independent oil companies, of which Afren is one.

Summary of project:

The elements of the world's energy mix are changing dramatically. Consider the following macro and geopolitical factors:

1. Nuclear power will become more difficult to construct cheaply (e.g., after Fukushima there have been moratoria on new plants in Germany and Italy); it is unlikely that nuclear will occupy a larger percentage of the energy mix in the medium term.
2. Natural gas is abundant in many emerging markets. Now, due to technologies for developing Shale Gas, there is a very large potential new source of gas in consuming OECD markets (depending on environmental legislation). This has already dramatically changed the US from

an importer to an exporter of gas. The same potential exists in Europe, with some potential adverse consequences on CIS countries.

3. A significant proportion of oil reserves are located in undemocratic countries (Saudi Arabia) and/or countries hostile to Western interests (Iran, Venezuela). Some of these countries are undergoing significant political reform (e.g., Libya).
4. Africa, parts of the Middle East and the former Soviet Union are by far the most under-exploited oil provinces in the world.
5. Energy consumption in China has now overtaken that of the United States. Consumption of energy in the BRICS is expected to provide the overall growth in world consumption, which is flat or growing, and not shrinking, notwithstanding high~ oil prices.
6. National Oil Companies are becoming far more technically competent than in the past. Previously, international oil companies offered governments technology and capital advantages. Both are now eroding.
7. Some thirty percent of the undeveloped oil fields known today are considered too small for International Oil Majors to develop.

Given all of these dynamics factors, how should an independent oil company position itself to thrive in this new environment?

Deliverables to client: Final deliverable will be a powerpoint presentation.

Special skills/knowledge needed by team members:

Students with interests and aptitude in energy policy, economics, environmental science, engineering, earth sciences, finance and international political economy and security would probably be most relevant for this Capstone project.

Initial meeting(s) with your student team in late November or early December, if applicable:

Dates for meetings with client, if already scheduled:

Student selection: [All eligible students may apply for up to five workshops through a special online application process from October 15th until October 31st. Assignment of students will be coordinated by the Office of Academic Affairs, and relevant faculty will be consulted about team membership for their workshop(s).]

Grading (students receive an individual grade):

Grades for the workshop will be based on the following criteria:

Quality of individual written work (10%)

Quality of participation in class, peer review (20%)

Feedback from the client (20%)

Overall professionalism, including timeliness, ability to work with team, etc. (20%)

Quality of team's final report and briefing (30%)

Readings:

***Academic Integrity Statement*:**

The School of International & Public Affairs does not tolerate cheating and/or plagiarism in any form. Those students who violate the Code of Academic & Professional Conduct will be subject to the Dean's Disciplinary Procedures. Cut and paste the following link into your browser to view the Code of Academic & Professional Conduct online.

http://sipa.columbia.edu/resources_services/student_affairs/academic_policies/deans_discipline_policy.html

Please familiarize yourself with the proper methods of citation and attribution. The School provides some useful resources online; we strongly encourage you to familiarize yourself with these various styles before conducting your research:

http://sipa.columbia.edu/resources_services/student_affairs/academic_policies/code_of_conduct.html

Violations of the Code of Academic & Professional Conduct should be reported to the Associate Dean for Student Affairs.