



## PRODUCTION SOLUTIONS

## **PRESS RELEASE**

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### **EUNISELL CREATES NEW BUSINESS MODEL FOR OIL COMPANIES. OVERCOMES DEVELOPMENT FINANCE BARRIERS FOR NOCs.**

**Eunisell Production Solutions has pioneered a new business model, enabling NOCs to realise their development goals and bring their fields up to optimum operating potential, without relying on external investment.**

The delay between when the blocks were awarded and when development commenced, is a tangible concern for any investor or financial institution. Without a clear idea or plan of when a return on investment might be achieved, uncertainty and reluctance are created.

To solve the challenge, Eunisell delivers four key business benefits: 1. Faster delivery of first oil revenues. 2. Enhanced production from proven fields. 3. Engineered solutions for long term development and 4, Innovative technology.

NOCs are already reeling from the impact of Covid-19 on the industry and depressed oil prices with the uncertainty of the futures market today, compared to pre-2014 when many of these concessions were awarded. That has meant that owners have struggled to finance the development of their fields. Any financial assistance in that scenario would be limited at best and come at a heavy cost.

Added pressure comes from Government where owners are expected to deliver on the agreed development and output or risk losing their concessions as witnessed in recent times with the cancellation of 11 operators' licenses. With the economic and global status quo, options are limited, if any, and this is why Eunisell has stepped in. Eunisell has been providing services based on experience, technology, economics and now, business innovation, to assist NOCs to develop their fields profitably over a measured period.

Service companies are able to design and deliver EPCC projects that will provide long term production and income for the NOCs. The problem is that these projects are inherently costly and require large payments at numerous milestones before production is actually achieved. The procurement and construction phases of these projects are extremely capital intensive and protracted.

By providing solutions, there is a positive impact on Nigeria's GDP in addition. More oil yielded by NOCs translates into additional national revenues. Having large potential reserves not being produced, simply because a way cannot be found to bring the needed investment, facilities and technology to operators, is a negative influence on our industry, and Nigeria's economy.

Each one of these assets that can be brought to production and developed to its full potential represents significant increments to foreign exchange and taxes for government. Furthermore, there's increased employment, community development and growth for the local economies.

The positive effect of bringing these fields to potential is enormous for all levels of the economy. Eunisell is in effect, acting as a technical partner, engineering and delivering the means to bring the existing production to market rapidly, generating revenue and enabling further development.

Compared to existing EPCC projects, Eunisell's solution requires only a relatively minimal initial cost and is delivered in weeks rather than months. This immediate approach enables concurrent development of the asset. Eunisell will design and deliver the fit-for-purpose production management project, leaving operators to concentrate on long-term production expansion plans.

By working with the field owner, Eunisell assures that the solution provided serves not only short-term output yields, but the field's expected potential and beyond. By providing the technical solutions and funding the development through rapid delivery of production, the capital required for field development is reduced to manageable levels. Further, the return on the original capital investment is achieved in a significantly shorter period of time.

Whilst any current reduction in the price of oil is concerning, it should not signal a drastic reduction in efforts to increase production. This industry is and will always be cyclic. Every downturn has a recovery. And many times, the recovery outperforms the previous cycle.

Nigerian average production costs of \$8.81 per barrel, is the fourth highest in the global market. With Eunisell's model for success, we are using those production costs to partner with the operators to develop the asset. And with Eunisell's production enhancement and production delivery capacities, these costs can be further reduced to make depressed oil prices viable and able to fund development of Nigerian assets for the benefit of all.

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