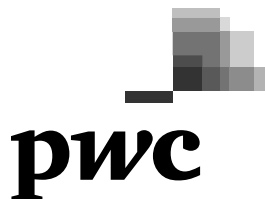

Strategy&

&

GEMI

Risk Management Panel



Who we are

Issues in Enterprise Risk

Strategy& has been created in response to an industry need to connect strategy and execution capabilities

More than half of senior executives don't think that they have a winning strategy

Only one in five is fully confident that the organization has a "right to win"

Clients want the right strategy and the ability to execute it

Two out of three admit that they don't have the capabilities needed to create value in the marketplace

72% of CEOs expect to transform their organizations, but only 30% believe they have the ability to execute strategic change

Source: PwC CEO survey; Strategy& survey of 3,000+ senior executives

Strategy& blends the best of two leading firms to create a management consultancy with a differentiated offering

strategy&

- **Proven Track Record**—A combined 250-year legacy of working with the world's leading institutions to solve their toughest problems
- **Foremost In Foresight**—Incisive thought leadership that is unrivalled in its depth, breadth, and overall quality
- **Functional Depth**—Access to skills in strategy, deals, tax, assurance, finance, technology, and operations that extend and enhance differentiating platforms
- **Industry Breadth**—The team to beat in virtually every industry with deep reserves of expert talent and resources
- **Experienced Expertise**—A blend of consultants, operational and functional specialists, and recruited talent from industry provides unique foresight and practical insight
- **Global Reach**—Instantly at scale in all major and emerging economies and able to seamlessly serve thousands of global clients
- **Network Effect**—Nearly 10,000 fellow Partners ensure perpetual presence across a wide range of clients in every industry, resulting in a virtuous cycle of demand



*Scale, quality
prominence,
and deep
relationships,
skills, and insight*

FINANCIAL TIMES

Consulting firms need to field an increasingly wide range of resources, from strategy through to technology... There are only a very small number of strategy firms big enough and/or have brands strong enough to have an impact on client perceptions. This essentially propels PwC into the strategy space with Booz's huge credibility.

Fiona Czerniawska, Financial Times, October 30 2013



*Global strategy
model, leading
foresight, and
capabilities
positioning*

We are a team of practical strategists who help clients build strategies and capabilities to solve their toughest problems

strategy&

Who we are

- Practical strategists
- Collaborative by nature
- Sleeves rolled up
- Committed to our clients' success

What we believe

- A few differentiating capabilities drive identity and success
- Foresight is essential to building strategies that last
- Value is delivered by smart strategies, well executed

What we do

- Help clients identify and build the capabilities essential to their advantage
- Develop strategies based on those capabilities
- Bring leading industry and functional insights

Strategy& has a global footprint of offices to serve our clients who operate globally

Strategy& offices worldwide



Within ECU we have over 4,500 professionals dedicated to oil & gas clients across 158 countries

Strategy& / PwC O&G network

Global presence



Service areas

Advisory
~1,000 ppl

Strategy, operational excellence, deals, business recovery services

Assurance
~3,000 ppl

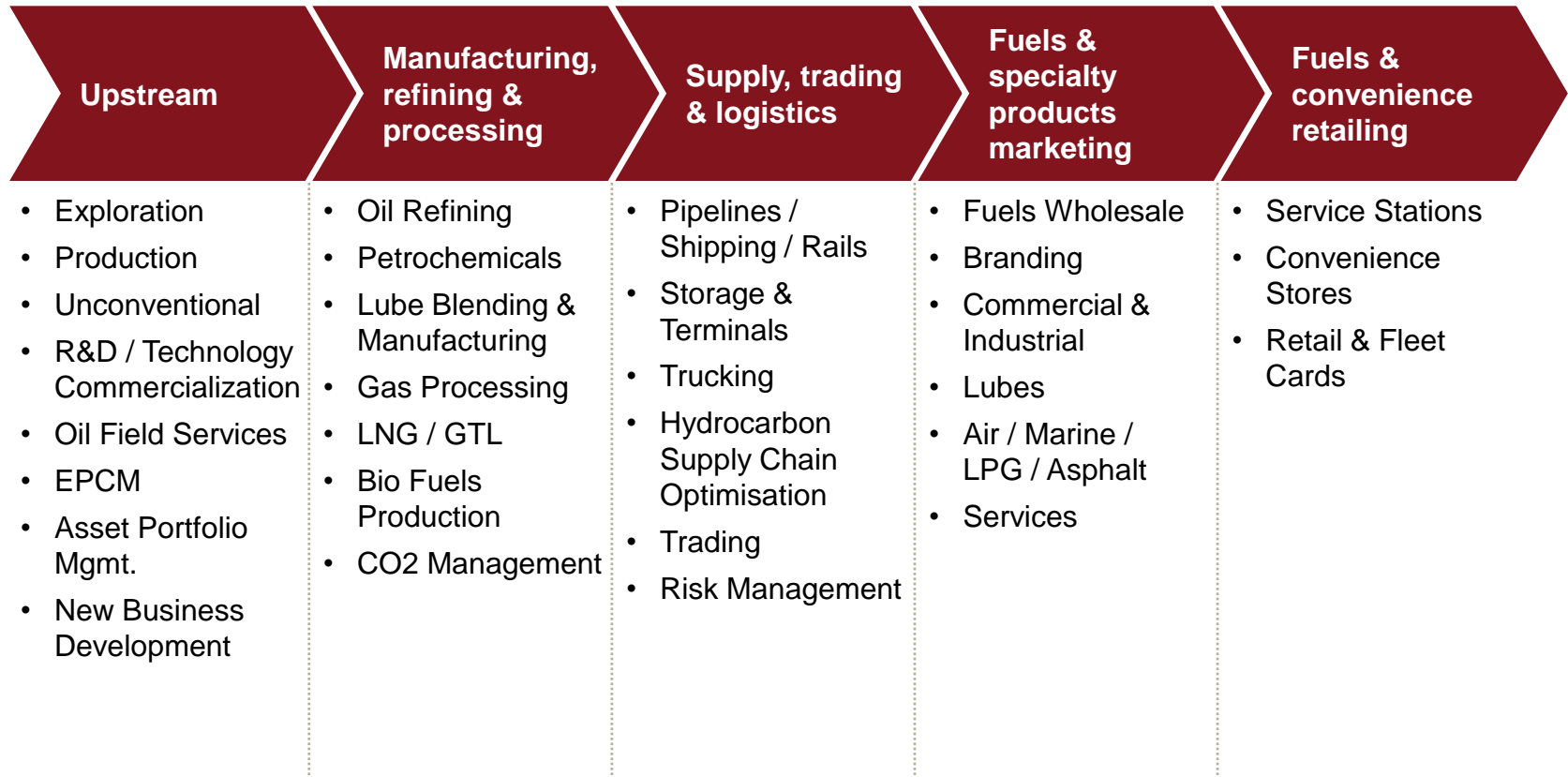
Audit, risk assurance & internal controls

Tax
~1,000 ppl

Tax strategy, planning and compliance

Our professionals operate across the entire Oil & Gas value chain...

Strategy & value chain expertise

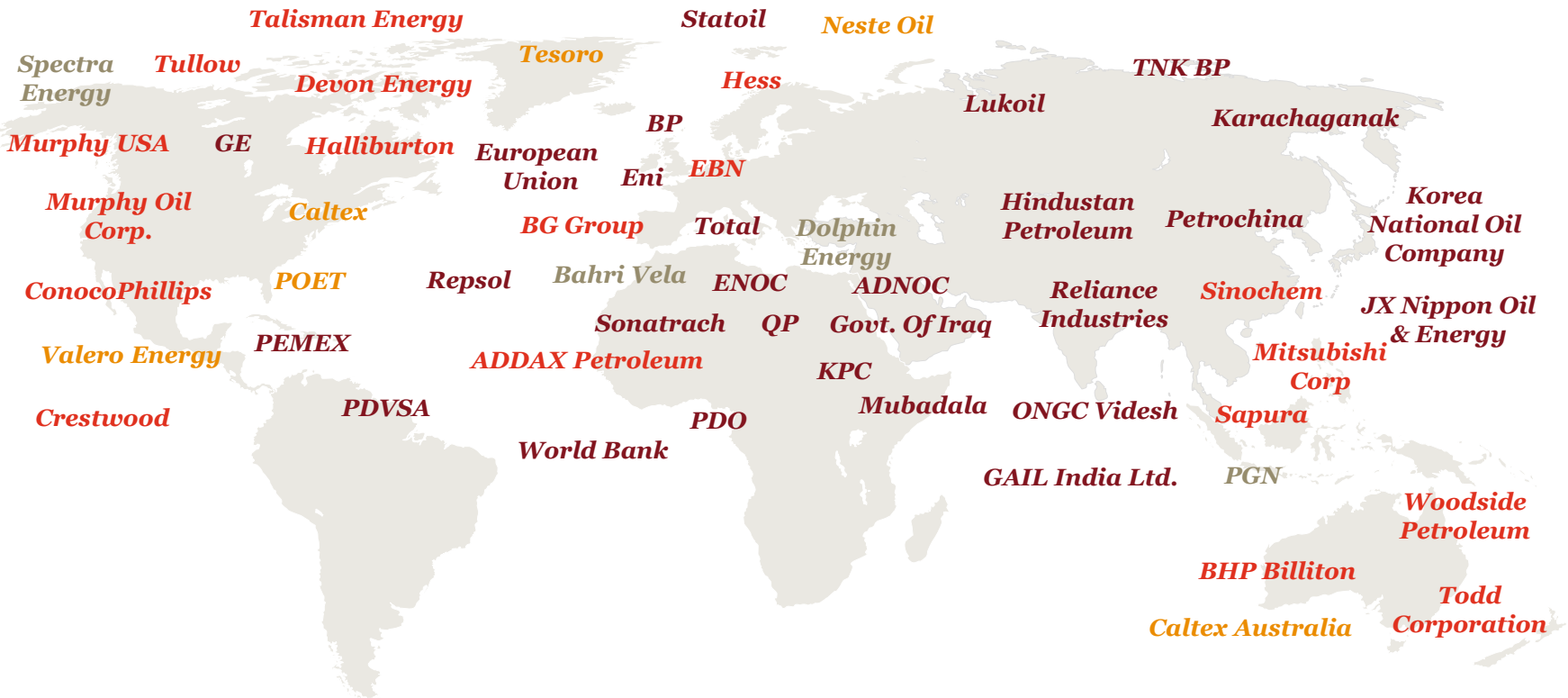


... with capabilities and offerings across 6 key areas...

Strategy& capabilities and offerings

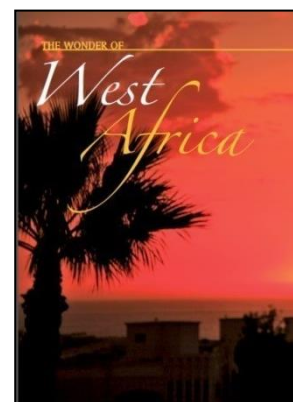
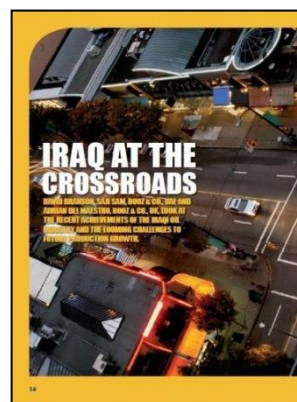
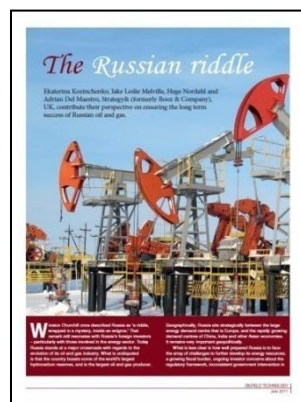
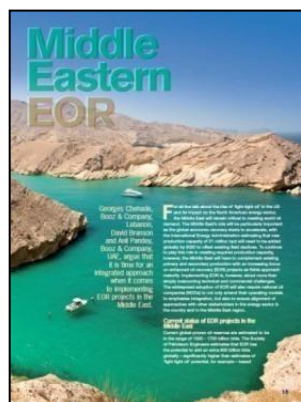


In particular, our global Oil & Gas practice has worked with leading companies, major NGOs and national governments



Strategy& has published extensively on key oil & gas topics

Selected Strategy& Oil & Gas publications



Who we are

Issues in Enterprise Risk

Oil spills are one of the biggest license to operate risks facing the industry

MORE DREDGING ORDERED IN SPILL
 Nearly three years after the worst inland oil spill in U.S. history, the Environmental Protection Agency has ordered Canadian oil transport giant Enbridge to dredge river bottom lands because heavy, sludgy oil known as slibbit that spilled from Enbridge's burst pipeline remains stubbornly difficult to remove and continues to migrate westward.

CLEVELAND PLAIN DEALER
OIL SLICK FIRE RUINS FLATS SHIPYARD
 Surly Ohio Pen Rebels Fed at Gunpoint

Enbridge Oil is Guilty of Murder!
 CRIME SCENE DO NOT CROSS

PUMP PRICES RISE
 Gas bubble bursts
 Energy crisis
 Prices skyrocket

FLAMES HIT DRY DOCKS, THREE TUGS

Spike in oil spills from trains
 More crude oil was spilled in U.S. rail incidents in 2013 than the total spilled from 1975-2012. Amount spilled per year, in millions of gallons:

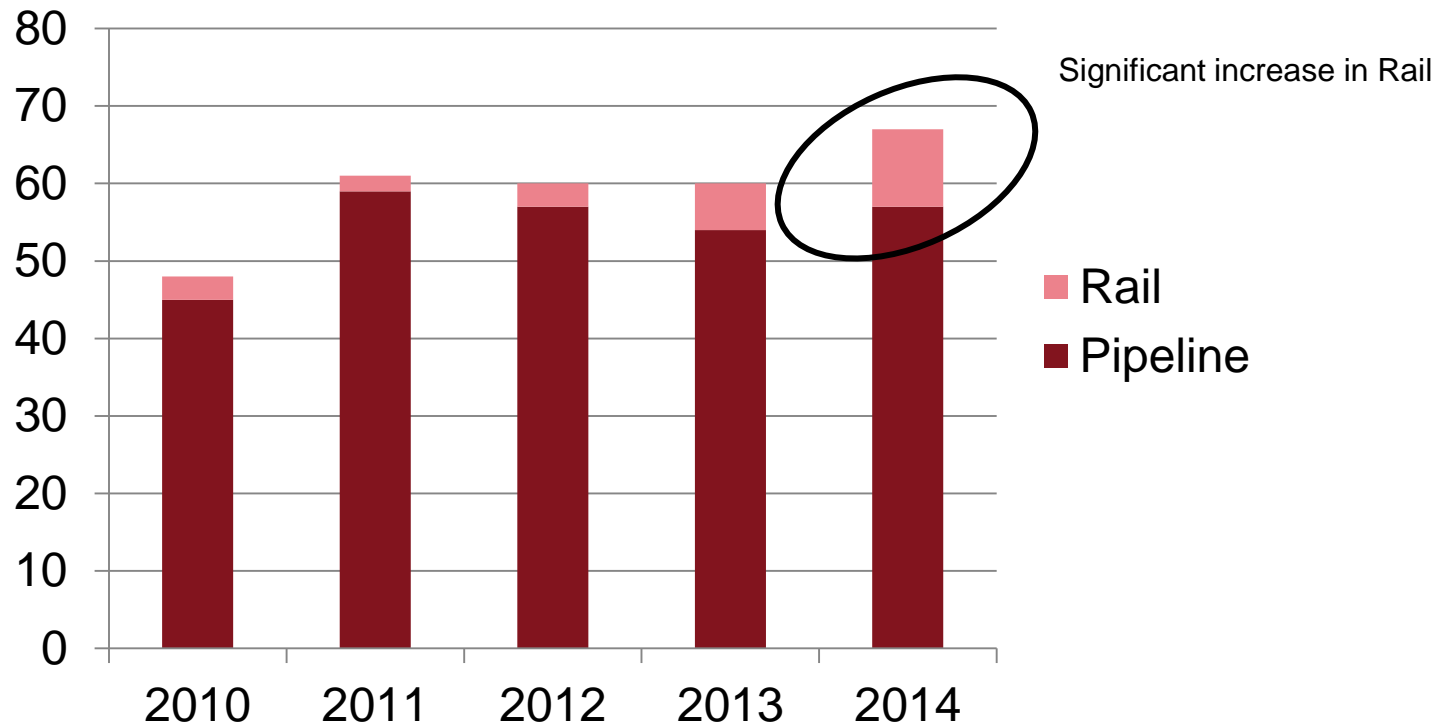
Year	Amount spilled (millions of gallons)
1975-2012	792,600
2013	1.1 million

Source: U.S. Pipeline and Hazardous Materials Safety Administration
 Graphic: Judy Treibler © 2014 MCT

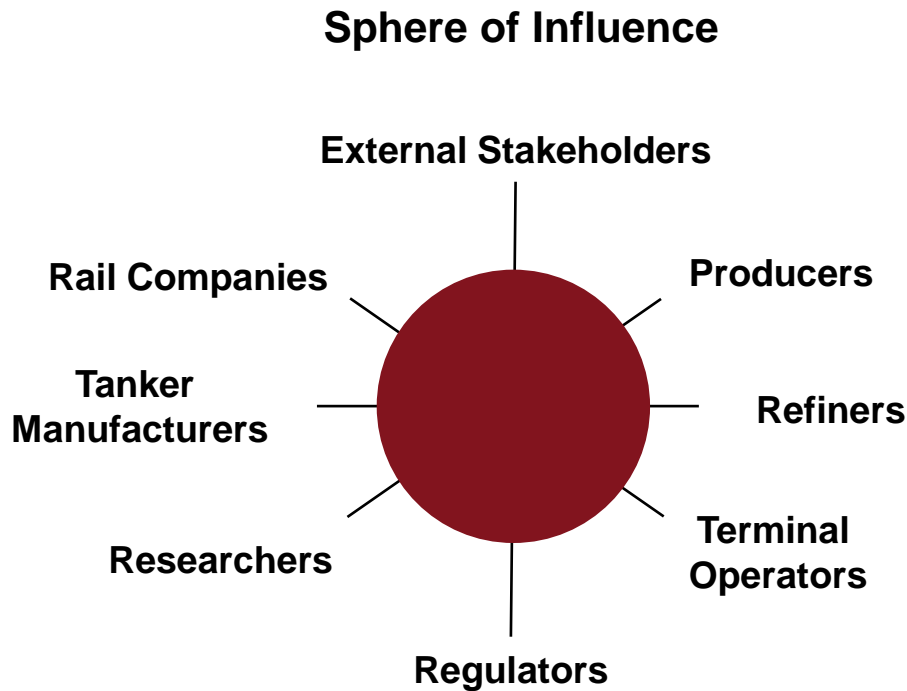
Source; ITC

Crude by rail, once a salvation for landlocked basins has come under fire as accidents are ever more public

PHMSA – Reported Incidents Greater than 50 Gallons



Proactive engagement with industry participants, regulators and stakeholders will help reduce the risks

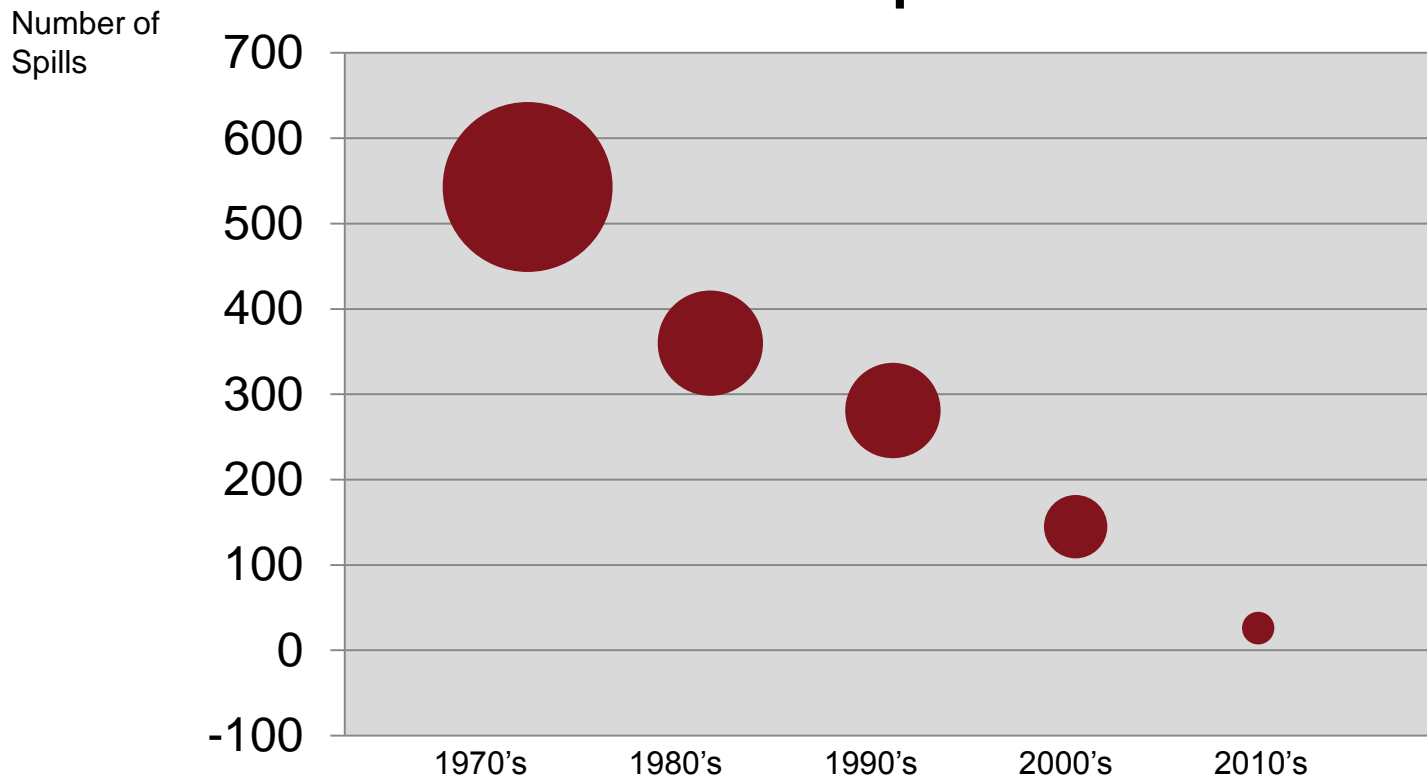


Potential Elements / Actions

- Equipment standards
- Rail conditions
- Safety procedures / policies
- Audit and assurance
- Contingency planning
- Remediation equipment and technology
- Routing and Scheduling
- Inter-agency coordination
- Industry funding
- Stakeholder engagement and communications

The industry has successfully addressed the issue of spills in the marine environment

Tanker Spills



Source; ITOFF

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