

## Ryder Scott and Millennium agree to alliance to serve acquisition side of A&D

Ryder Scott has always offered third-party oil and gas property appraisals to both buy and sell sides of A&D transactions, and nothing has changed. A new wrinkle is that now Ryder Scott offers to bundle its technical and economic due-diligence services with those of a registered investment banking representative/transaction advisor for clients wanting full buy-side representation.

Ryder Scott kicked off the alliance in January with buy-side investment advisor, **Tom Gardner**, owner of Millennium Energy Advisors LLC in Houston. Millennium and Ryder Scott together are able to form a complete advisory team for property acquisitions.

“Millennium’s investment valuation analyses includes placing proper context around Ryder Scott technical and economic forecasts vis-à-vis other aspects of the potential deal,” said Gardner.

### Value side of the proposition

With a new business model, Millennium is able to defray the costs of third-party technical due diligence. A client that closes on a sales transaction pays a commission fee to Millennium. The fee is discounted by up to 50 percent as reimbursement for the cost of Ryder Scott independent due-diligence services. The client always pays Ryder Scott directly and in full, and its fees are never contingent on outcomes. The discount is usually sufficient enough to fully reimburse the client.

“Most importantly, Millennium clients reduce their risks through the reliability of an independent Ryder Scott evaluation,” said Gardner.

- Determine fair, reasonable transaction price based on recent market activity and current macro-economic and commodity trends. Assures that buyer does not overvalue and overpay or undervalue upside and lose the deal.
- Source private capital through proprietary network of energy bankers, investors and management teams. Find joint-venture opportunities with potential partners.
- Coordinate with experts in banking, legal, tax, land, environmental, safety, marketing and operations.
- Leverage extensive experience of Ryder Scott in key geographical areas. The firm has in-house databases for all major unconventional plays in North America. Information includes thousands of data points on geology, well performance and drilling and completions.



“Finding advisory services for asset acquisitions is difficult,” said Gardner. “Investment bankers see greater opportunity in representing the sell side, where success fees are all but assured.”

On the other hand, the buy side is underserved, Gardner explained.

“They face the challenge of

sourcing ad-hoc banking and advisory services from short lists under time constraints. That, of course, distracts from focus on the potential deal,” he said.

Gardner’s 30 years of experience include both financial and technical roles. He has conducted \$13 billion in energy-related transactions as a licensed financial advisor. He has also performed technical due diligence as a licensed petroleum engineer, some of it with four international E&P companies.



### Buyer services

*The following services are offered by the alliance:*

- Assist client in analyzing, structuring, negotiating and effecting a desired transaction.
- Identify target properties best suited to meet overall client objectives.
- Coordinate Ryder Scott data-room collection, technical evaluation and due-diligence.
- Analyze asset portfolios and potential synergies in property acquisitions.
- Provide competitive market analysis.

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