



ENERGY AND NATURAL RESOURCES

Strategic Joint Ventures – Key Considerations in Managing Operational and Financial Risks

KPMG LLP

Concurrent Session I-B

10:15 a.m. – 11:45 a.m.

Strategic Joint Venture Partnerships – Key Considerations in Managing Operational and Financial Risks

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Strategic Joint Ventures

◆ Simple Definition of a Joint Venture:

- A partnership formed between two or more parties to jointly undertake a single project or ongoing activities

◆ Joint Venture Partners share:

- Financial profits/losses
- Technical expertise
- And especially RISK!

Strategic Joint Ventures

The phrase “joint venture“ can refer to many different types of entities:

- ◆ Incorporated / non-incorporated
- ◆ Operated / non-operated
- ◆ International / domestic
- ◆ Used within upstream, pipeline, power and other energy industry sectors

Strategic Joint Ventures

However, all types of joint ventures have one thing in common:

Strong corporate governance is critical to the success of the partnership.

- ◆ **Communicates mutual understanding of all parties**
- ◆ **Clearly states intent of the joint venture**
- ◆ **Provides definitions and roles**

Strategic Joint Ventures

Panel Discussion Areas:

- ◆ **Typical life-cycle of a joint venture**
- ◆ **Practical challenges of operating / participating in a joint venture**
- ◆ **Key attributes of successful joint ventures**
- ◆ **Techniques used to successfully manage relationships and mitigate operational and financial risks**

Questions?



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