

THE MMC ADVANTAGE: DELIVERING VALUE FOR THE ENERGY SECTOR

Strategic Solutions Group

Marsh & McLennan Companies delivers advice and solutions that help clients protect and enhance shareholder value. We provide the advantage of four market-leading brands — operating as one business partner — to address clients' needs in the areas of risk, strategy, and human capital.



Revenue 2012: US \$11.9 Billion
Colleagues: Approximately 54,000
Offices In More Than 100 Countries
Listed On The New York
Stock Exchange (NYSE: MMC)

TODAY'S BUSINESS ENVIRONMENT: COMPLEX, UNCERTAIN, GLOBAL, DIGITIZED — *AND CONNECTED*

*Business leaders
face new challenges
and disruptions...*

*...as they reach for
competitive advantage*

72%



are concerned about
financial risk

57%



expect **supply
chain disruptions**
will have a significant
impact on earnings

93%



expect the same,
or more, **earnings
uncertainty** in the
next five years

35%



are reducing **staff**

50%



expect **energy
prices** will impact
their earnings

70%



expect **regulatory risks**
will have a significant
impact on earnings

Source: 2012 Association for Financial Professionals Oliver Wyman Risk Survey

THE MMC ADVANTAGE CONNECTING OUR CORE CAPABILITIES TO MEET YOUR DYNAMIC CHALLENGES

Operating at the critical intersection of risk, strategy, and human capital, we partner with clients to address their complex challenges in a holistic, coordinated, and effective manner. Our approach is unique in the industry. That's the MMC Advantage.



ENTERPRISE-WIDE CAPABILITIES IN RISK, STRATEGY AND HUMAN CAPITAL

OUR ADVISORY SERVICES AND TOOLS HELP CLIENTS DELIVER VALUE



RISK

- Insurance and reinsurance Brokerage Services
- Alternative risk transfer solutions
- Captive solutions
- Benchmarking
- Total cost of risk and insurance optimization analytics
- Claims, engineering and loss control services
- Reserve modeling and actuarial services
- Risk organization design, process technology and training
- Financial risk management: Credit, market, ALM and commodity
- Project risk management
- Political risk & trade credit risk
- Sustainability risk management



STRATEGY

- Corporate and business line strategy
- New business launch and market entry strategy
- Brand design and strategy
- Corporate finance & restructuring
- Operations, maintenance and technology
- Revenue and distribution strategy
- Network modeling and analysis
- Marketing and sales
- Sourcing and sustainable supply chain management
- Shared services redesign
- Economic analysis of regulation and public policy, litigation support
- Environmental resiliency
- Corporate sustainable identity



HUMAN CAPITAL

- Leadership and organization performance
- Rewards, mobility, and communication
- Health benefits strategy: Design, plan management, administration, and brokerage
- Specialty health, individual, and voluntary benefits
- Retirement plan design management and administration
- Defined pension benefit risk management and contribution plans
- Wealth management
- Private health benefits exchange
- Investment advisory, solutions; wealth management advisory and information solutions, responsible investment
- Compensation and rewards advisory
- Workforce productivity and communication services

WE COMBINE OUR RISK, STRATEGY, AND HUMAN CAPITAL CAPABILITIES SEAMLESSLY TO DELIVER UNIQUE CLIENT SOLUTIONS ON CRITICAL ISSUES



- M&A: Due diligence and post-merger integration
- Strategic risk management and risk transfer optimization
- Operational and organizational effectiveness and change management
- Business and organization transformation
- Brand strategy, activation, and employee alignment
- Benefits risk management, including pension de-risking and risk transfer
- Workers comp claims/benefits optimization and absence management
- Cyber risk security strategy and risk management/transfer
- Project planning and risk management

THE MMC ADVANTAGE:

A STRATEGIC PARTNER FOR THE
ENERGY SECTOR

MARSH & MCLENNAN COMPANIES HAS SPECIALIZED CAPABILITIES THAT SPAN THE MANY NEEDS OF THE ENERGY SECTOR

Value Proposition Highlights



RISK & INSURANCE SERVICES

- Specialized risk transfer design
 - Operator extra exposure
 - Cargo and Marine
 - Property Damage and Business Interruption
 - Casualty
 - Cat Bonds, Sidecars, ILS
 - M&A transactional risk solutions
- Global energy claims services
 - Forensic accounting
 - Claims advocacy
 - Litigation support
- Global energy risk engineering services
 - Operational and construction survey
 - Estimated maximum loss (EML)
 - Design risk reviews
 - Client training
- Environmental risk assessment

SUPPORT ADVISORY SERVICES

- Shared services strategy
- Outsourcing and offshoring
- Asset management
- Fleet management and planning
- Supply chain optimization
- Resiliency and adaptation
- M&A pre-acquisition due diligence
- Sponsor and lender insurance advisory services

MARSH & MCLENNAN COMPANIES HAS SPECIALIZED CAPABILITIES THAT SPAN THE MANY NEEDS OF THE ENERGY SECTOR

Value Proposition Highlights



HUMAN RESOURCE ADVISORY

- Energy industry-specific database
 - Oil & gas specific database
- Performance benchmarking
- Advanced technology offering analytical and workforce planning functionality
- Attracting and retaining critical or scarce talent
- Improving workforce health and productivity
- Decreasing retirement program cost and volatility
- Providing appropriate governance of people risk
- Corporate social responsibility

TRADING AND SUPPLY STRATEGY

- Wholesale marketing/trading strategy
- NG and LNG value chain strategy and business design
- NG trading strategy and operations
- Energy Trading Risk Management (ETRM) Systems

MARSH & MCLENNAN COMPANIES HAS DEEP EXPERTISE THAT UNIQUELY POSITIONS US AS A STRATEGIC PARTNER FOR THE OIL & GAS INDUSTRY

Value Proposition Highlights



UPSTREAM EXPLORATION AND PRODUCTION

- Project portfolio planning
- Asset value maximization
- Organization, process, and capabilities building
- Oilfield services and equipment strategies
- EPC strategies and organization
- Shale strategies and operations

MIDSTREAM TRANSPORT AND LOGISTICS

- Asset and growth strategies
- Operations effectiveness
- Transportation effectiveness
- Pipelines, storage, and terminals
- Customer satisfaction and retention

DOWNSTREAM PETROLEUM AND RETAIL

- Integrated refining and marketing optimization
- Customer-driven retail and wholesale marketing
- Markets and retail network planning
- Fuels pricing
- Customer service improvement
- Branding and marketing strategy

MARSH & MCLENNAN COMPANIES HAS DEEP EXPERTISE THAT UNIQUELY POSITIONS US AS A STRATEGIC PARTNER FOR THE POWER & UTILITIES INDUSTRY

Value Proposition Highlights



POWER GENERATION

- Generation strategy
- Asset sales
- Power plant competitiveness
- Fuels strategy
- Construction and maintenance
- Outsourcing and alliances

TRANSMISSION

- Separation of assets and operations
- Transmission/RTO strategy and operations
- Reliability and service restoration
- Engineering, procurement, and construction strategies and organization

DISTRIBUTION AND RETAIL

- New business process improvement
- Reliability and service restoration
- Meter-to-cash (collections strategy)
- New service delivery
- Retail marketing and pricing
- Profitability analysis and improvement
- Alliances, e.g., telecom., water

OUR CLIENTS IN THE ENERGY SECTOR

Our portfolio of clients spans the global energy value chain, ranging from integrated majors to national oil companies, specialty niche players, and governments.



OUR THOUGHT LEADERSHIP IN THE ENERGY SECTOR

- MMC-sponsored energy conferences in the Middle East, Latin America, Europe, Asia, and North America
- Numerous publications, white papers, and appearances
- Partnership with international organizations, including the WORLD ECONOMIC FORUM and WORLD ENERGY COUNCIL



HOW WE MAKE A DIFFERENCE: NOC HEALTHCARE STRATEGY FORMULATING AN INNOVATIVE SOLUTION USING A DATA-DRIVEN APPROACH

A leading National Oil Company engaged us to analyze and project healthcare cost data as groundwork to improve and better manage their internal healthcare system.

OUTCOME:

MMC helped the client develop a long-term sustainable business model and select and negotiate terms and performance standards with a third party provider. The client is confident the developed model and partnership will allow better focus on their core business strengths while simultaneously improving healthcare for employees and their families - ultimately serving as a gold standard throughout the region.

THE MARSH & MCLENNAN COMPANIES SCOPE OF OFFERING:

- Build a database of healthcare information necessary to obtain bids from third party providers
- Assist in development of a long-term business model for the system
- Develop key performance indicators to ensure the selected provider continues to meet or exceed standards

A MULTI-STEP APPROACH WAS EMPLOYED TO ACCOMPLISH THE ENGAGEMENT OBJECTIVES:

- Extensive onsite analysis of raw healthcare data (NOC systems not set up for healthcare)
- Face-to-face interviews to ensure comprehension of data
- Development of credible cost figures and projections
- Assistance with bid room and due diligence questions and help with provider selection
- Analysis of provider responses and partnership creation to develop management recommendations and presentation to senior leadership

HOW WE MAKE A DIFFERENCE: INTEGRATED OIL & GAS DESIGN BUSINESS STRATEGY ALIGNMENT

A leading North American integrated oil and gas company engaged us to review the organizational structure of its downstream division in light of a developing business strategy.



THE MARSH & MCLENNAN COMPANIES SCOPE OF OFFERING:

- Clarification of business strategy
- Design of strategic organizational model
- Development of business case for change
- Creation of detailed functional roles
- Drafting of implementation and change plan



OUTCOME:

A new organizational structure was adopted to be better aligned with the business strategy. A reduction in headcount followed as well as decreased SG&A costs.



A MULTI-STEP APPROACH WAS EMPLOYED TO ACCOMPLISH THE ENGAGEMENT OBJECTIVES:

- Information gathering and assessment
- Developed critical success factors and key organization design criteria
- Strategic organization design
- Functional organization design
- Implementation and change planning

RESOURCES

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