

ACQUISITION AND DIVESTITURE DUE DILIGENCE AND FACILITY LIABILITY ASSESSMENTS

Due diligence and facility liability assessments are conducted:

- as part of an acquisition/divestiture due diligence program aimed at quantifying environmental liabilities for the purpose of negotiating purchase price;
- to satisfy provincial licensee liability rating (LLR) assessment and reporting requirements;
- to track reduction of liabilities in response to ongoing remediation programs; or
- to determine asset retirement obligations (AROs) in accordance with financial accounting standards.



Due Diligence Assessment

Due diligence is the process used to ensure that the information about a target company is complete, accurate, and properly disclosed prior to the acquisition. Up-front and timely validation of the facts is crucial in determining the purchase price of the acquisition.

Working within the limited time available for a due diligence environmental assessment, the Matrix team conducts a strategic records review and visits the sites to assess general compliance with environmental regulations and the estimated value of significant soil, groundwater and other impacts.

Liability Assessment

Matrix assesses environmental liabilities related to facility suspension and abandonment, soil and groundwater remediation and surface reclamation by:

- Reviewing facility licenses and permits, reclamation certificates, spill/complaint records, historic aerial photographs and available consultants' reports to identify key risk/liability areas;
- Visiting sites and interviewing facility operators to facilitate evaluation of environmental practices relative to current regulations and industry standards; and
- Conducting Phase II environmental site assessments (when time allows and/or when required to meet LLR requirements) to further investigate the key risk/liability areas.

Liability Assessment Lead

Margaret Allan, M.Eng., P.Eng., P.Geol. is the Liability Assessment Program Lead. She has conducted due diligence liability assessments for oil and gas production/processing company acquisitions and has led liability assessments aimed at meeting corporate ARO and/or provincial LLR reporting requirements. Ms. Allan is supported by a team of experienced site assessment professionals from various disciplines within Matrix.