



*Training Course:
Finance & Accounting for the Oil & Gas Industry*

*28 July - 1 August 2024
Dubai (UAE)*

Residence Inn by Marriott Sheikh Zayed Road, Dubai

Training Course: Finance & Accounting for the Oil & Gas Industry

Training Course code: EN6009 From: 28 July - 1 August 2024 Venue: Dubai (UAE) - Residence Inn by Marriott Sheikh Zayed Road, Dubai Training Course Fees: 4980 € Euro

Introduction

This program will provide you with a solid foundation in the financial aspects of oil and gas exploration and production E&P. It will have immediate and practical application back at your workplace since all activities have financial implications for the assets, departments and ultimately the company for which you conduct your specialist activities. This five-day program has been designed specifically for non-finance specialists in the oil and gas industries who need to understand the financial implications of the work they do. You will learn how to:

- Understand how your activities and decisions are reflected in your company's reporting to shareholders and other stakeholders
- Find out what happens to financial and economic data that is provided by you and your departmental colleagues
- Raise your level of confidence in working with financial information and interactions with commercial colleagues
- Prepare yourself for increased responsibility and a more strategic role in the management of your company

Course Objectives of Finance & Accounting for the Oil & Gas Industry

- appreciate the financial impact of your day-to-day decisions and actions
- work more confidently and effectively with colleagues on financial matters
- improve the quality of information you receive from and provide to Finance
- increase the success rate of requests for authorization of expenditure and make more effective use of funds allocated
- use departmental budgets and monthly management reports to help you exercise financial control of your area of operations
- understand the financial information disclosed in your company's annual report and accounts
- Learning throughout the program will be reinforced by case studies, worked examples, and illustrative extracts from oil and gas company annual reports

TRAINING METHODOLOGY

The program uses training methods chosen to ensure effective learning, to reinforce understanding, to develop

practical skills and to promote the critical evaluation of information. Interest is maintained throughout each session using a variety of formats, including:

- lively illustrated presentations on the industry context and the accounting, reporting and measurement issues
- worked examples, exercises, and solutions demonstrating the practical application of each topic
- illustrative extracts from the annual reports of international companies
- opportunities for questions and discussion on relevant issues raised by participants

Course Summary of Finance & Accounting for the Oil & Gas Industry

The program begins with a review of the business environment and an overview of E&P activities. The rest of Day 1 is devoted to understanding the economic analysis used in making E&P project decisions.

Day 2 covers the essentials of accounting and financial reporting, including the components of a balance sheet, the measurement of profit and the distinction between capital and operating expenditures. With this foundation, the rest of Day 2 and Day 3 examine the accounting and reporting treatment of exploration, development and production costs, including the treatment of dry wells, depreciation, tests for impairment of assets and provision for removal and restoration costs decommissioning.

Day 4 deals with the financial implications of arrangements used to manage the high risks and costs that are characteristic of the E&P industry - joint ventures, farm-outs, carried interests, production sharing contracts and long-term gas contracts.

Day 5 applies the financial accounting and reporting knowledge gained on the program to the analysis of financial statements, providing an essential framework for assessing the performance of your company and its competitors and for making effective use of the budgets and management reports with which the program concludes.

Course Outlines of Finance & Accounting for the Oil & Gas Industry

Day 1: The E&P Business and Project Economics

The Business Environment

- Business objectives
- Stakeholders
- Corporate governance

The E&P Business

- Risk and reward
- Commercial arrangements
- The field life cycle

Project Economics

- Project cash flows
- The time value of money
- Discounting and the cost of capital
- Project economic models
- Decision criteria

Day 2: Accounting, Exploration and Development Costs

The Accounting System

- Capturing and recording data
- Cash and accruals
- The balance sheet
- The income statement and profit measurement
- Accounting principles and standards

Capital and Operating Expenditure

- Matching costs and benefits
- Assets and expenses

Exploration and Appraisal Costs

- Full cost and successful efforts
- Intangible assets

Development costs

- Commitments
- Tangible assets

Day 3: Reserves, Production, and Cost of Sales

Reserves of Oil & Gas

- Classification of reserves
- Reserve quantity disclosures

Production Costs

- Lifting costs
- Maintenance costs
- Royalties

Depreciation, Depletion, and Amortisation DD&A

- Unit of Production UOP method
- Changes in costs and reserves

Ceiling or Impairment Tests

- Test requirement and process
- Accounting for test results

Decommissioning, Removal, and Restoration

- Obligations to remove and restore
- Reporting of decommissioning liabilities and costs

Day 4: Risk and Cost-Sharing Arrangements

Joint Ventures

- Cash calls
- Billing statements
- Entitlements and liftings

Transfers of interests or risks

- Farm outs

- Carried interests

Production sharing contracts

- Cash flow implications
- Reserve implications

Long-term gas contracts

- Pricing mechanisms
- Take or pay

Day 5: Financial Analysis, Budgets, and Management Reports

Analysis of Financial statements

- Profitability, liquidity, and solvency
- Investment measures

Budgets

- Authorization of expenditure
- The budget process

Management reports

- Responsibility reporting
- Analysis of variances

Registration form on the Training Course: Finance & Accounting for the Oil & Gas Industry

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Complete & Mail or fax to Global Horizon Training Center (GHTC) at the address given below

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