



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

*1 - 5 December 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: 1 - 5 December 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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Sheikh Zayed Road, Dubai **Training Course Fees:** 4980 € Euro

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

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Full Name (Mr / Ms / Dr / Eng): .....  
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### Company Information

Company Name: .....  
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### Person Responsible for Training and Development

Full Name (Mr / Ms / Dr / Eng): .....  
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### Payment Method

- Please find enclosed a cheque made payable to Global Horizon
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