



*Training Course:
Oil And Gas Accounting Level 2*

*10 - 21 November 2025
Paris (France)*

Training Course: Oil And Gas Accounting Level 2

Training Course code: FI2065 From: 10 - 21 November 2025 Venue: Paris (France) - Training Course Fees: 9000 € Euro

Introduction

This course provides participants with a thorough, in-depth review and examination of international accounting standards and their application in the upstream oil and gas industry. This will include a review of unique accounting issues that arise in exploration and production activities and best practices for accounting for these.

Participants will learn about Production Sharing Contracts PSCs, the different aspects that are included in PSCs, and the accounting consequences that can arise. This course will address joint venture accounting and alternative methods of how joint ventures can be funded. Unitization and redetermination of oil and gas fields will also be covered.

The final part of this course will give participants an awareness of the different approaches that can be used in the preparation of an annual department and corporate budget. The strategic issues that companies consider in planning their future growth and development will also be discussed.

First week: Objective

This initial segment of the course will enhance your knowledge of the financial accounting and reporting issues that are unique to exploration and production, including comparisons between international, UK and US standards and practices. You will also analyze examples from E&P company accounts and study the impact of adopting different accounting policies.

Outline

Regulation of oil and gas company accounting

- Accounting standards applicable to E&P companies
- IFRS 6

Annual Reports

- Review of sample oil and gas company "notes to the accounts"

Accounting for pre-development costs

- Policy choices and accounting standards on pre-license, exploration and appraisal costs

Commercial reserves

- The nature of commercial reserves and their significance in accounting

The DD&A calculation

- Calculating DD&A on a unit of production basis
- Dealing with changes in costs and reserve estimates

Accounting for decommissioning

- Accounting policy choices on provisions for decommissioning and comparison of IAS 37, FAS143 and FRS12 requirements

Impairment or ceiling tests

- Testing for impairment of assets and comparison of IAS 36, FAS 144, and FRS 11 requirements

IASB extractive activities draft discussion paper

- Accounting treatment of exploration and appraisal costs
- Reserves disclosure
- Publish what you pay

Commitments, provisions and contingent liabilities

- Understand the accounting/disclosure requirements of each category

Accounting for financing arrangements

- Recommended practice on accounting for E&P company financing and risk-sharing arrangements

Accounting for sales revenue

- Recommended practice on accounting for oil and gas sales
- The timing of revenue recognition and matching of costs

Accounting for E&P company taxes

- Introduction to types of E&P taxes
- Deferred tax accounting

Joint-venture and production-sharing accounting

Second week

Objective

This segment of the course will enhance your knowledge of joint-venture and production-sharing accounting issues, with emphasis on their accounting requirements. Reference will be made to sample JV and production-sharing contracts from different countries and to attempts to standardize accounting practice, e.g. COPAS, SOAP.

Outlines

Ownership and exploitation of reserves

- Government control and issues

- Oil and gas company issues
- Calculation of "take"

Concessionary systems

- Features of a typical oil and gas concessionary system

Contractual systems

- Common features of oil and gas contractual systems

PSC - accounting procedure

- Review of sample accounting procedure

Cost oil and profit oil

- definitions and common features
- calculating cost oil and profit oi

"R" factors

- what are "R" factors?
- calculating "R" factors

PSC & JV Audit

- Features of oil and gas industry financial audits

JV accounting - best practice

- Review of oil and gas industry standards

JV cash management and billing

- Cash calling and invoice funding
- How to account for JV billing statements

JV cost allocation

- Methods for allocating shared JV costs

Unitisation and redetermination

- How to account for product and cost-sharing changes following an equity redetermination

Budgeting and cost control

What you will learn

This final segment of the course will improve your abilities to prepare departmental and company-wide E&P budgets and control and analyze the costs incurred. It will also enable you to understand the nature of costs unique

to an E&P company, and how these costs behave under different conditions.

Realistic examples are provided to encourage you to develop a model of good budgeting and cost-control practice that can be applied back in the workplace, along with a team exercise to simulate the preparation of the annual budget of an E&P company.

Topics covered include:

Performance measurement

- Review of the most commonly used industry key performance indicators

Cost control and different approaches to budgeting

- The nature and behavior of costs
- How to report, monitor and control costs
- Incremental and zero-based budgeting

Departmental budgets

- How to prepare a departmental budget

Financial and strategic planning

- Understanding the context, objectives, principles, and processes of financial planning and control

Corporate budgeting

- How to develop and apply a budgeting methodology
- Comparison of budget output against corporate objectives

Registration form on the Training Course: Oil And Gas Accounting Level 2

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