



Petroleum, Oil & Gas



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Course: Finance and Accounting for the Oil and Gas Industry

Code	City	hotel	Start	End	price	Hours
106	Prague (Czech Republic)	Hotel Meeting Room	2024-06-24	2024-06-28	5450 €	25

INTRODUCTION

This programme 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 programme 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

PROGRAMME OBJECTIVES



- 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 authorisation 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 programme will be reinforced by case studies, worked examples, and illustrative extracts from oil and gas company annual reports

TRAINING METHODOLOGY

- 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

PROGRAMME SUMMARY

- 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 programme 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 programme concludes.

PROGRAMME OUTLINE

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
- 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

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

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

Financial Analysis, Budgets and Management Reports

Analysis of Financial statements

- Profitability, liquidity and solvency
- Investment measures

Budgets

- Authorisation of expenditure
- The budget process

Management reports

- Responsibility reporting
- Analysis of variances



The Scandinavian Academy employs modern methods in training and skills development, enhancing the efficiency of human resource development. We follow these practices:

- **Theoretical Lectures:**
 - We deliver knowledge through advanced presentations such as PowerPoint and visual materials, including videos and short films.
- **Scientific Assessment:**
 - We evaluate trainees skills before and after the course to ensure their progress.
- **Brainstorming and Interaction:**
 - We encourage active participation through brainstorming sessions and applying concepts through role play.
- **Practical Cases:**
 - We provide practical cases that align with the scientific content and the participants specific needs.
- **Examinations:**
 - Tests are conducted at the end of the program to assess knowledge retention.
- **Educational Materials:**
 - We provide both printed and digital scientific and practical materials to participants.
- **Attendance and Final Result Reports:**
 - We prepare detailed attendance reports for participants and offer a comprehensive program evaluation.
- **Professionals and Experts:**
 - The programs scientific content is prepared by the best professors and trainers in various fields.
- **Professional Completion Certificate:**
 - Participants receive a professional completion certificate issued by the Scandinavian Academy for Training and Development in the Kingdom of Sweden, with the option for international authentication.
- **Program Timings:**
 - Training programs are held from 10:00 AM to 2:00 PM and include buffet sessions for light meals during lectures.