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FM129:
Cash Calls in Oil and Gas Venture Operations:

Identify, Explore, Evaluate and Analyze Cash Calls in the Joint Venture Business

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Training Description:

In oil and gas projects, many of the international and national oil & gas companies are collaborating in Joint Ventures (JV). The purpose of a JV is to develop and produce oil and/or gas in an economically viable manner. It also assists oil and gas companies to mitigate the risk existed in different stages of life cycle of a field.

Billions of dollars are invested every year in the upstream projects. This huge amount of investments will be done mainly in accordance with the terms and conditions of a joint operating agreements (JOA), which imposes an obligation on all participants to contribute funds to shared activities. Fundamentally, a JV agreement requires all participants to pay their share of expenses (operating or capital) upon a cash call by the operator; however, should any of the investors fail to pay its share. Such a failure will normally constitute a "Default" under the terms and conditions of the JOA.

This intensive training course has been designed to explain the basics of cash calling in JV contracts with practical accounting procedures and reporting; types of cash; fundamentals and workflows for cash calling in joint venture contracts; outstanding cash calls and repayment options; impact of cash default on joint venture operations and profitability. The course also highlights critical issues relating to implementing oil and gas joint venture budgeting and auditing processes. Both the structural aspects of cash calling as well as real-world case studies will be discussed to illustrate the field application of the concepts in the course.

Training Objectives:

This is a unique course with the professional techniques that enables delegates from all financial and commercial disciplines to effectively understand the Cash Calling activities through the oil and gas joint venture. outstanding cash calls and repayment options, impact of cash default on the project viability, and disputes – are included. The course will also cover contract types, and it also outlines critical issues involved in making oil and gas joint venture successful and the accounting, budgeting and auditing practices involved.

<u>By the end of the training, participants will be able to:</u>

- ✓ Understand all the types of JV agreement in Oil & Gas industry
- ✓ Understand the issues to negotiate and agree a JVCC Arrangement
- ✓ Select the most appropriate forms of JVCC
- ✓ Will learn and how to administer it during the asset's production phase.
- ✓ This advanced course will also equip attendees with the necessary knowledge to play a role in the JVCC Arrangement environment in an efficient and effective manner

<u>Personal Impact:</u>

- ✓ Better understanding of the context and importance of the work you do
- ✓ Improved knowledge and skills to improve your effectiveness
- ✓ An ability to evaluate, analyse and recommend action
- ✓ Increased self-confidence and motivation at work
- ✓ Greater job satisfaction in providing quality support to management
- ✓ Greater ability to supervise, develop and motivate colleagues

<u>Organisational Impact:</u>

- ✓ Understanding the nature of joint venture business structure and how to effectively perform the risks and benefits analysis in JV

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- ✓ Identifying the processes in oil and gas joint venture accounting, budgeting, reporting and auditing.
- ✓ Exploring cash call types, Accounting and funding for oil and gas joint venture operations
- ✓ Analyzing cash calling and evaluation its impact in joint venture business
- ✓ Solving problems associated with cash calls in Oil & Gas join venture operations

Training Designed for:

This course is intended for Chief Executive Officers, Business/investment analysts, Assets managers, Operation managers, Cost controllers, Accounting executive/managers, Financial reporting managers, Oil and gas operators, joint venture operators, Joint venture non-operators, Joint venture accountants, Government regulators.

Training Requirement:

"Hand's on practical sessions, equipment and software will be applied during the course if required and as per the client's request."

This training course is available upon request in English or Arabic, virtual online live or face to face public/inhouse. Content, location and duration can be adapted to your specific wishes. It is therefore possible to focus on specific modules of the training course as per client's learning needs and objectives. Further, it should be forwarded to us a month prior to the course dates.

Training Program:

DAY ONE:

- ❖ Introduction
- ❖ Overview of Joint Ventures in Oil & Gas industry
  - Overview of O&G industry today
  - Types of joint venture and how to get into them
  - Oil and gas joint venture principles
  - Accounting for a joint venture
  - Relationships with host governments
  - Contrast of key drivers between IOCs and NOCs

DAY TWO:

- ❖ Financing Fundamental of Oil & Gas Joint Ventures
  - Negotiating and formation of joint ventures
  - Key accounting and financing provisions
  - Joint venture funding, cash management, and billing requirements
  - Techniques to effectively balance of cost, risk and reward
  - The effects of recent oil price and regulatory trends impacting joint ventures

DAY THREE:

- ❖ Cash Calls in Oil & Gas Industry
  - Overview of cash call types in oil and gas joint venture operations
  - Financing petroleum by Cash Calls
  - Joint venture budgeting & operating principles
  - Cost concepts, Allocations, Costing by product and Activity based Costing in joint venture operations

- Process of cash call funding, account reconciliation and reporting
- Outstanding cash calls (deficit) and repayment options

DAY FOUR:

❖ Requirements of Cash Calls in Oil and Gas Joint Venture

- Responsibilities of oil/gas of joint venture partners
- Managing Cash Call Statement
- Accounting for deficit cash calls
- Impact of cash default on operations and profitability
- Difference between a cash call & a Cutback

DAY FIVE:

❖ Cash Call Practice & Improvement

- Cash Call Practice
- Cash Call Problems
- Refusal to pay a Cash Call
- Improvement to Cash Call Process

❖ Course Conclusion

❖ POST-ASSESSMENT and EVALUATION

Training Methodology:

This interactive training course includes the following training methodologies as a percentage of the total tuition hours:

- 30% Lectures, Concepts, Role Play
- 70% Workshops & Work Presentations, Techniques, Based on Case Studies & Practical Exercises, Gamification, Software & General Discussions
- Pre and Post Test

Training Certificate(s):

Internationally recognized certificate(s) will be issued to each participant who completed the course.

Training Fees:

As per the course location - This rate includes participant's manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Note: The 5% VAT (Value Added Tax), will be effective starting 01st of January 2018 as per the new regulation from the UAE Government. The VAT applies for all quotation both for local and abroad.

Training Timings:

Daily Timings:

07:45 - 08:00	Morning Coffee / Tea
08:00 - 10:00	First Session
10:00 - 10:20	Recess (Coffee/Tea/Snacks)
10:20 - 12:20	Second Session
12:20 - 13:30	Recess (Prayer Break & Lunch)
13:30 - 15:00	Last Session

For training registrations or in-house enquiries, please contact:

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