



TM175: Practical Petroleum Economics

Training Description:

This intensive training course is designed for learning the basics of petroleum economics and project selection. Several key concepts that will be covered are the time value of money, cash flow basics, common economic indicators, fiscal systems and project selection fundamentals. An introduction to basic risk analysis will also be presented.

The participants will receive an overview of petroleum economics, including an introduction to basic cash flow and net present value. The main types and elements of fiscal regimes around the world will be presented. During this course participants will evaluate and make recommendations on potential oil and gas investments.

This course mainly uses Excel.

Training Objectives:

By the end of the training, participants will be able to:

- ✓ Learn why project economics are necessary and the methods for economic evaluation
- ✓ Learn about the project lifecycle and who is involved
- ✓ Learn the main types and elements of fiscal regimes around the world
- ✓ Learn to build cash flows for concessionary systems and simple production sharing contracts
- ✓ Gain an in-depth knowledge in incorporate risk and sensitivity analysis in order to calculate EMV and ENPV
- ✓ Evaluate and make recommendations about potential oil and gas investments

Training Designed for:

This course is intended for anyone requiring a fundamental knowledge of Petroleum Economics and oil and gas project recommendations.

Prerequisites: Intermediate knowledge of Excel

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.”

Contents 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:

FIVE DAYS:

- ❖ PRE-TEST
- ❖ Course Introduction
- ❖ Project Economics
 - Methods of evaluation
 - Project lifecycle and who is involved



- Common types of oil and gas upstream projects
- Forecasting production, prices and expenses
- Why project economics are necessary and the methods for economic evaluation
- The project lifecycle and who is involved
- Common types of oil and gas upstream projects
- The concepts and methods of forecasting production, prices and operating expenses review
- ❖ **Cash Flow and Economic Indicators**
 - Defining revenue and operating expenses
 - Capital expenditures
 - Discounting and present value
 - Economic indicators
 - The cash flow stream will be constructed in detail, including company revenue, operating, and capital expenditures. In addition, the concepts of discounting and net present value will be presented and practiced. Multiple economic indicators will be discussed, including DPI, IRR, hurdle rate, WACC and more.
- ❖ **Fiscal Regimes**
 - The main types and elements of fiscal regimes
 - Cash flows for concessionary systems and production sharing contracts
 - Service agreements
 - Current trends in fiscal systems
 - The different types of service agreements will be reviewed and then investments under different fiscal regimes will be compared
- ❖ **Project Investment Analysis**
 - Defining risk, sensitivity analysis, and calculating EMV and ENPV
 - Incremental investment analysis
 - Multiple project investment analysis including project ranking
 - The capital budgeting and project selection process
 - The purpose of incremental investment analysis
 - Participants review a general capital budgeting and the project selection process
- ❖ **Practical Sessions**
 - This hands-on, highly-interactive training includes simulator, real-life case studies and exercises
- ❖ **Course Conclusion**
- ❖ **POST-TEST 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):

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

Training Fees:

TBA 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 - 13:00	Recess (Prayer Break & Lunch)
13:00 - 14:00	Last Session

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

Aisha Relativo - Training & Career Development Manager

aisha@cmc-me.com / training@cmc-me.com

Tel.: +971 2 665 3945 or +971 2 643 6653 | Mob.: +971 52 2954615