



ACCOUNTING AND FINANCE

Introduction To Financial Reporting For The Petroleum Industry

Website: www.btsconsultant.com

Email: info@btsconsultant.com

Telephone: 00971-2-6452630

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Introduction:

The complexities of accounting for oil and gas companies require an ability to properly interpret and comply with the accounting requirements that are applicable to this industry's unique issues. This course focuses on these issues and provides an understanding of a series of major IFRS and US GAAP accounting principles and standards that are particularly relevant to the upstream oil and gas business; shows how to apply these accounting rules; discusses financial reporting requirements for energy companies whose stock is traded in the U.S. such as British Petroleum, Total, and Chevron; shows where to find in corporate reports a wide variety of data and metrics relating to the performance of oil and gas firms; illustrates financial analysis of oil and gas firms; and presents and explains the metrics used to assess exploration and production operations.

This course will provide participants with an introduction to the practical aspects of financial reporting in general, and of the petroleum industry in particular. Starting with a basic overview of Generally Accepted Accounting Principles (GAAP), participants will then be exposed to the more specific elements of financial reporting pertinent to the petroleum industry, supplemented by examples of actual petroleum industry financial disclosures. This course gives non-financial managers and senior professionals an understanding of accounting and financial essentials. Participants will become more aware of the financial impact of their decisions and their contribution to the profitable operation of the company. You will acquire the financial tools needed to effectively

plan, budget and control an organization, whether you manage a department or the entire company. Course highlights are:

- Introduction accounting
- Oil and gas company financial
- The economic realities of business
- Financial reporting basic statements
- Accounting policies and notes
- Understanding financial statements
- Internal controls and budgets
- Public company reporting
- Financial statement analysis
- Financial ratio analysis
- Learning to read annual reports
- Valuation of a company
- Oil and gas valuation
- Financing the corporation

- Capital investment planning and analysis
- Capital investment decisions
- Mergers and acquisitions practices today
- Empirical annual reports analysis
- Conventional accounting valuations

Who Should Attend?

Finance Professionals, Finance Managers, Chief Accountants, Senior Accountants, Accountants, Corporate Accountants, Accounting & Budgeting Personnel, Corporate Controllers, Financial Controllers, Financial Analysts, Treasury Professionals, Accounting Managers, Accounting Professionals, Budgeting Personnel, Financial Executives, Financial Managers, Financial Controllers, Treasury Officers, Auditors, Joint Venture Accountants, Bankers, Investment Bankers, Banking Professionals, Corporate Business Professionals, Professionals in the field of finance and accounting, managers, supervisors, and finance professionals who desire to understand, apply and implement practical tools to enable them to run the finance and accounting departments more efficiently, Financial Planners and Cost Analysts, External, Financial and Internal Auditors, Government Regulators and Auditors, Financial and Investment Analysts, Finance Professionals responsible for financial accounting, treasury, budget preparation and management reporting, Process and Non-technical Professionals who require a more in-depth understanding of financial accounting reporting, project management and forecasting techniques, Finance Staff in General Accounting, Payables, Receivables, Inventory, Fixed Assets, etc., Line/Unit Heads with direct planning and budgeting responsibility, Key Personnel in the oil and gas industry, Managers involved in making CAPEX decisions, Bankers and Professionals who work in Energy Lending

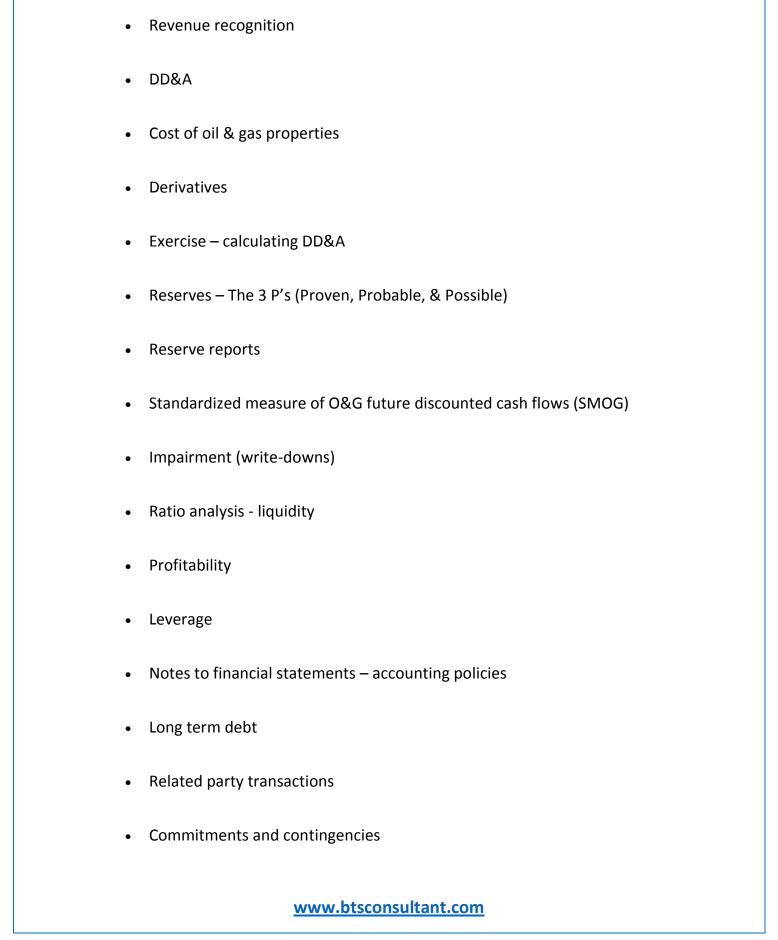
Course Objectives:

By the end of this course, delegates will be able to:

- Understand and apply a series of major financial accounting principles and standards that are particularly relevant to oil and gas companies' activities
- Calculate and interpret financial and operational metrics used to analyze the costs, profitability, efficiency, and value added by a firm's exploration and production activities
- Know the implications for the oil and gas industry of the IASB's project on extractive industries

Course Outline:

- What is accounting GAAP/IFRS
- Basic principles accounting policies
- Financial statements balance sheet
- Statements of income
- Statements of cash flows
- Statement of equity
- Exercise understanding and generating a statement of cash flows
- Important concepts of O&G financial statements successful efforts vs.
 full cost
- Asset retirement obligation



IFRS – International Financial Reporting Standards Fair value measurements Earnings per share Exercise – calculating EPS Management discussion & analysis: explanation of changes in financial and operating activity –current period to previous periods Internal control – procedures Opinion & certification Public company reporting – audit opinion Annual reporting Quarterly reporting Important events (press release) Additional major accounting issues for the oil and gas industry Dismantlement, restoration and abandonment (asset retirement obligations) Capitalization of interest costs

- Asset impairment under both successful efforts and full cost accounting methods
- Update on the IASB's Project for extractive industries financial reporting
- SEC oil & gas modernization act
- Where to find key data relating to firms exploration and production activities
- Supplementary disclosure requirements relating to oil and gas producing activities required by SEC and other regulators including COGEH
- Proved oil and gas reserve quantities
- Costs incurred for property acquisition, exploration & development activities
- The standardized measure of discounted future net cash flows (PV10)
- Financial and operational metrics to assess oil & gas company's exploration and production