

PROJECT MANAGEMENT



 **BTS**
Training & Consultancy

Understanding, Negotiating & Drafting Oil & Gas Contracts

Website: www.btsconsultant.com

Email: info@btsconsultant.com

Telephone: 00971-2-6452630

Understanding, Negotiating & Drafting Oil & Gas Contracts

Introduction:

The accelerated pace of change in the oil and gas industry make this one of the world's most challenging and complex sectors in which to understand, draft and negotiate contracts. This comprehensive course focuses on current practice and developments in the oil and gas industry. It will serve as either a comprehensive introduction for newcomers or a useful update/refresher for those with experience in the industry.

Who Should Attend?

Contracts, Purchasing, and Project Personnel, Engineering, Operational, and Maintenance Personnel, Project and Contracts Management Professionals, Tendering, Purchasing, Contract Administration Professionals and Personnel, Engineering, Operational, Finance, Maintenance Professionals, Managers and executives in the procurement, finance, legal, risk and supplier relations department, Business Managers, Commercial staff, Project Engineers, Procurement staff, Legal staff, Contracts analysts & Officers, Contract Leaders & Engineers, Cost & Planning Engineers, Contract Administrators, Contracting Unit Supervisors, Contract Strategists, Project Managers, General Managers involved in contract negotiation and disputes, Commercial Managers, Buyers, Purchasing Managers, Tenders Managers, Supply Chain Managers & Executives, Procurement Managers & Personnel, Construction Managers.

Course Objectives:

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

- Gain in-depth knowledge and further understanding of more agreements that are in common use in the upstream oil and gas industry
- Find out more about the essential bidding and tendering phase
- Become familiar with production sharing contracts
- Learn about how to deal with negligence and nuisance claims
- Recognize the importance of the five key clauses that every oil and gas professional should be familiar with
- Master the drafting of service agreement contracts
- Understand the importance of contract risk management

Course Outline:

Introduction and Overview of Industry

Introduction to the Different Types of Upstream Oil and Gas Agreements

- Overview of contractual and fiscal structures
- Confidentiality and non-disclosure agreements
- Exclusivity agreements
- Joint bridging agreements
- Areas of mutual interest agreements

Drafting the Terms of Concession Agreements

- Implications for host governments
- Oil companies and arbitral tribunals
- Transaction cost analysis

Specific Issues When Drafting Licensing Agreements

- Typical provisions of the agreements
- Practical exercise focusing on key licensing issues
- Technology transfer
- Concessions and licenses
- PSC's
- Termination

Offshore Rig Hire Agreements

- Rights and obligations of the parties
- Assignments
- The rig market
- What the oil companies provide
- Two main commercial risks associated with rig hire
- The Rig Hire Contract
- The IADC Form

General Obligations of the Contractor and the Company

- Performance standards
- Data collection and reporting
- Audit rights and financial reporting
- HSSE requirements
- Sub-contractors

Understanding Contractual Liabilities

- Liabilities for personal injury or death

- Liability for late delivery, performance or similar
- How to limit the maximum aggregate damages
- Fundamental breach v breach of fundamental obligations

Drafting Contractual Guarantees and Warranties

- Advance payment bonds
- Retention bonds
- Performance guarantees
- Parent company guarantees

Indemnity and Hold Harmless Clauses

- Indemnity- why the need?
- Distinction between indemnity clauses and exclusion clauses and limitation of liability clauses
- Distinction between indemnity and guarantee
- Simple indemnity and mutual indemnity
- Importance of drafting- judicial suspicion
- UKCS Mutual Hold Harmless Regime

Exclusion Clauses in the Offshore Industry

- Drafting clauses to withstand judicial scrutiny
- The default legal position
- Indemnity clauses
- Tortious liability
- The Contra Referendum Rule

- Incorporation
- Construction of the contract
- UCTA – core provisions
- Recent case law

Termination Clauses and Disputes

- Clauses you must consider in your contracts to ensure financial and reputation risks are covered
- Right to terminate under the contract
- Right to terminate under applicable law
- Consequences of termination
- Getting it 'right'
- Getting it 'wrong'

Negotiation Skills