



ACCOUNTING AND FINANCE

Advanced Oil & Gas Finance & Accounting Strategies, Skills & Techniques

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Introduction:

In today's competitive oil and gas industry, with unstable oil prices, demand and supply uncertainties, the need to reduce operating costs, whilst maintaining quality and safety, improving returns for investors and company stakeholders, what strategies should companies adopt to ensure sustainable growth? Given the substantial capital costs, long lead times from exploration to sale and pressure to meet reserve replacement ratios, implementing and managing strategies in oil & gas finance and accounting are critical success factors. This course therefore focuses on the essential skills and techniques required to enable you to make appropriate strategic decisions to maximize profit, reduce costs and financial risks. This course will feature:

- The current and future challenges within the sector
- The strategic decisions facing companies in this challenging environment &
 the techniques to enable informed strategic decision making
- Financing strategies to determine the optimum capital structure and undertake capital investment appraisal to maximizing shareholder wealth
- Strategies to reduce and/or eliminate financial risk

 Strategies to manage new initiatives to ensure companies met their strategic aims and objectives

Who Should Attend?

Finance Professionals, Finance Managers, Chief Accountants, Senior Accountants, Accountants, Corporate Accountants, Accounting & Budgeting Personnel, Corporate

Course Objectives:

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

- Identify and evaluate the challenges facing the oil and gas sector now and in the future
- Use skills and techniques to assist with key strategic decisions facing their company
- Recommend appropriate financing decisions and make capital investment decisions
- Advise on methods to eliminate or reduce financial risks facing oil and gas companies
- Manage new projects/initiatives effectively, meeting strategic aims and objectives

Course Outline:

Strategic Issues Facing the Oil & Gas Sector

- The nature of the oil and gas sector
- Current & future challenges within the sector a question of supply & demand

- Volatility: demand, energy prices, exchange rates, interest rates
- Resources & reserves and the need for research & development
- Financial issues impacting on strategic development and growth

Advanced Strategic Decisions

- Strategic planning and decision making in a volatile market
- Analytical tools to aid strategic planning and decision making
- Diversifying income streams balancing upstream, midstream & downstream
- Growth strategies: exploration, diversification, vertical & horizontal integration
- Mergers & acquisitions, joint ventures, production sharing agreements & strategic alliances

Financing Strategies in the Oil & Gas Sector

- Sources of finance the optimum capital structure and the cost of capital
- Capital investment appraisal: NPV, IRR, Modified IRR, Payback
- Financial forecasting and analysis in Excel
- Managing uncertainty of production, prices, capital costs & construction delays
- Modelling energy prices in capital budgeting

Financial Risk Management Strategies

- Developing and implementing a risk management strategy
- Risk analysis of oil and gas projects using Excel

- Sensitivity analysis, sensitivity charts and scenario analysis, Monte Carlo Simulation
- Hedging energy prices; interest rates and foreign exchange rates using financial derivatives
- Accounting for hedging under IFRS

Project Management to Meet Strategic Aims & Objectives

- Estimating activity durations and costs using statistical and probability estimates
- Critical path and manpower planning
- Earned value analysis
- Budgetary control and variance analysis
- Implementing and managing change, suspension or shut downs