

Petroleum Project Economics, Decision & Risk Analysis



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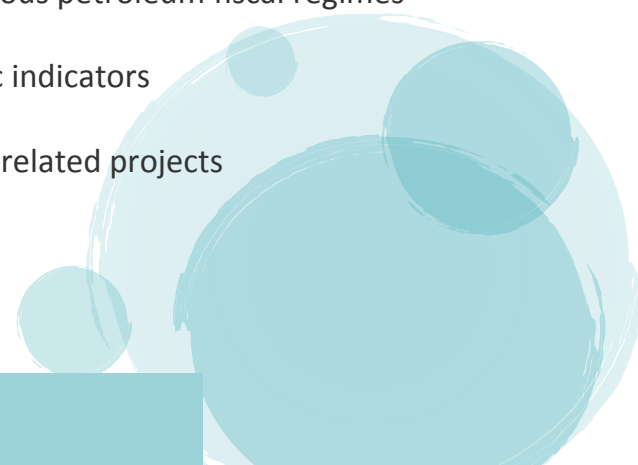
Introduction:

This workshop provides practical guidance in the application of the techniques of the economic analysis currently used in the oil & gas industry. When executing a petroleum related project, such as a field development, you should be able to choose the best alternative from economic point of view. You should be able to properly evaluate various investment opportunities by determining economic indicators and sensitivity analysis.

Techniques for predicting profit, production, costs, and cash flow enable the analyst to evaluate decision alternatives for optimum results. Understanding economic indicators, risk and uncertainty, different economic structures such as tax regimes and production sharing contracts, enhances the quality and the value of economic analysis.

Objectives:

The Primary Objectives of the Course are to:

- Understand various economic terms used in the oil & gas industry
 - Understand how to develop economic models of various petroleum fiscal regimes
 - Carry out cash flow analysis and determine economic indicators
 - Carry out different economic analyses for petroleum related projects
 - Evaluate and quantify risks and uncertainties
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- Make the right investment decision in the presence of risk
- Carry out a comprehensive economic evaluation study for any petroleum related project including risk analysis and sensitivity study using spreadsheet

Organizational Impact

By sending delegates on the 5-day training seminar in Petroleum Project Economics and Risk Analysis, your organization will benefit by:

- Participants learn about the application of economic valuation and risk assessment processes and techniques within the global Oil & Gas industry
- Help the participants to identify and analyse the risk involved in a petroleum related project
- Help the participants to apply the decision-making procedures to justify the petroleum projects in term of profitability
- Help the participants to recognize the uses of options in the ranking criteria to select and execute the high profitable project
- Putting values to the Oil & Gas companies' active project through interpretation of economic results of applied case studies
- Help participants to recognize and identify the influencing parameters for oil and gas field developments

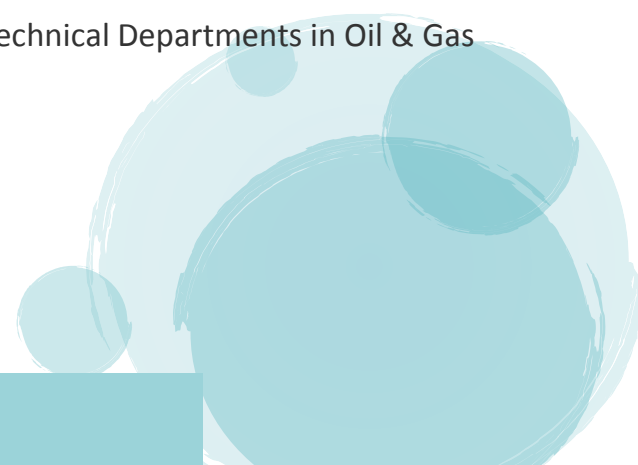
Personal Impact

By attending this training seminar you will:

- Learn to construct a project cashflow model
 - Gain the techniques in project ranking and screening
 - Gain the operational decision-making techniques under risk
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- Capable of identifying the uncertainties in petroleum related project and how to manage them
 - Enhance the participant's awareness about influential parameters in an oil and gas field development plan

Who should attend?

Engineers, geologists, economists, accountants, technicians who need to learn how to conduct economic evaluation and to understand the role of petroleum economics in investment decision making. This workshop is also recommended for supervisors & managers in the Planning, Exploration, Production, Projects, Financing and Technical Departments in Oil & Gas



Methodology:

This interactive Training will be highly interactive, with opportunities to advance your opinions and ideas and will include;


- Lectures
- Workshop & Work Presentation
- Case Studies and Practical Exercise
- Videos and General Discussions

Certificate:

BTS attendance certificate will be issued to all attendees completing minimum of 80% of the total course duration

Course Outline:

DAY 1 – Cash Flow Analysis

- Familiarization with Economic terms.
 - Feasibility Studies
 - Setting up Cash Flow Calculation
 - Depreciation
 - Depreciation Methods
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- Loss Carry Forwards
- Inflation
- Nominal & Real Cash Flow
- Sunk Costs
- Project Financing

DAY 2 – Economic Indicators

- Economic Indicators Definitions
- Present Value Concept
- Discount Factor
- Net Present Value
- Internal Rate of Return
- Effect of Project Delay
- Payback Period
- Profit/Investment Ratio
- Incremental Projects
- Comparing Economic Indicators

DAY 3 - Risks and Uncertainties

- Risk & Uncertainty
 - Expected Value Concept
 - Decision Tree Analysis
 - Farm-out Decision
 - Probability Analysis
 - Sensitivity Analysis
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- Spider and Tornado Diagrams
 - Probability Distribution
 - Monte Carlo Simulation

DAY 4 – Setting up Spreadsheet Calculation

- Introduction to Spreadsheet Calculation
- Simple Cash Flow Using Excel

DAY 5 - Setting up Oil Field Development Model

- Setting up an Integrated Economic Model of a Typical Oil Field Development Project including Sensitivity Analysis