

The NPV paradox

- “Although the NPV method is criticized by both practitioners and academics, the traditional NPV calculation is by far the most commonly used tool for [exploration & production] project valuation.” (Willigers et al., 2017)
- “NPV is almost always applicable but is almost always wrong” (Fox, 2008)
- “the NPV rule as governing all capital budgeting decisions may not be appropriate” (Arya et al., 1998)