

## **Exploration & Production Accounting Level 1 (Delivered via Remote Instructor Led Training)**

### **Course Objectives**

This 3-day introductory-level course provides a comprehensive overview of international accounting and finance practices in the E&P industry. It is particularly suitable for finance personnel who are new to the oil and gas industry, or want to gain a broader understanding of oil and gas financial policy, joint venture and cost-control topic areas.

### **What You Will Learn**

- An overview of accounting policies and practices in the oil and gas industry
- An introduction to managing project development and operating costs
- Understanding the accounting and financial management implications of exploring for and producing oil and gas
- The background to financial issues like joint ventures that are unique to the E&P industry, and their accounting treatment

### **Who Should Attend**

- Finance staff new to the industry who require a grounding in the various specialist discipline areas that typically comprise an oil and gas company finance function
- Finance personnel who are being developed for broader accounting and financial management responsibilities
- Audit and information systems staff who have frequent dealings with financial controls and systems
- Treasury and tax specialists who require a better understanding of E&P finance and accounting

### **Training Method**

The course content has been designed to be delivered via a 'Live' Remote Instructor Led platform. It is a highly participative course using a combination of instruction, group discussions and practical examples and exercises to ensure attendees absorb both the theory and the practical application of the topics. The first session will run for 2½ hours to allow for introductions, subsequent sessions will be 2 hours long. Each day will consist of 2 sessions (1 morning/1 afternoon) with a break of 10 minutes during each of the sessions, time will be allowed for questions and discussions.

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### **Course Content**

#### **Accounting Policies - Accounting for Exploration & Appraisal Costs, Reserves**

- Features of E&P industry and the related accounting implications
- A review and comparison of Full Cost and Successful Efforts accounting policies
- Reserves classifications and their impact on accounting

#### **Accounting Policies - DD&A, Decommissioning, Asset Impairment**

- How accounting policies influence the reporting of financial performance
- How to calculate Depreciation, Depletion and Amortisation (DD&A)
- How to account for Decommissioning costs
- Conducting an Asset Impairment Test

#### **Joint Venture Accounting - The JVA, Accounting, Cash Calls & JV Billings**

- Understanding a Joint Venture Agreement (JVA)
- What a JVA states about accounting
- How to prepare and process a JV Cash Call
- Understanding Joint Venture (JV) billings - how to process a JV billing statement

#### **Joint Venture Accounting - Allocation of Shared JV Costs**

- Understanding the basics of JV Cost Allocations
- Allocation of shared boat and helicopter costs
- Parent Company Overhead
- General & Administrative (G&A)

#### **E&P Industry Costs - Drilling**

- Understanding the Drilling process
- Preparing a well cost estimate
- Controlling and forecasting well costs
- Review and reconciliation of drilling costs

#### **E&P Industry Costs - Production Opex & Field Development Capex**

- Overview of Life of Field Production Opex
- Features of Opex cost control
- Reaching Final Investment Decision (FID) and moving into Field Development
- Controlling and reporting Field Development costs

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### Testimonials

*“Was an amazing 3 days, I learned a lot of information, the instructor was awesome and very helpful!”* **Ghadeer A. Yousef, KPC**

*“Excellent, and now want to attend Exploration & Production Accounting Level 2 and 3.”*  
**Julia Shusta, Gunvor Services**

*“It was very good, I am new in oil & gas and it was a good course for understanding the industry and the associated accounting procedures.”* **Noora Al Awadhi**

*“The flow of the course makes sense and is easy to absorb. The examples given improved my understanding.”* **Mohd Nur Aizat Sidiq**

*“The course is perfect when you have just started in the Oil and Gas Industry. Even though we know all the ‘terms’, what they really represent is completely different, that’s how the course really achieved on developing knowledge. The different examples/experiences were really helpful.”* **Derdour Lamia**

*“The training was really useful and will help me a lot in my career going forward. This was very impressive.”* **Nziza Bgoya**