

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

"Course session was awesome, fantastic! Interactive sessions, friendly in terms of professionalism. Knowledge sharing is fantastic." **Shafi Ullah, MOL Pakistan**

"This course was really good, it enhanced and improved my understanding of the oil and gas industry. Particularly how costs and transactions are treated/allocated." **Saio Yanka, National Revenue Authority**

"The course has made me feel more confident in my role and how my role fits into the overall business. I now understand more about the operations of the company I work for." **Jamie Dryburgh, Premier Oil**

"The training has permitted me to have a better understanding of accounting principles and practice generally accepted in the oil and gas industry. In particular I was able to consolidate the basic knowledge I had about Joint Ventures and cost allocation." **Cheikh Seck, Capricorn Senegal**