

Exploration & Production Accounting Level 1

Course Objectives

This 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 uses a combination of instruction, group discussions and practical examples and exercises to ensure delegates absorb both the theory and the practical application of the topics.

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Course Content

Introduction to the E&P Industry

- Learn what is different about the exploration and production industry and the impact this has on accounting and financial management.

Accounting Policies

- How accounting policies influence the reporting of financial performance
- Successful efforts and full-cost accounting
- The use of reserve data in accounting calculations
- How to calculate depreciation, depletion and amortisation (DD&A)
- How to account for decommissioning costs
- How to conduct an impairment test

Joint Venture Accounting

- Understanding a Joint Venture Agreement (JVA)
- What a JVA states about accounting
- How to prepare and process a cash call
- Understanding Joint Venture (JV) billings - how to process a JV billing statement
- How to allocate JV costs

Cost Control and Analysis

- Project and development costs
 - AFEs and cost estimating
 - How to control capital expenditures
- How to estimate and control production operating costs
 - Fixed and variable cost analysis
 - Activity analysis
- Drilling costs
 - How to prepare well cost estimates
 - How to control drilling expenditure
 - How to forecast drilling AFE costs
 - How to review well costs post completion

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Testimonials

"Was an amazing 3 days, I learned a lot of information, and 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**