

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, 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**