

International Oil and Gas Exploitation Contracts

Course Objectives

This course draws widely on industry case studies and realistic examples to deliver a broad-based, practical introduction to managing oil and gas exploration, development and production contracts.

What you will learn:

- the structure and benefits of different types of international contracts for petroleum exploration, development and production
- the key elements of oil and gas exploitation contracts
- how to structure the agreement(s) to meet your company's needs
- the different needs and expectations of national and international oil and gas companies
- an understanding of non-financial elements and their impact on economics and profitability
- how to identify and manage appropriately the risks and opportunities in the contract terms
- how to differentiate between oil and gas exploitation and marketing issues involved in gas contracts
- how to model the changing parameters in a typical PSC

Who Should Attend

This course is aimed at professional oil and gas company personnel at all levels and in all disciplines, including business development; contract negotiations; business analysis; strategic planning; joint-venture representation; and investment in petroleum projects. It also offers an in-depth general understanding of international oil and gas exploitation contracts.

Training Method

This course makes extensive use of petroleum industry case studies, examples and exercises, with delegates working individually and in teams when tackling a variety of industry-specific challenges.

Course Content

What are "International Exploitation Contracts" and how do They Work?

- The key differences between PSCs, concessions, service contracts and joint-venture contracts
- The rights and obligations of the parties at each stage

Why do We Have PSCs?

- Understand what PSCs are designed to do and how they are evolving

Who Gets the Production?

- How to work out the production splits
- Untangling the "R factor"

How are the Contracts Dealt With in the Exploration Phase?

- Managing timescales, minimum work programmes, appraisal and relinquishment
- Setting criteria, evaluating and agreeing 'commerciality'

What are the Objectives in the Development and Production Phase?

- Differences between host countries and contracting companies and how to bridge the gaps
- Bonuses, royalties, taxes and pricing issues

Where is the Balance of Risk in the Contract Provisions?

- Using incentives structures to even out the upsides and downsides of the contract terms for each party
- The challenge of decommissioning obligations

How to Manage the Economics of International Contracts

- Tools for assessing the value of success and the cost of failure
- How do we set the right price?
- Special issues for marginal fields

Who Pays for and Carries the Risk During Development Programmes?

- Where to find sources of funding from the public and private sector
- How are 'non-financial issues' dealt with?
- How to meet national policies and contract commitments for employment, training, local purchasing and HSE compliance

How is Cost Recovery Set Up and Managed?

What are the Effects of Unitisation and Redetermination?

In What Ways are Gas Contracts Different?

- Special considerations for natural gas and LNG production, transportation, processing and sales agreements
- Understanding the LNG marketplace

Future Trends

- Has the traditional PSC had its day?
- Recent developments in contracting
- The changing role of IOCs

Testimonials

It was amazing. I gained much information that will help me in my career.” **Dana Hussain Taqi, Kuwait Oil Company**

“Good recap of concepts and good discussions. Experienced and well-rounded trainer. The materials suited the objective of the course.” **Venkatesh Srinivasan, Al Hosh Gas**

“The trainer is excellent, she has worldwide experience & knowledge in oil & gas exploration contracts, and therefore by attending this training I had increased my knowledge on types of agreements for E&P, fiscal regimes, negotiation, D&P, as well as unitisation and redetermination” **Natercia Barbosa de Deus, Autoridade Nacional do Petroleo**

“With the experience that Matilde has, it has helped me to understand issues in the oil and gas industry better, especially in exploration phase, furthermore with attending this course I am able to understand clearly in other areas, especially in contracts and development and production” **Nur Ekma Hikmah Haji Suhaimi, Brunei National Petroleum Co**