

## **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 Hosn 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**