

Scandinavian Academy Training Center

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Riyadh - Al Khaleej District - Sheikh Abdul Aziz Bin Abdul Rahman Bin Bishr Street - 13223 - Office No. 5 | P.O.BOX : 13224

# Course: Finance and Accounting for the Oil and Gas Industry

| Code | City | hotel | Start | End | price | Language - Hours |
|---|---|---|---|---|---|---|
| OG-106SA | Riyadh | Hotel Meeting Room | 2027-10-03 | 2027-10-07 | 12950 SR | En - 25 |

## INTRODUCTION

This programme will provide you with a solid foundation in the financial aspects of oil and gas exploration and production (E&P). It will have immediate and practical application back at your workplace since all activities have financial implications for the assets, departments and ultimately the company for which you conduct your specialist activities.  This five-day programme has been designed specifically for non-finance specialists in the oil and gas industries who need to understand the financial implications of the work they do.

## You will learn how to

- Understand how your activities and decisions are reflected in your company’s reporting to shareholders and other stakeholders
- Find out what happens to financial and economic data that is provided by you and your departmental colleagues
- Raise your level of confidence in working with financial information and interactions with commercial colleagues
- Prepare yourself for increased responsibility and a more strategic role in the management of your company

## PROGRAMME OBJECTIVES

- appreciate the financial impact of your day-to-day decisions and actions
- work more confidently and effectively with colleagues on financial matters

- improve the quality of information you receive from and provide to Finance
- increase the success rate of requests for authorisation of expenditure and make more effective use of funds allocated
- use departmental budgets and monthly management reports to help you exercise financial control of your area of operations
- understand the financial information disclosed in your company’s annual report and accounts
- Learning throughout the programme will be reinforced by case studies, worked examples, and illustrative extracts from oil and gas company annual reports

## TRAINING METHODOLOGY

- lively illustrated presentations on the industry context and the accounting, reporting and measurement issues
- worked examples, exercises and solutions demonstrating the practical application of each topic
- illustrative extracts from the annual reports of international companies
- opportunities for questions and discussion on relevant issues raised by participants

## PROGRAMME SUMMARY

- Day 1 is devoted to understanding the economic analysis used in making E&P project decisions.
- Day 2 covers the essentials of accounting and financial reporting, including the components of a balance sheet, the measurement of profit and the distinction between capital and operating expenditures. With this foundation, the rest of Day 2 and
- Day 3 examine the accounting and reporting treatment of exploration, development and production costs, including the treatment of dry wells, depreciation, tests for impairment of assets and provision for removal and restoration costs (decommissioning).
- Day 4 deals with the financial implications of arrangements used to manage the

high risks and costs that are characteristic of the E&P industry - joint ventures, farm-outs, carried interests, production sharing contracts and long-term gas contracts.
- Day 5 applies the financial accounting and reporting knowledge gained on the programme to the analysis of financial statements, providing an essential framework for assessing the performance of your company and its competitors and for making effective use of the budgets and management reports with which the programme concludes.

# PROGRAMME OUTLINE

### The E&P Business and Project Economics

### The Business Environment

- Business objectives
- Stakeholders
- Corporate governance

### The E&P Business

- Risk and reward
- Commercial arrangements
- The field life cycle

### Project Economics

- Project cash flows
- The time value of money
- Discounting and the cost of capital
- Project economic models
- Decision criteria
- Accounting, Exploration and Development Costs

## The Accounting System

- Capturing and recording data
- Cash and accruals
- The balance sheet
- The income statement and profit measurement
- Accounting principles and standards

## Capital and Operating Expenditure

- Matching costs and benefits
- Assets and expenses

## Exploration and Appraisal Costs

- Full cost and successful efforts
- Intangible assets

## Development costs

- Commitments
- Tangible assets

## Reserves, Production and Cost of Sales

## Reserves of Oil & Gas

- Classification of reserves
- Reserve quantity disclosures

## Production Costs

- Lifting costs
- Maintenance costs

- Royalties

## Depreciation, Depletion and Amortisation (DD&A)

- Unit of Production (UOP) method
- Changes in costs and reserves

## Ceiling or Impairment Tests

- Test requirement and process
- Accounting for test results

## Decommissioning, Removal and Restoration

- Obligations to remove and restore
- Reporting of decommissioning liabilities and costs

Risk and Cost Sharing Arrangements

## Joint Ventures

- Cash calls
- Billing statements
- Entitlements and liftings

#### Transfers of interests or risks

- Farm outs
- Carried interests

## Production sharing contracts

- Cash flow implications
- Reserve implications

## Long-term gas contracts

- Pricing mechanisms
- Take or pay

## Financial Analysis, Budgets and Management Reports

## Analysis of Financial statements

- Profitability, liquidity and solvency
- Investment measures

## Budgets

- Authorisation of expenditure
- The budget process

## Management reports

- Responsibility reporting
- Analysis of variances

**The Scandinavian Academy for Training Center** adopts the latest scientific and professional methodologies in training and human resource development, aiming to enhance the efficiency of individuals and organizations. Training programs are delivered through a comprehensive approach that includes:

- Theoretical lectures supported by PowerPoint presentations and visual materials (videos and short films).
- Scientific evaluation of participants before and after the program to measure progress and knowledge acquisition.
- Brainstorming sessions and practical role-playing to simulate real-life scenarios.
- Case studies tailored to align with the training content and participants work nature.
- Assessment tests conducted at the end of the program to evaluate the achievement of training objectives.

Each participant receives the training material (both theoretical and practical) in printed form and saved on a CD or flash drive. Detailed reports, including attendance records, final results, and overall program evaluations, are also provided.

Training materials are prepared professionally by a team of experts and specialists in various fields. At the end of the program, participants are awarded a professional attendance certificate, signed and accredited by the Scandinavian Academy for Training Center.

**Program Timings:  9:00 AM to 2:00 PM**

**The program includes:**

- A daily buffet provided during the sessions to ensure participants comfort.
- A closing ceremony on the final day to distribute certificates and celebrate participants achievements.
- **Note: All prices are exclusive of 15% Value Added Tax (VAT).**

# Our Success Partners

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