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# Course: Oil & Gas Accounting & Performance Measurement

| Code | City  | hotel         | Start      | End        | price    | Language - Hours |
|------|-------|---------------|------------|------------|----------|------------------|
| 158  | Alula | Hotel Meeting | 2025-11-23 | 2025-11-27 | 12450 SR | En - 25          |

## Introduction

This five-day programme develops an essential understanding of Oil & Gas Exploration & Production (E&P) accounting, reporting and performance measurement issues and practices. It develops your ability to prepare, use and critically evaluate information on E&P activities, applying specialist industry knowledge and relevant analytical skills.

The programme is designed specifically for those who have a basic understanding of accounting but who need to understand more about accounting and financial reporting policies and practices in the upstream oil and gas industry.

- Topics covered include the successful efforts and full cost methods of accounting, the classification of assets as tangible or intangible, the unit of production method for depreciation of capitalised costs, the testing for impairment of oil and gas assets, and accounting for removal and restoration of oil and gas facilities.
- The main requirements of Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) relevant to the Oil & Gas Exploration & Production industry are examined for each major phase in the field life cycle.
- Learning throughout the course is achieved through illustrated presentations, group discussions, worked examples, exercises and solutions, and extracts from published financial statements of international companies.
- Participants in this programme gain a broader and deeper appreciation of the role of the E&P Finance Department and the context in which it operates, encouraging a more confident and proactive approach to their work, developing awareness of



issues, and preparing them for increased responsibility.

## Objectives

**By the end of the programme, delegates will learn how to:**

- Develop understanding of the accounting standards, policies and practices used by companies in the Oil & Gas Exploration & Production industry
- Appreciate the nature and financial implications of Production Sharing Contracts and other agreements between host governments and international companies
- Examine issues and guidelines in accounting for Joint Ventures
- Identify and know how to apply international and national accounting standards most relevant to the E&P industry
- Improve relevance and reliability of financial reports to better meet the needs of users
- Review and use publicly available information for benchmarking the business performance of companies in the E&P industry

## Training Methodology

Each topic on this course is introduced with an illustrated presentation on the activities to be accounted for, the methods used, and the issues arising in the financial reporting of those activities. Learning on each topic is developed by a worked example, and participants then complete an exercise, individually or in groups as appropriate, to ensure that they are able to apply what they have learned. On completion of each exercise, a full solution is issued and discussed, with an opportunity for questions and answers. Having mastered the theory and practice of each issue, learning is further reinforced by examination of relevant extracts from the annual reports of international oil and gas companies. At the end of each day, participants have an opportunity for a one-to-one session with the course leader to ask further questions and to go over any material that they have not yet fully understood.



## **Organisational Impact**

- More effective Finance support for front-line departments
- Greater relevance and reliability of financial and management information
- More strategic thinking and focus on performance
- More effective use of financial statements of the company, its co-venturers and its competitors
- Ability of Finance managers and staff to work with less supervision
- Preparation of Finance staff for increased responsibility

## **Personal Impact**

- Better understanding of the context and importance of the work you do
- Greater awareness of industry practices, problems and solutions
- Increased understanding and assurance to complete tasks successfully
- Increased self-confidence and motivation at work
- Greater job satisfaction in providing quality support to management
- Greater ability to supervise, develop and motivate colleagues

## **SEMINAR OUTLINE**

### **The development and purpose of company accounts**

### **Standards of financial reporting in the O&G industry to stakeholders**

- Investor reporting
- New investors
- Taxation and royalties



- Stock market intermediaries

## **Convergence of GAAP and IFRS**

- Effect on reporting
- Migration paths
- Effect on PSC reporting
- Share pricing and O&G companies

## **Capitalisation and cash flows in the Oil & Gas Industry**

### **Sourcing capital**

- Capitalising E&P projects
- Effects of IFRS
- Capital maintenance
- Sources of capital

## **Oil & Gas Value Chain and Accounting Issues**

- E&P Exploration & evaluation, borrowing costs and development expenditures
- P&S Reserves and resources
- Product valuation issues, impairment of assets, disclosures, decommissioning
- Royalties and income taxes
- Emission trading schemes

## **Company accounts, PSA's and Joint Ventures**

### **Accounting for multiple efforts**

- Joint ventures – GAAP & IFRS
- Business combinations



- Currency issues
- Accounting treatments

## **Analysis of financial statements**

- Analytical tools
- Full cost
- Successful efforts
- Decommissioning obligations

## **Auditors and reporting to investors in the oil and gas industry**

### **External audit investigations and reports**

- The auditor's 'Opinion'
- True and Fair
- Sarbanes Oxley
- Internal audits

### **Ethical issues**

- Corporate governance
- Government regulation
- Investor confidence and share prices
- Creative accounting and investor protection

## **Investment finance in the oil and gas industry**

### **Processes and lead times**

- Sources of external finance
- Financial markets



- Investment criteria
- Roles of intermediaries in the financial markets

## **Shell and BP - Performance and Share Prices**

- Analysis of Shell Oil and BP Accounts
- DuPont hierarchy of ratios
- Theoretical conclusions and live feeds from London Stock Exchange
- Influencing factors



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.