

An LDI Training Course

PSC Cost Recovery and Reporting System

Facilitator:
Prof. Dr. Wiwiek M. Daryanto, SE-Ak, MM, CMA & Team

Introduction

The most important event in oil and gas exploration is the discovery of reserves. The estimated reserve quantity is important in oil and gas accounting. For example, the reserve quantity is used in computing depreciation, depletion, and amortization (DD&A) using the units-of-production method and for purposes of complying with disclosure requirements.

A deep understanding of expenditures that are recoverable through the cost recovery mechanism is mandatory to maintain the economic viability of the operation.

In this course, participants will learn the elements of expenditures that are classified as recoverable costs and how to calculate them.

Participants will also learn the depreciation methods, capital and non-capital expenditures, tangible and intangible costs.

The course will also discuss the important items in a production sharing contract (PSC) such as the First Tranche Petroleum (FTP), Before-tax Contractor Share, Cost Recovery, Profit Oil, Income Tax, Net Cash Flow, State Take, and Domestic Market Obligation (DMO).

Course Objectives

After attending this course, the participants are expected to be able to:

- Understand the concept and practical knowledge of the Cost Recovery and Equity Split Mechanism between the state and oil companies, and the economics of Production Sharing Contract.

- Understand the process of calculation and allocation of operating costs.
- Understand how to calculate the share of production and how the incremental costs will affect the net contractor share.
- Understand the basic philosophy of the Integrated Financial Aspect
- Understand the fiscal aspect of Oil & Gas Law Foundation, the fundamentals of exploration agreement, taxation, and its implications on the field development economic calculation.

Course Contents

Petroleum Operation Investment Consideration

- Economic Consideration of Exploration Aspect
- Field Development
- Field Operation
- Selling Price Issue
- Income Sharing Issue

Principals in Oil & Natural Gas Exploration Agreement

- Land Acquisition
- Control Mechanism of Host Country Operation
- Mineral Right Ownership

Financial Aspect of Oil & Gas Law Foundation and Land Acquisition Process in Indonesia

Production Sharing Contracts

- Basic Principals
- Management Control
- Financial Aspect
- Accounting Procedure

Development of Production Sharing Contract Generation

- Concession Agreement
- Work agreement Contract
- Production Sharing Contract
- Technical Assistance Contract
- Contract Production Sharing
- Joint Operating Agreement

Financial and Economic Aspects of Production Sharing Contracts

- First Tranche Petroleum (FTP)

- Investment Credit
- Domestic Market Obligation (DMO)
- Income sharing
- Operation Costs

Comparison of Accounting Methods

- Successful Effort
- Full Costing
- Production Sharing Contract

Incentive Package and its Implication

Oil & Gas Mining Taxation

Case Study

Your Facilitator

Dr. Wiwiek Mardawiyah Daryanto, S.E., Ak., MM., CMA is an expert in accounting and finance. She has a Doctoranda degree in accountancy from the University of Gadjah Mada, a Master of Management from the University of the Philippines, and a Doctoral degree from Institute Pertanian Bogor.

She is also a Certified Management Accountant from the Institute of Certified Management Accountant of Australia and has an Education Certificate for Lecturers (SERDOS) and Assistant Professor (LEKTOR).

She has more than twenty-five years of experience in consulting and teaching at universities, conducting public training, and teaching business professionals. She is currently Director of Research & Community Empowerment Center Faculty Member of IPMI International Business School Jakarta - Indonesia

COURSE DELIVERY

- This offline (face to face) course is conducted in Bahasa Indonesia
- Training hours are from 08:00 to 16:00 WIB
- Participants will receive course materials
- Participants will receive a certificate after completing the training

Training Confirmation

LDI Training will provide a Confirmation Letter after we receive registration according to the required quota.

For more information and Registration please contact

PT. Loka Datamas Indah

LDI Training

Telephone: +62 21 6326911

E-mail : Lditrain@indo.net.id

Web site : www.Lditraining.com