

An LDI Training Course

Petroleum Economic Evaluation, and Risk Analysis

by
LDI INSTRUCTOR

Introduction

The purpose of decision analysis is to help a decision maker think systematically about complex problems and to improve the quality of the resulting decisions. In this regard, it is important to distinguish between a good decision and a lucky outcome. A good decision is one that is made based on a thorough understanding of the problem and careful thought regarding the importance issues. Outcomes, on the other hand, may be unlucky, regardless of decision quality. Therefore, decision analysis allows making effective decisions more consistently.

What You'll Learn

- Understand various economic terms used in the oil & gas industry
- Understand how to develop economic models of various petroleum fiscal regimes
- Carry out cash flow analysis and determine economic indicators
- Carry out different economic analysis for petroleum related projects
- Carry out a comprehensive economic evaluation study for any petroleum including risk analysis and sensitivity study using spreadsheet
- Understand reserves measurement methodology
- Understand reserves and resource definitions and guidelines for classification
- Understand the relation between technical and commercial aspects of resources
- Understand the process performed by independent evaluator in performing reserves certification
- Case Study

Course Outline

Petroleum Economic Evaluation and Risk Analysis

Introduction to Oil & Gas

Three sectors of the oil and natural gas industry

Upstream, Midstream, Downstream

Oil and Gas Industry processes

- Exploration
- Production:
 - Onshore
 - Offshore
- Upstream process sections
- Midstream
- Refining
-

The Reservoir

The well

Investments decision

- Long Term Assets
- Capital Budget Techniques
- Economic Indicators
- Sensitivity Analysis
- Risk and Uncertainty

PSC accounting / economics

Production Sharing Contract (PSC)

- History of PSC
- Petroleum Fiscal System
- PSC Definitions and Guidelines
- Develop PSC Model
- PSC models in other countries

Overview of reserves and resources methodology

Petroleum Resources Management System (PRMS)

- PRMS Definitions and Guidelines

Reserves Reporting Requirement

- Purpose and Uses of Reserve Report

- Qualification of Reserves Evaluator and Reserves Auditor
- Reserves Report Review
- Reserves Reporting System
- Security Exchange Commission (SEC)
- Due Diligence and Audit Process
- Management and of Utilization of Oil and Gas data
- Valuation of Reserves
- PSC Economic Model for Reserve Audit

Net Sharing (PSC) vs Gross Sharing

- Gross Sharing Contract

Acquisition and Divestment

Upstream Corporate Planning

- Key features of Corporate Planning
- Corporate Planning Procedure
- Corporate Planning Organization and Functions
- Corporate Planning Model
- Planning, Budgeting and Forecasting
- Level of involvement in the organization
- Asset Management Plan (AMP)
 - Planning and Monitoring cycle
 - Analysis of Financial Indicators
 - Net Cash Flows
 - Assets Portfolio Analysis
- Key Performance Indicator (KPI)
- Budget approval and document required by SKKMigas
 - Plan of Development (POD)
 - Authorization for Expenditure (AFE)
 - Work Program and Budget (WP&B)
 - Financial Quarterly Report (FQR)

Who Should Attend

Oil & gas professionals such as Engineers, support managers & their staff, auditors, inspector, geologists, economists, accountants, technicians who need to learn how to conduct economic evaluation and to understand the role of petroleum economics in investment decision making. This program is also recommended for non-technical financial professionals whose work relates to the petroleum industry, supervisors & managers in the Exploration, Production, Financing and Bank & Insurance Company.

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 hard copy manual book and materials course
- Participants will receive a certificate after completing the training.

For more information and Registration please contact

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