

GULF INSTITUTE



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TRAINING INSTITUTE IN THE GULF

Advanced Finance & Accounting Strategies in the Oil & Gas Industry

INTRODUCTION

- This Advanced Finance & Accounting Strategies training seminar focuses on the essential skills and techniques required to enable the participants to make appropriate strategic decisions to maximize profit, reduce costs and financial risks. Given the substantial capital costs, long lead times from exploration to sale and pressure to meet reserve replacement ratios, implementing and managing strategies in Oil & Gas finance and accounting are critical success factors.
- In today's competitive Oil and Gas industry, with volatile oil prices, demand and supply uncertainties, the need to reduce operating costs, whilst maintaining quality and safety, improving returns for investors and company stakeholders, what strategies should companies adopt to ensure sustainable growth?

This training seminar will feature:

- The current and future challenges within the sector
- The strategic decisions facing companies in this challenging environment & the techniques to enable informed strategic decision making
- Financing strategies to determine the optimum capital structure & undertake capital investment appraisal to maximising shareholder wealth
- Strategies to reduce and/or eliminate financial risk
- Strategies to manage new initiatives to ensure companies met their Strategic Aims & Objectives

OBJECTIVES

By the end of the training course, participants will be able to:

- Identify & evaluate the challenges facing the Oil & Gas sector now & in the future
- Use skills & techniques to assist with key strategic decisions facing their company
- Recommend appropriate financing decisions & make capital investment decisions
- Advise on methods to eliminate or reduce financial risks facing Oil & Gas companies
- Manage new projects / initiatives effectively, meeting Strategic Aims & Objectives

TRAINING METHODOLOGY

- This Advanced Finance & Accounting Strategies in the Oil & Gas Industry training seminar will utilise a variety of proven adult learning techniques to ensure maximum understanding, comprehension and retention of the information presented. This includes the evaluation of real-world case studies, examples from leading international Oil & Gas companies, using the latest techniques, group discussions as well as one-to-one support.
- Throughout this training seminar, you will be engaged in a number of activities forming an Action Plan for on-going discussion and implementation after the training. This is designed to improve your skills as well as knowledge and to ensure tangible benefits are seen within your organisation.

ORGANISATIONAL IMPACT

- This Advanced Finance & Accounting Strategies in the Oil & Gas Industry training course is of direct relevance to the Oil & Gas sector and as a result the organisations will benefit greatly from their employees participation. The organization will gain from employees with:
 - An in-depth knowledge of the strategic issues facing your organization
 - The knowledge and skills to understand, contribute to and make strategic decisions
 - An ability to evaluate the impact of strategic decisions
 - Skills to evaluate and analyse capital investment decisions
 - The ability to manage the risks facing the organisation
 - Knowledge and skills for the benefit of the entire organization

PERSONAL IMPACT

- The knowledge and skills to help further your career
- The latest tools and techniques to assist you in your role
- A strategic outlook, enabling you to shape both your future and your organisation's future
- The ability to work independently and with others
- An opportunity to learn from other professionals within the sector
- A greater understanding of your role and the major issues affecting it

WHO SHOULD ATTEND?

This training programme is suitable to a wide range of professionals but will greatly benefit:

- Key Personnel in the Oil and Gas Industry
- Accountants & Finance Professionals responsible for financial accounting, treasury, budget preparation and management reporting
- Process and Non-technical professionals who require a more in-depth understanding of strategic issues facing the Oil & Gas sector now and in the future
- Managers involved in making CAPEX decisions
- Bankers and Professionals who work in Energy Lending

Course Outline

Strategic Issues Facing the Oil & Gas Sector

- The Nature of the Oil & Gas sector
- Current & Future Challenges within the Sector – A question of Supply & Demand
- Volatility: Demand, Energy Prices, Exchange Rates, Interest Rates
- Resources & Reserves and the need for Research & Development
- Financial Issues Impacting on Strategic Development and Growth

Advanced Strategic Decisions

- Strategic Planning and Decision Making in a Volatile Market
- Analytical Tools to Aid Strategic Planning and Decision Making
- Diversifying Income Streams - Balancing Upstream, Midstream & Downstream
- Growth Strategies: Exploration, Diversification, Vertical & Horizontal Integration
- Mergers & Acquisitions, Joint Ventures, Production Sharing Agreements & Strategic Alliances

Financing Strategies in the Oil & Gas Sector

- Sources of Finance – The Optimum Capital Structure and the Cost of Capital
- Capital Investment Appraisal: NPV, IRR, Modified IRR, Payback
- Financial Forecasting and Analysis in Excel
- Managing Uncertainty of Production, Prices, Capital Costs & Construction Delays
- Modelling Energy Prices in Capital Budgeting

Financial Risk Management Strategies

- Developing and Implementing a Risk Management Strategy
- Risk Analysis of Oil and Gas Projects using Excel
- Sensitivity Analysis, Sensitivity Charts & Scenario Analysis, Monte Carlo Simulation
- Hedging Energy Prices - Interest Rates & Foreign Exchange Rates using Financial Derivatives

- Accounting for Hedging Under IFRS

Project Management to Meet Strategic Aims & Objectives

- Estimating Activity Durations & Costs using Statistical and Probability Estimates
- Critical Path and Manpower Planning
- Earned Value Analysis
- Budgetary Control and Variance Analysis
- Implementing & Managing Change, Suspension or Shut Downs

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