

# GULF INSTITUTE



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# Oil & Gas Contracts

## INTRODUCTION

- This highly interactive Oil & Gas Contracts training course will provide its participants with valuable insight into the operations of the Oil and Gas Industry in a modern context. Oil and Gas contracts are the life blood of the industry and form the basis and foundation upon which the industry operates. This Oil & Gas Contracts training course will give participants a frame work within which to understand the rights and obligations of both host country and operators and how they are determined and set out in the oil and gas contracts. The legal principles involved in licencing, production sharing contracts, service contracts will be highlighted and discussed in order to provide a solid understanding of the legal basis for these contracts. Further, the course will also cover sale and purchase and transportation contracts in use in the industry. Risk management in the oil and gas industry is essential and needs to be encapsulated in the contract clauses and this course will provide the fundamental knowledge of the essential risk management features that are in these contracts. Participants will get to understand investor protection in the oil and gas industry and how this can be achieved.
- This comprehensive Oil & Gas Contracts training course will provide many opportunities for delegates to discuss to have interactive discussion and review case studies and discuss the various legal and regulatory aspects of these contracts. Participants will gain a true understanding of the legal underpinnings of the oil and gas contracts used around the world in the oil and gas sector.

### This Oil & Gas Contracts training course will highlight:

- Modern aspects of oil and gas contracts
- How to manage production and country risks
- Key legal and commercial risk management measure
- Investor protection by providing legal frameworks
- Negotiation tools and tactics
- Dispute resolution in cross border and international contracts

## OBJECTIVES

### By the end of this Oil & Gas Contracts training course, participants will:

- Master and comprehensively understand the legal principles of oil and gas contracts
- Understanding in depth licencing, production sharing and service contracts
- Identifying the risk factors and managing those risks through effective contractual clauses
- Know the relevant legal and regulatory frameworks that are in the oil and gas industry
- Learn how to use appropriate contractual clauses in oil and gas contracts
- Appreciate the best dispute resolution methods and how it will apply it in different scenarios

## TRAINING METHODOLOGY

- In this Oil & Gas Contracts training course, participants will gain greater understanding of the subject matter through presentations by an experienced international practitioner designed to both inform and broaden the perspectives of the participants. Case studies will be reviewed and discussed bearing in mind some of the realistic scenarios participants have encountered. Interactive discussions on problems and possible solutions will be encouraged.

## ORGANISATIONAL IMPACT

The organisation will benefit by:

- Personnel in the organisation will be conversant with oil and gas contracts, licensing and productions rights
- Having a full understanding of the fundamental legal principles involved in licensing, production sharing contracts and service contracts
- Knowledge of the legal basis for these contracts
- Being able to anticipate and deal with issues and ramifications pertinent to energy contracts
- Strategizing on risk management techniques that can be used in the Oil and Gas contracts
- Senior management know the options available to enable them to negotiate terms and conditions of oil and gas contracts for upstream and downstream

## PERSONAL IMPACT

This Oil & Gas Contracts training course teaches the competencies that enable the attendees to:

- Obtain the essential skill sets to negotiate oil and gas contracts clauses
- Manage and production and commercial risks through well drafted contract clauses
- Gain the ability to formulate a comprehensive thought out approach to contracting
- Demonstrate a professional understanding of apportioning risk and liability between the parties to the oil and gas contracts
- Work out a contracting strategy to meet company's goals
- Customise bespoke contracts suited to needs of their company

## WHO SHOULD ATTEND?

- This Oil & Gas Contracts training course will benefit all levels of personnel involved in any aspect of project procurement and implementation in the oil and gas sector. It will enable a broad range of disciplines to appreciate and understand the complexities of this industry, and how best to manage risk.

This training course is appropriate to a wide range of professionals but will greatly benefit:

- Legal Managers, Legal Counsel
- Commercial and Business Managers
- Contracts Administrators, and Managers
- Commercial, Financial and Insurance Professionals
- Project and General Management

## Course Outline

### Introduction to Oil and Gas Contracts, Licencing and Production Rights

- Principal Licensing and Contractual Arrangements
- Upstream and Downstream Contracting
- Financing in the International Oil & Gas Industry
- Specific Risks in Upstream & Downstream Contracts
- Sale and Purchase and Transportation Agreements
- Contractual Claims and Resultant Disputes
- The Role of Negotiation Strategies in Dispute Avoidance under Oil & Gas Contracts

### Emergence of New Contractual Arrangements

- The Modern Concession Contracts
- The Production Sharing Contracts
- Participation Agreements and Joint Operation Agreements (JOA)
- Service Contracts, Pure Service Contracts, Risk Service Contracts
- Environmental Impacts in the Context of Protection Policies and Requirements
- Regulatory Framework, Institutional Factors and Infrastructure
- Comparative Analysis of the Different Contract Forms

### Stabilisation Clauses and International Petroleum Agreements

- Stabilisation Clauses Defined
- Typology of Stabilisation Clauses
- Validity and Efficacy of the Stabilisation Clause
- Stabilisation Clauses and the National and International Law
- The Re-negotiability of International Petroleum Agreements: Stability vs. Flexibility
- The Triggering Events for Renegotiation

## Key Contractual Issues & Risk Allocation in Oil and Gas Contracts

- Liabilities & Exclusion and Limitation
- Indemnity and Exclusion Clauses: Why the need?
- Distinctions and Definitions: Indemnity vs. Exclusion vs. Limitation
- Mutual Hold Harmless – The ‘knock for knock’ regime
- Forms of Exclusion Clauses (and why it matters) Common Carve-outs
- Performance & Penalties

## Methods of Dispute Resolution under Cross Border / International Agreements

- Arbitration & Mediation – Important Differences
- Mediation and Conciliation, Adjudication, Dispute Boards - save time and costs
- Enforcement of International Arbitration Awards under the New York Convention
- Contemporary Developments in Case Law and Legislation

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