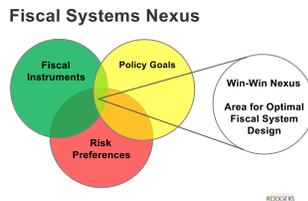


Petroleum Fiscal Modeling & Economics

3 - Day Interactive Course



Understand the basis of fiscal system classification and design, compare the impacts of alternative fiscal systems, and perform detailed audits of fiscal calculations. At the same time, learn how to match fiscal system structures to policy goals and how oil & gas companies make investments decisions.

Course, delegates will:

- **Receive** a life-time licence to the course version of PEET® – the Excel-based world cash flow model - with full access to model formulas and audit calculations.
- **Understand** how key project assumptions – production, prices and costs – are modelled in the oil and gas industry. This component includes a discussion of different cost definitions – technical costs, opportunity cost, sunk costs, and finding & development costs.
- **Review** the various investment decision-making criteria, including IRR, PIR, NPV, EMV, and VRI.
- **Review** the vast array of fiscal and contract terms employed by governments around the world for oil and gas projects, understand the different fiscal system classifications, and identify trends in the evolution of fiscal terms.
- **Identify** the characteristics of good fiscal system design and the criteria used to measure fiscal system performance.
- **Compare** the pros and cons of different fiscal instruments from both the investor and Resource owner/government perspectives.
- **Work** with PEET® to understand how different fiscal terms are included in the cash flow analysis and evaluate the impact of the terms on project economics, including the importance of investor tax position, as well as ring fencing, gold-plating, and incremental analysis.
- **Audit** the detailed calculations required for complex fiscal instruments; e.g., corporate income tax, ROR profit sharing, and R-Factors.
- **Complete** exercises to illustrate the advantages and disadvantages of various fiscal instruments.
- **Participate** in the course case study designed to illustrate the performance of key fiscal system components, to determine a joint venture farm in decision, and to compare alternative fiscal systems.
- **Draw on** the trainer's 25+ years' experience as a petroleum economist and fiscal systems advisor.

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<p>DAY 1</p> <p>Morning: Introductions</p> <ul style="list-style-type: none"> • Establish the attendees' backgrounds and their objectives for the course • Introduction to PEET <p>Review</p> <ul style="list-style-type: none"> • Government share & economic rent • Economic concepts • Investment decision-making criteria • Resource policies. <p>Fiscal Instruments - Getting Started</p> <ul style="list-style-type: none"> • Bonuses & Rentals • Fixed & sliding scale Royalties • Severance tax • Royalty in kind • Royalty valuation • Jurisdictional comparisons <p>Exercises</p> <p>Afternoon: Corporate Income Tax</p> <ul style="list-style-type: none"> • Corporate vs. project • Taxable income • Treatment of costs • Intangibles vs. intangibles • Depreciation & Amortization • Tax rates • Tax credits • Country variations • Stand alone vs. consolidated <p>Exercises</p>	<p>DAY 2</p> <p>Morning: Production Sharing</p> <ul style="list-style-type: none"> • PSC variations • Allocation petroleum • Cost petroleum • Cost petroleum limit • Excess cost petroleum • PSC-Royalties Interaction • PSC-CIT Interaction • Domestic Market Obligation • Booking reserves • Jurisdictional comparisons <p>Service Fees</p> <ul style="list-style-type: none"> • Comparison with PSC'S and Concessions • Variations <p>Exercises</p> <p>Afternoon: Profit Sharing</p> <ul style="list-style-type: none"> • Hydrocarbon Taxes • Rate of Return based systems • R-Factor based systems • Windfall Profits Taxes • Other variations <p>Incremental Analysis</p> <p>Exercises</p>	<p>DAY 3</p> <p>Morning: Joint Ventures</p> <ul style="list-style-type: none"> • Joint ventures - Farm-In/Out • State participation • Carried interest & repayment <p>Fiscal Policy Nexus</p> <ul style="list-style-type: none"> • Instruments-Policy-Risk Tolerances • Neutrality – Equity – Efficiency <p>Measuring Fiscal System Performance</p> <ul style="list-style-type: none"> • Government share • Risk management • Fiscal system performance: Regressivity-Neutrality-Progressivity • Achieving policy goals <p>Afternoon: Case Study Exercise</p> <ul style="list-style-type: none"> • Modeling & Analysis Work • Presentations & Discussion <p>World Fiscal Trends</p> <ul style="list-style-type: none"> • Presentation by course leader • Discussion <p>Time Permitting ...</p> <ul style="list-style-type: none"> • Review the various perspectives important to supporting negotiations. • Discuss how the upstream economics and fiscal impacts relate to and impact the broader economy – including consideration of foreign vs local participation and ownership, leakages from imports and remitted profits, indirect benefits and costs, and income & employment multiplier benefits and costs <p>Wrap Up</p>
<p><i>Note: See detailed course outline for additional details.</i></p>		

Testimonials & Selected Sample Course Comments

“Barry was exceptionally patient and knowledgeable. His command of the subject matter is extraordinary.”

New York, March, 2015

“The Instructor, Mr. Barry Rodgers, is very knowledgeable and open to questions in the class.”

Singapore, September, 2014

“The whole course content was useful and interesting”

Istanbul, July, 2013

Barry has a wealth of international petroleum economics and policy experience. He is a global expert in the interaction between upstream project economics and fiscal system design.

Dr. Pedro Van Meurs, Van Meurs Corp.

Barry’s work as co-producer of the mammoth 6-volume World Fiscal Systems for Oil & Gas (2012) covering 156 countries - over 500 fiscal systems - provides an important global perspective that few possess.

Dr. Wade Locke, Memorial University

Organisations that will benefit:

- Oil & Gas Companies
- Offshore Contractors
- Government Ministries
- Land Administrators
- Tax Advisors
- Negotiators
- Policy Advisors
- Energy Consultants
- Lawyers

Who will attend:

- Business Planners/Analysts/Executives/Managers
- Policy Analysts
- Commercial Analysts/Executive/Managers
- Production Sharing Executives/Managers
- Project Executives/Managers
- Reservoir, Production & Petroleum Engineers
- Planning and Development Analysts/Executives
- Petroleum Economists
- Geoscientists
- General Managers
- Finance and Account Executive/Managers