

FINANCIAL ANALYSIS IN OIL AND GAS COMPANIES

MAC003

COURSE DESCRIPTION

This five-day workshop masters the latest techniques and fundamental drivers that can dramatically increase the value of the company. The participant will learn how to use the concrete techniques that enable him to make truly informed decisions, in order to improve his company's profit picture and his stockholders' investment and increase his own value to his organization. Finally, the participant will learn how to link multiple scorecard measures to a single strategy.

COURSE GOAL

To enhance the participants' Knowledge, Skills and abilities necessary to understand the financial statement and to use the results to increase the value of his organization.

COURSE OBJECTIVES

By the end of this course, participant will be able to:

- Determine the external and internal uses of financial statement analysis.
- Determine the primary types of financial statements.
- Use the contents of the income statement, balance sheet and statement of cash flows to evaluate a company's performance.
- Formulate a possible framework for analysis.
- Employ techniques of financial analysis.
- Understand how to use the balanced scorecard as an integrated approach for performance evaluation in Oil and Gas companies.
- How to use financial analysis in Oil and Gas companies.

WHO SHOULD ATTEND

- Controllers.
- Senior finance managers.
- Executives and those with expertise in their own fields who need to acquire expertise in financial management.

COURSE DURATION

5 Working days.

COURSE OUTLINES

1. The Financial Statements

- External uses of statement analysis.
- Internal uses of statement analysis.
- Primary Types of financial statements in Oil and Gas companies.
- Problem: Financial statements in Oil and Gas companies.

2. A Framework for Analysis: The First Two Steps

- Analysis of the funds needs of the firm.
- Analysis of the financial condition and profitability of the firm.
- Problem (1) : A Framework for Analysis: The first two steps.

3. Trend and Ratio Analysis in Oil and Gas Companies

- Trend analysis.
- Use of financial ratios.
- Types of comparisons.
- Liquidity ratios.
- Financial leverage ratios.
- Coverage ratios.
- Activity ratios.
- Profitability ratios.
- Problem (1 Cont.): Ratio analysis in Oil and Gas companies.
- Reserve ratios.
 - Reserve replacement ratio.
 - Reserve life ratio.
 - Net wells to gross wells ratio.
 - Average reserves per well ratio.
 - Average daily production per well.
- Reserve cost ratios.
 - Finding costs per BOE.
 - Lifting costs per BOE.
 - DD&A per BOE.
- Reserve value ratios.
 - Value of proved reserve additions per BOE.
 - Value added ratio
- Problems (2-11): Ratio analysis in Oil and Gas companies.

4. Performance Evaluation in Oil and Gas Companies- An Integrated Approach -Balanced Scorecard

- Financial perspective.
- Customer perspective.
- Internal business process perspective.
- Learning & growth perspective.
- Problems (13-14): Ratio analysis in Oil and Gas companies.

5. A Framework for Analysis: The Last Two Steps

- Financial derivatives and risk of the firm.
- Determining the financing needs of the firm.
- Problems (15): Framework for analysis: The last two steps.

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