

FINANCIAL MANAGEMENT IN OIL & GAS COMPANIES

FIN002

COURSE DESCRIPTION

An expanding global oil and gas economy has dramatically changed the role of financial decisions and the magnitude of their affect throughout the company. Decisions about personnel; drilling for reserves, production, acquiring or divesting assets; or forging strategic alliances are financial in nature.

The participant will learn how to use the concrete techniques that enable him to make truly informed decisions to increase his company's value.

COURSE GOAL

To enhance the participant's knowledge, abilities, and skills necessary to understand how to estimate project fund requirements, source project funds and prioritize allocation of funds.

COURSE OBJECTIVES

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

- Read and understand oil and gas financial statements.
- Identify financing alternatives available to oil and gas companies.
- Make a long- and Short-term financial decision.
- Determine the sustainable Rate of Growth.
- Understand the processes of forecasting and budgeting.
- Understand risk and valuation concepts.
- How to develop the company's cost of capital.
- Determine market value added and economic value added.
- What are the various financial issues associated with international operations.

WHO CAN BENEFIT

Controllers, senior finance managers, executives and Staff working in the finance and commercial departments.

COURSE DURATION

5 Working Days

COURSE OUTLINES

- 1. Overview of Oil and Gas Accounting**
 - Successful Efforts and Full-Cost Accounting
 - DD&A and accounting for impairment of proved properties
- 2. Introduction to Financial Management**
 - What is a Firm?
 - Legal Forms of Business
 - The Corporation and Financial Markets
 - Financial Management Axioms
- 3. How to Use Financial Information**
 - Financial Statements: An Overview
 - Financial Statements in Oil and Gas Companies
 - Financial Statements Analysis
 - Using Ratios
 - Financial and Operating Ratios of the Oil and Gas Industry
 - Benchmarking
- 4. How to Make a Short-term Financial Decision**
 - Cash Conversion Cycle
 - Working Capital Management
 - Cash Management Programs and Techniques
 - Credit Evaluation
 - Cash Budget
- 5. Forecasting and Budgeting**
 - Percent of Sales Method
 - Sustainable Rate of Growth
 - Nature and Objectives of Budgeting
 - Managing the Budgeting Process
- 6. How to Make Long-term Financial Decisions**
 - Capital Structure and Financial Structure
 - Capital Structure and Sources of Funds

- The Right Mix of Debt and Equity
- Capital Budgeting

7. Risk and Valuation Concepts

- Determining the WACC
- Finding an appropriate discount rate
- Valuing for uncertain events

8. Value Added

- Market Value Added
- Economic Value Added

9. Financial Aspects of International Operations

- Determining International Oil and Gas Prices
- Parent and Subsidiary Perspectives in Project Evaluation and Risk Exposure with International Projects

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