

Petroleum Economics

The course provides knowledge of the role of petroleum economics in decision making for both exploration and production ventures.

It gives participants the skills to perform economic evaluations using a selection of techniques, including discounted cashflow forecasting, ranking of projects against alternatives, and investigation of economic robustness. Learning is reinforced by working on a series of real examples such as decisions on investment in E&P projects, valuing and justifying appraisal activity, ranking alternative investment options, and evaluating incremental projects.

COURSE CONTENT

The course can be tailored for specific areas, but will cover any or all of the following:

Introduction

Overview of the global oil and gas industry

- Supply and demand – history and future

Development Economics

Basic principles

- Constructing a project cashflow
- Discounting
- Economic indicators (profitability, efficiency, risk, timing)
- Impact of inflation and pricing factors
- Project ranking and screening
- Taxation/Contract concepts
- Corporate Financial drivers
- Sensitivity analysis

Exploration Economics

- Probability and expectation curves
- Expected monetary value (EMV)
- Decision Tree analysis and bid evaluation

Incremental economics

- Typical incremental projects during the field life cycle
- Evaluating of incremental projects
- Operational decision making under risk

Managing a varied portfolio

- Methods of ranking value of the components of a portfolio
- Incorporating strategic and political factors

Duration

Full day

1 to 3 days

Learning Level

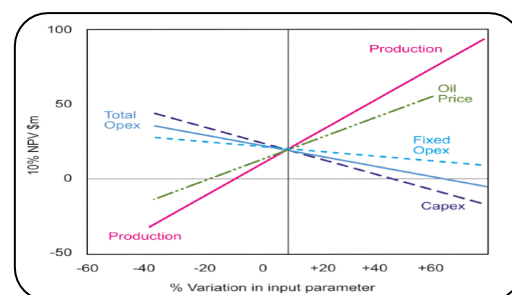
Skills ●○○○

Knowledge ●○○○

Awareness ●●●●

Designed for:

The course is designed for staff working in geoscience, engineering, finance, or commercial departments of oil and gas companies, or companies who supply finance or services to the oil and gas industry. It is also suitable for commercial staff entering into finance, economics and planning assignments.



Course Tutors



Mark Cook BSc, MBA
40+ years - reservoir engineering, economics and risk analysis
Mark develops and runs courses in Early Development, Business & Risk and Reservoir Engineering series. He has a career background at Shell, TRACS (Director), and AGR (VP). Mark is Author of 'Petroleum Economics and Risk Analysis' and co-author of 'Hydrocarbon Exploration and Production', an SPE distinguished lecturer, and guest lecturer at Heriot-Watt University.



Jerry Hadwin BSc, MEng
35+ years - reservoir engineering
Jerry mainly tutors courses in the Reservoir, Early Development, and Open Air Series. He has a career background at Shell, TRACS and AGR. Jerry is co-author of 'Adventure Trekking in Oman'.



Richard Oxlade MEng, CEng, BSc
40+ years - reservoir engineering and commercial
Richard runs courses in Reservoir and Business & Risk series. He has a career background at BP, AGR and TRACS. Richard is a global advisor, business planning & economic analysis.

