



Petroleum Economics

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.

Duration (days)

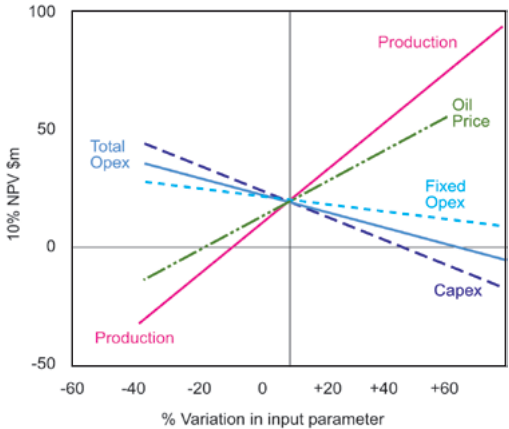
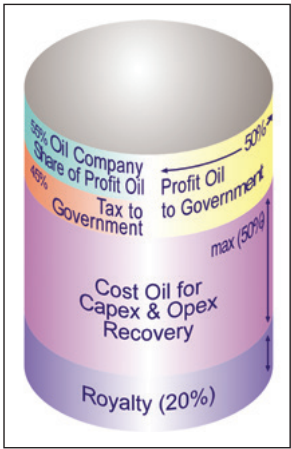
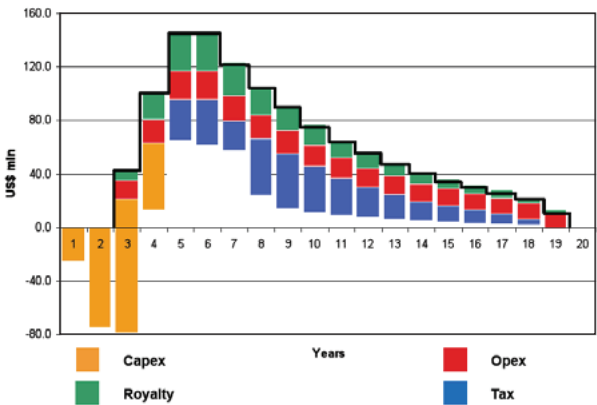


Learning Level:



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.



Petroleum Economics continued

Course Content:

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

Course Duration:

Duration is 2 - 3 days.

Courses available from this series:

Strategy & Performance Management
Petroleum Economics
Oil and Gas Business Decisions
Risk Analysis
Petroleum Economics and Risk Analysis
Oil and Gas Risk Management
E&P Business Simulation (Panacea)
Asset Trading Game
Petroleum Risk and Portfolio Management

Course Tutors



Mark Cook BSc, MBA

Main Series tutoring: Early Development, Business & Risk, Reservoir Engineering

Industry experience: 40 years, reservoir engineering, economics and risk analysis

Career background: Shell, TRACS (Director) and AGR (VP)

Personal: Author, "Hydrocarbon Exploration and Production" (Elsevier 2008), 'Petroleum Economics and Risk Analysis' (Elsevier 2021), SPE distinguished lecturer on Risk Analysis



David Palmer BA (Hons) Economics

Main Series tutoring: Business & Risk

Industry experience: over 25 years, commercial, economics

Career background: BP, Britoil, AGR and TRACS

Personal: Commercial Manager, Senior Business Analyst, Learning and Development Manager



Richard Oxlade MEng

Main Series tutoring: Reservoir, Early Development, Master Class (business)

Industry experience: over 30 years, commercial, reservoir engineering

Career background: BP, AGR and TRACS

Personal: Global advisor, business planning & economic analysis