

Oil and Gas Accounting and Performance Measurement Course

Venue Information

Venue: London UK

Place:

Start Date: 2025-12-08

End Date: 2025-12-12

Course Details

Net Fee: £4750.00

Duration: 1 Week

Category ID: OAGTC

Course Code: OAGTC-10

Syllabus

Course Syllabus

Introduction:

This five-day training course develops an essential understanding of Oil & Gas Exploration & Production (E&P) accounting, reporting and performance measurement issues and practices. It develops your ability to prepare, use and critically evaluate information on E&P activities, applying specialist industry knowledge and relevant analytical skills.

- The programme is designed specifically for those who have a basic understanding of accounting but who need to understand more about accounting and financial reporting policies and practices in the upstream oil and gas industry.

- The main requirements of Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) relevant to the Oil & Gas Exploration & Production industry are examined for each major phase in the field life cycle.
- Learning throughout the course is achieved through illustrated presentations, group discussions, worked examples, exercises and solutions, and extracts from published financial statements of international companies.
- Participants in this programme gain a broader and deeper appreciation of the role of the E&P Finance Department and the context in which it operates, encouraging a more confident and proactive approach to their work, developing awareness of issues, and preparing them for increased responsibility.

Course Objectives:

By the end of the programme, delegates will learn how to:

- Develop understanding of the accounting standards, policies and practices used by companies in the Oil & Gas Exploration & Production industry
- Appreciate the nature and financial implications of Production Sharing Contracts and other agreements between host governments and international companies
- Examine issues and guidelines in accounting for Joint Ventures
- Identify and know how to apply international and national accounting standards most relevant to the E&P industry
- Improve relevance and reliability of financial reports to better meet the needs of users
- Review and use publicly available information for benchmarking the business performance of companies in the E&P industry

The Course:

Day One:

THE OIL & GAS SECTOR AND MAJOR ACCOUNTING ISSUES

The Oil & Gas Sector & The Macro-economic Factors

- Commodity prices, currency fluctuations, interest rate risk and political developments and environmental risk.

Costs in Acquisition, Exploration, Development and Production of new oil or natural gas reserves

Accounting Approaches

- The "Successful Efforts" (SE) Method or the "Full Cost" (FC) Method

An Introduction/Overview of IFRS in relation to the Oil & Gas Sector, with particular reference to:

- IFRS 1: First-time Adoption of International Financial Reporting Standards
- IFRS 6: Exploration for and Evaluation of Mineral Assets
- IFRS 10: Consolidated Financial Statements

• IAS 38. Intangible Assets

- IAS 39 Financial Instruments: Recognition and Measurement – Superseded by IFRS 9 effective 2013

Day Two:

EVALUATING THE PERFORMANCE AND IDENTIFYING THE ACCOUNTING ISSUES OF BP, CHEVRON , SHELL & SABIC

Analysis of financial statements

- Income Statements
- Statement of Financial Position (Balance Sheet)
- Cashflow Statements

Identification & Evaluation of their Accounting Policies

DuPont Analysis – Evaluating and Improving Return on Equity (ROE)

Evaluation of their Share Price and Investment Performance

- With live feeds from London Stock Exchange and Dow Jones

Day Three:

ACCOUNTING FOR UPSTREAM ACTIVITIES WITH REFERENCE TO IFRS AND EXAMPLES OF BP, CHEVRON & SHELL, E.G.

- Reserves and resources
- Exploration and evaluation
- Revenue recognition
- Assets
- Depletion, Depreciation & Amortisation (“DD&A”)
- Impairment of development, production and downstream assets

Day Four:

JOINT ARRANGEMENTS; FINANCIAL INSTRUMENTS & DERIVATIVES

- Business Combinations, Joint Ventures & Production Sharing Agreements (“PSA”s)
- Treasury Management Issues for Multi-nationals
- The Use of Derivatives in the Oil& Gas Sector to manage the commodity, currency and interest-rate risks etc

Day Five:

CREATIVE ACCOUNTING AND CORPORATE GOVERNANCE

- Creative Accounting – Enron and investor protection
- Auditors and reporting to investors in the oil and gas industry

- Internal audits
- Ethical issues
- Corporate governance
- Government regulation
- Investor confidence and share prices