The Essentials of Oil and Gas Commercial Contracts and Negotiations

A state-of-the-art introduction to key commercial factors and negotiation strategies

This unique training programme has been developed to provide participants with a practical knowledge of the mechanics of international oil and gas commercial contracts. Over three intensive and interactive days you will:

- Gain a comprehensive understanding of how different types of commercial contracts relate to one another in an oil and gas investment
- Grasp the critical commercial and business implications of global oil and gas contracts
- Learn robust strategies and techniques for improving the negotiation phases (including negotiations after a contract is signed)
- Develop a practical framework for dealing with joint venture agreements
- Understand the nuances between government and investor agreements

London
4-6 July 2012
3-5 December 2012

call: +44 (0)20 7017 7190  fax: +44 (0)20 7017 7802
email: cs@iff-training.com   www.iff-training.com/energy
Oil and Gas Commercial Contracts & Negotiations

As the global oil and gas industry continues to evolve unabated, it can sometimes seem impossible to keep up with the myriad of changes, especially when it comes to dealing with contractual issues. This unique course has been carefully designed to help you overcome those challenges, by equipping you with the essentials to the mechanics of commercial issues and negotiation frameworks.

The course is highly practical and interactive. It will develop the manager and senior professional by providing an understanding of the array of commercial contracts that are applied in the oil and gas industry. You will leave with a sound grounding in how these contracts relate to one another and how they are negotiated. This is a business training programme focusing on the commercial side rather than the technical side of contracts. There will be ample opportunity to learn about and practice negotiations throughout the programme.

What Makes This Course Unique?

Unlike other courses in this field you will not spend endless hours going through contracts clause by clause and line by line. Instead, the emphasis is on the business and commercial issues that are generated by contracts and how they relate to one another - limited detailed clause review is used to reinforce this. We will guarantee you a course which is up-to-date with current industry issues, is highly interactive and engaging and tailored to match your specific needs.

Who Should Attend

This course is ideal for managers and senior professionals with decision making responsibilities or influence over executives throughout the oil and gas industry. It could also prove invaluable for those new to the industry as well as those from within the industry seeking to broaden their existing professional and technical skill set. This will include the following job roles:

- Lawyers
- Business developers
- Managers
- Marketing/Sales personnel
- Project managers
- Negotiators
- Operations functions
- Finance personnel
- Procurement functions
- Commercial managers
- Risk and insurance managers
- Investors

Just a handful of the companies that have attended IFF Energy courses in the past:

- BG Group
- Bord Gais Eireann
- BP
- Centrica Plc
- Dong Energy
- EDF
- ENI UK Ltd
- E.ON UK Plc
- ESB Intl
- Essent Energy Trading
- Gaz de France
- Hydro Energy SA
- Nuon
- QatarGas
- RWE Trading
- Semcorp Utilities
- Teesside Ltd
- Shell
- Statoil UK Ltd
- Total E&P Norge AS
- Wingas GmbH

About the Course Leader – Angus Warren

Angus Warren is a highly experienced trainer with strong strategy, commercial and business expertise which has been applied in the upstream, midstream and downstream sectors of the international oil and gas industry. Since 2005 Angus has operated as a management consultant specialising in strategy formulation and implementation, negotiations and relationship building, joint ventures, business planning and international business for the international oil & gas sector. Recent engagements have included developing a pipeline operations outsourcing strategy for a major Latin American oil company, providing capability enhancement for members of the Energy Ministry of Equatorial Guinea, creating a new resource exploitation and internationalisation strategy for a national oil company, preparing a Gulf of Mexico pipeline study for an international oil company and developing a screening study of potential target assets in Argentina for a mid sized US independent seeking to invest in the region.

He previously spent 15 years with BP on assignments that included gas exploration and production, oil pipelines and refining in the UK, he has also lead the commercial effort for BP's involvement in the Angola LNG Project. Here he was responsible for negotiating a wide range of commercial agreements including project entity, governance, fiscal terms, decree law, project finance and gas supply. He also represented BP at the project supervisory forum. While at BP, Angus facilitated team building sessions and delivered coaching and training. He was a member of the team that provided BP’s premiere business simulation training program that was successfully delivered to senior managers of the National Iranian Oil Company in Tehran in 2001.

Angus holds a BEng (Hons) in Chemical Engineering, a MSc in Technology and Management in the Oil & Gas Industry and an MBA from the University of Texas in Austin. He is a recognised author of several international analyses and articles and has commented extensively on oil industry developments and the changing interactions between the IOCs and NOCs. Angus is a Member of the Institute of Chemical Engineers and the UK Energy Institute.

IN-COMPANY TRAINING SOLUTIONS

SAVE MONEY – IMPROVE PERFORMANCE – REDUCE RISK

IFF understands that in the current climate getting a good return on investment is critical for all our clients. You want the best quality training, for a competitive price and you want your training partner to be a risk-free option. IFF in-company courses guarantee all three. If you have four or more people to train, our in-company courses can be delivered for you anywhere in the world and are the perfect solution for you.

Many organisations have realised that IFF in-company courses offer so much more than conventional courses. Here’s why:

- We focus on providing our clients with training solutions that are specifically designed for our clients in order to help them address their key business challenges.
- IFF programmes are designed by practitioners for practitioners. We focus on equipping our clients with the practical skills and knowledge they need to succeed.
- Our international faculty of trainers are some of the world’s leading experts in their chosen field. We only use the best minds in the business.
- We’ve been supporting our clients for over 20 years; you can be sure that, as such, our track record makes us the lowest risk training partner you could find.
- By focusing on the business issues behind the training need, we can ensure that the content and focus are targeted 100% on the needs of the business.
- In the current climate you need someone who can deliver on their promises – we guarantee that we will.
- We can utilise your own data and systems within the training to make it even more applicable and will ensure your employees benefit from a real-world focus.
- Whatever your need, whether it’s a one-day workshop, a graduate training programme or a ten-day boot camp, we will deliver exactly what you need.
- Quality is critical to our success. Our reputation has been built over 20 years by delivering programmes of the highest standard. We will never compromise on our desire to ensure that our courses surpass the expectations of our clients, not meet them.

IFF is the chosen in-company training provider for some of the world’s leading energy institutions, so rest assured you’ll be in good company.

- ExxonMobil
- Polish Oil & Gas Company
- ConocoPhillips
- GasTerra
- Mitsui Energy & Risk Management Ltd
- Dong Energy
- Edison Trading
- EON
- Suez Energy
- ESB International
- Gazprom
- Ofgem
- RWE
- ExxonMobil
- Polish Oil & Gas Company
- Nuon
- Shell International
- Essent Trading
- Centrica Energy
- Chevron
- Taylor-Dunlop

We’ll meet you anywhere around the globe

Only by understanding our clients’ business issues can we hope to add substantial value. That’s why we work with our clients face to face all over the world. Our team of consultants will meet you anywhere around the globe and are always present in the UK, Europe, Asia Pacific, Scandinavia, North America and the Middle East.

If you would like one of our consultants to meet with you to talk about your needs in more detail or if you would simply like more information as to how you’ll benefit from our in-company programmes, please contact Jeff Hearm (General Manager) on +44 (0) 20 7017 7190 or email: hearm@iirltd.co.uk.

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Course Agenda

Introduction
- Course objectives and overview
- Agenda
- Expectations

The Nexus of Commercial Contracts in Oil and Gas Investment
- Oil and gas project contractual structure - from the investors’ perspective
- Negotiating an oil and gas contract: hierarchy of agreements
- Managing a negotiation - structure
- The fundamentals of negotiating an oil and gas commercial contract

Government Fiscal Terms and Agreements with Investors
- Economic rent and how to collect it
- Optimum tax systems
- Government versus investor objectives
- Designing a licence or contract system
- The concession system
- Production sharing contracts
- Joint ventures with national oil companies
- Criteria for award of licences and contracts

Joint Ventures in the Oil and Gas Business
Exercise: why are joint ventures used?
- Course delegates investigate the advantages and disadvantages of joint ventures in the oil and gas business
- How joint ventures are set up
- The various types of joint venture
- Legal aspects
- Effective joint ventures
- The national oil company as a partner
- Major issues

Governance of Joint Ventures: Joint Operating Agreements
- The purpose of the JOA
- The JOA structure
- The content of a JOA
- The operator and operating committee
- Unatisation agreements and cross border treaties

Exercise: understanding the main clauses of a JOA
- Delegates analyse 1 or 2 clauses of a JOA and present back to the group.

Transportation and Processing Agreements
Exercise: identify the major terms on a T&P term sheet
- Delegates split into groups to consider the perspectives of the oil pipeline owner and the oil shipper in a typical transportation and processing agreement.
- The remainder of the course is a series of three exercises based around fictional oil and gas companies in a fictional country. Course delegates break into groups to carry out three negotiations, each following a logical sequence of events:
  - Production Sharing Contract
  - Joint Operating Agreement
  - Gas Sales Agreement
- During each of these negotiations course delegates develop their negotiating skills through learning about and practicing:
  - Preparing for a negotiation
  - Carrying out the negotiation
  - Closing the deal

Production Sharing Contract Negotiation
Exercise: negotiate the main commercial points of a PSC
- Delegates break into groups and take on the roles of the national oil company and the oil and gas investor in a production sharing contract negotiation. The focus is on the preparation required for a negotiation:
  - Understanding the respective parties’ requirements and their ability to trade
  - Establishing the point at which a proposal becomes unacceptable
  - Opening the negotiation
  - Organising the meeting

Other Agreements
- Other types of commercial contract used in oil and gas are presented
  - Farms In/Out
  - Decommissining
  - Financing
  - Procurement

Joint Operating Agreement Negotiation
Exercise: negotiate the main commercial points for a JOA
- Delegates break into groups and take on the roles of the joint venture partners in the negotiation of a JOA. The focus is on how to manage a negotiation:
  - Building a relationship with the other party
  - How to make proposals
  - How to trade
  - The power of listening and knowing when to stay silent
  - How to handle disagreement amongst the parties

Gas Sales Agreement Negotiation
Exercise: negotiate the main commercial points for a GSA
- Delegates break into groups to take on the roles of the operator of the joint venture group and a gas utility in a gas sales agreement negotiation. The focus is on how to close a negotiation:
  - How to close the deal
  - Recording what is agreed in writing
  - Ensuring the continuing success of the business relationship
  - Price risk and volume risk sharing characteristics of a gas sales agreement

email: cs@iff-training.com   www.iff-training.com/energy
IN-COMPANY TRAINING PROGRAMMES

Courses tailored to the specific needs and objectives of your organisation, delivered at your location anywhere around the globe

IFF specialises in the development and delivery of customised courses that run at our clients’ sites all over the globe. As pioneers of tailored training we align courses to focus on your unique needs and challenges. Through robust proven processes and high level design capabilities, we are able to take our clients from where they are today to where they ultimately want to be, thus giving them a critical edge in today’s increasingly challenging market.

➔ **We understand your business.** For over 20 years IFF has been at the forefront of innovation when it comes to educating financial services professionals. We know what it takes to help you thrive in the good times and navigate through the bad ones!

➔ **Our training solutions are aligned to your business.** The days of off-the-shelf training are long gone. IFF ensures that every programme we deliver for our clients is customised and aligned to focus on your critical business issues.

➔ **Our methods have been tested rigorously by the best in the industry.** We have been researching, designing and delivering cutting edge solutions for three decades. We’ve trained your peers, colleagues and competitors across the globe.

➔ **An industry faculty without equal.** The IFF faculty is comprised of some of the sectors most knowledgeable thought leaders, who have “been there and done it”. Theory is fine, but in today’s market you need practical “real-world” skills. That’s exactly what our faculty delivers – every time!

➔ **We can be wherever you need us, whenever you need us.** IFF delivers programmes in every corner of the globe. We are also part of Informa Plc, a worldwide organisation with offices in 60 different countries and over 200 operating units.

➔ **Big or small we’ll deliver every time.** Whether you are training a small team of five or are looking for a larger corporate initiative across multiple countries, we have the skills, experience and capacity to deliver results for you on every level.

➔ **We save you money.** In-company programmes impact your bottom line in two ways. The courses are so practically focused they have an almost immediate impact on the skills of those being trained. By training in-company you make profound savings on the cost compared to conventional approaches. No travel costs, reduced time away from the business – you can quickly see why organisations are realising the value of in-company programmes.

➔ **If it doesn’t exist – we’ll create it for you.** IFF excels in designing highly unique courses from scratch. Whatever your business challenges may be, talk to us and together we’ll develop a bespoke solution that will deliver the results you need.

If you would like one of our consultants to meet with you to talk about your needs in more detail or if you would simply like more information as to how you’ll benefit from our in-company programmes, please contact

**Jeff Hearn (General Manager) on +44 (0) 20 7017 or email: jhearn@iirltd.co.uk**
I would like to register on the training course:

**Mastering Oil & Gas Commercial Contracts** in Central London

(Venue to be confirmed) Please tick your preferred course(s):

- 4-6 July 2012 (FLF2346)
- 3-5 December 2012 (FLF2448)

**YOUR DETAILS**

(please complete in capital letters)

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ADDITIONAL DETAILS

**How much does it cost?**

Including DOCUMENTATION, LUNCH AND REFRESHMENTS, your investment for attending this intensive course is **£2,299 plus VAT = £2,758.80**

The VAT rate is subject to change and may differ from the advertised rate. The amount you are charged will be determined when your invoice is raised. (Our VAT no. is 365 4626 36). Please include payment in favour of International Faculty of Finance with your application. All registrations are acknowledged by return with a VAT receipt.

**Places cannot be guaranteed until full payment has been received.**

**YOUR METHOD OF PAYMENT**

(our VAT no. is 365 4626 36)

Please tick:

- Bank Transfer; please send details
- By cheque; enclosed is my cheque for: £
- By credit card*

*By giving you my email address I am giving only IIR companies permission to contact me by email.

**What happens if I have to cancel?**

The following charges will apply for written notice received:

- 30+ days before the course: 10%
- 15–30 days before the course: 50%
- 1–15 days before the course: 100%

In the unfortunate event that a course is cancelled, IFF Ltd are not liable for any costs incurred by participants in connection with the course.

**Transfers**

The following charges will apply for written notice received:

- 30+ days before the course: free of charge
- 15–30 days before the course: 10%
- 1–15 days before the course: 100%

**Data Protection**

The personal information shown on this form, and/or provided by you, will be held on a database and may be shared with other companies in the Informa Group in the UK and internationally. If you do not wish your details to be available to other companies in the Informa Group please contact the Database Manager at the above address, Tel +44 (0)20 7017 7077, Fax +44 (0)20 7017 7828 or email: integrity@iirltd.co.uk.

Occasionally your details may be obtained from, or made available to, external companies who wish to communicate with you offers related to your business activities. If you do not wish to receive these offers, please tick the box.

**Incorrect Mailing**

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International Faculty of Finance, 6th Floor, 29 Bressenden Place, London SW1E 5DR