The Essentials of Oil and Gas Commercial Contracts and Negotiations in Erbil

The Essentials of Oil and Gas Commercial Contracts and Negotiations is brought to you by Angus Warren, principal of Warren Business Consulting. This unique programme was first delivered in London several years ago and has been well received in cities around the world since then. Please book early to guarantee a space.

The 3 day Essentials of Oil and Gas Commercial Contracts and Negotiations course is a practical and interactive program that develops the manager and senior professional through providing an understanding of the array of commercial contracts that are applied in the oil and gas industry and how to negotiate them. Attendees leave with a practical perspective on how these contracts relate to one another and a tool set of new negotiation skills. This is a business training program with limited technical content. No previous business training is required to take this course.

WHO SHOULD ATTEND

Attendees of “The Essentials of Oil and Gas Commercial Contracts and Negotiations” are drawn from NOCs, IOCs, service companies and professional service firms, and financial institutions that serve the petroleum business. Attendees are typically managers and senior professionals with decision making responsibilities or influence over executives, and includes those new to the industry as well as those from within the industry seeking to broaden their existing professional and technical skill set.

VENUE

The programme is to be held in Erbil, the Kurdistan Region of Iraq. Erbil is the capital of the Kurdistan Region and is said to be the oldest continuously inhabited city in the world. With the Citadel and colourful bazaars there is plenty to see and do. The training venue is the Rotana Hotel.

DELEGATES WILL:

• Gain an intuitive understanding of the different types of commercial contracts, how they fit together and their commercial drivers
• Learn robust strategies and techniques for improving the negotiation phases
• Develop a solid framework in commercial contracts and understand the risks involved
• Understand the relative positions, roles and obligations of all parties whether government, national oil company or international oil company
• Recognise the importance of risk identification and allocation
• Master the key skills for successful negotiation of oil and gas contract to guarantee a successful deal
• Have confidence in negotiations and in resolving disputes
• Attendees leave with greater “presence” when dealing with executives, partners and other stakeholders
• Establish creditability with others

“ The course was excellent. I learned a lot. It was way above expectations.”

REGISTRATION

4 easy ways to register:

1. Tel: +44 203 239 0807
2. Email: training@warrenbusinessconsulting.com
3. Online: warrenbusinessconsulting.com/training
4. Mail: Warren Business Consulting, New Bond House, 124 New Bond Street, London, W1S 1DX, United Kingdom
COURSE DIRECTOR

About 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. Angus established the “The Essentials of Oil and Gas Commercial Contracts and Negotiations” in 2009 and it is now delivered all over the world.

Since 2005, Angus has operated as a management consultant specialising in strategy formulation, negotiations and international business for the oil and gas sector.

He previously spent 15 years with BP on assignments that included gas exploration and production, oil pipelines and refining in the UK, plus leading the commercial effort for BP’s involvement in the Angola LNG Project.

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 programme which was successfully delivered to senior managers of NOCs and internally.

Angus holds a BEng (Hons) in Chemical Engineering, an 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.

TESTIMONIALS

“The course was so informative and was an exposure to the practical challenges in the oil and gas industry. It will surely make me a better legal advisor and drafter of oil and gas legislation.”

“Very informative, learned a lot, course was excellent, above my expectation.”

“A strong, positive impact, most of the practical challenges I was facing have been clarified.”

“It will have a great impact especially that my department is directly involved in drafting of agreements and legal advice to government.”

“He [the course director] is very interesting, keeps you focused and attentive.”

“Good balance between theory and practice”

“Excellent, enjoyed every second of it.”

“Trainer explained all concepts very well and in an easily understandable manner.”

What are the trends within the oil and gas sector that make this course so relevant?

• The increased roles that NOCs are taking in the industry and the differing contracts they have with IOCs
• New exploration frontiers such as the Kurdistan Region of Iraq
• The much increased role that gas has to play
• The push to exploit much more technically and politically challenging resources
• The constantly changing range of contracts that are used

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COURSE AGENDA

Introduction
• Course objectives and overview
• Agenda
• Expectations

The Nexus of Commercial Contracts in Oil and Gas Investments
• 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 Policy and Granting Instruments
• Economic rent and how to collect it
• Optimum tax systems
• Government versus investor objectives
• Designing a granting instrument
• Components of a Petroleum Regime
• The lease
• The concession system
• Production sharing contracts
• Risk service contracts
• Joint ventures with national oil companies
• Criteria for award of licences and contracts

Production Sharing Contracts – Key Provisions
• Management and Control
• Minimum work obligation
• Relinquishment
• Commercial discovery
• Cost recovery
• Bonuses, Taxes and Profit Sharing
• Local content
• Stabilisation provisions
• Decommissioning
• Term

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

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
• Joint ventures and how they work
• How joint ventures are set up
• Legal aspects
• Traditional issues in joint ventures
• The national oil company as a partner
• Current challenges in joint ventures

Goverance of Joint Ventures: Joint Operating Agreements
Exercise: understanding the main clauses of a JOA
• Delegates analyse 1 or 2 clauses of a JOA and present back to the group

Unisation and Unit Operating Agreements
• Rule of capture
• Why unisite a field?
• The effect of unisation
• Pre-unisation agreements
• The UOA
• The unit operator
• The role of government

Joint Operating Agreement Negotiation
Exercise: negotiate the main commercial points for a JOA

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

Farm Out Agreements
• Background to farm out agreements
• The essential terms of farm out agreements

Decommissioning Agreements – A UK Case Study
• Provisions in law
• Issues in decommissioning
• Contractual approaches to decommissioning
• Latest government budget proposals

Gas Sales Agreements – Key Commercial Issues
• Gas contracts around the world
• Gas pipeline project contract matrix
• Gas sales agreement structure
• Depletion based contracts
• Supply based contracts
• Price versus volume risk

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

REGISTRATION

Price: a special, introductory offer of $2,990+VAT (where applicable)* Registration is complete upon payment.

Included in the price:
Tuition, course materials, lunches and refreshments

Discounts (One Discount Per Booking):
• $300 discount ($2,690 price) if delegates book before 31 Dec 2012 (30 Sept for Nov 2013 course).
• Group discount for delegates from the same company: 5 for the price of 4.

Payment is at registration and places on the programme are only guaranteed with payment. If you have to cancel your place the following policy will apply: cancellation within 1-14 days of the programme start 100% charge; 15-30 days 50% charge; 31+ days 10% charge. Your colleague can take your place subject to a 10% administration charge. Warren Business Consulting is not liable for any costs incurred by delegates in the unfortunate event that the course is cancelled. Delegates are responsible for arranging their own travel and accommodation and associated costs. Warren Business Consulting reserves the right to change or cancel any part of the published programme due to unforeseen circumstances. Delegates are responsible for obtaining visas, and medical and travel insurance.

*The amount of VAT you are charged will be determined when your invoice is raised. Our VAT number is 105 7769 02.