Upstream Petroleum Contracts
Comprehensive Hands-On Guide for Oil and Gas Professionals

25 - 29 Nov 2018, Dubai
02 - 06 Sep 2019, London
24 - 28 Nov 2019, Dubai
Introduction

Petroleum doesn't last forever. It is a non-renewable resource. This fundamentally drives the business decisions of Governments and companies, a key part of which is that most petroleum contracts are structured to contemplate the entire life span of a project, it’s beginning, middle, and end.

Upstream Petroleum contracts can vary widely in their details, however all must establish two key issues on how profits are divided between the government and participating companies.

This GLOMACS Upstream Petroleum Contracts training seminar provides in-depth information on the types of upstream petroleum contracts and what their differences are and what are the main contractual terms participants need to know in order to fully understand all types of Upstream Petroleum Contracts. This GLOMACS Contracts Management training course will comprehensively cover Production Sharing Contracts, Exploration & Production Agreement (E&P) Exploration & Exploitation Contract, License Agreement, and participants will take away essentials elements of these contracts to be effectively used in their own companies.

This GLOMACS Upstream Petroleum Contracts training program is designed to be highly practical and includes hands-on interactive sessions that will help participants understand the practical issues involved and the pitfalls to avoid. A well-negotiated and drafted Upstream Petroleum Contract must stand the “test of time” and provide parties with stability as well as adaptability when circumstances change over the course of the years.

This GLOMACS training course will highlight:

- The Fundamental Types of Upstream Petroleum Contracts
- The Advantages and Disadvantages of the Different Types of Upstream Petroleum Contracts and How it is suitable for Specific Types of Projects
- Concessions, Production Sharing & Risk Service Contract, Important Details and Suitability for any Oil and Gas Upstream Project
- The Role of JOA in Upstream Petroleum Contracting Conciliation, Mediation and Settlement of Disputes
- Understanding the Essentials Terms of Unitization and Farm-in, Farm-Out Agreements

OBJECTIVES

Participants will have a working knowledge of Upstream Petroleum Contracts and how to apply this knowledge to administering Production Sharing Contracts. Further, participant will gain working knowledge of accounting and auditing procedures that will need to be implemented.

At the end of this GLOMACS training course, you will learn to:

- Gain a full understanding of the different types of the Upstream Petroleum Contracts
- Understand the main contractual terms and their differences between the various types of contracts from PSA, Service contracts and others
- Be aware of the approaches to negotiation of these contracts
- Incorporate the best terms into these Upstream Petroleum Contracts

Training Methodology

Participants will gain greater understanding of the subject matter through presentations by an experienced international practitioner designed to both inform and broaden the perspectives of the participants. Case studies will be reviewed and discussed bearing in mind some of the realistic scenarios participants may encounter. Interactive discussions to encourage discussion of problems and possible solutions to it. Negotiation simulation exercise will help participants get a realistic feel for negotiating a PSA contract.

Who Should Attend?

This GLOMACS Upstream Petroleum Contracts training course will benefit all levels of personnel involved in resolution of oil and gas disputes. It will enable a broad range of disciplines to appreciate and understand the complexities of conflict resolution in particular in the Oil and Gas industry, and how best to manage disputes in the oil and gas industry.

This GLOMACS training course is appropriate to a wide range of professionals but will greatly benefit:

- Senior Contract Negotiators and Managers
- Legal Managers, Legal Counsel
- Commercial and Business Managers
- Contracts Administrators and Managers
- Commercial, Financial and Insurance Professionals
- Project and General Management Personnel
Seminar Outline

DAY 1

Introduction and Overview of Upstream Petroleum Contracts

- Brief Overview of the O&G Industry
- Oil and Gas Terminology
- The Legal Framework to Upstream Contracts
- Introduction to Contract Formation
- Key Oil and Gas Terminology
- Oil and Gas Industry Structure
- Relationship between Different Players in the Oil and Gas Industry
- Phases of the Oil and Gas Industry
- Oil and Gas Contract Fundamentals and Legal Principles

DAY 2

Contracting in The Upstream Sector: Ownership and Licensing

Ownership and Exploitation of Reserves

- The ABCs of Petroleum Contracts: License-Concession Agreements, Joint Ventures, and Production-sharing Agreements
- Characteristics of Upstream Contracts
- Commercial Realities of the Oil and Gas Business
- Agreement with Resource Holders
- Ownership of Oil and Gas
- Risk Service Contracts (RSCs)
- Grant of Rights by Resource Holder

DAY 3

Host Country’s Legal and Regulatory Framework and Fiscal Regime Stabilization

- Role of Host Government
- Key Issues in International Oil and Gas Contracts
- Negotiation Framework and Strategy Objectives of Host Countries / NOCs and IOCs

Host Government’s Role in Upstream (Exploration & Production (E&P)) Agreements

- Overview of Upstream Operations and E&P Agreements (types and trends by region)
- Key Differences between Production Sharing Contracts (PSCs), Concessions, Service Contracts and JV Contracts
- Role of Host Government in Upstream Contracts

Production Sharing Contracts (PSC) & Joint Operating Agreements (JOA)

Commercial Terms in Licensing and Concession Agreements

- Fiscal Arrangements, License Fees
- Four Key Financial Aspects to a PSC:
  - (a) Royalty, The R factor
  - (b) Cost Oil
  - (c) Profit Oil
  - (d) Taxation
  - (e) Bonuses, Penalties
- PSC – Cash Flow Distribution
- PSC – CF Distribution Example – Year N+1
- Comparison of Fiscal Systems
Seminar Outline

Joint Operating Agreements (JOAs)
- What is a Joint Operating Agreement (JOA)?
- Nature, Aim and Functions of a Joint Venture
- Government Approval
- Key Areas of the JOA
- Purpose and Scope: Participating Interests

DAY 4

Service Contracts, Farm-In and Farm-Out and Unitization - Risk Bearing and Non-Risk Bearing Service Contracts

Participation Agreements (Farm-in and Farm-out)
- Agreements for Farm-ins and Farm-outs
- Nature of the Farm-out
- Subject Matter of the Farm-out
- Interest Assigned and Reserved
- Assignment of Interest

Unitization and Unit Operating Agreements (UUOAs)
- What is unitization?
- Unitization in Practice
- Government Approval
- Transboundary Unitization

DAY 5

Negotiation Simulation Exercise
- Negotiation a PSA with a Government Entity
- Objective: The objective is to establish what can be achieved in the meeting, what preparation is needed for it and what strategy should be adopted and then to pursue this strategy
- Feedback Session

Negotiation of Oil and Gas Disputes
- Importance of Negotiation in Oil and Gas Business
- Disadvantages of Competitive or Positional Negotiation
- Principled Negotiation between the Parties to Achieve Best Results

Negotiating Production Sharing Contracts
- Government Take
- Production Share and Cost Recovery
- Local Content
- Force Majeure
- Dispute Resolution
- Stabilization and Renegotiation Provisions
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4 WAYS TO REGISTER

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TERMS AND CONDITIONS

- Fees – Each fee is inclusive of Documentation, Lunch and refreshments served during the entire seminar.
- Mode of Payment – The delegate has the option to pay the course fee directly or request to send an invoice to his/her company/sponsor. Credit card and cheque payments are both acceptable.
- Cancellation / Substitution – Request for seminar cancellation must be made in writing & received three (3) weeks prior to the seminar date. A US$ 250.00 processing fee will be charged per delegate for each cancellation. Thereafter, we regret that we are unable to refund any fees due, although in such cases we would be happy to welcome a colleague who would substitute for you.
- Hotel Accommodation – is not included in the course fee. A reduced corporate rate and a limited number of rooms may be available for attendees wishing to stay at the hotel venue. Requests for hotel reservations should be made at least three (3) weeks prior to the commencement of the seminar. All hotel accommodation is strictly subject to availability and terms and conditions imposed by the hotel will apply.
- Attendance Certificate – a certificate of attendance will only be awarded to those delegates who successfully completed/attended the entire seminar including the awarding of applicable Continuing Professional Education Units/Hours.
- Force Majeure – any circumstances beyond the control of the Company may necessitate postponement, change of seminar venue or substitution of assigned Instructor. The Company reserves the right to exercise this clause and implement such amendments.
- Fair Access / Equal Opportunities – in the provision of its services as a world-class Training Provider, the Company is committed to provide fair access / equal opportunities throughout the delivery of its courses and assessment leading to the completion of training seminars, or 3rd party qualifications/certifications.

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PAYMENT DETAILS

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CERTIFICATION

Successful participants will receive GLOMACS' Certificate of Completion