FINANCE & ACCOUNTING FOR THE OIL & GAS INDUSTRY



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TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
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Introduction

Finance & Accounting for the Oil & Gas Industry Training Course builds the specialised financial and accounting capability that professionals in energy companies need to report and control an industry with unusual economics. Oil and gas operations involve large capital outlays, long asset lives, depleting reserves, and complex contractual arrangements with governments and partners. Standard accounting practice does not cover all of this well. Weak understanding there produces misstated reserves values, incorrect revenue recognition, and poorly judged cost recovery. This course develops the technical discipline that prevents those errors. It covers upstream accounting, revenue recognition, and cost treatment. Furthermore, it applies production sharing contracts, joint interest accounting, and impairment testing. In addition, it develops reporting, disclosure, and fiscal practice. As a result, participants handle oil and gas finance with confidence.

Finance & Accounting for the Oil & Gas Industry Course Objectives

- Explain oil and gas value chain structures and financial flows.
- Apply successful efforts and full cost accounting methods.
- Account for exploration, appraisal, and development expenditure.
- Apply IFRS 6 and IAS 36 to exploration and evaluation assets.
- Apply revenue recognition to oil, gas, and product sales.
- Account for production sharing contracts and cost recovery.
- Apply joint interest billing and partner accounting practice.
- Apply depletion, depreciation, and amortisation calculations.
- Apply decommissioning and asset retirement obligations.
- Prepare oil and gas financial statements and disclosures.

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Course Methodology

- Interactive lectures with real oil and gas accounting cases.
- Upstream accounting and cost treatment workshops.
- Revenue recognition and production sharing exercises.
- Depletion, impairment, and disclosure practice.
- Structured peer review with facilitator feedback on accounting positions.

Who Should Take This Course

- Oil and gas accountants and financial controllers.
- Finance and reporting professionals in energy firms.
- Auditors covering upstream and midstream accounts.
- Joint venture and partner accounting staff.
- Cost controllers and analysts in petroleum operations.
- Consultants advising on energy accounting matters.

Finance & Accounting for the Oil & Gas Industry Course Outlines

Day 1: Industry Structures and Accounting Foundations

- Upstream, midstream, and downstream value chain overview.
- Concession, production sharing, and service contract structures.
- Joint ventures, joint operations, and partner relationships.
- Regulatory and fiscal reporting environment.
- Chart of accounts and cost centre design in oil and gas.

- Petroleum fiscal terminology and financial flows.
- Case study: mapping financial flows across an oil and gas entity.

Day 2: Upstream Cost Accounting

- Successful efforts versus full cost accounting methods.
- Exploration and evaluation expenditure treatment under IFRS 6.
- Appraisal, development, and production cost classification.
- Intangible assets and property, plant, and equipment distinction.
- Capitalisation criteria and cost pool design.
- Borrowing costs and capitalised interest treatment.
- Workshop: classifying and capitalising upstream expenditure.

Day 3: Revenue Recognition and Production Sharing

- Revenue recognition for crude oil, gas, and product sales.
- Lifting entitlements and production accounting.
- Overlift and underlift accounting treatment.
- Production sharing contract cost oil and profit oil mechanics.
- Cost recovery ceilings and unrecovered cost tracking.
- Royalty, tax, and government take accounting.
- Workshop: accounting for a production sharing arrangement.

Day 4: Assets, Depletion, and Impairment

- Depletion, depreciation, and amortisation methods.
- Unit of production calculation and reserve estimation input.
- Impairment testing under IAS 36 for cash generating units.

- Reversal of impairment and ceiling test considerations.
- Decommissioning and asset retirement obligation recognition.
- Abandonment cost estimation and provision discounting.
- Workshop: computing depletion and testing impairment.

Day 5: Reporting, Disclosures, and Audit Readiness

- Oil and gas financial statement presentation.
- Reserve disclosure requirements and supplementary information.
- Segment reporting for exploration and production activities.
- Related party and joint venture disclosures.
- IFRS and US GAAP differences in oil and gas accounting.
- Audit evidence, documentation, and internal controls.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Finance & Accounting for the Oil & Gas Industry, participants will gain a thorough understanding of industry structures and accounting foundations, upstream cost accounting, revenue recognition and production sharing, assets, depletion and impairment, and reporting, disclosures and audit readiness. They will also acquire practical skills in oil and gas accounting foundations and cost classification, upstream capitalisation and cost pool accounting, revenue recognition and production sharing contract accounting, and depletion, impairment and oil and gas financial reporting. In addition, the course prepares them to report energy activities accurately and defend their accounting positions. Gentex Training Center delivers this programme with a strong focus on applied petroleum accounting and audit-ready documentation.

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FAQs for Finance & Accounting for the Oil & Gas Industry course

Q1 What is the "Finance & Accounting for the Oil & Gas Industry" course about?

It is a five-day programme on the financial reporting and cost accounting of oil and gas activities. It covers industry structures and accounting foundations, upstream cost accounting, revenue recognition and production sharing, depletion and impairment, and reporting and disclosures.

Q2 What are the key benefits of the "Finance & Accounting for the Oil & Gas Industry" course?

Participants report oil and gas activities accurately and defend their positions. The course improves cost classification and capitalisation decisions, sharpens production sharing and revenue recognition accounting, strengthens depletion and impairment testing, improves decommissioning provisioning, and raises disclosure and audit readiness quality.

Q3 What skills will I gain from the "Finance & Accounting for the Oil & Gas Industry" course?

Participants gain oil and gas accounting foundations and cost classification, upstream capitalisation and cost pool accounting, revenue recognition and production sharing contract accounting, and depletion, impairment and oil and gas financial reporting. These four skills cover the practical core of petroleum accounting work.

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Q4 What tools, methods, or standards are covered in the "Finance & Accounting for the Oil & Gas Industry" course?

The course covers upstream, midstream and downstream value chain structures, concession, production sharing and service contract arrangements, joint venture and joint operation accounting, chart of accounts and cost centre design, successful efforts and full cost accounting methods, IFRS 6 treatment of exploration and evaluation expenditure, appraisal, development and production cost classification, intangible asset and property, plant and equipment distinction, capitalisation criteria and cost pool design, borrowing cost capitalisation, crude oil, gas and product revenue recognition, lifting entitlement and production accounting, overlift and underlift treatment, production sharing contract cost oil and profit oil mechanics, cost recovery ceilings and unrecovered cost tracking, royalty, tax and government take accounting, depletion, depreciation and amortisation methods, unit of production calculation, IAS 36 impairment testing for cash generating units, impairment reversal and ceiling test considerations, decommissioning and asset retirement obligation recognition, abandonment cost estimation and provision discounting, oil and gas financial statement presentation, reserve disclosure requirements, segment reporting, related party and joint venture disclosures, and IFRS and US GAAP differences.

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Q5 How is the "Finance & Accounting for the Oil & Gas Industry" course applied in real-world practice?

Participants apply the methods to real and simulated oil and gas entities. They map financial flows across contract structures, classify and capitalise exploration and development expenditure, apply IFRS 6 and IAS 36 tests, recognise revenue by lifting entitlement, account for overlift and underlift, work through production sharing cost oil and profit oil, track unrecovered costs, calculate depletion by unit of production, test cash generating units for impairment, recognise decommissioning provisions, prepare financial statements and reserve disclosures, and build audit evidence. Many leave with a cost classification framework, a depletion and impairment model, and a disclosure checklist ready to use.