IFRS FUNDAMENTALS FOR THE OIL AND GAS INDUSTRY



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TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
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Introduction

IFRS Fundamentals for the Oil and Gas Industry Training Course gives finance professionals a clear grounding in how international standards apply to hydrocarbon businesses. Participants learn how exploration, development and production costs are treated, and how oil and gas assets are measured, depleted and tested for impairment. The programme covers IFRS 6 exploration and evaluation assets, successful efforts and full cost methods, IAS 36 impairment, IAS 37 decommissioning provisions and IFRS 15 revenue from crude and gas sales. Furthermore, it explains joint arrangements, hedging and segment disclosure in practical terms. As a result, delegates can prepare and review energy accounts with confidence. Gentex Training Center delivers the programme through reporting workshops and case work.

IFRS Fundamentals for the Oil and Gas Industry Course Objectives

- Explain the oil and gas value chain and the accounting issues each stage raises.
- Apply IFRS recognition and measurement rules to upstream and downstream assets.
- Distinguish successful efforts from full cost accounting treatments.
- Account for exploration and evaluation assets under IFRS 6.
- Calculate depletion using the unit-of-production method and reserve revisions.
- Apply IAS 36 impairment testing to fields and cash-generating units.
- Recognise decommissioning and restoration provisions under IAS 37.
- Apply IFRS 15 to crude oil, natural gas and product sales.
- Report joint arrangements under IFRS 11 and equity accounting under IAS 28.
- Prepare segment and reserves disclosures under IFRS 8 and industry practice.

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Course Methodology

The course combines clear technical briefings with reporting workshops and case exercises. Participants prepare financial statement extracts for an oil and gas company and test depletion, impairment and provision calculations. In addition, worked examples and group review reinforce each technique, and every day closes with an applied reporting task.

Who Should Take This Course

- Accountants and reporting staff in oil and gas companies.
- Finance managers and controllers in exploration and production firms.
- Auditors, consultants and advisers serving energy clients.
- Joint venture and production sharing contract accountants.
- Analysts reviewing oil and gas financial statements.
- Graduates and professionals moving into energy finance roles.

IFRS Fundamentals for the Oil and Gas Industry Course Outlines

Day 1: Industry Overview and Reporting Framework

- Upstream, midstream and downstream activities and their accounting issues.
- IFRS framework, IAS 1 presentation and IAS 8 accounting policies.
- Successful efforts versus full cost accounting methods.
- Exploration and evaluation assets under IFRS 6.
- Capitalisation of development costs and borrowing costs under IAS 23.
- Farm-in, farm-out and carried interest arrangements.

- Workshop: mapping oil and gas costs to the correct accounts.

Day 2: Upstream Accounting and Depletion

- Reserves and resources terminology and their reporting role.
- Unit-of-production depletion calculation and reserve revisions.
- Production sharing contracts and entitlement accounting.
- Overlift and underlift positions and their measurement.
- Decommissioning and restoration provisions under IAS 37.
- Tangible versus intangible classification for wells and facilities.
- Workshop: calculating depletion and a decommissioning provision.

Day 3: Asset Impairment and Midstream Operations

- Impairment indicators for oil and gas assets.
- IAS 36 impairment testing and cash-generating unit identification.
- Impairment of pipelines, terminals and storage facilities.
- Lease accounting under IFRS 16 for terminals and equipment.
- Inventory measurement for crude and products under IAS 2.
- Abandonment, restoration and environmental obligation treatment.
- Workshop: performing an impairment test on a producing field.

Day 4: Revenue, Contracts and Hedging

- IFRS 15 revenue recognition for crude, gas and product sales.
- Provisional pricing, price lags and quality adjustments.
- Take-or-pay and capacity contract measurement.
- IFRS 9 hedge accounting for commodity price and currency risk.

- Derivative recognition, effectiveness testing and disclosure.
- Receivables and expected credit loss interaction with energy sales.
- Workshop: applying IFRS 15 and IFRS 9 to a gas sales case.

Day 5: Group Structures, Disclosure and Reporting

- Consolidation, joint arrangements under IFRS 11 and equity accounting.
- Business combinations in oil and gas under IFRS 3.
- Segment reporting under IFRS 8 for exploration and production.
- IFRS 13 fair value measurement for commodity and asset valuations.
- Related party disclosure in state-owned and joint venture settings.
- Preparing an annual report extract for an oil and gas company.
- Workshop: assembling a financial statement extract for review.

Conclusion

By successfully completing IFRS Fundamentals for the Oil and Gas Industry Training Course, participants will have acquired the knowledge to apply international standards across oil and gas operations. They will understand exploration accounting, depletion, impairment, decommissioning, revenue recognition, hedging and segment disclosure, and they will know how to document treatments that withstand audit review. As a result, delegates raise reporting quality in energy businesses. Gentex Training Center builds the programme around current industry reporting practice.

FAQs for the IFRS Fundamentals for the Oil and Gas Industry course

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Q1 What is the "IFRS Fundamentals for the Oil and Gas Industry" course about?

It explains how international standards apply to oil and gas businesses. You learn exploration and development accounting, depletion, impairment, decommissioning provisions, revenue recognition, hedging and segment disclosure, with reporting exercises for an energy company.

Q2 What are the key benefits of the "IFRS Fundamentals for the Oil and Gas Industry" course?

You gain the ability to prepare and review energy accounts that reflect technical reality and survive audit scrutiny. You also improve impairment and provision judgements, strengthen revenue and hedge documentation, and raise disclosure quality for analysts and regulators.

Q3 What skills will I gain from the "IFRS Fundamentals for the Oil and Gas Industry" course?

You will gain oil and gas IFRS application, exploration and development asset accounting, impairment, depletion and decommissioning provision calculation, and revenue, hedge and segment reporting.

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Q4 What tools, methods, or standards are covered in the "IFRS Fundamentals for the Oil and Gas Industry" course?

The course covers IFRS 6 exploration and evaluation assets, successful efforts and full cost methods, unit-of-production depletion, IAS 36 impairment testing, IAS 37 decommissioning provisions, IAS 2 inventory measurement, IFRS 15 revenue recognition with provisional pricing, IFRS 9 hedge accounting, IFRS 11 joint arrangements, IAS 28 equity accounting, IFRS 8 segment reporting and IFRS 13 fair value measurement.

Q5 How is the "IFRS Fundamentals for the Oil and Gas Industry" course applied in real-world practice?

Graduates apply it to prepare quarterly and annual accounts for exploration and production assets, calculate depletion and decommissioning provisions, run impairment tests on producing fields, document provisional pricing and hedging treatment, prepare segment and reserves disclosures, and answer auditor questions on energy transactions.