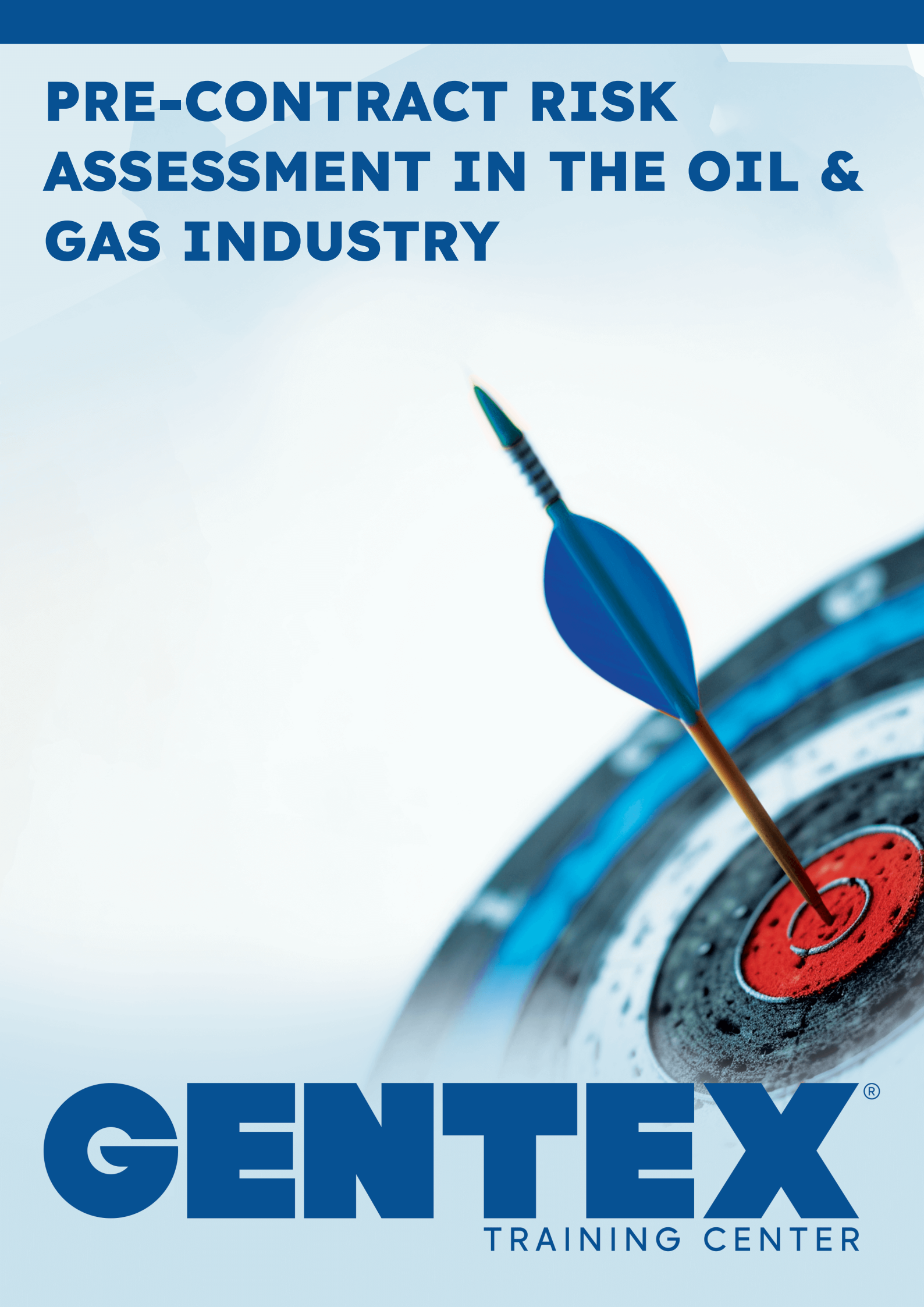
PRE-CONTRACT RISK ASSESSMENT IN THE OIL & GAS INDUSTRY



GENTEX®
TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
Info@gentextraining.com

Introduction

Pre-Contract Risk Assessment in the Oil & Gas Industry examines how companies identify, quantify, and allocate risk before committing to petroleum contracts. This Training Course covers risk identification methods, counterparty due diligence, fiscal and regulatory exposure, and insurability review. Participants study production sharing and service contracts, joint operating arrangements, and long-lead procurement packages. Furthermore, the programme connects risk registers to negotiation positions through assessment labs and decision simulations. As a result, delegates leave able to enter petroleum contracts with risk understood, allocated, and priced.

Pre-Contract Risk Assessment in the Oil & Gas Industry Course Objectives

- Define pre-contract risk assessment and its place in the approval cycle.
- Apply risk identification techniques including HAZID and risk registers.
- Conduct technical, commercial, and legal due diligence.
- Assess counterparty capacity, integrity, and financial standing.
- Analyse fiscal, regulatory, and change in law exposure.
- Evaluate host government, sanctions, and political risk.
- Review insurability and set liability and indemnity positions.
- Quantify risk through contingency, provision, and cost modelling.
- Design risk allocation matrices for petroleum contracts.
- Present risk findings to approval boards and partners.

Course Methodology

- Interactive workshops using real petroleum contract risk files.

- Structured risk identification and register building exercises.
- Due diligence and counterparty assessment labs.
- Fiscal and cost modelling practice on risk quantification.
- Guided negotiation simulation on risk transfer positions.
- Action planning that converts each session into a workplace commitment.

Who Should Take This Course

- Contracts and commercial managers in oil and gas.
- Risk managers and enterprise risk analysts.
- Legal counsel and contracts advisors.
- Procurement and supply chain professionals.
- Finance, tax, and treasury specialists.
- Joint venture and asset managers.
- HSE and technical assurance staff.

Pre-Contract Risk Assessment in the Oil & Gas Industry Course Outlines

Day 1: Foundations of Pre-Contract Risk Assessment

- Defining pre-contract risk and its commercial impact.
- Risk management frameworks: ISO 31000 and COSO ERM.
- Risk identification methods: HAZID, checklists, and workshops.
- Risk registers, scoring, and heat mapping.
- Risk appetite, tolerance, and escalation thresholds.
- Governance, approval gates, and delegated authority.

- Linking risk assessment to the business case.

Day 2: Counterparty and Integrity Due Diligence

- Corporate, ownership, and beneficial ownership checks.
- Financial standing, credit rating, and covenant capacity.
- Technical capability, HSE record, and past performance.
- Sanctions, debarment, and denied party screening.
- Anti-bribery and integrity due diligence.
- Local partner and agent risk assessment.
- Due diligence reporting and approval conditions.

Day 3: Fiscal, Regulatory, and Country Risk

- Fiscal regime analysis: royalty, tax, and production sharing.
- Cost recovery, profit oil, and contractor exposure.
- Change in law, stabilisation, and renegotiation risk.
- Regulatory approval, permitting, and licence conditions.
- Political risk, expropriation, and sovereign behaviour.
- Insurance against political risk and investment protection.
- Currency, transfer, and convertibility risk.

Day 4: Technical, Operational, and HSE Risk

- Reservoir, subsurface, and geological uncertainty.
- Engineering, construction, and commissioning risk.
- Operational, integrity, and asset life risk.
- HSE risk assessment and major accident hazard exposure.

- Environmental and decommissioning liability.
- Long-lead item and supply chain disruption risk.
- Force majeure, weather, and logistics exposure.

Day 5: Risk Allocation, Quantification, and Approval

- Risk allocation matrices and transfer decisions.
- Indemnities, knock-for-knock, and liability caps.
- Insurance requirements and insurability review.
- Contingency, provisioning, and cost modelling.
- Residual risk and risk ownership designation.
- Presenting risk to boards, partners, and lenders.
- Personal action plan and continuous improvement.

Conclusion

By successfully completing Pre-Contract Risk Assessment in the Oil & Gas Industry, participants will have acquired a practical command of risk identification, due diligence, fiscal and country risk analysis, and risk allocation. They will know how to build risk registers, quantify exposure, and design allocation matrices that stand up in negotiation and approval. In addition, the course prepares delegates to present risk findings credibly to boards and partners. As a result, they return to work ready to enter petroleum contracts with risk properly understood and priced. Gentex Training Center delivers this Training Course with a practical, standards-based approach.

GENTEX Training Center LLC | Orlando - FL, USA
Info@gentextraining.com

FAQs for the Pre-Contract Risk Assessment in the Oil & Gas Industry course

Q1 What is the "Pre-Contract Risk Assessment in the Oil & Gas Industry" course about?

It is a five-day programme that explains how petroleum companies assess risk before signing contracts. It covers risk identification and registers, counterparty and integrity due diligence, fiscal and country risk, technical and HSE risk, risk allocation matrices, quantification, and approval presentation.

Q2 What are the key benefits of the "Pre-Contract Risk Assessment in the Oil & Gas Industry" course?

Participants gain the ability to identify and quantify contract risk systematically, screen counterparties properly, and allocate risk through contractual terms that survive negotiation. They also learn to price risk realistically and to present findings that secure approval without hidden exposure.

Q3 What skills will I gain from the "Pre-Contract Risk Assessment in the Oil & Gas Industry" course?

Pre-contract risk identification with register and scoring development, counterparty and integrity due diligence, fiscal, regulatory, and country risk analysis, and risk allocation with quantification and approval presentation.

GENTEX Training Center LLC | Orlando - FL, USA
Info@gentextraining.com

Q4 What tools, methods, or standards are covered in the "Pre-Contract Risk Assessment in the Oil & Gas Industry" course?

The course covers the ISO 31000 risk management framework and COSO ERM, HAZID workshops and risk identification checklists, risk registers with scoring and heat mapping, risk appetite and tolerance frameworks, beneficial ownership and sanctions screening checks, credit rating and financial standing analysis, fiscal regime modelling with royalty, tax and production sharing, change in law and stabilisation clauses, political risk insurance and investment protection instruments, HSE and major accident hazard assessment, environmental and decommissioning liability valuation, indemnity and knock-for-knock allocation with liability caps, and contingency and provisioning methods.

Q5 How is the "Pre-Contract Risk Assessment in the Oil & Gas Industry" course applied in real-world practice?

Delegates apply it through risk registers, HAZID reports, due diligence reports, counterparty assessment memos, fiscal exposure models, risk allocation matrices, insurance reviews, contingency calculations, and board approval papers. They also use it to brief partners and lenders on residual risk and to monitor risk positions through contract delivery.