COURSE BROCHURE

Oil and Gas Accounting

A hands-on course in the accounting treatments unique to exploration and production: cost capitalization, depletion, decommissioning, joint venture accounting and production sharing contracts, with worked Excel examples.

Code	HT-OGE-163
Category	Oil & Gas, Engineering & Maintenance
Duration	1 week
Level	Intermediate

Introduction

Upstream petroleum has accounting treatments found in no other industry, from capitalizing the cost of a well whose outcome is still unknown to dividing production between the state and the partners. Without them it is hard to produce reliable financial statements, challenge an operator's billings or explain the cost per barrel to management.

Objectives

- Classify petroleum activity costs and decide what is capitalized and what is expensed
- Apply the successful efforts and full cost methods and compare their effect on results
- Calculate unit-of-production depletion and account for impairment and decommissioning provisions
- Prepare and review cash calls and joint interest billings in joint ventures
- Compute cost recovery, profit oil, entitlement and revenue under production sharing contracts

Who should attend

- Accountants and financial analysts in exploration and production companies
- Joint venture accountants and cost recovery officers
- Internal auditors and auditors acting for partners and government bodies
- Budgeting and financial planning staff in national oil companies

Skills you will develop

- Accounting for exploration and development costs
- Depletion and decommissioning calculations
- Joint venture accounting and audit
- Production sharing contract accounting

Learning Outcomes

- Prepare the entries for a successful and a dry exploration well under each accounting method
- Build a unit-of-production depletion schedule that responds to revised reserve estimates
- Review a joint interest billing and identify items open to audit exception
- Calculate contractor and state shares of production for a period and settle overlift and underlift

Course Outline

Day 1: The Industry and Cost Classification

- Stages of petroleum activity and acquisition, exploration, development and production costs
- Successful efforts versus full cost, and the treatment of dry holes and geological and geophysical studies
- Exploration and evaluation assets under IFRS 6 and their reclassification once commerciality is established

Day 2: Reserves, Depletion and Impairment

- Proved and probable reserve categories and their role in accounting measurement
- Unit-of-production depletion and depreciation and the effect of reserve revisions
- Impairment testing at cash-generating unit level, decommissioning provisions and unwinding of the discount

Day 3: Joint Venture Accounting

- The accounting procedure of the joint operating agreement, authorizations for expenditure and cash calls
- Joint interest billings, overhead charges and material transfers between ventures
- Auditing the operator's accounts and resolving exceptions, and recognizing a partner's share of joint operations under IFRS 11

Day 4: Production Sharing Contracts and Revenue

- Cost recovery ceiling, carry-forward of unrecovered costs and the profit oil split
- Entitlement volumes, royalty and tax paid in kind and how they appear in the contractor's books
- Revenue recognition on transfer of control, overlift and underlift and crude inventory

Day 5: Reporting, Disclosure and Performance Analysis

- Presentation of oil and gas assets in the financial statements and disclosures on reserves and costs
- Finding and development cost, lifting cost per barrel, reserve replacement ratio and netback
- Applied project in which each participant prepares the entries and statements of a hypothetical field from exploration to production in Excel

Training methodology

Worked journal entries that follow one hypothetical field through its stages
Excel exercises on depletion schedules, cost recovery and production sharing
Review of a sample joint interest billing to draw out audit findings
Short presentations and discussion of the differences between accounting treatments used in the industry

Certification

Participants receive a Harbor Training Center certificate of attendance on completing the course.

Upcoming dates

City	Dates	Language	Fee
Dubai	11 – 15 January 2027	EN	EUR 4,800
London	18 – 22 January 2027	AR	EUR 5,800
Amsterdam	25 – 29 January 2027	EN	EUR 6,100
Online	1 – 5 February 2027	AR	EUR 2,800
Istanbul	5 – 9 July 2027	EN	EUR 5,400
Dubai	12 – 16 July 2027	AR	EUR 4,800
London	19 – 23 July 2027	EN	EUR 5,800
Amsterdam	26 – 30 July 2027	AR	EUR 6,100
Online	2 – 6 August 2027	EN	EUR 2,800

Fees are per participant.

Contact us

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https://harbor4training.com/en/courses/oil-gas-accounting