



# Oil and Gas Asset Valuation & Decision Analysis Workshop

JANUARY 24 - 25, 2019 | W HOTEL | MEXICO CITY, MEXICO

## 2-DAY INTERACTIVE WORKSHOP

- Fundamentals of discounted cash flow analysis
- Overview of upstream fiscal systems and global practices
- Cash flow determination for various types of contractual arrangements
- Determination of government take and state take
- Types of fiscal regimes
- Basis for various fiscal levies
- Cardinal rules for fiscal terms
- Uncertainty analysis
- Interactive cash flow derivation workshop
- Exploration prospect valuation workshop



ASSOCIATION OF INTERNATIONAL PETROLEUM NEGOTIATORS

[www.aipn.org](http://www.aipn.org)



## Workshop Schedule and Program\*

### Day One – Thursday, January 24, 2019

<b>8:00 – 8:30</b>	<b>Registration and Arrival Coffee</b>	<b>2:00 – 2:45</b>	<b>Upstream Fiscal Systems – Royalty/Tax</b>
<b>8:30 – 8:45</b>	<b>Introduction &amp; Course Overview</b>		– Key Elements and Structure
<b>8:45 – 9:30</b>	<b>Fundamentals of Discounted Cash Flow Analysis</b>		– Fiscal Components & Cash Flow Generation
	– After Tax Cash Flow Derivation	<b>2:45 – 3:00</b>	– Basis for Fiscal Levies
	– Basic Taxation Principles		<b>Exercises</b>
<b>9:30 – 10:00</b>	<b>Fundamentals of Discounted Cash Flow Analysis</b>	<b>3:00 – 3:15</b>	<b>Coffee Break</b>
	– Time Value of Money	<b>3:15 – 3:45</b>	<b>Upstream Fiscal Systems – Production Sharing</b>
	– Exercises		– Key Elements and Structure
<b>10:00 – 10:15</b>	<b>Coffee Break</b>		– Fiscal Components & Cash Flow Generation
<b>10:15 – 11:45</b>	<b>Fundamentals of Discounted Cash Flow Analysis</b>	<b>3:45 – 4:00</b>	– Basis for Fiscal Levies
	– Common Economic Indicators		<b>Upstream Fiscal Systems – Service Contract</b>
	– Sunk Costs	<b>4:00 – 4:30</b>	– Key Elements and Structure
	– Other Economic Indicators		– Fiscal Components & Cash Flow Generation
	– Depreciation Methods		– Basis for Fiscal Levies
	– Net Income v. Net Cash Flow		<b>Upstream Fiscal Systems</b>
	– Loans		– Additional Fiscal Measures
	– Real v. Nominal Economics		– Quantitative Measurement of Fiscal Systems
<b>11:45 – 12:30</b>	<b>Simple Model Construction</b>		▪ Government Take
<b>12:30 – 1:30</b>	<b>Lunch (provided)</b>		▪ State Take
<b>1:30 – 2:00</b>	<b>Upstream Fiscal Systems</b>	<b>4:30 – 4:45</b>	<b>Upstream Fiscal Systems</b>
	– Overview of Global Practices		– Types of Fiscal Regimes
	▪ Government Contracts		▪ Progressive
	▪ Main Characteristics of the basic contract types		▪ Regressive
	– Historical Evolution & Current Trends		▪ Neutral
		<b>4:45 – 5:30</b>	<b>Simple Model Construction</b>



## Workshop Schedule and Program (Continued)

### Day Two – Friday, January 25, 2019

<b>8:00 – 8:30</b>	<b>Registration and Arrival Coffee</b>	<b>12:30 – 1:30</b>	<b>Lunch (provided)</b>
<b>8:30 – 9:15</b>	<b>Uncertainty Analysis</b> <ul style="list-style-type: none"> <li>– Scenario Analysis</li> <li>– Sensitivity Analysis                             <ul style="list-style-type: none"> <li>▪ Spider Diagrams</li> <li>▪ Tornado Diagrams</li> </ul> </li> </ul>	<b>1:30 – 3:00</b>	<b>Exploration Prospect Valuation</b> <ul style="list-style-type: none"> <li>– Competitive Bid Round, Onshore Petrolia                             <ul style="list-style-type: none"> <li>▪ Set up, Guidance, Bid Group Meetings, Submission of Bids</li> </ul> </li> </ul>
<b>9:15 – 10:00</b>	<b>Uncertainty Analysis</b> <ul style="list-style-type: none"> <li>– Expected Value</li> <li>– Decision Trees</li> </ul>	<b>3:00 – 3:30</b>	<b>Coffee Break</b>
<b>10:00 – 10:30</b>	<b>Coffee Break</b>	<b>3:30 – 4:30</b>	<b>Exploration Prospect Valuation</b> <ul style="list-style-type: none"> <li>– Decision and Analysis                             <ul style="list-style-type: none"> <li>▪ Petrolia Bid Round Results and Commentary</li> <li>▪ MMS Deepwater Gulf of Mexico Central Planning Area Bid Analysis, 2003-2009</li> <li>▪ Issues and Pitfalls in Upstream Valuations</li> </ul> </li> </ul>
<b>10:30 – 11:00</b>	<b>Uncertainty Analysis</b> <ul style="list-style-type: none"> <li>– Monte Carlo Simulation</li> <li>– Exercises</li> </ul>		
<b>11:00 – 12:30</b>	<b>Interactive workshop</b>	<b>4:30 – 5:00</b>	<b>Review and Conclusion</b>

For more information and to register, please visit [www.aipn.org](http://www.aipn.org)