Oil and Gas Asset Valuation & Decision Analysis Workshop

OCTOBER 12 - 13, 2017 | HOUSTONIAN HOTEL | HOUSTON, TEXAS USA

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
Workshop Schedule and Program*

Day One – Thursday, October 12

7:30 – 8:30  Registration and Continental Breakfast
8:30 – 8:45  Introduction & Course Overview
8:45 – 9:30  Fundamentals of Discounted Cash Flow Analysis
             – After Tax Cash Flow Derivation
             – Basic Taxation Principles
2:00 – 2:45  Upstream Fiscal Systems – Royalty/Tax
             – Key Elements and Structure
             – Fiscal Components & Cash Flow Generation
             – Basis for Fiscal Levies
8:45 – 9:30  Fundamentals of Discounted Cash Flow Analysis
             – Time Value of Money
             – Exercises
2:45 – 3:00  Exercises
9:30 – 10:00 Fundamentals of Discounted Cash Flow Analysis
             – Common Economic Indicators
             – Sunk Costs
             – Other Economic Indicators
             – Depreciation Methods
             – Net Income v. Net Cash Flow
             – Loans
             – Real v. Nominal Economics
3:00 – 3:15  Coffee Break
10:00 – 10:15 Coffee Break
10:15 – 11:45 Fundamentals of Discounted Cash Flow Analysis
             – Overview of Global Practices
             ‧ Government Contracts
             ‧ Main Characteristics of the basic contract types
             – Historical Evolution & Current Trends
3:15 – 3:45  Upstream Fiscal Systems – Production Sharing
             – Key Elements and Structure
             – Fiscal Components & Cash Flow Generation
             – Basis for Fiscal Levies
3:45 – 4:00  Upstream Fiscal Systems – Service Contract
             – Key Elements and Structure
             – Fiscal Components & Cash Flow Generation
             – Basis for Fiscal Levies
4:00 – 4:30  Upstream Fiscal Systems
             – Additional Fiscal Measures
             – Quantitative Measurement of Fiscal Systems
             ‧ Government Take
             ‧ State Take
4:45 – 5:30  Simple Model Construction

*AIPN reserves the right to change the program and speakers unannounced and at any time.
March 17, 2017 – Valuation Workshop Program
Workshop Schedule and Program
(Continued)

Day Two – Friday, October 13, 2017

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:30 – 8:30</td>
<td>Continental Breakfast</td>
</tr>
<tr>
<td>8:30 – 9:15</td>
<td>Uncertainty Analysis</td>
</tr>
<tr>
<td></td>
<td>– Scenario Analysis</td>
</tr>
<tr>
<td></td>
<td>– Sensitivity Analysis</td>
</tr>
<tr>
<td></td>
<td>▪ Spider Diagrams</td>
</tr>
<tr>
<td></td>
<td>▪ Tornado Diagrams</td>
</tr>
<tr>
<td>9:15 – 10:00</td>
<td>Uncertainty Analysis</td>
</tr>
<tr>
<td></td>
<td>– Expected Value</td>
</tr>
<tr>
<td></td>
<td>– Decision Trees</td>
</tr>
<tr>
<td>10:00 – 10:30</td>
<td>Coffee Break</td>
</tr>
<tr>
<td>10:30 – 11:00</td>
<td>Uncertainty Analysis</td>
</tr>
<tr>
<td></td>
<td>– Monte Carlo Simulation</td>
</tr>
<tr>
<td></td>
<td>– Exercises</td>
</tr>
<tr>
<td>11:00 – 12:30</td>
<td>Interactive workshop</td>
</tr>
<tr>
<td>12:30 – 1:30</td>
<td>Lunch (provided)</td>
</tr>
<tr>
<td>1:30 – 3:00</td>
<td>Exploration Prospect Valuation</td>
</tr>
<tr>
<td></td>
<td>– Competitive Bid Round, Onshore Petrolia</td>
</tr>
<tr>
<td></td>
<td>▪ Set up, Guidance, Bid Group Meetings, Submission of Bids</td>
</tr>
<tr>
<td>3:00 – 3:30</td>
<td>Coffee Break</td>
</tr>
<tr>
<td>3:30 – 4:30</td>
<td>Exploration Prospect Valuation</td>
</tr>
<tr>
<td></td>
<td>– Decision and Analysis</td>
</tr>
<tr>
<td></td>
<td>▪ Petrolia Bid Round Results and Commentary</td>
</tr>
<tr>
<td></td>
<td>▪ MMS Deepwater Gulf of Mexico Central Planning Area Bid Analysis, 2003-2009</td>
</tr>
<tr>
<td></td>
<td>▪ Issues and Pitfalls in Upstream Valuations</td>
</tr>
<tr>
<td>4:30 – 5:00</td>
<td>Review and Conclusion</td>
</tr>
</tbody>
</table>

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

*AIPN reserves the right to change the program and speakers unannounced and at any time.
March 17, 2017 – Valuation Workshop Program