JUPITER PRIME
Consulting • Training • Advisory
جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Advanced Oil and Gas Capital Allocation and Fiscal Regimes Training Course

19 – 30 April 2027
Paris

jupiterprime.uk
info@jupiterprime.uk
Registered in the United Kingdom and Saudi Arabia

Advanced Oil and Gas Capital Allocation and Fiscal Regimes Training Course

Ref: 1211_45513 **Date:** 19 – 30 April 2027 **Location:** Paris **Fees:** 10500 GBP

Oil and Gas Capital Allocation and Fiscal Regimes is a 2-week advanced training course for finance managers, controllers and commercial leads that ends with a Fiscal-Adjusted Investment Memorandum for one upstream or downstream project. Volatile prices, shifting fiscal terms and pressure from lenders and partners mean every barrel of capital must earn its place in the portfolio. Jupiter Prime Training treats oil and gas capital allocation as a discipline that links fiscal terms to funding.

Why Oil and Gas Capital Allocation and Fiscal Regimes Matters Now

Three groups now press on investment choices in the industry: host governments revising royalty, tax and profit-oil terms; lenders who size facilities on reserves and price decks; and joint venture partners who demand transparent cost recovery. A company that models fiscal take correctly funds the projects that truly create value for its shareholders. One that ignores ring-fencing or cost recovery limits can sanction a project whose after-tax return never covers its cost of capital. The course draws on the Petroleum Resources Management System PRMS for reserves classification and on recognised discounted cash flow practice.

Who Gains Most from Oil and Gas Capital Allocation and Fiscal Regimes

- Finance leads who prepare capital budgets and sanction papers
- Controllers responsible for joint venture billing and cost recovery records
- Commercial leads who evaluate licence terms and farm-in offers
- Treasury specialists who arrange project and reserves-based facilities
- Planning leads who report performance against approved investment cases

Finance and commercial groups that attend alongside their planning colleagues gain most, because the investment case then shares one set of fiscal assumptions.

Oil and Gas Capital Allocation and Fiscal Regimes Capabilities

Participants turn production profiles and contract terms into after-take cash flows that a board can rank and fund.

- Build fiscal models for concession, production sharing and service contracts — licence bid decisions
- Calculate weighted average cost of capital and hurdle rates by asset risk — portfolio ranking
- Test project returns under price, cost and schedule scenarios — final investment decisions
- Apply joint venture cost recovery and billing rules — partner audits and operator committees
- Specify reserves-based lending and hedging structures — treasury and lender negotiations

- Communicate post-sanction performance against the approved case — executive and board reviews

Key Oil and Gas Capital Allocation and Fiscal Regimes Terms

- Fiscal regime — The set of royalties, taxes, profit-oil splits and state participation that determines how project cash is shared with government.
- Production sharing contract PSC — An agreement where the contractor recovers costs from cost oil and splits remaining profit oil with the state.
- Government take — The share of project net cash flow received by the state through all fiscal instruments over field life.
- Ring-fencing — A rule that limits offsetting costs or losses from one licence or field against income from another.
- Reserves-based lending — A debt facility whose borrowing base is set by the discounted value of proved and probable reserves.
- Hurdle rate — The minimum return a project must exceed, reflecting cost of capital and the risk of the asset.

Oil and Gas Capital Allocation and Fiscal Regimes Day by Day

Day 1: Capital in the Petroleum Value Chain

- Upstream, Midstream and Downstream Capital Profiles — Portfolio Balance Choices
- Price Cycles and Investment Timing — Countercyclical Sanction Strategy
- Energy Transition Pressure on Capital — Long-Life Asset Risk
- Stakeholder Map of Governments, Partners and Lenders — Funding Constraints
- Capital Allocation Frameworks in Integrated Companies — Board Approval Gates

Day 2: Reserves, Profiles and Cash Flow Inputs

- PRMS Reserves and Resources Categories — Bankable Volume Base
- Production Profiles and Decline Assumptions — Revenue Forecast Confidence
- Capex and Opex Estimating Classes — Cost Contingency Setting
- Price Decks and Differentials — Realised Price Forecasts
- Abandonment and Decommissioning Provisions — End-of-Life Liabilities

Day 3: Fiscal Regimes Compared

- Royalty and Tax Concession Mechanics — Licence Term Evaluation
- Production Sharing Contract Cost and Profit Oil — Contractor Entitlement
- Risk Service Contracts and Fees — Remuneration Structure Choices
- State Participation and Carried Interest — Equity Funding Burden
- Government Take and Progressivity Measures — Fiscal Attractiveness Benchmarking

Day 4: Fiscal Modelling in Practice

- Cost Recovery Limits and Carry-Forward — Payback Timing
- Ring-Fencing and Consolidation Rules — Tax Shield Value
- R-Factor and Rate-of-Return Sliding Scales — Upside Sharing Effects
- Depreciation and Uplift Allowances — Effective Tax Rate
- Entitlement Volumes for Booking — Reported Reserves Impact

Day 5: Cost of Capital and Hurdle Rates

- Weighted Average Cost of Capital Build-Up — Discount Rate Selection
- Asset Beta and Country Risk Premia — Risk-Adjusted Hurdles
- Real Versus Nominal Discounting — Inflation Consistency
- Capital Structure and Leverage Targets — Credit Rating Protection
- Hurdle Rate Differentiation by Segment — Upstream and Refining Comparisons

Day 6: Investment Appraisal and Ranking

- Net Present Value, IRR and Profitability Index — Project Ranking Logic
- Expected Monetary Value for Exploration — Drill or Drop Decisions
- Real Options for Phased Developments — Flexibility Value
- Capital Rationing Under Budget Ceilings — Portfolio Optimisation
- Breakeven Price Analysis — Resilience Screening

Day 7: Joint Ventures and Partner Finance

- Joint Operating Agreement Accounting Procedure — Cost Sharing Rules
- Cash Calls and Partner Billing — Liquidity Planning
- Overhead Recovery and Allocation — Operator Cost Disputes
- Non-Operator Audit Rights — Recovery of Disputed Charges
- Farm-In and Farm-Out Valuation — Equity Transaction Pricing

Day 8: Funding and Price Risk

- Reserves-Based Lending Borrowing Base — Facility Sizing
- Project Finance Cover Ratios — Debt Capacity Limits
- Swaps, Collars and Puts — Hedge Programme Design
- Refining Margin and Crack Spread Hedges — Downstream Earnings Protection
- Liquidity and Covenant Headroom Tests — Treasury Early Warnings

Day 9: Performance Reporting After Sanction

- Look-Back Reviews of Sanctioned Projects — Estimating Bias Correction
- Capital Efficiency Metrics — Cost per Flowing Barrel
- Return on Capital Employed by Asset — Divestment Candidates
- Variance Analysis Against the Approved Case — Corrective Funding Actions
- Board Dashboards for Capital Programmes — Executive Oversight

Day 10: Practising the Fiscal-Adjusted Investment Memorandum

- Fiscal Model Build for a Case Licence — Applying Regime Mechanics
- Discount Rate and Scenario Set — Applying Cost of Capital Methods
- Funding and Hedge Structure for the Case — Applying Treasury Choices
- Partner and Lender Presentation — Defending Assumptions Under Challenge
- Fiscal-Adjusted Investment Memorandum — Sanction Recommendation for Board Review

Applying Oil and Gas Capital Allocation and Fiscal Regimes After the Course

- Rebuild the fiscal model of one current project with correct cost recovery, ring-fencing and entitlement volumes, and compare the result with the approved case.
- Lead a look-back review of a recently sanctioned project to measure estimating bias in cost, schedule and production.

Oil and Gas Capital Allocation and Fiscal Regimes Questions FAQ

What is oil and gas capital allocation and fiscal regimes, and why does it matter now?

It is the practice of ranking and funding petroleum investments after the government's fiscal take. It matters now because volatile prices, revised fiscal terms and stricter lenders make after-take returns, not headline reserves, the basis for sanction.

Which roles gain most from oil and gas capital allocation and fiscal regimes skills?

Finance managers, controllers and commercial leads gain most. Treasury and planning specialists who arrange facilities and report project performance also benefit, since they rely on the same fiscal and discount rate assumptions.

How does an oil and gas capital allocation and fiscal regimes course differ from an oil and gas accounting course?

It looks forward at investment decisions rather than recording past transactions. You model fiscal terms, cost of capital, funding and hedging to choose projects, while an accounting course focuses on recording, consolidation and financial statements.

What do you bring back from oil and gas capital allocation and fiscal regimes training?

You bring back an investment memorandum for a case project. It sets out the fiscal model, hurdle rate, scenarios, funding and hedge structure behind a clear sanction recommendation.

Oil and Gas Capital Allocation and Fiscal Regimes: The Way Forward

The Fiscal-Adjusted Investment Memorandum gives finance and commercial leads one document that joins fiscal take, cost of capital and funding. Its first use is often a sanction or farm-in decision, read by executives, partners and lenders. After that first use, revisit the discount rate and price deck, because both drift as markets and fiscal terms change.