

Attend The World's Best Selling PSC Course
Held in Over 40 Cities Worldwide to Critical Acclaim!

PRODUCTION SHARING CONTRACTS and INTERNATIONAL PETROLEUM FISCAL SYSTEMS

COURSE DIRECTORS:

DANIEL JOHNSTON

*President & Founder,
Daniel Johnston & Co.*

DAVID JOHNSTON

*Managing Director,
Daniel Johnston & Co.*

*(At least one course
director per venue)*

Singapore, September 2016
London, September 2016
Dubai, October 2016
Houston, December 2016

**SAVE UP TO US\$500
FOR EARLY BIRD
OR TEAM FEES**
(See back page for details)

WHO SHOULD ATTEND

- Top Mgmt – CEO/VP/MD/GM
- International & Govt Negotiators
- Corporate/Strategic Planners
- Policy/Economic/Financial/Business & Accounting Analysts
- Legal Advisors & In-House Counsel
- Commercial/Business Development/ Marketing/ New Business/Joint Venture Mgrs
- LNG/Gas Supply Mgrs
- Finance Directors & Mgrs
- Accountants & Financial Controllers
- Tax & Finance Advisors
- Loan Officers
- Production & Reservoir Mgrs
- Project Economics Mgrs
- Compliance Officers/Contract Leads
- Operation/Scheduling & Shipping Mgrs
- Geophysicists/Geologists
- Senior Petroleum Engineers
- Petroleum & Mining Economists
- Software Technologists



CERTIFICATE OF ATTENDANCE
All participants who successfully complete the seminar will be provided with an official Certificate of Attendance

KEY DRIVERS & TRENDS TO BE COVERED

MODULE 1 (3 DAYS)

Singapore • September 2016
London • September 2016
Dubai • October 2016
Houston • December 2016

- Theory of Economic Rent
- Taxation Theory related to the Petroleum Industry
- Calculating Contractor Take: The Common Denominator
- Negotiation of Commercial Terms: Key Aspects
- Concessionary (Royalty/Tax) Systems
- Production Sharing Contracts

- Variations of the PSC Theme
- Risk Service Contracts
- Rate of Return Contracts
- Joint Ventures
- Technical Assistance/EOR PSCs
- Threshold Field Size Analysis
- The Global Market For Exploration Acreage
- Worldwide Fiscal Systems

MODULE 2 (2 ADDITIONAL DAYS)

Singapore • September 2016
London • September 2016
Houston • December 2016

- Introduction to Petroleum Economics & Analysis
- Cash Flow Modelling & Analysis
- Expected Value Theory
- Exploration Threshold Field Size Analysis
- Development Threshold Field Size Analysis

- Exercises will include: - Cash Flow Audit Exercise - Value of Discovery Exercise - Value of Reserves-in-the-Ground Exercise - Dynamics of the Savings Index - Government Participation Analysis - Rate-of-Return Systems

Media Sponsors:

Visit us at:

COURSE OBJECTIVES

The **Production Sharing Contracts (PSC)** course provides critical information to create the right commercial framework for successful PSC negotiations. It examines state-of-the-art practice and techniques in fiscal system, analysis and design.

Any type of 'extractive industry' will come under the realm of the course including coal, gold & rock mining, geothermal, coal-bed methane, conventional oil & gas, shale oil & gas, deepwater, enhanced oil recovery, LNG & gas-fired power generation. And that is because the PSC course goes way beyond just PSCs. It covers:

- All types of fiscal/contractual arrangements that govern business relationships between oil companies and governments
- Strong fundamental elements of normal petroleum operations, production & revenue generation, cost recovery and division of profits
- Numerous variations on the basic themes such as royalty/tax, PSC and Service Agreements, Risk Service Contracts, rate of return systems & R-factors, ringfencing, relinquishment, bonuses & goldplating

MODULE 1 (3 DAYS)

Singapore • September 2016
London • September 2016
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Houston • December 2016

The modern day PSC has evolved into a complex contractual document governing risks and rewards inherent in oil exploration. With volatile prices and changing geopolitical scenarios, it is vital to understand not only the changing terminology and semantics of the PSC but also how fiscal systems have evolved, their economic and financial impact. PSCs in over 45 countries will be examined. ***A must for all senior managers in new ventures, exploration, corporate planning, geology, as well as petroleum negotiators, oil company legal counsel, advisers, geologists and engineers.***

WHAT YOU WILL LEARN:

Detailed Assessment of Worldwide Fiscal Systems

Get a detailed assessment of worldwide fiscal systems, industry metrics, trends and variations in:

- PSCs/PSAs, Royalty/Tax Systems, Service Agreements, Risk Service Contracts, EOR PSCs

- Negotiation & Commercial Terms
- Government & Contractor Take, Effective Royalty Rate
- Rate of Return Systems & R-Factors
- Ringfencing, Relinquishment, Bonuses, Goldplating
- Global Market for Exploration Acreage
- What are the biggest concerns of National Oil Companies?

Plus Exercises on

- Calculating government take
- Effective royalty rates
- Cash flow audits
- Value of reserves
- Savings index
- Government participation
- Lifting entitlement ('booking barrels')
- Sliding scales

MODULE 2 (2 ADDITIONAL DAYS)

Singapore • September 2016
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An additional session on the 4th/5th day of the course will feature practical computer-based basics of petroleum risk analysis and decision theory, progressing to the finer points of economic modelling in the international arena.

Exercise will include

1. Cash Flow Audit Exercise which will provide insight into the inner workings of a basic economic model for exploration or for field development feasibility studies
2. Value of a Discovery Exercise – depending on costs, prices and fiscal terms a discovery can hold a range of values. This exercise will bring this to life
3. Value of Reserves in-the-ground Exercise – this important exercise will show the diversity of values that exist for reserves and/or "rights to extract"
4. Dynamics of the Savings Index – this important exercise will show how we can quantify the incentive for a company to keep costs down and the magnification of this incentive when time value of money is considered
5. Government Participation Analysis – this is the source of too much controversy in the industry, this exercise will put this to rest
6. Rate-of-Return Systems – do they really create a incentive to "gold plate"? One way to find out

DELEGATES WILL BE REQUIRED TO BRING THEIR OWN LAPTOP

An additional Workbook will be provided as part of the 4th/5th day curriculum.

A spreadsheet containing modules for performing cash flow analysis for most of the mainstream types of fiscal systems including:

- Systems with "R factors"
- Rate-of-Return (ROR) based systems
- Production Sharing Agreements, as well as
- Royalty/Tax systems and Service Agreements

will be provided.

A WORKING KNOWLEDGE OF EXCEL IS A REQUIREMENT FOR PARTICIPANTS ATTENDING THE 4TH/5TH DAY SESSIONS FOR MODULE 2

MODULE 1 (3 DAYS)

Singapore • September 2016
 London • September 2016
 Dubai • October 2016
 Houston • December 2016

1. THEORY OF ECONOMIC RENT

- Starting with David Ricardo and Adam Smith
- Efficiency vs. Flexibility
- Acreage is a commodity

2. TAXATION THEORY RELATED TO THE PETROLEUM INDUSTRY

- Bonuses vs. Royalties vs Profit based levies, the differences and implications

3. CALCULATING CONTRACTOR TAKE: THE COMMON DENOMINATOR

- Quick-look techniques that provide insight
- Commercial terms: risk side vs reward side

4. NEGOTIATION OF COMMERCIAL TERMS: KEY ASPECTS

- Families of systems – The issue of ownership, Government Take vs State Take vs Tax Take
- "Booking" Reserves

5. CONCESSIONARY (ROYALTY / TAX) SYSTEMS

- Basic Elements
- PSC Arithmetic step-by-step calculations
- Variations on the Concessionary Theme

6. PRODUCTION SHARING CONTRACTS

- Basic elements
- PSC Arithmetic step-by-step calculations
- Cost recovery vs. deductions: What is the difference?
- Numerous examples – Egyptian type PSC's vs Peruvian type PSC's vs Indonesia type PSC's

7. VARIATIONS ON THE PSC THEME

- Understanding the nuances and why they evolved
- Trade-off between cost recovery

limits, commerciality clauses and royalties

- Why some view the FTP as a royalty and others view it as a cost recovery limit
- Uplifts, Investment Credits, Interest Cost Recovery

8. RISK SERVICE CONTRACTS

- RSCs. How do they compare to PSCs?
- How do they compare to R/Ts?
- The Kuwait OSA
- The Iranian "Buy-Backs"

9. RATE OF RETURN CONTRACTS

- What do "R" factors and ROR contracts have in common?
 - Papua New Guinea to Equatoria Guinea
- Progressive vs. Regressive systems
 - Even progressive royalties are regressive! Why?
- Sliding scales (variations) worldwide

10. JOINT VENTURES

- What are these FSU deals like?

11. TECHNICAL ASSISTANCE / EOR PSCS

- What are the key features?
- Why are the terms so tough?
- Typical structures of EOR deals

12. THRESHOLD FIELD SIZE ANALYSIS

- Technical vs. Commercial success
- Exploration vs Development thresholds – Why is gas so different?

13. THE GLOBAL MARKET FOR EXPLORATION ACREAGE

- Trends in fiscal system design
- Reasonable terms vs. geological potential
- Comparing fiscal systems
- Political risk – Can it be quantified?
- Allocation Strategies and tactics
- Weaknesses of the Government Take Statistics
- Crypto Taxes

Delegates will be required to bring a calculator

14. WORLDWIDE FISCAL SYSTEMS

- How the various countries systems compare
- Key analytical comparison techniques
 - Contractor and Government Take
 - Nature and Timing of Government Take
 - Direct and indirect limits on cost recovery
 - Percentage of gross revenues available for cost recovery
 - Comparison of incentives
 - Worldwide Regimes

15. PRODUCTION SHARING CONTRACT OUTLINE

- Contract language for the basic elements and key terms
- Key aspects of negotiations (problem areas and pitfalls)

MODULE 1 STUDY AIDS:

EXTENSIVE DOCUMENTATION AND RESEARCH MATERIALS CONSISTING OF:

1. A **workbook** (420+ pages) with nearly 30 **exercises** with numerous problems that teach the practical application of petroleum fiscal system analysis. Over 200 pages of additional information and one-page summaries of the commercial terms for an additional 14 countries not found in the book. Answers to the problems and exercises are also provided.
2. International Petroleum Fiscal Systems & Production Sharing Contracts (Pennwell book).
3. International Exploration Economics, Risk and Contract Analysis (Pennwell book).
4. Maximum Efficient Production Rate (University of Dundee).

MODULE 2 (2 ADDITIONAL DAYS)

Singapore • September 2016
 London • September 2016
 Houston • December 2016

- Introduction to Petroleum Economics and Analysis
- Cash Flow Modelling & Analysis
- Expected Value Theory
- Exploration Threshold Field Size Analysis
- Development Threshold Field Size Analysis

EXERCISES WILL INCLUDE:

- Cash Flow Audit Exercise
- Value of Discovery Exercise
- Value of Reserves-in-the-Ground Exercise
- Dynamics of the Savings Index
- Government Participation Analysis
- Rate-of-return systems

Delegates will be required to bring their own laptop

MODULE 2 STUDY AIDS:

EXTENSIVE DOCUMENTATION AND RESEARCH MATERIALS

1. An **additional workbook** covering the Computer-based exercises will be handed out to participants signing up for the 4th/5th day session.
2. A **spreadsheet module** for performing cash flow analysis for most of the mainstream types of fiscal system will also be included as part of the course materials for the 4th/5th day session.
3. Delegates must bring a laptop for the 4th/5th day computer-based exercise session. If you would like a laptop to be arranged for you, separate rental fees will apply – Contact The PSC Secretariat for details.

COURSE DIRECTORS



Daniel Johnston, President & Founder of Daniel Johnston & Co., is an independent financial consultant to the international petroleum industry. For the past 25 years he has worked in 44 countries with both International Oil Companies (IOCs) and National Oil Companies (NOCs) on contract analysis and design, negotiations, disputes, and renegotiations.

He has a Bachelor of Science Degree in Geology from Northern Arizona University and an M.B.A. (Finance) from the University of Texas at Austin.

Daniel founded Daniel Johnston & Co., Inc. in 1985. He writes a column for the Petroleum Accounting and Financial Management Journal (Institute of Petroleum Accounting – University of North Texas) and is author of a number of books including:

International Petroleum Fiscal Systems and Production Sharing Contracts PennWell Books (1994), **Economic Modeling and Risk Analysis Handbook** University of Dundee (2002), **Maximum Efficient Production Rate** University of Dundee (2002), **International Exploration Economics, Risk and Contract Analysis** PennWell Books (2003), **Introduction to Oil Company Financial Analysis** PennWell Books (2006)



David Johnston is Managing Director with Daniel Johnston & Co., working with Governments and oil companies on upstream exploration, development, Enhanced Oil Recovery, and marginal field development contracts worldwide. His work includes contract design, economic/financial analysis, negotiations, and expert witness work.

David teaches courses in "**Economic Modeling and Risk Analysis**", and "**International Petroleum Fiscal System Analysis and Design**" at the University of Dundee and has published two books through the University, "**Economic Modeling and Risk Analysis Handbook**", and "**Maximum Efficient Production Rate**". He has also published "**Introduction to Oil Company Financial Analysis**" (2006) a 'best seller' with PennWell Books, and has written a number of articles on the subjects of energy and technology.

David is also a contributing author to "**Avoiding the Resource Curse**" Columbia University Press, 2007, and "**Energy Futures**" Palgrave McMillan, 2007.

He holds a Bachelor of Science degree in Electrical Engineering from the University of Rochester, New York.

A GLOBAL COURSE FOR STATE-OF-THE-ART THEORY, PRACTICE & TECHNIQUES IN FISCAL SYSTEM ANALYSIS & DESIGN



Held in More Than 40 Countries Across the Globe with Anchor Venues In Singapore, Houston & London

The PSC Course started life in the early 1990's as a two-day course on Risk Analysis. Nearly two decades later, it has morphed into a five-day expose examining state-of-the-art practice and techniques in worldwide fiscal system, analysis and design, encompassing more than 45 variations of PSCs, Risk Service Contracts, PSAs, Petroleum Concession Agreements, EOR PSCs and other permutations. Having been held in more than 40 cities across the globe, with Singapore, London and Houston as anchor venues annually, it has trained over 2500 upstream executives, negotiators, finance and legal managers, the world over and consistently retained its status and renown as the world's best-selling and most authoritative course on the subject of production sharing contracts.

PAST VENUES FOR PSC COURSES

- Abu Dhabi • Auckland • Amsterdam • Bahamas • Bahrain • Bali • Brunei • Bangkok • Buenos Aires • Calgary • Cairo • Cape Town • Dubai • Doha • Ghana • Houston • Ho Chi Minh City • Houston • Istanbul • Jakarta • Kuala Lumpur • Kuwait • Langkawi Island • Lisbon • London • Melbourne • Moscow • Muscat • Mumbai • Nice • New Delhi • Oman • Oslo • Paris • Perth • Phuket • Prague • Rio • Rome • Singapore • Trinidad & Tobago • Vietnam

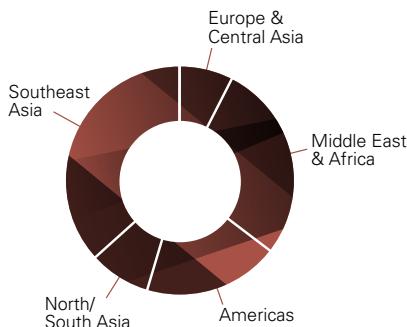
PAST PARTICIPATING COMPANIES OVER THE YEARS

- Addax Petroleum
- Afren Resources
- Agip KCO
- Anadarko
- Apache Corporation
- Autoridade National do Petroleo
- Adnoc
- Attorney General's Chambers
- BF International
- BG Exploration
- BHP Billiton
- Beach Energy
- Bounty Developments
- BPMIGAS
- Brunei National Petroleum
- Cairn Energy
- Chevron
- Clifford Chance
- Continental Energy
- CH Mutiara Petroleum
- ConocoPhillips
- CLJOC
- Daleel Petroleum
- Dana Petroleum
- DNO International
- Dolphin Energy
- Directorate General of Hydrocarbons
- Eni
- Exxon Mobil
- GCM Global Energy
- Genting Oil & Gas
- Genting Oil Natuna
- Genting Sanyen
- Griffiths Energy
- Hess Corporation
- Hoang Long Hoan Vu Joint Operating Co
- Japan Vietnam Petroleum Co
- JP Morgan
- JX Nippon Oil & Gas Consulting Services
- Japan Petroleum Exploration Co
- Inpex Corporation
- Korea Gas Corporation
- Krisenergy
- Kuwait Foreign Petroleum Exploration Co
- Kuwait Petroleum Corporation
- Korea National Oil Corporation
- Lundin
- Mubadala
- Madrid School of Mines and Energy
- Malaysia-Thailand Joint Authority
- Maersk Oil & Gas
- Ministry of Mines & Energy
- Mitsubishi Corporation
- Mitsui E&P
- Mobil
- MontD'Or Petroleum
- MPRL E&P
- Mubadala Petroleum
- Murphy Oil Corporation
- McKinsey & Co
- Murphy Sarawak Oil Co
- Noble Energy
- North Caspian Operating Co
- Nexen Inc.
- Nippon Oil Exploration
- Occidental Oil & Gas
- Ocean Pakistan
- Office of Auditor General Norway
- Oman Oil Co Exploration - Production
- Oxy Oil & Gas
- Petrofac
- Petronas
- Petronas Carigali
- Petrovietnam Exploration Production Corporation
- Pitkin Petroleum
- Premier Oil

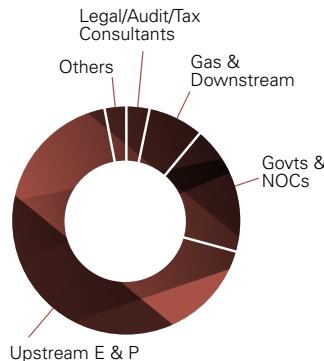
Click on www.cconnection.org/PSCModule1+2 for further details

ATTENDANCE 2008 - 2015

BY REGION



BY INDUSTRY



TESTIMONIALS

- "Good balance of high level & depth, plus providing useful "rule of thumb" principles and industry statistics" – Head, New Business Commercial, Petronas
- "The course was impressive and exceeded my expectations" – Kuwait Energy Company, Portfolio Analyst
- "The Course Director is very good at delivering the concepts and making sure you understand" – Mubadala Petroleum, Analyst, M & As
- "Speakers are very credible. They have experience to back up their arguments and can address queries easily. Calculations help to understand concepts better" – Shell Exploration, PSC Accountant
- "Course is excellent, no suggestions" – Chevron, Commercial Advisor
- "Very good on discovery of PSC's & especially simplifying them" – Ryder Scott Co., Senior Petroleum Engineer
- "Broad exposure to help bring up pertinent questions" – Anadarko Petroleum, Commercial Engineer, International Business Services
- (Module 2) "Only through the computer can you put all the pieces together and get an understanding of the impact of the time value of money" – Mubadala Petroleum, Asset Manager
- (Module 2) "Including computer-based petroleum risk analysis breaks up the day into listening and applying immediately into modelling" – Shell, Senior Economist
- (Module 2) "It gave a very good comparison basis for different models" – Reliance Industries Ltd, Business Analyst
- "It is an excellent complement to my existing experience of fiscal systems" – Chevron, Decision Analysis Coordinator
- "Allowed you to look at the situation from a macroeconomic level, to understand what is behind the authorities' decision" – Agip KCO, Tax & Insurance Manager
- "Providing a really good overview of all aspects of fiscal systems and types of financial & economic calculations" – Tullow Oil, Geoscientist
- "Very good understanding of the various fiscal systems and a solid and huge industry experience" – Wintershall Holding, Finance Manager
- "Breadth of coverage across key elements of global fiscal systems and ability to add analogies which are real world" – DNB Nor Markets, Regional Energy Analyst

Organised by:



PRODUCTION SHARING CONTRACTS (PSC)

This Contains Your Unique Registration Reference.
Please Do Not Remove Mailing Label.

DATES & VENUE

Singapore, September 2016
London, September 2016
Houston, December 2016

PSC COURSE FEES

Includes attendance at sessions, daily luncheons, coffee breaks and course documentation. Travel, accommodation and visa costs are not included.

PSC MODULE 1

Module/Venues	Full Fees	Team Fees	Early Bird Fees
Module 1 – 3 days			
Singapore	US\$3,190	US\$2,875	US\$2,875
London			
Dubai			
Houston			

PSC MODULE 1+2

Module/Venues	Full Fees	Team Fees	Early Bird Fees
Module 1+2 – 5 days			
Singapore	US\$5,000	US\$4,500	US\$4,500
London			
Houston			
Early Bird Payment Dates	Singapore & London: July 2016 Dubai: August 2016 Houston: October 2016		

ENQUIRIES & REGISTRATIONS TO

Conference Connection Pte Ltd (ROC: 199405166R)
135 Middle Road #05-01, Bylands Building Singapore 188975
or The Conference Connection Inc.,
P.O. Box 1736 Raffles City, Singapore 911758

DISCLAIMER – The organisers will not accept liability for non-approval of visas, individual transport delays and transport disruption, and in such circumstances, our normal cancellation rules will apply. Where matters beyond the reasonable control of the organisers impair or prevent the organisers from being able to perform their obligation under this event, the client releases the organisers from any liability, incidental or consequential, to such matters.

REGISTRATION FORM

Yes! Please register me for:

Module 1: **Singapore, September 2016**
 London, September 2016
 Dubai, October 2016
 Houston, December 2016

Module 1+2: **Singapore, September 2016**
 London, September 2016
 Houston, December 2016

Please Tick (/) Accordingly:

1. REGISTRATION FEES PSC MODULE 1

Module/Venues	Full Fees	Team Fees	Early Bird Fees
Module 1 – 3 days	<input type="checkbox"/> US\$3,190	<input type="checkbox"/> US\$2,875	<input type="checkbox"/> US\$2,875
Singapore			
London			
Dubai			
Houston			

PSC MODULE 1+2

Module/Venues	Full Fees	Team Fees	Early Bird Fees
Module 1+2 – 5 days	<input type="checkbox"/> US\$5,000	<input type="checkbox"/> US\$4,500	<input type="checkbox"/> US\$4,500
Singapore			
London			
Houston			

Early Bird Payment Dates **Singapore** July 2016 **London** July 2016 **Dubai** August 2016 **Houston** October 2016

2. PAYMENT

I am sending payment by telegraphic transfer. Please send full details.
 I will need an original invoice

3. ACCOMMODATION

Please send me a hotel/visa form

4. IN-HOUSE TRAINING

Please send me further information on in-house training programmes

5 EASY WAYS TO REGISTER



MAIL

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135 Middle Road #05-01, Bylands Building Singapore 188975
or The Conference Connection Inc.,
P.O. Box 1736 Raffles City, Singapore 911758



PHONE

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(65) 6338 0064



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EMAIL

psc@cconnection.org



WEB

www.cconnection.org/
PSCModule 1+2

Singapore	August 2016	August 2016
London	August 2016	August 2016
Dubai	September 2016	September 2016
Houston	November 2016	November 2016

- Paid cancellations notified between the FIRST and SECOND CUTOFF DATE will be given a 50% refund and a set of the presentation materials.
- No refund for paid cancellations received after the SECOND CUTOFF DATE but delegates can be substituted if the organisers receive prior notification.
- For registrations invoiced and unpaid but cancelled after the SECOND CUTOFF DATE, 50% of the fees will be charged and one set of the presentation materials will be given (post-event).

VISA APPLICATION & PROCEDURES

Please check with your travel agents or with the relevant embassy in your country of residence. If required, delegates may request for a letter of invitation for their visa application.

Please do not send visa applications to the organisers.

DATA PROTECTION

Any client information (name, address and contact details) obtained during your registration/order will be added to our database and may be used by Conference Connection to provide you with further information on its products and services. Conference Connection may make this information available to associated partners for marketing purposes. To restrict or update your particulars please contact database@cconnection.org

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Email: psc@cconnection.org Website URL: www.cconnection.org/PSCModule1+2

CC357/16 WB

First Name (Mr/Ms/Dr) _____

Surname _____

Job Title _____

Nationality _____

Company _____

Address _____

Country _____ **Postal/Zip Code** _____

Tel _____ **Fax** _____

Email _____

Name & Title of Approving Manager _____

Email of Approving Manager _____

Special Dietary Requirements (if any) _____

Main Business Activity _____

ALL REGISTRATIONS MUST BE ACCOMPANIED BY PAYMENT

(For more than one delegate, please photocopy the registration form)