
Oil and Gas Business Finance: Budgets, Partner Costs, Capital Choices and Portfolio Review Course

2 – 6 August 2027
Cape town





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Programme Summary

Oil and gas business finance is the subject of this one-week training course for senior managers and heads of function who must back strategy with numbers, ending in a finance pack for one live investment decision. Leaders from engineering, operations and commercial roles approve budgets and capital they cannot always test. The programme links strategy to financial statements, budgets, partner costs and investment screening, then applies each tool to one decision. Mars Training Centre UK delivers this programme on oil and gas business finance for mixed-organisation cohorts.

The Business Case

Managers in oil and gas companies are asked to defend budgets, sign spending approvals and rank projects, yet many came from technical roles and rely on finance colleagues to interpret the numbers. Leaders who read the accounts themselves ask sharper questions, catch weak assumptions earlier and explain trade-offs to boards and partners in plain terms.

- Budget Accuracy: Improves as spending requests are tied to work programmes and tested before approval.
- Partner Dispute Exposure: Falls as shared costs are checked against the joint operating agreement.
- Capital Discipline: Strengthens as projects are screened on common value measures and risk.

Principles and Evidence Base

- Time value of money and net present value: They anchor the investment screening work in Sessions 4 and 5.
- Joint operating agreement cost sharing: It guides the review of partner billing and cash calls in Session 3.
- Authorisation for expenditure: It structures the approval route for committed spending in Sessions 2 and 3.
- SPE Petroleum Resources Management System: It frames how reserves feed value and portfolio choices in Session 4.

Intended Participants

- Senior managers who approve budgets and spending for assets, projects or functions.
- Engineering and operations leaders who defend cost plans to finance and partners.
- Commercial managers who negotiate shared costs and screen investment options.
- Planning and portfolio staff who rank projects for funding.
- Directors who must read financial results and challenge the assumptions behind them.



Typical sectors include upstream oil and gas, refining, petrochemicals and energy services.

Learning Outcomes

1. Participants will be able to interpret an income statement, balance sheet and cash flow statement for an oil and gas business.
2. Participants will be able to construct a budget and variance review for an asset or function.
3. Participants will be able to evaluate partner cost statements and cash calls against agreed terms.
4. Participants will be able to justify a spending approval with scope, cost and risk evidence.
5. Participants will be able to prioritise investment options using net present value and break-even prices.
6. Participants will be able to present a finance pack for one investment decision.

Programme Structure

Day 1: Reading the Finance of an Oil and Gas Business

How do strategy choices show up in the financial statements?

- Income Statement Reading Guide
- Balance Sheet and Working Capital Map
- Cash Flow Statement Walk-Through
- Unit Cost and Margin Tree
- Strategy-to-Numbers Linkage Chart

Day 2: Budgets, Cost Control and Spending Approval

How is a budget built, tested and held to account?

- Work Programme and Budget Template
- Authorisation for Expenditure Form
- Variance Analysis Worksheet
- Cost Escalation Checklist
- Approval Route Flowchart

Day 3: Partner Economics and Shared Costs

How are costs shared and checked between venture partners?

- Joint Operating Agreement Cost Clauses
- Partner Billing Statement Review
- Cash Call Forecast Model
- Production Sharing Contract Cost Recovery Table
- Audit Query Log



Day 4: Investment Screening and Portfolio Choices

How are competing projects compared and ranked for capital?

- Net Present Value Calculator
- Hurdle Rate and Break-Even Price Table
- Price Scenario Grid
- Reserves Category Overview under the SPE Petroleum Resources Management System
- Portfolio Ranking Matrix

Day 5: Applying the Tools to One Decision

Do the tools hold together when applied to one investment decision?

- Applying the Session 1 Linkage Chart to the Decision
- Testing the Session 2 Budget Template on Project Costs
- Checking the Session 3 Cost Clauses Against Partner Terms
- Running the Session 4 Screening Tools on the Options
- Completing the Finance Pack

Methodology

The programme uses a structured exercise method built on anonymised budgets, partner statements, approval forms and short written cases from upstream operations, refining and energy services. Participants work in small groups on one decision, explain their reasoning to peers from other functions, and receive facilitator feedback on each work product, including every budget line, every cost query and every ranking.

- Suggested activity: Reviewing a variance report and drafting three questions for the asset team.
- Suggested activity: Checking a partner billing statement against sample agreement terms.
- Suggested activity: Ranking four projects on value, risk and price sensitivity.

Capstone Output

Each participant completes a finance pack for one investment decision. It holds a statement reading summary, a budget and approval note, a partner cost check, a screening table with price scenarios and a short recommendation. The pack is used at work to brief boards, support funding requests and prepare for partner meetings.



Frequently Asked Questions

Is training on oil and gas business finance suitable for managers with no finance background?

Yes. The programme assumes familiarity with oil and gas operations, not accounting training, and builds from the financial statements.

Which concepts does oil and gas business finance rest on in this programme?

They rest on the time value of money, joint operating agreement cost sharing, authorisation for expenditure and the SPE Petroleum Resources Management System.

How is the finance pack for oil and gas business finance used at work?

You use it to brief boards, support funding requests and prepare for partner meetings on your own investment decision.

How does learning oil and gas business finance differ from a programme on corporate strategy?

It centres on budgets, partner costs and investment screening, while corporate strategy centres on market positioning and long-term direction.