
Upstream Acquisition Due Diligence Training Course: Reserves, Liabilities and Deal Recommendation

20 – 24 December 2026
Manama





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Ref: 532_28574 Date: 20 – 24 December 2026 Location: Manama Fees: 4300 GBP

Programme Summary

Upstream acquisition due diligence is the subject of this one-week training course for business development, commercial and corporate development leaders, ending in a deal recommendation memo for one opportunity. Oil and gas due diligence often fails when reserves claims, title gaps and retirement costs are reviewed in separate silos and reach the investment committee late. The programme links screening, technical review, liability assessment and valuation, with each tool applied to a transaction from the participant's own pipeline. Mars Training Centre UK delivers this programme on upstream acquisition due diligence to mixed-organisation cohorts.

The Business Case

Acquisitions priced on a seller's data room summary carry hidden exposure: reserves that do not reconcile, consents that block transfer and decommissioning costs that arrive after closing. Teams that run a structured review can price those risks, negotiate protections and walk away from weak deals earlier, with a written record the board can examine at approval.

- Deal Value Protection: Improves as reserves and liability findings adjust price and contract terms.
- Decision Quality: Strengthens as screening criteria and red flags reach the committee in one consistent format.
- Post-Closing Cost Surprises: Fall as title, consent and retirement issues are found before signing.

Principles and Evidence Base

- SPE Petroleum Resources Management System PRMS: This classification of reserves and contingent and prospective resources frames the technical review in Session 2.
- Time value of money: Discounted cash flow valuation turns production, fiscal terms and costs into a value range in Session 4.
- Decision analysis under uncertainty: Scenario and sensitivity methods show which findings change the price or the decision in Sessions 4 and 5.

Intended Participants

- Business development leaders who screen and bring forward acquisition and farm-in opportunities.
- Commercial managers who negotiate price, warranties and fiscal terms.
- Corporate development leaders who prepare investment committee papers.
- Finance leaders who test valuation models and funding impact.
- Legal and asset leaders who coordinate title, consent and liability review.



Typical functions include corporate development, commercial, asset management and finance in national, international and independent oil and gas companies and their lenders.

Learning Outcomes

1. Participants will be able to prioritise acquisition opportunities against strategic fit and diligence cost.
2. Participants will be able to evaluate reserves and resource claims against technical evidence.
3. Participants will be able to diagnose title, consent and fiscal exposures in a data room.
4. Participants will be able to construct a decommissioning and environmental liability estimate.
5. Participants will be able to compare valuation scenarios and justify a price adjustment.
6. Participants will be able to justify a deal recommendation to an investment committee.

Programme Structure

Day 1: Upstream Acquisition Due Diligence Scope and Screening

How is an upstream opportunity screened and ranked before diligence cost is committed?

- Opportunity Screening Matrix
- Strategic Fit Scorecard
- Diligence Scope and Workplan Template
- Data Room Index Review
- Red Flag Register

Day 2: Reserves and Technical Review

How are reserves and resources tested against the technical evidence?

- SPE PRMS Classification Check
- Reserves Reconciliation Table
- Production Decline Profile Review
- Development Plan Reasonableness Test
- Technical Gap Log

Day 3: Title, Fiscal Terms and Liability Review

Which legal, fiscal and liability exposures sit behind the asset, and how large are they?

- Title and Licence Chain Review
- Joint Operating Agreement Clause Check
- Fiscal Terms Mapping Sheet
- Decommissioning and Environmental Liability Estimate
- Change-of-Control and Consent Tracker



Day 4: Valuation and Deal Structure

How are diligence findings turned into a price and contract protections?

- Discounted Cash Flow Valuation Model
- Scenario and Sensitivity Table
- Price Adjustment and Escrow Options
- Warranty and Indemnity Schedule
- Partner and Financing Impact Map

Day 5: Applying the Tools to One Deal

Do the screening, technical, legal and valuation findings support one clear recommendation?

- Applying the Session 1 Red Flag Register
- Using the Session 2 Technical Gap Log
- Testing the Session 3 Liability Estimate
- Checking the Session 4 Valuation Model
- Completing the Deal Recommendation Memo

Methodology

The programme uses a case analysis method built on anonymised data room extracts, reserves tables, licence summaries and valuation sheets. Participants work in peer groups on a deal from their own pipeline, challenge one another's findings and receive written facilitator feedback on each exercise set.

- Suggested activity: Reconciling a seller's reserves table with production history and flagging gaps.
- Suggested activity: Reading a joint operating agreement for transfer restrictions and consent steps.
- Suggested activity: Presenting a price adjustment case to a mock investment committee.

Capstone Output

Each participant completes a deal recommendation memo for one opportunity. It holds a screening matrix, a red flag register, a technical gap log, a liability estimate, a valuation range with sensitivities and a proposed set of price and contract protections. The memo is used at work to brief the investment committee and to steer negotiation.

Frequently Asked Questions

Is upstream acquisition due diligence suitable for leaders new to reserves analysis?

Yes. Upstream acquisition due diligence assumes experience in commercial or business development work and introduces reserves classification and liability estimation from first principles, without requiring a geoscience background.



Which standard does oil and gas due diligence rest on in this programme?

Oil and gas due diligence here rests on the SPE Petroleum Resources Management System for reserves and resources, together with discounted cash flow valuation and scenario analysis for price.

How is the deal memo from upstream acquisition due diligence used at work?

You use the deal recommendation memo to brief your investment committee, record open risks and set the price and contract protections to negotiate with the seller.

How does upstream acquisition due diligence differ from general mergers and acquisitions training?

Upstream acquisition due diligence centres on reserves, licences, fiscal terms and decommissioning liabilities, while general mergers and acquisitions training centres on financial statements, integration and corporate structuring.