



**Oil & Gas (E&P) Cost Recovery Mechanism in  
PSC & SC Operations Workshop  
Module 1  
CEM01**



**Oil & Gas  
Consultancy Services & Technical Training Providers**

*Enhancing business through knowledge*

[www.petroconsultenergy.co.uk](http://www.petroconsultenergy.co.uk)

# Oil & Gas (E&P) Cost Recovery Mechanism in PSC & SC Operations Workshop

## Module 1

### CEM01

#### **Course Description:**

This course is intended for both national oil companies and the exploration & producing companies, with a view to enable them understand the detailed analysis of the economics of both PSC and operations based on Service Contract.

Similarly they will be taken through how to ensure understanding in the processes and technicalities of cost recovery with or without the presence of cost recovery limits in their contract terms. The major highlights of the five-day program are as follows:

1. To highlight the various contract types & the fiscal systems governing them.
2. To bring out the key issues in the JOA, PPTA, MOU & PSA that are related to cost recovery.
3. To highlight cost allocation mechanism and JOA Annex C issues relating to cost recovery.
4. To bring audit and cost recovery issues together.
5. To enhance understanding in the implications of volume determination for either royalty or for tax computation purposes.
6. To enhance our understanding of the key areas of conflict in cost recovery with a view to shedding light on the how best to resolve them.
7. To enable a better understanding of resource rent and the economics of cost recovery.
8. To highlight the impact of cost recovery on cash flow.
9. To broaden understanding of cost recovery model.

## Module 1

### Course Content:

1. Overview of O&G (E&P) Contract Types (including PSC & Service Contract)
2. Cost Recovery Mechanism & Modelling in PSC & SC
  - Funding O&G (E&P) Operations
  - Host Government Cash Calling & Loan Funding Compared
  - Terms & Conditions of Carried Interest
3. Petroleum Revenue & Cost Recovery Mechanism
4. Cost Recovery & Tax Regimes and Implications for:
  - Profit & Govt. Revenue Tax
  - Profitability Measurement Factors
  - Reserve Booking & Implications.
  - Capital Allowances & Investment Tax Allowances / Investment Tax Credits Treatment.
5. Common Cost Allocation: Between Operated & Non-Operated Assets (including a PSC Operation Possibly Operated Alongside Another Field on a Concessionary (JV) by same IOC/Contractor.
6. Leasing Vs. Purchasing and Its Impact for Cost Recovery (Fixed Asset vs. P+L A/CS).
7. Class / Group Exercises & Discussions

## Venue and Date:

Venue and Date, open to discussion / change upon interest and commitment of 8 or more persons.

## Tuition:

Module 1      £3,150 +VAT

5 day program each

5 easy ways to  
register or to  
make an enquiry:

1.Web

[www.petroconsultenergy.co.uk](http://www.petroconsultenergy.co.uk)

2.Email

[info@petroconsultenergy.co.uk](mailto:info@petroconsultenergy.co.uk)

3.Phone

+44(0)1708 755355

4.Fax

+44(0)1708 755358

5.By post

*Petroconsult Energy Co. Ltd.*

4 Holgate Court, Western Road,

Romford. RM1 3JS, United Kingdom