

Introduction:

Financing projects in the oil, gas, and mining sectors requires substantial capital investment and long lead times, making them inherently high-risk ventures. These projects not only impact the companies involved but also influence the economies of the countries in which they operate.

This oil, gas, and mining project finance course is designed to enhance participants' abilities to evaluate financial decisions, identify suitable sources of financing, and manage financial risks, including fluctuations in oil, gas, and mineral prices. Participants will develop these skills through engagement with finance case studies that are relevant to their organizations.

For those with a particular interest in oil and gas finance, the course offers a dedicated module exploring the complexities of financing oil and gas projects. This section provides insight into specialized financial instruments and strategies critical to the successful execution of these projects.

The course also creates a platform for professionals to discuss developments in oil and gas finance and to prepare for conferences where emerging trends and networking opportunities can further enhance expertise.

Targeted Groups:

- Engineers
- Project and process managers
- Technical managers, team leaders, and line managers
- Finance managers and professionals
- Professionals at all levels involved in project execution

Course Objectives:

Upon completing the course, participants will be able to:

- Recognize the unique characteristics and financial implications of oil, gas, and mining projects
- Propose financing approaches specific to oil, gas, and mining ventures
- Assess the costs associated with financing projects in the oil and gas sector
- Critically evaluate the financial and economic viability of projects
- Recommend strategies to improve a company's financial position

Targeted Competencies:

Participants will gain the ability to:

- Understand the financial aspects of the oil, gas, and mining sectors as they relate to project

execution

- Apply best practices in investment appraisal for financing oil, gas, and mining projects
- Analyze and evaluate case studies tailored to participants' organizational roles
- Utilize contemporary international methods of financial management, analysis, and evaluation
- Manage the risks associated with oil, gas, and mineral price volatility

Course Content:

Unit 1: Oil, Gas, and Mining Projects

- Overview of oil, gas, and mineral resources and reserves
- Understanding the unique characteristics of financing projects in these sectors
- Financial implications of projects in oil, gas, and mining
- Managing market volatility of oil, gas, and mineral prices
- Strategic challenges facing the oil and gas finance sector
- Financing natural resource projects with diverse strategies

Unit 2: Project Financing

- Identifying primary sources of short-term and long-term finance
- Understanding equity and debt financing structures for oil, gas, and mining projects
- Comparing recourse and non-recourse financing options
- Exploring project finance in the oil and gas industry
- Roles of special purpose entities and other parties in project finance
- Using bond guarantees and letters of credit within the sector

Unit 3: Project Appraisal and Financial Analysis

- Selecting projects aligned with organizational objectives
- Forecasting cash flows for oil, gas, and mining projects
- Identifying risks from projected cash flows
- Calculating the cost of finance using models and capital investment appraisal techniques
- Applying financial appraisal using advanced spreadsheet tools

Unit 4: Project and Financial Risk Management

- Identifying technical, logistical, environmental, economic, and financial risks
- Applying financial risk management techniques and derivative instruments

- Using sensitivity analysis and Monte Carlo simulations in project finance
- Evaluating the probability and impact of risks on project finance
- Developing strategies to manage price volatility in oil, gas, and minerals

Unit 5: Financial Evaluation of Oil, Gas, and Mining Projects

- Assessing how projects meet government and organizational objectives
- Evaluating financial performance using metrics specific to project finance
- Analyzing return on equity, debt service coverage, and value for money
- Evaluating economic net present value and economic value added
- Applying cost-benefit analysis to support strategic financing decisions for future projects