

## Investment Funding in the Oil & Gas Industry

4.00 days

GIP/IFI

### Overview

#### AUDIENCE

This course is aimed at finance staff taking responsibilities in Financing/project funding; technical staff, economists involved in project management and wishing to better understand financing constraints.

#### PURPOSE

This course initiates participants to the objectives and methods of companies' financial management and their application to investment projects funding in the Oil & Gas industry.

#### LEARNING OBJECTIVES

Upon completion of the course, participants will be able to:

- identify the funding requirements of a company,
- choose an optimal combination of financial resources,
- understand the criteria for choosing how to fund a major investment project,
- understand the impact of funding decisions in investment evaluation.

#### PREREQUISITE

Basic knowledge in business finance management and investment evaluations (such as provided by the Investment Profitability Analysis course).

Participants need to be comfortable with the use of Microsoft Excel.

#### WAYS AND MEANS

Case studies and exercises.

### Agenda

#### FINANCIAL MANAGEMENT OF A COMPANY

Definition, objectives and methods.  
Estimating short, medium and long term financing requirements.  
Key factors determining a company's optimal financial structure.

0.75 d

#### MEETING FINANCING NEEDS

Own funds: equity and quasi equity.  
Debt structure choice.  
Borrowings, direct market access.

0.75 d

#### FINANCING MAJOR INVESTMENT PROJECTS

Long term financing.  
Risk and guaranties.  
The lender's view point.  
Bonds and other corporate financing options.

1.00 d

#### PROJECT FINANCING

Definition.

1.00 d

Pros and cons.  
Criteria for choosing to go for project financing or not.  
Examples of successes and failures.  
Financing restructurings.

## IMPACT OF PROJECT SPECIFIC FINANCING ON ECONOMIC EVALUATION

0.50 d

Geared vs. ungeared economics.  
Financial leverage.

## CASE STUDY AND EXERCISES

Participants will work on case studies and exercises along the course.