

## Negotiation of Exploration-Production Contracts

4.00 days

EAM/EPCN

### Overview

#### AUDIENCE

People who could participate in one or more stages of an EP contract negotiation: negotiators, project managers, explorers, engineers, lawyers, economists, advisors, managers from the public sector related to the energy sector and representatives of national companies.

#### PURPOSE

To have an overview of the EP contractual contract negotiation and to develop or deepen a skill in negotiating, using rigorous methodology and innovative approach.

#### LEARNING OBJECTIVES

Upon completion of the course, participants will be able to:  
describe the different ways to access acreage,  
use a rigorous methodology and innovative approach for upstream contracts negotiation,  
make an objective and comprehensive report to their management and anticipate objections.

#### PREREQUISITE

Basic knowledge of the contractual environment of E&P.

#### WAYS AND MEANS

Simulation of a negotiation (role play where each stakeholder is played by a different team) allowing real-life negotiation case.

### Agenda

#### REMINDER OF CONTRACTUAL & FISCAL FRAMEWORK OF EXPLORATION-PRODUCTION

0.50 d

Concession, Production Sharing Agreement, Service Contracts.  
Analysis of the contract contents' analysis.  
Distribution of the different items into homogeneous "bundles": clauses related to the exploration stage, clauses conducting operations, clauses related to economic and tax calculations, to pure legal issues, to financial terms, etc.  
Important clauses of a contract to prepare a negotiation.

#### REMINDER OF ECONOMIC EVALUATION OF E&P PROJECTS

0.50 d

Cost of capital and discount rate, value creation.  
Economic criteria for project evaluation: net present value (NPV), internal rate of return (IRR), payback period, etc.  
Global profitability analysis, the impact of taxation and inflation on economic indicators.

#### NEGOTIATION SKILLS

0.50 d

Negotiation principles: methodology and techniques.  
Preparation for negotiating: principles, economic reminders, technical reminders (reserves, etc.).

#### ROLE PLAY

2.50 d

Case study preparation per team (Joint Venture: JV, State).

Preparation for the first round of negotiation (contact and consultation).

First simulation and debriefing, updating the negotiation plan.

Preparation for the second round of negotiation (confrontation and early conciliation).

Second simulation and debriefing, updating the negotiation plan.

Preparation for the third round of negotiation (construction of the agreement and conclusion).

Third simulation and debriefing.

Preparation of the report to the management and presentation.