

Upstream Oil and Gas Development Lifecycle Costing Course Details

Department: Oil and Gas Energy

Presented by Magna Skills Development Institute

Date Created: 01-Jun-2025

Training Coordinator: Denis Wunganayi



CORPORATE TRAINING
Agency

OUR SERVICES :

- Search Engine Optimization
- Analytics and Data Analysis
- Pay-Per-Click Advertising
- Social Media Marketing

 Our Website
www.magnaskills.com

 **MAGNA SKILLS**
www.magnaskills.com



Course Summary

This engrossing four day course discusses how upstream oil and gas lifecycle costing ('cost forecasting') goes beyond cost estimation and cost engineering to provide a holistic, multi-disciplinary, full-life account of 'where the money goes' in this high-risk, high-reward, capital intensive industry.

The curriculum addresses the costing of long-life, capital-intensive upstream developments, both onshore and offshore, in the face of: uncertain and incomplete information; continually evolving technology needed to address production of ever more difficult resources (such as heavy oil, shale gas, and light tight oil); ever deeper, harsher and more remote environments; and political instability.

Costing of all phases and all aspects of the entire asset (the oil or gas field) is considered, from acquisition, study, and exploration, through to production operations and decommissioning, including aspects which are often neglected, such as: operator's internal costs and operating tariffs.

The course concludes with discussion of fascinating topics that impact reliable costing, such as: human aspects (biases and irrationality), dealing with uncertainty, and why cost forecasts are so often wrong ('train wrecks').

Delivery of the training includes interactive costing exercises, using data and methods discussed during the programme.

Course Objectives

- Better collaborate within multidisciplinary teams on field development planning tasks leading to investment decisions
- Give a comprehensive overview of the nature and magnitude of exploration, development, production and decommissioning costs
- Explain how to express lifecycle costings in cash flow and economic models
- Describe the challenges of upstream lifecycle costing, and dealing with uncertain and incomplete information

Course Outline

Upstream Oil & Gas Lifecycle Costing

- Aspects of the upstream oil and gas exploration, development and production industry.
- The asset (oil or gas field) lifecycle from acquisition and exploration, through to production and decommissioning
- Relationship to cost estimation and cost engineering
- Approaches to costing

- Bottom-up vs. top-down approaches
- Analog, benchmarking, parametric and cost metrics approaches
- Provision for engineering growth, contingency, unallocated provision, operator's reserve
- Types of cost: exploration; capital (capex), operating (opex) and decommissioning (abex)

Upstream Oil and Gas Lifecycle Cost Components

- Description of the items (activities, services, wells, facilities) that add to lifecycle costs (so they mean more than just numbers in a spreadsheet)
- Illustrative costs for all components
- The parameters ('key-drivers') that most influence the cost of components
- Cost metrics and rules-of-thumb
- Building of a cost model

Field Development Planning

- Introduction of the time element
- Time value of money, discounted cash flow, basic petroleum economics
- Cost, production, revenue, cash-flow profiles
- Building of an economic model

The Wider Context

- Issues relevant to how costs are prepared, used and influenced
- Petroleum production licences and contracts
- Cost 'train wrecks' – when costs go out of control
- The wisdom (and cost) of front end loading (FEL)
- Current and future challenges to oil and gas production (and hence to costing)
- Human aspects (biases, irrationality, vested interest) that can skew costing
- Dealing with risk, uncertainty and incomplete information
- Decision making
- Regional and host-country factors, including productivity and local content issues

**ENHANCE
TRANSPARENCY &
EFFICIENCY
ENROLL NOW!**

**Magna Skills Course:
Ensuring Transparency,
Accountability, and Impact
in Donor-Funded
Projects through Advanced
Financial Management**



Company Overview

Who We Are: Magna Skills is a premier training and capacity-building organization specializing in professional development for government institutions, NGOs, and the private sector.

Our Mission: To provide world-class training solutions that equip professionals with the expertise needed to excel in their careers and contribute meaningfully to their organizations.

Our Vision: To be the leading provider of professional training and development across Africa, fostering excellence, innovation, and capacity-building in public and private sectors.

Core Values

- **Excellence** – Delivering high-quality training tailored to meet the evolving needs of professionals.
- **Integrity** – Upholding the highest ethical standards in all our engagements.
- **Innovation** – Embracing new technologies and methodologies to enhance learning experiences.
- **Customer-Centric Approach** – Ensuring client satisfaction by providing relevant, practical, and impactful training.
- **Collaboration** – Partnering with industry experts and institutions to provide the best learning opportunities.

Our Training Methodology

We use a blended learning approach that includes instructor-led training, case studies, workshops, and post-training support.

Why Choose Magna Skills?

- Experienced Trainers
- Customized Training Solutions
- Interactive Learning

- Global Recognition
- Proven Track Record

Request for Training Form

Complete the form and share with Magna Skills Support Team on email info@magnaskills.com or Send Whatsapp on: +27630079022

Approval & Authorization	
Applicant Details	Course Details
First Name:	Course Name:
Last Name:	Training Venue:
Mobile:	Month:
Email:	Training Method: Online[____] Face to Face [____]
Company Name:	Duration:
Country:	Number of Staff Members:

By signing this agreement, both parties confirm their commitment to the terms outlined in this proposal.