



# BASICS OF PETROLEUM ECONOMICS



## COURSE OVERVIEW

This course provides a foundational understanding of petroleum economics, focusing on the economic principles that guide exploration, development, and production decisions in the oil and gas industry. Participants will gain insight into the economic evaluation of petroleum projects, including cost structures, price forecasting, risk analysis, fiscal regimes, and decision-making criteria such as Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period. The course combines theoretical concepts with practical tools used to support investment and operational decisions in upstream, midstream, and downstream sectors.

## DATES, VENUES AND FEES



28 September – 02 October 2025  
- Dubai  
(5 Days)

Fees

US\$ 4500

**Note:** Fee is per participant + 5% VAT (if applicable).

Groups from the same company can enjoy a **discounted** price.

## WHO SHOULD ATTEND?

This course is appropriate for a wide range of professionals but not limited to:

- New professionals in the oil and gas industry
- Engineers, geoscientists, and technical staff with limited economic background
- Financial analysts and accountants in petroleum companies
- Government regulators and policy makers
- Business development and commercial teams
- Anyone seeking to understand the fundamentals of petroleum economics

## CONTACT US NOW

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## ACCREDITATION



**This training course is certified by CPD.**

The CPD Certification Service is the leading independent CPD accreditation institution operating across industry sectors to complement the Continuing Professional Development policies of professional institutes and academic bodies. The CPD Certification Service provides support, advice, and recognised independent CPD accreditation compatible with global CPD principles. CPD is the term used to describe the learning activities professionals engage in to develop and enhance their abilities and keep skills and knowledge up to date. CPD Units are only awarded to programmes after each programme is scrutinised to ensure integrity and quality according to CPD standards and benchmarks.

## COURSE CERTIFICATE

**MSTC** certificate will be issued to all attendees completing a minimum of 80% of the total tuition hours of the course.

**CPD** internationally recognized certificate will be issued for all participants who will meet the course requirements. CPD certificates will be issued within a month of the successful completion of the course.

## TRAINING METHODOLOGY

- Expert-led sessions with dynamic visual aids
- Comprehensive course manual to support practical application and reinforcement
- Interactive discussions addressing participants' real-world projects and challenges
- Insightful case studies and proven best practices to enhance learning

## LEARNING OBJECTIVES

By the end of this course, participants should be able to:

- Understand the economic drivers of the oil and gas industry.
- Analyze and forecast petroleum project revenues, costs, and profitability.
- Apply basic economic indicators such as NPV, IRR, and payback period.
- Evaluate different petroleum fiscal systems (e.g., royalties, PSCs, tax regimes).
- Perform simple economic modeling and sensitivity analyses.
- Make informed decisions based on economic analysis in petroleum projects.

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## COURSE OUTLINE

### DAY 1

#### Introduction to Petroleum Economics

- Pre test
- Overview of the oil and gas industry value chain
- The role of economics in petroleum decision-making
- Key market concepts: supply, demand, and pricing
- Crude oil and gas pricing mechanisms (benchmarks and contracts)
- Economic vs. financial analysis

### DAY 2

#### Cost Structures and Project Cash Flows

- Types of petroleum costs: CAPEX, OPEX, abandonment
- Cash flow fundamentals and components
- Cost estimation techniques
- Cash flow diagrams and modeling basics
- Investment life cycles and cost recovery concepts

### DAY 3

#### Economic Evaluation Techniques

- Time value of money principles
- Key evaluation criteria:
  - Net Present Value (NPV)
  - Internal Rate of Return (IRR)
  - Payback Period
  - Profitability Index (PI)
- Ranking and comparing project alternatives

### DAY 4

#### Fiscal Systems and Risk Analysis

- Overview of global petroleum fiscal regimes:
  - Concession systems
  - Production Sharing Contracts (PSCs)
  - Service contracts
  - Taxation systems and royalties
- Introduction to risk and uncertainty
- Sensitivity analysis and scenario planning

### DAY 5

#### Practical Applications and Case Studies

- Hands-on economic evaluation of a simple petroleum project
- Spreadsheet modelling workshop
- Case studies of real-world projects (onshore and offshore)
- Discussion of recent trends and price volatility
- Course review
- Post test

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