

World Fiscal Systems for Oil and Gas offered by PFC Energy in Houston

Course leader: Pedro van Meurs
5-day computer inter-active training course

October 10-14, 2011.
Renaissance Greenway Plaza Hotel
Houston, USA

Run for over 30 years, this world famous course continues to be an outstanding success and will be offered by PFC Energy in Houston.

The course provides participants with an intimate knowledge of petroleum upstream fiscal systems. The aim of the course is to teach participants:

- *The nature and details of all important fiscal features in the world*
- *The wide variety of fiscal systems based on concessions, production sharing contracts, joint ventures, service contracts and other arrangements*
- *The underlying economic characteristics of the various fiscal systems*
- *Advanced economic analysis based on Excel Spreadsheets*
- *Competitive world frameworks for investing in the petroleum sector*
- *Future trends in petroleum fiscal terms*

The course is structured to be useful to a wide range of professions: geologists, petroleum engineers, bankers, accountants, negotiators, economists and lawyers.

COURSE LEADER

The course leader, Dr. Pedro van Meurs, received his Ph.D. in economic geology (cum laude) in the University of Utrecht in the Netherlands in 1970. During the last 36 years he has worked on fiscal oil and gas issues in more than 70 countries in the world. He was lead consultant in:

- **Opening of the Newfoundland offshore for exploration and production**
- **Alaska Petroleum Profits Tax and the proposed gas pipeline contract**
- **Development of the first model contract for offshore China**
- **Production-sharing, SPT and tax terms in Trinidad and Tobago**
- **Capitalization of YPF and 1996 petroleum law in Bolivia**
- **PSC's in Gabon and Bangladesh**
- **Creation of fiscal terms in Thailand, Pakistan and Nigeria**
- **Development of service contracts in Mexico and Kuwait**

COURSE PROGRAM

Monday

Morning	Afternoon
<p>Introduction</p> <ul style="list-style-type: none"> • Introduction to Excel based spreadsheet for “stand alone” analysis • Review of profitability indicators, such as NPV, IRR, EMV and profitability ratios • Price sensitivity and Divisible Income analysis • Government take and government revenue analysis <p>Bonuses, Rentals, Royalties</p> <ul style="list-style-type: none"> • Signature bonuses and bonus bidding: USA, Canada, Kazakhstan and the Netherlands • Production bonuses: Bangladesh, Egypt and Nigeria • Rentals and acreage management: Alberta and Cambodia • Fixed and sliding scale royalties, royalties in kind and cash, alternative procedures for determining royalty values. Royalty concepts: Louisiana, China, Algeria, Nigeria, PNG, Gabon, Venezuela, US Gulf of Mexico, Thailand, Nova Scotia, Trinidad and Tobago • Severance Taxes: USA • Price Discounts: Pakistan 	<p>Corporate Income Tax</p> <ul style="list-style-type: none"> • Consolidation and Ring-fencing: UK, Thailand and Pakistan • Group taxation: USA, the Netherlands and Australia • Gross revenue determination and Tax Reference Prices (Gabon) • Deduction of other payments to government: Canada, Norway, Colombia and China • Treatment of signature bonuses for tax purposes • Deduction of operating costs and headquarter costs (Kuwait) • Alternative capital depreciation methods and MACRS system • Deduction of interest • Loss carry forward and carry backward: Hungary, Russia, Brazil, USA, Canada. • Refunds for tax value of losses (Norway)

Tuesday

Morning	Afternoon
<p>Corporate Income Tax (continued)</p> <ul style="list-style-type: none"> • Depletion allowances and provisional allowances: Spain and Chad • Uplifts: Nigeria and Australia • Tax rates and globalization of corporate income tax • Tax credits: USA and Canada • World wide corporate income tax systems, tax credits, tax treaties: USA, the Netherlands, Malaysia <p>Production Sharing</p> <ul style="list-style-type: none"> • The original Indonesian concept • Profit Oil and sliding scales: Philippines, JDA, Egypt, Yemen, China, Malaysia, India, Azerbaijan, Guyana and Trinidad and Tobago • Cost Oil, cost oil limits and sliding scales: Vietnam, Equatorial Guinea, Turkmenistan, Syria, Oman, India, Indonesia, Nigeria, Egypt, Angola and Yemen 	<p>Production Sharing (continued)</p> <ul style="list-style-type: none"> • Uplifts: Indonesia and Angola • Special features: FTP, price caps, deemed interest, excess cost oil: Indonesia, Malaysia, China and Sudan • Special terms for gas: Malaysia and Indonesia • Production sharing and royalties: Malaysia, Pakistan, Gabon, Mongolia and Vietnam • Production sharing and corporation income tax: Bangladesh, Egypt, Sudan, Indonesia, Angola, China, Malaysia and Nigeria <p>Joint Ventures and Carried Interest</p> <ul style="list-style-type: none"> • Joint stock companies and joint operating agreements • Incorporated Joint Ventures: Venezuela • Fixed rate carried interest: Colombia, Malaysia and China • Sliding scale carried interest: Mauritania • Special state company financing features: PNG and Gabon • Carried interest and corporate income tax • Carried interest and production sharing: China

Wednesday

Morning	Afternoon
<p>Progressive and Special Taxes and Profit Shares</p> <ul style="list-style-type: none"> • Special Taxes based on Gross Revenues: USA, Pakistan, Colombia and Trinidad and Tobago • Surtaxes, Hydrocarbon Tax: Norway, Denmark, UK • Special Taxes based on Net Revenues: UK, Alberta oil sands, Brazil, Alaska, the Netherlands and Algeria • Tax credits that can be traded: Alaska • IRR based taxes: PNG, Ghana and Australia • IRR based profit oil and royalties: Russia-Sakhalin, Azerbaijan, Angola, Canadian frontier royalty and Newfoundland • R-factors: Peru, Azerbaijan, India and Thailand • Combination of R-factors and production based profit oil: Libya • One and Two way adjustments of price progressive features • Special Taxes and corporate income tax 	<p>Value Added Taxes, Import Duties and Property Taxes</p> <ul style="list-style-type: none"> • Value added taxes • Value added tax credits rather than refunds: Mexico and Bolivia • Value added tax problems: Russia, China, Brazil and Vietnam • Import duties • Temporary importation • Import duty exemptions: Pakistan • Export taxes: Russia, Argentina • Property Taxes: USA and Russia <p>Service contracts</p> <ul style="list-style-type: none"> • Iraq 1996 single fee model • Kuwait Operating Services Agreement • Iran service contracts of the 1970's • Iran Buy Back Agreements • Mexican Multiple Service Contracts • Iraq 2009 Contracts

Thursday

Morning	Afternoon
<p>Incremental analysis</p> <ul style="list-style-type: none"> • Introduction to Excel based spreadsheet for "incremental" analysis • Incremental analysis: corporate income tax • Incremental analysis: royalties, production sharing and carried interest • Incremental analysis: IRR and R-factor based features • Analysis of goldplating: PNG and India <p>Classification of fiscal systems</p> <ul style="list-style-type: none"> • Legal and Economic classification • Concessions, Production Sharing Contracts, Joint ventures and Hybrid Systems. <p>Country review of fiscal systems</p> <ul style="list-style-type: none"> • Alberta, USA, Argentina, Norway, Egypt, Nigeria, China, Indonesia and Columbia 	<p>Structure of government take</p> <ul style="list-style-type: none"> • Sharing of divisible income: progressive, neutral, regressive and hybrid systems • Effect of incremental investments: Ireland, Norway, Egypt, PNG and Pakistan • Front end and back end loading: Texas and Newfoundland • Geological risk and government take: Argentina, US Gulf of Mexico and Venezuela • Government take and oil and gas price variation: Argentina and Newfoundland <p>Level of Government Take</p> <ul style="list-style-type: none"> • Fiscal Stability: Canada and Egypt • Determination of level of government take • Competition among governments for investment •

Friday until 12.30 PM

Morning	Afternoon
<p>Risk Sharing</p> <ul style="list-style-type: none"> • Sharing of risk between government and companies: price risk, cost overrun risk, reserve risk, economic risk and gas marketing risk <p>Resource Policies</p> <ul style="list-style-type: none"> • Exploration promotion • Cost effective operations • Maximum recovery of reserves and marginal field development <p>Heavy oil development and gas development</p> <p>Economic Policies</p> <ul style="list-style-type: none"> • Encouraging investment and re-investment • Maximizing domestic economic growth and training and education • Frontier/regional development 	<p>Administrative Policies</p> <ul style="list-style-type: none"> • Revenue and cost verification • Cost of administration <p>Internal distribution of government take</p> <ul style="list-style-type: none"> • Federal, provincial/state and municipal participation in government take • Participation by native groups, private land owners and consumers <p>Worldwide Future Trends</p> <ul style="list-style-type: none"> • Anticipated world and petroleum industry developments • Government take development • Large resource access • Simplification and diversification of term • Impact of globalization and increased attention to the people

COURSE PARTICIPANTS AND FEES

REGISTRATION FEE:

USD \$3,500.00

Your fee for the full five days includes documentation, morning coffees, lunches, Refreshments. Each delegate will also receive the petroleum fiscal software used during the course to take back to their offices, this provides a "starter-kit" to solve fiscal issues after completing the course.

Maximum number of course participants: 40

HOW TO BOOK

Telephone:

1-242-324-4438

Fax:

Your completed form to
1-242-324-4439

Email:

info@vanmeurs.org

First Name:	
Last Name:	
Company:	
Title:	
Address:	
Country:	
Telephone:	
Fax:	
Email:	

Bank Transfer:

Destination: CHASUS33, JP Morgan Chase Bank, New York
 ABA021000021, Pay to Bank: ROYCBSNS
 Royal Bank of Canada, Nassau, Bahamas
 Beneficiary: 056251234567, Van Meurs Corporation
 Transit # 05625 Account # 407-200-5

Credit Card: (Please debit my credit card)

Name on card:		
MC:	VISA	AMEX:
Card number:	Security code:	
Expiry Date:	Today's date:	
Billing address:		
City:	Country:	Zip Code:
Signature:		

BOOKING CONDITIONS

Full payment is due before the course commences. Delegates may not be allowed entry to the course if any payments are outstanding. If you cancel your registration within two weeks of the event a 50% cancellation fee shall be applicable. Cancellation must be made in writing. PFC Energy has the right to cancel the course or to alter the content, timing or venue for reasons beyond the control of PFC Energy and in such case PFC Energy shall have no liability for any costs incurred by the participants related to travel, lodging, or any other costs.