

# Global Petroleum Industry

An International Business Driving the World Economy

## Introduction

The additional benefit of improving Global Petroleum Industry and controlling decision making will be highlighted in this five-day interactive, applications-driven training session.

The oil and gas industry is a diverse, technically challenging, capital-intensive sector that frequently faces unknowns around pricing risk and possible capital hazards. Oil firms nowadays have to contend with a never-ending degree of complexity and competitiveness. The advancements in oil recovery technology are also transforming the petroleum business. An additional crucial component of the company is the integration of petrochemicals and refining to achieve higher efficiency. Oil trading, refining, and supply chain management all demand a variety of cross-functional abilities. Managers and other professionals need to be learning new things about business and honing their abilities in order to be as productive as possible. The optimization of supply chain value and the development and management of profitable portfolios that can tolerate market volatility are key components of their methods.

## Training in Course N Carry Global Petroleum Industry will include:

- Understanding the fundamentals of oil and gas production, exploration, and recovery economics is essential to comprehending this international industry that powers the world economy.
- The fundamental ideas and procedures used in the global oil and gas industry's transportation, refining, trading, and oil supply
- Basics of transportation using crude oil and oil economics
- Fundamental features of refinery operations, economics, and the environment
- Fundamentals of crude oil pricing and a summary of the markets for crude oil and refined goods
- Crucial components of sales contracts for crude oil and processed goods
- Supply logistics: important global shipping lanes, pipelines, and choke spots
- It skilfully addresses a wide range of crucial business operations and procedures and effectively addresses business strategies and tactics to develop the requisite business acumen in a competitive and affordable environment.

## Objectives

## **Upon completion of this training program in international petroleum business, participants will be qualified to:**

- Get a comprehensive understanding of the world's oil supply, transportation, refining, and trade.
- Enhance your knowledge of the fundamentals of the oil industry, including vessel chartering, pipelines and terminals, quality, blending and valuation of oil for trade, freight and netback calculations, and refinery margins.
- Learn about pricing management issues, hedging and futures, oil market futures, and total barrel economics.
- Examine the oil industry's technological, commercial, legal, safety, and environmental elements.
- Talk to your peers and clients with confidence about the technical phrases, concepts, and buzzwords.

## **Training Methodology**

A range of tried-and-true adult learning strategies will be employed in this international petroleum business training course to guarantee that the material is understood, comprehended, and retained to the greatest extent possible. There will be a lot of interaction and participation in the daily workshops. Through the use of materials, case study exercises, quizzes, training films, and discussions on business case challenges in their businesses, participants will actively participate in the training course and learn.

## **Organizational impacts**

- Personnel Auditing
- Officers of Compliance
- Bankers and Equity Analysts
- Officers of Joint Ventures
- Professionals in Contracting and Negotiation
- Professionals in Trading

## **Personal Impact**

- Experts in Supply Planning and Scheduling
- Authorities in Government
- Legal Experts
- Advisors in Tax and Finance

**A wide range of professionals will profit from this Course N Carry Global Petroleum Industry training course, but the following will be especially beneficial:**

- Managers of Business Development
- Experts in Corporate Planning
- Professionals in Geosciences and Engineering
- Experts in Refineries

## **Course Outline**

### **Day 1**

#### **Petroleum Economics: Exploration, Production, and Supply**

- Overview of the training program
- Overview of How Oil Was Made
- Petroleum's Origin, Accumulation, and Migration
- Crucial Conditions for the Buildup of Hydrocarbons
- Essentials of Petroleum Engineering and Oil and Gas Geology
- Overview of Oil and Gas Geology
- A Basic Structural Anticline Trap
- Reservoir Mapping, Reservoir Traps, and Barrier or Closure
- Techniques for Drilling Gas and Oil
- Drilling Types: Developmental, Exploration, Delineation, Appraisal, and Maintaining Potential Wells
- Circulatory System Drilling: Safety and Environmental Effects
- Logging and Finishing Wells
- Instruments and Methods for Assessing Oil and Gas Wells
- Logs for Cased and Open Wells
- Uses for Well Casing
- Advantages of Multilateral Well Completions with Horizontal Wells Over Vertical Wells
- The Core of the World's Oil Supply: Production, Trade, and Reserves
- Overview of the World's Oil Industry: Research, Production, Refinement, Distribution, and Transportation
- Global Oil Resources: Production of Oil and Gas, World Oil and Gas Reserves
- Industry units: Conversion factors for Europe, Asia, and the USA
- Classifications of Crude Oil
- Indices of Crude Oil Quality and Assays for Crude Oil Characterization
- Distillation of Crude Oil and Refined Products
- Units of the Oil Industry and Conversion Factors
- Essentials of Petroleum Economics
- Crude Oil Delivered Price: The Idea of GPW (Gross Product Worth)

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#### **• Computing Net Refining Margin**

- Crude Oil's Value and the Factors That Determine Crude Selection
- Efficiency metrics: Unit Marginal Cost, Profitability Index, DCFROR
- How to Calculate an Oil and Gas Field's Economic Limit
- Criteria for Making Investment Decisions

## Day 2

### Marketing, Refining, and Transportation

- Basics of Transporting Crude Oil: Tankers and Chartering
- Sizes and Tonnage of International Oil Tankers
- Charter Parties and Their Types
- Payment for Freight, Chartering Procedure, Voyage Charter, and Time Charter
- The functions of a shipping agent, bunkering, arbitrage, ship broker, and net daily contribution
- Fundamentals of Pricing and Market Overview
- Why Oil Prices Are Volatile
- Real and Nominal Oil Prices Throughout History
- The Future of Oil Prices: Imports, Production, and Consumption by OPEC
- The Replacement Ratio of Global Reserves and the Future of Oil Prices
- The Paper-Oil and Physical Markets
- Global Price Indices - Benchmarks for Crude Oil: WTI, Brent, Dubai / Oman, ASCI, OPEC Reference Basket
- Sales Methods: Spot, Term
- Regional Prices in Europe, Asia, and North America
- Methodology for Price Reporting: Price Report
- Markets for Crude Oil
- Crude Price History
- Where the Prices Are
- Crudes Marker
- Quality of Refined Products
- Size and Configuration of a Crude Oil Refinery: Skimming, Catalytic, Thermal Cracking
- Refinery Margin Calculation, Crude Type-specific Refinery Yields, and Profitability Affecting Factors
- Important Refinery Products and Details
- Blending is necessary, as is blending exercise.
- Pump Prices, Oil and Gas Earnings Comparatively with Other Industries, and Return on Investments
- Market for Refined Products
- Determinants of Product Pricing

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#### Product Cost Estimates

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Product Specifications

- Evaluations of Product Pricing
- The Basics of Trading Products

## Day 3

### Marketing, Refining, and Transportation

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- Charter Parties and Their Types
- Payment for Freight, Chartering Procedure, Voyage Charter, and Time Charter
- The functions of a shipping agent, bunkering, arbitrage, ship broker, and net daily contribution
- Fundamentals of Pricing and Market Overview
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- Pump Prices, Oil and Gas Earnings Comparatively with Other Industries, and Return on Investments
- Market for Refined Products
- Determinants of Product Pricing
- Product Cost Estimates
- Product Costing Based on Specifications
- Evaluations of Product Pricing
- The Basics of Trading Products

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## Day 4

## Market Organization and Transactions

- Foundational Ideas in Oil Trading
- Participants in the Market for Oil
- Trading success factors
- Trading Risk Factors
- Goals for Trading and Changes in Prices
- Backwardation and Contango in Market Structures
- Communicate with Stores
- Market Competition: Primary and Secondary Sources
- The Customer to E&P in the Value Chain
- The Marketplace for Retail
- Completely Vertically Integrated Model for Oil Companies
- The Crucial Elements of Retail Success
- Management of the Downstream Supply Chain
- The Crucial Elements of Supply Management Success
- Complete Barrel Economics
- Profitability Metrics
- Revenue from Net Marketing - Refinery Netback
- The Supply Cost and Overall Barrel Margin
- A Differential Value for the Transfer Price
- Average Costs for an Oil Company: Distribution and Marketing
- Increasing Business Profits
- Oil Futures and Markets
- Market Disparities: Futures and Forwards
- Features of a Futures Contract
- Futures Market: What Is It?
- Margin Money: What Is It?
- How Do Futures Get Used?
- Exposure to Price
- Trading with the Intention to Profit
- Choosing a Long or Short Position to Buy or Sell
- Exposure: Priced versus Unpriced
- Unpriced Purchase and Unpriced Sale: What Are They?

## Day 5

### Risk management and petroleum dynamics

- Risk management through hedging
- Utilizing Forward Markets and Futures
- An Illustration of Hedging
- Introduction of Basis Risk after Removal of Absolute Risk
- Price Management
- Price management: what is it?

- An Example of Price Management

- Derivatives
- How Do Swaps Work?
- An Illustration of a Swap Transaction
- Options: What Are They?
- An Illustration of an Option Transaction
- Features of Options and Swaps in the Oil and Gas Sector
- Samples of Swaps, Options, and Futures Contracts for Oil and Gas
- Typical Hedging Errors Made by Oil and Gas Companies
- A Handbook for Formulating a Business Fuel Risk Management Policy
- Issues Facing the Petroleum Sector and Emerging Technological Trends
- Concerns with Law and Regulation
- Worldwide
- Global Aspects of Petroleum Dealing
- Trade laws in general
- International Trade Organization
- United States
- Trading of Oil in the United States
- Overall Business
- Laws Against Trust
- Act of Sovereign Immunity
- FCPA
- Law Governing Commodity Trading
- United Kingdom
- Trading of Oil in the United Kingdom
- Commercial Law in General
- Singapore
- Trading of Oil in Singapore
- Exchange Singapore
- Likeness to New York and London