

CRUDE OIL MARKETING & COST RECOVERY MECHANISM

“Building a High-Impact HR Foundation through Practical Tools and Core Competencies”

Schedule

| Date | Venue | Fees (Online) |
|------------------|--------|-----------------------|
| 24 – 26 Mar 2026 | Online | USD 1000 per delegate |

Introduction

The crude oil market is complex, governed by global price fluctuations, government regulations, and a variety of contractual arrangements, such as production-sharing agreements (PSAs) and joint ventures. An efficient and compliant cost recovery mechanism is critical for oil producers to ensure that they maximize revenue and recover their investments in exploration and production.

This 3-day online training course offers an in-depth look into crude oil marketing strategies, pricing models, and the process of cost recovery. It provides participants with the knowledge and tools to navigate the intricacies of marketing crude oil, optimizing revenue, and ensuring proper allocation and recovery of production costs.

Objectives

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

- Understand the principles of crude oil marketing and pricing models
- Learn the mechanisms of cost recovery in production-sharing agreements (PSAs)
- Implement strategies for crude oil marketing and price negotiation
- Analyze the components of a cost recovery model and the impact on profitability
- Effectively manage and report production costs and revenues
- Align cost recovery mechanisms with international regulations and contractual obligations

Why Attend

- Learn the core elements of crude oil pricing and marketing in both local and international markets
- Understand how to manage production costs and ensure effective cost recovery
- Gain insights into global pricing mechanisms, spot pricing, and long-term contract negotiations
- Build competency in navigating PSAs, tax systems, and regulatory frameworks
- Enhance your ability to participate in and manage complex crude oil contracts and projects

Target Audience

This program is designed for:

- Crude oil marketers and trading professionals
- Finance and accounting professionals in oil and gas
- Project managers and contract managers in oil & gas projects
- Legal professionals involved in crude oil contracts and agreements
- Commercial managers in oil exploration and production companies
- Professionals seeking to deepen their understanding of oil pricing and cost recovery systems

Individual Benefits

Key competencies that will be developed include:

- Crude oil pricing and marketing strategies
- Structuring and managing cost recovery mechanisms
- Negotiating oil sales agreements and price contracts
- Cost control and profit maximization in oil production
- Understanding financial and regulatory frameworks in oil & gas

Organizational Benefits

Upon completing the training course, participants will demonstrate:

- More efficient crude oil marketing strategies and pricing models
- Better cost recovery practices, leading to improved profitability
- Enhanced regulatory compliance and reporting accuracy
- Stronger negotiation and management of oil sales contracts
- Improved revenue generation and cost management in oil production

Instructional Methodology

- Strategy Briefings – Overview of crude oil marketing strategies, pricing, and cost recovery principles
- Hands-On Exercises – Developing pricing models, cost recovery calculations, and contract simulations
- Case Studies – Industry examples of successful and failed oil marketing strategies
- Workshops – Crude oil sales agreement drafting, cost structure design, and negotiation strategies
- Peer Exchange – Experience sharing on crude oil pricing challenges and solutions
- Tools – Crude oil pricing calculators, cost recovery models, and negotiation templates

MAWA EVENTS

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Course Outline

Detailed 3-Day Course Outline

Delivery Format: Online (Live) | Platform: Zoom, WebEx or Microsoft Teams

Day 1 - Crude Oil Marketing and Pricing Mechanisms

• Module 1: Introduction to Crude Oil Marketing

- Crude oil market overview and dynamics
- Spot markets vs. long-term contracts
- Key players in the crude oil marketing value chain

• Module 2: Pricing Models and Oil Price Formation

- Pricing benchmarks: Brent, WTI, Dubai/Oman, and regional pricing
- Factors influencing crude oil pricing
- Developing a pricing model for oil sales agreements

• Module 3: Types of Sales Contracts

- Spot contracts, forward contracts, and long-term agreements
- Contract clauses: pricing, delivery terms, and payment
- Contract risk management and dispute resolution

• Module 4: Workshop - Developing a Crude Oil Pricing Model

- Participants develop pricing models and scenarios for a crude oil sale

Day 2 - Cost Recovery in Production-Sharing Agreements (PSAs)

• Module 5: Introduction to Cost Recovery in PSAs

- Overview of production-sharing agreements
- Defining and calculating cost recovery
- Allocating recoverable and non-recoverable costs

• Module 6: Regulatory Framework and Compliance

- Compliance with local tax laws and international standards
- Government take, royalty rates, and tax regimes
- Managing cost recovery under different regulatory environments

• Module 7: Managing Joint Ventures and Cost Recovery Mechanisms

- Cost allocation among joint venture partners
- Managing joint venture reporting and reconciliation
- Challenges and solutions in multi-party cost recovery

• Module 8: Workshop - Cost Recovery Calculation and Reporting

- Participants work through a case study to calculate cost recovery for a PSA project

Day 3 - Oil Marketing Agreements, Dispute Resolution, and Reporting

• Module 9: Negotiating Crude Oil Sales Contracts

- Negotiation strategies for crude oil sales agreements
- Managing pricing and delivery terms with international buyers
- Reducing risks and enhancing contract flexibility

• Module 10: Dispute Resolution and Risk Management

- Common issues in crude oil sales contracts
- Dispute resolution methods: arbitration, mediation, and negotiation
- Contract clauses to protect against risks in marketing and cost recovery

Module 11: Reporting and Auditing in Oil Marketing and Cost Recovery

- Financial reporting requirements in oil marketing agreements
- Auditing cost recovery and sales transactions
- Transparency in financial reporting and cost reconciliation
- **Module 12: Final Workshop - Developing a Crude Oil Marketing and Cost Recovery Strategy** Participants develop a full marketing and cost recovery strategy
- Group presentations and feedback from peers and instructor

Certification

Participants will receive a **Certificate of Completion in Crude Oil Marketing & Cost Recovery Mechanism**, validating their ability to manage and optimize marketing processes and cost recovery mechanisms in the oil and gas industry.

Why Choose MAWA Events

- **Global Expertise:** More than 17 years of experience in professional training and consulting.
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- **Practical Insights:** Learn to turn theory into actionable strategies for real-world business impact.
- **Client-Focused Solutions:** Customized programs designed to achieve your organisation’s unique goals.

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