# Training - Investment Profitability Studies for Energy Projects

ERP-EN-P | Face-to-face only | 3 days

This course provides a better understanding of the concepts behind the theory of capital budgeting, thus helps improving the analysis in investment profitability studies A number of computer case studies will be treated all along the course to apply the principles that are presented succinctly, which makes this course a very practical one

## Level

Knowledge

## Public

Economists, engineers and commercial staff concerned with decisions affecting medium and long-term cash flows, such as investment, disinvestment, acquisitions or leasing, who need to improve their understanding of the theory and practice of investment analysis in the energy sector

## Objectives

Attendees will be able to implement the following skills:

- Develop computer models for the economic evaluation of Oil & Gas projects
- Incorporate specific financing plan through equity profitability analysis
- Incorporate the risk and uncertainty in the economic evaluation of Oil & Gas projects

## Pedagogical & technical resources

Case studies simulated on computers

## Assessment of achievements

- Trainees are assessed throughout the training through practical application phases and interactions with the trainer
- A final on-the-spot evaluation may also be carried out at the end of the course and/or at the end of each module using tests designed to verify the learners' understanding and assimilation of the knowledge linked to the training objectives

## Prerequisites

No prerequisites are necessary to follow this course

## Responsable

IFP Training instructors, with expertise in the field and trained in modern teaching methods adapted to the specific needs of learners from the professional world

# Program

### ECONOMIC EVALUATION CRITERIA — 0.5 day

Corporate finance, capital costs and discount rate of the company.
Construction of project cash flows schedule.
Economic criteria for project evaluation: net present value (NPV), internal rate of return (IRR), payback period, etc.


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Case studies: development of an oil field under concession.

## GLOBAL PROFITABILITY ANALYSIS — 1 day

Methodology for assessing the global profitability of capital invested.
Impact of taxation and inflation in profitability investment studies.
Choosing an investment program with a limited budget, scarcity cost of capital.
Case studies: accelerating production project (EOR) project of upgrading a refinery (Hydrocracking unit).

## ECONOMIC COST ANALYSIS — 0.5 day

Accounting cost vs. economic cost, after-tax cash outflows.
Total discounted cost, annual economic cost.
Economic depreciation, unit economic cost, optimal economic lifetime.
Cases studies: issues related to purchasing of equipment and definition of an optimal economic lifetime.

## EQUITY PROFITABILITY ANALYSIS — 0.5 day

Financing Oil & Gas projects, project finance and B.O.T. structures.
Various financing plans and debt repayment.
Analysis of equity cash flows, return on equity capital, financial leverage.
Case studies: construction of LNG plant and gas pipeline projects with specific financing.

## RISK ANALYSIS — 0.5 day

Introduction to risk analysis and risk discount rate: sensitivity analysis, Spider and Tornado diagrams.
Probability of success, economic risk analysis in oil exploration.
Economic study of an exploration project using Min, Mode and Max scenarios.
Case studies: valuation of a decision to acquire information (seismic or drilling) and pricing of an exploration bloc.

## CASE STUDIES

Oil field development project.
Acceleration of production project with or without EOR (Enhanced Oil Recovery).
Isomerization vs. alkylation project.
FCC project (Fluid Catalytic Cracking).
Project of upgrading a refinery.
Hydrocracking unit project.
Polypropylene Plant Project.
LNG plant project with specific financing.
Gas pipeline project with specific financing.
Service station modernization project.
Gas-fired power plant project.
Valuation of a decision to acquire information (seismic or drilling).
Pricing of an exploration bloc.

# Sessions

**Rueil-Malmaison** - From 04/01/2026 to 04/03/2026 — **2620 €/HT**

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