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.

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**

To French entities : IFP Training is referenced to DataDock ; you may contact your OPCO about potential funding.
Please contact our disabled persons referent to check the accessibility of this training program : referent.handicap@ifptraining.com