



External Training Course

Oil and Gas Contracts Masterclass

From 04 Nov. To 08 Nov. 2024

From 25 Nov. To 29 Nov. 2024

From 09 Dec. To 13 Dec. 2024

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INTRODUCTION:

This training course will provide participants with comprehensive understanding of the full spectrum of oil and gas contracts. It is a highly interactive training course covering the key legal and commercial aspects of these contracts and the inherent risks in the different types of contracts. Participants will learn how to deal with negotiating, drafting and administrating these contracts in the oil and gas and marine sectors. Further we will also focus on the pros and cons of the different types of contracts and the suitability of each one for your specific needs. We delve into specific contracts like Production Sharing Contracts (PSC), Licensing and Concessions used in upstream operations and EPCIC (Engineering, Procurement, Construction, Installation & Commissioning) Contracts, EPCM and Alliance contracts used for complex offshore and onshore projects. Understanding the allocation of risk by mastering the ins and outs of these contracts will prove to be a valuable tool in driving effective contracting strategies to minimise risks and liabilities. Further, in this training course participants will also enhance their knowledge and raise their awareness of best practices in managing the supply chain process which culminates in the awards of these contracts to the right party. Participants learn to appreciate how best to deal with the ripple effects of major disasters by looking at case studies like the Deep Water Horizon – Macondo Blowout and the lessons learned from that episode. Limiting of liabilities with contractual provisions like knock for knock indemnities and other contractual clauses to mitigate risk exposure in oil and gas contracts. This training course is specifically designed to provide participants with a well-tested and practical guide on:

- Major types of oil and gas contracts and the key clauses to master.
- Evaluate different contracting strategies and their inherent risks, liabilities and benefits.
- Fully appreciate the legal and commercial risks and how best to manage these risks.
- Appreciating the main aspects of upstream contracts like Production Sharing Contracts, Concessions and Licenses.
- Putting EPCIC contracts in the context of the different models of EPC Contracts.
- Comparing the EPC contracts with EPCM and Alliance Contracts and knowing their benefits and disadvantages.

- The challenges of EPCIC lump sum contracts and the ways to manage cost over-runs.
- Structuring the contract to address the issues of the several parties to the contract to ensure a positive project outcome.
- Pros and Cons of the split EPCIC contract form.
- Insights into the current issues affecting oil and gas contracts like pollution, HSE and local content.
- Best practice in supply chain management.
- International dispute resolution frameworks.
- Negotiation Strategies and Negotiation Techniques to help you become a better negotiator of contracts and contractual claims resolution.

OBJECTIVES:

At the end of this training course, participants will:

- Appreciate the uses of various types of oil and gas contracts.
- Identify, assess and manage key contractual risks.
- Understand fully the EPCIC contracts and assess operational, commercial, legal and financial risks.
- Compare the difference between EPCIC, EPCM and Alliance contracting methods.
- Appreciate the essential elements of the different contract stages from pre to post tender then on to completion and delivery of project.
- Address key issues faced during project lifecycle and how to tackle these through enforceable contractual clauses.
- Avoiding pitfalls and ambiguous contractual terms.
- Evaluate the most appropriate way to dispute resolution.
- Perform more confidently in negotiations.

TRAINING METHODOLOGY:

In this Oil and Gas Contracts training course, participants will gain greater knowledge through presentations by an experienced international practitioner designed to both educate and challenge. This training course will utilise a variety of proven adult learning techniques to ensure maximum understanding, comprehension and retention of the information presented. This includes exercises designed to improve and sharpen the skill sets of delegates in planning, negotiating and managing Oil and Gas contracts, through interactive session with case studies, role playing and discussion groups and scenario building. The objective of the interactive sessions is to enable participants to apply the knowledge and understanding gained during the training course to certain factual scenarios. This will help participants gain invaluable practical insights into managing the risks and enhancing their rewards and improving bottom lines for their corporations.

COURSE DETAILS & OUTLINES:

Introduction to Oil and Gas Contracts, Licencing and Production Rights

- Principal Licensing and Contractual Arrangements.
- Upstream and Downstream Contracting.
- Financing in the International Oil & Gas Industry.
- Specific Risks in Upstream & Downstream Contracts.
- Sale and Purchase and Transportation Agreements.
- Contractual Claims and Resultant Disputes.
- The Role of Negotiation Strategies in Dispute Avoidance under Oil & Gas Contracts.

Emergence of New Contractual Arrangements

- The Modern Concession Contracts.
- The Production Sharing Contracts.
- Participation Agreements and Joint Operation Agreements (JOA).
- Service Contracts, Pure Service Contracts, Risk Service Contracts.
- Environmental Impacts in the Context of Protection Policies and Requirements.
- Regulatory Framework, Institutional Factors and Infrastructure.
- Comparative Analysis of the Different Contract Forms.

Stabilisation Clauses and International Petroleum Agreements

- Stabilisation Clauses Defined.
- Typology of Stabilisation Clauses.
- Validity and Efficacy of the Stabilisation Clause.
- Stabilisation Clauses and the National and International Law.
- The Re-negotiability of International Petroleum Agreements: Stability vs. Flexibility.
- The Triggering Events for Renegotiation.

Key Contractual Issues & Risk Allocation in Oil and Gas Contracts

- Liabilities & Exclusion and Limitation.
- Indemnity and Exclusion Clauses: Why the need?
- Distinctions and Definitions: Indemnity vs. Exclusion vs. Limitation.
- Mutual Hold Harmless – The 'knock for knock' regime.
- Forms of Exclusion Clauses (and why it matters) Common Carve-outs.
- Performance & Penalties.
- Termination Clauses and Right to Terminate.
- Force Majeure, Change in Law and other Disputes.

Methods of Dispute Resolution under Cross Border / International Agreements

- Arbitration & Mediation – Important Differences.
- Mediation and Conciliation, Adjudication, Dispute Boards - save time and costs.
- Enforcement of International Arbitration Awards under the New York Convention.
- Contemporary Developments in Case Law and Legislation.
- Module 2: EPCIC Contract Management in Offshore & Marine.

EPCIC Overview, Legal Framework & Contract Structure and Risk Allocation

- EPCIC, EPC. EPCM Contract Structure and Strategy.
- Legal formation of contracts.
- Maximizing Parties' Rights and Interests.
- Contractor's Single Point of Responsibility and Its Effects on Parties.
- Fixed Price Lump Sum Contracts.
- Split Contract Structures to Minimize Tax and Legal Exposure.
- EPCIC used in Shipbuilding Contracts for "Floaters" and Floating Platforms.
- Collaborative Contract Strategies to Avoid the "Blame Game".

Tender Process Leading to an EPCIC Contract

- Legal, Technical and Commercial Pre-qualification of Tenderers.
- Best Practices in Tender Evaluations and Selection of Tenderer.
- Important of Scope of Work and Specifications and Terms and Conditions.
- Exceptions – What to accept and what to deny.
- Finalising Tender Negotiations & Award.
- LOI and LOA Essential Terms and Legal Effects.

Negotiating Essential Contractual Terms of EPCIC Contracts

- Identifying Critical Issues in the Project Life-cycle.
- Managing Cost Impact Clauses like Delay, Price Fluctuations.
- Changes in Law and Regulations in Host Country & Stabilization Clauses.
- Political Risk Insurance.
- Force Majeure & Termination for Cause and without Cause.
- Negotiating Essential Contractual Terms of EPCIC Contracts.

Essential Aspects of Risk Management Strategies

- Design, Technology & Process Risk.
- Procurement & Specification risk.
- Variations and Cost Impact.
- Payment and Multi- currency Contracts.
- Indemnities and Other Liabilities, MAC Clauses, HSE.
- Delay, Liquidated Damages and Extensions of Time (EOT).
- Completion and Testing & Effects of Acceptance.
- Using Contractual Clauses to Manage Liabilities and Risks.

Contract Completion – Critical Issues

- Acceptance of Punch List of Defects - What is the effect?
- Passing of Title and Risk - Safety & Insurance.
- Dealing with Disputes – Considering the Different Options.
- Effective dispute resolutions in EPCIC contracts; i.e. negotiations, mediation, arbitration, litigation.
- Warranties and Guarantees.
- Passing of Intellectual Property Rights.
- Defects - Exculpatory Clauses.