

## Training: Reserves & Resources Evaluation:

### 1. Description

Reserves and Resources evaluation is a very powerful tool for asset management, risk assessment, as well as to monitor the company's efficiency. Yet, it is widely misunderstood, misused or under-valued. The training is designed to ensure that the key stakeholders, including management, investors or/and evaluators, are fully aware of the underlying concepts behind reserves evaluation.

The training is divided into 2 parts:

- i. **Management training (0.5 days):** This 3 to 4 hours training is designed to provide a fit for purpose overview of what reserves are, and how they can be used to maximize corporate value. The purpose of the session is to ensure that managers, executives or stakeholders on the receiving end of Reserves reports have all the key information to manage and use Reserves & Resources evaluations, without spending time in detailed sessions.
- ii. **Evaluator training (1.5 days + 0.5 days for company discussions or case studies):** The training provides a comprehensive overview of reserves evaluation, focusing specifically on the SPE Petroleum Resources Management System (2018 version). The course will give you a better understanding about Reserves, but it will also provide you with a powerful tool for Resources management and demonstrate how regulations can affect the evaluation of an asset. It is designed for a wide range of disciplines, from technical to financial staff.

### 2. Management training workflow & content

This short session focuses on sensitive regulatory issues and potential evaluation that may lead to sub-optimal investments, or sub-optimal use of resources.

The topics of the training will include:

- Regulatory framework of reserves evaluation.
- Reserves with operators: Examples of recent evaluations.
- Monitoring risks: Inside the company and during M&A
- Optimizing resources & financing: reserves Vs cash flow
- Reserves, project ranking, Business Plan & budget optimization

### 3. Evaluator & Staff training:

The training will be divided into 3 parts. At the end of each part, the attendees will be provided with a Q&A and the results will be discussed.

#### *a. Step 1: The basics*

- Oil & Gas Industry: setting the scene
- Understanding Reserves & Resources definitions
- Projects definition and PRMS maturity classes
- Risk and Uncertainty in Reserves estimations
- Reserves and economics: Cash flow, ELT, NPV and fair value

**b. Step 2: M&A**

- Reserves Vs BP
- Impact of different guidelines on the "fair value" of an asset (COGEH, GKZ, SEC... - **based on your requirements and area of interest**)
- Asset screening for Risk and opportunities

**c. Step 3: Using PRMS as a reserves management tool.**

- Reserves, project ranking, Business Plan & budget optimization: overview of the full loop
- Reserves & Resources evaluation process
- Methodology for estimating Reserves
- Overview of reserves estimation in unconventional resources (based on SPEE Monograph 4)

After the 1.5 day training, Evolution Resources proposes to take another 0.5 day to discuss issues, bookings, or specific situation pertaining to asset evaluation for the customer

#### **4. Who should attend?**

Staff and management concerned with compliance and not misleading investors.

Technical, economics and finance staff interested in the interaction between reserves and asset valuation

All staff involved in Reserves evaluation, resources management or M&A.

#### **5. Duration & level**

2 to 2.5 days - the training can be customized based on requirements

intermediate level: attendees are expected to know the industry and have a fair technical background.

#### **6. Instructor**



Dominique Salacz is managing director of *Evolution Resources SA*, a Geneva based consulting firm specializing in Reserves & Resources valuation as well as M&A evaluation. Dominique is a Peng in Mechanical engineering, along with MSc in Petroleum Engineering (Imperial College) and a MBA from the Geneva University. He has worked in Reserves evaluation for several companies including Shell, Addax, Sinopec or ADNOC.

Dominique has a strong interest in the impact of resources conversion between guideline systems, such as SEC, SPE PRMS, COGEH, GKZ or Chinese guidelines, and the consequences for the fair value of the portfolio. Amongst others, he was chair of the SPEE European section in 2019, member of SPE OGRC in 2017-2020 and participated to the Technical Advisory Group (TAG) for the United Nation Expert Group on Reserves Classification. Global experience includes Nigeria, Gabon, Cameroun, Kurdistan, North Sea, Middle East....