Petroleum Fiscal Systems and Contract Negotiation

GExperts Learning Academy | EX-066 | EX | 3 days

Course overview

3 days EX programme focused on Petroleum Fiscal Systems and Contract Negotiation, using energy-sector cases and applied decisions.

Designed for: Learners appropriate to the stated programme level

Learning outcomes

- Explain core principles and terminology for Petroleum Fiscal Systems and Contract Negotiation.
- Interpret an applied case using evidence and stated assumptions.
- Identify risks, safeguards, role boundaries and escalation points.
- Prepare a clear recommendation for a multidisciplinary audience.

Course guide

Work through each module objective, lesson and teaching note, complete the applied activity and assessment, then use the separate Academy practice page for practice questions and answer feedback.

Separate practice questions:
https://www.globalexpertsconsultoria.com/training/academy/courses/questions/?course=EX-066

Academic and certification status

Draft learning resource for study and review. It does not confer accreditation, external certification, a regulated qualification, professional licence, safety-critical competence or site authorisation. Confirm approvals, current laws, standards, approved procedures and awarding-body requirements before delivery.

Module 1: Production sharing and service contracts

Learning objectives

- Explain production sharing and service contracts, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Production sharing and service contracts
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. A production-sharing arrangement typically allocates production through contract mechanisms, while service contracts compensate specified services. Concessions use a different rights and fiscal structure. These are comparative models, not interchangeable labels or claims about Namibia.

Decision logic. Explain cost eligibility, recovery limits, sharing and audit conceptually. Contract economics depends on detailed definitions, valuation and timing. Have learners compare two explicitly fictional structures without implying their terms apply to an actual licence.

Worked example. In a fictional PSA, 100 units remain after royalty; eligible recovery of 40 leaves 60 for contractual sharing.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Calculate the split at a stated fictional 50:50 profit share.

Model answer guide. Each party receives 30 profit units; cost recovery and royalty are separate flows under this simplified example.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Calculate the split at a stated fictional 50:50 profit share.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 2: Royalties taxes and government take

Learning objectives

- Explain royalties taxes and government take, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Royalties taxes and government take
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Fiscal systems allocate project value between investors and the state through mechanisms such as royalties, taxes, bonuses or contractual sharing. Compare mechanisms conceptually. Do not assume a production-sharing system applies to Namibia or import tax rates from another jurisdiction.

Decision logic. Model the actual legal and contractual hierarchy only after specialist verification. Government take depends on timing, cost recovery, deductions and price as well as headline rates. Keep illustrative fiscal cases visibly separate from current law.

Worked example. In a fictional classroom system, 5% royalty on USD 100 revenue is USD 5. This assumption is not a statement of Namibian law.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Compare a gross-revenue royalty with a profit-based levy using two cost scenarios.

Model answer guide. Royalty remains linked to gross revenue while profit-based payments change with allowed costs; note legal definitions matter.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Compare a gross-revenue royalty with a profit-based levy using two cost scenarios.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 3: NPV IRR and payback

Learning objectives

- Explain npv irr and payback, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of NPV IRR and payback
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Net present value discounts dated cash flows at a stated rate. Internal rate of return is a rate making NPV zero and may be ambiguous for unusual cash-flow patterns. Payback measures recovery timing and ignores some value effects.

Decision logic. Compare projects using consistent perspective, currency and risk assumptions. NPV scale and capital constraints matter; ranking by IRR alone can mislead. Real cash flows require a compatible real discount rate and nominal flows a compatible nominal rate.

Worked example. Minus 100 now and plus 121 after two years has zero NPV at 10% because 121 divided by 1.1 squared equals 100.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Calculate NPV at 5% and explain why the result changes.

Model answer guide. NPV is about 9.75; a lower discount rate increases the present value of the future receipt.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Calculate NPV at 5% and explain why the result changes.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 4: Sensitivity and scenario analysis

Learning objectives

- Explain sensitivity and scenario analysis, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Sensitivity and scenario analysis
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Sensitivity changes one input to understand model response; scenarios change coherent sets of assumptions. A tornado chart ranks tested effects, not the probability of events. Distinguish uncertainty ranges from forecasts and assigned probabilities.

Decision logic. Check dependencies: schedule delay may increase cost and defer revenue together. A correlated downside should not be represented as independent optimistic inputs. Identify decision-changing variables and the evidence that could narrow them.

Worked example. Price down 20% and CAPEX up 20% are separate sensitivities; combined delay, inflation and low price is a downside scenario.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Prepare a sensitivity table and one coherent downside scenario.

Model answer guide. Preserve the base case, document changed inputs, and explain causal links in the combined case.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Prepare a sensitivity table and one coherent downside scenario.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 5: Dispute prevention and resolution

Learning objectives

- Explain dispute prevention and resolution, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Dispute prevention and resolution
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Disputes often begin with ambiguity, undocumented change or inconsistent expectations. Teach contemporaneous records, issue escalation and contractual notice awareness. Separate technical disagreement from entitlement and relationship management.

Decision logic. Map negotiation, mediation, expert determination, arbitration or litigation only as options governed by actual agreements and law. Protect privileged or sensitive information and obtain legal advice where needed. Never invent notice periods or enforceability claims.

Worked example. A contractor requests extra payment for changed access conditions but the instructions and impact records are incomplete.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Assemble an issue chronology and identify evidence gaps.

Model answer guide. Separate established facts, disputed facts, contract questions and commercial options.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Assemble an issue chronology and identify evidence gaps.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 6: Contract negotiation simulation

Learning objectives

- Explain contract negotiation simulation, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Contract negotiation simulation
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Negotiation preparation identifies objectives, alternatives, authority and acceptable tradeoffs. Separate positions from underlying interests. Technical and fiscal terms interact with schedule, investment and risk; avoid negotiating a headline number in isolation.

Decision logic. Use a mandate sheet and issue log. Teams cannot commit outside delegated authority. Explore package trades, test downside consequences and record unresolved points before drafting. This role-play creates no actual offer, agreement or legal advice.

Worked example. The fictional state team values training commitments while an investor values schedule certainty; both need measurable and feasible terms.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Run a three-round negotiation and submit an unsigned term sheet plus risk commentary.

Model answer guide. Credit quantified commitments, authority checks, alternatives, clear conditions and documented unresolved issues.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Run a three-round negotiation and submit an unsigned term sheet plus risk commentary.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 7: Petroleum Fiscal Systems and Contract Negotiation: Applied Case

Learning objectives

- Explain petroleum fiscal systems and contract negotiation: applied case, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Petroleum Fiscal Systems and Contract Negotiation: Applied Case
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Petroleum Fiscal Systems and Contract Negotiation: Applied Case describes a practical part of Petroleum Fiscal Systems and Contract Negotiation. Learners connect the principles to asset performance, people, operational risk, project value and local context.

Decision logic. Review the objective, evidence, limits, interfaces and applicable controls for petroleum fiscal systems and contract negotiation: applied case. Decisions require current information, role-appropriate authority, competent review and documented assumptions.

Worked example. Use an applied Namibia-relevant case in which a team plans petroleum fiscal systems and contract negotiation: applied case while balancing safety, integrity, schedule, cost, environmental protection and local capability.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Prepare a decision brief for petroleum fiscal systems and contract negotiation: applied case: scope, evidence, assumptions, hazards, safeguards, owner, decision gate and escalation trigger.

Model answer guide. A sound response defines scope; uses current, traceable evidence; applies approved requirements and controls; records assumptions; assigns competent owners; checks interfaces; and communicates a measurable decision with an escalation path.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Prepare a decision brief for petroleum fiscal systems and contract negotiation: applied case: scope, evidence, assumptions, hazards, safeguards, owner, decision gate and escalation trigger.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 8: Petroleum Fiscal Systems and Contract Negotiation: Communicati

Learning objectives

- Explain petroleum fiscal systems and contract negotiation: communication and escalation, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Petroleum Fiscal Systems and Contract Negotiation: Communication and Escalation

2. Systems and operating context

3. Evidence, assumptions and decision gates

4. Hazards, safeguards and escalation

5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Petroleum Fiscal Systems and Contract Negotiation: Communication and Escalation describes a practical part of Petroleum Fiscal Systems and Contract Negotiation. Learners connect the principles to asset performance, people, operational risk, project value and local context.

Decision logic. Review the objective, evidence, limits, interfaces and applicable controls for petroleum fiscal systems and contract negotiation: communication and escalation. Decisions require current information, role-appropriate authority, competent review and documented assumptions.

Worked example. Use an applied Namibia-relevant case in which a team plans petroleum fiscal systems and contract negotiation: communication and escalation while balancing safety, integrity, schedule, cost, environmental protection and local capability.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Prepare a decision brief for petroleum fiscal systems and contract negotiation: communication and escalation: scope, evidence, assumptions, hazards, safeguards, owner, decision gate and escalation trigger.

Model answer guide. A sound response defines scope; uses current, traceable evidence; applies approved requirements and controls; records assumptions; assigns competent owners; checks interfaces; and communicates a measurable decision with an escalation path.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Prepare a decision brief for petroleum fiscal systems and contract negotiation: communication and escalation: scope, evidence, assumptions, hazards, safeguards, owner, decision gate and escalation trigger.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 9: Petroleum Fiscal Systems and Contract Negotiation: Knowledge C

Learning objectives

- Explain petroleum fiscal systems and contract negotiation: knowledge check, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Petroleum Fiscal Systems and Contract Negotiation: Knowledge Check
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Petroleum Fiscal Systems and Contract Negotiation: Knowledge Check describes a practical part of Petroleum Fiscal Systems and Contract Negotiation. Learners connect the principles to asset performance, people, operational risk, project value and local context.

Decision logic. Review the objective, evidence, limits, interfaces and applicable controls for petroleum fiscal systems and contract negotiation: knowledge check. Decisions require current information, role-appropriate authority, competent review and documented assumptions.

Worked example. Use an applied Namibia-relevant case in which a team plans petroleum fiscal systems and contract negotiation: knowledge check while balancing safety, integrity, schedule, cost, environmental protection and local capability.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Prepare a decision brief for petroleum fiscal systems and contract negotiation: knowledge check: scope, evidence, assumptions, hazards, safeguards, owner, decision gate and escalation trigger.

Model answer guide. A sound response defines scope; uses current, traceable evidence; applies approved requirements and controls; records assumptions; assigns competent owners; checks interfaces; and communicates a measurable decision with an escalation path.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Prepare a decision brief for petroleum fiscal systems and contract negotiation: knowledge check: scope, evidence, assumptions, hazards, safeguards, owner, decision gate and escalation trigger.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Module 10: Petroleum Fiscal Systems and Contract Negotiation: Competence

Learning objectives

- Explain petroleum fiscal systems and contract negotiation: competence review, interpret a case, select appropriate controls and justify a documented decision.

Lessons

1. Purpose and key terms of Petroleum Fiscal Systems and Contract Negotiation: Competence Review
2. Systems and operating context
3. Evidence, assumptions and decision gates
4. Hazards, safeguards and escalation
5. Applied case: Petroleum Fiscal Systems and Contract Negotiation

Detailed teaching notes

Teaching notes

Core explanation. Petroleum Fiscal Systems and Contract Negotiation: Competence Review describes a practical part of Petroleum Fiscal Systems and Contract Negotiation. Learners connect the principles to asset performance, people, operational risk, project value and local context.

Decision logic. Review the objective, evidence, limits, interfaces and applicable controls for petroleum fiscal systems and contract negotiation: competence review. Decisions require current information, role-appropriate authority, competent review and documented assumptions.

Worked example. Use an applied Namibia-relevant case in which a team plans petroleum fiscal systems and contract negotiation: competence review while balancing safety, integrity, schedule, cost, environmental protection and local capability.

Facilitator prompts. Ask learners to distinguish verified facts from assumptions, identify who has decision authority, name stop-work triggers and state what evidence could change their recommendation. Compare technical, HSE, commercial and community perspectives.

Activity. Prepare a decision brief for petroleum fiscal systems and contract negotiation: competence review: scope, evidence, assumptions, hazards, safeguards, owner, decision gate and escalation trigger.

Model answer guide. A sound response defines scope; uses current, traceable evidence; applies approved requirements and controls; records assumptions; assigns competent owners; checks interfaces; and communicates a measurable decision with an escalation path.

Assessment evidence. Score accuracy (30%), use of evidence (20%), safeguards (20%), analysis (20%) and communication (10%).

Applied activity

Prepare a decision brief for petroleum fiscal systems and contract negotiation: competence review: scope, evidence, assumptions, hazards, safeguards, owner, decision gate and escalation trigger.

Assessment

Formative: 10-question practice quiz with answer feedback

Summative: Applied decision brief or practical case assessed against the rubric; proposed pass mark 70%, subject to academic approval.

Practice

Use the separate Academy practice questions and answer key page for this module.

Facilitator close-out and resources

Facilitator close-out

Record attendance, assessment evidence, learner support needs, incidents and improvement actions according to approved provider processes. Do not sign learners off for regulated or safety-critical work without the authorised assessment and certification route.

Resources and references

- Supplied GExperts/IUM reference materials; verify reuse rights and currentness.
- Current applicable Namibian legislation, standards and approved site procedures supplied by the provider.
- Case worksheet and instructor slides must be produced and reviewed before course release.