

# Pre - Contract Risk Assessment in the Oil & Gas Industry

## INTRODUCTION

- Pre-Contract Risk Assessment within the Oil & Gas industry is central. This training course aims to offer a review to common oil and gas contracts with specific emphasis on identifying common contractual pitfalls in light of COVID-19, many contracts had to be negotiated and/or re-negotiated during COVID-19 and so you will enhance your ability to do so in order to mitigate risk through commercial clauses and to increase profitability.
- The training course offers a thorough analysis to the concept of risk management and the various tools in place to mitigate risk, before discussing the general commercial risks associated with placing contracts within the Oil and Gas Industry. The hands-on practical exercises will give you an understanding of the art of negotiations.
- Delegates will understand the components of “the deal”, timing, strategies for gaining the upper hand in negotiations, games opponents play, good vs. bad negotiations and the pitfalls of positional bargaining. After attending this training course, delegates will be better equipped to negotiate profitably with international companies and governments in order to enforceable agreements that contain terms and conditions most productive for their company.

This training course will highlight:

- The interactions of national legal systems in this field and the contractual frameworks
- The impact of COVID-19 on oil and gas business
- Negotiating contracts profitably post COVID-19
- Understanding boilerplate contractual provisions and the risk associated with these
- Arbitration and Alternative Dispute Resolution (ADR) Techniques

## OBJECTIVES

- This training course aims to provide an overview of the common boilerplate contractual pitfalls in the oil and gas industry, particularly post COVID-19. You will acquire the fundamentals of international oil and gas agreements, along with negotiation techniques and strategies that work in international and multicultural settings. Delegates will also learn how to effectively negotiate in concert with counsel and how to get the terms negotiated incorporated into an enforceable international oil and gas agreement.

At the end of this training course, you will learn the following:

- Fundamentals of Commercial Contracts
- Key Players in the International Oil and Gas Industry & the impact of COVID-19
- Negotiation Techniques and the Role of Counsel, especially post COVID-19
- Key Legal Contractual Risk Management Issues
- Managing force majeure clauses
- Analysis of Key Provisions in International Oil & Gas Contracts
- Standard Form Contracts Used in the Industry including internationally AIPN and in the North Sea LOGIC/CRINE
- International Dispute Resolution in the Oil and gas business

## TRAINING METHODOLOGY

- This interactive training course will provide the participants an ideal opportunity to improve and sharpen their skill sets in planning and reviewing oil and gas contracts within international standards through interactive session with role playing, case studies, discussion groups and scenario building and the high-point of the training course being a simulation exercise of oil and gas contracts negotiation involving interactive role play by the participants. The objective of the interactive role play is to enable participants to apply the knowledge and understanding gained at the workshop to negotiate a more effective oil and gas contracts. This will help participants gain practical insights into managing the risks and enhancing their rewards.

## ORGANISATIONAL IMPACT

- For professionals involved nationally and internationally in the oil and gas industry, this training course offers a unique opportunity to rapidly increase your understanding of the related contracts and to improve your negotiation techniques and skills in drafting a variety of related contracts.
- Gaining expertise and improving knowledge and skill sets of personnel dealing with areas of legal risks in handling oil and gas contracts.
- Through various workshops and exercises, ability to appreciate and understand the current international practices in oil and gas contracts
- How mitigate risks in oil and gas contracts
- Enhancing contract personnel negotiation skills
- International Dispute Resolution in the Oil and gas business

## PERSONAL IMPACT

Attendees will gain the following benefits:

- A unique opportunity to rapidly increase your understanding of the international practices relevant to oil and gas contracts
- Improving your negotiation techniques and skills in drafting a variety of related oil and gas contracts
- Insurance and Claims in the oil and gas industry
- Managing and mitigating legal risks associated with oil and gas contracts
- Choosing most appropriate form of dispute resolution and how to draft a suitable ADR clause

## WHO SHOULD ATTEND?

This training course is suitable to a wide range of professionals but will greatly benefit:

- Commercial Managers in the Oil and Gas sector looking to improve their contract negotiation skills and overall commercial performance
- Geologists and Engineers looking to increase and improve their commercial contracts knowledge
- Legal practitioners in the Oil and Gas Sector looking to increase their knowledge
- Insurance and Risk Managers looking to reduce the legal and contracts risks for their companies
- Academics looking to increase or specialise in the area of Oil and Gas Law
- Government Departments, Policy Makers and Regulators

## Course Outline

### The Commercial and Legal Framework

- The Legal System & Fundamental legal principles
- Mandatory elements of a legally enforceable contract
- Contract formation
- Terms and conditions
- Contract terms
- Interpretation of contract terms

### Assessing Available Remedies for Breach of Contract in the Oil and Gas Industry

- Rescission
- Compensatory damages
- Consequential and incidental damages
- Liquidated damages
- Specific performance
- Injunctive Relief

## Avoiding Risk through Contract Termination Clauses: Lessons from the Oil & Gas Industry

- Common termination clauses
- Penalty provisions
- Avoiding common pitfalls

## Understanding Common Oil & Gas Upstream Contracts: Tips Post COVID-19

- Production Sharing Contracts and similar agreements
- Joint Operating Agreements
- Farmout/Farm-in Agreements
- Drilling Contracts
- Service and Supply Contracts

## Post COVID-19: Reducing Risk through Effective Use of Force Majeure Clauses

- Understand the purpose and risks this clause is intended to mitigate and the impact of COVID-19
- Avoiding common Force Majeure pitfalls
- Protect yourself from abuse and misuse of this clause
- Mechanics of exercising Force Majeure rights

## Assessing and Managing Risk in Oil and Gas Contracts

- Determining and assessing types of risk
- Prioritizing risk
- Developing Risk Minimization Strategies

## Avoiding Common Contract Pitfalls & Negotiations

- Review boilerplate clauses
- Issues during and post COVID-19
- How to negotiate profitably
- Negotiation Case

## Insurance & Indemnity in Oil and Gas Contracts

- Issues that must be considered at the pre-contractual phase
- Post contract negotiations
- Examples of various type of indemnity provisions
- Good practice
- Contract drafting exercise – Drafting effective indemnity clauses

## Dispute Resolution in Oil and Gas Contracts

- Issues that must be considered at the pre-contractual phase – drafting tips
- Types of dispute resolution vehicles: Negotiation, arbitration, mediation, litigation, expert determination
- Importance of the dispute resolution clause
- Framing the dispute resolution clause
- Ad hoc dispute resolution agreements

