

Economic/Financial Modeling and Financing Course



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Economic/Financial Modeling and Financing Course

Overview of the Offering

What

This 2 day course is intended to develop a greater understanding of building comprehensive, strategic Reserve based Economic and Financial models for investment making decisions with a focus on Oil and Gas related projects. The course is in-depth and hands-on, with participants walking through the creation of a model which includes:

- Model Development and Construction, including inputs sourcing;
- Forecasting/predicting Project Economics, including key financial parameters that are used in 'GO/NO-GO' decisions;
- Sensitivity analysis with the incorporation of Scenario Probabilities; and
- Creation of the resulting Pro Forma Financial Statements

The session also incorporates the Financing aspect of the project and the Treasury related concepts including:

- Debt vs. Equity depending on the Life Cycle of the firm;
- Fixed vs. Floating rate Debt, and
- Credit Ratings impact on cost of capital.
- Calculation of the Weighted Average Cost of Capital which is then used as the NPV discount rate in Project Economics

The difference between Accounting and Economic Evaluations are covered in depth, as this is a critical piece of the decision making process within all levels of Oil and Gas entities. This understanding is required from all disciplines including (but not limited to) Geologists, Petroleum Engineers, Exploration and Development Engineers, and Finance Professionals, to highlight the interaction and integration that is required collectively to advance projects that add value for the corporation.

Who

Participants need to have a sound understanding of the value creation levers in their organization. Economic and Financial Modeling tools and knowledge of financing options are critical to this understanding in an economic environment where investment alternative choices can lead to the success or detriment of the company. This course is intended for a wide range of individuals at different levels of seniority, and will help develop and refine their ability to strategically build tools to ensure they drive accountability within their organization as they strive for a more "balanced scorecard" approach to decision making regarding projects.

AGENDA (Day 1)

8:30–9:00	Introductions & Overview
9:00–9:30	Strategic Financial Modeling & Financing Stage Gates, Capital Project Development, Process Road Map
9:30–10:00	Economic/Financial Modeling 101 Planning the Model, Model Structure General Model Construction, Tips & Tricks
10:00–10:30	Modeling Risks & Controls Identifying the Risks, Mitigating Risk
10:30–10:45	Break
10:45–12:00	Modeling for the Energy Industry Terminology, Reserves, Decline Curves Price Decks, Benchmarking
12:00–1:00	Lunch
1:00–2:15	Review Course Model Input Overview Real vs MOD, Capital Expenditures, Operating Costs
2:15–2:30	Break
2:30–4:00	Review Course Model (continued) Interest, Interest During Construction, Taxes & Royalties, Dividends, ARO Output Overview
4:00–4:30	Day 1 Wrap Up Questions

AGENDA (Day 2)

8:30–9:00	Review of Day 1
9:00–10:30	Financing the Project <ul style="list-style-type: none">Capital Structure and Key ConsiderationsDebt & Equity and Strategies for Securing FundsCredit Rating Agencies and Ratings impactsCost of Debt & EquityWeighted Average Cost of Capital (WACC) and NPV impacts
10:30–10:45	Break
10:45–12:00	Excel Specific Functionality and Decision Making <ul style="list-style-type: none">Excel Specific FunctionalityEconomic OutputsExpected Monetary ValuesToggles and Sensitivity DriversCharts
12:00–1:00	Lunch
1:00–2:30	Pro-Forma Financial Statements, Key Metrics and Benchmarking <ul style="list-style-type: none">Economics vs AccountingBalance Sheet, Income Statement, Statement of Cash FlowsAsset Retirement Obligation Liability, Accretion Provision, DepreciationWorking Capital and Share CapitalKey Metrics, Benchmarking and Valuations
2:30–2:45	Break
2:45–4:00	Group Work <ul style="list-style-type: none">Determine funding decisions and presentation preparation
4:00–4:30	Course Wrap Up <ul style="list-style-type: none">Questions

Course Developer and Moderator Profile

Rob Dargewicz, HBA, MBA, CMA, CPA, Captain (retired)

Managing Director, Dargewicz Consulting Corp (www.dccorp.ca)

Rob has over 20 years of experience in various finance related roles in both the Public and Private sectors. Rob is currently the Senior Vice President, Finance and Risk Management at Pieridae Energy, which is an integrated energy company that is advancing the \$10 billion Goldboro LNG project on the East Coast of Canada. Prior to that Rob was Treasurer of North West Redwater Partnership (NWRP), a Calgary based entity that constructed a \$10 billion new Upgrader/Refinery near Edmonton, which went into operations in 2019. Rob is also the Founder and Managing Director of Dargewicz Consulting Corp (DC Corp), a Financial Services and Consulting Business committed to growing companies and helping them meet their needs. DC Corp focuses on Corporate Advisory, Consulting, Financial Services (including Strategic Economic and Financial Modelling), as well as advising companies on the best strategies to access capital (www.dccorp.ca).

Before DC Corp, Rob had a 15 year career with Shell Canada Ltd from 1997 through 2011. He held various finance positions within Shell which included Head of Corporate Finance (Mergers, Acquisitions and Divestments), Treasurer, Business Manager and Controller for the Foothills Gas Plants and Fields, Senior Economist for the Athabasca Oil Sands Project, and various other functions including Senior Credit Advisor. He has an outstanding record of understanding complex business issues, modeling them with strategic fit for purpose financial and economic models to generate financing solutions that take into account both the nature of the organization being evaluated and its' stage in the life cycle of a firm.

Rob has been involved in or has lead numerous financings for various types of entities, which involved the analysis of the optimal financing structure such as debt vs. equity financing, fixed vs. floating interest rates, etc.... He has also led or has been involved in numerous Corporate or Asset valuation activities leading to Divestments, Acquisitions, or Joint Venture formations of strategic assets.

Rob is a graduate of the Royal Military College of Canada (RMC), and served in the Canadian Armed Forces (Army) for 5 years retiring with the rank of Captain in 1997. He obtained his MBA from the University of Ottawa in 1997, and is a Certified Management Accountant (CMA) which he received in 2001. He moderated in the CMA Strategic Leadership Professional Program for both CMA and CMA for MBA candidates from 2001 through 2010, and also developed and taught the Certified Management Accountant (CMA) for Oil and Gas Certificate Program from 2011-2014, which was an 8 Session offering covering important aspects of the Oil and Gas Industry.

Rob now offers his courses as in-house training, as well as with Sproule which includes the 1 day Counterparty Risk Assessment Course, the 2 day Economic/Financial Modeling and Financing – Reserve Base Course, and 2 day Economic/Financial Modeling and Financing – Tolling Model Course.