

Faculty of Engineering & Technology
Petroleum Economics and Asset Valuation

Information :

Course Code : PE 505 **Level :** Undergraduate **Course Hours :** 2.00- Hours

Department : Department of Petroleum Engineering

Instructor Information :

Title	Name	Office hours
Lecturer	Alaa Mohamed Ali Ali	12
Teaching Assistant	Akram Rabie Hamed Ragheb Tobar	

Area Of Study :

The Main Goals of this course are preparing students to:

- Enrich knowledge for the difference between Petroleum macroeconomic and Petroleum microeconomic.
- Demonstrate knowledge and methods of predict, forecast, analysis and estimated the factors affecting on the international petroleum activities.
- Train to predict oil and gas prices in the international petroleum markets.

Description :

Uncertainty in the estimation of oil and gas reserves; tangible and intangible investment costs; depreciation; evaluation of producing properties; federal income tax considerations; chance factor and risk determination. Petroleum economic evaluation software is introduced.

Course outcomes :

a. Knowledge and Understanding: :

1 -	Describe economic evaluation and economic analyses for petroleum projects and decision in different situation
2 -	State the different economics indicator in evaluation petroleum project
3 -	Explain the evaluation of oil projects decisions related to the drilling activities, exploration and development activities
4 -	Illustrate the economic methods for value estimation of petroleum wells.
5 -	List the different factor effected in International oil market
6 -	Select International oil organization
7 -	Classify the factors effect in the international oil market and how the price determined in international oil market

b. Intellectual Skills: :

1 -	Demonstrate different techniques for evaluate the petroleum decisions related to bid round development decision, drilling and completion well.
2 -	Apply the different methods for Valuation of Petroleum Projects

c. Professional and Practical Skills: :

1 -	Use software tools for estimated . Cash flow . Net cash flow . Net present value to evaluate the petroleum assets and projects.
2 -	Use software tools for estimated internal rate of return (IRR), payback period . Discounted payback and the profitability index.

d. General and Transferable Skills: :

1 -	Use efficiently IT capabilities.
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Course Topic And Contents :

Topic	No. of hours	Lecture	Tutorial / Practical
Introduction to Petroleum Microeconomics and petroleum macroeconomics.	2	2	4
Cash flow . Discounted cash flow for petroleum projects.	2	2	4
pay out / payback period. / discounted pay back	2	2	4
Economic Yardsticks for petroleum projects- Present value, net present value, IRR (internal rate of return), Rate of investment, and Profitability index	4	4	8
Discovery and well economics valuation	4	4	8
Oil and Gas Decision to Complete a Well	2	2	4
Assets valuation	4	4	8
Oil Peak and Hubbert Curve	2	2	4
Oil Economics In International Market	4	4	8
Forecasting	4	4	8

Teaching And Learning Methodologies :

Interactive Lecturing
Discussion

Course Assessment :

Methods of assessment	Relative weight %	Week No	Assess What
Assignment	10.00		
Final exam	40.00		
Mid-Term exams	30.00		
Participation	10.00		
Quizzes	10.00		