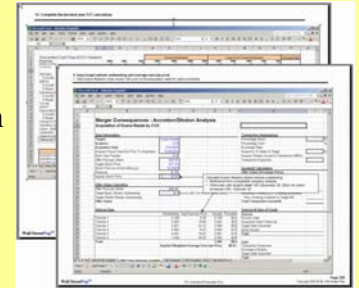


Day 1: Oil & Gas Financial Statement Modeling in Excel

Day 1 Overview

Participants develop an Oil & Gas (O&G) financial model completely from scratch, inputting historical data as well as macro- and company-specific assumptions to project out financial statements using step-by-step instruction on selecting, locating, and developing appropriate projection drivers. At completion, participants will have developed a complete and comprehensive three-statement O&G model using various supporting schedules.



Interactive, Step-by-Step Learning Approach

Participants follow intuitive, step-by-step instruction manuals while building O&G models using Excel model templates and are directed to the appropriate external documents (SEC filings, research reports, etc.) in order to build comprehensive models the way they would on the job.

Key Learning Outcomes

- Building comprehensive O&G financial models from scratch the way it is done at major financial institutions.
- Forecasting crude oil and natural gas prices
- Understanding the role of price and volume hedges
- Standard formatting best practices.
- Excel best practices, efficient formula construction, and appropriate driver selections.
- Learning to use data tables to present various sensitivities to projected financial metrics.
- Balancing the balance sheet accounts, including excess cash and revolver.
- Fixing circularity problems, iteration, and other common modeling troubleshooting.
- Balancing sheet / cash flow statement crosschecks.

MORNING SESSION (9-11AM)

Introduction to financial modeling

- Overview of financial modeling
- Understanding projections
- Modeling techniques
- Excel best practices foundation and exercises
- Useful Excel shortcuts and functions
- Gathering historical documents/information

MIDDAY SESSION (11AM-3:30PM)

Building the O&G model , step-by-step

- Setting up the core financial statements
- Projecting commodity prices and production levels
- Projecting income statement for each major O&G segment
- Working capital, Depreciation & amortization (PP&E), and Other balance sheet items.
- Shareholders' equity & Shares Outstanding
- Debt & Interest

AFTERNOON SESSION (3:30-5PM)

Improving the finished product

- Controlling circular references using automated circuit breakers
- Balancing the model
- Scenario analysis—toggles and data tables

Day 2: Oil & Gas Valuation Modeling in Excel

Day 2 Overview

Valuation represents the heart of the investment banking and corporate finance skill set. Before building Oil & Gas (O&G) valuation models, participants will learn the conceptual underpinnings of the valuation framework.

- Enterprise valuation vs. market valuation
- Intrinsic valuation vs. relative valuation
- Participants identify and analyze the elements of the O&G financial statement that are key to the value of an O&G firm.
- Treatment of options, preferred stock, minority interests, debt, cash and marketable securities
- An overview to market-based and intrinsic valuation, including comparable company analysis and comparable transaction analysis using appropriate equity and enterprise value multiples (PE, EV/EBITDA,

	2006	2007	2008	2009	2010	2011	2012
EBITDA	8,842.8	10,758.4	11,548.1	12,216.1	13,102.8	14,458.9	16,217.2
Operating Income	3,848.9	3,275.2	3,328.9	3,757.1	4,081.7	4,478.2	4,788.8
Cash Flows	3,882.8	4,012.8	4,082.2	4,521.2	4,718.2	4,812.2	4,882.2

Key Learning Outcomes

Participants learn how to build a professional, robust Net Asset Value (NAV) model (the O&G equivalent of the DCF model) in Excel from scratch, using real case studies, industry best practices, and sensitivity analyses.

- Project cash flows for each major project and field to derive the value of Exploration & Production (E&P) segment
- Learn how to value in-ground versus producing reserves
- Perform segment-by-segment valuation of the company's midstream and downstream operations
- Correctly calculate the discount rate by deriving the cost of debt, of equity, and of capital using CAPM
- Understand the role of capital structure in determining beta, the cost of equity, and ultimately WACC.
- Learn how to delever and relever beta
- Model for and dealing with the circularity inherent in the discount rate calculation
- Calculate shares outstanding using the treasury stock method
- Utilize the enterprise value to determine implied share prices

MORNING SESSION (9-11AM)

Overview of valuation modeling

- Enterprise value vs. Equity value
- Relative vs. Intrinsic value
- Calculating and interpreting multiples (PE ratios, EBITDA multiples, etc.)
- The "football field"

AFTERNOON SESSION (11AM-5PM)

Participants build a complete working NAV model. Training encompasses the following:

- Projecting cash flows for each of the O&G company's segments—upstream, midstream, and downstream
- Understanding proper valuation methodology and drivers for each major O&G business segment.
- Estimating the weighted average cost of capital (WACC) and common pitfalls to avoid.
- Using data tables to analyze a broad range of scenarios given different assumptions

Day 3: Oil & Gas M&A (Accretion/Dilution) Modeling

Day 3 Overview

Participants build an Oil & Gas (O&G) merger model in Excel to reflect the pro forma impact of various acquisition scenarios.

- Purchase accounting and the step-by-step allocation of purchase price
- Common pitfalls and status of changing accounting treatments
- Typical adjustments required for arriving at pro forma financial projections
- Quick test of accretion-dilution in all-stock deals
- Pricing structures (exchange ratios/collars/"walk-away" rights)
- Derivation of important O&G metrics and ratios

Section	Item	Value
Purchase Accounting	Percentage Cash	10.0%
	Asset Write-up (% of value)	0.0%
	Acquiree Shares Issued in Transaction (MM\$)	411,964
	Transaction Expenses (% of offer value)	0.0%
	Financing Fees (% of offer)	0.0%
	Acquiree Tax Rate	30.0%
	Offer Price (\$)	2,447
	Less: Offer Goodwill	1,024
	Target Book Value	1,432
	Plus: Option premiums (premiums bid)	0
Sources & Uses of Funds	Acquisition Cash	24,194.2
	Stock Issued	22,524.1
	Total Sources	46,718.3
	Stock of Cash	22,524.1
	Cash to Target	22,524.1
	Stock to Target	22,524.1
	Total Cash to Target	45,048.2
	Financing Fees	721.0
	Transaction Expenses	0
	Purchase Price (offer value + transaction fees)	45,769.2

Building a robust O&G merger model:

- Setting up a control area for assumptions
- Inputting O&G deal assumptions (% cash vs. stock considerations, purchase premium, asset write-ups, advisory fees, financing fees, and severance fees.
- Calculating shares outstanding using the treasury stock method
- Appropriate treatment of convertible securities
- Allocating purchase price and calculating goodwill
- Preparing the pushed-down balance sheet
- Making pro forma balance sheet adjustments
- Calculating Sources & Uses of funds
- Inputting operating & synergy projections
- Calculating the stub year period
- Building a pro forma income statement and making appropriate deal-related adjustments to arrive at accretion/dilution per share.
- Error-checking a merger model and inserting circuit breaker switches where appropriate.
- Sensitivity analysis: EPS accretion/dilution in stock vs. cash deal; interest rate assumptions, premium paid.
- Pre-tax synergies required to break-even, and break-even PE analysis
- Revenue, EBITDA, net income, and production contribution analysis

MORNING SESSION (9-11AM)

- M&A modeling overview
- Purchase accounting
- Accretion/dilution overview and exercise
- Common pricing structures

AFTERNOON SESSION (11AM-5PM)

- Building the O&G accretion/dilution model
- Deriving O&G metrics and ratios
- Sensitivity analysis using data tables
- Break-even and contribution analysis

Advanced merger accounting:

- Taxation issues, including deferred taxes created by the step-up of asset values
- Legal considerations in acquisitions, including divestitures, merger vs. consolidation, antitrust issues, minority freez-outs, hostile takeovers.

Day 4: Oil & Gas Trading & Transaction Comps Modeling

Trading Comps Overview

- Trading comparables or "comps" analysis is the quickest, most widely used valuation methodology, and fundamental part of the core valuation skill set of investment bankers and finance professionals. Participants will learn how to select O&G comparables and build dynamic comps models in Excel from scratch, using real case studies, industry best practices, and sensitivity analyses.
- Participants learn to select appropriate comparable companies by evaluating operational, financial, size, and other similarities
- Set O&G evaluation benchmarks & select comparable companies
- Gather appropriate financial history and projections
- Normalizing operating results and calculating LTM operating results
- Exclude nonrecurring charges, normalize for stock option expense
- Calculate shares outstanding using the treasury stock method
- Input financial data & calculate and interpret financial and market ratios
- Presenting trading comps by structuring output schedule
- Selecting key valuation multiples using the VLOOKUP function and generating multiple tables

Transaction Comps Overview

- Participants spread O&G transaction comps in Excel and learn how to choose peer companies for the target they are valuing. They also learn how to "scrub" the data, select the O&G value drivers, calculate and use multiples correctly, and calculate implied share price from enterprise value
- Similarly to trading comps, participants set O&G evaluation benchmarks, select precedent O&G transactions, gather appropriate financial details, input financial data, and calculate and interpret financial and market ratios.
- Calculating purchase premiums
- Understanding pricing structures (fixed vs. floating, collars, and walk-away rights).
- Best practices for incorporating synergy assumptions and appropriately calculating unaffected pre-deal share prices.

MORNING SESSION (9AM-1PM)

Trading Comps Overview

- Overview of O&G trading comps modeling
- Selecting comps and gathering appropriate documents
- Spreading comps and normalizing operating results for LTM calculations in Excel
- Calculating shares outstanding using the treasury stock method
- Selecting and presenting multiples

AFTERNOON SESSION (1PM-5PM)

Transaction Comps Overview

- Overview of O&G transaction comps
- Spreading transaction comps in Excel
- Accounting for synergies
- Using data tables to analyze a broad range of scenarios

Online Training: O&G Accounting & Financial Statement Analysis

Overview

This online training module provides an intensive introduction to the Oil & Gas (O&G) industry and familiarizes trainees with key methodologies for analyzing O&G companies.

- Introduces the O&G financial accounting and financial statement analysis.
- Deconstructs the complex world of the O&G industry, accounting and financial statement analysis using clear, easy-to-follow materials filled with exercises that test and reinforce covered concepts.
- Efficiently provides participants with an understanding of the O&G concepts necessary for O&G Financial and Valuation Modeling seminars.



Key Learning Outcomes

- Understand dynamics of the O&G industry and the factors determining crude oil and natural gas prices
- Learn the different business segments—upstream, midstream, and downstream—that make up the O&G industry
- Learn O&G terminology, units, and key terms
- Distinguish between different O&G accounting methods and their impact on financial statements and on financial statement analysis
- Learn the structure and layout of the O&G financial reports and filings (i.e. 10-K, 10-Q, annual report)
- Learn how to analyze and interpret O&G financial statements, footnotes, and disclosures
- Understand how to perform O&G reserves and production ratio analysis

O&G ACCOUNTING & FSA OVERVIEW

Introduction to the O&G industry

- Industry overview
- Oil prices and global oil market
- Natural gas basics and prices
- O&G business segments and operations

O&G terminology

- O&G units of measure and conversion factors
- Key O&G industry terms

O&G accounting

- Full cost (FC) versus successful efforts (SE) accounting methods
- Reserve recognition accounting
- O&G accounting disclosures

O&G financial statement analysis

- Reading and analyzing O&G 10-K
- Interpreting O&G financial and reserves disclosures
- O&G ratios and ratio analysis

Client Feedback

Corporate Client Feedback



SK Telecom
MOST VALUABLE COMPANY

"Overall, I would rate this training, as well as instructor's ability to transfer knowledge of the subjects, and the quality of the handouts and exercises as excellent... This training was highly relevant to the training needs of my associates."

Sean Oh, Director, Corporate Finance, SK Telecom



"As a former banker, I've been through two of these courses – this was the best!"

Greg Mandel, Thomson, Inc.



"This training seminar was excellent . . . I have worked with other vendors and have organized numerous other training programs, but Wall Street Prep clearly stood out. I was extremely impressed with the format of their program and their ability to take fairly difficult concepts and explain it clearly through case studies and examples."

Mike Joo, Director – Investment Banking, Credit Suisse

About the Instructor

Arkady Libman possesses over five years of Wall Street experience following and analyzing the Oil & Gas industry and many of its major players, and has lectured thousands of finance and industry professionals in the areas of Financial and Valuation Modeling. Prior to joining Wall Street Prep, Arkady was an Associate within the Energy & Natural Resources of the Equity Research Group at Friedman, Billings, Ramsey & Co., Inc. (FBRC), covering Integrated Oils & Independent Refiners Equities. Prior to joining FBRC in October 2001, Arkady was an Investment Banking Analyst within J.P. Morgan Chase's Global Oil & Gas Group, where he was involved in a number of complex transactions, involving hostile takeovers, recapitalizations, and cross-border Mergers & Acquisitions. Arkady completed coursework at the London School of Economics and graduated with Honors from Bowdoin College with a BA in Economics.