# Upstream Oil and Gas Acquisitions and Farm-In Deals: Asset Due Diligence and Valuation

14 – 18 February 2027
Riyadh - KAFD district five-star



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## Introduction:

Upstream oil and gas acquisitions and farm-in deals lose value when acreage is bought on the seller's volumes, data room gaps go unchallenged and abandonment exposure, pre-emption rights or carry terms surface only after signing. This Core Concept course equips business development, new ventures and commercial staff to screen upstream opportunities for portfolio fit, run technical, commercial, legal and environmental asset due diligence, value licence interests on risked reserves and resources, and structure farm-in consideration, carries and work programme undertakings. Participants produce a Farm-In Evaluation and Term Sheet for a case exploration block.

## Course Objectives:

- Classify upstream transaction routes, from licence interest purchase and corporate share deal to farm-in, farm-out and acreage swap, and choose the route that fits a portfolio gap
- Plan and lead an asset due diligence workstream across subsurface, wells and facilities, licence title, joint venture terms and abandonment exposure
- Reconcile seller and buyer volumes across reserves, contingent resources and prospective resources and convert findings into valuation adjustments
- Value a licence interest with post-fiscal NPV, chance-weighted EMV and a real options view of appraisal and development choices
- Structure farm-in consideration using cash, drilling carries, back costs and work programme undertakings and test the value split between farmor and farmee
- Negotiate headline sale and purchase terms, from effective date and interim period adjustments to completion conditions and operatorship transition

## Target Audience:

- Business development and new ventures staff who originate acreage, licence interests and farm-in opportunities
- Commercial staff who lead negotiations with farmors, farmees, co-venturers and sellers of producing assets
- Asset finance and evaluation staff who prepare valuation cases and investment submissions for upstream transactions
- Portfolio and planning staff who judge how acquired or divested interests change the company's exposure and exploration inventory
- Joint venture and non-operated asset staff who review partner transfers, pre-emption notices and operatorship changes

## Course Outline:

### Day 1: Upstream Deal Landscape, Transaction Routes and Opportunity Screening

- Upstream Transaction Route Map: Licence Interest Purchase, Corporate Share Deal, Farm-In, Farm-Out and Acreage Swap
- Farmor and Farmee Motives: Risk Sharing, Acreage Access, Rig Slot Use and Data Gain
- Portfolio Gap Analysis Grid: Exploration Inventory, Production Base and Basin Exposure
- Opportunity Screening Scorecard for Prospectivity, Materiality, Entry Cost and Exit Options
- Deal Process Timeline: Teaser, Confidentiality Undertaking, Data Room Access, Indicative Bid and Exclusivity

### Day 2: Technical and Commercial Due Diligence on Upstream Assets

- Virtual Data Room Review Plan and Question Log for Seismic, Well Files and Field Reports
- Petroleum Resources Management System Reconciliation: Reserves, Contingent Resources and Prospective Resources
- Subsurface Review Checklist: Trap, Reservoir, Charge and Seal Risk Assessment
- Wells and Facilities Condition Review: Integrity Records, Spare Capacity and Remaining Life
- Commercial and Fiscal Review: Offtake Arrangements, Tariffs, Cost Pools and Tax Losses

### Day 3: Upstream Asset Valuation and Farm-In Consideration Structures

- Post-Fiscal NPV Build for a Licence Interest from Profile, Capex, Opex and Price Deck Inputs
- Chance-Weighted EMV for Exploration Prospects and Appraisal Outcomes
- Real Options Overview: Staged Drilling, Relinquishment and Development Timing Choices
- Farm-In Consideration Mix: Cash Payment, Drilling Carry, Carry Cap and Back Cost Recovery
- Promote Calculation and Value Split Table Between Farmor and Farmee

### Day 4: Legal, Environmental and Abandonment Exposure in Asset Deals

- Licence Title Review: Award Terms, Relinquishment Schedule and Work Programme Undertakings
- Joint Operating Agreement Transfer Provisions: Pre-Emption, Partner Consent and Change of Control Triggers
- Decommissioning Liability Estimate and Security Arrangements Retained by the Seller
- Environmental Baseline, Contamination Exposure and Indemnity Allocation Grid
- Deal Breaker Register: Title Defects, Unfunded Abandonment, Disputed Volumes and Consent Refusal

### Day 5: Case Work: Farm-In Evaluation and Term Sheet for a Case Block

- Case Exploration Block Data Pack: Licence Terms, Prospect Inventory and Partner Positions
- Case Work: Due Diligence Findings Memo with Value Adjustments
- Case Work: Farm-In Offer Valuation with Carry Scenarios and Walk-Away Point
- Farmor Versus Farmee Negotiation Exercise on Carry, Operatorship and Completion Conditions
- Farm-In Evaluation and Term Sheet Presentation to a New Ventures Review Panel

## Skills You Will Gain:

- Upstream Opportunity Screening
- Data Room Interrogation
- Reserves and Resources Reconciliation
- Licence Interest Valuation
- Carry and Promote Structuring
- Pre-Emption and Consent Analysis
- Abandonment Exposure Assessment
- Farm-In Negotiation

## Why Attend This Course:

- Leave with a Farm-In Evaluation and Term Sheet built on a case exploration block and ready to adapt to a live opportunity
- Challenge seller volumes and data room gaps before they turn into overpayment or unfunded abandonment exposure
- Explain to management how a proposed carry, back cost payment or work programme undertaking changes the value each side receives
- Compare deal practice with business development and commercial peers from operators, non-operators and state-linked companies

## Conclusion:

Upstream asset deals are won or lost in the data room and at the term sheet: in how volumes are reconciled, how pre-emption, consent and abandonment exposure are found early, and how carries and work programme undertakings split value between farmor and farmee. The week moves from transaction routes and screening through technical, commercial, legal and environmental due diligence to licence interest valuation and farm-in structures. The final day produces a Farm-In Evaluation and Term Sheet for a case exploration block.