Fundamentals of LNG Business

A Developing Worldwide Gas Market

Introduction

The global energy industry is always changing. Energy costs fluctuate, causing ripple effects across the sector and impacting enterprises and undertakings. In reaction to these forces, technology has given rise to the LNG industry. Here, we must first comprehend the company and market basics in order to make wise project judgments. The market is where "individual ambition serves the common good," according to a quote from Adam Smith.

The foundations of value generation in the LNG industry are covered in this Course N Carry training course. It talks about the insights from the business area and emphasizes how technology is the driving factor. We create models that assist wise business decisions by utilizing ideas from the dynamics of the energy markets and the economics of the LNG industry. Our focus would be on important insights that underpin important choices made in the LNG industry.

This instruction session will emphasize:

- International energy markets and regional differences
- Energy economics and LNG business's significance
- LNG project value creation: from project dynamics to net-back price
- Hazard and unpredictability in a capital-intensive LNG industry
- Models that encourage wise financial choices in LNG projects

Objectives

Value creation is the key to success in the LNG sector. The businesses are risky and need a large amount of finance. The energy commodities markets provide information on the sector trend and the total activity of its players, notwithstanding their technical complexity. This produces insights that help with wise business choices. Value creation is typically the result of wise project decisions.

Upon completion of this training program, you will be able to:

- Recognize the difficulties facing the LNG industry and the energy sector.
- Recognize the value drivers and business dynamics in the LNG industry.

- Gain insights into market dynamics to enhance LNG project evaluations.
- Utilize the knowledge to assist in making technical and financial decisions.

Training Methodology

The classes consist of talks, debates, and supervised practical experience. Developing problem solvers and capable decision makers is the goal, not just disseminating knowledge.

Organizational impacts

The primary obstacle facing the LNG industry is making wise managerial decisions. The companies have to be able to identify (and fund) profitable endeavours using technological and commercial knowledge. This program teaches students that

Boost the organization's capacity for assessing and reviewing LNG projects.

- Possess the expertise to integrate their technical knowledge with insights gleaned from market dynamics.
- Been successful in improving the value chain for LNG.
- Understand the energy industry in general and the LNG projects' allure.
- Encourage the careful process of making decisions.
- Open doors to potential for further exploration within the energy sector

Personal Imapct

Learning the business principles of LNG (and value creation in general) broadens one's horizons and improves one's ability to make decisions. This is due to the fact that these abilities raise an individual's worth inside an organization. With the information and abilities this course imparts, participants will be better equipped to evaluate projects and make investments in the energy industry. This course

Enhances one's capacity for assessing and analysing LNG initiatives.

- Improves understanding and proficiency in evaluating opportunities' potential for value development.
- Make the person productive in improving the LNG supply chain.
- Trains people to handle the possibilities and difficulties in the LNG sector.
- Boosts a person's worth to the company and helps identify possible value-creating possibilities.
- Prepares people to make decisions in the LNG business with effectiveness.

Who should attend?

The managers and decision-makers in the LNG industry will find the course content valuable. Analysts, engineers, and consultants that assist in decision-making might also benefit from this training. This training is also beneficial to professionals who work in risk management, uncertainty analysis, and net-back pricing.

A broad spectrum of professionals can benefit from this training program, including:

- Decision-makers and managers who are active in generating value for the energy industry.
- Employees in the commercial sector that are interested in learning more about the LNG industry.
- Those in charge of making financial and investment decisions.
- Analysts who are looking for market intelligence to help with project decision-making.
- Scholars and professionals who want to increase their understanding of the industry.

Course Outline

Day 1

The markets for LNG are worldwide, whereas those for natural gas are localized. The participants are first given an introduction to the basics of the oil and natural gas sectors. We also go over value creation ideas in more detail.

- The energy industry's development
- The dynamics of supply and demand affect energy prices.
- Energy commodity markets: the significance of LNG, natural gas, and crude oil
- As a midstream enterprise, LNG
- LNG projects' technical difficulties

Day 2

Adding Value to the LNG Business

- Markets are "an obvious and simple system of natural liberty," according to Adam Smith. We cannot disregard the fundamentals of the LNG industry in our decision-making.
- Markets for energy commodities and variations in price
- The LNG project value chain
- Trends in prices and perspectives for business choices
- LNG project value drivers
- Cost and benefit estimation: lessons from the oil and gas sector

Day 3

Uncertainty and Risk in LNG Projects

- Changes in pricing have an impact on most project values. After talking about the typical uncertain aspects of the energy projects, we present analytics that confirm our perspective.
- The basis for creating value under ambiguous circumstances
- Fundamentals of valuation: Time-value of money comparisons
- Fundamentals of valuation: Comparing different risk levels (risk premiums)
- Value metrics include net-back price and net cash flows.
- Analysing sensitivity in project evaluations
- Tutorial: Using spreadsheets to predict the cash flow of LNG projects

Day 4

Utilizing Business Analytics in LNG Projects

- We talk about business model-supporting tools. We also assist judgments with the power of computers through the use of MS Excel® and its add-ins.
- Simulating price uncertainty for natural gas
- Technical and economic elements integrated for maximum benefit and little risk.
- Insurance and market-based hedging are two risk management tools.
- Decision trees, simulation studies, and tornado diagrams to assist the LNG industry.
- Tutorial: Using spreadsheet LNG cash flows to apply business analytics tools

Day 5

Future trends and analytical instruments

- On the last day of the course, we talk about new trends and additional analytical tools for putting the ideas into practice.
- Calculating costs and examining cash flows
- Energy geopolitics and price shocks
- Behavioural elements of financial choices: previous LNG project difficulties
- Biases and heuristics in managerial decision making.
- The environment and energy
- Final thoughts