



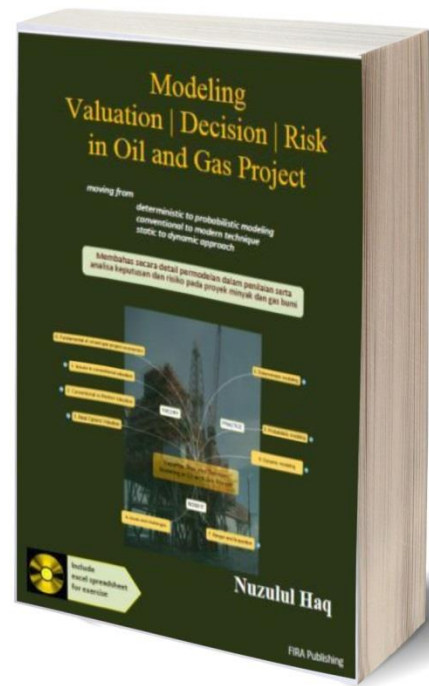
FOR IMPROVED INVESTMENT DECISION

# Valuation Risk Decision Book for OIL & GAS PROJECTS

covers:

- Deterministic to probabilistic modeling
- Conventional to modern technique
- Static to dynamic approach

260 Pages/Hardcover/Dec 2017



## KEY FEATURES

- Includes free version of SIPmath simulation Tools™
- includes Excel® spreadsheets (detailed cash flows and calculations) of all the examples
- assess the external risk of investing through easy-to-understand statistical analysis
- determine risk probabilities by using SIPmath
- Applied modern valuation techniques in oil and gas projects

by **Nuzulul Haq**

A practitioner in project economics for more than 15 years

### MARKETING INFO:

- Tuning (0815-888-2306)
- [www.explorereoptions.id](http://www.explorereoptions.id)
- [info@explorereoptions.id](mailto:info@explorereoptions.id)

## TECHNIQUE

**Conventional NPV** technique assume cash flow uncertainty is growing over the life of the project. This will penalize the long-lived project like oil and gas projects

**Modern NPV** approach can differentiate between projects based on unique project risk characteristics.

**Real Options** arise from the ability to delay and revise investment and operating decisions over time as uncertainty is resolved

## MODELING

**Deterministic**

- Static model
- Scenario model
- Sensitivity model

**Probabilistic**

- Monte Carlo Simulation
- Forward Pricing Model
- Dynamic DCF vs RO

**Optionality**

- Decision Tree
- Financial Options Analogy
- Binomial lattice
- Least Squares MC
- Fuzzy pay off

