

Todd Williams: Finance in the Middle (B)

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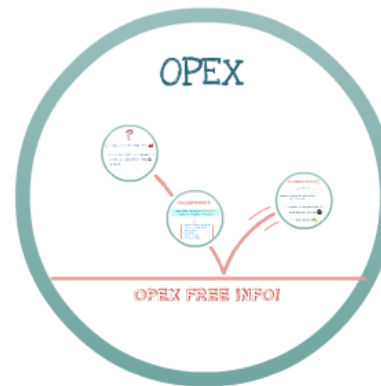
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Cost Classification: CAPEX & OPEX

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BUDGET ?

- 📍 An estimation of expenses (for activities) to be incurred in a specific period of time.
- 📍 Performed YEARLY
- 📍 Activities NOT COMPLETED in the year it was budgeted have to be RE-BUDGETED in the following year.

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CAPEX 



Fixed Asset  



Modification 


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OPEX

- Surface Routine Operation
- Sub-Surface Operations
- Maintenance
- Specialized Studies
- Logistics
- General Overhead

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Why WPB?????????

 In accordance to the Production Sharing Contract (PSC) terms under Article 3.1 of PSCs

".....the subsequent calendar years, Contractor shall submit before 30th September of each Calendar Year for approval of PETRONAS WPB setting forth the Petroleum Operations which Contractor proposes to carry out and initiate during the next calendar year."

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 Approval for **COST RECOVERY** purposes!

Notes

Step 3

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Ideas

Ideas

Ideas



Step 3

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