

THE IMPORTANCE OF FINANCIAL DECISIONS IN PETROLEUM FIRMS

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ABSTRACT

It is a well-accepted truth that the only difference between success and a disaster is a good decision or a bad decision. Particularly, the decision making in the petroleum industry determine the direction and course of billions of dollars every year. The decision making in oil and gas industries ranges from very simple to the complex; as to whether to drill or not to drill. Moreover, the process of decision making goes from bidding for a lease, the development process of an asset, expansion of the capacity and relative timing, signing of contracts, decision of pursuing short-term or long-term contracts, and the priorities of the petroleum industry in terms of exploration and drilling opportunities.

KEYWORDS: *Decision Making, Exploration and Drilling Opportunities*