



The Rollercoaster Ride of Oil and Gas Investments

Dr Bård Misund

Friday, 26 January 2018

3.00 pm to 4.30pm

ESI Conference Room

29 Heng Mui Keng Terrace

Block A, #10-01, Singapore 119620

Please send us your name, organization and email address via the ESI website [here](#). For enquiries, please contact Ms. Jan Lui at 6516 2000.

Synopsis

They examine how oil prices affect investment behaviour among oil and gas companies. In particular, they investigate the impact of dividend commitments, leverage and extent of vertical integration on the oil companies' investment responsiveness to oil price changes. They conjecture that when the oil price is falling, investments are held high by a high degree of vertical integration, but constrained by high debt levels and dividend payments. Similarly, they posit that when the oil price is falling, investments will fall most in companies with a high level of dividends or leverage, or low degree of vertical integration. Their results suggest that the extent of vertical integration affects investments. On the other hand, dividend payments of companies with high level of dividends are not affected by falling oil prices. This suggests that oil companies are very committed to their dividend policies, which is not affected by impaired financial performance.

About the Speaker

Dr Bård Misund is Associate Professor at the University of Stavanger Business School. The topics for his research include valuation of energy and commodity companies, the value-relevance of accounting information from oil & gas companies, energy price behaviour, as well as studies on investment behaviour in the oil and gas sector. His research has been published in journals such as Energy Economics, Energy Policy, The Energy Journal, Energy, and Journal of Commodity Markets.

He has more than 10 years of industry experience from the energy sector. After completing his PhD in Industrial Economics at the University of Stavanger, he worked as an analyst/advisor in the Norwegian oil and gas company Statoil ASA, working on the valuation of investment projects and long term sales contracts. His job was to advise analysts and management on how to value complexities in project and business valuation, as well as energy derivatives and assets with embedded flexibility.