Five tips for SAP clients in the Middle Eastern Oil and Gas industry





Challenge 1:Complex entitlement calculations

In the Middle East, PSAs govern how oil production is shared between contractors and host governments. Entitlement calculations are highly complex, covering Royalty Oil, Cost Oil, and Profit Oil. Errors here can create disputes and weaken trust with regulators.

Tip: Test entitlement accuracy with Data Sync Manager

SAP PSA automates entitlement rules, but EPI-USE Labs' Data Sync Manager (DSM) Suite makes it possible to test them safely and efficiently:

- Create lean, Production-like clients with real PSA data to test waterfall calculations
- Validate entitlement versus lifting and overlift/underlift scenarios before month-end closes
- Reduce refresh time from weeks to hours, ensuring entitlement logic is always up to date in test systems.



Challenge 2: Cost recovery complexities

Middle Eastern PSAs often cap annual cost recovery (e.g., at 50% of Production) and require tracking across exploration, development, and operating pools. Managing these rules manually risks breaching agreements.

Tip: Use Data Sync Manager to validate cost recovery rules

SAP PSA enforces ceilings and calculates recoverable costs, while Data Sync Manager provides the safe test environments needed to get it right:

- Copy specific ventures, or cost pools into test systems for accurate scenario modeling
- Validate recovery ceilings and uplift/interest calculations without risking Production data
- Ensure government-facing reports are based on thoroughly tested recovery logic.



Challenge 3: Meeting reporting and audit requirements

Governments and national oil companies in the Middle East demand transparent reporting on entitlements and cost recovery. Generating these reports manually can slow audits and create compliance risks.

Tip: Streamline reporting assurance with Data Sync Manager

SAP PSA generates Statements of Account and cost recovery reports, and DSM strengthens confidence in these outputs:

- · Provision fresh data on demand to ensure audit scenarios are tested with up-to-date information
- Mask sensitive financial or partner data automatically for compliance in non-production environments
- Maintain a consistent audit trail across Test and Production systems, aligned to regional regulatory expectations.

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PSA processes interact with Joint Venture Accounting (JVA), FI/CO and Sales & Distribution systems. In the Middle East, where joint ventures and crude lifting contracts are standard, disconnected data slows testing and increases reconciliation risk.

Tip: Maintain integrity across systems with Data Sync Manager

Data Sync Manager ensures integrated PSA processes can be tested end-to-end:

- Use Client Sync to refresh full test clients with PSA, JVA, FI/CO, and SD data
- Slice data sets to include just the relevant ventures, wells, or lifting contracts while maintaining dependencies
- Test postings and revenue recognition across modules without the cost and risk of full system copies.



Each Middle Eastern PSA is unique, often using sliding-scale profit splits or R-factor-based models. Standard refreshes make it difficult to model variations across multiple agreements quickly.

Tip: Accelerate agility with Data Sync Manager

SAP PSA is flexible, and Data Sync Manager makes that flexibility practical:

- Refresh only the master data and transactional scope needed to test unique PSA rules
- Create multiple lean test environments to compare agreement terms across different countries or blocks
- Enable rapid iteration and validation of lifecycle changes, from exploration to production, without waiting for a full refresh.

Use Data Sync Manager for Middle Eastern Oil & Gas companies:



How we help SAP IS-Oil & Gas companies

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