

## **DAVID G. LAUGHTON**

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Since 1982, Dr. Laughton has helped major corporations around the world to improve their capacity for making better real asset design, selection and management decisions. In particular, he shows his clients how to use information and valuation methods from financial markets to understand better how different combinations of uncertainty and asset structure affect real asset value. He then shows them how to use value as a metric in their decision-making to avoid short-term thinking and other common biases. His focus has been on extractive industries, and, in this context, he has also worked with government agencies, showing them how to do asset-level analysis to improve their understanding of appropriate fiscal and regulatory policies for these industries.

His consulting is based on the extensive applied research that he has done in this field, initially as a key participant in seminal research and development programmes at the MIT Center for Energy Policy Research (1981-9) and at one of the first user organisations, the Canadian Department of Finance (1982-4). Since 1985, he has also helped to supervise students doing research in this area at several prominent universities.

As a result of these activities, the International Association for Energy Economics (IAEE) asked him to edit a special issue in 1998 of their flagship publication, *The Energy Journal*, on this topic. This was followed by an invitation from the *Journal of Energy Literature* to review the field in 2000.

In September 2003, he brought together an international group of executives, managers and valuation experts in a well-received workshop for the Society of Petroleum Engineers to consider what next steps the upstream petroleum industry might best take to improve its asset valuation methods.

At the University of Alberta, he was an Assistant Professor in the School of Business from 1987 to 1993, and has been an Adjunct Professor there since 1993. He was also an Adjunct Professor in the Faculty of Engineering from 1993 until 1999, and, in the winter of 2005, the Stollery Executive-in-Residence there.

As a faculty member at the University of Alberta, he was asked from 1997 to 2000 to organise a national committee of academic, industry and government leaders to assist in the creation and coordination of multidisciplinary climate change research programmes.

At MIT, he was a Visiting Scholar at the Laboratory for Energy and the Environment in 2004-05.

Dr Laughton has current R&D programmes on:

- the systematic analysis of fiscal regimes for extractive industries
- how best to boil down the massive amounts of subsurface data available to extractive industry asset managers for use in the asset design and valuation process
- cost modeling for commodity producers
- how to integrate climate change issues into the asset evaluation process
- techniques for doing the computations needed for highly complex decision tree analyses and for presenting the results of such analyses in a usable form.

He has a PhD in Physics (Princeton 1979) and a PhD in Financial Economics (MIT 1987).