

Oil and gas financing strategy in the framework of cryptocurrencies

Ahmad Norouzi

Mahdi Sadeghi Shahdani

Abstract

Choosing the best method of financing about projects is the most important factor in industries functions. Nowadays global economics' general constraints, fiscal resources scarcity and non – optimum method of allocation in resources had appeared the necessity of introducing new titles in finance. Since bitcoin was introduced, theorists began to studying the feasibility of designing and establishing new financing patterns on the blockchain platform and the use of cryptocurrencies. The establishment of platforms based on blockchain and its replacement with existing mechanisms will have undeniable effects on reducing operating costs and enhancing transparency in various industries and businesses. This research, focused on the upstream sectors of the oil and gas industry. The results show that the use of emerging blockchain technology capabilities, provides the possibility of using new generation of international financing method using cryptocurrency. The oil-backed cryptocurrency is the main crypto asset in this framework. This cryptocurrency's value is equal the barrel of crude oil.

Keywords: *oil - backed cryptocurrency, Upstream financing, Blockchain, cryptocurrency*

JEL Classification: F31 ,G21.O16