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COURSE BROCHURE

# Advanced Energy Treasury Hedging and Liquidity Planning Training Course

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Registered in the United Kingdom and Saudi Arabia

# Advanced Energy Treasury Hedging and Liquidity Planning Training Course

Energy Treasury Hedging and Liquidity Planning is a 2-week training course for treasury managers, finance controllers and risk officers in energy companies who draft a hedging and liquidity plan for their organisation. Volatile crude and gas prices, shifting interest rates and currency swings now move cash faster than budgets can absorb, so hedging programmes and funding headroom decide whether capital plans survive a downturn. Jupiter Prime Training delivers this course on energy treasury hedging and liquidity planning.

## Why Energy Treasury Hedging and Liquidity Planning Matters Now

Three groups press on energy treasuries today: lenders and rating analysts who watch liquidity headroom and covenant ratios, boards that expect hedging to protect drilling and maintenance budgets rather than speculate, and auditors who test whether hedge accounting holds up. A treasury that sizes hedges and buffers well funds its programme through a price fall; one that hedges loosely can face margin calls, covenant pressure and earnings swings. The course rests on Value at Risk VaR and Cash Flow at Risk CFaR as measures of exposure, and on the hedge accounting requirements of international financial reporting standards, applied to upstream producers and to refining and marketing businesses.

## Who Gains Most from Energy Treasury Hedging and Liquidity Planning

- Specialists who forecast cash, hold liquidity buffers and arrange credit facilities
- Risk officers who measure commodity, currency and interest rate exposures
- Controllers who account for derivatives and document hedge relationships
- Dealers who execute swaps, options and forwards within approved limits
- Finance leads who report hedge positions and headroom to boards and lenders

The strongest gain comes when a treasury front office and its middle and back office colleagues attend together, so deal execution, limit monitoring and hedge accounting follow one mandate.

## Energy Treasury Hedging and Liquidity Planning Capabilities

Participants move from mapping where price, rate and currency moves hit cash to setting hedge ratios, facility headroom and limits that keep those moves within appetite.

- Calculate commodity, currency and interest rate exposures from production and capital plans — hedge ratio decisions
- Weigh swaps, collars, options and forwards against cost and flexibility — executive approval
- Build a rolling cash forecast with low-price liquidity stress cases — lenders and boards
- Design counterparty, tenor and volume limits with escalation rules — risk committee
- Test hedge relationships for effectiveness and documentation — external auditors
- Specify mandate clauses for roles, authorities and reporting — audit committee

## Key Energy Treasury Hedging and Liquidity Planning Terms

- Cash Flow at Risk — the shortfall in operating cash flow that market moves could cause over a period at a stated confidence level.
- Commodity swap — a contract exchanging a floating oil or gas price for a fixed price on an agreed volume.
- Costless collar — a bought put and sold call with offsetting premiums that keep realised prices between a floor and a cap.
- Basis risk — the gap between the price a hedge references and the price a company actually realises for its barrels or gas.
- Hedge effectiveness — the degree to which changes in a hedging instrument offset changes in the hedged item.
- Liquidity headroom — undrawn committed facilities plus cash, compared with forecast outflows under stress.

## Energy Treasury Hedging and Liquidity Planning Day by Day

### Day 1: Energy Cash Cycles and Hedging Appetite

- Oil and Gas Cash Flow Profiles — Exposure Timing Across the Value Chain
- Hedging Appetite Statements — Board Tolerance Levels
- Price Cycle Lessons From Past Downturns — Funding Resilience Choices
- Treasury Operating Models — Centralised or Business Unit Hedging
- Map of Lenders, Auditors and Raters — Reporting Priorities

### Day 2: Liquidity Planning and Cash Forecasting

- Rolling Thirteen-Week and Annual Cash Forecasts — Funding Gaps
- Liquidity Stress Scenarios at Low Prices — Headroom Targets
- Revolving Credit and Reserve-Based Lending — Facility Sizing
- Working Capital Levers in Crude and Product Sales — Cash Release
- Cash Pooling and Netting Structures — Group Liquidity Efficiency

### Day 3: Commodity Price Exposure

- Production and Sales Volume Exposure Mapping — Hedgeable Barrels
- Benchmark Grades and Basis Differentials — Reference Price Choice
- Refining Margin and Crack Spread Exposure — Downstream Hedging Need
- Natural Gas and LNG Price Linkages — Contract Indexation Exposure
- Hedge Ratio Policy by Horizon — Layered Hedging Programme Shape

### Day 4: Commodity Hedging Instruments

- Fixed-Price Swaps and Futures — Certainty Versus Upside Loss
- Put Options and Premium Budgets — Floor Protection Cost
- Collars and Three-Way Structures — Participation Trade-Offs
- Option Valuation Drivers and Volatility — Timing of Execution
- Margining and Collateral Calls — Exchange or Bilateral Choice

## Day 5: Currency Exposure and Hedges

- Transaction, Translation and Economic Exposure — Which to Hedge
- Forward Contracts and Currency Swaps — Capital Project Spending
- Natural Hedges Through Revenue and Cost Matching — Instrument Avoidance
- Pegged and Floating Currency Considerations — Residual Exposure Judgement
- Currency Exposure Reports — Monthly Treasury Committee Decisions

## Day 6: Interest Rate and Funding Hedges

- Fixed and Floating Debt Mix — Interest Cost Volatility
- Interest Rate Swaps and Caps — Project Finance Covenant Needs
- Benchmark Rate Fallback Clauses — Loan Documentation Review
- Refinancing Exposure and Maturity Ladders — Debt Issue Timing
- Credit Rating Metrics — Leverage and Coverage Thresholds

## Day 7: Measuring Hedge and Liquidity Exposure

- Value at Risk Methods and Limits — Trading Book Oversight
- Cash Flow at Risk Modelling — Budget Protection Targets
- Scenario and Stress Testing Packs — Board Hedging Dialogue
- Counterparty Credit Exposure and Netting — Bank Panel Selection
- Correlation Between Price, Rate and Currency — Portfolio Hedging View

## Day 8: Hedge Accounting and Reporting

- Hedge Designation and Documentation — Audit Readiness
- Effectiveness Testing Approaches — Ineffectiveness Recognition
- Cash Flow Hedge Reserve Movements — Earnings Volatility Explanation
- Derivative Valuation and Disclosure Notes — Investor Transparency
- Treasury Dashboard for Executives — Hedge Cover and Limit Usage

## Day 9: Hedging Mandate and Controls

- Mandate Architecture and Delegated Authorities — Dealing Clarity
- Segregation of Front, Middle and Back Office — Fraud Prevention
- Limit Breach Escalation Procedures — Committee Response
- Treasury Management System Controls — Confirmation and Settlement Integrity
- Mandate Review Cycle and Internal Audit — Continuous Fitness

## Day 10: Practising the Hedging and Liquidity Plan

- Exposure Map for a Case Producer — Hedge Ratio Recommendation
- Liquidity Stress Test for the Case — Facility Headroom Decision
- Hedging Strategy Pitch to a Mock Board — Instrument Approval
- Hedge Documentation Drafting — Accounting Treatment Selection
- Hedging and Liquidity Plan Assembly — Committee Sign-Off

## Applying Energy Treasury Hedging and Liquidity Planning After the Course

- Rebuild the commodity and currency exposure map for the next budget cycle using the Day 3 and Day 5 methods, and propose layered hedge ratios to the treasury committee
- Run a low-price liquidity stress test with the Day 2 forecast model and report headroom against facility covenants

## Energy Treasury Hedging and Liquidity Planning Questions FAQ

### What is energy treasury hedging and liquidity planning, and why does it matter now?

Energy treasury hedging and liquidity planning is the discipline of hedging price, currency and rate exposures and keeping enough funding headroom in energy companies. Volatile prices and rates now move cash faster than budgets absorb, so a clear plan protects capital programmes.

### Which roles gain most from energy treasury hedging and liquidity planning training?

Treasury managers, finance controllers and risk officers gain most. Treasurers set hedge ratios and buffers, controllers document hedges for audit, and risk officers measure exposures and police limits.

### How does energy treasury hedging and liquidity planning differ from an operational risk course?

It deals with market and funding exposures rather than hazards and safety barriers. Operational risk courses protect plant and people; this subject protects cash, covenants and earnings against price, rate and currency moves.

### What do you bring back from energy treasury hedging and liquidity planning training?

You bring back a hedging and liquidity plan drafted on a case company, with an exposure map, hedge ratios, limits, stress test results and hedge documentation ready for committee review.

## Energy Treasury Hedging and Liquidity Planning: The Way Forward

The hedging and liquidity plan first informs how much of next year's production and spending to hedge, and with which instruments. Treasurers, risk officers and the audit committee use it to approve deals and watch headroom. After the first hedging season, the hedge ratios and stress cases deserve a fresh look against realised prices and actual cash outcomes.