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COURSE BROCHURE

# Advanced Oil and Gas Project Debt Structuring Training Course

1 – 12 March 2027
Vienna

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# Advanced Oil and Gas Project Debt Structuring Training Course

**Ref:** 1310_49173 **Date:** 1 – 12 March 2027 **Location:** Vienna **Fees:** 12400 GBP

Oil and Gas Project Debt Structuring is a 2-week training course for project finance analysts, planners and investment managers who raise borrowing for oil and gas developments, and each participant prepares a debt term sheet and lender due diligence pack for one project. Banks and bond investors now test reserves, cover ratios and contractor exposure harder before lending to petroleum assets. Jupiter Prime Training delivers Oil and Gas Project Debt Structuring.

## Why Oil and Gas Project Debt Structuring Matters Now

Three groups decide whether an oil and gas project borrows on good terms. Commercial banks and export credit agencies apply tighter credit committees and want evidence that cash flows survive low prices. Independent engineers and reserves auditors challenge production profiles, cost estimates and completion schedules. Sponsors and partners want to limit guarantees while keeping gearing high enough to lift equity returns. A sponsor that structures debt well closes financing on schedule and protects its balance sheet; one that does not faces repricing, extra security demands or lost lenders. The course draws on discounted cash flow modelling, Monte Carlo simulation and the Society of Petroleum Engineers Petroleum Resources Management System SPE PRMS for the reserves that set borrowing capacity.

## Who Gains Most from Oil and Gas Project Debt Structuring

- Analysts who build lender cases, debt sculpting and cover ratio models
- Treasury staff who negotiate tenors, margins, hedging and covenants
- Investment managers who present funding plans to boards and partners
- Planners who supply cost, schedule and production inputs to the banking case
- Commercial staff who align offtake, transport and construction contracts with lender needs

Treasury, corporate finance and project planning groups gain most when several members attend together and agree one banking case before lenders see it.

## Oil and Gas Project Debt Structuring Capabilities

Participants move from evaluating a project to making it bankable, sizing borrowing that the cash flows can carry and that lenders will accept.

- Calculate debt capacity using debt service and loan life cover ratios — gearing and tenor choices
- Design a repayment profile sculpted to project cash flows — lender credit committees
- Apply Monte Carlo and sensitivity testing to the banking case — downside protection
- Assess reserve-based lending borrowing base mechanics — upstream sponsors and banks
- Specify security, covenant and reserve account packages — legal advisers and lenders

- Communicate a due diligence pack to independent engineers and reserves auditors — financial close

## Key Oil and Gas Project Debt Structuring Terms

- Debt service cover ratio — cash available for repayment in a period divided by interest and principal due in that period.
- Loan life cover ratio — present value of cash flows over the loan life divided by debt outstanding.
- Debt sculpting — shaping repayments so each period meets a target cover ratio given forecast cash flow.
- Borrowing base — the loan amount a lender allows against the discounted value of reserves under a lending case.
- Non-recourse finance — lending repaid only from a project's cash flows, without claim on other sponsor assets.
- Debt service reserve account — a cash account holding several months of repayments to cover temporary shortfalls.

## Oil and Gas Project Debt Structuring Day by Day

### Day 1: The Lender's View of Petroleum Projects

- Credit Committee Criteria for Oil and Gas Loans — Approval Hurdles
- Project Life Cycle and Debt Drawdown Timing — Funding Sequence
- Upstream, Pipeline and Processing Risk Profiles — Lender Appetite
- Lender Types From Banks to Bond Investors — Market Selection
- Case Lessons From Restructured Energy Loans — Warning Signals

### Day 2: Building the Banking Case

- Cash Flow Waterfall Structure — Priority of Payments
- Production Profiles Linked to SPE PRMS Categories — Lending Volumes
- Lender Price Decks Versus Sponsor Price Decks — Case Conservatism
- Fiscal Terms and Tax in the Lender Model — Post-Tax Cash Available
- NPV and IRR to Equity After Debt — Sponsor Return Check

### Day 3: Debt Sizing and Repayment Design

- Cover Ratio Targets by Asset Type — Maximum Debt Amount
- Debt Sculpting Calculations — Repayment Profile Shape
- Tenor, Grace Period and Tail Selection — Reserve Life Fit
- Gearing Limits and Equity Contributions — Sponsor Commitment
- Refinancing and Cash Sweep Mechanisms — Upside Sharing

## Day 4: Reserve-Based Lending

- Borrowing Base Calculation Method — Facility Availability
- Semi-Annual Redetermination Process — Facility Resizing
- Producing Versus Undeveloped Reserves Treatment — Lendable Value
- Hedging Requirements in Reserve-Based Facilities — Price Protection
- Multi-Field Portfolio Facilities — Concentration Limits

## Day 5: Construction and Completion Risk

- Capital Cost Estimate Review by Lenders — Overrun Exposure
- Monte Carlo Cost and Schedule Simulation — Contingency Adequacy
- EPC Contract Structures and Liquidated Damages — Risk Transfer
- Completion Tests and Sponsor Guarantees — Recourse Release
- Cost Overrun Facilities and Standby Equity — Funding Gaps

## Day 6: Market, Offtake and Operating Risk

- Offtake and Sales Contract Bankability — Revenue Certainty
- Transport and Processing Tariff Agreements — Route Security
- Operating Cost and Decline Sensitivities — Cover Ratio Stress
- Decision Trees for Phased Development Funding — Staged Debt Options
- Abandonment Liabilities in Lending Cases — Late-Life Cash Needs

## Day 7: Hedging, Security and Covenants

- Commodity Hedging Programmes for Lenders — Downside Floors
- Interest Rate and Currency Swaps — Funding Cost Stability
- Security Package Over Licences, Accounts and Contracts — Lender Protection
- Financial Covenants and Default Triggers — Early Intervention
- Reserve Accounts and Distribution Lock-Ups — Cash Retention

## Day 8: Funding Sources and Market Execution

- Export Credit Agency and Multilateral Cover — Long-Tenor Funding
- Project Bonds and Islamic Finance Structures — Investor Diversification
- Prepayment and Streaming Arrangements — Alternative Capital
- Term Sheet Negotiation Points — Margin, Fees and Flexibility
- Lender Group Coordination and Intercreditor Terms — Decision Rules

## Day 9: Lender Due Diligence

- Independent Engineer Scope and Findings — Technical Comfort
- Reserves Audit and Competent Person Reports — Volume Confidence
- Financial Model Audit and Stress Cases — Model Integrity
- Environmental and Social Due Diligence — Lending Conditions
- Conditions Precedent Tracking — Financial Close Readiness

## Day 10: Practising the Debt Term Sheet and Lender Due Diligence Pack

- Banking Case From Days 2 and 3 — Debt Quantum and Profile
- Risk Mitigation From Days 5 and 7 — Security and Hedging Terms
- Funding Route From Day 8 — Lender Mix
- Due Diligence Responses From Day 9 — Open Issue Closure
- Completing the Debt Term Sheet and Lender Due Diligence Pack — Lender Presentation

## Applying Oil and Gas Project Debt Structuring After the Course

- Add debt sculpting and cover ratio tests to an existing project model and run them against the lender price deck.
- Prepare a due diligence question log for one planned financing, assigning owners for reserves, cost and contract evidence.

## Oil and Gas Project Debt Structuring Questions FAQ

### What is Oil and Gas Project Debt Structuring and why does it matter now?

It is the design of borrowing for oil and gas projects: debt size, repayment, security and lender reviews. It matters now because lenders test reserves, costs and cover ratios more strictly before committing to petroleum assets.

### Which roles gain most from Oil and Gas Project Debt Structuring?

Project finance analysts, treasury staff and investment managers gain most, together with planners and commercial staff whose cost, production and contract inputs shape the banking case.

### How does Oil and Gas Project Debt Structuring differ from a petroleum project economics course?

It starts where economic evaluation ends. Rather than ranking projects by value, you size and shape debt, negotiate security and covenants, and prepare for independent engineer and reserves audit reviews.

### What do you bring back from Oil and Gas Project Debt Structuring?

You bring back a debt term sheet and due diligence pack for one project, ready to discuss with your treasury, partners and prospective lenders.

## Oil and Gas Project Debt Structuring: The Way Forward

The debt term sheet and lender due diligence pack first inform the choice of funding route and the lenders to approach. Treasury, analysts and investment managers use them through term sheet talks to financial close. After the first redetermination or covenant test, the price deck and cover ratio targets deserve another look as reserves and markets change.