JUPITER PRIME

Consulting • Training • Advisory

جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Reserve-Based Lending and Offtake Prepayment Training Course

1 – 5 March 2027
Madrid

jupiterprime.uk

info@jupiterprime.uk

Registered in the United Kingdom and Saudi Arabia

Reserve-Based Lending and Offtake Prepayment Training Course

Ref: 2218_82093 **Date:** 1 – 5 March 2027 **Location:** Madrid **Fees:** 6200 GBP

Reserve-Based Lending and Offtake Prepayment is a 1-week training course for finance, commercial and planning staff in oil, gas and mining businesses who must raise capital against reserves and future sales, and who leave with a resource project funding plan. Lenders now test reserve reports, price decks and buyer credit more closely before committing debt to extractive assets. Jupiter Prime Training runs this course on Reserve-Based Lending and Offtake Prepayment.

Why Reserve-Based Lending and Offtake Prepayment Matters Now

Three forces shape how extractive projects are funded today. Banks have tightened their appetite for hydrocarbon and mineral exposure, so borrowing base redeterminations are stricter and tenors shorter. Commodity traders and smelters increasingly step in with prepayment and streaming money in exchange for secured volumes. A sponsor that structures its funding well keeps control of its asset and its upside; one that does it badly can lose both at the first price fall. The course rests on the Petroleum Resources Management System PRMS for reserve categories and on standard project finance cover ratio practice.

Who Gains Most from Reserve-Based Lending and Offtake Prepayment

- Corporate finance staff who prepare lender presentations and negotiate facility terms
- Commercial staff who draft offtake, marketing and prepayment agreements with buyers
- Planning and economics staff who build production profiles and cash flow cases for lenders
- Reserves and subsurface staff who support the technical case behind each borrowing base
- Treasury staff who manage hedging, covenants and debt service reserve accounts

Sponsor teams preparing a first borrowing base or a buyer-funded expansion gain most when finance, commercial and reserves members attend together.

Reserve-Based Lending and Offtake Prepayment Capabilities

Participants trace the chain from reserve volumes to a bankable term sheet.

- Calculate a borrowing base from proved and probable reserves under a lender price deck — facility sizing
- Compare senior debt, mezzanine, prepayment and streaming against cost and dilution — sponsor board
- Design an offtake prepayment with volume delivery, pricing and security terms — buyer negotiation
- Allocate completion, reserve, price and political risk across parties — lender credit committee
- Test cover ratios and covenant headroom under downside cases — treasury and finance director
- Build a resource project funding plan with a capital stack and timeline — investment committee

Key Reserve-Based Lending and Offtake Prepayment Terms

- Borrowing base — the maximum amount a lender will advance, set from the discounted value of reserves under its own price assumptions.
- Redetermination — the periodic recalculation of the borrowing base that can raise or cut available debt.
- Offtake prepayment — an advance from a buyer repaid through delivery of physical product over an agreed schedule.
- Loan life coverage ratio LLCR — the present value of project cash flow over the loan life divided by outstanding debt.
- Streaming agreement — an upfront payment for the right to buy a share of future output at a fixed low price.
- Independent reserves report — a third-party assessment of volumes and production that lenders rely on to size the facility.

Reserve-Based Lending and Offtake Prepayment Day by Day

Day 1: Capital Sources for Extractive Assets

- Equity, Farm-Out and Carry Structures — How Much Ownership to Give Up
- Corporate Debt Versus Non-Recourse Project Finance — Balance Sheet Exposure
- Capital Stack Ranking and Intercreditor Terms — Who Is Paid First
- Lender Appetite for Oil, Gas and Mining Risk — Choosing Target Banks
- Export Credit and Development Lender Roles — Extending Tenor and Cover

Day 2: Sizing Debt Against Reserves

- PRMS Reserve Categories in Lending — Which Volumes Count Toward Debt
- Lender Price Decks and Production Profiles — Setting the Base Case
- Borrowing Base Calculation Model — Maximum Facility Amount
- Redetermination Cycles and Cure Periods — Managing a Shortfall
- Hedging Requirements in Reserve Lending — Protecting Debt Service

Day 3: Buyer-Funded Capital and Offtake Terms

- Offtake Prepayment Mechanics — Trading Future Volumes for Cash Now
- Take-or-Pay and Delivery Shortfall Clauses — Exposure When Output Falls
- Streaming and Royalty Finance — Mining Alternatives to Bank Debt
- Pricing Formulae and Marketing Fees — Value Kept by the Sponsor
- Security Over Product and Receivables — Ranking Against Bank Lenders

Day 4: Risk Allocation and Lender Due Diligence

- Completion Tests and Sponsor Support — Pre-Production Risk Cover
- Cover Ratios, Covenants and Cash Sweeps — Downside Headroom
- Independent Engineer and Reserves Reviews — Answering Lender Questions
- Environmental and Social Lending Standards — Conditions Precedent to Drawdown
- Debt Service Reserve and Cash Waterfall Accounts — Liquidity Under Stress

Day 5: Practising the Resource Project Funding Plan

- Capital Stack Selection for a Case Asset — Applying Day 1 Choices
- Borrowing Base Run Under Low Price Case — Applying Day 2 Model
- Prepayment Term Sheet Drafting — Applying Day 3 Offtake Terms
- Lender Question Rehearsal and Ratio Check — Applying Day 4 Diligence
- Resource Project Funding Plan Presentation — Investment Committee Approval

Applying Reserve-Based Lending and Offtake Prepayment After the Course

- Rerun the borrowing base for a current asset and brief the finance director on headroom.
- Map existing offtake contracts for prepayment potential and rank them by volume security and buyer credit strength.

Reserve-Based Lending and Offtake Prepayment Questions FAQ

What is reserve-based lending and offtake prepayment, and why does it matter now?

It is the practice of raising debt against reserves and cash from buyers against future volumes. It matters now because banks lend more cautiously to extractive assets, so sponsors need several funding routes.

Which roles gain most from reserve-based lending and offtake prepayment training?

Corporate finance, commercial, planning, treasury and reserves staff gain most. Each sees how their input changes facility size.

How does reserve-based lending and offtake prepayment differ from a petroleum economics course?

A petroleum economics course values a project; this course turns that value into funding. You work on borrowing base sizing, prepayment terms, intercreditor ranking and lender diligence.

What do you bring back from reserve-based lending and offtake prepayment training?

You bring back a funding plan for a resource project, with a capital stack, borrowing base estimate and prepayment term outline.

Reserve-Based Lending and Offtake Prepayment: The Way Forward

The resource project funding plan first informs which lenders and buyers the sponsor approaches and in what order. Finance directors, commercial leads and investment committees use it to agree the capital stack. After the first redetermination or buyer negotiation, revisit the price deck and covenant assumptions, as lender appetite shifts.