Oil & Gas PDP Cash Flow Model

Model Summary Document (MSD)

1. Model Purpose and Description

The model is a code-based model implemented in Python to run cash flow analyses for Fitch-rated oil and gas future flow transactions backed by proved developed producing (PDP) reserves. The relevant criteria is the "Future Flow Securitization Rating Criteria".

The model supports both single-issuance and master trust structures for new ratings and surveillance. The cash flow analysis determines whether each class of notes receives interest and principal in full in accordance with the transaction terms. The model evaluates stress scenarios by applying stresses to variables including hydrocarbon production volumes, expenses and pricing. The model includes optional quality check to support a reasonableness review of transaction inputs.

2. Model Assumptions

The rating assumptions for the model are informed by Fitch's analysis of transaction documents, transaction data, the information received from the originator and transaction legal counsel and Fitch's analytical judgement.

3. Model Inputs

The model inputs include key information on the transaction's assets, liabilities, hedges, stress assumptions, and historical transaction data for surveillance.

4. Model Development Data

Not applicable to this rating model given it only use transaction specific data and other related data as described in the RAC.

5. Model Limitations

The model is designed to accommodate the structures of currently outstanding Fitch-rated transactions and most anticipated new transactions in this sector. The model may be revised in the future if structural features for newly issued transactions differ materially from the current approach.

6. Material Changes

This is the initial release of this model, and the model version is 1.0.0. Any future material changes will be disclosed in this section.

Contact Information

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