



# EMK3 Hedging Module

Effectively manage hedging transactions and analyze their revenue impact

Available for:  Crude Oil  Natural Gas

Many E&P companies employ a hedging strategy to offset oil and gas price volatility. Closely managing your hedges is critical to ensuring they meet the overall pricing objective and ensuring they do not have an inadvertent negative impact. This is often times a burdensome administrative process with information difficult to collect, analyze, and manage.

The Hedging Module is designed specifically to accommodate typical hedging activity by oil and gas producers. This module allows you to capture budget volume and budget price parameters and define hedging strategies. It includes full transaction support for Futures, Options, Swaps, and Collars. This module includes extensive reporting and analysis capabilities for calculating hedge volume and price, forecasted gain/loss, hedge positions, and more.

## Key Features

- **Designed for Producers:** Unlike other hedging systems that target multiple industries, EMK3 has designed a system perfectly matched for oil and gas producers.
- **Full Transactional Support:** Full transaction support for Futures, Options, Swaps, and Collars (both 2-way and 3-way). Calculate either forecasted or actualized value for all transactions.
- **Document Approval Process:** Set up and manage a process for reviewing and approving hedging transactions, including automatically notifying each approver and recording their approval (digital signature).
- **Capture Budgets Parameters:** Captures budget volume and budget price parameters.
- **Assess Hedging Performance:** Assess hedging performance by comparing actual hedges to strategies and budgets.
- **Graphical Analysis:** With dashboard technology, visually and interactively evaluate hedging results.
- **Supports Crystal Reports:** Supports Crystal Reports as the reporting engine, offering a powerful and flexible reporting solution.
- **Generate Reports:** Historical Gain/Loss, Hedging Positions, Budget Price, Hedging Forecast, Hedging Volume, Hedging Price, and more.

Fig. 1 – Hedging Dashboard

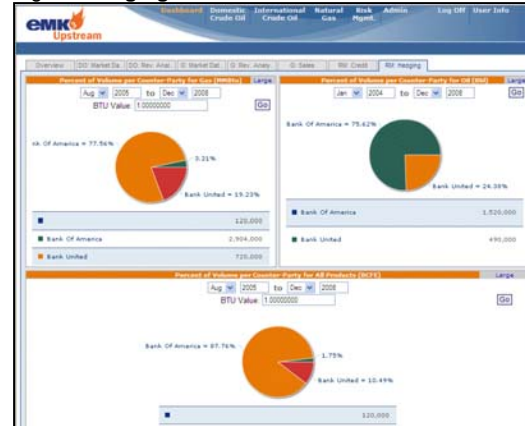


Fig. 2 - Swap Transaction Information

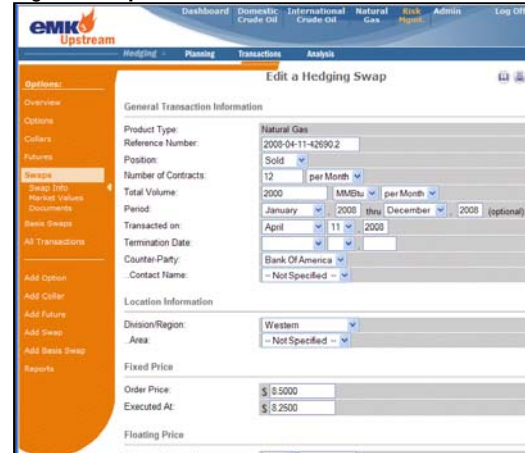


Fig. 3 - Hedging Price Report

Notes: [Icons]

**Hedging Price Report**  
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Month	Year	Derivative Type	Reference Number	Price (\$)	Volume (#)	Value (\$)		
May	2004	Option	11	4.0000	1	4.00		
		Collar	213	5.8000	23	135.24		
		Future	OC 119	5.0100	5	25.05		
		Future	WC116	4.6118	7	32.28		
		Swap	269	5.5000	10	55.00		
		Swap	371	5.3300	13	69.29		
		Swap	369	5.3500	25	133.75		
		MONTHLY TOTALS:						454.61
		Options:						4.00
		Collars:						135.24
June	2004	Option	11	4.0000	1	4.00		
		Collar	213	6.1500	23	141.45		
		Collar	213	6.3000	23	152.49		
		Collar	313	6.3000	15	94.45		
		Future	OC 119	5.0100	5	25.05		
		Future	WC116	4.6118	7	32.28		
		Swap	269	5.5000	10	55.00		
		Swap	371	5.3300	13	69.29		
		Swap	369	5.3500	25	133.75		
		MONTHLY TOTALS:						712.76
Options:						4.00		
Collars:						393.39		
Futures:						57.33		
Swaps:						258.04		