



PROJECT FINANCE INTERNATIONAL

Thomson Reuters

LNG regas scheme reaches FC

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The Bahrain LNG scheme has reached financial close. The US\$1bn scheme was funded via a US\$714m 20-year project loan with US\$580m covered by K-Sure and the rest uncovered. The three pathfinders are Standard Chartered, Apicorp and KDB, the financial adviser is Societe Generale and the other banks are Natixis, ING, Credit Agricole, Ahli United and Santander.

Standard Chartered, Apicorp and Ahli United are in the uncovered tranche, which is believed to be priced above 300bp, and the covered tranche is believed to be priced at 150bp flat. Norton Rose Fulbright, Galway Group and Verus Partners advised client Nogaholding, White & Case advised the sponsors, and Shearman & Sterling advised the lenders.

The Samsung C&T/Teekay LNG/GIC sponsor group won the LNG import terminal deal late last year. Teekay LNG will have 30% of the project company, Samsung C&T 20%, GIC 20% and Nogaholding 30%.

The scheme has been split between the floating storage vessel (FSU), which is procured on a time charter and is not part of the project financing, and receiving terminal elements, which have been project financed.

The FSU can be redeployed to trade as an LNG carrier if LNG imports are not needed in Bahrain. It will be able to source gas competitively on the international markets. By contrast, the receiving terminal will receive availability payments for being available for use and this part of the deal will not be exposed to volume or pricing risk.

The project will have a capacity of 800m standard cubic feet per day and will be operated under a 20-year agreement. The EPC contract was awarded to GS Engineering & Construction. Teekay LNG will supply the FSU, which will be modified specifically for this project. The project is being developed to supplement local gas production in Bahrain and ensure capacity to meet peak seasonal gas demand and industrial growth.