

Taylor-DeJongh's News.....

TDJ ranks as a top financial advisor

Taylor-DeJongh was ranked **#7 Financial Advisor, Global PFI/PPP Project Finance Deals** by *Dealogic*, for deals closed in the first quarter of 2009.



In *Infrastructure Journal's* first half league tables for mandates won, TDJ was ranked:

- | | |
|------------------------------------------|--------------------------------------------|
| #1 Metals & Mining advisor | #9 Power advisor |
| #3 Renewables advisor | #4 Africa & Middle East advisor |
| #2 Water & Wastewater advisor | |



For closed deals, the firm ranked **#1 in North America** and **#7 for Transportation**.

Representative current transactions in project finance, M&A and corporate finance



PORT RELOCATION—JORDAN: APPROACHING THE FINAL BID AWARDS FOR CONCESSION

The Aqaba port relocation awards are now in process. Taylor-DeJongh is the financial advisor to the Aqaba Development Corporation (ADC) for the international tender for the 30-year concession of the New Port of Aqaba. Final bids from the short-listed firms will be evaluated in July, with TDJ evaluating the financial proposals and assisting ADC with the negotiations with the preferred bidder.



INFRASTRUCTURE DEVELOPMENT—UGANDA

Taylor-DeJongh is conducting an independent review of a US\$42 million integrated power and transportation project on the island of Kalangala, Uganda for InfraCo. TDJ is performing a comprehensive due diligence review of the project, including a review of the commercial structure, all project agreements, financing plan, commercial assumptions and financial model.



PIPELINE REHABILITATION—GEORGIA

TDJ and consortium partners have been selected by the Millennium Challenge Corporation (MCC) to work with the Government of Georgia on the rehabilitation of the North-South Gas Pipeline System and advise the Government on the development of underground natural gas storage facilities. TDJ's role is to provide financial advisory services for the two projects.



TRANSPORTATION—UNITED STATES

Taylor-DeJongh has been shortlisted by the Florida Department of Transportation (FDOT) for the renewal of FDOT's pre-contracted pool of financial advisers for the state's P3 work. Taylor-DeJongh partnered with Castalia for this bid.

...And Our Views

In May, **CEO Terry Newendorp** presented his annual **Project Finance Global Tour** at the Oil & Gas Summit of ICBI's Projects International conference. Mr. Newendorp discussed the upcoming projects across the oil & gas industry, highlighting the impact of the credit crunch on the timing and development of new projects. While many projects are still under consideration, the global recession and shortage of available financing have caused numerous project delays and cancellations across all sectors.



Mr. Newendorp gave a related speech at Fulbright & Jaworski's London Energy Conference, Energy in a Changing World, in June.



Director Afonso Reis e Sousa was invited to speak at the recent 2009 Gastech Conference, which published his white paper **Enter the Independents**. In the paper, Mr. Reis e Sousa discusses the increasing role of independent oil & gas companies in global liquefaction markets, from coal-bed-methane-based LNG projects to floating LNG, as well as the financing challenges faced by smaller LNG project sponsors. An excerpt from this paper appears below. The entire paper is available for download from the TDJ website.



Enter the Independents (excerpt) By Afonso Reis e Sousa, Director, Taylor-DeJongh

On the liquefaction side, the LNG industry has been dominated by international oil & gas majors both as project sponsors and as operators. Their experience, large balance sheets, access to markets and ability to underpin construction and offtake have been critical to successfully financing these large undertakings. As the industry matured and lenders became more comfortable with LNG market risks, the contracts underpinning liquefaction projects became increasingly flexible. Recent projects sponsored by supermajors have incorporated netback pricing, destination flexibility, spot market sales, and other arbitrage opportunities, even as the market faces credit constraints and construction challenges.

At the same time, new and significantly smaller entrants are emerging to take advantage of the global liquefaction crunch. These new players seek to develop LNG plants that are located in new provinces, such as Papua New Guinea or Peru, or are based on unconventional gas sources, as in Australia. Apart from the political and technical risks related to these developments, the sponsors lack the track record and financial strength of the supermajors, and face tremendous challenges in mobilizing financing. ...

UPCOMING PUBLICATION

“Financing GCC Power Projects Post Credit-Crunch” *Natural Gas & Electricity*, Forthcoming (August 2009).

...And Our Views (continued)

TDJ ASSESSES THE US TRANSPORTATION SECTOR

Taylor-DeJongh participated in the Terrapinn Infrastructure World Americas event in April, as well as the USDOT TIFIA Capital Markets Session and the InfraAmericas P3 Infrastructure Finance Forum in June. Even though the use of public private partnerships has yet to take off as once hoped and predicted in the United States, infrastructure development and investment are still very much the focus of many investors and project sponsors. The Obama Administration has made a strong, vocal commitment to the transportation and infrastructure sectors. The

American Society of Civil Engineers' 2009 Report Card predicts that US\$186 billion in road expenditures is needed annually over the next five years to significantly improve road conditions in the US. Given the continued lack of liquidity in the markets, TIFIA (the credit assistance program of the USDOT), for whom TDJ is a financial advisor, will continue to be popular in providing funding for P3 transactions. In addition, according to the discussions at the three previously mentioned events, brownfield asset maximizations will continue to be the focus of the developers and their partners.

JOIN US AT FLNG

October 27-30, TDJ **CEO Terry Newendorp** will be in London at ICBI's **FLNG—From Concept To Realisation: Successfully Engineering, Monetising & Financing Floating LNG**. He will chair the FLNG Finance Day on the 27th, and also speak on *Financial Models & Case Studies: What Parallels Can We Draw From Recent Financial Structures That Are Transferable To Floating LNG?*



We are able to extend to our colleagues the following offer: **20% off** the booking fee by quoting VIP Code **KN2259TDJEM**, plus **if you book by 18 September**, you can claim an **early bird discount of up to £400**.

ANALYST COMMENTARY (EXCERPT)

Infrastructure Funds: Trends and Opportunities

The market for infrastructure funds has grown dramatically in recent years, as an abundance of opportunities in both developed and emerging markets has paved the way for increasing numbers of vehicles to successfully raise capital. Owing to investor appetite for infrastructure and the increase in opportunities, the average size of infrastructure funds increased from US\$159 million in 2003 to US\$3.3 billion in 2008.

As the cornerstone of economic growth, infrastructure assets have been known for their long-term return stability and resilience to economic cycles. Despite the economic downturn, the infrastructure

sector will likely continue to grow, fueled by continued demand and new drivers such as government spending via stimulus packages. The OECD estimates that a massive US\$70 trillion is still required for infrastructure development and improvement worldwide through 2030.

This commentary examines some of the recent trends of unlisted infrastructure funds and the impact of the credit crisis, including tightened competition in the infrastructure fund market, the shift in focus to mature, producing assets, and opportunities resulting from escalating equity investment in infrastructure projects and stimulus packages worldwide....

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