

Taylor-DeJongh's News.....

Representative current transactions:



INTEGRATED GAS AND POWER

TDJ is participating in the development, structuring and financing of a unique project in Latin America including LNG, power generation and transmission lines designed to fulfill the region's unmet power needs.



PETROCHEMICALS

Taylor-DeJongh is assisting with the structuring and negotiation of a proposed joint venture in Saudi Arabia for a global specialty chemicals company.



LNG

TDJ is acting as financial advisor to a large European gas marketing and trading company, in connection with its negotiations and structuring of an LNG terminal user agreement in North America, together with its acquisition of an ownership stake in the terminal.



OIL AND GAS

OIL SHALE. For an innovative technology company that extracts premium quality oil from shale, TDJ is advising on the commercial development and financing for a first of its kind project in the United States, and is assisting with the company's global growth strategy.

COAL BED METHANE. TDJ is working to aggregate three separate coal bed methane (CBM) companies into a unified entity developing CBM on two continents.



PORTS: JORDAN PORT PRIVATIZATION ANNOUNCES SHORT LIST OF QUALIFIED BIDDERS

TDJ is acting as financial advisor to the Aqaba Development Corporation (ADC), which has just released the shortlist for its Request for Proposals (RFP) to develop, build, finance, operate and transfer the New Port of Aqaba. The port project

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An artist's rendering of the Aqaba New Port Concept. Jordan

Taylor-DeJongh's News (continued).....

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received a strong response, with over fifty Expressions of Interest. The four short-listed consortia are led by:

- Bouygues – France
- KGL – Kuwait
- Saudi Oger – Saudi Arabia
- United Development Company – Qatar.

Selection of the Preferred Bidder is expected to take place by the end of January 2009. The Preferred Bidder will be responsible for building and operating the three-terminal New Port of Aqaba under a 30-year BOT concession, will assume responsibility for the operations of Aqaba's existing Ferry Terminal, and will also build a new Marine Services Basin.



TRANSPORTATION

Taylor-DeJongh has been re-awarded the mandate to act as a financial advisor to the US Department of Transportation Federal Highway Administration's TIFIA Credit Program, which has over US\$2 billion worth of PPP projects in the immediate pipeline. TIFIA's role is all the more crucial in the US market due to the continuing turbulence in the credit markets and the shortfall in the Highway Trust Fund.

TDJ is currently acting as the financial advisor for the **I-595 Corridor Roadway Improvement Project** in Ft. Lauderdale, Florida. The Florida Department of Transportation is running a public tender to award the concession to build, finance and operate the estimated US\$1.3 billion project for 35 years. The tender process required bidders to provide underwritten financing proposals at the time of bid submission, and all bidders included TIFIA as a funding source. TDJ assisted in evaluating the short-listed bidders' financing plans and advised TIFIA on its preliminary approval process of the requested loans. The winning bidder is expected to be announced in late October. TDJ will continue to advise during the loan agreement negotiations through to financial close.

...And Our Views

LATEST ARTICLES BY TDJ

“Saudi Water Projects Gain Attention of Global Investors,” *World Water and Environmental Engineering*, July/August 2008.

“Opportunity Beckons,” on privately financed infrastructure projects in the Middle East, *Quantum*, June 2008.

Taylor-DeJongh's William Clark and Nicole Weygandt were interviewed for the article **“The Great Hydrocarbon Race”** in *Exporta's The MENA Trade Finance Supplement*.

Please visit our website for more information about any of the articles in this newsletter or to find out how to obtain copies of these leading industry publications.

...And Our Views (continued)

Taylor-DeJongh is a sponsor of the **2008 WORLD JUNIOR OIL & GAS CONGRESS**, to be held in London De-



cember 1-3. The event promises to attract close to 500 executives, providing a unique focus on the global small and mid-cap oil and gas sector. The Congress will explore the future investment potential and highlight the sector's best opportunities. TDJ **CEO Terry Newendorp** will chair day three, and will speak on sourcing, accessing and raising new capital and investment.

Guests of TDJ are offered a 15% discount on the registration fee. Please contact lliu@taylor-dejongh.com for more information.

TDJ **Director Afonso Reis e Sousa** will join other industry experts in Scotland at the **IJ ENERGY FORUM 2008**, October 12-14. He will speak on spiraling costs and resource shortages.

November 17-20 in London, **Afonso Reis e Sousa** will present on investing in gas and LNG projects, and is on a panel discussing how the West can become less reliant on Russian gas and Middle Eastern oil, at **INVESTING IN INFRASTRUCTURE ASSETS EUROPE**.

Terry Newendorp will address the **United Nations Economic Commission for Europe's Committee on Sustainable Energy** on the topic of energy security. The UNECE event, **STRATEGIC ALLIANCES FOR ENERGY SECURITY**, will be held in Geneva November 19-21.



TDJ has released the second of its **Analyst Commentaries**, the first of which was on financing unconventional oil and appeared in our last News'n Views newsletter. This commentary focuses on developments in the Indian power sector. To subscribe to receive copies of these reports by email as they are released, please write to reports@taylor-dejongh.com. An excerpt from "**India's UMPP Program: Attracting International Finance?**" appears below. Read the full report online at www.taylor-dejongh.com/news.

Fueled by an annual average economic growth of over 7 percent since 1997, India's electricity consumption is increasing rapidly. The Government of India has estimated that the country will have to add 90,000MW of generation capacity over the next five years in order to keep up with demand. It plans to meet these energy requirements through the development of Ultra Mega Power Projects (UMPPs), coal-fired power plants with generating capacity of 4,000MW, each costing approximately US\$3.75 billion.

Although India's domestic banks are relatively liquid and capable of backing some domestic infrastructure projects, the scale of these investment requirements, combined with competing demands from other sectors, will prompt the country to look abroad for additional financing. This outward push, however, will

be hampered by the negative impressions formed among foreign investors and lenders in the wake of the Indian power market failures in the 1990s – particularly the Dabhol Power Project, as well as most of the so-called "Fast Track" projects.

Some observers have argued that India has overcome the legacy of Dabhol, pointing to the successful financing, with foreign bank participation, of Tata's Mundra UMPP. The US\$4.375 billion project reached financial close in April 2008, achieving a debt-to-equity ratio of 75:25. The project debt is broken into dollar and rupee tranches of US\$1.825 billion and US\$1.46 billion, respectively, of which the dollar loans are sourced primarily from multilateral lenders. A single private foreign bank participated in the financing, and is 95 percent covered by Korea Export Insurance Corporation (KEIC).... ■