



TAYLOR-DEJONGH

News'nViews

April/May 2007

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TDJ TO BE LEAD ADVISOR FOR JORDAN'S PETROLEUM SECTOR PRIVATIZATION

Taylor-DeJongh is finalizing the terms of its appointment as lead advisor to the Hashemite Kingdom of Jordan's Executive Privatization Commission (EPC) for the Jordan Petroleum Sector Restructuring and Privatization Project. The project primarily involves the restructuring and privatization of the country's downstream petroleum sector, currently owned by Jordan Petroleum Refinery Company (JPRC). TDJ will serve as financial advisor to the Commission and lead a consortium of consultants—comprised of Latham & Watkins, Shair Law and Arthur D. Little—with the relevant expertise in legal, technical, social and environmental services required for an energy sector privatization of this scale. TDJ is expected to assist the Commission in evaluating the various privatization options, identifying potential investors, preparing and marketing the information memorandum, screening investment offers and assisting with negotiations through to financial close.

Restructuring and privatizing the downstream petroleum sector are the latest efforts in Jordan's comprehensive program to reform the country's energy sector. Jordan hopes that by liberalizing its downstream energy markets and fostering a more open market environment, it can attract private sector firms and international oil companies to compete and invest in Jordan's burgeoning downstream market and achieve the most efficient allocation of resources, in order to meet the energy needs of a growing economy and population.

TDJ is honored to assist the Government of Jordan with this important and challenging project and is excited to be a key participant in the transformation of Jordan's energy sector. TDJ EVP and COO Dennis Flannery, stated: **"Jordan's bold privatization plan is aimed at attracting high quality investors from the region and internationally."** ■

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YEARS OF EXCELLENCE

GLOBAL FINANCIAL
STRUCTURING

TDJ APPOINTED TO PAPUA NEW GUINEA LNG PROJECT

Taylor-DeJongh has been appointed to provide specialized project finance advice to the project partners and shareholders for an LNG facility in Papua New Guinea. Project partners include InterOil, Merrill Lynch Global Commodities (Europe) and Pacific LNG. Total investment required is expected to be

approximately US\$4 to 6 billion. The project consists of a liquefaction plant with capacity up to 9 million tons a year of LNG from two processing trains, condensate and gas liquid processing, handling and storage facilities, and a 36-inch natural gas pipeline from supply sources. ■

TAYLOR-DEJONGH WELCOMES DENNIS FLANNERY AND RAMI ELAYAN

Taylor-DeJongh announces the addition of **Dennis Flannery** as **Executive Vice President and Chief Operating Officer**, and **Rami Elayan** as **Associate**.

Dennis Flannery (top) brings more than 35 years of international and domestic investment banking and corporate and project finance experience to TDJ. He has extensive experience with multilateral agencies, government treasury and private sector banking.



Prior to joining TDJ, Mr. Flannery served as Executive Vice President at the Inter-American Development Bank. He has also served as a banker with Lehman Brothers, First Boston Corporation, Bank of America and Chase Manhattan Bank. For the U.S. Treasury, he was the resident advisor to the Indonesian Bank Restructuring Agency. For ten years, he worked at the World Bank as financial advisor for the Co-financing and Financial Advisory Services Department.

Selected project experience includes senior management responsibility for the IDB's financing of the Camisea natural gas pipeline in Peru; serving as financial advisor to Darby Overseas Investments, Ltd., advising on a significant equity investment in a major Mexican financial institution; advising the Peruvian government in all aspects of

the financing of the second stage development of the Cerro Verde Copper Mine; and leading the efforts to develop the first co-financing operations between commercial banks and both the Inter-American Development Bank and the World Bank.

Rami Elayan (bottom) is serving TDJ as a financial analyst and modeler. His project work includes preparing a risk analysis for an LNG project under development, and assisting with Jordan's petroleum sector privatization. He recently represented TDJ at the MEED Power and Water conference in Abu Dhabi.



Before joining Taylor-DeJongh, Mr. Elayan spent 8 years at Bechtel Corporation, most recently as a Senior Financial & Strategic Planning Associate. He oversaw the finance functions for the nuclear business line, performing forecast activities, risk analysis, strategic planning and financial evaluation. He also managed the finance and accounting operations for a power plant in Saudi Arabia.

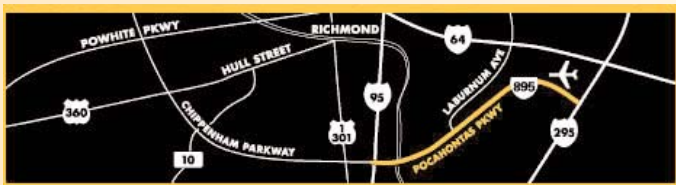
Terry Newendorp, Chairman and CEO, adds **"I am very pleased that Dennis and Rami are on board at TDJ. They bring a wealth of experience to the firm, and will enhance the services that we offer to our clients."** ■

TAYLOR-DEJONGH PROJECT UPDATES

Arizona Clean Fuels Yuma ~ This U.S. refinery project is moving through the equity raising stage with the sponsors actively seeking investors. The first leg of the Road Show included several stops in the Middle East and some in North America. Currently, the scope of the project has been increased and it now includes the Crude Oil Delivery System (CDS). This change increases the total capex of the project to US\$4.5 billion.



TIFIA Pocahontas Parkway Advisory Update ~ Taylor-DeJongh completed the Phase I Report, a review and analysis of the overall project, in December for the TIFIA Joint Program Office. The firm is currently continuing in its role as financial advisor to the TIFIA staff during the



ongoing credit negotiations with the borrower, Transurban, and their financial advisor, DEPFA. Paolo Curiel, Vice President, and Ed Bodmer, Senior Banking Advisor, are leading this transaction, with support from Jennifer Hara, Project Manager. TDJ and ICF International were also mandated to perform an independent risk assessment of the project for the TIFIA JPO as part of the overall credit analysis. The risk assessment includes an analysis of the forecasted traffic and revenues, and a review and analysis of all local/regional and state planning agency documents on the expected economic and socioeconomic growth in the region.

Spinifex Ridge Molybdenum Project ~

Taylor-DeJongh has been advising Moly Mines Ltd., an Australian mining company, on the development of its new molybdenum and associated copper mine project. The TDJ team completed a commercial analysis that confirmed the strong correlation between molybdenum and the energy sector and demonstrated the likely future demand necessary to support the financing strategies. ■



APEC NATURAL GAS UTILIZATION WORKSHOP—

Fuelling the APEC Developing Economies
Guangzhou, China, August 26-29, 2007

To promote private industry-government cooperation, TDJ, with Koeppen Elliott & Associates, is organizing a 2½ day workshop to be held in mainland China in August 2007. The workshop will include presentations and panel discussions addressing key aspects of natural gas resource development covering all major areas, from upstream exploration to downstream distribution to project financing and cross-border legal issues. It will provide an ideal venue to bring together financiers, developers, APEC regional policy-makers and leading players from the global gas infrastructure community. There will be opportunities for one-on-one meetings with APEC Developing Economy representatives and industry participants. A site visit to the Dapang LNG receiving terminal is also planned.



APEC members account for over half of the world's natural gas production, consumption and exports. The project pipeline for natural gas investments throughout the APEC region currently totals over US\$100 billion. Don't miss out on this great opportunity to meet face-to-face with decision makers grappling with these massive energy needs.

For sponsorship opportunities or to register for the event, please contact Jennifer Hara at jhara@taylor-dejongh.com or +1 202 775 0899. ■

TDJ'S RECENT APPEARANCES

You may have seen us at some of the following recent conferences:

- **GasTech 2006** (Abu Dhabi)—Afonso Reis e Sousa, Director, discussed "Financing Russia's Gas Push."
- **GPCA Forum** (Dubai)—Terry Newendorp, CEO, presented the keynote: "Raising the capital for all this capacity expansion."
- **The Ras Al Khaimah Conference** (Ras Al Khaimah)—Terry Newendorp.
- **Middle East Project Finance** (Doha)—Terry Newendorp, "Identifying new capital sources."
- **Middle East Power and Water** (Abu Dhabi)—Terry Newendorp, CEO, "Financing the next generation of projects" and Rami Elayan.
- **African Petroleum Forum** (London)—Guy Ranawake, Director, "African LNG business & competition."
- **Ex-Im Bank Annual Conference** (Washington)—Terry Newendorp discussed opportunities for US firms in the Middle East.
- **Projects International** (Paris)—Terry Newendorp, "A global tour: Examining the geographical focus for new investments & risks in global oil, gas & LNG projects."

LOOK FOR US THIS SPRING

In London on May 14-15, Director Guy Ranawake will discuss "Financing LNG projects and vessels" at **Lloyds List's Financing LNG Shipping**. ■

CONFERENCE REVIEWS AND FINDINGS

ICBI Projects International ~ For the 12th year, TDJ was a sponsor for the annual Projects International conference in Paris. TDJ CEO Terry Newendorp kicked off this annual event on the Oil & Gas Summit Day, presenting his global tour of oil, gas and LNG projects. It elaborated on the theme that projects are competing not just for capital, but for scarce EPC and equipment resources in order to achieve their market goals.

MEED Middle East Power and Water ~ In order to satisfy growing demand that has put a strain on traditional public utilities, there are US\$150 billion of new projects now underway in the GCC. The Middle East Power & Water 2007 conference, held in Abu Dhabi in late March, provided a good overview of the new capital plans across the Middle East. The speakers, including TDJ CEO Terry Newendorp, shared fresh intelligence on current expansion plans, highlighted progress in private sector participation and discussed the vital issues determining the industry's regional outlook.

BISNIS Russian Petrochemical Opportunities ~ For the U.S. Department of Commerce's BISNIS department, David Suratgar, Chairman of Taylor-DeJongh's Advisory Board, spoke on: "Financing Russia's Petrochemical Industry." The general consensus from all speakers was that there were considerable opportunities in Russia, but that careful project development was necessary given the difficult legal and commercial environment. The benefits of working with the bilateral and multilateral agencies, and in particular with the EBRD and US-Ex-Im when working in Russia were also stressed. ■

Terry Newendorp, TDJ CEO, with Robert Drumheller, VP Structured Finance (left) and Barry Burland, Milbank Tweed, Haldley & McCloy (right)



His Excellency Dr. Muhammed Sa'eed Al Kindi, Minister of Environment and Water UAE in a keynote speech delivered 25 March 2007 at MEED's Middle East Power & Water



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LATEST ARTICLES BY TDJ

Emerging Markets Report, “**Can Natural Gas Bridge Asia's Power Gap?**” February 2007.

Public Utilities Fortnightly, “**Watch the Cycle,**” February 2007.

Oil and Gas Financial Journal, “**Monetizing Stranded Natural Gas,**” February 2007.

Global Trade Review, “**Have You Done Your Checklist? (Energy Sector Review),**” January/February 2007.

LNG Journal, “**Financing Strategies and Principles throughout the LNG Value Chain,**” April 2007.

Please contact Wendy Musco (wmusco@taylor-dejongh.com) for more information about any of the articles in this newsletter or to find out how to obtain copies of these leading industry publications. ■

2006 YEAR END RANKINGS FOR FINANCIAL ADVISOR MANDATES

2006 Mandates Won Globally, by Number and Value

#3 Worldwide

2006 Mandates Won Regionally, by Value

#1 North America

#1 Africa and Middle East

#4 Asia Pacific

2006 Mandates Won by Sector, by Value

#1 Oil & Gas

#1 Telecoms

#2 Mining

Source: *Infrastructure Journal*, February 2007.

TDJ's London Office Is Moving!

In June, we will be moving to:

**34 Smith Square
London, SW1P 3HL**

Our phone number and fax number will remain the same.

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