

August 2007

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YEARS OF EXCELLENCE

GLOBAL FINANCIAL
STRUCTURING

TAYLOR-DEJONGH ANNOUNCES CLOSING OF TIFIA POCAHONTAS PARKWAY LOAN

The Pocahontas Parkway project, for which Taylor-DeJongh (TDJ) served as financial advisor to TIFIA, closed on July 19, 2007. TIFIA will provide the project sponsor, Transurban USA, with a US\$150 million loan. In June 2006, Transurban paid US\$611 million to the Pocahontas Parkway Association to defease the outstanding debt and take ownership of the road. DEPFA acted as financial advisor to the sponsor and was a lender alongside Hypo Vereinsbank and Banco Espirito Santo. The US\$150 million loan will be used for refinancing commercial debt, developing the Richmond Airport Connector, and implementing upgrades to the toll collection system. The TDJ team assisted TIFIA in all the deal analysis, credit review, risk assessment and loan negotiations with the sponsor. This was TIFIA's first refinancing of an existing toll-road.

Taylor-DeJongh CEO, Mr. Terry Newendorp, said: **"Taylor-DeJongh was very pleased to act as Financial Advisor to TIFIA on this very complex transaction. We enjoyed being an integral and active part of the TIFIA team until closing day, and we look forward to continuing our work with TIFIA and to future involvement in other aspects of the U.S. market for infrastructure PPPs."** ■

TDJ APPOINTED AS FINANCIAL ADVISOR TO BRITISH OFFSET

Taylor-DeJongh has been appointed as financial advisor to the UK Ministry of Defence with respect to the Al Yamamah Economic Offset Programme. The Offset Programme is a unique initiative between the Governments of Saudi Arabia and the United Kingdom, whose sole objective is to support the development of the industrial base and of Saudi Arabia, by facilitating the transfer of technology into the Kingdom through joint ventures and licensing deals between Saudi and foreign companies, engaged in both manufacturing and service based industries. The Offset Programme has been designed to be broadly based and flexible, so as to provide maximum benefit to Saudi Arabia. Other than oil production, there are no restrictions as to the industrial sectors

promoted or the country of origin of the technology/venture partner. Examples of projects successfully developed under the Offset Programme include a pharmaceuticals formulation facility involving Glaxo Wellcome, a worldscale sugar refinery with Tate & Lyle, as well as several large petrochemicals complexes involving Huntsman, Davy Process Technology and Basell.

TDJ's role is to provide general and specific financial advice to the UK Ministry of Defence, as well as to project sponsors developing ventures under the auspices of the Offset Programme. TDJ sits on the Joint Offset Committee. ■



JORDAN PRIVATIZATION UPDATE

TDJ and its consortium partners continue to develop a strategy for the sale of the Executive Privatization Committee's assets in the downstream wholesale, storage and distribution of oil products. We have developed a map of the key drivers of the market, the market's potential for growth and modifications needed to ensure newcomers to the sector. We have interviewed all the key players in the market, as well as conducted meetings with the Jordanian refinery, the

company from which the assets will be spun off to open up the market. The project presents a challenging time line in which to create packages for a transport and storage company, 4 wholesale companies, 2 LPG players and associated definitions of the respective companies' activities. Interested investors should contact Dennis Flannery or Roxanne Suratgar in Washington or Afonso Reis e Sousa in London for a complete description of the entities for tender. ■



TDJ and our consortium partners, Arthur D. Little, Latham & Watkins, Ernst & Young and Shair Law

TIMOTHY HOLDER JOINS TDJ AS DIRECTOR; PROMOTIONS ANNOUNCED

Taylor-DeJongh announces the addition of **Timothy Holder** as **Director**, heading our new office in Bahrain, and the promotions of **William Clark** in London and **Scott Flippen** in Washington to **Senior Associate**.



Mr. Holder will be joining TDJ on September 1, as Director of Taylor-DeJongh Middle East. He brings more than 17 years of project and corporate finance experience, including equity raisings and mergers & acquisitions, much of which was in the Middle East. He

has extensive experience in petrochemicals, oil and gas and infrastructure sectors.

Mr. Holder was formerly a Director of Business Development Asia, an investment banking advisory firm for Western corporations seeking to invest in Asian countries. He established BDA's Middle East office in Bahrain. He has also served as Director for Merchant Bridge & Co. Ltd and Close Brothers Corporate Finance, for whom he also established an office in Bahrain, and was with Schrodgers, now part of Citigroup.

He will be managing the relationship with British Offset Office. Selected project experience includes advising the UK Ministry of Defence on the Al Yamamah Economic Offset Programme,

which encourages technology transfer to Saudi Arabia through joint ventures.

William Clark and **Scott Flippen** have been promoted to Senior Associates. Mr. Clark's recent assignments include advising on the acquisition of oil and gas production assets, advising the sponsors of a large-scale Pacific Basin LNG project and advising on the early-stage development of a 250,000 bpd refinery in Africa. Mr. Clark's previous assignments include due diligence and financial analysis on behalf of a lender bank for a large Middle Eastern telecom project; and a comprehensive analysis of shipping options for an Atlantic Basin regasification project that covered capex/opex considerations and sponsor equity requirements.



Mr. Flippen's recent advisories include a US refinery project, a Pacific Basin LNG project, a domestic US coal liquefaction project, an analysis of LNG in the North American market for a major international utility, an analysis of global LNG supply capacity and the identification of potential LNG suppliers for import terminals in South America and the Caribbean. Mr. Flippen's work in the power sector has included a coal-fired power plant in West Africa and a hydropower project in Southern Africa. ■



TRANS-CASPIAN GAS PIPELINE STUDY COMPLETED

Taylor-DeJongh, as a subcontractor to JacobsGIBB, recently completed a study on the potential Trans-Caspian Gas Pipeline from Kazakhstan to Azerbaijan, funded by the European Union and conducted on behalf on the government of Kazakhstan. TDJ provided strategic and financial advice, examining how best to commercially and financially structure the project. Key issues included the sourcing of the gas, the nature of the commercial vehicle for the project, potential project sponsors, supply and offtake contracts, regulatory issues in the Caspian Sea, tariff regulations, risk analysis and mitigation, and sources of funding. The study also provided some strategic advice to the government of Kazakhstan on how best to monetize its gas reserves and fund the rehabilitation of its domestic gas infrastructure. ■

TDJ'S LONDON OFFICE MOVES

After more than 4 years at 4 Millbank, the TDJ's London team has moved to new premises just a few minutes walk away, in Smith Square in Westminster.

The office is situated on the first floor, offering picturesque views of this quiet square, which is dominated by St. John's Church in its centre. The church is one of the finest examples of English Baroque architecture and is considered a masterpiece of this style. It is deconsecrated, and was sold to a charitable Trust as a ruin following firebombing in World War II. It is now used as a concert hall for classical music, attracting internationally renowned artists and performers.

The building itself, number 34, is a neo-Georgian style building on the north side and, like many others around the square, is a listed building. Along with the adjoining number 32, it was formerly the Conservative Party Headquarters for over forty years, before they moved to more modern offices nearby in 2004. It is perhaps most well-known for the photos of Margaret Thatcher waving from the windows after her 1983 and 1987 election victories.



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FIRST HALF 2007 RANKINGS FOR TDJ AS FINANCIAL ADVISOR

Mandates Won Globally, by Number and Value

#4 Worldwide

Mandates Won Regionally, by Value

- #1 Asia Pacific
- #2 Eastern Europe
- #5 Africa and Middle East

Mandates Won by Sector, by Value

#1 Oil & Gas

Source: *Infrastructure Journal*, July 2007.

MOZAMBIQUE HYDRO PROJECT UPDATE

Taylor-DeJongh worked with Black & Veatch to complete a feasibility study for a proposed 120MW hydropower project in the northern region of Mozambique. The client is Electricidade de Moçambique (EdM), the country's national utility, with funding for the study provided by the US Trade & Development Agency. The project is aimed at helping to address the looming power shortage in Southern Africa. It includes three components: generation, transmission and rural electrification. Initial plans call for EdM to be the sole owner of the transmission and rural electrification components, while the generation would be an IPP project tendered to the private sector through an RFP process. Artur Davtyan supervised the study and Scott Flippen traveled to Mozambique during July to discuss the finding and recommendations of the assignment with EdM. ■

COTE D'IVOIRE REFINERY UPDATE

Taylor-DeJongh is currently advising Energy Allied International on the development of a 60,000 bpd export refinery in Côte d'Ivoire. The refinery is being developed in conjunction with national oil company Petroci. TDJ recently completed a financial pre-feasibility study of the project, including a financial model and an overview of potential



Paolo Curiel with officials from Petroci, Energy Allied International, Stone & Webster and the President of Côte d'Ivoire Laurent Gbagbo

financing strategies. Vice President Paolo Curiel traveled to Abidjan to present the findings to the President of Côte d'Ivoire, Laurent Gbagbo. The export refinery is considered



Paolo Curiel meets President of Côte D'Ivoire Laurent Gbagbo

to be a priority project for the development of the country. Primary financial results were positive, and TDJ is looking forward to continue advising Energy Allied International on this project. ■

News'nViews

LATEST ARTICLES BY TDJ

Emerging Markets Report, “**Inward Investment Needed for Infrastructure**”
July 2007.

MEES, “**Recent Trends in Downstream Project Financing**,” July 2007.

Global Trade Review, “**Reserve Judgement**,” July/August 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. ■



APEC NATURAL GAS UTILIZATION WORKSHOP
An APEC Energy Sector Forum
AUGUST 27 – 29, 2007 • THE WHITE SWAN HOTEL • GUANGZHOU, CHINA
Sponsored by the U.S. Trade and Development Agency

The banner features a globe icon on the left and a photograph of an offshore oil rig at sea on the right.

August 27-29, and spaces are limited...

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UPCOMING APPEARANCES

Look for us at these fall conferences.

APEC Natural Gas Utilization Workshop, August 27-29, Guangzhou, China.

Oil & Gas Project Finance Summit, September 9-12, Bahrain.

Investing in Infrastructure Assets Europe, October 16-19, London.

Global Project Finance Congress, October 28-30, Bahrain.

Saudi Power and Water, November 3-6, Jeddah.

World Islamic Infrastructure Finance, November 4-5, Doha. ■

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