

- **New Advisory Mandates**
- **Deal of the Year/ Closed Mandates 2002**
- **New Partnership/ Joint Venture**
- **London Office Relocation and Upcoming Conferences**

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News'nViews

INSIDE...

CLOSED TRANSACTIONS

- ALBA Finalizes.....P.1
- SADAF\$650 mm financing facility closes.....P.1
- Baymina closes as Deal of the Year.....P.2

NEW MANDATES

- TDJ Awarded Marathon Oil E.G. LNG.....P.2
- Uzbekistan Uzkimyosanoat Fertilizer Plant..... P.3

UPDATES

- BTC Progress.....P.3

NEW PARTNERSHIP

- SPF in Frankfurt.....P.3

CONFERENCES

- Upcoming scheduleP.4

RELOCATION OF LONDON OFFICE..... P.2

**GLOBAL FINANCIAL
STRUCTURING**

CLOSED TRANSACTIONS

ALBA FINALIZES

Perhaps the most innovative financing in the project world today has reached its finish, with resounding value to the borrower, Aluminium Bahrain (ALBA).

In spite of difficult market conditions, TDJ has been able to provide Alba with highly attractive financing terms by facilitating a strong competitive dynamic within the bidding process. The transaction proceeded smoothly, with each of the five debt tranches closing in late March.

In order to extract optimal efficiency from an extremely capacity-constrained market, TDJ divided the total \$1.55 Bn capital to be raised into several tranches. By having the tranches sized specifically to suit targeted capital markets, Alba was able to efficiently

and expeditiously raise its entire capital requirements. The debt included the largest and longest tenor Islamic financing in the Gulf: \$250 MM. In addition, there is an international commercial bank tranche of \$500 MM, a metal-linked hedge tranche of \$300 MM, a local bond for \$200 MM, and final tranche of \$300 MM with official agency support.

The Commercial Bank tranche, metal tranche and Islamic tranche moved quickly through syndication, following prompt negotiation of the respective terms and conditions. Bankers' Meetings were hosted in Bahrain and London by TDJ and Alba, for purposes of facilitating the syndication of the Commercial Bank tranche. ■

SADAF FINANCING FACILITY CLOSED

Taylor-DeJongh in alliance with Apicorp (together "ATDJ") acted as Financial Advisor to the Saudi Petrochemical Company (SADAF) in its issuance of a US\$650 million commercial bank loan credit facility. The facility consisted of (i) a US\$400 million seven year amortizing term loan tranche; and (ii) a US\$250 million revolving line of credit due as a bullet payment upon final maturity at the end of the 7th year.

The facility is used to repay existing debt and fund company costs. The terms of the facility reflect the acceptance of SADAF as a corporate credit, having graduated from more restrictive project financing terms. Additionally, the bullet revolver allows the company to extend its optimal leverage without the need for additional investment or refinancing rounds.

SADAF is one of the largest petrochemical companies in the Gulf region. SADAF produces ethylene, EDC, styrene, caustic soda, MTBE and CIE. Production is sold through offtake contracts and marketing agreements, primarily with affiliates of its shareholders, Shell and Sabic.

The following banks arranged the facility: Gulf International Bank (GIB) (as Joint Bookrunner), HSBC (as Joint Bookrunner) with local affiliate the Saudi British Bank, The National Commercial Bank (Facility Agent), Saudi American Bank, Saudi Fransi Bank, and Saudi Hollandi Bank. General syndication closed in February. ■

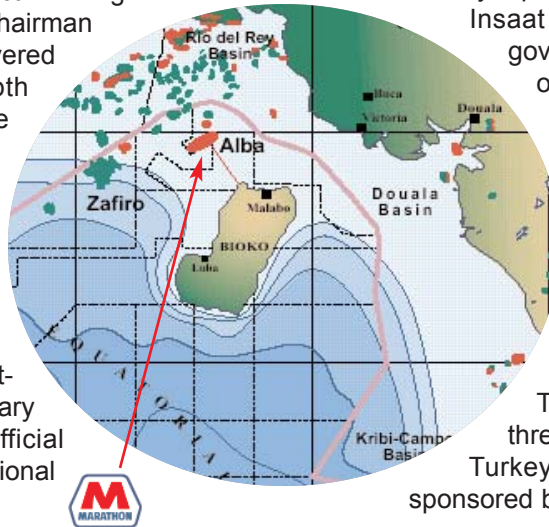
SELECTED NEW MANDATES

TDJ AWARDED MARATHON OIL LNG PROJECT

Taylor-DeJongh has been appointed by the Houston-based **Marathon Oil Corporation** (NYSE: MRO) as financial advisor on the \$1.2 billion E.G. LNG Project located in Equatorial Guinea on the central West African coast, one of the most promising new hydrocarbon reserves in the world.

The mandate includes assisting Marathon Oil Corporation in preparing a risk matrix, identifying funding sources, developing a financing plan, facilitating financial discussions with the lenders and ultimately raising limited recourse debt funds for the Project. A high-caliber professional team led by Chairman and CEO Terry Newendorp has delivered a comprehensive and in-depth financing feasibility study on the LNG project which identifies key issues in the capital and commercial structure of the Project as well as the likely funding sources for this project. Currently, the team is working at full speed to assist Marathon Oil Corporation in moving this Project forward by assisting in finalizing a series of necessary project documents for filing official applications to a select few institutional lenders.

The proposed LNG liquefaction facility consists of one train initially and has a nameplate capacity of 3.1 Mmtpa. Bechtel Corporation has been awarded the FEED contract. The expected commercial operation date for this project is in the middle of 2007. The Project is a major component of an overall development plan for the Alba field offshore Equatorial Guinea, which also includes a methanol plant and an LPG facility already in operation. ■



CLOSED TRANSACTIONS (CONT'D)

BAYMINA ~ POWER DEAL OF THE YEAR

PROJECT FINANCE INTERNATIONAL

On November 26, 2002, Baymina Power Project came to a successful financial close. It was awarded the **"Power Deal of the Year - 2002"** by *Project Finance International*. In 2001, Taylor-DeJongh won the Financial Advisory mandate to assist the U.S. Export-Import Bank in structuring loan facilities for the 770 MW combined cycle gas-fired Baymina BO power plant in Turkey, sponsored by Tractebel S.A. and Mimag Insaat ve Ticaret. TETAS, the Turkish government-owned electric utility, is the off-taker for the entire production of the power plant. Construction of the plant, which is located in Ankara, began in July 2001 and the plant will be operational in the beginning of 2003.

This is the latest of a long line of Turkey power project advisories by Taylor-DeJongh, dating back to 1992. The firm was also financial advisor for three previously closed power projects in Turkey: Gebze, Izmir and Adapazari, sponsored by InterGen.

Taylor-DeJongh's scope of work on the project included: analysis of all the project documents; investment risk assessment; creation of a financial model; assistance in negotiating the financing conditions and lender security package; structuring of project loans; and a number of other technical and financial issues relating to the project. ■

TDJ London Office Has Moved!

Please make a note of the new contact details:

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ADVISORY UPDATES

SELECTED NEW MANDATES (CONT'D)

BTC Pipeline Mandate Expands

Taylor-DeJongh has been advising US Ex-Im Bank, JBIC, and NEXI on the Baku-Tblisi-Ceyhan ("BTC") Pipeline Project since early last year. Recently, Taylor-DeJongh's mandate has been expanded to include the **entire** European ECA group, which joined the lender group as a result of the procurement decisions.

Total capital costs for this mega-project exceed US\$ 3.6 Bn. The BTC project is one of the largest active projects in the world involving the development of a 1,775 km international pipeline with a capacity of approximately one million barrels per day. The pipeline will transport crude oil from the ACG field in the Caspian Sea through Azerbaijan, Georgia and Turkey to the terminus at Ceyhan in the Mediterranean Sea. The sponsor group includes BP, Statoil, Unocal, TPAO, Itochu, Inpex, SOCAR, Amerada Hess, TFE, ENI, and ConocoPhillips.

The team is led by Paul Ameer with support from Richard Parry and Jill Schoenblum from the Washington office and Cristina Salpietro from the London office.

Uzbekistan Fertilizer Plant

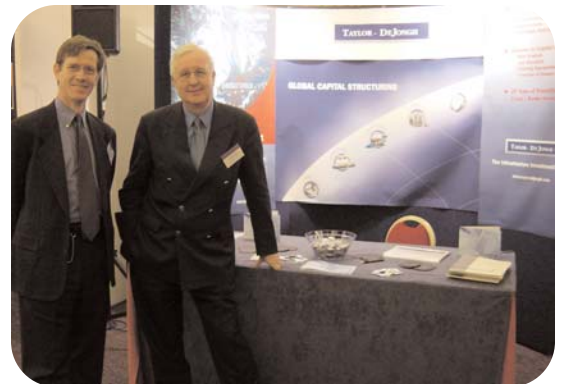
Taylor-DeJongh is currently financial advisor to the project sponsor, **Uzkimiyosanoat**, for a feasibility study sponsored by the US Trade Development Agency and led by KBR Houston. The Navoi fertilizer project is to construct a new 300,000 tpa ammonia plant, a 360,000 tpa nitric acid plant, and a 450,000 tpa ammonium nitrate plant to replace existing plants at the Navoi fertilizer complex. The entire production from this Project is expected to be consumed within Uzbekistan. Fertilizer plays an important role in the production of cotton, which is a prime export commodity and consequently, is a very high priority to the Government of Uzbekistan. The Project will allow the country to continue production of nitrogen based fertilizers at an improved energy efficiency rate than at current levels. The firm will prepare initial economic assessments of different financing alternatives and assist in the preparation of the final economic evaluation and feasibility report for the Uzkimiyosanoat Cabinet of Ministers. ■

NEW PARTNERSHIP

SPF Partners in Frankfurt

In January 2003, Taylor-DeJongh entered into a new partnership with SPF Partners based in Frankfurt, Germany. SPF Partners was formed by Frank Hahn, former Head of Structured Finance at Dresdner Kleinwort Wasserstein headquarters in Frankfurt, and Peter Schultze-Rhonhof, formerly Head of Project Finance, Deutsche Bank headquarters in Frankfurt. The know-how and experience of our partners ensure that the most effective financing solution for our clients is identified, structured and implemented.

The Managing Partners are highly qualified and experienced bank professionals. They successfully structured and arranged innovative project and structured finance transactions for domestic and international projects. Their unique track record in the German market consists of 35 years of financing experience and a volume in excess of \$20 billion in successfully closed transactions. ■



Frank Hahn (SPF) with Troy Alexander of White & Case at the TDJ exhibition booth at ICBI Projects International conference in Paris, March 2003.

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Conferences



At the exhibition booth, Terry Newendorp and Richard Parry interact with Price Lowenstein from Sovereign Risk.

Taylor-DeJongh was present again at the ICBI annual Projects International conference in Paris this past March. Chairman and CEO, Terry A. Newendorp was the chair of the Oil & Gas Summit and a speaker on the 1st day of the main conference. In addition to being a sponsor, TDJ exhibited at a booth with SPF Partners, its new Frankfurt affiliate.



Terry Newendorp presenting his speech on the main conference day on Capital Constricted Market.

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