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News'nViews

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GLOBAL FINANCIAL STRUCTURING

SELECTED NEW ADVISORY MANDATES

 **TDJ Selected as Financial Advisor for QatarGas II**
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TDJ Advises Angola LNG

Taylor-DeJongh was recently appointed by the Angola LNG sponsor consortium to serve as financial advisor for the bankability analysis of the US\$ 2 billion Angola liquified natural gas (LNG) project. The sponsor consortium consists of ChevronTexaco, BP, ExxonMobil, Total and Sonangol.

The Angola LNG project is a planned integrated project encompassing offshore and onshore operations to monetize significant gas resources from fields located offshore Angola.

The project is planned to facilitate offshore hydrocarbon developments, while reducing gas flaring in Angola. Natural gas will be collected and transported from offshore

production facilities to an LNG plant to be constructed near Soyo in northern Angola, approximately 300 kilometers north of Luanda. The plant will initially have one train of a nominal four million tonnes per year of production capacity.

TDJ's role was featured in Project Finance International, Forbes.com, and CBS Marketwatch. ■

Major Russia Initiative: Teaming with Vneshtorg Bank

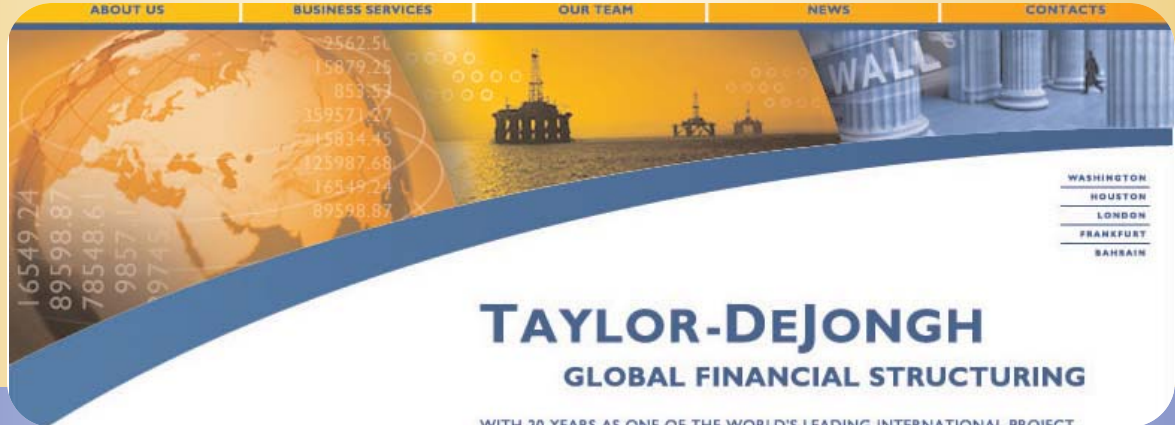
Taylor-DeJongh and Vneshtorg Bank (VTB), the largest bank in Russia, have agreed to join forces for energy sector investment banking transactions and structured and project finance in Russia and for Russian companies investing outside the Russian Federation.

VTB carries the highest credit rating of any Russian bank and has extensive experience as a counter party bank to external lenders into Russia. The teaming of VTB's balance sheet strength and TDJ's expertise in structured and project finance, capital raising, M&A and energy sector investment

banking, is a powerful combination for companies investing into Russia and for Russian companies seeking to expand.

The formation of this joint venture demonstrates the depth of commitment of both firms to the growing capital requirements and the attractive opportunities throughout the energy and industrial sectors in Russia. ■

Visit our new website at www.taylor-dejongh.com



ASIAN ENERGY ANALYSES

Taylor-DeJongh has been working with Australia Power & Water Ltd. Pty. (APW), a Sydney based engineering consulting firm, on the development of a framework for financing merchant power plants (MPP) in Asia funded by the Asian Development Bank. The study presents a description of the power sector reforms initiated in those developing countries that have attempted MPP markets, a comprehensive understanding of the MPP model for consideration during the restructuring of the power sector, and lessons from MPPs in developed and developing countries. The team will construct a database containing all successful MPPs globally, highlighting certain characteristics for analysis.

In addition, Taylor-DeJongh and APW have recently won another assignment funded by the Asia Pacific Economic Cooperation Energy Working Group to develop a comprehensive analysis of the potential sources of funding for commercial installation of renewable and clean energy technologies in APEC member economies. The report covers lending and grant entities and programs that could fund implementation of international energy and environmental projects. Taylor-DeJongh is performing a review of past renewable energy projects which have benefited from the support of a financial institution; will be developing a loan matrix (including loan size and financial entity); defining loan, steps, time required, costs and other relevant information; providing examples; assisting on writing a summary of main findings and conclusions for the success of a project; and providing suggestions for improving the success rate for the financing of renewables projects in the APEC member countries. ■

BTC Pipeline Updates

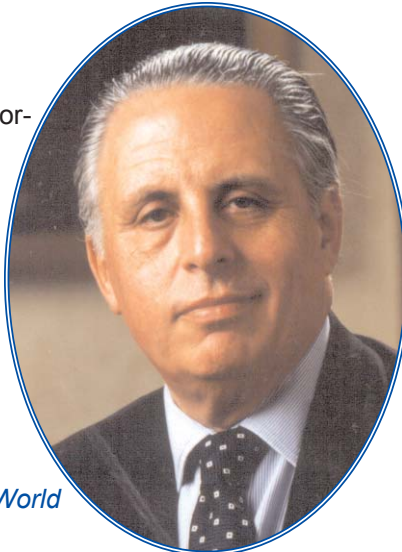
The BTC Project, a 1760 km, 1 million barrel per day capacity oil pipeline originating near Baku, Azerbaijan and terminating on the Mediterranean Sea at Ceyhan Turkey, has begun construction. Financial Close is targeted for the end of 2003. The Senior Lender Group, composed of seven ECAs (US Ex-Im Bank, JBIC, NEXI, Hermes, Coface, ECGD, and SACE), two MLAs (IFC and EBRD), and commercial banks are in the process of finalizing the remaining commercial issues and have commenced financial documentation activities. It is expected that the various lending institutions involved with the transaction will seek credit approval from their respective authorities over the course of the fall. TDJ is serving as financial advisor to the seven ECAs. ■

Ibitermo Reaches Documentation Close

The \$220 million Ibitermo Power Project developed in Minas Gerais, Brazil by Petrobras S.A. and Edison S.p.A (Italy) completed combined cycle reliability and performance tests in July and subsequently was declared dispatchable to the Brazilian power grid. As a result, Petrobras began paying combined cycle tariff payments under the tolling agreement. The sponsors funded construction costs with equity, but have successfully negotiated project financing from US Ex-Im Bank, BNDES and BNP Paribas with comprehensive cover from SACE. The Senior Lenders and SACE, as well as Edison, have signed financial documentation and final close awaits Petrobras' board approval and signature. The project was managed by Gene Vega from Washington and Cristina Salpietro from London with support from Juan Pablo Crane. ■

DAVID SURATGAR JOINS AS CHAIRMAN OF THE ADVISORY BOARD

David Suratgar has recently joined Taylor-DeJongh as Chairman of the Advisory Board.



With over 30 years of experience in the infrastructure industry in emerging markets, Mr. Suratgar is enthusiastic about joining Taylor-DeJongh. As he says: *"Having had years at the World Bank, in export credit and international finance, and most recently as Deputy Chairman at Deutsche Morgan Grenfell, I am particularly excited to be associated with Taylor-DeJongh. My enthusiasm reflects the innovative, independent advisory approach of this firm, the mastery of the complex issues and the thorough grasp of the evolving world sources of finance that TDJ have displayed. I am pleased to join a firm with such team spirit, and at the same time, a commitment to relationships and complete devotion to client interests, that I have witnessed first hand, which is rare."*

Over his career, Mr. Suratgar has worked with a wide range of transactions, including private infrastructure, power, oil and gas, petrochemical, and mining projects. He has extensive experience in placing equities jointly with merchant and investment banks, as well as project financings, external debt management advice and restructuring, rescheduling and buybacks, and debt-equity conversions.

Previously, Mr. Suratgar was Deputy Chairman of Morgan Grenfell International, where he was responsible for developing and executing business in Latin America, the Caribbean, Africa and the Mediterranean. Furthermore, he served as an advisor to the European Commission (DG1) on the financing of private sector infrastructure and in encouraging of private investment from the European Commission into non-Lome developing countries (ASEAN, Mediterranean, and Latin America). ■

TDJ AWARDED QATARGAS II

Taylor-DeJongh has been selected as financial advisor to U.S. Ex-Im Bank for the Qatargas II LNG Project which is sponsored by ExxonMobil and Qatar Petroleum. The Project is designed to ship LNG from Qatar to the U.K. and will be a 2-train 15 mmtpa plant including shipping and a regasification terminal in the U.K. Total capital investment will be in the range of US\$5 BN.

U.S. Ex-Im Bank has been a financier in two prior LNG projects in Qatar: Qatargas I and Ras Gas Trains 1 & 2. TDJ's prior LNG experience in Qatar has been as an advisor to U.S. Ex-Im Bank and 4 European ECAs on Qatargas I Upstream and also as advisor, in conjunction with Goldman Sachs to Ras Gas Train 3.

The TDJ team will be comprised of professionals out of the Washington and London offices. ■

IN THE NEWS

Recent Articles in the Press:

"Alba - Deal Review", *Project Finance International*, issue 263, April 16, 2003

"The Role of Financial Advisor in LNG Project Finance", *The LNG Journal*, June 2003

"LNG Imports to the US - A Solution to Growing Supply Crisis?", *Oil & Gas Investor*, September 2003

"LNG Projects in the Pipeline", *Global Trade Review*, September/October 2003

"LNG - Plenty of Projects Competing for Market and for Capital", *Global Energy Review*, September/October 2003

"Merchant Asset Sales", *Project Finance Global Power Report*, September/October 2003

Recent interviews:

Infrastructure Journal's LNG commentary of key industry players and their reaction to the market's development. - Terry A. Newendorp

Conferences

UPCOMING CONFERENCES

OCTOBER

MEED Project Finance in the Middle East

Manama, Bahrain - Terry Newendorp as Invited Speaker & TDJ as Sponsor

NOVEMBER

CBI 3rd Annual Latin America Oil & Gas

Houston, TX - Michael Humphries as Invited Speaker

CWC North America Gas Summit

Houston, TX - Michael Humphries as Invited Speaker

European Autumn Gas Conference

Prague, Czech Republic - Terry Newendorp as Invited Speaker

Infocast New Capital Markets for the Changing Power Industry

New York, NY

Adam Smith Institute Russia Gas and Electricity Sector

Moscow, Russia - Terry Newendorp as Invited Speaker & TDJ as Sponsor

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Terry Newendorp with Scott Fortheringham from Shell Business Development Group.



Taylor-DeJongh was present again at the WBR 7th Annual European Power & Gas Strategy & Finance conference in Madrid, Spain this past May. Chairman and CEO, Terry A. Newendorp was a speaker on a Gas/ LNG session and a chairman of an interactive roundtable on the latest developments in importing LNG into Europe.

LNG Briefing at Baker & McKenzie

On September 16, Terry Newendorp was invited to present an overview on the global LNG industry at the Baker & McKenzie LNG Briefing in Houston. The presentation also included an overview of the US and EU natural gas demand, assessment of the level of demands for LNG projects and the competition for capital in the global LNG market.