

TAYLOR-DEJONGH

News'nViews

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TRAINING WITH CHINA MERCHANTS BANK

GLOBAL FINANCIAL
STRUCTURING

TDJ Advises SAMIR Refinery with BMCE Capital

Taylor-DeJongh (together with Moroccan bank BMCE Capital) is currently advising Société Anonyme Marocaine de l'Industrie du Raffinage ("SAMIR"), the dominant Moroccan refinery company, on securing financing for the upgrade of SAMIR's existing facilities. The upgrade project will include the installation of a new hydrocracker complex which will allow the refinery to produce higher value diesel product that will meet enhanced environmental standards. The financing is expected to be in the range of US\$600 million and is expected to be sourced from ECAs, and international and domestic banks.

Recently, the team met with SACE, the Italian export credit agency, which hopes to support the short-listed EPC contractor. The team should be in a position to circulate a PIM to SACE and other selected multilaterals shortly.

Financial Close is expected to take place in 4th quarter 2004. The project is led by Guy Ranawake, TDJ's Vice President in London, with financial analysis support from the Washington office. ■

Equatorial Guinea LNG Progresses

Marathon Oil and GEPetrol's LNG project in Equatorial Guinea has now given the Notice to Proceed for the EPC contractor, Bechtel. The FEED has been completed and the construction on Bioko Island has now started. The financing process now moves forward, with the Preliminary Information Memorandum (PIM) and Indicative Term Sheet in stages of finalization, for presentation to key financing institutions in the near future.

cial agencies, such as OPIC. Letters of Interest have been issued by several of these agencies. The commercial bank market will be approached after some significant progress has been made with the agencies in establishing the terms for their participation. The total project size is approximately \$1.5 Bn.

The financing plan is expected to focus on export credit agencies, such as U.S. Ex-Im Bank and SACE, and other offi-

The project has a long term take-or-pay FOB offtake from BG Group, and the LNG is intended for BG's Lake Charles, LA, regasification terminal. The LNG will enter the US market by late 2007, when there is still projected to be a gas supply shortage in the US. ■

NEW MANDATE - TECHINT GUARANTEE FACILITY

Taylor-DeJongh has been engaged by Techint International Construction Corporation to act as financial advisor with regard to the offering of a \$100 million facility (the Performance Contractor Counter Guarantee Facility), that will allow Techint to obtain performance support instruments for its construction projects. This facility will a) allow banks to participate in a broader spread of projects, b) allow insurance and reinsurance companies to support the facility in excess of an aggregate net loss, which shall isolate them from first and second losses and c) enable Techint to obtain on reasonable terms, performance support instruments to guarantee its obligations under new construction contracts. ■

NEW MANDATE - OIL AND GAS STUDY IN AFGHANISTAN

Taylor-DeJongh was mandated by Hill International Consulting to provide financial advisory services on a World Bank-funded Oil and Gas Utilization study in Afghanistan.

TDJ analyzed the financial viability of a refinery project in the Northern part of the country. Under this task, TDJ developed a financial model to compare the different refinery configurations and analyzed the results under various oil-price scenarios. TDJ also developed a financial model to analyze a Gas Processing facility and its sensitivity to different gas-price scenarios. ■

JBIC AND PANAMA CANAL WORKSHOP

Recently, Taylor-DeJongh supported the Japanese Bank for International Cooperation ("JBIC") in a workshop for the Panama Canal Authority ("ACP") on financing issues and structures in connection with the Canal expansion project. The workshop was attended by over 30 professionals from various departments within the ACP. ACP is currently preparing a master plan for the expansion of the Canal, which will involve new gates, expanded locks and waterways, new dams, and related infrastructure and is estimated to cost \$5/6 billion. The eventual financing plan will need to achieve the ACP's funding requirements, while complying with the existing laws governing the Canal. ■

NEW MANDATE - SOCAR RESTRUCTURING

Taylor-DeJongh, together with SALANS, and in collaboration with ICF Consulting and PFC Energy, has won an advisory mandate funded by the US Trade & Development Agency and managed by EBRD, to assist SOCAR, the state oil company of Azerbaijan, in restructuring its operations. The scope of work includes establishing a road map for SOCAR that conforms to best international oil and gas industry practices, identifying options and creating a detailed plan to implement the restructuring. The project will look at all aspects of the the State Oil Company including upstream and downstream aspects in a region which will be of increased international focus. ■

QatarGas II Updates

Taylor-DeJongh continues to work as financial advisor to US Ex-Im Bank and Sace 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 UK and will be a 2-train, 15mmtpa plant, including shipping and a regasification terminal in the UK. Total capital investment for the first train (7.775 mmtpa) is projected to be in the range of \$5 billion.

The ECA Lenders (US Ex-Im Bank and Sace) have been conducting due diligence on technical and commercial issues since fall 2003. Commercial issues and financial documentation are expected to be finalized during the next several months, with financial close occurring before the end of 2004.

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. ■

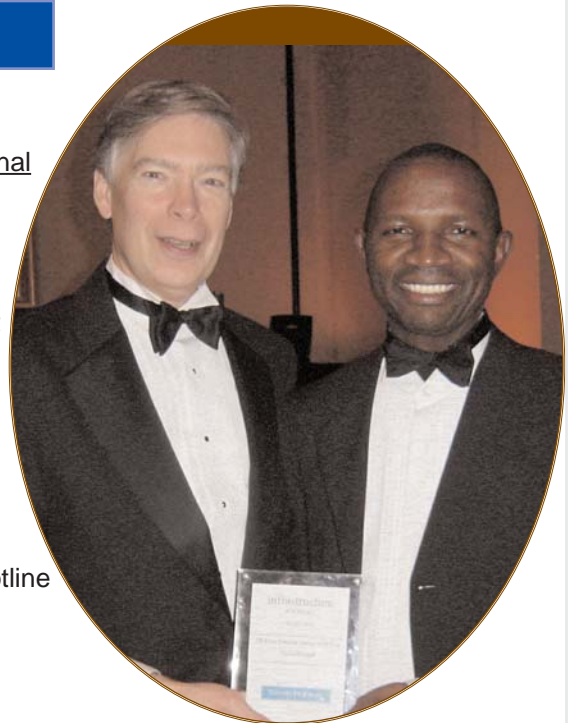
TDJ Receives Awards for 2003

During the first quarter of 2004, TDJ received awards for its work in infrastructure financing in 2003 from the various industry publications, beginning with Project Finance International (London), Infrastructure Journal (London), and finally Project Finance (New York).

The photo on the right shows the Chairman and CEO, Terry Newendorp with the award for "**Oil & Gas Advisor of the Year - 2003**" at the annual Infrastructure Journal award ceremony in London. With Mr. Newendorp at right, is TDJ's guest Mr. Seve Asumu, Managing Director of GEPetrol.

At the Project Finance award ceremony, the **Ibiritermo Power Project** was nominated and won "**Deal of the Year - Latin America**". TDJ advised U.S. Ex-Im Bank and SACE for the 210MW power plant in Minas Gerais, Brazil. The project closed at the end of November 2003.

In addition, TDJ was awarded "**Best Deals of 2003**" for **ALBA**, the 5th potline expansion in Bahrain by Global Trade Review. TDJ advised Aluminium Bahrain B.S.C. and successfully completed the financing in April 2003.



CONFERENCE SCHEDULE

JUNE

MEED Gulf Petrochemicals

Manama, Bahrain - Pierre Larroque, Senior Advisor, Speaker and TDJ was a Sponsor

Infrastructure Journal LNG Conference

Versailles, France - Terry Newendorp, Chairman and CEO, Speaker and TDJ was a Sponsor

Crisis and Solutions in World Power

Rio de Janeiro, Brazil - Richard Parry, Executive VP, Speaker

JULY

Adam Smith Institute Strategic Investment in SEE Gas and Power

Belgrade, Serbia and Montenegro - Guy Ranawake, Vice President, Speaker

OCTOBER

MEED Project Finance

Manama, Bahrain - Terry Newendorp, Chairman and CEO Speaker and TDJ as Sponsor

IQPC Commercial Strategies for LNG Shipping and Transportation

London, Bahrain - David Suratgar, Chairman of the Advisory Board and Radoslav Shipkoff, Vice President, Speakers

NOVEMBER

IBC 3rd International Middle East Petrochemical

Dubai, UAE - Terry Newendorp, Chairman and CEO, Invited Speaker

Visit our website at www.taylor-dejongh.com to view past conference presentations.

CGLA 2nd Annual Latin American Leadership Forum - co-sponsored by TDJ

Taylor-DeJongh was a sponsor and Chairman and CEO, Terry Newendorp spoke at the 2nd Annual Latin American Leadership Forum, "Critical Infrastructure in Latin America: Funding, Strategic Infrastructure and Sustained Competitiveness", held on March 23rd and 24th in Washington DC. Besides US companies and government agencies, dozens of government officials from Brazil, Mexico, Peru, Chile, Venezuela and other Latin American countries were there to share their project ideas and opportunities. Mr. Newendorp's compelling speech "*The Infrastructure Gap in the Region: Financing Strategies that will Help*" received numerous accolades and press coverage (see March 31, 2004 issue of Project Finance International) and is available for viewing on TDJ's website.

Taylor-DeJongh will continue to sponsor and speak at this important event. The 3rd Annual Latin American Leadership Forum will be held at the end of March 2005 in Washington DC. *Contact TDJ for more information or if you would like to participate in March 2005.*

IN THE NEWS

Recent Articles in the Press by TDJ:

"Time for Project Financing Again?", *Infrastructure Journal*, Award issues, February 2004

"ALBA Deal of the Year", *Global Trade Review*, February 2004

Visit to Shenzhen, CHINA



In May, Xiaochao Wang, Vice President in the Washington office spent a week in Shenzhen, China. The primary objective of his trip was to expand Taylor-DeJongh's services into the rapidly evolving Chinese market. China Merchants Bank (CMB) had requested that TDJ give an exclusive presentation to the 32 regional officers on project finance services. Mr. Wang also met the President and the Senior Vice President of CMB. As a result of the trip, TDJ and CMB are discussing opportunities in project finance advisory services in China.

In addition, Mr. Wang also met the Chairman of DiChain Holdings. The company owns a listed company in Hong Kong and a listed company on NASDAQ (DF China). DiChain Holdings is very interested in introducing new financing techniques to Chinese enterprises.

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Mr. Wang with the 32 regional branch officers



Mr. Wang and Senior Vice President of China Merchants Bank



Mr. Wang and the President of DiChain Holdings