

TAYLOR-DEJONGH

News'nViews

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GLOBAL FINANCIAL
STRUCTURING

Strengthening Our Services

For the past 10 years, Taylor-DeJongh has consistently ranked among the top five project finance advisory firms worldwide, providing market-based project finance advisory for various infrastructure sectors. In addition to debt and equity raising for complex transactions globally, TDJ now also has seasoned and well-regarded professionals to carry out energy project development, private equity placements, and asset acquisitions and divestitures. In just the past few months, TDJ has:

- **Advanced the project development of a first-in-country LNG production facility, including commercial negotiations and capital structuring.**
- **Initiated development of a condensate recovery project in the Middle East.**
- **Secured a major equity investment for an African mining and refining project.**
- **Advised on joint venture negotiations for a world-scale Middle East petrochemical project.**
- **Initiated IPP acquisitions on three continents.**
- **Started development of two Greenfield IPPs in the US.**
- **Initiated two M&A transactions in the energy sector.**

With these new capabilities and successes, TDJ is positioned to continue as one of the top global financial advisory firms, as well as to act as a significant energy project development partner. ■

NEW ADVISORY FOR INTERMODAL PROJECT - GUATEMALA

Taylor-DeJongh has been awarded the mandate to advise ODEPAL, the developer and promoter of a large intermodal infrastructure project in Guatemala. TDJ has completed a comprehensive review of the Project's status, and is currently providing advice on the development plan and on the equity raising process. TDJ expects to begin approaching project finance lenders and permanent equity sources in the future, once the early-stage development activities have been advanced. TDJ responsibilities include reviewing the economic and financial assumptions; developing and maintaining the financial model; advising the company in formulating the project's development plan, schedule and budget; and drafting the offering memorandum for potential investors.

David Ghighi and Paolo Curiel are leading TDJ's efforts from the Washington office with the support of Sophie Guiny. ■

2005 Mid Year Financial Advisor Rankings

MANDATES WON GLOBALLY:

- #2 Financial Advisor by Value of Transactions

RANKINGS BY MANDATES WON; INDUSTRY SECTORS:

- #1 Financial Advisor in Oil & Gas
- #1 Financial Advisor in Petrochems
- #1 Financial Advisor in Telecom
- #2 Financial Advisor in Power
- #5 Financial Advisor in Transport

Infrastructure Journal 2005 Mid Year League Tables

APEC GAS STUDY OFFICIALLY UNDERWAY

Taylor-DeJongh and our Australian partner firm Resources Law have officially kicked off the APEC funded study "Potential for the Growth of Gas as a Clean Energy Source in the APEC Developing Economies." The study will be completed by the first quarter of 2006 and will be followed by a symposium to disseminate the findings. The study is focusing on the utilization of gas in China, Indonesia, Malaysia, the Philippines, Vietnam, Mexico, Chile, Peru and Russia, as well as looking at the evolution of the global LNG market and the competitiveness of gas versus other traditional fuels. The study will also produce a pipeline of potential projects. TDJ/ APEC has received financial support from the Baker & McKenzie law firm and continues to look for other potential financial sponsors interested in the development of gas in the APEC region, and in supporting the study and symposium. Please contact Jennifer Hara, Project Manager, at jhara@taylor-dejongh.com if you are interested in sponsorship. ■

SAMIR PROJECT FINALIZED

TDJ, together with Moroccan bank BMCE Capital, have achieved close on the financing for Société Anonyme Marocaine de l'Industrie du Raffinage ("SAMIR"), the dominant Moroccan refinery company. The financing is for the upgrade of SAMIR's existing facilities. The upgrade project will include the installation of a new hydro-cracker complex, which will allow the refinery to produce a higher value diesel product that will meet enhanced environmental standards. The financing is US\$600 million and has been sourced from SACE, African Development Bank, Proparco (the French development bank), as well as international banks (BNP Paribas and Barclays Capital) and local Moroccan banks.

The transaction has closed the documentation phase and SAMIR expects to make first draw of funds in January 2006. Guy Ranawake, a TDJ Director based in London, has led the project. ■

AQABA FREE TRADE ZONE - JORDAN

TDJ is currently working with BearingPoint in implementing a two-year management contract to set up operations of the Aqaba Development Corporation (ADC) in Aqaba, Jordan. The Aqaba Special Economic Zone was created in 2001 as a duty-free, low-tax development zone on Jordan's southern coastline and includes Aqaba's seaport facilities, an international airport, and tourist facilities. ADC was incorporated in 2004 with the mission of fostering investment in and development of the Zone, as well as promoting overall economic growth in Jordan. TDJ's role as a financial advisor to ADC includes the evaluation of proposals and negotiation of contracts for several proposed port and airport facilities, including a container village, air cargo terminal and oil terminal. Separately, TDJ is also developing a financial model to assist ADC in its negotiations with AP Moller Terminals, a subsidiary of the AP Moller-Maersk Group, for the establishment of a 25-year joint venture (JV) to operate and expand the existing Aqaba container terminal. The JV is currently scheduled to become operational in 2006. The project is led by Afonso Reis e Sousa and Shilpa Shah. ■

RANKINGS BY MANDATES WON; REGIONS:

- #1 Financial Advisor in North America
- #1 Financial Advisor in Latin America
- #1 Financial Advisor in Middle East & Africa

Infrastructure Journal 2005 Mid Year League Tables

Financing Major Petrochemical Projects in Time of Rising Costs

In 1997, Chase and GIB financed the first private sector petrochemical plant in the Kingdom of Saudi Arabia, a US\$400million debt facility for Saudi Chevron's aromatics complex. The issues facing investors in similarly scoped projects today are relatively few thanks to the diffusion of the experience gained from that transaction. Financing a private sector mega-project in the Persian Gulf in 2006, however, will require a vastly different structure on all component parts, from ownership/governance to marketing/offtake - especially if more than US\$2 billion of limited recourse debt is required.

Excerpt from TDJ's latest article with Euromoney International Oil & Gas Review Yearbook, December 2005

ECHEM PVC - EGYPT

Taylor-DeJongh, together with Jacobs Consultancy Inc., was retained by the Egyptian Petrochemicals Holding Company (Echem) to develop a technical and economic assessment of a debottlenecking of a Polyvinyl Chloride (PVC) Production Plant operated by the Egyptian Petrochemicals Company (EPC) in Alexandria, Egypt. The feasibility study is funded by a grant received by Echem from the US Trade & Development Agency (USTDA). The first phase of the study, which outlines two configuration options to increase PVC capacity, is now being finalized. An additional phase, scheduled to commence shortly, will include an assessment of the feasibility to add new grassroots capacity.

The project is led by Artur Davtyan, Vice President at TDJ's Washington office. ■

LOOKING FOR WATER PROJECTS

Taylor-DeJongh has access to direct funding for water-related projects worldwide. We are looking for projects that will promote water and coastal management, including sanitation and wastewater projects, water supply, hydropower, desalination, watershed administration, and water-related tourism. We would be happy to work with you on the development of these types of projects. The small business set-aside awarded to our consortium allows for non-competitive awards and we are looking for ideas and projects to present to the USAID local and regional offices.

Further further details and to discuss, please contact Jennifer Hara, Project Manager, at our office in Washington +001 (202) 775-0899 or jhara@taylor-dejongh.com. ■

Guy Ranawake and Afonso Reis e Sousa led the Financing LNG Shipping Workshop

Guy Ranawake and Afonso Reis e Sousa, Directors in TDJ's London office, participated in the IQPC LNG Shipping Conference in London at the end of October. Besides the formal presentation on "Financing LNG Ships", they also led a pre-conference workshop on "LNG Shipping Financing." The workshop focused on the challenges of securing financing for LNG vessels. There is a rapid increase in the demand for LNG vessels, while at the same time charterers are demanding more flexibility in the time charter party agreements, thus moving more risk to the shipowners and their financiers. Through a combination of group discussion and case studies, the workshop focused on how limited recourse financing structures are responding to the challenges and opportunities which arise in this particular area of financing. ■

Ramesh Raman and Senake Gajameragedara in Houston for LNG USA Conference and Workshop

Taylor-DeJongh provided an overview of the LNG re-gasification market in the US and the commercial structures employed historically and changes that are occurring in the current market. The team led a well attended workshop at the end of the conference, that detailed certain risks with the current market including regulatory, and development risks apparent with proposals currently underway. TDJ discussed the typical structures utilized and how these differ depending upon the sponsor group. ■

IN THE PRESS

Latest Articles in the Press by TDJ:

"Dealmaker 2006 Forecast - Energy Sector," Terry Newendorp, *Financier Worldwide*, January 2006

"Financing Major Petrochemical Projects in Times of Rising Costs," David Ghighi and Scott Flippen, *Euromoney International Oil & Gas Review Yearbook*, December 2005

"Recent Developments of the US Power Sector," Ramesh Raman and Sophie Guiny, *Financier Worldwide*, December 2005

UPCOMING APPEARANCES IN 2006

JANUARY

2nd Annual PFI Energy Finance Forum (Jan. 16-17)
London, UK - Terry Newendorp, Chairman and CEO, Invited Speaker

FEBRUARY/ MARCH

Energy Exchange 7th Annual Middle East Refining Conference (Feb. 27-28)
Dubai, UAE - Pierre Larroque, Executive Director, Invited Speaker

MEED Middle East Project Finance (Feb.28-Mar.1)
Doha, Qatar - Terry Newendorp, Chairman and CEO, Invited Speaker and TDJ as Conference Sponsor

UN Economic Commission for Europe Seminar "Energy Security Risks and Risk Mitigation" (March)
Geneva, Switzerland - Terry Newendorp, Chairman and CEO, Invited Speaker

Energy Exchange Gas Arabia (Mar. 5-6)
Abu Dhabi, UAE - David Ghighi, Director, Invited Speaker and TDJ as Conference Sponsor

MEED Middle East Power and Desalination (Mar. 12-13)
Abu Dhabi, UAE - Ramesh Raman, Director, Invited Speaker and TDJ as Conference Sponsor

ICBI 12th Annual Projects International (Mar. 14-17)
Paris, France - Terry Newendorp, Chairman and CEO and Afonso Reis e Sousa, Director, are Speakers and TDJ as Conference Sponsor

4th Annual Latin America Leadership Forum (Mar. 28-29)
New Orleans, LA - Terry Newendorp, Chairman and CEO, Invited Speaker and TDJ as Conference Sponsor

If your contact details require updating, or if you would like to be added to our mailing list for future issues of TDJ's NewsNViews, please email Lydia Liu at lliu@taylor-dejongh.com.

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