

## WASHINGTON-BAGHDAD FINANCIAL SERVICES FIRM CREATED

Taylor-DeJongh and Phoenix Capital LLC, a Baghdad-based investment bank, have entered into a strategic partnership to create the first Washington-Baghdad financial services firm.

The partnership will provide specialist industry knowledge and financial expertise to both international and Iraqi public and private sector clients and execute transactions in project finance, M&A, and direct investment, including Shari'a compliant structures. The TDJ Phoenix Capital venture will also provide strategic advice to international firms interested in doing business in Iraq.

The firms will work together to provide strategic, commercial and financial advisory and domestic



PHOENIX CAPITAL

investment banking services to companies doing business in Iraq. The venture will initially focus on investments in the energy sector, including the entire value chain from upstream oil and gas, oil services companies, to refining and petrochemicals, as well as power generation, and industrial and infrastructure development.

The partnership will have offices in Washington, DC, and in Baghdad, with plans for offices in Basra and Erbil.

*(See page 2 for more information)*

## CLOSED M&A DEALS

### Oaktree Capital Acquires Majority Share in Gulmar Energy

Oaktree Capital Management acquired approximately 80% of Gulmar Energy SA shareholding in September 2010. For this transaction, the Los Angeles headquartered private equity firm provided \$100 million of quasi equity financing to reinforce Gulmar's balance sheet and expand Gulmar's subsea-contracting operations.

Taylor-DeJongh served as financial advisor to Gulmar Energy SA, an offshore construction and services firm headquartered in the UAE with assets in multiple foreign countries.

Gulmar Energy offers engineering, construction, marine and diving services to the offshore oil and gas industry, and expects to take delivery soon of two new DP2 Diving Support Vessels, expanding its subsea contracting operations.

TDJ Deputy CEO Laurent Lavigne du Cadet commented: "This complex transaction clearly demonstrates Taylor-DeJongh's competitiveness and efficiency in the M&A market. Our capacity to identify strong growth potential and energy related opportunities for our clients, in the US and internationally, is strongly underlined by this significant transaction."



TDJ closes on complex majority share acquisition for its UAE offshore construction and services client



## CLOSED DEALS (CONT.)


### Saint-Gobain Acquires Equity of SAGE Electrochromics

Taylor-DeJongh, along with Messier Partners LLC, acted as co-advisor to Saint-Gobain for the acquisition of 50% of the equity of SAGE Electrochromics. Together, Saint-Gobain and SAGE Electrochromics will build the world's first large-scale electrochromic glass plant in Minnesota, USA. The plant will manufacture glass that changes from clear to tinted depending on the level of sunlight and a building's temperature, reducing the energy needed for heating, air conditioning, and lighting. The sheets of glass produced will be


larger than have been previously available on the market.

Laurent Lavigne du Cadet, Deputy CEO of Taylor-DeJongh, stated: "Our knowledge of the US renewable energy and cleantech sector and the extensive reach of Messier Partners have allowed both our firms to close this significant cross border transaction." ■

2010



Acquires 50% equity of



Co-Advisor with Messier Partners

\$80mm

## SELECTED CURRENT TRANSACTIONS

### Capital Raising for E&P Company

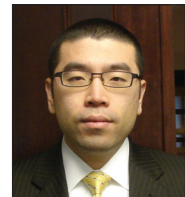
TDJ has been retained by a publicly-traded junior E&P company to assist in raising capital for its Middle Eastern capex program, which encompasses the exploration and development of a prospective acreage located in an oil-rich region, as well as construction of an oil upgrading facility.

### European Renewables Firm

TDJ is advising a large woodchip producer to restructure its balance sheet. ■

## TDJ WELCOMES A NEW ASSOCIATE

Chu-Wei Chen will be an Associate with the firm beginning in January 2011. Throughout the fall, he has been an Analyst with TDJ. Prior to joining the firm, Mr. Chen spent two years as an investment banking analyst with Morgan Joseph & Co., where he worked primarily on M&A transactions. His responsibilities included company valuations, financial modeling, research, and presentation writing. He also spent a year at a China-focused private equity firm with offices in New York and Beijing. Mr. Chen is proficient in Mandarin Chinese, and has a BA degree from the University of Chicago. ■



## LEADERS SPEAK ON IRAQI PARTNERSHIP

"We believe that the Washington-Baghdad nexus for this partnership will facilitate making well-informed strategic decisions in Iraq," said TDJ CEO Terry Newendorp. "The Taylor-DeJongh expertise in global energy finance and M&A has found a great professional partner for the opportunities in Iraq."

Hussain Qaragholi, Managing Partner of Phoenix Capital, lauded the partnership by stating, "Iraq ... presents a significant emerging market opportunity for US

and international investors. The Phoenix Capital and Taylor-DeJongh partnership is timely in providing strategic level access in Iraq coupled with energy finance expertise."

"We have expertise that has great utility in Iraq, both for Iraqi businessmen and government officials and for international investors interested in the tremendous opportunities in Iraq," Newendorp said. "The deep understanding and relationships in Iraq that Phoenix Capital brings are vital to understanding and effectively working in Iraq with both government and businesses," he added.



Lance Crist, IFC, with Hussain Qaragholi, Managing Partner, Phoenix Capital and Terry Newendorp, CEO, TDJ



VIEWS

Interestingly, the majority of M&A activity in 2010 has taken place among the independent oil & gas companies

TDJ AND THE OIL COUNCIL

Taylor-DeJongh sponsored and spoke at the Oil Council's premier assemblies in New York and London in October and November, respectively. Each event attracted over 300 people and showcased dozens of industry experts, upstream oil & gas company executives, investment bankers, and private equity representatives from North America and Europe. Topics discussed included the growing importance of unconventional oil and gas plays, the safety and regulatory repercussions of Macondo, and the impact of Basel III on bank lending in the oil & gas sector.

One of the main themes was that maintaining the current level of M&A activity in the upstream sector will depend on investor confidence in the overall health of the global financial markets.



Other comments included:

- Strategic investors see considerable long term revenue growth, but with much higher capital requirements to achieve production.
- Longer tenors will be needed to match the time horizons for many developers.
- New debt instruments, such as the bond markets, will continue to grow in importance.



Interestingly, the majority of M&A activity in 2010 has taken place among the independents, accounting for roughly half of the deals executed this year. Colombia, West Africa and the Middle East continue to present new opportunities for investment, but access to infrastructure in many places continues to be a constraint. Firms from China, Korea and India have spent \$74 billion on M&A upstream acquisitions since 2000 and will continue to be major players in these markets. ■

Terry Newendorp with Tom Petrie, Vice Chairman, Bank of America–Merrill Lynch, and Bobby Tudor, Chairman and CEO, Tudor, Pickering, Holt & Co., LLC

In the News

Taylor-DeJongh's partnership with Phoenix Capital was the focus of articles by CNBC and MEES, among others. CEO Terry Newendorp is quoted in MEES stating: "Our emphasis is not really the 'big oil plays' but rather, on the power, water and infrastructure development and in the investment that is required to rebuild the country, so that it has the capacity to exploit its oil resources. We have clients in the US, Europe, Middle East and China who are extremely interested in being part of the equipping and rebuilding of Iraq." Visit our website to read the full article.

Nicolas Rochon, Special Advisor to the Chairman, who has a focus on clean tech investment, has been interviewed several times recently by La Tribune, a leading French business publication. He has provided insight into investments into the wind and solar sectors, and has commented on the performance of Enel Green Power's IPO and what it means for renewable energy firms on the stock market.



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