Bahrain LNG Terminal Project

NATIXIS

Key features of the financing:

Kingdom of Bahrain

- *US$ 991m LNG Terminal Project with configuration and design to address the seasonality of gas demand in Bahrain*
- *Sound risk profile with mitigants including a comprehensive completion support and 100% K-Sure cover on our exposure*
- *Natixis acted as MLA and Hedge Provider*
- *PFI Middle East LNG Deal of the Year 2016*

PFI AWARDS 2016

Bahrain LNG
شركة البحرين للغاز المسال

BAHRAIN LNG TERMINAL PROJECT

USD 741,000,000

Bahrain

Mandated Lead Arranger
Hedge Provider

2016

SPONSORS

The Oil and Gas Holding Company BSC (Closed) (“**nogaholding**”)	30%
Teekay LNG Operating LLC (“**Teekay LNG**”)	30%
Gulf Investment Corporation GSC (Closed) (“**GIC**”)	24%
SAM Gulf Investment Limited (“**Samsung Gulf**”)	16%

PROJECT COMPANY

Bahrain LNG W.L.L. (the “**Project Company**”)

PROJECT DESCRIPTION

The Bahrain LNG Terminal Project (the “**Project**”) is a Liquefied Natural Gas (“**LNG**”) import facility procured by the Bahrain National Oil & Gas Authority (“**NOGA**”) and developed on a build, own, operate and transfer basis by Teekay LNG, Samsung Gulf and GIC. The key objectives for developing the Project include: (i) supplementing domestic gas production to meet peak demand and major industrial growth requirements in the Kingdom of Bahrain (“**Bahrain**”); (ii) ensuring energy security for Bahrain; and (iii) enabling Bahrain to procure internationally-traded LNG on a competitive basis.

The configuration of the Project includes an LNG vessel serving as a floating storage unit (“**FSU**”) and an LNG terminal with on-jetty regasification. This will enable NOGA to optimise the utilisation of the FSU, given the seasonal nature of the gas market in Bahrain, by redeploying it as an LNG carrier if and when LNG imports are not required. The Project will ultimately have a regasification capacity of 800 Million standard cubic feet per day (“**MMscfd**”). NOGA has contracted the terminal's full capacity under a 20-year post-completion Terminal Use Agreement, which entitles the Project Company to claim revenue to NOGA on an availability basis.

The construction of the terminal will be undertaken by GS E&C and is expected to last for 2.25 years, with completion to be reached by February 2019. The Project costs are financed on a 73:27 debt:equity basis that includes a 20-year Project Finance scheme. The FSU will be constructed by Daewoo Ship Building & Marine Engineering Co and rented on a long-term by the Project Company from its owner, a 100% affiliate of Teekay LNG. Therefore, FSU related costs will not fall within the scope of the Project Finance scheme.

FINANCING

Total Project costs are expected to amount to US$ 991 million and will be funded through a combination of equity and senior debt on the basis of a 73:27 debt-to-equity ratio. The base senior facilities comprise: (i) a US$ 581.85 million K-Sure Covered Facility that provides 100% cover for both commercial and political risks; and (ii) a US$ 145.46 million uncovered Commercial Bank Facility. Both have a door-to-door tenor of 20 years. Equity will be disbursed first and funded via equity bridge loans for a total amount of US$ 263.69 million, to be repaid by the Sponsors on completion. In addition, a US$ 18.80 million contingency has been secured through contingent debt and equity, respectively for US$ 13.80 million and US$ 5.00 million, to be disbursed in case of overruns.

The original bank pool comprises **NATIXIS**, SG-CIB, Korea Development Bank, ING, Arab Petroleum Investments Corporation, SCB, CA-CIB, Ahli United Bank and Santander.

ROLE OF NATIXIS

Natixis acted as Mandated Lead Arranger under the K-Sure Covered Facility only, initially holding a ticket of US$ 97 million, and Hedge Provider.

CONTACTS

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