

WFW ADVISES TEEKAY LNG JOINT VENTURE ON US\$1.6BN FINANCING FOR INNOVATIVE ICEBREAKER LNG CARRIER NEWBUILDINGS

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International law firm Watson Farley & Williams (“WFW”) has advised Teekay LNG Partners L.P. (“Teekay LNG”) and its joint venture partner China LNG Shipping (Holdings) Ltd (“CLNG”) on the US\$1.6bn long-term financing for the construction of six Arc7 liquefied natural gas (“LNG”) carrier newbuildings at Daewoo Shipbuilding & Marine Engineering Co., Ltd. in South Korea.

Once completed these 172,410 cubic meter vessels will have 2.1 metre icebreaking capabilities in both forward and reverse and will service the Yamal LNG project under charter contracts out to 2045 (plus options), with the first vessel scheduled to deliver and commence its charter contract in January 2018.

The Yamal LNG project in Arctic Russia is one of the largest and most complex LNG projects in the world, with three planned LNG trains with a total expected capacity of 16.5mn metric tons of LNG per annum and year-round transit across Arctic sea routes from the new terminal at Sabetta, specifically constructed for the project, to customers in Asia and Europe whatever the climatic conditions. Completion of the financing at the end of last week also coincided with the first commercial LNG being dispatched from Yamal on the first of the fifteen Arc7 LNG carriers leaving Sabetta.

New York-listed Teekay LNG is one of the world’s largest independent owners and operators of LNG carriers, providing LNG, LPG and crude oil marine transportation services via its fleet comprising 50 LNG carriers, 30 LPG/Multigas carriers and five conventional tankers.

CLNG, a China-based LNG shipping company, was founded jointly by COSCO Shipping Tanker (Dalian) Co., Ltd. and China Merchant Energy Shipping LNG Carrier Investment Inc. CLNG is currently the biggest LNG shipping company that owns and operates LNG carriers in China. Its businesses cover LNG carrier asset investment and management, LNG shipping, LNG shipping management and consultancy services for LNG shipping investments.

The WFW team advising Teekay LNG was led by Partner David Osborne assisted by Senior Associate Patrick Smith and Associate Natalia Golovataya.

David commented: “We are very pleased to have assisted our valued client Teekay LNG and their joint venture partner China LNG in concluding this financing for these Arc7 LNG carrier newbuildings”.

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Firm Chairman, Nigel Thomas, added: “Over the past 12 months, WFW is delighted to have advised Teekay LNG on around US\$2.2bn in debt financings for its various LNG carrier growth projects”.

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