

WFW ADVISES LENDERS ON US\$155M TANGGUH LNG CARRIER REFINANCING

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Watson Farley & Williams (“WFW”) has advised MUFG Bank (“MUFG”), as Facility and Security Agent, and Development Bank of Japan Inc. (“DBJ”) as lenders on two non-recourse credit facilities totalling US\$155m for the international, cross-border refinancing of two LNG carriers owned by joint venture companies belonging to NYK Line, Sovcomflot Group (“SCF Group”), and Samudera Shipping Line Ltd (“Samudera Shipping”). The loans comprise tranches with tenors of four and eight years.

The two vessels, sister ships Tangguh Batur and Tangguh Towuti, service the Tangguh LNG plant in Indonesia. The plant began LNG exports in 2009 and has a designated annual output of extracted gas of 7.6m tons, which is exported to China, South Korea and Mexico, as well as used domestically. Both LNG Carriers Tangguh Batur and Tangguh Towuti have been recognised by the Maritime and Port Authority of Singapore’s Green Ship Programme for attaining Energy Efficiency Design Index certification.

MUFG is the largest bank in Japan, with circa US\$2.8tr in assets and a global network spanning more than 50 countries. Established in 2008, DBJ is owned by Japan’s Ministry of Finance with all capital funded by the Government of Japan. It currently has total assets valued at ¥17.4bn. NYK Line is a global shipping company operating more than 700 vessels including 78 LNG carriers. With a fleet of 145 vessels, including 14 LNG carriers, SCF Group is Russia’s largest shipping company. Samudera Shipping is the regional container shipping company servicing the Indian Sub-continent, South East Asia, the Far East and the Middle East.

The cross-border WFW Maritime team that advised the lenders was led by London Partner Gary Walsh, supported by Senior Associate Emeline Yew, Associates Laura Gerrard and Amarjit Syan, and Trainees James Burgess and Jeremy Chiew. London Partner Rob McBride and Associate Lydia Jones assisted on derivatives matters. New York Partner John Benson, Senior Associate C.J Chido and Associate Liam Ray provided advice on Liberian law. Wong Tan and Molly Lim LLC provided local counsel in Singapore.

Gary commented: “We are pleased to have advised the lenders on this important LNG financing for NYK Line, SCF Group and Samudera Shipping. The transaction demonstrates the market’s confidence in the joint venture partners, and underlines WFW’s longstanding experience in LNG transactions and complex cross-border financing”.

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