

WFW ADVISES HÖEGH LNG ON REFINANCING OF TWO LNG FSRUS AND ENTRY INTO NEW GERMAN TERMINALS

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Watson Farley & Williams (“WFW”) advised long-standing client Höegh LNG Ltd (“Höegh LNG”) on the refinancing of the Höegh Esperanza and Höegh Gannet floating storage and regasification units (“FSRUs”) that will service Germany’s new floating liquefied natural gas (“LNG”) terminals in the North Sea ports of Wilhelmshaven, Lower Saxony, and Brunsbüttel, Schleswig-Holstein. The FSRUs are two of five vessels contracted by the German government to help achieve its goal of energy independence from Russia.

WFW London and Germany advised Höegh LNG on a new ten-year US\$685m loan to refinance the two FSRUs provided by leading international banks. The loan will be used to repay existing loan facilities and for general corporate use and is split into two tranches, one per vessel. The refinancing of the Höegh Esperanza has now taken place with the refinancing of the Höegh Gannet expected to occur in March/April 2023 upon the FSRU completing its commissioning. In addition, a multi-disciplinary team from WFW Germany advised Höegh LNG on regulatory matters pertinent to the entry of the FSRUs into Germany.

The Höegh Esperanza and Höegh Gannet are two of three FSRUs located in Germany as of early 2023. Collectively the three FSRUs will regasify delivered LNG to feed at least 20bn cubic metres of natural gas a year into Germany’s grid, replacing a third of its gas imports from Russia.

The Wilhelmshaven and Brunsbüttel LNG terminals opened ahead of schedule in December 2022 and January 2023 respectively. The infrastructure for the terminals and FSRUs was built in less than a year, a record for Germany, highlighting the critical importance the government attaches to the project.

Höegh LNG is a leading provider of FSRU and floating LNG infrastructure services under long-term contracts. Through the development, ownership and operation of modern FSRUs, Höegh LNG is well placed to act as a global leader in the rapid expansion of LNG energy networks worldwide.

The WFW Germany team that advised Höegh LNG on regulatory matters comprised Hamburg Partners Max Boemke (Regulatory, Public Law & Competition), Nikolaus Krienke (Employment), Malte Jordan (Corporate/M&A and Global Energy Sector Co-Head) and Clemens Hillmer (Assets & Structured Finance Germany Head). They were supported by Managing Associate Sebastian Schröder (Employment), Senior Associate Eva-Maria Christiansen (Regulatory, Public Law & Competition) and Senior Associate Paula Wildemann (Assets & Structured Finance). London Assets & Structured Finance Partner Maren Brandes also advised.

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The WFW London team that advised on the FSRUs' refinancing was led by Partners Kate Silverstein (Assets & Structured Finance), Rob McBride (Capital Markets), Richard Stephens (Tax) and Simon Petch (Assets & Structured Finance), supported by Senior Associate John Man (Assets & Structured Finance), Associates Lottie Lymer (Assets & Structured Finance) and Kristina Buckberry (Derivatives) and Trainee Anna Clarke.

Max commented: "We are delighted to have once again advised long-standing client Höegh LNG on such an important FSRU transaction, particularly one that represents such a critical milestone in Germany's quest for energy security".

Kate added: "WFW's unrivalled expertise in our core sectors of maritime, energy and infrastructure spanning multiple service lines in both London and Germany ensured that all aspects of this deal completed smoothly, on time and successfully for our client and all other stakeholders involved. It is always a pleasure to work with the Höegh LNG team, but to do so across all our sectors and on such an important transaction for all involved was a particular highlight".

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