

WFW ADVISES LENDERS ON US\$1.5BN RBL FACILITY TO CHRYSAOR FOR NORTH SEA ACQUISITION FROM SHELL

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INTERNATIONAL LAW FIRM WATSON FARLEY & WILLIAMS (“WFW”) HAS ADVISED A SYNDICATE OF BANKS CONSISTING OF DNB, ING, BNP PARIBAS, CITI AND BMO AS LENDERS ON A US\$1.5BN RESERVE-BASED LENDING FACILITY TO CHRYSAOR FOR THE ACQUISITION OF A PORTFOLIO OF UK NORTH SEA ASSETS FROM ROYAL DUTCH SHELL (“SHELL”).

The deal is subject to partner and regulatory approvals, with completion expected in the second half of 2017. Chrysaor will receive an investment of up to US\$1bn from Harbour Energy, an investment vehicle of EIG Global Energy Partners (“EIG”), together with funds managed by EIG, to support the acquisition and provide future growth capital.

The portfolio acquired by Chrysaor consist of a high quality package of ten oil and gas assets – Buzzard, Beryl, Bressay, Elgin-Franklin, J-Block, Greater Armada cluster, Everest, Lomond and Erskine and a 10% stake in Schiehallion off the Shetland Islands – representing over half of Shell’s 2016 UK North Sea output.

Following the acquisition Chrysaor will become the UK’s leading independent oil and gas company focussed on the North Sea.

The WFW London Commodities and Upstream Finance team advising the syndicate was led by Partner Joe Levin, assisted by Associate Nehal Khan and Trainee Matthew Pawlak. Corporate advice was provided by Partner Andy Savage and Of Counsel Sarah Williamson with E&P advice provided by Senior Lawyer Heike Trischmann. Structured Finance Partner Rob McBride advised on complex and bespoke intercreditor arrangements, while Partner Tom Jarvis and Senior Associate Claire Miles acted on the tax aspects of the transaction.

Joe commented: “I’m delighted to have advised so many leading banks on one of the most important North Sea acquisitions of the 21st century. Following on from advising the lenders on Faroe Petroleum’s \$250m Reserve-Based Lending Facility to finance its expansion in December 2016, this clearly demonstrates that WFW is now a force to be reckoned with in terms of upstream finance expertise”.

Kenneth Baillie, Senior Vice President, DnB, commented: “DnB were delighted to work with WFW in support of Chrysaor on this landmark transaction and we look forward to continuing this in the future”.

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Chrysaor was advised by Dechert, Bond Dickinson and White & Case. White & Case's Private Equity team also acted for EIG and Harbour Energy.

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