



[How to achieve long-term energy transaction financing]

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Agenda

1. Current financial market conditions
2. What are your financing options?
3. Some case studies
4. Going forwards
5. Questions?
6. Disclaimer

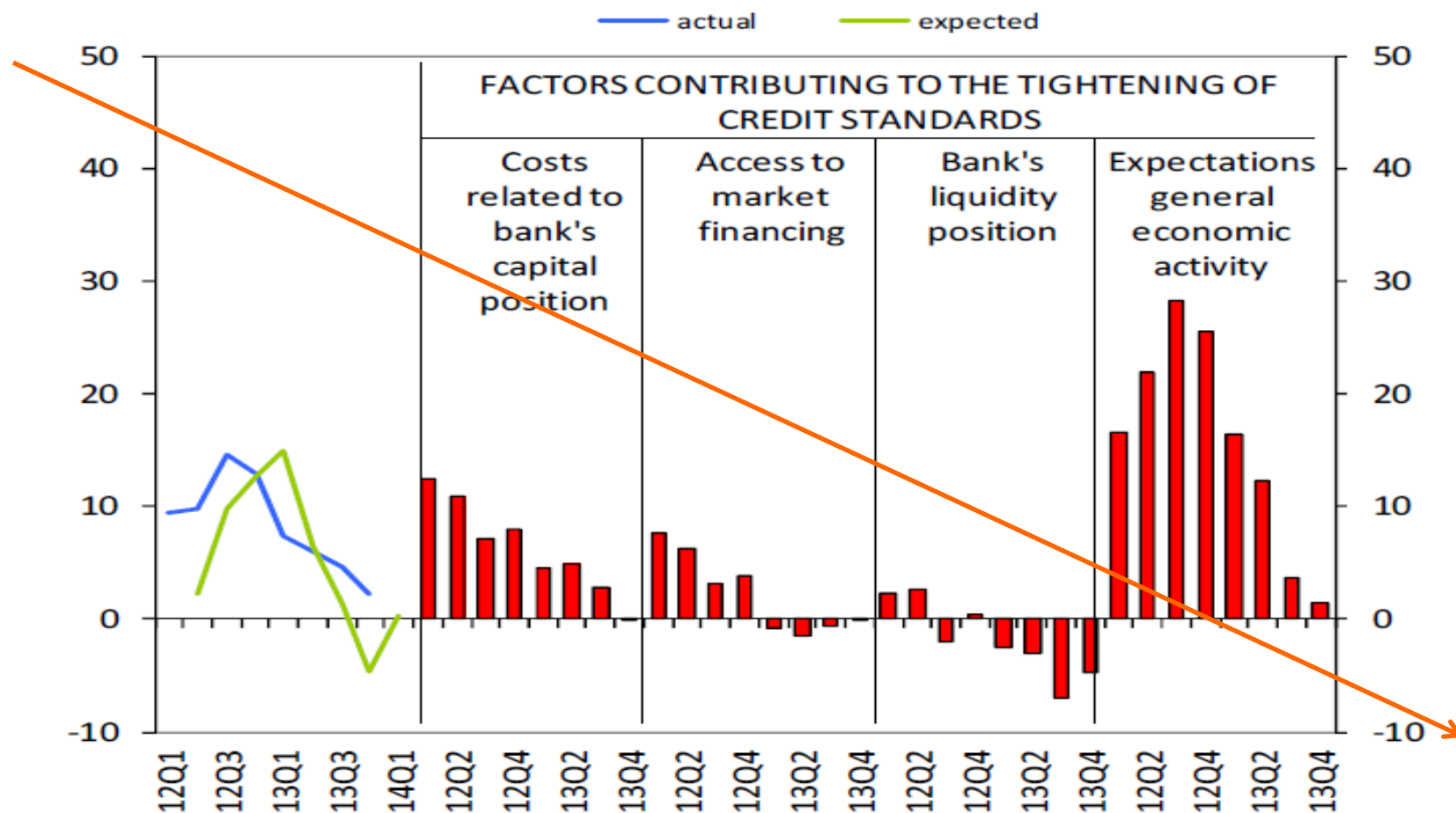
1. Current financial market conditions



Credit standards across Europe

Changes in credit standards in loans to enterprises

(Net % of banks contributing to tightening of credit standards)

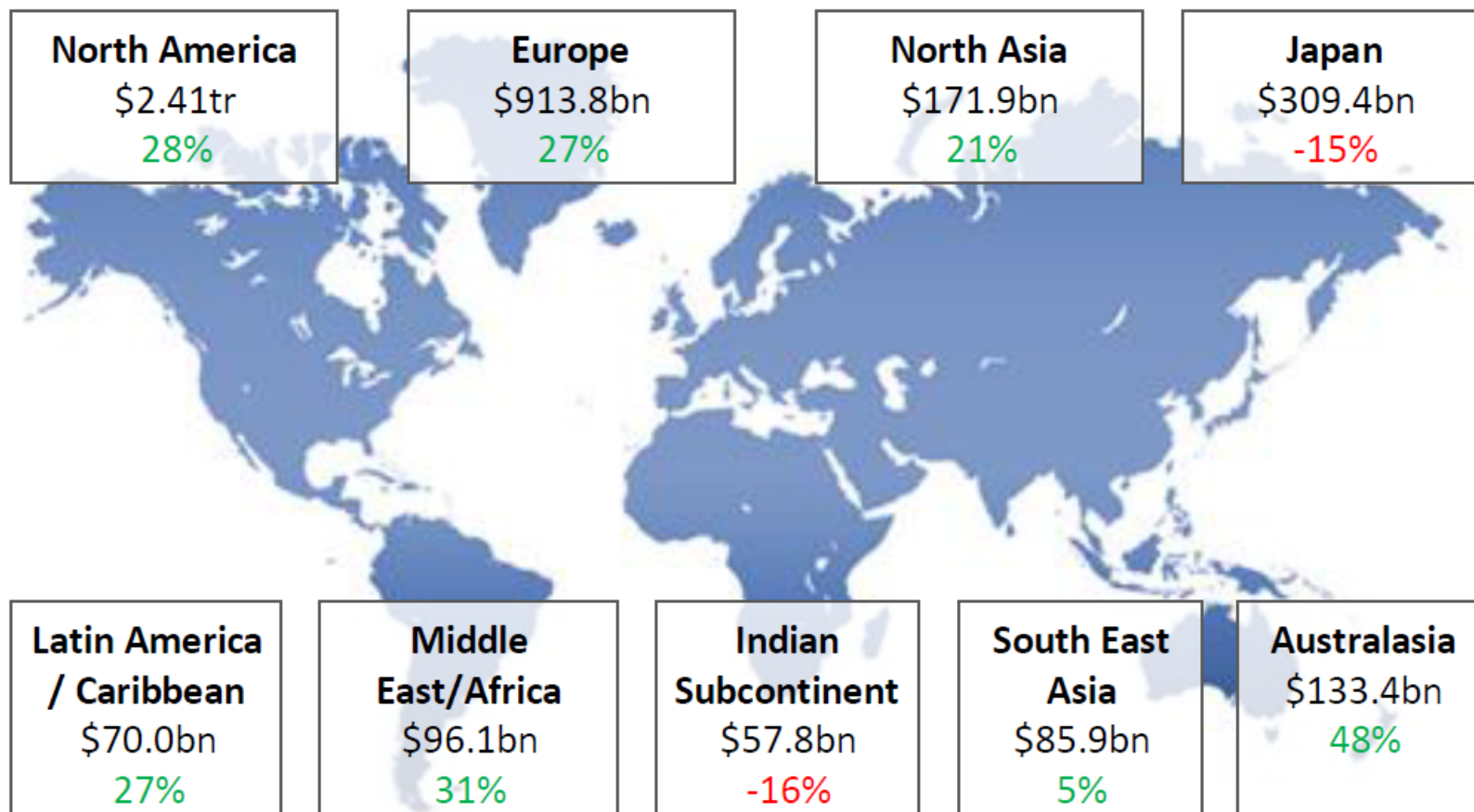


Source: European Central Bank, The Euro Area Bank Lending Survey, 4th Quarter of 2013, January 2014

Global loan volumes (2013 vs 2012)

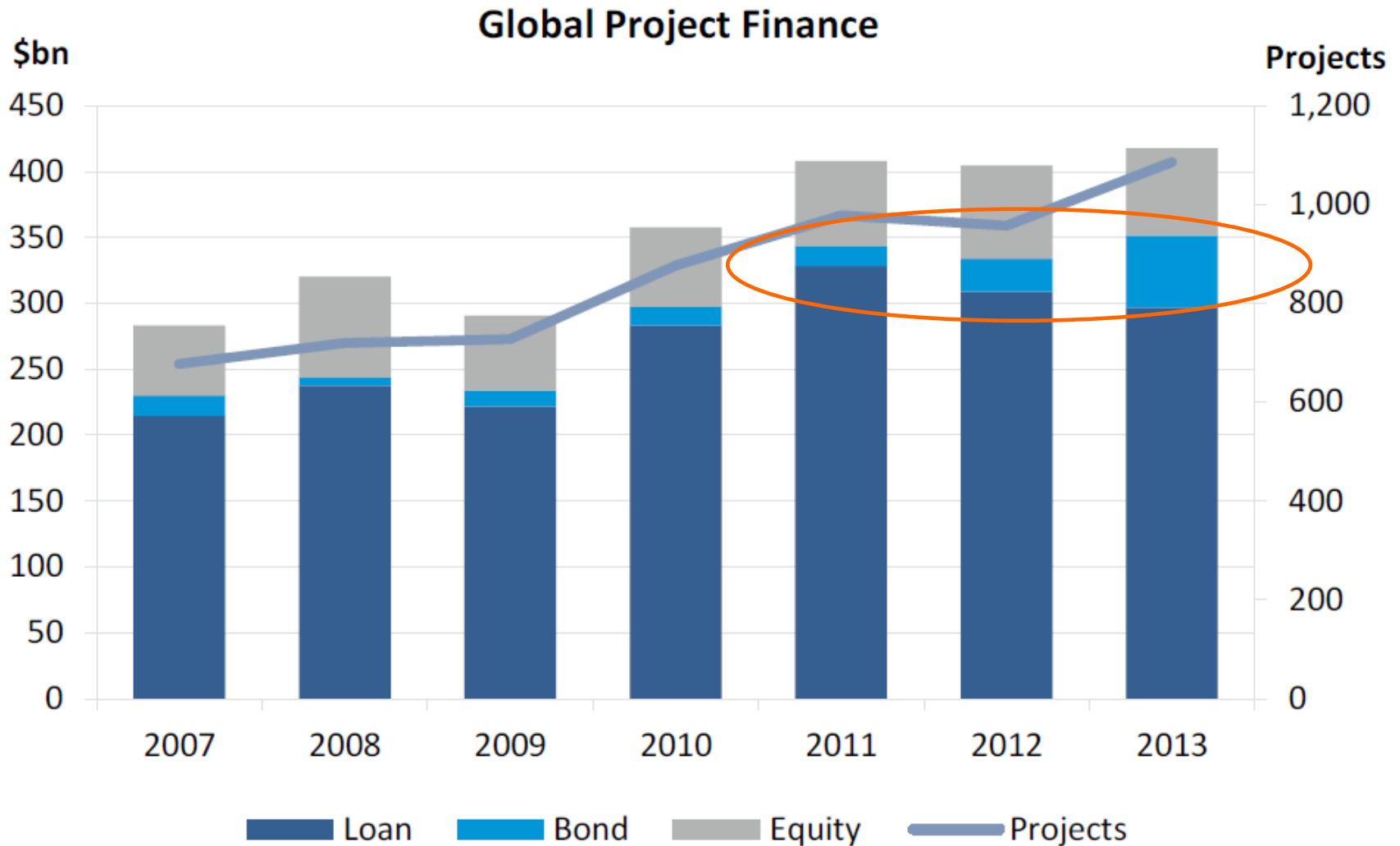
Global Loan Volume – Full Year 2013

(Change on Full Year 2012)



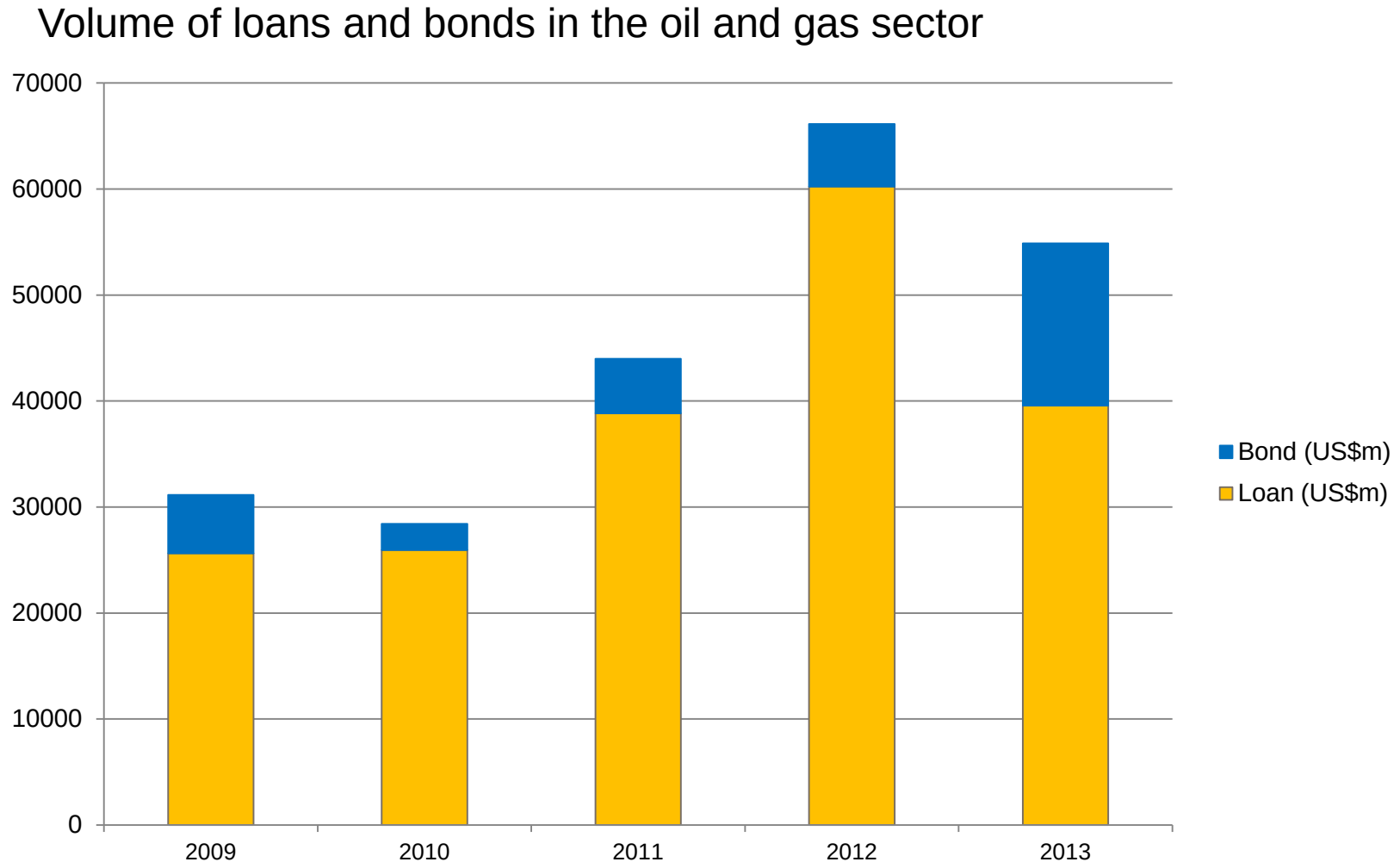
Source: Dealogic Global Loans Review, Full Year 2013 Final Results, January 2014

Debt structures globally



Source: Dealogic Project Finance Review, Full Year 2013 Final Results, January 2014

Debt structures in the oil and gas sector



Source: Based on PFI Financial Leagues Tables

Summary

- Loosening credit standards
- Global loan volumes increasing
- Changes in project finance structures
- Changing debt structures in oil and gas
- So...

2. ...what are your financing options?



Common options: bank sources



Alternative options

Export credit finance / ECAs

MDBs

Project bonds

Public bond

USPP

Hybrid bonds

Export of goods and services,
OECD rules

Development focus, preferred creditor
status

SPV operating project assets

Rated companies, plain vanilla

More restricted, liquidity constraints

Access to higher yields

Innovative options and new initiatives

Institutional investors



Direct

Structured solutions

Structured Solution:
Commercial bank initiatives



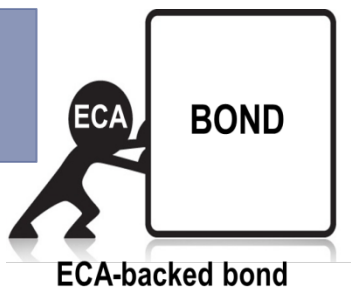
Zaanstad Prison, €300 million
(US\$405.6m), the Netherlands.

Structured Solution:
Multilateral initiatives



Project Castor: €1.4 billion
(US\$1.85bn) underground gas
storage project, Spain

Structured Solution:
ECA initiatives



ECA / monoline - wrapped

The financing package

You

“Who are you and how can we help you?”

“Tell me about your business”



The right package

- Size
- Tenor
- Structure
- Covenants
- Security
- Contract terms

Financial Market

Bank debt
Other debt
Bonds
PEBBLE structure
EIB PBCE structure
Infrastructure funds
Private equity funds
Pension funds / sovereign wealth
Other creative structure?

3. Some case studies*



*Based on publicly available information

Project Topolino

CHF 1.04bn Acquisition, Refinancing and Capex Facilities

Switzerland

11/11

Project Topolino CHF 1.04bn

Acquisition, Refinancing and
Capex Facilities



Mandated Lead Arranger, Underwriter,
Bookrunner & Hedge Provider



ING's role

- ING acted as MLA, Bookrunner, Underwriter and Hedge Provider.

Financing details

Size and structure: CHF1.04 billion

Tenor: 10 years

Financial Covenants: Customary

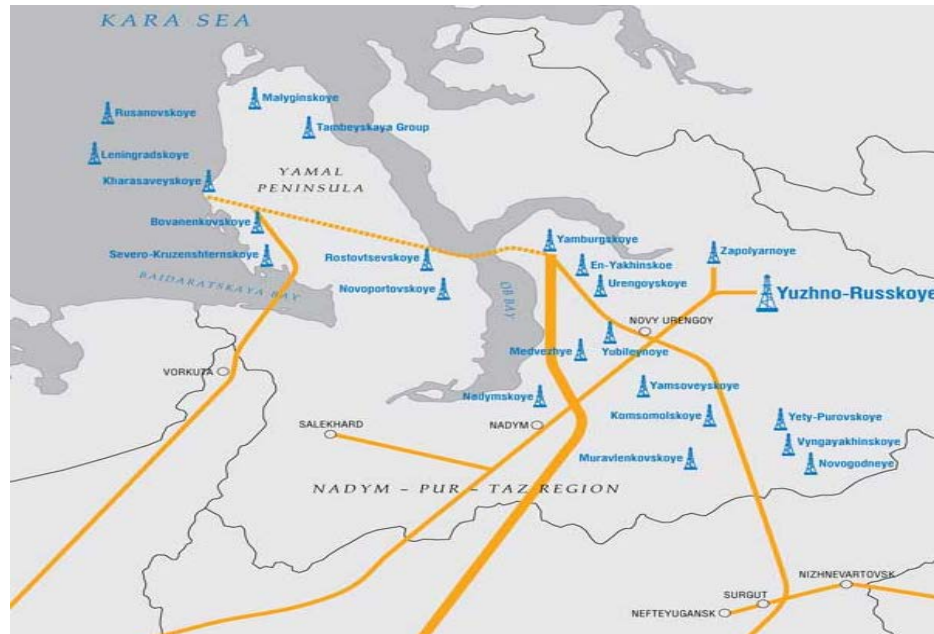
Security: Customary

Considerations: bi-borrower format / multiple tranches / lease agreement between borrowers / shipping contract / niche currency / EU competition regulation

Severneftegazprom

€1.1bn Project Finance Facility

Russia	03/11
OJSC Severneftegazprom	
EUR 1.1bn	
Term Loan Facility	
	
Joint Mandated Lead Arranger & Security Agent	
Member of Gazprombank	



Financing details

Size and structure: €1.1 billion (multicurrency: EUR/USD/RUB)

Tenor: 8 years

Financial Covenants: Customary

Security: Customary

Considerations: 1st onshore upstream project financing in Russia /
Gas sales agreements / Guarantee and indemnity package /
Reputable sponsors / Field production profile / Nord Stream

ING's Role

- ING acted as MLA, Security Agent and Several Creditor and Offshore Account Bank

Slovak Gas Holding

€1.5bn Acquisition Financing of SGH by EPH

Slovakia 02/13

EPH – Slovak Gas Holding
EUR 1,500m
Term Loan and Bridge To Dividend



Mandated Lead Arranger
Natural Resources



ING's role

- ING acted as Mandated Lead Arranger

Financing details

Size and structure: €1.5 billion

Tenor: 5 years

Financial Covenants: Customary

Security: Customary.

Considerations: Off-take contracts / Regulated business segments of SPP / Subordination / Shareholder agreement with gov't

Moravia Gas Storage

€100 million Project Finance

Czech Republic	2014
Moravia Gas Storage € 100m Term Loan	
	
MLA, Security agent and Facility agent	



Financing details

Size and structure: €100 million

Tenor: 12 years

Financial Covenants: Customary

Security: Customary

Considerations: Completion risk / Structure / Off-take contract with strong counterparty

ING's Role

- ING acted as MLA, Security agent, and Facility agent.

Blue Stream Pipeline

US\$1.8bn Project Financing

Russia 11/00

Blue Stream Pipeline Project
US\$627m

MITI Insurance Facilities to
Finance Contracts Undertaken
by Mitsui, Sumitomo and Itochu



Co-Lead Arranger and joint Underwriter
Natural Resources



Award 2001



Oil & Gas Deal of the Year
(Middle East & Africa)

BlueStream
MITI Insurance Facilities to Finance Contracts
Undertaken by Mitsui, Sumitomo and Itochu



PROJECT
FINANCE
January Issue 2001
Natural Resources



Company Background

Transaction Details

ING's Role

ING acted as Co-Lead Arranger and Joint Underwriter, with four other Tokyo-based banks, for the 'JBIC/MITI Buyers' Credit' and 'MITI/OULI Facility'.

Financing details

Size and structure: US\$1,760 billion

Tenor: SACE: 13 yrs / JBIC/MITI: 9 yrs / MITI/OULI: 10 years

ECA Support: Yes

Financial Covenants: Customary

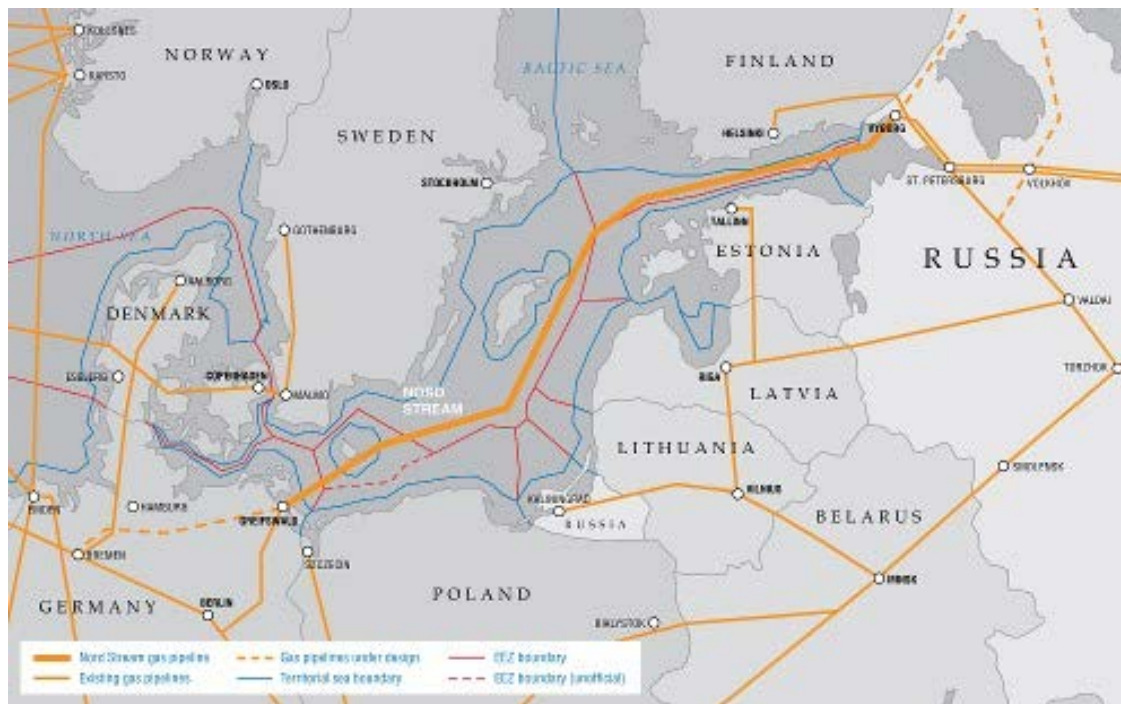
Security: Customary.

Considerations: Cross-border / Security & Environment / Cash-flow

Nord Stream AG

Phase I EUR 3.9 billion and Phase II EUR 2.5billion project financing

Russia	03/10
Nord Stream AG EUR 3.9bn Term Loan Facility	
 The new gas supply route for Europe Joint Mandated Lead Arranger & Swap Arranger National Risk sources	
Awards 2009	★
European Gas Deal of the Year Nord Stream EUR 3.9bn Term Loan Facility	
 The new gas supply route for Europe  PFI Project Finance International National Risk sources	
Russia - Germany	03/11
Nord Stream AG (Phase II) EUR 2.5bn Term Loan Facility	
 The new gas supply route for Europe Joint Mandated Lead Arranger & Swap Arranger National Risk sources	



Financing details

Debt:Equity: Phase 1: 70:30 / Phase 2: 71:29

Size and structure: Phase 1: EUR 3.9 billion / Phase 2: EUR 2.5billion

Tenor: ECA-covered: 16 years / Commercial: 10 years

ECA Support: Yes

Financial Covenants: Customary

Security: Customary.

Considerations: Cross-border / Construction / Security & environment

ING's Role

- ING acted as Mandated Lead Arranger and Swap Provider / Coordinator.

Baku-Tbilisi-Ceyhan Pipeline & ACG

Phase 1 USD 2.72bn Project Financing

Azerbaijan 02/04

The Baku-Tbilisi - Ceyhan Pipeline Company & AIOC
US\$2.7bn

Project Financing Package for the Construction of the BTC Pipeline and the ACG Phase 1 Field Development



Mandated Lead Arranger & Underwriter
Natural Resources

Award 2004



EMEA Oil Deal of the Year

The Baku-Tbilisi-Ceyhan Pipeline Company & AIOC
US\$2.7bn

Project Financing Package for the Construction of the BTC Pipeline and the ACG Phase 1 Field Development



THOMSON

Thomson Deal of the Year 2004



Financing details

Debt:Equity: 70:30

Size and Structure: USD 2.6 billion

Tenor 10-12 years

ECA Support: Yes

Financial Covenants: Customary

Security: Customary

Considerations: Structural / Security & environment / Cash flow

ING's Role

ING acted as Mandated Lead Arranger & Underwriter of all credit facilities in the project financing package.

Kazakhstan–China oil pipeline – Sinosure covered

US\$1.18 billion term loan facility

Kazakhstan	08/08
Kazakhstan China Pipeline LLP	
US\$1.18bn	
Sinore Covered Term Loan	
	
Co-mandated Lead Arranger	
Natural Resources	



ING's role

ING acted as Mandated Lead Arranger, Facility Agent and Joint Sinore Agent in the transaction

ING was co-Lead Arranger with ICBC

In addition, ING coordinated the documentation and environmental due diligence

Financing details

Size and structure:

Tenor: 10 years

ECA Support: Yes

Financial Covenants: Customary

Security: Customary

Considerations: Structural

4. Going forwards



What could we see?

- Changing credit standards
- Institutional investors
- Bonds
- Structured solutions

5. Questions?



6. Disclaimer

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