



Freshfields Bruckhaus Deringer

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# Investing in energy and natural resources

Global Financial Investors

## Industry recognition

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- ▶ **PE Team of the Year 2014**  
*IFLR European Awards*
  - ▶ **PE Team of the Year 2014**  
*Financial News Awards*
  - ▶ **European Private Equity Deal of the Year 2014**  
*IFLR European Awards*
  - ▶ **Pan-European Legal Adviser of the Year 2014**  
*Private Equity Awards*
  - ▶ **World's Best Competition Law Firm 2013**  
*Global Competition Review*
  - ▶ **PE Law Firm of the Year 2013**  
*JUVE Awards*
  - ▶ **Global Arbitration Firm of the Year**  
*Who's Who Legal 2013*
  - ▶ **Energy and Natural Resources Deal of the Year 2012, Glencore/Xstrata**  
*FT/Mergermarket M&A Awards*
  - ▶ **Energy Law Team of the Year 2011**  
*JUVE Awards*
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## Helping financial investors in the energy and natural resources sector

### Energy and natural resources – how can we help you invest?

As the energy and natural resources (ENR) sector becomes more attractive for financial investors, we've identified eight ways Freshfields can help you when operating in this specialised sector.

#### 1. Overcoming regulatory and antitrust hurdles

Whether you're making your first energy investment, or growing your energy asset portfolio, our dedicated Energy Regulatory group will help you manage risk across your portfolio, as well as help you consider the next steps in your energy investment strategy.

We deal with regulators across the world in the energy sector and also other regulated sectors, including water, airports and rail. This means we can support you in relation to the full range of regulatory decisions, by drawing on our cross-sector and international experience. We have helped clients:

- structure their regulatory investments (including to address European 'unbundling' concerns in relation to transmission or mitigate governmental or regulatory risks);
- appraise and execute investments in the fast-evolving offshore wind, solar and biomass sectors;
- mothball, decommission and convert fossil-fuel generation plants that are no longer economic, in breach of environmental regulations or coming to the end of their asset-life;
- challenge regulated price controls or influence other conduct and price regulation;
- defend regulatory enforcement action under antitrust, regulatory or consumer legislation; and
- advise asset-owners and new entrants on access rights and a getting a 'fair' price for access to key network infrastructure.

If your investments or co-investments trigger merger control or foreign investment filings, we will ensure that your global filings strategy is co-ordinated, efficient and calibrated to the appropriate risk-profile. We can advise on structuring to help quickly close your deal, mitigating the adverse timing impact that mandatory pre-completion filings may have for you.

# \$49bn

value of our advice on 18 energy and natural resources transactions in 2012

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This is the world's largest industry and these lawyers know it well.

*Chambers UK – Energy and natural resources*

“

They have considerable expertise in energy and natural resources.

*Chambers Global 2014 – Projects & Energy: Global-wide*

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Sources say: 'A very broad energy practice in terms of both regulatory and transactional work'.

*Chambers Europe 2013 – Energy*

## 2. Obtaining the right financing

Financial investors need to get the right financing on the right terms. We've advised not only on senior, high yield and mezzanine financing for buyout transactions but also, where the nature of the ENR assets requires an alternative model of financing, on infrastructure financing, all forms of project financing and the project bond market. We can help secure the certainty of funding you need to be successful in a competitive process and to negotiate the terms that allow your business the operational flexibility needed to grow and create value.

## 3. Negotiating industry specific contracts

We negotiate complex industry specific agreements, including production sharing contracts, take or pay, supply and other long-term contracts, transportation contracts, marketing contracts, access codes and joint ventures of all kinds as well as engineering, procurement and construction contracts. When you need to diligence these contracts, our team has the experience to review them, identify pivotal issues and deviations from market practice, and summarise them for you and your financing banks.

## 4. Working in any jurisdiction

ENR assets are often located in jurisdictions where major law firms don't have an office. At Freshfields, this is no obstacle – we support you wherever you go. We've helped clients in nearly every country in the world – over 200 jurisdictions in the last three years, including the world's most challenging legal environments.

Close relationships with selected local law firms, financial institutions, intermediaries and government agencies means that we can put together multi-skilled, diverse teams led by a single partner to make sure you get the best legal advice wherever you need to do business.

## 5. Understanding risks in high-growth markets

Territories with higher growth opportunities in the energy asset class frequently come with higher risk. Make sure you have a safety net. Our specialists design resilient investment structures to address the state, operational and transaction risks presented to you. We'll also help you respond to unexpected political and commercial developments that high-growth markets can often throw at you.



Freshfields offers a truly global capability on transactions and clients admire its outstanding co-ordination of multi-jurisdictional work.

*Chambers Global*



Of the leading firms in this field, FBD is by far the most successful in terms of the strategic development of international client relationships – a clear advantage in the current energy market.

*JUVE Handbook 2013/2014 –  
Energy Law*

## 6. Considering anti-bribery and corruption measures

The regulated nature of many ENR assets, and high-risk jurisdictions have made bribery and corruption issues a particular concern. Stringent global regulation and financing banks' focus on these issues mean that you need to conduct the appropriate due diligence, obtain the necessary contractual protection and put in place the right systems and policies post-acquisition. Our anti-bribery and corruption lawyers can help you navigate these issues anywhere in the world.

## 7. Securing specialist licences

Securing environmental, planning and construction consents and other specialist ENR licences for the development and operation of an ENR project is often crucial to its success. We will assist you and your banks to plan the timing of your investments against regulatory milestones, to confidently identify and allocate project consent-related risks and opportunities and to secure the consents and licences needed.

## 8. Managing environmental issues

ENR assets are intrinsically linked to the environment and to people, and have the potential to bring significant liabilities if things go wrong. We will assist you and your banks to identify the issues, promote good working practices, and manage the risks, contractually and/or through practical measures. If things go wrong post-investment, Freshfields has over 20 years of experience in defending environmental and health and safety claims.

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This projects and energy group draws on experts from the M&A, dispute resolution, competition and tax departments, covering all issues relevant to clients in the sector.

*Chambers Europe*

**PE** Team  
of the *Year*

IFLR European Awards 2014,  
and Financial News  
Awards 2014

## Seeing the deal from all angles

### Global Financial Investors and ENR groups

**With experience in both the ENR sector, and in how financial investors need to do business, Freshfields can tailor a team for you that will give you a full, integrated service wherever in the world you do business.**

Our Global Financial Investors group brings together worldwide experience in acting for private equity, investment companies, infrastructure and sovereign wealth funds as well as alternative capital providers. Having worked for decades with buyers and sellers, funds, corporates, governments, lenders and underwriters, our experience allows us to see your deal from every angle, improving your chances of success.

We have a team of over 100 partners and a wide group of associates that truly understands the industry and has a proven track record. We think we are unique in having outstanding energy-focused groups in each practice area that bring together energy lawyers from across different fields, from corporate and finance to dispute resolution and global investigations.

### Leaders in the sector

**Our experience gives us a deep knowledge of the issues that matter to you.**

Freshfields' ENR group is one of the largest in the firm. Our ENR lawyers are best known for advising the world's largest companies on their most significant mandates around the world. We advise a full range of key industry players, from national and international oil companies to independent E&P companies and sovereign wealth funds, financial institutions and export credit agencies.

Acting for host states, commercial companies and financiers, our experience includes: implementing complex international mandates; negotiating and litigating contracts and industry-specific agreements (including production-sharing contracts, take or pay, supply and other long-term contracts), transportation and marketing contracts, access codes and joint ventures of all kinds.

We also have a significant track record on energy competition and regulatory work, and our antitrust practice is one of the strongest in Europe. Our experience of public international law is a valuable asset in many of the cross-border projects that are reshaping the world's markets.

The vast knowledge of trends, deal terms and transaction techniques shared by our Global Financial Investors and ENR groups means that we get the best outcome for you.



**A leading firm in energy law which... is instrumental in shaping the sector.**

*JUVE Handbook*



**Sources identify one of the firm's main strengths as its ability to consistently bring together a diverse, international team with expertise in tax, M&A and dispute resolution, in addition to project development and energy regulatory issues.**

*Chambers Global 2013 – Projects & Energy: Europe-wide*

## Experience highlights acting for financial investors in the energy and natural resources sector

### Low carbon and renewables



Alinda Capital Partners on its €300m acquisition of agri.capital, the leading biogas and biomethane company in Europe



ArcLight Capital Partners on its acquisition of Societe d'Investissement en Energie SA, the French owner and operator of cogeneration, central plant and wind power projects



TPG Capital on its US\$150m acquisition of a stake in Comtec Solar Systems Group



ArcLight Capital Partners on the sale of the French branch of NeoElectra group to Cube Energy



Advent Energy s.à r.l., a portfolio company of Advent International, on the sale of NUKEM group to Cameco Corporation



ArcLight Capital Partners on the acquisition and financing of 15 wind parks in Germany, at a value of €120m



ArcLight Capital Partners on the acquisition of a portfolio of wind energy plants developed by E.ON Energy Projects



Brancor Capital Partners ApS, the Danish private equity company, on the acquisition of PNE Gode Wind II GmbH, in which the offshore wind farm project 'Gode Wind II' is being developed



Warburg Pincus LLC on the acquisition of bio diesel producer Petrotec AG

## Power and utilities



IFM and Elia on their €810m acquisition of German power grid operator 50 Hertz Transmission GmbH, a subsidiary of Vattenfall Europe AG



CPPIB consortium (comprising CPP Investment Board, ADIA and Macquarie) on the proposed acquisition from EDF of its UK electricity distribution business



EQT Infrastructure on its acquisition of Midland Cogeneration



Charterhouse Capital Partners on the sale of Germany-based energy metering firm ista International to private equity investor CVC Capital Partners for approximately €3.1bn



Qatar Holding on its €2.1bn investment in Iberdrola, SA



CVC Capital Partners on the €2.4bn acquisition of 25.01% of the shares in Evonik Industries AG, the Germany-based company operating in the energy, chemicals and real estate sectors



CVC Capital Partners on the US\$2.3bn sale of its shareholding in Elster Group, the NYSE listed supplier of energy metering solutions with headquarters in Germany



Arclight Capital Partners LLC on the purchase of Bizkaia Energía S.L., the owner of Amorebieta Power Station, a 755MW combined cycle gas turbine power plant in northern Spain



Lufin Partners on the acquisition of a solar photovoltaic power generation plant located in Totana (Murcia), consisting of six individual facilities of 2MW nominal capacity each



Lots of firms have oil and gas experience, but Freshfields has a combination of both oil and gas and M&A experience and we like them for that.

Chambers UK 2014 –  
Energy & Natural Resources: UK-wide

## Oil and gas



Blackstone on its US\$800m Partnership with Tamarind Energy to create a significant upstream company with an emphasis on building long-term, strategic relationships with host governments, Southeast Asian national oil companies and key regional stakeholders



Abraaj on a convertible loan to KE, one of the fastest growing independent upstream oil and gas exploration and production companies in the Middle East



ArcLight Capital Partners, on its acquisition of Teesside Gas Processing Plant from a group of institutional sellers, including Deutsche Bank and MatlinPatterson, and management



Global Infrastructure Partners on its acquisition of a stake in Transitgas (the Swiss gas pipeline)



A consortium consisting of Industry Funds Management (IFM), GDF Suez and CNP Assurances on the planned acquisition of Open Grid Europe, E.ON's natural-gas transmission network



Fairfield in relation to a £150m investment by Riverstone Holdings through a subscription for shares



Global Infrastructure Partners on its acquisition of a 44.9% interest in Fluxys Switzerland AG from Fluxys



CPP Investment Board on its participation in a consortium with Allianz Capital Partners and Infinity Investments for the £1.9bn acquisition of a 24.1% stake in the Gassled joint venture



H.I.G. Europe on its £110m acquisition of Petrochem Carless Holdings Limited, a specialty refiner of hydrocarbon product streams

## Energy services

### Petrofac

**Petrofac Limited** on strategic alliance with First Reserve Energy Infrastructure and disposal of majority stake in FPSO business for potential transactions up to \$1.25bn

### AEA Investors

**AEA Investors** on the acquisition of Sparrows Offshore Group from Close Brothers Private Equity

### HELLMAN & FRIEDMAN LLC

**Hellman & Friedman** on its £1.1bn acquisition of energy and mining research and consultancy business Wood Mackenzie, from private equity firm Charterhouse and management

### CRCI 崇德投資

**China Renaissance Capital Investment**, on its disposal of a 12.7% interest in Anton Oilfield Services Group to Schlumberger Far East, Inc., for approximately HK\$404.5m

### FOX PAINE

**Fox Paine** on the sale of Paradigm Geophysical to Apex Partners and JMI for US\$1bn

### AEA Investors

**AEA Investors** on the acquisition of Maxim Silencers, a Texas based manufacturer of industrial grade silencers for noise control used in the oil and gas power generation markets, by its portfolio company IAC

### AEA Investors

**AEA Investors** on their acquisition of NES Global Talent, the world's leading specialist oil and gas recruiters

### RIVER STONE

**Riverstone Energy Limited** on their partially underwritten global placing, UK offer for subscription of shares, private placing and admission to listing and to trading on the Main Market with gross proceeds of £760.3m

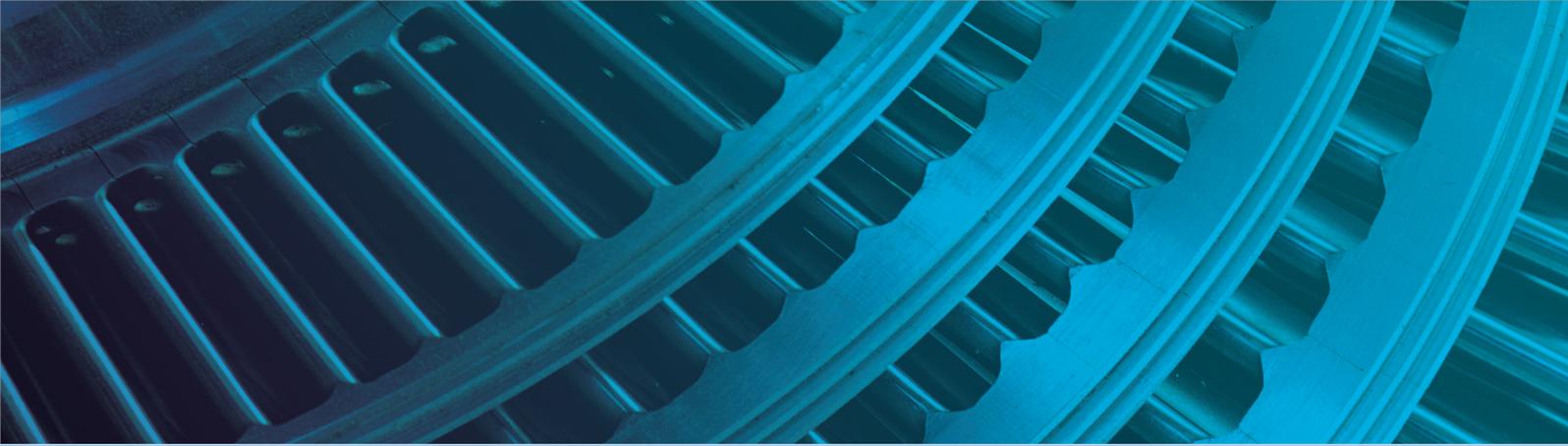
### EXPRO

**Expro International Group** on its acquisition of Power Well Services from First Reserve and on its related rights issue and associated debt facilities

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