

Liquefied Natural Gas (LNG)

Straight Talk on Liquefied Natural Gas (LNG) Deals

When counseling top sponsors, advisors and lenders in LNG projects and financings, Andrews Kurth brings our technical experience to bridge the gap between all parties.

Our team of lawyers climbs inside these deals to get them done. We have counseled key players in these transactions time and time again. The “2005 North American Deal of the Year,” awarded by *Project Finance* magazine, was the largest ever LNG financing in the United States and Andrews Kurth was lead counsel for the Borrower in the financing. We were also counsel to the contractor for a recent LNG project to be financed in the U.S.

Andrews Kurth's practice crosses the entire commercial spectrum of the project finance business. We counsel on both the investment and the industry side of sophisticated LNG transactions and associated regulatory guidance.

Maximizing Interests, Minimizing Risks

Moving an LNG project from wellhead to market involves many players and levels of risk. We identify risks inherent in each stage of an LNG project and document how those risks will be shared. Our comprehensive and thoughtful approach gives clients information to manage and balance risk acceptance and absorption.

A Tradition of Top Projects

Andrews Kurth's rich history covers over 100 years in the energy industry, beginning with the earliest Texas wildcatters. Through each change of the energy industry, we've stayed on its leading edge as a field leader in both energy and finance. Our project representations include:

- **Integrated LNG Facility**—Assisting in the development of a totally integrated LNG facility involving supply, shipping, regasification, gas pipelines, electrical power generation, water desalination and wastewater treatment.
- **Floating LNG Regasification facility**—Preparing the time charter and researching the state and federal regulatory requirements to establish a mobile, floating LNG regasification facility for use along the U.S. East Coast.
- **Indonesia LNG Project**—Helping structure and implement the \$1.3 billion financing for the Bontang LNG Project secured by two long-term LNG supply contracts.
- **LNG Train**—Representing a client on the first Indonesian LNG train, including the supply agreement.
- **Time Charters**—Assisting with several tanker and related LNG time charters
- **Import Terminals**—Constructing several LNG import terminals on the Texas Gulf Coast.
- **Terminal Reactivation**—Helping an LNG shipper reactivate an FERC-certified LNG import terminal on the U.S. East Coast.
- **Natural Gas Act Section 7(c)**—Resolving Act issues associated with constructing or acquiring LNG and related facilities.
- **Storage Facilities**—Handling rates, LNG service agreements, tariffs and other FERC regulatory issues associated with LNG storage facilities.
- **Service and Regulatory Counsel**—Settling the service and regulatory concerns raised by proposed expansion of an LNG terminal.
- **Pascagoula, Mississippi**—Serving as outside counsel for the construction contractor.
- **Mexico Project**—Advising as project counsel for DKRW in the development and financing of the Sonora LNG project.
- **Baja Project**—Project counsel for GNBC (comprising Marathon Oil and two international partners) in its development of the Tijuana Regional Energy Center located on the Baja peninsula of Mexico.
- **Sabine Pass Project**—Counsel for Cheniere Energy in the development and financing of its Sabine Pass Project, and the development of its Creole Trail and Corpus Christi LNG regasification projects on the Texas and Louisiana coasts.

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Regulatory Counsel

We manage a range of regulatory matters in the scope of complex LNG projects. Representative of our experience in this area is the counsel we provided for the construction of several LNG import terminals on the Texas Gulf Coast, which includes:

- Advising on current FERC policy governing LNG projects
- Implementing the procedures for FERC approval of proposed LNG facilities, including National Environmental Policy Act review of the proposed project
- Preparing the application requesting FERC authorization to construct and operate LNG import facilities
- Assisting with approvals and permits required by other federal and state agencies
- Obtaining public support for a project from other federal agencies and local authorities
- Representing our client as an intervenor in various parties' proceedings before FERC regarding other proposed LNG facilities