Clifford Capital Leads USD700M Facility to Support Golar LNG and Keppel Capital in Landmark Conversion of an FLNG Vessel

Singapore, 31 October 2019 – Clifford Capital Pte. Ltd. (“Clifford Capital”), a specialist provider of debt financing solutions globally to companies and projects with a nexus to Singapore in the infrastructure and maritime sectors, announces the successful closing of the USD700m senior secured term loan (the “Facility”) to Gimi MS Corporation (the “Borrower”), a transaction in which Clifford Capital acted as Lead Coordinator and Bookrunning Mandated Lead Arranger (“BMLA”). The Borrower is jointly owned by Golar LNG and Keppel Capital on a 70:30 basis and the Facility was established to finance the development, construction and operation of a Floating Liquefied Natural Gas (“FLNG”) vessel (the “FLNG Gimi”) under a 20-year charter with BP.

The FLNG Gimi, with a capacity of 2.45 MTPA, will be converted from an LNG carrier at Keppel Shipyards in Singapore under an Engineering, Procurement and Construction (“EPC”) Contract. Upon delivery in 2022, the FLNG Gimi will be deployed on the Greater Tortue Ahmeyim (“GTA”) field offshore Mauritania and Senegal to receive, process and liquify natural gas. The GTA field, with total gas resources estimated at 15 TcF, is jointly owned by BP, Kosmos Energy and the national oil companies of both countries.

FLNG conversion units, as opposed to purpose-built floating liquefaction units, are based on a relatively new concept jointly developed by Golar, Keppel Shipyard and Black & Veatch. Predicated on a generic design concept using proven technologies and equipment that can cover a wide range of operating and environmental conditions and hence facilitate redeployment, FLNG conversions offer a quick and low-cost solution for the monetisation of offshore gas reserves. The long-term charter with BP provides a validation of this concept, and the successful conclusion of this commercial project financing for the FLNG segment will pave the way for future financings of similar projects.

“We are honoured to have played the role of a pathfinder to support Keppel and Golar LNG in gaining acceptance of their FLNG concept amongst the international banking community. This sits well within our mandate of championing Singapore exporters in the offshore marine industry, enabling them to showcase innovative technical solutions on a global stage,” said Clive Kerner, CEO of Clifford Capital.

The Facility is the first limited recourse project financing for a FLNG vessel in the commercial bank market. Clifford Capital assembled the four-bank group which includes ABN Amro, ING and Natixis to jointly structure, arrange and provide the underwriting commitment, followed by a syndication effort to bring in additional commercial banks for the financing.
The BMLAs successfully syndicated the Facility to eight participating banks in September 2019, with the final bank group comprising 12 lenders, and achieved financial close in October 2019. Notably, the financing attracted strong interest from Asia-based banks, with a total of five Asian lenders, including three Singapore-based lenders. The strong reception reflected the robust demand for commercial financing of projects being developed by world-class yards and Sponsors with an established track record. The Facility features a tenor of 10 years covering the pre- and post-delivery phases on the back of a 12-year amortisation profile.