

GNL QUINTERO EN SU DEBUT EN EL MERCADO DE CAPITALES INTERNACIONAL

Milbank, Guerrero Olivos, Linklaters and Carey line up for GNL Quintero debt debut

Rachel Hall

Linklaters in New York and London and Chile's Carey have advised GNL Quintero, the owner and operator of the largest liquid natural gas (LNG) regasification terminal in Chile, for its US\$1.1 billion debut on the international capital markets.

Milbank, Tweed, Hadley & McCloy LLP in New York and Chile's Guerrero Olivos advised the global coordinators and bookrunners for the issuance of unsecured senior notes due 2029.

The deal, said to be the third largest by a private Chilean issuer to date, closed last Thursday. It was oversubscribed with orders reaching close to US\$5 billion.

The proceeds will be used to repay in full a project finance syndicated credit facility obtained in 2008 to fund the construction of the terminal. That deal, which won Latin Lawyer's Deal of the Year award in the project finance category, saw the lenders receive counsel from Guerrero Olivos, GNL Quintero retain Linklaters, and shareholder the BG Group turn to Carey. Linklaters partner Conrado Tenaglia says that maintaining similar teams was "crucial" to understand the way the project was structured and operates.

Repaying the existing facility, which included a complex collateral and security structure, entailed the release of all the collateral granted by the company to the lenders, including over 50 Chilean collateral agreements.

According to Carey partner Diego Peralta, as GNL Quintero is both a first-time issuer and a closed company which is neither registered in Chile nor in the US, the legal teams had to assemble a disclosure package from scratch within three months.

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The lawyers also had to be careful to coordinate the bond drawdown mechanics with the loan repayment, while ensuring the collateral was released and interest rate swaps unwound simultaneously, all of which required a prepayment notice to be given shortly after pricing to ensure there would not be two debts outstanding at the same time.

Once all the documentation was in place, GNL Quintero then waited for a window of opportunity in the market before issuing the bond. “They got a very good interest rate for the bond,” says Guerrero Olivos partner Roberto Guerrero. “This has been a very good time for bond offerings by Chilean companies.”

GNL Quintero owns an LNG receiving, storage and regasification terminal located in Quintero Bay, Chile. Its shareholders include Enagas, Oman Oil, Enap, Endesa and Metrogas.

Counsel to GNL Quintero

In-house counsel

Dafne González and Javier Chorbadian

Partner Conrado Tenaglia, counsel Vijaya Palaniswamy and associates Adriana Maestas and Tyler Stypinski in New York, partner Matthew Hagopian in London and New York, and associate Scott Coleman in London

Carey

Partners Jorge Carey and Diego Peralta, and associates Elena Yubero, Patricia Silberman, Mariana Gómez, Mariana Tupper, Sebastián Monge and Camila Noreña in Santiago

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In-house counsel to Citigroup

Mariel Creo and Mackenzie Colburn

In-house counsel to JP Morgan

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Milbank, Tweed, Hadley & McCloy LLP

Partners Marcelo Mottes, Daniel Bartfeld and Andrew Walker, and associates George Naya, Gladisley Sanchez Erika Hauser in New York

Guerrero Olivos

Partners Roberto Guerrero, José Miguel Ried and Cristián Fabres, and associates Josefina Yávar and Ricardo Abogabir in Santiago.