



FinanceAsia Achievement Awards 2002 - Deals of the year

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We are pleased to announce the winners of best deal awards for equity, fixed income, M&A and private equity deals.

Best Project Finance Deal Phu My 2.2 \$480 million power project

SG, ANZ, Sumitomo Mitsui

It would be foolish to underestimate the importance of the Phu My 2.2 power project for Vietnam. It marks one of the biggest investments ever into the country and is its first ever build-operate-transfer project in the country.

The project has been in the works for years with the first bid solicitations occurring back in 1997. It faced a myriad of obstacles in getting closed and the lead arrangers and sponsors - EDF, Sumitomo and TEPCO - must be given full credit for the innovation and perseverance they showed in overcoming the hurdles.

The project structure is a glorious mix of all the various tools that are available for financing projects. There is strong multilateral support from Proparco, JBIC, the World Bank and the ADB; political risks insurance from Sovereign of Bermuda; commercial bank lending; strong equity support and good government co-operation.

In essence what has made this project stand out is the methodical way that all the various risks have been highlighted, understood and allocated to the right parties. But more than just being a clever bit of financial engineering, this is a project that needed to close and has strong commercial rationale behind it. [Structured and tendered by K&M Engineering and Consulting Corporation of the United States].

It will be the cornerstone of developing Vietnam's power supply, which is growing by 13% a year. And it will use gas sourced from the local Nam Con Son gas field. This was a well thought out, well executed deal from the old school of project finance which will materially benefit the development of Vietnam.

Legal advice came from a variety of sources. Allen & Overy and Gide Loyrette Nouel advised the project company. Clifford Chance, Vilaf Hong Duc and Drew & Napier were counsel to the common lenders. Freshfields advised JBIC.