

INTERNATIONAL PROJECT FINANCE

Structuring and negotiation of financial, operational and legal risks



Invaluable tools for professional project financiers

- Learn the process of structuring a project finance transaction
- Get insight into the differing objectives and risks of key parties
- Undertake risk analysis of projects in mining, power, PPP infrastructure and oil & gas
- Key sources of funding including Export Credit Agencies/ Multilaterals
- Analysis of key legal risks in projects
- Efficient management of currency, interest rate and commodity price risks
- A structured approach to Due Diligence and analysis
- Detailed examination of failed projects and lessons learnt
- Real life project finance case studies

How will this course help you and your team?

- Work actively in all phases of a project – origination, execution and monitoring
- Gain more structure in the Due Diligence process
- Achieve stronger structuring and negotiation skills
- International case studies improves benchmarking and references

International project finance

Entering or working in the ever changing world of project finance requires continuous learning. This challenging field attracts the brightest minds of finance to create complex structures with implications on legal, operational and financial risks. No other field attracts such a wide mix of backgrounds from Lawyers, Actuaries and Credit analysts, Engineers and Economists. To get to the top it is crucial to have a detailed knowledge of all building blocks of a project finance transaction from the different perspectives of stakeholders and environments.

Structuring of a transaction

Many project finance professionals started out as financial modellers to achieve financial confidence with a project. Stepping up to get active in the structuring and negotiations requires further knowledge which is where this course fits in perfectly. The course covers the essential and advanced skills required in legal, financial instruments, operational issues, cross-border, Due Diligence, sources of funding and other key areas.

Updated transaction case studies

The course is based on a case studies, lectures, group and individual exercises. The case studies are based on Mr. MacDonald's successful project finance career with ANZ Investment Bank and the Royal Bank of Scotland and includes references to recent real projects from 2005-2009.

- Mining greenfield project in Australia
- Power greenfield project in Indonesia
- PPP infrastructure in Singapore
- Oil & gas borrowing base facility in Australia

Is this course right for you?

This course has been specifically designed for professionals with backgrounds in the following areas.

- Project Developers
- Financial Advisors
- Banking teams
- Government and Export Credit Agencies
- Construction and Service Companies
- Legal and Accounting Firms

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Gain a complete understanding of the process of a project finance transaction

Achieve stronger negotiation and structuring skills

Day one

Essentials of a project finance transaction

- Analysis of commercial drivers
- Traditional industries and newly emerging subsectors
- Domestic and international financing

Parties involved in different phases

- Sponsor(s), EPC contractor, offtaker(s)
- Operator and mining contractor
- Financiers and Export Credit Agencies / Multilaterals
- Lease Providers

Structuring and execution processes

- Negotiation and challenges of Financial Close
- The different phases of Construction, Completion and Operations
- Refinancing and ultimate closure

Sources of funding and risk profiles

- Sponsor and third party equity
- Bank market (senior and subordinated debt)
- Capital markets (Bonds, securitisation)
- Export Credit Agencies (ECA) / The World Bank and key Multilaterals

The role of investors

- JV Partners for Sponsors
- Export Credit Agencies / Multilaterals
- Structuring Project Finance transactions for distribution
- The syndication process

The Role of Due Diligence

- Technical and Market Due Diligence
- Financial Model and Model Audit
- Environmental & Social, including the Equator Principles
- Marketing and Insurance
- Legal and Tax & Accounting

Case Study: **Oil & Gas**

- Borrowing base facility
- Junior oil & gas producer
- Australia

Day Two

Legal framework required to achieve Financial Close

- Contractual obligations amongst Key Parties
- Shareholder / sponsor documents
- Project and finance Documents

Financial modelling of base case and downside scenarios

- The financial model and the role of assumptions
- Relationship between the key variables and ratios
- Nominal vs. real calculations
- Types of financial ratios (IRR, NPV, DSCR, LLCR, PLCR)
- Sensitivity and cashflow waterfall analysis
- The model audit – involved parties and process

Risk structuring and analysis

- Country and political
- Sponsor and management
- Construction, operational, market
- Financial, environmental, social
- Insurance, legal, tax
- Force majeure
- Acceptable risks – the risk allocation matrix

Case Study: **Power**

- Greenfield project
- Independent power producer
- Indonesia

Structuring of the financial arrangements

- Debt sizing and debt facilities
- Credit enhancement
- Financial: Interest rates, FX, commodity price
- Repayment method and reserve accounts
- Prepayment and cash sweep
- Capex and major maintenance expenditure

Characteristics of financing structures

- Power, Infrastructure and PPPs
- Mining, Oil & Gas and Telecoms

Master the Due Diligence process

Day Three

Credit analysis skills in a banking environment

- Approach to analysing risk
- Presentation of risks and mitigants
- Presenting to senior management or credit committees

Ongoing Monitoring of live projects

- Covenants
- Role of consultants
- Project Completion
- Site Visits
- Sponsor's Perspective

Case Study: Public Private Partnerships

- Greenfield project
- Independent power producer
- Indonesia

The case studies – essential in explaining key concepts

- Sponsors present their equity case to a panel representing the board of directors
- Lenders present their case for lending to a panel representing the bank's credit committee
- Export Credit Agency presents their case to a panel representing their board.

Continued emphasis

- Hands on' learning - interactive case study focused sessions
- 4 x updated industry case studies
- Plenty of opportunities for Q&A built into the program
- Group exercises – learn from other participants

Case Study: Mining

- Greenfield project
- Aluminium refinery & smelter
- Australia

Neil MacDonald – project finance expert

Neil has extensive experience in origination and executing project finance transactions in infrastructure, mining, power, water, rail, PPP and oil & gas. Neil's impressive career in Project Finance spans over 15 years in the Royal Bank of Scotland, as a Director, and prior to that in ANZ Investment Bank in both London and Sydney.

Recent Career Highlights

- 2009 Oil & Gas Project in **Australia**
- 2008 Petrochemical plant in **Singapore** (USD 1.4BN)
- 2007 Oil & gas project in **Australia** (USD 270m) – Coogee Resources
- 2006 Iron ore project in **Australia** (USD 350m)
- 2005 Merchant power project in **Australia** (AUD 2.33BN) – Loy Yang A
- 2004 Coal seam gas project in **Australia** (AUD150m) – Comet Ridge
- 2003 Gold mine in the **Philippines** (USD35m) – Rapu Rapu
- 2003 Oil & gas financing in **Papua New Guinea** – Oil Search Limited
- 2003 Contracted power project in **Australia** (AUD189m) – Townsville Power Station
- 2002 Underground coal mine in **Australia** (AUD76m) – Tahmoor North Coal Project
- 2001 Oil rig financing in **Indonesia** (AUD54m) – Australian Oil & Gas Co
- 2000 Gold mine in **Tanzania** (USD200m) – Barrick Gold
- 2000 Nickel project in **Colombia** (USD200m) – Cerro Matoso, Billiton

About Navigator Project Finance

Founded in 2004, Navigator Project Finance Pty Ltd (Navigator) is the project finance modelling and training expert. Headquartered in Sydney, Australia, Navigator has raised the global benchmark in financial modelling services to the project finance sector.

Previous training participants

ABN Amro
Acciona Energy
ANZ
Asciano Infrastructure
Babcock & Brown
Bank of Tokyo Mitsubishi
BOS International
Commonwealth Bank of Australia
Chevron

Energy Australia
Ernst & Young
European Investment Bank
International Power
KPMG
Lend Lease
Merrill Lynch
Mizuho Bank
PKF
PricewaterhouseCoopers
Royal Bank of Scotland
Societe General (SGCIB)

Pricing

Refer to our web page for current pricing.

In-house

Contact us for a tailored solution

**Book 12 weeks in advance and
get the 10% Early Bird Discount**

Group booking Discounts

3 course bookings - 20% discount

4 course bookings - 25% discount

5 course bookings - 30% discount

Group booking discounts are available for one person booking multiple courses or one organisation booking multiple participants on one course.

Contact: Training Sales

Phone: +61 2 9229 7409

Email: training@navigatorPF.com

Or go to www.navigatorPF.com to book or find out more about our courses and what benefits they can offer you and your company.

We welcome follow-up questions and discussions in the weeks and months following the course! It is all included in our offering of a complete package.

Nick Crawley,
Managing Director, Navigator Project Finance

www.navigatorPF.com

- Course schedule
- Free Tutorials
- Financial modelling blog

navigator 
PROJECT FINANCE

GLOBAL PROJECT FINANCE MODELLING SERVICES

Registration form

Number of participants 1 2 3 4 5 6 7 8 9 10

Course Name _____

Course Dates _____

Our public courses are strictly limited to a maximum of 10 participants. In order to guarantee attendance on a course we need your registration a minimum of 6 weeks prior to the course start date.

5 easy ways to register or get more information

1. email: training@navigatorPF.com
2. Call Training Sales on +61 2 9229 7409
3. Fax us on +61 2 9229 7499
4. Use our web form: <http://www.navigatorpf.com/contact>
5. Post this form to:
Navigator Project Finance Pty Ltd
Level 1, 23 Hunter Street
Sydney, NSW, 2000 Australia

Personal Details

Please print clearly or attach business card

Family Name (Mr/Mrs/Ms) _____

First Name _____

Position _____

Department _____

Company _____

Address _____

Postcode _____ Country _____

Email _____

Telephone _____

Fax _____

I understand and accept the booking terms and conditions

Signature _____ Date _____

Cancellation & Refunds:

If any registered delegate cannot attend a course/s, a replacement or substitute is welcomed. Cancellations must be made in writing and acknowledged by Navigator Project Finance and must reach our office at least 30 days prior to the first course commencement date. A full refund less an administration charge of USD\$200 will be provided. For any written cancellation requests that reach us less than 30 days prior to the course, no refunds will be provided. However if you wish to attend any other Navigator Project Finance training course, a discount voucher will be issued that is equivalent to 75% of the original total payment value. Any voucher issued must be used within 1 year of the original registration date. Discount Vouchers are transferrable within the same organisation, however they cannot be used in conjunction with any other offer or discount scheme. Discount vouchers will not be issued for no-shows where cancellation notice has not been received. Should any dispute arise from the above, Navigator Project Finance reserves the right to the final decision.