



Power and water expertise

Trowers & Hamlin is a City and International law firm based in London with five offices in the Middle East. We also have formal associations with Feras Al Shawaf Law Firm in Saudi Arabia, Abdul Karim Al-Fauri & Associates in Jordan and Sultans Law in Syria. We are one of the largest international law firms running a dedicated Middle East team, with offices in Abu Dhabi, Bahrain, Cairo, Dubai, Oman and London whose lawyers form part of a regional legal staff of more than eighty.

We have particular expertise in advising on large-scale power and water infrastructure projects. Our teams of specialists have worked with clients on such projects located throughout the Middle East, notably in Saudi Arabia, UAE, Jordan, Oman, Qatar, Iran, Sudan, Pakistan and Kuwait.

For instance, the firm has been retained as counsel on some of the most prominent independent power and water projects and transactions in the region including:

Yanbu IWPP, Saudi Arabia

We are advising a bidding consortium comprising Saudi Binladin Group and Tenaga Nasional Berhad in relation to its prospective bid for the 1,700 MW and 150,000m³ Yanbu IWPP. The Yanbu structure differs from the WEC-sponsored IWPPs in that the tendering body, Marafiq, does not offer a government guarantee in respect of the offtake arrangements.



Source: iStock

Ras Azzour IWPP, Saudi Arabia

We advised a consortium comprising Al Rajhi International for Investment, Al Khorayef Group, Taiwan Power Company, Taiwan Water Corporation and Taiwan Cogeneration Corporation in relation to its prospective bid for the US\$5 billion-plus Ras Azzour IWPP. We advised the consortium in relation to all aspects of the project during the pre-bid phase, including the corporate, EPC, O&M and finance arrangements.

Shuqaiq II IWPP, Saudi Arabia

We acted as lead legal advisers (both finance and project matters) to the project company appointed to build and operate Saudi Arabia's second privately funded water and power project, the Shuqaiq II IWPP. The bidding consortium was led by ACWA Power Projects (Saudi Arabia), Mitsubishi Corporation (Japan) and Gulf Investment Corporation (co-owned by the six GCC nations). The project financing for the Shuqaiq II IWPP is in excess of US\$1.9 billion and includes a US\$140 million Islamic tranche. Financial close was achieved in March 2007.

Shuaibah IWPP, Saudi Arabia

We advised the consortium (and then the project company) that won the competitive bid process to provide Saudi Arabia's first ever privately funded water and power project, the US\$2.5 billion Shuaibah IWPP. The consortium members included Khazanah Nasional, Tenaga Nasional and Malakoff.

The project financing also involved a significant US\$300 million Islamic tranche and financing from export credit agencies of South Korea (K-Exim) and Germany (Hermes).

We continue to advise Shuaibah Water and Electricity Company (the project company) in relation to construction phase issues relating to the project.

Salalah II IWPP, Oman

We are currently acting as lender's lead and local

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counsel in relation to the bid phase for the second Salalah IWPP, with the project estimated to be costing US\$400 million.

Fujairah F2 IWPP, UAE

We are currently acting as lenders' UAE counsel in relation to the bid for the Fujairah F2 IWPP by a consortium comprising SCU, Sojitz Corporation and Kyushu Electric Power Company Inc.

Fujairah F1 IWPP, UAE

We acted as lenders' local counsel in relation to the financing and acquisition of the Fujairah US\$1.5 billion F1 independent power and water project which closed in November 2006. The project involved the establishment of a joint venture company owned 60% by the Abu Dhabi government and 40% by SembCorp Utilities of Singapore. This was the first independent power and water project in the Emirate of Fujairah. This included advising on and drafting security agreements and achieving perfection of the security packages, issuing a UAE law legal opinion and collating conditions precedent. In addition, we acted for the lenders consortium with SembCorp during the bid stage of the project and conducted extensive due diligence.

Umm Al Nar IWPP, UAE

We were retained as counsel by the successful consortium of International Power plc, The Tokyo Electric Power Company, Incorporated and Mitsui & Co., Ltd. on the Umm Al Nar IWPP.

We advised the consortium on Abu Dhabi and UAE law aspects of the transaction and issued English law opinions in connection with the financing on behalf of Arabian Power Company. This included advice and assistance on the structuring and negotiation of the Islamic financing tranche. We continue to advise Arabian Power Company in relation to the ongoing implementation of the project.

Shuweihat S1 IWPP, UAE

We were retained by the consortium of CMS Energy and International Power on the Shuweihat S1 independent power and water project in Abu Dhabi. As part of our engagement we provided advice and assistance to the consortium in connection with the Islamic financing tranche.

We continue to advise Shuweihat CMS International Power Company in relation to the ongoing implementation of the project.

Shuweihat was judged to be **Middle East Project of the Year** in the MEED Awards for Business Excellence 2002. We were also nominated for **IFLR Project Finance Deal Team of the Year** in recognition of our work on the project.

Taweelah A2 IWPP, UAE

We acted as lead international counsel for CMS Energy, the developer for the Taweelah A2 IWPP, the first independent power and water project to be undertaken in the United Arab Emirates. We advised CMS on all legal and contractual aspects of the project involving English, Abu Dhabi and UAE law. We also advised upon the EPC and O&M arrangements for this project as part of the comprehensive advice provided to the developer.

Taweelah A2 refinancing, UAE

We acted for Emirates CMS Power Company on its landmark US\$541 million refinancing of the Taweelah A2 independent power and water project. This was the first IWPP refinancing in the UAE.

The 16 year facility included a pioneering securitisation of National Bank of Abu Dhabi's (NBAD) project loan to the deal – the US\$135 million Abu Dhabi Power Bond, and a US\$150 million Islamic tranche. The Abu Dhabi Power Bond was structured through Abu Dhabi Power Bond Limited which brought the loan from NBAD. The Islamic tranche was underwritten by Abu Dhabi Islamic Bank along with Dubai Islamic Bank and Kuwait Finance House.

The Taweelah A2 refinancing was judged to be **Middle East Refinancing Deal of the Year 2004** in the Euromoney Awards.

Barka II/Al Rusail IWPP, Oman

We advised the lender consortium as Oman counsel on the Barka II IWPP, combined with the privatisation of the Al Rusail Power Company S.A.O.C., which is regarded as one of the most significant recent deals to have closed in the global power and water sector. The new Barka II power plant will have a generation capacity of 678MW and a desalination capacity of 120,000 cubic metres a day. The existing Al Rusail plant is a natural gas-fired 668MW open cycle plant. The acquisition of the assets of Al Rusail Power Company SAOC was the first transfer of a state-owned power plant in Oman.

Barka I IWPP, Oman

The Barka I IWPP is a 427MW power and 3,800 cubic metre per hour water project with a value of US\$450

million. We advised AES Corporation, the successful bidder, as Oman counsel. We assisted and supported on the project agreements, construction agreements, financing and security documentation. We continue to advise AES Barka SAOG.



Source: iStock

Sohar IWPP, Oman

We acted as Oman counsel for the Suez Energy International consortium on the new Sohar IWPP in Oman. This is a natural gas and fuel-oil fired plant with a maximum capacity of 585MW, and desalination plant with a maximum capacity of 33 million cubic gallons per day. In addition to the usual complex arrangements in such projects, our work involved the review and consideration of the newly promulgated Electricity Sector Law and advising the project company in respect of the unbundling of Oman's electricity assets to private companies.

Manah Power Project (Phase I), Oman

The Manah Power Project was the first project of its kind in the Gulf. It is therefore a landmark project in the pioneering of IPPs.

We advised the United Power Group/United Power Company SAOG on all aspects of the project agreements, security package and construction agreements for the implementation and construction of an independent power project comprising a 90 MW power generation facility and 185 km of transmission lines and related substations. The project included a public flotation and a substantial local security package. This scheme, with a value in excess of US\$200 million,

was the first BOOT (build, own, operate, transfer) project to reach financial close in the Middle East. It is now in commercial operation. The complex project financing was arranged by IFC, the privatisation arm of the World Bank, and was governed by New York Law.

We continue to advise the United Power Company SAOG.

Manah Power Project extension (Phase II), Oman

We advised United Power Company SAOG throughout the negotiation of a 180 MW expansion to the Manah Power Project, also financed on a project finance basis and as a BOOT scheme. The extension has a value in excess of US\$100 million and was brought into operation in the summer of 2000.

Salalah Power privatisation, Oman

We initially advised the Oman Ministry of Electricity and Water under terms of engagement with Ernst & Young on the development of the strategy and "in principle" documentation for the privatisation of the entire power system in the South of Oman. This project included the establishment of a 200 MW power plant and new distribution facilities as well as responsibility for the existing power system from generation, distribution and supply to metering and billing customers. We prepared the initial Invitation to Tender with "in principle" legal documents. We subsequently advised a number of bidders for this scheme on a non-exclusive basis and were retained as local counsel to the lenders to this project. Financial close was achieved in the third quarter of 2001.

King Abdullah Economic City, Saudi Arabia

We have advised Emaar, the Economic City (EEC) in relation to the procurement of utilities (a power generation plant, transmission and distribution system, wastewater treatment plant, and RO desalination plant) to service the King Abdullah Economic City, including lengthy negotiations with the bidders for the utilities contracts. We also advised EEC in relation to the procurement and grant of a BOT district cooling concession for the first phase of residential development within the economic city.

KAEC is located about 1 hour north of Jeddah and is the largest private sector project in the Middle East at US\$50 billion. Since its launch in late 2005 the masterplan for the city has quadrupled and now extends to 168 million square metres.

General

We have also undertaken front end work in relation to proposed IPP/IWPP projects in other countries in the region, including Lebanon, Libya, Palestine and Syria.

Our working knowledge of these regional precedents gives us the ability to assess what constitutes 'market' during the course of governmental, regulatory, financing, O&M and EPC negotiations.

The firm has a track record of advising on the first IPP/IWPP projects in a jurisdiction. Additionally, because we have advised on so many regional IPP/IWPP projects, we now have a very deep pool of knowledge and a large number of our lawyers are well versed at structuring these projects.

Our work in the utility sector also includes advising companies involved in the transmission, distribution and O&M sectors, as well as advising more generally on M&A activities that are gathering pace across the MENA region.

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