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2019 DEALMAKERS OF THE YEAR



SULLIVAN & CROMWELL

Inosi Nyatta
Sullivan & Cromwell

“Creating a new financing structure that is now the precedent for other LNG projects to come”

Several years ago, Sullivan & Cromwell client Cheniere Energy Inc. was thinking about developing its second liquefied natural gas project in Corpus Christi, Texas. But when the market started to turn and oil prices started to dip in 2015, the Houston-based company decided to postpone the development of one piece of the project.

“We continued to work with them through the dip in the market prices to help them think about how to optimally position the expansion when they eventually went to the market,” says Sullivan & Cromwell financing and restructuring partner Inosi Nyatta, who is co-head of the firm’s project development and finance practice.

So when Cheniere decided at the beginning of 2018 to move forward with the three-train liquefaction project, it was off to the races to secure the financing.

But the project financing market had vastly changed. Buyers and sellers were looking at the LNG market quite differently, and traditional long-term contract models and point-to-point sales were no longer the norm.

“Lenders are generally a little bit behind the curve in really accepting the risks of a new, changing market,” Nyatta says.

Nyatta and her team worked to explain the changing dynamic to lenders and develop new structures within the financing to reflect some of the risks that the new market dynamic created. They ensured that lenders’ concerns were adequately mitigated to allow Cheniere to buy the financing that was needed.

By May 2018, Cheniere had the \$6.1 billion in expansion financing necessary for its Corpus Christi liquefaction project thanks to a new financing structure that is now the precedent for other LNG projects to come.

—Meghan Tribe