

Oil & Gas



S&C has significant and varied experience advising clients in the oil and gas sector. Our depth of understanding of the oil and gas industry means our lawyers' advice is always oriented towards achieving the commercial objectives of our clients. We provide tailored solutions informed by market knowledge. Our multi-disciplinary approach ensures that clients benefit from our industry experience in each of our core practice areas.

Our oil and gas sector experience includes the following highlights.

The largest upstream oil project financing in history

S&C advised Tengizchevroil LLP in its \$16 billion project financing to fund the \$42.5 billion expansion and modification of its upstream operations at the Tengiz super giant oilfield in Kazakhstan. The financing was enabled by creative legal work that enabled TCO's bonds to obtain investment grade ratings higher than the Kazakh sovereign. The transaction is the second-largest project financing ever.

Private equity players leading in the oil and gas space

S&C advises a range of private equity companies that are leaders in the development and operation of oil and gas infrastructure. This includes regular advice to the Energy & Minerals Group and the American Energy platform companies, and others, in the acquisition and development of U.S. shale plays—some of the strongest influencers in the global energy landscape today. S&C also counseled Canada Pension Plan Investment Board in a series of transactions in which it acquired a substantial stake in the operator of the Camisea Pipeline in Peru, and advised CIC Capital as a member of a consortium led by Brookfield in its \$5.2 billion acquisition of a 90% stake in the natural gas pipeline unit of Petrobras.

The largest energy infrastructure company in North America

S&C represented Canada's Enbridge, which operates the world's longest crude oil and liquids transportation system across Canada and the United States, in its \$43 billion merger with U.S.-based Spectra Energy, one of North America's leading pipeline and midstream companies. The transaction marked the largest-ever foreign purchase by a Canadian company, and created the largest energy infrastructure company in North America.

Regular counsel to oil majors on capital raising transactions

S&C has been regular counsel to major integrated oil companies like BP, Petróleos Mexicanos (Pemex) and Total for decades, having advised BP alone on more than \$75 billion worth of debt capital markets transactions. Our experience in this area is extensive, and includes capital markets transactions integrated with larger strategic M&A, project finance and restructuring engagements, among others.

Master Limited Partnerships

S&C has extensive experience advising on transactions involving master limited partnerships (MLPs). We recently advised Andeavor in the \$1.8 billion merger of Andeavor Logistics and Western Refining Logistics and the repositioning of Andeavor Logistics through a \$4 billion IDR buy-in. We have also advised on MLP matters in connection with joint ventures, tax, capital markets, private equity and restructuring engagements. This recent

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experience gives us a deep understanding of key issues faced by many energy sector MLPs in the current market.

Innovation in Latin American oil and gas sector finance

S&C acted for Morgan Stanley and other initial purchasers in a \$531 million senior secured notes offering and Crédit Agricole and other lenders in a \$500 million senior secured credit facility, each in connection with KKR's complex acquisition and leaseback of certain Petróleos Mexicanos (Pemex) oil and gas infrastructure assets. This exceptional transaction entailed a creative and innovative structuring exercise, led by S&C and Morgan Stanley, for the first transaction Pemex has executed in this form. The working group had to reconcile a diverse array of factors, including energy reform, treasury parameters, local and investor tax requirements, desired accounting treatment, rating agency requirements, the needs of the project finance bank market and expansion flexibility.

Deep involvement in the U.S. and global LNG sector

S&C advised Cheniere Energy and Sempra Energy in the original project financing of their Corpus Christi and Cameron LNG liquefaction facilities, which rank as the two largest project financings in the U.S., according to *Dealogic*. Over the last two years, S&C has advised Cheniere Energy in \$4.25 billion of bond offerings used to prepay a portion of project debt incurred by its Corpus Christi LNG liquefaction facility. The financings are strategically important for Cheniere because they allow the company to achieve better terms and a longer maturity on its debt. S&C has been finance counsel on several other significant projects globally, including for Australia Pacific LNG, PNG LNG and Yemen LNG.

The Middle East's largest cross-border gas project

S&C advised BNP Paribas, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation as lenders of an \$863 million term loan facility to the Dolphin pipeline project. The project, the Middle East's largest cross-border gas project, produces gas from the North Field in Qatar, the world's largest non-associated gas field, and then transports and sells the gas to customers in Dubai, Abu Dhabi and Oman. S&C previously advised the lenders and underwriters in the project's \$4.14 billion refinancing, which included a \$1.25 billion project bond.

BP Deepwater Horizon settlement

S&C represented BP in negotiating a global settlement with government authorities in the United States over the Deepwater Horizon oil spill in the Gulf of Mexico. The settlement structure provided BP with liquidity and the ability to return its focus to its core business. It further established a framework for U.S. global resolutions of all federal, state and local government environmental and economic damage claims. The Wall Street Journal noted that "the agreement would avert years of litigation" and that investors "celebrated the deal, sending BP's shares up 5.1% in U.S. trading."

The largest onshore, rig-based well servicing contractor completes restructuring

S&C advised Key Energy Services' senior unsecured noteholders in their plan support agreement (PSA) with the company, the largest onshore, rig-based well servicing contractor based on the number of rigs owned. Among other things, the PSA contemplated restructuring and recapitalizing Key through a prepackaged Chapter 11 plan of reorganization. Several months later, the U.S. Bankruptcy Court for the District of Delaware entered an order confirming Key's prepackaged plan of reorganization and Key successfully emerged from bankruptcy.