Early Warning System

IFC-38502

Bangla LNG

Early Warning System
Bangla LNG

IFC-38502

Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-06-13
Borrower	EXCELERATE ENERGY BANGLADESH LIMITED
Sectors	Energy, Mining
Investment Type(s)	Loan
Investment Amount (USD)	$ 55.00 million
Project Cost (USD)	$ 179.40 million

Project Description

The proposed project is a floating liquefied natural gas (LNG) storage and regasification terminal and the supporting infrastructure situated offshore Moheshkhali Island, Bangladesh ("project") which will deliver gas to the onshore transfer location for onward delivery to an existing gas pipeline. The project sponsor is Excelerate Energy L.P. ("Excelerate"), and the project has been developed jointly by Excelerate and IFC InfraVentures under the terms of a joint development agreement signed in June 2015. The Project was formalized by the signing of a Terminal Use Agreement and Implementation Agreement between Excelerate Energy Bangladesh Limited (the "project company"), Petrobangla and the Government of Bangladesh in July 2016.

IFC proposes to invest and mobilize up to $136.3 million in equity and debt financing to support the project. Specifically IFC's financing will support the fixed infrastructure of i) a submerged turret mooring system, ii) 7.5km subsea pipeline infrastructure and iii) an onshore gas delivery point (together, the "Fixed Infrastructure"). The proposed project is located in open water of 30 metres depth, approximately 2.4 kilometres offshore from Moheshkhali Island, 90 km south of Chittagong Port in southern Bangladesh.

The Floating Storage and Regasification Unit ("FSRU") to be deployed for the Moheshkhali Floating LNG project is an existing operational Excelerate vessel, the "Excellence". The vessel was purpose built as an FSRU at the DSME shipyards in South Korea and delivered to Excelerate in May 2005.

The Project will provide 500 million standard cubic feet per day of baseload LNG regasification capacity from the permanently-moored FSRU. As cargo tank levels decrease during natural gas send-out, the FSRU will be replenished from conventional LNG carriers. LNG carriers will moor alongside the FSRU to transfer their cargoes via flexible cryogenic hoses to the FSRU and stored in the FSRU cargo tanks. LNG is then warmed to near-ambient temperatures and regasified before being sent via a 7.5 km pipeline to the onshore delivery point located approximately 30m inland from the maximum high-tide line.

From the delivery point an 89.4 km associated facility pipeline (the "Moheshkhali-Anowara pipeline"), previously constructed and to be operated by the Bangladesh Gas Transmission Company Limited (GTCL), a subsidiary of Petrobangla, will export gas to the national gas transmission system.

The concession period is 15 years at the end of which the FSRU and fixed infrastructure will be transferred to Petrobangla. Petrobangla, or its subsidiaries, will be responsible for the procurement of LNG from the open market and will arrange for LNG shipment and delivery. As such, there are no upstream associated facilities related to this project.

Excelerate Energy is a US-based company headquartered in Houston, USA, established in 2003. Excelerate develops LNG transportation and regasification infrastructure and is one of the largest floating LNG regasification providers globally. In the past seven years Excelerate has developed three offshore LNG import terminals and eight dockside LNG importation terminals. Excelerate also controls the largest global Floating Storage and Regasification Unit ("FSRU") fleet, including one traditional LNG Carrier ("LNGC") and nine FSRUs.

As noted, IFC has an existing relationship with Excelerate via the InfraVentures development structure for the proposed project. In addition, Excelerate is the FSRU supplier to the Elengy project in Pakistan (Project No. 34603), which was supported by IFC in 2016 and whose E&S performance of the project is considered satisfactory.

Investment Description

- International Finance Corporation (IFC)

The Sponsor, Excelerate, established in 2003 and headquartered in The Woodlands, Texas, is a recognized industry leader in offshore LNG infrastructure. Excelerate controls the largest FSRU fleet in the world including 9 FSRUs and 1 LNG carrier and has developed and operated 3 offshore and 8 dockside LNG import terminals. Excelerate is owned by Mr. George Kaiser, an American businessman and chairman of BOK Financial Corporation in Tulsa, Oklahoma.

In addition to Excelerate, IFC will own a minority equity share in the Project Company.

The Project cost is estimated at US$179.4 million, which the Project Company expects to finance with 70% debt and 30% equity. IFC's will lend up to US$34.1 million for its own account through an A loan and will mobilize up to an additional US$91.4 million in Parallel loans or IFC B Loans. IFC also expects to invest up to US$10.8 million in equity for its 20% equity share in the Project Company.

Contact Information

Excelerate Energy Limited Partnership
Ramon Wangdi
Vice President-Business Development
832-813-7678
Ramon.Wangdi@excelerateenergy.com
2445 Technology Forest Blvd, Level 6, The Woodlands, Texas 77381
http://excelerateenergy.com

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Moheshkhali Floating LNG ESIA Final 12Apr17