

Investment Banking | Oil & Gas  
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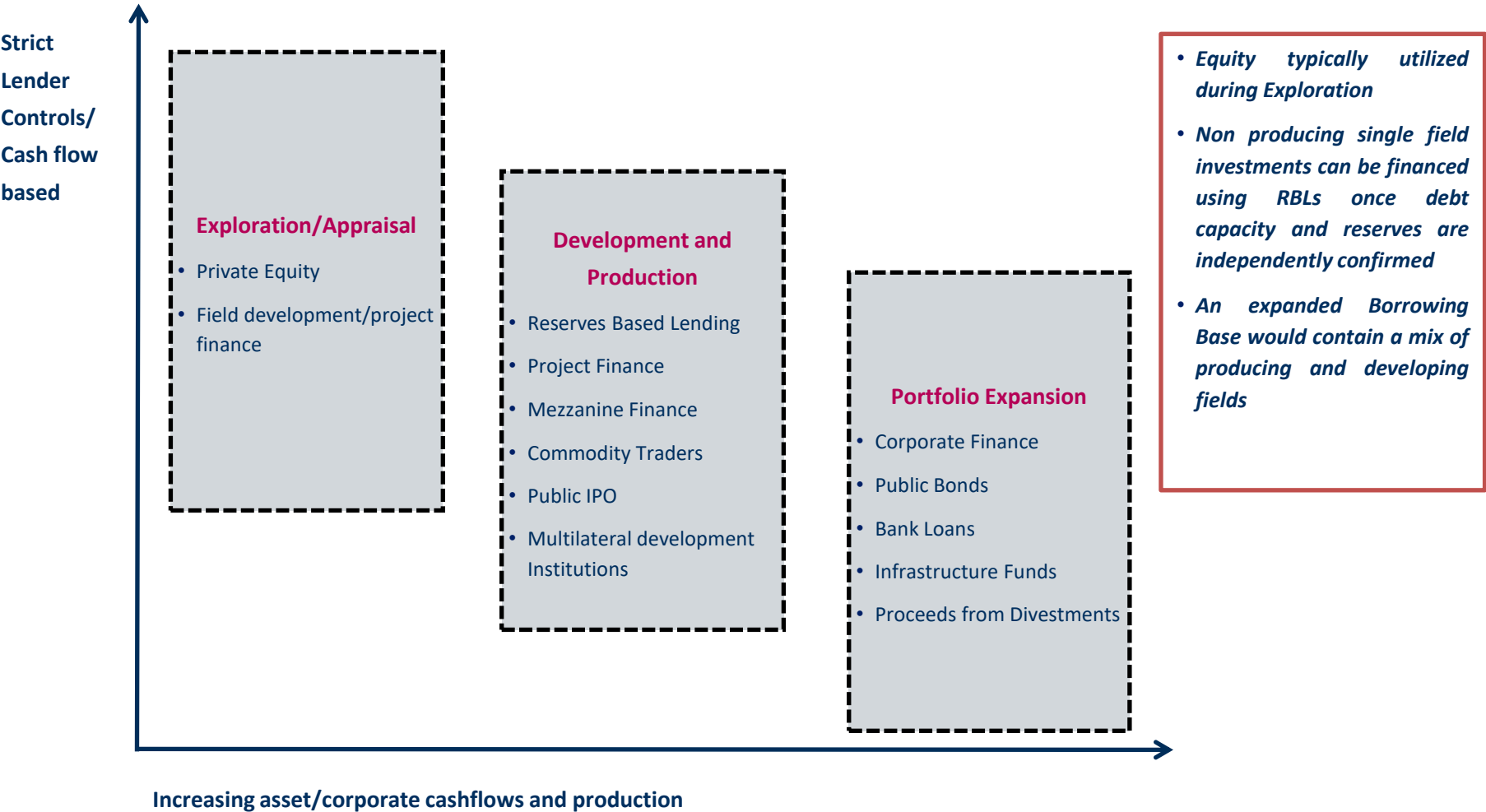


# Innovative Financing Strategies in the Oil and Gas Industry

Ifeoma Finnih

The Energy Dialogue Series

# Financing Solutions Spectrum over Company Life Cycle



# Financing Structures

## 01

### Forward Sale/ Prepayment Structures

- ✓ FSA agreements
- ✓ Offtake agreements
- ✓ Loan Agreements

## 03

### Reserves Based Lending

- ✓ Borrowing Base
- ✓ Sizing – Assumptions, ratios
- ✓ Cash sweeps, secured project accounts  
Assignment of offtake proceeds and insurances

# Financing Structures

## 02

### Contractor/Strategic Partner Financing

- ✓ Large EPC contractors
- ✓ Cost Recovery/Return Arrangements

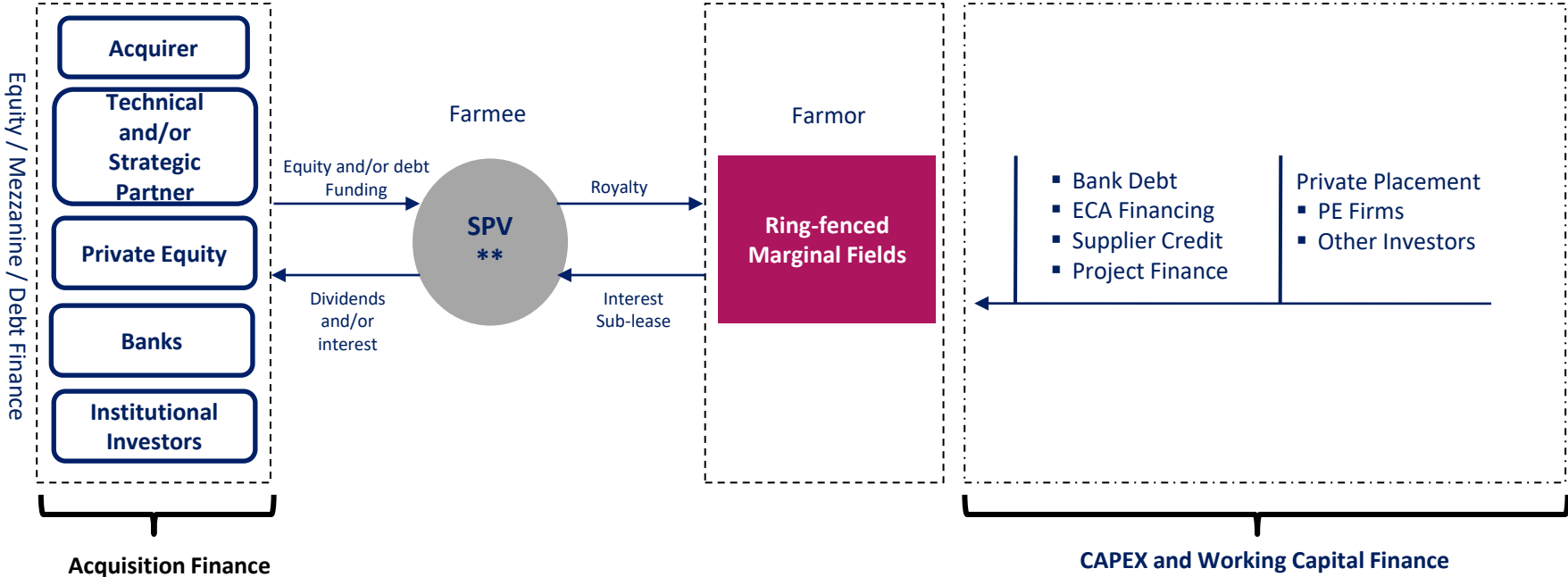
## 04

### Project Finance

- ✓ Construction Phase of midstream/downstream projects
- ✓ Limited/Non recourse
- ✓ Hybrid structures

# Financing a Marginal Field? - Acquisition / Development Financing Structure

It is essential that participants are able to demonstrate “...ability of the borrowing entity or group of companies to muster the financial resources required for the development and ongoing operation of the asset...”

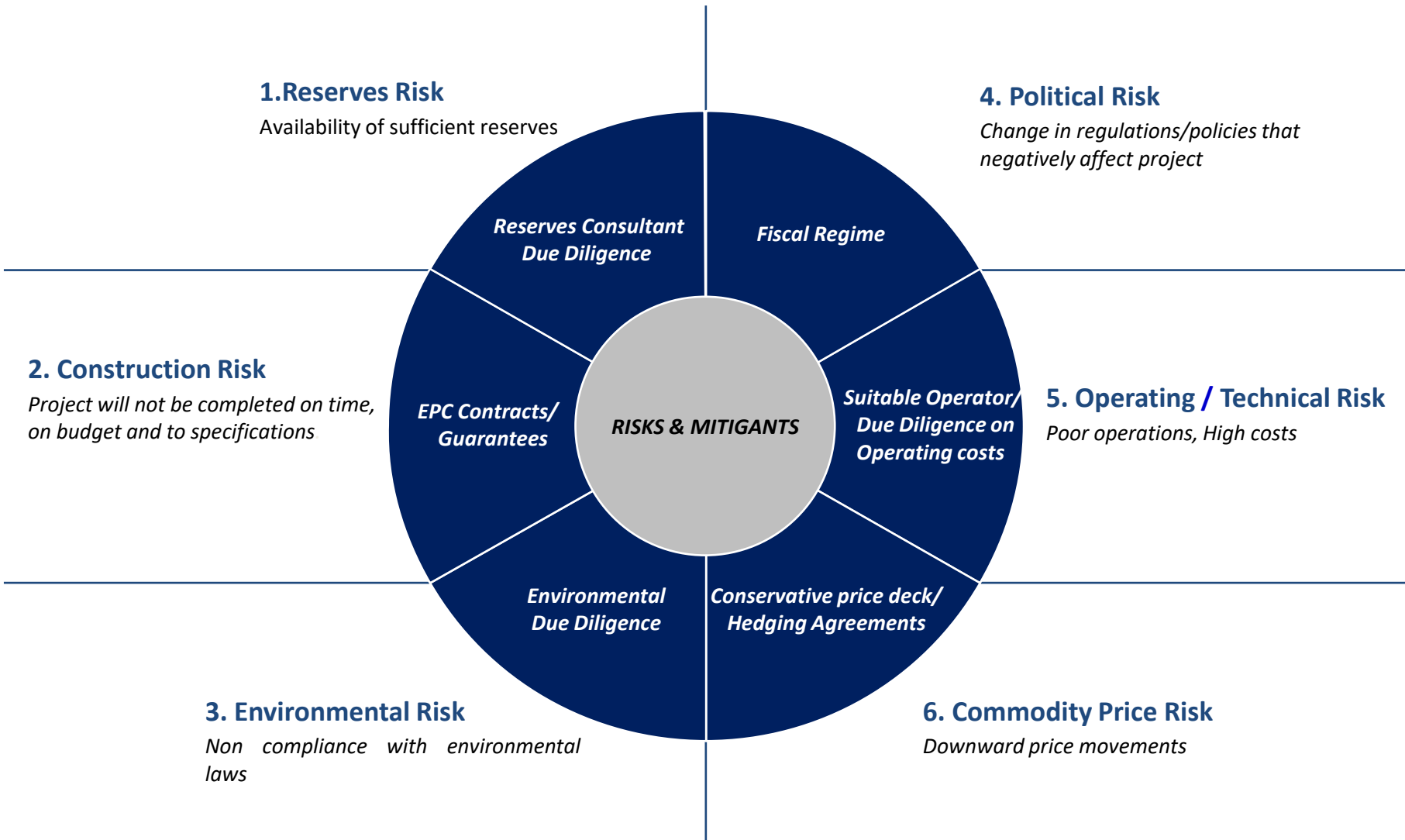


- Funding options include strategic partners/technical partners), banks and private equity/ institutional investors.
- It is likely that an SPV will be created to acquire the assets identified. The bid to acquire an asset could be financed through a number of sources including equity contribution of bidder/investors and/or debt from banks and other Financial Institutions.

## Key Considerations

- Independent Due Diligence (i.e. technical, environmental, legal, etc);
- Experienced Management and Operational Team and Good Corporate Governance
- Cost Considerations
- Proper Valuation (especially where equity investors are being sought from the onset);
- Hedging Requirements
- Agree Community Development Strategy
- Equity Requirements
- For Regulators – Ensure a proper Transparent process;
- Robust Offtake counterparties and evacuation process of the crude;

# Risk Considerations



## IFEOMA FINNIH



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Ifeoma is an investment banker and Senior Vice President within the debt solutions unit at FBNQuest Merchant Bank. She has over ten years of banking experience, the last seven of which have been dedicated primarily towards financial advisory, structuring and closing of project finance deals worth over USD6 Billion across sectors such as oil and gas, infrastructure and telecommunications. She has led deal teams to execute projects across the aforementioned sectors and has garnered a range of skills including project due diligence, financial analysis, fund sourcing, syndications, project management, loan credit and documentation review and facility agency services.

Prior to FBNQuest, she worked on real estate and construction projects and managed client relationships as a relationship Manager in the Corporate Banking department of Fidelity Bank. Ifeoma holds an MSc in Economics and Finance from Warwick Business School, UK and a BA in Economics and Management (First Class) from the University of Ghana, Legon.

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