

The Asset Names PT Medco Energi Internasional's \$450 million term loan facility as 2022 Indonesian Transition Energy Deal of the Year

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The Asset

The Asset has named PT Medco Energi Internasional's (MedcoEnergi) \$450 million loan facility as the Transition Energy Deal of the Year – Indonesia at its Triple A Sustainable Infrastructure Awards 2022. Gibson Dunn advised the MedcoEnergi group on the term loan facility as part of its \$1.35 billion acquisition of ConocoPhillips Indonesia Holding Ltd. This was a particularly complicated financing structure, incorporating aspects of acquisition financing, offtake prepayment arrangements and reserved based financings and various provisions in the facility were negotiated to be aligned with the positions in Medco's existing high yield bonds instead of those typically seen in English law-governed leveraged acquisitions. This deal represents a key step in the MedcoEnergi group's move towards predominantly gas, in line with its climate change strategy of growing gas as a transition (lower-carbon) energy source and moving away from more carbon intensive commodities. The target group of the acquisition is the operator (that has a 54% working interest) of the Corridor PSC, which has seven producing gas fields located onshore in South Sumatra, Indonesia and a 35% stake in the Transasia Pipeline Company. The majority of production is gas sold under long-term contracts to high-quality Indonesian and Singapore offtakers, and represents a very important key step in these countries' move towards gas as part of their climate change strategy. The Gibson Dunn team was led by Singapore partner Jamie Thomas and assisted by Singapore of counsel U-Shaun Lim and Singapore attorney John Cheah. The awards were presented on July 7, 2022.

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