

Project Finance Group Of The Year: Cleary Gottlieb

By Benjamin Horney



Law360, New York (January 21, 2015, 1:53 PM ET) -- Cleary Gottlieb Steen & Hamilton LLP helped secure financing for billions of dollars worth of projects over the past year, from a \$16 billion natural gas liquefaction and export facility in Canada to projects for Brazil's national bank, making it one of Law360's Project Finance Groups of the Year.

The firm's project finance practice group is able to navigate such an array of mega-deals, thanks to the creativity and diversity of its partners. While the firm features only 10 or so partners who are almost exclusively dedicated to project finance, it's the extent of those partners' knowledge and skills — plus the fact that the firm's nonproject finance-focused attorneys are always ready to pitch in when needed — that sets it apart from other top firms, according to Rich Lincer, a 35-year veteran of Cleary Gottlieb.

"We're slightly different from other firms in that we're really a unified worldwide partnership," Lincer told Law360. "We know each other really well, and we collaborate across offices. We tend to focus on very novel and creative things, where our ability to work across different specialties and practices areas works quite well."

Jeff Lewis, who has been with Cleary Gottlieb for about 27 years, highlighted the versatility of the firm's project finance partners, explaining that they are each able to handle all portions of a project, from negotiating on joint venture and restructuring arrangements to working out bond or bank financing.

"And it's the same partner who can do all these things," Lewis said. "That same partner can do an M&A transaction, project financing, etc. We understand completely what the issues are."

"We think that versatility puts our work at a level that we don't think we see in other firms," he added. "Nothing gets dropped through the cracks of a deal."

One of the biggest projects the firm worked on this past year was Pacific NorthWest LNG's \$16 billion natural gas liquefaction and export facility in British Columbia, Canada. Work on that project, which also involves Malaysian state oil company Petronas, is still ongoing, so the firm refrained from diving too deep into the details.

But Lincer, who previously spent a few years working out of Cleary Gottlieb's Hong Kong office, did say that the firm's global nature was part of the reason they were able to land the gig.

"I know the Petronas folks very well from my time in Hong Kong," he said. "So [Pacific NorthWest LNG] came in, given the transnational nature of it, and Jeff and I decided to collaborate."

Lincer also touted the firm's success in Brazil, where it is one of only three international firms that serve as counsel to the Brazilian Development Bank, or BNDES, the country's national bank for economic and social development. This year alone, Cleary Gottlieb advised BNDES on an array of projects, including in connection with the country's domestic and international airports, the expansion of a gas pipeline in Argentina and a development project in Venezuela.

"We've been involved in infrastructure development in Brazil in ways that other people have not been able to get in," Lincer said.

Chantal Kordula, who is going on 18 years at Cleary Gottlieb, said that not allowing itself to become a one-trick pony is a huge part of what has allowed the firm to see so much success of late. Kordula trumpeted the fact that while a large chunk of the firm's portfolio is in the oil and gas sector, Cleary Gottlieb also excels in areas such as mining, transportation, ports and port facilities, electricity and renewable energy.

"We work across all different sectors," she said. "I think we have really developed expertise across all industries. It really is across all industries."

As for transportation, Cleary Gottlieb represented the Mexican Ministry of Communications and Transportation this year in the first stage of financing for the construction and development of an estimated \$10 billion new airport in Mexico City. In regards to mining, the firm was involved this year in the first-ever cross-border restructuring between Australia and Brazil as part of its work on the restructuring and recently completed recapitalization of Mirabela Nickel Ltd. and its subsidiaries.

"We tend to do the groundbreaking transactions," Lincer said. "We've pioneered many things."

The firm's bread and butter is still oil and gas, however, and Lewis said that though the recent drop in oil prices will definitely have an effect on a number of projects, he doesn't see it slowing down the firm's workload in the sector. He thinks that the type of work the firm will be called upon to do in the sector will simply change, not disappear.

Lewis pointed to the firm's work on the restructuring of OGX Petroleo e Gas' roughly \$5.8 billion worth of debt. In that deal, which was the largest Latin American restructuring in history, Cleary Gottlieb represented the lender in connection with more than \$300 million in financing, including a \$50 million secured debtor-in-possession bridge loan, a \$215 million secured debtor-in-possession loan and a \$72 million secured debtor-in-possession incremental loan to OGX.

"That was a groundbreaking restructuring for the oil and gas sector, and I think you're going to see a lot more of that in the services sector or independent gas and oil companies in general."

--Editing by Christine Chun.