

HERBERT SMITH FREEHILLS ADVISES 23 INTERNATIONAL BANKS ON LARGEST EVER RESERVE-BASED LOAN

04 February 2016 | London, Paris
News

Herbert Smith Freehills has advised a group of 23 international banks on Lundin Petroleum's ("Lundin") seven year reserve-based lending facility for up to US\$5 billion. This is believed to be the largest ever European reserve-based loan (RBL) for an upstream oil and gas company.

The facility has an initial committed amount of US\$4.3 billion and includes an accordion feature that allows existing and new lenders to provide additional commitments of up to US\$700 million.

The new facility replaces the existing facility of up to US\$4 billion which was due to reduce in availability starting in June 2016 and mature in 2019. The new facility does not reduce in availability until the end of 2020, enabling Lundin to finance the development of Johan Sverdrup, a very significant oil field in Norway which was discovered by Lundin in 2010.

London finance partner Thomas Bethel led the team, which also included Paris finance partner Louis de Longeaux.

Thomas Bethel commented: "To close the largest ever RBL in such an uncertain climate in the upstream financing market, given the fall in oil price over the last 18 months, is a great achievement for Lundin and it has been a privilege to be involved in the deal advising Lundin's lenders."

Ashurst advised Lundin.

This transaction is part of Herbert Smith Freehills' continued involvement in the majority of the big-ticket reserve-based lending transactions in the market over the past several years. The firm acted for the lenders on Lundin's previous market-leading RBL facility of US\$4 billion in 2014.

About Herbert Smith Freehills

Operating from over 23 offices across Asia Pacific, EMEA and North America, Herbert Smith Freehills is at the heart of the new global business landscape providing premium quality, full-service legal advice. We provide many of the world's most important organisations with access to market-leading dispute resolution, projects and transactional legal advice, combined with expertise in a number of global industry sectors, including energy, natural resources, infrastructure, technology and financial services. www.herbertsmithfreehills.com

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