

HERBERT SMITH FREEHILLS ADVISES REACTION ENGINES ON A STRATEGIC MINORITY INVESTMENT FROM AND WORKING PARTNERSHIP WITH BAE SYSTEMS

02 November 2015 | London
News

Herbert Smith Freehills has advised Reaction Engines Limited on a strategic minority investment from BAE Systems. As a part of the transaction, the two companies will be entering into a working partnership to accelerate the development of SABRE (Synergetic Air-Breathing Rocket Engine) – a new aerospace engine class that combines both jet and rocket technologies with the potential to revolutionise hypersonic flight and space access.

This new class of aerospace engine is designed to enable aircraft to operate from standstill on the runway to speeds over five times the speed of sound in the atmosphere. SABRE can then transition to a rocket mode of operation allowing spaceflight at speeds of up to orbital velocity, or twenty five times the speed of sound.

Under the terms of the agreement, BAE Systems will invest over £20 million for a minority stake in Reaction Engines, enter into a preferred supplier relationship with Reaction Engines in certain agreed areas and have representation on Reaction Engines' board. The transaction is subject to the approval of Reaction Engines' shareholders.

The Herbert Smith Freehills team was led by London-based corporate partner Gavin Davies, with input from partners Adrian Clough and Isaac Zailer. Gavin was supported by associates Sid Shukla, Patrick Roux and Ryan Conroy.

Gavin commented: "We are very pleased to have assisted on what is a milestone transaction for Reaction Engines. We look forward to continuing our close relationship with the company as they enter an exciting stage in the development of a ground-breaking technology – SABRE."

US law advice for Reaction Engines was provided by Covington & Burling LLP. Eversheds LLP advised BAE Systems on the transaction.

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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