

HERBERT SMITH FREEHILLS ADVISES LENDERS IN RELATION TO FINANCING OF FIRST EVER UK-GERMAN ENERGY LINK

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Deals and cases

Herbert Smith Freehills is advising the lenders in relation to the financing of the 725 kilometre, 1.4 GW NeuConnect Interconnector project between the UK and Germany. The lending group consists of Japan Bank for International Cooperation (JBIC), European Investment Bank (EIB), UK Infrastructure Bank (UKIB) and 18 other commercial lenders. The firm is also advising the hedging banks involved in the transaction. The project financing signed on 21 July.

With financing in place and a series of major contracts recently awarded, NeuConnect will begin early works later this year on what will become one of the world's largest interconnector projects at 725 km in length.

NeuConnect will be operational by 2028, forming an 'invisible energy highway' with subsea cables allowing up to 1.4 GW of electricity to flow in either direction between the UK and Germany, enough to power up to 1.5 million homes over the life of the project. It will help to deliver a more secure and resilient energy supply, with independent analysis showing the project will create over £1.7 billion in UK consumer benefits over 25 years.

David Wyles, lead finance partner, comments: "We are very pleased to have supported the lenders and hedging banks in navigating the complexities involved in financing this ground-breaking project. The lenders have done a fantastic job in getting to grips with a new regulated asset class and backing the sponsors on this massive near €3 billion infrastructure investment."

Silke Goldberg, London corporate partner and Global Head of ESG, comments: "This moment marks a significant milestone in the NeuConnect Interconnector project that is set to deliver a real reduction in carbon emissions and play a major role in enabling two nations to become more sustainable in their energy supply."

The Herbert Smith Freehills team was led by London partners David Wyles (finance) and Silke Goldberg (due diligence/regulatory), with Nick May (hedging), Matthew Job (EIB), Helen Beatty (finance), Isaac Zailer (tax), Nicholas Downing (construction), Julian Pollock (real estate) and German partners Kai Liebrich (German finance), Sven Wortberg (German real estate) and Marius Boewe (German regulatory/permitting). The HSF team also included of counsels Keith Gamble, Rowena Van de Grampel, Nicholas Rutter and Hannes Jacobi, senior associates Owen Alcorn, Iain Suttie, Chris Davis, Martyn Jarvis, James Tryfonos, Anne Griffith and Ruth Benfield, associates Thomas Papworth, Dammy Sokale, Alex Shindler-Kelly, Barbara McNulty, Tim Abendschein, James Telford, Kristin Kattwinkel and Konstantin Korennoy, and trainees Perdita Shirley, Max Howard and Tanesha Singh.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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