

# HERBERT SMITH FREEHILLS ADVISES AVENIR LNG ON ITS SALE OF THE LARGEST LNG BUNKERING VESSEL IN THE WORLD AND THE BUY-OUT OF ITS EQUITY PARTNERS IN THE SARDINIAN LNG TERMINAL

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Deals and cases

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Leading international law firm Herbert Smith Freehills has advised London-based Avenir LNG on its acquisition of the remaining stake of subsidiary company HIGAS from its minority partners, CPL Concordia and Gas and Heat, thus becoming the sole owner of the Italian small-scale LNG terminal.

Higas owns and operates an LNG storage and receiving terminal in the Port of Oristano in Sardinia. The terminal was the first dedicated small-scale LNG depot in the Mediterranean. Also, via the adjacent deep draft jetty, it is the first terminal enabling direct LNG imports into Sardinia. This acquisition concludes the joint venture which delivered the construction of the first LNG import terminal in Sardinia.

This transaction is strategically important to Avenir LNG's investment strategy. Higas will continue to promote and enhance the long-term environmental sustainability of Sardinia and Italy, and to take an increasingly prominent role in these important energy markets.

Earlier this year, Herbert Smith Freehills also advised Avenir LNG on its sale of the Avenir Allegiance, the largest LNG bunkering vessel in the world, to Shanghai SIPG Energy Service (SSES).

Avenir LNG has entered into a long-term joint cooperation agreement (JCA) with SSES, a Chinese joint venture between Shanghai International Port Group (SIPG) and Shenergy which will deliver LNG bunker in Shanghai Port, one of the world's busiest ports, to customers such as CMA CGM. Under the JCA, Avenir will be responsible for the global marketing of LNG bunkering services in Shanghai Port. It will also support SSES to ensure seamless LNG bunkering operations for the CMA CGM containerships and future customers.

This important milestone expands Avenir's bunkering network into the rapidly growing Chinese market, adding another hub to its existing bunkering network in the Mediterranean, North West Europe and Malaysia.

Avenir was supported on these transactions by Global Head of Energy, Lewis McDonald in London who leads the firm's relationship with Avenir LNG. The Italian transaction was supported by Francesca Morra, Pietro Pouche and Giacomo Gavotti in Milan and the China transaction was supported by Calvin Ho and Yilin Pei in Beijing.

**Lewis McDonald** said: "Congratulations to Avenir LNG on these strategically significant transactions. We have been supporting Avenir since the inception of the company in 2019 and it is great to see this progress with the company as the small-scale LNG and LNG bunkering markets continue to grow across Europe and Asia."

**Francesca Morra**, energy and infrastructure partner in Milan said: "we are proud to have represented Avenir LNG over these past three years as they have built up their LNG business in Sardinia. We wish them every success as they establish their Mediterranean LNG business around their position in Sardinia, and we look forward to supporting them in the future".

**Calvin Ho**, partner in Beijing said: "The LNG bunkering market continues to grow exponentially throughout Asia as the region focuses on cleaner, more efficient energy sources. We are proud to have worked on these landmark deals with Avenir LNG, including with the world's largest LNG bunker vessel, and as they develop their LNG business in China and beyond".

Herbert Smith Freehills has a leading global energy practice, including on all aspects of LNG infrastructure and LNG trading, with experts available to cover transactions and disputes in all major global markets. In the past 12 months the firm has been very active advising on the contracting and financing of import and export gas projects being developed all over the world, as well as key disputes in the sector.

## 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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