

Gulf Coast Ammonia reaches Final Investment Decision on world-scale ammonia plant in Texas with Starwood Energy and Mabanaft as investors

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Gulf Coast Ammonia LLC; Starwood Energy Group Global LLC →

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TEXAS CITY, Texas, Jan. 8, 2020 /PRNewswire/ -- Gulf Coast Ammonia LLC (GCA) announced today that it has closed on non-recourse project financing for its world-scale anhydrous ammonia plant in Texas on December 30, 2019. Construction capital will be provided by a joint venture of Starwood Energy Group Global LLC (Starwood Energy) and Mabanaft GmbH & Co. KG (Mabanaft). The facility will have a production capacity of approximately 1.3 million tons of ammonia per year and will purchase hydrogen and nitrogen gases as feedstock, providing for significant capital efficiency and reduced air emissions. Construction of the facility will begin in early 2020 with commissioning expected in the first half of 2023.

GCA's state-of-the-art facility will be located within an industrial chemical site in Texas City, Texas and will offer advantageous logistics with deep-water access and pipeline connectivity. Oiltanking North America (a sister company of Mabanaft) will own and operate the marine facilities. Using industry-leading and proven technology, the facility will be the world's largest single-train ammonia synthesis loop and will raise the bar in terms of the safe and efficient production and storage of ammonia.

GCA has secured long-term offtake contracts for the majority of its production capacity and long-term supply agreements for its feedstock.

Ken Koye, GCA's newly appointed CEO, said, "I am pleased to have played a leading role in advising on the commercial structuring and development of this significant addition to the development partners' business in North America. I look forward to delivering the completed project and associated infrastructure as a safe, reliable and responsible addition to the industrial base in Texas City. This new world-class facility will meet domestic and global demands for nitrogen-based fertilizers to improve crop production and yields to feed the world's growing population, as well as specialty chemical production on the Texas Gulf Coast."

"The facility and associated infrastructure will generate major economic benefits in Galveston County, including more than 40 permanent operations jobs and more than 1,000 construction jobs at peak," Koye added.

The project was initiated by Agrifos Partners LLC and brought to successful conclusion in collaboration with its joint venture development partners Mabanaft and Macquarie Capital. As of this closing, GCA is wholly owned by a joint venture of Mabanaft and Starwood Energy.

Tim Bullock, CEO of Mabanaft, said, "Mabanaft is very excited to be the operating partner of this project. This is a major strategic step for Mabanaft to grow and diversify our portfolio and establish a footprint in chemical growth markets, leveraging our group's network of world-class business partners. The joint venture between Starwood Energy and Mabanaft demonstrates Mabanaft's commitment to investment in North America and, more significantly, a milestone for Mabanaft's entry into the ammonia market backed by an equity-owned asset."

Himanshu Saxena, CEO of Starwood Energy, said, "GCA represents Starwood Energy's first investment in a highly contracted downstream / chemical development project. The shale gas revolution and resulting low prices of natural gas have allowed projects like this to benefit from the sustained arbitrage between the value of a global commodity and the cost of a local

commodity. We believe that this opportunity provides a uniquely mitigated risk profile and allows us to leverage our expertise of managing complex development projects."

Philipp Pletka, Managing Director of Starwood Energy, added, "We are delighted to partner with Mabanft in moving this project to construction stage. Once constructed, this will be a premium asset in this market. We look forward to exploring further opportunities in this sector."

Hamza Slimani, Vice President of Agrifos Partners and outgoing CEO of GCA, said, "We are proud to have worked with our development partners, Mabanft and Macquarie Capital, to bring this project through the development phase and to see construction start. The GCA plant will be an important contributor to the world's supply of ammonia."

Nicholas Gole, Head of Americas Energy Principal Investments at Macquarie Capital, said, "Macquarie Capital is proud to have contributed its global leading infrastructure development capabilities to the structuring of this unique asset. We look forward to exploring further opportunities in the promising North American petrochemical sector." Macquarie Capital acted as co-sponsor, sole equity arranger, sole debt arranger and sole financial advisor on the transaction. Nicholas Gole, Alex Erlikh and Devin Blondes led the transaction, with assistance from Peter Zhu and Brian Callahan on the equity and debt arranging.

Vinson & Elkins represented GCA as project counsel and borrower's counsel and advised on all aspects of the development and financing of the project, including the negotiation of major commercial contracts and debt and equity financing agreements. The representation of GCA was led by Kaam Sahely and Alan Alexander, with assistance from Karen Smith and Creighton Smith on the debt and equity financing, along with a team of lawyers across the firm.

Starwood Energy was represented by King & Spalding as M&A/PE counsel. The representation was led by Jonathan Melmed along with Adam Hankiss and Brandon Dalling and a number of other attorneys located throughout the firm's offices.

Mabanaft was represented by Hogan Lovells US LLP as M&A/Projects counsel. The Hogan Lovells team was led by Greg Hill and included Lyndsay Montour David Locascio, and a number of other attorneys located throughout the firm's offices in the US and Germany.

Agrifos was represented by Seward & Kissel LLP as M&A counsel. The Seward & Kissel team was led by Craig Sklar and Nick Katsanos.

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Gulf Coast Ammonia LLC, an agricultural chemical manufacturing company, is developing a world-scale anhydrous ammonia facility in Texas City, Texas, USA.

Starwood Energy Group is a private equity investment firm based in Greenwich, CT that specializes in energy infrastructure investments. Through its existing general opportunity funds and affiliated investment vehicles, Starwood Energy manages total equity commitments of approximately \$3.0 billion and has executed transactions totalling more than \$7 billion in enterprise value. For more information, please visit www.starwoodenergygroup.com

Mabanaft GmbH & Co. KG is a subsidiary of Marquard & Bahls, an agile, independent holding company in the energy & chemical sector. As an international trading company with hubs in Germany, UK, USA and Singapore, Mabanaft concentrates on physical wholesale, supply and trading of petroleum products. Furthermore, the company is active in the operation of service stations, heating-oil retail, lubricants, bunker services and the trading of natural gas liquids and biofuels. For more information, please visit www.mabanaft.com

Macquarie Capital comprises Macquarie Group's corporate advisory, capital markets and principal investing capabilities. Macquarie Capital's expertise spans a variety of industry sectors including telecommunications, media, entertainment, gaming, financial institutions, industrials, energy, resources, real estate, infrastructure, utilities and renewables. For more information, visit www.macquarie.com/us

Agrifos Partners is a privately-owned development company with expertise in the fertilizer and agriculture sectors.

SOURCE Gulf Coast Ammonia LLC and Starwood Energy Group Global LLC