

# Structuring North American LNG Export Projects

20 September 2018



KING & SPALDING



## About King & Spalding



1,000

lawyers across the world

"The firm's global standing in energy and its dedicated Latin America practice provide a powerful combination."

*Legal 500 Latin America 2017*

Top-ranked for "projects throughout Africa, with a particularly strong presence in the sub-Saharan region"

*Chambers Global 2017*



"Firm of the Year"

"It's their responsiveness as well as their business acumen that is very well suited for our business needs."

*Chambers UK 2017*

"One-team spirit and a willingness to work across industries, products and geographies"

*Legal 500 EMEA 2016*



250+

dedicated Energy lawyers located in the world's primary energy centers

"Provides a very high level of service and lawyers display a deep knowledge of their subject matter"

*Legal 500 USA 2016*

"We have received very effective strategic advice and consistently high standards of delivery and convincing results from them."

*Chambers Asia-Pacific 2017*





# King & Spalding

## A Leading Global Energy Practice

- More than 250 dedicated energy lawyers located in the world's primary energy centers
- We guide clients through the entire life cycle of LNG and other energy infrastructure projects
- Our expertise includes:
  - Acquisitions/dispositions and privatizations;
  - Front-end project structuring, commercialization & development;
  - Project financing & construction
  - Project bankruptcy & restructuring;
  - Host government matters;
  - Decommissioning & abandonment;
  - Energy and environmental regulation; and
  - Disputes & international treaty arbitration.



## Deep North American Energy Projects Expertise

- The depth and breadth of our North American energy projects practice is unrivalled among our peer firms.
- Our experience runs across the entire energy value chain, from natural gas, LNG, CNG, oil, petroleum products and petrochemical projects, to power, water, renewable and alternative energy projects.
- We regularly advise on the largest and most innovative and sophisticated energy projects, transactions and disputes.
- Our lawyers are regularly cited for their deep energy industry knowledge and insights.
- By making it our business to really know our clients' business, we are able to be much more effective counselors.



## LNG/Natural Gas Highlights

- LNG/Natural Gas experience in 50 countries on 6 continents and over 120 LNG projects worldwide.
- More than 100 lawyers regularly handling LNG/Natural Gas matters.
- In-house and law firm LNG/Natural Gas experience dating from early 1990s through present.
- We originated many of the LNG commercial structures and agreements widely used in the industry today.
- Considerable experience in LNG production and marketing activities, including worldwide LNG sales and marketing, as well as liquefaction tolling structures.
- Consistently recognized by clients and peers as a global leader on LNG projects, transactions and disputes.



# Agenda





## **Agenda**

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- **Background**
  - **LNG Chain**
  - **Traditional commercial structures for LNG export projects**
- **U.S. Tolling Export Structures**
  - **True merchant models**
  - **Key considerations**
- **U.S. Sales (SPA) Structures**
  - **Traditional take-or-pay**
  - **Take-and-pay**
  - **Take-or-cancel**



## **Agenda (cont'd.)**

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- **Other Commercial Structures**
- **Project Structure**
- **Challenges for Next Wave Projects**

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Title search: LNG Commercial Models and Challenges Update

Also available as part of the eCourse

[2018 Gas and Power eConference](#)

First appeared as part of the conference materials for the

17<sup>th</sup> Annual Gas and Power Institute session

"LNG Commercial Models and Challenges Update"