

Genser secures USD425m for gas midstream projects advancing decarbonization; Trafigura joins as investor, offtaker

WASHINGTON, DC, USA, July 27, 2022 /EINPresswire.com/ -- Genser Energy ('Genser') is pleased to announce that it has successfully achieved financial close for an 8-year USD425m funding package. The funds, which comprise of a syndicated senior loan facility of USD325m and a USD100m mezzanine loan facility, will be used to refinance existing debt and finance the next phase of expansion projects including:



The consortium of international financial institutions and investors re-affirms Genser's value proposition [...] as one of the most successful and innovative African Energy solutions providers"

Cyril Amadi, Northcott Capital

__a 100km natural gas pipeline to Ghana's second largest city, Kumasi

__a 200mmscfd gas conditioning plant at Prestea, Ghana __and a Natural Gas Liquid ('NGL') storage terminal at Takoradi Port as a major step in Genser's decarbonization strategy to achieve net zero carbon by 2035.

The construction of the natural gas pipeline to Kumasi and the gas processing plant in Prestea will have significant economic and environmental benefits not only for Genser

but also for Ghana and the West African sub-region. The transaction will support Genser's diversification from power to the gas midstream sector and mark a significant milestone in its decarbonization strategy to achieve net zero carbon by 2035 whilst contributing significantly to Ghana's national climate change targets on emission reduction.

The availability of cheaper and readily accessible piped natural gas in Kumasi and the central belt of Ghana via the new pipeline will encourage industries to switch from imported trucked diesel and heavy fuel oil (HFO) to indigenous natural gas as a low-carbon intensive fuel. The pipeline will also support relocation of power plants from coastal regions to reduce line losses and improve efficiency on the national grid. Moreover, the gas conditioning plant will produce cleaner fuels and establish Ghana as a significant producer and exporter of Natural Gas Liquids (NGLs).

Concurrent with the fundraising, Genser signed an offtake agreement with Trafigura for 100% of NGLs, primarily propane, butane and ethane, as well as Liquefied Natural Gas ('LNG') to be produced from the gas conditioning plant in Prestea. In addition, Trafigura participated in

Genser's mezzanine loan facility and provided additional funding to build increased storage capacity at the proposed Takoradi NGL Terminal.

The senior loan facility was financed by a consortium of regional & commercial international banks, development financial institutions, and funds comprised of Standard Bank of South Africa, Absa Bank, Société Générale, Mauritius Commercial Bank, Ninety One, Barak Fund SPC Limited and the Development Bank of Southern Africa. The mezzanine loan facility is provided by Trafigura, Barak Fund SPC Limited and the US Based Fund, Trilinc Global Sustainable Income Fund Master Ltd.

Genser Energy was advised in this transaction by Northcott Capital Limited as financial advisers and Clifford Chance LLP as legal advisers. The Senior Lenders were advised by Trinity International LLP (Legal), Advisian – Worley Group (Technical) and Indecs Consulting Limited (Insurance). Hogan Lovells acted as Legal counsel to the mezzanine Lenders.

Baafour Asiamah-Adjei, Genser's President and CEO, stated: "This transaction underscores the hard work and considerable dedication by the management, employees and stakeholders of Genser to make it an attractive and highly valued investment. I would like to thank our existing Lenders [Standard Bank of South Africa, Absa Bank, Barak Fund SPC Limited and the Development Bank of Southern Africa] who have shown considerable support and commitment to Genser over many years. I am also delighted to welcome our new Lenders Société Générale, Mauritius Commercial Bank and Ninety One, as well as Trafigura as an investor and strategic partner for Genser".

Cyril Amadi, Managing Director, Northcott Capital stated: "We are very pleased that Genser has again entrusted Northcott to advise on another milestone transaction in the African Energy space. In 2019 we supported the company to successfully restructure their debt followed by the diversification of the shareholder base with significant investments in 2021 which set the stage for this transaction as one of the largest financings for a Ghanaian private company in international markets. The consortium of international financial institutions and investors re-affirms Genser's value proposition and business plan as one of the most successful and innovative African Energy solutions providers".

About Genser Energy:

Genser Energy is an energy solutions provider. The company builds, owns and operates distributed generation installations and natural gas distribution infrastructure, selling power and natural gas to mines, industries and utilities. Over the past fifteen years, Genser has commissioned seven power plants with current installed capacity of over 160MW. In addition, Genser has developed its own fuel midstream facilities for its thermal plants and is the largest and only private owner of natural gas pipelines in Ghana with a network of 315km of 12-20" natural gas pipelines and a Liquefied Petroleum Gas port terminal at Takoradi. Genser's operations reflect a firm commitment to increase access to reliable, sustainable and cost-

effective electricity and natural gas in Africa with a long-term ambition to deliver energy solutions exclusively from low carbon resources.

About Northcott Capital:

Northcott Capital Limited is an independent financial advisory company providing bespoke, creative and integrated solutions to the natural resources & energy sectors. Northcott Capital offers advice for mergers and acquisitions; project and structured debt finance; strategic partnerships/joint ventures and risk management solutions. With offices in London and Denver, combined with an established network of partners Northcott Capital's platform provides global access to innovative funding sources.

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