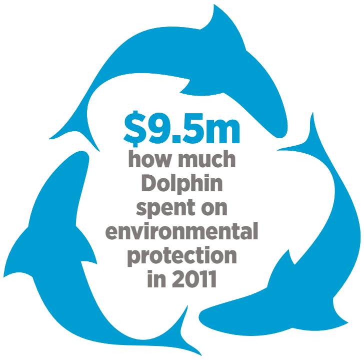
WHAT THE JUDGES SAID

"Dolphin Energy deserves to be congratulated for raising a very substantial sum of money at an efficient price during a volatile financial climate"

THE STATS

244km the length of the Taweelah-Fujairah Pipeline that transports gas to the eastern region of the UAE

$5.5m the amount Dolphin contributed in community investments in 2011



{ CATEGORY CORPORATE FINANCIAL MANAGEMENT – WINNER DOLPHIN ENERGY }

MAKING A SPLASH

Dolphin Energy got its timing right when it took the plunge to raise $1.3bn in senior secured bonds

In a region where state support for resource companies is commonplace, Dolphin Energy stands out for going it alone. In February, Dolphin raised $1.3bn in senior secured project bonds to refinance existing commercial loans and undrawn commitments under the bank facility (worth $835m) as well as raise supplemental debt. This makes it the second-largest project in the region to successfully achieve migration.

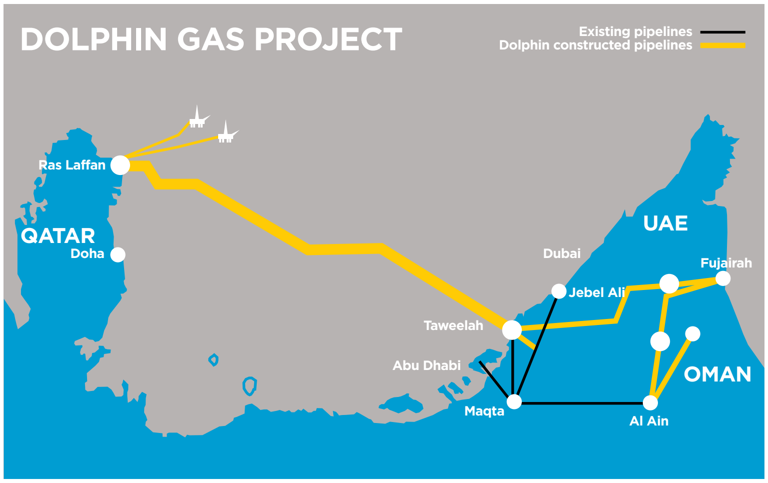
Demand was so strong for the initial $1bn project bonds, priced at 5.50% (the order book was a hefty $8.6bn), that Dolphin was able to issue a further $300m in tap bonds priced at 5.34% a few days later. This second issue garnered a $2bn order book, with both issues maturing in December 2021. Meanwhile, investors in the secondary market seemed equally keen to snap up the bonds: over the first five trading days, the bonds traded up from par to 102.9, while yield declined from 5.5% to 5.13%.

Dolphin timed the bond issuance carefully to take advantage of lower borrowing costs. Last year, a sale of the company's debt was delayed after yields rose in the wake of investor concern over the Arab spring and the European sovereign debt crisis.

Dolphin, which is 51% owned by Abu Dhabi's Mubadala Development Company, produces and processes natural gas from Qatar's North Field and transports it through a subsea pipeline to the UAE.

Mubadala's structured finance and capital markets team played a key role in the refinancing, acting on behalf of the shareholders. Mansour Al Mulla, an adviser in the team, believes the success of the deal owes a lot to the unique characteristics of the project, as well as engaging the debt capital market investor community and easing access to information on the project. Dolphin had previously issued project bonds in 2009 and subsequently kept investors updated on the progress of the project.

"Investors want to understand what they're putting their money in," says Al Mulla. "We were able to tell the right story and provide the right information to investors and we are committed to continuing this collaborative approach." Al Mulla also praises the banks that acted as joint lead managers on the deal, saying they did a "good job at marketing and diversifying the investor base".



Mansour Al Mulla: "We were able to tell the right story and provide the right information to investors"

Deal highlights

Issuer: Dolphin Energy
Structure: Senior secured bond
Guarantor ratings: A1 (Moody's)/ A+ (Fitch)
Amount: $1.3bn
Interest rate: 5.5% p.a./5.34% p.a.
Tenor: 10 years

DOLPHIN ENERGY دولفين للطاقة

Highly commended: Zain KSA

In July, telecoms company Zain KSA pulled off one of the most complicated equity capital market transactions in Saudi Arabian history, when it raised $1.69bn in a rights issue following a cut in capital from SAR 14bn to SAR 4.8bn. It was the largest deal to take place in Saudi Arabia since 2010 and the first time that a capital reduction had been followed by a rights issue that included both the conversion of debt into equity and the issuance of fresh equity while the company's stock continued to trade on the stock exchange. The transaction allowed the company to overhaul its balance sheet by writing off accumulated losses; reducing debt liabilities; increasing equity; expanding and upgrading its network through capital expenditure; and rescheduling its other debt obligations to a comfortable date in the future.