

WFW ADVISES TEEKAY OFFSHORE ON STRATEGIC INVESTMENTS BY BROOKFIELD AND REFINANCINGS

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A multi-jurisdictional team from international law firm Watson Farley & Williams LLP (“WFW”) advised long-standing client Teekay Offshore Partners L.P. (“Teekay Offshore”) on several matters relating to the successful completion of its recent major strategic investment and financing initiatives linked to the US\$610m equity investment in Teekay Offshore by Brookfield Business Partners L.P., together with its institutional partners (“Brookfield”) and an additional US\$30m equity investment by Teekay Corporation (“TKC”).

These initiatives included:

- The establishment of Teekay Offshore’s shuttle tanker business in a new, wholly-owned, non-recourse subsidiary, Teekay Shuttle Tankers L.L.C. (“ShuttleCo”), including negotiating and agreeing a five-year US\$600m debt facility to refinance its shuttle tanker fleet, a four-year US\$71m debt facility to refinance two 50 percent-owned vessels and the transfer of an existing US\$250m debt facility secured by three East Coast Canada newbuildings from Teekay Offshore to ShuttleCo;
- Agreeing an amendment to the debt facility with the lenders of the Arendal Spirit UMS to extend the prepayment terms;
- Working with certain financial institutions that have previously provided Teekay Offshore with interest rate swaps to amend certain terms including the termination of the financial guarantee and security package provided by TKC; and
- Working with many lenders and their counsel to obtain the requisite consents under Teekay Offshore’s existing English law loan financings relating to the investments by Brookfield and TKC.

Teekay Offshore is an international provider of marine transportation, oil production, storage, long-distance towing and offshore installation and maintenance and safety services to the oil industry, active in the North Sea, Brazil and off the east coast of Canada.

The WFW Maritime team advising Teekay Offshore was led by London Partner and firm Chairman Nigel Thomas, working closely with Senior Associate Patrick Smith. They were assisted by Senior Associates Kate Silverstein and George Macheras and Associates Laura Gerrard, Charlotte Delormel-Rhymes, Laura Caines, Marinos Papadopoulos, Cameron Johnstone-Browne and Tanpreet Rooprai. Debt Securities and Structured Finance Partner Rob McBride provided specialist advice relating to the swaps and Tax Partner Richard Stephens provided specialist English tax advice assisted by Associate Robert Firth.

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Singapore Corporate Partner Ivan Chia and Counsel Aaron Kok assisted with regard to the Arendal Spirit UMS arrangements and other Singapore law aspects of the ShuttleCo reorganisation.

In New York, Corporate Partner Steven Hollander and tax Partner Stephen Millman provided Marshall Islands advice relating to the ShuttleCo reorganisation, including on the purchase agreements and transfers of equity. They were assisted by corporate Counsel Todd Johnson and Associate Daniel Berger.

Nigel commented: “We are delighted once again to assist Teekay Offshore on a series of highly strategic investments and refinancings that have so significantly enhanced the position of Teekay Offshore going forward. This combined our detailed knowledge of the shipping and offshore markets with our experience of sophisticated multi-jurisdictional and highly structured financings and is further evidence of our standing as one of the leading law firms for ship finance expertise in Europe, Asia and the US”.

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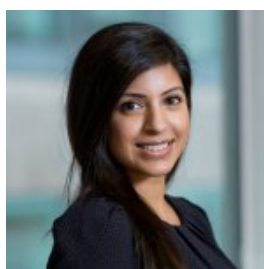
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