

PERSUADING LENDERS TO FINANCE OIL SHALE DEVELOPMENTS

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Given the potential of the world's oil shale reserves and a demonstrable economic case for their development, how will this be financed? At a time of unprecedented turmoil in the global financial system, how can it rise to the challenge of funding this new resource? Who will provide the cash and what conditions will be imposed on its availability?

This presentation will discuss the key issues that matter to financiers; it will address the risks that concern financiers and how projects can be structured to mitigate these risks. It will consider:

- what is the appropriate contractual structure to give financiers confidence?
- what determines the reliability of future cash flows?
- how much debt can be sustained?
- what due diligence will be required and financial tools used to ensure an acceptable commercial risk profile?
- what difference does location make and how to deal with political risks?
- how financiers consider social and environmental risks?

The merits of various potential sources of finance will be considered in order to demonstrate that, despite current financial market conditions, a well structured project should be successful in achieving financial close.