

PORT OF SPAIN

Trinidad Petroleum secures US\$850m deal

BY ASHA JAVEED
asha.javeed@trinidadexpress.com

TRINIDAD Petroleum Holdings Ltd (TPHL), the parent company of Heritage Petroleum and successor of oil company Petrotrin, has secured US\$850 million to cover the first of its two billion-dollar bonds.

The first—a US\$850 million bond—becomes due in August.

TPHL chairman Wilfred Espinet told the *Sunday Express* yesterday: “The board is extremely pleased with the performance of the operations of the new entities that have been created to own and operate the State’s oil industry.

“Special recognition must be given to the outstanding performance of all the participants in this endeavour as it is world class and demonstrates what can be achieved with proper management.

“The financing now accessible will remove the uncertainty associated with the bonds maturing in August 2019 and give us the chance to focus on maximising value.”

On Friday, TPHL announced it had received loan commitments of up to US\$720 million from a syndicate of financial institutions led by Credit Suisse AG, Cayman Islands branch, as global co-ordinator.

The loans are guaranteed by TPHL’s three companies—Guaracara Refining Company Ltd, Heritage Petroleum Company Ltd and Paria Fuel Trading Company Ltd.

The loan, which will have multiple tranches, is for three years.



PLEASED WITH OPERATIONS:
Wilfred Espinet

The company had already reorganised part of its debt—US\$130 million—by issuing new bonds.

In an interview with *Newsday* last week, Espinet had said: “TPHL chose to approach existing bondholders to participate in the settlement of existing bonds. The proposal is to exchange a portion of the existing bonds for new ones.

“In spite of all the challenges, our assess-

ment continues to be that we will succeed in raising the finance, and the payment of the bonds due in August will be made.”

An international report yesterday said: “TPHL intends to use the net proceeds from borrowings

under the term loan, together with funds from operations, to repay at maturity any 2019 notes that remain outstanding after its previously announced offers to exchange any and all of its outstanding notes for newly issued debt securities (the “exchange offers”), including the payment of any principal, premiums, accrued interest, additional amounts, if any, and costs and expenses incurred in connection therewith. For clarification, the first interest payment date of the new notes (as defined in the offering memorandum) will be September 15, 2019.”

In an interview with the *Sunday Express* in February when it was first announced that TPHL was seeking funding for the bullet payment, Espinet had explained: “We have been on a programme, and have made it public, the refinancing of the enterprise is the major undertaking that

the board and the company has to achieve. Without finance, you don’t have a company.

“We have done a number of things where we are redesigning the company from what it used to be to what it should be. All of that could only be sustained if we put the financing in place to sustain it. You would be aware—overhang of a number of debt obligations which are coming due and that have impacted on the company’s ratings and how it’s viewed by financial organisations.

“Its attachment to the Government also has the potential to bring the Government’s reputation into the scheme of things. One of the first courses of action—remove (the debt) from the Government’s portfolio.”

The loan agreements are governed by the US Securities and Exchange Commission.