

Topaz to secure \$550m loan to fund projects

Firm to use proceeds to part fund \$380m loan package

DUBAI

DUBAI-BASED OILFIELD services firm Topaz Energy and Marine, a subsidiary Renaissance Services, is close to securing a loan worth at least \$550 million to help refinance existing debt and fund new projects, banking sources said.

Emirates NBD, First Gulf Bank, Gulf International Bank, HSBC, Noor Bank and Standard Chartered will provide the loan, said three of the sources, with two adding it could be signed this week.

The company plans to borrow the money in November, with chief executive Rene Kofod-Olsen saying it had chosen investment bank Rothschild to coordinate the fundraising.

It plans to use the proceeds to refinance an existing \$380 million loan package at a lower interest rate and to provide cash for potential expansion, he said. A spokesman for To-



Topaz plans to borrow the money in November.

paz declined to comment on the loan. The sources spoke on condition of anonymity as the information is not public.

Many Gulf companies have refinanced existing debt over the past 18 months, taking advantage of an abundance of liquidity in the local banking sector and low interest rates to cut the cost of funding.

The pricing on Topaz's new multi-tranche loan was in the high 200 basis point range over the Libor for the secured five and seven-year tranches and around the high 300 basis point range over Libor for the unsecured 5-year tranche, one of the sources said. Topaz has around 100 ships that

support the offshore energy business in the Caspian Sea, the Middle East and West Africa, among other areas. The company was considering the purchase of two medium-sized vessels designed for subsea work, which would be delivered in late 2016, Kofod-Olsen said.

Reuters