

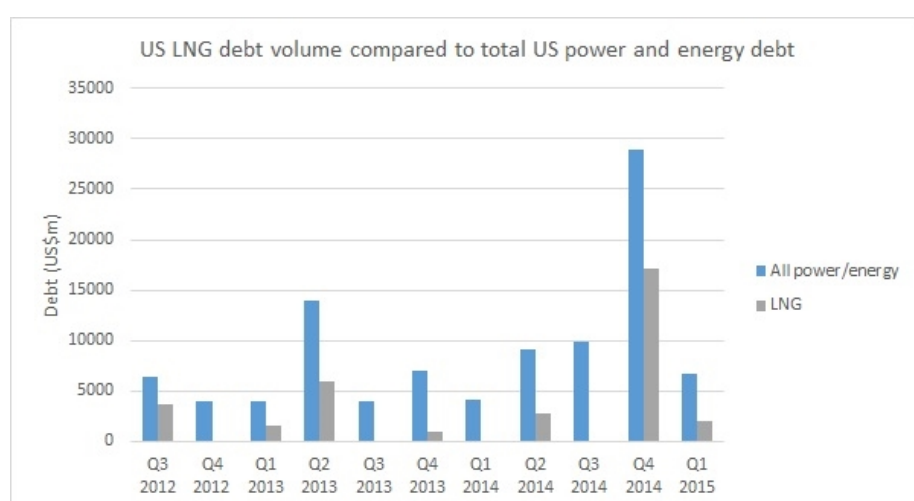
# Q1 2015 League Tables Analysis: US LNG

Jinjoo Lee

15/04/2015

Export liquefied natural gas (LNG) continued to dominate privately financed US power and energy debt volumes in the first quarter of the year, according to IJGlobal's Q1 2015 league tables. Export LNG accounted for 30% of closed debt in the first quarter of the year, mirroring the overall percentage for the sector since Q3 2012.

Export LNG debt financings in the US first appeared in 2012. Since then, LNG has led, or nearly led, each quarter that included at least one related financial close.



In Q1 2015, Cheniere Energy Partners (CQP) closed a [\\$2 billion project bond](#) for the Sabine Pass liquefaction project in Louisiana, the proceeds of which will help fund construction of the complex's first four trains. CQP had initially floated a \$1 billion bond, but strong investor interest in LNG bonds allowed the sponsor to double the issue's size.

Banks have been just as eager for export LNG financings, and perhaps more so. Bankers say that LNG financings closed since 2012 have helped their project finance businesses meet budgetary aims.

CQP was the first sponsor to close an export LNG debt financing in the US, for [Sabine Pass](#), in Q3 2012. Starting with that quarter, the US has closed \$34 billion of export LNG debt – from banks and bond investors – or 35% of privately financed domestic energy and power debt.

Three projects have contributed to all of the export LNG debt in the US – Sabine Pass, [Cameron LNG](#) and [Freeport LNG](#). Sabine Pass has amassed the most debt, and has been the lone issuer of project bonds.

In Q4 2014, export LNG projects made up more than half of overall US energy and power debt – 59%, thanks to Freeport LNG and Cameron LNG.

	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Total
Proportion of LNG debt (%)	56.59	0	37.75	42.4	0	14.19	0	30.94	0	59.36	29.78	34.68

Export LNG will likely continue its dominance through year-end – but perhaps not beyond. The collapse in global oil and gas prices prompted some sponsors to postpone planned LNG projects. But at least two projects are expected to close financing before year-end: Freeport LNG's [third train](#) (\$3.5 billion in debt) and the first two trains at Cheniere Energy's [Corpus Christi](#) project (\$7-8 billion in debt).

*Thank you for printing this article from IJGlobal.*

*As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.*

*If you have been given this article by a subscriber, you can contact us through [www.ijglobal.com/sign-up](http://www.ijglobal.com/sign-up), or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.*