

DATE

July 02, 2019

SECTORS

Infrastructure

DEAL TYPE

M&A Advisory

DEAL LOCATIONS



DEAL TEAM



Jakob Folkesson
Director



Sam Hodgson
Director

DC Advisory advised Ancala on the acquisition of Dragon LNG



Background

- The Dragon LNG (Dragon) terminal is a state of the art LNG receiving, storing and regasifying facility based in Waterston, Milford Haven, Pembrokeshire. One of just three such terminals in the UK, Dragon forms a critical part of the nation's energy infrastructure, providing a link between the UK and its overseas gas suppliers for a vital source of clean and reliable energy
- The facility's maximum throughput capacity represents 10% of the UK's total. The terminal's position on the coast and jetty infrastructure allows deliveries by sea, with large vessels able to offload at all tides and hours

Process

- DC Advisory (DC) was mandated as M&A advisor by Ancala to acquire the asset. DC has a strong knowledge of the midstream and storage sector, having previously advised on various transactions in the space
- DC ran a focused transaction process engaging across a number of detailed work streams including:
 - Process, financing, strategy and bid tactics;
 - due diligence coordination;
 - business plan review;
 - financial modelling and valuation;
 - support in negotiations with the sellers, and;
 - advice on transaction documentation including SPA and the shareholders' agreement.

Outcome

- DC ensured all work streams were successfully completed within a challenging timeframe, while maintaining an entirely confidential process
- On 2 July 2019, Ancala closed the acquisition of a 50% equity stake in Dragon from Petronas
- The transaction adds to Ancala's strong track record in the midstream and gas distribution sector