



PROJECT FINANCE

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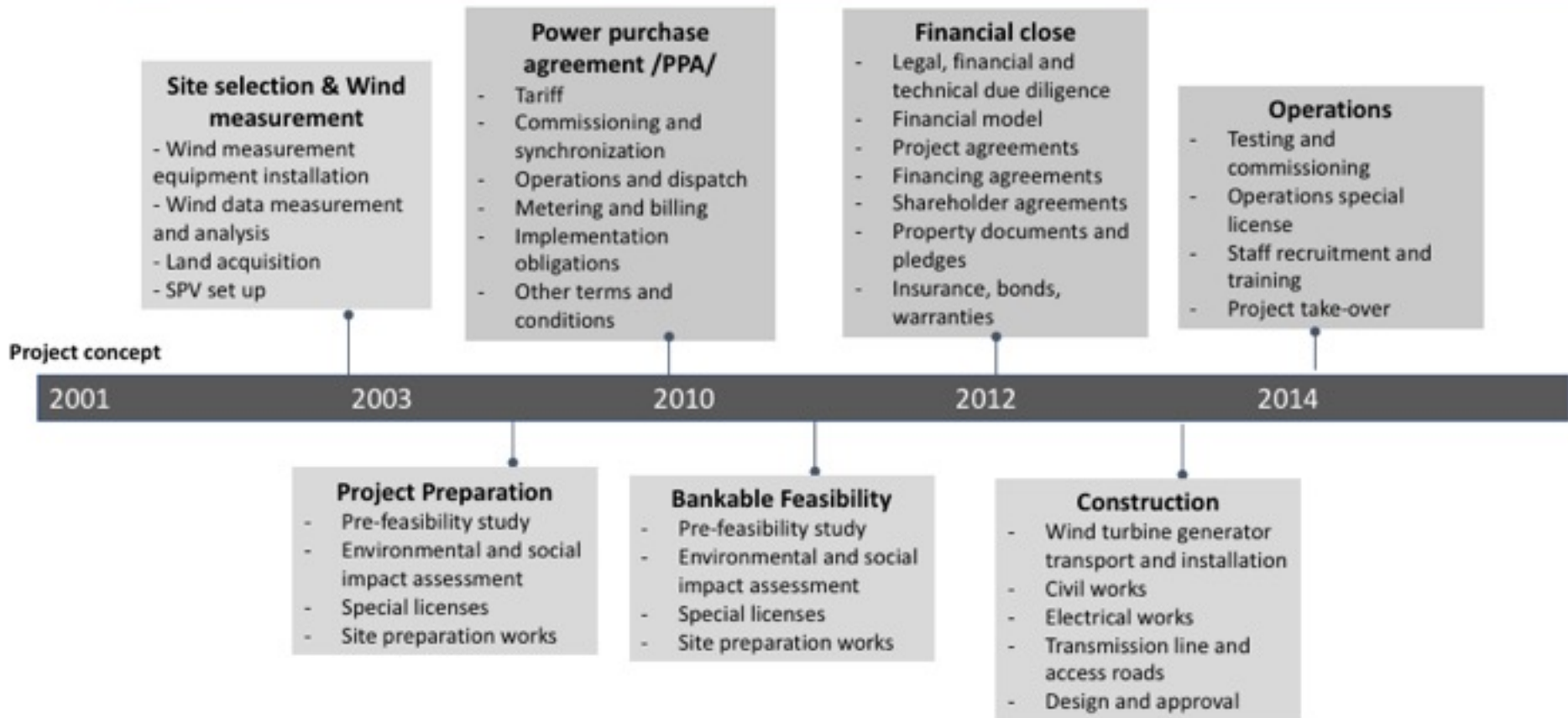
SALKHIT

- USD 120 million
- 50 MW
- 160 gWh/year =100,000 households
- 150,000 t CO₂ =18,000ha forest

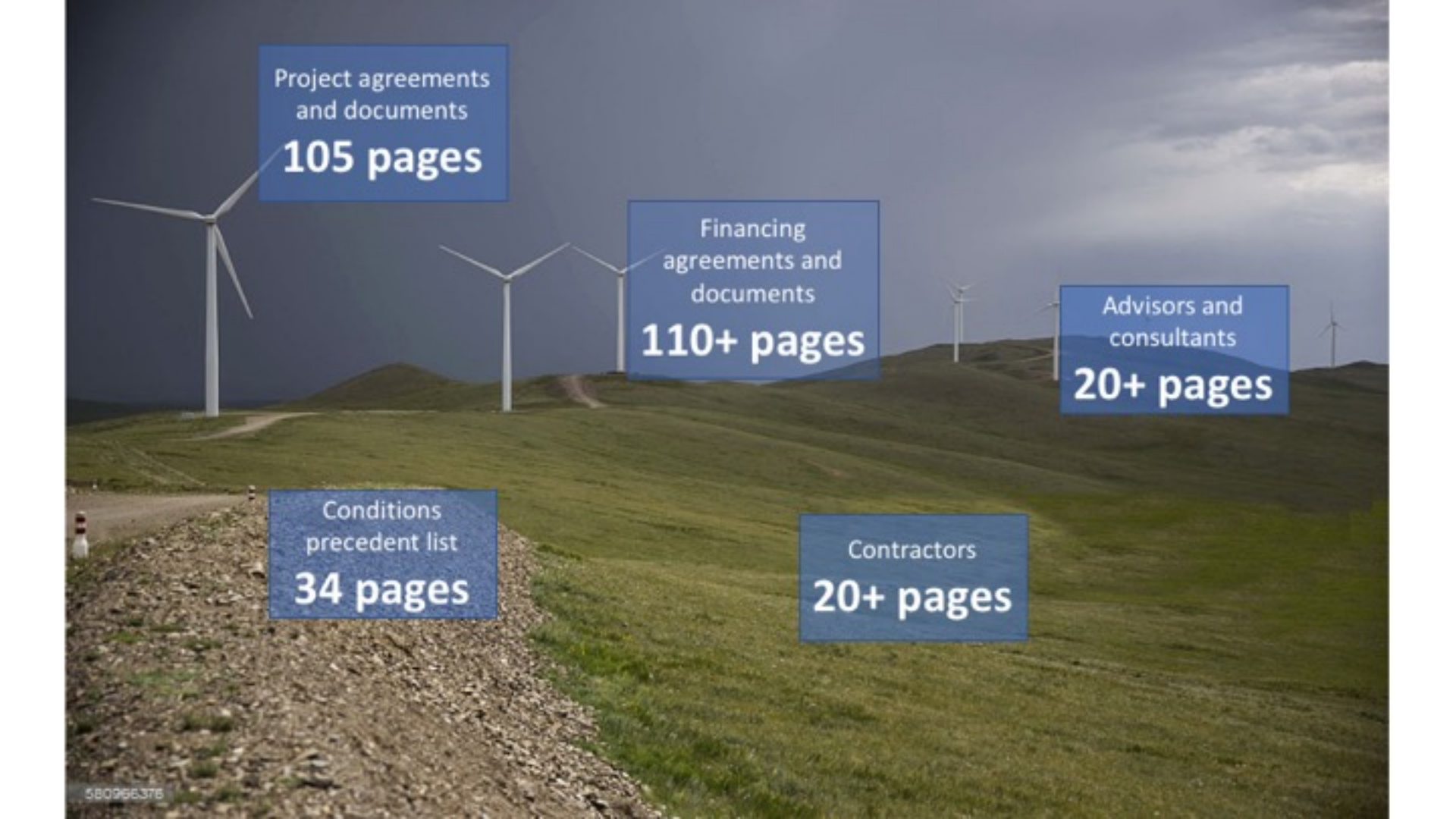
MONGOLIA'S 1ST

- Power plant connected to the system since the 1980s
- Independent power producer
- Limited recourse project finance deal (Energy)
- Utility-scale renewable energy power plant
- Power purchase agreement

PROJECT DEVELOPMENT TIMELINE







Project agreements
and documents

105 pages

Financing
agreements and
documents

110+ pages

Advisors and
consultants

20+ pages

Conditions
precedent list

34 pages

Contractors

20+ pages



Maintain a risk register

Prepare comprehensive risk management register early on in the project

Constantly update and review the register throughout the project


Always have mitigation measures put in place for the risks identified

Minimize the interface

Keep the interface with contractors as few as possible

Have in place interface agreements, clear matrix of responsibilities agreed in advance

Maintain constant, open, and recorded communication between contractors at all times



Devil is in the details

Ensure contract compliance - no matter how small an issue, or how much time there still is

No open-ended, ambiguous, catch-all clauses

The earlier an issue is caught and remedied, the better

Government risks

Changing rules and regulations

Maintaining support and understanding for the project throughout its cycle

Do own due diligence on transactions



Tools

Full coverage insurance policies

Bonds

Warranties

Guarantees

Have the best advisors

High quality, experienced consultants

Ensure local consultant input and review

Technical, legal, financial, environmental,
insurance...





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