

EIG subsidiary buys stake in Peruvian LNG business

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Four Latham & Watkins offices and Hernández & Cía in Lima have helped US liquefied natural gas (LNG) company MidOcean Energy acquire a stake in Peru LNG worth US\$257 million from South Korean energy company SK Earthon.

Latin Lawyer understands that Ashurst LLP advised the seller but could not confirm this before publishing.

The deal was announced on 8 February.

MidOcean Energy has obtained SK Earthon's 20% interest in the Peruvian business, which operates the first LNG export plant built in South America. The facility, located some 170 kilometres south of Lima, produces 4.45 million metric tonnes of LNG a year, which is distributed through a wholly-owned pipeline that measures 408 kilometres. Peru LNG also operates a marine terminal and a truck-loading facility with a daily capacity of over 19 million cubic feet of LNG.

Investments in LNG are growing across Latin America, with Colombia's LNG Energy Group using a loan from Macquarie to [buy](#) local counterpart Lewis Energy Colombia last year. The high cost and complexity of exporting LNG, however, means that Peru is still the only Latin American country that markets the fuel internationally.

US investor formed EIG formed MidOcean Energy two years ago to build out its LNG investment portfolio. EIG has an active profile in energy and infrastructure markets across Latin America. At the end of last year, it [acquired](#) Brazilian offshore oil drilling company Ocyan from Novonor for US\$390 million.

Peru LNG shareholders also include Shell, Japanese trading company Marubeni and Texas-based Hunt Oil Company. Its LNG plant opened in 2010 at a cost of US\$3.8 billion.

SK Earthon is the exploration and production subsidiary of South Korea's largest oil refiner, SK Innovation.

Counsel to MidOcean Energy

Latham & Watkins

Partners Charlie Carpenter, Justin Stolte, Tim Fenn, Jared Grimley and Chris Peponis, counsel Brian Hintze, and associates Greg Sorensen, Carlyle Reid, Melanie von Staa Toledo, Caroline Silverstein, and Jeffrey Romano in Houston; associate Mark Goshgarian in Los Angeles; associate Christina McLeod in Washington, DC; and associate Ikechukwu Obioma in London

Hernández & Cía

Partners Juan Luis Hernández, José Manuel Abastos, Brendan Oviedo Doyle, Sandro Cogorno and Rodrigo Flores, and associates Gloria Zubizarreta, Katherine Yesquen, Vicente Robles, Flavio Castañeda, Sebastián Li and Carlos Vidal in Lima

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