



## INVESTING FOR PROFIT

LEGAL SOLUTIONS FOR ENERGY & NATURAL RESOURCES



### INTRICATE LANDSCAPE

Energy and natural resources investments are capital intensive, long term in nature, and are typically high-risk high-reward projects. They often require the financing of physically fixed infrastructure that cannot easily be uprooted when things go wrong and sunk cost has not been recovered, such as when a major investment risk that needed to be managed was not. Adding to that, these investments are usually operated under strict sovereign controls. Worse still, the opportunities for these investments often exist in underdeveloped or emerging economies where legal and regulatory institutions may not be exactly stable. As a result, there are few sectors where those who participate in them are exposed to ever increasing political, regulatory, market and environmental risks that easily result in the stranding of investments, often times leading to commercial or investment disputes.

### Your Partner in investment success

- A culture of excellence and meritocracy
- Unique Insight: Deep Knowledge of the Industries
- Innovative solutions
- Knowledge of the local environment and culture
- Global outlook & cutting edge thinking

Okay! Let us put host country risks and commercial risks aside. How about investment capital? On this front, investors have financing difficulties to contend with. In the case of natural resources (oil and gas and mining) investments, the existence of huge geological risks that no find may be made creates almost a complete impossibility for banks to finance exploration projects. As a result, companies often have to resort to corporate finance, usually in the form of share sales, issue of options and warrants, asset sales or swap, earn-ins and farm-ins. Then at the production stage of natural resources investments, as well as in power investments, commercial, political and regulatory risks need to be carefully identified and managed in order for the investment to be bankable for project financing.

In short, the energy and natural resources industries have their peculiar set of challenges that require specialist understanding. Thus, industries' participants constantly need trusted advisers who have deep and comprehensive understanding of the strategic drivers of investment decisions in the industries. They want lawyers who have the capability to identify and manage the peculiar risks in the industry using the legal concepts and contractual mechanisms suitable for the specific commercial circumstances within the legal and regulatory framework applicable in each jurisdiction. And in each jurisdiction there are specific cultural issues that the lawyer needs to understand in order to effectively deal with the relevant government authorities and business people.

That's where Crestle Zanders ("CZ") comes in. We provide insight-driven, tailored, innovative and result-oriented top-notch advice to leading corporations, financial intuitions and governments, on high profile and complex transactions in Nigeria and wider Africa.



## PROCESS EXCELLENCE

CZ has unique operating philosophies, peculiar culture of meritocracy, and has developed innovative working models that ensure a high degree of process excellence that delivers result-oriented solutions. Each assignment referred to the firm is assigned to a mix of our practitioners with varying experience and seniority to reflect the complexity of the assignment and its agreed timelines. Where the assignment is a cross-border matter which is out with the areas where we directly operate, or if it is one which is novel or completely outside the scope of our experience, we will bring the benefit of our collaborative relationships to bear on it. We will draft in, with the approval of the client, suitable practitioners from our network of collaborative-relationships practitioners and law firms.

## RELATIONSHIPS

The concept of working in teams within the firm has become a cheap, almost overused, marketing catch for law firms. We differ on this. We believe that team work within the law firm is not enough. At Crestle Zanders we speak of working as a team with our clients. We are not just legal professionals that organise ourselves to search for and inform our clients what the law says regarding their business objectives. We work closely with our clients to understand and be an integral part of their business in order to proactively contribute to their broader business goals, not simply to provide them legal advice that is premised only on knowledge of the law. This principle is aptly captured by a line in 'the CZ Charter', an internal working documents that guides us to apply our core operational philosophies. That line says: 'For every client Crestle Zanders must seek to earn a place **as an extended in-house counsel!**'

## DEPTH OF EXPERIENCE

When you engage CZ you are accessing a team of energetic specialists that truly understand the nuances of the energy and natural resources industries and the local business environment. CZ is peopled by experienced team of specialist practitioners with more than 85 years of cumulative experience in a variety of relevant practice areas, including finance, projects, corporate and commissarial, energy transactions advisory, energy regulatory, litigation and arbitration, and bespoke in-house training. They are complemented, on needs basis, by a network of collaborative-relationship lawyers and law firms who operate in the area in which you do business.

## COMMUNICATION

We keep our clients constantly updated of the developments in the assignment we perform for them. A remarkable advantage of our deep industries' knowledge is that we are able, to a great extent, to communicate to clients in the language of their industry, rather than the usual case where lawyers deliver to their clients legal treatise written in the lawyers' esoteric language. Our advice are crafted in the commercial context in which they are sought, and presented plainly and in user-friendly formats.

## CURRENT MARKET TRENDS AND INVESTORS' NEEDS

### NIGERIA

In Nigeria, new oil and gas discoveries are increasingly being made. There is an on-going trend that has seen the major IOCs continue to divest their on-shore and shallow water assets. Local and international junior oil companies continue to acquire more marginal and giant field assets. Efforts are being made by government to commercialise the country's gas reserve (the 7th largest in the world), and the privatisation of the power sector continues to show succes



In the mining sector there have been considerable reforms recently to commercialise the country's huge mineral deposits. As a result, promoters and lenders have a pressing need for local lawyers who understand the Nigerian business climate and yet are able to deliver cutting edge thinking and services in the context of cross-border deal-making that energy and natural resources projects often involve.

## AFRICA

There has never been a more exciting time for the Africa foreign direct investment market. There is an on-going, however subtle, reconfiguration of global economic paradigms that is repositioning Africa as a choice destination for long term investments. This is not only because Africa is traditionally a resource-based region. Infrastructure deficits in the region are gradually turning into investment opportunities. Investors are excited about this market but they are also daunted, sometimes completely subdued, by the varying cultures, business environments, laws and regulations that impact business risks in Africa. In this regard, Africa can truly be described as a market of complex contradictions.

### **The difficulties that non-ingenious law firms often encounter in advising investors on Africa matters include:**

1. They are usually peopled by non-Africans who do not always understand the intricacies of the Africa sub-regions;
2. They often make sweeping generalisations about the vast and varied regions in the continent, whereas each sub-region in the continent has its own peculiar risks and challenges; and
3. Most times they approach the region with completely incorrect assumptions.

There is, therefore, a pressing need for African lawyers who have a first-hand experience of the region that equips them to advise investors on how to steer around Africa's challenging legal and business environment. It is also as important that such local lawyers have the exposure to work in line with global cutting-edge standards and ethics that underpin the investors' capital, home state regulation, expertise and reputation.

## READY TO DELIVER ADVANTAGE

CZ is the right fit. CZ draws from the distinctive expertise of its lawyers who combine in-depth understating of our focus industries, excellent knowledge of the law, technical skills, and sound commercial acumen, to engineer commercially functional solutions for our clients. The firm also leverages its innovative model of working with local, international and specialist law firms. In addition to our primary office in Lagos, Nigeria's commercial nerve centre, we have a representative office in London. Our London office was innovatively created to, amongst other things, enhance our relationships with our international clients and large English law firms.



## CONTACT US

We are interested in your business – we want to know more about it, to help you plan, maximize rewards, mitigate and possibly eliminate risks, help you identify options; solve problems, overcome obstacles, and, ultimately, help you reap the profits of your investment.

**For more information visit**  
[www.crestlezanders.com](http://www.crestlezanders.com)



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