

Bank consortium and JSC "BALTIC COAL TERMINAL" sign the agreement on granting of loan in excess of EUR 50 million

Today, on 22 August 2007, the bank consortium consisting of DnB NORD Banka (consortium leader), Nordea Finland Plc Latvian branch and Unicredit Banka signed the agreement with JSC "BALTIC COAL TERMINAL" on granting of loan in amount of EUR 53.6 million for construction and equipment of coal transshipment terminal as well as construction and equipment of a private pier.

The "BALTIC COAL TERMINAL" building project provides construction of a modern and ecologically safe terminal within the territory of Ventspils port using closed-end coal transshipment technology and thus excluding any negative impact on environment in the housing area of Ventspils city.

Environmental security guarantee was one of the priorities prior to choosing the coal transshipment technology and developing a special terminal construction design. The new coal transshipment technology in Ventspils port will comply with all requirements stipulated by the EU and international conventions in the field of environmental protection. Commissioning of the terminal is planned for the second half of the 2008.

The expected aggregation of investments for the first construction stage of the "BALTIC COAL TERMINAL" amounts to EUR 75 million, consisting of both private investments and the bank loan. Already in February 2007 the bank consortium disbursed to "BALTIC COAL TERMINAL" intermediate funding in amount of EUR 10 million, and construction of the terminal was commenced.

The Relationship Manager of DnB NORD Banka Corporate Banking Department Viktor Shersnov tells: "Although the banks in Latvia are still accumulating the experience in funding of big-scale projects I am satisfied that this transaction is already concluded following all international standards in project financing. It is expected that the activities of the "BALTIC COAL TERMINAL" will positively affect the economic development of Latvia, and, besides, it should be emphasized that the terminal will operate on environment-friendly technologies only."

The Chairman of the Board of JSC "BALTIC COAL TERMINAL" Ilya Sokolov: "Our objective is to generate a modern, specialized coal terminal in Ventspils port that would be able to accept, hold and ship the coal from Russia to the Western Europe and the USA. The signed agreement clearly shows that we move in the right direction."

About the company

JSC "BALTIC COAL TERMINAL" was duly incorporated in January 2005; its promoters are JSC "VENTSPILS TIRDZNIECĪBAS OSTA" and LLC «Indtec Baltic Coal» (subsidiary of the business company "Indtec Finanse B.V." (Holland), owner and investor of Russian coal producer, mine "Zarechnaya" of Kuznetsk Basin).

The main objective of the "BALTIC COAL TERMINAL" is designing, construction and utilization of a specialized coal terminal within the territory of Ventspils free port to accept, store and ship the coals from Russia to the markets of Western Europe and the USA.

Designing of the terminal was assigned to Latvian company «Interjeru iekārtošanas un restaurācijas firma «Ierosme»". Supplier of machinery that was chosen subject to an open international tender is the German company «Fam Magdeburger Foerderanlagen und Baumaschinen GmbH». The principal contractor of the coal terminal is JSC «VENTSPILS TIRDZNIECĪBAS OSTA-G» that has implemented construction of several terminals within the territory of Ventspils Free Port.

Terminal which throughput reaches 6 million tones of coal per year (first construction stage) and 10 million tones of coal per year (second construction stage) has the following characteristics:

First construction stage:

- acceptance and unloading of 300 rail wagons per day year-around;
- full and guaranteed coal grinding, as well as coal magnetic cleaning;
- the possibility to store three different sorts of coal at one time at the enclosed-type storage with capacity till 220 000 tones;
- year-around acceptance and handling of different types of ships, including CAPESIZE with DWT till 120 000 tones;
- ship loading with capacity till 3000 tones per hour.

The main volumes of construction works:

- Railway park with an overall space capacity – 7,5 km;
- Construction metal works – approximately 4000 tones;
- Concrete works – more than 30 000 m³;
- Overall built-up area – mote than 20 ha.

Additional information

Viktor Shersnov

The Relationship Manager of DnB NORD Banka

Corporate Banking Department

Phone number 371 7015451

Ilya Sokolov

Chairman of the Board

JSC "BALTIC COAL TERMINAL"

Phone number 371 3668766