

Japan's Marubeni enters Chilean energy market

Christina McKeon Frutuoso 16 August 2018

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Herbert Smith Freehills LLP's Tokyo office has helped Japanese trading company Marubeni enter a joint venture to acquire a Chilean gas distribution business from Australian infrastructure investment group Whitehelm Capital.

Larraín y Asociados in Santiago advised Whitehelm Capital and its associated funds on the sale of the target company GasValpo, which Marubeni and Chilean fund manager Toesca purchased together. Herbert Smith in Tokyo also advised Toesca on the acquisition.

Barros & Errázuriz Abogados in Santiago is also thought to have advised Marubeni, but this could not be confirmed prior to publication. King & Wood Mallesons in Sydney is understood to have represented the seller.

The deal to buy GasValpo also involved acquisition financing. Herbert Smith in New York and Barros & Errázuriz confirmed their role as counsel to Marubeni, which got a syndicated credit line worth US\$126 million. Linklaters in New York and Carey in Santiago advised the lenders.

Both the acquisition and financing deals closed on 24 July. The value of the acquisition remains confidential.

The deal marks Tokyo-based Marubeni's third gas distribution acquisition, behind holdings in Australia and Portugal. This is the first time it will majority own a gas distribution business and signals its entry into the Chilean market.

Marubeni has a large Latin American footprint. It is engaged in exploiting pre-salt oil deposits off the coast of Brazil, Chilean copper mining operations, Peruvian liquefied gas developments, as well as Argentine railway projects.

Founded in 1853, GasValpo supplies more than 90,000 customers across the central province of Valparaíso. It controls approximately 12% of Chile's gas market share.

For the acquisition

Counsel to Marubeni and Toesca

Herbert Smith Freehills LLP

Partner Andrew Blacoe and associates James Hearne and Eliza Eaton in Tokyo

Counsel to Whitehelm Capital

Larraín y Asociados

Partner Carlos Larrain; of counsel Ricardo Peña; and associates Juan de Dios Ferrada, Joaquín Larrain and Ignacio Hurtado in Santiago

For the financing

Counsel to Marubeni

Herbert Smith Freehills LLP

Partner Edward Dougherty and associate Micaela McLean in New York

Barros & Errázuriz Abogados

Associates Vicente Cordero, Francisca Ellis, Eduardo Anguita, José Miguel Poblete and Guillermo Ureta in Santiago

Counsel to Sumitomo Mitsui Banking Corporation, Mizuho Bank and Banco Santander Chile

Linklaters

Partners Eamon Nolan and Danelle Le Cren; counsel Jonathan Ching; and associates Nathan Santamaria, Zachary Caldwell, Mimi Powell and Rachel Silberstein in New York

Carey

Partners Felipe Moro and Francisco Ugarte, and associates Diego Lasagna, Fernando Noriega, José Luis Enberg, José Tomás Hurley, Loreto Ribera, Pamela Morales and Valentina Vizcay in Santiago

**This story was updated on 16/08/2018 to include counsel to Toesca.*

Practice area: Corporate and M&A

Country: Chile, International

Industry: Oil & Gas