

Overview

Many energy projects are costly, complex and often too risky for one party to handle alone. A joint venture structure can serve as an optimal solution by effectively spreading an energy project's risk and expense and providing resources and capabilities to deal with inherent complexities. Joint ventures in the energy industry can be highly effective tools for creating greater value for each of the parties involved, provided those relationships are structured and managed properly. Moreover, in certain jurisdictions where energy regulators object to mergers or single ownerships, joint ventures are the only solution.

While the benefits of such structures are clear, whenever multiple parties are involved, issues may arise. Dentons can help you and your business partners identify potential difficulties and manage your business more efficiently. Our lawyers will guide you through all the complexities of multiparty structures, whether you are dealing with a small domestic or a multibillion dollar cross-border project. Equipped with the necessary capabilities and specialized knowledge, we will help you achieve your goals.

Our lawyers have worked on joint ventures in all sectors across the globe, particularly in oil and gas exploration and production, including unconventional resources, refineries and power generation. Benefit from our technical, regulatory, corporate and tax expertise in structuring multiparty arrangements. Whether your project requires a joint operating agreement, special purpose vehicle, or one of the multitude of other partnering relationships which differ from jurisdiction to jurisdiction, Dentons is poised to help you structure the next generation of energy projects anywhere around the globe.

Representative Experience

- **Alba Group:** Advising on the establishment of a joint venture in Turkey, which will focus on waste management, including establishing and expanding separate collection of recyclable materials regarding private households and commercial and industrial waste in Istanbul; as well as marketing and trading of such wastes.
- **Ataç Holding:** Advising on the establishment of a 50 percent joint venture with Boydak Enerji for the green field development of seven hydropower plants in the Black Sea Region of Turkey with a total capacity of 144 megawatts.
- **Bayonne Energy Center, LLC (BEC):** Advising on the successful development of a 500 MW power plant in Bayonne, NJ with submarine cables to New York City. Team members represent BEC in proceedings before FERC, including successful defense against complaints on BEC's right to participate in the capacity markets, negotiation of the gas pipeline interconnect agreement and the terms of pipeline lateral service, electric interconnection and transmission rights.
- **BP Canada Energy Company:** Advising on a transaction where Devon NEC Corporation (Devon) acquired a 50% interest in BP's Pike oil sands properties for consideration of CA\$650 million. BP and Devon entered into a joint venture agreement for the development of those properties, which will be operated by Devon.
- **Operator of a major offshore oil and gas project:** Advising on one of the largest production sharing agreements in Azerbaijan during the years following independence, advising on amendments thereto, as well as drafting the text of a law giving legal force to the amendments.
- **Sasol Petroleum International:** Advising on the CA\$1.05 billion acquisition of a 50 percent working interest in Talisman Energy Inc.'s (Talisman) Farrell Creek shale gas assets in the Montney Basin area of northeastern British

Columbia, a subsequent transaction with Talisman for similar consideration of CA\$1.05 billion, which expanded Sasol's gas reserves in the area, with a view to the further development of a gas-to-liquids plant to be located in Canada and to serve the North American liquid fuels markets.

- **Spanish engineering consortium operating:** Advising on a joint venture project related to the development of a nuclear power reactor located in France. Our tax teams in Spain and France advised the client on the tax treatment of the joint venture, on the establishment of a branch in France, and on the tax implications for the seconded employees. We successfully dealt with complex CIT liability, VAT, PIT, a double tax treaty between France and Spain, and sophisticated permanent establishment issues. We helped the client to reduce tax burdens by avoiding paying double taxation in France and Spain. We also helped the client organize the arrangements between the members of the consortium.