

Five Minutes with...

Robert Aulsebrook



Robert Aulsebrook
*Partner, International Corporate
Transactions Practice*

You've personally worked with some of the firm's biggest international clients. Could you describe the international finance practice's work?

Robert Aulsebrook: The practice is largely but not entirely a borrower-focused practice, and the kind of work that we're asked to do by our clients is very broad. We don't focus on one narrow type of finance to the exclusion of other types. In fact, we make sure we retain important client relationships that might not be based on finance per se, but they

have finance needs. In particular, the key thing in the London office is that this is financing governed by English law, raised typically, but not necessarily, in London. All the legal documentation is governed by English law and, therefore, having a strong group of English lawyers who feel comfortable advising on a wide range of types of financing is very important.

This range covers three principal types of finance. One is bank lending, which is any sort of loans that originate from banks based on loan documentation. The second would be debt capital markets, which would typically be Eurobonds, but could also be high-yield notes or other types of loan notes. And the third type of finance work we do is in the derivatives/hedge fund finance, which involves completely different types of documentation. But at the end of the day, it's about raising money or raising credit to further the business needs of the client.

How much of your time do you spend in the field?

RA: Because most of my clients are not in London, it's very important for me to get out to visit them. I

make sure that I'm out in Moscow several times per year so that I can meet clients in person. I talk to my clients every day, but it's different to be in the same room with them. I've been in Tashkent, Uzbekistan, four times in the past 12 months—that was for a project financing that we closed in September of last year. I was in Abu Dhabi in November, coordinating another transaction there. Most of the work these days can be done electronically or by phone, but the importance of meeting people in the flesh is as important as ever.

Could you describe one of your recent engagements?

The firm has recently advised our long-time client Max Petroleum, which is an AIM-listed oil and gas E&P [exploration and production] company focused on Kazakhstan, on a refinancing of its senior credit facility with Macquarie Bank Limited with a new senior secured \$90 million credit line agreement with SB Sberbank JSC and the restructuring of its \$86.5 million bonds.

In the face of the worst financial crisis the world has seen in 70 years, Max was caught between

two lenders: a lender who had historically backed Max, which was Macquarie, the Australian bank, who were looking to decrease their exposure to the region. A new lender with a strong presence in the region had been lined up and was willing to come in and take over Macquarie's role but on local terms—Sberbank, the largest Russian bank in terms of assets. It's the biggest Russian savings bank and state-owned, but they also do a lot of investment banking these

days. And, being government-backed, they have a lot of capital, so, in the past few years, they've become a very big player around the CIS on these types of projects.

Sberbank was very interested in getting in and, in particular in this case, the interesting angle is that the financing came locally through their Kazakhstan subsidiary. So, while we still primarily view ourselves as engaged in raising finance or helping clients raise finance through Western banks

such as Barclays and Citibank and other big international and Western investment banks, more and more finance these days is being provided by banks like Sberbank that are new players to the market.

Transitioning from a Western lender like Macquarie to a local lender like Sberbank, where things are done very differently, is a new development in the market and something that we're in a good position to advise on.

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*Read
Robert
Aulsebrook's
bio here.*

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