

press release

HSBC AND STANDARD CHARTERED BANK ISSUE US\$500M LETTER OF CREDIT TO BOOST POWER AVAILABILITY IN GHANA

- *US\$500M Stand-By Letter of Credit with 17 years total tenor issued on behalf of GNPC, Ghana's national oil company*
- *Project is supported by the World Bank's largest guarantee ever*
- *Project contributes to the development of Sankofa gas field, which will transform Ghana's energy matrix*

Tuesday 4th October 2016, London UK: HSBC and Standard Chartered Bank have issued a US\$500 million Stand-By Letter of Credit by order of Ghana National Petroleum Corporation (GNPC), Ghana's national oil company. The facility will guarantee GNPC's payment obligations to energy companies Vitol and ENI related to the sale of gas to be extracted from the Sankofa field, off the coast of Ghana, and piped onshore for both power generation and industrial and domestic consumption. The Stand-By Letter of Credit will contribute to the improvement of the energy matrix in Ghana and boost the country's power availability. HSBC France is acting as agent on this deal, and co-issued US\$250m alongside Standard Chartered Bank. Total tenor for this transaction is up to 17 years - a 2-year commitment period prior to production, followed by 15 years of effectiveness.

HSBC and Standard Chartered Bank's commitment in the transaction is covered by the International Development Association (IDA), a member of the World Bank Group. The guarantee is the largest of its kind to be granted by the World Bank. Law firm DLA Piper provided Legal assistance to the Banks.

Alexander Mould, Acting Chief Executive of GNPC commented: *"The Sankofa integrated oil and gas project will be Ghana's third operating field in quick succession. Gas from the field will provide baseload fuel to generate about 1,100 MW of electricity in Ghana for 15 years. With GNPC doubling as a key partner in the project (having 20% stake), as well as the national gas aggregator, we take our role in the entire value chain very seriously. We will work with various partners to develop the gas-to-power sector in Ghana to spur the country's industrialisation drive."*

Andrew Robison, Head of HSBC Commodities and Structured Trade Finance, UK & France said, *"This transaction is testament to HSBC's expertise in providing complex financing solutions to support the supply of commodities and in leveraging its global network to meet the unique needs of its customers. We are delighted to have been able to assist GNPC, ENI and Vitol, as well as working with the World Bank & IDA, on their innovative structuring solution via our agency and co-issuing roles on this project which is key to Ghana's future energy transformation."*

Daniel Hanna, Standard Chartered's Global Head of Public Sector and Development Organisations added, *"We are delighted to partner with the World Bank Group, GNPC, ENI and Vitol to facilitate further development in Ghana's energy sector. This transaction is yet*

another example of how local market knowledge, paired with our global expertise in transaction banking, enables us to forge partnerships which promote long term, sustainable economic development.”

The project is expected to be transformational for Ghana’s economy, by significantly increasing its power availability. The gas piped onshore from Sankofa field will be mainly used for local consumption and possibly re-exported to adjacent countries.

Kweku Bedu Addo, Standard Chartered’s Regional CEO for Ghana, Sierra Leone and The Gambia added, *“Infrastructure and Energy will be the key catalysts to realising Africa’s growth potential in the coming decades. The structure of this facility can serve as a launch pad for attracting greater investment capital to close Ghana’s infrastructure financing gap.”*

In a statement issued earlier this year, the World Bank said that Sankofa’s key transformations to Ghana’s economy include:

- Developing domestic natural gas resources in Ghana to improve the country’s energy services, ease the financial imbalances of the energy sector, decrease subsidies, and create an additional fiscal revenue stream for the government.
- More affordable and locally available natural gas for power generation will ensure a cleaner, more secure power supply, better service delivery and less power rationing as currently experienced by Ghanaian consumers.
- The Sankofa gas project is expected to create US\$2.3 billion in revenue for Ghana. Close to 90 percent of the economic benefits are expected to be captured directly or indirectly by Ghana through additional revenues or through fuel cost savings.

ENDS.

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Notes to editors

About GNPC

The Ghana National Petroleum Corporation (GNPC) was established by the GNPC Law 1983 (PNDC Law 64) and started operations in 1985 with the primary object of undertaking the exploration, development, production and disposal of petroleum.

The Corporation is an anchor partner in all upstream operations and currently has stakes in 18 Petroleum Blocks and is the Operator of the Voltaian Basin. In 2014 GNPC was appointed as the National Gas Aggregator.

www.gnpcghana.com

About HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 4,400 offices in 71 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,608bn at 30 June 2016, HSBC is one of the world's largest banking and financial services organisations.

Standard Chartered

We are a leading international banking group, with around 84,000 employees and a 150-year history in some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

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