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Antin invests further GBP 324m in CATS pipeline

Antin Infrastructure Partners is to acquire a further 36.22% stake in the UK North Sea's Central Area Transmission System (CATS) for GBP 324m.

In a statement yesterday (23 April), Antin said it would acquire the stake from BP. In a concurrent announcement, BP said it had sold its stake for GBP 324m.

BP said the payment consisted of GBP 302m upon completion of deal, due to close by the end of 2015, and a GBP 22m deferred payment.

RBC, Lambert Energy Advisory (joint financial) and Herbert Smith Freehills (legal) advised Antin on the acquisition.

Antin acquired a 62.78% stake in the system, which consists of a 404km subsea pipeline and processing terminal in Teesside, from BG Group for GBP 562m.

The deal included GBP 290m of acquisition debt, arranged by RBC, with margins on the seven-year term loan starting in the high two hundreds over Libor.

The investor now owns 99% of the asset, with Conoco Phillips and ENI owning the remaining 0.66% and 0.34% respectively.

One source said that BP's stake in CATS had been on the blocks since Antin's previous acquisition, but that Antin had pre-emption rights for the sale.

BP declined to comment.

In its statement BP, which currently operates the CATS, said it expected some 60 staff would transfer to a new operator, which will now be appointed by Antin in Q2.

The energy giant has sold the stake in order to focus upon the completion of its existing major projects in the North Sea and Shetland areas.

