



Australian Government

EFIC
Export Finance
& Insurance Corporation

LNG SUBCONTRACTORS
FINANCIAL SOLUTIONS



Overcoming financial barriers for exporters

EFIC AT A GLANCE

Are financial barriers constraining your ability to win business?

If you win a supply contract to one of Australia's LNG projects, you will probably have to provide a performance bond (bank guarantee). A performance bond compensates your buyer in the event that you don't complete your contractual obligations.

You may also need additional funding to undertake the contract. But what if these needs cannot be met by your bank?

EFIC MAY BE ABLE TO HELP

EFIC looks to supplement commercial banks by providing financial backing to support eligible customers when their bank is not able to provide additional financial support.

This can enable companies to take advantage of supply opportunities that they would otherwise have to pass up due to lack of necessary financial support.

WHO IS EFIC?

EFIC assists Australian based companies to win and finance overseas and onshore export-related business. The latter includes export projects here in Australia, such as LNG projects.

COULD EFIC SUPPORT MY CONTRACT?

For EFIC to consider support, the goods or services provided must be significant / integral to the development of the export-oriented resource project.

Examples of goods or services that may be considered integral include EPC contracts, engineering contracts, supply of essential machinery, and pipe laying services. Peripheral services such as food and beverage provisioning would not normally qualify.

FINANCIAL SUPPORT YOU MAY NEED

Performance Guarantees - EFIC may provide a performance guarantee directly to the buyer, or via your bank.

Working Capital and longer term finance - EFIC can provide a guarantee to your bank to enable it to provide the funds you require for working capital or capital expenditure.

CASE STUDY

'Pipe Co' was recently established in Australia to pursue pipe laying opportunities in the gas industry. It was formed by experienced personnel, with access to the latest pipe technology. It has quickly built a strong capability and secured contracts with QGC Pty Ltd for the installation of pipelines on the Queensland Curtis LNG Project (QCLNG).

Pipe Co was required to provide performance bonds to QGC in support of its contractual obligations. It also needed additional liquidity for its existing and proposed contracts. However, with only a short trading history, it was unable to obtain traditional bank finance.

EFIC was able to offer Pipe Co the bonding support it required and a working capital facility through its bank.

MINIMUM ELIGIBILITY CRITERIA

- Your tender has been successful, subject to finance or contract.
- Your bank is not able to provide the financial support required.
- The goods or services being supplied are integral to the export-oriented resource project.
- You have experience in providing these goods or services.
- You are profitable and financially stable.
- The finance or guarantee requirement is at least \$500,000.

FIND OUT MORE

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