



BSEC – Bemo Securitisation SAL
7th fl, BEMO bldg, Sassine Sq
Achrafieh, Beirut, Lebanon

Phone: +9611200609
Fax: +9611200647
www.bemosecuritisation.com

PRESS RELEASE

EAST CAMERON GAS SUKUK A NEW SUKUK INNOVATION COMES TO MARKET

BSEC ANNOUNCES THE SUCCESSFUL CLOSING OF THE FIRST EVER OIL AND GAS SHARIAH COMPLIANT SECURITISATION

Beirut, Lebanon, June 19, 2006 - BSEC, the Beirut, Lebanon-based investment bank announces the pricing of the first ever Shariah compliant gas backed securitisation. The \$165.67 Million Sukuk is originated from Houston, Texas-based East Cameron Partners (ECP), which reserves are located in the shallow waters offshore the State of Louisiana. BSEC is the deal Structurer and Merrill Lynch the Bookrunner.

This deal is the First ever Islamic securitisation rated by S&P; it is the first ever Islamic securitisation originated out of the US. It is the first securitisation embedding Shariah compliant hedges. It is also the second Islamic true sale securitisation originated and structured by BSEC.

Commenting on the transaction, Iad Georges Boustany GM of BSEC said: "This is an innovative structure that breaks new ground in Shariah structured finance. We have designed a two-tier structure, with a Purchaser SPV located in Delaware to acquire the assets and an Issuer SPV located in the Cayman Islands to issue the Sukuk to the capital markets and use the proceeds to invest in the Purchaser SPV by way of a Shariah compliant Funding Agreement. The structure is designed to mitigate the main risks: reserves, production, price, off-taking and event risks. From a distribution perspective, several large institutions pitched for the distribution of the deal, yet BSEC decided to select Merrill Lynch, mainly due to Merrill dedication and expertise in the commodities business."

The Sukuk will be issued at par and will be repaid from proceeds of the sale of hydrocarbons to offtakers pursuant to an Overriding Royalty Interest (ORRI) to be obtained from the Originator in the related properties; an annual 11.25% return is expected to be paid to investors on quarterly basis.

Campbell Evans, GM of East Cameron Partners, added: "We have been looking for an alternative to conventional oil & gas financing and finally chose to explore the Shariah securitisation market and trusted BSEC would be able to deliver on its mandate. In addition to being the first of its kind, the

These materials are not an offer for sale of the Securities in the United States. The Securities may not be offered or sold in the United States in the absence of registration under the United States Securities Act of 1933 or an exemption from registration. The Company does not intend to register the Securities pursuant to the Securities Act.



BSEC – Bemo Securitisation SAL
7th fl, BEMO bldg, Sassine Sq
Achrafieh, Beirut, Lebanon

Phone: +9611200609
Fax: +9611200647
www.bemosecuritisation.com

transaction strikes a balance between investors' needs and our requirements as an originator. We are very satisfied with our cooperation with BSEC and Merrill Lynch on this groundbreaking deal".

Ibrahim Mardam-Bey, Director and Senior Advisor at BSEC, said: "we are very excited to originate and bring this deal to market. We believe that there is a high demand for Shariah compliant instruments especially in the MENA/GCC region. The transaction attracted several US conventional investors and will also contribute to widening the spectrum of Shariah investments available to Islamic investors".

About BSEC

BSEC is the global leader in true sale Shariah compliant securitisation. BSEC originated, structured and placed the first ever Shariah compliant Islamic true sale securitisation out of the GCC region; The institution has won several awards from the securitisation and Islamic finance industries. East Cameron Gas Sukuk is yet another innovation by BSEC.

BSEC mission is to be "**the leading provider of securitisation to SMEs globally**".