## **Redstone LNG Offloading Terminal – Bridge Financing Proposal (Infrastructure / Port Energy Asset)**

**Document Type:** *Confidential Project Finance Proposal – Sponsor Draft*

**Executive Summary:** Redstone LNG LLC seeks a $210 MM bridge financing facility to fund construction of its new offloading berth, cryogenic pipeline connection, and 20 km rail spur in coastal Louisiana. The project is phase-linked to the Redstone liquefaction plant (under separate funding). Sponsor proposes 18-month construction, followed by permanent take-out from a 15-year term lender upon completion and throughput contracts.

**Key Highlights Claimed by Sponsor:**

* 1.6 MM ton/yr capacity; 20-year useful life.
* Three committed offtakers (letters of intent, not final contracts).
* Construction EPC = BayCon Energy Services (limited LNG track record).
* Anticipated revenue: $42 MM Yr-1, EBITDA ≈ 21 MM.

**Financing Structure:**

| **Component** | **Amount (MM)** | **Term** | **Notes** |
| --- | --- | --- | --- |
| Bridge Loan | 210 | 18 mo @ SOFR + 550 bps | To be refinanced post-COD |
| Equity | 40 | — | Committed by sponsor consortium |
| Total CapEx | **250 MM** |  |  |

**Projected Financial Performance:**

| **Year** | **Revenue** | **EBITDA** | **Debt Svc** | **DSCR** |
| --- | --- | --- | --- | --- |
| 2025 | — | — | (20.1 MM) | N/A |
| 2026 | 38.0 MM | 19.2 MM | (20.1 MM) | 0.95× |
| 2027 | 41.5 MM | 21.0 MM | (20.1 MM) | 1.04× |
| 2028 | 42.0 MM | 21.3 MM | (20.1 MM) | 1.06× |
| 2029 | 42.5 MM | 21.5 MM | (20.1 MM) | 1.07× |

**Illustrative Leverage & Coverage Chart**

DSCR vs. Leverage (LTC)

1.3 | \*

1.2 | \* (Target ≥1.25×)

1.1 | \*

1.0 | \*

0.9 | \*

0.8 | \*

70 75 80 85 90 95 (%LTC)

**Observations:**

* EPC cost buffer only 3 %; historical LNG civil projects average overruns ≥ 8 %.
* Throughput contracts non-binding; sponsors relying on “expected” long-term charter.
* Bridge loan balloon risk: repayment contingent on timely permanent debt close.
* Modeled IRR ≈ 9.0 % levered; sensitivity –1 % revenue → IRR 6 %.
* Insurance and force-majeure provisions incomplete.

**Risk Assessment:** Environmental approvals partially conditional; potential delays in dredging authorization could extend construction 6–8 months. Commodity-linked throughput contracts expose project to global LNG volatility.

**Credit Committee Response:** Consensus: decline as structured. Recommend short-term standby letter-of-credit facility ≤ $100 MM to cover EPC mobilization until take-out financing confirmed.