

Proskauer Advises Pacific Exploration & Production Corporation on Its \$5.5 Billion Restructuring

November 15, 2016

November 15, 2016 (NEW YORK) – International law firm Proskauer represented Pacific Exploration & Production Corporation, the Canadian oil and gas company with principal operations in Latin America, in the restructuring of \$5.5 billion of financial indebtedness and other commercial liabilities. The transaction was the largest restructuring in Colombian history, and involved bankruptcy proceedings in Colombia, Canada and the United States.

The restructuring process involved months of negotiations with the company's bondholders, bank lenders and commercial creditors to arrive at a restructuring plan, and included a bidding process to select a plan sponsor. The approved plan was comprised principally of the extinguishment of \$5.3 billion of financial indebtedness and nearly \$200 million in other commercial liabilities and contingencies for a 58% stake in the company, a capital infusion of \$240 million by plan sponsor Catalyst Group, a \$240 million new money financing, a \$112 million letter of credit facility, debtor-in-possession financing of \$500 million, and the sale of certain oil and gas assets and interests in Brazil, Colombia, Peru and Guatemala.

The successfully implemented plan of compromise and arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) in connection with the comprehensive restructuring transaction went into effect beginning November 2, 2016.

With the transaction taking approximately a year and a half, Proskauer acted as U.S. counsel for the company, providing advice on every aspect of the restructuring process and drafting, commenting and/or negotiating all key documentation. The Proskauer team was led by partners Carlos Martinez, David Fenwick and Andrew Bettwy on the corporate and finance aspects of the matter, while Martin Bienenstock, Timothy Karcher and retired partner Judy Liu led on bankruptcy and restructuring matters. Other attorneys who assisted on this matter were partners Antonio Piccirillo and Fabio Yamada and associates Maria Jimena Londoño and Alexandre Leite (Latin America/Corporate); associates Daniel Desatnik, Chris Theodoridis, Maja Zerjal and Jared Zajac (Bankruptcy and Reorganization); partners Julie Allen and Philippa Bond, and associates Charles Lee, Louis Rambo and James Ross (Capital Markets); partners Ali Fawaz and Andrea Rattner (Executive Compensation and Employee Benefits); partners Charles Dropkin, Steve Weise and Frank Zarb (Finance); partner Christopher Wells (Hedge Funds); partners Robert

Cleary, Margaret Dale, and Matthew Triggs and associate Brittany Benavidez (Litigation); partners Richard Corn, Martin Hamilton, Michael Fernhoff, and associates Martine Agatston and Gary Silber (Tax); associates Andrew Eiger and William Majeski (Corporate); paralegals Allen Healy, Magali Giddens, Javier Santiago and Evelyn Rodriguez; managing clerks David Cooper and Anthony Lopez; and project assistants Ryan Hurley and Blake Schmidt.

Related Professionals

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