

Counsel to BBVA, HSBC, Grupo Financiero Inbursa and Citigroup

• **Shearman & Sterling LLP**

Partner Gregory Tan, counsel Alexandro Padrés and associate André de Paiva Teixeira in New York

• **Galicia Abogados**

Partners Humberto Perez Rocha and Jose Visoso, and associates Jose Pellon, Alejandro Perera and Ramiro Sandoval

Counsel to the Mexican government and Aeropuertos y Servicios Auxiliares

• **Cleary Gottlieb Steen & Hamilton LLP**

Partner Chantal Kordula, senior attorneys Victor Chiu, Charles Thompson and James Corsiglia, associates Manuel Silva, Jared Gross and Kevin Swartz, and international lawyer Alejandra Melgoza in New York, counsel Richard Bidstrup and associates Beau Sterling, Sarah Crandall and Robert McNamee in Washington, DC

NICARAGUA

Arias & Muñoz steers Statoil's landmark Petronic alliance



Gustavo-Adolfo Vargas

Arias & Muñoz (Nicaragua) is advising Norwegian state-owned oil company Statoil in its partnership with Nicaraguan counterpart Petronic, as the two seek a concession contract for oil exploration off Nicaragua's Pacific coast following new legislation dictating that private companies must partner with Petronic for oil exploration work.

The partnership is the first Petronic has agreed with an international exploration and production company and follows

a change in Nicaraguan law made in May, which established that all companies looking into hydrocarbons development, exploration and exploitation must form partnerships with the state-owned company.

Petronic, which is relying on in-house counsel, is said to have chosen Statoil for its first partnership partly because the Norwegian company is 67 per cent state-owned. Until now Petronic has focused solely on oil distribution.

Oil companies operating in the country are still wrapping their heads around the change in the law, says Arias & Muñoz partner Gustavo-Adolfo Vargas, whose firm helped Statoil with the negotiation, drafting and signing of the cooperation agreement. He says the change was made in a bid to transfer technology and knowledge to Petronic, so that it is able to increase its capacity. "If there turns out to be proven reserves in Nicaragua, there is no reason that Petronic can't benefit from the experience of a big energy company and go on to become one of the major players in the region, much the same way as Petrobras," he says.

The partnership agreement was signed on 3 September. The Nicaraguan government has not held a bid for the concession, instead the consortium has now sent a request for an exclusive contract to develop offshore resources to Nicaragua's Ministry of Energy and Mines, which is expected to announce its decision next year. As part of this, Vargas's team helped Statoil submit a request for direct negotiations over a concession agreement with the government of Nicaragua.

Hydrocarbon exploration in Nicaragua and the rest of Central America is limited, but Statoil's involvement is hoped to be the precursor for significant discoveries. Texas's Infinity Oil and Gas holds an offshore exploration and production concession on Nicaragua's Caribbean coast, while the only other concession holder in the Pacific region is Industria Oklahoma-Nicaragua, which conducts onshore exploration, and extended its 2004 concession contract in 2011 with the help of García & Bodán (Nicaragua).

Counsel to Statoil

- In-house counsel – Junia Castro Rezende Christiansen
- **Arias & Muñoz (Nicaragua)**
Partners Gustavo-Adolfo Vargas and Ana Teresa Rizo, and associate Ana Cecilia Chamorro

Counsel to Petronic

- In-house counsel – Peter Diaz

PERU

Firms line up for Falabella's Peru deal



Conrado Tenaglia



Juan Carlos Escudero



Alberto Luzarraga

Linklaters in New York and Peru's Estudio Grau have helped the Peruvian unit of Chilean retail conglomerate Falabella acquire home improvement store Maestro through a block trade over the Lima stock exchange backed by US\$495 million worth of financing.

Falabella's Sodimac, which also operates a home improvement chain in Peru, paid US\$490 million to acquire 100 per cent of Maestro, its main competitor in the market. Peru's Payet, Rey, Cauvi, Pérez, Mur and Cleary Gottlieb Steen & Hamilton LLP in São Paulo advised the seller, local private equity fund Enfoca Inversiones, for the deal that closed on 17 September.

The transaction was structured as a block trade over the Lima stock exchange, which enabled the acquisition to close very quickly