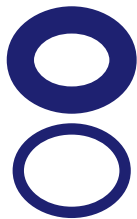


Energy & Resources



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Asian Legal Business (ALB): As a specialist practitioner in this field, could you please enlighten our readers on the current state of the Energy and Resources (E&R) industry?

Loo Choon Chiaw (LCC): Three principal factors have been responsible for the uncertainties that exist currently in the E&R sector. Firstly, there has been an absence of a global climate framework. Many industry players were disappointed with the inability of the member states to reach a consensus at the 2009 United Nations Framework Convention on Climate Change Conference, commonly known as the Copenhagen Summit, on the key issues, such as the reduction of greenhouse gas emission targets and the adoption of clean energy policies by member states. Secondly, the social and political unrests in major oil producing countries in the Middle East and North Africa, also known as the Arab Spring, are a major contributing factor to volatility. Sparked from a wave of protests and demonstrations in Tunisia resulting in the fall of former President, Zine El Abidine Ben Ali, the turmoil subsequently spread to the other parts of the Arab world, including the revolution in Egypt and the resignation of former President Hosni Mubarak, the civil war in Libya which ended with the recent capture and killing of Colonel Gaddafi, and the increasing demands of civil liberties in Bahrain, Syria, Yemen, Algeria, Iraq, Jordan, Morocco, Oman, Kuwait, Lebanon, Mauritania, Saudi Arabia, Sudan and Western Sahara. Thirdly, the Fukushima nuclear mishap has set back what initially appeared to be a nuclear renaissance. Since the Fukushima incident, many countries have started to re-examine their nuclear energy policies. In the Asia Pacific region, the People's Republic of China (PRC) has suspended its 28 planned nuclear power plants for inspection of safety standards and the current status is still unclear. The Taiwanese government has unveiled its new nuclear energy policy and has promised to take gradual steps toward a nuclear-free nation; and India has delayed its US\$2.6 billion nuclear plant at Kudankulam due to a strong opposition from local villagers. Mexico has scrapped its plan to build 10 nuclear plants that would generate 35 percent of the country's energy by 2028. In Europe, Switzerland, Italy and Germany have abandoned nuclear power altogether.

ALB: In your opinion, what are the likely developments in the E&R sector in the next decade?

LCC: While I am not a crystal-gazer, I shall attempt to make some general observations by extrapolating from my understanding of the current state of the sector (of course, with the usual caveat on exclusion of liability should any of my observations turn out to be inaccurate). In my view: world energy consumption will continue to grow steadily; the developing countries, as opposed to the developed countries, because of the state of their economic development, will be responsible for the lion share of energy consumption; the PRC shall be the largest consumer in energy; there will be a rapid expansion of usage of electric or hybrid vehicles; fossil fuels shall continue to be the main source of supply of energy; there will be a rapid growth in the usage of renewable energy; most countries will allow for more market liberalisation in the E&R sector; green or intelligent building will be a norm in the developed countries, which will gradually spread to the developing countries; the adoption of energy or efficient lighting will be a norm globally; and there will be a significant breakthrough in energy storage technologies. Other developments will be: the advent of smart meters, ie, electric meters that can gather data for remote reporting, monitoring and analysis, which will optimise energy usage pattern and make energy demand management an easy task; the advent and expansion of virtual power plants, ie, integrated power plants linking solar, wind, biogas and hydrostorage in the provision of load-following power around the clock, totally from renewable energy; and the occurrence of grid parity, where the cost in generating electricity by renewable energy becomes as low (or as cheap) as that produced by fossil fuels.

ALB: The renewable energy sector has experienced a sustainable interest as shown by the investments in this sector. What are the notable trends?

LCC: The investors have always been keen in renewable energy projects. In 2010, US\$211 billion worth of investments in these projects have been made, which was approximately one-third in excess of the US\$160 billion investments recorded in 2009. The total investments in renewable energy projects for 2011 have been estimated to be in the



region of US\$260 billion and US\$270 billion, surpassing that of 2010. In the light of the uncertainties surrounding the current global economy, especially the euro zone crisis, I am not too optimistic about the prospects of new investments in 2012. The notable trends include: a sharp increase in the total investments in small-scale projects, for instance, rooftop photovoltaic and solar panels made for use by homes and small businesses; government-funded research and development projects; the down trend of the levelised-costs (ie, the cost per unit of the relevant energy before taking into consideration any government subsidy) in view of the progress made in clean energy technologies; the total investments made by the developing economies, in particular, by the PRC, India and Brazil in renewable energy projects have overtaken those made by the developed countries; and investments in solar-related projects are catching up with those which are wind-related.

ALB: What are the main obstacles posed to investments in renewable energy projects?

LCC: The uncertainties surrounding the global economy are indeed not conducive to new investments. Investors see dark clouds ahead after a series of bad news hitting the market. Recent examples include the bankruptcy filing of Wall Street brokerage MF Global and the crisis caused by Greece's Prime Minister Papandreou's surprise announcement of Greece's acceptance of the EUR130 billion bailout package to be decided via a referendum. Although Greece's threatened referendum was called off subsequently, the threat has put the long-term sustainability of the euro zone in doubt. The fear of a contagion spread of Greece's financial crisis, if it happens, to the other members of the PIGS, in particular, Italy and Spain, remains real. Furthermore, confronted with monumental budget deficits, some active supporters of renewable energy in the international community, such as, the Great Britain, Spain and Czech Republic are reducing their subsidies for renewable energy in line with their austerity measures. Additionally, the prevailing low natural gas price, currently hovering in the range of US\$3 to US\$5 per MMBtu as compared to US\$13 prevailing in 2008, provides an inducement for more investments to be channeled into the

construction of gas-fired power stations, at the expense of investments in renewable energy.

ALB: I note your frequent use of the word 'uncertainties' during the interview. As a leading boutique legal practice in the Region, how does your firm approach the uncertainties?

LCC: We have witnessed and survived various regional and global financial crises since we commenced practice in 1985. As a firm, we shall always stay focused on our core areas of practice whether in good times or bad. Although we have been blessed with a loyal and quality clientele and have a healthy deal flow, we are always psychologically prepared for any downturn. I have used the word 'uncertainties' in my response to your earlier questions to underline what all of us have become accustomed to, namely, the constant changing business environment which we are all subject to and have no control over. Don't you think that life is full of uncertainties? This fact might have led the late Mark Twain, the celebrated American writer, to lament (or more accurately, to quip) that 'the only two certainties in life are death and taxes'. To me personally, the uncertainties in life have provided me with the requisite challenges to tackle and keep me constantly on my toes! In this regard, I totally agree with the late William Cowper, 18th century English poet, that 'uncertainty and expectation are the joys of life. Security is an insipid thing'. Life must (and will) move on.

OUR PHILOSOPHY AS REPRESENTED BY OUR CORPORATE LOGO

The simplicity of our logo echoes our approach when providing legal solutions in meeting clients' needs: simple and effective, concise but not prolix.

Our logo epitomises our corporate philosophy. It underlines the strong sense of esprit de corps which we cherish. The pair of oval rings represent our clients and our firm. We regard ourselves as our clients' strategic partner when tackling their daily challenges.

While the two oval rings are similar, they are by no means identical, each has its distinct identity. The upper (and heavier) ring represents our clients. It reminds us of our solemn oath to do our utmost in the discharge of our duty to our clients. We are represented by the lower ring. It affirms our consistent approach in subordinating our interests to those of our clients.

Although we are close partners of our clients, we, nevertheless, ensure that there is a sufficient space between us, symbolised by how the two rings are positioned: proximate yet separate, giving us the requisite objectivity in recommending to our clients-partners the best options in meeting their daily challenges.

WE ARE OUR CLIENTS' PARTNER

We regard ourselves as our clients' strategic partner when tackling their daily challenges. No stone shall be left unturned in our daily search for the most effective legal solution to meet the special needs of each of our clients.

OUR MEMBERS ARE OUR ASSETS

In Loo & Partners, every individual (no matter what position he or she occupies) is a member of our team and an asset to the firm. We are constantly searching for persons with the requisite qualities to join our team.

OUR CORPORATE COMMITMENTS

We strive as follows:

- To be the best amongst our peers
- To attract and retain committed team members
- To enable each member to attain his or her full potential
- To be our clients' strategic partner in tackling their daily challenges
- To implement changes necessary to serve our clients better, increase efficiency and reduce costs
- To maintain a level of profitability that sustains growth, funds further investments to enhance our overall capabilities and provides fair rewards to members