

CPS Borrows \$500M

By [The Moscow Times](#)

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The Caspian Pipeline Consortium signed a deal with a syndicate of international banks to borrow up to \$500 million, the company said in a statement, Interfax reported.

The loan will be repayable at 2.65 percent over LIBOR in up to five years and is intended for the pipeline expansion project.

The loan falls within the CPC's \$5.4 billion expansion budget, backed by the company's own revenue, said Nikolai Platonov, the consortium's general director. It will be treated as a standby source of finance if the consortium's own funds prove insufficient.

The expansion includes an upgrade of five existing pump stations and construction of 10 additional ones (two in Kazakhstan and eight in Russia), six crude-oil storage tanks near Novorossiisk and the replacement of an 88-kilometer section of pipeline in Kazakhstan with a wider pipe.

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