

FOR IMMEDIATE RELEASE

Crowell & Moring Advises Senior Lenders in British Steel Insolvency

London – May 22, 2019: A London-based team of Crowell & Moring lawyers has been working around the clock in recent weeks, advising the senior lenders to British Steel, the U.K.'s second largest steel producer, in their negotiations with British Steel, its ultimate shareholder Greybull Capital, and the British government. British Steel was ordered into compulsory liquidation by the High Court this morning and the Official Receiver has now taken control of the business, with EY appointed as Special Managers.

British Steel is among the U.K.'s most high-profile manufacturers, employing about 4,500 people directly and as many as 20,000 more in its supply chain.

Crowell & Moring advised the syndicate of senior lenders (PNC Business Credit as syndicate agent, ABN AMRO and Secure Trust Bank), initially in connection with an innovatively structured £120-million short-term government bridge loan, making it possible for British Steel to comply with its obligations under the EU Emissions Trading Scheme (ETS) and avoid a significant EU fine. The company still required further funding to help it face a range of challenges confronting the UK and global steel industries, and the Crowell & Moring team continued to serve as counsel to the senior lenders, all asset-based financiers, in ongoing negotiations to provide that funding, including the release of funds by the three asset-based lenders yesterday to finance British Steel's entire payroll to ensure that its employees were paid in May.

The Crowell & Moring team is led by finance partner Andrew Knight, with restructuring partners Cathryn Williams and Paul Muscutt also playing significant roles. Andrew previously acted for the same senior lenders when they financed the acquisition of British Steel by Greybull (from Tata Steel) in 2016, and again last year, when the original asset-based lending facility was restructured to layer in an additional £90 million senior secured FILO facility provided by a U.S. fund.

About Crowell & Moring LLP

Crowell & Moring LLP is an international law firm with approximately 550 lawyers representing clients in litigation and arbitration, regulatory, and transactional matters. The firm is internationally recognized for its representation of Fortune 500 companies in high-stakes litigation, as well as its ongoing commitment to *pro bono* service and diversity. The firm has offices in Washington, D.C., New York, Los Angeles, San Francisco, Orange County, London, and Brussels.

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