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Hughes Hubbard Solidifies Areva's 2B Euro Mining Deal in Niger

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Hughes Hubbard & Reed advised French nuclear giant Areva SA over a period of 18 months in the renegotiation of several mining contracts with the Niger government.

The high-profile discussions were very difficult and, in addition to the Niger government, involved mining companies, the French government, Non-Governmental Organizations and Niger citizen associations and political parties. The negotiations resulted in conclusion of a strategic partnership agreement and 10 specific contracts.

Areva and Niger announced in May a new 10-year agreement valued at more than 2 billion euros for Areva's Somair, Cominak and Imouraren mines. But the West African nation didn't approve the deal until October. The previous 10-year production agreement expired on Dec. 31, 2013, requiring temporary extensions.

Under the terms of the agreement, Areva pledged to pay more taxes and will indefinitely postpone the start of production at its giant new Imouraren mine in light of profitability concerns. Areva and the Niger government will set up a joint committee to monitor market conditions and decide when to launch Imouraren.

The Niger deposits provide 40 percent of the uranium supply for the EDF Group, the leading electricity producer in Europe. It also provides uranium to the Japanese electricity provider OURD and to the Spanish provider ENUSA.

Areva, the world's largest nuclear company, produces 4,000 tons of uranium every year through Cominak and Somair.

The deal drew coverage in news outlets across the globe, including in The Wall Street Journal, Reuters and The Guardian.

Sena Agbayissah and Agnès Braka-Calas advised Areva.

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