

Altus Midstream Company deal summary

On June 12, 2019, the Tortoise energy team closed a deal in the Tortoise Essential Assets Income Term Fund. Altus Midstream Co (ALTM) is a pure-play Permian Basin midstream company formed around the midstream assets of Apache Corporation (APA). These assets initially include gathering and processing infrastructure for the Alpine High field in the southern Delaware Basin, but will ultimately include interests in several long-haul pipelines. ALTM currently owns interest in natural gas pipelines Gulf Coast Express and Permian Highway, EPIC Crude Pipeline, Shin Oak NGL pipeline. The preferred equity security has a 7% distribution rate and will be redeemable at any time by ALTM based on delivering the greater of an 11.5% internal rate of return (IRR) and 1.3x multiple of invested capital. Additionally, the distribution rate and IRR thresholds increase to the extent the preferred equity is outstanding after five years.



Investment details

- Investment type: preferred equity
- Investment size: approx. \$4,000,000
- Distribution rate: 7.0%

Disclaimer

TCA Advisors is the adviser to the Tortoise Essential Assets Income Term Fund, and Ecofin Advisors Limited is the fund's sub-adviser. TortoiseEcofin focuses on essential assets – those assets and services that are indispensable to the economy and society. We strive to make a positive impact on clients and communities by investing in energy infrastructure and the transition to cleaner energy and by providing capital for social impact projects focused on education and seniors housing. TortoiseEcofin brings together strong legacies from Tortoise, with expertise investing across the energy value chain for more than 20 years, and from Ecofin, which unites ecology and finance and has roots back to the early 1990s. This communication is for informational purposes only and is not intended to solicit an offer to purchase securities.