



IPAA Private Capital Conference | January 21, 2014

**Alternative Financing Solutions for Operators** 



# **Large Energy Infrastructure Market Potential Attractive Distribution and Growth Characteristics Advantaged REIT Structure Quality Management Team Committed Future Growth Potential**

# Introduction to CorEnergy

#### Company Overview

# About Us

- CorEnergy Infrastructure Trust, Inc. (NYSE: CORR), primarily owns midstream and downstream US energy infrastructure assets
- First publicly listed energy infrastructure REIT with a midstream focus
- Acquire assets and simultaneously lease them back under a longterm triple net lease customized to the operating partner's needs
- An affiliate of Tortoise Capital Advisors, LLC

#### **Advantages**

- Reduces cost of capital
- Provides customized funding strategy
- Allows operator to retain control
- Creates additional value for shareholders

# **Targeted Infrastructure Assets**





OIL & GAS





**WATER** 









**Transmission Lines** 

**Distribution Lines** 

**Hydro Facilities** 

Wind and Solar Facilities\*

Crude & Refined Oil **Pipelines** 

**Gas & NGL Pipelines** 

Water & CO<sub>2</sub> Pipelines

**Storage Terminals** 

Rail

Rail/River Access **Terminals** 

**Seaports** 

**Airports** 

Reservoirs

**Water Towers** 

**Sewer Inlets & Mains** 

**Distribution Pipelines** 

CORR is in the process of developing a structure to allow inclusion of renewable assets in a REIT. CorEnergy does not provide tax, legal, accounting or regulatory advice. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

# Partner Opportunity

#### PARTNER OPPORTUNITY

MLP Capital Constraints	Alternative/larger source of low-cost capital without MLP market constraints
Customized Funding Strategy	<ul> <li>Raising capital without increasing debt or issuing equity and optimally staging qualifying asset monetizations</li> </ul>
Balance Sheet Friendly	Operating lease allows removal of assets from balance sheet in favor of operating expenses on income statement
Retention of Operating Control	REIT passive requirement results in transaction imposing no change to day-to-day operations
Infusion of Growth Capital	Ability to free up internal capital for higher return growth opportunities which create incremental shareholder value

# CorEnergy REIT Financing Methods

Ability to Tailor Financing Strategy Based on Operator's Need

#### **Description Financial Statement Presentation** · No liability on balance sheet Operator controls asset use/performance **Operating** Rental payment stream averaged over lease Terms match operator's business needs Lease life in income statement No liability on balance sheet Rental payment stream averaged over lease Operator controls asset use/performance **Drop-Down** live in income statement Lease Back Terms match operator's business needs Minority interest reflected in equity section of balance sheet · Capital lease liability on balance sheet Operator controls asset use/performance **Capital Lease** Amortization of capital lease reflected in Terms match operator's business needs income statement Mortgage · Operator controls asset use/performance Debt on balance sheet **Financing** Terms match operator's business needs Interest expense in income statement

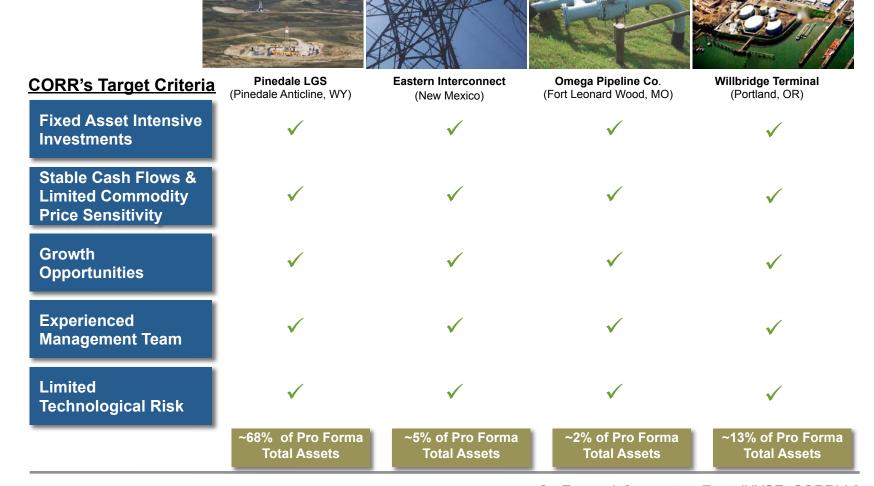
- All structures involve a hybrid rent structure that allows CORR to share in a small amount of upside as well as business risk
- Any structure may be preceded by a construction financing by CORR up to 12 months

# **Preferred Financings**

## Customized to Fit Operator's Need

Preferences		
■ Investment Size:	\$30 – \$300 million	
■ Lease Term:	10 – 20 years with hybrid lease structure	
■ Exit Strategy:	Lease renewal or sell-back to partner	
■ Relationship:	Long-term relationship / follow-on financings	

# **Executing on Infrastructure Real Asset Strategy**



### **CorEnergy Can Provide Many Benefits as a Committed Capital Partner**

Allows operator to retain operating control of assets

Provides structural flexibility to meet operator's priorities and specific needs

Enhances ability to access to low-cost capital for future development

Creates a competitive advantage for pursuit of future acquisitions

Establishes a long-term partnership, not a future competitor

Leverages a knowledgeable management team with extensive industry experience



For more information please visit our website at corenergy.corridortrust.com

Or contact Investor Relations directly at: 877-699-CORR info@corridortrust.com