

**Updated: November 7, 2017**

## **American Midstream**

### **POTENTIAL MERGER**

Pursuant to 18 C.F.R. § 358.7(e)(3), Transmission Provider must post on its website information concerning potential merger partners as affiliates that may employ or retain or employ marketing function employees, within seven days after the potential merger is announced.

#### **American Midstream Announces Drop Down of Trans-Union Interstate Pipeline and Commencement of Deliveries to Southern Natural Gas**

HOUSTON--(BUSINESS WIRE)-- [American Midstream Partners, LP](#) (NYSE: AMID) (“AMID” or “Partnership”) announced today the acquisition and closing of 100% of the equity interests in Trans-Union Interstate Pipeline, L.P. (“Trans-Union”) from affiliates of ArcLight Capital Partners, LLC (“ArcLight”), which controls the general partner of the Partnership, for a total consideration of approximately \$48 million. The consideration consisted of approximately \$15.5 million cash funded from borrowings under the Partnership’s revolving credit facility and the assumption of \$32.5 million of non-recourse debt.

Trans-Union owns a 42-mile, 30-inch diameter high-pressure FERC-regulated natural gas interstate pipeline with 546,000 MMBtu/day of maximum capacity. Trans-Union delivers natural gas transmission from Sharon, Louisiana to customers in El Dorado, Arkansas and is anchored by 15-year take-or-pay agreements with approximately 91% of FERC regulated capacity with investment grade utilities. Trans-Union primarily delivers natural gas to the Union Power Station, owned by Entergy Arkansas, Inc., Entergy Louisiana, LLC, and Entergy New Orleans, Inc., as well as to a recently expanded fertilizer plant owned by El Dorado Chemical Company, a subsidiary of LSB Industries.

The purchase of Trans-Union is immediately accretive to Adjusted EBITDA and distributable cash flow and is complementary to AMID’s existing natural gas transmission assets within the Southeastern U.S. with proximity to AMID’s Midla system. The transaction offers additional acquisition opportunities to continue building its natural gas infrastructure assets to satisfy fast growing Southeastern U.S. demand.

This transaction is part of the Partnership’s strategic capital reallocation strategy to create asset density within its core areas. Since June 2017, AMID has effectively reallocated over \$450 million in capital in seven highly accretive transactions while also improving the Partnership’s balance sheet. In conjunction with AMID’s numerous organic growth projects, the Partnership is poised for materially higher 2018 EBITDA and distributable cash flow



A conflicts committee of the board of directors of the general partner of the Partnership composed of independent directors, as well as the full board of directors of the general partner, unanimously approved the transaction. This committee was advised by Thompson & Knight LLP as to legal matters.