

Energy Capital Solutions Selling Haynesville Water Midstream & Logistics Company

DALLAS, TX – May 2, 2022 – A Haynesville Water Midstream and Logistics Company (the “Company”) has retained Energy Capital Solutions, LLC to pursue strategic alternatives. The Company is the largest independent energy waste management, logistics and disposal business in the ArkLaTex region, addressing the fluid and water management needs of oil and gas companies.

The Company has spent the last decade growing out a strong asset base that includes 13 saltwater disposal wells (“SWDs”), a water transfer station, and a solids waste separation facility, all centered around increasing ArkLaTex regional volumes via pipeline while operating in a “truck light” manner. The majority of the Company’s SWDs are connected to customers via pipe, and approximately 40% of water volumes enter its facilities through pipes. The Company’s facilities are extremely well positioned to take advantage of permitted drilling activity in the ArkLaTex region, and the Company’s SWDs are operating substantially below capacity (43,000 bbl/d utilization of 110,000 bbl/d of capacity).

Opportunity Highlights:

- Highly Profitable and Growing Business
 - Net Income to EBITDA ratio is attractive due to “truck light” strategy (i.e., little equipment and minimal “real” depreciation)
 - Generated positive EBITDA in 2020
 - Completing new waste separation facility in May 2022 to generate ~\$500k per month of consistent cash flow
- 13 SWDs with 40% of Volumes Delivered Via Pipelines – “Truck Light” Strategy
 - Majority of the SWDs have pipeline connections, with ~40% of disposal by pipeline (and growing)
 - Selectively uses 3rd party trucks to expand/contract transport capacity and disposal volumes based on market conditions, keeping fixed costs lower
- Haynesville is One of the Best Basins in the US
 - Attractive well economics, takeaway advantages, and proximity to Gulf Coast make Haynesville a prime location to capture growth in natural gas market
 - Significant upside remains, given that drilling rigs are only slightly above 2019 levels and still 70% off 2010 highs

Energy Capital Solutions has a virtual data room for interested parties to review the assets in more detail upon execution of a confidentiality agreement.

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