



M6 Midstream Announces Final Investment Decision and Completes Two Acquisitions to Establish a Leading Presence in the Haynesville Shale

- *Board of Directors has reached Final Investment Decision on its New Generation Gas Gathering project, which will initially provide 1.7 Bcf/d of capacity from the Haynesville Shale to the growing Gulf Coast and LNG markets.*
 - *Project includes carbon capture and sequestration component that will remove 100% of the CO₂ and permanently store it underground, creating a net negative carbon footprint.*
- *Recently closed two significant acquisitions:*
 - *Midcoast Energy's East Texas business ("Midcoast ETX"), an extensive gathering and transportation system with 1.5 Bcf/d of current volume and 1.0 Bcf/d of existing deliverability to the Gulf Coast and LNG markets.*
 - *Align Midstream, which owns several gathering systems adjacent to Midcoast with current volumes of 600 MMcf/d.*

HOUSTON, September 22, 2022 (PRNewswire) – M6 Midstream ("Momentum" or "the Company") today announced a final investment decision ("FID") on its new natural gas gathering and carbon capture project, New Generation Gas Gathering ("NG3"), which will gather natural gas produced in the Haynesville Shale for re-delivery to premium Gulf Coast markets, including LNG export. In addition, the Company completed the acquisitions of Midcoast Energy's East Texas business ("Midcoast ETX") from an affiliate of ArcLight Capital Partners, LLC and Align Midstream from Tailwater Capital to establish a leading presence in the Haynesville Shale.

With the final investment decision, the natural gas gathering and carbon capture project will have an initial capacity of 1.7 Bcf/d and is expandable to 2.2 Bcf/d and will also capture and permanently sequester up to 2.0 million tons per annum of CO₂. The project is expected to commence operations in the second half of 2024.

"With significant long-term volume commitments from several leading Haynesville Shale producers, including Chesapeake Energy, we are pleased to reach a positive FID on our new gathering and treating project, which, combined with our existing capacity on



the Midcoast system, will serve to address bottlenecks in the Haynesville Shale and provide much needed capacity to the growing LNG markets on the Gulf Coast,” said Frank Tsuru, CEO of Momentum. “Our customers are also excited to be part of the first of its kind net negative gas gathering project.”

Mr. Tsuru added, “Consistent with our past business practices, Chesapeake Energy’s anchor commitment for NG3 comes with an option to own 35 percent of the project, creating alignment between Momentum and one of the largest Haynesville Shale producers.”

With the combined assets of Midcoast ETX and Align Midstream, Momentum is currently servicing volumes in excess of 2.0 Bcf/d across a footprint including approximately 3,000 miles of gathering pipelines, 1.5 Bcf/d of treating capacity, 700 MMcf/d of processing capacity, 200,000 HP of compression and 820 miles of transportation pipelines delivering gas to the Gulf Coast markets in southeast Texas and the Carthage and Bethel markets in east Texas. The assets serve a diverse customer base comprised of producers, utilities, end-users and LNG exporters.

“Pairing the extensive footprints of the Midcoast and Align assets with NG3, Momentum is able to relieve existing constraints in the Haynesville Shale, particularly the Shelby Trough, and allow our producer customers to reach premium Gulf Coast markets,” said Brant Baird, President of Momentum. “We also provide these Gulf Coast markets and LNG facilities with direct access to growing Haynesville Shale production.”

“We have been closely associated with the management team at Momentum for more than three decades and are incredibly proud to help accelerate their plans to establish a leading presence in the Haynesville Shale,” EFM Managing Partner and Founder Billy Lemmons said. “EnCap Flatrock Midstream came alongside several proven institutional energy investors in Yorktown Energy Partners, Martin Sustainable Resources, Ridgemont Equity Partners, Bengas Midstream Partners and Blackstone Credit to support Momentum’s Haynesville Shale growth plans.”



Terms of the transactions were not disclosed.

Advisors

Barclays served as exclusive financial advisor to Momentum on the Midcoast ETX acquisition, and Barclays, Jefferies Finance LLC, Blackstone Credit and Wells Fargo Securities, LLC arranged the acquisition financing. Jefferies LLC served as exclusive financial advisor to Momentum on the Align acquisition, and Vinson & Elkins LLP served as legal counsel to Momentum on both the Midcoast ETX and Align Midstream acquisitions.

Jefferies LLC and Latham & Watkins LLP advised ArcLight Capital Partners, LLC on the sale of Midcoast. Piper Sandler & Co and Locke Lord advised Tailwater Capital on the sale of Align Midstream.

About Momentum

Momentum is an independent midstream energy company that provides natural gas producers with flexible, responsive and reliable services to link the wellhead to the market. Since 2004, Momentum has developed or acquired more than 5,000 miles of pipeline, 18 processing facilities, three NGL fractionation facilities, over 1 million barrels of storage and approximately 500,000 horsepower of compression. The Company's core focus is building high-quality greenfield projects and acquiring natural gas assets in growing U.S. basins that meet the emerging needs of its customers. Momentum is backed by equity commitments from EnCap Flatrock Midstream, Yorktown Energy Partners, Martin Sustainable Resources, Ridgemont Equity Partners, Bengas Midstream Partners and Blackstone Credit. For more information, please visit <https://www.momentummidstream.com>.

CONTACT:

Kelly Kimberly

Kelly.kimberly@fgsglobal.com

713.822.7538



Sara Blair Gillette

Sara.blair.gillette@fgsglobal.com

713.805.9663