

Black Bear Transmission Announces Bolt-on Acquisition of Natural Gas Transmission Assets from Third Coast Midstream

June 29, 2020

HOUSTON -- Black Bear Transmission LLC (“Black Bear”) today announced that an affiliate has entered into a definitive agreement to acquire a portfolio of Natural Gas Transmission assets (the “NGT Assets”) from a subsidiary of Third Coast Midstream LLC (“Third Coast Midstream”).

Black Bear is a portfolio company of the second Basalt fund (“Basalt”). The NGT Assets are a natural extension to the Southeast United States natural gas transmission business that Basalt acquired from Third Coast Midstream in 2019, which resulted in the formation of Black Bear. This transaction marks Black Bear’s second bolt-on acquisition, having acquired the Ozark system from Enbridge in April 2020.

The NGT Assets include six intrastate natural gas pipelines spanning approximately 1,400 miles in Alabama, Louisiana and Mississippi. The system has total capacity of more than 800 MMcf per day and benefits from significant interconnectivity to major-long haul pipelines, providing reliable, cost-advantaged gas supply to utilities and other key end-users.

“This investment expands our asset base of high-quality, demand-driven natural gas pipelines in the Southeastern United States,” said Rene Casadaban, Chief Executive Officer of Black Bear Transmission. “The NGT Assets are highly complementary to our existing Black Bear footprint and are strategically positioned to capture continued natural gas demand growth in the region. We look forward to executing a seamless transition while maintaining safe and reliable service to all of our customers.”

“We are pleased and excited about this follow-on sale of Natural Gas Transmission assets to Black Bear,” stated Matt Rowland, Chief Executive Officer of Third Coast Midstream. “We look forward to another successful transition with the Black Bear team following the sale of these assets, as Third Coast Midstream takes another step in its strategic repositioning to focus on its core Gulf of Mexico infrastructure platform.”

The transaction is expected to close in the second half of 2020, subject to customary regulatory approvals and closing conditions. The terms of the transaction are not being disclosed.

Barclays served as exclusive financial advisor to Basalt, and Vinson & Elkins served as Basalt’s legal advisor. BMO Capital Markets served as exclusive financial advisor to Third Coast Midstream, while Orrick served as Third Coast Midstream’s legal advisor.

About Black Bear

Black Bear Transmission LLC transports and delivers natural gas from various pipeline receipt points to utility, power generation and industrial customers in the Southeast United States. The Company currently includes eight regulated natural gas pipelines stretching more than 1,200 miles, with total delivery capacity of more than 1.8 Bcf per day. The pipelines are connected to 12 major long-haul pipelines, ensuring reliable gas supply to customers across Alabama, Arkansas, Louisiana, Mississippi, Missouri, Oklahoma and Tennessee. Black Bear Transmission LLC is headquartered in Houston, TX.

For more information, please visit www.blackbearllc.com.

About Basalt

Basalt I and Basalt II are two of the flagship Basalt Infrastructure Partners funds. They are infrastructure equity investment funds focusing on investments in utilities, power, transport, and communications infrastructure in North America and Europe. Other investments by the Basalt funds in North America include the Upper Peninsula Power Company, Texas Microgrid, DB Energy Partners, Detroit Thermal, Hyperion and Helios Power.

For more information, please visit www.basaltinfra.com.

About Third Coast

Headquartered in Houston, Texas, Third Coast Midstream LLC is a full-service midstream company with assets that provide critical midstream infrastructure linking producers of natural gas, crude oil, NGLs, and condensate to end-use markets. Third Coast's assets are strategically located in the prolific Deepwater Gulf of Mexico. Third Coast currently owns or has an ownership interest in approximately 5,100 miles of interstate and intrastate pipelines, as well as ownership in gas processing plants, fractionation facilities, an offshore semi-submersible floating production system with nameplate processing capacity of 90 MBbl/d of crude oil and 220 MMcf/d of natural gas, and a terminal site with approximately 3.0 MMBbls of storage capacity.

For more information, please visit www.3cmidstream.com.