

## **ArcLight Capital Partners Announces Agreements to Construct and Operate New Crude Oil Gathering, Storage and Transmission Systems in the Core of the Eagle Ford Shale**

ArcLight Capital Partners, LLC (“ArcLight”) announced today that Republic Midstream, LLC (“Republic Midstream”), a newly-formed portfolio company, executed agreements with Penn Virginia Corporation (NYSE:PVA; “Penn Virginia”) to construct and operate a crude oil gathering system, a central delivery terminal complex and an intermediate takeaway pipeline to serve Penn Virginia’s prolific acreage position in the Eagle Ford Shale. The long-term, fee-based transportation agreements with Penn Virginia are supported by minimum volume commitments and a dedication of acreage covering the areas served by the gathering system. ArcLight has committed \$400 million to Republic Midstream, which will be managed by two of ArcLight’s experienced midstream portfolio companies, American Midstream Partners, LP (NYSE: AMID; “American Midstream”) and JP Energy Partners LP (“JP Energy”). ArcLight currently expects to offer each company the right to purchase 50% of Republic Midstream after the commencement of operations.

The gathering system will initially consist of 180 miles of gathering and trunk lines located in north-central Gonzales and western Lavaca counties, which will deliver gathered volumes to a 144-acre central delivery point (“CDP”) in western Lavaca County capable of storing and blending crude oil volumes. The intermediate system will initially consist of a 12-inch, 30-mile takeaway pipeline with initial capacity of 80,000 barrels per day that will receive crude volumes via pipeline and truck at the CDP and deliver batched volumes to major long haul takeaway pipelines. The CDP and intermediate system are being designed to serve multiple market outlets and to accommodate various crude oil specifications from both Penn Virginia and third parties. Penn Virginia is currently operating five rigs in areas served by the gathering system with over 200 developed wells and over 1,300 remaining drilling locations in the acreage dedicated to Republic Midstream.

American Midstream will perform construction, operations and general management services for Republic Midstream. American Midstream currently owns and operates a gas gathering and redelivery system serving Penn Virginia in the same area in which the crude oil gathering system will be constructed. In addition, an affiliate of American Midstream’s general partner is currently constructing a full-well-stream gathering system for another Eagle Ford producer in Gonzalez County.

JP Energy will perform commercial services for Republic Midstream, including working with producers to provide crude oil solutions from the wellhead to the end market. JP Energy’s crude oil supply and logistics division is active in marketing and transporting crude oil for producers in the Eagle Ford located near Republic Midstream’s CDP and intermediate system and has similar operations and commercial services in other major producing basins.

“ArcLight is excited to form a new venture managed jointly by two leading midstream operators – American Midstream and JP Energy – to leverage their existing footprints in the core of the eastern Eagle Ford Shale, a premier sub-play with some of the best drilling economics in North America” said Daniel Revers, ArcLight’s Managing Partner. “With our equity commitment, experience in capitalizing new ventures, and the proven track record of our portfolio companies managing the entity, Republic Midstream is positioned to become a critical infrastructure solution for Penn Virginia and other regional operators.”

“We are excited to expand our relationship with Penn Virginia and to continue developing a significant midstream asset base for crude and natural gas systems in the Eagle Ford,” stated Steve Bergstrom, American Midstream’s Executive Chairman, President and Chief Executive Officer. “The crude oil gathering, storage and transmission system American Midstream is building for Penn Virginia is highly complementary to our existing Eagle Ford gas gathering system for Penn Virginia as well as the full-well-stream system we are developing with our general partner in Gonzales County. We appreciate the affirmation of our customer-centered approach from a strong operator such as Penn Virginia, and look forward to acquiring 50 percent of Republic Midstream upon commencement of operations in early 2015.”

“JP Energy has made the Eagle Ford a key area of focus with the intent to leverage our expertise in designing crude oil solutions for producers from the wellhead to the end market. We are excited to use the market knowledge we have gained through our existing operations in the Eagle Ford and in the Permian Basin to help create a comprehensive crude oil midstream solution for Penn Virginia,” stated J. Patrick Barley, CEO of JP Energy. “We expect that as Penn Virginia and other producers continue to develop the eastern Eagle Ford, Republic Midstream’s locational advantages and broad range of logistical capabilities will prove immensely valuable to both the producer community and downstream players in the crude oil markets.”

#### **ABOUT ARCLIGHT CAPITAL PARTNERS, LLC**

ArcLight is one of the leading private equity firms focused on North American energy infrastructure assets. Since its establishment in 2001, ArcLight has invested over \$12 billion across multiple energy cycles in more than 86 power, midstream and production assets. Headquartered in Boston, Massachusetts with an additional office in Luxembourg, the firm’s investment team brings extensive energy expertise, industry relationships, and specialized value creation capabilities to its portfolio. More information about ArcLight, as well as a complete list of ArcLight’s portfolio companies can be found at <http://www.arclightcapital.com>.

#### **ABOUT AMERICAN MIDSTREAM PARTNERS, LP**

Denver-based American Midstream Partners is a growth-oriented limited partnership formed to own, operate, develop and acquire a diversified portfolio of midstream energy assets. The Partnership provides midstream services in the Texas, Gulf Coast and Southeast regions of the United States. For more information about American Midstream Partners, visit [www.AmericanMidstream.com](http://www.AmericanMidstream.com).

#### **ABOUT JP ENERGY PARTNERS LP**

JP Energy Partners was formed in 2010 to focus on developing a platform of midstream assets to provide integrated services to suppliers and consumers of petroleum products. The company's assets include three million barrels of crude oil storage at Cushing, a crude oil pipeline system located in the Midland Basin gathering production from the Southern Wolfcamp, a crude oil transport operation doing business as JP Falco with operations in the Mid-Continent, the Permian and the Eagle Ford, two refined products terminals serving the Dallas and Little Rock markets, one of the largest propane distribution businesses in the U.S. with operations in 48 states, and the third largest propane cylinder exchange business in the U.S. The ownership and management team of JP Energy Partners bring extensive experience and a history of success in the energy business.