



## PRESS RELEASE

### **ArcLight Capital Partners and Freepoint Commodities Close Acquisition of St. Croix Refinery Assets from HOVENSA**

BOSTON (January 7, 2016) – ArcLight Capital Partners, LLC (“ArcLight”) and Freepoint Commodities LLC (“Freepoint”) announced today that Limetree Bay Terminals, LLC (“LB Terminals”) has completed the purchase from HOVENSA, L.L.C. (“HOVENSA”) of the idled storage terminals, refining units, and marine infrastructure located at Limetree Bay, St. Croix, U.S. Virgin Islands (collectively, the “St. Croix Facility”). ArcLight, through an affiliate, manages and owns an 80% interest in LB Terminals; Freepoint owns a 20% interest in LB Terminals.

LB Terminals purchased the assets of the St. Croix Facility pursuant to a section 363 process as part of HOVENSA’s bankruptcy case. Prior to closing, LB Terminals negotiated a new operating agreement with a team representing the Honorable Kenneth E. Mapp, Governor of the Virgin Islands. The operating agreement authorizes LB Terminals to own, restart, and operate the St. Croix Facility. On December 29, 2015, the 31<sup>st</sup> Legislature of the Virgin Islands voted to ratify the operating agreement, and the Governor signed the agreement into law shortly thereafter.

The St. Croix Facility consists of approximately 32 million barrels of crude oil and petroleum product storage, idled refinery units with total peak processing capacity of 650 thousand barrels per day, a deepwater port with nine ship docks, six tug boats, and various associated equipment and inventory. LB Terminals intends to make significant investments to revitalize the St. Croix Facility as an environmentally-compliant, multi-purpose energy center, with an initial focus on crude oil and refined petroleum product storage operations. LB Terminals has already executed a 10-year lease agreement for 10 million barrels of storage capacity with China Petroleum & Chemical Corporation (“Sinopec”) as well as lease agreements with Freepoint covering an additional 3 million barrels of capacity. LB Terminals plans to bring into service most of the facility’s existing storage capacity and is also actively pursuing the restart of certain of the idled refinery process units at the St. Croix Facility.

“Closing on the St. Croix Facility represents the culmination of an innovative and complex transaction executed by ArcLight in conjunction with its partner Freepoint,” said Dan Revers, Managing Partner and co-Founder of ArcLight. “ArcLight was attracted by the St. Croix Facility’s strategic location at the crossroads of the movement of crude and refined products, the scale and quality of its infrastructure, and its highly skilled workforce. Together with our partners, we have developed a detailed strategy to repurpose the St. Croix Facility as a world-class storage and logistical hub. ArcLight intends to leverage its deep experience and expertise in the terminal segment, including through our recent acquisition of Gulf Oil, to drive value creation for all of the Facility’s stakeholders.”

“The successful closing of this transaction could not have been possible without the concerted efforts of many Virgin Islanders,” added Jake Erhard, Partner at ArcLight. “I especially want to thank Governor Mapp and his advisory team for their creativity and perseverance in working with ArcLight to structure an innovative operating agreement. I also want to thank the Senators of the 31<sup>st</sup> Legislature, led by Senate President James, for their diligence in considering and ultimately approving the agreement. We look forward to getting the St. Croix Facility back in business and driving jobs, taxes, and economic activity for the people and Government of the Virgin Islands.”

Freepoint’s CEO David Messer stated, “Freepoint is proud to be participating alongside ArcLight as the St. Croix Facility is transformed into a vital link at the crossroads of global energy markets. Together with our partner Sinopec, we are excited by the opportunities to help revitalize the St. Croix economy, stimulate regional economic activity, and enhance overall market efficiency.

### **About ArcLight Capital Partners, LLC**

ArcLight is one of the leading private equity firms focused on North American and Western European energy assets. Since its establishment in 2001, ArcLight has invested over \$13.9 billion across multiple energy cycles in more than 90 investments. Headquartered in Boston, MA 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://arclightcapital.com>.

### **About Freepoint Commodities LLC**

Founded in 2011, Freepoint is based in Stamford, CT with over 280 employees worldwide. Freepoint is a merchant of physical commodities and a financier of upper and mid-stream commodity-producing assets. Freepoint also provides physical supply services and related structured solutions for counterparties. Private equity funds managed by Stone Point Capital, together with Freepoint management and senior employees, have provided Freepoint with approximately \$400 million dollars of committed equity capital. More information about Freepoint can be found at <http://www.freepoint.com>.

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