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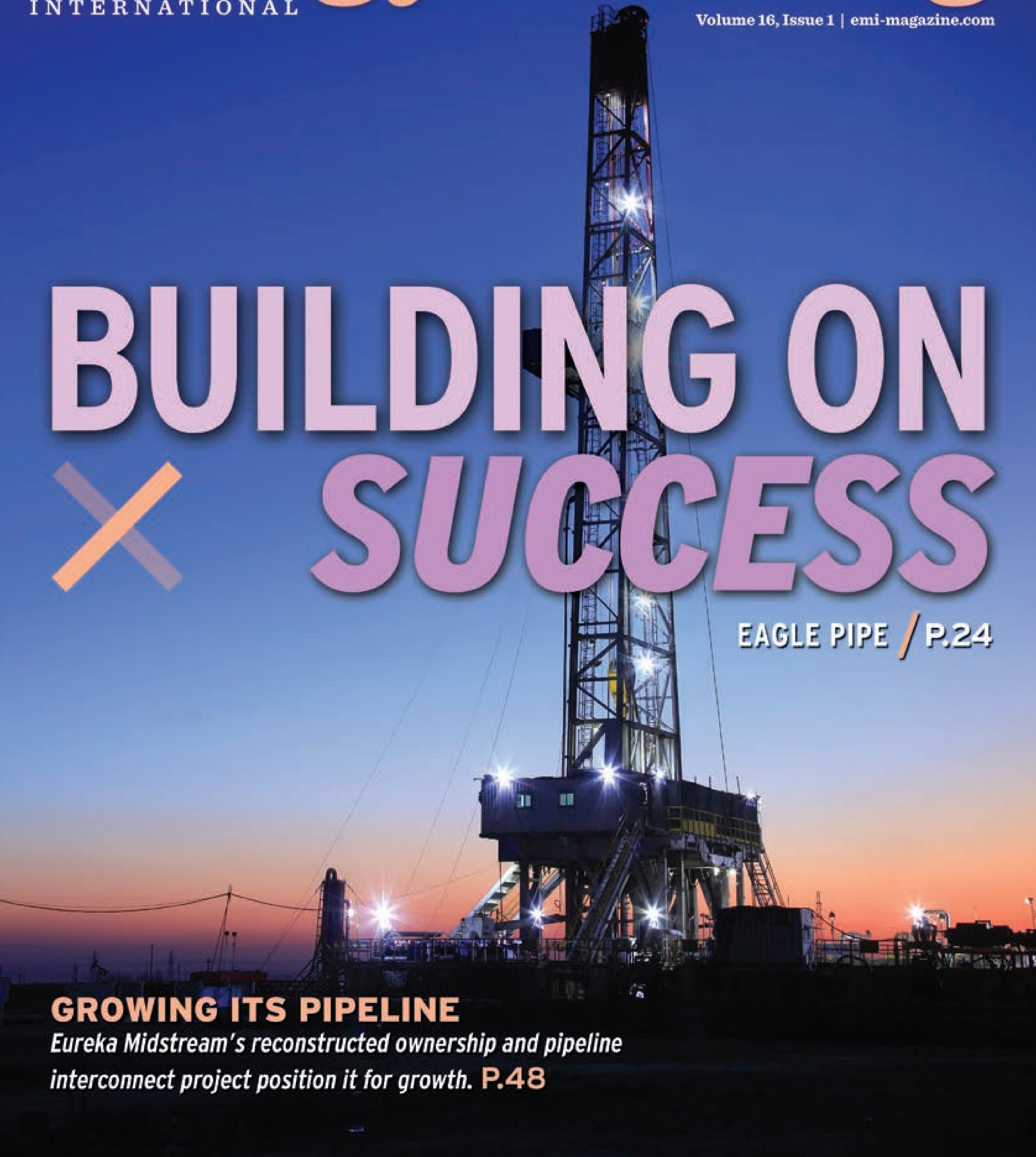

BUILDING ON *SUCCESS*

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GROWING ITS PIPELINE

Eureka Midstream's reconstructed ownership and pipeline interconnect project position it for growth. P.48

Growing Its Pipeline

Eureka Midstream's reconstructed ownership and pipeline interconnect project position it for growth.

[BY KAT ZEMAN]

A well-positioned midstream operator in U.S. shale plays, Eureka Midstream is preparing for growth. The Houston-based company owns and operates more than 205 miles of gas-gathering systems and 15 interconnects in the Ohio River Valley. It is under new ownership and in the process of developing four new pipeline interconnections.

Known as The Southern Hub Project, development started in fall 2017 and is targeted for completion in 2019. It will allow Eureka Midstream to enter new markets.

"Along with the current markets that enable takeaway to the Northeast, Michigan and mid-continent, the new interconnects will provide our producers with access to the mid-Atlantic and Southeast markets," explains Marc Weaver, senior vice president. "In addition to our focus on service, I think the number of downstream markets is one of the things that makes us attractive to our producers."

Eureka Midstream also reconstructed its ownership last year. SK Hold-

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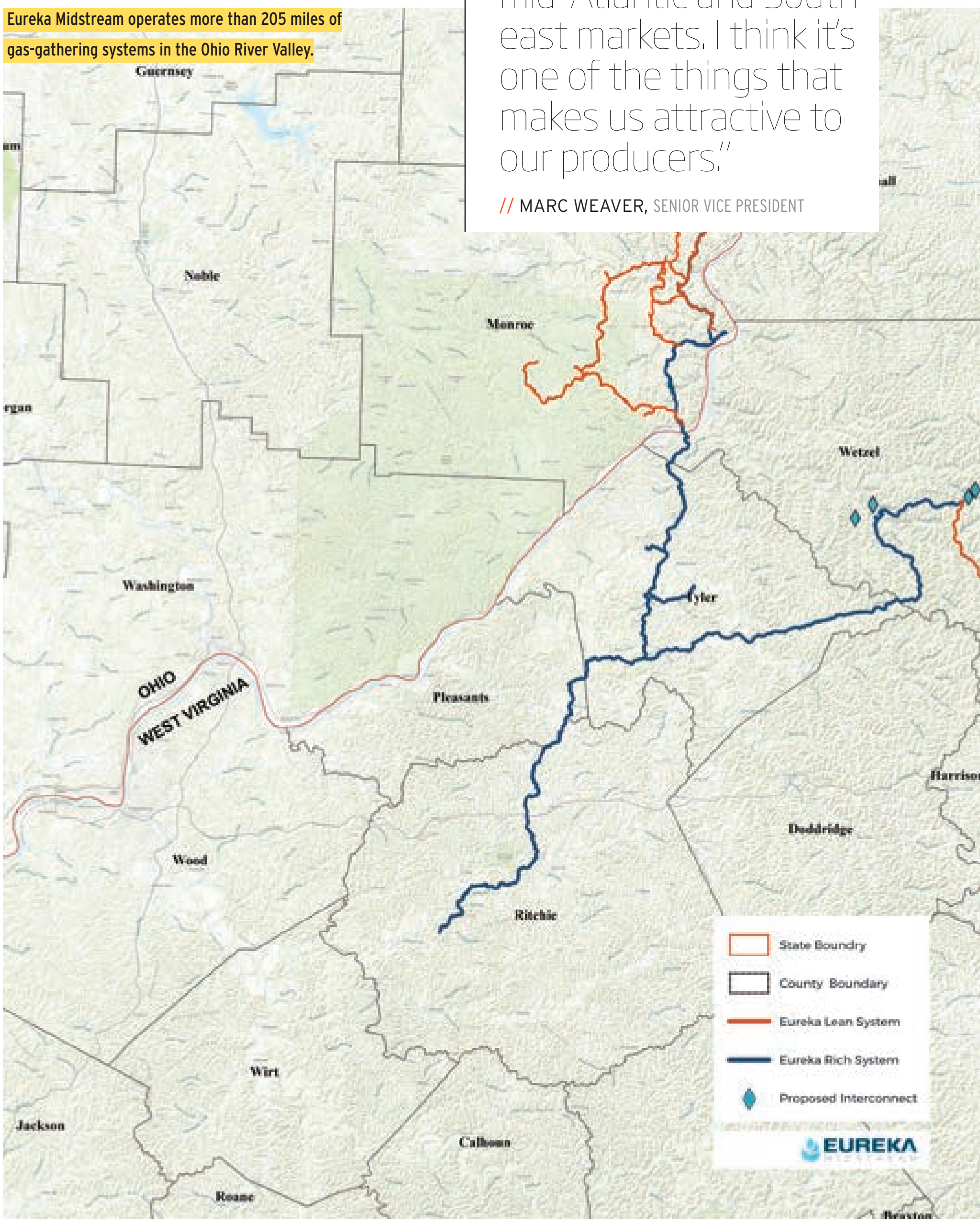
> // MARC WEAVER, SENIOR VICE PRESIDENT



Eureka Midstream operates more than 205 miles of gas-gathering systems in the Ohio River Valley.

PROFILE

Eureka Midstream

www.eurekamidstream.com

Headquarters: **Houston** | Employees: **110+**

Specialty: **Midstream solutions**

ings Co. Ltd., a South Korean-based, $60 billion company involved in natural gas distribution, acquired ownership in Eureka Midstream, which it shares with Morgan Stanley Infrastructure Partners.

"We are its first midstream investment in the United States," Weaver explains, referring to SK Holdings.

"This is really good for us from a growth perspective."

INCREASING CREDIT

In addition to a new investor and additional pipeline interconnects, Eureka Midstream obtained a $400 million senior secured revolving credit facility last year.

The credit facility amends and restates Eureka's existing credit facility. It increases the aggregate credit facility commitments from $225 million to $400 million with an extended mature date of four years from the credit facility closing date.

+ Teays Valley Engineering is a West Virginia based corporation providing engineering services to the natural gas industry in the Appalachian Basin, including the Marcellus and Utica Shale plays. We specialize in electrical and automation services. TVE is your one-stop shop for electrical and automation. We can take a project from conceptual design, and follow it all the way through startup/commissioning. We provide 3 distinct services to our clients: Engineering & Design, Field Services, Panel and Control Building Fabrication.


The company prides itself on its ability to service dry and wet gas production from its multiline system.


More than 35 percent of Eureka Midstream's revenues are generated under long-term, fixed-fee and fixed-spread natural gas gathering and sales agreements.

Proceeds from the credit facility can be used for funding capital expenditures, financing permitted acquisitions, funding working capital and general corporate purposes. "We think our new ownership structure is very strong with access to the $400 million credit facility," Weaver says. "Both have really strengthened our balance sheet and positioned us for growth."

> "In addition to our focus on service, I think the number of downstream markets is one of the things that makes us attractive to our producers."
> // MARC WEAVER, senior vice president

ACCESS TO DOWNSTREAM

Eureka Midstream's gas gathering systems are located in core areas of the Utica Shale southwest Marcellus Shale plays. The company prides itself on its ability to serve dry and wet gas production from its multiline system.

In addition, the company believes it offers opportunities to its producers that its competitors can't. "There are things we have that other midstream companies our size don't and that's access to multiple downstream markets," Weaver says. "We have 15 interconnects with varied downstream markets. It's very unusual for someone our size to have that many downstream pipeline interconnects. That's very attractive for our producers because they have the option to go into many different markets."

Eureka Midstream believes it is positioned for continued success in the highest-growth natural gas basin in North America. No single producer controls more than 26 percent of total throughput volumes there.

More than 35 percent of Eureka Midstream's revenues are generated under long-term, fixed-fee and fixed-spread natural gas gathering and sales agreements. They are intended to mitigate the company's direct commodity price exposure and enhance the stability of cash flows.

Eureka Midstream plans to continue focusing on long-term, fixed-fee contracts as the operation explores new growth opportunities. **EMI**

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