

Howard Energy Partners Announces Project Financing for the Nueva Era Pipeline Project

November 16, 2016 08:00 AM Eastern Standard Time

SAN ANTONIO--(BUSINESS WIRE)--Howard Midstream Energy Partners, LLC (HEP) announced today that its subsidiary, Nueva Era Pipeline, LLC has closed on \$353.3 million in project financing for the construction of the Nueva Era pipeline project. A 50-50 joint venture between HEP and Mexico-based energy and services firm Grupo CLISA, the Nueva Era pipeline project will connect HEP's existing Webb County Hub in South Texas directly to Monterrey, Nuevo León, Mexico. The banks that provided financing for the Nueva Era project include MUFG, Santander, Societe Generale, Sumitomo Mitsui Banking Corporation, and CaixaBank.

Construction activities began earlier this year on the approximately 200-mile, 36- and 30-inch Nueva Era pipeline, which will provide seamless transportation service for approximately 600 million cubic feet per day of natural gas (expandable to 900 million cubic feet per day), connecting producers in South Texas directly with end-users in northern Mexico. The Comision Federal de Electricidad, Mexico's state-owned electric utility, is the anchor shipper on the Nueva Era project, having committed to transport 504 million cubic feet of natural gas per day on the system for a 25-year term, to help fuel combined-cycle power plants in Escobedo and Huinalá, near Monterrey. The Nueva Era pipeline also offers natural gas transportation services to private shippers on an open access basis. The project is expected to be completed and in service in the second half of 2017.

"The closing and funding of project financing for Nueva Era marks a significant milestone for us as we continue on-schedule with construction of the project," said HEP Chief Financial Officer Scott Archer. "While the Nueva Era pipeline is the result of years of hard work and collaboration by many groups of people, our overall goal remains; to provide northern Mexico's industrial centers with access to competitively-priced natural gas, while providing South Texas producers direct access to new and emerging markets. We are excited to keep moving forward."

Latham & Waktins LLP, Creel, García-Cuéllar, Aiza y Enríquez and Canales Dávila, S.C. served as the company's legal advisors on the transaction, with Milbank, Tweed, Hadley & McCloy LLP and Galicia Abogados serving as the principal legal advisors of the lending group.

About Howard Energy Partners

San Antonio-based Howard Midstream Energy Partners, LLC dba Howard Energy Partners is an independent midstream energy company, owning and operating natural gas gathering and transportation pipelines, natural gas liquids processing plants, rail facilities, liquid storage terminals, deep-water port facilities and other related midstream assets in Texas and Pennsylvania. The company has corporate offices in San Antonio, Houston and Mexico City. For more information on Howard Energy Partners, please visit our website www.howardenergypartners.com. For more information on the Nueva Era pipeline project, please visit our project website www.pipelinenuevaera.com.

About Grupo Clisa

A Mexican business group established 25 years ago, Grupo Clisa has extensive experience in the energy and services sectors, including the import and marketing of natural gas, thermal coal and petroleum coke. The group has five divisions which includes Energy, Logistics, Commerce and Services, Real Estate and Infrastructure. The group has a functional team of more than 2,000 people. Throughout the company's history, Grupo Clisa has established important partnerships with prestigious world-class companies in the energy industry that have enabled it to gain solid global experience. For more information, please visit our website: www.clisa.com

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