

Altus Midstream Company deal summary

On June 12, the Tortoise energy team closed a deal in the Tortoise Essential Assets Income Term Fund. Altus Midstream Co (ALTM) is a pure-play Permian Basin midstream company formed around the midstream assets of Apache Corporation (APA). These assets initially include gathering and processing infrastructure for the Alpine High field in the southern Delaware Basin, but will ultimately include interests in several long-haul pipelines. ALTM currently owns interest in natural gas pipelines Gulf Coast Express and Permian Highway, EPIC Crude Pipeline, Shin Oak NGL pipeline. The preferred equity security has a 7% distribution rate and will be redeemable at any time by ALTM based on delivering the greater of an 11.5% internal rate of return (IRR) and 1.3x multiple of invested capital. Additionally, the distribution rate and IRR thresholds increase to the extent the preferred equity is outstanding after five years.



Investment details

- Investment type: preferred equity
- Investment size: approx. \$4,000,000
- Distribution rate: 7.0%

Disclaimer

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