

New Fortress Energy LLC deal summary

On Jan. 31, 2020, the Tortoise energy team closed a term loan debt facility in the Tortoise Essential Assets Income Term Fund. New Fortress Energy LLC (NFE) was formed primarily to construct LNG re-gas and power generation facilities in underserved markets. The company aims to increase natural gas demand and displace higher cost fuel oil in areas with low levels of natural gas penetration. Their strategy includes sourcing cheap natural gas from the U.S. and transporting it to regions where it can economically compete with more carbon-intensive fuel sources, such as fuel oil. Over the longer term, NFE plans to reach net-zero emissions by supplying hydrogen as an additional power source.

To maintain economic relevance, the company has worked to establish favorable long-term supply agreements, directly taking advantage of depressed global LNG prices. NFE believes that incremental demand growth from general industrial and domestic applications will occur once natural gas is readily available, providing for future growth outside of power plant switching. To help spur demand, NFE is also building natural gas power plants in some of their markets, which will provide electricity from LNG shipped to their re-gas facilities and further bolster long-term economics on an integrated basis.



Investment details

- **Investment type:** term loan
- **Investment size:** \$4,875,000
- **Coupon:** 3-month Libor + 6.25%, with annual increases and 1.50% Libor floor

Disclaimer

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