

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

TCA Advisors is the adviser to the Tortoise Essential Assets Income Term Fund, and Ecofin Advisors Limited is the fund's sub-adviser. TortoiseEcofin focuses on essential assets – those assets and services that are indispensable to the economy and society. We strive to make a positive impact on clients and communities by investing in energy infrastructure and the transition to cleaner energy and by providing capital for social impact projects focused on education and seniors housing. TortoiseEcofin brings together strong legacies from Tortoise, with expertise investing across the energy value chain for more than 20 years, and from Ecofin, which unites ecology and finance and has roots back to the early 1990s. This communication is for informational purposes only and is not intended to solicit an offer to purchase securities.