

## **Zenith Energy U.S. To Acquire Arc Logistics Partners**

*Combination creates a leading terminaling business with over 22 million barrels of crude oil, petroleum products and other liquids storage*

*Brings together diversified portfolio of complementary energy logistics assets and strong domestic and international footprint*

HOUSTON and NEW YORK – August 29, 2017 – Zenith Energy, L.P. (“Zenith”), an international liquids and bulk terminaling company, today announced that its management and Warburg Pincus have formed Zenith Energy U.S., L.P. and its general partner, Zenith Energy U.S. GP, LLC (together, “Zenith U.S.”), which have entered into a definitive agreement to acquire Arc Logistics Partners LP (“Arc Logistics”) and its general partner, Arc Logistics GP LLC. Under the terms of the Purchase Agreement and Plan of Merger (“Merger Agreement”), Zenith U.S. will acquire, pursuant to a merger, all of Arc Logistics’ outstanding public common units, all of the common units owned by Lightfoot Capital Partners, LP and certain private interests owned by the sponsors of Arc Logistics. As a result of the transaction, Arc Logistics will become a wholly owned subsidiary of Zenith U.S.

Zenith U.S. will acquire the public common units of Arc Logistics in cash for \$16.50 per common unit, which represents a premium of 15.2% to the closing unit price on August 28, 2017. The closing of the transaction is expected to occur in the fourth quarter of 2017 or early in the first quarter of 2018 and is subject to customary closing conditions, including receipt of regulatory approvals and approval by the holders of a majority of the common units of Arc Logistics. Affiliates of Lightfoot Capital Partners, LP and Lightfoot Capital Partners GP LLC have agreed to support and vote in favor of the transaction. The Merger Agreement and the transactions contemplated thereby have been approved by the boards of directors of both Zenith U.S. and Arc Logistics and by the conflicts committee of the board of directors of Arc Logistics.

“We are very excited to build a platform enabling us to enter the U.S. terminaling market, and very pleased to combine with Arc Logistics in this transformative transaction that will significantly increase the Zenith group of companies’ footprint, expanding our scope of services to our combined customers worldwide,” said Jeff Armstrong, President and Chief Executive Officer of the Zenith businesses. “Arc Logistics’ diversified portfolio of logistics assets serves critical links between supply and demand locations in the U.S., and we intend to further develop their existing terminals as well as pursue new developments throughout North America. Together we look forward to developing a world-class midstream asset operator with long-term growth opportunities.”

Kirkland & Ellis LLP are acting as legal advisors to Zenith U.S. Barclays and Credit Suisse are acting as financial advisors to Zenith U.S. and are providing committed financing for the transaction.

### **About Zenith and Zenith U.S.**

With headquarters in Houston, Zenith is an international liquids and bulk terminaling company that owns and operates over 15 million barrels of crude oil and petroleum products storage in Amsterdam, Ireland and Colombia. Zenith is pursuing opportunities to buy, build and operate terminals primarily in Latin America and Europe. Zenith U.S. will share the headquarters of Zenith and focus on the integration of Arc Logistics and other opportunities to buy, build and operate terminals in North America. The Companies are focused on the storage and distribution for petroleum, refined products, natural gas liquids and petrochemicals, and expect to acquire and operate logistics and distribution assets that

support terminals, such as pipelines, truck racks and barges. In August 2014, Warburg Pincus, a leading global private equity firm focused on growth investing, led a line-of-equity commitment in Zenith of up to \$600 million. Warburg Pincus is the lead investor in Zenith U.S. to support this acquisition and further expansion in North America . For more information, please visit [www.zenithem.com](http://www.zenithem.com).

#### Contact

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