

Zenith Energy U.S. Completes Acquisition of Arc Logistics Partners

Arc Logistics Partners becomes wholly owned subsidiary of Zenith U.S.

Zenith Energy U.S. backed by line of equity of up to \$625 million led by Warburg Pincus and Kelso

HOUSTON and NEW YORK – December 21, 2017 – Zenith Energy U.S., L.P. (“Zenith”) today announced the completion of the previously-announced acquisition of Arc Logistics Partners LP (“Arc Logistics”) and its general partner, Arc Logistics LLC. Zenith is a U.S. midstream terminal company formed by the management and certain owners of Zenith Energy, L.P. (“Zenith International”). As a result of the transaction, Arc Logistics is now a wholly owned subsidiary of Zenith and Zenith U.S. GP, LLC (together, “Zenith U.S.”).

Zenith U.S. has received a line of equity of up to \$625 million led by Warburg Pincus and Kelso, alongside management and other investors. A portion of the line of equity is being used to finance the acquisition of Arc Logistics.

“We are very pleased to have successfully completed the acquisition of Arc Logistics, which gives us a strong foothold into the U.S. terminaling market with 21 terminals in 12 states, providing critical services to a broad range of customers in key markets across the country,” said Jeff Armstrong, Chief Executive Officer of Zenith. “We look forward to welcoming the employees of Arc to Zenith U.S. and benefitting from our shared industry expertise, best-in-class services and a global footprint to serve our combined customer base. We are also pleased to continue our partnership with Warburg Pincus and welcome Kelso as a new partner in this venture.”

Moving forward, Zenith U.S. intends to further develop Arc’s existing terminals and focus on new developments throughout North America. Zenith International will continue to pursue further expansion opportunities in key international markets. Zenith International currently owns and operates terminaling assets in Amsterdam, the Netherlands, and the Bantry Bay terminal in West Cork, Ireland, as well as a multi-product liquids terminal in Palermo, Columbia, formed through a joint venture with Grupo Coremar in 2014.

Barclays and Credit Suisse acted as financial advisors to Zenith U.S. and Barclays, Credit Suisse and HSBC provided committed financing for the transaction. Kirkland & Ellis LLP acted as legal advisor to Zenith U.S.

About Zenith International and Zenith U.S.

Zenith International is a midstream company that owns and operates over 16 million barrels of crude oil and petroleum products storage in Amsterdam, Colombia, and Ireland. Zenith International is pursuing opportunities to buy, build and operate terminals primarily in Latin America and Europe. Zenith U.S. focuses on opportunities to buy, build and operate terminals in North America. Zenith International and Zenith U.S. share a common management and headquarters in Houston, and are independently operated by country and continent managers. The Companies are focused on the storage and distribution of petroleum, refined products, natural gas liquids and petrochemicals, and expect to acquire and operate logistics and distribution assets that support terminals, such as pipelines, trucks 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 International of up to \$600 million. For more information, please visit www.zenithem.com.

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$44 billion in private equity assets under management. The firm's active portfolio of more than 150 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 17 private equity funds which have invested more than \$60 billion in over 800 companies in more than 40 countries.

The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai and Singapore. For more information, please visit www.warburgpincus.com.

About Kelso

Kelso has been investing in private equity for over 35 years. Kelso's industry-leading alignment of interest and partnership approach date back to its founder, Louis Kelso, who is commonly referred to as the inventor of the Employee Stock Ownership Plan (or ESOP). Kelso benefits from a successful investment track record, a long-tenured and stable investing team, and a reputation as a preferred partner to management teams and corporates. Since 1980, Kelso has raised a total of nine private equity funds, representing approximately \$12 billion of capital, and has made more than 120 investments. For more information about Kelso, please visit the firm's website at www.kelso.com.

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