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Welcome to the TortoiseEcofin QuickTake podcast. Thank you for joining us as we provide timely updates on the market.

Hello. I am Tortoise Senior Portfolio Manager Rob Thummel with this week's TortoiseEcofin QuickTake podcast.

A weak jobs report and politicians haggling over the debt ceiling could not deter the financial markets last week. The S&P 500 index showed resilience rising by 2%. Energy stocks sustained their strong momentum supported by the re-opening of economies around the world, analyst upgrades of the energy sector, and high commodity prices. The Alerian Midstream Energy Index rose by over 3% last week and is up 45% year-to-date which seems to be drawing more attention from investors.

Natural gas was a popular topic last week. CNBC anchor Kelly Evans wrote a great story on CNBC.com asking the question if the 20th century was the era of oil, is natural gas the key fuel of the 21st? At Tortoise, we believe natural gas is essential in an all-of-the-above approach to achieving global decarbonization.

International natural gas prices reached record highs last week. In Asia, spot prices touched \$56 per mmbtu. For reference, this is equivalent to paying \$325 for the same amount of energy found in a barrel of crude oil. Until the end of the 2022 winter, the weather and Russia will be the most influential on the direction of international natural gas prices. Prices spiked mid-week last week when it was reported that Russia's new Nord Stream 2 natural gas pipeline that will transport additional Russian supplied natural gas to Europe might not receive the necessary approvals from the European Union until the end of winter. However, prices declined a bit later in the week when Vladimir Putin suggested that Russia would increase gas supplies to Europe through existing pipelines.

Related to the weather, Gazprom, Russia's state-owned natural gas supplier, indicated there are a lot of rowanberries on trees in Moscow right now which could be a sign of a cold Russian winter. To gauge the potential severity of winter in the U.S., I chased around some squirrels in my backyard to see how many acorns they were accumulating but my findings were not conclusive.

To conclude on natural gas, I think it is important to understand that the world is not short natural gas. There is an ample supply of the commodity. Over the weekend, popular New York Times columnist Tom Friedman referred to the U.S. as the Saudi Arabia of natural gas. Instead, the world is short natural gas infrastructure resulting in high current prices. Additional liquefied natural gas or LNG facilities and storage in the U.S., Europe, India, and Asia could alleviate future risk of high prices and reduce price volatility. Tom Friedman stated on CNN this weekend the U.S. needs more LNG terminals to ship natural gas.

In company specific news, energy infrastructure companies continue to participate in the energy transition contributing to the global decarbonization mega-trend. Last week, one of the largest North American energy infrastructure companies TC Energy signed an agreement with Nikola to develop large-scale hydrogen production facilities in North America. Nikola is developing zero-emission trucks that are fueled by clean hydrogen rather than gasoline. Cost-effective hydrogen is one of the decarbonizing technologies needed to achieve net-zero by 2050. TC Energy operates a network of pipeline and storage assets that could be used as decarbonization infrastructure to lower the cost and increase the speed of delivery of hydrogen. TC Energy also noted that its pipeline network could also be used to deliver carbon dioxide to permanent sequestration sites to decarbonize the hydrogen production process. You are going to hear more about how energy infrastructure companies are participating in the global decarbonization mega trend over the next several years. You might be surprised to know that energy infrastructure companies in North America have issued 56 press releases in 2021 related to the energy transition and/or decarbonization activities. These releases include announcements of sustainability reports that often include emissions data, carbon reduction goals and/or net-zero targets that Matt Sallee discussed last week. Other releases highlight investment in wind and solar facilities, renewable natural gas and renewable diesel infrastructure as well as research and development on carbon sequestration and hydrogen. Several of our portfolio companies have established specific teams and identified individuals within their organization to lead their decarbonizing efforts.

To wrap up, OPEC+ met last week. The meeting was short. The group agreed to maintain its plan to add 400,000 barrels a day of oil production to the global oil market through the end of 2022. That is two meetings in a row that were short, no drama, no controversy. That tells me the oil price is likely to stay within the current trading range.

Those are the highlights from last week. Thanks for listening. We will talk to you next week.

Thank you for joining us. And stay tuned for our next episode. Have topics you want covered or other feedback to share? Write us at info@tortoiseecofin.com.

The S&P 500[®] Index is a market-value weighted index of equity securities.

The **Alerian Midstream Energy Index[®]** is a broad-based composite of North American energy infrastructure. The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMNA) and on a total-return basis (AMNAX).

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