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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.

Last week marked the close of another month and what a month it was for investors with the Dow Jones Industrial Average rising by 14%, its best monthly gain since January 1976. The Alerian MLP Index slightly outperformed the Dow increasing by 14.2% while the Alerian Midstream Energy Index rose by 11% for the month.

Investors were hopeful that the Federal Open Market Committee (FOMC) would articulate a path toward lower future rate hikes. However, Federal Reserve Chairmen Jerome Powell said it is very premature to be thinking about pausing. As a result, the Dow fell by 1.4% last week while the Alerian Midstream Energy Index increased by 1.3%.

We are in the late innings of the third quarter earnings season with many of our core energy infrastructure holdings reporting results last week. While no one company delivered a performance equivalent to the masterful no-hitter by Cristian Javier and the Astros bullpen last week, the reported results were stellar with several companies setting records. For example, Targa Resources that operates essential Permian Basin infrastructure reported record volumes and EBITDA. Enterprise Products Partners highlighted record volumes of crude oil, natural gas, and natural gas liquids transported on its energy infrastructure network. Lastly, Energy Transfer noted it exports more natural gas liquids (NGLs) than any other company or country representing 20% of the worldwide NGL export market.

In addition during this reporting season a few companies are unveiling expansions to the U.S. energy infrastructure network. Targa expects to build a new processing plant and NGL pipeline to support growing Permian Basin volumes. Oil and gas producer Chesapeake Energy indicated it would buy a 35% interest in new natural gas infrastructure being built by privately owned Momentum Midstream that will allow for 1 bcf per day of responsibly source, independently certified natural gas to be transported from the Haynesville Shale to the liquefied natural gas (LNG) market beginning in 2024. This helps fulfill Chesapeake's volume commitment to the Golden Pass LNG facility that comes on line in 2024. Speaking of LNG, Sempra Infrastructure said it would likely proceed with constructing a new LNG export terminal in Port Arthur Texas that could enter service around 2027. Energy Transfer said it could greenlight its Lake Charles LNG project in the first quarter of 2023. Lastly, Cheniere, the largest U.S. exporter of LNG, highlighted the expansion of its Corpus Christi LNG facility is 12% complete with expected volumes in 2025. Cheniere is in the process of pre-filing with the Federal Energy Regulatory Commission (FERC) for additional expansions at its Corpus Christi as well as Sabine Pass LNG locations.

So the next natural question is where is all of this oil and gas going to come from? The Permian Basin will be the primary source of crude oil growth in the U.S. Several companies are highlighting additional supply sources of natural gas. Natural gas infrastructure operator Williams noted the Haynesville is growing and natural gas from a new region of the Eagle Ford Shale could be a grow driver next year as well. Leading oil and gas producer EOG Resources introduced another shale region called the Utica Combo in Ohio. This area that joined the Dorado in South Texas as potential new sources of supply for EOG.

What does all of this mean? The message being delivered from the U.S. energy sector during the third quarter reporting seasons is clear. We expect the U.S. to maintain its status as the largest producer of energy in the world. More importantly, the U.S. is forecasted to grow and expand its role as a secure supplier of energy to the rest of the world through the expansion of energy infrastructure including significant expansion of facilities that will facilitate increasing exports of crude oil, natural gas, and natural gas liquids.

Which leads me to my last point. We got a lot of questions regarding the impact of a windfall profits tax suggested by President Biden last week. Such a tax likely needs the approval of Congress which is unlikely. More importantly, such a tax would likely discourage investment resulting lower production and higher commodity prices at a time when U.S. should be encouraging investment in the U.S. energy sector. Furthermore, the challenge for the sector is people – not enough of them. The energy sector is a labor intensive business and the employment report released by the government last week

indicated that the unemployment rate for the mining, quarrying, and oil and gas extraction industry is near an all-time low of 0.8%. The U.S. energy sector is expected to be a source of future job growth as energy especially oil and gas are essential for economic growth.

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 **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).

The **Alerian MLP Index** is the leading gauge of energy infrastructure master limited partnerships (MLPs). 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 (AMZ) and on a total-return basis (AMZX).

The **Dow Jones Industrial Average (DJIA)** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ.

Liquefied Natural Gas (LNG) is a natural gas that has been cooled to a liquid state for shipping and storage - the volume in this state is about 600 times smaller than in its gaseous state, able to transport for much longer distances when pipeline transport is not feasible.

Natural gas liquids (NGLs) are hydrocarbons in the same family of molecules as natural gas and crude oil, composed exclusively of carbon and hydrogen.

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