



Arc Logistics Partners LP Announces Third Quarter 2017 Results

NEW YORK, November 7, 2017 (GLOBE NEWSWIRE) -- Arc Logistics Partners LP (NYSE: ARCX) ("Arc Logistics" or the "Partnership") today reported its financial and operating results for the third quarter ended September 30, 2017.

During the third quarter of 2017, the Partnership accomplished the following:

- Realized throughput of 181.4 thousand barrels per day ("mbpd")
- Reported revenues, net income and Adjusted EBITDA of \$27.3 million, \$1.2 million and \$14.7 million, respectively
- Invested \$5.9 million of expansion capital expenditures to support existing, new and future customer initiatives
- Generated cash flows from operating activities of \$13.5 million and Distributable Cash Flow of \$10.2 million
- Declared a quarterly cash distribution of \$0.44 per unit for the third quarter ended September 30, 2017

For additional information regarding the Partnership's calculation of Adjusted EBITDA and Distributable Cash Flow, which are non-GAAP financial measures, and a reconciliation of net income to Adjusted EBITDA and cash flows from operating activities to Distributable Cash Flow, please see below in this release and the accompanying tables.

Additionally, as previously announced, the Partnership, Arc Logistics GP LLC ("Arc GP"), Lightfoot Capital Partners GP LLC ("LCP GP"), Lightfoot Capital Partners, LP ("LCP LP" and, together with LCP GP, "Lightfoot") entered into the Purchase Agreement and Plan of Merger (the "Merger Agreement"), dated as of August 29, 2017, with Zenith Energy U.S., L.P. and certain of its affiliates (together with such affiliates, "Zenith"), a portfolio company of Warburg Pincus, pursuant to which Zenith will acquire Arc GP, the general partner of the Partnership (the "GP Transfer"), and all of the outstanding common units in the Partnership (the "Merger" and, together with the GP Transfer, the "Proposed Transaction"). For additional information, please see the Partnership's definitive proxy statement filed with the Securities and Exchange Commission (the "SEC") on October 30, 2017.

Third Quarter 2017 Operational and Financial Results

The Partnership's third quarter 2017 reported revenues, net income and Adjusted EBITDA of \$27.3 million, \$1.2 million and \$14.7 million, respectively, represents an increase over the Partnership's third quarter 2016 reported revenues of \$26.7 million and a decrease from the Partnership's third quarter 2016 reported net income and Adjusted EBITDA of \$5.8 million and \$14.9 million, respectively. Operating income decreased by \$2.4 million to \$3.4 million for the third quarter 2017 when compared to the third quarter 2016 operating income of \$5.8 million, principally due to the following:

- Revenues increased by \$0.6 million, or 2%, to \$27.3 million as compared to \$26.7 million, due to (i) a \$0.3 million increase in total storage and throughput services fees and (ii) a \$0.3 million increase in ancillary services fees.

- Total storage and throughput services fees increased by \$0.3 million, or 1%, to \$25.5 million. This increase was attributable to excess throughput and handling fees, which primarily resulted from the execution of new customer agreements or agreements with existing customers, incremental throughput and handling fees from existing customers and contract amendments or contractual rate adjustments at the Partnership's Altoona, Baltimore, Blakeley, Chickasaw, Cleveland, Dupont, Joliet, Madison, Mechanicsburg, Mobile, Mobile-Methanol, Norfolk, Pawnee, Selma, Toledo and Williamsport terminals partially offset by customer non-renewals and reduced customer activity at the Partnership's Altoona, Baltimore, Blakeley, Brooklyn, Chickasaw, Dupont, Joliet, Norfolk, Selma, Pawnee and Spartanburg terminals.
 - Ancillary services fees increased by \$0.3 million, or 23%, to \$1.8 million primarily due to new customer agreements or agreements with existing customers and an increase in services provided to existing customers, including lab fees, natural gas reimbursement, railcar storage, blending, and other services at the Partnership's Baltimore, Brooklyn, Dupont, Joliet, Madison, Mechanicsburg, Mobile, Mobile-Methanol, Norfolk, Portland, Selma, Toledo and Williamsport terminals; partially offset by a decrease in such ancillary services or customer non-renewals at the Partnership's Altoona, Blakeley, Brooklyn, Chickasaw, Cleveland, Mechanicsburg, Pawnee, Selma, Spartanburg and Toledo terminals.
- Operating expenses increased by \$0.7 million, or 8%, to \$8.8 million as compared to \$8.2 million, due to: (i) a \$0.1 million increase attributable to increased throughput activity including additive, contract labor, utility and supply expenses; (ii) a \$0.5 million increase in repair and maintenance expenses; and (iii) an increase in property taxes of \$0.3 million; partially offset by a reduction in insurance expense of \$0.2 million.
 - Selling, general and administrative expenses increased by approximately \$1.9 million, or 42%, to \$6.4 million as compared to \$4.5 million, due to a \$2.4 million increase in due diligence and transaction related expenses associated with the Proposed Transaction offset by a \$0.5 million decrease in unit-based compensation expenses.
 - Depreciation expense increased by \$0.7 million, or 16%, to \$4.6 million as compared to \$4.0 million, primarily due to the impact of the expansion projects at the Partnership's Pennsylvania terminals which were acquired in 2016, customer expansion activities and incremental maintenance projects.
 - Amortization expense decreased by \$0.1 million, or 3%, to \$3.5 million, primarily due to an intangible asset related to the Mobile terminal acquisition becoming fully amortized in the first quarter of 2016.

As of September 30, 2017, the Partnership's storage capacity was approximately 7.8 million barrels, which represents an increase of 1,500 barrels, when compared to the Partnership's capacity at September 30, 2016. The increase in storage capacity is related to the completion of three new 500-barrel bio-diesel tanks at our Altoona, Dupont and Mechanicsburg terminals.

The Partnership's throughput activity increased by 10.2 mbpd, or 6%, to 181.4 mbpd during the third quarter of 2017 compared to the third quarter of 2016. The increase was due to: (i) a 2.7 mbpd increase in asphalt and industrial products throughput related to new and existing customer activity at the Partnership's Mobile and Mobile-Methanol terminals, offset by customer non-renewals and reduced activity at the Partnership's Blakeley and Chickasaw terminals; (ii) a 6.7 mbpd increase in distillates throughput as the result of recently executed new customer agreements and increased existing commercial activity at the Partnership's Baltimore, Chickasaw, Cleveland, Madison, Norfolk, Selma, Spartanburg, Toledo and Pennsylvania terminals and the execution of new agreements with existing customers to throughput product at the Partnership's Baltimore, Mobile, Norfolk, Selma and

Pennsylvania terminals, which was partially offset by reduced customer activity and customer non-renewals of short term agreements at the Partnership's Baltimore, Dupont, Gulf Coast, Selma and Toledo terminals; (iii) a 1.3 mbpd increase in gasoline throughput as the result of a recently executed new customer agreement and increased existing customer activity at the Partnership's Baltimore, Cleveland, Madison, Mechanicsburg, Portland, Selma and Toledo terminals and the execution of new agreements with existing customers to throughput product in other terminals within the Partnership's terminal network, which was partially offset by a decrease related to customer non-renewals or reduced customer activity at the Altoona, Brooklyn, Dupont, Norfolk, Selma, Spartanburg and Williamsport terminals; (iv) offset by a 0.5 mbpd decrease in crude oil throughput as the result of a 6.2 mbpd decrease in throughput at the Partnership's Pawnee terminal offset by an increase of 5.7 mbpd of throughput at the Partnership's Joliet terminal.

In October 2017, the Partnership declared a quarterly cash distribution of \$0.44 per unit, or \$1.76 per unit on an annualized basis, for the period from July 1, 2017 through September 30, 2017. The distribution will be paid on November 15, 2017 to unitholders of record on November 8, 2017.

From the date of the Merger Agreement until the Proposed Transaction becomes effective, the Partnership plans to declare and pay quarterly distributions in the ordinary course of business and consistent with past practices. Assuming that the Merger has not closed by January 26, 2018, the Partnership expects that it would declare a distribution associated with the quarter ended December 31, 2017 on or about January 26, 2018, to be paid on or about February 15, 2018 to the Partnership's common unitholders of record as of February 8, 2018. If, as anticipated, the Merger closes prior to the record date for the distribution associated with the fourth quarter of 2017, then the Partnership's common unitholders as of immediately prior to the closing of the Merger will not receive any distribution associated with the fourth quarter of 2017. If, alternatively, the Merger does not close by the record date for the distribution associated with the fourth quarter of 2017, then the Partnership plans to pay the fourth quarter distribution, on or around February 15, 2018, to the Partnership's common unitholders of record as of the record date applicable to such distribution, irrespective of whether the Merger closes thereafter or whether Arc GP or Zenith terminates the Merger Agreement after February 7, 2018, subject to extension at Zenith's election to March 1, 2018, in certain circumstances as specified in the Merger Agreement.

Conference Call

Arc Logistics will hold a conference call and webcast to discuss the third quarter 2017 financial and operating results on November 7, 2017, at 5:00 p.m. Eastern. Interested parties may listen to the conference call by dialing (855) 433-0931. International callers may access the conference call by dialing (484) 756-4279. The call may also be accessed live over the internet by visiting the "Investor Relations" page of the Partnership's website at www.arcxlp.com and will be available for replay for approximately one month.

About Arc Logistics Partners LP

Arc Logistics is a fee-based, growth-oriented limited partnership that owns, operates, develops and acquires a diversified portfolio of complementary energy logistics assets. Arc Logistics is principally engaged in the terminalling, storage, throughput and transloading of petroleum products and other liquids. For more information, please visit www.arcxlp.com.

Additional Information for Unitholders

This communication may be deemed to be solicitation material in respect of the Proposed Transaction. Arc Logistics has filed with the SEC and will furnish to Arc Logistics' unitholders a proxy statement and other relevant documents. BEFORE MAKING ANY VOTING DECISION, ARC LOGISTICS' UNITHOLDERS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and unitholders will be able to obtain, free of charge, a copy of the proxy statement and other relevant documents filed with the SEC from the SEC's website at <http://www.sec.gov>. In addition, the proxy statement and Arc Logistics' Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 14(d) of the Securities Exchange Act of 1934, as amended, will be available free of charge through Arc Logistics' website at <http://arcxlp.com> as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC.

Participants in the Solicitation

Arc Logistics and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the unitholders of Arc Logistics in connection with the Proposed Transaction. Information about the directors and executive officers of Arc Logistics is set forth in Arc Logistics' Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2016. This document can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC when they become available.

Forward-Looking Statements

Certain statements and information in this press release constitute "forward-looking statements." Certain expressions including "believe," "expect," "intends," or other similar expressions are intended to identify the Partnership's current expectations, opinions, views or beliefs concerning future developments and their potential effect on the Partnership. While management believes that these forward-looking statements are reasonable when made, there can be no assurance that future developments affecting the Partnership will be those that it anticipates. The forward-looking statements involve significant risks and uncertainties (some of which are beyond the Partnership's control) and assumptions that could cause actual results to differ materially from the Partnership's historical experience and its present expectations or projections. Important factors that could cause actual results to differ materially from forward-looking statements include but are not limited to: (i) adverse economic, capital markets and political conditions; (ii) changes in the market place for the Partnership's services; (iii) changes in prices and supply and demand of crude oil and petroleum products; (iv) actions and performance of the Partnership's customers, vendors or competitors; (v) nonrenewal, nonpayment or nonperformance by the Partnership's customers and the Partnership's ability to replace such contracts and/or customers; (vi) changes in the cost of or availability of capital; (vii) unanticipated capital expenditures in connection with the construction, repair or replacement of the Partnership's assets; (viii) operating hazards, unforeseen weather events or matters beyond the Partnership's control; (ix) inability to consummate acquisitions, pending or otherwise, on acceptable terms and successfully integrate acquired businesses into the Partnership's operations; (x) effects of existing and future laws or governmental regulations; (xi) litigation and (xii) the Partnership's ability to complete the Proposed Transaction. There can be no guarantee that the Proposed Transaction will be completed, or if it is completed, the time frame in which it will be completed. The Proposed Transaction is subject to the

satisfaction of certain conditions contained in the merger agreement related thereto. The failure to complete the Proposed Transaction could disrupt certain of the Partnership's plans, operations, business and employee relationships. Additional information concerning these and other factors that could cause the Partnership's actual results to differ from projected results can be found in the Partnership's public periodic filings with the SEC, including the Partnership's Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on March 14, 2017 and any updates thereto in the Partnership's subsequent quarterly reports on Form 10-Q and current reports on Forms 8-K and the Partnership's definitive proxy statement filed with the SEC on October 30, 2017. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date thereof. The Partnership undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

The Partnership defines Adjusted EBITDA as net income before interest expense, income taxes and depreciation and amortization expense, as further adjusted for other non-cash charges and other charges that are not reflective of its ongoing operations. Adjusted EBITDA is a non-GAAP financial measure that management and external users of the Partnership's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess (i) the performance of the Partnership's assets without regard to the impact of financing methods, capital structure or historical cost basis of the Partnership's assets; (ii) the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities; (iii) the Partnership's ability to make distributions; (iv) the Partnership's ability to incur and service debt and fund capital expenditures; and (v) the Partnership's ability to incur additional expenses. The Partnership believes that the presentation of Adjusted EBITDA provides useful information to investors in assessing its financial condition and results of operations.

The Partnership defines Distributable Cash Flow as Adjusted EBITDA less (i) cash interest expense paid; (ii) cash income taxes paid; (iii) maintenance capital expenditures paid; and (iv) equity earnings from the Partnership's interests in Gulf LNG Holdings Group, LLC (the "LNG Interest"); plus (v) cash distributions from the LNG Interest. Distributable Cash Flow is a non-GAAP financial measure that management and external users of the Partnership's consolidated financial statements may use to evaluate whether the Partnership is generating sufficient cash flow to support distributions to its unitholders as well as to measure the ability of the Partnership's assets to generate cash sufficient to support its indebtedness and maintain its operations.

The GAAP measure most directly comparable to Adjusted EBITDA is net income and to Distributable Cash Flow is cash flows from operating activities. Neither Adjusted EBITDA nor Distributable Cash Flow should be considered an alternative to net income or cash flows from operating activities, respectively. Adjusted EBITDA and Distributable Cash Flow have important limitations as analytical tools because they exclude some but not all items that affect net income. You should not consider Adjusted EBITDA or Distributable Cash Flow in isolation or as a substitute for analysis of the Partnership's results as reported under GAAP. Additionally, because Adjusted EBITDA and Distributable Cash Flow may be defined differently by other companies in the Partnership's industry, the Partnership's definitions of Adjusted EBITDA and Distributable Cash Flow may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. Please see the reconciliation of net income to Adjusted EBITDA and cash flows from operating activities to Distributable Cash Flow in the accompanying tables.

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ARC LOGISTICS PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except per unit amounts)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-----------------|------------------------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | |
| Third-party customers | \$ 25,859 | \$ 22,933 | \$ 75,420 | \$ 68,136 |
| Related parties | 1,431 | 3,739 | 4,382 | 10,847 |
| | <u>27,290</u> | <u>26,672</u> | <u>79,802</u> | <u>78,983</u> |
| Expenses: | | | | |
| Operating expenses | 8,848 | 8,192 | 26,595 | 25,107 |
| Selling, general and administrative | 4,999 | 3,141 | 10,950 | 10,168 |
| Selling, general and administrative - affiliate | 1,368 | 1,342 | 3,941 | 3,965 |
| Depreciation | 4,623 | 3,972 | 13,565 | 11,345 |
| Amortization | 3,547 | 3,672 | 10,808 | 11,042 |
| (Gain) Loss on revaluation of contingent consideration, net | 534 | 545 | 1,465 | (303) |
| Total expenses | <u>23,919</u> | <u>20,864</u> | <u>67,324</u> | <u>61,324</u> |
| Operating (loss) income | 3,371 | 5,808 | 12,478 | 17,659 |
| Other income (expense): | | | | |
| Equity earnings from unconsolidated affiliate | 2,431 | 2,512 | 7,243 | 7,439 |
| Gain (Loss) on disposal of property and equipment | (1,484) | - | (1,484) | - |
| Other Income | 60 | 1 | 60 | 2 |
| Interest expense | (3,132) | (2,481) | (8,656) | (7,234) |
| Total other income (expense) | <u>(2,125)</u> | <u>32</u> | <u>(2,837)</u> | <u>207</u> |
| Income before income taxes | 1,246 | 5,840 | 9,641 | 17,866 |
| Income taxes | 55 | 49 | 86 | 101 |
| Net income | <u>1,191</u> | <u>5,791</u> | <u>9,555</u> | <u>17,765</u> |
| Net income attributable to non-controlling interests | (1,047) | (1,659) | (3,720) | (5,553) |
| Net income attributable to partners' capital | 144 | 4,132 | 5,835 | 12,212 |
| Other comprehensive income (loss) | 475 | 831 | 1,156 | (84) |
| Comprehensive (loss) income attributable to partners' capital | <u>\$ 619</u> | <u>\$ 4,963</u> | <u>\$ 6,991</u> | <u>\$ 12,128</u> |
| Earnings per limited partner unit: | | | | |
| Common units (basic and diluted) | \$ 0.00 | \$ 0.20 | \$ 0.27 | \$ 0.59 |
| Subordinated units (basic and diluted) | \$ - | \$ 0.20 | \$ - | \$ 0.59 |

ARC LOGISTICS PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(In thousands, except unit amounts)
(Unaudited)

| | <u>September 30,</u> <u>2017</u> | <u>December 31,</u> <u>2016</u> |
|---|-------------------------------------|------------------------------------|
| Assets: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 2,677 | \$ 4,584 |
| Trade accounts receivable | 11,501 | 8,257 |
| Due from related parties | 480 | 1,321 |
| Inventories | 368 | 397 |
| Other current assets | 2,444 | 2,060 |
| Total current assets | <u>17,470</u> | <u>16,619</u> |
| Property, plant and equipment, net | 396,198 | 395,511 |
| Investment in unconsolidated affiliate | 77,800 | 75,716 |
| Intangible assets, net | 107,140 | 117,716 |
| Goodwill | 39,871 | 39,871 |
| Other assets | 1,935 | 2,980 |
| Total assets | <u>\$ 640,414</u> | <u>\$ 648,413</u> |
| Liabilities and partners' capital: | | |
| Current liabilities: | | |
| Accounts payable | \$ 6,298 | \$ 2,455 |
| Accrued expenses | 5,689 | 5,684 |
| Due to general partner | 2,762 | 2,082 |
| Other liabilities | 3,523 | 2,961 |
| Total current liabilities | <u>18,272</u> | <u>13,182</u> |
| Credit facility | 256,000 | 249,000 |
| Other non-current liabilities | 19,272 | 19,805 |
| Total liabilities | <u>293,544</u> | <u>281,987</u> |
| Commitments and contingencies | | |
| Partners' capital: | | |
| General partner interest | - | - |
| Limited partners' interest | | |
| Common units – (19,545,944 and 19,477,021 units issued and outstanding at September 30, 2017 and December 31, 2016, respectively) | 263,421 | 282,228 |
| Non-controlling interests | 79,636 | 81,541 |
| Accumulated other comprehensive (loss) income | 3,813 | 2,657 |
| Total partners' capital | <u>346,870</u> | <u>366,426</u> |
| Total liabilities and partners' capital | <u>\$ 640,414</u> | <u>\$ 648,413</u> |

ARC LOGISTICS PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

| | Nine months ended | |
|--|--------------------------|-----------------|
| | September 30, | |
| | 2017 | 2016 |
| Cash flow from operating activities: | | |
| Net income | \$ 9,555 | \$ 17,765 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation | 13,565 | 11,345 |
| Amortization | 10,808 | 11,042 |
| Equity earnings from unconsolidated affiliate, net of distributions | (1,153) | (120) |
| Amortization of deferred financing costs | 1,258 | 1,145 |
| Unit-based compensation | 1,847 | 3,523 |
| Net loss (gain) on revaluation of contingent consideration | 1,465 | (303) |
| Not loss (gain) on disposal of property and equipment | 1,484 | - |
| Trade accounts receivable | (3,125) | 583 |
| Due from related parties | 841 | (34) |
| Inventories | 29 | 80 |
| Other current assets | (384) | (442) |
| Accounts payable | 952 | (573) |
| Accrued expenses | 295 | (227) |
| Due to general partner | 680 | 1,347 |
| Other liabilities | 428 | (1,829) |
| Net cash provided by operating activities | <u>38,545</u> | <u>43,302</u> |
| Cash flows from investing activities: | | |
| Capital expenditures | (12,966) | (20,902) |
| Investment in unconsolidated affiliate | (6) | - |
| Net cash paid for acquisitions | - | (8,000) |
| Net cash used in investing activities | <u>(12,972)</u> | <u>(28,902)</u> |
| Cash flows from financing activities: | | |
| Distributions | (25,758) | (25,438) |
| Deferred financing costs | (213) | (584) |
| Repayments to credit facility | (15,000) | (3,313) |
| Proceeds from credit facility | 22,000 | 23,250 |
| Equity contribution from non-controlling interests | 1,575 | - |
| Payments of earn-out liability | (2,153) | (1,028) |
| Distributions paid to non-controlling interests | (7,200) | (8,000) |
| Net settlement withholding taxes related to stock based compensation | (202) | - |
| Distribution equivalent rights paid on unissued units | (529) | (763) |
| Net cash used in financing activities | <u>(27,480)</u> | <u>(15,876)</u> |
| Net decrease in cash and cash equivalents | (1,907) | (1,476) |
| Cash and cash equivalents, beginning of period | 4,584 | 5,870 |
| Cash and cash equivalents, end of period | <u>\$ 2,677</u> | <u>\$ 4,394</u> |

ARC LOGISTICS PARTNERS LP
RECONCILIATIONS OF ADJUSTED EBITDA AND DISTRIBUTABLE CASH FLOW
(In thousands)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Net Income | \$ 144 | \$ 4,132 | \$ 5,835 | \$ 12,212 |
| Income taxes | 55 | 49 | 86 | 101 |
| Interest expense | 3,132 | 2,481 | 8,656 | 7,234 |
| Depreciation (a) | 4,143 | 3,512 | 12,128 | 9,979 |
| Amortization (a) | 2,980 | 3,055 | 9,041 | 9,192 |
| Loss on disposal of property and equipment (a) | 891 | - | 891 | - |
| One-time non-recurring expenses (b) | 2,437 | 15 | 2,437 | 616 |
| Non-cash unit-based compensation | 518 | 1,233 | 1,886 | 3,528 |
| Non-cash loss (gain) on revaluation of contingent consideration, net (a)(c) | 320 | 326 | 879 | (183) |
| Non-cash deferred rent expense (d) | 65 | 65 | 196 | 196 |
| Adjusted EBITDA | <u>\$ 14,685</u> | <u>\$ 14,868</u> | <u>\$ 42,035</u> | <u>\$ 42,875</u> |
| Cash interest expense | (2,665) | (2,280) | (7,390) | (6,601) |
| Cash income taxes | (55) | (49) | (86) | (100) |
| Maintenance capital expenditures | (1,366) | (2,583) | (3,314) | (6,985) |
| Equity earnings from the LNG Interest | (2,431) | (2,512) | (7,243) | (7,439) |
| Cash distributions received from the LNG Interest | 2,064 | 2,560 | 6,090 | 7,319 |
| Distributable Cash Flow | <u>\$ 10,232</u> | <u>\$ 10,004</u> | <u>\$ 30,092</u> | <u>\$ 29,069</u> |
| Maintenance capital expenditures | 1,366 | 2,583 | 3,314 | 6,985 |
| Distributable cash flow attributable to non-controlling interests | 2,093 | 2,737 | 6,924 | 8,770 |
| Changes in operating assets and liabilities | 1,601 | 11 | (285) | (1,095) |
| One-time non-recurring expenses (b) | (2,437) | (15) | (2,437) | (616) |
| Other non-cash adjustments | 693 | 352 | 937 | 189 |
| Net cash provided by operating activities | <u>\$ 13,548</u> | <u>\$ 15,672</u> | <u>\$ 38,545</u> | <u>\$ 43,302</u> |

- (a) The (gain) loss on revaluation of contingent consideration, loss on disposal of property and equipment, depreciation and amortization have been adjusted to remove the non-controlling interest portion related to the GE Energy Financial Services affiliate's ownership interest in Arc Terminals Joliet Holdings LLC.
- (b) The one-time non-recurring expenses relate to amounts incurred as due diligence expenses from acquisitions and other infrequent or unusual expenses incurred.
- (c) The non-cash (gain) loss on revaluation of contingent consideration is related to the earn-out obligations incurred as a part of the Joliet terminal acquisition.
- (d) The non-cash deferred rent expense relates to the accounting treatment for the Portland terminal lease transaction termination fees.

**ARC LOGISTICS PARTNERS LP
SUPPLEMENTAL INFORMATION**
(In thousands, except operating data)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|------------------|--|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Selected Operating Data: | | | | |
| Storage capacity (bbls) | 7,842,600 | 7,841,100 | 7,842,600 | 7,841,100 |
| Throughput (bpd) | 181,387 | 171,170 | 171,841 | 159,689 |
| % Take or pay revenue | 81% | 84% | 81% | 85% |
| Throughput Data (bpd): | | | | |
| Asphalts and industrial products | 17,570 | 14,879 | 18,367 | 15,935 |
| Crude oil | 87,379 | 87,877 | 77,842 | 77,806 |
| Distillates | 26,423 | 19,717 | 26,236 | 21,465 |
| Gasoline | 50,015 | 48,697 | 49,396 | 44,483 |
| Total Throughput | <u>181,387</u> | <u>171,170</u> | <u>171,841</u> | <u>159,689</u> |
| Revenue Summary: | | | | |
| Minimum storage & throughput services fees | \$ 21,848 | \$ 21,908 | \$ 64,262 | \$ 65,733 |
| Excess throughput & handling fees | 3,641 | 3,299 | 10,517 | 8,949 |
| Total storage & throughput fees | <u>25,489</u> | <u>25,207</u> | <u>74,779</u> | <u>74,682</u> |
| Ancillary services fees | 1,801 | 1,465 | 5,023 | 4,301 |
| Total revenue | <u>\$ 27,290</u> | <u>\$ 26,672</u> | <u>\$ 79,802</u> | <u>\$ 78,983</u> |
| Capital Expenditures Summary: | | | | |
| Maintenance capital expenditures | \$ 1,366 | \$ 2,583 | \$ 3,314 | \$ 6,985 |
| Expansion capital expenditures | 5,888 | 3,493 | 12,542 | 12,552 |
| Total capital expenditures | <u>\$ 7,254</u> | <u>\$ 6,076</u> | <u>\$ 15,856</u> | <u>\$ 19,537</u> |