

## **ARCLIGHT CLOSES FINANCING FOR EXPANSION OF HOUSTON FUEL OIL TERMINAL COMPANY COMPLEX**

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**BOSTON –January 18, 2011**--ArcLight Capital Partners, LLC ("ArcLight") announced today that it closed on financing for its latest facilities' expansion at the Houston Fuel Oil Terminal Company complex in the Houston Ship Channel ("HFOTCO" or the "Company"). HFOTCO is constructing a new state-of-the-art ship dock and recently began constructing an additional 2.7 million barrels of residual fuel oil storage. These projects support a continuation of HFOTCO's ongoing expansion plans to provide unique blending and storage services to its customers.

ArcLight's Managing Partner, Dan Revers, notes that HFOTCO's customers include petroleum refiners and traders that have made firm, long-term commitments on leases of tank capacity while new customers continue to inquire on the availability of storage opportunities. He said, "We are committed to expanding the HFOTCO facilities and view these new shipping and barge handling capabilities as a core component to increasing terminal efficiency and providing superior service to our customers."

HFOTCO's strategic location and position as the largest provider of residual and crude fuel oil storage in the Gulf of Mexico enables the Company to serve as an extension of its customers' businesses. "We recognize the increasing demand for petroleum product handling capacity in the Houston Ship Channel and will continue to invest in and look for innovative ways to meet the demand in this market," Revers added.

The Company currently has 13.3 million barrels of working tank capacity at its terminal with another 2.7 million barrels under construction that will be commissioned during 2011 and 2012. The latest addition, 1.5 million barrels, is already secured with customer contracts, and will go into service in phases beginning in September 2011. Included in this expansion are another 20-spot railcar rack facility and a new substation to further strengthen service reliability. Since 2006, Houston Fuel Oil Terminal has increased its blending and storage capacity by over 35 percent, tailoring its offering to best meet customer needs. Looking forward, the Company has additional acreage to allow for several million barrels of storage capacity beyond the expansions in progress.

Construction will be completed on HFOTCO's new ship dock in May 2011, adding the ability to handle another 180 ships annually. This addition brings the Company's existing vessel handling facilities to a total of four deep-draft ship docks and six barge docks that can accommodate 19 barges simultaneously. The Company also offers two existing rail car racks, with capacity for 30 rail cars, to provide customers with a full suite of transportation options.

HFOTCO was recently awarded \$120 million of Hurricane Ike bonds issued by the State of Texas, \$75 million of which was issued in November 2010 (<http://www.brb.state.tx.us/ike/IkeBonds.aspx>). This commitment strengthens HFOTCO's ability to continue the expansion and advancement of its infrastructure, storage, and blending capabilities.

### **ABOUT HFOTCO:**

HFOTCO, strategically located on 310 acres on the Houston Ship Channel, is the largest provider of crude and residual fuel oil storage in the Gulf of Mexico. The Company provides product storage, heating, blending, and transportation services for regional refineries, major integrated oil companies, and trading operations. HFOTCO delivers a unique service to its customers, and is a very liquid point for inter-facility trade, due to its size, strategic location, and extensive transportation infrastructure. More information about HFOTCO can be found at [www.hfotco.com](http://www.hfotco.com).

### **ABOUT ARCLIGHT CAPITAL PARTNERS:**

ArcLight is one of the world's leading energy investment firms with more than \$7 billion under management. ArcLight's investment team has extensive energy investing experience, industry relationships, and asset level knowledge. ArcLight is headquartered in Boston, Massachusetts with offices in New York City, London and Luxembourg. More information about ArcLight can be found at [www.arclightcapital.com](http://www.arclightcapital.com).