

CorEnergy Releases Third Quarter 2013 Financial Results

LEAWOOD, Kan.--(BUSINESS WIRE)-- CorEnergy Infrastructure Trust, Inc. (NYSE: CORR) ("the Company") today announced financial results for the third quarter ended September 30, 2013.

Third Quarter Highlights and Subsequent Events

- *Declared third quarter dividend of \$0.125 per share, paid on October 4, 2013*
- *Reiterated expectation for annualized dividend payments of no less than \$0.50 per share*
- *Successful IPO from legacy private company, Lightfoot's Arc Logistics Partners LP (NYSE: ARCX)*
- *Maintained stable revenue stream from the Pinedale LGS for third consecutive quarter*
- *Continued to meet asset requirements for Real Estate Investment Trust (REIT) status*

Quarterly Performance Review

CorEnergy reported total revenues of \$7.6 million in the quarter ended September 30, 2013. A third quarter dividend of \$0.125 was declared on September 18, 2013 and paid on October 4, 2013. Total assets were \$284.4 million and total stockholders' equity was \$204.2 million as of September 30, 2013, compared to \$288.7 million and \$207.5 million, respectively, at June 30, 2013. The modest decrease in total assets is primarily due to the second quarter dividend payment made in July. The decrease in stockholders' equity is primarily due to the timing of the third quarter dividend payment. Net income attributable to common stockholders was \$439 thousand, or \$0.02 per common share.

"CorEnergy delivered another quarter of consistent performance across our business – stable revenues, sustained dividend distributions and strong operating fundamentals," said David Schulte, Chief Executive Officer of CorEnergy. "As our strategy takes hold, we continue to make progress with asset operators and other potential partners. With a large and growing opportunity set, a disciplined investment philosophy and a cohesive management team, we remain focused on our strategy of building a diverse portfolio of energy infrastructure assets."

Because a majority of the company's assets are now REIT-qualifying, management believes that non-GAAP performance measures utilized by REITs, including Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO"), also provide useful insights into CorEnergy's operational performance.

Third Quarter Ended September 30, 2013 Financial Summary

For the Three Month Period Ended September 30, 2013

| Total | Per Share |
|-------|-----------|
|-------|-----------|

| | | |
|---|-------------|---------|
| Net Income (attributable to CorEnergy Stockholders) | \$ 439,452 | \$0.020 |
| Funds From Operations (FFO) | \$3,062,274 | \$0.130 |
| Adjusted Funds From Operations (AFFO) | \$3,336,584 | \$0.140 |
| Dividends Paid to Stockholders (on October 4, 2013) | \$3,018,990 | \$0.125 |

FFO and AFFO are non-GAAP measures presented in accordance with the guidelines for calculation and reporting issued by the National Association of Real Estate Investment Trusts. FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate-related depreciation and amortization (excluding amortization of deferred financing costs or loan origination costs) and after adjustments for unconsolidated partnerships and joint ventures. The Company considers FFO an important supplemental measure of operating performance that is frequently used by securities analysts, investors and other interested parties. CorEnergy defines AFFO as FFO plus transaction costs, amortization of debt issuance costs, deferred leasing costs, above market rent, and certain costs of a nonrecurring nature, less maintenance, capital expenditures (if any), amortization of debt premium and adjustments to lease revenue resulting from the EIP sale. Management uses AFFO as a measure of long-term sustainable operational performance.

Real Property Assets and Leases

Pinedale Liquids Gathering System (“LGS”), Oil & Gas Gathering System, Wyoming

The Pinedale LGS, our largest acquisition of REIT-qualifying assets to date, is subject to a 15-year triple net participating lease with Ultra Petroleum (“UPL”). CorEnergy holds 81.05 percent of the economic interest in the Pinedale LGS. Prudential Financial, Inc., which invested \$30 million to fund a portion of the acquisition, holds the remaining 18.95 percent of economic interest.

As of September 30, 2013, approximately 94 percent of the Company's leased property, based on the gross book value of real estate investments, was leased to UPL. Approximately 88.7 percent of the Company's total lease revenue for the third quarter of 2013 was derived from UPL.

On October 21, 2013, Ultra Petroleum entered into a definitive purchase and sale agreement to acquire oil-producing properties located in the Uinta Basin in northeast Utah for \$650.0 million. During its third quarter earnings call UPL indicated the potential to operate 2.5-4 rigs in 2014.

Eastern Interconnect Project, Electric Transmission, New Mexico

The Company's 40 percent undivided interest in a 216-mile power transmission line that moves electric power across New Mexico between Albuquerque and Clovis, called the Eastern Interconnect Project (“EIP”), is leased to Public Service Company of New Mexico (“PNM”) under a net operating lease.

Approximately 11.3 percent of the Company's total lease revenue for the third quarter of 2013 was derived from PNM. As of September 30, 2013, approximately 5.8 percent of the Company's leased property, based on the gross book value of real estate investments, was leased to PNM.

Private Company Update

The fair value of Lightfoot Capital Partners LP ("Lightfoot") as of September 30, 2013, decreased approximately \$27 thousand or 0.3 percent, as compared to the valuation at June 30, 2013, primarily due to market value changes in the MLP comparable companies.

On November 5, 2013, Arc Logistics Partners LP ("Arc Logistics"), formed as a successor to the business and assets of Lightfoot's Arc Terminals LP, priced its initial public offering. CorEnergy will maintain its pro rata share of ownership in Lightfoot and its indirect ownership of Arc Logistics in the form of common units and subordinated common units. CorEnergy expects to receive dividend distributions from Lightfoot beginning in 2014.

The fair value of VantaCore as of September 30, 2013, increased \$956 thousand, or 8.2 percent, as compared to the fair value at June 30, 2013. The increase is attributable to a debt repayment of approximately \$3 million and changes in VantaCore's EBITDA which compared more favorably with selected public companies, increasing the multiples used to value VantaCore.

Mowood, LLC is the holding company of Omega Pipeline Company, LLC ("Omega"). Omega's sales revenue performance is higher year-to-date, which is largely attributable to an increase in sales volume due to overall cooler temperatures for the first half of 2013 as compared to the first half of 2012. Due to the seasonal nature of gas sales, operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

REIT Qualification

CorEnergy satisfied the quarterly REIT asset test for the quarter ended September 30, 2013, and anticipates that it will satisfy the quarterly asset tests and annual income test necessary to qualify and elect to be taxed as a REIT for 2013. Because certain CorEnergy assets do not qualify as REIT assets and do not produce REIT-qualifying income, the Company contributed those assets into wholly-owned taxable REIT subsidiaries prior to 2013.

Outlook

CorEnergy expects its major energy infrastructure assets, the Pinedale LGS and the Eastern Interconnect Project, to produce stable and recurring revenues for the remainder of 2013. The Company believes that the cash flows from its holdings will continue to support the 2013 annualized dividend payments of no less than \$0.50 per share. A number of possible acquisitions ranging in value from \$50 to \$200 million are in preliminary stages of review. There can be no assurance that any of these acquisition opportunities will result in consummated transactions. The Company has a \$20 million revolving credit facility in place, which can be utilized for future acquisitions. As of September 30, 2013, there were no outstanding borrowings against the facility.

2013 Third Quarter Earnings Conference Call

CorEnergy will host a conference call Wednesday, November 13, 2013, at 1:00 p.m. CST to discuss its financial results. Please dial into the call at 877-407-8035 approximately five to ten minutes prior to the scheduled start time.

The call will also be webcast in a listen-only format. A link to the webcast will be accessible at coreenergy.corridortrust.com.

A replay of the call will be available until 11:59 p.m. CST December 13, 2013, by dialing 877-660-6853. The Conference ID # is 13572660. A replay of the webcast will also be available on the company's website at coreenergy.corridortrust.com through November 13, 2014.

About CorEnergy Infrastructure Trust, Inc.

CorEnergy Infrastructure Trust, Inc. (NYSE: CORR), primarily owns midstream and downstream U.S. energy infrastructure assets subject to long-term triple net participating leases with energy companies. These assets include pipelines, storage tanks, transmission lines and gathering systems. The Company's principal objective is to provide stockholders with an attractive risk-adjusted total return, with an emphasis on distributions and long-term distribution. CorEnergy is managed by Corridor InfraTrust Management, LLC, a real property asset manager focused on U.S. energy infrastructure real assets, and is an affiliate of Tortoise Capital Advisors, L.L.C., an investment manager specializing in listed energy investments, with approximately \$13.1 billion of assets under management in NYSE-listed closed-end investment companies, open-end funds and other accounts as of September 30, 2013. For more information, please visit coreenergy.corridortrust.com.

Forward-Looking Statements

This press release contains certain statements that may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are "forward-looking statements." Although CorEnergy believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in CorEnergy's reports that are filed with the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required by law, CorEnergy does not assume a duty to update any forward-looking statement. In particular, any distribution paid in the future to our stockholders will depend on the actual performance of CorEnergy, its costs of leverage and other operating expenses and will be subject to the approval of CorEnergy's Board of Directors and compliance with leverage covenants.

CorEnergy Infrastructure Trust, Inc. CONSOLIDATED BALANCE SHEETS

| | September 30, 2013 | November 30, 2012 |
|--|---------------------------|--------------------------|
| | (Unaudited) | |
| Assets | | |
| Leased property, net of accumulated depreciation of \$9,967,558, and \$1,131,680, respectively | \$ 234,763,415 | \$ 12,995,169 |
| Other equity securities, at fair value | 22,168,268 | 19,866,621 |
| Cash and cash equivalents | 18,918,718 | 14,333,456 |
| Trading securities, at fair value | - | 55,219,411 |
| Property and equipment, net of accumulated depreciation of \$1,966,766 and \$1,751,202, respectively | 3,389,401 | 3,589,022 |
| Escrow receivable | - | 698,729 |

| | | |
|--|-----------------------|-----------------------|
| Accounts receivable | 1,142,898 | 1,570,257 |
| Intangible lease asset, net of accumulated amortization of \$656,863 and \$413,580, respectively | 437,908 | 681,191 |
| Deferred debt issuance costs, net of accumulated amortization of \$401,942 and \$0, respectively | 1,146,411 | - |
| Deferred lease costs, net of accumulated amortization of \$47,930 and \$0, respectively | 872,533 | - |
| Hedged derivative asset | 516,305 | - |
| Current tax asset | 770,763 | - |
| Prepaid expenses and other assets | 268,040 | 2,477,977 |
| Total Assets | \$ 284,394,660 | \$ 111,431,833 |

Liabilities and Equity

| | | |
|--|----------------------|----------------------|
| Long-term debt | \$ 70,000,000 | \$ - |
| Accounts payable and other accrued liabilities | 2,574,541 | 2,885,631 |
| Dividends payable to shareholders | 3,018,990 | - |
| Lease obligation | - | 27,522 |
| Deferred tax liability | 4,576,499 | 7,172,133 |
| Line of credit | - | 120,000 |
| Unearned revenue | - | 2,370,762 |
| Total Liabilities | \$ 80,170,030 | \$ 12,576,048 |

Equity

| | | |
|--|-----------------------|-----------------------|
| Warrants, no par value; 945,594 issued and outstanding at September 30, 2013 and November 30, 2012 (5,000,000 authorized) | \$ 1,370,700 | \$ 1,370,700 |
| Capital stock, non-convertible, \$0.001 par value; 24,151,870 shares issued and outstanding at September 30, 2013 and 9,190,667 shares issued and outstanding at November 30, 2012 (100,000,000 shares authorized) | 24,152 | 9,191 |
| Additional paid-in capital | 173,411,657 | 91,763,475 |
| Accumulated retained earnings | - | 5,712,419 |
| Accumulated other comprehensive income | 658,470 | - |
| Total CorEnergy Equity | 175,464,979 | 98,855,785 |
| Non-controlling Interest | 28,759,651 | - |
| Total Equity | 204,224,630 | 98,855,785 |
| Total Liabilities and Equity | \$ 284,394,660 | \$ 111,431,833 |

CorEnergy Infrastructure Trust, Inc.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| | For the Three Months Ended | | For the Nine Months Ended | |
|--|----------------------------|------------------|---------------------------|------------------|
| | September 30, 2013 | August 31, 2012 | September 30, 2013 | August 31, 2012 |
| Revenue | | | | |
| Lease revenue | \$ 5,638,244 | \$ 638,244 | \$ 16,914,732 | \$ 1,914,732 |
| Sales revenue | 1,935,868 | 1,927,626 | 6,381,213 | 5,804,894 |
| Total Revenue | 7,574,112 | 2,565,870 | 23,295,945 | 7,719,626 |
| Expenses | | | | |
| Cost of sales (excluding depreciation expense) | 1,411,318 | 1,381,161 | 4,891,305 | 4,416,947 |
| Management fees, net of expense reimbursements | 647,380 | 298,051 | 1,937,588 | 800,397 |
| Asset acquisition expenses | 640,302 | 144,270 | 725,513 | 238,969 |
| Professional fees | 305,326 | 419,340 | 1,191,017 | 796,853 |
| Depreciation expense | 2,857,412 | 246,804 | 8,571,860 | 740,437 |
| Amortization expense | 15,342 | - | 45,963 | - |
| Operating expenses | 204,446 | 196,644 | 714,830 | 558,450 |
| Directors' fees | 74,437 | 28,739 | 124,994 | 58,050 |
| Other expenses | 129,748 | 47,114 | 403,766 | 182,776 |
| Total Expenses | 6,285,711 | 2,762,123 | 18,606,836 | 7,792,879 |
| Operating Income (Loss) | 1,288,401 | (196,253) | 4,689,109 | (73,253) |
| Other Income (Expense) | | | | |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| Net distributions and dividend income | \$ 568,332 | \$ (502,176) | \$ 584,157 | \$ (361,452) |
| Net realized and unrealized gain (loss) on trading securities | (567,276) | 5,935,768 | (251,213) | 5,197,958 |
| Net realized and unrealized gain (loss) on other equity securities | 1,439,296 | 2,556,734 | 3,834,306 | 15,463,335 |
| Interest Expense | (818,134) | (16,780) | (2,462,790) | (69,418) |
| Total Other Income (Expense) | <u>622,218</u> | <u>7,973,546</u> | <u>1,704,460</u> | <u>20,230,423</u> |
| Income before income taxes | <u>1,910,619</u> | <u>7,777,293</u> | <u>6,393,569</u> | <u>20,157,170</u> |
| Taxes | | | | |
| Current tax expense (benefit) | (680,281) | 19,265 | 187,367 | 29,265 |
| Deferred tax expense | 1,785,406 | 2,769,520 | 2,180,456 | 7,415,596 |
| Income tax expense, net | <u>1,105,125</u> | <u>2,788,785</u> | <u>2,367,823</u> | <u>7,444,861</u> |
| Net Income | <u>805,494</u> | <u>4,988,508</u> | <u>4,025,746</u> | <u>12,712,309</u> |
| Less: Net Income attributable to non-controlling interest | 366,042 | - | 1,103,469 | - |
| Net Income attributable to CORR Stockholders | <u>\$ 439,452</u> | <u>\$ 4,988,508</u> | <u>\$ 2,922,277</u> | <u>\$12,712,309</u> |
| Net income | \$ 805,494 | \$ 4,988,508 | \$ 4,025,746 | \$12,712,309 |
| Other comprehensive income | | | | |
| Changes in fair value of qualifying hedges attributable to CORR Stockholders | (262,972) | - | 658,470 | - |
| Changes in fair value of qualifying hedges attributable to non-controlling interest | (61,485) | - | 153,954 | - |
| Net Change in Other Comprehensive Income | <u>\$ (324,457)</u> | <u>\$ -</u> | <u>\$ 812,424</u> | <u>\$ -</u> |
| Total Comprehensive Income | <u>481,037</u> | <u>4,988,508</u> | <u>4,838,170</u> | <u>12,712,309</u> |
| Less: Comprehensive income attributable to non-controlling interest | 304,557 | - | 1,257,423 | - |
| Comprehensive Income (Loss) attributable to CORR Stockholders | <u>\$ 176,480</u> | <u>\$ 4,988,508</u> | <u>\$ 3,580,747</u> | <u>\$12,712,309</u> |
| Earnings Per Common Share: | | | | |
| Basic and Diluted | \$ 0.02 | \$ 0.54 | \$ 0.12 | \$ 1.38 |
| Weighted Average Shares of Common Stock Outstanding: | | | | |
| Basic and Diluted | 24,151,700 | 9,182,699 | 24,147,163 | 9,180,776 |
| Dividends declared per share | \$ 0.125 | \$ 0.110 | \$ 0.375 | \$ 0.330 |

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF EQUITY

| | Capital Stock | | Warrants | Additional Paid-in Capital | Accumulated Other Comprehensive Income | Retained Earnings (Accumulated Deficit) | Non-Controlling Interest | Total |
|--|----------------------|---------------|------------------|-----------------------------------|---|--|---------------------------------|-------------------|
| | Shares | Amount | | | | | | |
| Balance at November 30, 2011 | <u>9,176,889</u> | <u>9,177</u> | <u>1,370,700</u> | <u>95,682,738</u> | <u>-</u> | <u>(6,636,302)</u> | <u>-</u> | <u>90,426,315</u> |
| Net Income | - | - | - | - | - | 12,348,721 | - | 12,348,721 |
| Distributions to stockholders sourced as return of capital | - | - | - | (4,040,273) | - | - | - | (4,040,273) |
| Reinvestment of distributions to stockholders | <u>13,778</u> | <u>14</u> | <u>-</u> | <u>121,010</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>121,022</u> |
| Balance at November 30, 2012 | <u>9,190,667</u> | <u>9,191</u> | <u>1,370,700</u> | <u>91,763,475</u> | <u>-</u> | <u>5,712,419</u> | <u>-</u> | <u>98,855,785</u> |
| Net Loss | - | - | - | - | - | (1,503,396) | (18,347) | (1,521,743) |
| Net offering proceeds | 14,950,000 | 14,950 | - | 83,493,200 | - | - | - | 83,508,150 |

| | | | | | | | | |
|--|-------------------|------------------|--------------------|----------------------|-------------------|------------------|---------------------|----------------------|
| Non-controlling interest contribution | - | - | - | - | - | - | 30,000,000 | 30,000,000 |
| Balance at December 31, 2012 (Unaudited) | <u>24,140,667</u> | <u>24,141</u> | <u>1,370,700</u> | <u>175,256,675</u> | <u>-</u> | <u>4,209,023</u> | <u>29,981,653</u> | <u>210,842,190</u> |
| Net Income | - | - | - | - | - | 2,922,277 | 1,103,469 | 4,025,746 |
| Dividends | - | - | - | (1,923,762) | - | (7,131,300) | - | (9,055,062) |
| Distributions to non-controlling interest | - | - | - | - | - | - | (2,479,425) | (2,479,425) |
| Reinvestment of dividends paid to stockholders | 11,203 | 11 | - | 78,744 | - | - | - | 78,755 |
| Net change in cash flow hedges | - | - | - | - | 658,470 | - | 153,954 | 812,424 |
| Balance at September 30, 2013 (Unaudited) | <u>24,151,870</u> | <u>\$ 24,152</u> | <u>\$1,370,700</u> | <u>\$173,411,657</u> | <u>\$ 658,470</u> | <u>\$ -</u> | <u>\$28,759,651</u> | <u>\$204,224,630</u> |

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

| | For the Nine Months Ended | |
|---|----------------------------------|------------------------|
| | September 30, 2013 | August 31, 2012 |
| Operating Activities | | |
| Net Income | \$ 4,025,746 | \$ 12,712,309 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Distributions received from investment securities | (567,276) | 3,685,593 |
| Deferred income tax, net | 2,180,456 | 7,415,596 |
| Depreciation | 8,571,860 | 740,437 |
| Amortization | 650,330 | 132,934 |
| Realized and unrealized (gain) loss on trading securities | 251,213 | (5,197,958) |
| Realized and unrealized gain on other equity securities | (3,834,306) | (15,463,335) |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | (220,004) | 402,204 |
| Increase in lease receivable | - | (711,229) |
| (Increase) decrease in prepaid expenses and other assets | 330,715 | (1,418,941) |
| Increase (decrease) in accounts payable and other accrued liabilities | (1,571,999) | 535,745 |
| Net change in derivative contracts, not designated as hedges | 64,123 | - |
| Decrease in current tax liability | (4,626,710) | - |
| Decrease in unearned income | (2,133,685) | - |
| Net cash provided by operating activities | <u>\$ 3,120,463</u> | <u>\$ 2,833,355</u> |
| Investing Activities | | |
| Proceeds from sale of long-term investment of trading and other equity securities | 5,563,865 | 9,354,272 |
| Deferred lease costs | (5,620) | - |
| Acquisition expenditures | (37,696) | - |
| Purchases of property and equipment | (42,242) | (30,321) |
| Proceeds from sale of property and equipment | - | 3,076 |
| Return of capital on distributions received | 1,142,488 | - |
| Net cash provided by investing activities | <u>\$ 6,620,795</u> | <u>\$ 9,327,027</u> |
| Financing Activities | | |
| Payments on lease obligation | (20,698) | (59,702) |

| | | |
|--|-----------------------------|-----------------------------|
| Debt financing costs | (10,999) | - |
| Net change in derivative contracts, designated as hedges | (34,884) | - |
| Dividends paid | (6,036,072) | (1,952,477) |
| Distributions to non-controlling interest | (2,479,425) | - |
| Advances on revolving line of credit | 139,397 | 2,585,000 |
| Payments on revolving line of credit | (139,397) | (2,460,000) |
| Payments on long-term debt | - | (1,283,000) |
| Dividend reinvestment | 78,755 | - |
| Net cash used in financing activities | <u>\$ (8,503,323)</u> | <u>\$ (3,170,179)</u> |
| Net Change in Cash and Cash Equivalents | <u>\$ 1,237,935</u> | <u>\$ 8,990,203</u> |
| Cash and Cash Equivalents at beginning of period | <u>17,680,783</u> | <u>2,793,326</u> |
| Cash and Cash Equivalents at end of period | <u><u>\$ 18,918,718</u></u> | <u><u>\$ 11,783,529</u></u> |

Supplemental Disclosure of Cash Flow Information

| | | |
|-------------------|--------------|------------|
| Interest paid | \$ 1,948,486 | \$ 155,450 |
| Income taxes paid | \$ 4,781,617 | \$ 96,000 |

Non-Cash Investing Activities

| | | |
|--|------|---------------|
| Security proceeds from sale in long-term investment of other equity securities | \$ - | \$ 26,565,400 |
|--|------|---------------|

Non-Cash Financing Activities

| | | |
|--|-----------|-----------|
| Reinvestment of distributions by common stockholders in additional common shares | \$ 78,755 | \$ 66,884 |
|--|-----------|-----------|

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Source: CorEnergy Infrastructure Trust, Inc.