

May 12, 2014



# CorEnergy Releases First Quarter 2014 Results

KANSAS CITY, Mo.--(BUSINESS WIRE)-- CorEnergy Infrastructure Trust, Inc. (NYSE: CORR) ("CorEnergy" or the "Company") today announced financial results for the first quarter ended March 31, 2014.

## First Quarter Highlights and Subsequent Events

- *Declared first quarter 2014 dividend distribution of \$0.129, payable on May 22, 2014*
- *Reiterating annualized dividend guidance of no less than \$0.52 per share – a 4% increase over the prior quarter*
- *Completed two transactions in the first quarter, the Portland Terminal Facility acquisition and Black Bison transaction*
- *Formally elected to be treated as a REIT for the 2013 tax year*

"CorEnergy delivered an excellent first quarter by investing accretively, growing FFO and AFFO at a superior rate, increasing annualized dividend guidance by 4 percent and prudently managing our balance sheet," said David Schulte, Chief Executive Officer of CorEnergy.

"Consistent with our disciplined growth strategy, we expanded our asset portfolio, closing two transactions in the first quarter. We also completed a highly successful follow-on equity offering. We are increasing our full-year outlook, reflecting the strength of CorEnergy's business model and confidence around transaction execution."

## Quarterly Performance Review

CorEnergy reported total revenues of \$10.0 million in the quarter ended March 31, 2014. A first quarter dividend of \$0.129 was declared on April 30, 2014, and is payable on May 22, 2014. Total assets were \$331.6 million and total stockholders' equity was \$221.9 million as of March 31, 2014, compared to \$283.9 million and \$177.2 million, respectively, at Dec. 31, 2013. The increase in total assets and stockholders' equity is primarily due to the acquisition and financing of the Portland Terminal Facility. Net income attributable to common stockholders was \$2.1 million, or \$0.07 per common share.

Because the Company now operates as a REIT, 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. AFFO for the quarter ended March 31, 2014, was \$0.14 per share as compared to \$0.13 per share for the quarter ended Dec. 31, 2013.

### First Quarter Ended March 31, 2014 Financial Summary

For the Three Month Period Ended March 31, 2014			
	Total		Per Share
Net Income (attributable to CorEnergy Stockholders)	\$	2,105,159	\$ 0.07

Funds From Operations (FFO)	\$	4,535,932	\$	0.15
Adjusted Funds From Operations (AFFO)	\$	4,201,785	\$	0.14

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 other adjustments as deemed appropriate. Management uses AFFO as a measure of long-term sustainable operational performance.

## Portfolio Update

As previously announced, CorEnergy closed an acquisition of a petroleum products terminal facility (the "Portland Terminal Facility") for \$40 million in cash on January 21, 2014. The Portland Terminal Facility is leased to a subsidiary of Arc Logistics Partners LP (NYSE: ARCX) under a 15-year triple net participating lease.

As announced on March 17, 2014, CorEnergy closed a transaction to finance the acquisition by Black Bison Water Services, LLC ("Black Bison") of salt water disposal properties and related capital improvement projects. The financing will be secured by three salt water disposal properties serving oil and gas producers in Wyoming's Powder River Basin and Green River Basin.

## Outlook

CorEnergy expects its energy infrastructure assets – the Pinedale LGS, the Eastern Interconnect Project, the Portland Terminal Facility, Mowood and Black Bison – to produce stable and recurring revenues in 2014. The Company believes that the cash flows from its holdings will support 2014 annualized dividend payments of no less than \$0.52 per share. The Company has a broadening set of opportunities in the pipeline, which provide the potential to reach \$50 to \$200 million per project type. 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 March 31, 2014, there were no outstanding borrowings against the facility. The Company expects to utilize balance sheet resources, including prudent leverage when available, supplemented with accretive equity issuance as needed.

## Dividend Policy

In 2013, CorEnergy changed its fiscal year as part of its transition from a business development company to a REIT. As a result of this change, the dividend payment schedule for calendar 2014 will vary from prior years. Going forward, the Company intends to maintain

a quarterly February/May/August/November dividend payment cycle. Dividend payouts may be affected by cash flow requirements and remain subject to other risks and uncertainties.

## **2014 First Quarter Earnings Conference Call**

CorEnergy will host a conference call Tuesday, May 13, 2014, at 1:00 p.m. Central Time 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](http://coreenergy.corridortrust.com).

A replay of the call will be available until 11:59 p.m. Central Time June 13, 2014, by dialing 877-660-6853. The Conference ID # is 13582140. A replay of the webcast will also be available on the company's website at [coreenergy.corridortrust.com](http://coreenergy.corridortrust.com) through May 13, 2015.

## **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 growth (reported to our investors on Form 1099). CorEnergy is managed by [Corridor InfraTrust Management, LLC](http://coreenergy.corridortrust.com), 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 \$16.4 billion of assets under management in NYSE-listed closed-end investment companies, open-end funds and other accounts as of April 30, 2014. For more information, please visit [coreenergy.corridortrust.com](http://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.

# **CONSOLIDATED BALANCE SHEETS**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
	<b>(Unaudited)</b>	
<b>Assets</b>		
Leased property, net of accumulated depreciation of \$15,815,415 and \$12,754,588	\$ 271,125,556	\$ 232,220,618
Other equity securities, at fair value	24,107,243	23,304,321
Cash and cash equivalents	23,095,733	17,963,266
Property and equipment, net of accumulated depreciation of \$2,108,495 and \$2,037,685	3,247,673	3,318,483
Financing note and related accrued interest receivable, net	4,107,955	-
Lease receivable	438,239	711,229
Accounts receivable	2,213,860	2,068,193
Intangible lease asset, net of accumulated amortization of \$802,832 and \$729,847	291,939	364,924
Deferred debt issuance costs, net of accumulated amortization of \$717,670 and \$572,830	1,080,684	1,225,524
Deferred lease costs, net of accumulated amortization of \$78,613 and \$63,272	841,849	857,190
Hedged derivative asset	611,326	680,968
Income tax receivable	-	834,382
Prepaid expenses and other assets	433,618	326,561
<b>Total Assets</b>	<b>\$ 331,595,675</b>	<b>\$ 283,875,659</b>
<b>Liabilities and Equity</b>		
Current maturities of long-term debt	\$ 3,528,000	\$ 2,940,000
Long-term debt (net of current maturities)	66,178,000	67,060,000
Accounts payable and other accrued liabilities	2,786,408	2,920,267
Unearned revenue	2,844,914	-
Deferred tax liability	4,991,526	5,332,087
Income tax payable	198,865	-
Line of credit	483,105	81,935
<b>Total Liabilities</b>	<b>\$ 81,010,818</b>	<b>\$ 78,334,289</b>
<b>Equity</b>		
Warrants, no par value; 0 and 945,594 issued and outstanding at March 31, 2014 and December 31, 2013, respectively (5,000,000 authorized)	\$ -	\$ 1,370,700
Capital stock, non-convertible, \$0.001 par value; 31,635,537 shares issued and outstanding at March 31, 2014 and 24,156,163 shares issued and outstanding at December 31, 2013 (100,000,000 shares authorized)	31,635	24,156
Additional paid-in capital	220,458,108	173,441,019
Accumulated retained earnings	665,698	1,580,062
Accumulated other comprehensive income	706,783	777,403
<b>Total CorEnergy Equity</b>	<b>221,862,224</b>	<b>177,193,340</b>
Non-controlling interest	28,722,633	28,348,030
<b>Total Equity</b>	<b>250,584,857</b>	<b>205,541,370</b>
<b>Total Liabilities and Equity</b>	<b>\$ 331,595,675</b>	<b>\$ 283,875,659</b>

## **CorEnergy Infrastructure Trust, Inc.**

### **CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

	<b>For the Three Months Ended</b>	
	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Revenue</b>		
Lease revenue	\$ 6,762,408	\$ 5,638,244
Sales revenue	3,259,530	2,515,573

Financing revenue	25,619	-
<b>Total Revenue</b>	<b>10,047,557</b>	<b>8,153,817</b>
<b>Expenses</b>		
Cost of sales (excluding depreciation expense)	2,707,358	2,003,639
Management fees	783,868	643,814
Asset acquisition expenses	16,217	31,817
Professional fees	399,128	454,183
Depreciation expense	3,131,637	2,857,036
Amortization expense	15,341	15,279
Operating expenses	222,741	206,904
Directors' fees	65,034	18,000
Other expenses	168,708	122,706
<b>Total Expenses</b>	<b>7,510,032</b>	<b>6,353,378</b>
<b>Operating Income</b>	<b>2,537,525</b>	<b>1,800,439</b>
<b>Other Income (Expense)</b>		
Net distributions and dividend income	\$ -	\$ 13,124
Net realized and unrealized gain on trading securities	-	316,063
Net realized and unrealized gain on other equity securities	1,294,182	2,425,986
Interest expense	(821,921)	(737,381)
<b>Total Other Income</b>	<b>472,261</b>	<b>2,017,792</b>
<b>Income before income taxes</b>	<b>3,009,786</b>	<b>3,818,231</b>
<b>Taxes</b>		
Current tax expense	854,075	285,891
Deferred tax expense (benefit)	(340,562)	735,053
<b>Income tax expense, net</b>	<b>513,513</b>	<b>1,020,944</b>
<b>Net Income</b>	<b>2,496,273</b>	<b>2,797,287</b>
Less: Net income attributable to non-controlling interest	391,114	384,534
<b>Net Income attributable to CORR Stockholders</b>	<b>\$ 2,105,159</b>	<b>\$ 2,412,753</b>
Net income	\$ 2,496,273	\$ 2,797,287
Other comprehensive income:		
Changes in fair value of qualifying hedges attributable to CORR stockholders	(70,620)	-
Changes in fair value of qualifying hedges attributable to non-controlling interest	(16,511)	-
<b>Net Change in Other Comprehensive Income</b>	<b>\$ (87,131)</b>	<b>\$ -</b>
<b>Total Comprehensive Income</b>	<b>2,409,142</b>	<b>2,797,287</b>
Less: Comprehensive income attributable to non-controlling interest	374,603	384,534
<b>Comprehensive Income attributable to CORR Stockholders</b>	<b>\$ 2,034,539</b>	<b>\$ 2,412,753</b>
Earnings Per Common Share:		
Basic and Diluted	\$ 0.07	\$ 0.10
Weighted Average Shares of Common Stock Outstanding:		
Basic and Diluted	29,973,357	24,141,720
Dividends declared per share	\$ 0.125	\$ 0.125

**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						
<b>Balance at December 31, 2012</b>	<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>210,842,19</u>

Net income	-	-	-	-	-	4,502,339	1,466,767	5,969,101
Net change in cash flow hedges	-	-	-	-	777,403	-	181,762	959,161
Total comprehensive income	-	-	-	-	777,403	4,502,339	1,648,529	6,928,271
Dividends	-	-	-	(1,923,760)	-	(7,131,300)	-	(9,055,060)
Distributions to non-controlling interest	-	-	-	-	-	-	(3,282,152)	(3,282,152)
Reinvestment of dividends paid to stockholders	15,496	15	-	108,104	-	-	-	108,119
<b>Balance at December 31, 2013</b>	<u>24,156,163</u>	<u>\$ 24,156</u>	<u>\$1,370,700</u>	<u>\$173,441,019</u>	<u>\$ 777,403</u>	<u>\$ 1,580,062</u>	<u>\$28,348,030</u>	<u>\$205,541,371</u>
Net income	-	-	-	-	-	2,105,159	391,114	2,496,273
Net change in cash flow hedges	-	-	-	-	(70,620)	-	(16,511)	(87,131)
Total comprehensive income	-	-	-	-	(70,620)	2,105,159	374,603	2,409,142
Net offering proceeds	7,475,000	7,475	-	45,617,088	-	-	-	45,624,563
Dividends	-	-	-	-	-	(3,019,523)	-	(3,019,523)
Reinvestment of dividends paid to stockholders	4,374	4	-	29,301	-	-	-	29,305
Warrant expiration	-	-	(1,370,700)	1,370,700	-	-	-	-
<b>Balance at March 31, 2014 (Unaudited)</b>	<u>31,635,537</u>	<u>\$ 31,635</u>	<u>\$ -</u>	<u>\$220,458,108</u>	<u>\$ 706,783</u>	<u>\$ 665,698</u>	<u>\$28,722,633</u>	<u>\$250,584,851</u>

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

	<b>For the Three Months Ended</b>	
	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Operating Activities</b>		
Net income (Loss)	\$ 2,496,273	\$ 2,797,287
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Deferred income tax, net	(340,561)	735,053
Depreciation	3,131,637	2,857,036
Amortization	233,166	216,738
Realized and unrealized gain on trading securities	-	(316,063)

Realized and unrealized gain on other equity securities	(1,294,182)	(2,425,986)
Unrealized gain on derivative contract	(17,489)	-
Changes in assets and liabilities:		
Increase in accounts receivable	(145,667)	(741,371)
Decrease in lease receivable	272,990	-
(Increase) decrease in prepaid expenses and other assets	(107,057)	136,042
Increase (decrease) in accounts payable and other accrued liabilities	8,017	(349,318)
Increase (decrease) in current income tax liability	1,033,247	(3,647,016)
Increase (decrease) in unearned income	2,844,914	(711,228)
Net cash provided by (used in) operating activities	<u>\$ 8,115,288</u>	<u>\$ (1,448,826)</u>
<b>Investing Activities</b>		
Proceeds from sale of long-term investment of trading and other equity securities	-	4,557,379
Deferred lease costs	-	(5,620)
Acquisition of leased assets	(41,887,644)	-
Purchases of property and equipment	-	(41,163)
Issuance of financing note receivable	(4,107,955)	-
Return of capital on distributions received	491,260	314,340
Net cash (used in) provided by investing activities	<u>\$ (45,504,339)</u>	<u>\$ 4,824,936</u>
<b>Financing Activities</b>		
Payments on lease obligation	-	(20,698)
Debt financing costs	(220,000)	(10,999)
Net offering proceeds	45,624,563	-
Dividends paid	(2,990,215)	(2,968,442)
Advances on revolving line of credit	1,523,266	139,397
Payments on revolving line of credit	(1,122,096)	-
Principal payment on credit facility	(294,000)	-
Net cash provided by (used in) financing activities	<u>\$ 42,521,518</u>	<u>\$ (2,860,742)</u>
Net change in cash and cash equivalents	<u>\$ 5,132,467</u>	<u>\$ 515,368</u>
Cash and cash equivalents at beginning of period	17,963,266	17,680,783
Cash and cash equivalents at end of period	<u><u>\$ 23,095,733</u></u>	<u><u>\$ 18,196,151</u></u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	\$ 690,570	\$ 531,318
Income taxes paid (refunds received)	\$ (179,172)	\$ 3,895,800
<b>Non-Cash Investing Activities</b>		
Change in accounts payable and accrued expenses related to acquisition expenditures	\$ 78,121	-
<b>Non-Cash Financing Activities</b>		
Reinvestment of distributions by common stockholders in additional common shares	\$ 29,305	\$ 49,141
Change in accounts payable and accrued expenses related to debt financing costs	\$ (220,000)	-

**CorEnergy Infrastructure Trust, Inc.**  
**NON-GAAP FINANCIAL MEASURES RECONCILIATION**  
**FFO and AFFO Reconciliation**

	<b>For the Three Months Ended</b>	
	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Net Income (attributable to CorEnergy Stockholders):</b>	<b>\$ 2,105,159</b>	<b>\$ 2,412,753</b>
Add:		
Depreciation	3,131,637	2,857,036
Distributions received from investment securities	491,260	314,339
Income tax expense, net	513,513	1,020,944
Less:		
Net realized and unrealized gain on trading securities	-	316,063
Net realized and unrealized gain on other equity securities	1,294,182	2,425,986
Non-controlling interest attributable to FFO reconciling items	411,455	411,378
<b>Funds from operations (FFO):</b>	<b>4,535,932</b>	<b>3,451,645</b>
Add:		

Transaction costs	16,217	31,817
Amortization of debt issuance costs	144,840	128,474
Amortization of deferred lease costs	15,279	15,279
Amortization of above market leases	72,985	72,985
Noncash costs associated with derivative instruments	(17,489)	3,350
Less:		
EIP lease adjustment	542,809	542,809
Non-controlling interest attributable to AFFO reconciling items	23,170	26,330
<b>Adjusted funds from operations (AFFO):</b>	<b>4,201,785</b>	<b>3,134,411</b>
<b>Weighted Average Shares</b>	<b>29,973,357</b>	<b>24,141,720</b>
<b>FFO per share</b>	<b>\$ 0.15</b>	<b>\$ 0.14</b>
<b>AFFO per share</b>	<b>\$ 0.14</b>	<b>\$ 0.13</b>

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Source: CorEnergy Infrastructure Trust, Inc.