

CorEnergy Releases Second Quarter 2015 Results

KANSAS CITY, Mo.--(BUSINESS WIRE)-- CorEnergy Infrastructure Trust, Inc. (NYSE: CORR, CORRPrA) ("CorEnergy" or the "Company") today announced financial results for the quarter ended June 30, 2015.

Second Quarter Highlights and Subsequent Events

- *Acquired Grand Isle Gathering System (GIGS) for total consideration of \$259 million, diversifying portfolio of energy infrastructure*
- *Announced intention to increase common stock dividend 11.1% to \$0.15 per share quarterly (\$0.60 annualized)*
- *Expanded capital structure through new convertible debt issue, follow-on equity offering and larger credit facility*
- *Declared common stock dividend of \$0.135 per share (\$0.54 annualized) for second quarter, as expected*
- *Delivered Adjusted Funds from Operations (AFFO) of \$0.14 per share (basic) and \$0.13 per share (diluted) in quarter*
- *Reiterated CorEnergy's long-term annual growth target of 3-5% in common stock dividends*

"CorEnergy delivered stable cash flows and dividends for the second quarter consistent with expectations based on the growth of our infrastructure portfolio in 2014. On June 30, 2015, we closed on the \$259 million acquisition of the Grand Isle Gathering System – expanding CorEnergy's assets and enabling an 11.1% increase in dividends that we expect to begin paying in the distribution for the third quarter," said David Schulte, Chief Executive Officer of CorEnergy. "The Grand Isle asset is a critical midstream system that is essential to transporting crude oil from fields on the Gulf of Mexico shelf that have large proven reserves and attractive economics. We expect this asset to deliver predictable, utility-like cash flows while also diversifying our portfolio of energy infrastructure geographically and financially."

Quarterly Performance Summary

Results for the second quarter of 2015, including Contribution Margin¹ of \$11.1 million and quarterly expenses were consistent with expectations for the portfolio at the start of 2015, as disclosed in pro forma data in the Company's Form 10-K for 2014. Adjusted Funds from Operations (AFFO) in the second quarter of 2015 were \$6.5 million, \$0.14 per share (basic) and \$0.13 per share (diluted), providing coverage of our common stock dividend of \$0.135 for the second quarter.

Second quarter 2015 and second quarter 2014 results are not directly comparable, due to

acquisitions and capital markets activity in both years. The acquisition and leaseback of the Grand Isle Gathering System on June 30, 2015, which diversified CorEnergy assets and expanded the capital structure, will contribute additional revenues going forward.

| Second Quarter Ended June 30, 2015 Financial Summary | | | | |
|--|-------------------------------------|---------|---------|--|
| | For the Quarter Ended June 30, 2015 | | | |
| | Per Share | | | |
| | Total | Basic | Diluted | |
| Net Income (attributable to Common Stockholders) | \$ 3,148,029 | \$ 0.07 | \$ 0.06 | |
| NAREIT Funds from Operations (NAREIT FFO) | \$ 6,217,218 | \$ 0.13 | \$ 0.13 | |
| Funds From Operations (FFO) | \$ 6,150,117 | \$ 0.13 | \$ 0.12 | |
| Adjusted Funds From Operations (AFFO) | \$ 6,491,184 | \$ 0.14 | \$ 0.13 | |

NAREIT FFO, 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. NAREIT FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment losses of depreciable 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. FFO as we have presented it here, and historically, also excludes the impact of transactions related to the Company's legacy Business Development Company securities holdings. 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. A reconciliation of NAREIT FFO, FFO and AFFO, as presented, to Net income attributable to CorEnergy stockholders is included in the additional financial information attached to this press release.

As of June 30, 2015, CorEnergy had approximately \$60.4 million available for future investment. Following the expansion of the Company's credit facilities on July 8, 2015, the revised availability for investment was approximately \$119.3 million. The ratio of indebtedness to total capitalization is well within the long-term target of 25-50%.

Portfolio Update

Among the recent asset-specific developments:

Grand Isle Gathering System (GIGS)

CorEnergy completed the acquisition of the GIGS system on June 30, 2015, from Energy XXI USA, Inc. ("EXXI") for a cash purchase price of \$245 million and the assumption of asset retirement obligation liabilities of approximately \$12.2 million, acquisition costs of approximately \$1.9 million and deferred lease costs of approximately \$298 thousand, for total consideration of \$259 million. The GIGS consists of 153 miles of undersea pipeline that connects to offshore oil platforms in seven producing fields, six of which are operated by

EXXI and one by ExxonMobil, and includes an onshore terminal, storage tanks and saltwater disposal system.

An EXXI affiliate entered into a long-term, triple-net lease with CorEnergy to operate the GIGS system. The rent will adjust annually over the initial 11-year term, with minimum rents ranging from \$31.5 million to \$50.8 million per year, averaging approximately \$40 million annually. In addition, the GIGS lease provides potential variable rent linked to oil revenues realized by EXXI from the system above a predetermined threshold. After the 11-year term, the lease provides for a renewal term of nine years, subject to certain conditions.

CorEnergy financed the GIGS acquisition with a combination of a follow-on common stock offering that generated \$77.6 million in gross proceeds, a new issue of \$115 million of convertible debt, and approximately \$42 million advanced under the Company's existing Senior Credit Facility. The remainder of the acquisition cost, approximately \$20 million, was funded with cash on hand as of June 30, 2015.

Portland Terminal Facility

CorEnergy continued to progress on construction projects at the Portland Terminal Facility in Oregon, triggering increased base rent under the long-term triple-net lease with operator Arc Terminals. As of June 30, 2015, base rent had increased to approximately \$500 thousand per month due to the approximately \$8.8 million in completed projects.

Subsequent Events

Following the GIGS acquisition on June 30, 2015, the Company expanded its credit facilities to provide long-term funding for a portion of the acquisition and to increase liquidity for potential additional acquisitions. As of July 8, 2015, CorEnergy's credit facilities increased to \$153.0 million, consisting of a \$108.0 million revolving line of credit, which includes \$3.0 million designated for subsidiary operations, and a \$45.0 million term loan. Proceeds from the term loan, less fees of approximately \$979.6 thousand, were used to repay borrowings against the revolver. Following the expansion of the Company's credit facilities, total liquidity available for investment on July 8, 2015, was approximately \$119.3 million.

Dividend Update

A second quarter common stock cash dividend of \$0.135 was declared on July 31, 2015, payable on August 31, 2015. In connection with the GIGS acquisition, CorEnergy has announced its Board of Directors' intention to increase the annualized dividend rate to \$0.60 per share beginning with the distribution for the third quarter of 2015. CorEnergy maintains a quarterly common stock dividend payment cycle of February, May, August and November. Dividend payouts may be affected by cash flow requirements and remain subject to other risks and uncertainties.

For the 7.375% Series A Cumulative Redeemable Preferred Stock, a cash dividend of \$0.4609375 per depositary share was declared for the second quarter, payable on August 28, 2015. The preferred dividends, which equate to an annual payment of \$1.84375 per depositary share, are paid on or about the last day of August, November, February and May.

Outlook

CorEnergy expects its energy infrastructure portfolio – the GIGS, Pinedale LGS, MoGas Pipeline, Portland Terminal Facility and Omega Pipeline – to produce stable, recurring revenues going forward. The Company believes these cash flows will support annualized dividend payments of \$0.60 per share beginning with the distribution for the third quarter of 2015, as well as a long-term dividend growth target of 3-5% annually.

The Company is evaluating a broad set of infrastructure opportunities in the range of \$50 to \$250 million per project. There can be no assurance that any of these acquisition opportunities will result in consummated transactions. If a potential transaction is accretive to long-term shareholder value, CorEnergy expects to utilize balance sheet resources, including available liquidity and prudent leverage, supplemented with equity issuance, to fund the growth opportunity.

Second Quarter 2015 Earnings Conference Call

CorEnergy will host a conference call Tuesday, August 11, 2015, at 1:00 p.m. Central Time to discuss its financial results. Please dial into the call at 1-877-407-8035 (for international callers, 1-201-689-8035) approximately five to ten minutes prior to the scheduled start time. The call will also be webcast in a listen-only format, and also for replay afterward, through a link available at corenergy.corridortrust.com.

A replay of the call will be available until 11:59 p.m. on September 11, 2015, by dialing 1-877-660-6853 (for international callers, 1-201-612-7415). The Conference ID # is 13615201.

[About CorEnergy Infrastructure Trust, Inc.](http://corenergy.corridortrust.com)

CorEnergy Infrastructure Trust, Inc. (NYSE: CORR, CORRPrA), is a real estate investment trust (REIT) that owns essential midstream and downstream energy assets, such as pipelines, storage terminals, and transmission and distribution assets. We seek long-term contracted revenue from operators of our assets, primarily under triple net participating leases. For more information, please visit corenergy.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.

¹ Contribution Margin is a non-GAAP measure defined as Total Lease Revenue, Security Distributions, Financing Revenue and Operating Results, as reported in the MD&A section of CorEnergy's Form 10-Q. Management believes that Lease Revenue, Security Distributions, Financing Revenue and Operating Results provides investors with information that will assist them in analyzing the operating performance of our leased assets, financing notes receivable, other equity securities and operating entities. As it pertains to other equity securities, the Company believes that net distributions received are indicative of the operating performance of the assets. Reconciliations of these results to Adjusted EBITDA and to Income Attributable to Common Stockholders are included in the additional financial information attached to this press release.

CONSOLIDATED BALANCE SHEETS

| | June 30, 2015 (Unaudited) | December 31, 2014 |
|--|------------------------------|-----------------------|
| Assets | | |
| Leased property, net of accumulated depreciation of \$24,695,831 and \$19,417,025 | \$ 517,027,594 | \$ 260,280,029 |
| Leased property held for sale, net of accumulated depreciation of \$0 and \$5,878,933 | — | 8,247,916 |
| Property and equipment, net of accumulated depreciation of \$4,288,676 and \$2,623,020 | 121,174,286 | 122,820,122 |
| Financing notes and related accrued interest receivable, net | 21,033,590 | 20,687,962 |
| Other equity securities, at fair value | 10,099,805 | 9,572,181 |
| Cash and cash equivalents | 12,440,444 | 7,578,164 |
| Accounts and other receivables | 8,053,108 | 7,793,515 |
| Intangibles and deferred costs, net of accumulated amortization of \$2,975,892 and \$2,271,080 | 4,267,094 | 4,384,975 |
| Prepaid expenses and other assets | 662,898 | 732,110 |
| Goodwill | 1,718,868 | 1,718,868 |
| Total Assets | \$ 696,477,687 | \$ 443,815,842 |
| Liabilities and Equity | | |
| Current maturities of long-term debt | \$ 3,528,000 | \$ 3,528,000 |
| Long-term debt | 173,030,500 | 63,532,000 |
| Asset retirement obligation | 12,152,096 | — |
| Accounts payable and other accrued liabilities | 3,789,615 | 3,935,307 |
| Management fees payable | 1,212,358 | 1,164,399 |
| Income Tax Liability | 292,214 | — |
| Deferred tax liability | 993,853 | 1,262,587 |
| Line of credit | 42,149,925 | 32,141,277 |
| Unearned revenue | — | 711,230 |
| Total Liabilities | \$ 237,148,561 | \$ 106,274,800 |
| Equity | | |
| Series A Cumulative Redeemable Preferred Stock 7.375%, \$56,250,000 liquidation preference (\$2,500 per share, \$0.001 par value), 10,000,000 authorized; 22,500 and 0 issued and outstanding as of June 30, 2015, and December 31, 2014 | \$ 56,250,000 | \$ — |
| Capital stock, non-convertible, \$0.001 par value; 59,611,472 and 46,605,055 shares issued and outstanding at June 30, 2015, and December 31, 2014 (100,000,000 shares authorized) | 59,611 | 46,605 |
| Additional paid-in capital | 376,102,899 | 309,950,440 |
| Accumulated other comprehensive income | 195,397 | 453,302 |
| Total CorEnergy Equity | 432,607,907 | 310,450,347 |
| Non-controlling Interest | 26,721,219 | 27,090,695 |
| Total Equity | 459,329,126 | 337,541,042 |
| Total Liabilities and Equity | \$ 696,477,687 | \$ 443,815,842 |

CONSOLIDATED STATEMENTS OF INCOME

| For The Three Months Ended | For the Six Months Ended |
|----------------------------|--------------------------|
|----------------------------|--------------------------|

| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
|---|---------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Lease revenue | \$ 6,799,879 | \$ 7,065,677 | \$14,135,980 | \$13,828,085 |
| Sales revenue | 1,665,908 | 1,813,607 | 4,007,563 | 5,073,137 |
| Financing revenue | 668,904 | 139,728 | 1,329,296 | 165,347 |
| Transportation revenue | 3,546,979 | — | 7,196,714 | — |
| Total Revenue | <u>12,681,670</u> | <u>9,019,012</u> | <u>26,669,553</u> | <u>19,066,569</u> |
| Expenses | | | | |
| Cost of sales (excluding depreciation expense) | 569,958 | 1,384,998 | 1,818,288 | 4,092,356 |
| Management fees | 1,167,522 | 761,265 | 2,339,496 | 1,545,133 |
| Acquisition expense and professional fees | 416,591 | 286,246 | 1,658,546 | 701,591 |
| Depreciation and amortization expense | 3,495,986 | 3,220,253 | 7,544,818 | 6,367,231 |
| Transportation, maintenance and general and administrative | 1,076,352 | — | 2,067,960 | — |
| Operating expenses | 195,673 | 213,533 | 402,033 | 436,274 |
| Other expenses | 321,216 | 287,449 | 475,806 | 521,191 |
| Total Expenses | <u>7,243,298</u> | <u>6,153,744</u> | <u>16,306,947</u> | <u>13,663,776</u> |
| Operating Income | <u>\$ 5,438,372</u> | <u>\$ 2,865,268</u> | <u>\$10,362,606</u> | <u>\$ 5,402,793</u> |
| Other Income (Expense) | | | | |
| Net distributions and dividend income | \$ 193,410 | \$ 5,988 | \$ 783,818 | \$ 11,044 |
| Net realized and unrealized gain on other equity securities | 43,385 | 2,084,026 | 493,183 | 3,378,208 |
| Interest expense | (1,126,888) | (819,360) | (2,274,160) | (1,646,337) |
| Total Other Income (Expense) | <u>(890,093)</u> | <u>1,270,654</u> | <u>(997,159)</u> | <u>1,742,915</u> |
| Income before income taxes | <u>4,548,279</u> | <u>4,135,922</u> | <u>9,365,447</u> | <u>7,145,708</u> |
| Taxes | | | | |
| Current tax expense | 104,479 | — | 540,235 | 854,075 |
| Deferred tax benefit | (153,342) | 742,879 | (268,733) | 402,317 |
| Income tax expense, net | <u>(48,863)</u> | <u>742,879</u> | <u>271,502</u> | <u>1,256,392</u> |
| Net Income | <u>4,597,142</u> | <u>3,393,043</u> | <u>9,093,945</u> | <u>5,889,316</u> |
| Less: Net Income attributable to non-controlling interest | 412,004 | 387,135 | 822,179 | 778,249 |
| Net Income available to CorEnergy Stockholders | <u>\$ 4,185,138</u> | <u>\$ 3,005,908</u> | <u>\$ 8,271,766</u> | <u>\$ 5,111,067</u> |
| Preferred dividend requirements | 1,037,109 | — | 1,774,609 | — |
| Net Income attributable to Common Stockholders | <u>\$ 3,148,029</u> | <u>\$ 3,005,908</u> | <u>\$ 6,497,157</u> | <u>\$ 5,111,067</u> |
| Net Income | \$ 4,597,142 | \$ 3,393,043 | \$ 9,093,945 | \$ 5,889,316 |
| Other comprehensive income: | | | | |
| Changes in fair value of qualifying hedges attributable to CorEnergy stockholders | 18,202 | (270,838) | (257,905) | (341,458) |
| Changes in fair value of qualifying hedges attributable to non-controlling interest | 4,256 | (63,324) | (60,299) | (79,835) |
| Net Change in Other Comprehensive Income | <u>\$ 22,458</u> | <u>\$ (334,162)</u> | <u>\$ (318,204)</u> | <u>\$ (421,293)</u> |
| Total Comprehensive Income | <u>4,619,600</u> | <u>3,058,881</u> | <u>8,775,741</u> | <u>5,468,023</u> |
| Less: Comprehensive income attributable to non-controlling interest | 416,260 | 323,811 | 761,880 | 698,414 |
| Comprehensive Income attributable to CorEnergy Stockholders | <u>\$ 4,203,340</u> | <u>\$ 2,735,070</u> | <u>\$ 8,013,861</u> | <u>\$ 4,769,609</u> |
| Earnings Per Common Share: | | | | |
| Basic | \$ 0.07 | \$ 0.10 | \$ 0.14 | \$ 0.17 |
| Diluted | \$ 0.06 | \$ 0.10 | \$ 0.14 | \$ 0.17 |
| Weighted Average Shares of Common Stock Outstanding: | | | | |
| Basic | 47,618,765 | 31,637,568 | 47,118,789 | 30,810,060 |
| Diluted | 49,317,067 | 31,637,568 | 47,972,632 | 30,810,060 |
| Dividends declared per share | \$ 0.14 | \$ 0.13 | \$ 0.27 | \$ 0.25 |

CONSOLIDATED STATEMENTS OF EQUITY

| Capital Stock | | Preferred Stock | Warrants | Additional Paid-in Capital | Accumulated Other Comprehensive Income | Retained Earnings | Non-Controlling Interest |
|---------------|--------|-----------------|----------|----------------------------|--|-------------------|--------------------------|
| Shares | Amount | Amount | | | | | |

| | \$24,156,163 | \$ 24,156 | \$ - | \$ 1,370,700 | \$173,441,019 | \$ 777,403 | \$ 1,580,062 | \$28,348,030 | \$205,000 |
|---|-------------------|---------------|------------|--------------|--------------------|----------------|--------------|-------------------|------------|
| Net Income | - | - | - | - | - | - | 7,013,856 | 1,556,157 | 8 |
| Net change in cash flow hedges | - | - | - | - | - | (324,101) | - | (75,780) | |
| Total comprehensive income | - | - | - | - | - | (324,101) | 7,013,856 | 1,480,377 | 8 |
| Net offering proceeds from issuance of common stock | 22,425,000 | 22,425 | - | - | 141,702,803 | - | - | - | 141 |
| Dividends | - | - | - | - | (6,734,166) | - | (8,593,918) | - | (15) |
| Common stock issued under director's compensation plan | 4,027 | 4 | - | - | 29,996 | - | - | - | |
| Distributions to Non-controlling interest | - | - | - | - | - | - | - | (2,737,712) | (2) |
| Reinvestment of dividends paid to stockholders | 19,865 | 20 | - | - | 140,088 | - | - | - | |
| Warrant expiration | - | - | - | (1,370,700) | 1,370,700 | - | - | - | |
| Balance at December 31, 2014 | 46,605,055 | 46,605 | - | - | 309,950,440 | 453,302 | - | 27,090,695 | 337 |
| Net income | - | - | - | - | - | - | 8,271,766 | 822,179 | 9 |
| Net change in cash flow hedges | - | - | - | - | - | (257,905) | - | (60,299) | |
| Total comprehensive income | - | - | - | - | - | (257,905) | 8,271,766 | 761,880 | 8 |
| Issuance of Series A cumulative redeemable preferred stock, 7.375% - redemption value | - | - | 56,250,000 | - | (2,039,524) | - | - | - | 54 |
| Net offering proceeds from issuance of common stock | 12,937,500 | 12,938 | - | - | 73,242,135 | - | - | - | 73 |
| Series A preferred stock dividends | - | - | - | - | - | - | (1,428,906) | - | (1) |
| Common stock dividends | - | - | - | - | (5,510,616) | - | (6,842,860) | - | (12) |
| Common stock issued under director's compensation plan | 8,794 | 8 | - | - | 59,992 | - | - | - | |
| Distributions to Non-controlling interest | - | - | - | - | - | - | - | (1,131,356) | (1) |

| | | | | | | | | | |
|---|---------------------|------------------|---------------------|-------------|----------------------|-------------------|-------------|---------------------|--------------|
| Reinvestment of dividends paid to common stockholders | 60,123 | 60 | - | - | 400,472 | - | - | - | - |
| Balance at June 30, 2015 (Unaudited) | <u>\$59,611,472</u> | <u>\$ 59,611</u> | <u>\$56,250,000</u> | <u>\$ -</u> | <u>\$376,102,899</u> | <u>\$ 195,397</u> | <u>\$ -</u> | <u>\$26,721,219</u> | <u>\$459</u> |

CONSOLIDATED STATEMENTS OF CASH FLOWS

| | For The Six Months Ended | |
|---|---------------------------------|-----------------------|
| | June 30, 2015 | June 30, 2014 |
| Operating Activities | | |
| Net Income | \$ 9,093,945 | \$ 5,889,316 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Deferred income tax, net | (268,734) | 402,318 |
| Depreciation and amortization | 8,216,190 | 6,802,882 |
| Net distributions and dividend income, including recharacterization of income | (371,323) | - |
| Net realized and unrealized gain on other equity securities | (493,183) | (3,378,208) |
| Unrealized gain on derivative contract | (34,529) | (34,932) |
| Common stock issued under directors compensation plan | 60,000 | - |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts and other receivables | 22,280 | 563,997 |
| Increase in financing note accrued interest receivable | (342,874) | - |
| Increase in prepaid expenses and other assets | (198,215) | (94,053) |
| Increase in management fee payable | 47,959 | - |
| Decrease in accounts payable and other accrued liabilities | (702,221) | (366,777) |
| Increase in current income tax liability | 292,214 | 421,887 |
| Increase (decrease) in unearned revenue | (711,230) | 2,133,686 |
| Net cash provided by operating activities | <u>\$ 14,610,279</u> | <u>\$ 12,340,116</u> |
| Investing Activities | | |
| Proceeds from sale of leased property held for sale | 7,678,246 | - |
| Acquisition expenditures | (249,925,974) | (43,536,044) |
| Purchases of property and equipment | (19,820) | - |
| Increase in financing notes receivable | (39,248) | (4,299,356) |
| Return of capital on distributions received | 55,009 | 832,744 |
| Net cash used in investing activities | <u>\$(242,251,787)</u> | <u>\$(47,002,656)</u> |
| Financing Activities | | |
| Debt financing costs | (132,041) | (220,000) |
| Net offering proceeds on Series A Preferred Stock | 54,210,476 | - |
| Net offering proceeds on common stock | 73,431,411 | 45,624,563 |
| Net offering proceeds on convertible debt | 111,262,500 | - |
| Dividends paid on Series A preferred Stock | (1,428,906) | - |
| Dividends paid on Common Stock | (11,952,944) | (7,039,176) |
| Distributions to non-controlling interest | (1,131,356) | (1,421,562) |
| Advances on revolving line of credit | 45,072,666 | 2,535,671 |
| Payments on revolving line of credit | (35,064,018) | (2,617,606) |
| Principal payment on credit facility | (1,764,000) | (1,176,000) |
| Net cash provided by financing activities | <u>\$ 232,503,788</u> | <u>\$ 35,685,890</u> |
| Net Change in Cash and Cash Equivalents | <u>\$ 4,862,280</u> | <u>\$ 1,023,350</u> |
| Cash and Cash Equivalents at beginning of period | <u>7,578,164</u> | <u>17,963,266</u> |
| Cash and Cash Equivalents at end of period | <u>\$ 12,440,444</u> | <u>\$ 18,986,616</u> |
| Supplemental Disclosure of Cash Flow Information | | |
| Interest paid | \$ 1,734,846 | \$ 1,399,619 |
| Income taxes paid (net of refunds) | \$ (2,999) | \$ 432,187 |

Non-Cash Operating Activities

| | | | | |
|---|----|--------|----|---|
| Change in accounts payable and accrued expenses related to prepaid assets and other expense | \$ | 16,248 | \$ | - |
|---|----|--------|----|---|

Non-Cash Investing Activities

| | | | | |
|---|----|----------|----|---------|
| Change in accounts payable and accrued expenses related to intangibles and deferred costs | \$ | 297,831 | \$ | - |
| Change in accounts payable and accrued expenses related to acquisition expenditures | \$ | (51,699) | \$ | 627,970 |
| Change in accounts payable and accrued expenses related to issuance of financing and other notes receivable | \$ | (39,248) | \$ | - |

Non-Cash Financing Activities

| | | | | |
|---|----|---------|----|-----------|
| Change in accounts payable and accrued expenses related to the issuance of equity | \$ | 176,338 | \$ | - |
| Change in accounts payable and accrued expenses related to debt financing costs | \$ | 157,059 | \$ | (220,000) |
| Reinvestment of distributions by common stockholders in additional common shares | \$ | 400,532 | \$ | 61,329 |

NAREIT FFO, FFO ADJUSTED FOR SECURITIES INVESTMENT AND AFFO RECONCILIATION

| | For the Three Months Ended | | For the Six Months Ended | | Pro Forma June 30, 2015 ⁽¹⁾ |
|--|----------------------------|---------------|--------------------------|---------------|--|
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 | |
| Net Income attributable to CorEnergy Stockholders | \$ 4,185,138 | \$ 3,005,908 | \$ 8,271,766 | \$ 5,111,067 | \$18,064,724 |
| Less: | | | | | |
| Preferred Dividend Requirements | \$ 1,037,109 | — | \$ 1,774,609 | — | \$ 2,074,219 |
| Net Income attributable to Common Stockholders | \$ 3,148,029 | \$ 3,005,908 | \$ 6,497,157 | \$ 5,111,067 | \$15,990,505 |
| Add: | | | | | |
| Depreciation | \$ 3,480,644 | \$ 3,204,911 | \$ 7,514,134 | \$ 6,336,548 | \$11,312,298 |
| Less: | | | | | |
| Non-Controlling Interest attributable to NAREIT FFO reconciling items | \$ 411,455 | \$ 411,455 | \$ 822,909 | \$ 822,910 | \$ 822,909 |
| NAREIT funds from operations (NAREIT FFO) | \$ 6,217,218 | \$ 5,799,364 | \$13,188,382 | \$10,624,705 | \$26,479,894 |
| Add: | | | | | |
| Distributions received from investment securities | \$ 218,557 | \$ 347,472 | \$ 467,506 | \$ 843,788 | \$ 467,506 |
| Income tax expense (benefit), net | \$ (48,863) | \$ 742,879 | \$ 271,502 | \$ 1,256,392 | \$ 271,502 |
| Less: | | | | | |
| Net distributions and dividend income | \$ 193,410 | \$ 5,988 | \$ 783,818 | \$ 11,044 | \$ 783,818 |
| Net realized and unrealized gain on other equity securities | \$ 43,385 | \$ 2,084,026 | \$ 493,183 | \$ 3,378,208 | \$ 493,183 |
| Funds from operations adjusted for securities investments (FFO) | \$ 6,150,117 | \$ 4,799,701 | \$12,650,389 | \$ 9,335,633 | \$25,941,901 |
| Add: | | | | | |
| Transaction costs | \$ 74,551 | \$ 20,732 | \$ 747,298 | \$ 36,949 | \$ 747,298 |
| Amortization of debt issuance costs | \$ 307,930 | \$ 144,840 | \$ 613,640 | \$ 289,680 | \$ 711,568 |
| Amortization of deferred lease costs | \$ 15,342 | \$ 15,342 | \$ 30,684 | \$ 30,683 | \$ 30,684 |
| Amortization of above market leases | — | \$ 72,985 | \$ 72,987 | \$ 145,969 | — |
| Noncash costs associated with derivative instruments | \$ (34,529) | \$ (17,443) | \$ (51,409) | \$ (34,932) | \$ (51,409) |
| Less: | | | | | |
| EIP Lease Adjustment | — | \$ 542,809 | \$ 542,809 | \$ 1,085,618 | — |
| Non-Controlling Interest attributable to AFFO reconciling items | \$ 22,227 | \$ 23,179 | \$ 45,511 | \$ 46,349 | \$ 45,511 |
| Adjusted funds from operations (AFFO) | \$ 6,491,184 | \$ 4,470,169 | \$13,475,269 | \$ 8,672,015 | \$27,334,531 |
| Weighted Average Shares of Common Stock Outstanding: | | | | | |
| Basic | 47,618,765 | 31,637,568 | 47,118,789 | 30,810,060 | 59,565,267 |
| Diluted | 49,317,067 | 31,637,568 | 47,972,632 | 30,810,060 | 76,989,515 |
| NAREIT FFO attributable to Common Stockholders | | | | | |
| Basic | \$ 0.13 | \$ 0.18 | \$ 0.28 | \$ 0.34 | \$ 0.44 |
| Diluted | \$ 0.13 | \$ 0.18 | \$ 0.27 | \$ 0.34 | \$ 0.40 |
| FFO attributable to Common Stockholders | | | | | |
| Basic | \$ 0.13 | \$ 0.15 | \$ 0.27 | \$ 0.30 | \$ 0.44 |

| | | | | | | | | | | |
|---|----|------|----|------|----|------|----|------|----|------|
| Diluted (2) | \$ | 0.12 | \$ | 0.15 | \$ | 0.26 | \$ | 0.30 | \$ | 0.39 |
| AFFO attributable to Common Stockholders | | | | | | | | | | |
| Basic | \$ | 0.14 | \$ | 0.14 | \$ | 0.29 | \$ | 0.28 | \$ | 0.46 |
| Diluted (2) | \$ | 0.13 | \$ | 0.14 | \$ | 0.28 | \$ | 0.28 | \$ | 0.41 |

(1) Pro forma NAREIT FFO, FFO Adjusted for Securities Investment and AFFO Reconciliation illustrating the effects of all 2015 transactions as if they occurred on January 1, 2015. For details of the pro forma adjustments, please refer to Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2015, filed with the Securities and Exchange Commission on August 10, 2015.

(2) Interest expense on the Convertible Notes outstanding is added back for calculation of the dilution per share.

LEASE REVENUE, SECURITY DISTRIBUTIONS, FINANCING REVENUE AND OPERATING RESULTS

| | For the Three Months Ended | | For the Six Months Ended | | |
|---|----------------------------|---------------------|--------------------------|---------------------|--|
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 | Pro Forma June 30, 2015 ⁽¹⁾ |
| Lease Revenue, Security Distributions, Financing Revenue, and Operating Results | | | | | |
| Leases: | | | | | |
| Lease revenue | \$ 6,799,879 | \$ 7,065,677 | \$14,135,980 | \$13,828,085 | \$33,886,021 |
| Other Equity Securities: | | | | | |
| Net cash distributions received | 218,557 | 347,472 | 467,506 | 843,788 | 467,506 |
| Financing: | | | | | |
| Financing revenue | 668,904 | 139,728 | 1,329,296 | 165,347 | 1,329,296 |
| Operations: | | | | | |
| Sales revenue | 1,665,908 | 1,813,607 | 4,007,563 | 5,073,137 | 4,007,563 |
| Transportation revenue | 3,546,979 | — | 7,196,714 | — | 7,196,714 |
| Cost of sales | (569,958) | (1,384,998) | (1,818,288) | (4,092,356) | (1,818,288) |
| Transportation, maintenance and general and administrative | (1,076,352) | — | (2,067,960) | — | (2,067,960) |
| Operating expenses (excluding depreciation and amortization) | (195,673) | (213,533) | (402,033) | (436,274) | (402,033) |
| Net Operations (excluding depreciation and amortization) | 3,370,904 | 215,076 | 6,915,996 | 544,507 | 6,915,996 |
| Total Lease Revenue, Security Distributions, Financing Revenue and Operating Results | \$ 11,058,244 | \$ 7,767,953 | \$22,848,778 | \$15,381,727 | \$42,598,819 |
| Expenses | (1,905,329) | (1,334,960) | (4,473,848) | (2,767,915) | (5,991,110) |
| Non-Controlling Interest attributable to Adjusted EBITDA Items | (971,678) | (952,244) | (1,941,665) | (1,908,658) | (1,941,665) |
| Adjusted EBITDA | \$ 8,181,237 | \$ 5,480,749 | \$16,433,265 | \$10,705,154 | \$34,666,044 |

(1) Pro forma Lease Revenue, Security Distributions, Financing Revenue and Operating Results illustrating the effects of all 2015 transactions as if they occurred on January 1, 2015. For details of the pro forma adjustments, please refer to Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2015, filed with the Securities and Exchange Commission on August 10, 2015.

RECONCILIATION OF ADJUSTED EBITDA TO INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS

| | For the Three Months Ended | | For the Six Months Ended | | |
|---|----------------------------|---------------------|--------------------------|---------------------|--|
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 | Pro Forma June 30, 2015 ⁽²⁾ |
| Adjusted EBITDA | \$ 8,181,237 | \$ 5,480,749 | \$16,433,265 | \$10,705,154 | \$ 34,666,044 |
| Other Adjustments: | | | | | |
| Distributions and dividends received in prior period previously deemed a return of capital (recorded as a cost reduction) and reclassified as income in a subsequent period | — | (341,484) | 371,323 | (832,744) | 371,323 |

| | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|
| Net realized and unrealized gain on securities, noncash portion | 18,238 | 2,084,026 | 438,172 | 3,378,208 | 438,172 |
| Depreciation & amortization | (3,495,986) | (3,220,253) | (7,544,818) | (6,367,231) | (11,342,982) |
| Interest expense, net | (1,126,888) | (819,360) | (2,274,160) | (1,646,337) | (6,915,817) |
| Non-controlling interest attributable to depreciation, amortization and interest expense | 559,674 | 565,109 | 1,119,486 | 1,130,409 | 1,119,486 |
| Income tax benefit (expense) | 48,863 | (742,879) | (271,502) | (1,256,392) | (271,502) |
| Preferred dividend requirements | (1,037,109) | — | (1,774,609) | — | (2,074,219) |
| Income Attributable to Common Stockholders | \$ 3,148,029 | \$ 3,005,908 | \$ 6,497,157 | \$ 5,111,067 | \$ 15,990,505 |
| Weighted Average Shares of Common Stock Outstanding: | | | | | |
| Basic | 47,618,765 | 31,637,568 | 47,118,789 | 30,810,060 | 59,565,267 |
| Diluted | 49,317,067 | 31,637,568 | 47,972,632 | 30,810,060 | 76,989,515 |
| Net earnings per share: | | | | | |
| Basic | \$ 0.07 | \$ 0.10 | \$ 0.14 | \$ 0.17 | \$ 0.27 |
| Diluted (3) | \$ 0.06 | \$ 0.10 | \$ 0.14 | \$ 0.17 | \$ 0.26 |
| AFFO per share:(1) | | | | | |
| Basic | \$ 0.14 | \$ 0.14 | \$ 0.29 | \$ 0.28 | \$ 0.46 |
| Diluted (3) | \$ 0.13 | \$ 0.14 | \$ 0.28 | \$ 0.28 | \$ 0.41 |

(1) For a full reconciliation of AFFO per share (basic and diluted) to Income Attributable to CorEnergy Stockholders, see FFO/AFFO Reconciliation table presented herein.

(2) Pro forma Adjusted EBITDA attributable to Common Stockholders illustrating the effects of all 2015 transactions as if they occurred on January 1, 2015. For details of the pro forma adjustments, please refer to Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2015, filed with the Securities and Exchange Commission on August 10, 2015.

(3) Interest expense on the Convertible Notes outstanding is added back for calculation of the dilution per share.

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