



NEWS RELEASE

JAX LNG Executes Engineering Contracts to Begin Construction of Jacksonville LNG Facility

JACKSONVILLE, Fla. – Oct. 11, 2016 – JAX LNG today announced that it has executed the remaining engineering and procurement contracts required to begin construction of a new liquefied natural gas (LNG) liquefaction and storage facility in Jacksonville, Fla. The LNG facility will be located at Dames Point near the Port of Jacksonville.

The JAX LNG liquefaction facility is expected to be operational in the fourth quarter of 2017. Once completed, it will be outfitted with a 2 million-gallon storage tank with the capacity to produce in excess of 120,000 gallons of LNG per day. JAX LNG's Jacksonville plant will be North America's first small-scale coastal LNG facility and will include marine distribution capabilities utilizing North America's first LNG bunker barge, *Clean Jacksonville*.

"The LNG industry is seeing a steady growth in demand," said Tim Hermann, president of Pivotal LNG. "This facility will expand our ability to serve more customers and add commerce, including skilled jobs to support the local economy. We greatly appreciate support from the local Jacksonville, Fla. community, government officials, JAXPORT, the U.S. Coast Guard and the JAX Chamber of Commerce. Without their support, this project would not be possible."

In 2015, the JAX LNG joint venture was formed, which brought together Pivotal LNG, a wholly owned subsidiary of Southern Company Gas, and NorthStar Midstream, LLC, a midstream transportation company backed by funds that are managed by Oaktree Capital Management, L.P. and Clean Marine Energy LLC.

JAX LNG is the long-term supplier of LNG to the world's first LNG dual fuel container ships, the *Isla Bella* and *Perla del Caribe*, operated by TOTE Maritime Puerto Rico.

"This new plant development in the Port of Jacksonville will allow us to continue to work with our partners and develop innovative LNG bunker opportunities," said Peter Keller, executive vice president of TOTE.

Last year, Pivotal LNG began testing a mobile pumping skid, developed by TOTE and Applied Cryogenic Technology, to transfer LNG to the new LNG fueled TOTE containerships. Testing of the manifold was successful, and the first LNG bunkering occurred in December 2015. Since then, LNG has been delivered to TOTE's ships by JAX LNG on a regular basis utilizing the mobile pumping skid, which is operated by Pivotal LNG employees. LNG for TOTE's two LNG-powered containerships is currently being supplied to JAX LNG through an agreement with Pivotal LNG.

"With the mobile pumping system as an interim fueling solution, we have already begun to serve the LNG fueling needs of TOTE in Jacksonville, Fla.," said Hermann. "Once complete, this new LNG facility will provide a reliable long-term LNG fuel source in Florida that will help meet the growing LNG demands of the maritime industry and help expand the use of LNG throughout the southeastern U.S."

(MORE)

“JAX LNG will be the first fully integrated LNG fueling facility in the United States built specifically to meet the needs,” said Tim Casey, CEO of NorthStar. “The facility will include a marine dock to load bunkering barges that will deliver marine LNG up and down the East Coast of the United States. We are excited to partner with TOTE and Pivotal on this unique facility.”

#

About Pivotal LNG

Pivotal LNG is part of Southern Company Gas, a wholly owned subsidiary of Southern Company (NYSE: SO). Pivotal LNG provides liquefied natural gas to companies and industries throughout the United States through reliable, flexible and cost-effective solutions. For more information, visit www.pivotalng.com.

About Southern Company Gas

Southern Company Gas is a wholly owned subsidiary of Atlanta-based Southern Company (NYSE:SO), America's premier energy company. Southern Company Gas serves approximately 4.5 million natural gas utility customers through its regulated distribution companies in seven states and more than 1 million retail customers through its companies that market natural gas and related home services. Other nonutility businesses include asset management for natural gas wholesale customers and ownership and operation of natural gas storage facilities. For more information, visit Southern Company Gas at southerncompanygas.com.

About NorthStar Midstream

NorthStar Midstream is a responsive midstream energy transportation company led by a customer-focused and experienced executive team. It was formed in 2014 through a partnership between NorthStar and Oaktree. NorthStar leverages Oaktree's Capital's resources and expertise to generate long-term value for its customers. For more information, visit <http://www.northstarmidstream.com/>

About Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with \$98 billion in assets under management as of June 30, 2016. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in distressed debt, corporate debt (including high yield debt and senior loans), control investing, convertible securities, real estate and listed equities. Headquartered in Los Angeles, the firm has over 900 employees and offices in 18 cities worldwide. For additional information, please visit Oaktree's website at <http://www.oaktreecapital.com/>

About TOTE

TOTE is a leading transportation and logistics company, overseeing some of the most trusted companies in the US. TOTE Maritime companies TOTE Maritime Alaska and TOTE Maritime Puerto Rico bring unmatched reliability and service to their respective markets. TOTE Services offers crewing and technical services to meet the needs of commercial, privately owned and U.S. Government vessels. TOTE is part of the [Saltchuk](#) family of companies. www.toteinc.com