

Project Development In Market Uncertainty

April 2025





WHITEWATER OVERVIEW

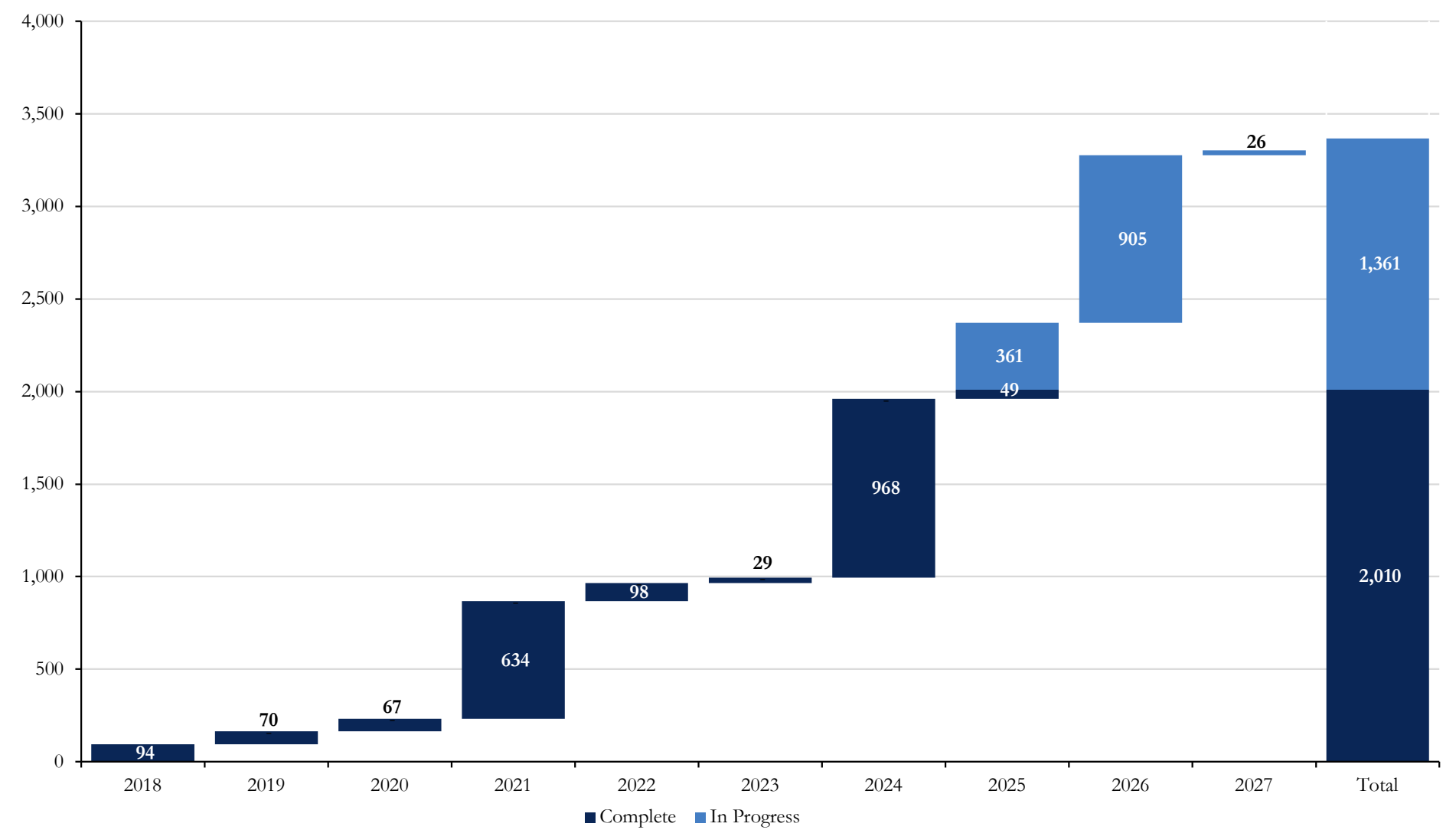
WHITEWATER ASSET MAP



Since WhiteWater's formation in 2016, management has reached final investment decision on over \$14 billion of greenfield projects

Source: WhiteWater.

Pipe Installed (Miles)



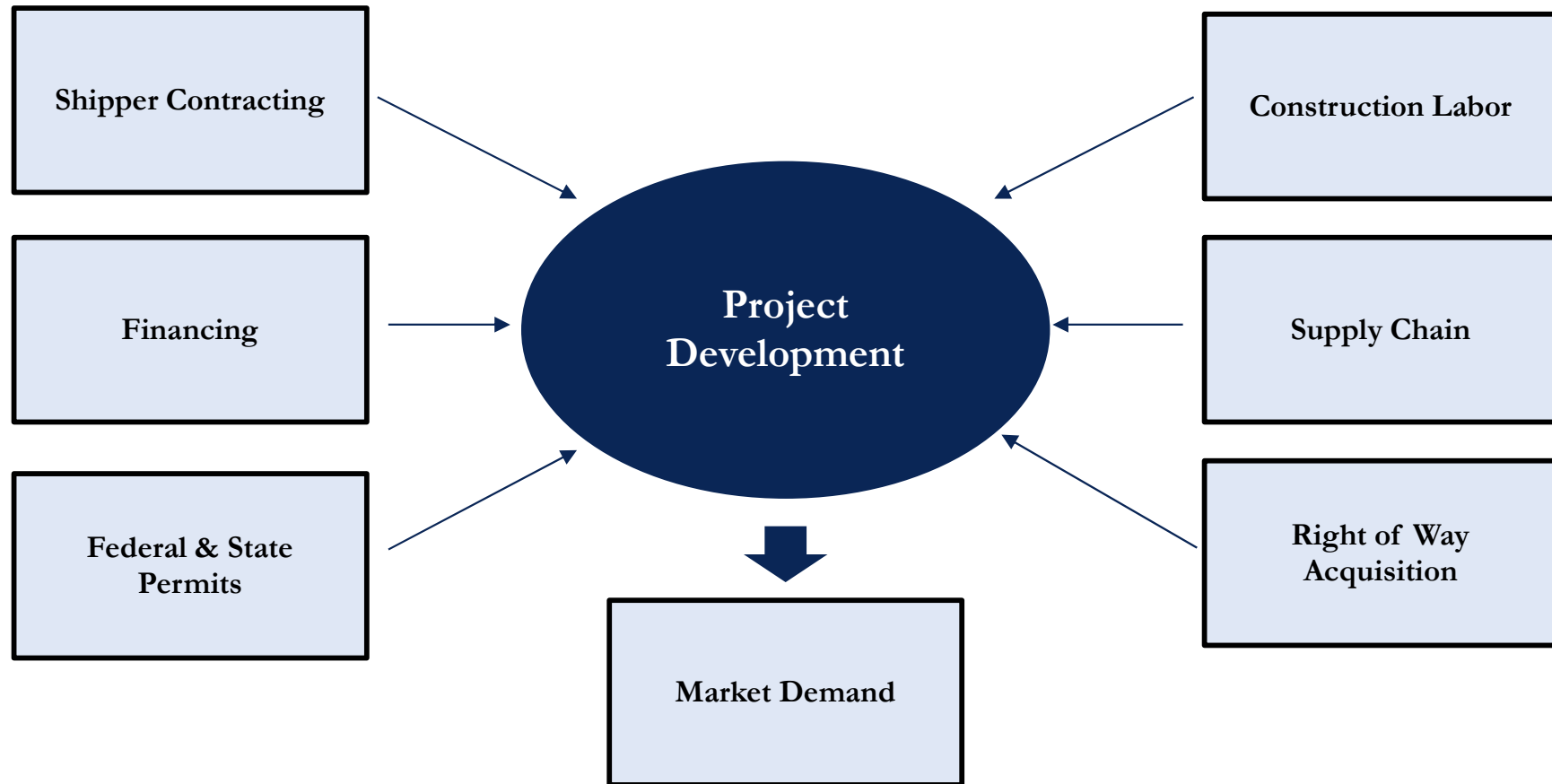
WhiteWater has experienced substantial growth in large part due to Permian accelerated growth and LNG expansions

Source: WhiteWater.

PROJECT DEVELOPMENT



Project Inputs

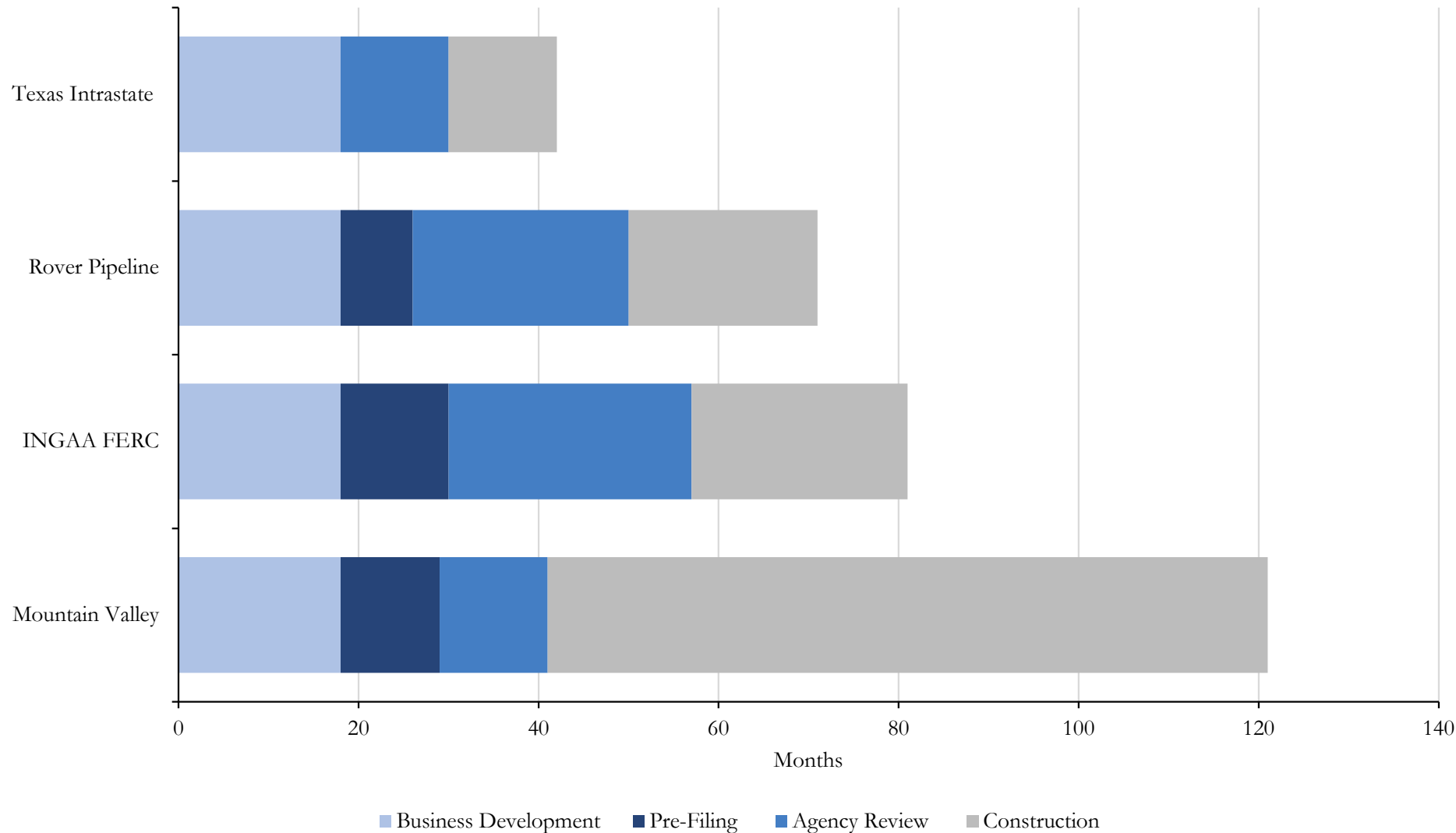


Numerous gating items must be cleared to get a project to proceed

PIPELINE DEVELOPMENT TIMELINE



Time to First Gas



Intrastate pipelines historically have been able to provide faster market access solutions than FERC regulated interstate pipes

Source: Interstate Natural Gas Association of America, Company Presentations, WhiteWater. 18-month initial business development assumed for all pipes.



MARKET OVERVIEW

Dallas Fed E&P Company Commentary

*“The key word to describe 2025 so far is **“uncertainty”** and as a public company, our investors hate **uncertainty**. This has led to a marked increase in the implied cost of capital”*

– Dallas Fed Energy Survey, March 2025

*“Trade and tariff **uncertainty** are making planning difficult”*

– Dallas Fed Energy Survey, March 2025

“Tariff policy is impossible for us to predict....We want more stability”

– Dallas Fed Energy Survey, March 2025

*“I have never felt more **uncertainty** about our business in my entire 40-plus-year career”*

– Dallas Fed Energy Survey, March 2025

*“**Uncertainty** around everything has sharply risen during the last quarter. Planning for new development is extremely difficult right now...Our ability to plan operations for any meaningful amount of time in the future has been severely diminished”*

– Dallas Fed Energy Survey, March 2025

*“The only certainty right now is **uncertainty**”*

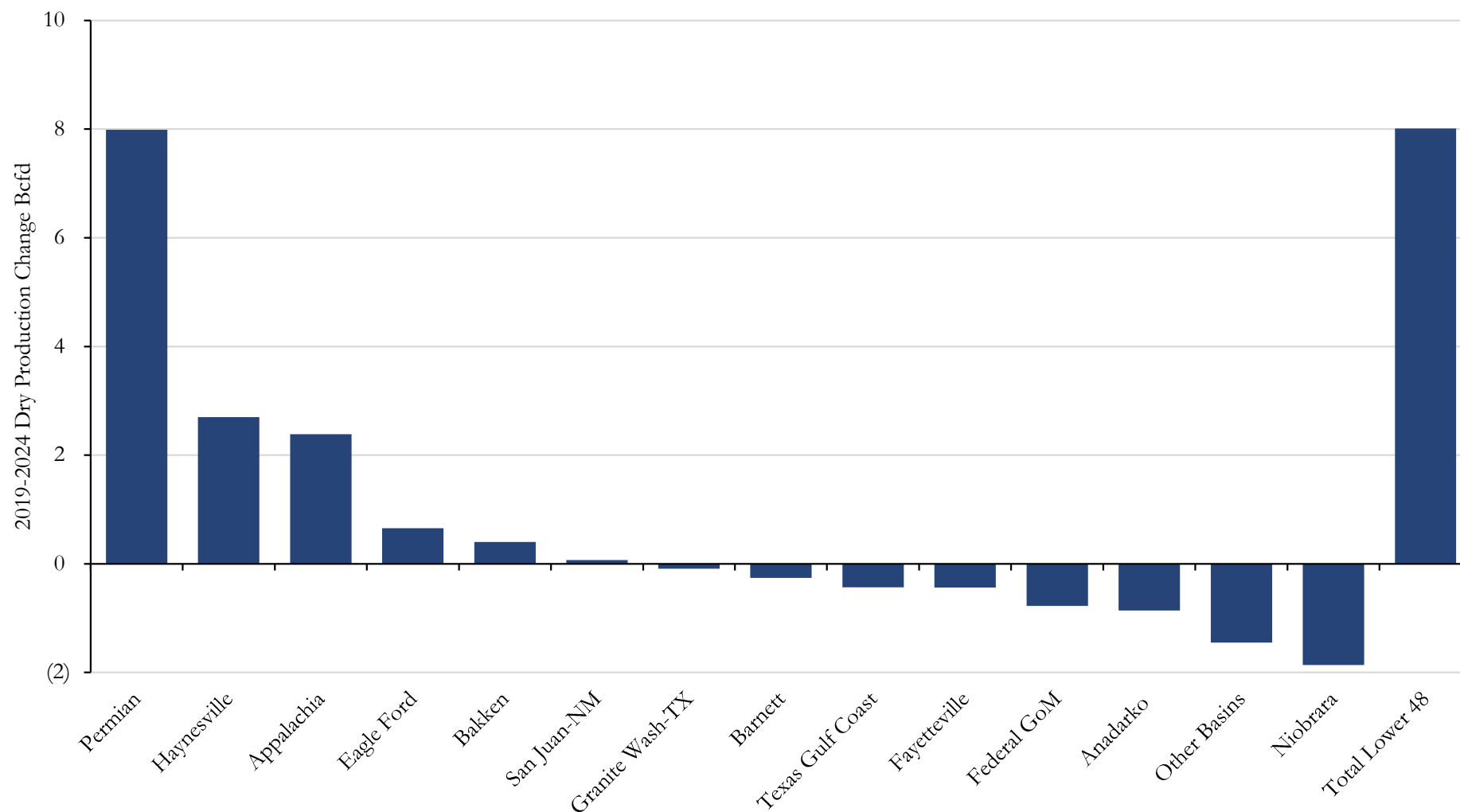
– Dallas Fed Energy Survey, March 2025

- Clear message from industry participants that the current market uncertainty is unhelpful for development planning

Uncertainty has persisted everywhere even before tariff announcements and their implications

US LOWER 48 GAS SUPPLY

Basin Dry Gas Production Change (Dec 2019 – Dec 2024)

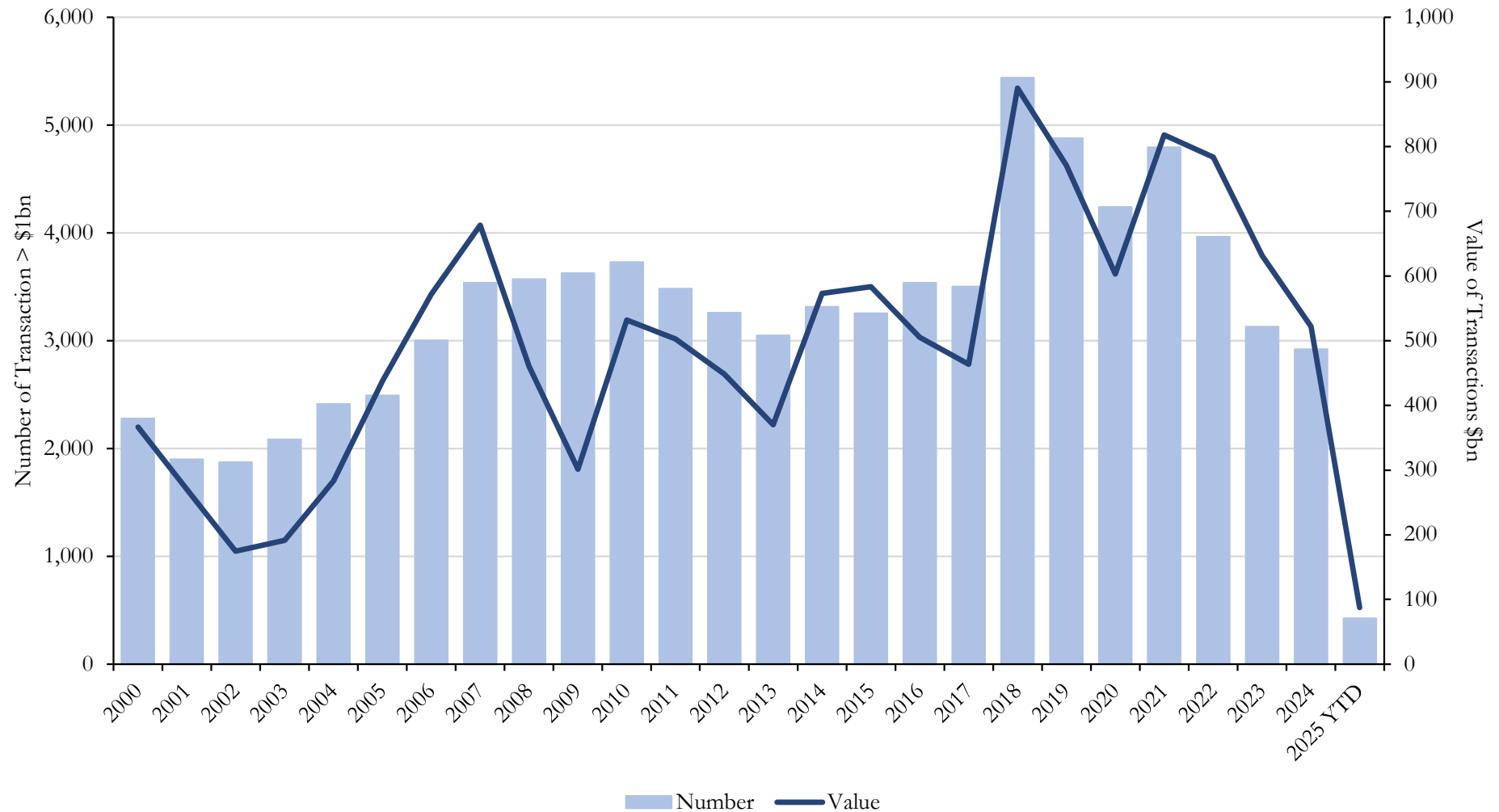


- The Permian has provided 100% of Lower 48 dry gas supply growth over the last five years

Permian growth has underwritten growing US power generation and LNG export demand

Source: Bloomberg, EIA, Enverus, S&P Global Commodity Insights, WhiteWater.

US Energy & Power M&A Deal Flow



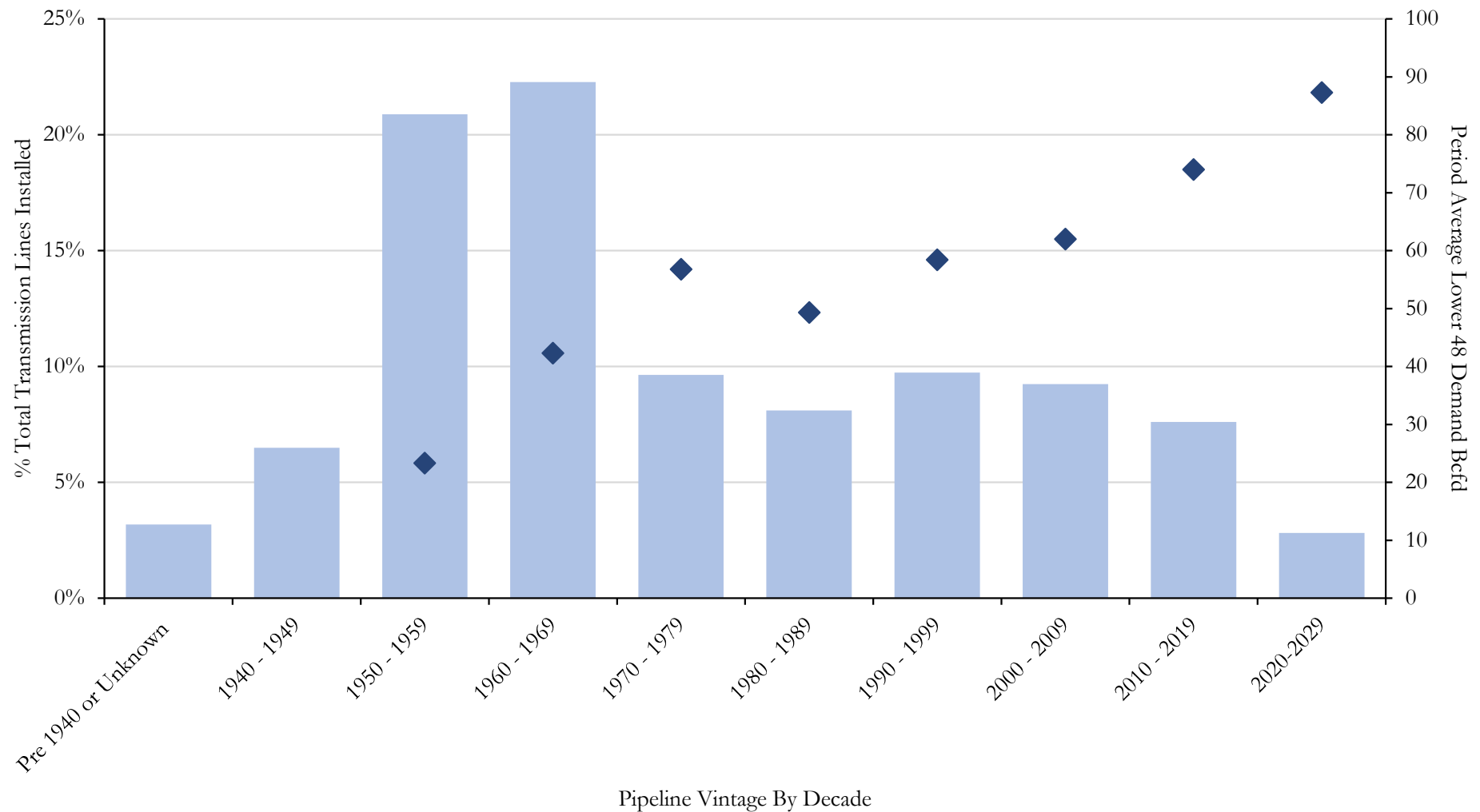
- Market and policy uncertainty have been amplified by oil macro concerns as concern over a potential US recession increases

Energy M&A is likely to cool further with higher interest rates and market volatility

Source: Institute of Mergers, Acquisitions & Alliances, WhiteWater. 2025 data through February.

US GAS TRANSMISSION PIPE BY AGE

Substantial Percentage of US Gas Transmission Pipe Installed Pre-1980



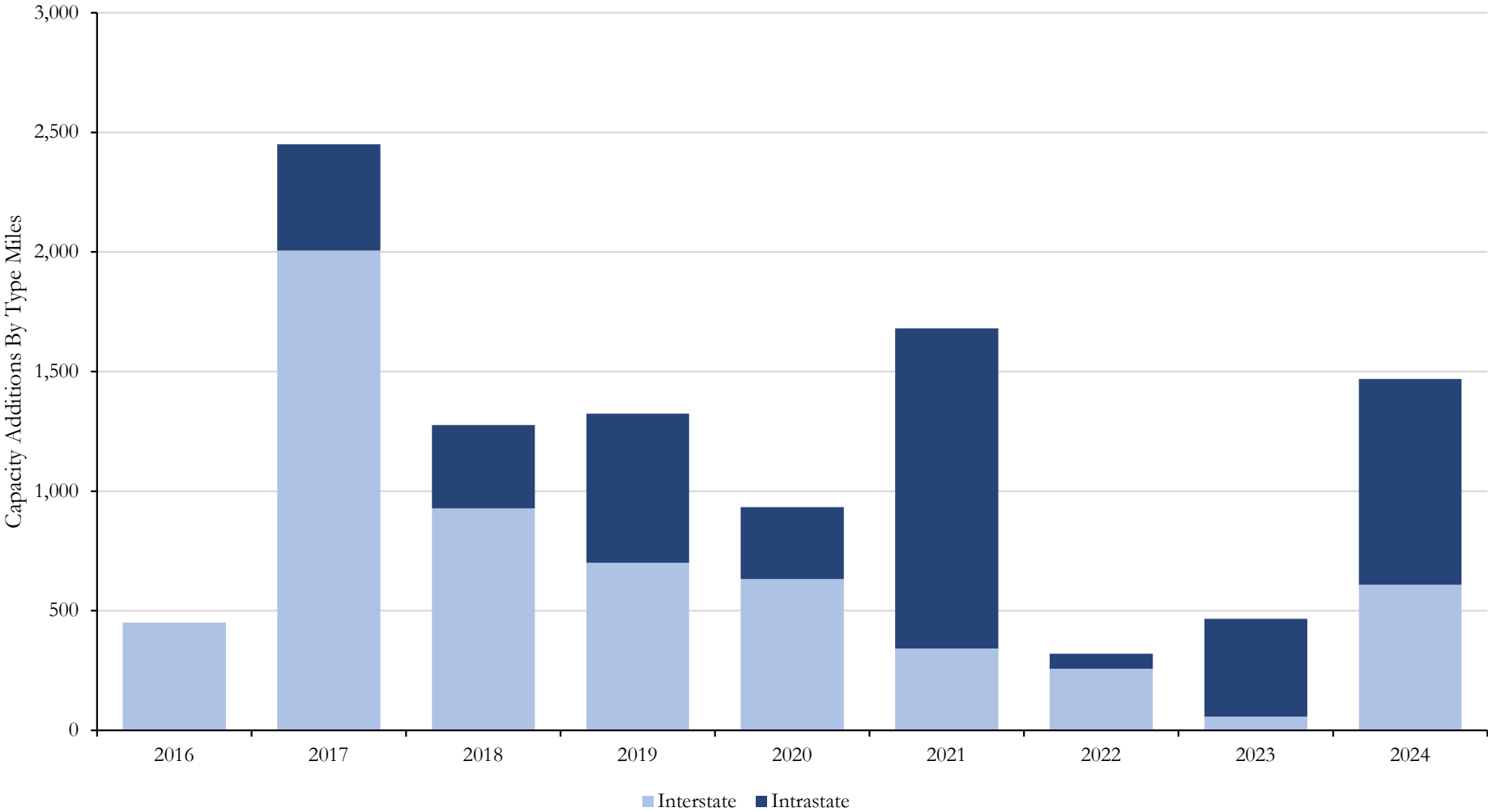
- The US is likely to enter a material infrastructure upgrade/replacement cycle; ~63% of US transmission capacity installed pre-1980

Gas transmission pipe development has materially lagged market demand growth

Source: US PHMSA Annual Report, WhiteWater.

US PIPELINE CAPACITY ADDITIONS

Intrastate Additions Taking The Lead



- Intrastate pipeline capacity additions continue to grow as a percentage of total additions with continuing challenges for interstate development

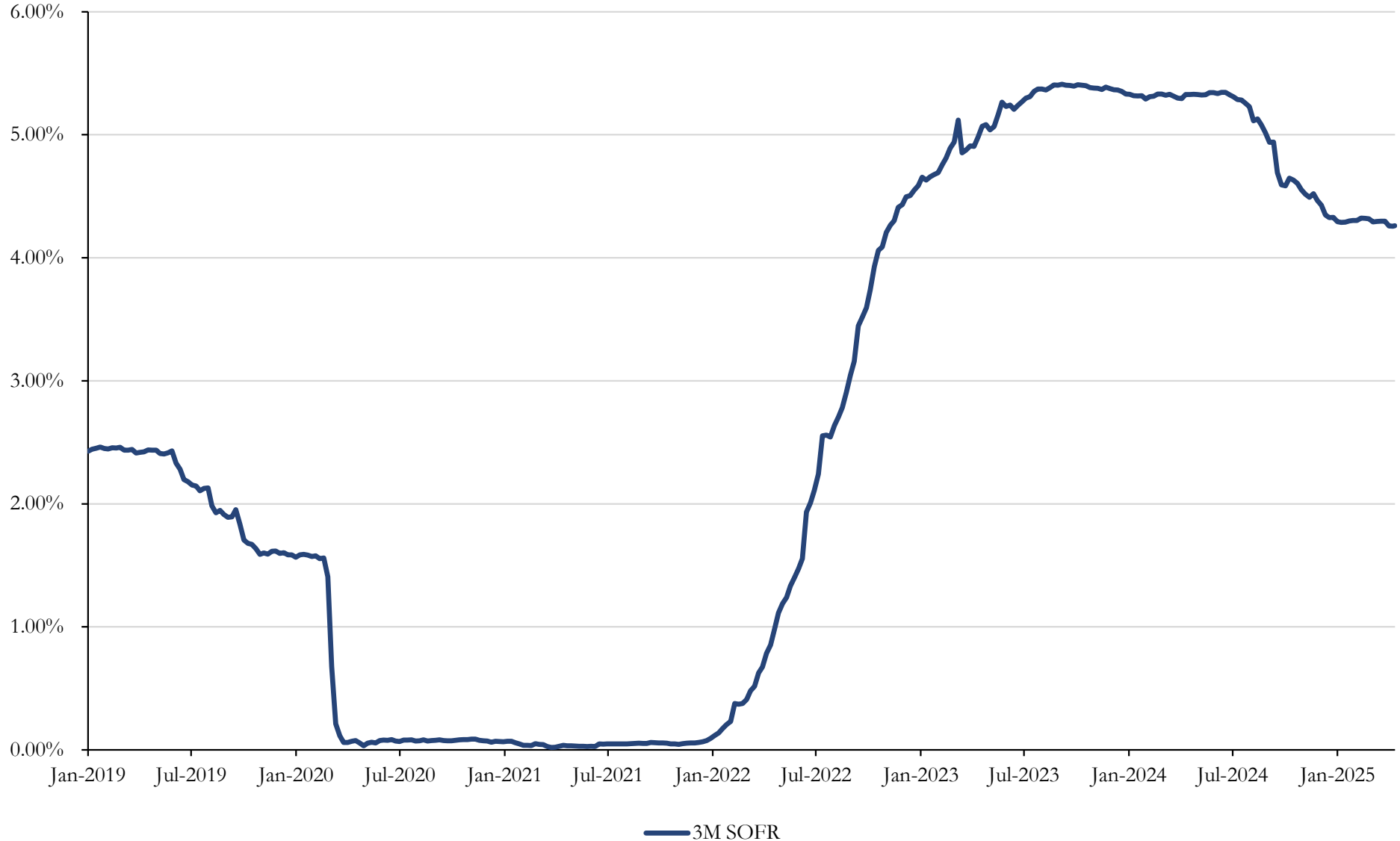
FERC delays under prior administration prevented interstate approvals

Source: EIA, WhiteWater.



PROJECT FINANCING

INTEREST RATE VOLATILITY



For every 1% increase in SOFR for \$1 billion in debt financing, annual interest expense increases by \$10 million

Source: Bloomberg as of 4/15/2025.



PERMITTING

Federal

U.S. EPA

U.S. Army Corps of
Engineers

Natural Resources
Conservation Service

U.S. Fish & Wildlife Service

Tribal Consultation

Texas

Texas Historical
Commission

Texas Parks & Wildlife
Department

Texas Commission on
Environmental Quality

Railroad Commission of
Texas

Texas General Land Office

Local

Various County Road &
Bridge Departments

Various County
Commissioners

Various County Public
Works Departments

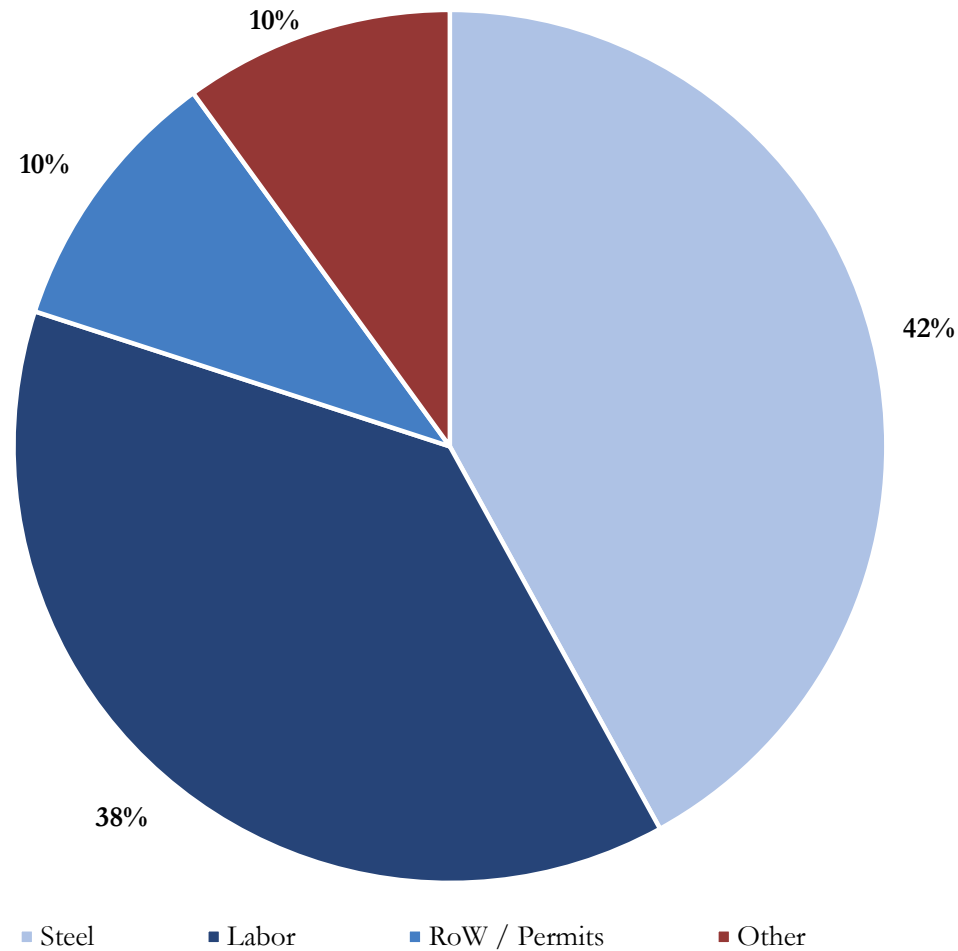
Other Local Authorities





PROJECT COSTS

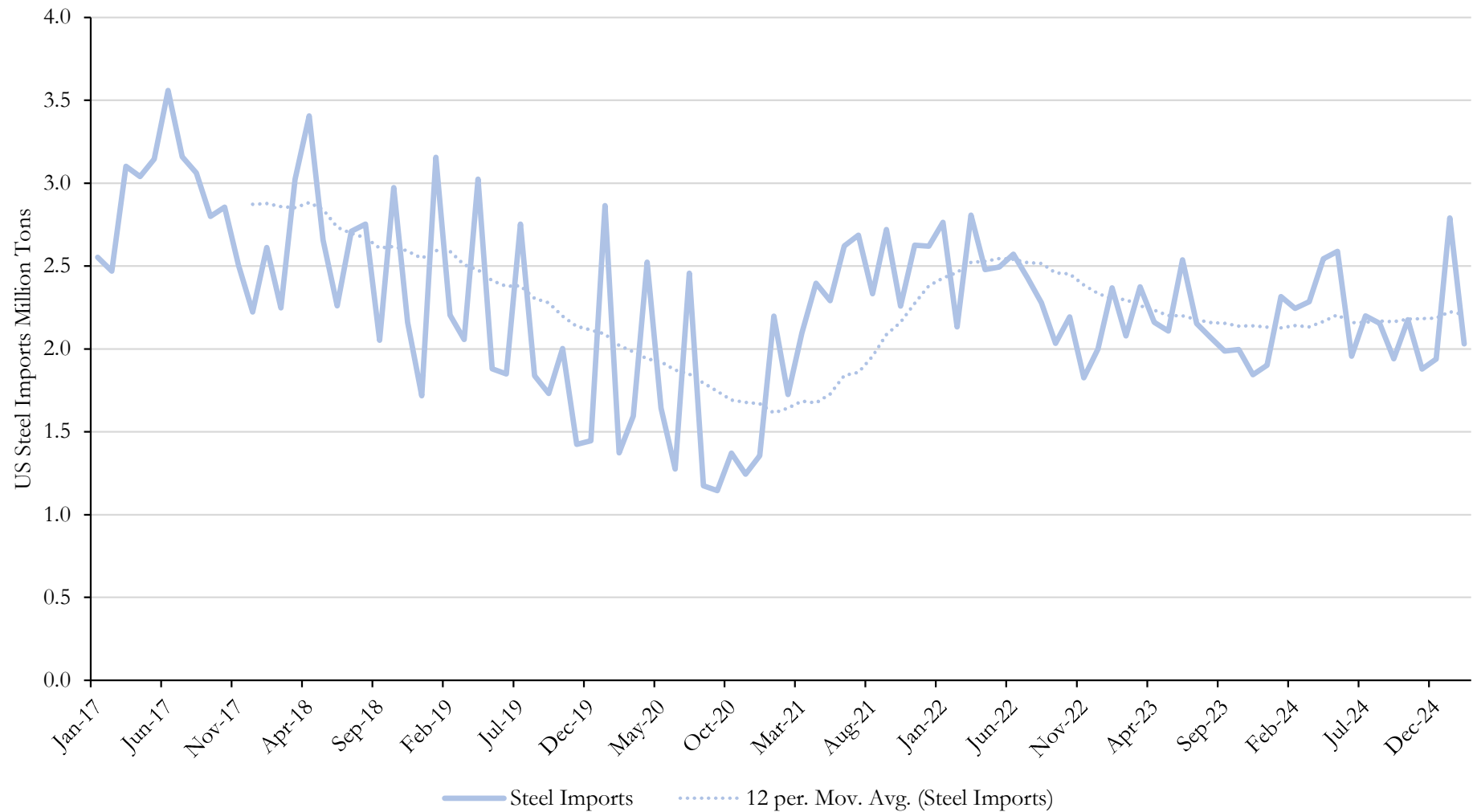
Project Cost Breakdown



- Steel and labor represent the majority of total costs(80%); ROW costs are the largest variable cost at the time of project's FID

Small number of key cost items needed to advance a project's development

Import Volumes

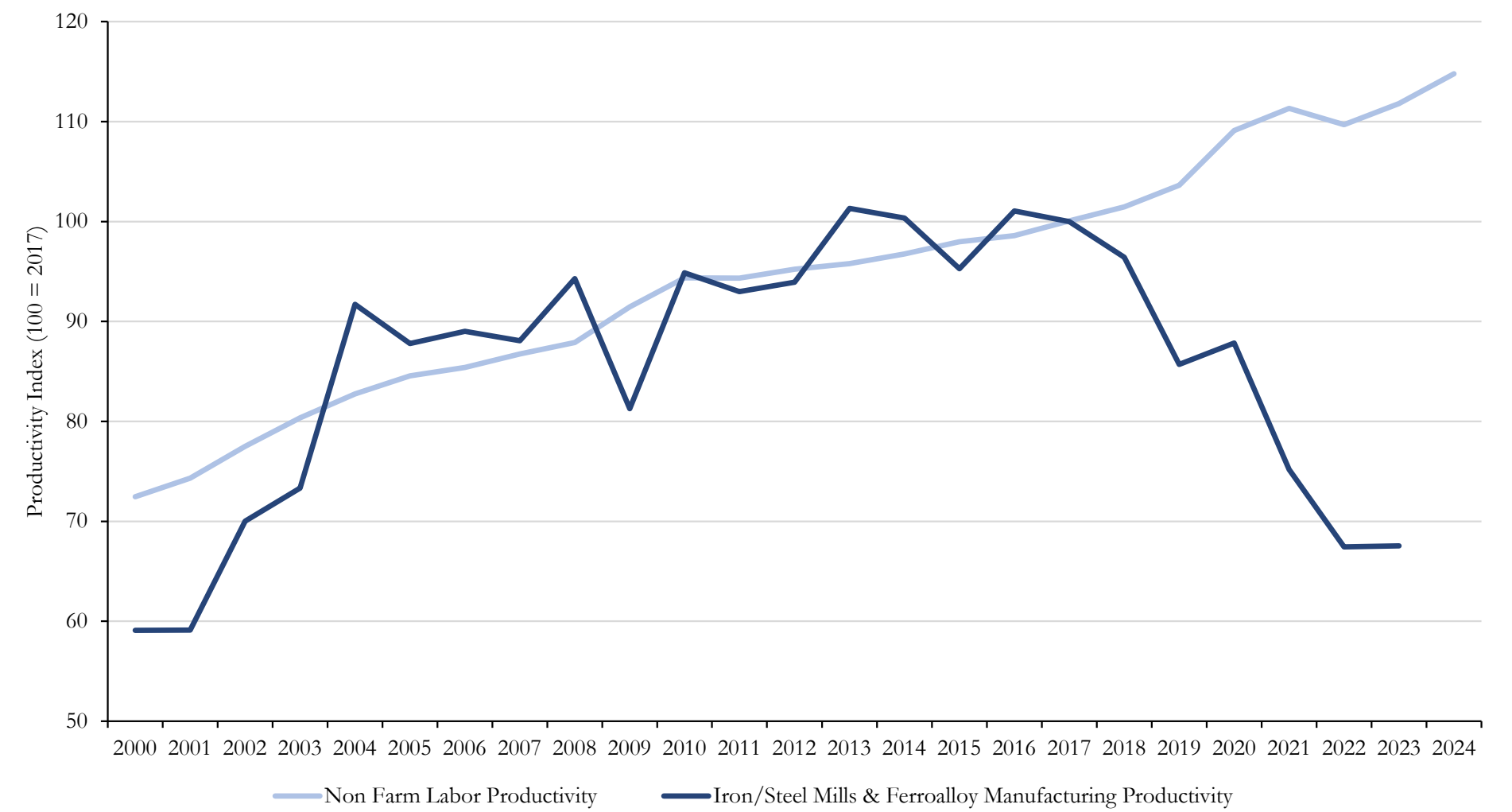


- Excluding the Covid economic downturn, steel import levels have not materially reduced, reflecting the stagnant domestic capacity utilization

Historically, tariffs have had minimal impact on steel import levels

Source: US Census Bureau, Bloomberg, WhiteWater.

Labor Productivity

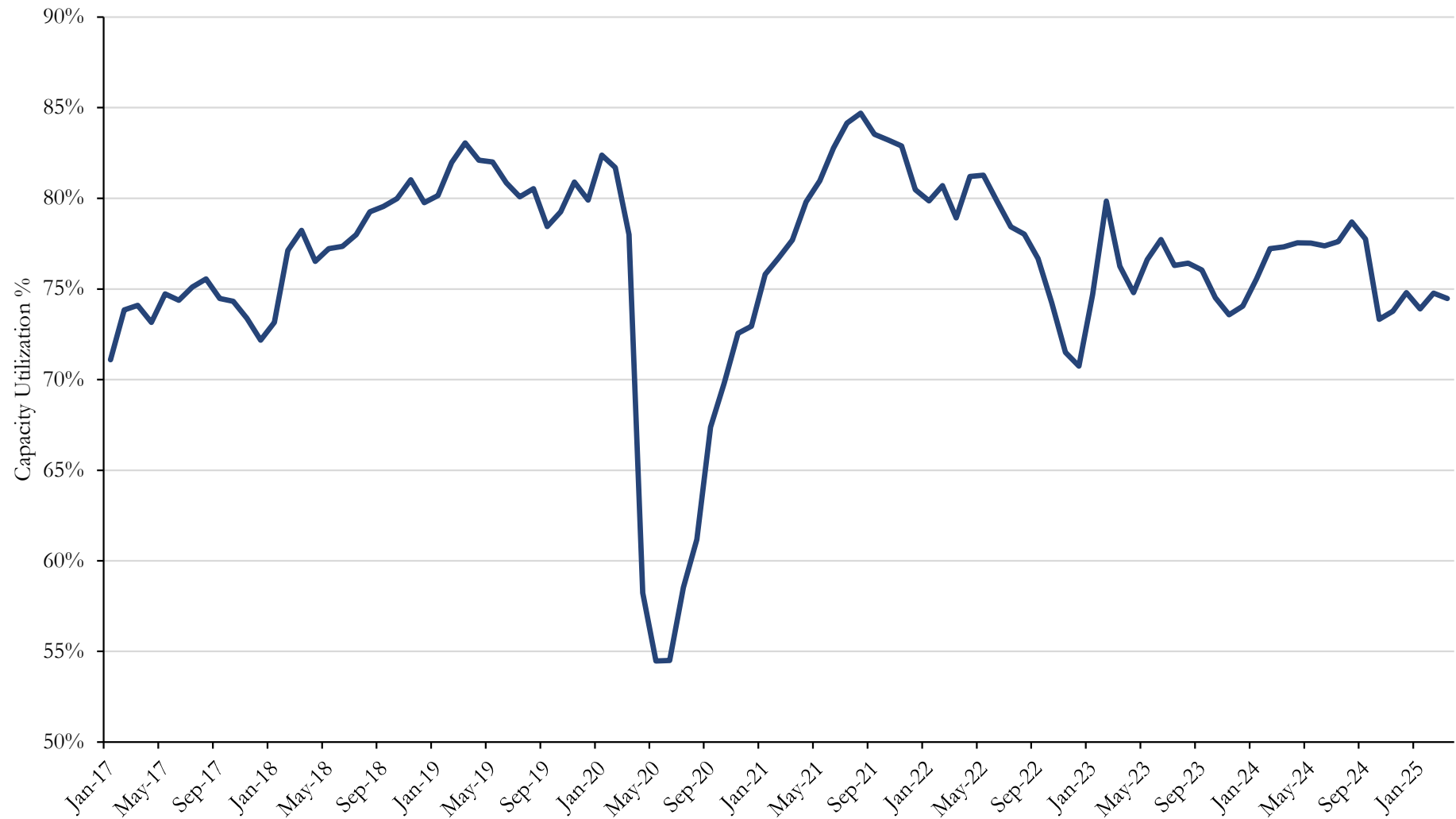


- US steel manufacturing productivity declined after 2018 tariff implementation vs continued productivity gains in the broader US market

Steel tariffs did not improve US Steel manufacturing productivity

Source: US Bureau of Labor Statistics, JP Morgan, WhiteWater.

US Domestic Steel Capacity Utilization

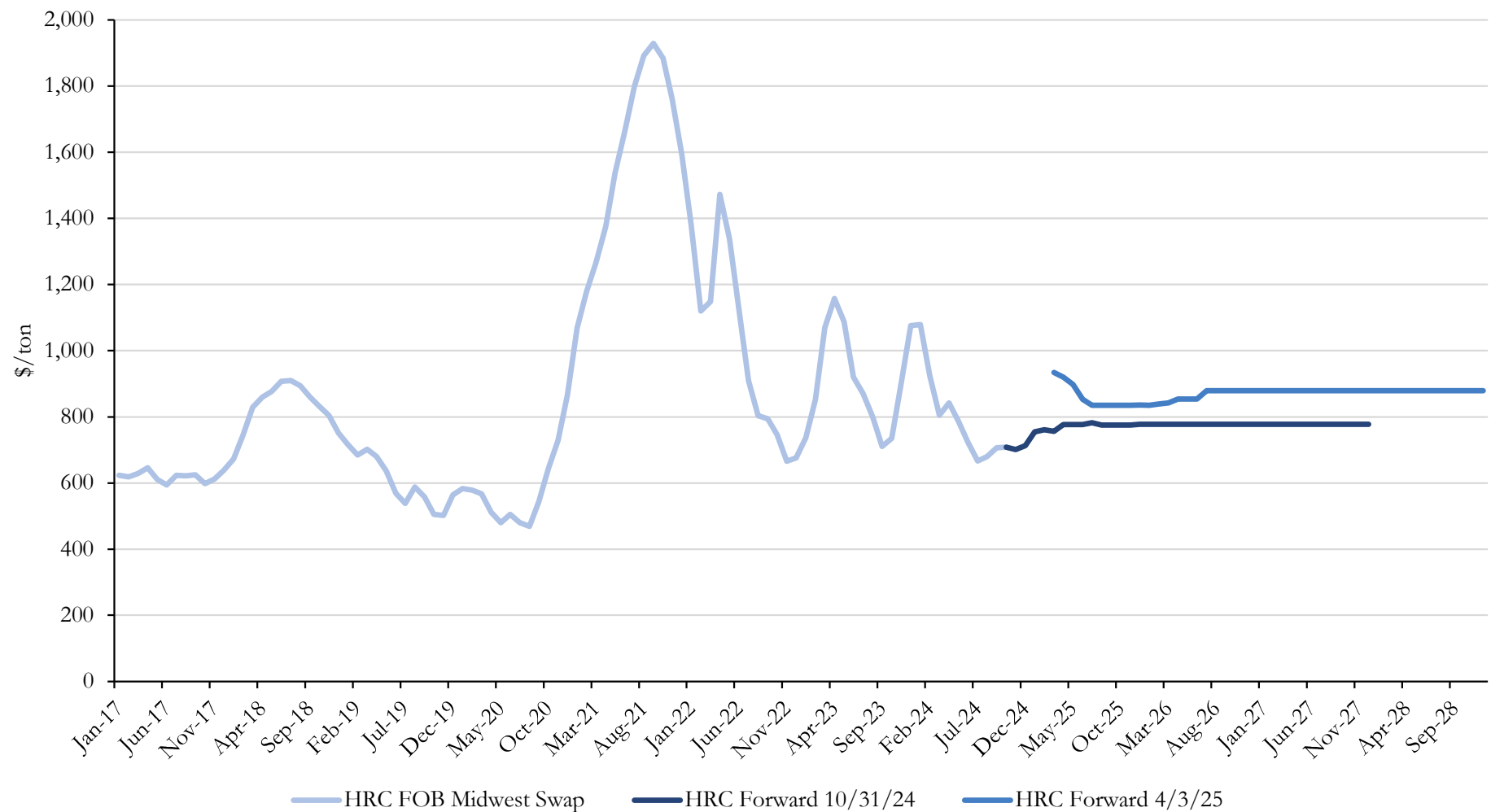


- Even with the protection of import tariffs from March 2018, US domestic steel capacity utilization has not materially improved versus 2017

Higher utilization of US steel capacity failed to materialize after tariffs introduced

Source: American Iron & Steel Institute, Bloomberg, WhiteWater.

US Hot Rolled Coil FOB Midwest Prices

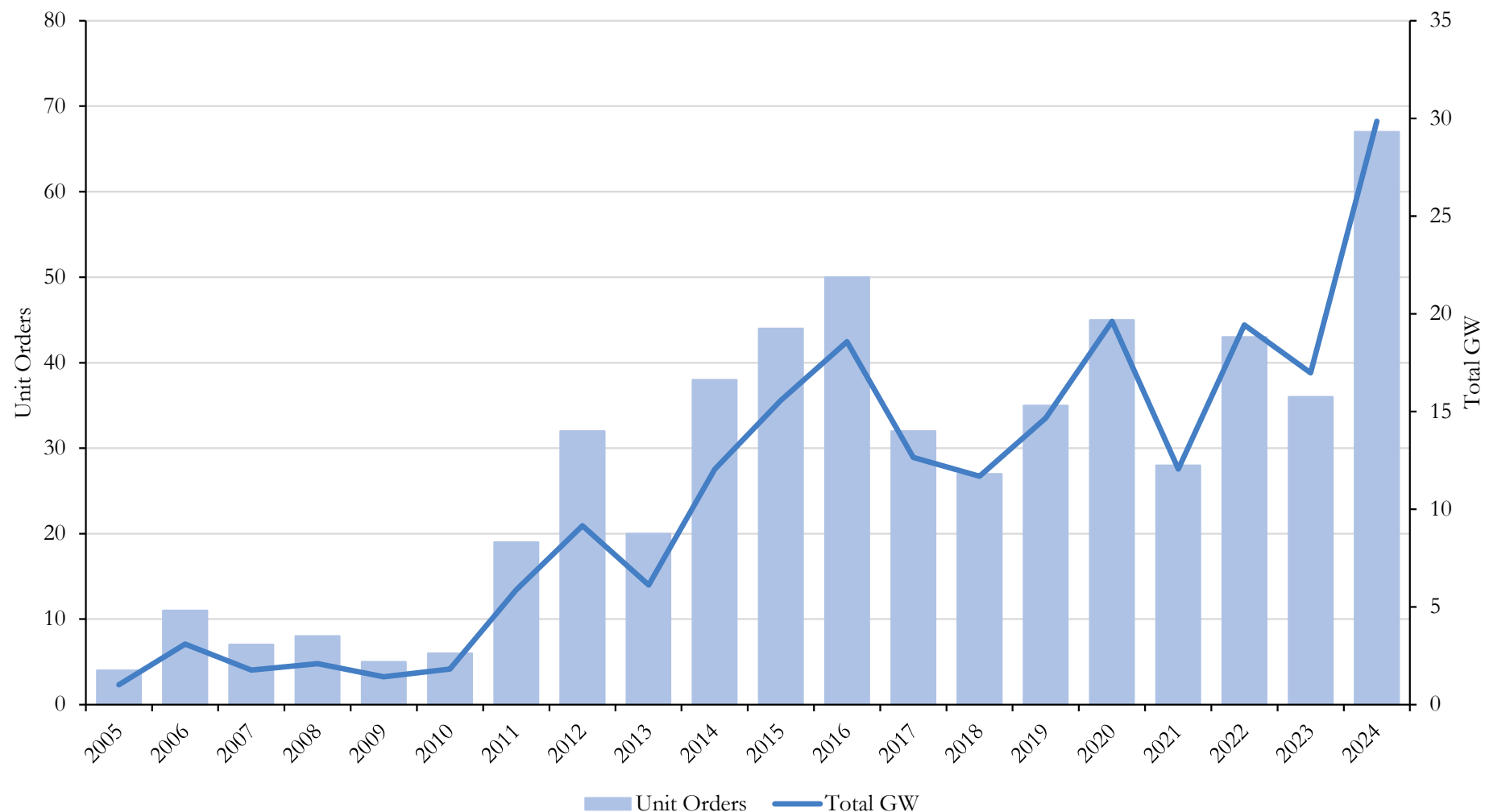


- Forward US Steel prices have increased in response to the extension of existing steel tariffs to all producers

Higher US steel prices from the expanded tariffs present a material headwind for project sanction

Source: CME, Bloomberg, WhiteWater. Prices as of April 4, 2025.

Gas Turbine Orders ⁽¹⁾



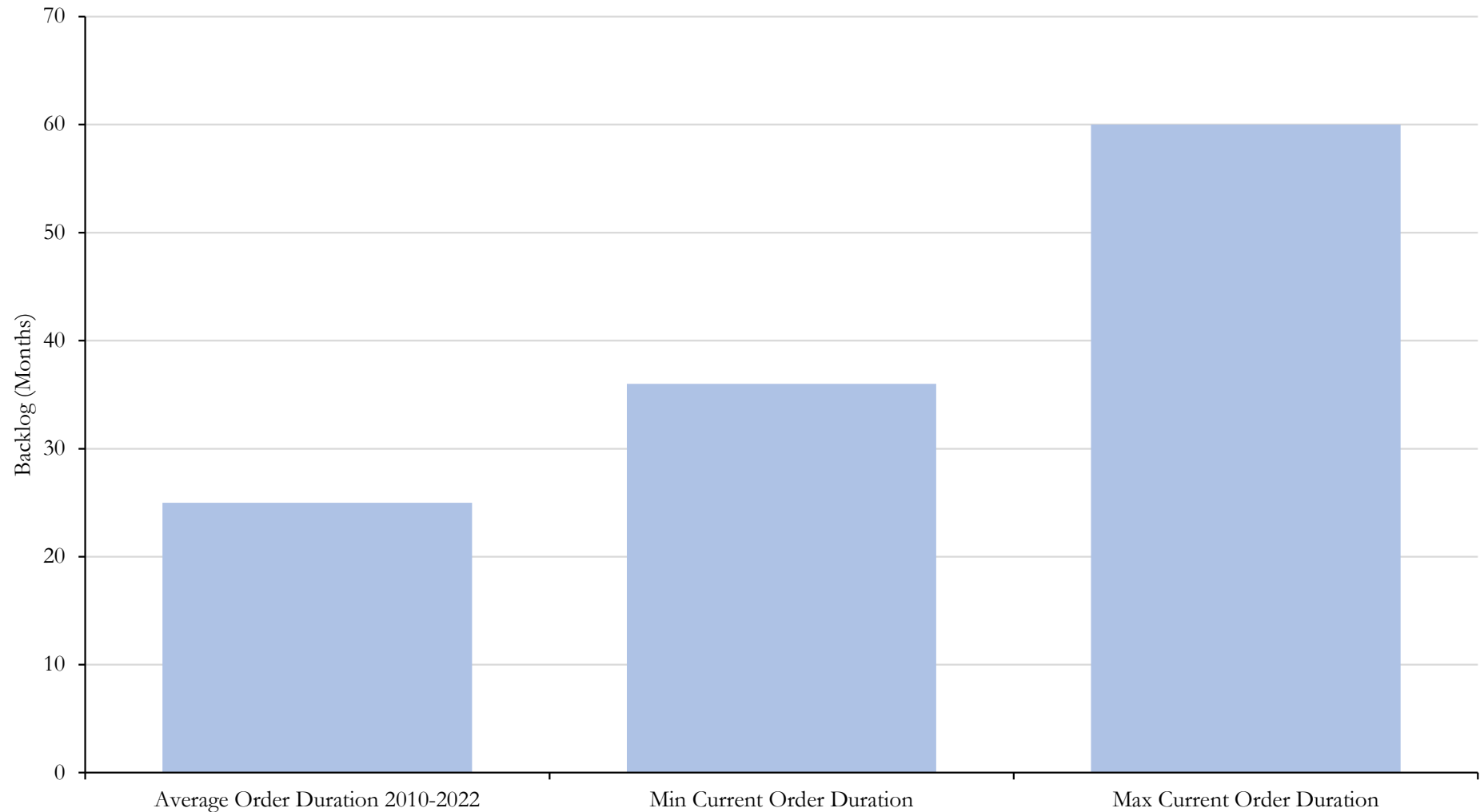
- Large gas turbine orders have exploded as non-traditional parties have placed orders

Risk of market dislocation and supply chain constraints as OEM try to scale to meet demand

Source: McCoy Reports, WhiteWater.

(1) Gas turbine orders more than 100MW/unit

Order Duration ⁽¹⁾



- Varied response by turbine manufacturers about capacity expansion due to uncertainty over the resilience of long-term AI power demand forecasts

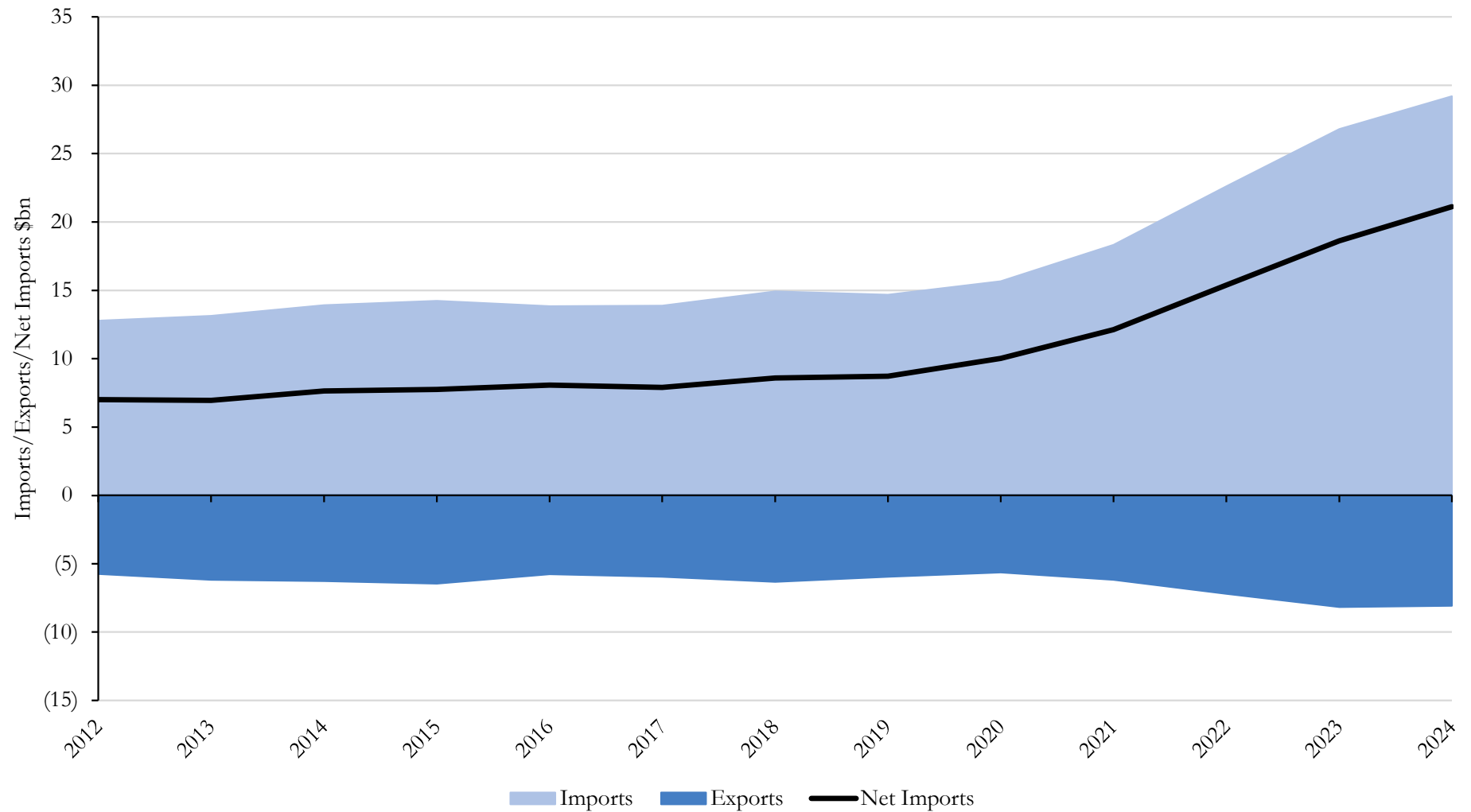
Turbine manufacturing capacity likely to lag demand

Source: McCoy Reports, WhiteWater.

(1) Order duration = time in months from placed order to operational start

US ELECTRICAL TRANSFORMER TRADE

Net Imports



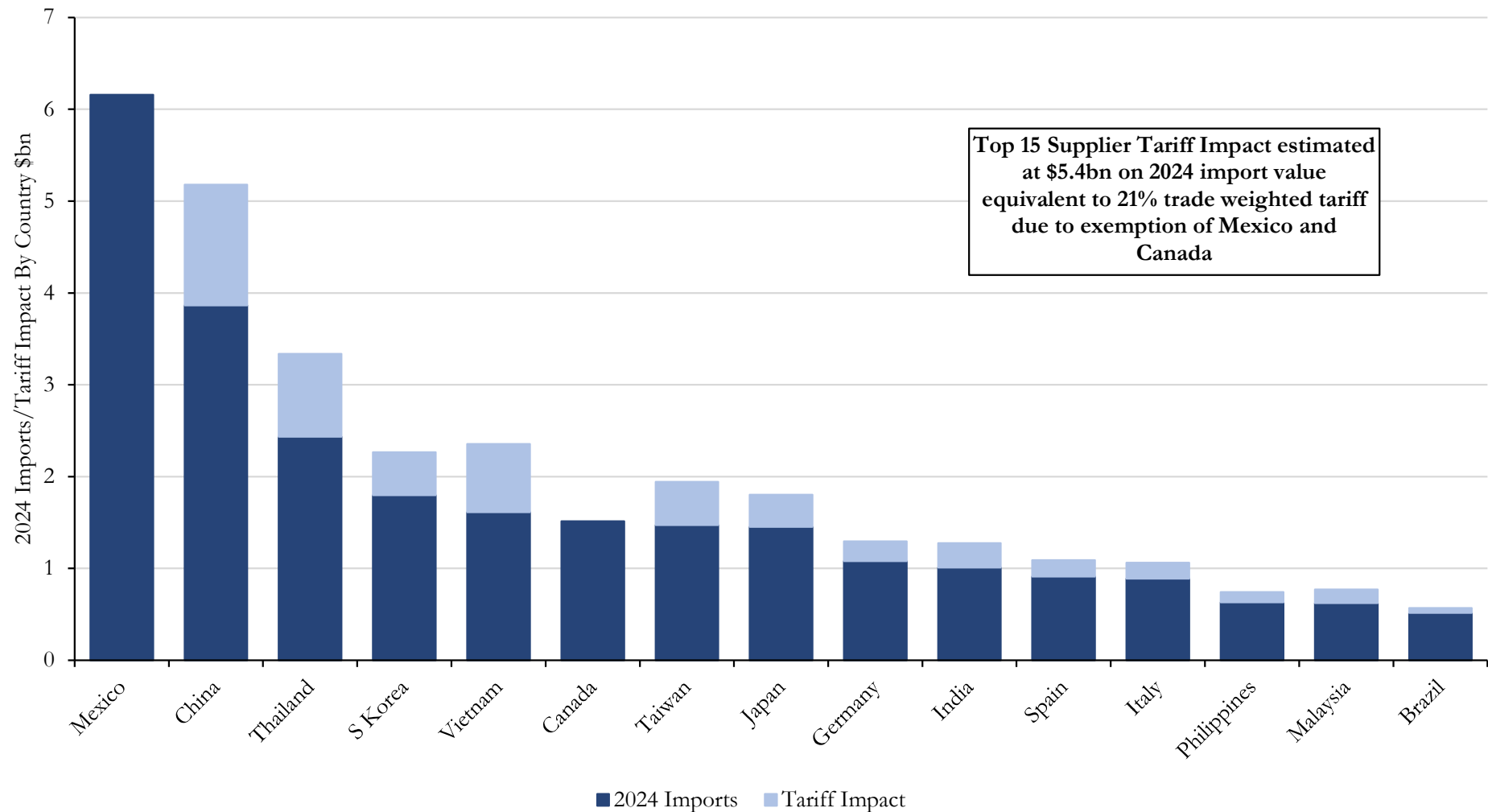
- NREL estimates ~55% of in-service distribution transformers are more than 33 years old and approaching end of life

Imported transformer capacity is critical to imminent transformer replacement cycle

Source: US Census Bureau, NREL, WhiteWater.

US TRANSFORMER IMPORTS BY COUNTRY

2024 Imports By Country

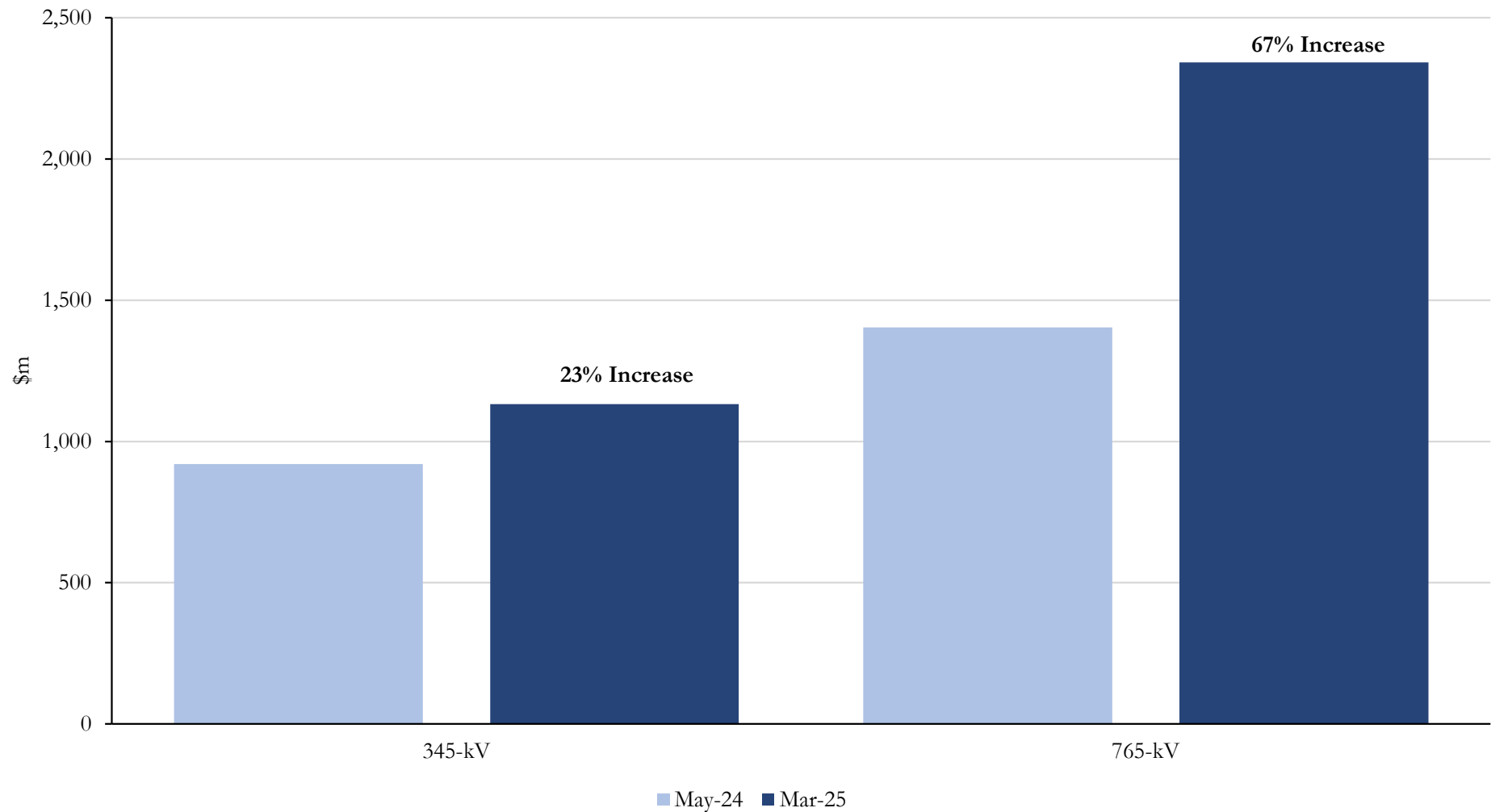


- Proposed tariffs could destabilize trade flows from key supplier countries such as China, Thailand and S Korea

Concentration of import sources could create challenges if swept up in broader tariff decisions

Source: White House, US Census Bureau, WhiteWater.

ERCOT Permian Supply Project Substation Cost Estimates



- ERCOT's recent Permian supply enhancement cost update resulted in substation costs increasing by 23-67% in less than 12 months

Substantial inflation emerging as projects compete for scarce resources

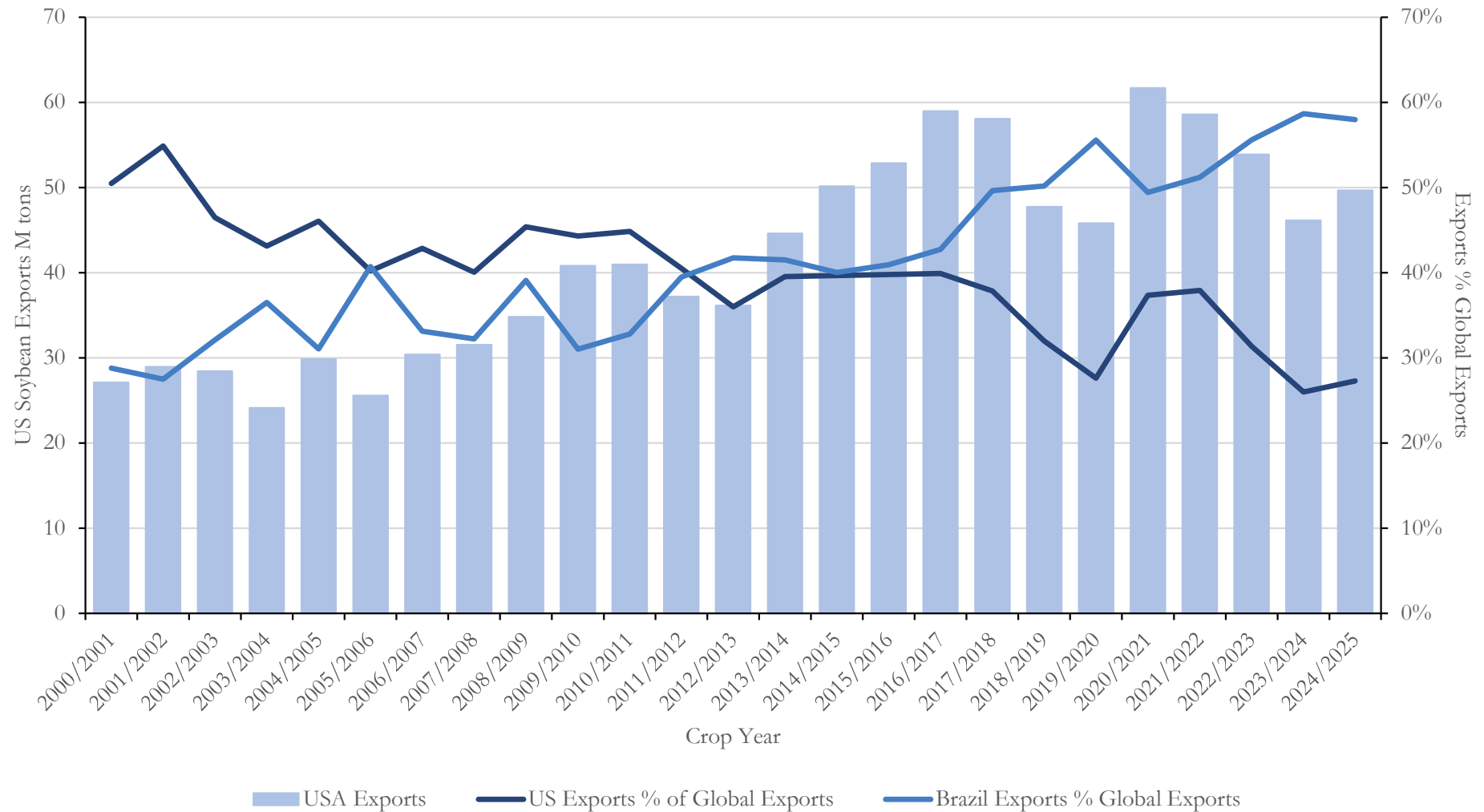


TARIFFS

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RESETTING THE BASELINE

Soybean Exports & Global Export Market Share

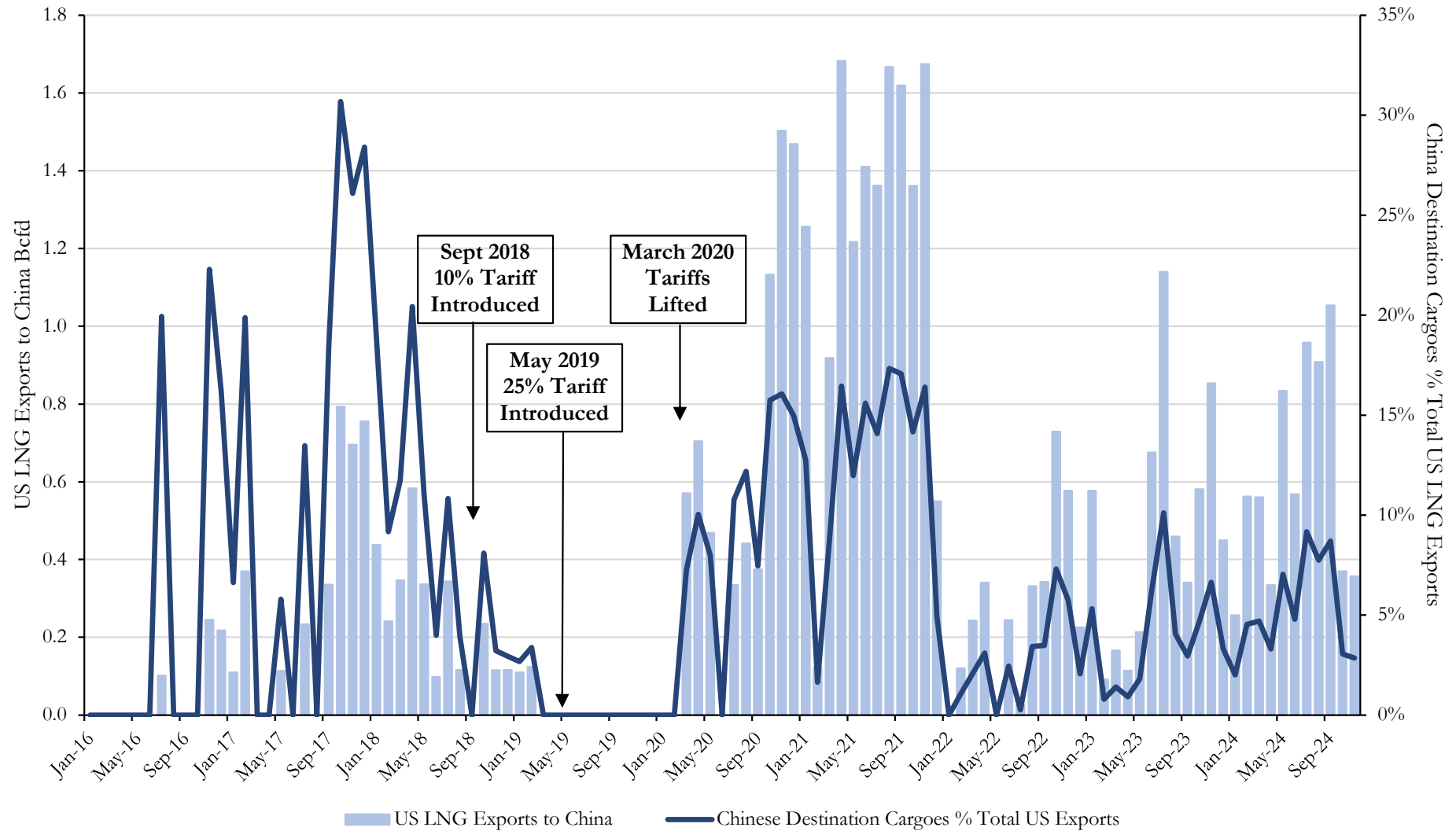


- Market structure changes resulting from US soybean tariffs in May 2018 resulted in the permanent impairment of the US competitive position

Risk of market adaption to tariffs resulting in permanent structural change to the detriment of US industry

Source: US Department of Agriculture, WhiteWater.

US LNG Exports to China



What will impact of new tariffs be on US to China LNG exports?

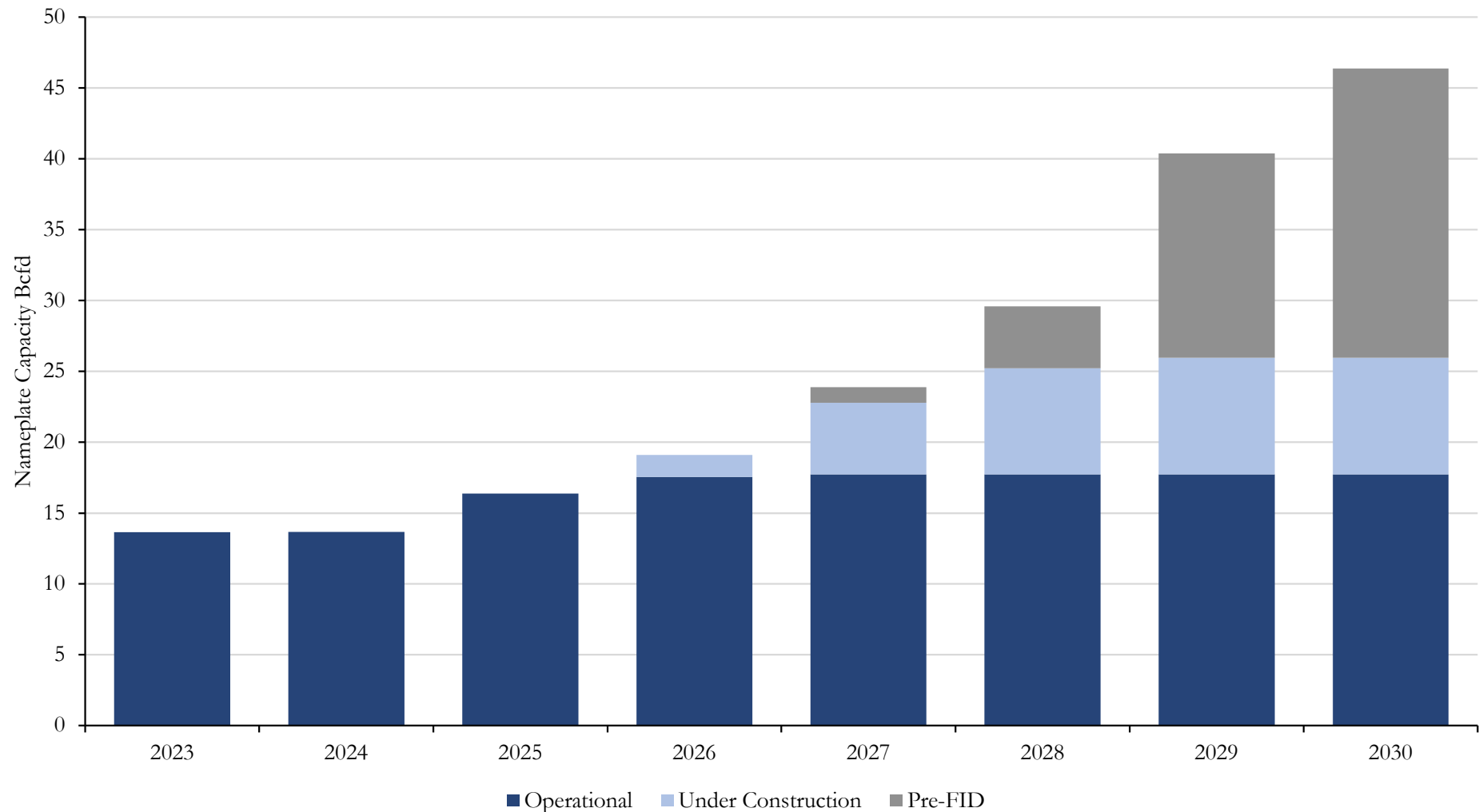
Source: DOE Office of Fossil Energy & Carbon Management LNG Report, WhiteWater



DEMAND

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LNG Capacity Development

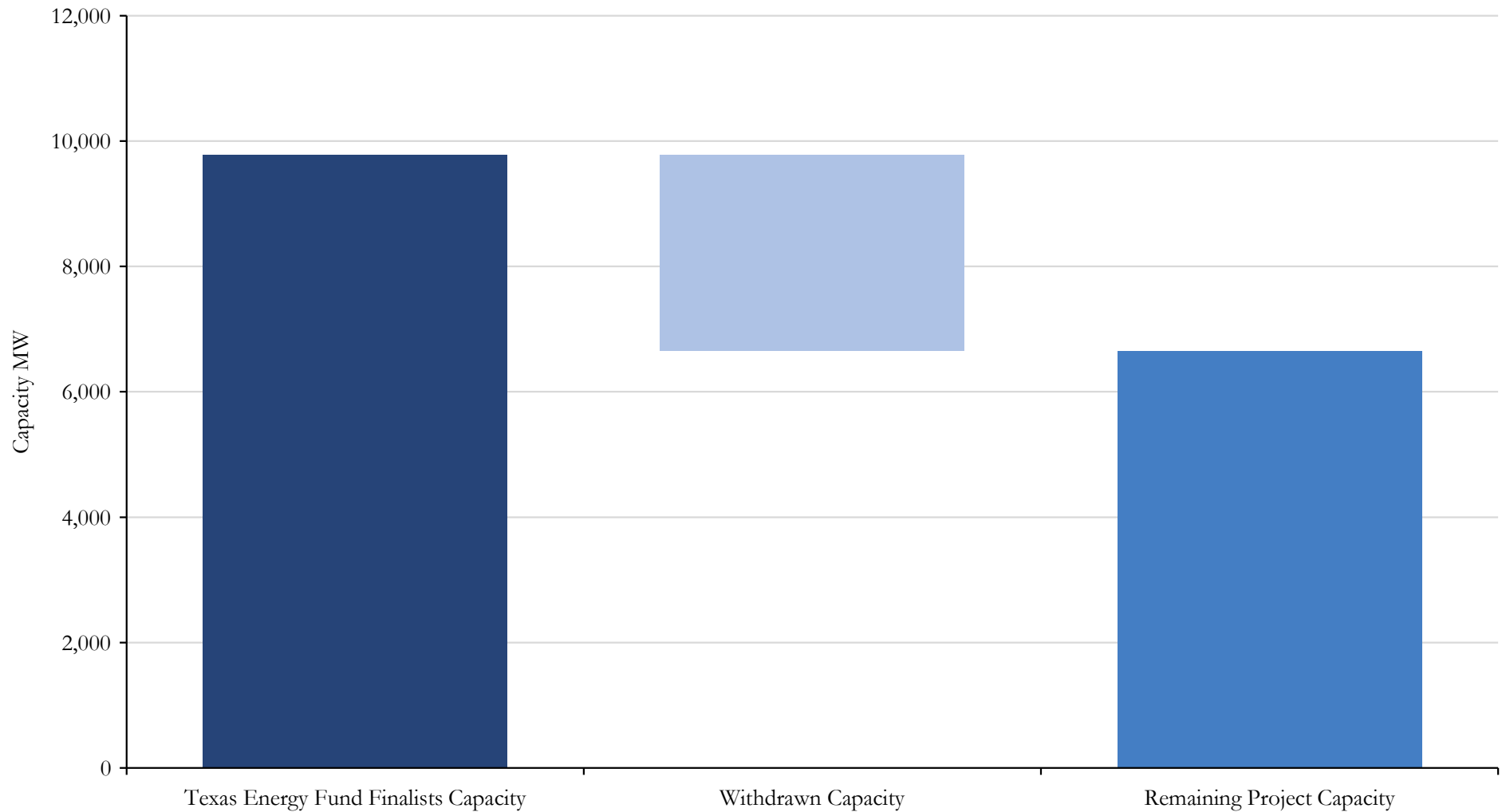


- Do recent tariff actions undermine the commercial progress of proposed LNG projects and expansions attempting to reach FID?

Near-term LNG demand growth intact but uncertainty over longer-term trajectory has increased

Source: Bloomberg NEF, S&P Global Commodity Insights, IGU LNG Report 2024, GIIGNL, Cedigaz, WhiteWater.

Capacity Under Development



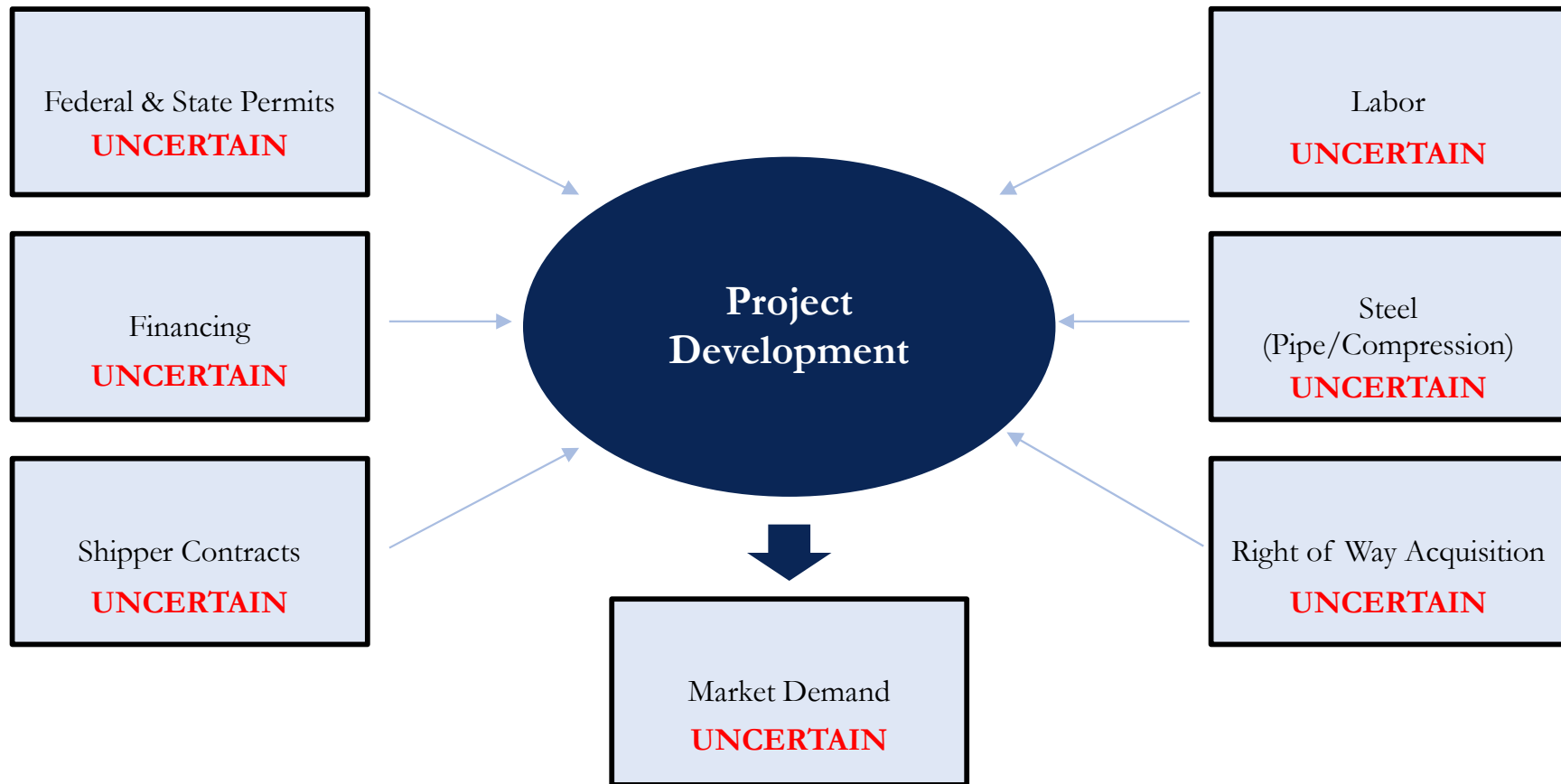
- Multiple project withdrawals due to inadequate returns, lack of turbine availability or fraudulent applications

Initiative under pressure before tariffs so unclear how projects will proceed

Source: Texas PUC, WhiteWater.

PIPELINE DEVELOPMENT CONCLUSION

Project Inputs & Risk Appraisal



- Current market uncertainty impacts every facet of pipeline development with impact on project timing and delivery of market demand solutions

Pipeline development just got more difficult