

Thomas Hartline

From: Nick Soncrant <nsoncrant@Kinetrexenergy.com>
Sent: Friday, April 17, 2020 10:00 AM
To: Thomas Hartline
Subject: [EXTRNL SNDR] RE: [EXTRNL SNDR] Kinetrex Energy LNG - Albany, KY project Proposal
Attachments: Navitas Proposal 4.17.2020.pdf; KE Cost calculations _ Navitas Utility.xlsx

Hi Thomas,

Thank you for the time on Wednesday. As promised I've attached the proposal for your review. I was able to get our executive team to bring down the reservation fee and delivered fuel cost. We are attempting to be very competitive with propane and lower than your GCA.

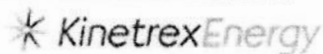
In summary:

- Term length [REDACTED]
 - Equipment will be on-site from [REDACTED]
- Fixed liquefaction rate is [REDACTED] per DTH and [REDACTED] per mile for transportation
 - [REDACTED] fully delivered cost per DTH cost or [REDACTED] per gallon (based on [REDACTED] per DTH NYMEX settlement)
 - Pricing formula can be found in the attached excel doc.
 - Minimum fuel requirement of [REDACTED] LNG gallons or [REDACTED] DTH per year
- Reservation fee of [REDACTED] per month over the term of the agreement

Please let me know if you have any questions. If these terms work for you then I can have our legal team begin to draft an agreement.

Thanks,

Nick Soncrant
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From: Thomas Hartline <thartline@navitasutility.com>
Sent: Thursday, April 9, 2020 7:05 PM
To: Nick Soncrant <nsoncrant@Kinetrexenergy.com>
Subject: RE: [EXTRNL SNDR] RE: [EXTRNL SNDR] RE: [EXTRNL SNDR] Kinetrex Energy LNG - Albany, KY project

Wednesday, April 15th at 10am PST

Thomas Hartline
Navitas Utility Corporation
3186D Airway Avenue
Costa Mesa, CA 92626

Partnership
Proposal

*Navitas Utility
Corporation*

April 17th, 2020

Submitted by:
Nick Soncrant
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We work every day to revolutionize the delivery of energy; to make natural gas America's fuel; and, to lower the cost of business with a practical, common-sense stewardship of our environment.

Our Mission: We act with passion to design, market and implement a portfolio of pipeline natural gas, liquefied natural gas and renewable natural gas energy solutions that reduce our customers' costs while helping them achieve their environmental sustainability goals and improve their operations.

Our Values:

- **Integrity** - Our markets are evolving, and our products are vital, so TRUST is everything
- **Innovation** - We must continually SEEK the value proposition in this dynamic market
- **Collaboration** - Success happens when we PARTNER within the value chain
- **Dependability** - Our customers are relying on us so we must meet their EXPECTATIONS
- **Safety** - Our ACTIONS make our product safe

Our Team: Kinetrex Energy Executive Team has over 75 years of experience in the natural gas industry

- President & CEO - Aaron Johnson
- Senior Vice President & COO - Craig Moore
- Business Development Manager – Nick Soncraut
- Director of Engineering – Danny Seibert

Our Reputation:

- **Net Promoter Score** - 73% of all customers scored a 9 or 10 when asked: *On a scale of 1-10, how likely is it that you would recommend Kinetrex to a friend or colleague?* This is 20 points and 40% higher than the average NPS for manufacturing companies.
- **Referral** – E.T. Simonds asphalt plant in Illinois.
 - Scott Roberston, Operations Manager. Mobile 618.924.4846 Email: srobertson@etsimonds.com

Partnership Benefits

We Make Natural Gas Simple:

Kinetrex is a **Vertically Integrated Service Provider (VISP)**. Kinetrex purchases natural gas at the well head, liquifies it in our state-of-the-art manufacturing plants, transports it to our customers location, and designs, orders, assembles and maintains the LNG storage and regasification systems. The benefits to you include:

- **Lower Costs of Goods** - Kinetrex offers very affordable pricing by eliminating all the high-priced specialized service providers mark-ups in the supply chain.
- **Lower Cost of Capital Expenditures** – Kinetrex can often absorb part or all the capital expenditures needed for LNG storage and regasification systems with long-term partnership agreements.
- **Superior Customer Service** – By Kinetrex controlling all parts of the supply and service chain we control the customer experience and our customers have only one reliable company to work with.



Partnership Benefits

Price Stability: Natural gas has a long history of price stability as it is America's fuel and is therefore not subject to the price swings caused by geopolitical events or foreign cartels like other petroleum-based products that are often sourced overseas.

Price Guarantee: Natural gas is the largest and most liquid commodity market so prices can be efficiently hedged for up to five years which gives our customers a fixed price that provides cost predictability and better financial forecasting.

Reliability: Kinetrex has two manufacturing plants capable of producing 250,000 gallons of LNG a day with 24.2 million gallons of storage capacity. Redundancy in supply and Kinetrex Energy Transportation assures a reliable partner for fuel and delivery timeliness.

Safety: Safety is a primary concern for all organizations and thus LNG is the best fit in industrial applications:

- LNG has the best safety record of all common fuels.
- LNG is colorless, odorless, non-toxic, and non-corrosive.
- LNG is stored at low pressure and as a liquid will not explode. If spilled, it will evaporate and have no residual impact on the environment.
- Systems are equipped with gas & fire detection.

Financial Proposal

Location: This proposal is for Navitas Utility Corporation

Volume: This pricing is based upon [REDACTED] LNG gallons or [REDACTED] DTH per year

Term: [REDACTED]

Equipment Bundle: Kinetrex Energy will provide regasification and storage equipment to meet Navitas flow and pressure requirements. Equipment will be available for Navitas from Dec. 1st, 2020 – Mar. 15th, 2021.

Quote:

- [REDACTED] LNG gallon fully delivered - A monthly index price equal to [REDACTED] of the sum of the first of the month NYMEX for gas delivered in that month and [REDACTED] per DTH for pipeline transportation costs. A fixed liquefaction fee of [REDACTED] per DTH & transportation cost of [REDACTED] per mile. Assuming a first of the month NYMEX of [REDACTED] per DTH, total delivered cost would be [REDACTED] per DTH.
- Reservation fee of [REDACTED] per month for [REDACTED]

Exclusive Provider: Kinetrex Energy will be the exclusive LNG provider to the system

Customer Responsibilities:

- Gas pipping from our system to injection point
- 480V, 120 AMP, 3 phase power

Kinetrex Energy Partnership Proposal
Financial Formulas
Navitas

LNG Cost Calculation			
\$	DTH		
\$	DTH		
\$		NYMEX	New York Mercantile Exchange monthly settlement price
		Utility Charge	Pipeline Transportation cost passed on from Kinetrex
		KE commodity charge	
\$	DTH		
\$		# of miles round trip	Transportation
\$	DTH	KE Fixed Fee	Liquefaction
\$		Total DTH cost	
		LNG gal standard conversion	
\$	LNG Gallon	Total LNG Gallon price	

