

Highland Pellets Closes \$135 Million Capital Partnership with Orion Energy Partners

Pine Bluff, AR – December 9, 2020 – Highland Pellets LLC (“**Highland**”) has announced a strategic capital partnership with Orion Energy Partners, L.P. (“**Orion Energy**”) to fund the expansion and upgrade of its existing wood pellet facility in Pine Bluff, Arkansas as well as provide capital for additional long-term growth initiatives. The facility is supported by a long-term contract with a major European power producer and, when complete, will be capable of producing up to 675,000 metric tonnes of sustainably sourced wood pellets per year.

Highland is a Pine Bluff, Arkansas-based wood pellet producer that supplies sustainably sourced renewable biomass for export where it is used as fuel for renewable base load electricity production at a converted coal power plant. The Highland facility was initially completed in 2017 and is currently undergoing equipment upgrades to improve operational performance and increase production capacity.

Highland sources sustainable fiber resources for its wood pellets consisting of trees that are not suitable for the lumber market (either due to size or quality), thinnings from crowded forests, and leftover material from local sawmills. The facility supports over 90 full-time jobs to the local community and over 330 jobs in the adjacent forest industries and transportation supply chains.

Orion Energy provides creative capital solutions to middle market energy infrastructure businesses across North America and select international markets.

“Our partnership with Orion Energy puts us in position to become a top global supplier of sustainable wood pellets,” said Tom Reilley, Highland’s CEO. “This transaction will allow us to scale up our Pine Bluff facility and continue to execute our growth strategy. Orion Energy has been a collaborative capital partner and was able to execute the transaction in an uncertain market backdrop with speed and efficiency. We look forward to growing our platform with the Orion Energy team.”

“We are pleased to partner with Highland to expand the Pine Bluff facility and provide a sustainable fuel source to support the global renewable fuels market. Tom and his dedicated team have worked relentlessly to execute their plan and we are excited to collaborate at this transformational stage,” said Ethan Shoemaker, Investment Partner and Head of the Houston Office for Orion Energy.

Barclays acted as lead arranger and sole bookrunner on the transaction. Linklaters LLP acted as legal counsel to Highland. Latham & Watkins LLP and Shearman & Sterling LLP acted as legal counsel to Orion Energy.

About Highland Pellets

Highland Pellets, LLC (“Highland”) is an Arkansas-based wood pellet producer that supplies sustainably sourced renewable biomass fuel for export to the European market. Highland’s first facility, located in Pine Bluff, Arkansas, was initially completed in 2017, and is undergoing equipment upgrades to improve

operational performance and increase production capacity. For more information, visit www.highland-pellets.com.

About Orion Energy Partners

Orion Energy Partners is a private capital partner to lower/middle market energy infrastructure and related companies, primarily in North America, with assets under management in excess of \$2.0 billion. We provide non-control and non-dilutive capital in flexible, senior secured loan structures as an alternative to equity investment and traditional loans. Our target investment sectors include downstream, renewable fuels, sustainable and conventional power generation, energy efficiency, midstream, digital infrastructure, asset-heavy services, recycling, and other industrial or environmentally innovative energy opportunities. Orion Energy manages long-term, committed capital across multiple investment funds, allowing us to forge transformational relationships across a diverse group of companies and to be patient and supportive as these organizations execute on their business plans. We aim to have more than 50% of our capital partnerships support a transition to sustainable, environmentally innovative energy businesses and practices. Please visit www.OrionEnergyPartners.com to learn more about our capital partnerships.

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