

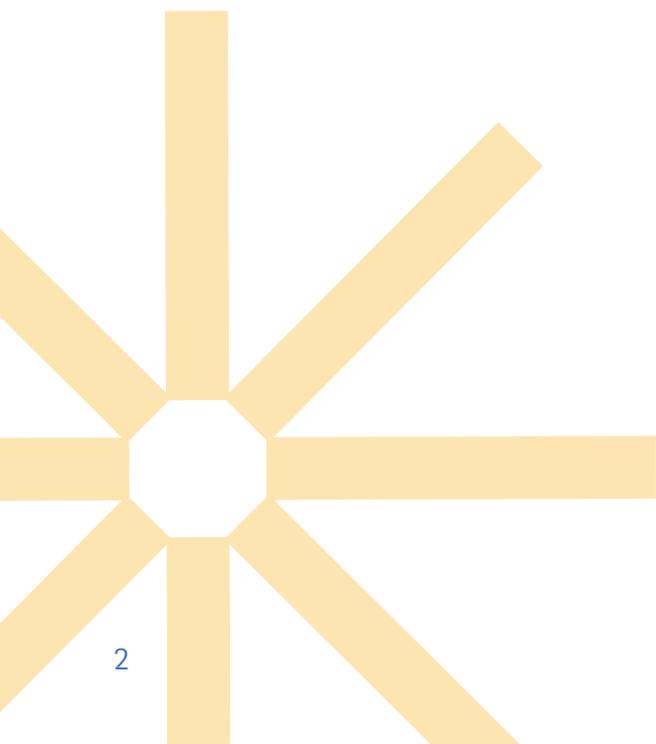
2018-19 SUSTAINABILITY REPORT





SUSTAINABILITY REPORT

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INTRODUCTION



Today it seems that every business media outlet, every investor and every corporate board room is talking about ESG (environmental, social and governance) investing. We at Kinetrex Energy welcome this discussion. Since our founding, we have worked daily to revolutionize the delivery of energy. A key component to this revolution is “common-sense environmentalism.” We believe common-sense environmentalism is driven by our Heartland of America roots and consists of four components.

First the obvious, common-sense environmentalism must indeed be good for the environment. Cleaner burning than other fossil fuels, the combustion of natural gas produces lower levels of nitrogen oxides (NOx) and negligible amounts of sulfur, mercury, and particulates. Reductions in these pollutants translate into public health benefits for hundreds of thousands of Americans. We encourage folks to compare these numbers to the comprehensive environmental impact of any other alternative fuel currently in use.

Second, common-sense environmentalism must work for all people. It must work for the poor as well as the rich. It must work for the political right and the political left. Indeed, we believe our only sincere opponents are those invested in the status quo.

Third, common-sense environmentalism must truly and ultimately lower costs to society. There is indeed a social cost to a dirty environment, unfortunately that cost is hard to quantify and varies from person to person depending upon their daily and individual challenges. Because of this subjectivity (see component #2), we at Kinetrex Energy find it is best to offer objectively lower costs. Natural gas and renewable natural gas, whether liquified or compressed, costs about \$1 per diesel gallon equivalent, cheaper than any other traditional or alternative fuel available today.

Lastly common-sense environmentalism must be practical. It cannot be based upon a theory of being cheap once economies of scale are built. It cannot be based upon a theory of investing trillions of dollars to change out the country’s electric generation fleet. It cannot be based upon unproven technology or technology that doesn’t allow people to live their lives or run their business as they do today. Practical technology deals with the world as it exists. Simply put, natural gas, liquefied natural gas and renewable natural gas is the cleanest and most practical alternative fuel available today and for the foreseeable future.

A handwritten signature in black ink that reads "Aaron Johnson". The signature is written in a cursive, flowing style.

Aaron Johnson
President and Chief Executive Officer
Kinetrex Energy

Kinetrex Energy - We Make Natural Gas Simple

At Kinetrex, 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 practical and common sense environmentalism.

The emergence of natural gas as an abundant, inexpensive, near zero NOx emission and domestic fuel is revolutionizing the delivery of energy. With steadily rising fuel costs and pressure to lower carbon footprint, companies have been searching for an alternative fuel that will address these two concerns. Liquefied Natural Gas (LNG), Pipeline Natural Gas (PNG), and Renewable Natural Gas (RNG) are now establishing themselves as the low emission fuels of choice.

OUR PRODUCTS



OUR STEPS TO SUCCESS

- Integrate products for a complete customer driven solution
- Drive adoption of disruptive energy technology in the transportation, agriculture, utility and industrial markets
- Create a zero emission portfolio by offering Renewable Natural Gas to all transportation customers
- Establish a comprehensive narrative in the public, financial and policy making forums

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 Vision

To be the United States' leading interstate LNG company providing our customers with turn-key natural gas energy solutions.

What We Value

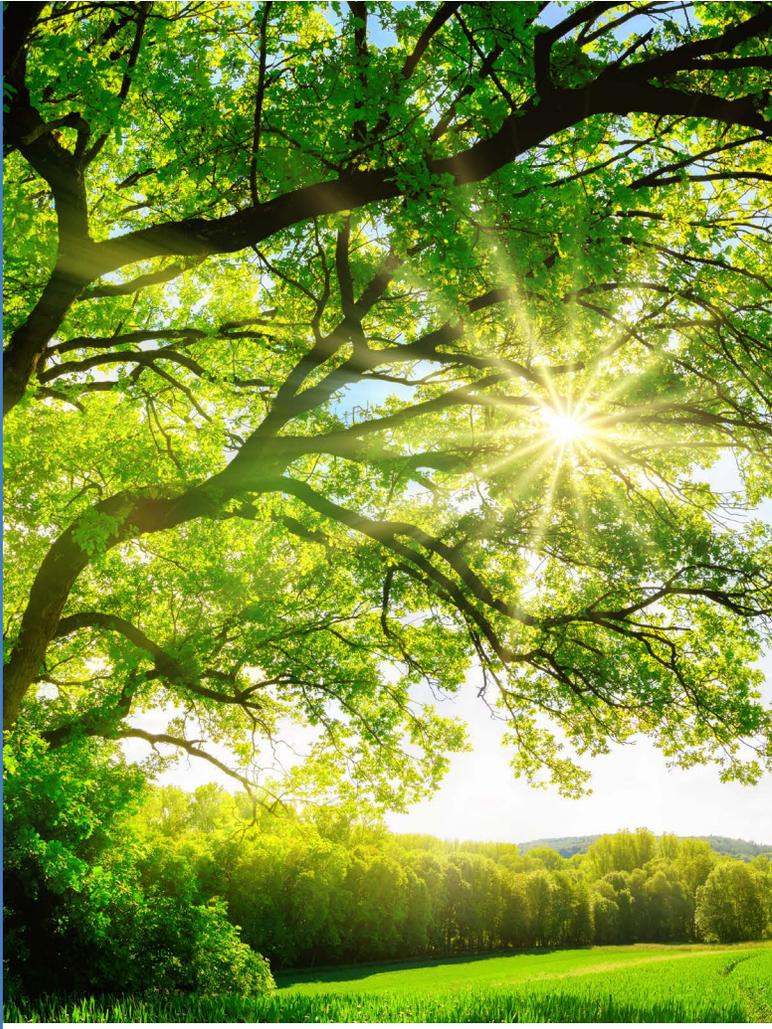
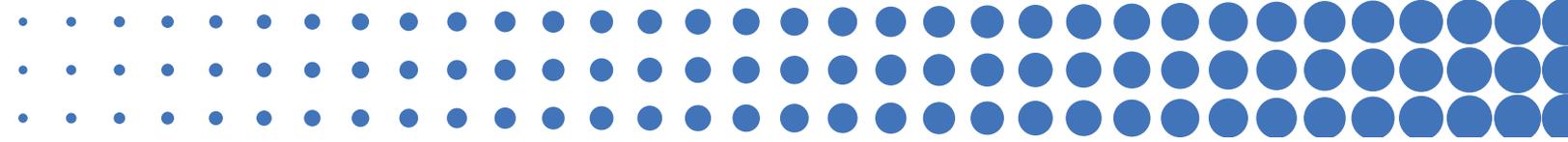
- **Integrity** - Our markets are evolving and our products are vital so TRUST is everything
- **Innovation** - We must continually SEEK the value proposition in this dynamic market
- **Collaboration** - Success happens when we PARTNER within the value chain
- **Dependability** - Our customers are relying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

HOOSIER ROOTS

Headquartered in Indianapolis, Indiana, Kinetrex sits at the geographic sweet spot for natural gas with access to four pipelines right at the crossroads of the interstate gas network – and within one day's drive of 65% of the U.S. population. We can access gas from the Rockies, the Gulf, Midcontinent, the Marcella and Utica, and even Canada to ensure the best solution for our customers.

Working with customers to find the best energy sources to fuel their businesses, Kinetrex has become a leading seller of natural gas from pipelines, as well as the number-one supplier of Liquefied Natural Gas in the Midwest. Utilizing its LNG production capacity, Kinetrex created an innovative business model that displaces dirtier and more expensive fuels across a range of industries; simultaneously focusing on how these products manufacturing processes, equipment, and partnerships help the environment.





Our Approach to Sustainability

Kinetrex Energy seeks every day to improve our environment. At the core of our effort is Hoosier practicality and common sense. Unlike many environmental initiatives, we know that we can accomplish sustainability goals while at the same time lowering the cost of business. To help drive a sustainable energy future, we prioritize our work into 7 key pillars. Each pillar comprises business activities that create value for our company and our customers.

1. Sustainable Company
2. Sustainable Products
3. Sustainable Operations
4. Sustainable Fleet
5. Sustainable Customers
6. Sustainable Team
7. Sustainable Community

Kinetrex is committed to positively affecting our communities and reducing our carbon footprint while ensuring long-term company growth. That includes providing sustainable energy solutions to many commercial markets and evaluating our carbon reducing technologies. Most importantly, we maintain a commitment to safety and reliability.

Kinetrex Areas of Focus



ENVIRONMENTAL

Be conscious of the effects of greenhouse gas emissions and pollutants on land, air and water ecosystems.



ECONOMIC

Ensure access to affordable, reliable and modern energy for industries.



SOCIAL

Employee health and safety, and community outreach are key non-environmental issues.

I. SUSTAINABILITY: OUR COMPANY

Company Overview

Kinetrex Energy is the U.S.'s leading inter-state liquefied natural gas (LNG) company and operates two significant LNG production facilities. Kinetrex provides turn-key energy solutions from a comprehensive portfolio of natural gas solutions including: LNG, renewable natural gas (RNG) and pipeline natural gas (PNG) for customers in the transportation, commercial, industrial, agricultural and power markets.

Kinetrex at a Glance – 2018

Corporate HQ: Indianapolis, IN

Indianapolis North LNG Plant: Indianapolis, IN

Indianapolis South LNG Plant: Beech Grove, IN

Employees: 39

States Served: 9



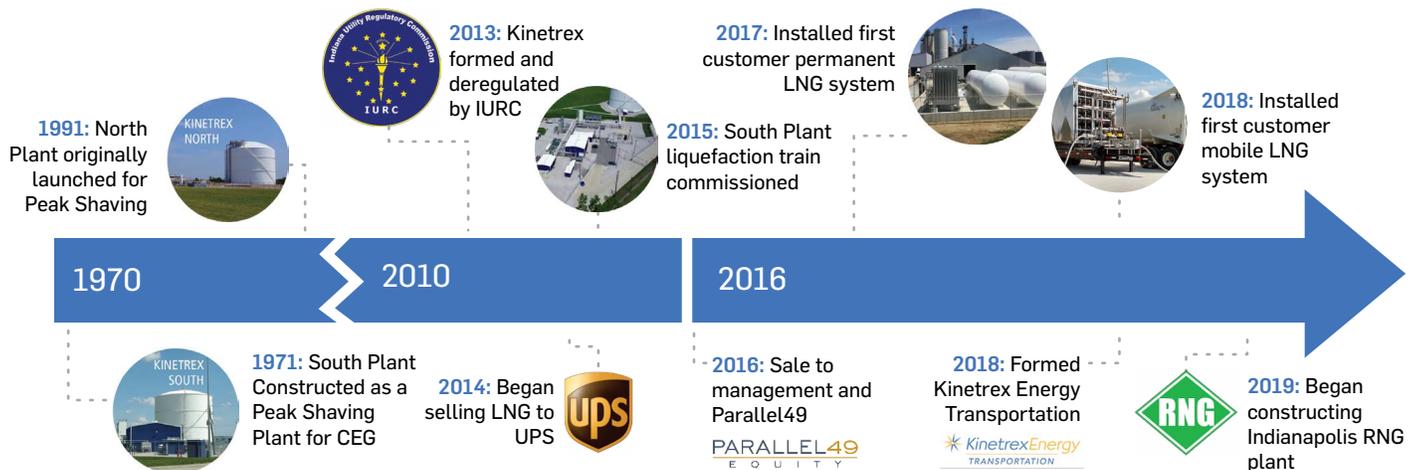
History

Kinetrex Energy's Chief Executive Officer, Aaron Johnson, and Chief Operating Officer, Craig Moore, founded the company while employed with Citizens Energy Group. Citizens Energy owned the LNG facilities and planned to retire them due to underutilization. Rather than retire the assets, Mr. Johnson and his team convinced Citizens Energy to further invest and update the assets to produce LNG for the transportation industry. At the time, there were very few companies using LNG as a transportation fuel. Mr. Johnson and Moore's foresight led to significant inroads in the alternative fuel industry and the addition of one of the country's largest alternative fuel users.

Today, Kinetrex is owned by Parallel 49 Equity and the founding executive team. Kinetrex continues to strengthen its customer base, expand its product line and make LNG a vital part of the alternative fuel discussion.

Kinetrex Energy is fully and financially committed to improving our environment, investing over \$50 million in the past five years to achieve our goal. Because our projects are grounded in common sense and practicality, we have not needed grants, donations or other creative/non-traditional financing techniques. The success of the LNG plants and fueling stations have created accretive financial benefits that will allow Kinetrex Energy to invest in additional projects in the near future.

Milestones



Associations

Kinetrex proactively engages with many trade and industry associations to share best practices, engage stakeholders and create action toward a sustainable economy. We are committed to organizations that seek expanding access to, and acceptance of, liquefied natural gas and renewable natural gas as an alternative energy source. We engage directly with policymakers in Washington, D.C. and at the State level, and indirectly through groups and various informal organizations. We support meaningful congressional and regulatory actions to reduce greenhouse gas emissions, as well as policies that advocate the development of sustainable energy technologies.

In 2018 Kinetrex Energy was a member of several sustainability-focused organizations, including the following:

NGVAMERICA Natural Gas Vehicles for America | Kinetrex Energy has joined the ranks of more than 200 companies with membership and participation in NGV America. NGV America is the national association working to grow a sustainable market for natural gas as a cleaner transportation fuel.

greater Indiana clean cities coalition | Greater Indiana Clean Cities advances alternative, domestic fueled transportation including energy efficient technologies across all sectors in Indiana. As a board member, Kinetrex works with Greater Indiana to host educational and networking events fostering opportunities for partnerships between fleets and industry providers. By facilitating these partnerships and projects, we assist in promoting efforts to reduce dependence on foreign oil and improve the environment.

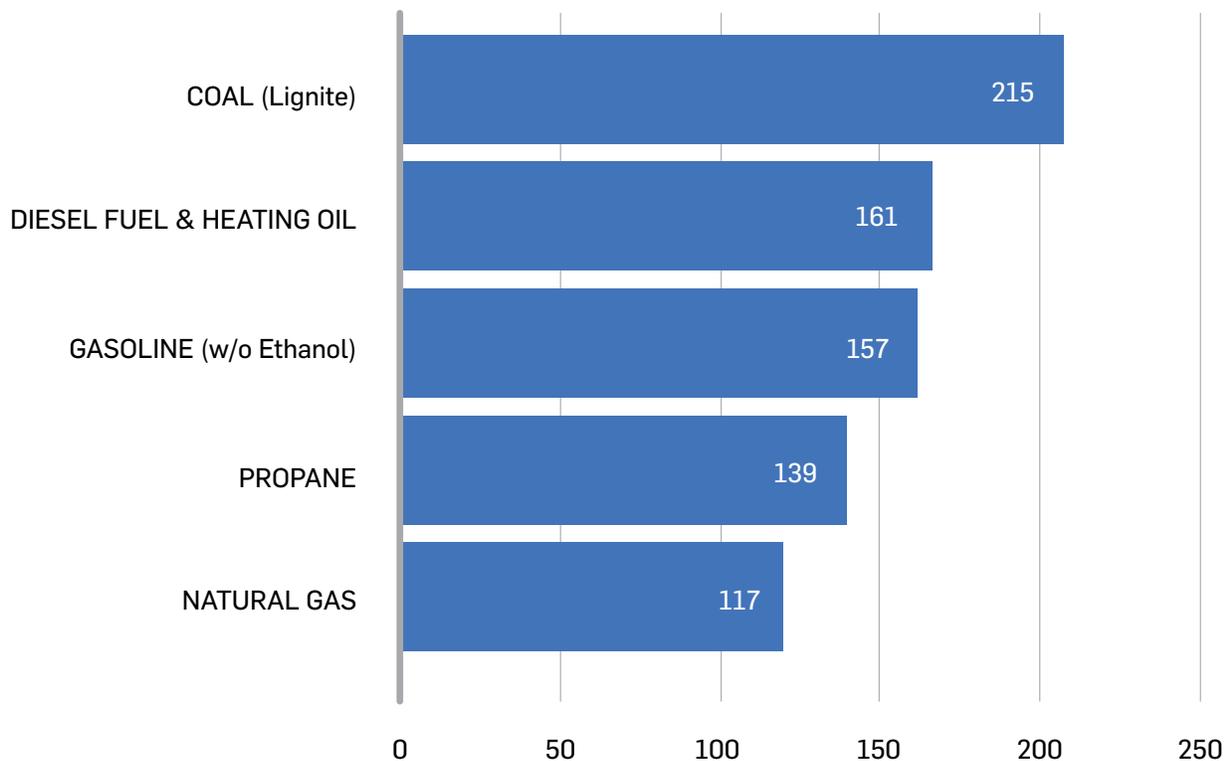
THE COALITION FOR RENEWABLE NATURAL GAS | Kinetrex has joined the RNG Coalition to advocate for increased renewable natural gas development and deployment so that present and future generations will have access to domestic, renewable, clean fuel and energy supply. The RNG Coalition is a member-led non-profit organization dedicated to the advancement of renewable natural gas (biogas, biomethane or 'RNG') as a clean, green, alternative and domestic energy resource.

II. SUSTAINABILITY: OUR PRODUCTS

Kinetrex' goal is to improve businesses by providing access to affordable, reliable, sustainable and modern energy solutions. The United States has relied on natural gas for almost one quarter of all energy used. In the last 10 years, the United States produced between 85 and 90 percent of the natural gas it consumed.^[1]

Cleaner burning than other fossil fuels, the combustion of natural gas produces negligible amounts of sulfur, mercury, and particulates. Burning natural gas produces lower levels of nitrogen oxides (NOx) and carbon dioxide (CO₂), which are precursors to smog, than gasoline and diesel used for motor vehicles. Reductions in these emissions translate into public health benefits, as these pollutants have been linked with problems such as asthma, bronchitis, lung cancer, and heart disease for hundreds of thousands of Americans. Furthermore, natural gas can also be obtained from renewable sources such as biomass and biogenic raw materials.

POUNDS OF CO₂ EMITTED PER MILLION BTU



[1] Energy Information Administration (EIA), Annual Energy Review 2003, September 2004.



LNG – Liquefied Natural Gas

Liquefied Natural Gas (LNG) has been well known since the first half of the 20th century and been established as a fuel source for everyday commercial use. LNG is refined natural gas which has been converted to liquid form for ease of storage and transport. LNG takes up about 1/600th of the volume of natural gas. Depending upon its exact composition, natural gas becomes a liquid at approximately -260°F .

LNG is easily and conveniently transported via long-haul fleets throughout North America. This gives LNG the ability to create a “virtual pipeline” – to connect natural gas that is far from any market with the people, factories, and power plants that require the energy.

LNG is playing an increasingly larger role in the country’s growing demand for energy. The ability to store LNG (short term or seasonal use) enables utilities to meet fluctuations in demand, be it from hot summer days to the coldest days in the winter. On these peak-demand days, Kinetrex LNG can prove vital because of the ability to deliver large amounts of natural gas into utilities on short notice.

Environmental and Safety

LNG is a colorless, odorless, non-toxic, non-corrosive, cryogenic liquid. LNG is not explosive in open air, toxic, carcinogenic or chemically reactive. Even though LNG will burn, making it a valuable energy source, it has a low flammability level due to low oxygen levels in its liquid state. LNG vapor is only subject to explosion if it is in an enclosed space within the flammable range of 5-15% when mixed with air.

If a leak or spill occurs, LNG vapors immediately begin absorbing heat from ambient air and soil, become lighter than air, rise and dissipate. Gasoline and fuel oil are more flammable in their liquid state and contain toxic components. And, unlike diesel and fuel oil, if LNG is spilled on land or water it will vaporize and the natural gas will dissipate leaving no residue. The environmental impact of LNG spills is minimal because the components of LNG are non-toxic and insoluble in water.

Personal protective equipment should always be worn around LNG, consisting of cryogenic gloves, cotton or fire retardant (FR) long-sleeve shirt, flame retardant (FR) long pants, and a face shield to protect the head from splashing liquid. Any exposed skin that comes in contact with LNG will get a cryogenic burn. Unless a person is incapacitated, exposure to cold LNG vapor should not be life-threatening.

More information on properties are available in [LNG Safety Data Sheet \(SDS\)](#)>.

Comparison Between LNG and Other Fuels

	LNG	Propane	Diesel	Waste Oil
Leaks & Spills	Vaporizes to atmosphere	Gathers in low areas	Puddles on the ground	Puddles on the ground
Emissions (lbs. CO2 emitted by source per million Btu)	0	139	161	210

**Based on typical data ranges*

**Carbon Dioxide is removed from the LNG process <50 parts per million with a normal operating range of 2-5ppm*

Midwest liquefied natural gas supplier keeps customers warm on subzero days

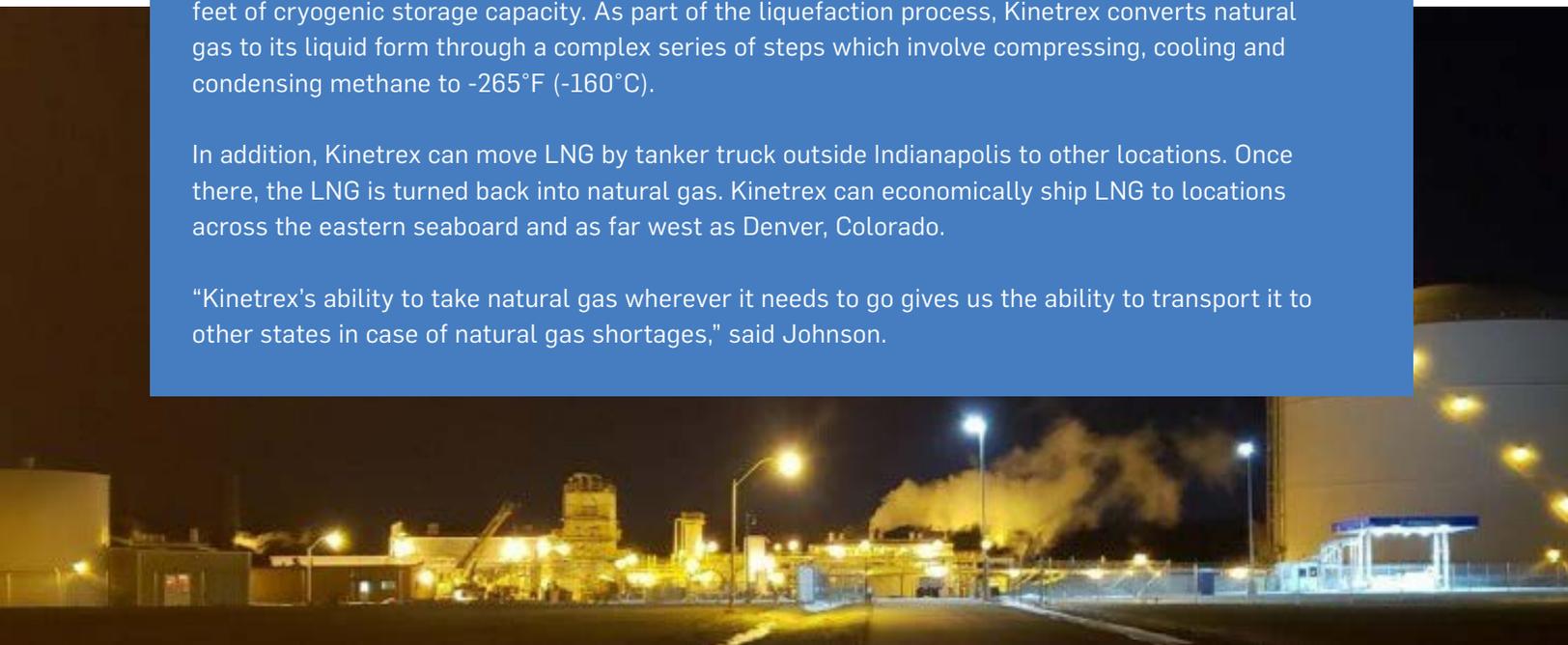
Kinetrex Energy, the leading supplier of liquefied natural gas (LNG) in the Midwest, continues to keep customers warm even on subzero days. Unlike other cities where customers have been urged to conserve natural gas, Kinetrex has a plentiful supply of LNG that can be turned back into natural gas and pushed into the distribution system for commercial and residential usage.

“The importance of keeping customers warm cannot be underestimated, especially during days when temperatures drop below zero for several days in a row,” said Aaron Johnson, CEO of Kinetrex Energy. “Last winter, gas customers throughout the Midwest were asked to turn down their thermostats to 65 degrees due the risk of natural gas shortages. Fortunately, our utility and industrial customers in states such as Ohio, West Virginia and right here in Indianapolis did not have these issues as our LNG was used and available to supplement pipeline natural gas supplies as needed.”

Kinetrex operates two significant LNG production facilities located in Indianapolis, with 2 billion cubic feet of cryogenic storage capacity. As part of the liquefaction process, Kinetrex converts natural gas to its liquid form through a complex series of steps which involve compressing, cooling and condensing methane to -265°F (-160°C).

In addition, Kinetrex can move LNG by tanker truck outside Indianapolis to other locations. Once there, the LNG is turned back into natural gas. Kinetrex can economically ship LNG to locations across the eastern seaboard and as far west as Denver, Colorado.

“Kinetrex’s ability to take natural gas wherever it needs to go gives us the ability to transport it to other states in case of natural gas shortages,” said Johnson.



LNG Equipment

Kinetrex is a Vertically Integrated Solutions Provider (VISP). We are organized to focus on efficiently providing our customers with integrated energy solutions. We buy gas at the wellhead, liquefy the gas in two LNG plants, transport the gas 24/7/365 to customer locations via Kinetrex Energy Transportation (KET); and manage the construction of mobile and permanent LNG fueling stations, storage and regassification systems. Managing these four steps enables Kinetrex to provide the lowest-cost LNG and eases the transition to LNG for an operation.

MOBILE LNG SYSTEMS



PERMANENT LNG SYSTEMS



LNG TRANSPORTATION



Kinetrex Energy receives “Driver of Change” Award

The Greater Indiana Clean Cities Coalition presented Kinetrex Energy with its 2019 “Driver of Change” award for its innovative mobile LNG fueling system. Kinetrex Energy is the leading supplier of liquefied natural gas (LNG) in the Midwest. The mobile LNG fueling system is designed to easily transport and fuel fleets with environmentally-friendly LNG.

Each year, Greater Indiana Clean Cities Coalition recognizes fleets with the Clean Fleet Awards. Clean Fleets of Indiana is a voluntary recognition program of Greater Indiana. The program is structured to provide flexibility for diverse fleets across the state to pursue best practices while achieving recognition for successes along the way.

“We are proud to receive this award for our innovation in fueling transportation fleets,” said Craig Moore, COO of Kinetrex Energy. “By improving environmental friendliness and reducing costs in long-haul fleets, we are making an important contribution to the energy transition.”

The mobile LNG fueling system addresses the needs of transportation fleets by enabling onsite fueling without the capital costs of a permanent station while not being reliant upon high retail fuel costs. LNG has been the safest fuel on the market for many years and LNG produces much lower carbon emissions when compared to diesel.



Craig Moore (right) COO at Kinetrex Energy, accepts the award from Kerri Garvin (middle), Executive Director of Greater Indiana, and Larry Campbell (left), President of Greater Indiana Board of Directors, on February 21, 2019 at Oliver Winery in Bloomington, Indiana.

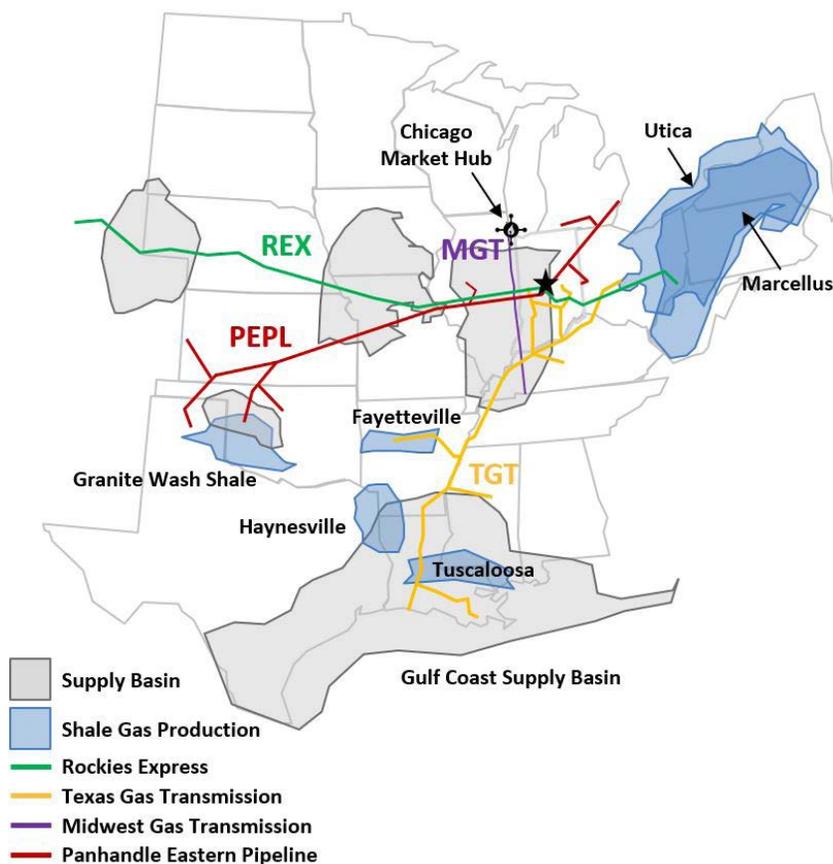
PNG – Pipeline Natural Gas

Times have changed from when businesses had no options in choosing their natural gas provider. Historically, there was only one utility company that was given exclusive rights over the supply, transmission, and delivery of your energy. The Federal Energy Regulatory Commission (FERC) changed this in 1996. They determined competition should be introduced through deregulation. Qualified businesses now have the option of choosing a natural gas marketer to purchase their natural gas supply, separate from their local utility.

Kinetrex sells pipeline natural gas (PNG) as a third-party gas supplier to commercial, industrial, transportation, utility and power customers using the interstate pipeline and your local utility's gas distribution system. Kinetrex is the only Indiana based gas marketer and is the largest supplier on the Citizens Energy Gas System.

Kinetrex' central geographic position in Indiana sits at a crossroads of interstate pipelines and allows it to benefit from direct access to four natural gas pipelines providing diversity of its supply sources. This can help customers save between 10% - 30% compared to their utility gas costs.

KINETREX ENERGY INTERSTATE PIPELINE MAP





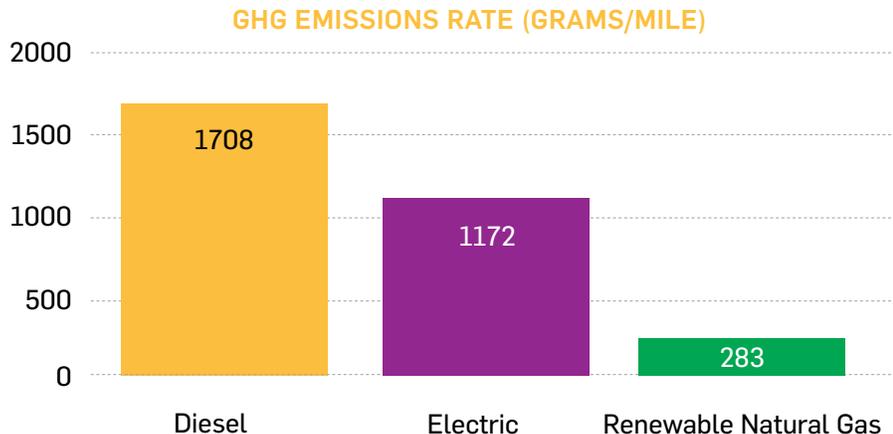
RNG - Renewable Natural Gas

Providing LNG as an energy replacement is the first step in revolutionizing the alternative fuel industry. By demonstrating the commercial viability of LNG at scale, Kinetrex Energy has made additional investments into even cleaner fuels such as bio-methane developed from Renewable Natural Gas (RNG).

Kinetrex believes in the importance of growth in renewables. Companies are increasing their demand for renewable energy to meet their power needs. Nearly 120 large corporations have committed to buying 100 percent renewable energy as part of the RE100 initiative [source: <http://re100.org/>].

While natural gas is seen by many as a “transition fuel”, RNG is a practical fuel that is available today at scale. It is an ultra-clean and ultra-low-carbon natural gas alternative. It is produced by capturing and refining fugitive methane, called biogas, produced from municipal wastewater treatment systems, animal waste and landfills. The use of RNG versus natural gas further reduces CO₂ emissions by an additional 75% resulting in a near zero carbon emissions fuel. A carbon negative footprint is possible because absent the process to capture and refine the biogas, it would otherwise escape into the atmosphere.

RNG delivered to the transportation segment via LNG is the cleanest and highest quality transportation fuel available. RNG is cleaner than electric and offers additional per gallon savings. The data below is gathered from Argonne National Laboratory and compares the GHG emissions (grams per mile) of Renewable Natural Gas (provided from landfills), Diesel, Electric, and propane long-haul heavy-duty trucks.



Environmental Impact of a Green Fleet

1,000,000 gallons of diesel fuel replaced by Liquefied Renewable Natural Gas (LRNG) is equivalent to:



To calculate your fleet's environmental impact, go to kinetrexenergy.com/emissions-calculator

Kinetrex breaks ground on renewable natural gas plant in Indianapolis



Plant will turn greenhouse gas from trash into fuel and significantly lower emissions

Kinetrex Energy, EDL and South Side Landfill announced that they have broken ground on a new renewable natural gas (RNG) facility in Indianapolis. The completed facility will convert landfill gas into approximately 8 million gallons of RNG each year, and in the process will reduce greenhouse gas air emissions, develop a local renewable resource, lower fuel costs and create high-paying jobs and economic development in Indiana. It will be the largest RNG project in Indiana.

“This is a major milestone for Kinetrex Energy, our partners and central Indiana,” said Aaron Johnson, president and CEO of

Kinetrex Energy. “The plant strengthens our position as leaders in the creation of renewable fuel and natural gas delivery. The RNG from the landfill will fuel Class 8 vehicles throughout the Midwest and will replace over 8 million gallons of diesel. RNG is cheaper than diesel and significantly reduces the emission of methane and other greenhouse gases.”

The decomposition of organic material creates methane, which is a potent greenhouse gas if released into the atmosphere. According to the U.S. Environmental Protection Agency, methane is 28-36 times stronger than carbon dioxide. The plant’s reduction in greenhouse gas emissions is equivalent to removing up to 19,000 passenger cars from the road each year.

“We are proud to partner with Kinetrex Energy and EDL to make this project possible,” said South Side Landfill President Mike Balkema. “South Side Landfill has been proactively capturing gas at the landfill for commercial use for more than 30 years, and this is the latest step in reducing emissions to make our city safer and healthier for our residents.”

The plant will create 50 construction jobs and four full-time positions after construction is complete. The new plant will sell the RNG to Kinetrex Energy where it will be turned into liquefied natural gas (LNG) and sold to Midwest transportation fleets. Compounding the environmental benefits of RNG, LNG engines available today have 90 percent lower emissions than the cleanest diesel.

“Once operational, the project will reduce methane emissions by approximately 17,000 tons per year, and carbon dioxide emissions by approximately 41,000 tons per year—which is equivalent to emissions from almost 47 million gallons of gasoline consumption,” said EDL North America CEO Jim Grant. “We look forward to working with Kinetrex Energy and South Side Landfill to harness the full potential of RNG to help decarbonize the transportation industry.”

The new RNG plant will be completed and fully operational in January 2020.

III. SUSTAINABILITY: OUR OPERATIONS

Sustainable operations is just one of the pillars of our company strategy focused on improving the environment. We are working to improve efficiency and reduce emissions from the plants, and in the process, reduce our carbon footprint, and environmental and employee incidents.

As we provide cleaner energy, we improve the impact of our plant operations on our employees and the environment. Additionally, any gas not liquefied or used in the liquefaction process is returned back into the pipeline system. This helps us realize cost savings while improving the environment where we operate.

PLANT FACTS

North plant: 4536 West 86th Street, Indianapolis, IN
South plant: 3565 Big 4 Road, Indianapolis, IN
Total LNG capacity: 24 million gallons
Interstate pipeline connections: 4
North production capacity: 100,000 gal.(8,500 dth)/day
South production capacity: 110,000 gal.(9,000 dth)/day
Total loading stations: 4 operating 24/7/365

Plant Production

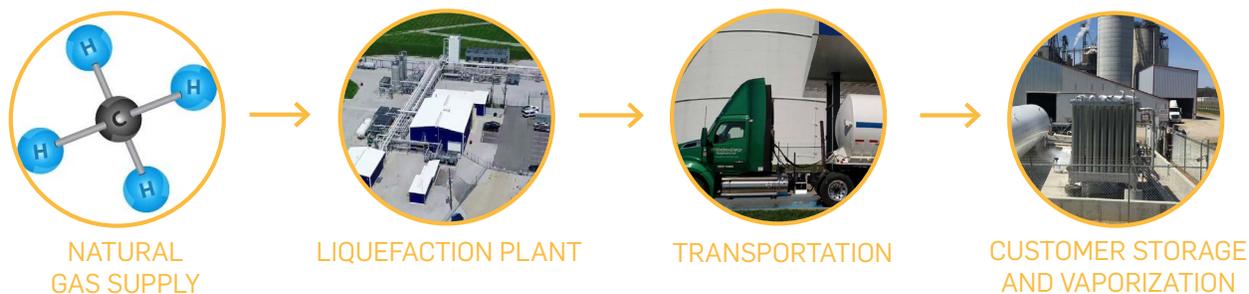
Kinetrex produces the most LNG in the Midwest. Utilizing two manufacturing facilities, Kinetrex created a business model that displaces dirtier fuel across a range of industries. Kinetrex liquefied natural gas production is an innovative way to manufacture a low carbon fuel that is easily

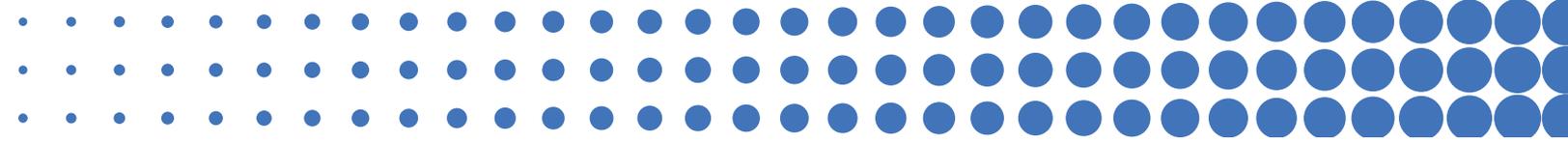
transportable all across the Midwest. In 2018, Kinetrex replaced approximately 43.3 million gallons of diesel fuel with liquefied natural gas.

Kinetrex pulls natural gas from interstate pipelines and is brought into Kinetrex' liquefaction plant. The plant locations are unique since it gives Kinetrex the optionality of receiving gas from various supply basins. This creates redundancy of gas supply and enables Kinetrex to procure gas at the lowest possible cost, thereby, passing cost savings to customers.

Natural gas is pulled from the pipeline and brought into the liquefaction plant for pre-treatment. Pre-treatment is designed to remove impurities in pipeline gas like water, carbon dioxide, and mercaptan (gas odorant). The result is a greener and more stable fuel source. The liquefaction process cools natural gas to change it to a liquid which reduces the volume occupied by the gas by approximately 600 times. This density allows LNG to take up less space, which makes it an ideal fuel to transport. Once transported to the customer's location, LNG is stored in cryogenic containers and then regasified via a vaporization system that warms the LNG back to its vapor gas state.

LNG Liquefaction and Regasification Processes





Environmental

Kinetrex is committed to doing our part to reduce carbon emissions within our operations while simplifying the progress toward a sustainable energy future. We monitor the environmental impact our plants make. Even though our products are leading-edge in reducing CO₂, we will not meet our sustainability goals by simply focusing on our products. Meeting these goals is never going to be met by adding more lower emission and renewables to our product portfolio, but rather by focusing on decarbonizing across all aspects in the company.

Our plants generate zero CO₂ during the liquefaction process due to a closed loop system. All residual gas not liquefied is reinjected into the natural gas pipeline whereby it is used as typical natural gas. This is where CO₂ is returned back into the feedstock pipeline instead of being released in the atmosphere. We have also increased sustainability for our plants by reducing waste, conserving water, and upholding safety standards.

We assess our plants each year through environmental measurements, which include notices of violations, reportable spills and compliance with laws and regulations. For 2018, we achieved zero violations on emission limits and zero for 2019 (to-date).

Safety Standards

The safe manufacturing, storage and transportation of LNG is essential for the continued existence and growth of the LNG industry. While LNG has been in existence for more than sixty years, there have been very few accidents, incidents, injuries or deaths in the LNG industry. Kinetrex' plant operations is grounded in this statement because of robust safety systems and overall attention to detail in design, solid construction and stringent operational practices. All of these factors serve to prevent accidents, incidents and inadvertent product releases. Kinetrex' excellent safety record is evidence of this commitment.

Inspections

Kinetrex safety activities fall under the jurisdiction of OSHA (Occupational Health and Safety Administration), The Federal Energy Regulatory Commission (FERC), Pipeline and Hazardous Materials Safety Administration (PHMSA), National Fire Protection Association (NFPA), DOT (Department of Transportation), and Dept. of Homeland Security (DHS).

Employee Safety

"Safety first" is Kinetrex' core value. This is evident in our performance for Occupational Safety and Health Administration (OSHA) recordable injuries. In 2018, we honored our safety value by staying well below the industry average incident rate by registering only one lost time accident and zero for 2019 (to-date).

Kinetrex provides comprehensive safety procedures and equipment at all of its LNG facilities to help maintain an outstanding record of worker safety. Operations and maintenance personnel in Kinetrex facilities are required to be trained, both initially and periodically thereafter, in hazard communication, personal protective equipment, emergency action plans, fire prevention and protection, security procedures, providing first aid, among other general operations and industry-specific safety topics.

Containment

Reducing methane leaks is a top priority for Kinetrex. Methane leaks can occur at any stage of production, transportation, distribution or storage if containment practices are inadequate. While the use of natural gas as a fuel is beneficial in the reduction of greenhouse gas emissions, uncontrolled methane leaks are mitigated by process controls. This allows for strategically designed venting to maintain a high level of safety to property, personnel, and equipment.

As an issue of safety and environmental stewardship, Kinetrex looks for potential sources of methane emissions. Our LNG plants employ industry safeguard systems which are designed to immediately detect, control and mitigate the consequences of any LNG or natural gas release in a plant.

The leak detection and response systems at Kinetrex incorporate a wide array of devices and technologies, including alarms, emergency plans and shutdown valves, fireproofing/fire-resistant barriers and coatings, flame detectors, gauging devices, pressure controllers, relief valves, smoke detectors and temperature sensors. Our plants have remote monitoring screens to provide a safe and secure way to monitor the situation and manage the overall facility. Moreover, to safeguard against leaks, our storage tanks feature a double-wall containment system and a surrounding dike that provides secondary containment to safely isolate in the unlikely event of an LNG spill.



Kinetrex Invests Over \$4 Million to Increase Production at its LNG North Plant

Kinetrex Energy announced the installation of a new \$4 million cold box at its liquefied natural gas (LNG) plant on the north west side of Indianapolis. The newly installed Air Liquide cold box will expand the plant's production capacity by 30%. The unit went on-line in early February 2019.

"We are in the process of modernizing and increasing production of the LNG North plant, which was originally built in 1991," said Aaron Johnson, President and CEO of Kinetrex Energy. "LNG North plays an important role not only for Kinetrex but also for the City of Indianapolis insofar

as it has the ability to vaporize up to 180,000,000 cubic feet of natural gas per day into the Citizens Gas distribution system if called upon by the utility."

The liquefaction process cools, condenses, and reduces the pressure and temperature of the natural gas so that methane, the main constituent of natural gas, liquefies. Cold boxes convert a gas to a liquid at a very low temperature (-260F).

IV. SUSTAINABILITY: OUR FLEET

Kinetrex Energy delivers LNG to its customers using LNG-powered Class 8 trucks under Kinetrex Energy Transportation (KET). These vehicles, purchased in 2018, completed Kinetrex Energy's plan to become a full-scale manufacturer and deliverer of LNG.

KET transports LNG 24/7/365 to the customers site via cryogenic trailers across North America. These LNG road tankers are double-skinned with insulation in between and one LNG truck holds approximately 840 dth, or 10,000 LNG gallons. Customers have permanent and mobile on-site LNG storage customized to their operation and needs.

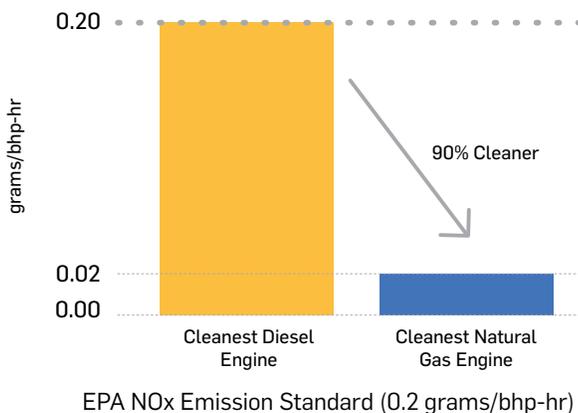
As a liquid, LNG is 1/600th of its volume as a gas. Transportation via KET allows the distribution of energy to areas which are far from established gas distribution networks. Many parts of the Midwest are supplied by KET road tankers because customers do not have pipeline access and/or not cost effective to lay pipelines.

Emissions

Heavy duty vehicles total 7% of all vehicles on America's roadways, yet they account for upwards of 50 percent of all smog-precursor emissions and 20% of all transportation-related greenhouse gases (GHGs). As a company, KET strives to be the environmental leader in the energy industry by powering our trucks with lower carbon fuels like LNG; thus, meeting or surpassing emissions requirements.

LNG provides significant environmental benefits when used as a vehicle fuel versus diesel. Today's LNG engines, many of which are manufactured by Indiana-based Cummins Westport, reduce NOx emissions by 90%. LNG also reduces greenhouse gas emissions by up to 20% versus the cleanest diesel engine. These engines far exceed the EPA's requirements for similar diesel engines.

COMPARING EPA ENGINE CERTIFICATIONS



EVERY DIESEL REPLACED BY THE CUMMINS WESTPORT, IS EQUIVALENT TO TAKING 119 LIGHT DUTY TRUCKS OFF THE ROAD

Safety

LNG has the best safety record of any fuel. If a leak or spill occurs, LNG vapors immediately begin absorbing heat from ambient air and soil, become lighter than air, rise and dissipate. Gasoline and fuel oil are more flammable and, in their liquid state, contain toxic components – if these hydrocarbons are spilled, unlike LNG, there will be an environmental impact.

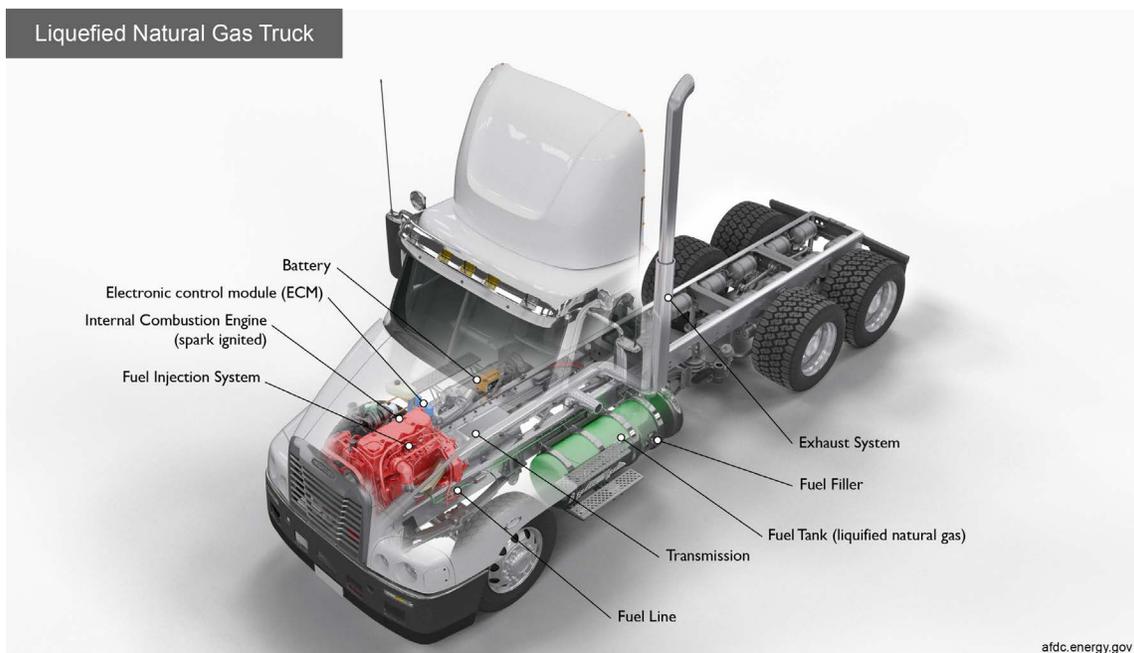
Kinetrex takes the safety and training of our drivers with the highest priority. Our drivers must complete mandatory safety and DOT training in the following areas:

- Hazmat Driver Training – Class A CDL with Hazmat endorsements and Tanker endorsement
- General Awareness – Compliance with DOT hours via TRANSFLO
- Function Specific Training – Annual DOT training
- Safety and Enhanced Security Awareness – Motor Vehicle Records (MVR) checked every 6 months and DOT physicals and drug testing
- Loading/Unloading Procedures – Apprenticeship program with seasoned Kinetrex driver

The Pipeline and Hazardous Materials Safety Administration (PHMSA) within U.S. Department of Transportation (DOT) has the authority to promulgate and enforce safety regulations and standards for the transportation of LNG.

How Do LNG Trucks Work?

Heavy-duty liquefied natural gas (LNG) vehicles work much like gasoline-powered vehicles with a spark-ignited internal combustion engine. The natural gas is super-cooled and cryogenically stored in liquid form in tanks on each side of the truck. LNG is most often used in heavy-duty vehicles to meet range requirements. Because it is a liquid, the energy density of LNG is greater than CNG, so more fuel can be stored on board the vehicle. This makes LNG well-suited for Class 7 and 8 trucks traveling longer distances. For more information and key components of an LNG truck go to: kinetrexenergy.com/how-lng-trucks-work



Kinetrex Energy launches LNG transportation venture

An Indianapolis-based company committed to alternative fuel sources now has tractor-trailers on the road powered by liquified natural gas (LNG) rather than diesel. Kinetrex Energy's latest addition to its service offerings showcases the company's confidence in LNG as a clean-burning, reliable, affordable fuel source.

"Every day we tout the benefits of LNG to our customers and prospective customers," said Kinetrex President and CEO Aaron Johnson. "By purchasing our own LNG powered tractor-trailers and fueling them with LNG, we are demonstrating our belief in the product we sell."



New Kinetrex tractor-trailers will be powered by LNG

Third-party vendors were traditionally used to transport LNG to the customer from one of Kinetrex's two Indianapolis liquefaction plants. Kinetrex will still rely on vendors for some transportation needs, but the company's ability to transport fuel using its own tractor-trailers allows Kinetrex to be in complete control of the customer's experience. Each tractor-trailer comes equipped with onboard-computing technology, which allows Kinetrex to closely monitor the effectiveness of LNG.

"We'll basically have a rolling laboratory and see firsthand the analytics including gas mileage, service needs and other

diagnostics," said Johnson. "We will share this information with our customers and the public so as to better inform their decisions about the benefits of converting to this economical and clean-burning, 21st century American fuel." "Not only is LNG the cheapest fuel available, whether alternative or traditional, but from well to wheel it is also the cleanest with NOx emissions lower than either the cleanest diesel or electric powered vehicle."

Kinetrex's two new LNG powered tractor-trailers will be used during peak demand in addition to everyday deliveries. As demand for LNG continues to increase, Kinetrex expects to expand its LNG fleet in the near future. Kinetrex's growth can be seen off the road as well. Since late 2016, Kinetrex has increased its employee base by 75 percent and its revenue by 60 percent.

"We're excited about our forward momentum both in adding employees and adding services," said Johnson. "Our streamlined processes now take gas from the wellhead to Indianapolis, liquifies it, transports it and then stores and vaporizes the LNG at our customers' location. Launching this new service as part of our drive to become a vertically integrated service provider, gives us a unique ability to enhance our customer experience, increase reliability and decrease total costs to the customer"

V. SUSTAINABILITY: OUR CUSTOMERS

Kinetrex' customers are our partners. We strive to bring them a diverse portfolio of solutions and expertise to create a sustainable and economical approach that is the right fit for their energy needs. To properly meet these needs of our customers, Kinetrex offers customers a business portfolio divided into three areas; all of which creates a simplified turn-key approach:

- Product - liquefied natural gas, pipeline natural gas, and renewable natural gas
- Services - transportation, field services, maintenance and installation
- Systems - mobile and permanent LNG storage and regasification systems

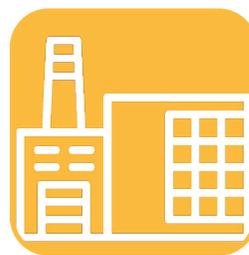
Kinetrex Energy's energy solutions have revolutionized the alternative fuel industry in the Midwest. The use of natural gas reduces dependence on foreign oil and dependence on higher emitting alternatives like gasoline and diesel. To support this assertion, in 2018 Kinetrex served 9 states and is the largest LNG provider in the Midwest.

A key part of our business model is to enable customers to achieve sustainable energy across a variety of business verticals. In 2018, we provided energy to consumers in the transportation, commercial, industrial, agricultural and power markets. These markets have adopted natural gas because of the large amount of energy they consume and are facing increasingly stringent emissions and/or environmental requirements. Kinetrex' mobile and permanent LNG solutions also allow use of a virtual natural gas pipeline to our customers that are "off the grid". This is a remedy for those that do not have direct access to natural gas pipelines due to location restrictions.

Our Customer Segments



AGRICULTURE



COMMERCIAL AND INDUSTRIAL



TRANSPORTATION



POWER GENERATION AND UTILITIES

Emissions

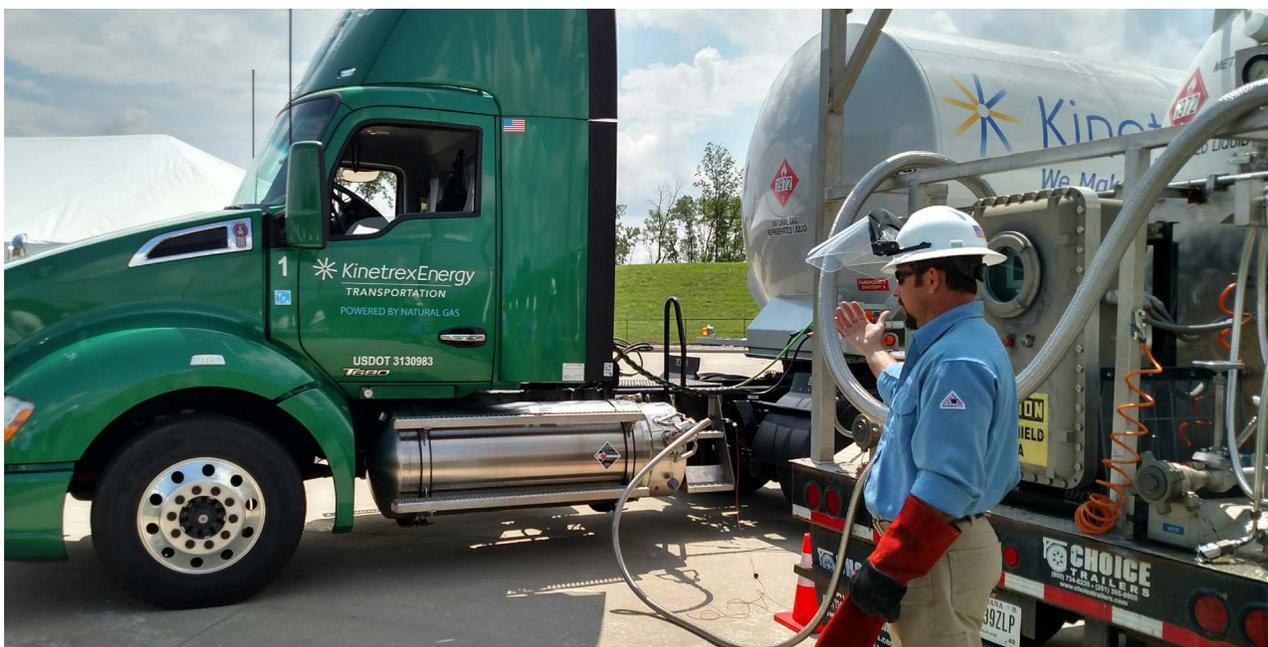
Many of our customers are concerned about climate change. Kinetrex Energy provides LNG as a diesel fuel replacement to over 550 trucks in central Indiana and the Midwest. One of the benefits of natural gas is that it is a lower greenhouse gas fuel source. Natural gas consists mostly of methane, and when combusted can produce about 27 percent less carbon dioxide than diesel, thus helps our customers reduce their carbon footprint.

The emergence of natural gas as an abundant, inexpensive fuel in the United States is prompting a big change in the way natural gas is used by our customers. The economics of liquefied natural gas compared to diesel is mostly appealing for vehicles with high over the road travel and thus higher fuel use. With unpredictable fuel costs and pressure to lower carbon footprint, transportation fleets have been searching for an alternative fuel that will address these two concerns. LNG is now establishing itself as the environmentally-friendly fuel of choice for our customers.

LNG is also a colorless, odorless, nontoxic and noncorrosive fuel. Any LNG spill would evaporate with no residual impact on the environment. Further, our customers have reported higher satisfaction using LNG in their trucks rather than diesel. LNG's performance rivals diesel on a torque and miles per gallon basis; and drivers do not experience any residual smell while fueling or operating vehicles.

Materials Reductions

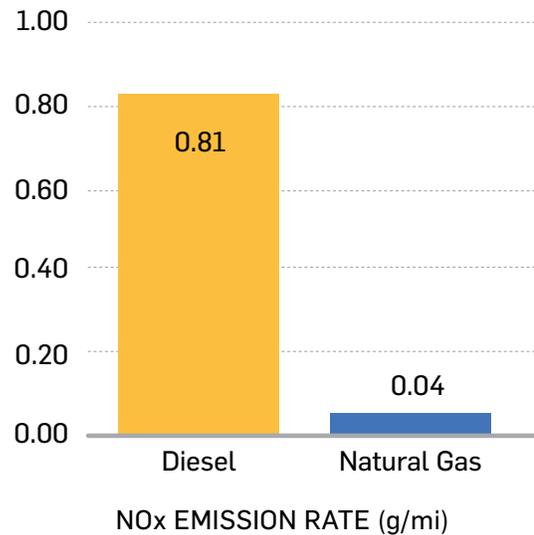
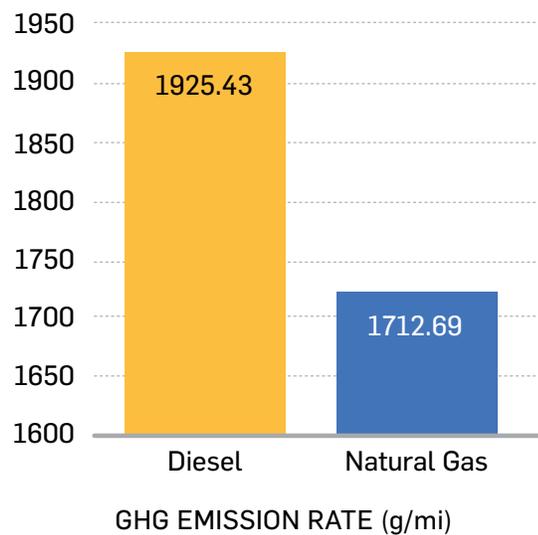
The latest LNG tank technology provides a lightweight fuel system with the range capacity for our customers regional transportation network. Since LNG is compressed 600x, LNG fuel systems are lightweight; up to 500 lbs. lighter than diesel. This lightweight system reduces fuel economy loss to only 10% less than diesel. An LNG fuel system enables 800+ mile range for a day-cab, which is ideal for our customers hub-and-spoke transportation network.



2018 Customer Emissions Reduction

Kinetrex Energy provides LNG to the largest Class 8 LNG truck fleet in the United States. The data below is gathered from a Kinetrex Energy customers' natural gas heavy-duty truck fleet. The greenhouse gas model was developed by the Argonne National laboratory and shows the amount of greenhouse gas and NOx emissions reduced (grams per mile) from this fleet's conversion from diesel to LNG. The customer data is based on a 2018 estimate of the following:

- Cummins Westport Engine
- 24,350,000 LNG gallons consumed
- 6.5 miles per gallon



By implementing natural gas, our customer reduced their GHG emissions by 11% and reduced their NOx emissions by over 95%.

Customer Satisfaction

Our customers make purchasing decisions based on a variety of factors, including price, brand, emissions, product choices and turn-key solutions. Through our broad range of offerings and value, Kinetrex is able to attract, retain and increase the value of our customer service.

Kinetrex is proud of our recent Net Promoter Score (NPS) rating. 64% of all Kinetrex customers scored us 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?* Compared to similar industries:

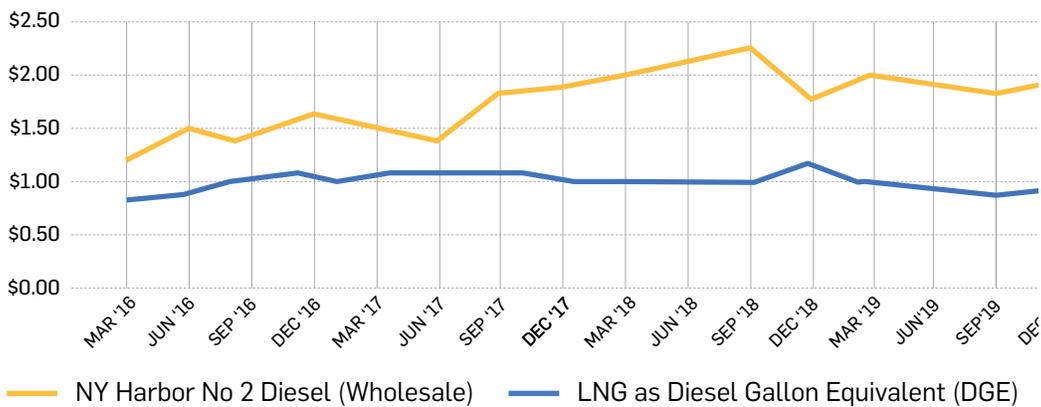
- Utilities - Kinetrex NPS score is 24 points or 60% higher than the average Utility NPS of 40.
- Manufacturing - Kinetrex NPS score is 11 points or 21% higher than the average Manufacturer NPS of 53.

Economics

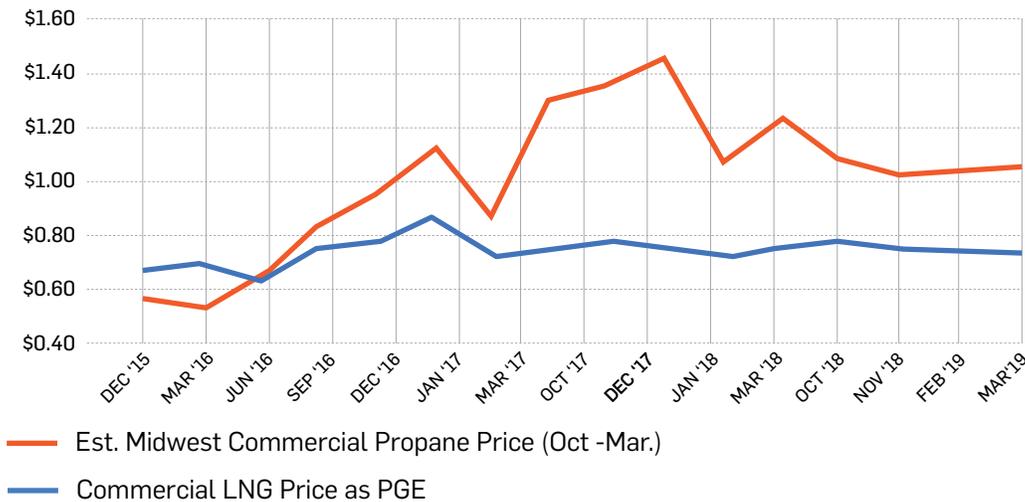
In addition to the substantial environmental benefits, our customers are also saving money. Kinetrex LNG rack price is approximately \$1.00 per Diesel Gallon Equivalent (DGE) and \$0.20-\$0.30 less than propane per Propane Gallon Equivalent (PGE) with option of long-term hedging.

Kinetrex uses First of the Month (FOM) NYMEX cost of natural gas which makes up only approximately 35% of the wholesale cost of LNG. As a result, LNG pricing is stable and consistent making a sustainable environmental and financial difference for our customer. The idea that sustainability means more expense is simply not true anymore.

PRICING: DIESEL vs LNG



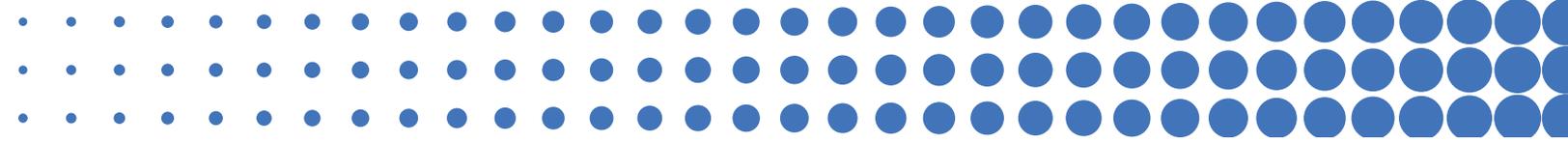
PRICING: PROPANE vs LNG



For detailed price comparisons and monthly stability, visit www.KinetrexLNG.com.

The Alternative Fuel Tax Credit (AFTC)

A federal tax incentive has historically been available for alternative fuel that is sold for use as a fuel to operate a motor vehicle. A tax credit in the amount of \$0.50 per gallon has been available for natural gas. For more information on the AFTC visit: afdc.energy.gov



VI. SUSTAINABILITY: OUR TEAM

Creating a sustainable energy future requires a talented and motivated workforce operating at its best. Because our energy is so disruptive, we require a wide range of specialized skills from our employees. Providing a sustainable workplace helps us align our team with our core values, vision and mission.

Our Employee Philosophy

Kinetrex is committed to providing the best possible climate for maximum development and goal achievement for all employees. Kinetrex is a meritocracy and it is our practice is to treat each employee as an individual. We seek to develop a spirit of teamwork; individuals working together to attain a common goal.

Our Operating Philosophy

- We are passionate and optimistic to create the outcomes that move us forward
- We know clear accountability is key to fairness and ultimately our employee's success
- We will know and be honest about both our strengths and our weaknesses
- We increase our strengths and limit our weaknesses by building our diversity of skills and experiences
- We provide a safe environment to learn from both our successes and failures
- We ALWAYS act with the utmost integrity

Equal Employment

Kinetrex is committed to equal employment opportunity. We will not discriminate against employees or applicants for employment on any legally-recognized basis ["protected class"] including, but not limited to: race; color; religion; genetic information; national origin; sex; pregnancy, childbirth, or related medical conditions; age; disability; citizenship status; uniform servicemember status; or any other protected class under federal, state, or local law.

Compensation & Benefits

Kinetrex compensation and benefits program is an important part of our operating philosophy which is designed to reward and retain our employees. Our compensation and benefits program is highly competitive compared to other Midwest energy companies. We strive to keep our employees healthy, happy and operating at their best. Kinetrex offers full-time employees medical insurance, dental insurance, vision insurance, disability insurance, life insurance, prescription drug coverage, 401K retirement plan, and an Employee Assistance Program (EAP).

To reduce employee related carbon footprint, Kinetrex has a flexible work schedule that provides eligible employees the opportunity to occasionally work remotely and/or work an adjusted-hours schedule. This policy not only boosts our workplace culture with work-life balance, but supports our sustainability initiative by helping to avoid CO2 emissions from employees commute.

Talent Management

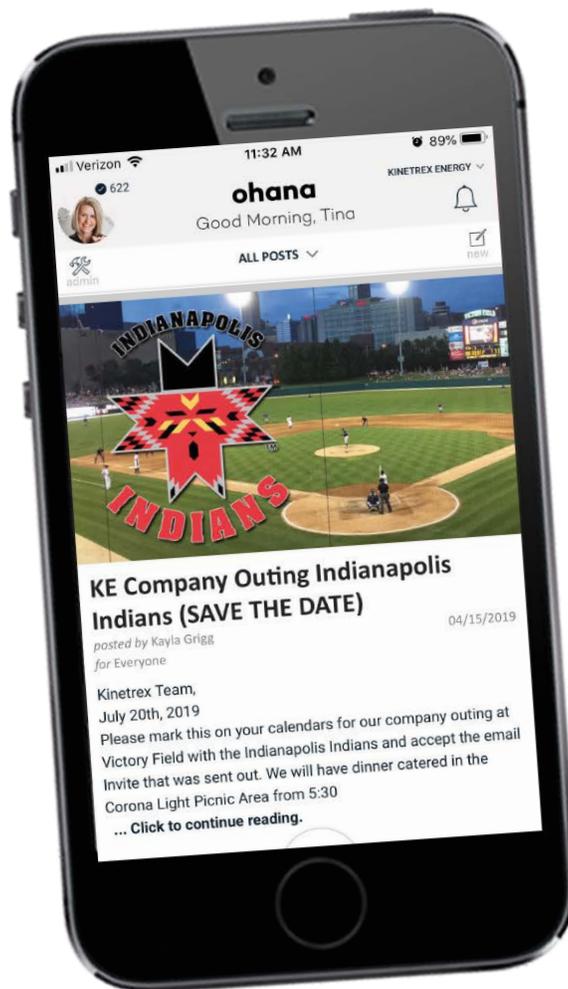
In addition to our traditional compensation and benefits, we always look for ways to invest and attract high-energy, driven, “A players” to our team. We manage our human capital investment by nurturing our talent through professional growth and personal well-being. Every employee has a personal Performance Plan & Review (PPR) highlighting their individual goals and personal development for the calendar year. We encourage leaders to have frequent (formal and informal) performance conversations with their team members to drive success within the organization.

Kinetrex also uses Objectives and Key Results (OKR) in our overall strategic planning. OKRs are a popular leadership process for setting, communicating and monitoring SMART goals and results in organizations. The goal of OKRs is to connect company, team and personal objectives in a hierarchical way to measurable results, making all employees work together in one unified direction.

Ohana

In 2019, Kinetrex launched a new module for our human capital management system, Ohana. This mobile application features tools and ways of connecting, with the goal of creating a more feedback-rich culture at Kinetrex.

This employee mobile application is used to engage in employee two-way communication; share meaningful company news, information & announcements; give recognition to employees via “high fives” and likes; have quick access to company, HR, IT, and sales documents; and many other employee-connected features.



VII. SUSTAINABILITY: OUR COMMUNITY

Community Involvement is the power to bring positive, measurable change to both the communities in which you operate and to your business. The Kinetrex team is involved in the greater Indianapolis area through in-kind and financial donations, volunteer days, enduring nonprofit partnerships, and more.

Community Sharing and Caring

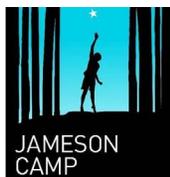
Over Christmas the Kinetrex Energy Team wrapped gifts for our adopted family whose children ranged in age from 2 to 14. The presents included toys and clothes. We also provided nonperishable food items, and a gift certificate for perishable items. The team had a great time celebrating this holiday season while giving back to our community.

Jameson Camp

Kinetrex was a proud sponsor of the Jameson Summer Camp Annual Breakfast Fundraiser on May 4th in Carmel, IN. Approx. \$90,000 was raised at the event! Jameson Camp is a fully accredited summer camp and year-round youth service provider that offers a residential summer camp, a year-round youth leadership program and outdoor education and challenge course/team building programs.

Light The Night

Kinetrex is a proud sponsor of the Leukemia & Lymphoma Society's Light The Night event. Light The Night is an inspirational community event which provides patients and families an opportunity to connect with others who know the burden of blood cancer, while feeling the care and support of an entire community. The LLS's Mission is to cure leukemia, lymphoma, Hodgkin's disease and myeloma and improve the quality of life for patients and their families.



Friends of Riley

Kinetrex is a proud sponsor of Friends of Riley (FOR). FOR consists of a diverse network of young professionals that are committed to supporting the Riley Children's Foundation and its projects: Riley Hospital for Children, Camp Riley for Youth with Physical Disabilities and the James Whitcomb Riley Museum Home. By partnering with the Foundation, Friends of Riley serves as a bridge between the Riley cause and an expansive Indiana professional community. This unique organization will provide networking events and social activities to raise both awareness and resources for the hospital while inspiring lifetime involvement.

Boys and Girls Club of Indianapolis

Kinetrex was a proud sponsor of the Boys & Girls Clubs' Fore the Kids Golf Outing. Since 1893, Boys & Girls Clubs of Indianapolis believes every young person deserves to live a life filled with hope and opportunity. Because they care about our young people, they provide a safe, educational and positive atmosphere where boys and girls can prosper and reach their full potential.

Hope Center

The Kinetrex team had a great time with a community service project helping to paint the Hope Center auditorium. The Hope Center's mission is to transform the lives of women exiting sex trafficking by providing a Christ-centered approach to healing, self-sufficiency, and reintegration into the community.



WE MAKE SUSTAINABILITY SIMPLE

Kinetrex Energy's commitment to environmental excellence is part of our existence. We believe energy production can be both low carbon and low cost, and we are focused to making this vision a reality. This has been succinctly stated as follows:

Kinetrex Energy seeks every day to improve our environment. At the core of our effort is Hoosier practicality and common sense. Unlike many environmental initiatives, we know that we can accomplish our goal while at the same time lowering the cost of business.

These words are a strong reminder to our customers and employees that environmental stewardship is a primary goal of the company. Due to the rapid rate of expansion and high level of customer satisfaction, Kinetrex Energy is devoted to strengthening its position as an alternative fuel developer.

Our Future

We are committed to creating value for our stakeholders by managing our company in economically and environmentally responsible ways while continuing to grow profitability. In order to succeed, we must:

1. Meet or exceed applicable environmental laws
2. Instill environmental responsibility in our employees.
3. Continue to grow our low or zero-carbon product portfolio.
4. Reduce our carbon impact by integrating environmental considerations into our business operations, thus operating more efficiently and cleaner.
5. Promote environmental stewardship in our communities.
6. Engage with legislatures and regulators about responsible environmentalism.
7. Measure the effectiveness of our sustainability programs and communicate our performance internally and externally.



Our Reporting Process

Kinetrex Energy has chosen to voluntarily report on its corporate responsibility performance. This Sustainability Report was a comprehensive effort involving dozens of internal subject-matter experts who were called upon to verify information for each of the topics. Kinetrex management is responsible for the completeness, accuracy and validity of the information contained in this report.

For More Information

If you have any comments or questions about this report, or would like more information on our sustainability efforts, please contact Jason Reidford, Marketing Manager, at 317-886-8179 or jreidford@kinetrexenergy.com.

