UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 4, 2021

CorEnergy Infrastructure Trust, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**20-3431375**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1100 Walnut, Ste. 3350 Kansas City, MO	**64106**
(Address of Registrant's Principal Executive Offices)	(Zip Code)

(816) 875-3705
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, par value $0.001 per share	CORR	New York Stock Exchange
7.375% Series A Cumulative Redeemable Preferred Stock	CORRPrA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Explanatory Note

This Amendment No. 1 on Form 8-K/A to the Current Report on Form 8-K dated February 10, 2021 (the "Original Report") filed by CorEnergy Infrastructure Trust, Inc. (herein the "Company" or "CorEnergy") is being filed solely to amend Item 9.01 of the Original Report. Item 9.01 of the Original Report is being amended to file herewith copies of the historical financial statements required by paragraph (a) of Item 9.01 and pro forma financial information required by paragraph (b) of Item 9.01 related to the Company's acquisition of a 49.50 percent interest in Crimson Midstream Holdings, LLC with rights to acquire the remaining 50.50 percent interest (the "Crimson Transaction"), which transaction closing occurred on February 4, 2021 with an effective date of February 1, 2021. Capitalized terms used and not otherwise defined herein are used as defined in the Original Report.

Crimson Midstream Holdings, LLC ("CMH") wholly owns and controls Crimson Midstream Operating, LLC ("CMO"), collectively referred to as the "Parent." CMH also wholly owns Crimson Midstream Services ("CMS"), which provides payroll and benefit services to the Parent's subsidiaries. CMO wholly owns and controls Crimson Pipeline, LLC, San Pablo Bay Pipeline, LLC, Cardinal Pipeline, L.P. and Crimson California Pipeline, L.P. (jointly referred to as the "California Pipelines") which own and operate crude oil pipeline systems in California. The California Pipelines and CMS comprise the entities included in the Combined Carve-out Financial Statements filed with this Amendment No. 1 and are collectively referred to as "Crimson California" below, and represent the Parent's assets and liabilities. All assets and liabilities directly attributable to entities outside CMS and the California Pipelines have been removed. The accompanying Combined Carve-Out Financials Statements present the combined financial results of Crimson California as of and for the years ended December 31, 2020 and 2019.

In March of 2020, Crimson California completed the acquisition of the San Pablo Bay System and other proprietary assets from Shell Pipeline Company, LP (collectively, the "SBP Acquisition"). The accompanying Combined Abbreviated Financial Statements of the Shell Acquired Assets present the combined abbreviated financial results as of and for the year ended December 31, 2019.

Additional Information and Where to Find It

The issuance of CorEnergy common stock upon conversion of CorEnergy preferred stock in connection with the Crimson Transaction, as described in the Original Report (the "Stock Issuance") and the Internalization of the Company's Manager (each as defined and described in the Original Report) will be submitted to the stockholders of the Company for their consideration. In connection with the Stock Issuance and Internalization, the Company intends to file a proxy statement and other documents with the SEC. INVESTORS AND CORENERGY STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) REGARDING THE STOCK ISSUANCE AND INTERNALIZATION AND OTHER DOCUMENTS RELATING TO THE TRANSACTIONS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE STOCK ISSUANCE AND INTERNALIZATION. The proxy statement and other relevant documents (when they become available), and any other documents filed by CorEnergy with the SEC may be obtained free of charge at the SEC's website at www.sec.gov. In addition, stockholders may obtain free copies of the documents filed with the SEC by CorEnergy through its website at corenergy.reit. The information on CorEnergy's website is not, and shall not be deemed to be a part hereof or incorporated into this or any other filings with the SEC. You may also request them in writing, by telephone or via the Internet at:

CorEnergy Infrastructure Trust, Inc.
Investor Relations
877-699-CORR (2677)
info@corenergy.reit

Participants in the Solicitation

CorEnergy, the Manager and their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies from CorEnergy's stockholders in respect of the Stock Issuance and Internalization. Information about CorEnergy's directors and executive officers is available in CorEnergy's definitive proxy statement, prepared in connection with CorEnergy's 2020 annual meeting of stockholders and will be set forth in the proxy statement in respect of the Stock Issuance and Internalization when it is filed with the SEC. Other information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of proxies from CorEnergy's stockholders in connection with the Internalization, including a description of their direct or indirect interests, by security holdings or otherwise, in CorEnergy will be set forth in the proxy statement in respect of the Stock Issuance and Internalization when it is filed with the SEC. You can obtain free copies of these documents, which are filed with the SEC, from CorEnergy using the contact information above.

Forward-Looking Statements

This Amendment No. 1 to Current Report on Form 8-K/A contains certain statements that may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are “forward-looking statements.” Although CorEnergy believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including, among others, failure to realize the anticipated benefits of the Crimson Transaction or the Internalization; the risk that CPUC Approval is not obtained, is delayed or is subject to unanticipated conditions that could adversely affect CorEnergy or the expected benefits of the Crimson Transaction, risks related to the uncertainty of the projected financial information with respect to Crimson, the failure to receive the required approvals by existing CorEnergy stockholders; the risk that a condition to the closing of the Internalization may not be satisfied, CorEnergy’s ability to consummate the Internalization, and those factors discussed in CorEnergy’s reports that are filed with the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this Amendment No. 1 to Current Report on Form 8-K/A. Other than as required by law, CorEnergy does not assume a duty to update any forward-looking statement. In particular, any distribution paid in the future to our stockholders will depend on the actual performance of CorEnergy, its costs of leverage and other operating expenses and will be subject to the approval of CorEnergy’s Board of Directors and compliance with leverage covenants.

Item 9.01 Financial Statements and Exhibits.

(a) Attached hereto as Exhibit 99.1 is the Combined Carve-Out Financial Statements of Crimson California and attached hereto as Exhibit 99.2 is the Combined Abbreviated Financial Statements of the Shell Acquired Assets, which were acquired by Crimson California in March 2020.

(b) Attached as Exhibit 99.3 is the unaudited pro forma combined financial information for the Company related to the Crimson Transaction.

(d) EXHIBITS.

Exhibit No.	Description
23.1	Consent from PricewaterhouseCoopers LLP
23.2	Consent from Ernst & Young LLP
99.1	Combined Carve-out Financial Statements of Crimson California as of and for the years ended December 31, 2020 and 2019
99.2	Combined Abbreviated Financial Statements of the Shell Acquired Assets as of and for the year ended December 31, 2019
99.3	Unaudited pro forma combined financial information as of and for the year ended December 31, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CORENERGY INFRASTRUCTURE TRUST, INC.

Dated: April 22, 2021	By:	/s/ Rebecca M. Sandring
		Rebecca M. Sandring
		Secretary

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-228065 and 333-228101) and Form S-8 (No. 333-198799) of CorEnergy Infrastructure Trust, Inc. of our report dated March 11, 2021 relating to the financial statements of Crimson California, which appears in this Current Report on Form 8-K/A.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
April 22, 2021

Exhibit 23.2

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-198799) pertaining to the CorEnergy Infrastructure Trust, Inc. Director Compensation Plan,
(2) Registration Statement (Form S-3 No. 333-228065) pertaining to the CorEnergy Infrastructure Trust, Inc. Dividend Reinvestment Plan, and
(3) Registration Statement (Form S-3 No. 333-228101) of CorEnergy Infrastructure Trust, Inc.;

of our report dated April 16, 2021, with respect to the combined abbreviated financial statements of the Shell Acquired Assets, which comprise the Combined Statement of Assets Acquired as of December 31, 2019, and the Combined Statement of Revenues and Direct Operating Expenses for the year then ended, and the related notes to the combined abbreviated financial statements included in this Current Report on Form 8-K/A of CorEnergy Infrastructure Trust, Inc. dated April 22, 2021.

/s/ Ernst & Young LLP
Houston, Texas
April 22, 2021

Exhibit 99.1

Combined Carve-Out Financial Statements of Crimson California
As of and for the Years Ended December 31, 2020 and 2019

Exhibit 99.1

CRIMSON CALIFORNIA

Table of Contents

	Page
Independent Auditors' Report	1
Combined Financial Statements	
Combined Balance Sheets as of December 31, 2020 and 2019	2
Combined Statements of Operations for the Years ended December 31, 2020 and 2019	3
Combined Statements of Changes in Members' Deficit for the Years ended December 31, 2020 and 2019	4
Combined Statements of Cash Flows for the Years ended December 31, 2020 and 2019	5
Notes to Combined Financial Statements for the Years ended December 31, 2020 and 2019	7

Exhibit 99.1

Report of Independent Auditors

To the Board of Members of
Crimson Midstream Operating, LLC

We have audited the accompanying combined financial statements of Crimson California, which comprise the combined balance sheets as of December 31, 2020 and 2019, and the related combined statements of operations, changes in members’ deficit, and cash flows for the years then ended.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on the combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Crimson California, as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
March 11, 2021

Exhibit 99.1

CRIMSON CALIFORNIA

Combined Balance Sheet

		As of December 31,	
		2020	2019
ASSETS			
URRENT ASSETS			
Cash and cash equivalents	$	27,572,934	$ 8,886,921
Accounts receivable - trade		10,718,998	3,365,594
Accounts receivable - non-trade		353,049	1,537,678
Insurance receivable		429,041	406,425
Inventory		899,193	1,276,671
Due from affiliated companies, net		2,206,745	1,353,619
Deposits, prepaids, and other current assets		5,932,665	18,084,460
Total current assets		48,112,625	34,911,368
Property and equipment, net		218,298,655	146,146,118
Unamortized debt issuance costs		257,271	1,093,250
Other assets		1,738,253	1,005,000
OTAL ASSETS	$	268,406,804	$ 183,155,736
LIABILITIES AND MEMBERS" DEFICIT			
URRENT LIABILITIES			
Short-term debt		275,900,000	—
Accounts payable - trade		6,371,690	859,132
Accrued pipeline release		1,303,994	1,838,212
Accrued liabilities and other current liabilities		14,608,443	5,414,794
Total current liabilities		298,184,127	8,112,138
ONCURRENT LIABILITIES			
Long-term debt		—	219,900,000
Deferred revenue and other non-current liabilities		4,182,827	4,956,733
Total noncurrent liabilities		4,182,827	224,856,733
Total liabilities		302,366,954	232,968,871
lembers' Deficit			
Accumulated members' deficit		(33,960,150)	(49,813,135)
OTAL LIABILITIES AND MEMBERS' DEFICIT	$	268,406,804	$ 183,155,736

The accompanying notes are an integral part of these Combined Financial Statements.

CRIMSON CALIFORNIA

Combined Statements of Operations

	For the Year Ended December 31, 2020	2019
Revenue		
Transportation revenue	$ 92,897,532	$ 41,785,805
Pipeline loss allowance subsequent sales	7,109,818	5,614,066
Storage Lease Revenue	1,341,900	—
Other revenue	682,432	498,746
Realized loss on commodity derivatives	(742,650)	—
Total revenue	101,289,032	47,898,617
Operating expenses		
Cost of revenue (exclusive of items shown separately below)	54,742,069	29,303,916
Pipeline loss allowance subsequent sales cost of revenue	6,263,454	5,328,874
Depreciation and accretion expense	9,167,615	5,760,084
Total cost of revenue	70,173,138	40,392,874
Impairment of property and equipment (Note 4)	55,731,523	—
General and administrative expenses	15,023,076	16,296,708
Total operating expenses	140,927,737	56,689,582
Operating loss	(39,638,705)	(8,790,965)
Affiliate management fee	3,472,548	6,945,069
Other income, net	436,897	1,160,181
Reimbursable project gains	674,975	1,812,490
Interest expense	(11,426,531)	(11,518,075)
Net loss	$ (46,480,816)	$ (10,391,300)

The accompanying notes are an integral part of these Combined Financial Statements.

CRIMSON CALIFORNIA

Combined Statements of Changes in Members' Deficit

	Members' Deficit
Balance at December 31, 2018	$ (38,567,820)
Net loss	(10,391,300)
Contributions	91,700,000
Distributions	(126,944,904)
Net parent investment	34,390,889
Balance at December 31, 2019	(49,813,135)
Net loss	(46,480,816)
Contributions	45,000,000
Net parent investment	17,333,801
Balance at December 31, 2020	$ (33,960,150)

The accompanying notes are an integral part of these Combined Financial Statements.

Exhibit 99.1

CRIMSON CALIFORNIA

Combined Statements of Cash Flows

	For the Year Ended December 31,	
	2020	2019
Cash flow from operating activities		
Net income (loss)	$ (46,480,816)	$ (10,391,300)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities		
Depreciation and accretion expense	9,167,615	5,760,084
Amortization of deferred financing costs	835,979	672,584
(Gain) Loss on disposal of property and equipment	(3,128)	1,050,311
Impairment of fixed assets	55,731,523	—
Write off of capital projects	30,996	1,385,701
Gain on sale of line fill	—	(96,693)
Changes in operating assets and liabilities		
Accounts receivable	(9,092,221)	(1,479)
Accounts receivable - non-trade	1,195,170	(1,537,678)
Insurance receivables	347,384	(658,016)
Due (to) from affiliated companies, net	(853,126)	137,829
Inventory	903,765	(1,134,941)
Prepaids and other current assets	(2,338,776)	846,427
Accounts payable - trade	5,512,558	(1,219,920)
Accrued liabilities	6,812,054	930,202
Accrued pipeline release	(1,254,219)	1,893,332
Deferred revenue	54,384	(96,496)
Net cash provided by (used for) operating activities	20,569,142	(2,460,053)
Cash flow from investing activities		
Cash received for sale of Cardinal line fill	—	164,964
Cash Received from Third Parties for Reimbursable Projects	1,829,604	1,244,370
Expenditures for property and equipment	(24,357,366)	(10,609,774)
Cash received from sale of property and equipment	24,799	—
Cash paid for asset acquisition	(97,713,967)	(16,798,872)
Net cash used for investing activities	(120,216,930)	(25,999,312)
Cash flow from financing activities		
Proceeds of long-term debt	152,000,000	132,200,000
Payment of long-term debt	(96,000,000)	(94,600,000)
Contribution from parent	45,000,000	89,294,412
Distribution to parent	—	(125,039,316)
Net parent investment	17,333,801	34,390,889

The accompanying notes are an integral part of these Combined Financial Statements.

CRIMSON CALIFORNIA

Net cash provided by financing activities		118,333,801		36,245,985
Increase (decrease) in cash and cash equivalents		18,686,013		7,786,620
Cash and cash equivalents, beginning of period		8,886,921		1,100,301
Cash and cash equivalents, end of period	$	27,572,934	$	8,886,921
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid for interest, net of amounts capitalized	$	10,769,516	$	10,885,777
Accrued capital expenditures in accounts payable - trade and accrued liabilities		3,047,635		1,132,330
Non-cash contributions from members		—		2,405,588
Non-cash distribution to members		—		(1,905,588)

The accompanying notes are an integral part of these Combined Financial Statements.

CRIMSON CALIFORNIA

Notes to Combined Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Crimson Midstream Holdings, LLC ("CMH") wholly owns and controls Crimson Midstream Operating, LLC ("CMO"), collectively referred to as the "Parent." CMH also wholly owns Crimson Midstream Services ("CMS"), which provides payroll and benefit services to the Parent's subsidiaries. CMO wholly owns and controls Crimson Pipeline, LLC, San Pablo Bay Pipeline, LLC, Cardinal Pipeline, L.P. and Crimson California Pipeline, L.P. (jointly referred to as the "California Pipelines") which own and operate crude oil pipeline systems in California. The California Pipelines and CMS comprise the Combined Financial Statements and are collectively referred to as "Crimson California," or the "Company," and represent the Parent's assets and liabilities. All assets and liabilities directly attributable to entities outside CMS and the California Pipelines have been removed. The accompanying carve-out Combined Financials Statements present the combined financial results of Crimson California for the years ended December 31, 2020 and 2019.

The California Pipelines serve the market that begins at the source of crude oil production (upstream) and extends to crude oil refineries (downstream) and is commonly referred to as the "midstream" market. The primary source of income on the California Pipelines is derived from fees generated from the transportation of crude oil through these pipeline systems, which are not generally exposed to commodity price risk as part of normal transportation operations. However, the California Pipelines are subject to nominal commodity price exposure due to pipeline loss allowance provisions in several of the California transportation agreements.

On January 11, 2019, the Parent entered into a Securities Purchase Agreement with CGI Crimson Holdings, LLC to obtain an equity investment from The Carlyle Group ("Carlyle") and amended and restated the Limited Liability Company Agreement. The majority owner member interest percentage decreased from the prior fiscal year, with the majority of the remaining member interests being sold to Carlyle. As of December 31, 2020, Carlyle owns 49.5% of common ownership of CMH and the remaining 50.5% is held by the majority owner.

To create more durable, profitable, and strategically aligned operations, the Parent completed a major restructuring (the "Restructure") which separated Crimson California from the Parent's other operating subsidiaries in Louisiana and the Gulf of Mexico ("Crimson Gulf"). On February 4, 2021, the Company and Carlyle entered into a purchase and sale agreement with CorEnergy Infrastructure Trust, Inc. ("CORR") to sell 100% of Carlyle's interest in the Crimson California pipelines to CORR.

Concurrent with the close of the transaction, the majority interest owner and Carlyle contributed their respective interest in Crimson Gulf, a wholly owned subsidiary of CMO, and its subsidiaries to the newly formed Crescent Holdings ("Crescent"), a non-consolidated entity. CORR paid $66.0 million in cash and contributed the Grand Isle Gathering System ("GIGS"), valued at $50.0 million, to Carlyle in exchange for Carlyle's 49.5% interest in Crimson California. Refer to footnote nine - *Subsequent Events* for additional information regarding the Restructure.

Principles of Combination and Consolidation

These Combined Financial Statements of Crimson California were derived from the Consolidated Financial Statements and accounting records of the Parent as if Crimson California were operated on a standalone basis during the periods presented and were prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

The Combined Statements of Operations of Crimson California reflect general corporate and operating expenses provided by the Parent to Crimson California and Crimson Gulf including, but not limited to, executive management, finance, legal, information technology, employee benefits administration, treasury, procurement, control center monitoring, and other shared services. The related expenses have been recognized on a gross basis in the Combined Statements of Operations of Crimson California with an amount recognized as an "Affiliate Management Fee" reflecting the fees for the services provided by the Parent to Crimson Gulf. These allocations were made on a direct usage basis when identifiable, with the remainder allocated on the basis of revenue, labor, and

fixed assets. Management of Crimson California and the Parent consider these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to Crimson Gulf. These allocations may not, however, reflect the net expenses Crimson California would have incurred as a standalone company for the periods presented. Actual costs that may have been incurred if Crimson California had been a standalone company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

The Combined Balance Sheets of Crimson California include Parent assets and liabilities that were specifically identifiable or otherwise attributable to Crimson California, including subsidiaries and affiliates in which the Parent has a controlling financial interest or is the primary beneficiary. Parent's cash has been assigned to Crimson California for all of the periods presented because those cash balances are directly attributable to Crimson California. All cash inflows and outflows obtained and used from operations were swept to the Parent's centralized account. Crimson California reflects transfers of cash to and from Parent's cash management system as a component of Members' Equity (Deficit) in the Combined Balance Sheets. Parent's long-term debt has been included in the Crimson California Combined Financial Statements for the periods presented. The Parent's debt obligations were settled as a result of the Restructure, whereby Crimson California entered into an amended and restated credit agreement. Refer to footnotes 6 and 9 for additional information regarding the Restructure and new debt obligation secured by Crimson California.

The Combined Financial Statements include Crimson California's net assets and results of operations as described above. All intercompany transactions and accounts within the combined businesses of Crimson California have been eliminated.

Related party transactions between Crimson California and Crimson Gulf are considered to be effectively settled in the Combined Financial Statements at the time the transaction is recorded. Parent company investment in Crimson Gulf subsidiaries have been excluded from the Crimson California Combined Financial Statements. Certain other assets and liabilities that are directly attributable to Crimson Gulf are not included in these Crimson California Financial Statements.

The Combined Financial Statements of Crimson California do not necessarily reflect the financial results of Crimson California if it were operated as a distinct legal entity during the periods presented.

Use of Estimates in the Preparation of Combined Financial Statements

Preparation of financial statements in accordance with GAAP requires the Company to (1) adopt accounting policies within accounting rules set by the Financial Accounting Standards Board ("FASB"), and (2) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Combined Financial Statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include, but are not limited to, the useful lives of fixed assets, asset retirement obligations, the valuation of derivatives, valuation and impairment of fixed assets and inventories, and reserves for contingencies. Although management of the Company believes these estimates are reasonable, actual results could differ from those estimates.

Revenue Recognition and Inventory

The FASB issued ASU 2014-09, *Revenue from Contract with Customers* in May 2014, and the Company adopted this standard as of January 1, 2019. ASU 2014-09 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should also disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Company has evaluated the impact of the adoption of ASU 2014-09 retrospectively with the cumulative effect of initially applying this update recognized at the date of initial application, and no cumulative effect was required to be recorded. However, in accordance with ASC 606, when control of the pipeline loss allowance volumes have been transferred to the

purchaser, the Company records this non-cash consideration as revenue at the contractual sales price within pipeline loss allowance ("PLA") revenue and PLA cost of revenues.

The Company satisfies performance obligations over time as midstream transportation services are performed and as the customer receives the benefit of these services over the term of the tariff or contract. The Company's transportation revenue includes amounts earned for transportation services and associated PLA. Revenue for crude oil transportation is recognized based on the volumes shipped at the associated tariff or contracted rates. PLA revenue, recorded within transportation revenue, represents the estimated realizable value of the earned loss allowance volumes received by the Company as applicable under the tariff or contract. As is common in the pipeline transportation industry, as crude oil is transported the Company earns a small percentage of the crude oil volume transported to offset any measurement uncertainty or actual volumes lost in transit. The Company will settle the PLA with its shippers either in-kind or in cash. PLA received by the Company typically exceeds actual pipeline losses in transit and typically results in a benefit to the Company. For PLA volumes received in-kind, the Company record these in inventory. Earned PLA revenue accounted for $5,400,485 and $6,463,815 of transportation revenue for the years ended December 31, 2020 and 2019, respectively.

When PLA is paid in-kind, the barrels are valued at current market price less standard deductions, recorded as inventory and recognized as non-cash consideration revenue concurrent with related transportation services. PLA paid in cash is treated in the same way as in-kind but no inventory is created.

Inventory primarily consists of crude oil earned as in-kind PLA payments and is valued using an average costing method at the lower of cost and net realizable value. Crude oil inventory is typically sold one to two months after it is earned at current market price less standard deductions. Crude oil inventory consists of 23,923 barrels valued at $899,193 and 20,721 barrels valued at $1,291,671 as of December 31, 2020 and 2019, respectively.

In May 2020, the Company entered into a one-year contract beginning July 1, 2020, to lease tank capacity to a customer. The Company analyzed this contract under ASC 840 and determined it should be treated as an operating lease. The lease allows for the customer to store 315,000 barrels per month at a fixed rate. The Company earned $1,341,900 in storage lease revenue for the year ended December 31, 2020.

To mitigate a portion of the potential exposure to adverse market changes in oil prices and the associated impact on cash flows, the Company has entered into derivative contracts, primarily commodity swaps or costless collars. These instruments allow the Company to predict with greater certainty the effective prices to be realized for its pipeline allowance oil transactions. All commodity derivative positions were closed as of December 31, 2020 and 2019.

These derivative instruments are not designated as hedging instruments for accounting purposes. During the years ended December 31, 2020, and 2019, respectively, the Company paid $411,875 and $19,050 for cash settlements of realized derivative positions.

Other revenue includes gauging, rental, truck rack offloading, and other ancillary transportation service performed for shippers. Crimson California will contract with shippers to perform services for a fixed monthly fee, and revenue is recognized as services are performed. Within other revenue, the Company has also recorded transactions for the purchase of inventory from, and sale of inventory to, the same counterparty at a rate that, in effect, is economically equivalent to a transportation fee. Sales of crude oil are recognized at the time title to the crude oil transfers to the purchaser, which typically occurs upon receipt of the crude oil by the purchaser. Such transactions that are entered into in contemplation of one another are recorded on a net basis as the entity's supplier is the primary obligor in the arrangement and the amount the entity earns is fixed.

The following table summarizes the Company's revenue streams.

	For the Year Ended December 31,	
	2020	2019
Transportation revenue, net of PLA	$ 87,497,047	$ 35,321,990
Pipeline loss allowance revenue	5,400,485	6,463,815
Pipeline loss allowance subsequent sales revenue	7,109,818	5,614,066
Storage revenue	1,341,900	—
Realized loss on commodity derivatives	(742,650)	—
Other revenue	682,432	498,746
Total revenue	$ 101,289,032	$ 47,898,617

Cash and Cash Equivalents

The Company considers its cash balances and other highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. As of the balance sheet date, and periodically throughout the year, the Company has maintained balances in various operating accounts in excess of insured limits.

The Parent maintains all cash generated by our operating pipeline entities, and any cash requirements to meet the obligations of the pipeline entities is provided by the parent. The Combined Financial Statements reflect the entire cash balance held by the Parent for the periods ending December 31, 2020 and December 31, 2019.

Accounts Receivables, Allowance for Doubtful Accounts and Concentrations of Credit Risk

The Company's accounts receivable balances result from transactions with crude oil shippers. This concentration of customers may impact the Company's overall credit risk as its customers may be affected by changes in economic or other conditions within the oil industry. The Company's management believes that concentrations of credit risk are limited and no credit losses were recognized during the years ended December 31, 2020 or 2019.

In determining the need for an allowance for doubtful accounts, management considers historical losses adjusted to take into account current market conditions and our customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns. The Company writes off specific receivables when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. The Company has not experienced significant credit losses in the past, and management has determined outstanding receivable balances to be collectible. The Company determined that no allowance was necessary as of December 31, 2020 or 2019.

Trade accounts receivable include receivables from four customers representing 83%, and three customers representing 84% of total trade accounts receivable as of December 31, 2020, and 2019, respectively. Revenue includes sales to four customers representing 82% and four customers representing 79% of total revenue for the years ended December 31, 2020, and 2019, respectively.

Non-trade accounts receivable includes receivables from third parties for non-transportation related services to include reimbursable project billings.

Property and Equipment

The Company records property and equipment at its original purchase or construction cost, or at estimated fair value as of the acquisition date for property and equipment acquired in connection with business combinations or asset acquisitions. Property and equipment is depreciated on the straight-line method over the estimated useful lives, which are as follows:

	Life in Years
Pipelines	35
Communication systems	3-35
Station buildings, equipment, and vehicles	5-20
Pumping equipment and tanks	15
Furniture and equipment	5-7
Rights-of-way	Indefinite
Leasehold improvements	Lease term

Major improvements or betterments that improve or extend the useful lives of the assets are capitalized and depreciated accordingly. Expenditures for repair and maintenance of property and equipment are charged to expense as incurred. The Company expensed $10,238,874 and $5,622,496 for repairs and maintenance, which includes costs related to in-line inspections of pipeline wall integrity, for the years ended December 31, 2020, and 2019, respectively. These expenses are included in cost of revenues on the Combined Statements of Operations. Upon retirement or sale of property and equipment, the cost of such assets and related accumulated depreciation are removed from the accounts and the resulting gains or losses, if any, are reflected in other income in the year in which the asset is disposed. The resulting gains/(losses) from these types of transactions were $3,128 and ($1,050,311) for the years ended December 31, 2020 and 2019, respectively.

Reimbursable Projects

The Company has agreements with certain third parties to be reimbursed for its costs when it becomes necessary to repair or relocate a portion of its pipeline or to construct a new pipeline which enables a producer or shipper to connect with the Company's existing pipeline. The Company maintains title to all pipeline assets constructed. If the Company relocates a pipeline due to a request of a government entity or landowner, the Company will record the reimbursements received as a gain or loss on the Combined Statements of Operations or as a reduction of cost of construction. The Company completed the relocation of a portion of its pipelines in California, at no cost to the Company, which resulted in $674,975 and $1,812,490 of other income classified as reimbursable project gains on the Combined Statements of Operations for the years ended December 31, 2020 and 2019, respectively. For the relocation projects completed in California, there were $543,487 and $1,307,078 of direct reimbursed relocation expenses which had no net cash impact to the Company for the years ended December 31, 2020 and 2019, respectively. The remainder was attributable to reimbursement of administrative overhead costs incurred by the Company.

If there is a commercial request for a pipeline or connection to be constructed to connect the Company's existing pipelines, the arrangement is accounted for as an operating lease. As such, upon completion of construction, the reimbursements received and initially recorded as reimbursable projects liability are reclassified to deferred revenue and recognized as transportation revenue over the shorter of the estimated useful life of the constructed asset or the life of the customer.

The Company recorded $212,246 and $1,312,093 for cumulative costs incurred which is included in construction in process within property and equipment on the Combined Balance Sheets as of December 31, 2020 and 2019, respectively. Prepayments received to date remain in reimbursable projects liability until project completion. For the years ended December 31, 2020 and 2019, respectively, $315,000 and $192,000 of the reimbursable projects liability is classified within accrued and other liabilities on the Combined Balance Sheets.

The Company had $251,640 and $2,810,985 as outstanding deferred revenue related to reimbursable projects for shippers or producers as of December 31, 2020 and 2019, respectively.

Impairment of Long-Lived Assets

The Company periodically evaluates whether the carrying value of long-lived assets, including intangible assets, has been impaired when circumstances indicate the carrying value of those assets may not be recoverable. The Company considers various factors when determining if these assets should be evaluated for impairment, including but not limited to:

- Significant adverse change in legal factors or business climate;
- A current-period operating or cash flow loss combined with a history of operating or cash flow losses, or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset;
- An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset;
- Significant adverse changes in the extent or manner in which an asset is used, or in its physical condition;
- A significant adverse change in the market value of an asset; or
- A current expectation that, more likely than not, an asset will be sold or otherwise disposed of before the end of its estimated useful life.

Significant changes in market conditions resulting from events such as the condition of an asset or a change in management's intent to utilize the asset would generally require management to reassess the cash flows related to the long-lived assets. A prolonged period of lower commodity prices may adversely affect the estimate of future operating results, which could result in future impairment due to the potential impact on our operations and cash flows.

When an asset or group of assets is identified for potential impairment, the Company performs Step 1 of the impairment process to calculate the sum of undiscounted cash flows which are then compared to the carrying value of the asset group. If, upon review, the sum of the undiscounted cash flows is less than the carrying value of the asset group, the carrying value is written down to estimated fair value. The fair value of our asset group is measured using valuation techniques consistent with the income approach, converting future cash flows to a discounted amount using discount rates commensurate with the risks involved in the asset group. These fair values measurements are based on significant inputs that are not observable in the market and thus represent Level 3 measurements. All inputs and assumptions specific to the Company's forecast used in the calculation of fair value are reasonably consistent with those used to develop other information, such as projections and budgets prepared for the asset group.

For the year ended December 31, 2020 management identified various indications of potential impairment of the Company's long-lived assets and recorded total impairment charges of $55,731,523 for the year ended December 31, 2020. See footnote 4 for additional information. There was no impairment charge recorded for the year ended December 31, 2019.

Debt Issuance Costs

Deferred debt issuance costs totaling $252,271 and $1,093,250 were recorded as a noncurrent asset on the Combined Balance Sheet as of December 31, 2020, and 2019, respectively. During the years ended December 31, 2020, and 2019, respectively, the Company recorded $835,979 and $672,584 relating to the amortization of deferred debt issuance costs, included within interest expense on the Combined Statements of Operations.

Income Taxes

The entities included in these Combined Financial Statements are all treated either as a limited liability company or a limited partnership for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of the Company's members, and no income tax provision or deferred tax assets or liabilities have been recorded in the accompanying Combined Financial Statements. The Company has evaluated potential tax uncertainties and has determined that there are no uncertain tax positions as of and for the years ended December 31, 2020 and 2019.

Derivative Instruments

The Company may utilize derivatives to hedge commodity price risk inherent in its business that primarily relate to barrels associated with PLA oil. The Company's policy is to structure its sales contracts and derivatives hedges of these barrels so that price fluctuations of crude oil do not materially affect its Combined Statements of Operations by stabilizing PLA margins. The swap contracts utilized are placed with banks that the Company believes to be of high credit quality. The Company records all derivative instruments as either assets or liabilities at fair value within the accompanying Combined Balance Sheets. Changes in the derivatives will be recognized currently in earnings unless specific hedge accounting criteria are met. The Company has elected not to designate its derivatives as cash flow hedges; therefore, gains and losses on derivative instruments are recorded within realized and unrealized gain (loss) on commodity derivatives on the Combined Statements of Operations. The Company classifies realized gains and losses on derivative instruments within cash flows from operations in the accompanying Combined Statements of Cash Flows.

Comprehensive Income

There are no differences between net income (loss) and comprehensive income (loss) due to the absence of items of other comprehensive income in the periods presented.

New Accounting Standards Updates ("ASU")

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 requires a lessee to record a right of use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. For non-public companies ASU 2016-02 is effective for fiscal years beginning after December 15, 2021, and interim periods with fiscal years beginning after December 15, 2022. A modified retrospective transition approach is required for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. In January of 2019, the FASB issued ASU 2019-01, *Leases*, which permits an entity to elect an optional transition practical expedient to not evaluate under Topic 842, land easements that exist or expired before the entity's adoption of Topic 842 and that were not previously accounted for as leases under Topic 840. The Company believes that adoption of the standard will result in increases to assets and liabilities on the Combined Balance Sheets, as well as changes to the presentation of certain operating expenses on the Combined Statements of Operations; however, the Company has not yet determined the extent of the adjustments or impact to disclosures that will be required upon implementation of the standard.

The Company considered a comprehensive list of all other ASUs requiring adoption through 2021. The Company believes that adoption of all other required standards will not result in a material impact to the Company.

Note 2 – Fair Value of Financial Instruments and Non-Financial Instruments

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions of what market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1:	Quoted prices are available in active markets for identical assets or liabilities;
Level 2:	Quoted prices in active markets for similar assets and liabilities that are observable for the asset or liability; or
Level 3:	Unobservable pricing inputs from objective sources, such as discounted cash flow models or valuations.

The assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company's policy is to recognize transfers in or out of the fair value hierarchy as of the end of the reporting period for which the event or change in circumstances caused the transfer. The Company has consistently applied the valuation techniques discussed below in the periods presented.

Recurring Fair-Value Measurements

Cash and cash equivalents, trade and other receivables, and accounts payable approximate their carrying amounts due to the short maturity of these instruments. Inventory primarily consists of crude oil earned as PLA inventory and is valued at the lower of cost and net realizable value. The carrying value of the Company's revolving credit facilities approximates fair value due to their floating interest rates. The Company held a derivative payable of $330,775 at December 31, 2020. This liability represents a closed position; therefore, the carrying amount approximates its fair value.

Non-Recurring Fair Value Measurements

The Company uses the cost, income, or market valuation approaches to determine fair value. The Company evaluates long-lived assets for impairment when events or changes in circumstances indicate that the related carrying values of the assets may not be recoverable. The basis for making such assessments are undiscounted future cash flows projections for the asset group being assessed. If the carrying values of the assets are deemed not recoverable, the carrying values are reduced to the estimated fair value, which are based on discounted future cash flows using assumptions as to revenues, costs and discount rates typical of third-party market participants, which is a Level 3 measurement.

Note 3 – Pipeline Acquisitions

In March of 2020, the Company completed the acquisition of the San Pablo Bay System ("SPB") and other proprietary assets ("the SPB Acquisition") from Shell Pipeline Company, LP. ("Shell") for a purchase price of $110 million. The purchase was accounted for as an asset acquisition. The purchase price was primarily financed with proceeds from long-term debt and a capital call from Carlyle of $45 million. The acquisition consists of the SPB System, a 400-mile, 20" common carrier pipeline system from the San Joaquin Valley to Bakersfield, California refineries and three refineries in the San Francisco Bay Area. Additionally, the Company acquired a proprietary system consisting of a 110-mile system of three separate line segments south of Bakersfield. The Company primarily acquired pipeline, tanks, metering systems and Rights of Way ("RoW") as part of the acquisition. In addition to the purchase price of $110 million, acquisition-related costs totaling $2,373,871, were capitalized. The Company also incurred $2,138,968 in purchase price adjustments for inventory, linefill, prepaid taxes, and prepaid RoW. In connection with the SPB Acquisition, the Company entered into a Transition Services Agreement ("TSA") through which the Company compensated the seller for the provision of specified services, such as certain control center activities and various measurement and oil accounting activities. The TSA was terminated after July 2020, and the total paid to the seller under the TSA was $2,378,226, which has been recorded in cost of revenue.

All proprietary assets purchased from Shell were contributed to Cardinal Pipeline, LP. SPB is a legal entity; therefore, all SPB assets were contributed to San Pablo Bay, LLC. Assets acquired and liabilities assumed were recorded at estimated fair value at the closing date of the SPB Acquisition as follows:

	Proprietary	San Pablo Bay	Fair Value as of March 1, 2020
Line Pipe	$ 5,504,408	$ 38,849,887	$ 44,354,295
Other Property	933,473	3,526,646	4,460,119
Other Station Equipment	1,482,711	11,666,317	13,149,028
Line Pipe Fittings	306,913	5,367,028	5,673,941
Pumping Equipment	359,977	4,502,383	4,862,360
Tanks	23,567	14,483,614	14,507,181
Computer Hardware	2,952	7,627	10,579
Machinery and Tools	—	118,295	118,295
Computer Software	—	2,658	2,658
Office Furniture and Equipment	—	6,138	6,138
Linefill	896,181	—	896,181
Inventory	—	526,287	526,287
Prepaid RoW	7,074	80,302	87,377
Prepaid Taxes	72,046	557,077	629,123
RoW	3,030,000	20,432,000	23,462,000
Land and Leasehold Improvements	28,218	1,739,059	1,767,277
Total purchase price	$ 12,647,520	$ 101,865,318	$ 114,512,839

Note 4 – Property and Equipment

Property and equipment consist of the following:

	As of December 31,	
	2020	2019
Pipelines	$ 165,073,998	$ 120,590,603
Right-of-way agreements	26,601,531	28,645,630
Station equipment	22,607,995	10,773,493
Pumping equipment	6,350,469	2,534,069
Communication systems	10,209,170	8,514,015
Work in process	14,337,543	5,816,709
Tanks	16,654,683	3,681,841
Buildings	780,754	826,688
Office furniture, vehicles, and other assets	2,781,122	2,252,795
Leasehold improvements	2,054,286	1,729,470
Land	1,442,461	1,108,700
Reimbursable projects – work in process	212,245	1,312,093
Property and equipment, gross	269,106,257	187,786,106
Less: accumulated depreciation	(50,807,602)	(41,639,988)
Property and equipment, net	$ 218,298,655	$ 146,146,118

Depreciation expense for the years ended December 31, 2020 and 2019, respectively, was $9,167,615 and $5,760,084. For the year ended December 31, 2020, capitalized interest was $996,228 and capitalized internal labor was $817,950. For the year ended December 31, 2019, capitalized interest was $981,711 and capitalized internal labor was $293,839.

During the year ended December 31, 2020, management identified property and equipment that required impairment. As a result of conducting comparable fair market value analysis on all asset groups in conjunction with the preparation of the annual budget, the Company identified an adverse change in the market value of an asset group. The fair market value of the asset group was significantly lower than its carrying value. The Company updated estimated future cash flows for all asset groups, noting the cash flows for the Kettleman Los Medanos asset group in California was less than the carrying value of the related asset groups. The Company performed the two-step impairment test and recorded $55,731,523 as an impairment charge to the Combined Statement of Operations for the year ended December 31, 2020. There were no indications of impairment or impairment charges for the year ended December 31, 2019.

Note 5 – Deposits, Prepaids and Other Current Assets

Prepaid and other assets consist of the following:

	As of December 31,	
	2020	**2019**
Prepaid insurance	$ 1,856,301	$ 1,609,180
Rights-of-way agreements	951,301	970,573
Prepaid fees, other receivables, and other current assets	1,013,386	331,677
Materials and supply inventory	98,426	—
Deposits	2,013,251	15,173,030
Total Deposits, prepaids, and other current assets	$ 5,932,665	$ 18,084,460

Right-of-way agreements include advance payments for rights-of-way that provide the Company a limited interest in land owned by third parties. These agreements enable the Company to operate, inspect, and maintain pipelines as granted from landowners.

Note 6 – Long-Term Debt

Parent's long-term debt has been included in the Crimson California Combined Financial Statements for the periods presented. The Parent's debt obligations discussed within this footnote were settled as a result of the Restructure, whereby Crimson California entered into an amended and restated credit agreement. Additional information regarding Crimson California's post-Restructure debt is presented in footnote 9.

On February 19, 2016, the Parent entered into an agreement with Wells Fargo Bank, NA for a $300 million revolving credit facility (the "Revolving Facility"). On October 31, 2016, the Parent entered into the 2nd Amendment (the "2nd Amendment") to the Revolving Facility Agreement, which established and redefined compliance and covenant requirements. Within the 2nd Amendment, the Parent increased the lending commitment amount to $400 million. On January 11, 2019, the Company entered into the 3rd Amendment (the "3rd Amendment") to the Revolving Facility Agreement, which established and redefined compliance and covenant requirements in contemplation of the changing ownership structure detailed in footnote 1.

The Revolving Facility bears interest, as defined in the Revolving Facility agreement, at either the Adjusted Base Rate or Eurodollar Rate. For Base Rate borrowings, the interest rate is equal to the Adjusted Base Rate plus the Applicable Margin (as shown below). The Adjusted Base Rate is the greatest of (a) the Base Rate (as defined in the Revolving Facility agreement), (b) the Federal Funds Rate plus ½ of 1% and (c) the One-Month LIBOR plus 1%. For the Eurodollar Base Rate borrowings and letters of credit, the interest rate is equal to the interbank offered

Eurodollar Rate plus the Applicable Margin (as shown below). The applicable margins and other fees are a function of the pricing level of the Revolving Facility relative to the total leverage ratio. During the year ended December 31, 2020, the Company had utilized a combination of the Eurodollar rate and Base Rate options for its borrowings. As of December 31, 2020, the weighted average interest rate was 3.7%.

Revolving Facility Applicable Margin

Pricing Level	Total Leverage Ratio	Eurodollar Rate	Base Rate	Commitment Fee
1	<2.00:1	2.00%	1.00%	0.50%
2	≥ 2.00:1 but < 2.50:1	2.25%	1.25%	0.50%
3	≥ 2.50:1 but < 3.00:1	2.50%	1.50%	0.50%
4	≥ 3.00:1 but < 3.50:1	2.75%	1.75%	0.50%
5	≥ 3.50:1 but < 4.00:1	3.00%	2.00%	0.50%
6	≥ 4.00:1	3.25%	2.25%	0.50%

The outstanding balance on the Revolving Facility was $275.9 million and $219.9 million at December 31, 2020 and December 31, 2019, respectively. At December 31, 2020 and December 31, 2019, there was $123.1 million and $176.1 million, respectively, of additional funds committed and available to the Company under the 3rd Amendment provided the Company would remain in compliance with debt covenants should additional funds be borrowed. There were letters of credit outstanding under the Revolving Facility for $1.0 million and $4.0 million as of December 31, 2020 and 2019, respectively.

The Revolving Facility includes certain covenants, including a maximum total leverage ratio and minimum interest coverage ratio. As of December 31, 2020 and 2019, the Parent was in compliance with these covenants.

The Company’s debt consisted of the following:

	Short-Term Debt As of December 31, 2020	Long-Term Debt as of December 31,2019
Revolving credit facility	$ 275,900,000	$ 219,900,000

The Company’s interest expense related to LIBOR and base rate interest, exclusive of debt fees, debt issuance costs, and amounts capitalized, was $9,835,385 and $10,744,478 for the years ended December 31, 2020, and 2019, respectively. The future maturities of long-term debt in the year indicated are as follows:

	Debt Maturities
2021	$ 275,900,000
2022	—
2023	—
2024	—
2025	—
Thereafter	—

<u>Note 7 – Related Party Transactions</u>

<u>Allocation of Corporate Expenses</u>

The Combined Statements of Operations include an allocation of general corporate and operating expenses from Parent for certain management and support functions which are provided on a centralized basis within the Parent. These management and support functions include, but are not limited to, executive management, finance, legal,

information technology, employee benefits administration, treasury, risk management, procurement and other shared services. These allocations were made on a direct usage basis when identifiable, with the remainder allocated on the basis of revenue, direct labor expenses, fixed assets, or other relevant measures.

The amounts shown below for the year ended December 31, 2020 represent the total payroll, operating and administrative overhead expenses subject to allocation to Crimson California and other subsidiaries of the Parent. The Parent allocated administrative overhead, operating expenses, and other indirect costs to Crimson California during the years ended December 31, 2020 and 2019, utilizing a combination of revenues, property and equipment balances, and headcount as allocation drivers. These costs are primarily included withing General and Administrative Expenses on the Combined Statement of Operations. See allocated overhead as follows:

	For the Year Ended December 31,	
	2020	**2019**
Crimson California	$ 4,227,280	$ 4,534,267
Crimson Gulf	3,472,548	6,945,069
Total allocated costs from Parent	$ 7,699,828	$ 11,479,336

Management and the Parent consider these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, the subsidiaries of the Parent. These allocations may not, however, reflect the expense Crimson California would have incurred as a standalone company for the periods presented. Actual costs that may have been incurred if Crimson California had been a standalone company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

The following table presents the amounts due from related parties, including Crimson Gulf, as of December 31, 2020 and 2019.

	As of December 31, 2020	**As of December 31, 2019**
Due from other affiliated companies	$ 2,206,745	$ 1,353,619

Parent Company Investment

Parent company investment on the Combined Balance Sheets and Statements of Equity represents Parent's historical investment in Crimson California, the net effect of transactions with and allocations to Parent and Crimson California's accumulated earnings. Net transfers to parent include cash pooling and corporate allocations.

Note 8 – Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal and other costs, such as remediation, incurred in connection with loss contingencies are expensed as incurred. Recoveries of costs from third parties that are probable of realization are separately recorded as assets and are not offset against the liability.

The Company has entered into various right-of-way agreements with landowners for the right to construct, maintain, and operate certain pipeline improvements on the landowners' property. The Company makes annual payments of license fees to maintain its rights under these agreements. The Company may terminate these agreements provided it meets any termination obligations as prescribed in these agreements.

In June 2016, the Company discovered a leak on its Ventura pipeline located in Ventura County, at which time the Company began remediation of the observed release and concurrently took the pipeline out of service. The pipeline was repaired and returned to service in June 2016. The remediation efforts are complete, the affected area has been

restored, and the Company has implemented a monitoring program for the area. The Company estimates that the aggregate total costs incurred or that will be incurred is approximately $19.2 million related to this incident. This estimate includes actual and projected response and remediation costs, natural resource damage assessments, estimates for fines and penalties, and certain legal fees. The Company incurred $17,091,327 of cumulative expenses related to this incident through December 31, 2020. The Company maintains insurance coverage, which is subject to certain exclusions and deductibles, in the event of such environmental liabilities. The Company recorded $3,766,585 of cumulative expenses to cost of revenues, net of amounts the Company believes to be probable of recovery from insurance, during the years ended December 31, 2020 and prior. The Company had approximately $2.1 million accrued as of December 31, 2020 for estimated future expenditures related to the incident and approximately $1.1 million related to the portion of the release costs that the Company believes is probable of recovery from insurance, net of deductibles. The Company received $0 and $169,956 in insurance reimbursements related to this incident during the years ended December 31, 2020 and 2019, respectively. The Company has received $14,334,430 in cumulative insurance reimbursement through December 31, 2020.

As a transporter of crude oil, the Company is subject to various environmental regulations that could subject the Company to future monetary obligations. The Company expenses environmental obligations related to conditions caused by past operations that do not generate current or future revenues. Environmental obligations related to operations that generate current or future revenues are expensed or capitalized, as appropriate. Liabilities are recorded when the necessity for environmental remediation or other potential environmental liabilities becomes probable and the costs can be reasonably estimated. The Company evaluates the need to provide for a liability on its obligation for dismantlement, restoration, and abandonment of its pipeline systems.

The Company is involved in various other claims and legal actions in the ordinary course of business. The Company believes the ultimate disposition of these matters will not have a material adverse effect on the Company's combined financial position, results of operations, or liquidity.

The Company utilizes assets under operating and capital leases in several areas of operation. The Company recognized rental expense, including leases with no continuing commitment, totaling $1,463,949 and $1,679,463 for the years ended December 31, 2020 and 2019, respectively. Rental expense for leases with escalation clauses is recognized on a straight-line basis over the initial lease term.

Minimum rental payments under various operating and capital leases in the years indicated are as follows at December 31, 2020:

	Lease Obligations
2021	$ 1,115,322
2022	979,429
2023	996,442
2024	3,562
2025	—
Total	$ 3,094,755

Note 9 - Subsequent Events

On February 4, 2021, the majority interest owner and Carlyle contributed their respective interest in Crimson Gulf and its subsidiaries to the newly formed Crescent company.

As a result of the Restructure, the Company is owned by the majority interest owner and CORR. The Parent no longer owns an interest in Crimson Gulf or its subsidiaries. The Company signed a Transition Services Agreement with Crescent to provide certain transition services including control center monitoring and several corporate services to include Finance, Accounting and HR.

CRIMSON CALIFORNIA

In connection with the transaction, the Company amended its current credit facility, of which $275.9 million was outstanding prior to the Restructure. $105 million of new debt was financed by Crimson California and Corridor MoGas, Inc., a subsidiary of CORR, as co-borrowers, on an amended credit facility with a maturity date of February 4, 2024. The proceeds of the new credit facility were used to pay $2.8 million of deferred financing costs for the new loan and $102.2 million to reduce the Company’s share of retirement of existing debt. The remaining debt obligation was paid by Crescent, primarily from funds sourced from a new debt arrangement. As a result of the Restructure, the carved-out Crimson California’s debt obligation is $105 million.

The Company has evaluated all subsequent events through March 11, 2021, which is the date the Combined Financial Statements were available for issuance and has disclosed within the notes to the Combined Financial Statements all relevant matters.

Exhibit 99.2

Table of Contents

Report of Independent Auditors	2
Combined Abbreviated Financial Statements	
Combined Abbreviated Statement of Assets Acquired as of December 31, 2019	3
Combined Abbreviated Statement of Revenues and Direct Operating Expenses for the year ended December 31, 2019	4
Notes to the Combined Abbreviated Financial Statements	5

Exhibit 99.2

Report of Independent Auditors

To the Management and Board of Members of
Crimson Midstream Holdings, LLC

We have audited the accompanying combined abbreviated financial statements of the Shell Acquired Assets, as defined in Note 1, which comprise the Combined Statement of Assets Acquired as of December 31, 2019, and the Combined Statement of Revenues and Direct Operating Expenses for the year then ended, and the related notes to the combined abbreviated financial statements (collectively referred to as the "financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the Combined Statement of Assets Acquired of the Shell Acquired Assets at December 31, 2019, and its Combined Statement of Revenues and Direct Operating Expenses for the year then ended in conformity with U.S. generally accepted accounting principles.

Emphasis of a Matter

As described in Note 1, the combined abbreviated financial statements have been prepared for the purpose of complying with the rules and regulations of the U.S. Securities and Exchange Commission for inclusion in the Current Report on Form 8-K/A of CorEnergy Infrastructure Trust, Inc. and are not intended to be a complete presentation of the financial position or results of operations of the Shell Acquired Assets. Our opinion is not modified with respect to this matter.

/s/ Ernst & Young LLP

Houston, Texas
April 16, 2021

Shell Acquired Assets
Combined Abbreviated Statement of Assets Acquired
(Dollars in thousands)

		As of December 31, 2019
Assets acquired		
Inventory	$	907
Property, plant and equipment, net		101,973
Total assets acquired	$	102,880

See accompanying notes to the Combined Abbreviated Financial Statements

San Pablo Bay Pipeline
Combined Statement of Revenues and Direct Operating Expenses
(Dollars in thousands)

		Year Ended December 31, 2019
Revenue		
Transportation - related parties	$	48,234
Transportation - third parties		28,633
Product revenue		6,841
Total Revenue		**83,708**
Direct operating expenses		
Operations and maintenance - third parties		22,530
Operations and maintenance - related parties		2,648
General and administrative - third parties		6,746
General and administrative - related parties		314
Cost of product sold		6,377
Depreciation and amortization		9,364
Property and other taxes		1,639
Total direct operating expenses		**49,618**
Revenue in excess of direct operating expenses	**$**	**34,090**

See accompanying notes to the Combined Abbreviated Financial Statements

SHELL ACQUIRED ASSETS
NOTES TO COMBINED ABBREVIATED FINANCIAL STATEMENTS

Note 1 — Organization and Basis of Presentation

Acquisition and Nature of Business

On March 1, 2020, the Crimson Midstream, LLC (the "Crimson") Sale and Purchase Agreement (the "Agreement") with Shell Pipeline Company LP ("Shell") to purchase San Pablo Bay ("SPB") Pipeline Company and Shell's proprietary crude lines in California (collectively, the "Shell Acquired Assets") became effective. Crimson purchased the Shell Acquired Assets for approximately $114.7 million including acquisition-related costs.

The acquisition consists of the SPB System, a 400-mile, 20" common carrier pipeline system from the San Joaquin Valley to Bakersfield, California refineries and three refineries in the San Francisco Bay Area. Additionally, Crimson acquired a proprietary system consisting of a 110-mile system of three separate line segments south of Bakersfield. Crimson primarily acquired pipeline, tanks, metering systems and Rights of Way ("RoW") as part of the acquisition.

Basis of Presentation

The accompanying historical combined abbreviated financial statements include the assets acquired as of December 31, 2019, as well as the related historical combined revenues and direct operating expenses for the year ended December 31, 2019 associated with the Shell Acquired Assets (collectively, the "Combined Abbreviated Financial Statements"). The Combined Abbreviated Financial Statements were prepared based on carved out financial information and data from historical accounting records relating to the Shell Acquired Assets using historical results of operations and financial position and only present the combined assets acquired and the revenues and direct expenses of the Shell Acquired Assets. These Combined Abbreviated Financial Statements are not intended to be a complete presentation of the financial position and results of operations of the Shell Acquired Assets as they do not include corporate overhead, interest and income tax allocations and other income and expense items not directly associated with revenues of the Shell Acquired Assets. The Combined Abbreviated Financial Statements reflecting financial position, results of operations and cash flows required by accounting principles generally accepted in the United States ("GAAP") are not presented as such information is not readily available on an individual property basis and not meaningful to the acquired properties. Accordingly, the accompanying statements are presented in lieu of the financial statements required under Rule 8–04 of Securities and Exchange Commission's Regulation S–X.

The Combined Abbreviated Financial Statement of assets acquired include only the specific assets related to the Shell Acquired Assets that were identified in the Agreement. Revenue that is directly related to the Shell Acquired Assets is reflected in the accompanying Combined Abbreviated Financial Statements. The direct operating expenses of the Shell Acquired Assets presented in these Combined Abbreviated Financial Statements are operations and maintenance expenses, property taxes and other costs that are directly attributed to the Shell Acquired Assets. Certain indirect expenses, as further described in Note 2, were not allocated and have been excluded from the Combined Abbreviated Financial Statements.

Note 2 — Summary of Significant Accounting Policies

Use of Estimates in the Combined Abbreviated Financial Statements

The preparation of the combined abbreviated statements of revenues and direct operating expenses in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, operating revenues, direct operating expenses during the respective reporting periods. Management evaluates estimates on an on-going basis. Management bases estimates on historical experience and on various other

assumptions that are believed to be reasonable under the circumstances. Actual results may differ from the estimates and assumptions used in the preparation of the statement of revenues and direct operating expenses.

Inventory

Inventory consists of allowance oil which is the net difference between the tariff pipeline loss allowance ("PLA") volumes and the actual volumetric losses. A loss allowance factor of 0.1% per barrel is incorporated into applicable crude oil tariffs to offset evaporation and other losses in transit. Title is taken to any excess loss allowance when product losses are within an allowed level, and the product is converted to cash periodically at prevailing market prices.

Inventory is valued at cost using the average market price for the relevant type of crude oil during the month the product was transported. At the end of each reporting period, we assess the carrying value of allowance oil and make any adjustments necessary to reduce the carrying value to the applicable net realizable value.

Property, plant and equipment, net

Property, plant and equipment, net, includes pipelines, station equipment, tanks, other property, pumping equipment, right-of- way agreements, buildings, land, leasehold improvements, machinery and tools, computer hardware and software, and office furniture and equipment and is stated at cost less accumulated depreciation. Depreciation of pipeline and equipment is computed using the straight-line method over the estimated useful lives of the assets. These estimated useful lives are 25 years for pipelines, 10-40 years for station equipment, buildings, and other property, 15 years for pumping equipment, 30 years for tanks, 5 years for computer hardware and software, machinery and tools, and office furniture and equipment, 25 years for rights-of-way agreements, indefinite for land, and over the life of the lease for leasehold improvements. Property, plant and equipment consists of the following as of December 31, 2019:

		December 31, 2019 (amounts in 000's)
Pipelines	$	156,484
Station equipment		25,096
Tanks		20,253
Other property		15,634
Pumping equipment		8,335
Right-of-way agreements		4,919
Buildings		2,948
Land		1,443
Leasehold improvements		359
Other		675
Property, plant and equipment, gross		236,146
Less Accumulated depreciation and amortization		(134,173)
Property, plant and equipment, net	**$**	**101,973**

Repair and maintenance costs are expensed as incurred and are included in operations and maintenance expenses on the combined abbreviated statement of revenues and direct operating expenses.

Asset Retirement Obligations

Asset retirement obligations represent legal and constructive obligations associated with the retirement of long-lived assets that result from acquisition, construction, development and/or normal use of the asset. Liabilities recorded for obligations related to the retirement and removal of long-lived assets used in the business at fair value on a discounted basis when they are incurred and can be reasonably estimated. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities increase due to the change in their present value, and the initial capitalized costs are depreciated over the useful lives of the related assets. The liabilities are eventually extinguished when settled at the time the asset is taken out of service.

Management continues to evaluate the asset retirement obligations and future developments could impact the amounts recorded. The demand for the pipelines of the Shell Acquired Assets depend on the ongoing demand to move crude oil through the system. Although individual assets will be replaced as needed, the pipelines will continue to exist for an indefinite useful life. As such, there is uncertainty around the timing of any asset retirement activities. As a result, management determined that there is not sufficient information to make a reasonable estimate of the asset retirement obligations for the Shell Acquired Assets and have not recognized any asset retirement obligations as of December 31, 2019.

Impairment of long-lived assets

Management evaluates the recoverability of its long-lived assets, including pipelines, station equipment, tanks, right of ways, buildings and other property and equipment, in accordance with the provisions of Accounting Standards Codification (“ASC”) 360, Property, Plant and Equipment (“ASC 360”). ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by comparing the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. There was no impairment of long-lived assets recognized in the Combined Abbreviated Financial Statements.

Revenue Recognition and Inventory

The FASB issued ASU 2014-09, Revenue from Contract with Customers in May 2014, and the Shell Acquired Assets adopted this standard as of January 1, 2019. The revenue standard requires entities to recognize revenue through the application of a five-step model, which includes: identification of the contract; identification of the performance obligations; determination of the transaction price; allocation of the transaction price to the performance obligations; and recognition of revenue as the entity satisfies the performance obligations.

The Shell Acquired Assets revenues are primarily generated from the transportation of crude oil and sale of crude oil accumulated via tariffs from transportation services provided. To identify the performance obligations, we considered all the products or services promised in the contracts with customers, whether explicitly stated or implied based on customary business practices. Revenue is recognized when each performance obligation is satisfied under the terms of the contract.

Each barrel of crude oil transported is considered a distinct service that represents a performance obligation that would be satisfied over time if it were accounted for separately. The services provided over the contract period are a series of distinct services that are substantially the same, have the same pattern of transfer to the customer, and, therefore, qualify as a single performance obligation. Since the customer simultaneously receives and consumes the benefits of services, we recognize revenue over time based on a measure of progress of volumes transported. We apply the allocation exception guidance for variable consideration related to market indexing for long-term transportation contracts because (a) the variable payment relates specifically to our efforts to transfer the distinct service and (b) we allocate the variable amount of consideration entirely to the distinct service, which is consistent with the allocation objective.

Our transportation contracts and tariffs contain terms for the customer to reimburse us for losses from evaporation or other loss in transit in the form of allowance oil. Allowance oil represents the net difference between the tariff PLA

volumes and the actual volumetric losses. Under SPB tariffs, we obtain control of the excess oil not lost during transportation, if any. Under the revenue standard, we include the excess oil retained during the period, if any, as non-cash consideration and include this amount in the transaction price for transportation services on a net basis. Our allowance oil revenue is valued at the average market price of the relevant type of crude oil during the month product was transported.

We generate revenue by selling accumulated allowance oil inventory to customers. The sale of allowance oil is recorded as product revenue, with specific cost based on a weighted average price per barrel recorded as cost of product sold. Product revenue related to allowance oil sales is recognized at the point in time when the control of the oil transfers to the customer.

For all performance obligations, payment is typically due in full within 30 days of the invoice date.

Based on the revenue agreements, customers are invoiced after the performance obligations are satisfied, at which point payment is unconditional. As such, the Shell Acquired Assets' revenue agreements do not give rise to contract assets or liabilities under ASC 606.

The following table summarizes the Shell Acquired Assets' revenue streams:

	Year Ended December 31, 2019 (amounts in 000's)	
Revenue		
Transportation - related parties	$	48,234
Transportation - third parties		28,633
Product revenue		6,841
Total revenue	$	83,708

As an exemption, we do not disclose the amount of remaining performance obligations for contracts with an original expected duration of one year or less or for variable consideration that is allocated entirely to a wholly unsatisfied promise to transfer a distinct service that forms part of a single performance obligation.

Direct Operating Expense

Direct operating expenses consist of pipeline operations, maintenance, materials and supplies, outside services, rentals, insurance, taxes, depreciation and amortization, and payroll expenses that are directly attributable to the Shell Acquired Assets.

Excluded Expenses

The Shell Acquired Assets were part of a much larger enterprise prior to the date of the sale. Indirect general and administrative expenses, income taxes, interest expense, and other indirect expenses were not allocated to the Shell Acquired Assets and have been excluded from the accompanying Combined Abbreviated Financial Statements. In addition, any allocation of such indirect expenses may not be indicative of costs which would have been incurred by the Shell Acquired Assets on a stand-alone basis.

Contingencies

Pursuant to the terms of the Agreement, Crimson believes that there are no claims, litigation or disputes pending as of the Effective Date, or any matters arising in connection with indemnifications, and the parties to the Agreement

are not aware of any legal, environmental or other commitments or contingencies that would have a material adverse effect on the accompanying Combined Abbreviated Financial Statements.

Note 3 – Related Party Transactions

Related Party Revenues and Expenses

Historically, Shell utilized the Shell Acquired Assets for transportation of hydrocarbons produced by Shell's oil and gas producing subsidiaries. Revenues associated with these transportation services were recognized as related party revenues. Additionally, Shell and its affiliates performed certain services which directly supported the operations of the Shell Acquired Assets. Certain subsidiaries of Shell directly procure certain services or materials from other third-parties on the behalf of the Shell Acquired Assets and pass these costs through. Such costs are included in either general and administrative expenses-related party or operations and maintenance expenses – related parties, in the accompanying combined abbreviated statement of revenues and direct operating expenses.

Note 4 — Subsequent Events

Management has evaluated subsequent events for the period December 31, 2019 through April 16, 2021, the date at which the Combined Abbreviated Financial Statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure within the accompanying statements.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Effective February 1, 2021, CorEnergy Infrastructure Trust, Inc., (“CorEnergy” or the “Company”) acquired a 49.50 percent interest in Crimson Midstream Holdings, LLC (“Crimson”), with the right to acquire the remaining 50.50 percent interest, in exchange for a combination of cash on hand of approximately $74.6 million (after giving effect to initial working capital adjustments), commitments to issue new common and preferred equity with a fair value of $115.3 million (also after giving effect to the initial working capital adjustments), contribution of the Grand Isle Gathering System, LP (“GIGS”) to the sellers with a fair value of $48.9 million and $105.0 million in new term loan and revolver borrowings (the “Crimson Credit Facility”), all as detailed further below (the “Crimson Transaction”). The preliminary fair value of the aggregate consideration is $343.8 million, subject to certain post-closing purchase price adjustments.

Crimson owns indirectly an approximately 2,000-mile crude oil transportation pipeline system, including approximately 1,300 active miles, and associated storage facilities located in southern California and the San Joaquin Valley. The pipeline network provides a critical link between California crude oil production and California refineries. The California Public Utility Commission (“CPUC”) regulates the rates and administration of the transportation tariffs which comprise the majority of Crimson’s revenue generating activities.

To effect the Crimson Transaction, the Company entered into and consummated a Membership Interest Purchase agreement (the “MIPA”) with CGI Crimson Holdings, L.L.C. (“Carlyle”), Crimson, and John D. Grier (“Grier”). Pursuant to the terms of the MIPA, the Company acquired all of the Class C Units of Crimson owned by Carlyle, which represents 49.50 percent of all of the issued and outstanding membership interests of Crimson, in exchange for $66.0 million in cash and the transfer to Carlyle of the Company’s interest in GIGS. The MIPA also contains standard representations, warranties, covenants and indemnities. The Company’s interest was acquired with an effective date of February 1, 2021, as contemplated by the parties and documented in the First Amendment to the MIPA.

As described above, a portion of the consideration paid to Carlyle pursuant to the MIPA was the transfer of the Company’s interest in GIGS. In connection with that disposition, the Company and Grand Isle Corridor, LP, the Company’s subsidiary (“Grand Isle”), entered into a Settlement and Mutual Release Agreement (the “Settlement Agreement”) with Energy XXI GIGS Services, LLC, Energy XXI Gulf Coast, Inc. and CEXXI, LLC (the “EXXI Entities”). Energy XXI GIGS Services, LLC (“EGC Tenant”) was the tenant under the Lease Agreement, dated June 30, 2015 with Grand Isle (the “GIGS Lease”). Grand Isle initially received a Guaranty dated June 22, 2015 from Energy XXI Ltd. in connection with the original purchase of the GIGS, which was assumed by Energy XXI Gulf Coast, Inc., as guarantor of the obligations of EGC Tenant pursuant to the terms of the Assignment and Assumption of Guaranty and Release dated December 30, 2016 (as assigned and assumed, the “Tenant Guaranty”). Pursuant to the terms of the Settlement Agreement, the Company and Grand Isle released the EXXI Entities for any and all claims, except for the Environmental Indemnity under the GIGS Lease, which shall survive, and the EXXI Entities released the Company and Grand Isle from any and all claims. As previously disclosed in the Company’s periodic reports, the Company had initiated litigation to enforce its rights under the GIGS Lease, including for non-payment of rent. The parties have agreed to jointly dismiss such litigation in connection with the Settlement Agreement. Additionally, the GIGS Lease and Tenant Guaranty were cancelled and terminated.

The following unaudited pro forma combined financial statements are based on our historical consolidated financial statements as adjusted to give effect to the Crimson Transaction, GIGS disposition and Settlement Agreement, and related debt financing as of February 1, 2021 (collectively the “Crimson Transaction Adjustments”). The unaudited pro forma combined statement of operations for the year ended December 31, 2020 gives effect to the Crimson Transaction Adjustments as if they had occurred on January 1, 2020. The unaudited pro forma combined balance sheet as of December 31, 2020 gives effect to the Crimson Transaction Adjustments as if they had occurred on December 31, 2020.

The unaudited pro forma combined statement of operations for the year ended December 31, 2020 also gives effect to the sale of the Pinedale Liquids Gathering System ("Pinedale LGS") to Ultra Wyoming, LLC ("Ultra Wyoming") and termination of the Pinedale Lease Agreement (collectively, the “Pinedale Transaction”) effective January 1, 2020. The Pinedale Transaction was completed on June 30, 2020 as described in the Company’s Current Reports on Form 8-K dated June 26, 2020 and July 7, 2020. The Pinedale Transaction pro forma adjustments are referred to as the Pinedale Other Transaction Adjustments. We refer to these unaudited pro forma combined financial statements as “pro forma financial information.”

The pro forma financial information has been prepared by CorEnergy for illustrative and informational purposes only in accordance with Regulation S-X Article 11, Pro Forma Financial Information, as amended by the final rule, Amendments to Financial Disclosures About Acquired and Disposed Businesses, as adopted by the U.S. Securities and Exchange Commission (the “SEC”) on May 21, 2020. The pro forma financial information is based on various adjustments and assumptions and is not necessarily indicative of what CorEnergy’s consolidated statement of operations or consolidated statement of financial condition actually would have been had the Crimson Transaction and other transaction adjustments been completed as of the dates indicated or will be for any future periods. These adjustments are based on preliminary estimates and will be different from the adjustments based on final acquisition accounting when it is completed, and these differences could be material.

The unaudited pro forma combined financial statements and accompanying notes have also been prepared in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”), including the acquisition method of accounting. The accounting principles are consistent with those used in the audited CorEnergy consolidated financial statements and the related notes included in the 2020 Form 10-K as filed with the SEC on March 4, 2021 and the audited Combined Carve-Out Financial Statements of Crimson California and the related notes included in Exhibit 99.1 to this Amendment No. 1 to Current Report on Form 8-K/A. The financial information should be read in conjunction with the accompanying notes to the unaudited pro forma combined financial information.

CorEnergy Infrastructure Trust, Inc.
Pro Forma Combined Balance Sheet (Unaudited)
As of December 31, 2020

	Historical		Transaction Accounting Adjustments				Other Transaction Accounting Adjustments		
	CorEnergy As Adjusted (Note 2)	Crimson California As Adjusted (Note 2)	GIGS Accounting Adjustments	FN	Crimson Transaction Accounting Adjustments	FN	Other Adjustments	FN	Pro Forma
Assets									
Leased property, net of accumulated depreciation	$ 64,938,010	$ —	$ (63,628,933)	4a)	$ —		$ —		$ 1,309,077
Property and equipment, net of accumulated depreciation	106,224,598	218,298,655	48,873,169	4b)	65,002,707	5b)	—		438,399,129
Financing notes and related accrued interest receivable, net of reserve	1,209,736	—	—		—		—		1,209,736
Cash and cash equivalents	99,596,907	27,572,934	—		(100,419,462)	5a)	(106,114)	6a)	26,644,265
Accounts and other receivables	3,675,977	11,501,088	—		(106,647)	5c)	—		15,070,418
Inventory	87,940	997,618	—		684,019	5c)	—		1,769,577
Deferred costs, net of accumulated amortization	1,077,883	257,271	(168,191)	4c)	885,076	5d)	(909,692)	6b)	1,142,347
Prepaid expenses and other assets	2,054,804	7,572,493	—		(1,377,561)	5c)	—		8,249,736
Operating right-of-use assets	85,879	—	—		6,268,077	5c)	—		6,353,956
Deferred tax asset, net	4,282,576	—	—		—		—		4,282,576
Goodwill	1,718,868	—	—		—		—		1,718,868
Due from affiliated companies, net	—	2,206,745	—		(2,206,745)	5c)	—		—
Total Assets	$ 284,953,178	$ 268,406,804	$ (14,923,955)		$ (31,270,536)		$ (1,015,806)		$ 506,149,685

	Historical		Transaction Accounting Adjustments				Other Transaction Accounting Adjustments		
Liabilities and Equity	**CorEnergy As Adjusted (Note 2)**	**Crimson California As Adjusted (Note 2)**	**GIGS Accounting Adjustments**	**FN**	**Crimson Transaction Accounting Adjustments**	**FN**	**Other Adjustments**	**FN**	**Pro Forma**
Secured credit facilities, net of debt issuance costs	$ —	$ 275,900,000	$ —		$ (172,728,772)	5e)	$ —		$ 103,171,228
Unsecured convertible senior notes, net of discount and debt issuance costs	115,008,130	—	—		—		—		115,008,130
Asset retirement obligation	8,762,579	—	(8,762,579)	4a)	—		—		—
Accounts payable and other accrued liabilities	4,628,847	23,286,586	—		(9,261,377)	5c)	—		19,437,463
	—	—	—		783,407	5g)			
Management fees payable	971,626	—	(640,997)	4d)	—		—		330,629
Income tax liability	—	—	—		—		236,813	6c)	236,813
Operating lease liability	56,441	—	—		6,268,077	5c)	—		6,324,518
Unearned revenue	6,125,728	3,180,368	—		(2,865,368)	5c)	—		6,440,728
Total Liabilities	$ 135,553,351	$ 302,366,954	$ (9,403,576)		$ (177,804,033)		$ 236,813		$ 250,949,509
Equity									
Series A Cumulative Redeemable Preferred Stock 7.375%, $125,270,350 liquidation preference ($2,500 per share, $0.001 par value), 10,000,000 authorized; 50,108 issued and outstanding at December 31, 2020	$ 125,270,350	$ —	$ —		$ —		$ —		$ 125,270,350
Capital stock, non-convertible, $0.001 par value; 13,651,521 shares issued and outstanding at December 31, 2020 (100,000,000 shares authorized)	13,652	—	—		—		—		13,652

	Historical		Transaction Accounting Adjustments				Other Transaction Accounting Adjustments		
	CorEnergy As Adjusted (Note 2)	**Crimson California As Adjusted (Note 2)**	**GIGS Accounting Adjustments**	**FN**	**Crimson Transaction Accounting Adjustments**	**FN**	**Other Adjustments**	**FN**	**Pro Forma**
Additional paid-in capital	339,742,380	—	—		—		—		339,742,380
Retained deficit	(315,626,555)	(33,960,150)	(5,993,185)	4a)	33,960,150	5f)	(106,114)	6a)	(325,149,243)
	—	—	(168,191)	4c)	(1,966,283)	5g)	(909,692)	6b)	
	—	—	640,997	4d)	(783,407)	5g)	(236,813)	6c)	
Total CorEnergy Equity	149,399,827	(33,960,150)	(5,520,379)		31,210,460		(1,252,619)		139,877,139
Non-controlling Interest	—	—	—		115,323,037	5h)			115,323,037
Total Equity	149,399,827	(33,960,150)	(5,520,379)		146,533,497		(1,252,619)		255,200,176
Total Liabilities and Equity	$ 284,953,178	$ 268,406,804	$ (14,923,955)		$ (31,270,536)		$ (1,015,806)		$ 506,149,685

See accompanying Notes to the Pro Forma Combined Financial Statements

CorEnergy Infrastructure Trust, Inc.
Pro Forma Combined Statement of Operations (Unaudited)
For the year ended December 31, 2020

	Historical		Transaction Accounting Adjustments				Other Transaction Adjustments				
	CorEnergy	Crimson California As Adjusted (Note 2)	GIGS Accounting Adjustments	FN	Crimson Transaction Accounting Adjustments	FN	Other Adjustments	FN	Pinedale Transaction Adjustments	FN	Pro Forma
Revenue											
Lease revenue	$ 21,351,123	$ 1,341,900	$ (10,164,636)	4e)	$ —		$ —		$ (11,095,987)	7a)	$ 1,432,400
Deferred rent receivable write-off	(30,105,820)	—	—		—		—		—		(30,105,820)
Transportation and distribution revenue	19,972,351	92,897,532	—		—		—		—		112,869,883
Pipeline loss allowance subsequent sales	—	7,109,818	—		—		—		—		7,109,818
Financing revenue	120,417	—	—		—		—		—		120,417
Other revenue	—	682,432	—		—		—		—		682,432
Realized loss on commodity derivatives	—	(742,650)	—		—		—		—		(742,650)
Total Revenue	11,338,071	101,289,032	(10,164,636)		—		—		(11,095,987)		91,366,480
Expenses											
Transportation and distribution expenses	6,059,707	54,742,069	—		—		(386,380)	6d)	—		60,415,396
Pipeline loss allowance subsequent sales cost of revenue	—	6,263,454	—		684,019	5i)	—		—		6,947,473
General and administrative	12,231,922	15,023,076	(2,641,855)	4f)	2,749,690	5j)	(3,086,168)	6d)	(1,197,599)	7b)	20,890,036
			(1,156,166)	4g)					(1,032,864)	7c)	
Depreciation, amortization and accretion expense	13,654,429	9,167,615	(6,505,598)	4h)	1,737,402	5k)	—		(3,646,801)	7d)	14,407,047
Loss on impairment of leased property	140,268,379	—	—		—		—		—		140,268,379
Loss on impairment and disposal of leased property	146,537,547	—	12,468,219	4i)	—		—		—		159,005,766
Loss on impairment of property and equipment	—	55,731,523	—		—		—		—		55,731,523
Loss on termination of lease	458,297	—	198,755	4j)	—		—		—		657,052
Total expenses	319,210,281	140,927,737	2,363,355		5,171,111		(3,472,548)		(5,877,264)		458,322,672
Operating loss	(307,872,210)	(39,638,705)	(12,527,991)		(5,171,111)		3,472,548		(5,218,723)		(366,956,192)
Other Income (Expense)											

	Historical		Transaction Accounting Adjustments				Other Transaction Adjustments				
	CorEnergy	**Crimson California As Adjusted (Note 2)**	**GIGS Accounting Adjustments**	**FN**	**Crimson Transaction Accounting Adjustments**	**FN**	**Other Adjustments**	**FN**	**Pinedale Transaction Adjustments**	**FN**	**Pro Forma**
Net distributions and other income	471,449	436,897	—		—		—		—		908,346
Reimbursable project gains	—	674,975	—		—		—		—		674,975
Interest expense	(10,301,644)	(11,426,531)	—		5,572,183	5l)	1,392,958	6e)	1,193,146	7e)	(13,569,888)
Affiliate management fee	—	3,472,548	—		—		(3,472,548)	6d)	—		—
Gain (loss) on extinguishment of debt	11,549,968	—	—		—		(1,484,233)	6f)	—		10,065,735
Total Other Income (Expense)	1,719,773	(6,842,111)	—		5,572,183		(3,563,823)		1,193,146		(1,920,832)
Loss before income taxes	(306,152,437)	(46,480,816)	(12,527,991)		401,072		(91,275)		(4,025,577)		(368,877,024)
Taxes	—	—	—		—		—		—		—
Current tax expense (benefit)	(395,843)	—	—		—		236,813	6c)	—		(159,030)
Deferred tax expense	310,985	—	—		—		—		—		310,985
Income tax expense (benefit), net	(84,858)	—	—	4k)	—	5m)	236,813		—	7f)	151,955
Net Loss	(306,067,579)	(46,480,816)	(12,527,991)		401,072		(328,088)		(4,025,577)		(369,028,979)
Less: Net loss attributable to non-controlling interest	—	—	—		(21,881,677)	5n)	(119,591)	6g)	—		(22,001,268)
Net Loss attributable to CorEnergy Stockholders	(306,067,579)	(46,480,816)	(12,527,991)		22,282,749		(208,497)		(4,025,577)		(347,027,711)
Preferred dividend requirements	9,189,809	—	—		—		—		—		9,189,809
Net Loss attributable to Common Stockholders	$ (315,257,388)	$ (46,480,816)	$ (12,527,991)		$ 22,282,749		$ (208,497)		$ (4,025,577)		$ (356,217,520)
Loss Per Common Share:											
Basic	$ (23.09)										$ (26.10)
Diluted	$ (23.09)										$ (26.10)
Weighted Average Shares of Common Stock Outstanding:											
Basic	13,650,718										13,650,718
Diluted	13,650,718										13,650,718
Dividends declared per share	$ 0.90										$ 0.90

See accompanying Notes to the Pro Forma Combined Financial Statements

Note 1 - Basis of Presentation

The CorEnergy and Crimson historical information has been derived from CorEnergy's and Crimson's audited historical financial statements, respectively. Crimson is also referred to as "Crimson California" in reference to historical periods for the entity. Certain of CorEnergy's and Crimson California's historical amounts have been reclassified to conform to CorEnergy's financial statement presentation as discussed further in Note 2. The unaudited pro forma combined financial statements should be read in conjunction with the separate historical financial statements and related notes thereto of CorEnergy and Crimson California. The pro forma combined balance sheet gives effect to the acquisition as if it had been completed on December 31, 2020. The pro forma combined statement of operations gives effect to the acquisition as if it had been completed on January 1, 2020. The acquisition and the related adjustments are described in the accompanying notes to the unaudited pro forma combined financial statements. In the opinion of CorEnergy's management, all material adjustments have been made that are necessary to present fairly, in accordance with Regulation S-X Article 11, Pro Forma Financial Information, as amended by the final rule, Amendments to Financial Disclosures About Acquired and Disposed Businesses, as adopted by the SEC on May 21, 2020. The pro forma financial statements do not purport to be indicative of the financial position or results of operations of the combined company that would have occurred if the acquisition had occurred on the dates indicated, nor are they indicative of CorEnergy's future financial position or results of operations.

As of February 1, 2021, CorEnergy holds a 49.50 percent interest in Crimson and Grier and Grier members hold the remaining 50.50 percent interest. Crimson is a variable interest entity ("VIE") as the legal entity is structured with non-substantive voting rights resulting from (i) the disproportionality between the voting interests of its members and certain economics of the distribution waterfall in the Third Amended and Restated Limited Liability Agreement ("Third LLC Agreement") and (ii) the de facto agent relationship between CorEnergy and Grier, who was appointed to CorEnergy's Board of Directors upon closing of the Crimson Transaction. As a result of this related party relationship, substantially all of Crimson's activities either involve or are conducted on behalf of CorEnergy that has disproportionately few voting rights, including Grier as a de facto agent. CorEnergy was determined to be the entity "most closely associated" with the VIE. Therefore, CorEnergy is the primary beneficiary and will consolidate Crimson. Grier's 50.50 percent interest is reflected as a non-controlling interest in the pro forma financial information. The unaudited pro forma combined financial statements have been prepared based on the Company's consolidation conclusions for Crimson.

Exhibit 99.3

Note 2 - Reclassifications and Conforming Accounting Policies

CorEnergy's historical balance sheet has been adjusted to reflect reclassifications to conform to new financial statement line items presented as a result of the Crimson Transaction. These reclassification adjustments include the following:

	As of December 31, 2020		
	CorEnergy Historical	Reclassification Adjustments	CorEnergy As Adjusted
Assets			
Inventory	$ —	$ 87,940	$ 87,940
Prepaid expenses and other assets	2,228,623	(173,819)	2,054,804
Operating right-of-use asset	—	85,879	85,879
	$ 2,228,623	$ —	$ 2,228,623
Liabilities			
Accounts payable and other accrued liabilities	$ 4,685,288	$ (56,441)	$ 4,628,847
Operating lease liability	—	56,441	56,441
	$ 4,685,288	$ —	$ 4,685,288

CorEnergy's accounting policy is to present an unclassified balance sheet. The unaudited pro forma combined financial statements have been adjusted to reflect reclassifications of Crimson California's financial statements to conform to CorEnergy's financial statement presentation. These reclassification adjustments include the following:

	As of December 31, 2020		
	Crimson California Historical	Reclassification Adjustments	Crimson California As Adjusted
Assets			
Current Assets			
Cash and cash equivalents	$ 27,572,934	$ —	$ 27,572,934
Accounts receivable - trade	10,718,998	(10,718,998)	—
Accounts receivable - non-trade	353,049	(353,049)	—
Insurance receivable	429,041	(429,041)	—
Accounts and other receivables	—	11,501,088	11,501,088
Inventory	899,193	98,425	997,618
Due from affiliated companies, net	2,206,745	—	2,206,745
Deposits, prepaids, and other current assets	5,932,665	(5,932,665)	—
Prepaid expenses and other assets	—	7,572,493	7,572,493
Total current assets	$ 48,112,625	$ 1,738,253	
Noncurrent Assets			
Property and equipment, net	218,298,655	—	218,298,655
Unamortized debt issuance costs	257,271	(257,271)	—
Deferred costs, net of accumulated amortization	—	257,271	257,271

Other assets	1,738,253	(1,738,253)	—
Total Assets	$ 268,406,804	$ —	$ 268,406,804
Liabilities and Members' Deficit			
Current Liabilities			
Short-term debt	$ 275,900,000	$ (275,900,000)	$ —
Secured credit facilities, net of debt issuance costs	—	275,900,000	275,900,000
Accounts payable - trade	6,371,690	(6,371,690)	—
Accrued pipeline release	1,303,994	(1,303,994)	—
Accounts payable and other accrued liabilities		23,286,586	23,286,586
Accrued liabilities and other current liabilities	14,608,443	(14,608,443)	—
Total current liabilities	$ 298,184,127	$ 1,002,459	
Noncurrent Liabilities			
Deferred revenue and other non-current liabilities	$ 4,182,827	$ (4,182,827)	$ —
Unearned revenue	—	3,180,368	3,180,368
Total noncurrent liabilities	4,182,827	(1,002,459)	
Total liabilities	$ 302,366,954	$ —	$ 302,366,954
Members' Deficit			
Accumulated members' deficit	$ (33,960,150)	$ 33,960,150	$ —
Retained deficit	—	(33,960,150)	(33,960,150)
Total Liabilities and Members' Deficit	$ 268,406,804	$ —	$ 268,406,804

	Year Ended December 31, 2020		
	Crimson California Historical	**Reclassification Adjustments**	**Crimson California As Adjusted**
Revenue			
Transportation revenue	$ 92,897,532	$ (92,897,532)	$ —
Transportation and distribution revenue	—	92,897,532	92,897,532
Pipeline loss allowance subsequent sales	7,109,818	—	7,109,818
Storage lease revenue	1,341,900	(1,341,900)	—
Lease revenue	—	1,341,900	1,341,900
Other revenue	682,432	—	682,432
Realized loss on commodity derivatives	(742,650)	—	(742,650)
Total Revenue	101,289,032	—	101,289,032
Expenses			
Cost of revenue (exclusive of items shown separately below)	54,742,069	(54,742,069)	—
Transportation and distribution expenses	—	54,742,069	54,742,069
Pipeline loss allowance subsequent sales cost of revenue	6,263,454	—	6,263,454
Depreciation and accretion expense	9,167,615	(9,167,615)	—
Depreciation, amortization and accretion expense	—	9,167,615	9,167,615
Total cost of revenue	70,173,138	—	
Impairment of property and equipment	55,731,523	—	55,731,523
General and administrative	15,023,076	—	15,023,076
Total operating expenses	140,927,737	—	140,927,737
Operating loss	(39,638,705)	—	(39,638,705)
Reimbursable project gains	674,975	—	674,975
Interest expense	(11,426,531)	—	(11,426,531)
Affiliate management fee	3,472,548	—	3,472,548
Other Income, net	436,897	(436,897)	—
Net distributions and other income		436,897	436,897
Net Loss	$ (46,480,816)	$ —	$ (46,480,816)

Accounting Policies

The accounting policies used in the preparation of the unaudited pro forma combined financial information are those described in the Company's audited consolidated financial statements as of and for the year ended December 31, 2020. The Company performed a preliminary review of Crimson California's accounting policies to determine whether any adjustments were necessary to ensure comparability in the unaudited pro forma combined financial information. The Company identified differences in the timing of the adoption of Accounting Standards Codification

Topic 842, Leases ("ASC 842"), as discussed below, and certain amounts that have been reclassified to conform to the Company's financial statement presentation. At this time, the Company is not aware of any other differences that would have a material effect on the unaudited pro forma combined financial information, including any differences in the timing of adoption of new accounting standards. However, the Company will continue to perform its detailed review of Crimson California's accounting policies. Upon completion of that review, differences may be identified between the accounting policies of the two companies that, when conformed, could have a material impact on the unaudited pro forma combined financial information.

The Company adopted ASC 842 on January 1, 2019, whereas Crimson California, as a private company, adopted ASC 842 on January 1, 2021. Based on a preliminary assessment, the primary impact of adopting the new standard relates to the recognition of operating lease right-of-use assets of $7.1 million and operating lease liabilities of $7.2 million as of January 1, 2020. The unaudited pro forma combined balance sheet has been adjusted to reflect the adoption of ASC 842 as well as the application of purchase accounting to the acquired leases, as further described in Note 3 herein. The Company did not identify any material impacts to the unaudited pro forma combined statement of operations as a result of Crimson California's adoption of ASC 842.

Note 3 - Preliminary Acquisition Accounting

CorEnergy has determined it is the accounting acquirer for the Crimson Transaction, which will be accounted for under the acquisition method of accounting for business combinations in accordance with ASC 805, Business Combinations ("ASC 805"). The allocation of the preliminary estimated purchase price with respect to the Crimson Transaction is based upon management's estimates of and assumptions related to the fair values of assets to be acquired and liabilities to be assumed as of February 1, 2021. The pro forma financial statements have been prepared based on these preliminary estimates, and as such, the final purchase price allocation and the resulting effect on CorEnergy's financial position and results of operations may differ significantly from the pro forma amounts included herein. CorEnergy expects to finalize the purchase price allocation no later than 12 months after completing the Crimson Transaction.

The following tables present the preliminary consideration and preliminary purchase price allocation of the assets acquired and the liabilities assumed in the Crimson Transaction:

Preliminary calculation of estimated Transaction consideration for 100% of the equity of Crimson Midstream Holdings, LLC		As of February 1, 2021
Cash consideration	$ 74,649,245	
Total cash consideration		74,649,245
Contribution of Grand Isle Gathering System	48,873,169	
Total in-kind consideration		48,873,169
New term loan	80,000,000	
New revolving credit facility	25,000,000	
Total debt		105,000,000
Equity consideration to non-controlling interest holder	115,323,037	
Total equity consideration		115,323,037
Preliminary fair value of estimated total Crimson Transaction consideration		$ 343,845,451

Crimson Midstream Holdings, LLC		**As of February 1, 2021**
Assets Acquired		
Cash and cash equivalents	$	6,554,921
Accounts and other receivables		11,394,441
Inventory		1,681,637
Prepaid expenses and other assets		6,144,932
Property and equipment, net of accumulated depreciation		332,174,531
Operating right-of-use asset		6,268,077
Total assets acquired:	$	364,218,539
Liabilities Assumed		
Accounts payable and other accrued liabilities	$	13,790,011
Operating lease liability		6,268,077
Unearned revenue		315,000
Total liabilities assumed:	$	20,373,088
Net Assets Acquired:	$	343,845,451
Non-controlling interest at fair value	$	115,323,037

Non-controlling Interest

At closing of the Crimson Transaction and under the Third LLC Agreement, Grier and the Grier Members' interests in Crimson were exchanged for (i) 1,613,202 Class A-1 Units, (ii) 2,436,000 Class A-2 Units, (iii) 2,450,142 Class A-3 Units and 505,000 of C-1 Units, which represent a 50.50 percent voting interest in Crimson. Grier and the Grier Members' ownership interest in the Class A-1, A-2 and A-3 units at Crimson is reflected as a non-controlling interest in the pro forma combined financial statements and was recognized at fair value at closing of the transaction.

Under the Third LLC Agreement, all material business decisions and actions will require supermajority approval of the Crimson managers; provided, however, that Grier will make decisions regarding the day-to-day operations of the assets regulated by the CPUC. Change of control of the CPUC regulated assets is subject to the approval of the CPUC ("CPUC Approval"), which is expected to occur in the third quarter of 2021. Upon CPUC Approval, the parties will enter into a Fourth Amended and Restated LLC Agreement of Crimson ("Fourth LLC Agreement"), which will, among other things, (i) give the Company additional ownership of Crimson and its assets in connection with an anticipated further restructuring of the Company's asset ownership structure and (ii) provide the Grier Members and Management Members (as defined below) the right to exchange their entire interest in Crimson for securities of the Company as follows:

- Class A-1 Units will become exchangeable for up to 1,613,202 shares of a newly created Series C Preferred Stock of the Company ("Series C Preferred"), which may be converted by the holder into up to 1,716,172 of the Company's depositary shares, each representing 1/100th of a share of the Company's 7.375% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred");

- Class A-2 Units will become exchangeable for up to 2,436,000 shares of a newly created Series B Preferred Stock of the Company ("Series B Preferred"), which will be convertible, provided that the Company's existing stockholders approve in compliance with the rules of the New York Stock Exchange ("NYSE"), into up to 8,675,214 additional shares of a new non-listed Class B Common Stock of the Company ("Class B Common Stock"), with such conversion to occur automatically assuming stockholder approval is received; and

- Class A-3 Units will become exchangeable for up to 2,450,142 shares of the newly created Class B Common Stock.

Prior to CPUC approval, the terms of the Third LLC Agreement provide the Grier Members the right to receive any distributions that the Company's Board of Directors determines would be payable if they held the shares of Class B Common Stock, Series B Preferred, and Series C Preferred, respectively. Following CPUC Approval, the terms of the Fourth LLC Agreement provide that such rights will continue until the Grier Members elect to exchange the Crimson units for the related securities of the Company. In addition, after CPUC Approval, certain Crimson units held by the Grier Members are expected to be transferred to other individuals currently managing Crimson (the "Management Members").

Note 4 - Transaction Accounting Adjustments - Grand Isle Gathering System Disposal

A. Adjustments to the Unaudited Pro Forma Combined Balance Sheet as of December 31, 2020, as if the sale of the Grand Isle Gathering System occurred on December 31, 2020.

The adjustments to the unaudited pro forma combined balance sheet as of December 31, 2020 are as follows:

4a) This adjustment reflects the disposal and loss on the GIGS asset, which was provided to Carlyle as partial consideration for the Crimson Transaction. Carlyle also assumed the asset retirement obligation associated with the GIGS asset (collectively, the "GIGS Disposal Group"). As of December 31, 2020, the net book value of GIGS was $63.6 million (including accumulated depreciation of $6.6 million) and the asset retirement obligation was $8.8 million. The GIGS asset had a fair value of $48.9 million upon closing of the Crimson Transaction resulting in a pro forma loss on disposal and impairment of leased property of approximately $6.0 million for the GIGS Disposal Group, which is included in retained earnings.

4b) This adjustment of $48.9 million reflects the fair value of assets received in exchange for the GIGS leased asset, which in combination with the $65.0 million adjustment in 5b) represents the pro forma adjustment for the property and equipment acquired at fair value. Refer to Note 3 for the preliminary purchase price allocation, which includes the other purchase consideration provided upon closing of the Crimson Transaction.

4c) This adjustment reflects the pro forma write-off of the deferred lease costs of $168 thousand associated with the termination of the GIGS Lease, which results in a pro forma loss on termination of the lease, included in retained earnings.

4d) The adjustment reflects the pro forma decrease in the management fee payable under the Management Agreement, dated as of May 8, 2015 and effective as of May 1, 2015, by and between the Company, and Corridor InfraTrust Management, LLC (the "Manager") of approximately $641 thousand due to a reduction in the assets under management resulting from the GIGS disposal.

B. Adjustments to the Unaudited Pro Forma Combined Statement of Operations for the year ended December 31, 2020, as if the sale of the Grand Isle Gathering System occurred on January 1, 2020.

The adjustments to the unaudited pro forma combined statement of operations for the year ended December 31, 2020 are as follows:

4e) This adjustment reflects the elimination of lease revenue of $10.2 million related to the GIGS Lease recognized in the first quarter of 2020. The EGC Tenant did not pay rent for the remainder of 2020 and the GIGS Lease was terminated in connection with the closing of the Crimson Transaction.

4f) This adjustment reflects the pro forma decrease in the management fee expense under the Management agreement between the Company and the Manager of approximately $2.6 million due to a reduction in the assets under management resulting from the GIGS sale.

4g) This adjustment reflects the pro forma decrease in general and administrative expense of $1.2 million, primarily for legal and consulting costs related to the litigation with the EGC Tenant and the asset impairment recognized in the first quarter of 2020.

4h) This adjustment reflects the elimination of depreciation, amortization, and accretion expense of $6.5 million as a result of the sale of GIGS and termination of the GIGS Lease.

4i) This adjustment assumes the GIGS impairment of $140.3 million occurred at the beginning of the year and was followed by an immediate sale of the GIGS asset on January 1, 2020. Post-impairment the GIGS asset had a net book value of $69.4 million and an asset retirement obligation of $8.0 million, collectively the GIGS Disposal Group of $61.4 million. The fair value at the time of sale was $48.9 million resulting in a loss on impairment and disposal of leased property of approximately $12.5 million.

4j) This adjustment reflects the pro forma write-off of the deferred lease costs of $199 thousand associated with the termination of the GIGS Lease, which results in a pro forma loss on termination of the lease.

4k) CorEnergy operates as a real estate investment trust ("REIT") and therefore, the pro forma adjustments to the combined statement of operations for this transaction do not have an impact on income taxes.

Note 5 - Transaction Accounting Adjustments - Acquisition and Financing

In addition to the reclassification adjustments in Note 2, the pro forma financial statements reflect adjustments to (i) reconcile the historical book value of Crimson to the preliminary fair value of the assets and liabilities acquired in accordance with the acquisition method of accounting, (ii) reflect the refinancing of Crimson California's debt, (iii) reflect the transfer of GIGS to Carlyle and (iv) include the estimated direct transaction costs.

A. Adjustments to the Unaudited Pro Forma Combined Balance Sheet as of December 31, 2020, as if the Crimson Transaction occurred on December 31, 2020.

The adjustments to the unaudited pro forma combined balance sheet as of December 31, 2020 are as follows:

5a) This adjustment reflects the following impacts to cash and cash equivalents as a result of the closing of the Crimson Transaction:

Description		**As of December 31, 2020**
Cash paid to acquire 49.50% interest in Crimson	$	(66,049,245)
Cash paid to extinguish Crimson's pre-transaction credit facility		(8,600,000)
Cash paid for certain financing costs on assumption of new Crimson Credit Facility		(2,785,921)
Cash paid for transaction costs at closing		(1,966,283)
Adjustment for cash acquired from Crimson at closing		(21,018,013)
Transaction accounting adjustment to cash	**$**	**(100,419,462)**

5b) This adjustment of $65.0 million, along with the adjustment in 4b) of $48.9 million representing the partial consideration for the GIGS asset and the historical Crimson California value of $218.3 million, reflects the increase in property and equipment to realize fair value of the assets acquired in the Crimson Transaction of $332.2 million. The material assets acquired include land, crude oil pipelines, rights of way, tanks and pumping equipment for which the estimated useful lives per the Company's accounting policy are outlined in the table below:

Useful Lives	
Crude oil pipelines - trunk	35 years
Crude oil pipelines - gathering	15 years
Rights of Way	Indefinite
Tanks	35 years
Pumping Equipment	15 years

5c) This reflects the adjustments to fair value set forth in the table below as a result of purchase price allocation and elimination of assets and liabilities not acquired in the Crimson Transaction. Refer to Note 3 for preliminary fair values of assets and liabilities acquired and refer to 5a), 5b) and 5d) for cash, property and equipment and long-term debt.

Description		As of December 31, 2020
Accounts and other receivables	$	(106,647)
Inventory		684,019
Prepaid expenses and other assets[(1)]		(1,377,561)
Operating right-of-use assets		6,268,077
Due from affiliated companies, net		(2,206,745)
Accounts payable and other accrued liabilities[(2)]		(9,261,377)
Operating lease liability		6,268,077
Unearned revenue		(2,865,368)
Transaction accounting adjustment for assets and liabilities acquired	**$**	**(2,597,525)**

(1) Includes a prepaid administrative fee of $50 thousand associated with financing the Crimson Credit Facility.
(2) Includes $235 thousand of debt issuance costs associated with financing the Crimson Credit Facility.

5d) This adjustment reflects the net effect of the elimination of Crimson California's debt issuance costs associated with the pre-transaction credit facility and the new debt issuance costs allocated to the $50.0 million Crimson Revolver associated with the Crimson Credit Facility due 2024.

Description		As of December 31, 2020
Write-off of debt issuance costs associated with Crimson's pre-transaction credit facility	$	(257,271)
Debt issuance costs allocated to the Crimson Revolver		1,142,347
Transaction accounting adjustment for debt issuance costs	**$**	**885,076**

5e) This adjustment reflects the net effect of the elimination of Crimson's pre-transaction credit facility of $275.9 million and the issuance of the new Crimson Credit Facility with Crimson Midstream Operating and Corridor MoGas, Inc. as co-borrowers, as detailed below. The Crimson Credit Facility includes an $80.0 million term loan due 2024 (exclusive of debt issuance costs of $1.8 million) and $25.0 million drawn on the $50.0 million revolving credit facility due 2024.

Description		As of December 31, 2020
Decrease for debt assumed by an affiliate of Crimson	$	(162,300,000)
Decrease for extinguishment of Crimson's pre-transaction credit facility		(113,600,000)
Increase for issuance of Crimson Term Loan due February 4, 2024		80,000,000
Increase for issuance of Crimson Revolver due February 4, 2024		25,000,000
Debt issuance costs related to Crimson Term Loan		(1,828,772)
Transaction accounting adjustment for debt	**$**	**(172,728,772)**

5f) Reflects the elimination of Crimson California's historical equity balance of $34.0 million in accordance with the acquisition method of accounting.

5g) This adjustment reflects approximately $2.0 million in transaction costs paid at closing for investment advisors and legal fees, included in 5a) above, and $783 thousand of additional due diligence costs incurred prior to closing the transaction, which are reflected in accounts payable and other accrued liabilities.

5h) This adjustment reflects Grier's 50.50 percent interest in Crimson California, which is reflected as a non-controlling interest in CorEnergy's pro forma combined balance sheet. At closing, the fair value of the non-controlling interest is estimated at $115.3 million. Refer to Note 3 for further details on the non-controlling interest.

B. Adjustments to the Unaudited Pro Forma Combined Statement of Operations for the year ended December 31, 2020, as if the Crimson Transaction occurred on January 1, 2020.

The adjustments to the unaudited pro forma combined statement of operations for the year ended December 31, 2020 are as follows:

5i) This adjustment reflects the step up in fair value of crude oil inventory of $684 thousand, which was determined based on average market prices, less a discount to sell at the acquisition date. The pro forma combined statement of operations for the year ended December 31, 2020 is adjusted to increase transportation and distribution expense by the same amount, because the inventory is expected to be sold within one year of the acquisition date.

5j) This adjustment reflects $2.0 million in transaction costs incurred at closing for investment advisors and legal fees and $783 thousand of additional due diligence costs incurred for legal, accounting and valuation services prior to closing the transaction, which were not reflected in the historical statement of operations for the year ended December 31, 2020. The due diligence costs include $416 thousand incurred from Crescent Gulf, an affiliate of Crimson California, for costs related to accounting and consulting services for the Crimson Transaction.

5k) This adjustment reflects pro forma increase to depreciation, amortization and accretion expense, as detailed below, based on the preliminary purchase price allocation of estimated fair value of the property and equipment acquired and related useful lives as described in 5b).

Description		Year Ended December 31, 2020
Historical Crimson California depreciation expense	$	(9,167,615)
Depreciation expense based on new purchase price fair value and useful lives		10,905,017
Transaction adjustment to depreciation, amortization and accretion	**$**	**1,737,402**

5l) These adjustments reflect the net decrease to interest expense, as detailed below, due to the new Crimson Credit Facility and the extinguishment of Crimson's pre-transaction credit facility and the changes in amortization related to debt issuance costs.

Description		Year Ended December 31, 2020
Elimination of interest expense and fees on Crimson's pre-transaction credit facility	$	10,561,949
Interest expense on Crimson Credit Facility[1]		(4,835,372)
Elimination of debt issuance costs for Crimson's pre-transaction credit facility		835,979
Amortization of debt issuance costs for new Crimson Credit Facility		(990,373)
Transaction accounting adjustments to interest expense	**$**	**5,572,183**

(1) At closing of the Crimson Transaction, the interest rate on the variable-rate Crimson Credit Facility was 4.61888%. A 1/8 of a percentage point increase or decrease in the benchmark rate would result in a change in interest expense of approximately $199 thousand for the year ended December 31, 2020.

5m) The majority of Crimson's assets and revenues are REIT qualifying, except as described in 6c) below; therefore, the pro forma adjustments to the combined statement of operations for this transaction do not have an impact on income taxes.

5n) This adjustment reflects the non-controlling interest in net income (loss) in Crimson California's historical financial statements of ($23.5 million) and the related pro forma adjustments of $1.6 million.

Note 6 - Other Transaction Adjustments

A. Adjustments to the Unaudited Pro Forma Combined Balance Sheet as of December 31, 2020, as if the Other Transaction Adjustments occurred on December 31, 2020.

The other adjustments to the unaudited pro forma combined balance sheet as of December 31, 2020 are as follows:

6a) This adjustment reflects the legal and unused fees of $106 thousand paid for the CorEnergy Credit Facility with Regions Bank, which was terminated in connection with the closing of the Crimson Transaction. As of December 31, 2020, there was no outstanding balance on the CorEnergy Credit Facility.

6b) This adjustment reflects the elimination of the deferred debt issuance costs of $910 thousand due to the termination of the CorEnergy Credit Facility with Regions Bank.

6c) This adjustment reflects the income tax provision of $237 thousand due to moving crude oil inventory and the subsequent sales of Crimson's pipeline loss allowance inventory to a taxable REIT subsidiary as these activities are non-qualifying REIT activities.

B. Adjustments to the Unaudited Pro Forma Combined Statement of Operations for the year ended December 31, 2020, as if the Other Transaction Adjustments occurred on January 1, 2020.

The adjustments to the unaudited pro forma combined statement of operations for the year ended December 31, 2020 are as follows:

6d) In connection with the closing of the Crimson Transaction, Crimson entered into Transition Services Agreements ("TSAs") with Crescent Gulf, an affiliated entity previously under common control prior to the transaction. The TSAs provide for Crescent Gulf to reimburse Crimson for employees' salaries and benefits and administrative services provided on their behalf. The TSA reimbursement will be presented net within transportation and distribution expense and general and administrative expense. This adjustment of $3.5 million reflects the net presentation in transportation and distribution expense ($386 thousand) and general and administrative expense ($3.1 million) of the costs incurred and reimbursed under the TSA agreements in the unaudited pro forma combined statement of operations.

6e) This adjustment reflects the elimination of interest expense and the amortization of debt issuance costs associated with the CorEnergy Credit Facility with Regions Bank of $1.4 million.

6f) This adjustment reflects the write-off of remaining deferred debt issuance costs associated with the CorEnergy Credit Facility with Regions Bank on January 1, 2020 of $1.5 million.

6g) This adjustment reflects the impact of the non-controlling interest of $120 thousand for activities in 6c) related to Crimson for which CorEnergy only holds a 49.50 percent interest.

Note 7 - Other Transaction Accounting Adjustments - Pinedale Transaction

A. Adjustments to the Unaudited Pro Forma Combined Balance Sheet as of December 31, 2020 for the Pinedale Transaction

The sale of the Pinedale LGS occurred on June 30, 2020; and therefore, the disposal of the asset is already reflected in the Company's historical balance sheet as of December 31, 2020.

B. Adjustments to the Unaudited Pro Forma Combined Statement of Operations for the year ended December 31, 2020, as if the Pinedale Transaction occurred on January 1, 2020.

The adjustments to the unaudited pro forma combined statement of operations for the year ended December 31, 2020 are as follows:

7a): This adjustment reflects the elimination of lease revenue of $11.1 million related to the Pinedale Lease Agreement, which was terminated on June 30, 2020.

7b): The adjustment reflects the pro forma decrease in management fee expense under the Management Agreement between the Company and the Manager of approximately $1.2 million for the first and second quarters of 2020 due to a reduction in the assets under management resulting from the Pinedale Transaction.

7c): This adjustment reflects the pro forma decrease in general and administrative expense of $1.0 million, primarily for legal and consulting costs related to the sale of the Pinedale LGS.

7d): This adjustment reflects the elimination of depreciation and amortization expense of $3.6 million as a result of the sale of the Pinedale LGS and termination of the Pinedale Lease Agreement.

7e): The adjustment reflects the elimination of interest expense of $1.2 million as a result of the settlement of the Amended Pinedale Term Credit Facility.

7f): CorEnergy operates as a REIT and therefore, the pro forma adjustments to the combined statement of operations for the Pinedale Transaction do not have an impact on income taxes.

Note 8 - Crimson California Other Information

For the years ended December 31, 2020 and 2019, the volumes associated with the Crimson California combined historical financial statements were 196,388 barrels per day (bpd) and 104,457 bpd, respectively. The increase in bpd for 2020 is primarily due to the acquisition of the San Pablo Bay System and other proprietary assets from Shell Pipeline Company, LP (collectively, the "SBP Acquisition") described further below.

In March of 2020, Crimson California completed the SBP Acquisition. Crimson California's historical combined statement of operations for the year ended December 31, 2020 does not reflect revenue and expenses from the SPB Acquisition for January and February of 2020 due to the timing of the acquisition. Unaudited revenue for the two months ended February 28, 2020 related to the SPB Acquisition was $13.0 million. The unaudited expenses for the two months ended February 28, 2020 were $10.8 million under Shell Pipeline Company's ownership. These

expenses are not representative of expenses incurred since Crimson California acquired the assets and may not be representative of future expenses.

Note 9 - Pro Forma Loss Per Share

Pro forma net loss per common share is determined by dividing the pro forma net loss attributable to common stockholders, adjusted for the non-controlling interest in Crimson California, and the impact from the transaction and other transaction adjustments outlined above by the weighted average common stock outstanding to determine both the basic and diluted net loss per common share. The pro forma adjustments do not impact the weighted average shares of common stock outstanding.

Pro Forma Loss per Share		Year Ended December 31, 2020
Net loss attributable to CorEnergy stockholders	$	(347,027,711)
Less: Preferred dividend requirements		9,189,809
Net loss attributable to common stockholders	$	(356,217,520)
Weighted average shares - basic		13,650,718
Basic loss per share	$	(26.10)
Net loss attributable to common stockholders (from above)	$	(356,217,520)
Add: After-tax effect of convertible interest[(1)]		—
Loss attributable for dilutive securities	$	(356,217,520)
Weighted average shares - diluted		13,650,718
Diluted loss per share	$	(26.10)

(1) The diluted per share calculation excludes a dilutive adjustment for convertible note interest expense as the calculation is antidilutive.

Note 10 - Impact of Non-Recurring Items

The unaudited pro forma combined statement of operations includes non-recurring gains and losses related to the Company's and Crimson California's historical financial statements for the year ended December 31, 2020. These non-recurring gains and losses are not related to the Crimson Transaction and therefore have not been reflected as pro forma adjustments. These historical non-recurring gains and losses relate to assets that have been sold or market conditions that existed during 2020, including the decline in the energy markets and the impacts of the COVID-19 pandemic. These non-recurring items for the year ended December 31, 2020 include the following:

CorEnergy Historical Financial Statements

- Loss on impairment of leased property for the GIGS asset, which was sold in connection with the Crimson Transaction - $140.3 million
- Deferred rent receivable write-off for the GIGS Lease due to the EGC Tenant's nonpayment of rent - $30.1 million
- Loss on impairment and disposal of leased property for the Pinedale LGS, which was sold on June 30, 2020 - $146.5 million
- Loss on termination of lease related to the termination of the Pinedale Lease Agreement on June 30, 2020 - $458 thousand
- Gain on extinguishment of debt related to the asset level credit facility secured by the Pinedale LGS, which was settled and extinguished in connection with the Pinedale LGS sale on June 30, 2020 - $11.0 million

Crimson California Historical Financial Statements

- Loss on impairment of property and equipment for Crimson California’s KLM pipeline system - $55.7 million