

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 22, 2020

CorEnergy Infrastructure Trust, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

1-33292
(Commission File Number)

20-3431375
(IRS Employer Identification No.)

1100 Walnut, Suite 3350
Kansas City, MO
(Address of Principal Executive Offices)

64106
(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.

Introductory Note

As previously disclosed, on May 14, 2020, UPL filed a voluntary petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code. The filing includes Ultra Wyoming, an indirect subsidiary of UPL and the operator of the Pinedale LGS and tenant under the Pinedale Lease Agreement with CorEnergy Infrastructure Trust, Inc.'s (the "Company") indirect wholly owned subsidiary Pinedale LP. Ultra Wyoming has also filed a motion to reject the Pinedale Lease Agreement, with a request that such motion be effective June 30, 2020, and Pinedale has filed an objection to such motion. Capitalized terms used and not defined in this Current Report on Form 8-K are used as defined in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Item 2.02 Results of Operations and Financial Condition.

On June 23, 2020, the Company issued a press release announcing its preliminary financial results for the first quarter ended March 31, 2020 and business update. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

Term Sheet for the Sale of the Pinedale LGS

Pinedale LP and the Company agreed to terms with Ultra Wyoming to sell the assets which constitute the Pinedale LGS for \$18 million cash as set forth in a non-binding term sheet that was filed with the bankruptcy court in UPL's Chapter 11 case along with a motion for approval of the transaction on June 22, 2020. A copy of the draft definitive purchase and sale agreement was also filed with the motion. The closing of the sale will be subject to the satisfaction of certain closing conditions, including but not limited to a release of all liens under the Pinedale Credit Facility, a release by Pinedale LP of all claims against UPL and Ultra Wyoming arising from the rejection or termination of the Pinedale Lease Agreement, the release by Ultra Wyoming of all claims against Pinedale LP and the Company, and approval of the definitive purchase and sale agreement and the closing of the transaction by the bankruptcy court in UPL's Chapter 11 case. Assuming the definitive agreement is signed, the transaction is expected to close on or before June 30, 2020 and may be terminated by either party if not closed by July 30, 2020. If the transaction closes after June 30, 2020, the Company does not expect Ultra Wyoming to make any further rent payments under the Pinedale Lease Agreement.

Pinedale Credit Facility

Pinedale LP has negotiated and expects to sign an agreement with Prudential, as lender under the Pinedale Credit Facility. Pursuant to such agreement, it is anticipated that at closing of the Pinedale LGS sale transaction with Ultra Wyoming, the Company will provide all cash related to the sale of the Pinedale LGS along with cash available at Pinedale LP on the closing date to Prudential in exchange for the release all liens on the Pinedale LGS, release of the Company and Pinedale LP from the obligations of the Pinedale Credit Facility, and the note under the Pinedale Credit Facility will be deemed satisfied.

Investor Conference Call

CorEnergy will provide a management commentary call to discuss its financial results and business progress on Tuesday, June 23, 2020 at 3:30 p.m. Central Time. Investors may join the call by dialing +1-201-689-8035 and using Conference ID 58661. A telephone playback will be available until July 7, 2020 by dialing +1-919-882-2331 and using passcode 58661.

The call will also be webcast both live and as an archive in a listen-only format accessible at coreenergy.reit in the Investors section.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated June 23, 2020

The information in this this Current Report on Form 8-K, shall not be deemed “filed” for the purposes of or otherwise subject to the liabilities under Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing of the Company under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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.

COREENERGY INFRASTRUCTURE TRUST, INC.

Dated: June 23, 2020

By: /s/ Rebecca M. Sandring
Rebecca M. Sandring
Secretary



CorEnergy Announces Preliminary First Quarter Results; Provides Business Update

KANSAS CITY, Mo.- June 23, 2020 - CorEnergy Infrastructure Trust, Inc. (NYSE: CORR, CORRPrA) ("CorEnergy" or the "Company") today announced preliminary first quarter operating results, including impairment charges related to the Grand Isle Gathering System (GIGS). The Company also provided an update on its business, including an income statement charge in the second quarter resulting from the anticipated sale of the Pinedale Liquids Gathering System ("Pinedale LGS"). The Company expects to file its complete first quarter results by June 25, 2020 on Form 10-Q.

Dave Schulte, Chief Executive Officer, said, "Over the last several months our team has worked tirelessly to address challenges at two of the Company's key assets. Tenant-specific actions related to the extraordinary reductions in energy demand coupled with increases in commodity supply have impaired CorEnergy's revenue and asset values. Our response included negotiating for mutually beneficial outcomes with each tenant, seeking revenue enhancements where possible, implementing operating expense reductions, and seeking the support of our lenders. We retain significant liquidity, and we will manage this important advantage carefully in light of our balance sheet priorities."

"Regarding GIGS, our impairment charge was triggered by significant decline in the global energy markets as a result of, among other things, the impact of the global pandemic, which adversely impacted the EGC Tenant under the Grand Isle Lease Agreement. We remain open to constructive dialogue with our tenant as they evaluate when they are prepared to restart production," Schulte said.

"The outcome of the Ultra Petroleum ("UPL") bankruptcy differed from their prior bankruptcy due to the meaningfully lower reserves and business enterprise value accepted by the UPL lenders in the Plan of Reorganization. No value recovery would exceed the second lien position, including the value of our claim for indemnification for UPL's actions," Schulte continued. "After failing to achieve a reasonable revised lease proposal from UPL, we believe the sale was in the best interest of our lenders and shareholders. The proceeds from the sale of \$18 million plus any cash remaining at Pinedale Corridor, LP ("Pinedale LP") will be used to fully discharge the associated subsidiary secured debt of approximately \$32 million, a resolution we negotiated and expect to sign with our lender."

Schulte concluded, "We are fortunate to have refinanced our convertible debt last August. We are actively pursuing high quality investment opportunities which could replace a portion of the lost Pinedale rents with a goal of closing by the end of the year."

Preliminary First Quarter Results

Lease revenue was \$15.7 million for the three months ended March 31, 2020, which included rent for both Pinedale LGS and the GIGS asset. Transportation and distribution revenue from CorEnergy's subsidiaries MoGas and Omega were \$5.2 million. These revenue sources were fully offset by the non-cash write-off of the deferred rent receivable of \$30.1 million related to the Grand Isle Lease Agreement, resulting in a loss of \$9.1 million for the quarter. Transportation and distribution expenses were \$1.4 million, and general and administrative expenses were \$3.1 million for the first quarter.

The Company recognized an approximately \$140 million loss on impairment of leased property related to our GIGS asset. Net loss attributable to CorEnergy stockholders was \$162.0 million for the three months ended March 31, 2020. After deducting \$2.3 million for the portion of preferred dividends that are allocable to the period, net loss attributable to common stockholders for the three months ended March 31, 2020 was \$164.3 million, or \$12.04 per basic and diluted common share.

Pinedale LGS

On May 14, 2020, UPL, our tenant at our Pinedale LGS asset, filed for bankruptcy protection due to the low commodity price environment and debt levels. UPL also filed a motion to reject the Pinedale Lease Agreement, with a request that such motion be effective June 30, 2020, so that UPL could start construction from wellpads to the water processing system purchased from Shell (the "SWEPI System"). CorEnergy objected to the motion on a variety of grounds. However, based upon UPL's reduced drilling and production plan and the relatively low value of the debtor UPL's estate and those implications for the rejection of our lease, we determined that the sale of the asset at a price consistent with the debtor UPL's cost of construction from wellpads to the SWEPI System was the best course of action. An agreement in principle has been reached to sell the asset to UPL for \$18.0 million, which is expected to have an effective date of June 30, 2020. Proceeds from the sale plus any cash remaining at Pinedale LP is expected to satisfy any remaining debt at Pinedale LGS and thus eliminate any debt repayment obligations from CorEnergy. The second quarter 2020 results will reflect an income statement charge for the Pinedale LGS in an estimated

amount of \$147 million, which could be partially offset by any reduction of the debt owed. Upon the closing of the sale, the lease will be terminated and there would be no further revenue from UPL.

Grand Isle Gathering System (GIGS)

The Company's tenant of the GIGS asset, EGC Tenant, a wholly owned indirect subsidiary of Cox Oil, failed to make required rent payments in April, May and June. EGC Tenant attributed their failure to comply to the reduction in the price of oil in the current global economic and health crisis. We believe the EGC Tenant is contractually obligated to pay rent whether or not oil is being produced or shipped. As a result, the Company filed a complaint in Texas state court to recover the unpaid rent for April, May and June of 2020 from the EGC Tenant. The Company received a favorable summary judgment on its enforcement action requiring EGC Tenant to provide financial information, however the information has yet to be provided.

MoGas/Omega

On April 24, 2020, MoGas entered into a Facilities Interconnect Agreement with Spire STL Pipeline LLC ("STL Pipeline"). Under the terms of the agreement, MoGas will construct an interconnect to allow gas to be delivered by STL Pipeline and received by MoGas for an estimated cost of approximately \$3.9 million. Construction is set to begin during the third quarter of 2020 and is expected to be completed by the fourth quarter of 2020, at which point MoGas is expected to begin receiving incremental revenue. MoGas also entered into an additional ten-year firm transportation services agreement with Ameren Energy, an existing customer, which will provide incremental revenue beginning in the fourth quarter of 2020.

Balance Sheet and Liquidity

We remain focused on preserving liquidity following the Pinedale LGS sale. At March 31, 2020, CorEnergy had cash of \$119.1 million. The Pinedale Facility is expected to be terminated and discharged from the proceeds of the sale of the Pinedale LGS plus any cash remaining at Pinedale L.P. No event of default has occurred or is expected under the Convertible Notes or the Series A Preferred Stock as a result of the impairments or the income statement charge. The covenant related to capitalization under the CorEnergy Credit Facility could be breached in the fourth quarter, and a waiver will be requested from the lenders. No amounts are currently outstanding under the CorEnergy Credit Facility.

Investment Activities

CorEnergy has been selectively reviewing impactful prospective acquisitions, emphasizing assets that utilize the Company's Private Letter Ruling to broaden the scope of qualifying revenue. There is no assurance that any particular acquisition will be completed within a specific time frame, but a successful acquisition could replace a portion of the rents lost from UPL.

Dividend Outlook

The Company's policy is to evaluate the payment in cash of the Series A Preferred and common stock dividend each quarter, based upon rents received, and the results of investment activities.

Conference Call

CorEnergy will provide a management commentary call to discuss its financial results and business progress on Tuesday, June 23, 2020 at 3:30 p.m. Central Time. Investors may join the call by dialing +1-201-689-8035 and using Conference ID 58661. A telephone playback will be available until July 7, 2020 by dialing +1-919-882-2331 and using passcode 58661.

The call will also be webcast both live and as an archive in a listen-only format accessible at coreenergy.reit in the Investors section.

About CorEnergy Infrastructure Trust, Inc.

CorEnergy Infrastructure Trust, Inc. (NYSE: CORR, CORRPrA), is a real estate investment trust (REIT) that owns critical energy assets, such as pipelines, storage terminals, and transmission and distribution assets. We receive long-term contracted revenue from operators of our assets, primarily under triple-net participating leases, and from long term customer contracts. For more information, please visit coreenergy.reit.

Forward-Looking Statements

This press release 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 those 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 press release. 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.

Contact Information:

CorEnergy Infrastructure Trust, Inc.
Investor Relations
Debbie Hagen or Matt Kreps
877-699-CORR (2677)
info@corenergy.reit

Source: CorEnergy Infrastructure Trust, Inc.

1100 Walnut Street, Suite 3350, Kansas City, MO 64106 Main:816-875-3705 | Fax:816-875-5875 | corenergy.reit