

**VH GLOBAL ENERGY INFRASTRUCTURE PLC ("ENRG" or the "Company")**

**4 February 2025**

**Update on US Terminal Assets following Trump Tariffs**

On 1 February 2025, President Trump issued three executive orders directing the United States to impose new tariffs on imports from Canada, Mexico and China, to take effect on 4 February 2025. The tariffs will be an additional 25% levied on imports from Canada and Mexico and 10% on imports from China. Victory Hill Capital Partners LLP, the Company's investment manager ("Investment Manager"), is still reviewing the more definitive details related to the tariffs.

Initial analysis by the Investment Manager and the Company's operating partner, Motus Energy in Texas, has led to the conclusion that the imposition of the tariff will not have an impact on the northbound flow of residual slurry from Mexico into the Company's fuels terminals in the Port of Brownsville Foreign Trade Zone in Texas, US.

There is the awareness that the current administration has deep and extensive connections with the energy industry in the U.S., the constituents of which are awaiting more positive outcomes for refinery businesses they hold in the U.S., which would otherwise be negatively affected by the tariff. From the information available today, it is considered that the potential negative financial impact of the tariff on the customer revenues and business of the Company's terminal assets is low.

Customer contracts have been designed to manage downside risk and include minimum volume commitments regardless of throughput through the terminals.

Slurry is shipped from the terminals into refinery coking facilities in Texas and Louisiana at a significant discount to crude pricing, and therefore the imposition of tariffs on a commodity with such low value has little effect on the flow, as long as there is impetus for the Mexican refineries to ship the product across the border to Brownsville - a strategic hub for cross-border product movements. The nearest Mexican refinery to the assets, the Cadereyta refinery in Mexico, continues to produce and supply refined products into Mexico at pace, and as a result of the process, produces a significant overhang of residual fuel slurry which needs transporting to the US, along the only geographically viable route, which involves transiting the fuels in the terminals in Brownsville.

Should the Mexican national energy company PEMEX, via its trading arm PMI, choose an alternative end coking facility outside of the US for its slurry, it would still utilise the terminal assets prior to shipping the product overseas from the Port of Brownsville.

While announced with significant coverage, the full scope of the tariffs remains unclear, as key details have yet to be published. These annexes are essential to determining the breadth of products potentially affected by the tariff in the Mexico-US border trade in crude oil and oil products. Lack of clarity has been further compounded by the one-month moratorium on the tariffs recently announced on 3rd February 2025.

The Investment Manager continues to monitor developments on this issue closely with Motus Energy.

The Company's Q4 factsheet will be published on 21 February 2025.

[www.globalenergyinfrastructure.co.uk](http://www.globalenergyinfrastructure.co.uk)

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**About Victory Hill Capital Partners LLP**

Victory Hill Capital Partners LLP ("Victory Hill") is authorised and regulated by the Financial Conduct Authority (FRN 961570).

Victory Hill is based in London and was founded in May 2020 by an experienced team of energy financiers that spun-out of a large established global project finance banking group. The team has participated in more than 200bn in transaction values across 91 conventional and renewable energy-related transactions in over 30 jurisdictions worldwide. Victory Hill is the investment manager of the Company.

The Victory Hill team deploys its experience across different financial disciplines in order to assess investments holistically from multiple points of view. The firm pursues operational stability and well-designed corporate governance to generate sustainable positive returns for investors. It focuses on supporting and accelerating the energy transition and the attainment of the UN sustainable development goals.

Victory Hill is a signatory of the United Nations Principles for Responsible Investment (UN PRI), the United Nations Global Compact (UN GC), Net Zero Asset Managers Initiative (NZAMI), a member of the Global Impact Investing Network (GIIN) and is a formal supporter of the Financial Stability Board's Task Force on Climate-related Disclosures (TCFD).

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