PORT OF BROWNSVILLE
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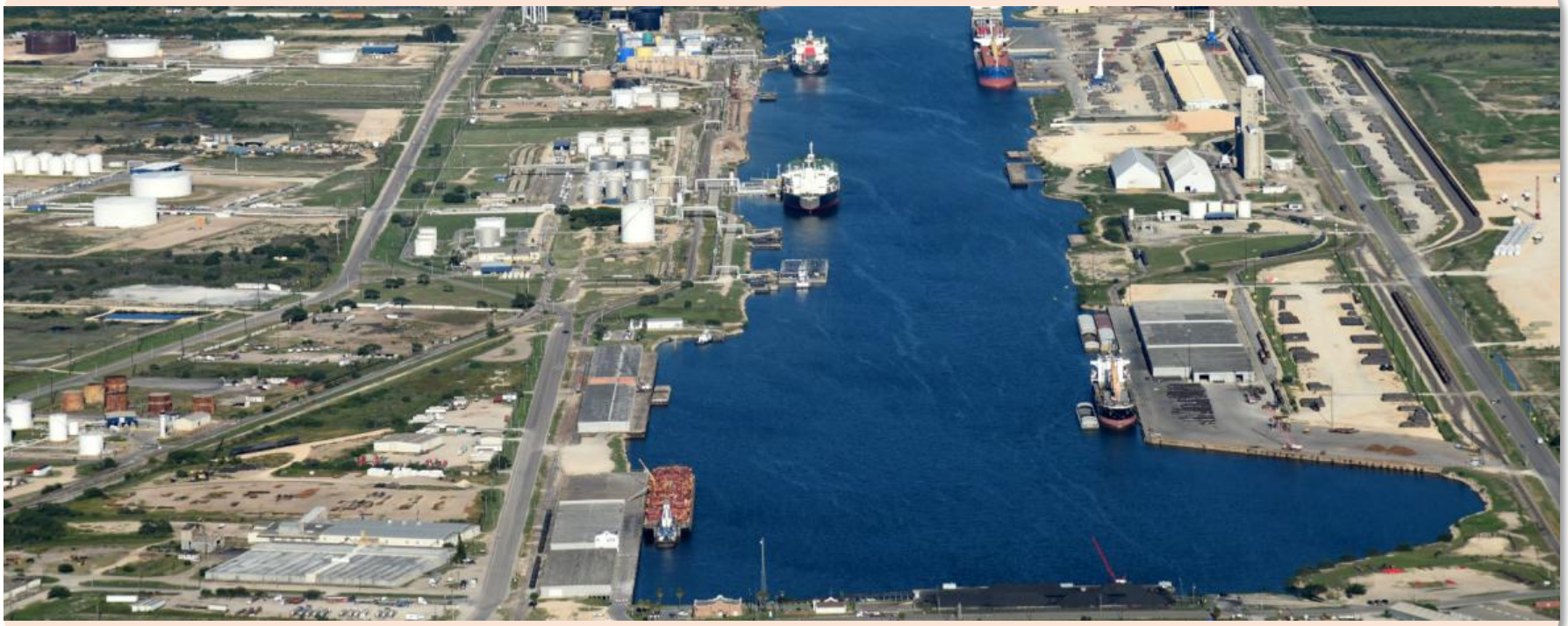
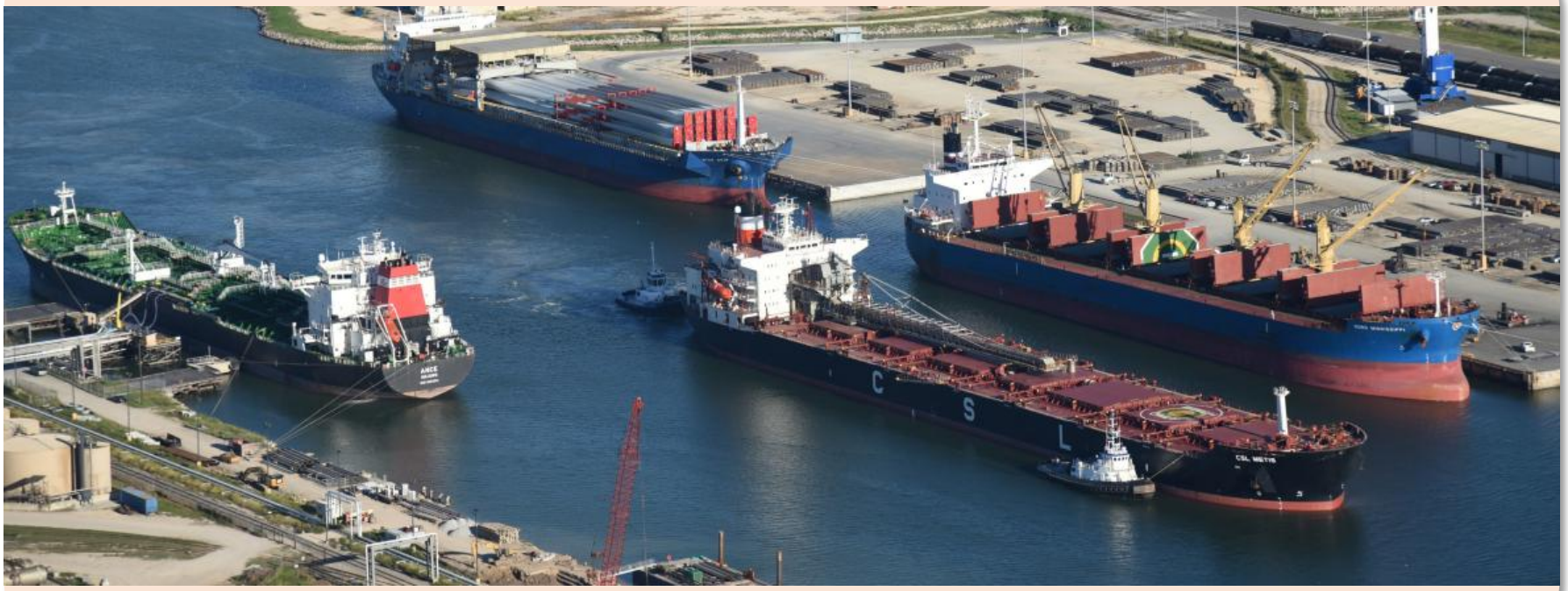
Brazos Island Harbor Channel Improvement Project

Port of Brownsville P3 Project



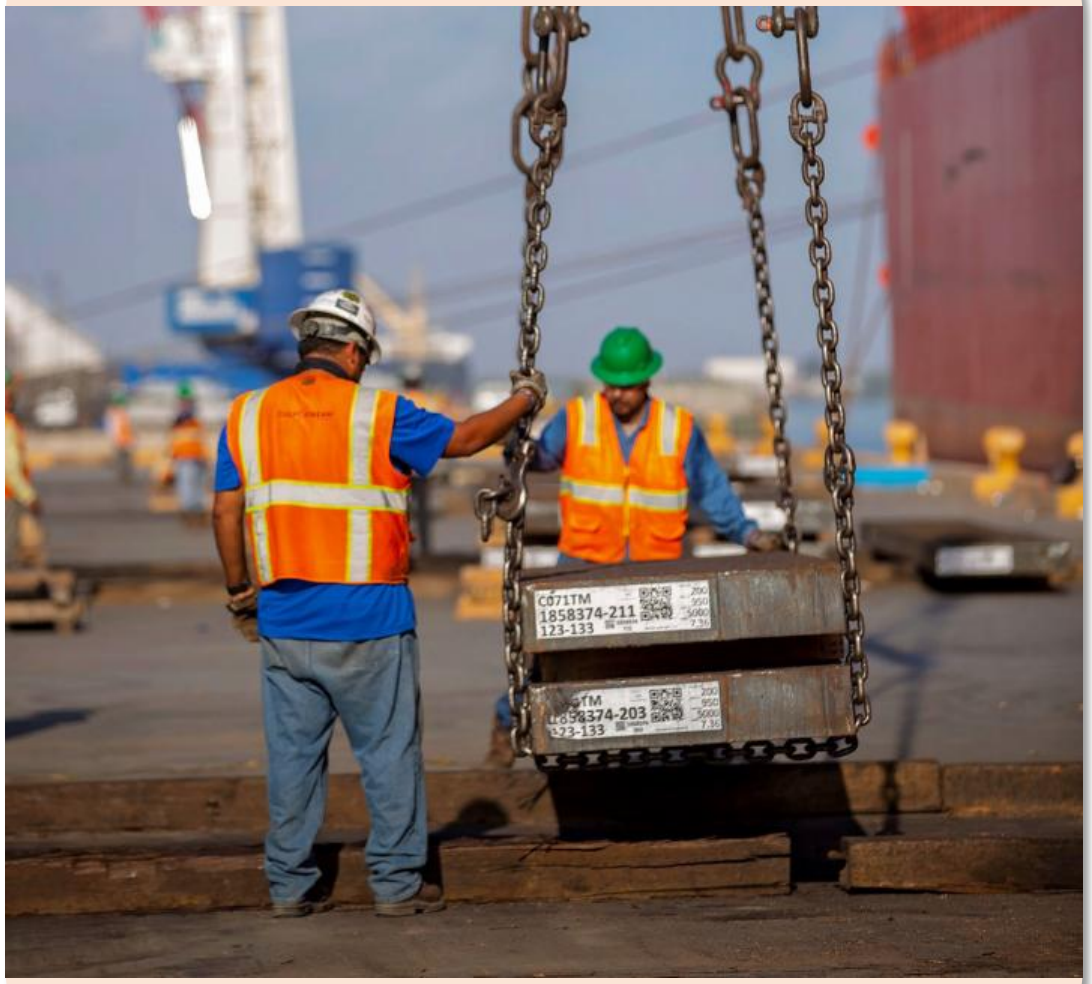
The Port of Brownsville is the largest land-owning public port authority in the U.S. with 40,000 acres. It is a major petroleum export facility and ships more steel to Mexico than any other U.S. port. It is home to both the largest domestic offshore oil rig and platform manufacturer and the only Jones Act ship building facility in Texas.



The port operates FTZ No. 62, ranked number 2 nationally for the value of exported goods, out of 195 FTZs. More than $43 billion worth of new construction projects are in the works – including three proposed LNG liquefaction plants (all in final FERC permitting) and an LEED certified electric arc steel mill.

A Deeper Channel Supports:

- LNG Projects
  - Next Decade
  - Annova
  - Texas LNG
- Jack-up and Semi - submersible Offshore Oil Rigs and Platforms.
- Petroleum Products and Crude Oil.
- Dry Bulk Materials Like Aggregates, Sugar, Salt and Cement.
- Steel, Fabricated Metal, Iron and Ores.



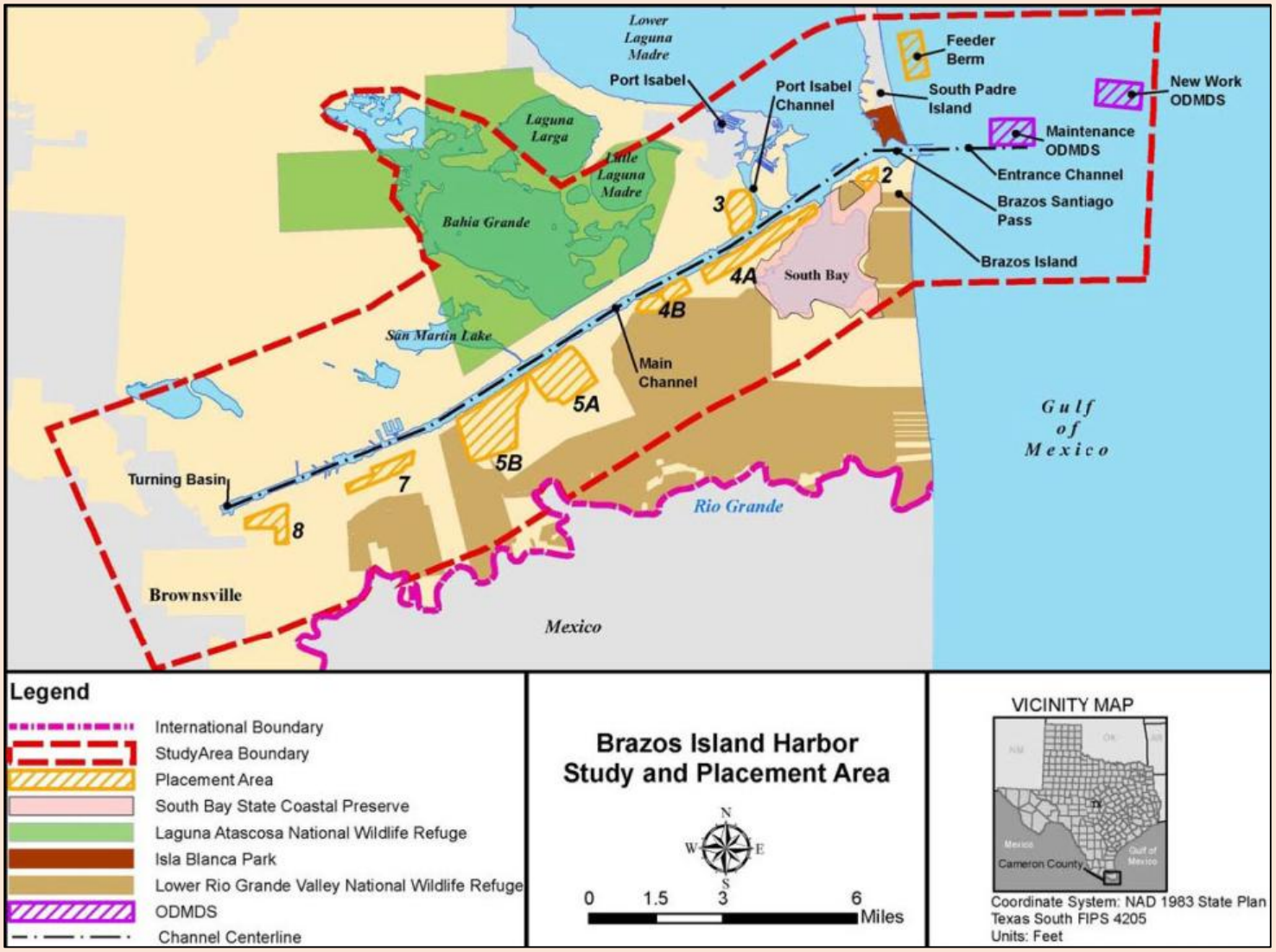
Port of Brownsville circa 1938

Port of Brownsville now 2019

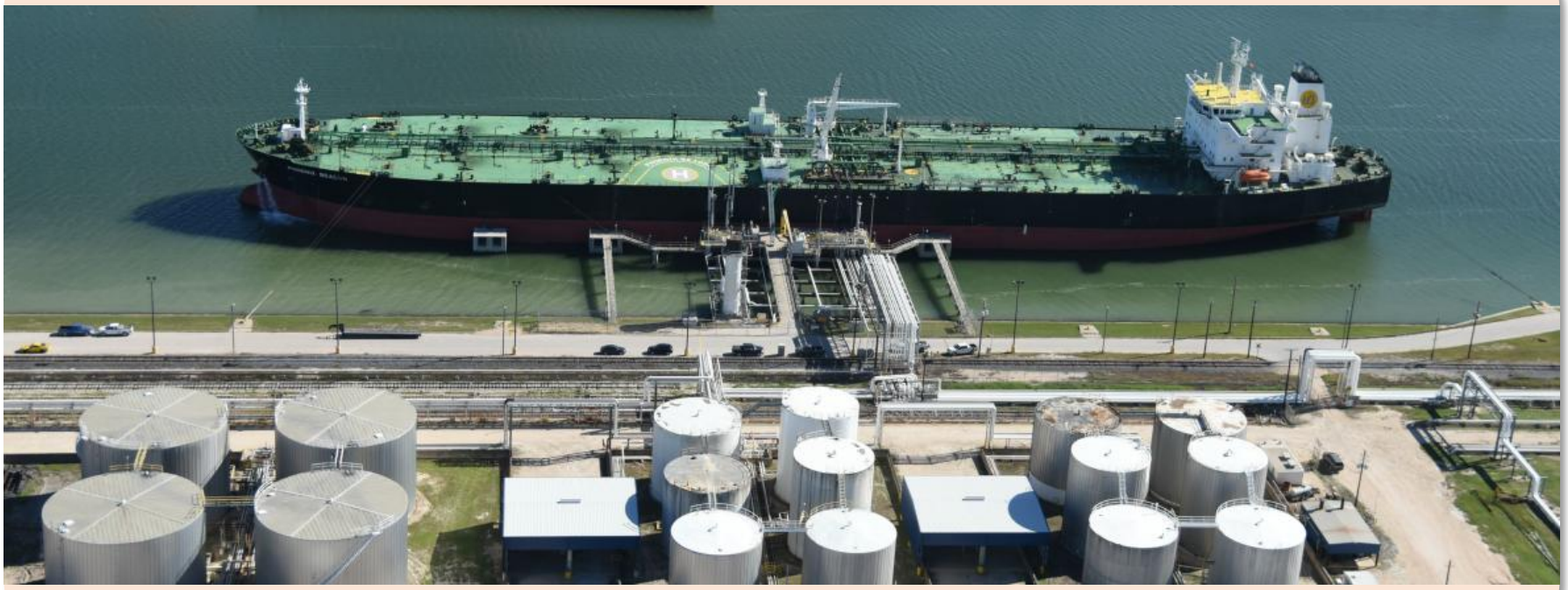
The Brazos Island Harbor (BIH) Channel Project is authorized by the US. Congress in the 2016 WRDA Act and the 2014 USACOE Chiefs Report. In addition to broad community and industry support, the BIH enjoys the benefit of strong legislative support.

The BIH Facilitates:

- Increased Cargo Movements
- Reduced Transit Times
- Operational Safety



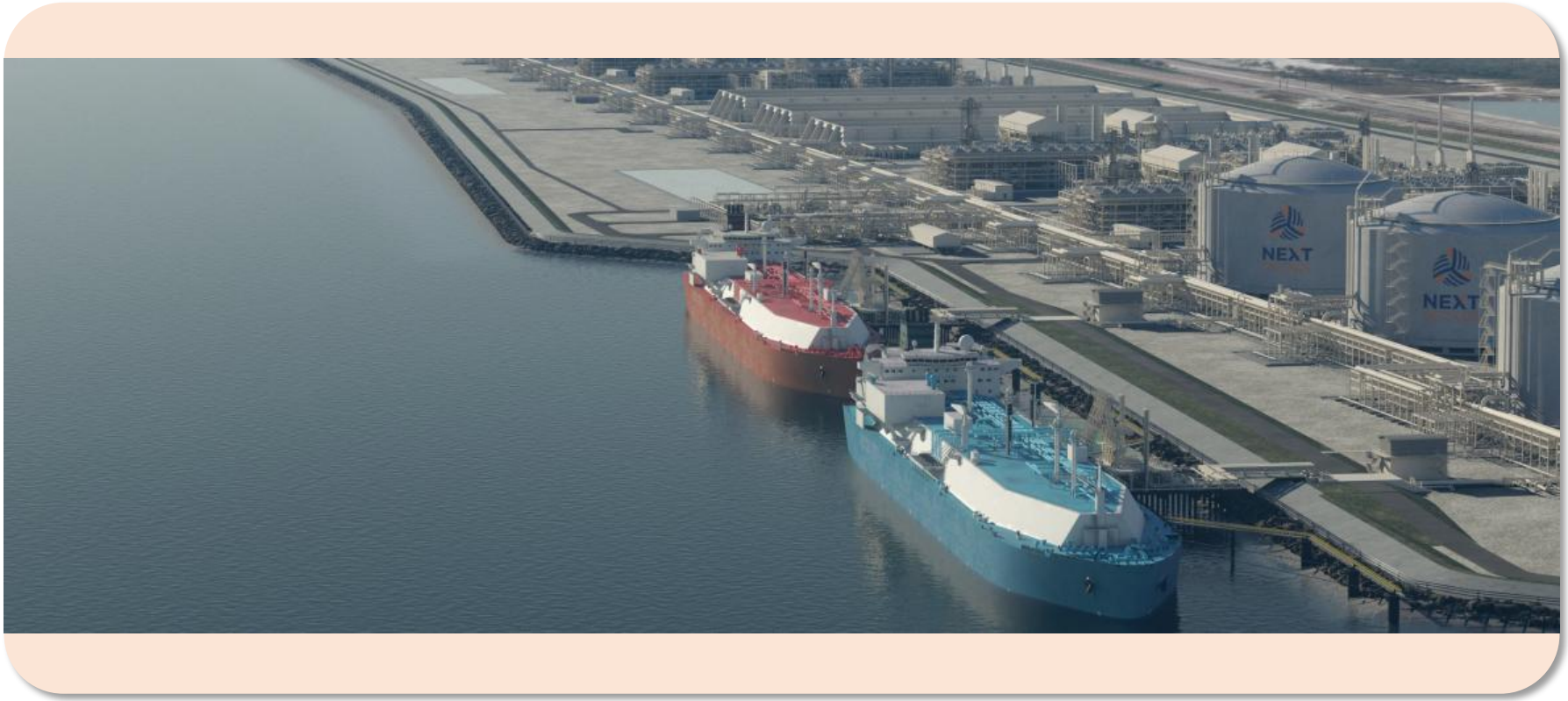
In June, the White House announced the selection of the BIH Channel Improvement Project as one of four nationwide to be among the USACE's Public-Private Partnership (P3).



The project is valued at $288 million and will deepen the Port of Brownsville Ship Channel from 42 feet to 52 feet. The USACE estimates the P3 model will design, build and finance the project with resulting savings estimated to reach $150 million by completion in 2024.

The Project will be executed in Two Phases:

Phase1: The port has entered into partnership with NextDecade, parent company of Rio Grande LNG – a proposed natural gas liquefaction export facility.



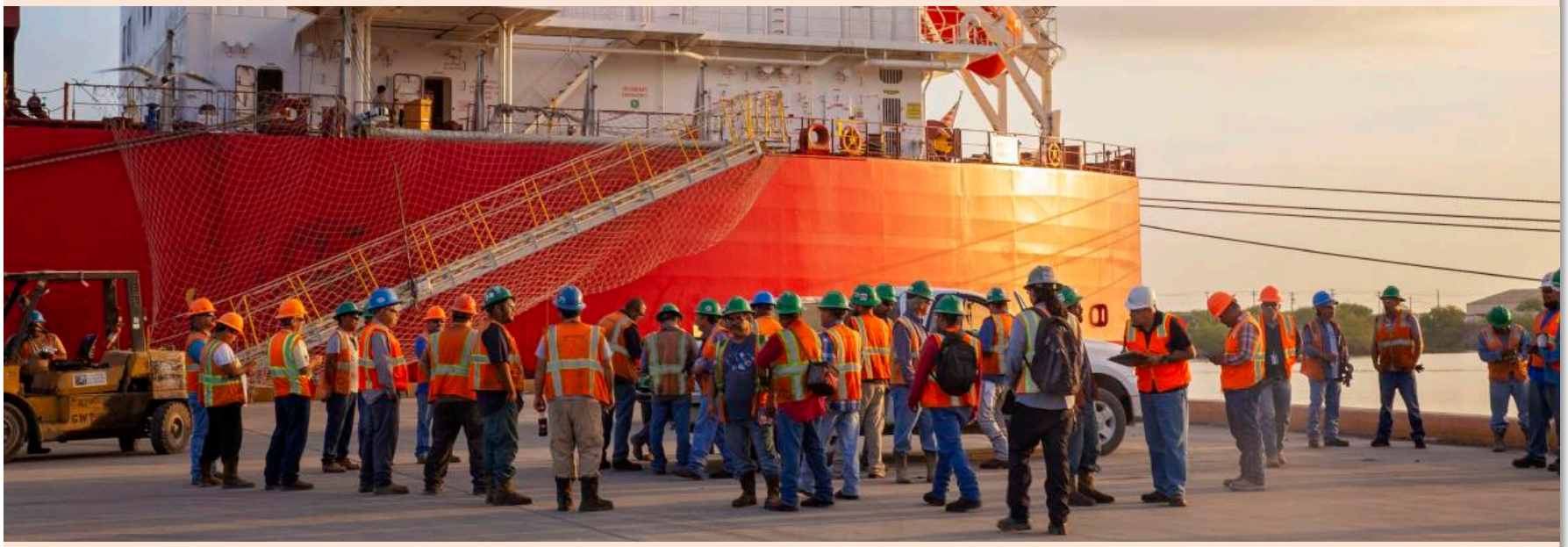
NextDecade has pledged to pay 100% of the deepening project from the channel's offshore origin, to the western boundary of its lease site along the ship channel – more than nine miles of the project or approximately 60%.

The Project will be Executed in Two Phases:

Phase2: As the Non-Federal Sponsor, the Port of Brownsville will execute the balance of the project from Station 44+000 westward to the terminus of the channel –which also serves as the origin of the Gulf Intercoastal Waterway.

The port has received its Corps permit for the construction of the project while pursuing a 204(f) strategy, with assumption of maintenance by the USACE.

If the project were to be constructed utilizing traditional USACE practices and WRDA 2016 cost share protocols, $139 million would be the Federal cost of the estimated $241 million channel-project-only cost.



By utilizing the P3- model, the estimated project cost would be reduced by as much as $150 million.

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THANK YOU