

**STONEPEAK
INFRASTRUCTURE
PARTNERS**

Fall 2015



STONEPEAK
INFRASTRUCTURE PARTNERS

The Stonepeak Formula

Stonepeak believes its niche strategy – built on team and track record – provides a compelling opportunity

INFRASTRUCTURE

- Long-lived, essential, difficult-to-replicate, hard-asset businesses
- Focus on stable, visible cash flows supported by long-term contracts or sustainable competitive advantage
- Cash yield typically provides a substantial portion of the overall return during the investment hold period

NORTH AMERICA FOCUSED

- Growing economies, with political stability and rule of law
- Developed capital markets underpin deal financing / exit opportunities
- Market drivers: shale energy revolution; renewable power build-out; replacement / upgrade of aging core infrastructure

MIDDLE-MARKET

- Strong deal flow driven by multitude of family and privately-owned companies
- Greater opportunity for “off-the-run” sourcing
- Lower entry multiples create greater opportunity for multiple expansion

VALUE-ADD

- Through operational improvement and pursuit of meaningful growth opportunities
- Active partnership with top management teams
- Leveraging Stonepeak’s experience and network

Strong returns to date for Fund I (these IRRs would be expected to moderate over time as the Fund matures)¹:

IRR: 42% / 23% (gross / net)

Money multiple : 1.5x / 1.3x (gross / net)

Weighted average annual yield: 9% (gross)

1) Gross IRR and MOIC as of 06/30/2015 based on realized distributions to-date and unrealized portfolio company valuations as of such date. Returns are based on standalone investment performance, not taking into account management fees and expenses, taxes or carried interest.

Investment Focus – Infrastructure Target Sectors



Midstream Energy

- The emergence of horizontal / directional drilling and the discovery of new oil and gas production basins has, in our view, resulted in a once-in-a-generation build-out of associated new infrastructure
- Target investments include contracted pipelines, storage, processing facilities, and crude-by-rail terminals



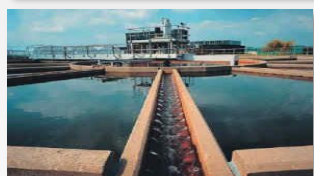
Power Generation

- Increasingly strict environmental standards, historically cheap natural gas prices, the need for flexible generation capacity to integrate new renewable energy supplies, and tightening reserve margins (especially in the South / Gulf Coast and California) present significant opportunities for gas-fired power generation in our view
- Target investments include operating or construction-ready contracted gas-fired generation projects



Alternative Energy

- Government investment incentives, ambitious renewable portfolio standard (RPS) requirements, rapidly improving technology (and declining costs), and the emergence of distributed generation business models have, in our view, combined to create massive investment opportunities in alternative energy
- Target investments include contracted solar, wind, and energy storage opportunities



Water

- Aging infrastructure, increasing environmental requirements, lack of capital and a fragmented U.S. water industry owned by public sector, are factors which we believe push the trend towards the involvement of the private sector
- Target investments include water desalination projects, consolidation of small-scale water utilities, alternative water technologies, water reuse and wastewater treatment



Transportation

- Rail has experienced strong pricing power as a result of high utilization and an inability to expand track miles
- Rising long-term cost trend in trucking driven by fuel prices, congestion
- Investments may include port infrastructure, highly defensible barge and terminal businesses (e.g. Tidewater), and short line / regional railroads with roll-up opportunities









Telecommunications Infrastructure


- The ubiquitous penetration of smartphones and ever increasing list of connected devices (including tablets, wearables, cars, appliances, etc.) has resulted in significant growth in wireless data usage, necessitating a continued rapid expansion of wireless towers and antenna infrastructure
- Target investments include wireless towers and distributed antenna systems (DAS)

Stonepeak Team & Operations

INVESTMENT TEAM

	MICHAEL DORRELL Senior Managing Director Co-Founder <i>18 years of experience Formerly Blackstone and Macquarie</i>		TRENT VICHIE Senior Managing Director Co-Founder <i>18 years of experience Formerly Blackstone and Macquarie</i>		LUKE TAYLOR Senior Managing Director <i>Infrastructure investment experience: 14 years</i>		
	Brian McMullen Managing Director		George Watts Principal		Jack Howell Principal		Daniel Schmitz Vice President Head of Investor Relations
	James Wyper Vice President		Emily Goergen Vice President		Spencer Ryan Associate		Somin Yoo Associate
	Ben Judson Associate		Karly Wentz Associate		Petros Lekkakis Analyst		

OPERATIONS

	Paul Minton Chief Financial Officer		Peter Bruce (Chief Operating Officer)		Adrienne Saunders (General Counsel / CCO)		Stephanie Kokinos (Director of Administration)
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OPERATING PARTNERS¹

	JEFFRY M. MYERS Power Generation Former co-founder, Chairman and CEO of Pristine Power Inc. 30 years of experience		MARK ROSNER Transportation Former Director - Public Private Partnerships at BNSF Railway 25 years of experience		JOHN M. TRANI Operations Former GE senior executive with CEO experience across multiple businesses 40 years of experience		DENIS HUGHES Gov't Relations Former President of the NY AFL-CIO, Chairman of the Federal Reserve Bank of New York 40 years of experience		FORREST WYLIE Midstream Former CEO and Chairman of Buckeye; Co-Founder of NuCoastal Energy 25 years of experience		SCOTT HOBBS Midstream Former Director of Buckeye and SunCoke, COO of Coastal, and CEO of CIG Resources 35 years of experience
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1) "Operating Partners" are not employees or affiliates of Stonepeak. For additional information, please see "Important Information" at the end of this presentation.

Fund I Portfolio Overview

Fund I: Strong Returns and Broad Sector Diversification

									Overall Fund I Portfolio
DATE	August 2012	December 2012	December 2012	October 2013	March 2014	November 2014	April 2015	July 2015	In third year of inv. Period
STATUS	Realized (Aug. 2014)	Active, operating	Active, Q4 2015 COD	Active, operating	Active, operating	Active, operating	Active, Q2 2016 COD	Active, Operating	Diverse set of operating assets
EXCLUSIVELY SOURCED	✓	Limited auction	✓	✓	✓	✓	✓	Limited auction	Emphasis on “off-the-run” deals
ASSET CLASSIFICATION¹	Core	Value-Add	Core	Core Plus	Core Plus	Core Plus	Core	Core Plus	Balanced
SECTOR	Renewables	Transport	Water	Transport	Midstream	Comms. Infrastructure	Electric Transmission	Comms. Infrastructure	Diversified portfolio
FUND I COMMITTED EQUITY	\$11m	\$120m	\$107m	\$64m	\$350m	\$150m	\$247m	\$247m	\$1.3bn committed

While still relatively early in Fund I’s life, we believe the results to date validate Stonepeak’s strategy and focused approach to infrastructure investing

1) Asset classifications reflect Stonepeak’s internal view of the classification of infrastructure assets

Current Market Conditions

Investment Type		Expected Long Term Hold Gross IRR	Expected Leverage	Our Commentary	
Too expansive today	1	Operating Core Infrastructure	8%	High - 80%	A challenging risk-return equation, with no margin for error. There is very little chance of exceeding the base case. If anything goes wrong, there is a chance of capital impairment. The distribution of returns is skewed to the downside.
	2	Greenfield Core / core-plus Infrastructure – engage at financial close	10%	High - 80%	Typically 200 bps of additional return to compensate for construction risk. Again, we feel this is a challenging risk-return equation, for all the same reasons described above for operating core infrastructure.
Fund I focus to date	3	Greenfield Core / core-plus Infrastructure – engage with high quality developer well prior to financial close	14-18%	Low to moderate	In our view, easily the best risk-return equation in the infrastructure market today. This strategy requires specialized sourcing, ability to identify and assist the right development partner, as well as a substantial investment of time and human resource. The risk is the same as for 2 above. However, returns are 400-800 bps higher, and leverage is lower.
	4	Core-plus and Value-add operating Infrastructure	Varies	Varies	Although most deals are expensive, it is possible to find “pockets of value”. Tidewater and Vertical Bridge are excellent examples.
Outside mandate	5	Expand the definition of infrastructure	Varies	Varies	In our view, this is more appropriately classified as a private-equity style investment not appropriate for an infrastructure fund.
	6	Greenfield value-add infrastructure	Varies	Varies	We believe this is more appropriately classified as a private-equity style investment not appropriate for an infrastructure fund. A volume risk greenfield toll-road is an example.
	7	Opportunistic infrastructure	Varies	Varies	We believe this is more appropriately classified as a private-equity style investment not appropriate for an infrastructure fund. A power plant without a long term PPA is an example.

Past or projected performance is no assurance of the future results. See important legal disclosure at the end of this document Gross IRR and Gross MOIC based on standalone investment performance, not taking into account management fees and expenses, taxes or carried interest

Downside Protection

Protection of capital in a downside scenario is our foremost requirement in any investment

Factor	Commentary
Take-or-pay contracts	7 of our 8 investments have take-or-pay contracts which collateralize invested capital.
Leverage level	The overall portfolio is levered 42% versus typical infrastructure projects which are levered as much as 80%+.
Leverage structure	All debt is / will be long term, fixed rate. Carlsbad is 30 years. Northstar was 18 years. Tidewater is 10 years. VB is currently short term but is about to be replaced with a 10+ year securitized (ABS) facility.
Deal structure	3 of our investments are senior to equity in the capital stack – CCR, Carlsbad, Magnolia.
Construction risk	In all cases of new-build investments, construction risk has been laid off to counter parties.
Development risk	We have taken no material development risk. The highest exposure we have is \$1.5MM to each of Eagle Pines and Clean Path, which is via a secure loan.
Entry multiple	In our view, all 8 of our investments represent entry multiples / expected rates of return that are materially superior to what would be achieved in an auction process. This provides a significant margin of error.

Fund I Portfolio Company Case Study

Northstar Renewable Power Corp (Realized)

INVESTMENT OVERVIEW

DATE OF INVESTMENT	August 2012
LOCATION	Ontario, Canada
OWNERSHIP	100% at investment (since sold)
STATUS	Realized (August 2014)
SECTOR	Renewables
EQUITY INVESTED	\$11m

PROJECT SITE



BUSINESS OVERVIEW

- 11.2MW DC solar farm in Napanee, Ontario
- Invested at COD (no construction or development risk)
- Highly visible long-term contracted cash flows
 - 20-year fixed price PPA for 100% of plant production to the local distribution company (Hydro One: A+/A1 rated)
 - Matching 20-year full-coverage O&M contract including minimum performance guarantee
 - 20-year fixed-price land lease
 - 20-year, fixed-rate, fully amortizing debt structure
- Established technology and highly experienced supplier
 - Canadian Solar shipped 3.4GW in 2012/2013 (#3 supplier)
 - Backed by 20-year vendor performance warranty

INVESTMENT PERFORMANCE

- ✓ Realized distributions over first two years of operations represented ~40% of initial equity investment (including replacement of DSRA with LC)
- ✓ Completed sale of Northstar to Dutch Infrastructure Fund in August 2014:
 - Capitalized on significant tightening of equity hurdle rates for operating, fully-contracted solar assets
 - Mitigated risk of continued currency depreciation and increases in interest rates (and corresponding impact on asset valuations)

1) Such returns are not representative of overall returns and there can be no assurance that any unrealized investment will be realized at such current valuation. Please see "Important Information" at the end of this presentation.

Fund I Portfolio Company Case Study

Carlsbad Desalination Project

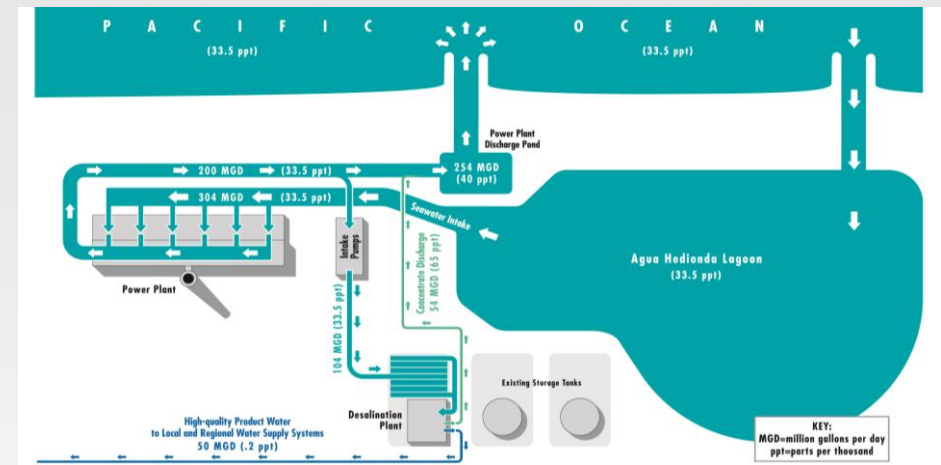
INVESTMENT OVERVIEW

DATE OF INVESTMENT	December 2012
LOCATION	Carlsbad, California
OWNERSHIP	60%
STATUS	Active, Estimated COD in Oct 2015
SECTOR	Water
EQUITY COMMITTED	\$103m

BUSINESS OVERVIEW

- Water desalination plant expected to produce 50m+ gallons daily, which would represent 10% of San Diego's drinking water and make it the largest in the western hemisphere once operational
- Low operational risk / stable cash flows (no price or volume risk) producing double-digit projected cash flow yield:
 - 30-year off-take for full production of plant with AA-rated counterparty
 - 30-year fixed-price O&M agreement
 - Minimum production guarantee from OEM
 - Fully amortizing debt structure (no refinancing risk)
- Construction delivered under fixed-price, date-certain turnkey construction contract with Peter Kiewit, backed by an AA-rated insurance wrap

PROJECT SITE



INVESTMENT PERFORMANCE

- ✓ Construction on track to meet / exceed November 2015 COD target date
 - Plant expected to complete commissioning and achieve full mechanical completion in early October 2015, followed by a one-month full plant performance test prior to the start of commercial operations in November 2015
 - Plant and pipeline construction substantially complete
 - i. Currently in commissioning and testing phase
 - ii. On track for November 2015 target commercial operations date
 - iii. Successfully managed through ~3 year construction period in line with expected budget and schedule
- ✓ Evaluating potential upside of plant capacity and negotiation of amendment of off-take agreement for sale of excess water

1) Such returns are not representative of overall returns and there can be no assurance that any unrealized investment will be realized at such current valuation. Please see "Important Information" at the end of this presentation.

Expected Fund II Terms

TARGET FUND SIZE	<ul style="list-style-type: none">▪ \$2.5 billion
GP COMMITMENT	<ul style="list-style-type: none">▪ The lesser of 1% of capital commitments and \$20 million
PREFERRED RETURN	<ul style="list-style-type: none">▪ 8% per annum
CARRIED INTEREST	<ul style="list-style-type: none">▪ 20%
MANAGEMENT FEE	<ul style="list-style-type: none">▪ 1.50% on committed capital during the investment period and invested capital thereafter
INVESTMENT PERIOD	<ul style="list-style-type: none">▪ Five years from the first closing date
TERM	<ul style="list-style-type: none">▪ 12 years from the first closing date with up to three one-year extensions (subject to objection by the L.P. Advisory Committee)

Certain preliminary terms of Fund II are highlighted above. The terms contained in this summary do not purport to be complete and are subject to change

Conclusion

- We believe our investment strategy has allowed Fund I to achieve premium returns across a well-balanced, low-risk portfolio of core infrastructure assets:
 - Exclusive focus on the U.S. and Canadian infrastructure middle-market
 - Consistent ability to source “off-the-run” deals
 - Securing and structuring investments where the downside is well-protected and returns are skewed to the upside
 - Hands-on approach to operational value creation
- We expect Fund II to adhere to these same tenets, with appropriate adjustments to reflect changing market conditions

Important Information

This presentation is provided upon request to certain institutional investors in one-on-one presentations for discussion and informational purposes only to provide background information with respect to Stonepeak and its investment activities and is not an offer to sell or the solicitation of an offer to buy an interest in Stonepeak Infrastructure Fund II LP (the “Fund”) or any other current or future vehicles or funds controlled by Stonepeak. This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any security of the Fund or any other investment fund, vehicle or product sponsored or managed by Stonepeak. The distribution of this presentation in certain jurisdictions may be restricted by law. This presentation does not constitute an offer to sell or the solicitation of an offer to buy in any state of the United States or other U.S. or non-U.S. jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction.

This presentation is not intended to form the basis of any investment decision for sale of an interest in the Fund or any other current or future vehicles or funds controlled by Stonepeak and you agree and acknowledge that you are not relying on the information contained in this presentation as the basis for any such investment decision you may make in the future. Any offer or solicitation with respect to the Fund will only be made pursuant to the final private placement memorandum issued with respect to the Fund, which qualifies in its entirety the information set forth herein and which should be read carefully prior to any investment in the Fund for a description of the merits and risks of such an investment.

In considering investment performance information contained in this presentation, prospective investors should bear in mind that past or projected performance is not necessarily indicative of future results and there can be no assurance that the Fund will achieve comparable results or that any projected returns or yields will be met. Unless otherwise indicated, all internal rates of return and cash yields are presented on a “gross” basis (i.e., they do not reflect deduction for management fees, organizational expenses, partnership expenses, the general partner’s carried interest, taxes, and other expenses to be borne by investors in the Fund, which in the aggregate are expected to be substantial, and will result in net returns being materially lower). For a description of such types of fees and expenses with respect to the Fund, see Form ADV Part 2A maintained by Stonepeak Partners LP, a copy of which will be furnished to each investor prior to its admission to any Stonepeak Fund. Actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values indicated herein.

The target and projected returns presented herein are based on Stonepeak’s “base case” underwriting assumptions, which Stonepeak currently believes are reasonable under the circumstances, but there is no guarantee that the conditions on which such assumptions are based will materialize or otherwise be applicable to the Fund’s investments. These underwriting assumptions are intended solely to provide prospective investors with information regarding Stonepeak’s internal “base case” analysis of the underlying investments, and should not be considered to be a projection, estimate, forecast, guarantee or other indication of future performance. No assurance, representation or warranty is made by any person that any of the target returns or underwriting assumptions will be achieved and no investor should rely on the underwriting assumptions. Actual realized returns on unrealized investments will depend on, among other factors, future operating results, pace of deployment, EBITDA growth, customer growth, commodity prices, taxes, capital expenditures, working capital requirements, expected holding period, the value of the assets, and market conditions at the time of disposition, legal and contractual restrictions, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based. Further detail regarding the various components underlying each assumption is available upon request. Such assumptions may require modification as additional information becomes available and as economic and market developments warrant. Any such modification could be either favorable or adverse. The assumptions have been prepared based on Stonepeak’s current understanding of the intended future operations of the company, Stonepeak’s current view in relation to future events and financial performance of the company and various estimations and assumptions made by Stonepeak and by the company’s management, including estimations and assumptions about events that have not occurred, any of which may prove to be incorrect. The assumptions are subject to uncertainties, changes (including changes in economic, operational, political or other circumstances or the management of the company), all of which are beyond Stonepeak’s control. Therefore, the actual realized returns on these unrealized investments may differ materially from the projected returns indicated herein.

Important Information

In addition, certain information herein constitutes “forward-looking statements”. Due to various risks and uncertainties actual events or results or actual performance of the Fund or any investments described herein may differ materially from those reflected or contemplated in such forward-looking statements. As a result, investors should not rely on such forward-looking statements in making their investment decisions. No representation or warranty is made as to future performance or such forward-looking statements. In addition, with respect to the market information, outlook and trends set forth in this letter, there can be no assurance that such information, outlooks and trends will continue or that such information will remain accurate based on current and future market conditions. Statements contained herein (including those relating to current and future market conditions, trends and expected financial performance of the portfolio companies described herein) that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of Stonepeak. Such statements are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors, and should not be relied upon. Further information regarding the assumptions underlying such statements is available from Stonepeak upon request.

Certain information in this presentation relates to portfolio companies of the Stonepeak Infrastructure Fund LP (the “Predecessor Fund”) and their operations and/or financial condition (including information in respect of Stonepeak’s valuation of such portfolio companies). They are intended to provide insight into the investment strategy of the Fund. They are not representative of all investments that will be made by the Fund, and it should not be assumed that the Fund will make equally successful or comparable investments. Past performance is not indicative of future results. Moreover, the actual investments to be made by the Fund will be made under different market conditions and differ from those investments presented or referenced in this presentation. While Stonepeak believes the statements made herein with respect to current and future operating performance and financial condition of such portfolio companies are reasonable under the circumstances, there can be no guarantee of future performance of such portfolio companies, which is difficult to predict and subject to a number of uncertainties and risks (both known and unknown). There can be no assurance that the conditions upon which such Stonepeak’s assumptions are based will materialize. Investors acknowledge that the valuations and other information set forth herein relating to portfolio companies and their operations are, unless historical facts, preliminary estimates based on current information available to Stonepeak and its beliefs regarding their valuation and performance. Actual realized returns on such unrealized investments (including the investments set forth in this presentation) may differ materially from such estimates and will ultimately depend on, among other factors, future operating results, EBITDA growth, customer growth, future business plans, commodity prices, taxes, exchange rate fluctuations, capital expenditures, working capital requirements, expected holding period, the value of the assets, and market conditions at the time of disposition, legal and contractual restrictions, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations and other figures indicated herein are based. Further detail is available upon request.

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Important Information

Prospective investors should be aware that an investment in the Fund involves a high degree of risk. The following is a summary of only certain considerations and is qualified in its entirety by the more detailed “Risk Factors and Potential Conflicts of Interest” which will be set forth in the Private Placement Memorandum, which must be read carefully prior to investing in the Fund.

No Assurance of Investment Return. There can be no assurance that the Fund’s objectives will be achieved or that a limited partner will receive any distribution from the Fund. An investment should only be considered by persons who can afford a loss of their entire investment.

Leveraged Investments. The assets in which the Fund invests (including those discussed herein) are expected to employ significant leverage. The leveraged capital structure of such assets will increase their exposure to certain factors such as rising interest rates, downturns in the economy, or deterioration in the financial condition of such assets or industry. In the event an asset cannot generate adequate cash flow to meet its debt service, the Fund will suffer a partial or total loss of capital invested in the asset, which would adversely affect the returns of the Fund and/or the performance of its investments.

No Market for Limited Fund Interests and Restrictions on Transfer. Interests in the Fund have not been registered under the securities laws of any jurisdiction, and, therefore, cannot be sold unless they are subsequently registered under applicable securities laws or an exemption from registration is available. There is no public market for Interests in the Fund and one is not expected to develop. A Limited Partner will generally not be permitted to assign, sell, exchange, or transfer its Interest in the Fund without the consent of the general partner (which consent may not be unreasonably withheld).

Failure to Make Payments. If a limited partner fails to make capital contributions or other payments when due to the Fund, such limited partner will be subject to various remedies including, without limitation, preclusion from further investment in the Fund, reductions in its capital or loan account balance, and a forced sale of its Interest in the Fund.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that the Fund will be able to locate, consummate and exit investments that satisfy the Fund’s rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

Reliance on the General Partner and the Investment Advisor. The success of the Fund will depend in part upon the skill and expertise of the professionals of employed by the General Partner. The interests of these professionals in the general partner and the investment advisor should tend to discourage them from withdrawing from participation in the Fund’s investment activities. However, there can be no assurance that such professionals will continue to be associated with the general partner or its affiliates throughout the life of the Fund.