How to Steal a Fortune
From Trump’s $1 Trillion
Infrastructure Boom

The Energy Investor
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FROM TRUMP’S $1 TRILLION INFRASTRUCTURE BOOM

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Taking a look at all of the potential plays that our investment community can target in order to capitalize on President Trump’s trillion-dollar infrastructure plan, it’s only fitting we kick off our Trump triple play with a unique infrastructure stock.

In fact, I would argue that not only do investors outside of our investment circle NOT know about this blockbuster growth stock, but it’s clear that the company is still flying far under Wall Street’s radar.

Well, not for long...
Cypress Energy Partners is a master limited partnership that provides independent pipeline inspection and integrity services to various energy E&P companies, public utility companies, and midstream companies throughout the United States and Canada.

Yes, you read that correctly.

These guys aren’t laying miles of pipeline and generating revenue by transporting a company’s oil to market.

No, Cypress is ensuring that the 2.4 MILLION MILES of aging oil and natural gas pipelines are safe enough to carry the 7.3 BILLION BARRELS of crude oil and 27.3 TRILLION CUBIC FEET of natural gas that we rabidly consume each year.

Do you see how lucrative this MLP’s growth potential is yet?

We’ve been on the lookout for a premiere energy service company that will put you and me into a win-win situation. You see, we don’t have to guess which pipeline projects will be the most profitable, and we don’t have to hope that the current administration will play the “delay indefinitely” game that our former Commander-in-Chief did.

In fact, the swift reversal of the Keystone XL and DAPL delays bolsters our confidence that companies will break ground on even more pipelines projects going forward.

And Cypress will be there to make sure things flow smoothly from well to market.

Cypress Energy essentially operates under three segments:

**PIPELINE INSPECTION SERVICE**

This segment is precisely what it sounds like. Cypress generates revenue by providing inspection services through two subsidiaries:

- Tulsa Inspection Resources, LLC
- Brown Integrity LLC. (51% owned)
In addition to providing inspection services on midstream pipelines, gathering systems, and distribution systems, Cypress also receives recurring revenue that centers on maintenance, repair, and operations activities.

Now, we’re not talking about a penny stock with little pull in the sector. Cypress’s customer base consists of some of the largest energy companies on the planet!

Here’s a look at just some of the 70+ clients the MLP is currently serving:

![Client Logos]

However, keep in mind that this is a growth-oriented company. These clients are only a drop in the bucket of the market share that Cypress is gunning for right now. In fact, there are more than one thousand such companies with infrastructure that will require inspection.

Remember just how much these major energy companies rely on inspection and integrity services.

In 2014, more than 46,000 miles of liquid pipelines were inspected using in-line smart-pigs, with more than $2.2 billion being spent by operators.

Let me quickly break down the life cycle of a pipeline...
Every oil and natural gas pipeline built here in the United States has an expected lifespan of about 50 years and will require inspection and integrity services throughout its entire life!

Moreover, the Pipeline and Hazardous Materials Safety Administration (PHMSA) — which is part of the U.S. Department of Transportation — requires that these infrastructure companies test liquid pipelines every five years and natural gas pipelines every seven years.

So for five decades, these companies will need someone like Cypress to conduct a host of services for them to remain compliant under federal law, including hydrostatic testing, chemical cleaning, external corrosion assessments, pig tracking (a cleaning pig for a 28-inch oil pipeline is pictured on the right), and dig staking.

It’s simple enough, really.

Cypress charges these companies on a per-barrel fee, which is a major advantage for Cypress unit-holders given the fact that the United States’ addiction to crude oil isn’t going away anytime soon!

**INTEGRITY SERVICES**

Cypress’ Integrity Services unit provides hydrostatic testing services to major oil, natural gas, and pipeline construction companies for both new and existing pipelines. These companies are basically charged a fixed-bid cost that factors in the size and length of the pipeline in question.

A hydrostatic test is simply a way that pipelines (and other pressure vessels like fuel tanks, gas cylinders, boilers, etc.) can be tested for strength and leaks.
WATER AND ENVIRONMENTAL SERVICES

In addition to its pipeline and integrity services, Cypress also generates revenue from its Water and Environmental Services segment, mainly from treating flowback and produced water and injecting the saltwater into its SWD (saltwater disposal) facilities.

And like its pipeline segment, Cypress also charges by the barrel.

Right now, these guys have an annual injection capacity at their SWD facility of around 53 million barrels — almost three-quarters of which is available right now.

So why is this important? Well, put it this way: utilizing its available capacity, Cypress will be able to substantially increase its revenue and cash flow without spending a dime!

THE BOTTOM LINE

Look, I know many of you may hold strong opinions about our current president, be they positive or negative.

And you know what, that’s okay!

My point is that those emotions should not matter when it comes to securing your family’s financial future.

Love him or hate him, President Trump is hell bent on pushing his aggressive infrastructure spending plan. His plan to spend a trillion dollars improving the United States’ failing infrastructure will include building and repairing our aging bridges, roads, dams... and yes, more oil and natural gas pipelines!

Cypress is on the precipice of another growth surge, this time on the back of the new bull cycle for the oil industry.

Of course, it also helps that Cypress currently offers a strong dividend over 12% (as of 2/14/17). The company announced its last distribution of $0.406413 per unit back on January 25, 2017.

CYPRESS ENERGY PARTNERS IS A BUY FOR US UNDER $16.
NOBLE MIDSTREAM PARTNERS LP

KEY STATISTICS:

TICKER SYMBOL: (NYSE: NBLX)
MARKET CAPITALIZATION: $740.6 MILLION
OUTSTANDING SHARES: 15.9 MILLION
52-WEEK RANGE: $26.00–$47.49
CURRENT ANNUAL DIVIDEND/YIELD: $1.73/3.72% (AS OF 2/14/17)

Like Cypress, Noble Midstream Partners is also an MLP. It was created by Noble to own, operate, and acquire various domestic midstream infrastructure assets.

For those of you who have been solely focused on the upstream sector (exploration and production), the midstream sector in the oil and gas industry is where we find plays engaged in the processing, storing, transporting, and marketing of crude oil, natural gas, and NGLs.
Now, Noble Midstream’s primary focus has been in the DJ and Delaware Basins:

Its operations include several midstream services, including the gathering and treatment of crude oil, the gathering of natural gas, and the delivery of produced water and freshwater.

In fact, the company just announced a strategic acquisition and partnership with Plains All American Pipeline, LP. The partnership involves a 50/50 joint venture to acquire Advantage Pipeline, LLC for a total of $133 million (NBLX will be the operator).

This JV expands NBLX’s exposure in the Delaware Basin (a sub-section of the Permian Basin) through a recently built 70-mile/16-inch pipeline (the Advantage Pipeline) that runs from the southern Delaware Basin to Crane, TX, and holds a throughput capacity of 150,000 barrels per day.
In addition to this, Noble Midstream is planning to build a 15-mile pipeline connecting the first central gathering facility to the Hwy 285 pump station. Meanwhile, Plains will construct a pipeline connecting its Wolfbone Ranch Facility near Hwy 285.

This expansion in the Delaware Basin couldn’t have come at a better time, either. Remember, drillers are putting more and more rigs in the field as oil prices find continued support above $50 per barrel.

But to give you a better idea of the volume we’re talking about, Noble Midstream gathered record volumes of 64,000 boepd during the fourth quarter of 2016 after connecting 28 wells to its system. Moreover, it produced water gathering volumes of approximately 11,000 barrels per day.

And this year is shaping up to be another strong one, too...
And I’m looking for four catalysts in 2017.

That’s how many projects are expected to come online this year, starting with the first Delaware Basin central gathering facility and integration to the Advantage Pipeline coming online during the second quarter. During the third quarter of 2017, NBLX will complete the Synergy crude oil transmission line, followed by the second Delaware Basin central gathering facility and first Mustang central processing facility near the Green River in Colorado’s DJ Basin.

For 2017, Noble Midstream set its capital budget between $270 and $300 million gross (taking its partnership into account, NBLX will spend between $155 and $175 million).

In the DJ Basin, NBLX will continue its expansions in the Colorado River, where it will invest in 26 miles of gathering lines that it operates. Also, we should see an infrastructure build-out for Synergy Resources, which should become commercial during the second and third quarters this year.

**NOBLE MIDSTREAM PARTNERS IS A BUY UNDER $60.**
KEY STATISTICS:

TICKER SYMBOL: (NYSE: ENB)
MARKET CAPITALIZATION: $40.7 BILLION
OUTSTANDING SHARES: 943.2 MILLION
52-WEEK RANGE: $29.63–$45.77
CURRENT ANNUAL YIELD/DIVIDEND: $1.78/4.13% (AS OF 2/14/17)

Our third infrastructure play should not come as a surprise to seasoned members of the Energy Investor investment community: Enbridge Inc.

This company is without question one of the strongest dividend players we own. In fact, I want you to take a second look at that stock chart above.

The first thing that might jump out at you is the severe sell-off that took place in 2015.

But you know the saying, don’t you? One person’s crisis is another’s opportunity.

Soon after bottoming at the tail end of 2015, Enbridge has made a full comeback — already!

As you know, Enbridge is an oil and natural gas transportation and processing company that operates 32,500 miles of liquid and gas pipelines across its network of pipelines and processing plants.

Now, I know what you’re thinking...

Infrastructure plays just aren’t sexy enough for individual investors. Well, the truth is that these pipeline plays are among the strongest long-term investments you can make right now. Over the next 30 years, U.S. oil consumption is projected to rise slightly; thing is, however, our crude addiction is on a level that’s virtually unmatched throughout the world — including China, too!

That’s just factoring in oil. The company will also take full advantage of the consistent, long-term growth projected in natural gas demand going forward.
And with Enbridge, we’ll be capitalizing off of the largest North American infrastructure company.

You see, it’s Enbridge’s solid dividend that piques our interest. And considering that the company is investing $48 billion in developmental projects over the next decade, management believes that this dividend payout will grow 10–12% through 2024.

**ENBRIDGE IS RATED A BUY UNDER $60.**