



BlueMark Customers,

Many of you have requested an explanation as to what caused the natural gas price spikes we experienced in mid-February. A major winter storm, known as “Winter Storm Uri”, blanketed the Northwestern, Southern, Midwestern and Northeastern United States bringing with it snow, ice and unprecedented, extremely cold temperatures. The storm and its record setting cold temperatures caused power grids across the country to fail. Natural gas wellheads and processing plants froze, causing natural gas pipelines to fail, leading to curtailments, operational flow orders and supply cuts, drastically limiting natural gas supply distribution across the affected regions. Simultaneously, Uri’s frigid cold temperatures resulted in a significantly increased demand for natural gas. The huge disparity between the increased demand for and the drastically limited supply of natural gas caused market-wide unprecedented spikes in daily natural gas prices, impacting nearly all industry participants.

During Winter Storm Uri and in the best interest of our customers, BlueMark sent multiple messages to you regarding the unprecedented natural gas prices we were seeing during the winter storm. We urged you to limit your usage to avoid significantly higher prices. We also forwarded along pipeline and utility notices to those customers directly impacted by the operational flow orders, critical notices and curtailments issued by such pipelines and utilities so that those customers could adjust their gas usage accordingly.

BlueMark is not a producer of natural gas. BlueMark does not set natural gas prices. Natural gas prices are driven and set by the market (supply and demand). BlueMark purchases your gas from various natural gas producers and wholesale suppliers. We then pass the supply costs we incur onto you, our customers, in accordance with your natural gas agreements.

During Winter Storm Uri, BlueMark experienced supply cuts across multiple pipelines and received force majeure notices as a result of many of the cuts. In an effort to meet the real-time usage needs of its customers while following the requirements set forth by the tariffs of the pipelines and utilities, BlueMark incurred significantly higher supply costs than normal for this time of year for its daily gas purchases. Your February invoices reflect those higher supply costs.

BlueMark’s payment for February gas supply will be due to our suppliers later this month. We have already sent out most of the invoices for February gas. We appreciate your timely payment of those invoices.

If you have questions regarding your invoice, please contact your natural gas sales representative.

Thank you.