

ACR Energy Partners – Media Statement

Since the inception of the sales process for the Revel property, there has been both confusion and misinformation with regard to ACR Energy Partners. Here are the myths we've heard and seen, and facts that disprove those myths:

Myth: ACR Energy Partners is responsible for failed negotiations surrounding past offers for the Revel facility.

Fact: ACR engaged with several bidders and actually reached tentative agreements with the majority of potential buyers for the property. However, those agreements would have required Revel's financing sources to receive less money out of the sale process, and the financing sources refused.

Myth: ACR is in bankruptcy.

Fact: ACR is not in bankruptcy. ACR is not a part of the financial or organization structure of Revel. ACR is an independent business providing a service to Revel, much like any public utility provides services to any residential home.

Myth: ACR's facilities were constructed with government money.

Fact: ACR was financed with a combination of private equity, private tax exempt bonds and taxable bonds. In this case, tax exempt bonds (or municipal bonds as they have been occasionally referred to in the media) only exempt the private investors in the bonds from paying taxes on interest earned from the bonds. No government or taxpayer money was involved in the financing of ACR or the construction of the energy plant that served Revel.

Myth: ACR was constructed for the sole purpose of providing energy to Revel only.

Fact: ACR's facility was designed and financed as a district energy system, hence the official name, Inlet District Energy Center. The purpose was to provide thermal energy to customers in that area of the city as it was redeveloped. Revel was the first customer of the IDEC facility.

Myth: ACR disconnected power to the Revel property after Polo North's acquisition.

Fact: Polo North told ACR they did not want our power supply. They refused to pay a fair rate for energy being used, offering instead to pay for energy at a price below the cost to produce the energy. Polo North does not want to pay market-rates for the power. Polo North also refuses to pay the below-market-rates offered by ACR for energy.

Myth: ACR refused to offer Polo North power at a discounted rate.

Fact: In January of this year, ACR believed that it had reached agreement with Polo North on a heavily discounted energy deal to serve Revel once the purchase was completed. Polo North indicated at that time, and on numerous occasions thereafter, that they did not view our energy deal as a problem in proceeding with the purchase. In the week before the purchase of Revel closed, Polo North indicated that they never intended to sign the previously negotiated energy deal and wanted prices for energy that were effectively below the cost to produce that energy. Consequently, ACR offered Polo North a better deal than most electric consumers get. They were offered electricity and energy at ACR's cost to produce the energy during a 14-month transition period to assist in commencing operations. That

means no profit to ACR. Post transition, Polo North was offered a long-term energy contract that reflected low interest rates and low equity returns on deeply discounted debt and equity capital levels at ACR. The rates offered were approximately half of what the former Revel facility was paying and below-market on a comparative basis. ACR cannot provide free goods and services, and ACR cannot provide goods and services at a financial loss. Last, ACR will not give away our assets for free because someone believes we are part of Revel and especially when ACR is offering to provide below-market energy pricing.

Myth: The generators Polo North has brought in to power the facility are a safe way to operate the property.

Fact: It might be safe for Polo North, but it is terrible for Atlantic City residents. The ACR facility provides efficient energy with high environmental protocols, and is both permitted and licensed. Polo North's diesel generators will create substantial levels of air and noise pollution, are not permitted and are not licensed.

Myth: ACR will no longer deal with Polo North.

Fact: ACR stands ready to deal with Polo North and restore power to the facility right away, and ACR is willing to supply power at below-market pricing

Myth: Polo North purchased the shuttered Showboat Casino from its current owner, Stockton University, and will use that facility's energy plant to power Revel.

Fact: It is unclear how a public university can contract to sell a major asset without a public bidding process, questioning the validity of any sale agreement.

Myth: Polo North can obtain energy from the Showboat power plant under a contract with Stockton.

Fact: There are at least three problems with that statement. First, under New Jersey law Stockton is prohibited from selling electricity acquired from a utility (Atlantic City Electric) at a profit to a third party (Polo North) as currently outlined under the purported contract. Second, the Showboat property is not adjacent to Polo North and any attempt to sell electricity from one property to another would infringe upon Atlantic Electric's franchise rights in the city. Three, there is a deed restriction on the Showboat property that requires it to be operated as a "first class casino hotel", not an energy plant.