

**Exchange of 7.250% Senior Unsecured Notes due 2022 for  
7.500% Senior Secured First Lien Notes due 2025 and  
10.000%/10.750% Senior Secured Second Lien Notes due 2026  
Pursuant to the Exchange Offer and Consent Solicitation**

**CUSIP Nos.:**

**7.250% Senior Unsecured Notes due 2022: 20467BAB5**

**7.500% Senior Secured First Lien Notes due 2025 – 144A: 12652HAC2**

**7.500% Senior Secured First Lien Notes due 2025 – Reg S: U1289BAD4**

**10.000%/10.750% Senior Secured Second Lien Notes due 2026 – 144A: 12652HAE8**

**10.000%/10.750% Senior Secured Second Lien Notes due 2026 – Reg S: U1289BAE2**

**Statement Pursuant to U.S. Treasury Regulation § 1.1273-2(f)(9)**

CSI Compressco LP, a Delaware limited partnership (the “**Partnership**”), and CSI Compressco Finance Inc., a Delaware corporation and wholly-owned subsidiary of the Partnership (together with the Partnership, the “**Issuers**”), consummated a transaction (the “**Exchange**”) on June 12, 2020, pursuant to which the Issuers accepted for exchange \$215,208,000, or approximately 72.7%, of their outstanding 7.250% Senior Unsecured Notes due 2022 (the “**Old Notes**”) for (i) \$50,000,000 aggregate principal amount of the Issuers’ 7.500% Senior Secured First Lien Notes due 2025 (the “**New First Lien Notes**”) and (ii) \$155,529,000 aggregate principal amount of new 10.000%/10.750% Senior Secured Second Lien Notes due 2026 (the “**Second Lien Notes**” and, together with the New First Lien Notes, the “**New Notes**”), pursuant to the Issuers’ previously announced exchange offer and consent solicitation.

The Issuers have determined that the exchange of an Old Note for the New Notes is a “significant modification,” within the meaning of Treasury Regulation § 1.1001-3, of such Old Note for U.S. federal income tax purposes, and therefore the exchange of an Old Note for New Notes is a fully taxable transaction for U.S. federal income tax purposes.

Pursuant to Treasury Regulation § 1.1273-2(f)(9), the Issuers have made the following determinations in connection with the Exchange:

1. The Old Notes and Second Lien Notes were “traded on an established market” within the meaning of Treasury Regulations § 1.1273-2(f);
2. The New First Lien Notes were not “traded on an established market” within the meaning of Treasury Regulations § 1.1273-2(f);
3. The issue price for the New First Lien Notes is determined under Treasury Regulation § 1.1273-2(c)(1);
4. The issue price for the Second Lien Notes is determined under Treasury Regulation § 1.1273-2(b)(1);
5. The issue price of the New First Lien Notes is equal to 60.06% of the principal amount of the Old Notes; and
6. The issue price of the Second Lien Notes is equal to 49.97% of the principal amount of the Second Lien Notes.

Pursuant to Treasury Regulation § 1.1273-2(f)(9), the Issuers’ determinations in this statement are binding on a holder of the New First Lien Notes and the Second Lien Notes unless such holder explicitly discloses that its determinations are different from the Issuers’ determinations on a timely filed U.S. federal income tax return for the taxable year that includes the date of the Exchange.

Holders are urged to consult their own tax advisors regarding the Issuers’ determinations set forth herein and any tax considerations related to the Exchange and their ownership of the New Notes.