

## **For Immediate Release**

### **REGENCY AFFILIATES ANNOUNCES KIMBERLY-CLARK'S INTENTION TO CONSTRUCT NEW ON-SITE COGENERATION FACILITY AT ITS MOBILE, ALABAMA MILL**

New York, NY – April 24, 2017 ---- Regency Affiliates, Inc. (OTC Pink: RAFI) (“Regency”) today announced that following extensive discussions with MESC Capital LLC (“MESC Capital”) and Mobile Energy Services Company LLC (“MESC”) over several months, Kimberly-Clark has announced that it will invest \$75 million to construct a new on-site cogeneration energy plant at its mill in Mobile, Alabama. The construction of the new plant is expected to take place over a two-year period. Kimberly-Clark’s current contract with MESC expires on April 30, 2019. MESC Capital owns 100% of the membership interests in MESC. Regency Affiliates, through its wholly-owned subsidiary, Regency Power Corp., owns a 50% membership interest in MESC Capital.

“We have appreciated our partnership and strong working relationship with Kimberly-Clark since 2004 and we will continue to provide a high level of service for the duration of our contract,” commented Laurence Levy, Chief Executive Officer of Regency Affiliates. “We are engaged in identifying other potential customers for MESC’s output or alternative uses for our facility and we are actively working with our MESC Capital partners at Detroit Edison to maximize cash flow for the remainder of our contract. As it presently stands, at the expected conclusion of the Kimberly-Clark contract in April 2019, MESC is expected to have fully discharged its debt out of operating cash flow and is projected to hold substantial operating cash balances supplemented by operating and financial cash reserves which are expected to be released at the expiration of the contract.

Between the expected level of cash flow generated for the remainder of the Kimberly-Clark contract and the projected cash flow to be generated by Regency’s investment in self-storage facilities, we are able to reaffirm Regency’s current dividend policy.”

#### **About Regency Affiliates**

Regency Affiliates, Inc. invests in assets that generate attractive, predictable and sustainable returns on capital. We currently own three assets:

1. A 50% limited partnership interest in the 717,000 square foot facility Security West complex located on 34.3 acres in Woodlawn, Maryland. The facility is occupied under a lease expiring in 2018 by the United States Social Security Administration;
2. An indirect 50% interest in Mobile Energy which owns and operates an energy facility located on approximately 11 acres of land in Mobile, Alabama. The facility supplies up to 61 megawatts of co-generated steam and electricity for use in Kimberly-Clark's mill operations under a 15 year agreement signed in 2004; and
3. A majority joint-venture interest in a portfolio of five stand-alone self-storage facilities in the Harrisburg, Pennsylvania vicinity comprising approximately 337,000 square feet of net rentable space consisting of in excess of 2,500 climate and non-climate controlled storage units.

## **Forward-Looking Statements**

This press release contains forward-looking statements. Forward-looking statements are statements that are predictive in nature or depend on or refer to future events and can be identified by the words "may," "might," "will," "should," "anticipate," "believe," "expect," "intend," "estimate," "hope," or similar expressions. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or are otherwise beyond our control and some of which might not even be anticipated. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Future events and actual results affecting our strategic plan as well as our financial position, results of operations and cash flows, could differ materially from those described in or contemplated by the forward-looking statements. Important factors that contribute to such risks include, but are not limited to, a default or catastrophe involving the properties in which we invest, the extent to which we are able to raise additional capital, and competition for additional investment opportunities. We undertake no obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise. For a more detailed description of these uncertainties and other factors, please see our website at [www.regencyaffiliates.com](http://www.regencyaffiliates.com).

### **CONTACT:**

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