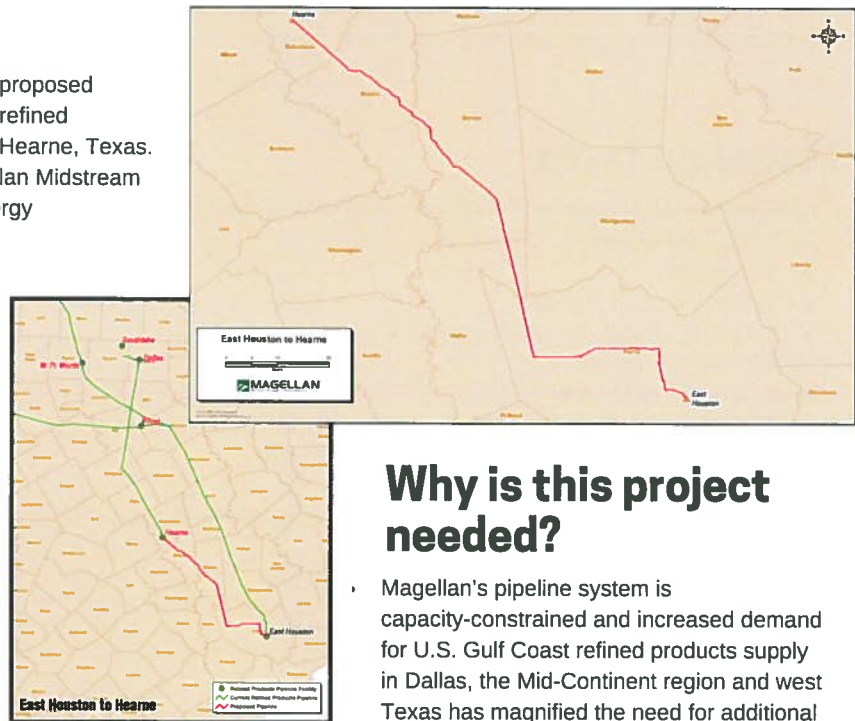




Houston to Hearne Pipeline Project

Project overview

- The Houston to Hearne pipeline is a proposed pipeline system that would transport refined petroleum products from Houston to Hearne, Texas. It will be built and operated by Magellan Midstream Partners, a leader in the nation's energy transportation and storage industry
- The project consists of approximately 135 miles of 16- or 20-inch diameter pipeline with an initial design capacity of 150,000 barrels per day
- The specific route of the pipeline is still being determined but Magellan expects to use existing right-of-way for a significant portion of the route



Why is this project needed?

- Magellan's pipeline system is capacity-constrained and increased demand for U.S. Gulf Coast refined products supply in Dallas, the Mid-Centiment region and west Texas has magnified the need for additional pipeline infrastructure

Advantages

- The pipeline is expected to create direct and indirect jobs along the route, primarily during the construction phase
- It would generate ad valorem taxes in the counties in which the pipeline is located (Robertson, Brazos, Grimes, Waller and Harris)
- Pipelines are the safest, most reliable and most cost effective mode of transporting a large volume of liquid energy from where it is produced to where it is consumed
- Dependable pipelines help the country to be energy secure by transporting refined products from where they are produced to the end user

For more information, contact Magellan Government & Media Affairs: 918-574-7011

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Project timeline

- Construction is expected to begin during second quarter 2018 with plans to put the pipeline into service during the first half of 2019

Regulatory information

- The pipeline would be designed, built and operated to strict safety standards and would be regulated by the Texas Railroad Commission, the Federal Energy Regulatory Commission (FERC) and local government entities
- The pipeline would be monitored around the clock, 365 days a year from Magellan's state-of-the-art control room facilities
- Magellan is committed to safe operations and its Code of Business Conduct and System Integrity Plan underscore the importance of operating assets in a safe, efficient and environmentally responsible manner

Magellan facts

- Longest refined products pipeline system in the U.S., primarily transporting gasoline and diesel fuel
 - 9,700 miles of pipeline
 - 53 terminals
 - 42 MM barrels of storage
 - Access to 50% of U.S. refining capacity
- Crude oil infrastructure
 - 2,200 miles of pipeline
 - 26 MM barrels of storage
 - One of the largest storage providers in Cushing, OK
- Texas presence
 - Terminals in Houston, Galena Park, Corpus Christi, El Paso, Dallas-Singleton, Dallas-Southlake, Odessa, Fort Worth, Colorado City and Frost
 - 1,400 miles of refined petroleum products pipelines
 - 1,000 miles of crude oil pipelines
 - 348 full-time employees

MAGELLAN IS COMMITTED TO
COMPLYING WITH ALL LAWS
AND REGULATIONS
APPLICABLE TO ITS
BUSINESS ACTIVITIES

MAGELLAN IS COMMITTED TO
PROVIDING A HEALTHY, SAFE
AND SECURE ENVIRONMENT
FOR THE PUBLIC AND ITS
EMPLOYEES



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