

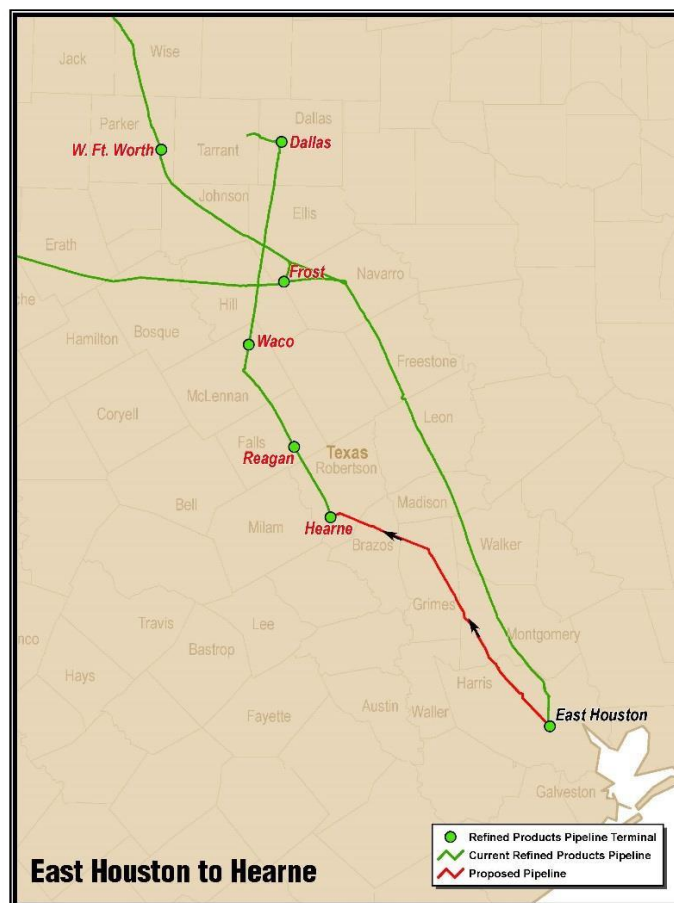
Open Season Notification

Potential Magellan South Capacity Expansion

Background

Magellan Pipeline Company, L.P. ("Magellan") is evaluating an expansion of its Magellan South System to create up to 85,000 barrels per day of new refined products capacity from the Gulf Coast into the Dallas-Fort Worth and Central Texas markets. Magellan would build a new pipeline between its East Houston Terminal and Hearne, TX Tank Farm to facilitate this potential expansion. The potential expansion would also involve reversing the flow on the Hearne to Frost 10" system. Currently, this portion of pipe flows from north to south.

With the new pipeline build and changing product flows, new capacity would be created on both the current Magellan South line between East Houston and Frost and the new pipeline between East Houston and Hearne, TX. In conjunction with this potential expansion, Magellan plans to begin offering jet fuel for transportation on Magellan South. The destinations for jet fuel would be Magellan's Dallas Singleton Terminal, Dallas Love Field and subject to sufficient shipper interest, Houston Intercontinental Airport.



In conjunction with this potential expansion, Magellan is evaluating a new tariff program that would allow shippers to reserve firm transportation space between Houston and various destinations along Magellan's pipeline route, in exchange for a long-term volume commitment. Magellan is soliciting interest in this program through an Open Season process.

Subject to the results of this Open Season and receipt of the necessary permits and regulatory approvals, the potential expansion could be operational by the end of 2018.

The Open Season process ends at 5:00 P.M. (CST) on Friday, March 10, 2017. To receive a copy of the tariff rates as well as the volume commitment agreement, a Confidentiality Agreement is required. For more information on the Open Season or to execute a Confidentiality Agreement, please contact:

Tony Wysocki
Manager, Marketing & Development, Southwest Region
918.574.7174
Tony.Wysocki@magellanlp.com