



Supplemental Open Season Notification Magellan South West Leg - Potential Capacity Expansion Refined Products Pipeline System

Background

Following a successful West Leg Open Season and continued customer interest, Magellan is assessing interest in a potential further expansion of the western portion (“West Leg”) of its Magellan South System to create additional capacity for shipments of gasoline and diesel fuel to the Abilene, Midland/Odessa/Wink and El Paso regions, with further optionality to access markets in the states of New Mexico and Arizona, as well as international markets in Mexico via connections to other pipelines owned by Magellan and third parties. As part of the project, Magellan is also evaluating an expansion of its Odessa and El Paso truck loading terminals, a potential new terminal in Midland on nearly 200 acres of recently acquired land and new third-party terminal connections along the West Leg.

Magellan recently announced a project to expand capacity between the US Gulf Coast and its Frost, TX terminal, in addition to completing a successful Open Season to expand its West Leg by 50,000 barrels per day (“BPD”). Shippers will have the opportunity to leverage this new capacity to serve growing west Texas markets and other destinations. In conjunction with this potential West Leg expansion, Magellan is evaluating storage and transportation of Arizona Grade Gasoline (“AZRBOB”).



The current capacity on Magellan's West Leg is approximately 100,000 BPD in refined products service and will increase to approximately 150,000 BPD upon completion of the initial West Leg expansion. Once the potential secondary expansion is completed, the capacity on the West Leg would increase to approximately 185,000 BPD.

In conjunction with the potential expansion, Magellan would develop a new tariff program that allows shippers to reserve firm transportation space between Gulf Coast origins and various destinations along Magellan's West Leg, in exchange for a long-term volume commitment. We are soliciting interest in this program through an Open Season process. Subject to the results of this Open Season and receipt of all necessary permits and approvals, the expanded capacity could be operational by mid-2020.

The Open Season process ends at 5:00 P.M. (Central) on Wednesday, July 11, 2018. 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:

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