TEXAS ENERGY COMPANY ANNOUNCES NEW PIPELINE TO THE TEXAS GULF COAST AND PARTNERSHIP WITH CALHOUN PORT AUTHORITY

New Pipeline will connect the Eagle Ford Basin directly to the Port of Calhoun, creating more than 1000 new Texas jobs and increasing Texas oil exports

EMBARGOED
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Houston, Texas—Texas-based energy company Max Midstream announced the acquisition of the Seahawk Pipeline and Terminal from Oaktree Capital at the Port of Calhoun (“the Port”) with plans for a historic pipeline that will connect the Port directly to both Eagle Ford and Permian Basins to transport up to 20 million barrels a month to a revitalized terminal at the Port. Exports will begin with completion of the first phase in late 2020, and the second phase project is expected to be completed by 2023.

“This is a great day not only for the Texas oil industry, but for the state as a whole, as more than 1000 jobs will be created,” said Todd Edwards, President of Max Midstream. “At a time when the oil and gas market is down, this project and partnership reflects proof that Texas is bouncing back and will remain resilient in being the world’s leader in oil production.”

Specifically, Edwards noted that the Impact Data Source consultants have performed a comprehensive economic impact study and found the project will create 474 direct new jobs and another 598 construction related jobs over the next ten years. These new jobs will span across the state, as there will be work building the pipeline all throughout parts of Texas. During this process, Max Midstream will be investing up to $1 billion into the overall project.

The key to exporting Texas oil is transporting the commodity at an economic price from the sources to the ports, either through Houston or Corpus Christi ports, which are typically at or near full capacity with congestion. This project represents a game-changer, as it will open a third option—the Port. Currently, Max Midstream has agreements for three pipeline interconnects—one with Kinder Morgan Crude and Condensate, one to the Gray Oak, and one to the Victoria Express. Max Midstream currently operates the Seahawk pipeline that connects the Kinder Morgan Crude and Condensate Interconnect in Edna, Texas to its Seahawk terminal at the Port. Future expansion with new pipeline connections with Gray Oak and Victoria Express to Max Midstream’s Edna terminal, will allow Permian and Eagle Ford basin crudes to export via the Port as well.
“By November of 2020 we will have 1.5 million barrels of storage built at Edna and 600,000 barrels of storage at the Port and the existing Seahawk pipeline, with the ability to export up to 4.2 million barrels a month,” Edwards said. “By the time the project is fully complete in 2023, we will have 9 million barrels of storage at Edna and 6 million barrels at the Port, with multiple pipelines to export crude through the Port.” Edwards added that Max Midstream would have nine 16-inch loading arms and three 8-inch barge loading arms at the Port.

“By developing the Seahawk Terminal at the Port,” Edwards continued, “we will be able to offer a deep-water terminal with little congestion and the ability for producers to get their product to the Port at a very reasonable price.”

Max Midstream and the Calhoun Port Authority have reached an agreement on a public/private partnership, in which Max Midstream will invest $360 million to finance the deepening and widening of the Port by 2023. In the interim, Max Midstream has secured its own lightering zone to perform reverse lightering to export crude onto larger ships like Very Large Crude Carriers (VLCCs). Max Midstream will initially load Panamax ships and reverse lighter to larger ships in its lightering zone. Once the widening and deepening project is complete, Aframax and Suezmax ships will also be able to load at the Port, making it a viable option for any exporter seeking a port other than Houston or Corpus Christi.

“We, the Calhoun Port Authority, could not be more excited about this project,” said Charles R. Hausmann, the Port Director of the Port. “This will transform our port into a major oil exporting center, and it will transform our area with new jobs and new growth. This is an exciting day for the Port, the community and the state of Texas.”

To complete the project, Max Midstream has engaged SGS to provide expertise on supply chain management, metering and custody transfer, and laboratory design and management solutions. SGS will consult with Max Midstream on best-in-class technologies to include online real-time blending and quality assurance. Max Midstream’s vision is to develop a unique state-of-the-art facility suited for the 21st century marketplace.

“SGS will leverage our global experts across our divisions to support Max Midstream on this aspirational project to ensure its success,” said Charudatta Malusare, Vice President of SGS Oil, Gas, and Chemicals (OGC).

SGS will oversee the design of its laboratories at both the export terminal at the Port of Calhoun and at Edna, Max Midstream’s pipeline interconnection terminal. SGS will work closely with Max Midstream to design crude blends that are stable and compatible with other international crude oils. Max Midstream is the only independent group that has designed its pipelines and storage to accomplish this feat.

“Today’s announcement is a groundbreaking moment in the history of the Texas oil industry,” Edwards added. “It represents a new pipeline, a new port option for exporters and brings new jobs for Texans.”
For a video with additional detail on the project, visit: https://www.youtube.com/watch?v=S5K45Zcg_Ww&feature=youtu.be

A fact sheet is attached with additional information on the project. Also, please visit www.maxmidstream.com

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Moving Texas Energy to the World:
Max Midstream Fact Sheet

• Max Midstream is a Texas energy company, transporting a Texas energy product and connecting Texas oil to the international markets.

• Max Midstream has purchased the Seahawk Terminal and is executing a public/private partnership with the Calhoun Port Authority to deepen and widen the Port of Calhoun; thus, transporting Eagle Ford and Permian Crude straight to the Seahawk Terminal at the Port of Calhoun.

• Max Midstream will invest up to $360 million in the deepening and widening of the Port of Calhoun. This will include installing nine 16-inch loading
arms, three 8-inch barge loading arms, and several vapor destruction units at the Port.

• By 2023, Max Midstream will have created a pipeline network that can transport up to 20 million barrels a month of segregated crude through the Port of Calhoun and the ability to load Aframax and Suezmax ships.

• The pipeline network will connect oil from the Permian and Eagle Ford basins all the way to the Texas Gulf Coast.

• Throughout the entire project, Max Midstream will have invested more than $1 billion in the pipelines and at the Port.

• This will create approximately 1,000 of direct new jobs and construction-related jobs over the next ten years.

Max Midstream Leadership

TODD EDWARDS – PRESIDENT AND DIRECTOR
Todd Edwards brings 28 years of experience leading businesses in energy, commercial real estate, logistics, and project financing. In 2019, he put together the Max Midstream team and negotiated the partnership with the Calhoun Port Authority. Throughout his career, he has developed, acquired, and constructed millions of square feet of real estate including aluminum plants, office buildings, retail and restaurants, airport terminals, international bus stations, and residential development throughout North America. He is a graduate of Texas A&M University and a former minor league baseball player.

AZAD COLA – DIRECTOR
Mr. Cola is the Managing Director of Cola Group, a diversified family office with over $2 billion of assets under management with interests in hospitality, real estate, natural resources and technology with the group’s flagship assets (in London) including the Westbury Hotel in Mayfair and the Hilton Kensington. Mr. Cola also is the acting Chairman and the Co-founder of Petronia, founding Partner of Kensington Residential Partners (luxury residential accommodation in Ac-
cra, Ghana), and founded Cola Natural Resources, an Oil and Gas exploration company with a focus on West Africa, and Kolak Mining, a mining services company and operator of the Kibi Goldfields gold concession in the Eastern Region of Ghana. Mr. Cola graduated from University of London with a degree in Economics.

JAY PARK – DIRECTOR
Mr. Park is an energy lawyer with extensive international experience in upstream and midstream projects. In addition to his role as Director of Max Midstream, he is Managing Partner of Park Energy Law and Chairman of Reconnaissance Energy Africa Ltd. Mr. Park has assisted governments and state oil companies in the design or amendment of petroleum regimes in twelve countries, whose total resources comprise 49% of world oil reserves and 33% of world gas reserves. A Queen’s Counsel since 2010, Mr. Park is a graduate of York University – Osgoode Hall Law School and the University of Calgary.

KEITH TAYLOR – CHIEF COMMERCIAL OFFICER
Mr. Taylor is responsible for all commercial activities at Max Midstream. For the past 25 years, Mr. Taylor has worked in the energy sector ranging from petrochemical, independent power producers to the oil and gas logistics markets. Prior to Max Midstream, Mr. Taylor was VP Commercial Crude at EnLink with responsibility of growing the crude oil logistics in the Permian, Eagle Ford, Cushing and St. James markets. Prior to EnLink, Mr. Taylor was co-founder of RiverRock Energy, a private equity firm that merged with Tall Oak and ultimately was sold to EnLink for $1.55 billion that involved gas gathering, processing and crude oil systems. Prior to RiverRock Energy, Mr. Taylor was Director of Commercial Development of Tesoro’s High Plains Pipeline network in the Bakken. Prior to Tesoro, Mr. Taylor worked at NuStar in various roles that included operations and marketing and logistics for both refined products and crude oil in the Permian, Rockies, Eagle Ford and Mid Con basins. Mr. Taylor is a graduate of Texas A&M University with a degree in Mechanical Engineering, and an MBA from Houston Baptist University.

BRANDON LANTRIP – CHIEF FINANCIAL OFFICER
Mr. Lantrip is responsible for all accounting, finance, human resources, IT and other administrative services of the company. Prior to joining Max Midstream, Mr. Lantrip held previous finance roles with oil & gas companies – Northstar Midstream (Controller) and Nabors Industries. He also worked in the audit and assurance practice at Pattillo, Brown & Hill. Mr. Lantrip earned a Master of Business Administration and a Bachelor of Science in Accounting and Finance from Texas A&M University.

STEVE FERRO – SVP COMMERCIAL
Mr. Ferro is responsible for commercial development for Max Midstream at the Seahawk Terminal including crude oil and refined product exports. Prior to Max Midstream, Mr. Ferro identified and developed the Seahawk assets as part of Northstar Midstream that now comprise Max Midstream in the Seahawk Terminal area. Prior to Northstar, Mr. Ferro was a founding partner of Atlas PetroFuels Group, LLC specializing in domestic and foreign crude logistics and marketing. Prior to Atlas PetroFuels, Mr. Ferro was a senior trader in several commodities at Velocity Fu-
tures/Lightspeed Trading over 15 years in trading on the NYSE, NASDAQ exchanges and futures trading on NYMX, CBOT, and ICE. Mr. Ferro is a graduate of University of Houston with a degree in Finance.

HANS-PETER MESSMER – INTERNATIONAL MARKETING
Mr. Messmer is responsible for marketing and trading crude oil in Europe for the company. For over 25 years, Mr. Messmer has been active in the energy business in various roles. Prior to Max Midstream, Mr. Messmer worked at OPEC as Senior Research Analyst responsible for the assessment of upcoming technologies in the energy sector with particular focus in the oil business. Mr. Messmer is a co-author of the World Oil Outlook.

STEVE SVETLIK – OPERATIONS MANAGER OF SEAHAWK TERMINAL
Mr. Svetlik has over 16 years’ experience in bulk material handling in the marine industry operations as well as regulatory compliance under Texas Railroad Commission, TCEQ, US Customs, US Coast Guard and US Army Corps requirements at the Alcoa plant at the Port of Calhoun. Mr. Svetlik is a graduate of University of Phoenix and Victoria College.

ZACHARY NEWELL — SENIOR COMMERCIAL TRADER
Mr. Newell leads the Marketing team in developing producer relationships and logistic opportunities for volume along the US Gulf Coast. He is responsible for the purchasing and selling of crude to maximize the utilization of the Max Midstream assets, i.e. pipelines, tanks and dock space. Zach comes to Max Midstream with a diverse background having spent time working for Oasis Petroleum, St. Paul Park Refining, ConocoPhillips and Trafigura over the past 20 years. Prior to moving into oil and gas trading/logistics, he worked as a Marine Charter and spent time aboard vessels. Zach is a graduate of the United States Merchant Marine Academy.