



## Magellan and Enterprise Team Up With Intercontinental Exchange for New Houston Crude Oil Futures Contract

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TULSA, Okla. & HOUSTON & ATLANTA--(BUSINESS WIRE)--Jun. 21, 2021-- Magellan Midstream Partners, L.P. (NYSE: MMP), Enterprise Products Partners L.P. (NYSE: EPD) and Intercontinental Exchange, Inc. (NYSE: ICE) today announced the establishment of a new futures contract for the physical delivery of crude oil in the Houston area. The Midland WTI American Gulf Coast contract (ICE: HOU) is being launched in response to market interest for a Houston-based index with greater scale, flow assurance and price transparency. It will utilize the capabilities and global reach of ICE's industry-recognized, state-of-the-art trading platform and is due to be launched by ICE by early 2022, subject to regulatory approval.

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The quality specifications of the new futures contract will be consistent with a West Texas Intermediate ("WTI") crude oil originating from the Permian Basin with common delivery options at either the Magellan East Houston ("MEH") terminal or the Enterprise Crude Houston ("ECHO") terminal. In support of this new futures contract, Magellan and Enterprise anticipate discontinuing their existing provisions for delivery services under the current futures contracts deliverable at each terminal once the new contract receives regulatory approval and is finalized.

"Magellan is pleased to join forces with Enterprise and ICE to offer this leading-edge joint futures contract," said Aaron Milford, Magellan's chief operating officer. "The new contract improves the transparency, flexibility and marketability of Midland WTI crude oil for Gulf Coast and export customers while maintaining industry-recognized quality and consistency."

Harold Hamm, Chairman of the Board of Continental Resources and Founding Member of the American Gulf Coast Select Best Practices Task Force Association said, "On April 20<sup>th</sup> last year, when the Cushing, Oklahoma WTI contract traded down to negative \$38 it was a wake-up call to the oil industry that the storage constraints and landlocked location of the Cushing contract could no longer be ignored. I started the American Gulf Coast Select Best Practices Task Force to develop specifications for a new U.S. light sweet crude oil price benchmark in the American Gulf Coast, and to advocate for its implementation and adoption as the main pricing point for the U.S. oil markets. We think a futures contract in the most interconnected market center in the country, with a widely accepted quality spec, which settles with guaranteed delivery of crude oil is an important new alternative for the industry. The task force has worked tirelessly to create a marker with transparency and liquidity that is waterborne for this modern era. The Midland WTI American Gulf Coast futures contract established by the alliance between ICE, Magellan and Enterprise is a huge step forward for the industry and goes a long way to accomplishing the mission on which the task force has been working."

A.J. "Jim" Teague, co-chief executive officer of Enterprise's general partner, and Michael Mears, Magellan's chief executive officer, said, "We are grateful for Harold's continued leadership on behalf of the industry and being a champion of this very important step for the industry."

Brent Secrest, executive vice president and chief commercial officer of Enterprise's general partner said, "We are excited about this new crude oil futures contract, which features the combined strength of two extensive and complementary networks of midstream assets with a world-class trading platform to provide customers with greater supply reliability, flexibility and price transparency. As the market hub for Permian Basin production, Houston represents the most logical choice for a new futures contract. Between Magellan and Enterprise, we offer access to virtually all of the export capacity in the Houston region, redundant connectivity to all area refineries, a robust Gulf Coast storage position and interconnects to all of the relevant supply pipelines, including those owned by third parties."

Jeff Barbuto, Global Head of Oil Markets at ICE stated, "Combining efforts with Magellan and Enterprise to establish a benchmark for pricing Midland quality WTI on the Gulf Coast allows ICE to offer the industry a futures contract with over 4 million barrels per day of supply capacity from Midland into Houston, access to both domestic and foreign demand, and nearly 60 million barrels of storage capacity in the Magellan and Enterprise systems. Traded on the same global platform as ICE Brent, Murban and Platts Dubai Crude Oil futures contracts, the new Midland WTI American Gulf Coast contract can also offer significant capital efficiencies to the industry and provide industry-leading quality that buyers have grown accustomed to in the Houston market."

Magellan Midstream Partners, L.P. (NYSE: MMP) is a publicly traded partnership that primarily transports, stores and distributes refined petroleum products and crude oil. Magellan owns the longest refined petroleum products pipeline system in the country, with access to nearly 50% of the nation's refining capacity, and can store more than 100 million barrels of petroleum products such as gasoline, diesel fuel and crude oil. More information is available at [www.magellanlp.com](http://www.magellanlp.com).

Enterprise Products Partners L.P. is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Our services include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage and export and import terminals; crude oil gathering, transportation, storage and export and import terminals; petrochemical and refined products transportation, storage, export and import terminals and related services; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems. The partnership's assets include approximately 50,000 miles of pipelines; 260 million barrels of storage capacity for NGLs, crude oil, refined products and petrochemicals; and 14 Bcf of natural gas storage capacity. Please visit [www.enterpriseproducts.com](http://www.enterpriseproducts.com) for more information.

[Intercontinental Exchange, Inc.](http://www.intercontinental.com) (NYSE: ICE) is a Fortune 500 company that designs, builds and operates digital networks to connect people to opportunity. We provide financial technology and data services across major asset classes that offer our customers access to mission-critical workflow tools that increase transparency and operational efficiencies. We operate [exchanges](#), including the [New York Stock Exchange](#), and [clearing houses](#) that help people invest, raise capital and manage risk across multiple asset classes. Our comprehensive fixed income [data services](#) and execution capabilities provide information, analytics and platforms that help our customers capitalize on opportunities and operate more efficiently. At [ICE Mortgage Technology](#), we are transforming and digitizing the U.S. residential mortgage process, from consumer engagement through loan registration.

Together, we transform, streamline and automate industries to connect our customers to opportunity.

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*This press release includes "forward-looking statements" as defined by the Securities and Exchange Commission. All statements, other than statements of historical fact, included herein that address activities, events, developments or transactions that Enterprise and its general partner, as well as Magellan and ICE expect, believe or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from expectations, including required approvals by regulatory agencies, the possibility that the anticipated benefits from such activities, events, developments or transactions cannot be fully realized, the possibility that costs or difficulties related thereto will be greater than expected, the impact of competition, and other risk factors included in Enterprise's, Magellan's and ICE's reports filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Except as required by law, Enterprise, Magellan and ICE do not intend to update or revise their respective forward-looking statements, whether as a result of new information, future events or otherwise.*

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