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## Texas Energy Company Announces New Pipeline To The Texas Gulf Coast And Partnership With Calhoun Port Authority

HOUSTON, Sept. 23, 2020 /PRNewswire/ -- 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 21<sup>st</sup> 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](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](http://www.maxmidstream.com).

View original content: <https://www.prnewswire.com/news-releases/texas-energy-company-announces-new-pipeline-to-the-texas-gulf-coast-and-partnership-with-calhoun-port-authority-301136952.html>

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