

SEAHAWK PIPELINE, LLC NOTICE OF SUPPLEMENTAL OPEN SEASON

February 25, 2021

Seahawk Pipeline, LLC (“Carrier”), a subsidiary of Max Midstream Texas, LLC, is developing a new crude oil pipeline in the Eagle Ford area from its Edna Terminal to its Seahawk Terminal in the Port of Calhoun, Texas and is conducting a supplemental open season to gauge shipper interest in committed service (the “Seahawk Pipeline”). The Seahawk Pipeline is expected to commence service in the second quarter of 2021, with initial capacity up to 100,000 barrels per day, for committed and uncommitted service from origin points at or near Edna, Texas for service to the destination of the Port of Calhoun, Texas. The open season will commence on February 25, 2021.

Carrier hereby announces an open season that will provide an opportunity for shippers to support the Seahawk Pipeline project by making volume commitments, thereby becoming “Committed Shippers” for the term of their transportation service agreements (“TSAs”). Shippers that submitted successful bids during the initial open season will be able to withdraw their TSA and sign a new TSA pursuant to this supplemental open season.

Highlights of Project

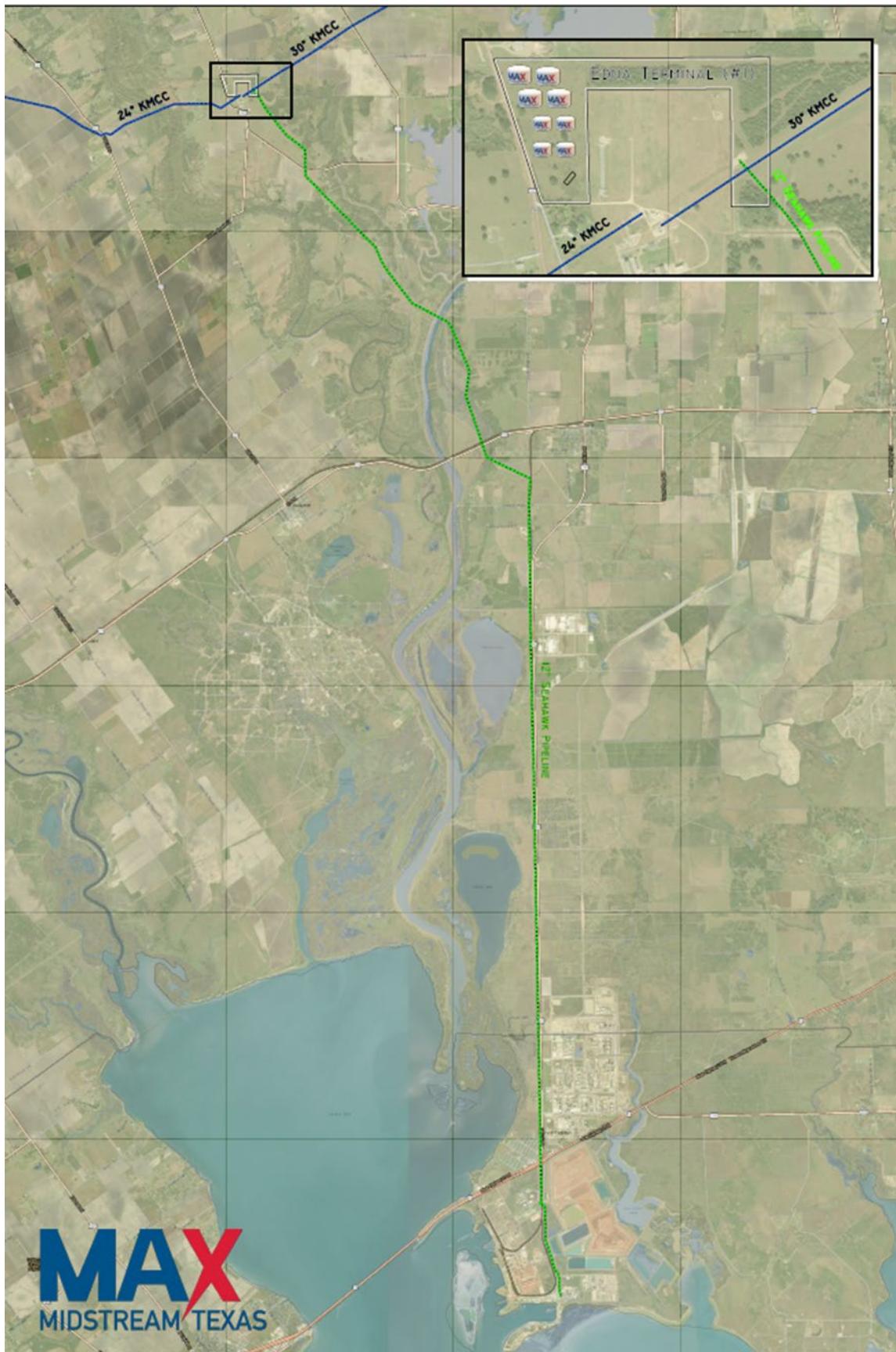
- Seahawk Pipeline will have initial capacity of 100,000 bpd.
- Seahawk Pipeline anticipates that initial storage capacity at Edna Terminal will be 750,000 barrels working capacity by first quarter 2021.
- Seahawk Terminal initial storage capacity at the Port of Calhoun is expected to at least 620,000 barrels of working capacity by first quarter 2021.
- Edna storage and Seahawk Terminal storage will have operational storage, as well as merchant storage that can be contracted for an additional fee(s) from other parties besides Carrier; including those operated by Carrier’s Affiliates.
- Committed Shippers will have the flexibility of selecting a term of two, or ten years for priority transportation service.
- Full initial capacity is expected to be available in the first half of 2021, and initial interim service may be offered earlier.

Open Season Process

Potential shippers that desire to receive copies of the Open Season Documents are required to execute a Non-Disclosure Agreement (“NDA”).

It is recommended that interested potential shippers submit signed NDAs on or before February 26, 2021, to give those shippers adequate time to evaluate the open season documents.

NDAs that have been altered or amended by a potential shipper, other than by the insertion of the shipper’s name, jurisdiction of incorporation or formation, e-mail address and contact information, may be accepted by Carrier upon review; however, may alter the timeline to review the open season documents. Please see map below.



Inquiries about the Open Season or this notice should be directed to:

Keith Taylor, Chief Commercial Officer (O) (281) 909-4034 Email: keith.taylor@maxmidstream.com

Or SHopenseason@maxmidstream.com

Open Season Procedures

1. Open Season Documents.

The open season documents (the “Open Season Documents”) are:

- (a) Notice of Open Season
- (b) Transportation Services Agreement, attaching a pro forma Rules and Regulations Tariff, a pro forma Rates Tariff, and a pro forma Proration Policy (“TSA”)

Delivery of the Open Season Documents to potential shippers does not constitute an offer by Carrier to proceed with the Seahawk Pipeline or to provide transportation services, but enables potential shippers to review, complete, execute and return copies of the TSA to Carrier so as to be eligible to receive transportation service as Committed Shippers if the Seahawk Pipeline proceeds and if Carrier executes the TSAs of such shippers.

Carrier will accept qualifying and executed TSAs based on the highest net present value of the stream of incremental revenue produced by an acceptable bid, or combination of acceptable bids, received in this Open Season, up to the total quantity that results from the facilities that Carrier determines, in its sole discretion, to construct.

Carrier reserves the right to define and maintain the economic viability of the Seahawk Pipeline project at all times in its sole discretion. Carrier’s decision to proceed with the Seahawk Pipeline is at its sole discretion and is subject to a number of potential considerations, including without limitation, receiving a sufficient level of capacity subscriptions, obtaining the necessary governmental authorizations to construct and operate the Seahawk Pipeline and other conditions as set forth in the TSA.

Carrier reserves the right, at its sole discretion, to modify the Open Season Documents and/or these Open Season procedures, at any time during the Open Season. Changes to the Open Season Documents or Open Season procedures will be notified directly to potential shippers who have timely

signed and delivered Confidentiality Agreements pursuant to the Notice of Open Season. Extensions of, or other changes to, the Open Season or the date for the execution and return of the TSA by Carrier may also be posted to <https://www.maxmidstream.com/open-season>.

A potential shipper that desires to become a Committed Shipper must complete, execute and deliver (i) two copies of the TSA, (ii) reasonable evidence of such potential shipper's ability to receive its minimum volume commitment at the selected destination point(s), and (iii) such documentation as shall be necessary to satisfy the credit requirements of Section 8 of the TSA to Carrier by 5:00 p.m. CDT on or before March 12, 2021 (the "Deadline"), by courier or hand delivery, to the following person(s) and address:

Keith Taylor

1800 Post Oak Boulevard

Suite 450

Houston, Texas 77056

Email delivery which is confirmed received prior to such time must be followed by original copies sent by courier or hand delivery within two (2) business days.

2. Extension or Discontinuation of Open Season.

In the event that Carrier determines in its sole discretion that more time is desirable for evaluation of the terms of committed service being offered, Carrier may elect to extend the term of the Open Season.

3. Over-Subscription.

If the aggregate volume commitments in TSAs by potential Committed Shippers exceed the proposed capacity that is being made available for volume commitments, Carrier may elect to increase the capacity offered in this Open Season.

If the Carrier does not, in its sole discretion, decide to increase such capacity, or decide, in its sole discretion to increase capacity to a volume that is still less than the volumes committed by potential Committed Shippers, such capacity will be allocated to potential shippers that meet Carrier's creditworthiness requirements and otherwise submitted a valid binding TSA using a net present value methodology.

The net present value methodology simply sums the cash value of the revenues (rate x volume) to be received and discounts them over the total term commitment at an assumed discount rate.

Mathematically the formula is as follows:

$$NPV = \sum_{t=1}^T \frac{C_t}{(1+r)^t}$$

Where: NPV is the summation of the cash value of the contract commitment (volume times rate) ("C") in each given time period ("t") discounted over the total time period by the discount rate ("r"). Non-firm shippers will be allocated on a pro-rata basis. The order of the proration for the Committed Shippers will be done starting with the Committed Shipper having the highest NPV. Seahawk Pipeline LLC will assume a discount rate of 8% for the purpose of calculating the NPV.

4. Execution of TSAs by Carrier.

After the Open Season closes and Carrier completes any adjustments for over-subscription, Carrier will indicate its acceptance of TSAs by executing and returning one copy of the TSA submitted by each potential shipper that satisfies Carrier's creditworthiness requirements including the Schedule A submitted by such potential shipper or the revised Schedule A prepared by Carrier. Each TSA, once executed and delivered by both parties shall constitute a binding agreement, subject to its terms and conditions. Carrier is, however, in no way bound to execute any TSAs. Carrier may not execute or return any TSA that is withdrawn or deemed withdrawn in accordance with these Open Season Terms.

If a TSA has not been executed and returned to potential shippers by Carrier within sixty (60) days after the close of this Open Season, as this Open Season is extended from time to time, it will become ineffective with no further obligations under the TSA or this Open Season on the part of either Carrier or the potential shippers.

A potential shipper that submits an executed TSA pursuant to these Open Season Terms may not withdraw or cancel that TSA prior to the outside date provided for above for execution and return of TSAs by Carrier except as expressly provided herein.

Carrier reserves the right to terminate this Open Season, in its sole and absolute discretion, at any time up until the TSAs have been fully executed by both shippers and Carrier. Carrier reserves the right to execute TSAs for only origin points and destination points for which Carrier elects to proceed in its sole discretion.

5. Credit Qualification

At Carrier's request, a potential shipper that submits a TSA may be required to provide to Carrier evidence that such potential shipper satisfies the minimum credit ratings required by the financial assurance provisions of the TSA or that it can and will provide the financial assurances required by the TSA.

A Committed Shipper whose credit is initially approved pursuant to the procedures in these Open Season Terms will remain subject to the financial assurances provisions of the TSA.

6. Regulatory Matters

These Open Season Terms are intended to be used solely for the services discussed herein and are not intended to be in lieu of the requirements of the U.S. Federal Energy Regulatory Commission or any other applicable federal or state laws.