

Information Memorandum
&
Binding Open Season Notice
For
Zydeco Pipeline System

By
Zydeco Pipeline Company LLC

August 15, 2018

DISCLAIMER

This Information Memorandum and Binding Open Season Notice (the "Information Memorandum") has been prepared by Zydeco Pipeline Company LLC ("Zydeco") in connection with the offer of firm capacity on the Zydeco Pipeline System from Houston to destination markets in Louisiana.

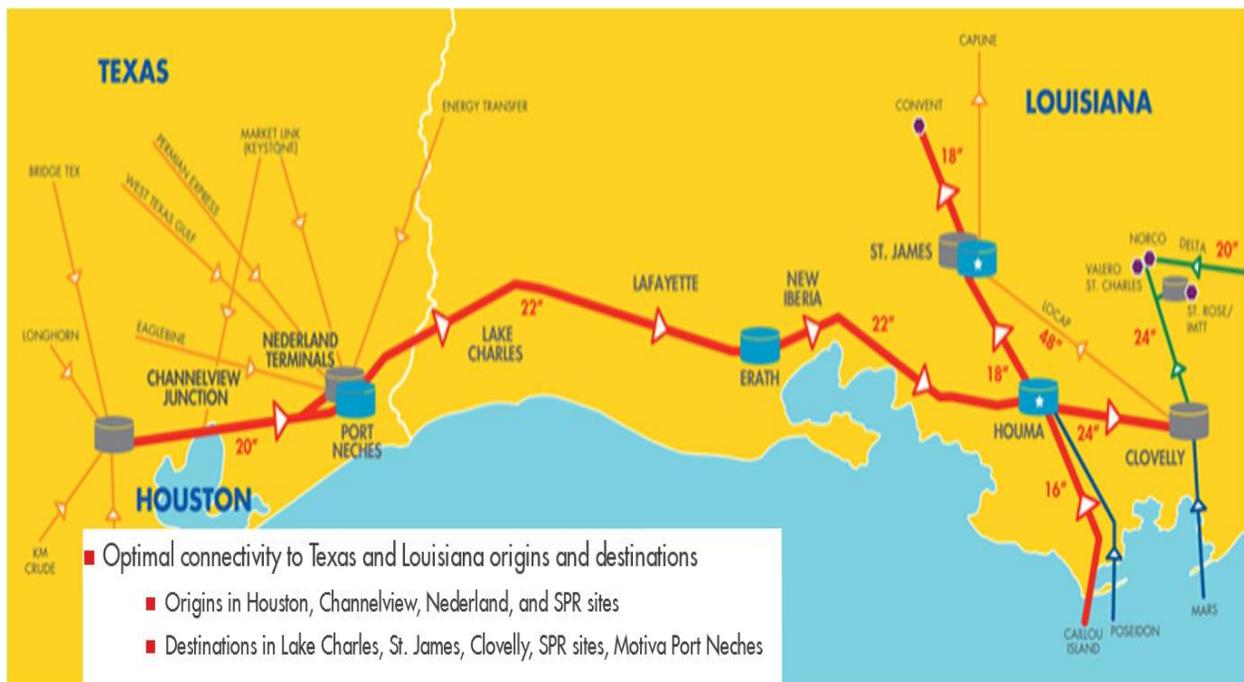
The issuance of this Information Memorandum should not be taken as any form of contractual commitment on the part of Zydeco to enter into any TSAs at the conclusion of the Open Season.

In furnishing this Information Memorandum, neither Zydeco nor any of its representatives undertakes any obligation to provide the recipients with access to any additional information or to update this Information Memorandum or to correct any inaccuracies herein which may become apparent. Zydeco reserves the right to amend or replace this Information Memorandum at any time, and the information contained in this Information Memorandum is subject to change or amendment without prior notice. Any changes to this Information Memorandum will be reflected on the Open Season webpage (accessed via the link found on Shell Pipeline's website set forth below) and interested parties are solely responsible for following such changes:

www.shell.us/pipeline

The description of agreements and other documents contained in this Information Memorandum are summaries only, and such summaries are qualified in their entirety by reference to the complete text of such agreements and other documents. Under no circumstances shall Zydeco or any of its representatives be responsible for any costs or expenses incurred by a recipient, or for any other liability incurred by a recipient in connection with the evaluation of this Open Season offering.

ZYDECO PIPELINE SYSTEM MAP



KEY TERMS OF THE TRANSPORTATION SERVICES AGREEMENT

Capacity Offered

A. In this Open Season Zydeco is offering a total of 201,000 barrels per day (“BPD”) of capacity, which shall be available as follows

- December Commencement: 151,000 BPD of capacity shall be available beginning on December 26, 2018
- May Commencement: 50,000 BPD of capacity will be available beginning of May 8, 2019

B. A Shipper who submits a TSA shall have the opportunity to select either the December commencement or the May commencement. In addition, a Shipper will have the option to specify whether they would be willing to accept capacity on the alternate commencement date in the event their first choice commencement date is over subscribed.

Priority Service

A Shipper that submits an executed TSA (“Committed Shipper”) will receive priority service for its volume commitment to each listed destination other than on the Houma, LA to St. James, LA segment. In other words, under ordinary operating conditions, a Committed Shipper will not be subject to apportionment to accommodate uncommitted Shipper volumes to each listed destination other than on the Houma, LA to St. James, LA segment.

Allocation of Priority Service

If either the December Commencement or the May Commencement exceeds the capacity offered therein, capacity will be offered to Shippers submitting executed TSAs based upon the net present value (“NPV”) of each potential Committed Shipper’s Schedule A (attached to the TSA) volume and duration commitment, beginning with the TSA that represents the highest NPV, and continuing with each successively lower NPV until all of the available capacity has been awarded.

If potential Committed Shippers submit TSAs that have the same NPV, and there is insufficient throughput capacity available to meet such contract requests, capacity will be awarded to such Committed Shippers on a “pro rata” basis. The volume commitment in Schedule A of each such Shippers’ TSA will be revised to reflect the actual volume awarded, which shall then become the binding committed volume of each such Committed Shipper. Potential Committed Shippers will be notified within 30 days following the conclusion of the Open Season of any allocation under this provision and of the change to the volume in their respective Schedule A required by such allocation. If the potential Committed Shipper is unwilling to accept an allocation of capacity below a specific volume, the potential Committed Shipper must indicate such minimum volume in Schedule A.

For purposes of calculating the NPV of each Schedule A commitment, Zydeco will use an annual discount rate of 7%.

Tariff Provisions

Shippers are encouraged to review all Tariff Rules and Regulations from Shell Pipeline's Tariff website:

<https://www.shell.us/business-customers/shell-pipeline/welcome-to-shell-pipeline-tariffs.html>

BINDING BIDS

Zydeco is soliciting potential Shippers to participate in the above described Open Season offering. Interested parties must execute a Confidentiality Agreement before they are able to receive the TSA. Interested companies must submit an executed TSA, including a completed Schedule A, by not later than **September 28, 2018 at 12:00 PM CDT (Noon)**.

TSAs must be executed by a duly authorized representative of the submitting company.

Bids should be timely submitted in a sealed envelope, clearly marked Confidential Submission, addressed to:

Jonathan LaBuz
Business Development Lead
Zydeco Pipeline Company LLC
150 N. Dairy Ashford Rd.
Houston, Texas 77079

or via email in PDF form to: jon.labuz@shell.com

Any questions should be directed to Jonathan LaBuz
Office: 832-762-2541
Email: jon.labuz@shell.com

All submitted bids shall be irrevocable.

Zydeco may in its sole discretion, but is not required to, reject any executed TSA in which Schedule A is incomplete or inconsistent with the terms and conditions outlined in this Information Memorandum or in the TSA, or a TSA which contains any modifications or additions whatsoever, or which is submitted after the close of the Open Season.