



Energy Transfer Announces Restructuring of Lake Charles LNG Project

March 30, 2020

Energy Transfer to Take Over as Project Developer as Shell Exits the Project Due to Current Market Conditions

DALLAS--(BUSINESS WIRE)--Mar. 30, 2020-- Energy Transfer LP (NYSE: ET) announced today that it will take over development of the Lake Charles LNG export project following Shell's announcement that it has decided not to proceed with an equity investment in the project. Shell advised Energy Transfer that its decision was made in light of current market conditions. Energy Transfer will take over the role of lead project developer and will continue the development of the project. In this regard, Energy Transfer will evaluate various alternatives to advance the project, including the possibility of bringing in one or more equity partners and reducing the size of the project from three trains (16.45 mtpa of LNG capacity) to two trains (11.0 mtpa).

"We continue to believe that Lake Charles is the most competitive and credible LNG project on the Gulf Coast," said Tom Mason, Executive Vice President and President - LNG. "Having the ability to capitalize on our existing regasification infrastructure at Lake Charles provides a cost advantage over other proposed LNG projects on the Gulf Coast. The Lake Charles project also benefits from its unparalleled connectivity to Energy Transfer's existing nationwide interstate and intrastate pipeline system that provides direct access to multiple natural gas basins in the U.S."

Energy Transfer and Shell signed a Project Framework Agreement in March 2019, under which the two companies agreed to share the cost of developing the project. Since that time the two companies have jointly undertaken the engineering, procurement and construction (EPC) bidding process. Shell has committed to support Energy Transfer with this process through the receipt of commercial EPC bids in the second quarter of 2020. Additionally, Shell will continue to support Energy Transfer during a transition period to facilitate Energy Transfer's plans to continue the development of the project.

"We remain in discussions with several significant LNG buyers from Europe and Asia regarding LNG offtake arrangements as well as, in some cases, a potential equity investment in the project," said Mason. "In light of the advanced state of the development of the project, we remain focused on pursuing this project on a disciplined, cost efficient basis and, ultimately, the decision to make a final investment decision will be dependent on market conditions and capital expenditure considerations."

About Lake Charles LNG

Energy Transfer owns the existing regasification facility in Lake Charles, Louisiana that was originally built in 1982. The facility includes four LNG storage tanks, two deep water docks in the Calcasieu Channel and other infrastructure assets.

About Energy Transfer

Energy Transfer LP (NYSE: ET) owns and operates one of the largest and most diversified portfolios of energy assets in the United States, with a strategic footprint in all of the major domestic production basins. ET is a publicly traded limited partnership with core operations that include complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, natural gas liquids (NGL) and refined product transportation and terminalling assets; NGL fractionation; and various acquisition and marketing assets. ET, through its ownership of Energy Transfer Operating, L.P., also owns Lake Charles LNG Company, as well as the general partner interests, the incentive distribution rights and 28.5 million common units of Sunoco LP (NYSE: SUN), and the general partner interests and 46.1 million common units of USA Compression Partners, LP (NYSE: USAC). For more information, visit the Energy Transfer website at www.energytransfer.com.

Forward-Looking Statements

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors that can affect future results are discussed in the Partnerships' Annual Reports on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnerships undertake no obligation to update or revise any forward-looking statement to reflect new information or events.

The information contained in this press release is available on our website at energytransfer.com.

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