



Energy Transfer to Acquire Vaquero Midstream in a \$2.625 Billion Transaction

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Adds Complementary Gas Gathering and Processing Assets in the Core of the Delaware Basin

- Expands and enhances Energy Transfer's integrated natural gas gathering and processing network
- Provides growing on-system volumes for downstream natural gas and NGL infrastructure
- Includes three natural gas processing plants with a total capacity of approximately 675 MMcf/d
- Supported by high-quality customers with an average contract life of approximately 10 years
- Immediately accretive to Distributable Cash Flow (DCF) per common unit

DALLAS--(BUSINESS WIRE)--Oct. 6, 2026-- Energy Transfer LP (Texas Stock Exchange, TXSE: ET) and Vaquero Midstream LLC (Vaquero) announced today that the parties have entered into a definitive agreement pursuant to which Energy Transfer will acquire Vaquero in a bolt-on transaction valued at approximately \$2.625 billion. The transaction consideration will consist of \$1.95 billion in cash and approximately 33.3 million newly issued Energy Transfer common units. The acquisition is expected to close in the 4th quarter 2026, subject to regulatory approval and customary closing conditions.

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Complementary Assets Strengthen Integrated Network

Vaquero has a rapidly growing midstream services business, including wellhead gathering and intrabasin transportation pipelines, as well as a natural gas processing complex. The company's approximately 300-mile pipeline network serves leading operators across some of the most active areas of the Delaware Basin, including Loving, Reeves, Ward and Winkler counties. Vaquero currently operates the Caymus Processing Complex, which includes three processing trains with a total capacity of approximately 675 MMcf/d, and owns sufficient acreage to support the construction of two additional trains that could increase total processing capacity to up to approximately 1.2 Bcf/d.

Vaquero's system is supported by long-term, fee-based firm contracts and acreage dedications, providing a stable and predictable cash flow profile. The addition of Vaquero's assets is expected to further strengthen Energy Transfer's Permian footprint by increasing access to growing natural gas and NGL production volumes while enhancing connectivity to the partnership's broader midstream platform.

The Vaquero assets are already interconnected with Energy Transfer's downstream natural gas and NGL infrastructure, creating benefits across the partnership's value chain. This connectivity is expected to generate incremental revenue opportunities through pipeline transportation, fractionation, terminalling, and export services.

The acquisition is expected to enhance Energy Transfer's strategic position in one of the most active and lowest-cost producing regions in North America. The assets are well positioned to benefit from continued development across the Delaware Basin and provide additional long-term growth opportunities as production expands around Energy Transfer's existing infrastructure network.

Positive Financial Impact

Energy Transfer expects the Vaquero assets to be immediately accretive to DCF per common unit. Vaquero's cash flows are supported by approximately 100,000 dedicated acres and a high-quality customer base with contracts having an average remaining life of approximately 10 years.

Advisors

J.P. Morgan Securities LLC is serving as Energy Transfer's financial advisor, and Sidley Austin LLP is acting as the partnership's legal counsel on the transaction. Houlihan Lokey is serving as financial advisor to Vaquero, and Willkie Farr & Gallagher LLP is acting as Vaquero's legal counsel.

About Energy Transfer

Energy Transfer owns and operates one of the largest and most diversified portfolios of energy assets in the United States, with approximately 140,000 miles of pipeline and associated energy infrastructure. Energy Transfer's strategic network spans 44 states with assets in all of the major U.S. production basins. Energy Transfer 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; and NGL fractionation. Energy Transfer also owns the general partner interests, the incentive distribution rights and approximately 28 million common units (representing 15% of the aggregate outstanding common units and Class D units) of Sunoco LP (TXSE: SUN), the managing member interests in SunocoCorp LLC (TXSE: SUNC), and the general partner interests and approximately 46 million common units (representing 32% of the outstanding common units) of USA Compression Partners, LP (TXSE: USAC). For more information, visit the Energy Transfer LP website at www.energytransfer.com.

About Vaquero Midstream

Vaquero Midstream, formed with capital support from Yorktown Partners and Keeneland Capital, is an independent, producer-focused natural gas gathering and processing company with a system that traverses the core of the Southern Delaware Basin of Texas. The firm provides integrated midstream solutions, including gathering, treating, processing, compression, liquids handling, and natural gas transmission. Vaquero is committed to providing valuable producer services, operational excellence, and environmentally sound practices to create strong partnerships with their producer

customers, contractors, and communities.

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, including the risk that (i) the parties cannot consummate the proposed transaction on anticipated terms and timing, or at all, including as a result of the failure to obtain regulatory approval, (ii) the anticipated benefits of the proposed transaction will not be realized or will not be realized within the expected time period, and (iii) the Partnership is not able to integrate the business successfully and to achieve anticipated synergies and value creation, are discussed in the Partnership's Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnership undertakes 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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