



PRESS RELEASE

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For Immediate Release

MAGNUM GAS STORAGE ANNOUNCES 30-DAY NON-BINDING OPEN SEASON FOR NATURAL GAS STORAGE FACILITY IN UTAH

Salt Lake City, Utah (August 31, 2016) — Magnum Gas Storage, LLC (MGS), announced today the start of a 30-day non-binding Open Season for Phase I of its natural gas storage project to be located in Millard County, Utah, situated near the town of Delta, Utah. This non-binding Open Season begins at 8 a.m., Mountain Daylight Time, on September 1, 2016, and ends at 5 p.m., Mountain Daylight Time, on September 30, 2016.

MGS is leveraging its experience in developing a successful NGL salt cavern storage business in 2012 in order to further develop this project, which is the first High Deliverability, Multi-Cycle (HDMC) natural gas salt storage project in the western U.S.

Commercial storage services for the Phase I of its two-phased project are scheduled to commence second quarter 2020. However, if sufficient market interest exists, MGS may be able to offer limited storage services beginning third quarter 2017. The approximate three- to four-turn facility is designed to provide a peak deliverability of up to 500,000 Dekatherms (Dth)/day and a peak injection of up to 360,000 Dth/day.

In Phase I, MGS plans to develop two natural gas storage caverns, which have a combined firm gas capacity of approximately 20 million Dth. MGS has received Federal Energy Regulatory Commission (FERC) approval for Phase I as well as approval for expanding into Phase II by developing an additional two caverns (for a total of four), each with 10 million Dth of firm working gas capacity. Total project potential of Phase I and II may provide up to 40 million Dth of working gas capacity.

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Based on the current design, Phase I initially will be capable of accepting natural gas at the Goshen Hub from Kern River Gas Transmission and Questar Gas Pipeline for injections of up to 360,000 Dth/day and for withdrawals of up to 500,000 Dth/day.

“There is little doubt that the western U.S. energy markets are currently undergoing a paradigm shift, resulting in significantly increased market volatility,” said Kevin Holder, executive vice president-Natural Gas Midstream for Magnum Energy. “There are a number of contributing factors, including aggressive solar and wind capacity development in the Western Electricity Coordinating Council, increasingly tighter pipeline balancing requirements and dependability issues with some existing infrastructure, along with new gas-fired generation and coal/nuclear retirements.

“We believe that strategic, dependable and flexible natural gas storage projects like ours will be critical in providing the tools necessary for managing this volatility,” Holder added.

A completed MGS Expression of Interest Form should be mailed to Kevin Holder at kholder@westernenergyhub.com by 5 p.m., Mountain Daylight Time, on September 30, 2016. The Expression of Interest Form, Pro Forma Tariff, maps and other information can be found on the MGS website at www.westernenergyhub.com/natural-gas-midstream.php or by contacting Holder at 214-300-1876.

About Magnum Gas Storage, LLC

Magnum Gas Storage, LLC, is wholly owned by Magnum Development, LLC, a Haddington Ventures, LLC, portfolio company. Haddington principals have been involved in the merchant gas storage business since its emergence in the early 1990s. A list of Haddington’s active and realized investments can be viewed at www.hvllc.com.

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