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## **Magellan Midstream and TransCanada to Pursue Houston Pipeline Connection**

Tulsa, OK and Houston, TX – Magellan Midstream Partners, L.P. (NYSE: MMP) (“Magellan”) and TransCanada Corporation (NYSE: TRP) (“TransCanada”) announced today that they have entered into a joint development agreement to pursue a project to connect TransCanada’s Houston tank terminal to Magellan’s East Houston terminal. The project would include the construction of a 9-mile, 24-inch diameter pipeline, in which Magellan and TransCanada would have a 50/50 ownership interest. The project would give TransCanada’s Keystone and Marketlink shippers access to Magellan’s Houston and Texas City crude oil distribution system.

“Magellan is excited about the prospect of further enhancing our crude oil connectivity in the Houston market,” said Michael Mears, Magellan’s president and chief executive officer. “This connection would provide our customers with additional supply options for the Houston Gulf Coast refining region, with access to crude oil from the Cushing storage hub.”

“TransCanada is committed to developing energy infrastructure solutions for our customers in Canada and the U.S., and this project would allow us to directly connect to key refineries in the Houston and Texas City area,” said Russ Girling, TransCanada’s president and chief executive officer. “This is another great example of a project that would help to bolster North American energy security and independence.”

The joint project is estimated to cost approximately \$50 million. In addition, Magellan would expect to develop additional infrastructure at its East Houston terminal to accommodate movements from the new pipeline. Magellan would serve as construction manager and operator of the pipeline. Construction of TransCanada’s Houston tank terminal is expected to be completed in 2015.

The joint project is subject to the parties’ entry into mutually acceptable agreements and, pending the receipt of any necessary rights-of-way, permits and regulatory or other approvals, the pipeline would be expected to be operational by late 2016.

### **About Magellan Midstream Partners, L.P.**

Magellan Midstream Partners, L.P. (NYSE: MMP) is a publicly traded partnership that primarily transports, stores and distributes refined petroleum products and crude oil. Magellan owns the longest refined petroleum products pipeline system in the country, with access to nearly 50% of the nation’s refining capacity, and can

store more than 95 million barrels of petroleum products such as gasoline, diesel fuel and crude oil. More information is available at [www.magellanlp.com](http://www.magellanlp.com).

## About TransCanada Corporation

With more than 60 years' experience, TransCanada is a [leader](#) in the [responsible development](#) and reliable operation of North American energy infrastructure including natural gas and oil pipelines, power generation and gas storage facilities. TransCanada operates a network of natural gas pipelines that extends more than 68,000 kilometres (42,100 miles), tapping into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with more than 368 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns or has interests in over 10,900 megawatts of power generation in Canada and the United States. TransCanada is developing one of North America's largest oil delivery systems. TransCanada's common shares trade on the Toronto and New York stock exchanges under the symbol TRP. For more information visit: [www.transcanada.com](http://www.transcanada.com) or check us out on Twitter @TransCanada or <http://blog.transcanada.com>.

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*Portions of this document constitute forward-looking statements as defined by federal law. Although management of Magellan Midstream Partners, L.P. and TransCanada Corporation believe any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Among the key risk factors that may have a direct impact on the decision to proceed with the opportunity described in this news release are: (1) the ability to obtain all required rights-of-way, permits and regulatory or other approvals on a timely basis; (2) price fluctuations and overall demand for crude oil; (3) changes in tariff rates or other terms imposed by state or federal regulatory agencies; (4) the occurrence of an operational hazard or unforeseen interruption; and (5) willingness to incur or failure of customers or vendors to meet or continue contractual obligations. Additional information about issues that could lead to material changes in performance is contained in filings with the Securities and Exchange Commission for both companies. The companies undertake no obligation to revise these forward-looking statements to reflect events or circumstances occurring after today's date.*

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