



FOR IMMEDIATE RELEASE

Rangeland Energy Begins Development of South Texas Energy Products System (STEPS)

- Rangeland will construct a terminal in Corpus Christi, Texas, to receive and store refined products and LPG and ship them to Mexico.
- The STEPS Corpus Terminal site is located on the Kansas City Southern Railroad mainline.
- Subsequent phases are expected to include the development of a marine-based facility in Corpus Christi as well as additional capacity to handle other commodities.
- Rangeland is nearing completion of its RIO Pipeline. The 109-mile pipeline will provide shippers with crude oil and condensate transportation from the Delaware Basin to the Midland market and major takeaway pipelines.

SUGAR LAND, TX – March 23, 2016 – [Rangeland Energy](#) (“Rangeland”) announced today that it has initiated development of the South Texas Energy Products System (“STEPS”). STEPS is an integrated hydrocarbon logistics system that will receive and store refined products, liquefied petroleum gas (“LPG”) and other hydrocarbons at a new terminal hub located in Corpus Christi, Texas, and transport them to terminals primarily located in Mexico. During the initial phase of the project, refined products and LPG will be received in the Corpus Christi terminal then shipped to inland terminals located in Mexico. In subsequent phases, marine facilities in Corpus Christi will be added to the system, along with the infrastructure to accommodate additional commodities including crude oil, condensate and fuel oil. The STEPS project will expand upon and leverage Rangeland’s successful track record of developing similar infrastructure in the Bakken Shale and Permian Basin.

STEPS, Phase I

The first phase of STEPS is the construction of the terminal in Corpus Christi, Texas, where Rangeland has entered into an agreement to purchase approximately 190 acres of land. The terminal site in Corpus Christi is strategically situated along the Kansas City Southern Railroad (“KCS”) (NYSE: KSU) mainline within five miles of the Port of Corpus Christi and the Valero, CITGO and Flint Hills refineries. Inbound products initially will be delivered by truck or rail, followed later by pipeline and barge. Refined products and LPG will move out of the STEPS Corpus Terminal primarily by rail, but the terminal could eventually connect to pipelines and vessels. The STEPS Corpus Terminal is expected to be in service during the first quarter of 2017. Initial Phase I rail shipments will be by manifest with the facility accommodating unit trains later in 2017.

CEO Perspective

“STEPS will be a great benefit to U.S. refiners, marketers and consumers in Mexico. There is an abundance of hydrocarbons in the U.S. and an increasing demand for gasoline, diesel and propane in Mexico,” said Chris Keene, president and CEO of Rangeland Energy. “We are experienced terminal and pipeline developers with a deep understanding of logistics and how to make an integrated, multimodal system work. We will begin by transloading into rail cars for manifest shipments and grow that business into a large unit-train operation that ties together Corpus Christi’s refineries, tank farms, splitters, fractionators and other plants into a well-connected and efficient hydrocarbon hub.”

STEPS, Phase II and Additional Growth

While construction of the Corpus Christi terminal is underway, Rangeland will work with others to explore the development of inland rail unloading terminal alternatives located on the KCS mainline in Mexico. Destinations may include Monterrey/Salttillo, San Luis Potosí, Querétaro, Guadalajara and Mexico City. Phase II will include the expansion of the Corpus Christi Terminal to accommodate multiple unit trains as well as additional capacity to handle other commodities. Subsequent phases may include the development of a marine-based facility in Corpus Christi with access to a marine-based destination terminal in Tuxpan, Mexico.

History

In 2011, Rangeland Energy developed the COLT Hub, the leading crude oil rail, storage and pipeline system in the Bakken, selling it in 2012 to Inergy Midstream, L.P. (now Crestwood Equity Partners LP, NYSE: CEQP).

RIO System Update

Rangeland Energy is also the developer of the RIO System located in the Delaware Basin. The RIO System is a multi-asset system designed to support the production of crude oil and condensate in the Delaware Basin.

The RIO Hub, commissioned in July 2015, is a 300-acre rail terminal located near Loving, New Mexico, in the heart of the Delaware Basin's drilling and production activity. The terminal provides services for crude oil, condensate and frac sand, including unit train unloading, silo storage and truck loading facilities. To date, the RIO Hub has received and distributed approximately 1 million tons of frac sand to support drilling operations in the surrounding area.

Nearing completion and expected to be in service in July 2016, the 109-mile, 12-inch RIO Pipeline will provide shippers with crude oil and condensate transportation from the heart of the Delaware Basin to Midland, Texas, where shippers have access to the Midland market and major takeaway pipelines to the Gulf Coast, Cushing and other markets. The pipeline and related infrastructure will provide more than 125,000 barrels per day of capacity. Truck unloading facilities and storage will be located at Rangeland's State Line Terminal at the origin of the pipeline and Rangeland's Midland Delivery Facility, where additional space is available to build customer-leased crude storage.

About Rangeland Energy

Headquartered in Sugar Land, Texas, Rangeland Energy was formed in 2009 to focus on developing, acquiring, owning and operating midstream infrastructure for crude oil, natural gas, natural gas liquids and other petroleum products. The company is focused on emerging hydrocarbon production areas across North America, with an emphasis on West Texas, the Gulf Coast and Canada. The Rangeland team represents more than 200 years of combined midstream experience and is backed by an equity commitment from [EnCap Flatrock Midstream](#). Visit www.rangelandenergy.com for more information.

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