

NYSE: MMP

---

**Date:** July 11, 2023

**Contact:** Investors: Paula Farrell  
(918) 574-7650  
[paula.farrell@magellanlp.com](mailto:paula.farrell@magellanlp.com)

Media: Bruce Heine  
(918) 574-7010  
[bruce.heine@magellanlp.com](mailto:bruce.heine@magellanlp.com)

## Magellan Midstream Sets Record and Meeting Dates for Pending ONEOK Merger Vote

*Magellan Board Unanimously Recommends Unitholders Vote “FOR” the Pending Merger*

TULSA, Okla. – Magellan Midstream Partners, L.P. (NYSE: MMP) (“Magellan”) announced today that we have scheduled a virtual special meeting of unitholders for Sept. 21, 2023 at 10:00 a.m. Central in connection with our pending merger with ONEOK, Inc. (NYSE: OKE) (“ONEOK”). Magellan unitholders of record at the close of business on July 24, 2023 will be entitled to vote at the special meeting. The Magellan board of directors unanimously recommends that Magellan unitholders vote “FOR” the merger proposal.

“Magellan’s board is unanimous in its belief that the pending transaction maximizes value for Magellan unitholders,” said Aaron Milford, Magellan’s president and chief executive officer. “Our number one job is maximizing value for our investors – and we believe this transaction does just that. Magellan’s board and management team are confident the combined company will be stronger and more diversified, and the value created by this transaction for MMP unitholders is superior to the value of our standalone alternative, including on an after-tax basis.”

Milford continued, “We couldn’t be more proud of Magellan’s success delivering industry leading returns for investors, exceptional services for customers and rewarding careers for employees and believe this transaction further builds on our accomplishments. We urge all unitholders to vote ‘FOR’ the ONEOK merger in advance of the upcoming special meeting.”

Magellan believes the transaction provides the following benefits:

- **Full value for unitholders that is significantly greater than Magellan would expect to achieve on a standalone basis:** The transaction delivers a very attractive and full value to Magellan unitholders with a 22% premium, based on May 12, 2023 closing prices of Magellan units and ONEOK common stock. The implied Enterprise Value / 2023E Street Consensus EBITDA multiple at the announced transaction value represents 12.3x, which exceeds the trading multiples of all of MMP’s midstream peers and the average midstream energy trading multiple of approximately 10x.
- **The opportunity for Magellan unitholders to participate in the upside of a more resilient energy infrastructure company with greater scale and a compelling dividend through approximately 23% ownership of the combined company:** The combined company will benefit from a more diverse portfolio with assets across the NGL, natural gas, refined products and crude oil segments. Its greater scale and earnings diversity position it for greater growth and value creation across industry cycles as the energy transition and broader economy

continue to evolve. The combined company will be more resilient and is expected to produce stable cash flows through diverse commodity cycles. In addition, ONEOK pays an attractive dividend. The transaction is also expected to be earnings per share (“EPS”) accretive to OKE beginning in 2024, with EPS accretion of approximately 3% to 7% per year from 2025 through 2027 and free cash flow per share accretion averaging more than 20% from 2024 through 2027.

- **Attractive timing from a tax perspective as long-tenured unitholders are approaching a sharp increase in taxes owed:** The transaction does not create new taxes except those resulting from the premium value received and, other than timing, does not alter unitholders’ existing tax liability. Magellan forecasts a more limited capital investment environment for our business going forward, which together with the underlying mechanics of income allocation, means unitholders can expect Magellan to generate more taxable income and less depreciation to allocate to limited partners, resulting in higher annual taxes owed by unitholders. Magellan estimates that long-tenured unitholders will soon owe taxes each year that amount to approximately 60% of the distributions they receive. Magellan believes the value created for MMP unitholders by ownership in the combined entity, together with the cash consideration, exceeds the expected value the MMP unitholders could likely capture through continued ownership of MMP standalone, including after taking taxes into consideration. For the vast majority of unitholders, Magellan expects the cash portion of the consideration to more than cover the federal tax owed following the close of the ONEOK transaction.

Magellan unitholders who need assistance in completing the proxy card, need additional copies of the proxy materials or have questions regarding the upcoming special meeting may contact Magellan’s proxy solicitor, Morrow Sodali, LLC, by phone at (800) 662-5200 or (203) 658-9400 or by email at [MMP@info.morrowsodali.com](mailto:MMP@info.morrowsodali.com).

As previously announced on May 14, under the terms of the merger agreement, ONEOK will acquire all outstanding units of Magellan in a cash-and-stock transaction to create a combined company with a total enterprise value of approximately \$60 billion. Each Magellan unitholder will receive \$25.00 in cash and 0.667 shares of ONEOK stock per unit upon completion of the pending merger.

Magellan continues to expect the transaction to close in the third quarter of 2023 subject to customary closing conditions, including the approvals of both ONEOK shareholders and Magellan unitholders. As a result of the expiration of the waiting period under Hart-Scott Rodino (“HSR”) on June 26, 2023, the antitrust regulatory conditions to complete the transaction have been met.

#### **Advisors:**

Morgan Stanley & Co. LLC is serving as financial advisor to Magellan. Latham & Watkins LLP and Richards, Layton & Finger, P.A. are acting as Magellan’s legal advisors.

#### **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 100 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).

###

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

*This communication contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included in this communication that address activities, events or developments that ONEOK or Magellan expects, believes or anticipates will or may occur in the future are forward-looking statements. Words such as “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “create,” “intend,” “could,” “would,” “may,” “plan,” “will,” “guidance,” “look,” “goal,” “future,” “build,” “focus,” “continue,” “strive,” “allow” or the negative of such terms or other variations thereof and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements include, but are not limited to, statements regarding the proposed transaction between ONEOK and Magellan (the “Proposed Transaction”), the expected closing of the Proposed Transaction and the timing thereof and as adjusted descriptions of the post-transaction company and its operations, strategies and plans, integration, debt levels and leverage ratio, capital expenditures, cash flows and anticipated uses thereof, synergies, opportunities and anticipated future performance, including maintaining current ONEOK management, enhancements to investment-grade credit profile, an expected accretion to earnings and free cash flow, dividend payments and potential share repurchases, increase in value of tax attributes and expected impact on EBITDA. Information adjusted for the Proposed Transaction should not be considered a forecast of future results. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication. These include the risk that ONEOK’s and Magellan’s businesses will not be integrated successfully; the risk that cost savings, synergies and growth from the Proposed Transaction may not be fully realized or may take longer to realize than expected; the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect; the possibility that shareholders of ONEOK may not approve the issuance of new shares of ONEOK common stock in the Proposed Transaction or that unitholders of Magellan may not approve the Proposed Transaction; the risk that a condition to closing of the Proposed Transaction may not be satisfied, that either party may terminate the merger agreement or that the closing of the Proposed Transaction might be delayed or not occur at all; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the Proposed Transaction; the occurrence of any other event, change or other circumstances that could give rise to the termination of the merger agreement relating to the Proposed Transaction; the risk that ONEOK may not be able to secure the debt financing necessary to fund the cash consideration required for the Proposed Transaction; the risk that changes in ONEOK’s capital structure and governance could have adverse effects on the market value of its securities; the ability of ONEOK and Magellan to retain customers and retain and hire key personnel and maintain relationships with their suppliers and customers and on ONEOK’s and Magellan’s operating results and business generally; the risk the Proposed Transaction could distract management from ongoing business operations or cause ONEOK and/or Magellan to incur substantial costs; the risk of any litigation relating to the Proposed Transaction; the risk that ONEOK may be unable to reduce expenses or access financing or liquidity; the impact of the COVID-19 pandemic, any related economic downturn and any related substantial decline in commodity prices; the risk of changes in governmental regulations or enforcement practices, especially with respect to environmental, health and safety matters; and other important factors that could cause actual results to differ materially from those projected. All such factors are difficult to predict and are beyond ONEOK’s or Magellan’s control, including those detailed in ONEOK’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that are available on ONEOK’s website at [www.oneok.com](http://www.oneok.com) and on the website of the Securities and Exchange Commission (the “SEC”) at [www.sec.gov](http://www.sec.gov), and those detailed in Magellan’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that are available on Magellan’s website at [www.magellanlp.com](http://www.magellanlp.com) and on the website of the SEC. All forward-looking statements are based on assumptions that ONEOK and Magellan believe to be reasonable but that may not prove to be accurate. Any forward-looking statement speaks only as of the date on which such statement is made, and neither ONEOK nor Magellan undertakes any obligation to correct or update any forward-looking statement, whether as a*

result of new information, future events or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

## **NO OFFER OR SOLICITATION**

*This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.*

## **NON-GAAP FINANCIAL MEASURES**

*This communication contains references to certain non-GAAP financial measures. The non-GAAP financial measures presented may not provide information that is directly comparable to that provided by other companies, as other companies may calculate such financial results differently. ONEOK's or Magellan's non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to amounts presented in accordance with GAAP. ONEOK and Magellan view these non-GAAP financial measures as supplemental and they are not intended to be a substitute for, or superior to, the information provided by GAAP financial results.*

## **IMPORTANT ADDITIONAL INFORMATION AND WHERE TO FIND IT**

*In connection with the Proposed Transaction, on June 20, 2023, ONEOK filed with the SEC a registration statement on Form S-4, which was amended by Amendment No. 1 to Form S-4 filed with the SEC on July 11, 2023 (the "Registration Statement"), containing a prospectus of ONEOK and joint proxy statement of ONEOK and Magellan (the "joint proxy statement/prospectus"), and each party will file other documents regarding the Proposed Transaction with the SEC. This communication is not a substitute for the joint proxy statement/prospectus or Registration Statement or for any other document that ONEOK or Magellan has filed or may file in the future with the SEC in connection with the Proposed Transaction. INVESTORS AND SECURITY HOLDERS OF ONEOK AND MAGELLAN ARE URGED TO CAREFULLY AND THOROUGHLY READ THE REGISTRATION STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS, INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO, AND OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED BY ONEOK AND MAGELLAN WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ONEOK AND MAGELLAN, THE PROPOSED TRANSACTION, THE RISKS RELATED THERETO AND RELATED MATTERS.*

*After the Registration Statement has been declared effective, a definitive joint proxy statement/prospectus will be mailed to shareholders of ONEOK and unitholders of Magellan, respectively. Investors will be able to obtain free copies of the Registration Statement and the joint proxy statement/prospectus and other relevant documents filed by ONEOK and Magellan with the SEC through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC by ONEOK, including the joint proxy statement/prospectus, will be available free of charge from ONEOK's website at [www.oneok.com](http://www.oneok.com) under the "Investors" tab. Copies of documents filed with the SEC by Magellan, including the joint proxy statement/prospectus, will be available free of charge from Magellan's website at [www.magellanlp.com](http://www.magellanlp.com) under the "Investors" tab.*

## **PARTICIPANTS IN THE SOLICITATION**

*ONEOK and certain of its directors, executive officers and other members of management and employees, Magellan, and certain of the directors, executive officers and other members of management and employees of*

*Magellan GP, LLC, which manages the business and affairs of Magellan, may be deemed to be participants in the solicitation of proxies from ONEOK's shareholders and the solicitation of proxies from Magellan's unitholders, in each case with respect to the Proposed Transaction. Information about ONEOK's directors and executive officers is available in ONEOK's Annual Report on Form 10-K for the 2022 fiscal year filed with the SEC on February 28, 2023, and its definitive proxy statement for the 2023 annual meeting of shareholders filed with the SEC on April 5, 2023, and in the joint proxy statement/prospectus. Information about Magellan's directors and executive officers is available in its Annual Report on Form 10-K for the 2022 fiscal year and its definitive proxy statement for the 2023 annual meeting of unitholders, each filed with the SEC on February 21, 2023, and the joint proxy statement/prospectus. Other information regarding the participants in the solicitations and a description of their direct and indirect interests, by security holdings or otherwise, are included in the Registration Statement, the joint proxy statement/prospectus and other relevant materials filed or that may in the future be filed with the SEC regarding the Proposed Transaction when they become available. Shareholders of ONEOK, unitholders of Magellan, potential investors and other readers should read the joint proxy statement/prospectus before making any voting or investment decisions.*