

# [***Sunoco Logistics Announces Strategic Acquisition of Vitol's Crude Platform in the Growing Permian Basin***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5KT8-F891-DXY3-0566-00000-00&context=1516831)

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**Body**

Sunoco Logistics Partners L.P. (NYSE: SXL) (the "Partnership") and the Vitol Group ("Vitol") today announced the Partnership's strategic acquisition of Vitol's Permian Basin crude oil system. The Partnership entered into an agreement with Vitol Inc. to purchase an integrated crude oil business in West Texas for approximately $760 million plus working capital (the "Acquisition"). The Acquisition provides the Partnership with an approximately two million barrel crude oil terminal in Midland, Texas, a crude oil gathering and mainline pipeline system in the Midland Basin, including a significant acreage dedication from an investment grade Permian producer, and crude oil inventories related to Vitol's crude oil purchasing and marketing business in West Texas. The Acquisition includes the purchase of a 50 percent interest in SunVit Pipeline LLC ("SunVit") which results in the Partnership owning all of the membership interests in SunVit. SunVit connects the Midland terminal to the Partnership's Permian Express 2 pipeline, a key takeaway to bring Permian crude oil to multiple markets. The Acquisition is expected to close in the fourth quarter 2016, subject to certain closing conditions and regulatory approval.

In connection with the acquisition of Vitol's integrated crude oil business in West Texas, Energy Transfer Partners, L.P. (NYSE: ETP) and Energy Transfer Equity, L.P. (NYSE: ETE), as the owners of Sunoco Partners, LLC, the Partnership's general partner, have agreed to reduce the incentive distributions the general partner receives from the Partnership by a total of $60 million over a two-year period. The reduction will be recognized evenly over eight quarters beginning with the quarterly cash distribution paid for the third quarter 2016.

"We are pleased to announce this strategic crude oil acquisition," said Michael J. Hennigan, President and Chief Executive Officer for Sunoco Logistics Partners L.P. "The addition of the Vitol system is an excellent synergistic fit to our growing crude platform in the Permian Basin. The Permian Basin is the most prolific of all of the US shale areas with strong growth expectations. The Vitol pipeline assets are located in what we believe are the three best counties in the Midland Basin. Adding a 2 million barrel terminal in Midland is very complimentary to our Permian strategy."

On the General Partner's financial relief, Hennigan said, "We appreciate Energy Transfer's support on this acquisition. They share our vision of the substantial growth opportunities from production in the Permian basin. Their financial assistance via incentive distribution relief provides us with expected accretive economics for this strategic acquisition. Long-term, with Energy Transfer's growing crude gathering presence in West Texas combined with our extensive mainline crude platform and gathering assets, we expect growth opportunities for our partnerships in this very competitive region."

Mike Loya, Head of the Americas for Vitol added, "We have had a good working relationship with Sunoco Logistics, including our SunVit JV. Sunoco Logistics has a strong strategic position in West Texas and we are confident that they will provide excellent service to customers of the Vitol system. We wish Sunoco Logistics well in the further development of the business."

About Sunoco Logistics

Sunoco Logistics Partners L.P. (NYSE: SXL), headquartered in Newtown Square, Pennsylvania, is a publicly traded Delaware limited partnership that owns and operates a logistics business, consisting of a geographically diverse portfolio of complementary pipeline, terminalling, and acquisition and marketing assets which are used to facilitate the purchase and sale of crude oil, natural gas liquids ("NGLs") and refined products. SXL's general partner is a consolidated subsidiary of Energy Transfer Partners, L.P. (NYSE: ETP).

About Vitol

Vitol is an energy and commodities company; its primary business is the trading and distribution of energy products globally - it trades over 6mbpd of crude oil and products and, at any time, has 200 ships transporting its cargoes.

Vitol's clients include national oil companies, multinationals, leading industrial and chemical companies and the world's largest airlines. Founded in Rotterdam in 1966, today Vitol serves clients from some 40 offices worldwide and is invested in energy assets globally including; over 18.1mm3 of storage across six continents, 390kbpd of refining capacity and Shell-branded downstream businesses in 16 African countries, as well as Australia. Revenues in 2015 were $168 billion.

Portions of this document constitute forward-looking statements as defined by federal law. Although Sunoco Logistics Partners L.P. believes that the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements are inherently uncertain and necessarily involve risks that may affect the Partnership's business prospects and performance causing actual results to differ from those discussed in the foregoing release. Such risks and uncertainties include, by way of example and not of limitation: whether or not the transactions described in the foregoing news release will be cash flow accretive; increased competition; changes in demand for crude oil, NGLs and refined products that we store and distribute; changes in operating conditions and costs; changes in the level of environmental remediation spending; potential equipment malfunction; potential labor issues; the legislative or regulatory ***environment***; plant construction/repair delays; nonperformance by major customers or suppliers; and political and economic conditions, including the impact of potential terrorist acts and international hostilities. These and other applicable risks and uncertainties have been described more fully in the Partnership's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2016, and in the Partnership's subsequent Form 10-Q and Form 8-K filings. The Partnership undertakes no obligation to update any forward-looking statements in this release, whether as a result of new information or future events.

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