



## Diamondback Energy, Kinetik Holdings and EPIC Midstream Announce Transformative Transactions for EPIC Crude

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*Existing Partners increase ownership and commitments to further strengthen EPIC Crude's financial profile and growth prospects*

HOUSTON--(BUSINESS WIRE)--Sep. 24, 2024-- Diamondback Energy, Inc. (NASDAQ: FANG) ("Diamondback"), Kinetik Holdings Inc. (NYSE: KNTK) ("Kinetik") and EPIC Midstream Holdings LP ("EPIC Midstream"), today announced a series of transactions to support the continued growth and strengthened financial profile of EPIC Crude Holdings, LP ("EPIC Crude"), an affiliate of EPIC Midstream, including:

- Diamondback and Kinetik (together, the "Partners") acquired a 30% equity interest in EPIC Crude. The Partners now each own 27.5% of EPIC Crude.
- EPIC Midstream continues to own a 45% equity interest in and manage the operations of EPIC Crude.
- Diamondback is converting its existing commitment on EPIC Crude into a significantly larger volume commitment of 200 MBpd to accommodate additional crude barrels from Diamondback's newly completed merger with Endeavor Energy Resources. As a result of that merger, Diamondback is the third largest crude producer in the Permian Basin.
- Kinetik is also entering into a new transportation arrangement with EPIC Crude and a new connection between Kinetik's crude gathering system and the EPIC Crude pipeline.
- The combined long-term volume commitments from the Partners are expected to commence in 2025 and extend until 2035, fully supported by minimum volume commitments ("MVC") and representing over 33% of EPIC Crude's volume capacity.
- EPIC Crude and its Partners are continuing to focus on reducing controllable costs and enhancing financial returns which will further maximize value for all stakeholders of EPIC Crude.
- Taken together, these actions will position EPIC Crude for long-term success while increasing its long-term strategic alignment with Diamondback and Kinetik.

EPIC Crude continues to transport more than 600 MBpd and has secured MVCs or contracts for approximately 90% of 2025 total volumes while substantially extending the weighted average contract life. EPIC Crude's differentiated strategy helps its customers gain access to all markets and docks in Corpus Christi, in addition to the Dated Brent market through the EPIC dock.

"Along with our execution over the past couple of years, these transactions position EPIC Crude for continued strategic and financial success," said Brian Freed, Chief Executive Officer of EPIC Midstream. "The business continues to be transformed, and the strategic importance of this asset is supported by our Partners' long-term commitments. EPIC Crude continues to be a critical asset for Permian Basin crude production egress to the Corpus Christi market."

"This series of transactions signifies a major step in ensuring reliable, cost-effective takeaway out of the basin for our expanded crude portfolio for a significant period of time, and positions EPIC Crude to be our preferred crude pipeline given our increased ownership stake and expanded governance role in the joint venture," said Kaes Van't Hof, President and Chief Financial Officer of Diamondback.

"We are excited to partner with Diamondback, Ares Management funds and EPIC Midstream on these transactions," said Jamie Welch, President and Chief Executive Officer of Kinetik. "Our volume commitment, alongside Diamondback, will generate incremental value for our crude customers seeking access to a premium market."

"Going forward, we believe EPIC Crude is even better positioned for shared business, customer and owner success," said Robert Kimmel, Partner in the Ares Private Equity Group. "We remain excited to partner with Brian and his team in this transformative next chapter for EPIC Crude."

EPIC Crude's financial profile continues to strengthen and is supported by continued improvement expected in its credit ratings. Its improving leverage, investment grade customers, and long-term contract profile provide a strong foundation for the business.

EPIC Crude has the only remaining opportunity for a large-scale, highly economic crude oil pipeline expansion in the Permian. The potential expansion project is highly economic given its limited capital requirements, mostly focused on additional pumps for the existing pipeline. EPIC Crude anticipates the potential expansion project will be carried out with fully underwritten contracts, with the Partners having an option for approximately one-third of the expansion capacity.

### About EPIC Midstream

EPIC was formed in 2017 to build, own and operate midstream infrastructure in the Delaware, Midland and Eagle Ford basins. EPIC's Crude Oil Pipeline and NGL Pipeline each span approximately 700 miles and transport crude and natural gas liquids for delivery from the Permian and Eagle

Ford basins into the Corpus Christi market. The Crude Oil Pipeline connects to the Port of Corpus Christi, including EPIC's Marine Terminal, third-party export terminals and local refineries. EPIC's NGL Pipeline has connectivity to EPIC's operated fractionation complex in Robstown, Texas as well as Gulf Coast refiners, petrochemical companies and export markets. EPIC is a portfolio company of funds managed by the Private Equity Group of Ares Management. For more information, visit [www.epicmid.com](http://www.epicmid.com).

#### **About EPIC Crude**

EPIC Crude Holdings, LP ("EPIC Crude") was formed in 2017 to build and operate the EPIC Crude Oil Pipeline, a 700-mile, 30" crude oil pipeline that extends from Orla, Texas to the Port of Corpus Christi and services the Midland, Delaware and Eagle Ford basins. The Crude Oil Pipeline is currently operating at a capacity of greater than 600,000 barrels per day (bpd) and has a maximum capacity of 1,000,000 bpd, as well as total operational storage of approximately 7,500,000 barrels. EPIC Crude includes terminals in Orla, Pecos, Saragosa, Crane, Wink, Midland, Helena and Gardendale, with Port of Corpus Christi connectivity and export access.

#### **About Diamondback Energy, Inc.**

Diamondback is an independent oil and natural gas company headquartered in Midland, Texas focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves primarily in the Permian Basin in West Texas. For more information, please visit [www.diamondbackenergy.com](http://www.diamondbackenergy.com).

#### **About Kinetik Holdings Inc.**

Kinetik is a fully integrated, pure-play, Permian-to-Gulf Coast midstream C-corporation operating in the Delaware Basin. Kinetik is headquartered in Houston and Midland, Texas. Kinetik provides comprehensive gathering, transportation, compression, processing and treating services for companies that produce natural gas, natural gas liquids, crude oil and water. Kinetik posts announcements, operational updates, investor information and press releases on its website, [www.kinetik.com](http://www.kinetik.com).



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