



## Southcross Energy Partners, L.P. Receives Court Approval for Asset Sales to Kinder Morgan Tejas Pipeline LLC and Magnolia Infrastructure Holdings LLC

November 6, 2019

### Southcross to Reorganize its Gathering and Processing Operations

DALLAS, Texas, Nov. 06, 2019 (GLOBE NEWSWIRE) -- Southcross Energy Partners, L.P. ("Southcross", "Southcross Energy", together with its subsidiaries, the "Company") (OTC: SXEEQ) today announced that:

- o The United States Bankruptcy Court for the District of Delaware (the "Court") on October 22, 2019 approved the asset purchase agreements with Kinder Morgan Tejas Pipeline LLC ("Kinder Morgan") for Southcross Energy's natural gas pipeline network in Corpus Christi, Texas, for \$76 million and Magnolia Infrastructure Holdings LLC ("Magnolia Infrastructure") for pipelines and related assets that Southcross Energy owns in Mississippi and Alabama for \$31.5 million and are expected to close in November and before year-end respectively; and
- o Following the completion of the asset sales, Southcross will reorganize and focus growing its substantial Texas gathering and processing operations. These operations include the Company's Lancaster and Valley Wells facilities and the Lone Star, Woodsboro and Bonnie View plants.

Additionally, Southcross recently acquired from Southcross Holdings LP, the Lancaster Gathering and Treating System ("Lancaster") which included (a) a sour gas gathering and treating system serving producer customers in Frio, La Salle, Zavala, Dimmit, Atascosa, and McMullen counties in South Texas, (b) more than 650 miles of sweet and sour gas gathering pipeline with treating capacity of 90 MMcf/day, (c) an acid gas injection well with 200 MMcf/day of capacity and 800 HP of associated compression, and (d) three segments of 12" pipeline crossing Bee and Refugio counties in South Texas.

James W. Swent III, Chairman, President and Chief Executive Officer of Southcross, said "Following a comprehensive review of available alternatives and working closely with our lenders, we determined that the best path forward for our gathering and processing operations is to complete the reorganization process and emerge as a stronger, more profitable standalone business. Our facilities are well-positioned in the Eagle Ford Shale area, and we look forward to driving growth by safely providing customers with our complementary suite of gas gathering, processing, treating, fractionation and re-delivery of residue gas services. With the Court's approval of our asset sales, along with this go-forward focus on our gathering and processing operations, we have made significant progress in our court-supervised process toward maximizing the value of our assets and achieving the best outcome for our stakeholders."

Swent continued, "We appreciate the continued hard work and commitment of the Southcross team. We are confident that the employees of our pipeline assets that are part of the sale transactions will succeed with their new companies, and we wish them the best of luck moving forward. We expect our employees will continue to provide our customers the quality of service they expect from Southcross. We are also grateful for the continued support of our vendors, suppliers and other business partners."

Until the transactions close, Southcross will continue operating as it has throughout the court-supervised process. A Court hearing on the Company's Disclosure Statement is scheduled for November 6, 2019 and a confirmation hearing has been scheduled for December 9, 2019.

#### Additional Information

Additional information is available by calling (866) 967-0671 (US/Canada) or (310) 751-2671 (International). Court filings and other information related to the court-supervised proceedings are available at a website administered by the Company's claims agent, Kurtzman Carson Consultants, at [www.kccllc.net/southcrossenergy](http://www.kccllc.net/southcrossenergy).

Davis Polk & Wardwell LLP and Morris, Nichols, Arsht & Tunnell are serving as legal counsel to Southcross, Alvarez & Marsal is serving as restructuring advisor and Evercore ISI is serving as financial advisor.

#### About Southcross Energy Partners, L.P.

Southcross Energy Partners, L.P. is a master limited partnership that provides natural gas gathering, processing, treating, compression and transportation services and NGL fractionation and transportation services. It also sources, purchases, transports and sells natural gas and NGLs. Its assets are located in South Texas, Mississippi and Alabama and include two cryogenic gas processing plants, a fractionation facility and approximately 3,800 miles of pipeline. The South Texas assets are located in or near the Eagle Ford shale region. Southcross is headquartered in Dallas, Texas.

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#### Forward-Looking Statements

This news release and accompanying statements may contain forward-looking statements. All statements that are not statements of historical facts, including statements regarding our restructuring process, our Chapter 11 proceedings, our operations, our evaluation of a range of options, including a possible sale of the business, the divestiture of certain assets or a standalone restructuring plan, our financial position, future growth, and the potential

emergence by us as a viable, more profitable company, and our intent to make all vendor and supplier payments are forward-looking statements. We have used the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," "will," "would", "potential," and similar terms and phrases to identify forward-looking statements in this news release. Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions could be inaccurate, and, therefore, we cannot assure you that the forward-looking statements included herein will prove to be accurate. These forward-looking statements reflect our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a variety of factors including: the Partnership's significant indebtedness, the restructuring process, and actions taken in our Chapter 11 proceedings. All future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the previous statements. The forward-looking statements herein speak as of the date of this news release. The Partnership undertakes no obligation to update any information contained herein or to publicly release the results of any revisions to any forward-looking statements that may be made to reflect events or circumstances that occur, or that we become aware of, after the date of this news release.



Source: Southcross Energy Partners, L.P.