BUCKEYE PARTNERS, L.P. PROVIDES CORPORATE UPDATE

HOUSTON, TEXAS, February 10, 2020 — Buckeye Partners, L.P. (“Buckeye”) announced today a proposed private offering by Buckeye of $1,000,000,000 aggregate principal amount of its senior notes consisting of senior notes due 2025 (the “2025 Notes”) and senior notes due 2028 (the “2028 Notes” and, together with the 2025 Notes, the “Notes”). The information set forth below is included in an offering circular to prospective investors in the Notes that has not been previously disclosed to the public. Unless otherwise indicated, the terms “the Partnership,” “we,” “us” and “our” refer to Buckeye and its subsidiaries, unless the context otherwise requires.

The Notes will be offered and sold to qualified institutional buyers in the United States pursuant to Rule 144A and outside the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The Notes will not be registered under the Securities Act, and may not be offered or sold in the U.S. without registration under the Securities Act or pursuant to an applicable exemption from such registration.

This press release is neither an offer to sell nor a solicitation of an offer to buy the Notes or any other securities and shall not constitute an offer to sell or a solicitation of an offer to buy, or a sale of, the Notes or any other securities in any jurisdiction in which such offer, solicitation or sale is unlawful. Any offer of the Notes or any other securities will be made only by means of a private offering circular.

Certain Information in the Offering Circular Related to the Notes

Preliminary 2019 Adjusted EBITDA

We estimate that our Adjusted EBITDA for the year ended December 31, 2019 to be approximately $895.4 million. The Partnership has not issued its audited financial results for the year ended December 31, 2019, and therefore the estimates in this “Preliminary 2019 Adjusted EBITDA” section and the reconciliation set forth below are as of the date hereof and are preliminary, unaudited and subject to completion, reflect our management team’s current views and may change as a result of management’s review of results and other factors, including a wide variety of significant business, economic and competitive risks and uncertainties. Such estimated results and reconciliation are subject to the closing of, and finalization of, financial and accounting procedures for the period (which have yet to be performed) and should not be viewed as a substitute for full annual financial statements prepared in accordance with U.S. GAAP. The actual results may be materially different from the estimated results. Neither our independent auditors nor any other independent auditors has audited, reviewed or compiled, examined or performed any procedures with respect to the estimated results, nor have they expressed any opinion or any other form of assurance on the estimated results.

The table below presents a reconciliation of our estimated consolidated net income, which is the most comparable financial measure under GAAP, to Adjusted EBITDA for the year ended December 31, 2019. We are providing a range with respect to certain metrics set forth below because such metrics remain subject to completion by the Partnership, which related primarily to (i) the Buckeye’s merger with Hercules Merger Sub LLC, with Buckeye continuing as the surviving entity, which closed on November 1, 2019, and the resulting purchase accounting and transaction costs and (ii) the finalization of the Partnership’s accounting for the Freeport Contribution (as defined below) in December 2019. While net income is affected by these items, the Partnership does not expect the non-GAAP performance measure of Adjusted EBITDA to be affected by adjustments that may result from the finalization of the accounting for these transactions. The Partnership has not included any impact of the Freeport Contribution to its 2019 estimated Adjusted EBITDA as the Partnership deems it to be immaterial.

Reconciliation of Net Income to Adjusted EBITDA:	Low	High
	(in millions)	
Net income	$ 183,227	$ 220,762
Less: Net income attributable to noncontrolling interests	(1,994)	(1,994)
Net income attributable to Buckeye Partners, L.P.	181,233	218,768
Add: Interest and debt expense	221,203	221,203
Income tax expense	1,303	1,303
Depreciation and amortization	269,460	249,460
Non-cash unit-based compensation expense	23,636	23,636
Acquisition, dispositions, and transition expense(1)	163,531	163,531
Non-cash impairment on disposals of long-lived assets	3,106	3,106
Loss on early extinguishment of debt(2)	4,020	4,020
Hurricane-related costs, net of recoveries(3)	1,612	1,612
Non-cash earnings related to equity investments(4)	26,302	8,767
Adjusted EBITDA	$ 895,406	$ 895,406

(1) Represents transaction, internal and third-party costs related to the Merger, asset acquisition, divestitures and integration.
(2) Represents the loss on early extinguishment of the $275.0 million principal amount outstanding under our 5.500% notes and the Prior $250.0 million Term Loan.
(3) Represents costs incurred at our BBH facility in The Bahamas, Yabucoa Terminal in Puerto Rico, Corpus Christi facilities in Texas, and certain terminals in Florida, as a result of hurricanes that occurred in 2019 and 2017, consisting of operating expenses and write-offs of damaged long-lived assets, net of insurance recoveries.
(4) Represents non-cash amortization of the difference between the carrying value of our equity method investments as compared to our interest in the underlying net assets of the investees.

Our fourth quarter 2019 operating results includes certain additional expenses as a result of the Merger that have not been reflected as adjustments to Adjusted EBITDA. These expenses include (i) approximately $5.1 million of expenses to adjust reserves for environmental remediation and monitoring costs to an estimated fair value and (ii) approximately $3.3 million of accrued expense related to a management retention compensation plan established in connection with the Merger.

Freeport Contribution

In December 2019, IFM contributed to Buckeye (the "*Freeport Contribution*") its 57.56% equity interest in FLIQ 2 Holdings LLC ("*FLIQ2 Holdings*"), the holding company of FLIQ 2 Liquefaction, LLC ("*FLIQ2*"). The remaining 42.44% equity interest in FLIQ2 Holdings is held by Freeport LNG Expansion, L.P. ("*FLEX*"), an entity indirectly owned by Freeport LNG Development, L.P. ("*Freeport LNG*"). IFM and FLEX have joint governance rights with respect to the affairs of FLIQ2 Holdings and FLIQ2 and all decisions with respect to FLIQ2's business. See "*Certain Risks Related to FLIQ2—The interests of the entities controlling the equity interests of FLIQ2 Holdings may not always be aligned with one another, which may result in a deadlock of the management of FLIQ2 Holdings*."

FLIQ2 owns one liquefaction train of a multi-train natural gas liquefaction and liquefied natural gas ("*LNG*") export facility under construction on Quintana Island, near Freeport, Texas (such multi-train natural gas liquefaction export facility, the "*Liquefaction Project*"). FLIQ2's liquefaction train (the "*Train 2 Facility*") is one of three liquefaction trains that collectively comprise, together with certain common facilities, the Liquefaction Project. The Train 2 Facility is the second such liquefaction train and achieved commercial start date under the BP Tolling Agreement (as defined below) on January 17, 2020. The first liquefaction train (the "*Train 1 Facility*") reached commercial operations in December 2019. The third train (the "*Train 3 Facility*") is currently under construction.

Production from each liquefaction train will be mutualized with that from each other liquefaction train that has reached completion, meaning that each of the owners of the completed liquefaction trains will have a proportionate right to utilize the full liquefaction production capacity of the Liquefaction Project through its own liquefaction train and through the liquefaction trains of each other such owner. As a result of being the second liquefaction train to reach substantial completion, FLIQ2 currently has the right to 50% of the capacity of a two liquefaction train project and will have the right to 33⅓% of the capacity of a three liquefaction train project upon FLIQ3's completion of the Train 3 Facility.

FLIQ2 has contracted substantially all of its share of the minimum guaranteed capacity of the Liquefaction Project to BP Energy Company under a twenty-year use-or-pay tolling agreement (the "*BP Tolling Agreement*"). The BP Tolling Agreement is guaranteed by BP Corporation North America, Inc., which has an investment grade corporate rating from S&P and Moody's. Under the BP Tolling Agreement, FLIQ2 is not responsible for buying natural gas or selling LNG. As a result, FLIQ2 has no direct commodity exposure. Rather, it provides natural gas liquefaction services for a fee on a "use-or-pay" basis. Such natural gas liquefaction services primarily consist of converting natural gas delivered to the facility by customers into LNG using fuel or electricity provided or paid for by FLIQ2's customers, which FLIQ2 then delivers back to them on their LNG vessels. As such, FLIQ2 is not responsible for upstream natural gas supply or transportation, or downstream LNG shipping arrangements and does not bear any direct material exposure to the natural gas or LNG markets or to pricing spreads between natural gas and LNG. FLIQ2's debt securities also have an investment grade rating (rated BBB by S&P and Fitch).

As noted above, Train 2 Facility recently commenced operations, and therefore did not generate any operating revenue for the year ended December 31, 2019. We currently anticipate that FLIQ2 will generate cash available for distribution to Buckeye in respect of Buckeye's 57.56% ownership interest in FLIQ2 of $100 million to $130 million annually. In addition, we currently anticipate that FLIQ2 will commence making quarterly distributions to Buckeye in the second half of 2020, subject to satisfaction of certain conditions contained in FLIQ2's senior secured financing documents. Additional cash for distribution may be available to the extent the Train 2 Facility is able to contract additional capacity under the Liquefaction Project. There is no guarantee that any cash will be available for distribution, and even if cash is available, that any distribution to Buckeye will be made by FLIQ2 to Buckeye within this time period or ever. See "*Certain Risks Related to FLIQ2—We may not receive the anticipated distributions from our investment in FLIQ2.*"

As of September 30, 2019, FLIQ2 had approximately $4.0 billion of senior secured debt outstanding, all of which is non-recourse to Buckeye. FLIQ2 and its subsidiaries (the "*Freeport Train 2 Entities*") shall not constitute a "Subsidiary" of Buckeye under the terms of the indenture that will govern the Notes.

Certain Risks Related to FLIQ2

We may not receive the anticipated distributions from our investment in FLIQ2.

In December 2019, IFM contributed to Buckeye its 57.56% equity interest in FLIQ2 Holdings, the holding company of FLIQ2. We currently anticipate that FLIQ2 will commence making quarterly distributions to Buckeye in the second half of 2020. However, FLIQ2 is not permitted to make distributions under its senior secured financing documents until it meets certain conditions to term conversion, including the funding of the debt service reserve and maintenance reserve accounts, the initial payment of principal of the senior secured debt, and other customary conditions to the term conversion of senior secured debt. Upon achieving term conversion, FLIQ2 may make quarterly distributions, subject to (among other conditions) meeting historical and projected debt service coverage ratios of 1.25 to 1.00. Accordingly, our ability to receive distributions from FLIQ2 may be limited by factors outside of our control and we may not receive distributions anticipated from our investment in FLIQ2, or we may receive such distributions more slowly than anticipated. As a result, although we have identified expected available cash that FLIQ2 may have to make distributions, there is no guarantee that any cash will be available for distribution, and even if cash is available, that any distribution to Buckeye will be made by FLIQ2 to Buckeye within this time period or ever.

Failure to maintain approvals and permits from governmental and regulatory agencies with respect to the operation or maintenance of the Liquefaction Project could have a material adverse effect on the ability of FLIQ2 to generate revenue and have cash available for distribution to Buckeye.

The operation of the Liquefaction Project, and the import and export of liquefied natural gas ("LNG"), are highly regulated activities. Approvals and permits from multiple government and regulatory agencies are required in order to operate an LNG facility and export LNG. Although FLIQ2 has received the required authorizations for the construction and operation of the Liquefaction Project, authorizations obtained from such governmental and regulatory agencies contain ongoing conditions, and additional approval and permit requirements for the operation of the Liquefaction Project. We cannot control the outcome of the review and approval process. We do not know whether or when any such approvals or permits can be obtained, or whether or not any existing or potential interventions or other actions by third parties will interfere with our ability to obtain and maintain such permits or approvals. There is no assurance that we will obtain and maintain these governmental permits, approvals and authorizations, or that we will be able to obtain them on a timely basis, and failure to obtain and maintain any of these permits, approvals or authorizations could have a material adverse effect on FLIQ2's business, financial condition, operating results, liquidity, prospects and ability to make distributions to Buckeye.

FLIQ2 may experience increased operating costs and/or decreased revenues.

As FLIQ2 commences operations, it is subject to a variety of operating costs, including debt service, maintenance, insurance, human resources and overhead. If actual operating costs of FLIQ2 are materially higher than expected, FLIQ2 may have a disparity between its cash needs and cash receipts. In addition, FLIQ2's primary source of revenue is pursuant to BP Tolling Agreement. There are many factors (including factors beyond our control) that could result in receipt by FLIQ2 of less cash under the BP Tolling Agreement, including services unavailability and other events that give payment relief under the BP Tolling Agreement. To the extent FLIQ2 experiences unexpected increases in operating costs or decreases in revenues, it could materially and adversely affect its business, financial condition, operating results, liquidity, prospects and ability to make distributions to Buckeye.

Upon commercial operation, each of the liquefaction facilities will be mutualized such that scheduled and unscheduled outages of any liquefaction facility (including during events of loss) will reduce the available capacity of all of the owners of the liquefaction facilities.

As a result of the mutualization of the liquefaction facilities, scheduled and unscheduled outages of each liquefaction train that has achieved commercial operation is shared proportionately by the owners of all liquefaction trains that have achieved commercial operation. As a result, if one liquefaction train were to suffer an extended outage after all three liquefaction trains achieve commercial operation, FLIQ2 would have a 33⅓% capacity right in a two-train liquefaction facility until the third such liquefaction train is repaired. This regime applies irrespective of whether the relevant liquefaction train affected by the outage is our Train 2 Facility or another liquefaction train. Due to this mutualization regime, scheduled and unscheduled outages of the Train 1 Facility or the Train 3 Facility would result in a reduction of the liquefaction capacity available to FLIQ2 and may result in a reduction of the revenues payable under the BP Tolling Agreement and any other offtake agreement entered into by FLIQ2 even though the Train 2 Facility is unaffected. Any such reduction in the available LNG capacity could have a material adverse effect on FLIQ2's business, contracts, financial condition, operating results, cash flow, liquidity, prospects and ability to make distributions to Buckeye.

The interests of the entities controlling the equity interests of FLIQ2 Holdings may not always be aligned with one another, which may result in a deadlock of the management of FLIQ2 Holdings.

The interests of IFM and FLEX could conflict with one another. IFM and FLEX have equal management rights with respect to managing the affairs of FLIQ2 and making all decisions regarding FLIQ2's business. A conflict between the interests of IFM and FLEX or a dispute between IFM and FLEX could result in a deadlock of the management of FLIQ2 and delay FLIQ2's decision-making process. This may impair FLIQ2's ability to make critical decisions or take critical actions, including the refinancing of its existing indebtedness prior to its maturity, and could have a material adverse effect on FLIQ2's business, contracts, results of operations, financial condition, cash flow, liquidity, prospects and the value of Buckeye's interest in FLIQ2 Holdings.

Acquisition of Magellan Terminals

On January 21, 2020, we agreed to purchase three marine terminals from Magellan Midstream Partners LP for $250.0 million. The terminals, located in New Haven, Connecticut; Wilmington, Delaware; and Marrero, Louisiana (collectively the "*Magellan Terminals*"), have a combined storage capacity of approximately 9.9 million barrels. Upon the closing of the acquisition, the terminals located in New Haven and Wilmington will add to our East Coast marine terminal network, with 15.7 million barrels of tank capacity currently in New York Harbor at Perth Amboy, Port Reading and Raritan Bay. The terminal located in Marrero will be our first Gulf Coast marine terminal outside of our portfolio of facilities in and around Corpus Christi, Texas. Such acquisition is subject to customary closing conditions and regulatory approval and, therefore, there is no guarantee if and when such acquisition will be consummated.

We estimate that for the year ended December 31, 2019, the Magellan Terminals generated total revenue of $55.5 million and EBITDA of $27.4 million. Such estimates as of the date hereof and are preliminary, unaudited and subject to completion, reflect our management team's current views and may change as a result of management's review of results and other factors. Such estimated results are subject to the closing of, and finalization of, the acquisition and the financial and accounting procedures for the period (which have yet to be performed) and should not be viewed as a substitute for full annual financial statements prepared in accordance with GAAP. The actual results may be materially different from the estimated results. Neither our independent auditors nor any other independent auditors has audited, reviewed or compiled, examined or performed any procedures with respect to the estimated results, nor have they expressed any opinion or any other form of assurance on the estimated results.

Use of Non-GAAP Financial Measures

We have included certain financial measures in this release that are not presented in accordance with GAAP, including EBITDA and Adjusted EBITDA. We define EBITDA as earnings (losses) before interest expense, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to exclude: (i) certain non-cash items, such as non-cash compensation expense; transaction, transition and integration costs associated with acquisitions and dispositions; certain unrealized gains and losses on foreign currency transactions and foreign currency derivative financial instruments, as applicable; and (ii) certain other operating expense or income items, reflected in net income, that we do not believe are indicative of our core operating performance results and business outlook, such as hurricane-related costs, gains and losses on property damage recoveries, non-cash impairment charges, and gains and losses on asset sales.

These definitions of EBITDA and Adjusted EBITDA are also applied to our proportionate share in the EBITDA and Adjusted EBITDA of significant equity method investments, which from January 1, 2017 through September 30, 2018, included VTTI B.V. ("*VTTI*"), and is not applied to our less significant equity method investments. The calculation of our proportionate share of the reconciling items used to derive

EBITDA and Adjusted EBITDA was based upon our 50% equity interest in VTTI, prior to adjustments related to noncontrolling interests in several of its subsidiaries and partnerships, which were immaterial.

EBITDA and Adjusted EBITDA are non-GAAP financial measures that are used by our senior management, including our Chief Executive Officer, to assess the operating performance of our business and optimize resource allocation. We use EBITDA and Adjusted EBITDA as a primary measure to: (i) evaluate our consolidated operating performance and the operating performance of our business segments; (ii) allocate resources and capital to business segments; (iii) evaluate the viability of proposed projects; and (iv) determine overall rates of return on alternative investment opportunities.

We believe that investors benefit from having access to the same financial measures used by management and that these measures are useful to investors because they aid in comparing our operating performance with that of other companies with similar operations. The EBITDA and Adjusted EBITDA data presented by us may not be comparable to similarly titled measures at other companies because these items may be defined differently by other companies.

About Buckeye Partners, L.P.

Buckeye Partners, L.P., a wholly owned investment of the IFM Global Infrastructure Fund, owns and operates a diversified global network of integrated assets providing midstream logistic solutions, primarily consisting of the transportation, storage, processing and marketing of liquid petroleum products. Buckeye is one of the largest liquid petroleum products pipeline operators in the United States in terms of volumes delivered, with approximately 6,000 miles of pipeline. Buckeye also uses its service expertise to operate and/or maintain third-party pipelines and terminals and perform certain engineering and construction services for its customers. Buckeye's global terminal network comprises more than 110 liquid petroleum products terminals with aggregate tank capacity of approximately 118 million barrels across its portfolio of pipelines, inland terminals and marine terminals located primarily in the East Coast, Midwest and Gulf Coast regions of the United States as well as in the Caribbean. Buckeye's global network of marine terminals enables it to facilitate global flows of crude oil and refined petroleum products, offering its customers connectivity between supply areas and market centers through some of the world's most important bulk storage and blending hubs. Buckeye's flagship marine terminal in The Bahamas, Buckeye Bahamas Hub, is one of the largest marine crude oil and refined petroleum products storage facilities in the world and provides an array of logistics and blending services for the global flow of petroleum products. Buckeye's Gulf Coast regional hub, Buckeye Texas Partners, offers world-class marine terminalling, storage and processing capabilities. Buckeye is also a wholesale distributor of refined petroleum products in certain areas served by its pipelines and terminals. More information concerning Buckeye can be found at www.buckeye.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking statements. Statements that are not historical facts, including statements about Buckeye's perspectives and expectations, are forward-looking statements. This press release includes forward-looking statements that we believe to be reasonable as of today's date. All statements that express belief, expectation, estimates or intentions, as well as those that are not statements of historical facts, are forward-looking statements. Such statements use forward-looking words such as "proposed," "anticipate," "project," "potential," "could," "should," "continue," "estimate," "expect," "may," "believe," "will," "plan," "seek," "outlook" and other similar expressions that are intended to identify forward-looking statements, although some forward-looking statements are expressed differently. These statements discuss future expectations and contain projections.

The forward-looking statements contained in this press release speak only as of the date hereof. Although the expectations in the forward-looking statements are based on Buckeye's current beliefs and expectations, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date hereof. Except as required by federal and state securities laws, Buckeye undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or any other reason. All forward-looking statements attributable to Buckeye or any person acting on Buckeye's behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this press release. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur.

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