

Shell Midstream Partners, L.P.
Form 8-K
November 28, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): November 22, 2017

Shell Midstream Partners, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-36710
(Commission
File Number)

46-5223743
(I.R.S. Employer
Identification No.)

One Shell Plaza

150 N. Dairy Ashford

Houston, Texas

(Address of principal executive offices)

77079

(Zip Code)

Registrant's telephone number, including area code: (832) 337-2034

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Purchase and Sale Agreement

On November 22, 2017, Shell Midstream Partners, L.P. (the Partnership) and Shell Midstream Operating LLC (Operating Company) and together with the Partnership, the Purchasers) entered into a purchase and sale agreement (Purchase Agreement) with Shell Pipeline Company LP (SPLC) and Equilon Enterprises LLC d/b/a Shell Oil Products US (SOPUS) and together with SPLC, the Sellers), each a wholly owned subsidiary of Royal Dutch Shell plc, to acquire the following interests for \$825.0 million: (i) 22.9% of the issued and outstanding membership interests in Mars Oil Pipeline Company LLC, (ii) 10.0% of the issued and outstanding common stock of Explorer Pipeline Company, and (iii) 41.48% of the issued and outstanding membership interests in LOCAP LLC, from SPLC, and (iv) 22.0% of the issued and outstanding membership in Odyssey Pipeline L.L.C. and (v) 100% of the issued and outstanding membership interests in Triton West LLC, from SOPUS (collectively, the November 2017 Acquisition).

The Partnership expects to fund the November 2017 Acquisition with borrowings under existing and new credit facilities with Shell Treasury Center (West) Inc. The November 2017 Acquisition is expected to close on or about December 1, 2017, subject to customary closing conditions.

The Purchase Agreement contains customary representations, warranties and covenants of the Sellers and the Purchasers. The Sellers, on the one hand, and the Purchasers, on the other hand, have agreed to indemnify each other and their respective affiliates, officers, directors and other representatives against certain losses resulting from any breach of their representations, warranties or covenants contained in the Purchase Agreement, subject to certain limitations and survival periods.

As of November 22, 2017, SPLC's wholly owned subsidiary, Shell Midstream LP Holdings LLC, owned 88,950,136 common units in the Partnership, representing an aggregate 46.4% limited partner interest. SPLC also owned a 100% interest in Shell Midstream Partners GP LLC, the general partner (the General Partner) of the Partnership, which in turn owned 3,832,293 general partner units, representing a 2% general partner interest, and all of the incentive distribution rights in the Partnership. The terms of the November 2017 Acquisition were approved by the board of directors of the General Partner (the Board) and by the conflicts committee of the Board, which consists entirely of independent directors. The conflicts committee engaged an independent financial advisor and legal counsel.

The foregoing description is not complete and is qualified in its entirety by reference to the full text of the Purchase Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On November 28, 2017, the Partnership issued a press release announcing the entry into the Purchase Agreement. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

The information provided in this Item 7.01 (including the exhibits referenced therein) shall be deemed furnished and shall not be deemed filed for the purposes of Section 18 of the Exchange Act, nor shall it be incorporated by reference in any filing made by the Partnership pursuant to the Securities Act of 1933, except to the extent that such filing incorporates by reference any or all of such information by express reference thereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Number	Description
10.1	<u>Purchase and Sale Agreement dated as of November 22, 2017, by and among Shell Pipeline Company LP, Equilon Enterprises LLC d/b/a Shell Oil Products US, Shell Midstream Partners, L.P. and Shell Midstream Operating LLC</u>
99.1	<u>Press Release dated November 28, 2017, issued by Shell Midstream Partners, L.P.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SHELL MIDSTREAM PARTNERS, L.P.

By: Shell Midstream Partners GP LLC,

its general partner

By: /s/ Lori M. Muratta

Lori M. Muratta

Vice President, General Counsel and
Secretary

Date: November 28, 2017