

Energy Transfer Operating, L.P.

Form S-4/A

March 07, 2019

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As filed with the Securities and Exchange Commission on March 7, 2019

Registration No. 333-229843

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

Amendment No. 1

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ENERGY TRANSFER OPERATING, L.P.
SUNOCO LOGISTICS PARTNERS OPERATIONS L.P.
(Exact Name of Registrant as Specified in its Charter)

Delaware	4610	73-1493906
Delaware	4610	23-3102657
(State or other jurisdiction of	(Primary Standard Industrial	(I.R.S. Employer
Incorporation or Organization)	Classification Code Number)	Identification Number)
	8111 Westchester Drive, Suite 600	
	Dallas, Texas 75225	
	(214) 981-0700	

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Thomas E. Long
Chief Financial Officer
Energy Transfer Operating, L.P.
8111 Westchester Drive, Suite 600
Dallas, Texas 75225
(214) 981-0700

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
William N. Finnegan IV
Debbie P. Yee
Latham & Watkins LLP
811 Main Street, Suite 3700
Houston, Texas 77002
(713) 546-5400

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

Each Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus may change. We may not complete the exchange offers and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 7, 2019

PROSPECTUS

ENERGY TRANSFER OPERATING, L.P.

Offers to Exchange

Any and All Outstanding Notes Issued by Energy Transfer LP as listed below for up to \$4,337,032,000 Aggregate Principal Amount of New Notes Issued by Energy Transfer Operating, L.P. and Related Guarantees

and

Solicitation of Consents to Amend the Indentures Governing Outstanding Notes Issued by Energy Transfer LP

Upon the terms and subject to the conditions set forth in this prospectus (as it may be supplemented and amended from time to time, this prospectus), Energy Transfer Operating, L.P. (formerly Energy Transfer Partners, L.P.) (ETO, we, our and us) is offering to exchange (each, an Exchange Offer and, collectively, the Exchange Offers) any and all validly tendered (and not validly withdrawn) and accepted notes issued by Energy Transfer LP (formerly Energy Transfer Equity, L.P.) (ET) for notes to be issued by ETO and guaranteed by its subsidiary, Sunoco Logistics Partners Operations L.P. (SXL Opco) as described, and for the consideration summarized, in the table below. We refer to the series of notes previously issued by ET and listed in the table below collectively as the Existing ET Notes, and the series of notes to be issued by us and listed in the table below collectively as the New ETO Notes.

Title of Series of Existing ET Notes/CUSIP Number(s)	Aggregate Principal Amount Outstanding	Series of Notes to be Issued by ETO	Exchange Consideration (Principal Amount of New	Early Tender Premium⁽¹⁾ of New	Total Exchange Consideration⁽²⁾ (Principal Amount
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			ETO Notes)	ETO Notes)	of New ETO Notes)
7.500% Senior Notes due 2020 (the Existing ET 2020 Notes) / 29273VAC4	\$ 1,187,032,000	7.500% Notes due 2020 (the New ETO 2020 Notes)	\$ 970	\$ 30	\$ 1,000
4.250% Senior Notes due 2023 (the Existing ET 2023 Notes) / 29273VAG5	\$ 1,000,000,000	4.250% Notes due 2023 (the New ETO 2023 Notes)	\$ 970	\$ 30	\$ 1,000
5.875% Senior Notes due 2024 (the Existing ET 2024 Notes) / 29273VAD2 / 29273VAE0	\$ 1,150,000,000	5.875% Notes due 2024 (the New ETO 2024 Notes)	\$ 970	\$ 30	\$ 1,000
5.500% Senior Notes due 2027 (the Existing ET 2027 Notes) / 29273VAF7	\$ 1,000,000,000	5.500% Notes due 2027 (the New ETO 2027 Notes)	\$ 970	\$ 30	\$ 1,000

(1) For each \$1,000 principal amount of Existing ET Notes accepted for exchange.

(2) Includes Early Tender Premium (as defined herein).

In exchange for each \$1,000 principal amount of Existing ET Notes that is validly tendered at or prior to 5:00 p.m., New York City time, on March 8, 2019, unless extended (such date and time with respect to an Exchange Offer and Consent Solicitation (as defined herein), as the same may be extended for such Exchange Offer and Consent Solicitation, the Early Tender Deadline), and not validly withdrawn, holders of Existing ET Notes will be eligible to receive the applicable total exchange consideration set out in the table above (the Total Exchange Consideration), which includes the applicable early tender premium set out in such table (the Early Tender Premium). In exchange for each \$1,000 principal amount of Existing ET Notes validly tendered after the Early Tender Deadline but prior to 11:59 p.m., New York City time, on March 22, 2019, unless extended (such date and time with respect to an Exchange Offer and Consent Solicitation, as the same may be extended for such Exchange Offer and Consent Solicitation, the Expiration Deadline), and not validly withdrawn, holders of Existing ET Notes will be eligible to receive only the applicable exchange consideration set out in such table (the Exchange Consideration). In addition, each series of New ETO Notes will accrue interest from (and including) the most recent date on which interest has been paid on the corresponding series of Existing ET Notes accepted in the Exchange Offers and Consent Solicitations for such series of New ETO Notes; provided, that interest will only accrue with respect to the aggregate principal amount of New ETO Notes a holder receives, which will be less than the principal amount of Existing ET Notes tendered for exchange if such holder tenders its Existing ET Notes after the Early Tender Deadline. If, pursuant to the Exchange Offers, a tendering holder of Existing ET Notes would otherwise be entitled to receive a principal amount of any series of New ETO Notes that is not equal to \$2,000 or an integral multiple of \$1,000 in excess thereof, such principal amount will be rounded down to the nearest \$2,000 or integral multiple of \$1,000 in excess thereof, and such holder of Existing ET Notes will receive pursuant to the Exchange Offers this rounded principal amount of New ETO Notes plus cash equal to the sum of the principal amount of New ETO Notes not received as a result of rounding down plus accrued and unpaid interest thereon at the rate of the applicable Existing ET Notes to the Settlement Date. Except as set forth above, no accrued but unpaid interest will be paid with respect to Existing ET Notes tendered for exchange.

Tenders of any particular series of Existing ET Notes may be withdrawn at any time prior to the Expiration Deadline.

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Concurrently with the Exchange Offers, we are soliciting consents from holders with respect to each series of Existing ET Notes, in each case upon the terms and subject to the conditions set forth in this prospectus (each, a Consent Solicitation and, collectively, the Consent Solicitations). The Consent Solicitations are with respect to:

amendments to the indenture, dated as of September 20, 2010 (the Existing ET Base Indenture), as supplemented through the date hereof, governing the Existing ET 2020 Notes (the Existing ET Base Indenture, as so supplemented, the Existing ET 2020 Notes Indenture);

amendments to the Existing ET Base Indenture, as supplemented through the date hereof, governing the Existing ET 2023 Notes (the Existing ET Base Indenture, as so supplemented, the Existing ET 2023 Notes Indenture);

amendments to the Existing ET Base Indenture, as supplemented through the date hereof, governing the Existing ET 2024 Notes (the Existing ET Base Indenture, as so supplemented, the Existing ET 2024 Notes Indenture); and

amendments to the Existing ET Base Indenture, as supplemented through the date hereof, governing the Existing ET 2027 Notes (the Existing ET Base Indenture, as so supplemented, the Existing ET 2027 Notes Indenture).

The Existing ET 2020 Notes Indenture, the Existing ET 2023 Notes Indenture, the Existing ET 2024 Notes Indenture and the Existing ET 2027 Notes Indenture are referred to herein collectively as the Existing ET Indentures.

Holders of Existing ET Notes may not deliver a consent in a Consent Solicitation without tendering Existing ET Notes in the applicable Exchange Offer. If a holder of Existing ET Notes tenders Existing ET Notes in an Exchange Offer, such holder will be deemed to deliver its consent, with respect to the principal amount of such tendered Existing ET Notes, to the amendments to the corresponding Existing ET Indenture and the related Existing ET Notes for that series, which includes eliminating certain of the covenants, restrictive provisions and events of default (with respect to the corresponding Existing ET Indenture for that series and, together, as the context requires, the Proposed Amendments). ETO may complete any Exchange Offer even if valid consents sufficient to effect the Proposed Amendments to the corresponding Existing ET Indenture are not received. **Consents to the applicable Proposed Amendments may only be revoked by validly withdrawing the tendered Existing ET Notes prior to the Early Tender Deadline, but may not be revoked after the Early Tender Deadline. Holders that validly withdraw tenders of any particular series of Existing ET Notes after the Early Tender Deadline but prior to the Expiration Deadline, will be deemed to continue to have delivered a consent to the applicable Proposed Amendments.**

The Exchange Offers and Consent Solicitations are subject to certain conditions as described herein, although ETO may waive any such condition (except the condition that the registration statement of which this prospectus forms a part has been declared effective by the Securities and Exchange Commission (the SEC)). Each Exchange Offer and Consent Solicitation is conditioned upon the completion of the other Exchange Offers and Consent Solicitations, although ETO may waive such condition at any time with respect to an Exchange Offer. Any waiver of a condition by ETO with respect to an Exchange Offer will automatically waive such condition with respect to the corresponding Consent Solicitation, as applicable. In addition, ETO may amend the terms of any Exchange Offer without amending

the terms of any other Exchange Offer. Any amendment of the terms of an Exchange Offer by ETO will automatically amend such terms with respect to the corresponding Consent Solicitation, as applicable. In addition, each Exchange Offer and Consent Solicitation is subject to the satisfaction of certain conditions, as described herein. The Proposed Amendments to the Existing ET Indentures are described in this prospectus under **The Proposed Amendments** and the conditions to the Exchange Offers and Consent Solicitations are described in this prospectus under **Description of the Exchange Offers and Consent Solicitations** **Conditions to the Exchange Offers and Consent Solicitations**.

ETO plans to issue the New ETO Notes promptly on or about the first business day following the Expiration Deadline (the **Settlement Date**), assuming that the conditions to the Exchange Offers are satisfied or, where permitted, waived. ETO has applied to have the New ETO Notes listed on the New York Stock Exchange (the **NYSE**). If the application is approved, we expect trading of the New ETO Notes on the NYSE to begin within 30 days after their original issue date. Currently, there is no public market for the New ETO Notes.

See Risk Factors beginning on page 20 to read about important factors you should consider before you decide to participate in the Exchange Offers and Consent Solicitations.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

None of ETO, ET, Citigroup Global Markets Inc., J.P. Morgan Securities LLC or TD Securities (USA) LLC (each, a **Dealer Manager** and collectively, the **Dealer Managers**), the trustee with respect to the Existing ET Notes or the New ETO Notes, Global Bondholder Services Corporation, the exchange agent and information agent for the Exchange Offers and Consent Solicitations (the **Exchange Agent** or the **Information Agent**), or any of their affiliates, makes any recommendation as to whether you should exchange Existing ET Notes for New ETO Notes in response to the Exchange Offers and Consent Solicitations, and no one has been authorized by any of them to make such a recommendation.

Dealer Managers and Solicitation Agents

Citigroup

J.P. Morgan

TD Securities

The date of this prospectus is _____, 2019

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This prospectus is part of a registration statement that ETO and SXL Opco filed with the SEC. In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with any other information. We and SXL Opco are not making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus, as well as the information we previously filed with the SEC that is incorporated by reference herein, is accurate as of any date other than its respective date.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as anticipate, project, expect, plan, goal, forecast, estimate, intend, continue, believe, may, will or similar expressions are forward-looking statements. Although ETO and ET believe such forward-looking statements are based on reasonable assumptions and current expectations and projections about future events, no assurance can be given that such assumptions, expectations or projections will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, ETO's and ET's actual results may vary materially from those anticipated, estimated, expressed, forecasted, projected or expected in forward-looking statements since many of the factors that determine these results are subject to uncertainties and risks that are difficult to predict and beyond the control of ETO's and ET's management. For additional discussion of risks, uncertainties and assumptions, see Part I Item 1A. Risk Factors in ETO's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 22, 2019, and in ET's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 22, 2019.

All of the forward-looking statements made in this prospectus are qualified by this cautionary statement and there can be no assurance that the actual results or developments ETO and ET anticipate will be realized or, even if substantially realized, that they will have the consequences for, or effects on, the business or operations that ETO or ET anticipates today. ET and ETO assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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IMPORTANT TIMES AND DATES

Please take note of the following important times and dates in connection with the Exchange Offers and Consent Solicitations. These dates assume no extension of the Early Tender Deadline or the Expiration Deadline.

Date	Time and Calendar Date	Event
Launch Date	February 25, 2019	The commencement of the Exchange Offers and Consent Solicitations.
Early Tender Deadline	5:00 p.m., New York City time, on March 8, 2019, unless extended with respect to an Exchange Offer	The deadline for holders (i) to tender Existing ET Notes in order to be eligible to receive the applicable Total Exchange Consideration for Existing ET Notes accepted for exchange in the Exchange Offers and Consent Solicitations, and (ii) validly revoke their consents to the applicable Proposed Amendments. ETO reserves the right to extend the Early Tender Deadline with respect to an Exchange Offer without extending the Early Tender Deadline for any other Exchange Offer.
Withdrawal and Revocation	For tenders of Existing ET Notes, at any time prior to 11:59 p.m., New York City time, on March 22, 2019, unless extended with respect to an Exchange Offer	The Expiration Deadline will be the deadline for holders who validly tendered Existing ET Notes to validly withdraw such Existing ET Notes.
	For consents to the Proposed Amendments, at any time prior to 5:00 p.m., New York City time, on March 8, 2019 (unless extended with respect to an Exchange Offer), but may not be revoked after such time even if holders validly withdraw tenders of any particular series of Existing ET Notes	The Early Tender Deadline will be the deadline for holders to validly revoke their consent to the applicable Proposed Amendments. At any time after the Early Tender Deadline but before the Expiration Deadline, if valid consents sufficient to effect the applicable Proposed Amendments are

received, ET and the trustee under the corresponding Existing ET Indenture will execute and deliver a supplemental indenture relating to the applicable Proposed Amendments that will be effective upon execution but will only become operative upon consummation of the applicable Exchange Offer.

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Date	Time and Calendar Date	Event
Expiration Deadline	11:59 p.m., New York City time, on March 22, 2019, unless extended with respect to an Exchange Offer	The deadline for holders to tender Existing ET Notes in order to be eligible to receive the Exchange Consideration for Existing ET Notes accepted for exchange in the Exchange Offers and consent to the Proposed Amendments in the Consent Solicitations.
Settlement Date	Promptly after the Expiration Deadline (expected to be the business day after the Expiration Deadline)	ETO will deposit with The Depository Trust Company (DTC), upon the direction of the Exchange Agent, the New ETO Notes to be delivered in exchange for the Existing ET Notes accepted for exchange.

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SUMMARY

The following summary information is qualified in its entirety by the information contained elsewhere in this prospectus, including the documents we have incorporated by reference, and as described under Description of the New ETO Notes. Because this is a summary, it does not contain all the information that may be important to you. We urge you to read this entire prospectus, including the consolidated financial statements of ETO and ET, and the related notes, as well as the other documents, incorporated by reference, carefully, including the Risk Factors section. As used in this prospectus, unless the context otherwise indicates, the terms ETO, we, us, our and similar terms mean Energy Transfer Partners, L.P. and its operating subsidiaries prior to the closing of our merger with a wholly owned subsidiary of ET on October 19, 2018 (the merger), and Energy Transfer Operating, L.P. and its operating subsidiaries after the closing of the merger. As used in this prospectus, unless the context otherwise indicates, the term ET means Energy Transfer LP and its consolidated subsidiaries.

Energy Transfer Operating, L.P.

ETO is a Delaware limited partnership and a subsidiary of ET. ETO is engaged in the midstream transportation and storage of natural gas, natural gas liquids (NGLs), refined products and crude oil, and terminalling services and acquisition and marketing activities, as well as NGL storage and fractionation services. ETO is managed by its general partner, Energy Transfer Partners GP, L.P. (ETP GP), and ETP GP is managed by its general partner, Energy Transfer Partners, L.L.C. (ETP Managing GP). ETP Managing GP is a wholly owned subsidiary of ET. The address of ETO's principal executive offices is 8111 Westchester Drive, Suite 600, Dallas, Texas 75225, and the telephone number at this address is (214) 981-0700.

Energy Transfer LP

ET was formed in September 2002 and completed its initial public offering in February 2006. ET is a Delaware limited partnership with common units publicly traded on the NYSE under the ticker symbol ET. The primary activities in which ET is engaged, all of which are in the United States, and the operating subsidiaries through which ET conducts those activities are as follows:

natural gas operations, including the following:

natural gas midstream and intrastate transportation and storage;

interstate natural gas transportation and storage; and

crude oil, NGLs and refined products transportation, terminalling services and acquisition and marketing activities, as well as NGL storage and fractionation services.

In addition, ET owns investments in other businesses, including Sunoco LP and USA Compression Partners, LP, both of which are publicly traded master limited partnerships. The address of ET's principal executive offices is 8111 Westchester Drive, Suite 600, Dallas, Texas 75225, and the telephone number at this address is (214) 981-0700.

The New ETO Notes

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The New ETO 2020 Notes will mature on October 15, 2020, and will bear interest at a rate per annum equal to 7.500%. The New ETO 2023 Notes will mature on March 15, 2023, and will bear interest at a rate per annum equal to 4.250%. The New ETO 2024 Notes will mature on January 15, 2024, and will bear interest at a rate per annum equal to 5.875%. The New ETO 2027 Notes will mature on June 1, 2027, and will bear interest at a rate per annum equal to 5.500%.

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The New ETO Notes will be senior unsecured obligations of ETO and will rank equally in right of payment with all of ETO's existing and future senior unsecured debt, including debt under its revolving credit facility, its existing senior notes and the senior notes of SXL Opco. The New ETO Notes will rank senior in right of payment with all of ETO's existing and future subordinated debt, including its junior subordinated notes, and structurally subordinated to the indebtedness and other obligations, including trade payables, of ETO's subsidiaries that do not guarantee the New ETO Notes.

The New ETO Notes will initially be guaranteed by SXL Opco on a senior unsecured basis so long as it guarantees any of ETO's other long-term debt. Any of ETO's other subsidiaries that in the future become guarantors or co-issuers of ETO's long-term debt must guarantee the New ETO Notes on the same basis. SXL Opco's guarantee of each series of the New ETO Notes will rank equally in right of payment with SXL Opco's existing and future senior unsecured debt, including its senior notes and its guarantees of debt under ETO's revolving credit facility and existing senior notes, and senior in right of payment to any subordinated debt SXL Opco may incur.

There is currently no market for any series of the New ETO Notes offered hereby, and there is no assurance that any market will develop.

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFERS AND CONSENT SOLICITATIONS

Q: Why is ETO making the Exchange Offers and Consent Solicitations?

A: ETO is conducting the Exchange Offers to provide existing holders of Existing ET Notes the option to obtain new notes issued by ETO that will be senior unsecured obligations of ETO and will rank equally in right of payment with all of ETO's existing and future senior unsecured debt, including debt under its revolving credit facility, its existing senior notes and the senior notes of its subsidiary, SXL Opco. In addition, each series of the New ETO Notes will initially be fully and unconditionally guaranteed by SXL Opco on a senior unsecured basis so long as it guarantees any of ETO's other long-term debt. Holders who choose to participate in the Exchange Offers will own notes that are no longer structurally subordinated to all of ETO's other senior unsecured debt.

Q: Why are we making the Consent Solicitations?

A: We are soliciting the consent of holders of the Existing ET Notes, upon the terms and subject to the conditions set forth in this prospectus, to eliminate certain of the covenants, restrictive provisions and events of default, in each case under the Existing ET Indentures.

Q: What will I receive if I tender my Existing ET Notes in the Exchange Offers and Consent Solicitations?

A: Upon the terms and subject to the conditions of the Exchange Offers described in this prospectus, for each Existing ET Note that you validly tender before 11:59 p.m., New York City time, on March 22, 2019 (the Expiration Deadline), and do not validly withdraw, you will be eligible to receive a New ETO Note, which will accrue interest at the same current annual interest rate, have the same interest payment dates, same optional redemption prices and same maturity date as the Existing ET Note that you exchange. For each \$1,000 principal amount of Existing ET Notes validly tendered at or before the Early Tender Deadline and not validly withdrawn, holders of Existing ET Notes will be eligible to receive the applicable Total Exchange Consideration set out in the table below, which includes the Early Tender Premium. For each \$1,000 principal amount of Existing ET Notes validly tendered after the Early Tender Deadline but prior to the Expiration Deadline, holders of Existing ET Notes will be eligible to receive only the Exchange Consideration set out in the table below, which does not include the Early Tender Premium.

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The following table sets forth the Exchange Consideration, Early Tender Premium and Total Exchange Consideration for Existing ET Notes for which the New ETO Notes are being offered:

Title of Series of Existing ET Notes/CUSIP Number(s)	Aggregate Principal Amount Outstanding	Series of Notes to be Issued by ETO	Exchange Consideration ⁽¹⁾	Early Tender Premium ⁽²⁾	Total Exchange Consideration ⁽²⁾
			(Principal Amount of New ETO Notes)	(Principal Amount of New ETO Notes)	(Principal Amount of New ETO Notes)
7.500% Senior Notes due 2020 (the Existing ET 2020 Notes) / 29273VAC4	\$ 1,187,032,000	7.500% Notes due 2020 (the New ETO 2020 Notes)	\$ 970	\$ 30	\$ 1,000
4.250% Senior Notes due 2023 (the Existing ET 2023 Notes) / 29273VAG5	\$ 1,000,000,000	4.250% Notes due 2023 (the New ETO 2023 Notes)	\$ 970	\$ 30	\$ 1,000
5.875% Senior Notes due 2024 (the Existing ET 2024 Notes) / 29273VAD2 / 29273VAE0	\$ 1,150,000,000	5.875% Notes due 2024 (the New ETO 2024 Notes)	\$ 970	\$ 30	\$ 1,000
5.500% Senior Notes due 2027 (the Existing ET 2027 Notes) / 29273VAF7	\$ 1,000,000,000	5.500% Notes due 2027 (the New ETO 2027 Notes)	\$ 970	\$ 30	\$ 1,000

(1) For each \$1,000 principal amount of Existing ET Notes accepted for exchange.

(2) Includes Early Tender Premium.

The New ETO Notes will only be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. No tender of Existing ET Notes will be accepted if it results in the issuance of less than \$2,000 principal amount of a series of New ETO Notes, and no alternative, conditional or contingent tenders will be accepted. Holders who do not tender all of their Existing ET Notes should ensure that they retain a principal amount of Existing ET Notes amounting to at least the minimum denomination equal to \$2,000. If, pursuant to the Exchange Offers, a tendering holder of Existing ET Notes would otherwise be entitled to receive a principal amount of any series of New ETO Notes that is not equal to \$2,000 or an integral multiple of \$1,000 in excess thereof, such principal amount will be rounded down to the nearest \$2,000 or integral multiple of \$1,000 in excess thereof, and such holder will receive pursuant to the Exchange Offers this rounded principal amount of New ETO Notes plus cash equal to the sum of the principal amount of New ETO Notes not received as a result of rounding down plus accrued and unpaid interest thereon at the rate of the applicable Existing ET Notes to the Settlement Date.

Concurrently with the Exchange Offers being made by ETO, upon the terms and subject to the conditions set forth in this prospectus, ET is soliciting consents from the holders of the Existing ET Notes to amend the Existing ET Indentures to remove certain of the covenants, restrictive provisions and events of default. The Proposed Amendments are described in more detail under The Proposed Amendments. The consent of the holders of a majority of the aggregate principal amount of the Existing ET Notes outstanding will be required in order to effectuate the Proposed Amendments to each of the Existing ET Indentures. If the Proposed Amendments are approved with respect to the Existing ET Indentures and effected, they will be binding on all holders of the related Existing ET Notes, including those who do not deliver their consent to the Proposed Amendments and do not tender their Existing ET Notes in the

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Exchange Offers. If for any reason an Exchange Offer is not completed, the Proposed Amendments to the corresponding Existing ET Indenture for that series will not become operative with respect to the related Existing ET Notes and the related Existing ET Notes will be subject to the same terms and conditions as existed before the Exchange Offers were made. You may not deliver a consent in a Consent Solicitation without tendering Existing ET Notes in the applicable

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Exchange Offer. If you tender Existing ET Notes in an Exchange Offer, you will be deemed to deliver your consent, with respect to the principal amount of such tendered Existing ET Notes, to the Proposed Amendments.

Q: What are the Proposed Amendments?

A: The Proposed Amendments will eliminate certain of the covenants, restrictive provisions and events of default, in each case under the Existing ET Indentures.

If we receive valid consents sufficient to effect the applicable Proposed Amendments, assuming all other conditions of the Exchange Offers and Consent Solicitations are satisfied or, where permitted, waived, all of the sections or provisions of the Existing ET Indentures listed below will be deleted or modified, as applicable:

The Proposed Amendments would delete in their entirety the following covenants from the Existing ET Base Indenture:

Section 4.03 (SEC Reports; Financial Statements);

Section 4.05 (Existence); and

Section 5.01 (Limitations on Mergers and Consolidations).

The Proposed Amendments would delete in their entirety the following covenants from each of the supplemental indentures governing the Existing ET Notes:

Section 5.1 (Change of Control);

Section 5.2 (Limitation on Liens);

Section 5.3 (Restriction on Sale-Leasebacks); and

Section 5.4 (Limitation on Transactions with Affiliates).

In addition, the Proposed Amendments would make certain conforming and other changes to the Existing ET Indentures and the Existing ET Notes, including modification or deletion of certain definitions and cross references, including certain changes to the definition of Events of Default to give effect to the deletion of the covenants described above. See Comparison of Existing ET Notes and New ETO Notes, Description of the Exchange Offers and Consent Solicitations, The Proposed Amendments, and Description of the New ETO Notes.

Q: What are the consequences of not participating in the Exchange Offers and Consent Solicitations before the Early Tender Deadline?

A: Upon the terms and subject to the conditions of the Exchange Offers, if you fail to tender your Existing ET Notes before the Early Tender Deadline but do so before the Expiration Deadline (and do not validly withdraw your Existing ET Notes before the Expiration Deadline), you will be eligible to receive the Exchange Consideration, which consists of \$970 principal amount of New ETO Notes, but not the Early Tender Premium, which would include an additional \$30 principal amount of New ETO Notes.

Q: What are the consequences of not participating in an Exchange Offer and Consent Solicitation at all?

A: If you do not exchange your Existing ET Notes for New ETO Notes in an Exchange Offer, you will not receive the benefit of having ETO, the operating subsidiary of ET, as the obligor of your notes. In

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addition, if the Proposed Amendments to the Existing ET Notes become effective, those Proposed Amendments will apply to all Existing ET Notes that are not exchanged in an Exchange Offer, even though the remaining holders of such Existing ET Notes did not consent to the Proposed Amendments. Thereafter, all such Existing ET Notes will be governed by the amended Existing ET Indentures, which will be less restrictive and afford reduced protections to any remaining holders of Existing ET Notes compared to those currently in place. Additionally, the trading market for any remaining Existing ET Notes may be more limited than it is at present, and the smaller outstanding principal amount may make the trading market of any remaining Existing ET Notes more volatile. Consequently, the liquidity, market value and price of Existing ET Notes that remain outstanding may be materially and adversely affected. Therefore, if your Existing ET Notes are not tendered and accepted in an Exchange Offer, it may become more difficult for you to sell or transfer your unexchanged Existing ET Notes. See Risk Factors Risks Relating to the Non-Exchanging Holders of the Existing ET Notes The Proposed Amendments to the Existing ET Indentures will reduce protection to remaining holders of Existing ET Notes.

Q: How do the Existing ET Notes differ from the New ETO Notes to be issued in the Exchange Offer?

A: The Existing ET Notes are the obligations solely of ET and are governed by the applicable Existing ET Indenture. The New ETO Notes will be the obligations solely of ETO and will be governed by the New ETO Indenture (as defined herein). In addition, the New ETO Notes will be fully and unconditionally guaranteed by SXL Opco for as long as it guarantees any of ETO's other long-term debt. The Existing ET Indentures and the New ETO Indenture differ in certain respects, including the applicable covenants, merger and consolidation terms and events of default.

However, each New ETO Note issued in exchange for an Existing ET Note will have an interest rate and maturity date that are the same as the current interest rate and maturity date of the tendered Existing ET Note, as well as the same interest payment dates and optional redemption prices, and will accrue interest from and including the most recent interest payment date of the tendered Existing ET Note. New ETO Notes will have features that are consistent with other outstanding notes of ETO. See Comparison of Existing ET Notes and the New ETO Notes.

Q: What will be the ranking of the New ETO Notes?

A: The New ETO Notes will be senior unsecured obligations of ETO and will rank equally in right of payment with all of ETO's existing and future senior unsecured debt, including debt under its revolving credit facility, its existing senior notes and the senior notes of SXL Opco. The New ETO Notes will rank senior in right of payment with all of ETO's existing and future subordinated debt of ETO, including its junior subordinated notes, and structurally subordinated to the indebtedness and other obligations, including trade payables, of ETO's subsidiaries that do not guarantee the New ETO Notes.

The New ETO Notes will initially be guaranteed by SXL Opco on a senior unsecured basis so long as it guarantees any of ETO's other long-term debt. Any of ETO's other subsidiaries that in the future become guarantors or co-issuers of ETO's long-term debt must guarantee the New ETO Notes on the same basis. SXL Opco's guarantee of each series of the New ETO Notes will rank equally in right of payment with SXL Opco's existing and future senior unsecured debt, including its senior notes and its guarantees of debt under ETO's revolving credit facility and existing senior notes, and senior in right of payment to any subordinated debt SXL Opco may incur. See Description of the New ETO Notes Ranking.

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Q: Will the New ETO Notes be eligible for listing on an exchange?

A: ETO has applied to have the New ETO Notes listed on the NYSE. If the application is approved, we expect trading of the New ETO Notes on the NYSE to begin within 30 days after their original issue date. Currently, there is no public market for the New ETO Notes. We cannot assure you about the liquidity of the New ETO Notes or the development of any market for the New ETO Notes. See Risk Factors Risks Relating to the New ETO Notes The New ETO Notes have no established trading market or history, and liquidity of trading markets for the New ETO Notes may be limited.

Q: What consents are required to effect the Proposed Amendments to the Existing ET Indentures and consummate the Exchange Offers?

A: In order for the Proposed Amendments to the Existing ET Indentures to be adopted, holders of not less than a majority in aggregate principal amount of the Existing ET Notes outstanding must consent to them, and those consents must be received before the Expiration Deadline.

Q: May I tender my Existing ET Notes in the Exchange Offer without delivering a consent in the Consent Solicitations?

A: No. By tendering your Existing ET Notes for exchange, you will be deemed to have validly delivered your consent to the Proposed Amendments to the Existing ET Indentures and the Existing ET Notes, as further described under The Proposed Amendments. You may not consent to the Proposed Amendments to the Existing ET Indentures without tendering your Existing ET Notes in the Exchange Offers and you may not tender your Existing ET Notes for exchange without consenting to the Proposed Amendments.

Q: May I tender only a portion of the Existing ET Notes that I hold?

A: Yes. You may tender any portion of the Existing ET Notes that you hold, provided that if you tender less than all of your Existing ET Notes, you should ensure that you retain a principal amount of Existing ET Notes amounting to at least the minimum denomination equal to \$2,000.

Q: What are the conditions to the Exchange Offers and Consent Solicitations?

A: The consummation of the Exchange Offers and Consent Solicitations is subject to, and conditional upon, the satisfaction or, where permitted, waiver of the conditions discussed under Description of the Exchange Offers and Consent Solicitations Conditions to the Exchange Offers and Consent Solicitations, including, among other things, the receipt of the requisite consents. We may, at our option and in our sole discretion, waive any such conditions (except the condition that the registration statement of which this prospectus forms a part has been declared effective by the SEC). All conditions to the Exchange Offers must be satisfied

or, where permitted, waived, on or before the Expiration Deadline. The Proposed Amendments may become effective if the requisite consents are received and the conditions discussed under Description of the Exchange Offers and Consent Solicitations Conditions to the Exchange Offers and Consent Solicitations have been satisfied or, where permitted, waived.

Q: Will ETO accept all tenders of Existing ET Notes?

A: Subject to the satisfaction or, where permitted, waiver of the conditions to the Exchange Offers, we will accept for exchange any and all Existing ET Notes that (i) have been validly tendered in the Exchange Offers before the Expiration Deadline and (ii) have not been validly withdrawn before the Expiration Deadline.

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Q: What will ETO do with the Existing ET Notes accepted for exchange in the Exchange Offers?

A: The Existing ET Notes surrendered in connection with the Exchange Offers and accepted for exchange will be retired or cancelled at our option and will not be reissued.

Q: When will ETO issue the New ETO Notes?

A: Assuming the conditions to the Exchange Offers are satisfied or, where permitted, waived, ETO will issue the New ETO Notes in book-entry form on or about the first business day following the Expiration Deadline (the Settlement Date).

Q: Will I be paid the accrued and unpaid interest on my Existing ET Notes accepted for exchange on the Settlement Date?

A: Except for cash paid in lieu of the issuance of fractional New ETO Notes (which cash settlement will include accrued and unpaid interest to the Settlement Date), accrued and unpaid interest on Existing ET Notes accepted for exchange will not be paid in cash on the Settlement Date. The New ETO Notes received in exchange for the tendered Existing ET Notes will instead accrue interest from (and including) the most recent date for which interest has been paid on the tendered Existing ET Notes; provided, that interest will only accrue on the aggregate principal amount of New ETO Notes you receive, which will be less than the principal amount of Existing ET Notes you tendered for exchange if you tender your Existing ET Notes after the Early Tender Deadline.

Q: When will the Proposed Amendments to the Existing ET Indentures become operative?

A: If we receive the requisite consents after the Early Tender Deadline but before the Expiration Deadline, we expect that the Proposed Amendments to the Existing ET Indentures will become effective on the Settlement Date.

Q: When will the Exchange Offers expire?

A: The Exchange Offers will expire after 11:59 p.m., New York City time, on March 22, 2019, unless we, in our sole discretion, extend the Exchange Offers, in which case the Expiration Deadline will be the latest date and time to which such Exchange Offers are extended. See Description of the Exchange Offers and Consent Solicitations Early Tender Deadline; Expiration Deadline; Extensions; Amendments; Termination.

Q: Can I withdraw my Existing ET Notes after I tender them? Can I revoke the consent related to my Existing ET Notes after I deliver it?

A: Tenders of Existing ET Notes may be validly withdrawn (and the related consents to the Proposed Amendments revoked as a result) at any time before the Expiration Deadline.

Following the Expiration Deadline, tenders of Existing ET Notes may not be validly withdrawn unless ETO is required by law to permit withdrawal. In the event of termination of the Exchange Offers, the Existing ET Notes tendered will be promptly returned to the tendering holders. Consents to the applicable Proposed Amendments may only be revoked by validly withdrawing the tendered Existing ET Notes prior to the Early Tender Deadline, but may not be revoked after the Early Tender Deadline even if holders validly withdraw tenders of any particular series of Existing ET Notes. See Description of the Exchange Offers and Consent Solicitations Withdrawal of Tenders and Revocation of Consents.

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Q: How do I exchange my Existing ET Notes if I am a beneficial owner of Existing ET Notes held by a custodial entity, such as a commercial bank, broker, dealer, trust company or other nominee? Will the record holder exchange my Existing ET Notes for me?

A: If you are a holder of Existing ET Notes and wish to participate in the Exchange Offers and Consent Solicitations and your Existing ET Notes are held by a custodial entity, such as a commercial bank, broker, dealer, trust company or other nominee, you must instruct that custodial entity to tender your Existing ET Notes on your behalf pursuant to the procedures of that custodial entity. Please ensure that you contact your custodial entity as soon as possible to give them sufficient time to meet your requested deadline. **Beneficial owners are urged to appropriately instruct their commercial bank, broker, custodian or other nominee at least five business days prior to the Early Tender Deadline or the Expiration Deadline, as applicable, in order to allow adequate processing time for their instruction.**

Custodial entities that are participants in DTC must tender Existing ET Notes through ATOP, which is maintained by DTC. No letter of transmittal is required for tenders through ATOP. No letter of transmittal will be required for the Exchange Offers and Consent Solicitations. ETO has not provided guaranteed delivery procedures in conjunction with the Exchange Offers and Consent Solicitations.

Q: Will I have to pay any fees or commissions if I tender my Existing ET Notes for exchange in the Exchange Offers?

A: You will not be required to pay any fees or commissions to ETO, the Dealer Manager, the Exchange Agent or the Information Agent in connection with the Exchange Offers. If you hold Existing ET Notes through a broker, dealer, commercial bank, trust company or other nominee that tenders your Existing ET Notes on your behalf, your broker or other nominee may charge you a commission for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

Q: Will a holder recognize gain or loss on the exchange of Existing ET Notes for New ETO Notes?

A: A U.S. Holder (as defined in [Material U.S. Federal Income Tax Consequences](#)) that tenders Existing ET Notes in exchange for New ETO Notes will generally recognize taxable gain or loss for U.S. federal income tax purposes. See [Material U.S. Federal Income Tax Consequences](#) [Tax Consequences to Tendering U.S. Holders](#) [General Consequences of the Exchange Offers](#).

Q: What will be the U.S. federal income tax treatment of holders who do not tender their Existing ET Notes pursuant to the Exchange Offers?

A: The U.S. federal income tax treatment of holders who do not tender their Existing ET Notes pursuant to the Exchange Offers is unclear. The adoption of the Proposed Amendments may or may not result in a deemed exchange of Existing ET Notes for new notes for U.S. federal income tax purposes. We believe and intend to

take the position that the adoption of the Proposed Amendments will not cause any Existing ET Notes not tendered to be deemed exchanged for U.S. federal income tax purposes, and, as a result, will not result in a taxable event for non-exchanging holders pursuant to the Exchange Offers. See [Material U.S. Federal Income Tax Consequences](#) [Tax Consequences to Non-Tendering Holders](#).

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Q: Is any recommendation being made about the Exchange Offers and the Consent Solicitations?

A: None of ETO, ET, any Dealer Manager, the trustee with respect to the Existing ET Notes or the New ETO Notes, the Exchange Agent, the Information Agent or any of their affiliates, makes any recommendation as to whether you should exchange Existing ET Notes for New ETO Notes in response to the Exchange Offers and Consent Solicitations, and no one has been authorized by any of them to make such a recommendation.

Q: To whom should I direct any questions?

A: Questions concerning the terms of the Exchange Offers or the Consent Solicitations should be directed to the Dealer Managers:

Citigroup	J.P. Morgan	TD Securities
388 Greenwich Street, 7 th Floor	J.P. Morgan Securities LLC	TD Securities (USA) LLC
New York, New York 10013	383 Madison Avenue	31 West 52nd Street
Attn: Liability Management Group	New York, New York 10179 Attention: Liability Management	New York, New York 10019
Collect: (212) 723-6106	Group Collect: (212) 834-3424	Attn: Liability Management Group
Toll-Free: (800) 558-3745	Toll-Free: (866) 834-4666	Toll-Free: (855) 495-9846

Questions concerning exchange and consent procedures and requests for additional copies of this prospectus should be directed to the Information Agent:

Global Bondholder Services Corporation

65 Broadway, Suite 404

New York, New York 10006

Banks and Brokers Call Collect: (212) 430-3774

All Others Call Toll-Free: (866) 924-2200

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THE EXCHANGE OFFERS AND CONSENT SOLICITATIONS

The following is a brief summary of certain terms of the Exchange Offers and Consent Solicitations. It may not contain all the information that is important to you. For additional information regarding the Exchange Offers, Consent Solicitations and the New ETO Notes, see Description of the Exchange Offers and Consent Solicitations and Description of the New ETO Notes.

New ETO Notes Issuer	Energy Transfer Operating, L.P., a Delaware limited partnership.
Existing ET Notes Issuer	Energy Transfer LP, a Delaware limited partnership.
New ETO Notes Offered	Up to \$4,337,032,000 aggregate principal amount of notes, consisting of up to \$1,187,032,000 aggregate principal amount of New ETO 2020 Notes, up to \$1,000,000,000 aggregate principal amount of New ETO 2023 Notes, up to \$1,150,000,000 aggregate principal amount of New ETO 2024 Notes and up to \$1,000,000,000 aggregate principal amount of New ETO 2027 Notes.
Exchange Offers by ETO	ETO is offering holders of each series of Existing ET Notes the opportunity to exchange any and all of their Existing ET Notes for the applicable New ETO Notes as indicated in the table on the cover hereof, upon the terms and subject to the conditions set forth in this prospectus. Holders of Existing ET Notes will be eligible to receive the applicable Total Exchange Consideration set forth under Total Exchange Consideration below for Existing ET Notes validly tendered at or before the Early Tender Deadline and not validly withdrawn. For Existing ET Notes validly tendered after the Early Tender Deadline and before the Expiration Deadline, holders of Existing ET Notes will be eligible to receive the Exchange Consideration set forth under Exchange Consideration below. The Total Exchange Consideration includes an Early Tender Premium in an amount set forth under Early Tender Premium below. In addition, each series of New ETO Notes will accrue interest from (and including) the most recent date on which interest has been paid on the corresponding series of Existing ET Notes accepted in the Exchange Offers and Consent Solicitations for such series of New ETO Notes; provided, that interest will only accrue with respect to the aggregate principal amount of New ETO Notes a holder of Existing ET Notes receives, which will be less than the principal amount of Existing ET Notes tendered for exchange if such holder of Existing ET Notes tenders its Existing ET Notes after the Early Tender Deadline. If, pursuant to the Exchange Offers, a tendering holder of Existing ET Notes would otherwise be entitled to receive a principal amount of any series of New ETO Notes that is not equal to \$2,000 or an integral multiple of

\$1,000 in excess thereof, such principal amount will be rounded down to the nearest \$2,000 or integral multiple of \$1,000 in excess thereof, and such holder of Existing ET Notes will receive pursuant to the Exchange Offers this rounded principal amount of New ETO Notes plus cash equal to the sum of the

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principal amount of New ETO Notes not received as a result of rounding down plus accrued and unpaid interest thereon at the rate of the applicable Existing ET Notes to the Settlement Date. Except as set forth above, no accrued but unpaid interest will be paid with respect to Existing ET Notes tendered for exchange.

Denomination

The New ETO Notes will only be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. No tender of any series of Existing ET Notes will be accepted if it results in the issuance of less than \$2,000 principal amount of New ETO Notes. If, pursuant to the Exchange Offers, a tendering holder of Existing ET Notes would otherwise be entitled to receive a principal amount of a series of New ETO Notes that is not equal to \$2,000 or an integral multiple of \$1,000 in excess thereof, such principal amount will be rounded down to the nearest \$2,000 or integral multiple of \$1,000 in excess thereof, and such holder of Existing ET Notes will receive pursuant to the Exchange Offers this rounded principal amount of New ETO Notes plus cash equal to the sum of principal amount of New ETO Notes not received as a result of rounding down plus accrued and unpaid interest thereon at the rate of the applicable Existing ET Notes to the Settlement Date.

Consent Solicitations by ET

Concurrently with the Exchange Offers being made by ETO, ET is soliciting consents from the holders of Existing ET Notes to amend the Existing ET Indentures to adopt the Proposed Amendments. Holders of Existing ET Notes may deliver their consent to the Proposed Amendments to the corresponding Existing ET Indenture for that series only by tendering Existing ET Notes of the applicable series in the Exchange Offers and Consent Solicitations. Holders of Existing ET Notes may not deliver a consent in the Consent Solicitation without tendering Existing ET Notes in the applicable Exchange Offer. If a holder of Existing ET Notes tenders Existing ET Notes in an Exchange Offer, such holder of Existing ET Notes will be deemed to deliver their consent, with respect to the principal amount of such tendered Existing ET Notes, to the Proposed Amendments.

Proposed Amendments

If consents sufficient to effect the applicable Proposed Amendments are received after the Early Tender Deadline but before the Expiration Deadline, the corresponding Existing ET Indenture will be amended to eliminate certain of the covenants, restrictive provisions and events of default. The consent of the holders of a majority of the aggregate principal amount of the Existing ET Notes outstanding will be required in order to effectuate the Proposed Amendments to each of the Existing ET Indentures.

Early Tender Premium

For each \$1,000 principal amount of Existing ET Notes validly tendered at or before the Early Tender Deadline and not validly withdrawn, holders of Existing ET Notes will be eligible to receive the applicable Total Exchange Consideration, which includes an Early Tender Premium equal to \$30 principal amount of New ETO Notes of

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the applicable series (plus cash in respect of any fractional portion of New ETO Notes).

If the applicable Exchange Offer is completed, the Early Tender Premium will be paid only to holders of Existing ET Notes who validly tender their Existing ET Notes at or before the Early Tender Deadline and do not validly withdraw their tenders and whose Existing ET Notes are accepted for exchange. Holders of Existing ET Notes who validly tender their Existing ET Notes after the Early Tender Deadline but before the Expiration Deadline will not be eligible to receive the Early Tender Premium. See Description of the Exchange Offers and Consent Solicitations Early Tender Premium.

Exchange Consideration

The Exchange Consideration for each \$1,000 principal amount of Existing ET Notes tendered after the Early Tender Deadline and before the Expiration Deadline will equal \$970 principal amount of New ETO Notes of the applicable series (plus cash in respect of any fractional portion of New ETO Notes). See Description of the Exchange Offers and Consent Solicitations Exchange Consideration.

Total Exchange Consideration

The Total Exchange Consideration for each \$1,000 principal amount of Existing ET Notes tendered at or before the Early Tender Deadline will equal \$1,000 principal amount of New ETO Notes of the applicable series (plus cash in respect of any fractional portion of New ETO Notes).

Early Tender Deadline

5:00 p.m., New York City time, on March 8, 2019 unless extended by ETO, as the same may be extended for such Exchange Offer and Consent Solicitation.

Expiration Deadline

The Exchange Offers and Consent Solicitations will expire at 11:59 p.m., New York City time, on March 22, 2019, as the same may be extended for each Exchange Offer and Consent Solicitation.

Settlement Date

The Settlement Date for the Exchange Offers and Consent Solicitations will be promptly following the Expiration Deadline and is expected to be the business day after the Expiration Deadline.

Withdrawal of Tenders and Revocation of Consents

Tenders of Existing ET Notes in the Exchange Offers and Consent Solicitations may be validly withdrawn at any time prior to the Expiration Deadline. Consents to the applicable Proposed Amendments may only be revoked by validly withdrawing the tendered Existing ET

Notes prior to the Early Tender Deadline, but may not be revoked after the Early Tender Deadline even if holders validly withdraw tenders of any particular series of Existing ET Notes . See Description of the Exchange Offers and Consent Solicitations Withdrawal of Tenders and Revocation of Consents.

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Conditions to the Exchange Offers and Consent Solicitation

The Exchange Offers and Consent Solicitations are subject to certain conditions, although ETO may waive any such condition (except the condition that the registration statement of which this prospectus forms a part has been declared effective by the SEC) at any time with respect to an Exchange Offer. Each Exchange Offer and Consent Solicitation is conditioned upon the completion of the other Exchange Offers and Consent Solicitations, although ETO may waive such condition at any time with respect to an Exchange Offer. Any waiver of a condition by ETO with respect to an Exchange Offer will automatically waive such condition with respect to the corresponding Consent Solicitation, as applicable. In addition, ETO may amend the terms of any Exchange Offer without amending the terms of any other Exchange Offer. Any amendment of the terms of an Exchange Offer by ETO will automatically amend such terms with respect to the corresponding Consent Solicitation, as applicable. The Exchange Offers and Consent Solicitations are not subject to a financing condition. ETO may complete the Exchange Offers even if valid consents sufficient to effect the Proposed Amendments are not received. See Description of the Exchange Offers and Consent Solicitations Conditions to the Exchange Offers and Consent Solicitations.

Termination; Extension; Amendment

ETO, in its sole discretion, may extend the Early Tender Deadline and the Expiration Deadline with respect to any and all of the Exchange Offers, subject to applicable law. Any extension of the Early Tender Deadline and the Expiration Deadline with respect to any and all of the Exchange Offers by ETO will automatically extend the Early Tender Deadline and the Expiration Deadline with respect to the corresponding Consent Solicitation, as applicable. Subject to applicable law, ETO expressly reserves the right, in its sole discretion and with respect to any or all of the Exchange Offers to: (i) delay accepting any Existing ET Notes, extend the Exchange Offer or terminate the Exchange Offer and not accept any Existing ET Notes; (ii) extend the Early Tender Deadline without extending the Expiration Deadline; and (iii) amend, modify or waive in part or whole, at any time, or from time to time, the terms of the Exchange Offer in any respect, including waiver of any conditions to consummation of the Exchange Offer (except the condition that the registration statement of which this prospectus forms a part has been declared effective by the SEC). Any such delay, extension, termination, amendment, modification or waiver with respect to any and all of the Exchange Offers by ETO will automatically delay, extend, terminate, amend, modify or waive conditions precedent to the corresponding Consent Solicitation, as applicable. See Description of the Exchange Offers and Consent Solicitations Early Tender Deadline; Expiration Deadline; Extensions; Amendments; Termination.

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Procedures for Tendering

If you are a holder of Existing ET Notes and wish to participate in the Exchange Offers and Consent Solicitations and your Existing ET Notes are held by a custodial entity, such as a commercial bank, broker, dealer, trust company or other nominee, you must instruct that custodial entity to tender your Existing ET Notes on your behalf pursuant to the procedures of that custodial entity. Please ensure that you contact your custodial entity as soon as possible to give them sufficient time to meet your requested deadline. **Beneficial owners are urged to appropriately instruct their commercial bank, broker, custodian or other nominee at least five business days prior to the Early Tender Deadline or the Expiration Deadline, as applicable, in order to allow adequate processing time for their instruction.**

Custodial entities that are participants in DTC must tender Existing ET Notes through ATOP, which is maintained by DTC. No letter of transmittal is required for tenders through ATOP. No letter of transmittal will be required for the Exchange Offers and Consent Solicitations. ETO has not provided guaranteed delivery procedures in conjunction with the Exchange Offers and Consent Solicitations.

Consequences of Failure to Exchange

Existing ET Notes that are not validly tendered or that are validly tendered but validly withdrawn will remain outstanding and will continue to be subject to their existing terms despite the completion of the Exchange Offers and Consent Solicitations. However, if the Exchange Offers and Consent Solicitations are consummated and the Proposed Amendments to the corresponding Existing ET Indenture are effected, such amendments will also apply to all related Existing ET Notes not acquired in the Exchange Offers and Consent Solicitations and those notes will no longer have the benefit of the protection of the covenants, restrictive provisions and events of default eliminated by the applicable Proposed Amendments. The trading market for outstanding Existing ET Notes of any series not exchanged in the Exchange Offers and Consent Solicitations may be more limited than it is at present. Therefore, if your Existing ET Notes are not tendered and accepted in the Exchange Offers and Consent Solicitations, it may become more difficult for you to sell or transfer your unexchanged Existing ET Notes. See Risk Factors for a more detailed description of this risk and other risks relating to the Exchange Offers and Consent Solicitations.

Brokerage Fees and Commissions

No brokerage fees or commissions are payable by the holders of the Existing ET Notes to any Dealer Manager, the Exchange Agent (as defined below), ETO or ET in connection with the Exchange Offers and Consent Solicitations. If a tendering holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, that holder may be required to pay brokerage fees or

commissions.

Federal Income Tax Considerations

For a discussion of certain U.S. federal income tax considerations of the Exchange Offers, Consent Solicitations and the ownership and

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	disposition of any New ETO Notes received pursuant to the Exchange Offers, see Material U.S. Federal Income Tax Consequences.
Use of Proceeds	Neither ETO nor ET will receive any cash proceeds from the Exchange Offers and Consent Solicitations or the issuance of the New ETO Notes. See Use of Proceeds.
Exchange Agent and Information Agent	Global Bondholder Services Corporation (GBSC) is serving as the exchange agent (the Exchange Agent) and information agent (the Information Agent) in connection with the Exchange Offers and Consent Solicitations. The address and telephone numbers of GBSC are listed on the back cover of this prospectus.
Dealer Managers	Citigroup Global Markets Inc., J.P. Morgan Securities LLC and TD Securities (USA) LLC are the dealer managers and solicitation agents for the Exchange Offers and Consent Solicitations. The address and telephone numbers of each Dealer Manager is listed on the back cover page of this prospectus.
No Recommendation	None of ETO, ET, any Dealer Manager, the trustee with respect to the Existing ET Notes or the New ETO Notes, the Exchange Agent, the Information Agent or any of their affiliates, makes any recommendation as to whether you should exchange Existing ET Notes for New ETO Notes in response to the Exchange Offers and Consent Solicitations, and no one has been authorized by any of them to make such a recommendation.
Further Information	Questions or requests for assistance related to the Exchange Offers and Consent Solicitations or for additional copies of this prospectus may be directed to the Information Agent at its telephone numbers and address listed on the back cover page of this prospectus. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offers and Consent Solicitations. The contact information for each Dealer Manager and the Exchange Agent is set forth on the back cover page of this prospectus. See also Where You Can Find More Information.

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THE NEW ETO NOTES

The following summary contains basic information about the New ETO Notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the New ETO Notes, please refer to Description of the New ETO Notes.

Issuer	Energy Transfer Operating, L.P., a Delaware limited partnership.
Securities Offered	Up to \$4,337,032,000 aggregate principal amount of notes, consisting of up to \$1,187,032,000 aggregate principal amount of New ETO 2020 Notes, up to \$1,000,000,000 aggregate principal amount of New ETO 2023 Notes, up to \$1,150,000,000 aggregate principal amount of New ETO 2024 Notes and up to \$1,000,000,000 aggregate principal amount of New ETO 2027 Notes.
Maturity Dates	The New ETO 2020 Notes will mature on October 15, 2020. The New ETO 2023 Notes will mature on March 15, 2023. The New ETO 2024 Notes will mature on January 15, 2024. The New ETO 2027 Notes will mature on June 1, 2027.
Interest Payment Dates	ETO will pay interest on the New ETO Notes as follows: New ETO 2020 Notes: April 15 and October 15 of each year, commencing on April 15, 2019; New ETO 2023 Notes: March 15 and September 15 of each year, commencing on September 15, 2019; New ETO 2024 Notes: January 15 and July 15 of each year, commencing on July 15, 2019; and New ETO 2027 Notes: June 1 and December 1 of each year, commencing on June 1, 2019.
Interest Rate	The New ETO Notes will bear interest as follows: New ETO 2020 Notes: 7.500% per year;

New ETO 2023 Notes: 4.250% per year;

New ETO 2024 Notes: 5.875% per year; and

New ETO 2027 Notes: 5.500% per year.

Optional Redemption

We may redeem the New ETO Notes of any series, in whole or in part, at any time and from time to time at the applicable redemption price described herein under the caption Description of the New ETO Notes Optional Redemption.

Certain Covenants

The New ETO Indenture governing the New ETO Notes will contain covenants that, among other things, limit ETO's ability and the ability of its subsidiaries to, among other things, create

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liens without equally and ratably securing the New ETO Notes and engage in certain sale and leaseback transactions. The New ETO Indenture will also limit ETO's ability to engage in mergers, consolidations and certain sales of assets.

These covenants are subject to important exceptions and qualifications, as described under "Description of the New ETO Notes—Certain Covenants."

Subsidiary Guarantee

The New ETO Notes will initially be guaranteed by SXL Opco on a senior unsecured basis so long as it guarantees any of ETO's other long-term debt.

Any of ETO's other subsidiaries that in the future become guarantors or co-issuers of ETO's long-term debt must guarantee the New ETO Notes on the same basis.

Ranking

The New ETO Notes will be senior unsecured obligations of ETO and will rank equally in right of payment with all of ETO's existing and future senior unsecured debt, including debt under ETO's revolving credit facility, its existing senior notes and the senior notes of SXL Opco. The New ETO Notes will rank senior in right of payment with all of ETO's existing and future subordinated debt, including its junior subordinated notes, and structurally subordinated to the indebtedness and other obligations, including trade payables, of ETO's subsidiaries that do not guarantee the New ETO Notes. As of December 31, 2018, after giving effect to the Exchange Offers and Consent Solicitations (assuming the exchange of all of the Existing ET Notes for New ETO Notes) and ETO's issuance of \$4.0 billion aggregate principal amount of senior notes in January 2019 (the "Senior Notes Offering") and the use of proceeds therefrom, ETO would have had total senior debt of \$37.6 billion, including the New ETO Notes, and ETO would have been able to incur an additional \$4.0 billion of debt under its revolving credit facility. In addition, as of December 31, 2018, after giving effect to the Senior Notes Offering and the use of proceeds therefrom, ETO's subsidiaries (other than SXL Opco) would have had an aggregate of \$8.1 billion of indebtedness outstanding.

SXL Opco's guarantee of each series of the New ETO Notes will rank equally in right of payment with SXL Opco's existing and future senior unsecured debt, including its senior notes and its guarantees of debt under ETO's revolving credit facility and existing senior notes, and senior in right of payment to any subordinated debt SXL Opco may incur. As of

December 31, 2018, SXL Opco had \$7.6 billion of senior notes outstanding.

Neither ETO nor SXL Opco currently has any secured debt outstanding.

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Form and Denomination	The New ETO Notes of each series will be issued in fully registered form in denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.
DTC Eligibility	The New ETO Notes of each series will be represented by global certificates deposited with, or on behalf of, DTC or its nominee. See Description of the New ETO Notes Book-Entry; Delivery and Form.
Same Day Settlement	Beneficial interests in the New ETO Notes will trade in DTC's same-day funds settlement system until maturity. Therefore, secondary market trading activity in such interests will be settled in immediately available funds.
Listing of the New ETO Notes	We have applied to have the New ETO Notes listed on the NYSE. If the application is approved, we expect trading of the New ETO Notes on the NYSE to begin within 30 days after their original issue date.
Governing Law	The New ETO Notes and the New ETO Indenture will be governed by the laws of the State of New York.
Trustee, Registrar and Paying Agent	U.S. Bank National Association.
Risk Factors	See Risk Factors and other information in this prospectus for a discussion of factors that should be carefully considered by holders of Existing ET Notes before tendering their Existing ET Notes in the Exchange Offers and investing in the New ETO Notes.

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RISK FACTORS

You should carefully consider all of the information in this prospectus and each of the risks described below. Some of the risks relate to not tendering in the Exchange Offers and Consent Solicitations, tendering in the Exchange Offers and Consent Solicitations, the New ETO Notes and ETO's or ET's businesses. Any of the following risks could materially and adversely affect ETO's or ET's businesses, financial condition and results of operations and the actual outcome of matters as to which forward-looking statements are made in or incorporated by reference into this prospectus. While we believe we have identified and discussed below the material risks affecting ETO's and ET's businesses, there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be material that may adversely affect such businesses, financial condition and results of operations in the future.

Risks Relating to the Non-Exchanging Holders of the Existing ET Notes

The Exchange Offers and Consent Solicitations are expected to result in reduced liquidity for the Existing ET Notes that are not exchanged.

The trading market for each series of the Existing ET Notes that are not exchanged could become more limited than the existing trading market for the Existing ET Notes of that series and could cease to exist altogether due to the reduction in the principal amount of such Existing ET Notes outstanding upon consummation of the Exchange Offers and Consent Solicitations. A more limited trading market might adversely affect the liquidity, market price and price volatility of any series of the Existing ET Notes. If a market for any series of Existing ET Notes that are not exchanged exists or develops, such Existing ET Notes may trade at a discount to the price at which they would trade if the principal amount outstanding were not reduced.

There can be no assurance that an active market in any series of the Existing ET Notes will exist, develop or be maintained, or as to the prices at which the Existing ET Notes may trade, whether or not the Exchange Offers and Consent Solicitations are consummated.

The Proposed Amendments to the Existing ET Indentures will reduce protection to remaining holders of Existing ET Notes.

If the Proposed Amendments to the Existing ET Indentures are adopted, the covenants and some other terms of the Existing ET Notes will be less restrictive and will afford reduced protection to holders of those securities. The Proposed Amendments to the Existing ET Indentures would, among other things, eliminate certain of the covenants, restrictive provisions and events of default of ET and eliminate the requirement that ET offer to purchase the Existing ET Notes upon the occurrence of certain specified change of control events.

If the Proposed Amendments are adopted, each non-exchanging holder of the applicable series of Existing ET Notes will be bound by the Proposed Amendments even though that holder did not consent to them. The elimination or modification of the covenants and other provisions in the Existing ET Indentures contemplated by the Proposed Amendments would, among other things, permit us to take actions that could increase the credit risk associated with the Existing ET Notes, and might adversely affect the liquidity or market price of the Existing ET Notes or otherwise be adverse to the interests of the holders of the Existing ET Notes. See The Proposed Amendments.

The Existing ET Notes that are not tendered in the Exchange Offers and Consent Solicitations will be unsecured and will be unsubordinated obligations that will rank equally in right of payment with any of ET's future unsubordinated debt and structurally subordinated to the secured and unsecured debt of ET's subsidiaries,

including ETO, that have not guaranteed the Existing ET Notes.

The Existing ET Notes are the senior unsecured obligations of ET. As such, they will rank equally in right of payment with any future unsubordinated debt of ET. The Existing ET Notes are structurally subordinated to

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the secured and unsecured debt of ET's subsidiaries, including ETO, that have not guaranteed the Existing ET Notes. If the Proposed Amendments to the Existing ET Indentures are adopted, the Existing ET Indentures will no longer require that future ET subsidiaries guarantee the Existing ET Notes. In addition, neither ETO nor its current subsidiaries will have any obligation, contingent or otherwise, to pay amounts due under the Existing ET Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payments.

Risks Relating to the Exchange Offers and Consent Solicitations

The consideration to be received in the Exchange Offers and Consent Solicitations does not reflect any valuation of the Existing ET Notes or the New ETO Notes and is subject to market volatility, and none of ETO, ET, any Dealer Manager, the trustees, the Exchange Agent or the Information Agent makes any recommendation that any holder of Existing ET Notes participate in the Exchange Offers and Consent Solicitations.

We have made no determination that the consideration to be received in the Exchange Offers and Consent Solicitations represents a fair valuation of either the Existing ET Notes or the New ETO Notes. Neither of ETO nor ET has obtained a fairness opinion from any financial advisor about the fairness to ETO, to ET or to you of the consideration to be received by holders of Existing ET Notes who tender their Existing ET Notes.

None of ETO, ET, any Dealer Manager, the New ETO Notes trustee, the Existing ET Notes trustee, the Exchange Agent, the Information Agent or any affiliate of any of them, makes any recommendation as to whether holders of Existing ET Notes should exchange their Existing ET Notes for New ETO Notes in response to the Exchange Offers and Consent Solicitations.

The Exchange Offers and Consent Solicitations may not be consummated.

The Exchange Offers and Consent Solicitations are subject to the satisfaction of certain conditions, including that nothing has occurred or may occur that would or might, in ET's or ETO's judgment, be expected to prohibit, prevent, restrict or delay the Exchange Offers and Consent Solicitations or impair ET or ETO from realizing the anticipated benefits of the Exchange Offers and Consent Solicitations. Even if the Exchange Offers and Consent Solicitations are completed, any or all of them may not be completed on the schedule described in this prospectus. Accordingly, holders of Existing ET Notes participating in the Exchange Offers and Consent Solicitations may have to wait longer than expected to receive the Exchange Consideration or the Total Exchange Consideration, as the case may be, during which time those holders of Existing ET Notes will not be able to effect transfers of their Existing ET Notes tendered in the applicable Exchange Offer and Consent Solicitation.

Late deliveries of Existing ET Notes or any other failure to comply with the terms and conditions of the Exchange Offers and Consent Solicitations could prevent a holder from exchanging its Existing ET Notes. Moreover, if you tender your Existing ET Notes after the applicable Early Tender Deadline, and your Existing ET Notes are accepted for exchange, you will only receive the Exchange Consideration.

Holders of Existing ET Notes are responsible for complying with all the procedures of the Exchange Offers and Consent Solicitations. The issuance of New ETO Notes in exchange for Existing ET Notes will only occur upon proper completion of the procedures described in this prospectus under Description of the Exchange Offers and Consent Solicitations. Therefore, holders of Existing ET Notes who wish to exchange them for New ETO Notes should allow sufficient time for timely completion of the exchange procedure. Additionally, holders of Existing ET Notes who validly tender their Existing ET Notes after the Early Tender Deadline and whose Existing ET Notes are accepted for exchange will only receive the Exchange Consideration. Neither ETO nor the Exchange Agent is obligated to extend any or all of the Exchange Offers and Consent Solicitations or notify you of any failure to follow

the proper procedures.

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ET may repurchase any Existing ET Notes that are not tendered in the Exchange Offers on terms that are more favorable to the holders of the Existing ET Notes than the terms of the Exchange Offers.

ET or its affiliates may, to the extent permitted by applicable law, after the Expiration Deadline of the Exchange Offers, acquire Existing ET Notes that are not tendered and accepted in the Exchange Offers and Consent Solicitations through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemption or otherwise, upon such terms and at such prices as ET or its affiliates may determine, which with respect to the Existing ET Notes may be more or less favorable to holders than the terms of the Exchange Offers. There can be no assurance as to which, if any, of these alternatives or combinations thereof ET or its affiliates may choose to pursue in the future.

For U.S. federal income tax purposes, the exchange of Existing ET Notes for New ETO Notes is expected to be a taxable transaction, and the adoption of the Proposed Amendments in the case of non-exchanging holders is unclear.

We intend to take the position that the exchange of Existing ET Notes for New ETO Notes pursuant to the Exchange Offers will be a taxable transaction, in which a U.S. Holder (as defined in Material U.S. Federal Income Tax Consequences) would recognize gain or loss, as described in Material U.S. Federal Income Tax Consequences Tax Consequences to Tendering U.S. Holders General Consequences of the Exchange Officers. In addition, though not free from doubt, we intend to take the position that the adoption of the Proposed Amendments will not cause any Existing ET Notes not tendered to be deemed exchanged, and, as a result, will not result in a taxable event for non-exchanging holders pursuant to the Exchange Offers and the Consent Solicitations. However, there are significant uncertainties related to these issues, and the Internal Revenue Service may disagree with some or all of the foregoing positions. Please read Material U.S. Federal Income Tax Consequences for further discussion.

Risks Relating to the New ETO Notes

Each series of the New ETO Notes and the guarantee thereof will be effectively subordinated to any secured debt of ETO or SXL Opco, and, in the event of our bankruptcy or liquidation, holders of the New ETO Notes will be paid from any assets remaining after payments to any holders of any secured debt ETO or SXL Opco may have. In addition, each series of the New ETO Notes will be structurally subordinated to any debt of ETO's non-guarantor subsidiaries.

Each series of the New ETO Notes and the guarantee thereof will be ETO's and SXL Opco's general unsecured senior obligations, and effectively subordinated to any secured debt that ETO or SXL Opco may have, to the extent of the value of the assets securing that debt. The New ETO Indenture will permit ETO and SXL Opco to incur secured debt provided certain conditions are met. If ETO is declared bankrupt or insolvent, or is liquidated, the holders of ETO's secured debt will be entitled to be paid from ETO's assets securing their debt before any payment may be made with respect to the New ETO Notes. If any of the preceding events occur, ETO may not have sufficient assets to pay amounts due on its secured debt and the New ETO Notes.

Although SXL Opco will initially guarantee the New ETO Notes, in the future the guarantees of SXL Opco may be released under certain circumstances. Further, none of ETO's other subsidiaries will guarantee the New ETO Notes initially, and as a result, each series of the New ETO Notes will be structurally subordinated to the claims of all creditors, including unsecured indebtedness, trade creditors and tort claimants, of those subsidiaries. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the business of any of ETO's subsidiaries (except for SXL Opco), creditors of such subsidiaries would generally have the right to be paid in full before any distribution is made to ETO or the holders of the New ETO Notes. As of December 31, 2018, after giving effect to the Senior Notes Offering and the use of proceeds therefrom, ETO's subsidiaries (other than SXL Opco)

would have had an aggregate of \$8.1 billion of indebtedness outstanding.

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ETO does not have the same flexibility as other types of organizations to accumulate cash, which may limit cash available to service the New ETO Notes or to repay them at maturity.

ETO's partnership agreement requires ETO to distribute, on a quarterly basis, 100% of its available cash to its unitholders of record within 45 days following the end of every quarter.

Available cash with respect to any quarter is generally all of ETO's cash on hand at the end of such quarter, less cash reserves for certain purposes. ETP Managing GP will determine the amount and timing of such distributions and has broad discretion to establish and make additions to ETO's reserves or the reserves of its operating subsidiaries as it determines are necessary or appropriate. As a result, ETO does not have the same flexibility as corporations or other entities that do not pay dividends or that have complete flexibility regarding the amounts they will distribute to their equity holders. Although ETO's payment obligations to its partners are subordinate to ETO's payment obligations to holders of New ETO Notes, the timing and amount of ETO's quarterly distributions to its partners could significantly reduce the cash available to pay the principal, premium (if any) and interest on the New ETO Notes.

The terms of the New ETO Notes do not require us to offer to repurchase the New ETO Notes upon a change of control transaction.

The terms of the New ETO Notes will not require us to offer to repurchase the New ETO Notes upon a change of control transaction. Accordingly, holders will not have the right to require us to repurchase the New ETO Notes if we enter into transactions that result in a change of control of our company and a decrease in the ratings of the New ETO Notes. The Existing ET Notes provide such rights to holders of those obligations. In addition, if the Proposed Amendments are effected, ET will no longer be required to purchase any of the Existing ET Notes in the event of a change of control.

A court may use fraudulent conveyance considerations to avoid or subordinate the SXL Opco guarantees.

Various applicable fraudulent conveyance laws have been enacted for the protection of creditors. A court may use fraudulent conveyance laws to subordinate or avoid SXL Opco's guarantees of the New ETO Notes. It is also possible that under certain circumstances a court could hold that the direct obligations of SXL Opco could be superior to the obligations under its guarantees of the New ETO Notes.

A court could avoid or subordinate SXL Opco's guarantees of the New ETO Notes in favor of its other debts or liabilities to the extent that the court determined either of the following were true at the time SXL Opco issued the guarantees:

that SXL Opco incurred the guarantees with the intent to hinder, delay or defraud any of its present or future creditors or that SXL Opco contemplated insolvency with a design to favor one or more creditors to the total or partial exclusion of others; or

that SXL Opco did not receive fair consideration or reasonably equivalent value for issuing the guarantees and, at the time it issued the guarantees, that SXL Opco (i) was insolvent or rendered insolvent by reason of the issuance of the guarantees, (ii) was engaged or about to engage in a business or transaction for which the remaining assets of SXL Opco constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured.

The measure of insolvency for purposes of the foregoing will vary depending upon the law of the relevant jurisdiction. Generally, however, an entity would be considered insolvent for purposes of the foregoing if the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all of its assets at a fair valuation, or if the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and

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matured. Among other things, a legal challenge of SXL Opco's guarantees of the New ETO Notes on fraudulent conveyance grounds may focus on the benefits, if any, realized by SXL Opco as a result of our issuance of the New ETO Notes. To the extent SXL Opco's guarantees of the New ETO Notes are avoided as a result of fraudulent conveyance or held unenforceable for any other reason, the note holders would cease to have any claim in respect of the applicable guarantee and the New ETO Notes would be structurally subordinated to all liabilities of SXL Opco. The New ETO Indenture will contain a savings clause, which limits the liability of SXL Opco on its guarantees to the maximum amount that SXL Opco can incur without risk that its guarantees will be subject to avoidance as a fraudulent transfer. We cannot assure you that this limitation will protect such guarantees from fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the guarantees would suffice, if necessary, to pay the applicable series of the New ETO Notes in full when due.

The New ETO Notes have no established trading market or history, and liquidity of trading markets for the New ETO Notes may be limited.

Each series of the New ETO Notes will constitute a new issue of securities with no established trading market. ETO has applied to have the New ETO Notes listed on the NYSE. If the application is approved, we expect trading of the New ETO Notes on the NYSE to begin within 30 days after their original issue date. Currently, there is no public market for the New ETO Notes, and therefore, there can be no assurance as to the liquidity of markets that may develop for the New ETO Notes, the ability of noteholders to sell their New ETO Notes or the prices at which New ETO Notes could be sold. The New ETO Notes may trade at prices that are lower than their respective initial offering price depending on many factors, including prevailing interest rates and the markets for similar securities. The liquidity of trading markets for the New ETO Notes may also be adversely affected by general declines or disruptions in the markets for debt securities. Those market declines or disruptions could adversely affect the liquidity of and market for the New ETO Notes independent of our financial performance or prospects.

We may choose to redeem any series of New ETO Notes prior to maturity.

We may redeem some or all of the New ETO Notes of any series at any time. See "Description of the New ETO Notes" Optional Redemption. If prevailing interest rates are lower at the time of redemption, you may not be able to reinvest the redemption proceeds in a comparable security at an interest rate as high as the interest rate of the New ETO Notes being redeemed.

Some or all of the New ETO Notes received in exchange for Existing ET Notes may be treated as issued with original issue discount for U.S. federal income tax purposes.

If, for U.S. federal income tax purposes, the stated redemption price at maturity of a New ETO Note exceeds the issue price of such New ETO Note by an amount equal to or greater than a statutorily defined de minimis amount, the excess would be treated as original issue discount, which would be includible in income by a holder as it accrues (regardless of the holder's regular method of tax accounting) using a constant yield method under the accrual rules for original issue discount. Such accrual could result in the inclusion of income by a holder, for U.S. federal income tax purposes, in advance of the receipt of cash payments to which such income is attributable. Holders should consult their tax advisors regarding the potential implications of the rules regarding original issue discount. For more discussion, see "Material U.S. Federal Income Tax Consequences."

Risks Relating to ETO's Business

You should read and consider risk factors specific to ETO's business. These risks are described in Part I, Item 1A of ETO's Annual Report on Form 10-K for the year ended December 31, 2018 and in other documents that are

incorporated by reference herein.

Risks Relating to ET's Business

You should read and consider risk factors specific to ET's business. These risks are described in Part I, Item 1A of ET's Annual Report on Form 10-K for the year ended December 31, 2018 and in other documents that are incorporated by reference herein.

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DESCRIPTION OF THE EXCHANGE OFFERS AND CONSENT SOLICITATIONS

The Exchange Offers

ETO is offering holders of each series of Existing ET Notes the opportunity to exchange any and all of their Existing ET Notes for New ETO Notes, upon the terms and subject to the conditions set forth in this prospectus. Holders of Existing ET Notes will be eligible to receive the applicable Total Exchange Consideration set forth under Total Exchange Consideration below for Existing ET Notes validly tendered at or before the Early Tender Deadline and not validly withdrawn. For Existing ET Notes validly tendered after the Early Tender Deadline and before the Expiration Deadline, holders of Existing ET Notes will be eligible to receive the Exchange Consideration set forth under

Exchange Consideration below. The applicable Total Exchange Consideration includes an Early Tender Premium in an amount set forth under Early Tender Premium below. In addition, each series of New ETO Notes will accrue interest from (and including) the most recent date on which interest has been paid on the corresponding series of Existing ET Notes accepted in the Exchange Offers and Consent Solicitations; provided, that interest will only accrue with respect to the aggregate principal amount of New ETO Notes a holder of Existing ET Notes receives, which will be less than the principal amount of Existing ET Notes tendered for exchange if such holder tenders its Existing ET Notes after the Early Tender Deadline. Except as set forth above, no accrued but unpaid interest will be paid with respect to Existing ET Notes tendered for exchange.

The New ETO Notes will only be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. No tender of Existing ET Notes will be accepted if it results in the issuance of less than \$2,000 principal amount of New ETO Notes, and no alternative, conditional or contingent tenders will be accepted. Holders who do not tender all of their Existing ET Notes should ensure that they retain a principal amount of Existing ET Notes amounting to at least the minimum denomination equal to \$2,000. If, pursuant to the Exchange Offers, a tendering holder of Existing ET Notes would otherwise be entitled to receive a principal amount of any series of New ETO Notes that is not equal to \$2,000 or an integral multiple of \$1,000 in excess thereof, such principal amount will be rounded down to the nearest \$2,000 or integral multiple of \$1,000 in excess thereof, and such holder will receive pursuant to the Exchange Offers this rounded principal amount of New ETO Notes plus cash equal to the sum of the principal amount of New ETO Notes not received as a result of rounding down plus accrued and unpaid interest thereon at the rate of the applicable Existing ET Notes to the Settlement Date.

The Consent Solicitations

Concurrently with the Exchange Offers, upon the terms and subject to the conditions set forth in this prospectus, ETO is soliciting consents from the holders of the Existing ET Notes to amend the Existing ET Indentures to remove certain of the covenants, restrictive provisions and events of default. The Proposed Amendments are described in more detail under The Proposed Amendments. The consent of the holders of a majority of the aggregate principal amount of the Existing ET Notes outstanding will be required in order to effectuate the Proposed Amendments to each of the Existing ET Indentures. If the Proposed Amendments are approved with respect to the Existing ET Indentures and effected, they will be binding on all holders of the related Existing ET Notes, including those who do not deliver their consent to the Proposed Amendments and do not tender their Existing ET Notes in the Exchange Offers. If for any reason an Exchange Offer is not completed, the Proposed Amendments to the corresponding Existing ET Indenture for that series will not become operative with respect to the related Existing ET Notes and the related Existing ET Notes will be subject to the same terms and conditions as existed before the Exchange Offers were made. You may not deliver a consent in the Consent Solicitation without tendering Existing ET Notes in the applicable Exchange Offer. If you tender Existing ET Notes in an Exchange Offer, you will be deemed to deliver your consent, with respect to the principal amount of such tendered Existing ET Notes, to the Proposed Amendments.

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Tendered Existing ET Notes may be withdrawn at any time before the Expiration Deadline. Consents to the applicable Proposed Amendments may only be revoked by validly withdrawing the tendered Existing ET Notes prior to the Early Tender Deadline, but may not be revoked after the Early Tender Deadline even if holders validly withdraw tenders of any particular series of Existing ET Notes. Consents given in connection with the tender of any Existing ET Notes cannot be revoked without withdrawing the Existing ET Notes, and tendered Existing ET Notes cannot be withdrawn prior to the Early Tender Deadline without also revoking the consent related to those Existing ET Notes. Receipt of the requisite consents in advance of the Expiration Deadline of the Exchange Offers will not result in any change in the terms of such Exchange Offers, provided that holders of Existing ET Notes will not be able to revoke their consents after the Early Tender Deadline.

The Proposed Amendments to the Existing ET Indentures constitute a single proposal and a consenting and tendering holder must consent to the adoption of the Proposed Amendments in their entirety and may not consent selectively with respect to certain Proposed Amendments.

Early Tender Premium

For each \$1,000 principal amount of Existing ET Notes validly tendered at or before the Early Tender Deadline and not validly withdrawn, holders of Existing ET Notes will be eligible to receive the applicable Total Exchange Consideration set out in the table below, which includes the Early Tender Premium. For each \$1,000 principal amount of Existing ET Notes validly tendered after the Early Tender Deadline but prior to the Expiration Deadline, holders of Existing ET Notes will be eligible to receive only the Exchange Consideration set out in the table below, which does not include the Early Tender Premium.

The following table sets forth the Exchange Consideration, Early Tender Premium and Total Exchange Consideration for Existing ET Notes for which the New ETO Notes are being offered:

Title of Series of Existing ET Notes/CUSIP Number(s)	Aggregate Principal Amount Outstanding	Series of Notes to be Issued by ETO	Exchange	Early Tender	Total
			Consideration (Principal Amount of New ETO Notes)	Premium ⁽¹⁾ (Principal Amount of New ETO Notes)	Exchange Consideration ⁽²⁾ (Principal Amount of New ETO Notes)
7.500% Senior Notes due 2020 (the Existing ET 2020 Notes) / 29273VAC4	\$ 1,187,032,000	7.500% Notes due 2020 (the New ETO 2020 Notes)	\$ 970	\$ 30	\$ 1,000
4.250% Senior Notes due 2023 (the Existing ET 2023 Notes) / 29273VAG5	\$ 1,000,000,000	4.250% Notes due 2023 (the New ETO 2023 Notes)	\$ 970	\$ 30	\$ 1,000
5.875% Senior Notes due 2024 (the Existing ET 2024 Notes) / 29273VAD2 / 29273VAE0	\$ 1,150,000,000	5.875% Notes due 2024 (the New ETO 2024 Notes)	\$ 970	\$ 30	\$ 1,000
5.500% Senior Notes due 2027 (the Existing ET 2027 Notes) / 29273VAF7	\$ 1,000,000,000	5.500% Notes due 2027 (the New ETO 2027 Notes)	\$ 970	\$ 30	\$ 1,000

(1) For each \$1,000 principal amount of Existing ET Notes accepted for exchange.

(2) Includes Early Tender Premium.

Exchange Consideration

The Exchange Consideration for each \$1,000 principal amount of Existing ET Notes tendered after the Early Tender Deadline and before the Expiration Deadline will equal \$970 principal amount of New ETO Notes of the applicable series (plus cash in respect of any fractional portion of New ETO Notes and accrued and unpaid interest thereon at the rate of the applicable Existing ET Notes to the Settlement Date).

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Total Exchange Consideration

The applicable Total Exchange Consideration for each \$1,000 principal amount of Existing ET Notes tendered at or before the Early Tender Deadline will equal \$1,000 principal amount of New ETO Notes of the applicable series (plus cash in respect of any fractional portion of New ETO Notes).

Early Tender Deadline; Expiration Deadline; Extensions; Amendments; Termination

The Early Tender Deadline is 5:00 p.m., New York City time, on March 8, 2019, subject to ETO's right to extend that time and date in ETO's sole discretion (which right is subject to applicable law), in which case the Early Tender Deadline means the latest time and date to which the Early Tender Deadline is extended. The Expiration Deadline is 11:59 p.m., New York City time, on March 22, 2019, subject to ETO's right to extend that time and date (which right is subject to applicable law) in ETO's sole discretion (which right is subject to applicable law), in which case the Expiration Deadline means the latest time and date to which the Exchange Offers and Consent Solicitations are extended. To extend the Expiration Deadline, ETO will notify the Exchange Agent and will make a public announcement thereof before 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Deadline. The public announcement will include the approximate principal amount of the Existing ET Notes that had been validly tendered and not validly withdrawn. During any extension of the Early Tender Deadline or the Expiration Deadline, all Existing ET Notes previously tendered in an extended Exchange Offer will remain subject to such Exchange Offer and may be accepted for exchange by ETO.

Subject to applicable law, ETO expressly reserves the right, in its sole discretion and with respect to any of the Exchange Offers, to:

delay accepting any Existing ET Notes, to extend the Exchange Offer or to terminate the Exchange Offer and not accept any Existing ET Notes;

extend the Early Tender Deadline without extending the Expiration Deadline;

terminate the Exchange Offer and return all tendered Existing ET Notes to the respective tendering holders; and

amend, modify or waive in part or whole, at any time, or from time to time, the terms of the Exchange Offer in any respect, including waiver of any conditions to consummation of the Exchange Offer (except the condition that the registration statement of which this prospectus forms a part has been declared effective by the SEC).

Any such delay, extension, termination, amendment, modification or waiver with respect to any and all of the Exchange Offers by ETO will automatically delay, extend, terminate, amend, modify or waive conditions precedent to the corresponding Consent Solicitation, as applicable.

If ETO exercises any such right, it will give written notice thereof to the Exchange Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which ETO may choose to make a public announcement of any extension, amendment or termination of any or all of the Exchange Offers and Consent

Solicitations, ETO will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release. The minimum period during which any of the Exchange Offers and Consent Solicitations will remain open following material changes in the terms of such Exchange Offer and Consent Solicitation or in the information concerning such Exchange Offer and Consent Solicitation will depend upon the facts and circumstances of such change, including the relative materiality of the changes. In accordance with Rule 14e-1 under the Exchange Act, if ETO elects to change the consideration offered or the percentage of Existing ET Notes sought (subject to a two percent de minimis exception), the applicable Exchange Offer and Consent Solicitation will remain open for a minimum ten business-day period following the date that the notice of such change is first published or sent to holders of Existing ET Notes. If the

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terms of either or both of the Exchange Offers and Consent Solicitations are amended in a manner determined by ETO to constitute a material change adversely affecting any holder of Existing ET Notes, ETO will promptly disclose any such amendment in a manner reasonably calculated to inform holders of Existing Notes of such amendment, and ETO will extend such Exchange Offer and Consent Solicitation for a time period that it deems appropriate, depending upon the significance of the amendment and the manner of disclosure to holders of Existing ET Notes, if such Exchange Offer and Consent Solicitation would otherwise expire during such time period.

Settlement Date

The Settlement Date is expected to be the business day after the Expiration Deadline. ETO will not be obligated to deliver New ETO Notes or pay any cash amounts unless the applicable Exchange Offer and Consent Solicitation is consummated.

Conditions to the Exchange Offers and Consent Solicitations

Notwithstanding any other provisions of the Exchange Offers and Consent Solicitations, or any extension of the Exchange Offers and Consent Solicitations, (1) ETO will not be required to accept any Existing ET Notes, issue New ETO Notes or pay any cash amounts, and may in its sole discretion and with respect to any or all of the Exchange Offers, terminate the Exchange Offers, or, at ETO's option, modify, extend or otherwise amend the Exchange Offers, and (2) ET will not be required to enter into any amendment to the Existing ET Indentures, in each case, if any of the following conditions have not been satisfied or waived prior to the Expiration Deadline:

the registration statement of which this prospectus forms a part has been declared effective by the SEC;

no action or event shall have occurred, been threatened, or may occur, and no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been issued, promulgated, enacted, entered, enforced or deemed to be applicable to the Exchange Offers, the exchange of Existing ET Notes for New ETO Notes under the Exchange Offers or the Consent Solicitations by or before any court or governmental regulatory or administrative agency, authority, instrumentality or tribunal, including, without limitation, taxing authorities, that either:

challenges the making of the Exchange Offers, the exchange of Existing ET Notes for New ETO Notes under the Exchange Offers or the Consent Solicitations or might, directly or indirectly, be expected to prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any manner, the Exchange Offers, the exchange of Existing ET Notes for New ETO Notes under the Exchange Offers or the Consent Solicitations; or

in ETO's reasonable judgment, could materially adversely affect ETO's, ET's or each of their respective subsidiaries' business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects or impair the contemplated benefits to ETO and ET of the Exchange Offers, the exchange of Existing ET Notes for New ETO Notes under the Exchange Offers or the Consent Solicitations;

there shall not have occurred (a) any general suspension of or limitation on trading in securities in the United States securities or financial markets, whether or not mandatory, (b) any material adverse change in the price of the Existing ET Notes, (c) a material impairment in the general trading market for debt securities in the United States, (d) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, whether or not mandatory, (e) a material escalation or commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to the United States, if the effect of any such event, in ETO's reasonable judgment, makes it impracticable or inadvisable to proceed with the Exchange Offers or Consent Solicitations, (f) any limitation, whether or not mandatory, by any governmental authority on, or other event in ETO's reasonable judgment, having a reasonable

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likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, (g) any material adverse change in the securities or financial markets in the United States generally or (h) in the case of any of the foregoing existing at the time of the commencement of the Exchange Offers or Consent Solicitations, a material acceleration or worsening thereof;

the Existing ET Notes trustee, with respect to the Existing ET Indentures, shall not have been directed by any holders of Existing ET Notes to object in any respect to, or take any action that could, in ETO's reasonable judgment, adversely affect the consummation of the Exchange Offers or the exchange of Existing ET Notes for New ETO Notes under the Exchange Offers or the ability to effect the Proposed Amendments, nor shall the Existing ET Notes trustee have taken any action that challenges the validity or effectiveness of the procedures used by ETO in making the Exchange Offers or the exchange of Existing ET Notes for New ETO Notes under the Exchange Offers;

ET shall have received the required consents for the Proposed Amendments, as described above under Description of the Exchange Offers and Consent Solicitations The Consent Solicitations ; or

the Existing ET Notes trustee shall have executed and delivered one or more supplemental indentures relating to the Proposed Amendments and not objected in any respect to, or taken any action that could in ET's reasonable judgment adversely affect the Consent Solicitations or our ability to effect the Proposed Amendments, nor shall such trustee have taken any action that challenges the validity or effectiveness of the procedures used to solicit consents (including the form thereof).

Additionally, each Exchange Offer and Consent Solicitation is conditioned upon the completion of the other Exchange Offers and Consent Solicitations, although ETO may waive such condition at any time with respect to an Exchange Offer. Any waiver of a condition by ETO with respect to an Exchange Offer will automatically waive such condition with respect to the corresponding Consent Solicitation, as applicable.

The foregoing conditions are for the sole benefit of ETO and may be waived by ETO, in whole or in part, in its sole discretion, subject to applicable law, prior to the Expiration Deadline. Any determination made by ETO concerning an event, development or circumstance described or referred to above will be conclusive and binding.

If any of the foregoing conditions are not satisfied, ETO may, in its sole discretion and with respect to any or all of the Exchange Offers, at any time prior to, or on, as applicable, the Expiration Deadline:

terminate the Exchange Offers and return all tendered Existing ET Notes to the respective tendering holders;

modify, extend or otherwise amend the Exchange Offers and retain all tendered Existing ET Notes until the Expiration Deadline, as extended, subject, however, to any withdrawal rights of holders;

accept all Existing ET Notes tendered and not previously validly withdrawn, but not waive the unsatisfied conditions with respect to the Exchange Offers, which would automatically waive such conditions with respect to the Consent Solicitations, or adopt the Proposed Amendments; or

waive the unsatisfied conditions with respect to the Exchange Offers and accept all Existing ET Notes tendered and not previously validly withdrawn.

In addition, ETO may amend the terms of any Exchange Offer without amending the terms of any other Exchange Offer. ETO may complete any Exchange Offer even if valid consents sufficient to effect the Proposed Amendments to the corresponding Existing ET Indenture are not received. Any such amendment, termination, modification, extension or waiver with respect to any and all of the Exchange Offers by ETO will automatically amend, terminate, modify, extend or waive conditions precedent to the corresponding Consent Solicitation, as applicable.

In addition, subject to applicable law, ETO may in its absolute discretion terminate any or all of the Exchange Offers for any other reason or for no reason.

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Treatment of Existing ET Notes Not Tendered in the Exchange Offers and Consent Solicitations

Existing ET Notes of any series that are not tendered or that are tendered but not accepted will remain outstanding and will continue to be subject to their existing terms immediately following the completion of the corresponding Exchange Offer. However, if the Consent Solicitation with respect to a series of Existing ET Notes is consummated and the Proposed Amendments to the corresponding Existing ET Indenture are adopted, the amendments will also apply to all Existing ET Notes of such series not acquired in the applicable Exchange Offer, and those Existing ET Notes will no longer have the benefit of the protection of the covenants, restrictive provisions and events of default eliminated by the Proposed Amendments. From time to time before or after the Expiration Deadline, ET or its affiliates may acquire any Existing ET Notes of any series that are not tendered and accepted in the corresponding Exchange Offer and Consent Solicitation through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemption or otherwise, upon such terms and at such prices as ET may determine (or as may be provided for in the Existing ET Indenture governing the applicable series of Existing ET Notes), which with respect to the applicable series of Existing ET Notes may be more or less than the consideration to be received by participating holders of Existing ET Notes in the Exchange Offers and Consent Solicitations and, in any case, could be for cash or other consideration. There can be no assurance as to which, if any, of these alternatives or combinations thereof ET or its affiliates may choose to pursue in the future. See Risk Factors.

Effect of Tender

Any tender by a holder of Existing ET Notes, and ETO's subsequent acceptance of that tender, of Existing ET Notes will constitute a binding agreement between that holder and ETO upon the terms and subject to the conditions of the Exchange Offers and Consent Solicitations described in this prospectus. The participation in the Exchange Offers and Consent Solicitations by a tendering holder of Existing ET Notes will constitute the agreement by that holder to deliver good and marketable title to the tendered Existing ET Notes, free and clear of any and all liens, restrictions, charges, pledges, security interests, encumbrances or rights of any kind of third parties and an automatic consent to the Proposed Amendments to the Existing ET Indentures, as described under The Proposed Amendments.

Representations, Warranties and Covenants of Holders of Existing ET Notes

By tendering Existing ET Notes in accordance with the terms of and subject to the conditions set forth in this prospectus, a holder of Existing ET Notes, or the beneficial holder of Existing ET Notes on behalf of which the holder has tendered, will, subject to that holder's ability to withdraw its tender, and subject to the terms and conditions of the Exchange Offers and Consent Solicitations generally, be deemed, among other things, to:

irrevocably sell, assign and transfer to or upon ETO's order or the order of ETO's nominee all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the holder's status as a holder of, all Existing ET Notes tendered thereby, such that thereafter the holder shall have no contractual or other rights or claims in law or equity against ET or any fiduciary, trustee, fiscal agent or other person connected with the Existing ET Notes arising under, from or in connection with those Existing ET Notes;

consent to the adoption of the Proposed Amendments to the Existing ET Indentures, as described under The Proposed Amendments ;

waive any and all rights with respect to the Existing ET Notes tendered thereby, including, without limitation, any existing or past defaults and their consequences in respect of those Existing ET Notes; and

release and discharge ET and the trustee with respect to the Existing ET Indentures from any and all claims that the holder may have, now or in the future, arising out of or related to the Existing ET Notes tendered thereby, including, without limitation, any claims that the holder is entitled to receive

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additional principal or interest payments with respect to the Existing ET Notes tendered thereby, other than accrued and unpaid interest on the Existing ET Notes or as otherwise expressly provided in this prospectus, or to participate in any redemption or defeasance of the Existing ET Notes tendered thereby.

In addition, each holder of Existing ET Notes tendered in the Exchange Offers and Consent Solicitations upon submission of such tender will be deemed to represent, warrant and agree that:

it has received and reviewed this prospectus;

it is the beneficial owner (as defined herein) of, or a duly authorized representative of one or more beneficial owners of, the Existing ET Notes tendered thereby, and it has full power and authority to tender such Existing ET Notes;

the Existing ET Notes being tendered thereby were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and ETO will acquire good, indefeasible and unencumbered title to those Existing ET Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when ETO accepts the same;

it will not sell, pledge, hypothecate or otherwise encumber or transfer Existing ET Notes tendered thereby from the date of such tender, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;

it acknowledges that none of ETO, ET, the Dealer Managers, the trustee with respect to the Existing ET Notes or New ETO Notes, as applicable, the Exchange Agent, the Information Agent or any of their respective affiliates, has made any recommendation or given any advice, legal, financial or otherwise, in connection with the Exchange Offers or Consent Solicitations or given any assurance, guarantee or representation as to projected success, profitability, return, performance, result, effect, consequence or benefit of the Exchange Offers and Consent Solicitations and it represents that it has made its own decision with regard to the Exchange Offers and Consent Solicitations;

the tender of Existing ET Notes shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this prospectus;

the tender of Existing ET Notes shall, subject to a holder's ability to withdraw its tender prior to the Expiration Deadline, and subject to the terms and conditions of the Exchange Offers and Consent Solicitations, constitute the irrevocable appointment of the Exchange Agent as its attorney and agent and an irrevocable instruction to that attorney and agent to complete and execute all or any forms of transfer and other documents at the discretion of that attorney and agent in relation to the Existing ET Notes tendered thereby in favor of ETO or any other person or persons as ETO may direct and to deliver those forms of transfer and other documents in the attorney's and agent's discretion and the certificates and other documents

of title relating to the registration of Existing ET Notes and to execute all other documents and to do all other acts and things as may be in the opinion of that attorney or agent necessary or expedient for the purpose of, or in connection with, the acceptance of the applicable Exchange Offer and Consent Solicitation, and to vest in ETO or its nominees those Existing ET Notes; and

either (a) such holder is not (i) an employee benefit plan that is subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), (ii) a plan to which Section 4975 of the Internal Revenue Code of 1986, as amended (the Code), applies, (iii) an entity the underlying assets of which are considered to include plan assets of such employee benefit plan or plan, (iv) a governmental plan (as defined in Section 3(32) of ERISA, a church plan (as defined in Section 3(33) of ERISA that has not made an election under Section 401(d) of the Code, or a non-U.S. plan or (b) such holder's acquisition and holding of the New ETO Notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any provisions under any

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other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (Similar Law).

The representations, warranties and agreements of a holder tendering Existing ET Notes will be deemed to be repeated and reconfirmed on and as of the Expiration Deadline and the Settlement Date. For purposes of this prospectus, the beneficial owner of any Existing ET Notes means any holder that exercises investment discretion with respect to those Existing ET Notes.

Absence of Appraisal and Dissenters Rights

Holders of the Existing ET Notes do not have any appraisal or dissenters rights in connection with the Exchange Offers and Consent Solicitations.

Acceptance of Existing ET Notes for Exchange and Delivery of New ETO Notes

On the Settlement Date, the New ETO Notes to be issued in exchange for the Existing ET Notes tendered and accepted in the Exchange Offers and Consent Solicitations, will be delivered in book-entry form, and payment of any cash amounts in respect of any fractional portion of New ETO Notes will be made by deposit of funds with DTC, Clearstream or Euroclear, as applicable, which will transmit those payments to tendering holders.

ETO will be deemed to accept Existing ET Notes that have been validly tendered by holders of Existing ET Notes and that have not been validly withdrawn as provided in this prospectus when, and if, ETO gives oral or written notice of acceptance to the Exchange Agent. Following receipt of that notice by the Exchange Agent and subject to the terms and conditions of the Exchange Offers and Consent Solicitations, delivery of the New ETO Notes and any cash amounts will be made by the Exchange Agent on the Settlement Date. The Exchange Agent will act as agent for tendering holders of Existing ET Notes for the purpose of receiving Existing ET Notes and transmitting New ETO Notes and cash in respect of any fractional portion of New ETO Notes as of the Settlement Date. If any tendered Existing ET Notes are not accepted for any reason described in the terms and conditions of the Exchange Offers and Consent Solicitations, such unaccepted Existing ET Notes will be returned without expense to the tendering holders promptly after the expiration or termination of the Exchange Offers and Consent Solicitations, and no consent to the Proposed Amendments will be deemed to be given with respect to such unaccepted Existing ET Notes.

If, for any reason, acceptance for exchange of tendered Existing ET Notes, or issuance of New ETO Notes in exchange for validly tendered Existing ET Notes, pursuant to the applicable Exchange Offer is delayed, or ETO is unable to accept tendered Existing ET Notes for exchange or to issue New ETO Notes in exchange for validly tendered Existing ET Notes pursuant to the Exchange Offers, then the Exchange Agent may, nevertheless, on behalf of ETO, retain the tendered Existing ET Notes, without prejudice to the rights of ETO described under Early Tender Deadline; Expiration Deadline; Extensions; Amendments; Termination and Conditions to the Exchange Offers and Consent Solicitations above and Withdrawal of Tenders and Revocation of Consents below, but subject to Rule 14e-1 under the Exchange Act, which requires that ETO pay the consideration offered or return the Existing ET Notes tendered promptly after the termination or withdrawal of any Exchange Offer, and the tendered Existing ET Notes may not be withdrawn.

Under no circumstances will any interest be payable because of any delay by the Exchange Agent or DTC in the transmission of funds to the holders of accepted Existing ET Notes or otherwise.

Procedures for Tendering

If you wish to participate in the Exchange Offers and Consent Solicitations and your Existing ET Notes are held by a custodial entity such as a commercial bank, broker, dealer, trust company or other nominee, you must

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instruct that custodial entity to tender your Existing ET Notes on your behalf pursuant to the procedures of that custodial entity. Please ensure you contact your custodial entity as soon as possible to give them sufficient time to meet your requested deadline. Beneficial owners are urged to appropriately instruct their commercial bank, broker, dealer, trust company or other nominee at least five business days prior to the Early Tender Deadline or the Expiration Deadline, as applicable, in order to allow adequate processing time for their instruction.

To participate in the Exchange Offers and Consent Solicitations, you must comply with the ATOP procedures for book-entry transfer described below prior to the Expiration Deadline or, in order to receive the Early Tender Premium, at or prior to the Early Tender Deadline.

The Exchange Agent and DTC have confirmed that the Exchange Offers and Consent Solicitations are eligible for ATOP with respect to book-entry notes held through DTC. An agent's message, and any other required documents, must be transmitted to and received by the Exchange Agent prior to the Expiration Deadline or, in order to receive the Early Tender Premium, at or prior to the Early Tender Deadline. Existing ET Notes will not be deemed to have been tendered until the agent's message is received by the Exchange Agent. There are not any guaranteed delivery procedures applicable to the Exchange Offers and Consent Solicitations under the terms of this prospectus or other materials provided herewith.

The method of delivery of Existing ET Notes and all other required documents to the Exchange Agent is at the election and risk of the holder of Existing ET Notes. For documents, holders of Existing ET Notes should use an overnight or hand delivery service, properly insured. In all cases, sufficient time should be allowed to assure delivery to and receipt by the Exchange Agent prior to the Expiration Deadline or, in order to receive the Early Tender Premium, on or prior to the Early Tender Deadline. **Do not send Existing ET Notes to anyone other than the Exchange Agent via an agent's message.**

All questions as to the validity, form, eligibility, including time of receipt, and acceptance and withdrawal of tendered Existing ET Notes will be determined by ETO in its absolute discretion, which determination will be final and binding. ETO reserves the absolute right to reject any and all tendered Existing ET Notes determined by ETO not to be in proper form or not to be tendered properly or any tendered Existing ET Notes ETO's acceptance of which would, in the opinion of ETO's counsel, be unlawful. ETO also reserves the right to waive, in its absolute discretion, any defects, irregularities or conditions of tender as to particular Existing ET Notes, whether or not waived in the case of other Existing ET Notes. ETO's interpretation of the terms and conditions of the Exchange Offers and Consent Solicitations will be final and binding on all parties.

Unless waived, any defects or irregularities in connection with tenders of Existing ET Notes must be cured within the time ETO determines. Although ETO intends to notify holders of defects or irregularities with respect to tenders of Existing ET Notes, none of ETO, the Exchange Agent, the Information Agent, any Dealer Manager or any other person will be under any duty to give that notification or shall incur any liability for failure to give that notification. Tenderees of Existing ET Notes and consent to the Proposed Amendments with respect to such Existing ET Notes will not be deemed to have been made until any defects or irregularities therein have been cured or waived.

Withdrawal of Tenders and Revocation of Consents

Tenders of any particular series of Existing ET Notes in the Exchange Offers and Consent Solicitations may be validly withdrawn at any time prior to the applicable Expiration Deadline, but will thereafter be irrevocable, even if ETO otherwise extends the Early Tender Deadline or extends the Exchange Offers and the Consent Solicitations beyond the Expiration Deadline, except in certain limited circumstances where additional withdrawal rights are required by law. A valid withdrawal of tendered Existing ET Notes prior to the Early Tender Deadline will also constitute the

revocation of the related consent to the Proposed Amendments to the Existing ET Indentures. Consents to the applicable Proposed Amendments may only be revoked by validly withdrawing the tendered Existing ET Notes prior to the Early Tender Deadline, but may not be revoked after the Early Tender Deadline even if holders validly withdraw tenders of any particular series of Existing ET Notes.

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For a withdrawal of a tender to be effective, a tendering holder may (1) withdraw its acceptance through ATOP or (2) deliver a written or facsimile transmission notice of withdrawal to the Exchange Agent prior to the Expiration Deadline at its address listed on the back cover page of this prospectus. The withdrawal notice must:

specify the name of the tendering holder of Existing ET Notes;

bear a description of the Existing ET Notes to be withdrawn;

specify the aggregate principal amount represented by those Existing ET Notes;

specify the name and number of the account at DTC to be credited with the withdrawn Existing ET Notes;
and

be signed by the holder of those Existing ET Notes, including any required signature guarantees, or be accompanied by evidence satisfactory to ETO that the person withdrawing the tender has succeeded to the beneficial ownership of those Existing ET Notes.

The signature on any notice of withdrawal must be guaranteed by an eligible guarantor institution, unless the Existing ET Notes have been tendered for the account of an eligible guarantor institution. An eligible guarantor institution is one of the following firms or other entities identified in Rule 17Ad-15 under the Exchange Act (as the terms are used in Rule 17Ad-15):

a bank;

a broker, dealer, municipal securities dealer, municipal securities broker, government securities dealer or government securities broker;

a credit union;

a national securities exchange, registered securities association or clearing agency; or

a savings association.

Withdrawal of tenders of Existing ET Notes may not be rescinded, and any Existing ET Notes validly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Exchange Offers and Consent Solicitations. Validly withdrawn Existing ET Notes may, however, be re-tendered by again following the procedures described in

Procedures for Tendering above prior to the Expiration Deadline or, in order to receive the Early Tender Premium, at or prior to the Early Tender Deadline.

Exchange Agent; Information Agent

GBSC has been appointed as the Exchange Agent and the Information Agent for the Exchange Offers and Consent Solicitations. All correspondence in connection with the Exchange Offers and Consent Solicitations should be sent or delivered by each holder of Existing ET Notes, or a beneficial owner's commercial bank, broker, dealer, trust company or other nominee, to the Exchange Agent at the address listed on the back cover page of this prospectus. Questions concerning tender procedures and requests for additional copies of this prospectus should be directed to the Information Agent at the address and telephone numbers listed on the back cover page of this prospectus. Holders of Existing ET Notes may also contact their commercial bank, broker, dealer, trust company or other nominee for assistance concerning the Exchange Offers and Consent Solicitations. ETO will pay the Exchange Agent and the Information Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

Dealer Managers

In connection with the Exchange Offers and Consent Solicitations, ETO has retained each of Citigroup Global Markets Inc., J.P. Morgan Securities LLC and TD Securities (USA) LLC to act severally as the Dealer Managers. ETO will pay a customary fee to the Dealer Managers for soliciting acceptances of the Exchange Offers and Consent Solicitations. That fee will be payable promptly following completion of the Exchange Offers and Consent Solicitations.

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The obligations of each Dealer Manager to perform its functions are subject to various conditions. ETO has agreed to indemnify each Dealer Manager against various liabilities, including various liabilities under the federal securities laws. Each Dealer Manager may contact Holders of Existing ET Notes by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Exchange Offers and Consent Solicitations to beneficial holders. Questions regarding the terms of the Exchange Offers and Consent Solicitations may be directed to any Dealer Manager at its address and telephone number listed on the back cover page of this prospectus.

Each Dealer Manager has, from time to time, provided and/or is currently providing investment banking and financial advisory services to us and our affiliates. Each Dealer Manager may in the future provide various investment banking and other services to us, and our affiliates, for which it would receive customary compensation from us. In the ordinary course of their businesses, any Dealer Manager or its affiliates may at any time hold long or short positions, and may trade for their own accounts or the accounts of customers, in debt or equity securities issued by ETO and its subsidiaries and affiliates, including any of the Existing ET Notes or the New ETO Notes. To the extent that any Dealer Manager or its affiliates own Existing ET Notes during the Exchange Offers and Consent Solicitations, they may tender such Existing ET Notes pursuant to the terms of the Exchange Offers and Consent Solicitations.

In connection with the Exchange Offers and Consent Solicitations or otherwise, any Dealer Manager may purchase and sell Existing ET Notes or New ETO Notes in the open market. These transactions may include covering transactions and stabilizing transactions. Any of these transactions may have the effect of preventing or retarding a decline in the market prices of the Existing ET Notes and/or the New ETO Notes. They may also cause the prices of the Existing ET Notes and/or the New ETO Notes to be higher than the prices that otherwise would exist in the open market in the absence of these transactions. Any Dealer Manager may conduct these transactions in the over-the-counter market or otherwise. If any Dealer Manager commences any of these transactions, it may discontinue them at any time.

Other Fees and Expenses

ETO will bear the expenses of soliciting tenders of the Existing ET Notes. Solicitations of holders of Existing ET Notes may be made by mail, e-mail, facsimile transmission, telephone or in person by any Dealer Manager, Information Agent, Exchange Agent as well as by ETO officers and other employees and those of ETO affiliates. No additional compensation will be paid to any officers or employees who engage in soliciting exchanges and consents.

Tendering holders of Existing ET Notes accepted in the Exchange Offers and Consent Solicitations will not be obligated to pay brokerage commissions or fees to ETO, any Dealer Manager, the Exchange Agent or the Information Agent or, except as set forth below, to pay transfer taxes with respect to the exchange of their Existing ET Notes. If, however, a tendering holder of Existing ET Notes handles the transaction through its broker, dealer, commercial bank, trust company or other institution, that holder of Existing ET Notes may be required to pay brokerage fees or commissions.

Transfer Taxes

You will not be obligated to pay any transfer taxes in connection with the tender of Existing ET Notes in the Exchange Offers and Consent Solicitations unless you instruct ETO to cause ETO to issue New ETO Notes, or request that Existing ET Notes not tendered or accepted in the Exchange Offers and Consent Solicitations be returned, to a person other than the tendering holder of Existing ET Notes. In those cases, you will be responsible for the payment of any applicable transfer taxes.

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NONE OF ETO, ET, ANY DEALER MANAGER, THE TRUSTEE WITH RESPECT TO THE EXISTING ET NOTES OR NEW ETO NOTES, THE EXCHANGE AGENT, THE INFORMATION AGENT OR ANY AFFILIATE OF ANY OF THEM, MAKES ANY RECOMMENDATION AS TO WHETHER HOLDERS OF THE EXISTING ET NOTES SHOULD EXCHANGE THEIR EXISTING ET NOTES FOR NEW ETO NOTES IN RESPONSE TO THE EXCHANGE OFFERS AND CONSENT TO THE PROPOSED AMENDMENTS TO THE EXISTING ET INDENTURES.

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COMPARISON OF EXISTING ET NOTES AND NEW ETO NOTES

The following is a summary comparison of the material terms of the Existing ET Notes and the New ETO Notes that differ. The New ETO Notes issued in the Exchange Offers will be governed by the New ETO Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the Existing ET Indentures and the New ETO Indenture, copies of which are filed as exhibits to the registration statement of which this prospectus forms a part and are also available from the Information Agent upon request.

The Existing ET Notes represent, as of the date of this prospectus, the only debt securities issued and currently outstanding under the Existing ET Indentures.

Terms used in the comparison of the Existing ET Notes and the New ETO Notes below and not otherwise defined in this prospectus have the meanings given to those terms in the Existing ET Indentures or the New ETO Indenture, as applicable. Article and section references in the descriptions of the notes below are references to the applicable indenture under which such notes were or will be issued.

The description of the Existing ET Notes reflects the Existing ET Notes as currently constituted and does not reflect any changes to the covenants and other terms of the Existing ET Notes or the Existing ET Indentures that may be effected following the Consent Solicitations as described under The Proposed Amendments.

Limitations on Liens	Existing ET Notes	New ETO Notes
	<i>Base Indenture</i> <i>N/A</i>	The New ETO Indenture will provide the following limitations on Liens:
	<p><i><u>Section 5.2 of the First Supp. Indenture (2020 Notes); Section 5.2 of the Fourth Supp. Indenture (2024 Notes); Section 5.2 of the Seventh Supp. Indenture (2027 Notes); Section 5.2 of the Eighth Supp. Indenture (2023 Notes)</u></i></p> <p>(a) ET and any Restricted Subsidiary shall not incur any Lien (other than any Permitted Lien) upon any Principal Property to secure any Indebtedness of ET or any other Person (other than the Existing ET Notes); provided, however, if a Collateral Release Event has occurred, ET and its Restricted Subsidiaries may incur a Lien, if effective provisions are made whereby all of the outstanding Notes are secured equally and ratably with such Indebtedness.</p>	<p>ETO and its Subsidiaries shall not create any mortgage upon any Principal Property or upon any capital stock of any Restricted Subsidiary, to secure any Indebtedness of the Partnership or any other Person (other than the Notes), without making effective provisions whereby all of the outstanding Notes are secured equally and ratably with such Indebtedness so long as such Indebtedness is so secured.</p> <p>Notwithstanding the foregoing ETO and its subsidiaries may create, without securing the Notes (a) any Permitted Lien, (b) any lien upon any Principal Property or capital stock of a Restricted Subsidiary to secure Indebtedness of the Partnership or any other Person, provided that the aggregate</p>

(b) ET and its Restricted Subsidiaries may incur a Lien upon any Principal Property without securing the Existing ET Notes if the aggregate principal amount of all Indebtedness then outstanding secured by such Lien and all similar Liens under this clause, together with all Attributable Indebtedness

principal amount of all Indebtedness then outstanding secured by such lien and all similar liens, together with all Attributable Indebtedness from Sale-Leaseback Transactions, does not exceed 10% of Consolidated Net Tangible Assets or (c) any lien upon (i) any Principal Property that was not owned by the Partnership or any of its Subsidiaries on the date hereof or (ii) the

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from Sale-Leaseback Transactions (excluding permitted Sale-Leaseback Transactions), does not exceed the greater of (x) \$250.0 million and (y) 10.0% of Net Tangible Assets.

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capital stock of any Restricted Subsidiary that owns no Principal Property that was owned by the Partnership or any of its Subsidiaries on the date hereof, in each case owned by a Subsidiary of the Partnership (an Excluded Subsidiary) that (A) is not, and is not required to be, a Subsidiary Guarantor and (B) has not granted any liens on any of its property securing Indebtedness with recourse to the Partnership or any Subsidiary of the Partnership other than such Excluded Subsidiary or any other Excluded Subsidiary.

Limitation on Sale and Leaseback Transactions

Base Indenture N/A

Section 5.3 of the First Supp. Indenture (2020 Notes); Section 5.3 of the Fourth Supp. Indenture (2024 Notes); Section 5.3 of the Seventh Supp. Indenture (2027 Notes); Section 5.3 of the Eighth Supp. Indenture (2023 Notes)

(a) ET and its Restricted Subsidiaries shall not engage in the sale or transfer of any Principal Property to a Person and the taking of a lease of such Principal Property (a Sale-Leaseback Transaction), unless:

(1) such Sale-Leaseback Transaction occurs within one year from the date of acquisition of the Principal Property or the date of the completion of construction, development or substantial repair or improvement, or commencement of full operations on such Principal Property, whichever is later;

The New ETO Indenture will contain limitations on Sale and Leaseback Transactions in substantially the same form as those in the Existing ET Indenture, subject to the following additional limitation:

ETO and its Subsidiaries may not incur Indebtedness secured by a lien on the Principal Property in an amount equal to or exceeding the Attributable Indebtedness from such Sale-Leaseback Transaction without equally and ratably securing the New ETO Notes.

(2) the Sale-Leaseback Transaction involves a lease for a period, including renewals, of not more than three years; or

(3) within one year, ET or such Restricted Subsidiary applies an amount not less than the Attributable Indebtedness from such Sale-Leaseback Transaction to (a) the reduction

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of any Indebtedness of ET or any Restricted Subsidiary that is not Subordinated Indebtedness, or (b) the purchase of Principal Property used or to be used in the ordinary course of business of Partnership or the Restricted Subsidiaries.

(b) ET and its Subsidiaries may effect any Sale-Leaseback Transaction that is not excepted by clauses (1) through (3) above if the Attributable Indebtedness from such Sale-Leaseback Transaction, together with the aggregate principal amount of outstanding Indebtedness (other than the Existing ET Notes) secured by Liens upon Principal Properties (other than Permitted Liens), does not exceed the greater of (x) \$250.0 million and (y) 10.0% of Net Tangible Assets.

Events of Default

Section 6.01 of the Base Indenture;
Section 7.5 of the First Supp. Indenture (2020 Notes);
Section 7.5 of the Fourth Supp. Indenture (2024);
Section 7.5 of the Seventh Supp. Indenture (2027 Notes);
Section 7.5 of the Eighth Supp. Indenture (2023 Notes)

The New ETO Indenture will define Events of Default with substantially the same terms as those in the Existing ET Indenture.

Each of the following is an Event of Default with respect to the Existing ET Notes:

(a) default for 30 days in the payment when due of interest or Additional Interest (as required by the Registration Rights Agreement) on the Existing ET Notes;

(b) default in the payment of principal or premium on the Existing ET Notes when

due at their stated maturity, upon
redemption, upon declaration or otherwise;

(c) failure by ET to comply with any of its
agreements or covenants in the Indenture or
in respect of its obligations to make or
consummate

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a Change of Control Offer when required;	
(d) a failure by ET to comply with its other covenants or agreements in this Indenture applicable to the Existing ET Notes for 60 days after written notice of default given by the Trustee or the Holders of at least 25% in aggregate principal amount of the outstanding Notes;	
(e) any Indebtedness of ET or any Subsidiary Guarantor is not paid within any applicable grace period after final maturity or is accelerated by the holders thereof because of a default, and the total amount of such Indebtedness unpaid or accelerated exceeds \$25,000,000 (with respect to the Existing ET 2020 Notes) or \$100,000,000 (with respect to the Existing ET 2023 Notes, the Existing ET 2024 Notes and the Existing ET 2027 Notes);	
(f) ET or any Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:	
(i) commences a voluntary case,	
(ii) consents to the entry of an order for relief against it in an involuntary case,	
(iii) makes a general assignment for the benefit of its creditors, or	

(iv) generally is not paying its debts as they become due;

(g) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law, and the order or decree remains unstayed and in effect for 60 consecutive days, that:

(i) is for relief against ET or any Significant Subsidiary in an involuntary case;

(ii) appoints a Bankruptcy Custodian of ET or any Significant Subsidiary or for all

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or substantially all of the property of ET or any Significant Subsidiary; or

(iii) orders the liquidation of ET or any Significant Subsidiary;

(h) except as permitted by this Indenture, any Subsidiary Guarantee is held to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Subsidiary Guarantor denies or disaffirms the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee; and

(i) any security interest and Lien created by any Notes Collateral Document with respect to any Collateral, individually or in the aggregate, having a Fair Market Value in excess of \$25.0 million shall cease to be in full force and effect, or shall cease to give the Existing ET Notes Collateral Agent the Liens, rights, powers and privileges purported to be created and granted thereby in favor of the Existing ET Notes Collateral Agent, for a period of 30 days after notice by the Trustee or by the Holders of at least 25% of the aggregate principal amount of the Existing ET Notes then outstanding, or shall be asserted by ET or any Subsidiary Guarantor to not be a valid, perfected, first-priority security interest in or Lien on the Collateral covered thereby; except to the extent that any such loss of perfection or priority results from the failure of the Existing ET Notes Collateral Agent or the Trustee to maintain possession of certificates actually delivered to it representing securities pledged under the Existing ET Notes Collateral Documents.

Bankruptcy Custodian means any receiver, trustee, assignee, liquidator

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or similar official under and Bankruptcy Law.

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The trustee is not deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee receives written notice at the Corporate Trust Office of the Trustee and the notice references the Securities in the Indenture.

Compliance Certificate Section 4.04 of the Base Indenture

(a) ET and the Subsidiary Guarantors shall deliver a statement signed by an Officer of LE GP, LLC, a Delaware limited liability company and the general partner of ET (the General Partner) to the Trustee within 120 days after the end of each fiscal year (which need not be an Officers Certificate), complying with TIA Section 314(a)(4) and stating that in the course of performance by the signing Officer, he would normally obtain knowledge of ET or such Subsidiary Guarantor fulfilling its obligations under this Indenture, and that, to the best of his knowledge, ET or such Subsidiary Guarantor has fulfilled the covenants contained in this Indenture and is not in default (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default which the Officer has knowledge of and what action ET or such Subsidiary Guarantor is taking or proposes to take).

(b) If any Officer of the General Partner becomes aware of a Default or Event of Defaults, ET and the Subsidiary Guarantors shall deliver to the Trustee an Officers Certificate specifying such Default or Event of Default and what action ET or

The New ETO Indenture will contain provisions regarding Compliance Certificates in substantially the same form as those in the Existing ET Indenture, subject to the following additional requirement:

So long as any New ETO Notes are outstanding, ETO will deliver an Officers Certificate specifying any Event of Default and what action ETO is taking or proposes to take within 30 days after the occurrence of the Event of Default.

such Subsidiary Guarantor is taking or proposes to take.

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Existence	<p style="text-align: center;"><u>Section 4.05 of the Base Indenture</u></p> <p>Each of ET and the Subsidiary Guarantors shall do everything necessary to preserve and keep in full force and effect its existence.</p>	<p>The New ETO Indenture will contain provisions regarding Existence in substantially the same form as those in the Existing ET Indenture.</p>
Reports	<p style="text-align: center;"><u>Section 4.03 of the Base Indenture</u></p> <p>(a) If ET or a Subsidiary Guarantor is subject to the requirements of Section 13 or 15(d) of the Exchange Act it shall file with the Trustee copies of the annual reports and the information, documents and other reports that ET or such Subsidiary Guarantor is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act within 15 days after it files the same with the SEC. If this Indenture is qualified under the TIA, but not otherwise, ET and the Subsidiary Guarantors shall also comply with the provisions of TIA Section 314(a). Delivery of such reports, information and documents to the Trustee is for informational purposes only, and the Trustee's receipt does not constitute constructive notice of any information contained therein, including ET's compliance with any of its covenants.</p> <p>(b) If neither ET nor any Subsidiary Guarantor is subject to the requirements of Section 13 or 15(d) of the Exchange Act, ET and the Subsidiary Guarantors shall furnish to all Holders of Rule 144A Securities and prospective purchasers of Rule 144A Securities designated by the Holders of Rule 144A Securities, promptly upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act of 1933.</p>	<p>The New ETO Indenture will contain provisions regarding Reports in substantially the same form as those in the Existing ET Indenture, subject to the following additional provision:</p> <p>ETO will be deemed to have furnished each required report to the Trustee and the Holders of the New ETO Notes if it has filed with the SEC using the EDGAR filing system and such report is publicly available.</p>

Change of Control

Base Indenture N/A

The New ETO Indenture will not have a provision regarding Change of Control.

Section 5.1 of First Supp. Indenture (2020 Notes); Section 5.1 of Fourth Supp. Indenture (2024 Notes); Section 5.1 of

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the Seventh Supp. Indenture (2027 Notes);
Section 5.1 of the Eighth Supp. Indenture
(2023 Notes)

(a) If a Change of Control Triggering Event occurs, each Holder has the right to require ET to repurchase all or any part (equal to \$1,000 or an integral multiple of \$1,000) of that Holder's Notes pursuant to an offer (a Change of Control Offer) (a Change of Control Payment) equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest on the Existing ET Notes repurchased to the date of purchase (the Change of Control Payment Date), subject to the rights of Holders of Notes on the relevant record date to receive interest, if any, due on the relevant interest payment date. Within 30 days following any Change of Control Triggering Event, ET shall mail a notice to each Holder describing the transaction that constitutes the Change of Control Triggering Event and offering to repurchase Notes no earlier than 30 days and no later than 60 days from the date such notice is mailed. ET shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent applicable in connection with the repurchase of the Existing ET Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Triggering Event provisions of this Indenture, ET shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Triggering Event provisions of this Indenture by virtue of such compliance.

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(b) On the Change of Control Payment Date, ET shall, to the extent lawful:

(i) accept all Notes properly tendered;

(ii) deposit the Change of Control Payment with the Paying Agent in respect of all Notes or properly tendered; and

(iii) deliver to the Trustee the Existing ET Notes properly accepted together with an Officers Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by ET.

(c) The Paying Agent shall mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes (or, if all the Existing ET Notes are then in global form, make such payment through the facilities of the Depository), and the Trustee shall authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Existing ET Notes surrendered, if any; provided that each new Note shall be in a principal amount of \$1,000 or an integral multiple of \$1,000 in excess thereof.

(d) ET shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(e) ET shall not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (i) a third party makes the Change of Control in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by ET and purchases all Notes properly

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tendered and not withdrawn under such Change of Control Offer, or (ii) notice of redemption has been given pursuant to Section 3.04 and all other provisions of this Indenture applicable to a redemption of Notes unless and until there is a default in payment of the applicable redemption price.

(f) A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon the occurrence of such Change of Control, if a definitive agreement is in place for a Change of Control at the time of making the Change of Control Offer. Notes repurchased by ET pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled, at ET's option. Notes purchased by a third party pursuant to clause (e) will have the status of Notes issued and outstanding.

(g) When commencing a Change of Control Offer, ET shall send a notice by first class mail to the Trustee and each of the Holders with instructions and materials to enable the Holders to tender Notes pursuant to the Change of Control Offer. The Change of Control Offer shall be made to all Holders. The notice shall state:

(i) that the Change of Control Offer is being made pursuant to this Section 5.1, and the length of time the Change of Control Offer shall remain open;

(ii) the Change of Control Payment and the Change of Control Payment Date;

(iii) that any Note not tendered or accepted for payment shall continue to accrue interest;

(iv) that, unless there is a default in making such

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payment on the Change of Control Payment Date, any Holder whose Notes are tendered and accepted for payment pursuant to the Change of Control Offer is not entitled to receive any interest accruing on and after the Change of Control Payment Date on such Notes so tendered and accepted;

(v) that Holders electing to have a Note purchased pursuant to the Change of Control Offer may elect to have Notes purchased equal to \$1,000 or an integral multiple of \$1,000 only;

(vi) that Holders electing to have a Note purchased pursuant to the Change of Control Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book entry transfer, to ET, the Depositary, if appointed by ET, or a Paying Agent at the address specified in the notice at least three days before the Change of Control Payment Date;

(vii) that Holders shall be entitled to withdraw their election if ET, the Depositary or the Paying Agent receives a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased; and

(viii) that Holders whose Notes were purchased only in part shall be issued new Notes equal

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in principal amount to the unpurchased portion of the Existing ET Notes surrendered (or transferred by book entry transfer).

On the Change of Control Payment Date, ET shall accept for payment all Notes tendered and shall deliver to the Trustee an Officers Certificate stating that such were accepted for payment. ET, the Depository or the Paying Agent shall promptly (but in any case not later than three days after the Change of Control Payment Date) mail or deliver to each tendering Holder an amount equal to the Change of Control Payment of Notes tendered by such Holder and accepted by ET for purchase, and ET shall promptly issue a new Note to such Holders whose Note was purchased only in part. The Trustee, upon written request from ET shall authenticate and deliver the new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted for payment pursuant to the Change of Control Offer shall be promptly delivered by ET to the respective Holder thereof.

Limitations on Mergers and Consolidations

Sections 5.01 and 5.02 of Base Indenture; Section 7.4 of the First Supp. Indenture (2020 Notes); Section 7.4 of the Fourth Supp. Indenture (2024 Notes); Section 4.2 of the Sixth Supp. Indenture (2024 Notes); Section 7.4 of the Seventh Supp. Indenture (2027 Notes); Section 7.4 of the Eighth Supp. Indenture (2023 Notes)

The New ETO Indenture will contain the following provisions limiting Mergers and Consolidations:

ETO shall not consolidate with or merge into any Person, or sell, lease, convey, transfer all or substantially all of its assets to any Person, unless:

(a) ET shall not: (1) consolidate or merge with or into another Person (regardless of whether ET is the surviving Person); or (2) directly or indirectly sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets

(i) the successor is ETO or expressly assumes by supplemental indenture all of ETO's obligations and liabilities under New ETO Indenture, the New ETO Notes and

of ET and its Restricted

any other Note Documents and assumes by written agreement all of the obligations of ETO under the Registration Rights Agreement;

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Subsidiaries to another Person, unless:

- | | |
|---|--|
| <p>(i) the successor is ET or expressly assumes by supplemental indenture all of ET's obligations and liabilities under this Indenture, the Existing ET Notes and any other Note Documents and assumes by written agreement all of the obligations of ET under the Registration Rights Agreement;</p> <p>(ii) the successor is organized under the laws of the United States, any state or commonwealth within the United States, or the District of Columbia;</p> <p>(iii) immediately after giving effect to the transaction, no Default or Event of Default has occurred and is continuing; and</p> <p>(iv) ET has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer complies with this Indenture.</p> <p>(b) If ET conveys or transfers all or substantially all of its assets, it shall be released from all liabilities and obligations under this Indenture and under the Existing ET Notes except that no such release will occur in the case of a lease of all or substantially all of its assets.</p> | <p>(ii) the successor is organized under the laws of the United States, any state or commonwealth within the United States, or the District of Columbia;</p> <p>(iii) immediately after giving effect to the transaction, no Default or Event of Default has occurred and is continuing; and</p> <p>(iv) ETO has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer complies with this Indenture.</p> |
|---|--|

(c) This Section shall not apply to (i) a merger of ET with an Affiliate solely for the purpose of organizing ET in another jurisdiction within the United States of America; or (ii) any merger or consolidation, or any sale, transfer, assignment, conveyance, lease or other disposition of assets between or among ET and its

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Restricted Subsidiaries that are Subsidiary Guarantors.

Successor Person Substituted. Upon any merger or consolidation, or any sale, transfer, assignment, conveyance or other disposition of all or substantially all of the properties or assets of ET and its Restricted Subsidiaries in accordance with Section 5.01, the successor shall be substituted for ET in this Indenture with the same effect as if it had been an original party to this Indenture, and thereafter the successor may exercise the rights and powers of ET under this Indenture.

Subsidiary Guarantees

Section 10.01 of Base Indenture; Article 3 of the First Supp. Indenture (2020 Notes); Article 3 of the Fourth Supp. Indenture (2024 Notes); Article 3 of the Seventh Supp. Indenture (2027 Notes); Article 3 of the Eighth Supp. Indenture (2023 Notes)

The New ETO Indenture will contain provisions regarding Subsidiary Guarantees in substantially the same form as those in the Existing ET Indenture.

Guarantee.

(a) The provisions of this Article X relating to the Subsidiary Guarantors shall be applicable only to the Securities of any series designated as entitled to the benefits of the Guarantee of each of the Subsidiary Guarantors.

(b) Each of the Subsidiary Guarantors fully, unconditionally and absolutely guarantees the due and punctual payment of the principal, premium and interest on the Securities and all other amounts due and payable under this Indenture and the

Securities by ET, when such principal, premium and interest shall become due and payable, whether at the stated maturity or by declaration of acceleration, call for redemption or otherwise.

(c) Each of the Subsidiary Guarantors will be jointly and severally obligated to pay any amount guaranteed. The Guarantee

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is intended to be a general, unsecured, senior obligation of each of the Subsidiary Guarantors and will rank pari passu in right of payment with all Debt of such Subsidiary Guarantor that is not expressly subordinated in right of payment to the Guarantee. Each of the Subsidiary Guarantors agrees that its obligations hereunder shall be full, unconditional and absolute. Each of the Subsidiary Guarantors agrees that in the event of a default in payment of the principal, premium or interest on the Securities, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise, legal proceedings may be instituted by the Trustee on behalf of the Holders or, subject to Section 6.06, by the Holders, on the terms and conditions set forth in this Indenture, directly against such Subsidiary Guarantor to enforce the Guarantee without first proceeding against ET or any other Subsidiary Guarantor.

(d) the obligations of each of the Subsidiary Guarantors shall be full, unconditional and absolute and not be impaired, including by (i) any change in any of the obligations of ET or any of the Subsidiary Guarantors contained in the Securities or this Indenture, (ii) any limitation of the liability of ET, any of the Subsidiary in bankruptcy, or any remedy for the enforcement thereof, or other statute or from the decision of any court, (iii) the \ exercise by ET, any of the Subsidiary Guarantors or the Trustee of any rights or remedies under the Securities or this Indenture or their delay in or failure to exercise any such rights or remedies, (iv) the assignment of any property as security for the Securities, (v) the extension of the time for payment

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	Existing ET Notes		New ETO							
	by ET or any of the Subsidiary Guarantors payable under any of the terms and provisions of the Securities or this Indenture, (vi) the modification of any obligation of ET or any of the Subsidiary Guarantors set forth in this Indenture, (vii) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of thfont>		Notes							
		14,838		17,005		17,099				
LR1	16	%	7	%	4	%	15,109	15,666	15,666	
MR	13	%	4	%	0	%	13,911	13,932	-	
Handy size	3	%	0	%	0	%	12,681	-	-	
Tanker Division	12	%	4	%	1	%	14,300	15,005	16,472	
Panamax	101	%	2	%	0	%	12,209	18,065	-	
Handymax	226	%	261	%	239	%	11,983	17,403	17,644	
Bulk Division	119	%	27	%	21	%	12,148	17,454	17,644	
Total	25	%	7	%	4	%	13,093	16,047	17,275	

Fair value of freight rate contracts that are mark-to-market in the income statement (USD million):

Contracts not included above	0.0
Contracts included above	2.5

Notes

Actual no. of days can vary from projected no. of days primarily due to vessel sales and delays of vessel deliveries.
T/C in costs do not include potential extra payments from profit split arrangements.

Tanker Division

The product tanker freight rates continued to be under pressure in the second quarter of 2012, as global economic indicators were sluggish. Most notably, this included the continued European financial crisis and decreasing GDP growth in both China and the USA, which negatively impacted the global oil consumption and subsequently the oil product transportation.

In the West, MR freight rates were negatively affected by the closed gasoline and diesel arbitrage between the European Continent and the USA, weaker US East Coast product demand and higher utilization in the US refineries. In addition, the MR freight rates were hampered by an overall migration of vessels from the East.

In the East, the freight rates for LR2 and LR1 vessels increased during June mainly due to the jet oil arbitrage opening to Europe, which also had positive spill-over effects on the activities in the Arabian Gulf. Palm oil exports from Indonesia climbed ~10% in June compared to May, but the overall palm oil exports have declined since the end of 2008, mainly due to the European financial crisis and subsequent lower demand.

The global product tanker fleet grew by ~1% in the second quarter of 2012 (source: SSY). In general, the markets are still suffering from tonnage oversupply.

The Tanker division's results continued to be adversely affected by TORM's financial situation. However, the Company outperformed spot benchmarks across all segments; but, the general market sentiment in the second quarter of 2012 was weaker than last year. TORM achieved LR2 spot rates of USD/day 10,206 in the second quarter of 2012, which was at the same level as in the second quarter last year. The segment is still affected by substitution from the Aframax and Suezmax newbuildings and general oversupply of tonnage. The LR1 spot rates were at USD/day 11,237, down by 26% year-on-year, and TORM's largest segment (MR) was at USD/day 11,510, down by 25% year-on-year. The Handysize spot rates were at USD/day 10,939, down by 18% year-on-year.

The Tanker Division's operating loss for the second quarter of 2012 was USD 42 million, compared to a gain of USD 1 million in the same period 2011. Mark-to-market effects were negative with USD 1 million.

Tanker Division	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Change Q2 11 -Q2 12		12 month avg.
LR2 (Aframax, 90-110,000 DWT)								
Available earning days	1,153	1,158	1,092	899	854	-26	%	
Spot rates ¹⁾	10,612	10,836	11,959	10,814	10,206	-4	%	
TCE per earning day ²⁾	12,542	12,423	15,647	7,865	14,157	13	%	12,649
Operating days	1,183	1,196	1,121	1,001	1,001	-15	%	
Operating expenses per operating day ³⁾	5,781	6,721	6,133	5,976	7,001	21	%	6,458
LR1 (Panamax 75-85,000 DWT)								
Available earning days	2,164	2,208	2,081	2,076	1,879	-13	%	
Spot rates ¹⁾	15,174	9,841	7,678	12,515	11,237	-26	%	

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TCE per earning day2)	14,962	9,467	9,020	12,977	11,747	-21	%	10,758
Operating days	637	644	644	637	637	0	%	
Operating expenses per operating day3)	6,135	6,481	6,419	6,389	5,798	-5	%	6,272
MR (45,000 DWT) Available								
earning days	4,373	4,511	4,477	4,681	4,362	0	%	
Spot rates1)	15,315	11,749	14,080	14,363	11,510	-25	%	
TCE per earning day2)	15,867	12,910	13,335	14,082	11,418	-28	%	12,959
Operating days	3,549	3,496	3,496	3,557	3,549	0	%	
Operating expenses per operating day3)	6,629	6,732	5,929	6,743	6,756	2	%	6,540
Handysize (35,000 DWT) Available								
earning days	996	992	978	989	981	-2	%	
Spot rates1)	13,403	10,582	9,483	12,823	10,939	-18	%	
TCE per earning day2)	11,983	12,020	9,809	13,122	12,189	2	%	11,790
Operating days	1,001	1,012	1,012	1,001	1,001	0	%	
Operating expenses per operating day3)	5,183	5,436	6,919	5,577	5,686	10	%	5,904

- 1) Spot rates = Time Charter Equivalent Earnings for all charters with less than 6 months duration = Gross freight income less bunker, commissions and port expenses.
- 2) TCE = Time Charter Equivalent Earnings = Gross freight income less bunker, commissions and port expenses.
- 3) Operating expenses are related to owned vessels.

Bulk Division

The bulk market experienced positive freight rate movements in April 2012 as a result of the South American grain season, which was replaced by a negative market sentiment due to the macroeconomic uncertainty and events like the Indonesian commodity export ban.

In the Pacific spot market, the Cape market continued its dismal performance as a result of continued tonnage inflow, high iron ore prices and high stock levels in the Chinese ports with freight rates dropping to USD/day 3-4,000. Freight rates in the Panamax segment were about USD/day 7-10,000 throughout the period. The reduced trade volumes from the Indonesian export ban especially affected the Handymax segment where freight rates temporarily dropped to USD/day 3-4,000 and later increased to USD/day 8-9,000.

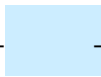
In the Atlantic spot market, the freight rates for Panamax initially benefitted from the South American grain season, reaching USD/day 15-16,000 only to drop back in May to USD/day 4-5,000 and finally improving towards the end of June to USD/day 7-8,000. The Handymax segment continued to show strength – especially for South American and West African activities on iron ore, sugar and grains – with fronthaul freight rates at USD/day ~20,000.

The number of newbuilding deliveries in the second quarter of 2012 continued at similar high levels as realized in the first quarter of 2012 with 76 Capesize, 102 Panamax and 95 Handymax vessels being delivered (source: SSY).

TORM experienced a continued high number of waiting days and ballasting time in the second quarter of 2012 due to the adverse effects from the Company's financial situation. TORM's Panamax time charter equivalent (TCE) earnings in the second quarter of 2012 were USD/day 9,647 or 40% below the same period in 2011. The realized TCE earnings for Handymax during the second quarter of 2012 were USD/day 4,353, which is 65% lower than in the same period of 2011. The Handymax earnings have been negatively affected by position voyages by the end of the quarter.

The Bulk Division's result was an operating loss of USD 13 million, which included negative mark-to-market effects on unrealized bunker hedge of USD 10 million.

Bulk Division	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Change Q2 11 - Q2 12	12 month avg.
Panamax (60-80,000 DWT)							
Available earning days	2,068	2,279	3,127	1,848	1,447	-30%	
TCE per earning day ²⁾	16,015	12,140	14,357	9,670	9,647	-40%	11,998
Operating days	182	184	184	182	182	0%	
Operating expenses per operating day ³⁾	3,904	5,126	3,896	3,934	5,130	31%	4,522
Handymax (40-55,000 DWT)							
Available earning days	1,133	1,152	1,361	642	260	-77%	
TCE per earning day ²⁾	12,554	12,510	13,403	11,763	4,353	-65%	12,105
Operating days	-	-	-	-	-	-	-

Operating expenses per
operating day3) - - - -  - -

- 1) TCE = Time Charter Equivalent Earnings = Gross freight income less bunker, commissions and port expenses.
- 2) Operating expenses are related to owned vessels.

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Fleet development

During the second quarter of 2012, TORM sold its shares in the JV entity that owned the LR1 vessel, TORM Umland. Following the sale, TORM's owned fleet consists of 66 product tankers and two dry bulk vessels. TORM does not have any newbuildings on order. At the end of the second quarter of 2012, outstanding CAPEX relating to the order book was thus zero, compared to USD 167 million in the same period of 2011.

TORM's operated fleet as at 30 June 2012 is shown in the table below. In addition to the 68 owned vessels, TORM had chartered-in 25 product tankers and 11 bulk vessels on longer time charter contracts (minimum one year contracts) and five bulk vessels on shorter time charter contracts (less than one year contracts). Another 18 product tankers were either in pools or under commercial management with TORM.

# of vessels	Current fleet			Newbuildings and T/C-in deliveries with a period >= 12 months			
	Q1 2012	Changes	Q2 2012	2012	2013	2014	2015
Owned vessels							
LR2	9.0	-	9.0				
LR1	7.5	-0.5	7.0				
MR	39.0	-	39.0				
Handysize	11.0	-	11.0				
Tanker Division	66.5	-0.5	66.0	-	-	-	-
Panamax	2.0	-	2.0				
Handymax		-	-				
Bulk Division	2.0	-	2.0	-	-	-	-
Total	68.5	-0.5	68.0	-	-	-	-
T/C-in vessels with contract period >= 12 months							
LR2	2.0	-	2.0				
LR1	16.0	-3.0	13.0				
MR	12.0	-2.0	10.0				
Handysize		-	-				
Tanker Division	30.0	-5.0	25.0	-	-	-	-
Panamax	11.0	-2.0	9.0	1.0	1.0	2.0	
Handymax	2.0	-	2.0				
Bulk Division	13.0	-2.0	11.0	1.0	1.0	2.0	-
Total	43.0	-7.0	36.0	1.0	1.0	2.0	-
T/C-in vessels with contract period < 12 months							
LR2							
LR1							
MR							
Handysize							

Tanker Division	-	-	-
Panamax	3.0	-	3.0
Handymax	2.0	-	2.0
Bulk Division	5.0	-	5.0
Total	5.0	-	5.0
Pools/commercial management	20.0	-2.0	18.0
Total fleet	136.5	-9.5	127.0

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Notes on the financial reporting
Accounting policies

The interim report for the period 1 January – 30 June 2012 is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the accounting policies as for the Annual Report for 2011. The accounting policies are described in more detail in the Annual Report for 2011. As from 1 January 2012, TORM has implemented the amendment to IFRS 7 regarding disclosures about transfer of financial assets. The amended standard has not affected recognition and measurement in TORM's interim report for the first half of 2012. The interim report of the second quarter of 2012 is unaudited, in line with the normal practice.

Income statement

The gross profit for the second quarter of 2012 was USD 1 million, compared to USD 39 million for the corresponding period in 2011.

The second quarter of 2012 was not impacted by gains from sale of vessels, whereas the second quarter of 2011 had a gain of USD 7 million from sale of vessels. Administrative costs in the second quarter of 2012 were USD 17 million, compared to USD 18 million in the second quarter of 2011.

The result before depreciation (EBITDA) for the second quarter of 2012 was a loss of USD 23 million, compared to a profit of USD 30 million for the corresponding period of 2011. Loss from sales of vessels constituted USD 5 million in the second quarter of 2012, which is booked under results from jointly controlled entities.

Impairment losses on jointly controlled entities (FR8) constituted USD 42 million for the second quarter of 2012, subsequently the book value is set to USD 0 million. In comparison, there was no impairment in the second quarter of 2011.

Depreciation in the second quarter of 2012 was USD 34 million, USD 3 million lower than the second quarter of 2011. This decrease was due to vessel sales during first half of 2012.

The primary operating result for the second quarter of 2012 was a loss of USD 99 million, compared to a loss of USD 7 million in the same quarter of 2011.

The second quarter of 2012 was negatively impacted by mark-to-market non-cash adjustments of USD 8 million in total: Negative USD 11 million in connection with FFA/bunker derivatives and the positive net effect from other financial derivatives amounting to USD 3 million. The second quarter of 2011 had positive mark-to-market

non-cash adjustments of USD 2 million.

Financial expenses of USD 37 million include USD 18 million in restructuring costs – primarily fees to advisors of the Company and the Company's creditors related to the work on a restructuring agreement.

The result after tax was a loss of USD 132 million in the second quarter of 2012, as against a loss of USD 24 million in the second quarter of 2011.

Assets

Total assets were down from USD 2,779 million as at 31 December 2011 to USD 2,544 million as at 30 June 2012. The book value of the fleet excluding financial lease vessels as of 30 June 2012 was USD 2,193 million. Based on broker valuations, TORM's fleet excluding financial lease vessels had a market value of USD 1,370 million as of 30 June 2012. TORM estimates the fleet's total long-term earning potential each quarter based on future discounted cash flows. The estimated value for the fleet as at 30 June 2012 supports the book value.

Debt

Net interest-bearing debt was USD 1,852 million as at 30 June 2012, compared to USD 1,838 million as at 31 March 2012. As at 30 June 2012, TORM was in breach of its financial covenants under the existing loan agreements. As at 30 June 2012, TORM did not have a standstill agreement with the bank group and therefore the Company no longer has the right to defer payments until such time as the final restructuring agreement has been entered into.

Equity

Equity declined in the second quarter of 2012 from USD 569 million as at 31 March 2012 to USD 435 million primarily due to the loss during the period. Equity as a percentage of total assets was 17% as at 30 June 2012, compared to 23% as at 31 December 2011.

TORM held 3,230,432 treasury shares as at 30 June 2012, equivalent to 4.4% of the Company's share capital. This is the same level as of 31 March 2012.

Liquidity

TORM had cash of USD 17 million at the end of the second quarter of 2012 and no credit lines available. TORM has no order book and therefore no CAPEX related hereto. As at 20 August 2012 the cash totalled USD 33 million.

Post balance sheet events

No subsequent events have occurred after the balance sheet date which would materially affect the financial performance of the Company.

Financial calendar

TORM's third quarter report for 2012 will be published on 7 November 2012. TORM's complete financial calendar can be found at www.torm.com/investor-relations.

About TORM

TORM is one of the world's leading carriers of refined oil products as well as a significant player in the dry bulk market. The Company operates a fleet of approximately 125 modern vessels in cooperation with other respected shipping companies sharing TORM's commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889. The Company conducts business worldwide and is headquartered in Copenhagen, Denmark. TORM's shares are listed on NASDAQ OMX Copenhagen (ticker: TORM) and on NASDAQ in New York (ticker: TRMD). For further information, please visit www.torm.com.

Safe Harbor statements as to the future

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although TORM believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, TORM cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

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Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for "tonne miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by TORM with the US Securities and Exchange Commission, including the TORM Annual Report on Form 20-F and its reports on Form 6-K. Forward-looking statements are based on management's current evaluation, and TORM is only under an obligation to update and change the listed expectations to the extent required by law.

Statement by the Board of Directors and Executive Management

The Board and Management have today discussed and adopted this interim report for the period 1 January – 30 June 2012.

This interim report is unaudited and was prepared in accordance with the International Financial Reporting Standards for Interim Financial Reporting, IAS 34, as adopted by the EU and additional disclosure of listed Danish companies.

Reference is made to the Annual Report for 2011's note 2 to the consolidated financial statements "Liquidity, capital resources, going concern and subsequent events", in which it is stated that the successful outcome of the current negotiations with TORM's banks and other stakeholders to secure the implementation of the comprehensive financing and restructuring plan outlined in the conditional framework agreement in principle is a prerequisite for TORM's continued operation. In a forced sale, or if TORM is otherwise not able to continue as a going concern, the net value of the Company's assets, liabilities and off balance sheet items would be significantly lower than the current carrying amounts.

We believe the accounting practices used are reasonable, and that this interim report gives a true and accurate picture of the Group's assets, debt, financial position, results and cash flows.

Copenhagen, 21 August 2012

Executive Management

Jacob Meldgaard, CEO
Roland M. Andersen, CFO

Board of Directors

Niels Erik Nielsen, Chairman
Christian Frigast, Deputy Chairman
Jesper Jarlbæk

Kari Millum Gardarnar
Rasmus Johannes Hoffmann

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Consolidated income statement

Million USD	Q2 2012	Q2 2011	Q1-Q2 2012	Q1-Q2 2011	2011
Revenue	272.3	335.7	582.9	606.1	1,305.2
Port expenses, bunkers and commissions	-161.6	-159.9	-333.8	-289.7	-675.0
Freight and bunkers derivatives	-8.1	3.0	5.5	9.9	14.1
Time charter equivalent earnings	102.6	178.8	254.6	326.3	644.3
Charter hire	-60.6	-99.6	-145.0	-176.2	-398.3
Operating expenses	-41.4	-40.1	-81.7	-83.2	-165.0
Gross profit (Net earnings from shipping activities)	0.6	39.1	27.9	66.9	81.0
Profit from sale of vessels	0.0	7.1	-15.9	1.4	-52.6
Administrative expenses	-16.5	-17.7	-33.1	-34.8	-71.2
Other operating income	0.4	2.3	0.9	2.5	3.2
Share of results of jointly controlled entities	-7.4	-1.3	-9.8	-2.4	-4.2
EBITDA	-22.9	29.5	-30.0	33.6	-43.8
Impairment losses on jointly controlled entities	-41.5	0.0	-41.5	0.0	-13.0
Impairment losses on tangible and intangible assets	0.0	0.0	0.0	0.0	-187.0
Amortizations and depreciation	-34.1	-36.5	-68.1	-73.1	-144.8
Operating profit (EBIT)	-98.5	-7.0	-139.6	-39.5	-388.6
Financial income	3.2	-0.5	6.8	2.0	9.9
Financial expenses	-36.8	-16.2	-77.8	-31.1	-72.7
Profit/(loss) before tax	-132.1	-23.7	-210.6	-68.6	-451.4
Tax	0.0	-0.6	-0.2	-1.0	-1.6
Net profit/(loss) for the period	-132.1	-24.3	-210.8	-69.6	-453.0

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Earnings/(loss) per share, EPS					
Earnings/(loss) per share, EPS (USD)	-1.9	-0.3	-3.0	-1.0	-6.5
Earnings/(loss) per share, EPS (DKK)*	-11.0	-1.8	-17.4	-5.3	-34.9
Diluted earnings/(loss) per share, (USD)	-1.9	-0.3	-3.0	-1.0	-6.5
Diluted earnings/(loss) per share, (DKK)*	-11.0	-1.8	-17.4	-5.3	-34.9

*) The key figures have been translated from USD to DKK using the average USD/DKK exchange change rate for the period in question.

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Consolidated income statement per quarter

Million USD	Q2 12	Q1 12	Q4 11	Q3 11	Q2 11
Revenue	272.3	310.6	367.3	331.8	335.7
Port expenses, bunkers and commissions	-161.6	-172.2	-202.5	-182.8	-159.9
Freight and bunkers derivatives	-8.1	13.6	5.1	-0.9	3.0
Time charter equivalent earnings	102.6	152.0	169.9	148.1	178.8
Charter hire	-60.6	-84.4	-118.6	-103.5	-99.6
Operating expenses	-41.4	-40.3	-39.5	-42.3	-40.1
Gross profit (Net earnings from shipping activities)	0.6	27.3	11.8	2.3	39.1
Profit from sale of vessels	0.0	-15.9	-54.0	0.0	7.1
Administrative expenses	-16.5	-16.6	-19.6	-16.8	-17.7
Other operating income	0.4	0.5	0.3	0.4	2.3
Share of results of jointly controlled entities	-7.4	-2.4	1.1	-2.9	-1.3
EBITDA	-22.9	-7.1	-60.4	-17.0	29.5
Impairment losses on jointly controlled entities	-41.5	0.0	-13.0	0.0	0.0
Impairment losses on tangible and intangible assets	0.0	0.0	-187.0	0.0	0.0
Amortizations and depreciation	-34.1	-34.0	-35.6	-36.1	-36.5
Operating profit (EBIT)	-98.5	-41.1	-296.0	-53.1	-7.0
Financial income	3.2	3.6	8.4	-0.5	-0.5
Financial expenses	-36.8	-41.0	-25.1	-16.5	-16.2
Profit/(loss) before tax	-132.1	-78.5	-312.7	-70.1	-23.7
Tax	0.0	-0.2	-0.3	-0.3	-0.6
Net profit/(loss) for the period	-132.1	-78.7	-313.0	-70.4	-24.3
Earnings/(loss) per share, EPS					
Earnings/(loss) per share, EPS (USD)	-1.9	-1.1	-4.5	-1.0	-0.3
Diluted earnings/(loss) per share, (USD)	-1.9	-1.1	-4.5	-1.0	-0.3

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Consolidated statement of comprehensive income

Million USD	Q2 2012	Q2 2011	Q1-Q2 2012	Q1-Q2 2011	2011
Net profit/(loss) for the period	-132.1	-24.3	-210.8	-69.6	-453.0
Other comprehensive income:					
Exchange rate adjustment arising on translation of entities using a measurement currency different from USD	-0.4	0.0	0.3	0.0	-0.4
Fair value adjustment on hedging instruments	-7.2	-13.4	-9.1	-10.1	-29.7
Value adjustment on hedging instruments transferred to income statement	5.7	-0.1	9.9	0.8	1.7
Fair value adjustment on available for sale investments	-0.6	-0.1	-0.3	0.1	8.7
Transfer to income statement on sale of available for sale investments	0.0	0.0	0.0	0.0	0.0
Other comprehensive income after tax	-2.5	-13.6	0.8	-9.2	-19.7
Total comprehensive income	-134.6	-37.9	-210.0	-78.8	-472.7

Consolidated balance sheet – Assets

Million USD	30 June 2012	30 June 2011	31 December 2011
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	0.0	89.2	0.0
Other intangible assets	1.8	2.0	1.9
Total intangible assets	1.8	91.2	1.9
Tangible fixed assets			
Land and buildings	1.6	2.0	2.0
Vessels and capitalised dry-docking	2,260.5	2,485.2	2,258.6
Prepayments on vessels	0.0	136.8	69.2
Other plant and operating equipment	7.0	9.1	8.1
Total tangible fixed assets	2,269.1	2,633.1	2,337.9
Financial assets			
Investment in jointly controlled entities	0.8	69.5	50.3
Loans to jointly controlled entities	0.0	9.2	8.2
Other investments	11.9	3.1	11.6
Other financial assets	0.0	0.2	0.0
Total financial assets	12.7	82.0	70.1
TOTAL NON-CURRENT ASSETS	2,283.6	2,806.3	2,409.9
CURRENT ASSETS			
Bunkers	63.6	59.9	84.6
Freight receivables	144.1	117.7	140.2
Other receivables	21.2	24.6	26.0
Other financial assets	0.0	4.1	0.0
Prepayments	14.6	28.4	11.8
Cash and cash equivalents	16.7	147.1	85.5
	260.2	381.8	348.1
Non-current assets held for sale	0.0	13.7	21.2

TOTAL CURRENT ASSETS	260.2	395.5	369.3
TOTAL ASSETS	2,543.8	3,201.8	2,779.2

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Consolidated balance sheet – Equity and liabilities

Million USD	30 June 2012	30 June 2011	31 December 2011
EQUITY			
Common shares	61.1	61.1	61.1
Treasury shares	-17.3	-17.3	-17.3
Revaluation reserves	5.9	-2.4	6.2
Retained profit	409.9	1,002.5	620.0
Proposed dividends	0.0	0.0	0.0
Hedging reserves	-29.0	-11.1	-29.8
Translation reserves	3.9	4.1	3.6
TOTAL EQUITY	434.5	1,036.9	643.8
LIABILITIES			
Non-current liabilities			
Deferred tax liability	53.4	54.0	53.7
Mortgage debt and bank loans	0.0	1,701.8	0.0
Finance lease liabilities	30.5	75.2	29.4
Deferred income	5.8	0.0	6.4
TOTAL NON-CURRENT LIABILITIES	89.7	1,831.0	89.5
Current liabilities			
Mortgage debt and bank loans	1,792.7	190.7	1,794.6
Finance lease liabilities	45.3	3.3	48.3
Trade payables	79.8	48.9	115.6
Current tax liabilities	0.9	1.8	1.2
Other liabilities	99.7	80.0	85.0
Acquired liabilities related to options on vessels	0.0	1.0	0.0
Deferred income	1.2	8.2	1.2
TOTAL CURRENT LIABILITIES	2,019.6	333.9	2,045.9
TOTAL LIABILITIES	2,109.3	2,164.9	2,135.4
TOTAL EQUITY AND LIABILITIES	2,543.8	3,201.8	2,779.2

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Consolidated statement of changes in equity as at 1 January – 30 June 2012

Million USD	Common shares	Treasury shares	Retained profit	Proposed dividends	Revaluation reserves	Hedging reserves	Translation reserves	Total
Equity at 1 January 2012	61.1	-17.3	620.0	0.0	6.2	-29.8	3.6	643.8
Comprehensive income for the year:								
Net profit/(loss) for the year	-	-	-210.8	-	-	-	-	-210.8
Other comprehensive income for the year	-	-	-	-	-0.3	0.8	0.3	0.8
Total comprehensive income for the year	-	-	-210.8	-	-0.3	0.8	0.3	-210.0
Disposal treasury shares, cost	-	-	-	-	-	-	-	0.0
Loss from disposal of treasury shares	-	-	-	-	-	-	-	0.0
Share-based compensation	-	-	0.7	-	-	-	-	0.7
Total changes in equity Q1-Q2 2012	0.0	0.0	-210.1	0.0	-0.3	0.8	0.3	-209.3
Equity at 30 June 2012	61.1	-17.3	409.9	0.0	5.9	-29.0	3.9	434.5

Consolidated statement of changes in equity as at 1 January – 30 June 2011

Million USD	Common shares	Treasury shares	Retained profit	Proposed dividends	Revaluation reserves	Hedging reserves	Translation reserves	Total
Equity at 1 January 2011	61.1	-17.9	1,072.3	0.0	-2.5	-1.8	4.1	1,115.3
Comprehensive income for the year:								
Net profit/(loss) for the year	-	-	-69.6	-	-	-	-	-69.6
Other comprehensive income for the year	-	-	-	-	0.1	-9.3	0.0	-9.2
Total comprehensive income for the year	-	-	-69.6	-	0.1	-9.3	0.0	-78.8
Disposal treasury shares, cost	-	0.6	-	-	-	-	-	0.6
	-	-	-0.6	-	-	-	-	-0.6

Loss from disposal of treasury shares								
Share-based compensation	-	-	0.4	-	-	-	-	0.4
Total changes in equity Q1-Q2 2011	0.0	0.6	-69.8	0.0	0.1	-9.3	0.0	-78.4
Equity at 30 June 2011	61.1	-17.3	1,002.5	0.0	-2.4	-11.1	4.1	1,036.9

Consolidated statement of cash flows

Million USD	Q2 2012	Q2 2011	Q1-Q2 2012	Q1-Q2 2011	2011
Cash flow from operating activities					
Operating profit	-98.5	-7.0	-139.6	-39.5	-388.6
Adjustments:					
Reversal of profit/(loss) from sale of vessels	0.0	-7.1	15.9	-1.4	52.6
Reversal of amortizations and depreciation	34.1	36.5	68.1	73.1	144.8
Reversal of impairment of jointly controlled entities	41.5	0.0	41.5	0.0	13.0
Reversal of impairment of tangible and intangible assets	0.0	0.0	0.0	0.0	187.0
Reversal of share of results of jointly controlled entities	7.4	1.3	9.8	2.4	4.2
Reversal of other non-cash movements	11.2	-5.3	1.7	-12.0	-6.8
Dividends received	0.4	0.0	0.4	0.0	0.0
Dividends received from jointly controlled entities	0.0	0.3	0.0	1.0	1.4
Interest received and exchange rate gains	-0.2	2.9	0.0	6.5	5.0
Interest paid and exchange rate losses	-2.9	-17.9	-20.9	-33.7	-67.0
Advisor fees related to financing and restructuring plan	-18.0	0.0	-40.0	0.0	0.0
Income taxes paid/repaid	0.0	0.0	-0.5	-1.2	-2.7
Change in bunkers, receivables and payables	5.5	-33.9	-12.5	-36.5	-17.7
Net cash flow from operating activities	-19.5	-30.2	-76.1	-41.3	-74.8
Cash flow from investing activities					
Investment in tangible fixed assets	-4.4	-34.4	-48.5	-102.4	-118.5
Loans to jointly controlled entities	8.2	0.6	8.2	1.1	2.1
Sale of equity interests and securities	1.8	0.0	1.8	0.0	0.0
Sale of non-current assets	0.3	94.1	49.6	194.7	284.5
Net cash flow from investing activities	5.9	60.3	11.1	93.4	168.1
Cash flow from financing activities					
Borrowing, mortgage debt	0.0	60.3	22.5	87.0	87.0
Borrowing, finance lease liabilities	0.1	46.8	0.1	46.8	46.8
Repayment/redemption, mortgage debt	0.0	-130.7	-26.4	-156.2	-254.1

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Repayment/redemption, finance lease liabilities	0.8	-1.8	0.0	-2.6	-7.5
Net cash flow from financing activities	0.9	-25.4	-3.8	-25.0	-127.8
Net cash flow from operating, investing and financing activities	-12.7	4.7	-68.8	27.1	-34.5
Cash and cash equivalents, beginning balance	29.4	142.4	85.5	120.0	120.0
Cash and cash equivalents, ending balance	16.7	147.1	16.7	147.1	85.5

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Consolidated quarterly statement of cash flows

Million USD	Q2 12	Q1 12	Q4 11	Q3 11	Q2 11
Cash flow from operating activities					
Operating profit	-98.5	-41.1	-296.0	-53.1	-7.0
Adjustments:					
Reversal of profit/(loss) from sale of vessels	0.0	15.9	54.0	0.0	-7.1
Reversal of amortizations and depreciation	34.1	34.0	35.6	36.1	36.5
Reversal of impairment of jointly controlled entities	41.5	0.0	13.0	0.0	0.0
Reversal of impairment of tangible and intangible assets	0.0	0.0	187.0	0.0	0.0
Reversal of share of results of jointly controlled entities	7.4	2.4	-1.1	2.9	1.3
Reversal of other non-cash movements	11.2	-9.5	-0.5	5.7	-5.3
Dividends received	0.4	0.0	0.0	0.0	0.0
Dividends received from jointly controlled entities	0.0	0.0	0.2	0.2	0.3
Interest received and exchange rate gains	-0.2	0.2	-0.2	-1.3	2.9
Interest paid and exchange rate losses	-2.9	-18.0	-19.5	-13.8	-17.9
Advisor fees related to financing and restructuring plan	-18.0	-22.0	0.0	0.0	0.0
Income taxes paid/repaid	0.0	-0.5	-0.4	-1.1	0.0
Change in bunkers, receivables and payables	5.5	-18.0	14.9	3.8	-33.9
Net cash flow from operating activities	-19.5	-56.6	-13.0	-20.6	-30.2
Cash flow from investing activities					
Investment in tangible fixed assets	-4.4	-44.1	-11.6	-4.4	-34.4
Loans to jointly controlled entities	8.2	0.0	0.5	0.5	0.6
Sale of equity interests and securities	1.8	0.0	0.0	0.0	0.0
Sale of non-current assets	0.3	49.3	75.4	14.4	94.1
Net cash flow from investing activities	5.9	5.2	64.4	10.4	60.3
Cash flow from financing activities					
Borrowing, mortgage debt	0.0	22.5	0.0	0.0	60.3
Borrowing, finance lease liabilities	0.1	0.0	0.0	0.0	46.8
Repayment/redemption, mortgage debt	0.0	-26.4	-59.4	-38.5	-130.7
Repayment/redemption, finance lease liabilities	0.8	-0.8	-2.3	-2.6	-1.8

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Net cash flow from financing activities	0.9	-4.7	-61.7	-41.1	-25.4
Net cash flow from operating, investing and financing activities	-12.7	-56.1	-10.3	-51.3	4.7
Cash and cash equivalents, beginning balance	29.4	85.5	95.8	147.1	142.4
Cash and cash equivalents, ending balance	16.7	29.4	85.5	95.8	147.1

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Notes

Note 1 - Impairment test

As at 30 June 2012, Management performed a review of the recoverable amount of the assets by assessing the recoverable amount for the significant assets within the Tanker Division, the Bulk Division and the investment in 50% of FR8.

Based on the review, Management concluded that:

- Assets within the Tanker Division were not further impaired as of 30 June 2012 as the value in use exceeds the carrying amount.
- Assets within the Bulk Division were not impaired as the fair value less costs to sell exceeded the carrying amount by USD 25 million.
- The carrying amount of the investment in FR8 was impaired by USD 42 million in addition to the impairment losses previously recognized.

Tanker division

The methodology used for calculating the value in use is unchanged compared to the annual report for 2011 and accordingly the freight rate estimates in the period 2012 to 2015 are based on the Company's business plans, which in 2014 and 2015 assume a gradual increase towards the 10-year historic average spot freight rate. The freight rates from 2016 are based on the 10-year historic average spot freight rates from Clarksons adjusted by the inflation rate.

The WACC of 8.0% (30 June 2011: 8.2%) is unchanged compared to 31 December 2011.

The 10-year historic average spot freight rates as of 30 June 2012 are as follows:

- LR2 USD/day 26,878 (30 June 2011: USD/day 28,335)
- LR1 USD/day 22,582 (30 June 2011: USD/day 23,702)
- MR USD/day 20,034 (30 June 2011: USD/day 20,495)

Management believes that these major assumptions are reasonable.

The calculation of value in use is very sensitive to changes in the key assumptions which are considered to be related to the future development in freight rates, the WACC applied as discounting factor in the calculations and the development in operating expenses. The sensitivities have been assessed as follows, all other things being equal:

-

A decrease in the Tanker freight rates of USD/day 500 would result in a further impairment of USD 138 million for the Tanker Division.

- An increase of the WACC of 1.0% would result in a further impairment of USD 197 million for the Tanker Division.
- An increase of the operating expenses of 5.0% would result in a further impairment of USD 86 million for the Tanker Division

It should be emphasized that in a forced sale the recoverable amount of the vessels would be significantly lower than the carrying amount under a going concern assumption.

FR8

The book value of the investment in FR8 has been impaired by USD 42 million (1 April – 30 June 2011: USD 0 million) to zero.

Note 2 - Vessels and capitalised dry-docking

USD million	30 June 2012	2011	2011
Cost:			
Balance at 1 January	2,999.3	3,113.9	3,113.9
Exchange rate adjustment	0.0	0.0	0.0
Additions	6.2	7.9	20.7
Disposals	-49.6	-216.7	-334.6
Transferred to/from other items	102.9	199.3	199.3
Transferred to non-current assets held for sale	0.0	-31.8	0.0
Balance	3,058.8	3,072.6	2,999.3
Depreciation and impairments:			
Balance at 1 January	740.7	553.8	553.8
Exchange rate adjustment	0.0	0.0	0.0
Disposals	-8.7	-43.2	-67.8
Depreciation for the year	66.3	70.9	140.6
Impairment loss	0.0	16.3	97.8
Transferred to/from other items	0.0	-10.4	16.3
Balance	798.3	587.4	740.7
Carrying amount	2,260.5	2,485.2	2,258.6

Note 3 - Prepayments on vessels

USD million	30 June 2012	30 June 2011	31 Dec. 2011
Cost:			
Balance at 1 January	69.2	243.3	243.3
Additions	41.7	92.8	94.8
Disposals	-8.0	0.0	-7.8
Transferred to/from other items	-102.9	-199.3	-199.3
Transferred to non-current assets held for sale	0.0	0.0	-61.8
Balance	0.0	136.8	69.2
Depreciation and impairments:			
Balance at 1 January	0.0	16.3	16.3
Exchange rate adjustment	0.0	0.0	0.0
Disposals	0.0	0.0	0.0

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Depreciation for the year	0.0	0.0	0.0
Transferred to/from other items	0.0	-16.3	-16.3
Loss from sale of newbuildings	0.0	0.0	0.0
Balance	0.0	0.0	0.0
Carrying amount	0.0	136.8	69.2

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Note 4 - Mortgage debt and bank loans

Million USD	30 June 2012	30 June 2011	31 Dec. 2011
Mortgage debt and bank loans			
To be repaid as follows:			
Falling due within one year	1,792.7	190.7	1,794.6
Falling due between one and two years	0.0	283.0	0.0
Falling due between two and three years	0.0	154.1	0.0
Falling due between three and four years	0.0	272.1	0.0
Falling due between four and five years	0.0	591.0	0.0
Falling due after five years	0.0	401.6	0.0
Carrying amount	1,792.7	1,892.5	1,794.6

As at 30 June 2012, TORMs equity ratio of 17.1% and cash at bank at USD 16.7 million resulted in a breach of its financial covenants under the existing loan agreements. As at 30 June 2012, TORM therefore does not have an unconditional right to defer payments on the loans for more than 12 months and the mortgage debt and bank loans are in principle payable on demand. Accordingly the mortgage debt and bank loans are classified as current liabilities in the balance sheet.

As at 21 August 2012, none of these defaults have been remediated.

Million USD	Q1-Q2 2012				Q1-Q2 2011			
	Tanker Division	Bulk Division	Not allocated	Total	Tanker Division	Bulk Division	Not allocated	Total
Revenue	484.0	98.9	0.0	582.9	478.4	127.7	0.0	606.1
Port expenses, bunkers and commissions	-275.7	-58.1	0.0	-333.8	-238.3	-51.4	0.0	-289.7
Freight and bunkers derivatives	-0.5	6.0	0.0	5.5	0.3	9.6	0.0	9.9
Time charter equivalent earnings	207.8	46.8	0.0	254.6	240.4	85.9	0.0	326.3
Charter hire	-94.9	-50.1	0.0	-145.0	-94.8	-81.4	0.0	-176.2
Operating expenses	-80.0	-1.7	0.0	-81.7	-81.6	-1.6	0.0	-83.2
Gross profit (Net earnings from shipping activities)	32.9	-5.0	0.0	27.9	64.0	2.9	0.0	66.9
Profit from sale of vessels	-15.9	0.0	0.0	-15.9	1.8	-0.4	0.0	1.4
Administrative expenses	-29.7	-3.4	0.0	-33.1	-28.9	-5.9	0.0	-34.8
Other operating income	0.8	0.1	0.0	0.9	2.4	0.1	0.0	2.5
Share of results of jointly controlled entities	-5.4	0.0	-4.4	-9.8	1.4	0.0	-3.8	-2.4
EBITDA	-17.3	-8.3	-4.4	-30.0	40.7	-3.3	-3.8	33.6
Impairment losses on jointly controlled entities	0.0	0.0	-41.5	-41.5	0.0	0.0	0.0	0.0
Amortizations and depreciation	-66.8	-1.3	0.0	-68.1	-71.5	-1.6	0.0	-73.1
Operating profit (EBIT)	-84.1	-9.6	-45.9	-139.6	-30.8	-4.9	-3.8	-39.5
Financial income	-	-	6.8	6.8	-	-	2.0	2.0

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Financial expenses	-	-	-77.8	-77.8	-	-	-31.1	-31.1
Profit/(loss) before tax	-	-	-116.9	-210.6	-	-	-32.9	-68.6
Tax	-	-	-0.2	-0.2	-	-	-1.0	-1.0
Net profit/(loss) for the period	-	-	-117.1	-210.8	-	-	-33.9	-69.6
BALANCE SHEET								
Total non-current assets	2,234.0	37.7	11.9	2,283.6	2,628.0	102.9	75.4	2,806.3

During the year, there have been no transactions between the Tanker Division and the Bulk Division, and therefore all revenue derives from external customers.

Note 6 - Post balance sheet date events

No subsequent events have occurred after the balance sheet date which would materially affect the financial performance of the Company.

Note 7 - Accounting policies

The interim report for the period 1 January – 30 June 2012 is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the accounting policies as for the Annual Report for 2011. The accounting policies are described in more detail in the Annual Report for 2011. As from January 1 2012, TORM has implemented the amendment to IFRS 7 regarding disclosures about transfer of financial assets. The amended standard have not affected recognition and measurement in TORM's interim report for the first half of 2012. The interim report of the second quarter of 2012 is unaudited, in line with the normal practice.