



HOLLY ENERGY PARTNERS.

Holly Energy Partners Announces Quarterly Distribution, Updates 2019 Guidance and Initiates 2020 Distribution and Coverage Guidance

October 17, 2019

DALLAS--(BUSINESS WIRE)--Oct. 17, 2019-- The Board of Directors of Holly Energy Partners, L.P. (NYSE:HEP) has declared a cash distribution of \$0.6725 per unit for the third quarter of 2019. The quarterly distribution amount remains the same as the \$0.6725 per unit paid in the second quarter of 2019. The distribution will be paid on November 12, 2019 to unitholders of record on October 28, 2019.

For 2019 and through 2020, HEP expects to hold the quarterly distribution constant at \$0.6725 per unit, or \$2.69 on an annualized basis, while maintaining a distribution coverage ratio of 1.0x. HEP's 2020 distribution guidance reflects growth from contractual tariff escalators and the recently announced Cushing Connect joint venture offset by lower revenues from Delek and elevated maintenance capital expenditures due to one-time events.

George Damiris, Chief Executive Officer, commented, "HEP's fee based business model is underpinned by long-term contracts featuring substantial minimum volume commitments with downstream customers, de minimis direct commodity exposure and a supportive parent, HollyFrontier.

"With our largest re-contracting risk behind us, we remain committed to both maintaining a healthy balance sheet and distributing cash flow to our unit holders with a distribution coverage ratio at or above 1.0x. As the recently announced Cushing Connect joint venture shows, we continue to generate new revenue opportunities for HEP and we are optimistic about new alternatives for our assets not contractually renewed by Delek."

Holly Energy plans to announce results for its third quarter of 2019 on October 30, 2019 before the opening of trading on the NYSE. The Partnership has scheduled a webcast conference on October 30, 2019 at 4:00 p.m. Eastern time to discuss financial results.

The webcast may be accessed at:

<https://event.on24.com/wcc/r/2080138/CAE357C8554E8B7B173607A94575B76E>

About Holly Energy Partners, L.P.:

Holly Energy Partners, L.P., headquartered in Dallas, Texas, provides petroleum product and crude oil transportation, terminalling, storage and throughput services to the petroleum industry, including HollyFrontier Corporation subsidiaries. Holly Energy, through its subsidiaries and joint ventures, owns and/or operates petroleum product and crude gathering pipelines, tankage and terminals in Texas, New Mexico, Washington, Idaho, Oklahoma, Utah, Nevada, Wyoming and Kansas as well as refinery processing units in Kansas and Utah.

This release is intended to be a qualified notice under Treasury Regulation Section 1.1446-4(b). Please note that one hundred percent (100.0%) of Holly Energy Partner's distributions to foreign investors are attributable to income that is effectively connected with a United States trade or business. Accordingly, Holly Energy Partner's distributions to foreign investors are subject to federal income tax withholding at the highest applicable effective tax rate.

Forward-looking Statement:

The statements in this press release relating to matters that are not historical facts are "forward-looking statements" within the meaning of the federal securities laws. These statements are based on our beliefs and assumptions and those of our general partner using currently available information and expectations as of the date hereof, are not guarantees of future performance and involve certain risks and uncertainties. Although we and our general partner believe that such expectations reflected in such forward-looking statements are reasonable, neither we nor our general partner can give assurance that our expectations will prove to be correct. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in these statements. Any differences could be caused by a number of factors including, but not limited to:

- risks and uncertainties with respect to the actual quantities of petroleum products and crude oil shipped on our pipelines and/or terminalled, stored and throughput in our terminals;
- the economic viability of HollyFrontier Corporation, Delek US Holdings, Inc. and our other customers;
- the demand for refined petroleum products in markets we serve;
- our ability to purchase and integrate future acquired operations;
- our ability to complete previously announced or contemplated acquisitions;
- the availability and cost of additional debt and equity financing;
- the possibility of reductions in production or shutdowns at refineries utilizing our pipeline and terminal facilities;
- the effects of current and future government regulations and policies;
- our operational efficiency in carrying out routine operations and capital construction projects;
- the possibility of terrorist or cyber attacks and the consequences of any such attacks;
- general economic conditions; and
- other financial, operations and legal risks and uncertainties detailed from time to time in our Securities and Exchange Commission filings.

The forward-looking statements speak only as of the date made and, other than as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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