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Portions of this document constitute forward-looking statements as defined by federal law. Although management believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Among the key risk factors that may have a direct impact on the partnership’s results of operations and financial condition are: (1) its ability to identify growth projects or to complete identified projects on time and at expected costs; (2) price fluctuations and changes in demand for refined petroleum products, crude oil and natural gas liquids, or changes in demand for transportation or storage of those commodities through its existing or planned facilities; (3) changes in the partnership’s tariff rates or other terms imposed by state or federal regulatory agencies; (4) shut-downs or cutbacks at major refineries, petrochemical plants, ammonia production facilities or other businesses that use or supply the partnership’s services; (5) changes in the throughput or interruption in service on pipelines owned and operated by third parties and connected to the partnership’s terminals or pipelines; (6) the occurrence of an operational hazard or unforeseen interruption; (7) the treatment of the partnership as a corporation for federal or state income tax purposes or if the partnership becomes subject to significant forms of other taxation; (8) an increase in the competition the partnership’s operations encounter; (9) disruption in the debt and equity markets that negatively impacts the partnership’s ability to finance its capital spending and (10) failure of customers to meet or continue contractual obligations to the partnership. Additional information about issues that could lead to material changes in performance is contained in the partnership's filings with the Securities and Exchange Commission, including the partnership’s Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2013 and subsequent reports on Forms 8-K and 10-Q. The partnership undertakes no obligation to revise its forward-looking statements to reflect events or circumstances occurring after today's date.
• Investment grade MLP with no incentive distribution rights
  – Provides MMP a competitive advantage with one of the lowest costs of capital in the MLP space

Magellan Midstream Partners, L.P.
(NYSE: MMP)

Refined Products – 69%*
Marine Storage – 9%*
Crude Oil – 22%*

* Percentage of ytd 2Q14 operating margin
Refined Products

• Longest refined products pipeline system, primarily transporting gasoline and diesel fuel, with 9,500 miles, 54 terminals and 42mm barrels of storage

• Profit driven by throughput volume and tariffs
  – Tariff increase directly related to Producer Price Index; increased tariffs by 4.6% in mid-2013 and 3.9% on July 1, 2014

• Competitive position = breadth of system (access nearly 50% of refining capacity) + independent service provider model
Marine Storage

- 5 storage facilities with 27mm barrels of aggregate storage, supported by long-term agreements
- Profit driven by amount of storage leased
- Strong demand due to market structure, pricing volatility and connectivity
• 1,100 miles of active crude oil pipelines, substantially backed by long-term throughput commitments
• 18mm barrels of total crude oil storage supported by lease agreements, including one of the largest storage providers in Cushing, OK
• Significant source of growth for Magellan with Permian Basin pipeline projects
Primarily Fee-Based Business

Expect Future Fee-Based, Low Risk Activities to Comprise ~85% or More of Operating Margin

ytd 2Q14 Results*

- Transportation: 51%
- Commodity-related activities: 21%
- Terminal delivery fees: 4%
- Fee-based ancillary services: 9%
- Leased storage: 15%

* Operating margin represents operating profit before depreciation & amortization and general & administrative costs; includes $6.3mm of commodity-related adjustments
Over the last 10 years, Magellan has invested $3.7 billion in acquisitions and organic growth projects.

Expect to spend $1.2 billion from 2014 - 2016 to finish construction projects currently underway.

Many opportunities exist for continued growth:
- Continue to evaluate well in excess of $500mm of potential growth projects
- Future acquisitions always under review
- Management committed to disciplined approach for future growth

Growth in Expansion Capital Spending

- Organic Growth
- Acquisitions
While refined products assets generate the largest portion of our financial results, Magellan’s growing crude oil asset profile continues to provide springboard for additional crude oil opportunities.

**Current Expansion Spending**
2014 - 2016 estimate: $1.2 billion

**Potential Expansion Projects**
> $500mm
Longhorn Pipeline

- Current capacity of 275k bpd; averaged 250k bpd during 2Q14
- Pipeline fully subscribed under long-term agreements
  - 10% of capacity reserved for spot shippers
- $430mm combined capital spending
- 3x EBITDA multiple
- Adding new origin at Barnhart to increase pipeline access in early ’15
• Largest organic growth project in Magellan’s history: $625mm for MMP’s share of capital spending
• 50/50 joint venture with Occidental Petroleum
• 300k bpd pipeline capacity; expect to begin pipeline shipments to Houston in Sept.
• Following recent supplemental open season, 7x EBITDA multiple expected on committed volume with upside potential
Permian a Key Focus Area for Magellan

- Incremental pipeline capacity also expected to handle displaced Cushing barrels
  - Historically, ~750k bpd of Permian crude oil moved to Cushing and Midwest refineries via Centurion, Basin and West Texas Gulf pipelines
  - As Canadian and Northern tier crude moves into Cushing, some of this crude oil will be pushed to the Gulf Coast region

- Magellan Playing a Material Role in Permian Solution

Incremental pipeline capacity (000 bpd)
- 110 Sunoco West Texas Gulf
- 150 Sunoco Permian Express I
- 200 Sunoco Permian Express II
- 250 Plains Cactus
- 275 Longhorn pipeline
- 300 BridgeTex pipeline

=1,285k bpd incremental pipeline capacity

(Source: Industry reports and Magellan estimates)
• Magellan’s Houston distribution network is the most comprehensive system to deliver crude oil to the Houston Gulf Coast area

• Access to all domestic inbound crude production

• Delivery capabilities to Houston and Texas City refineries and Shell Ho-Ho pipeline
Eagle Ford Joint Venture

- JV with Kinder Morgan to transport condensate from the Eagle Ford shale
  - 195-mile, 100k bpd Double Eagle pipeline
  - Delivers to Magellan’s Corpus Christi terminal
  - JV currently constructing 10-mile pipeline to connect to Kinder’s system for delivery to the Houston Ship Channel in early ’15
  - Committed volumes expected to ramp up to 70% of capacity in 2016
With restrictions on crude oil exports, investments in condensate splitters on the Gulf Coast are needed to handle the influx of Eagle Ford production. Even with recent private letter rulings on lightly processed condensate, Magellan believes some level of domestic splitter capacity will be needed.

- Splitters are a simplified process, similar to a fractionator.
- Product output varies based on condensate gravity and desired mix.
- Domestic processing allows optimization of end-use markets for finished products.

Typical Splitter production = LPG: 3 - 7%, total Naphtha: 25 - 50%, Jet & Diesel Fuel: 30 - 40% and Gasoil: 10 - 35%
• Magellan plans to construct a 50k bpd condensate splitter at our Corpus Christi terminal

• Fee-based project, fully committed with long-term take-or-pay agreement with Trafigura

• $250mm spending: 65% of cost related to terminal infrastructure, such as storage, dock improvements and pipeline connectivity

• Expected timeline:
  – Preliminary design complete and air permits submitted
  – Early 2015: receive air permits and begin construction
  – Second half 2016: begin operations

• Average EBITDA multiple of 6x expected
Little Rock Pipeline

- Midcontinent refiners do not currently have access to Little Rock via pipeline
  - Our pipeline system extends to Ft. Smith, AR at this point
- Magellan plans to deliver refined products to the Little Rock market from both Midcontinent and Gulf Coast refineries beginning in early 2016
- $150mm capital spending: construct 50 miles of pipeline and enhancements to our pipeline system to handle additional volume
  - utilizing existing leased third-party pipeline for portion of route
- Supported by committed volumes
- 8x EBITDA multiple expected
2013 Refined Products Pipeline Acquisition

- Acquired 800 miles of refined petroleum products pipeline for ~$190mm during second half of ‘13
  - July 2013: New Mexico pipeline system
    - 250 miles of pipeline
  - Nov. 2013: Rocky Mountain pipeline system
    - 550 miles of pipeline and 4 terminals
  - Funded with cash and debt
  - 10x EBITDA multiple expected, with potential upside from long-haul shipments
  - Active discussions with shippers for potential growth projects around these assets, including leased storage along Rocky Mountain system
• Proven history of distribution growth with 49 quarterly increases to date
• Targeting 20% annual distribution growth for 2014 and 15% for 2015
Conservative Financial Profile

- Committed to maintaining solid investment grade rating
  - Currently, one of the highest-rated MLPs at BBB+ / Baa1

- Targeting distribution coverage of at least 1.1x on long-term basis
  - Expect coverage closer to 1.4x in 2014 (>$240 million excess cash) due in part to current commodity environment

- Long-term leverage ratio of < 4x
  - History of maintaining sector-leading credit metrics
  - No equity issuances anticipated in foreseeable future
  - Significant liquidity with $1 billion credit facility and commercial paper program
Magellan Summary

- Proven history of exceptional returns and distribution growth
- Straight-forward, low risk, stable business model
- Forecasted record distributable cash flow generation with strong distribution coverage
- Conservative, disciplined management team
- Financial flexibility and low cost of capital
  - Strong investment-grade balance sheet
  - No incentive distribution rights
- Attractive growth opportunities, current and potential