
Sunoco Logistics Partners L.P.



First Quarter 2011
Earnings Conference Call
April 26, 2011

Forward-Looking Statements

You should review this slide presentation in conjunction with the first quarter 2011 earnings conference call for Sunoco Logistics Partners L.P., held on April 26 at 5:00 p.m. ET. You may listen to the audio portion of the conference call on our website at www.sunocologistics.com or by dialing (USA toll-free) 888-889-4955. International callers should dial 312-470-0130. Please enter Conference ID “Sunoco Logistics.” Audio replays of the conference call will be available for two weeks after the conference call beginning approximately two hours following the completion of the call. To access the replay, dial 866-400-9639. International callers should dial 203-369-0544.

During the call, those statements we make that are not historical facts are forward-looking statements. These forward-looking statements are not guarantees of future performance. Although we believe the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements involve risks and uncertainties that may affect our business and cause actual results to differ materially from those discussed during the conference call. Such risks and uncertainties include economic, business, competitive and/or regulatory factors affecting our business, as well as uncertainties related to the outcomes of pending or future litigation. Sunoco Logistics Partners L.P. has included in its Annual Report on Form 10-K for the year ended December 31, 2010, and in its subsequent Form 8-K filings, cautionary language identifying important factors (though not necessarily all such factors) that could cause future outcomes to differ materially from those set forth in the forward-looking statements. For more information about these factors, see our SEC filings, available on our website at www.sunocologistics.com. We expressly disclaim any obligation to update or alter these forward-looking statements, whether as a result of new information, future events or otherwise.

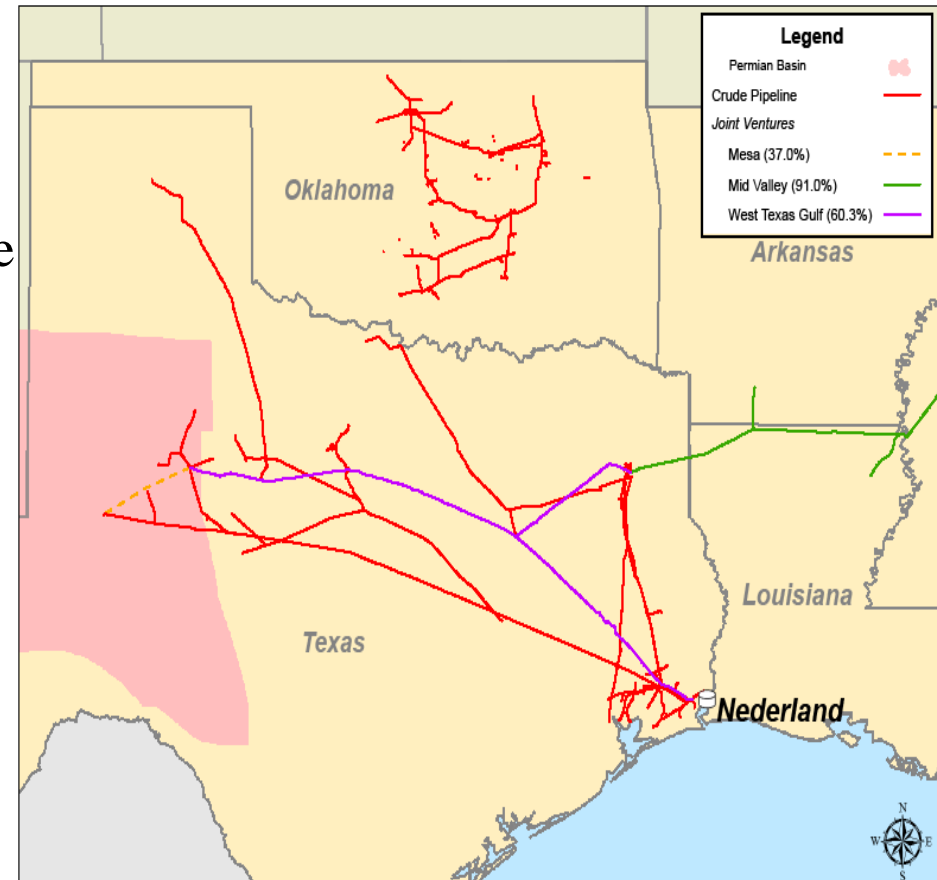
This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided in the slides at the end of the presentation. You should consider carefully the comparable GAAP measures and the reconciliations to those measures provided in this presentation.

Q1 2011 Assessment

- Distributable cash flow of \$63 million, a \$9 million increase from 1Q10
- Increased distribution for 24th consecutive quarter
- Benefits of 2010 acquisitions:
 - Mid-Valley & West Texas Gulf
 - Butane Blending
- Challenging refined products pipeline quarter

Crude Expansion – Organic Growth

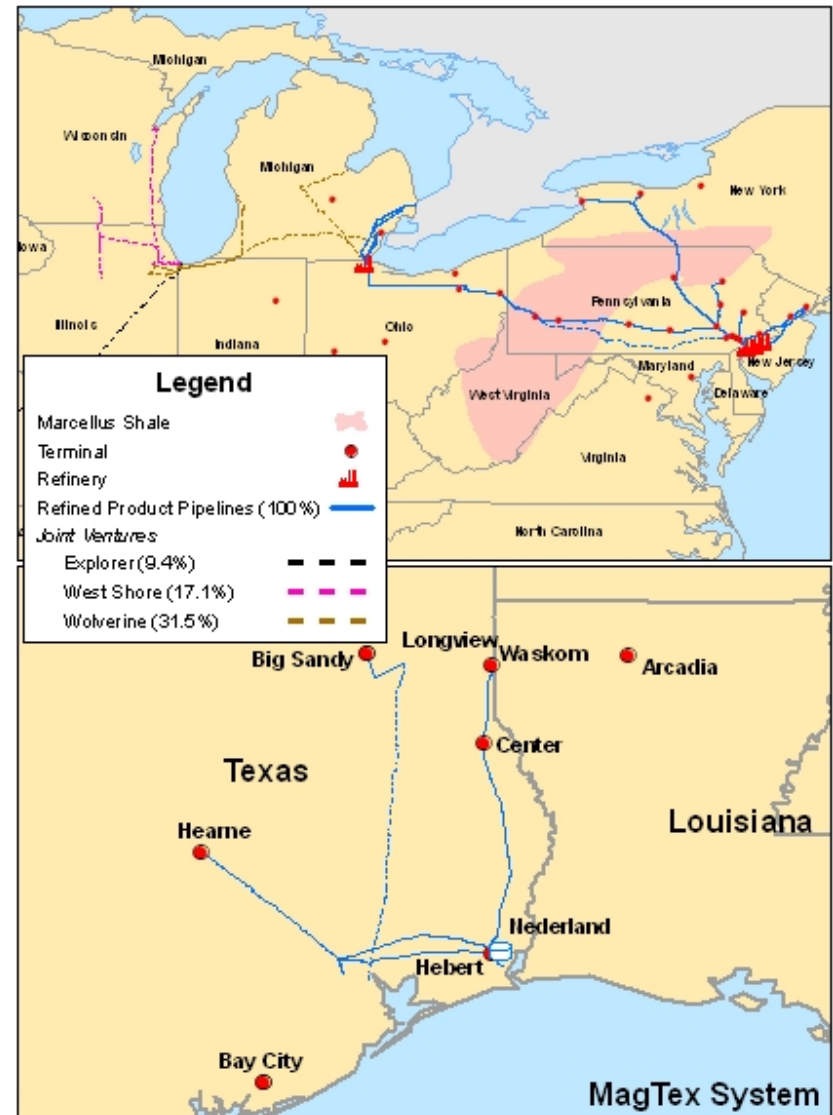
- West Texas Gulf Pipeline Expansion:
 - Minimum 100 MBPD increase
 - Existing crude pipeline
 - Multiple market destinations possible
 - Fee-based income
 - 3Q12 target start-up
- Nederland Terminal Expansion:
 - 2 new tanks on-line in 1Q11
 - 2 tanks under construction
 - 4Q11/1Q12 target start-up
 - Capacity will be 22MMB
 - Fee-based income



Refined Products/NGL: Growth & Optimization

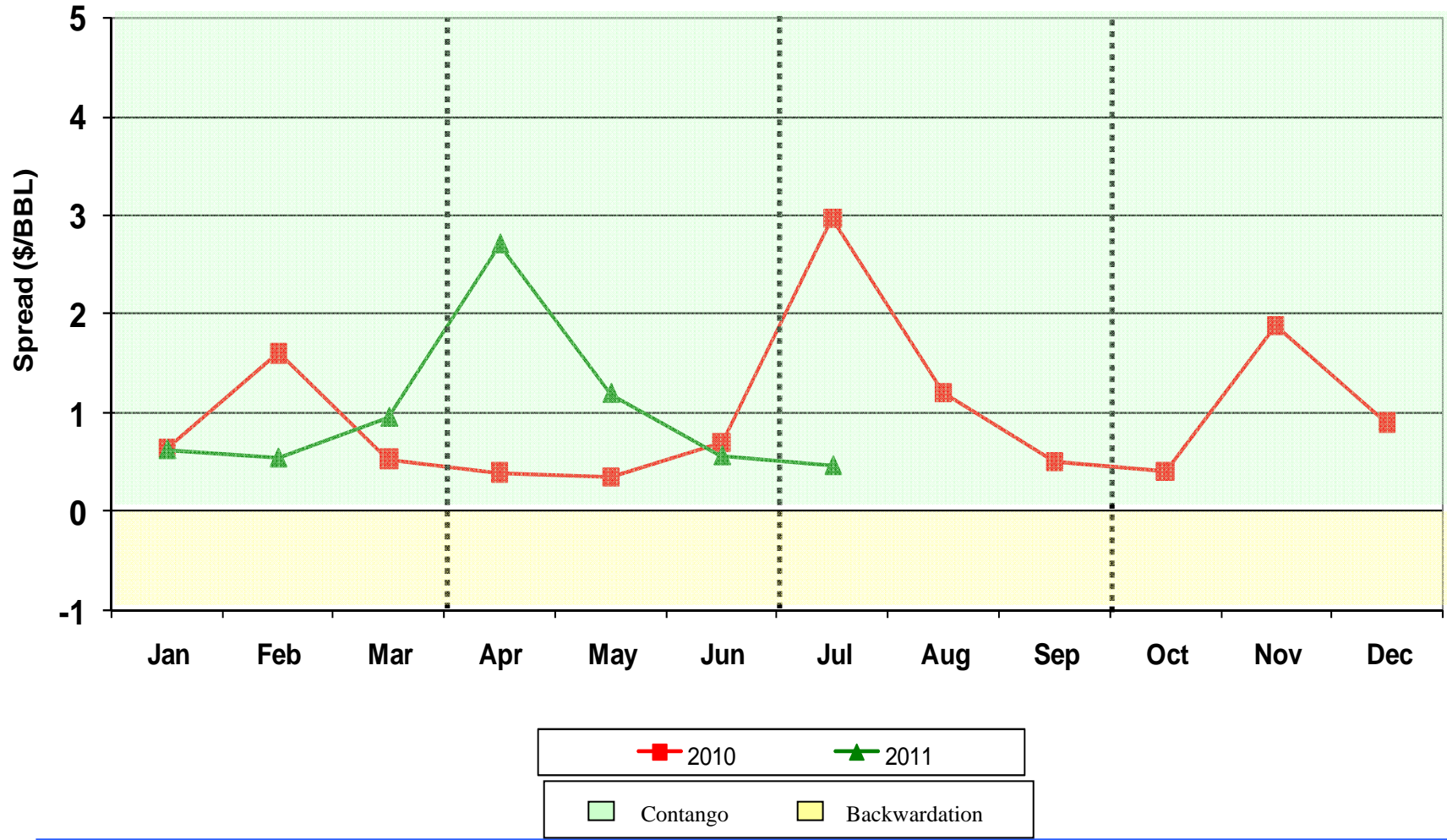
- Marcellus Shale Ethane Solutions:
 - Mariner West—3Q12 target
 - Sarnia, Canada market
 - Mariner East—mid-2013 target
 - Gulf Coast & International markets
 - SXL utilizing existing pipeline
 - No commodity risk / fee-based model

- Big Sandy Terminal:
 - Convert crude pipeline to products
 - Product distribution to Longview
 - Enhances MagTex system
 - Fee-based income
 - Mid-2011 target start-up



Crude Oil Contango

WTINYMEX Month 2 vs. Month 1



Q1 2011 Financial Highlights

(\$ in millions, unaudited)

	Three Months Ended	
	March 31,	
	2011	2010
Sales and other operating revenue	\$ 2,258	\$ 1,680
Other income	2	8
Total revenues	2,260	1,688
Cost of products sold and operating expenses	2,145	1,594
Depreciation and amortization expense	18	15
Selling, general and administrative expenses	22	21
Total costs and expenses	2,185	1,630
Operating income	75	58
Interest cost and debt expense	21	16
Capitalized interest	(1)	(1)
Income before provision for income taxes	55	43
Provision for income taxes	5	-
Net Income	\$ 50	\$ 43
Net income attributable to noncontrolling interests	2	-
Net Income attributable to Sunoco Logistics Partners L.P.	\$ 48	\$ 43

Q1 2011 Financial Highlights

(amounts in millions, except unit and per unit amounts, unaudited)

	Three Months Ended	
	March 31,	
	2011	2010
Calculation of Limited Partners' interest:		
Net Income attributable to Sunoco Logistics Partners L.P.	\$ 48	\$ 43
Less: General Partner's interest	(12)	(10)
Limited Partners' interest in Net Income	<u>\$ 36</u>	<u>\$ 33</u>
Net Income per Limited Partner unit:		
Basic	<u>\$ 1.09</u>	<u>\$ 1.06</u>
Diluted	<u>\$ 1.08</u>	<u>\$ 1.06</u>
Weighted Average Limited Partners' units outstanding (in millions):		
Basic	<u>33.1</u>	<u>31.0</u>
Diluted	<u>33.3</u>	<u>31.2</u>

Refined Products Pipeline System

(\$ in millions, unaudited)

	Three Months Ended March 31,	
	2011	2010
Financial Highlights		
Sales and other operating revenue	\$ 27	\$ 30
Other income	2	2
Total revenues	29	32
Operating expenses	13	13
Depreciation and amortization expense	4	4
Selling, general and administrative expenses	7	7
Operating income	<u>\$ 5</u>	<u>\$ 8</u>

Terminal Facilities

(\$ in millions, unaudited)

	Three Months Ended	
	March 31,	
	2011	2010
Financial Highlights		
Sales and other operating revenue	\$ 87	\$ 55
Cost of products sold and operating expenses	43	20
Depreciation and amortization expense	8	6
Selling, general and administrative expenses	7	7
Operating income	<u>\$ 29</u>	<u>\$ 22</u>

Crude Oil Pipeline System

(\$ in millions, unaudited)

	Three Months Ended March 31,	
	2011	2010
Financial Highlights		
Sales and other operating revenue	\$ 2,144	\$ 1,595
Other income	-	6
Total revenues	2,144	1,601
Cost of products sold and operating expenses	2,089	1,561
Depreciation and amortization expense	6	5
Selling, general and administrative expenses	8	7
Operating income	<u>\$ 41</u>	<u>\$ 28</u>

Q1 2011 Operating Highlights

	Three Months Ended	
	March 31,	
	2011	2010
Operating highlights (unaudited)		
Refined Products Pipeline System:		
Refined products pipeline throughput (thousands of bpd) ⁽¹⁾	410	456
Revenue per barrel of pipeline throughput (cents)	71.8	70.9
Terminal Facilities:		
Refined products terminals throughput (thousands of bpd)	478	459
Nederland terminal throughput (thousands of bpd)	696	726
Refinery terminals throughput (thousands of bpd)	389	498
Crude Oil Pipeline System:		
Crude oil pipeline throughput (thousands of bpd) ⁽²⁾	1,493	837
Crude oil purchases at wellhead (thousands of bpd)	189	184
Gross margin per barrel of pipeline throughput (cents) ⁽²⁾⁽³⁾	35.9	40.1
Average crude oil price (per barrel)	\$ 94.25	\$ 78.79

⁽¹⁾ Excludes amounts attributable to equity ownership interests which are not consolidated.

⁽²⁾ In July 2010, the Partnership acquired additional interests in the Mid-Valley and West Texas Gulf crude oil pipelines, which previously had been recorded as equity investments. The Partnership obtained a controlling financial interest as a result of these acquisitions and began accounting for these entities as consolidated subsidiaries from their respective acquisition dates. Volumes for the three months ended March 31, 2011 of 656 thousand bpd, and the related gross margin, have been included in the crude oil pipeline throughput and gross margin per barrel of throughput. The amounts presented for the three month period ended March 31, 2010 exclude amounts attributable to these systems.

⁽³⁾ Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by pipeline throughput.

Q1 2011 Financial Highlights

(\$ in millions, unaudited)

	Three Months Ended	
	March 31,	
	2011	2010
Capital Expenditure Data:		
Maintenance capital expenditures	\$ 3	\$ 4
Expansion capital expenditures	25	23
Total	<u>\$ 28</u>	<u>\$ 27</u>
	March 31,	December 31,
	2011	2010
Balance Sheet Data (at period end):		
Cash and cash equivalents	\$ 2	\$ 2
Total debt ⁽¹⁾	\$ 1,280	\$ 1,229
Equity		
Sunoco Logistics Partners L.P. Equity	\$ 963	\$ 965
Noncontrolling interests	78	77
Total Equity	<u>\$ 1,041</u>	<u>\$ 1,042</u>

(1) Total debt at March 31, 2011 and December 31, 2010 includes the \$100 million promissory note to Sunoco, Inc.

Non-GAAP Financial Measures

(\$ in millions, unaudited)

	Three Months Ended	
	March 31,	
	2011	2010
Net Income attributable to Sunoco Logistics Partners L.P.	\$ 48	\$ 43
Add: Interest expense, net	20	15
Add: Depreciation and amortization expense	18	15
Add: Provision for income taxes	5	-
EBITDA⁽¹⁾	<u>91</u>	<u>73</u>
Less: Interest expense, net	(20)	(15)
Less: Maintenance capital expenditures	(3)	(4)
Less: Provision for income taxes	(5)	-
Distributable cash flow⁽¹⁾	<u>\$ 63</u>	<u>\$ 54</u>

Non-GAAP Financial Measures

(1) Management of the Partnership believes EBITDA and distributable cash flow information enhances an investor's understanding of a business' ability to generate cash for payment of distributions and other purposes. EBITDA and distributable cash flow do not represent and should not be considered an alternative to net income or cash flows from operating activities as determined under United States generally accepted accounting principles (GAAP) and may not be comparable to other similarly titled measures of other businesses. Reconciliations of these measures to the comparable GAAP measure are provided in the tables accompanying this release.

Historical Operating Highlights

	2007	2008	2009				2010				2011
	Total	Total	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st
Operating highlights (unaudited)											
Refined Products Pipeline System:											
Refined product pipeline throughput (thousands of bpd) ⁽¹⁾	491	510	583	568	578	576	456	519	452	442	410
Revenue per barrel of pipeline throughput (cents)	54.8	55.4	59.9	60.4	60.2	62.4	70.9	66.5	71.4	71.7	71.8
Terminal Facilities:											
Refined products terminals throughput (thousands of bpd)	434	436	460	464	465	466	459	487	505	502	478
Nederland terminal throughput (thousands of bpd)	507	526	653	646	560	531	726	684	780	724	696
Refinery terminals throughput (thousands of bpd)	696	653	583	600	609	573	498	471	459	434	389
Crude Oil Pipeline System:											
Crude oil pipeline throughput (thousands of bpd) ⁽¹⁾⁽²⁾	674	683	664	670	611	687	837	906	1,387	1,592	1,493
Crude oil purchases at wellhead (thousands of bpd)	178	178	191	181	177	177	184	191	188	192	189
Gross margin per barrel of pipeline throughput (cents) ⁽³⁾	31.9	63.0	103.9	80.4	46.4	60.4	40.1	35.7	43.8	39.9	35.9
Average crude oil price (per barrel)	\$ 72.40	\$ 99.65	\$ 43.21	\$ 59.61	\$ 68.29	\$ 76.17	\$ 78.79	\$ 77.99	\$ 76.21	\$ 85.18	\$ 94.25

⁽¹⁾ Excludes amounts attributable to equity ownership interests which are not consolidated.

⁽²⁾ In July 2010, the Partnership acquired additional interests in the Mid-Valley and West Texas Gulf crude oil pipelines, which previously had been recorded as equity investments. The Partnership obtained a controlling financial interest as a result of these acquisitions and began accounting for these entities as consolidated subsidiaries from their respective acquisition dates. Volumes for the three months ended March 31, 2011 of 656 thousand bpd, and the related gross margin, have been included in the crude oil pipeline throughput and gross margin per barrel of throughput. The amounts presented for the periods prior to the third quarter 2010 exclude amounts attributable to these systems.

⁽³⁾ Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput. Gross margin and throughput volumes for Mid-Valley Pipeline Company and West Texas Gulf Pipe Line Company have been included from the acquisition date.