NYSE: **MMP**

MAGELLAN®
MIDSTREAM PARTNERS, L.P.
Moving What Moves America®

MLP and Energy Infrastructure Conference

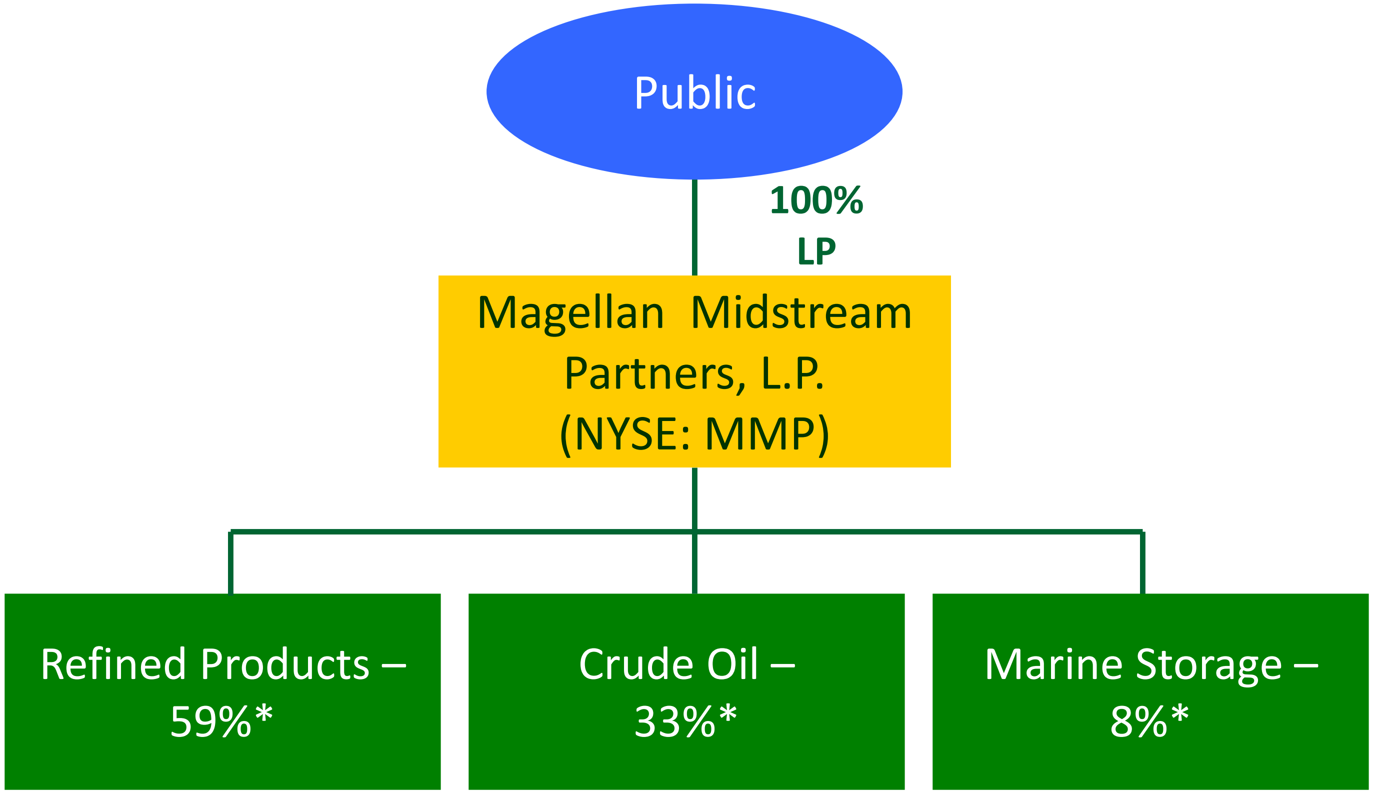
Orlando
May 23, 2018

Forward-Looking Statements

Portions of this document constitute forward-looking statements as defined by federal law. Although management believes any such statements are based on reasonable assumptions, actual outcomes could 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 and 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, storage, blending or processing of those commodities through its existing or planned facilities; (3) changes in the partnership's tariff rates or other terms as required by state or federal regulatory authorities; (4) shut-downs or cutbacks at refineries or other businesses that use or supply the partnership's services; (5) changes in the throughput or interruption in service on pipelines or other facilities owned and operated by third parties and connected to the partnership's terminals, pipelines or other facilities; (6) the occurrence of operational hazards or unforeseen interruptions; (7) the treatment of the partnership as a corporation for federal or state income tax purposes or the partnership becoming 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, 2017 and subsequent reports on Forms 8-K and 10-Q. You are urged to carefully review and consider the cautionary statements and other disclosures made in those filings, especially under the heading "Risk Factors." Forward-looking statements made by the partnership in this presentation are based only on information currently known, and the partnership undertakes no obligation to revise its forward-looking statements to reflect events or circumstances learned of or occurring after today's date.

Straight-Forward Business Model

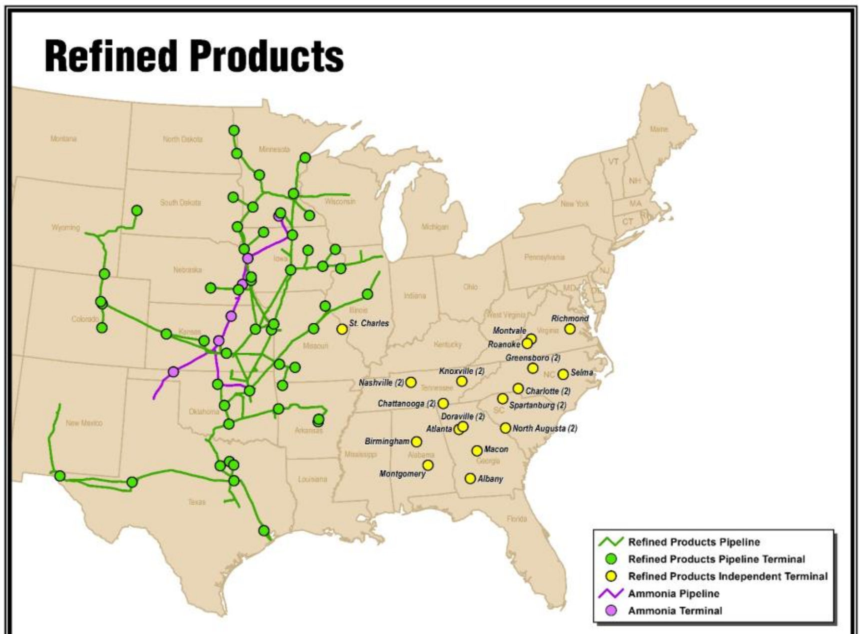
- Investment grade MLP with <u>no incentive distribution rights</u>
  - Provides MMP a simple organizational structure and one of the lowest costs of capital in the MLP space
  - Solid governance, including independent board elected by limited partners



* Percentage of 2017 operating margin

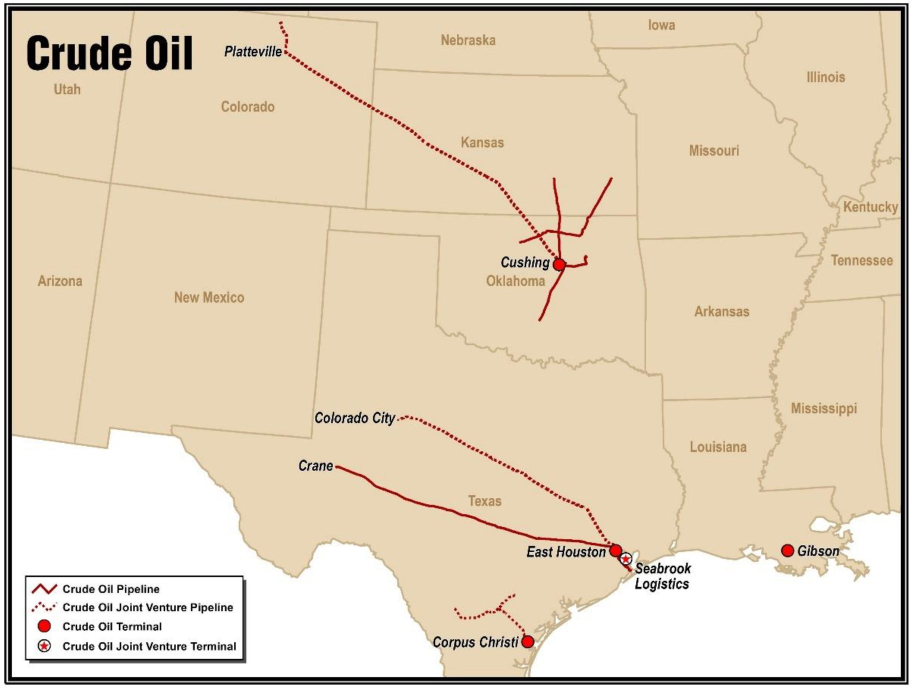
Refined Products

- Longest refined petroleum products pipeline system in the U.S., primarily transporting gasoline and diesel fuel, with 9,700 miles, 53 terminals and 44mm barrels of storage
- Profit driven by throughput volume and tariffs
  - Tariff changes related to Producer Price Index; increased tariffs by average 2% in mid-2016 and mid-2017; expect to increase by 4.4% in mid-2018
- Strong competitive position and stable business platform due to breadth of system (can access nearly 50% of refining capacity) and independent service provider model



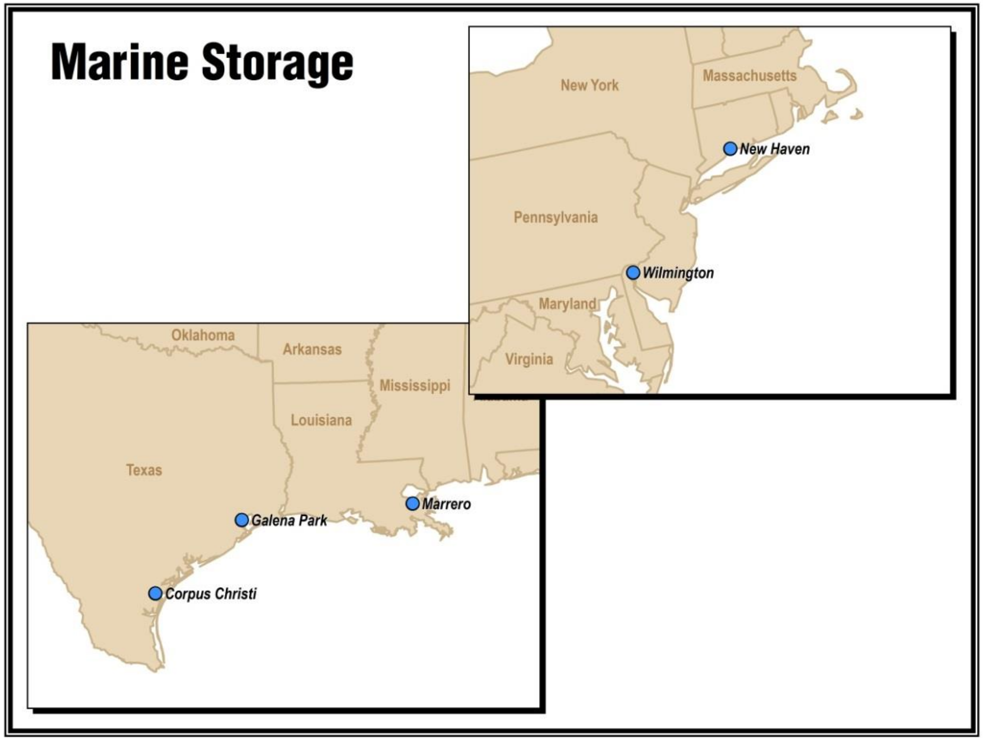
Crude Oil Segment Map

- 2,200 miles of crude oil pipelines, substantially backed by long-term throughput commitments
- 28mm barrels of total crude oil storage, including 17mm barrels used for contract storage
  - One of the largest storage providers in Cushing, OK and growing Gulf Coast storage presence



Marine Storage Segment Map

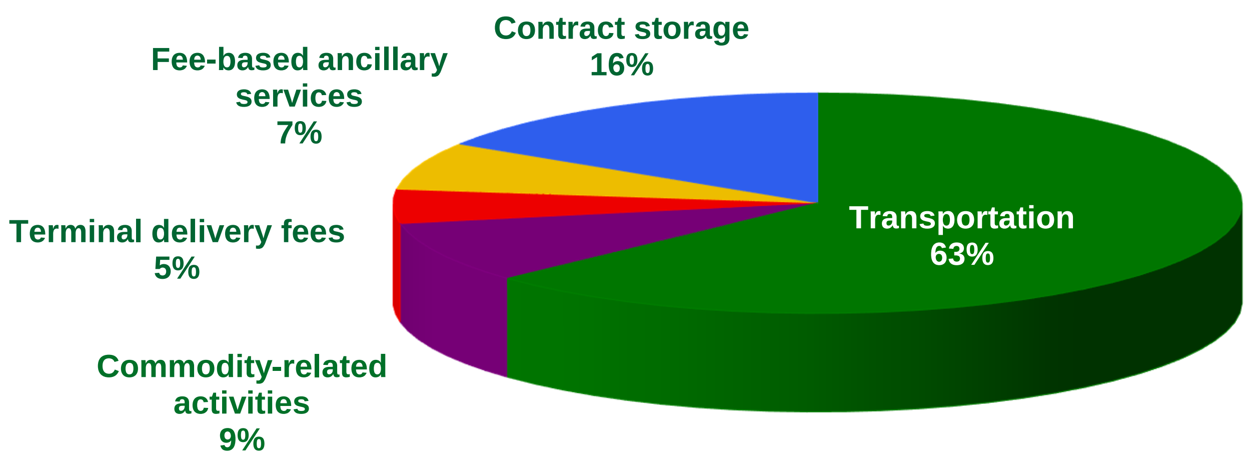
- 5 storage facilities with 26mm barrels of aggregate storage and 1.4mm bpd of dock capacity
- Utilization rates historically greater than 90%
- Strong demand due to market structure, pricing volatility and connectivity



Primarily Fee-Based Business

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

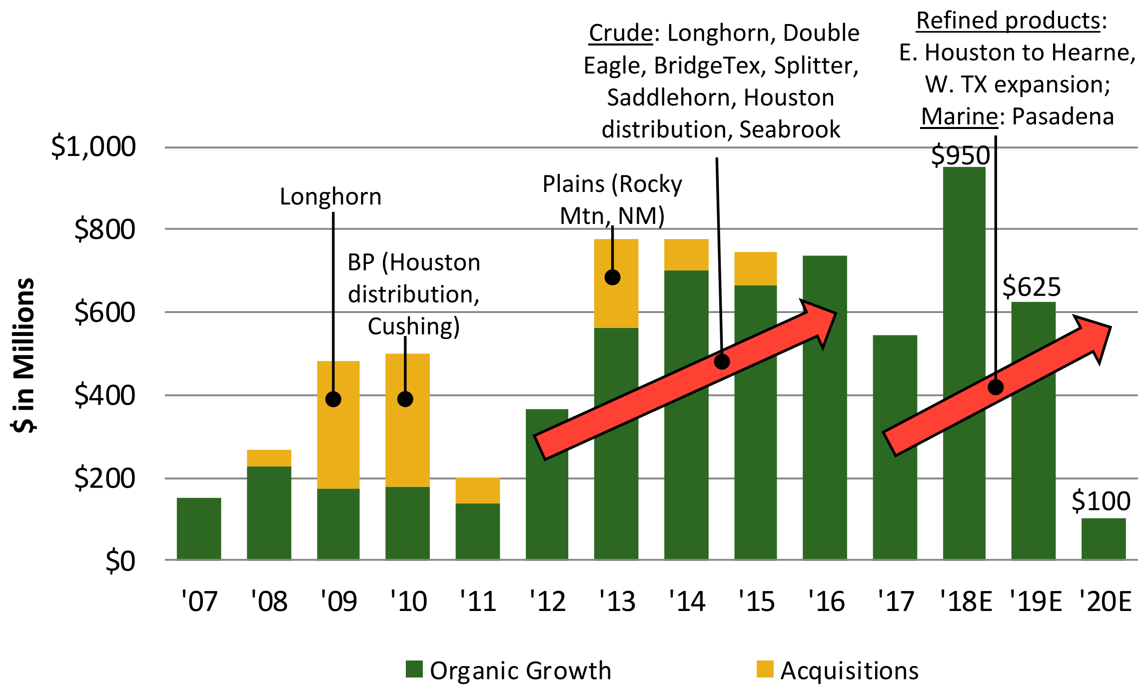
2017 Results*



* Operating margin represents operating profit before depreciation & amortization and general & administrative costs; excludes unrealized mark-to-market and other commodity-related adjustments

Growth in Expansion Capital Spending

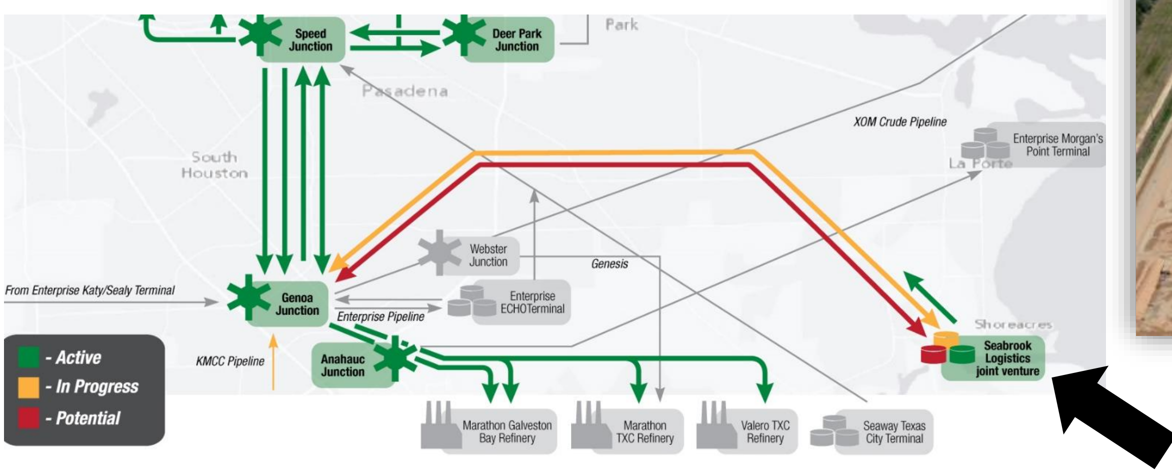
- Over the last 10 years, Magellan has invested $5.4 billion in organic growth projects and acquisitions
  - Historically made a few strategic acquisitions that served as platforms for future growth
  - Organic growth projects have increased dramatically in recent years, primarily for the development of our crude oil segment
- Expect to spend $1.7 billion in ‘18-’20 on construction projects currently underway, primarily related to our refined products and marine segments



+ >$500mm of potential growth projects

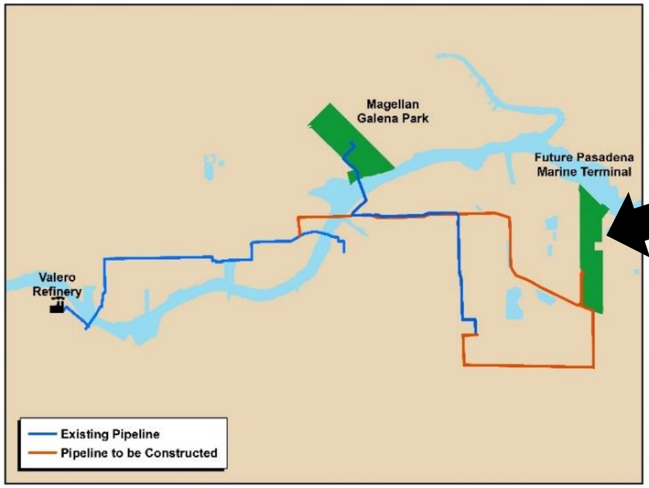
Seabrook Logistics = Crude Export Solution

- 50/50 joint venture with LBC Tank Terminals with 400k bpd dock capacity
  - Phase 1: Operational April '17, including 700k bbls of crude oil storage to handle crude oil imports under a long-term commitment
  - Phase 2: Additional 1.7mm bbls of storage to handle crude oil exports and imports + connectivity to MMP's Houston crude oil distribution system
    - ➢ Expect to be operational early 3Q18, with MMP leasing 1mm bbls storage for use in our contract storage program and generating an 8x EBITDA multiple on $125mm investment
  - Potential opportunity for 3mm more bbls of storage, a Suezmax-dock with 300k bpd dock capacity and second pipeline from MMP's Houston crude oil pipeline system



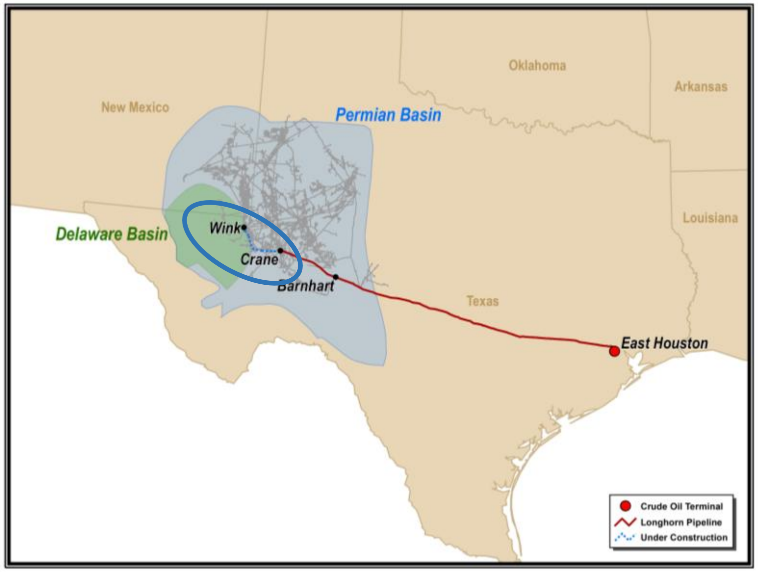
Pasadena Marine Terminal Joint Venture

- 50/50 joint venture with Valero Energy to construct new marine terminal on 200 acres in Pasadena, TX
  - Phase 1: 1mm bbls of storage and a Panamax-capable dock; expect to be operational by Jan. 2019
  - Phase 2: 4mm bbls of storage, 3-bay truck rack, Aframax-capable dock and connectivity to Valero's refineries in Houston and TX City; expect to be operational by Jan. 2020
- $410mm for MMP's share of capital spend for initial 2 phases, fully committed by long-term customer contracts with a 9x EBITDA multiple expected
- Facility could be doubled in size to include up to 10mm bbls of storage and 5 docks, representing total potential MMP investment of ~$700mm at 8x EBITDA multiple



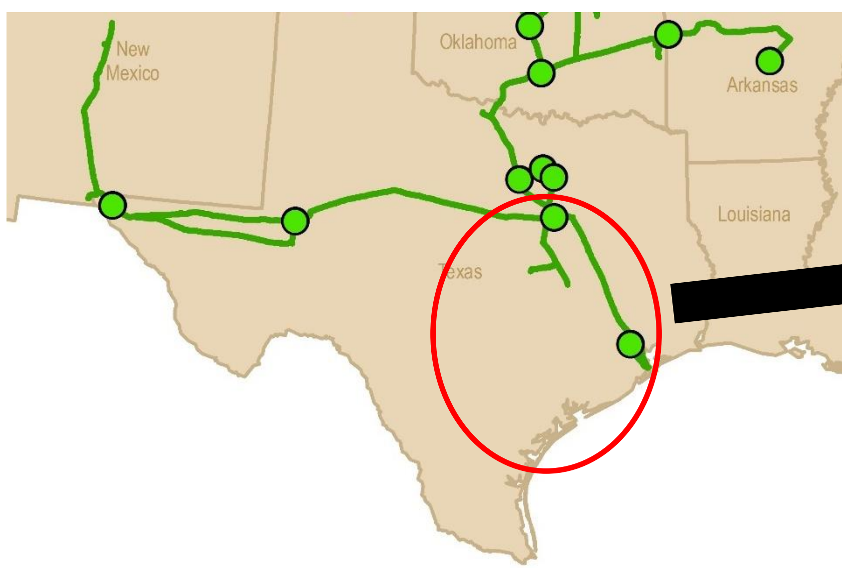
Delaware Basin Crude Oil Pipeline

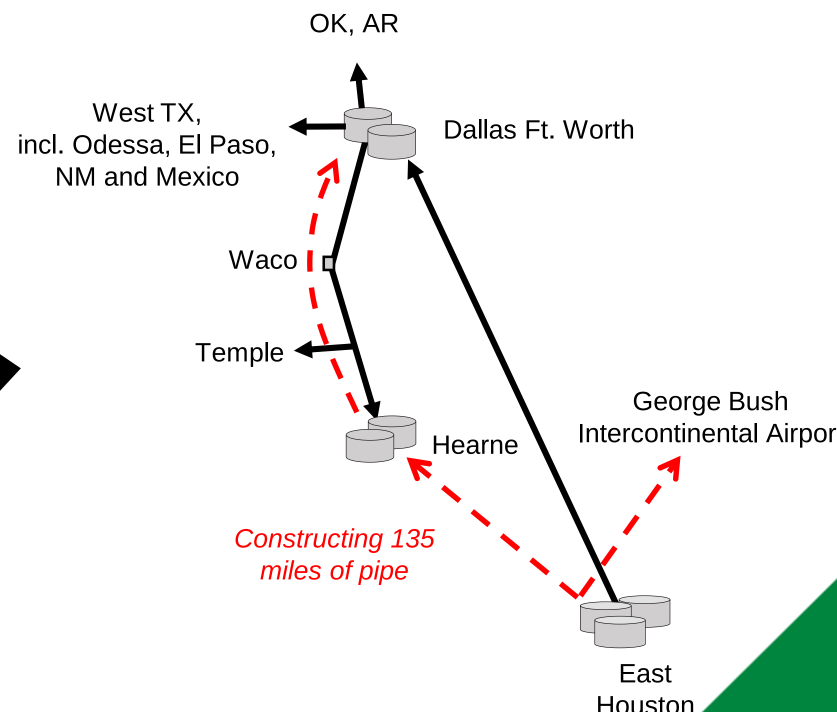
- In Sept. 2017, Magellan announced plans to construct a 60-mile crude oil and condensate pipeline between Wink and Crane, Texas with a capacity up to 600k bpd
- Currently evaluating optimization of this project through a joint venture or undivided joint interest arrangement with a third party
- Pipe has been ordered and right-of-way work started
- MMP's current spending estimates remain $150mm, pending outcome of optimization efforts
- In-service date of mid-2019 still expected



East Houston-to-Hearne Pipeline

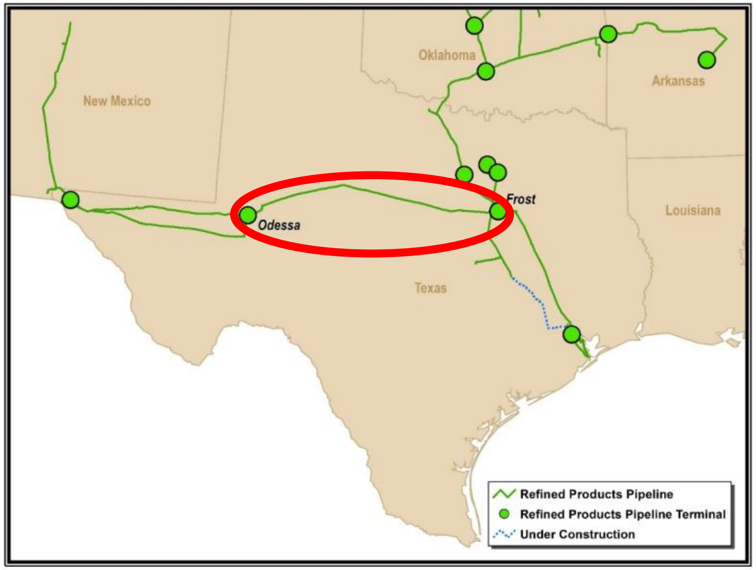
- Constructing 135-mile, 20-inch refined petroleum products pipeline from East Houston to Hearne, Texas
- Provides incremental 85k bpd of capacity, or nearly 50% increase to service Magellan's Texas, Midcontinent and Little Rock markets
- $425mm capital spend supported by long-term customer commitments with an 8x EBITDA multiple expected
- Considering further expansion for improved connectivity
- Expect to be operational in mid-2019





West TX Refined Products Pipeline Expansion

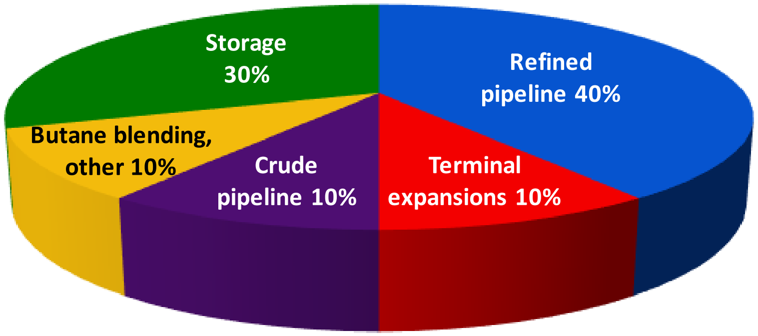
- Expanding western leg of Texas refined products pipeline system from current 100k bpd to 150k bpd
- Interest driven by demand growth in West Texas as well as optionality to access markets in the states of New Mexico and Arizona and international markets in Mexico
- $300mm capital spend fully supported by long-term customer commitments with a 6x EBITDA multiple expected
- Considering further expansion based on strong demand during initial open season
- Expect to be operational mid-2020



Potential Expansion Projects

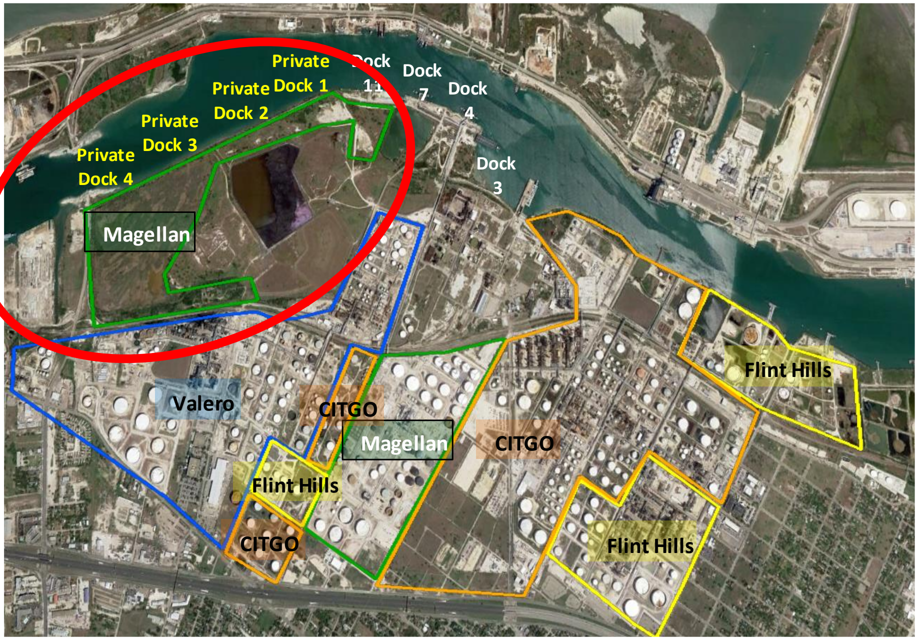
- Magellan has continually been able to keep its potential growth project list well in excess of $500mm even as projects are completed and placed into service
  - Healthy mix of refined products and crude oil opportunities
  - Stated goal to increase marine infrastructure capabilities, including further expansion of Pasadena marine terminal and Seabrook Logistics joint ventures
  - Considering additional refined products and crude oil pipeline opportunities, including further expansion of Texas refined products system and buildout of Corpus Christi terminal
  - Targeting 6-8x EBITDA multiple but will consider higher multiples for strategic value creation

Type of opportunities under consideration
(based on highest-probability projects)



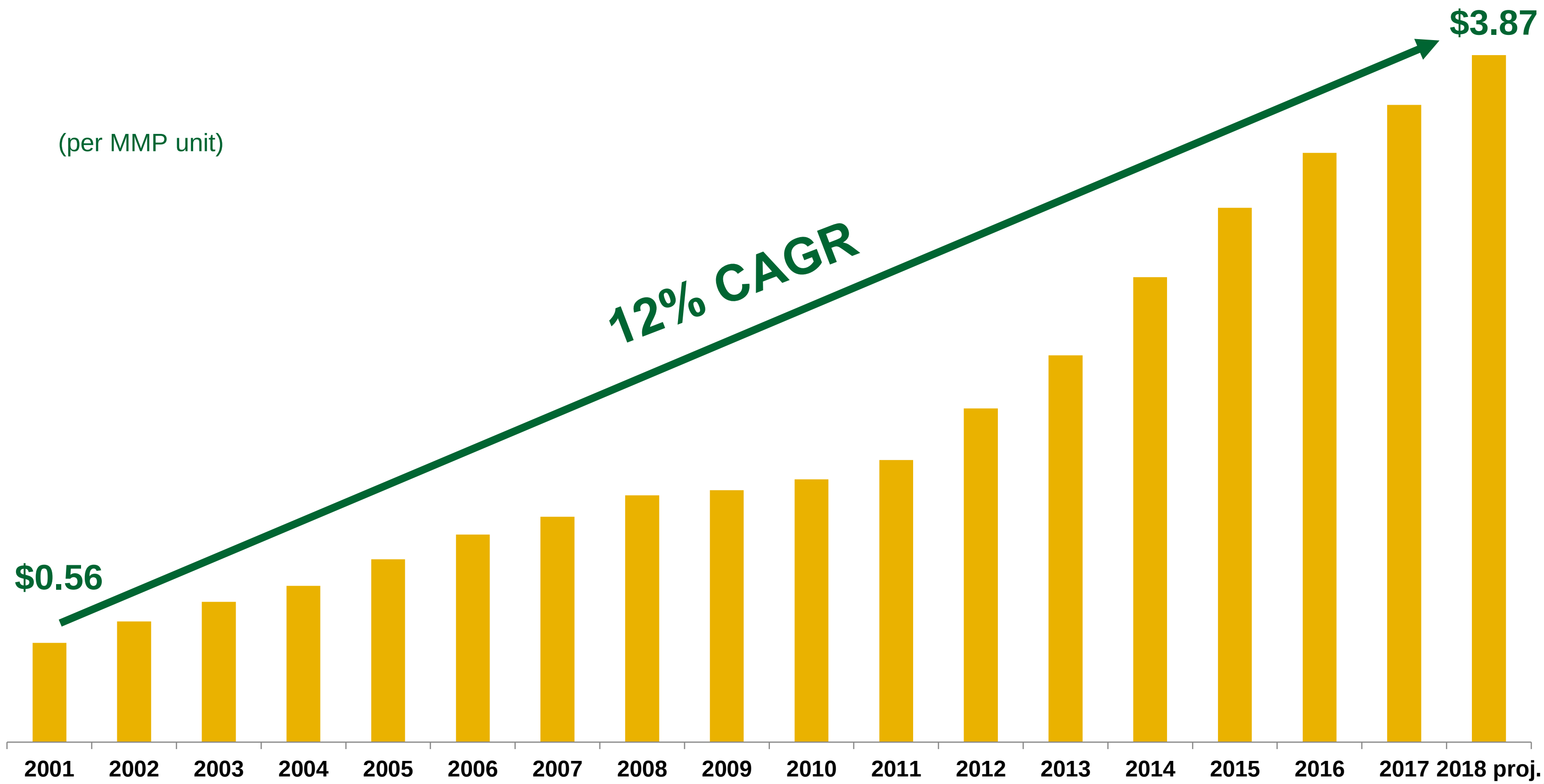
Potential Corpus Christi Expansion

- 100 acres of undeveloped land in Corpus Christi with waterfront access
- Ideal landing spot for crude oil / condensate coming from the Permian Basin
- Space available for up to 10mm bbls of storage and 4 private docks with 550k bpd capacity
  - Permitting already underway, expected second half of ‘18
- Full buildout estimated to cost ~$700mm and could be operational in phases as early as 2020



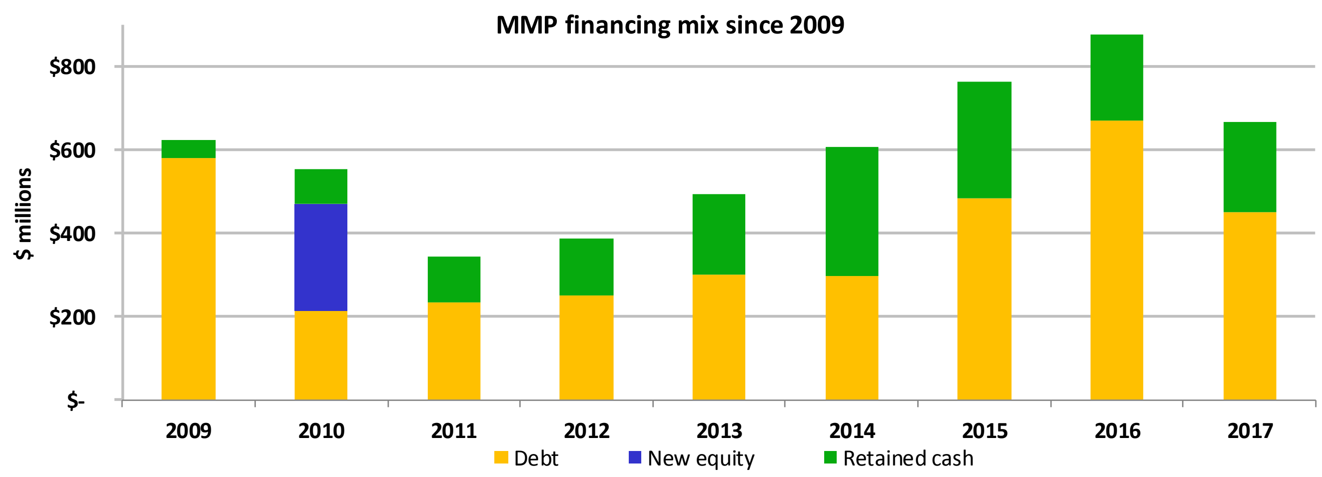
Distribution Growth Trend

- Proven history of distribution growth
- Targeting 8% annual distribution growth for 2018 with 1.2x coverage
- Going forward, plan to manage distribution growth in-line with DCF growth projections of 5%-8% per year for 2019 and 2020 with 1.2x coverage



Credit Profile Remains Strong

- Committed to maintaining solid balance sheet
  - One of the highest-rated MLPs at BBB+ / Baa1
- Long-standing target maximum leverage ratio of ≤ 4x (3.3x at 3/31/18)
  - Consistent with rating agencies' expectations at current ratings
- Magellan has limited its dependence on public equity markets
  - Despite $5.4 billion of expansion capital spending over last 10 years, MMP has issued only $260mm of equity (~5% of total spending) over that time period
  - No equity issuances anticipated to fund current growth projects
  - Significant liquidity with $1 billion credit facility and commercial paper program



Keys to Magellan's Proven and Future Track Record

- Stability of underlying businesses
- Continuing to grow fee-based activities, managing for the long term through various business cycles
- Disciplined and opportunistic investments, focused on risk-adjusted value creation
- Consistent and disciplined financial policy