



UBS MLP One-on-One Conference

Las Vegas
June 2009



NYSE: MMP



NYSE: MGG

Legal Disclaimer

This presentation may contain forward-looking statements. These statements are based on management's assumptions concerning future performance which we believe are reasonable. Nevertheless, actual outcomes could be materially different. You should make your own assessment as to our future performance based on risk factors and other information disclosed in our filings with the Securities and Exchange Commission (SEC).

MMP and MGG have filed a joint proxy statement/prospectus and other documents with the SEC in relation to the proposed simplification of our capital structure. Investors and security holders are urged to read these documents carefully because they contain important information regarding MMP, MGG and the simplification. Once finalized, a definitive joint proxy statement/prospectus will be sent to unitholders of MMP and MGG seeking their approvals as contemplated by the simplification agreement. Once available, investors and security holders may obtain a free copy of the joint proxy statement/prospectus and other documents containing information about MMP and MGG at the SEC's website at www.sec.gov. Copies of the joint proxy statement/prospectus and the SEC filings incorporated by reference in the joint proxy statement/prospectus may also be obtained free of charge by contacting Investor Relations at (877) 934-6571 or by accessing www.magellanlp.com or www.mgglp.com.

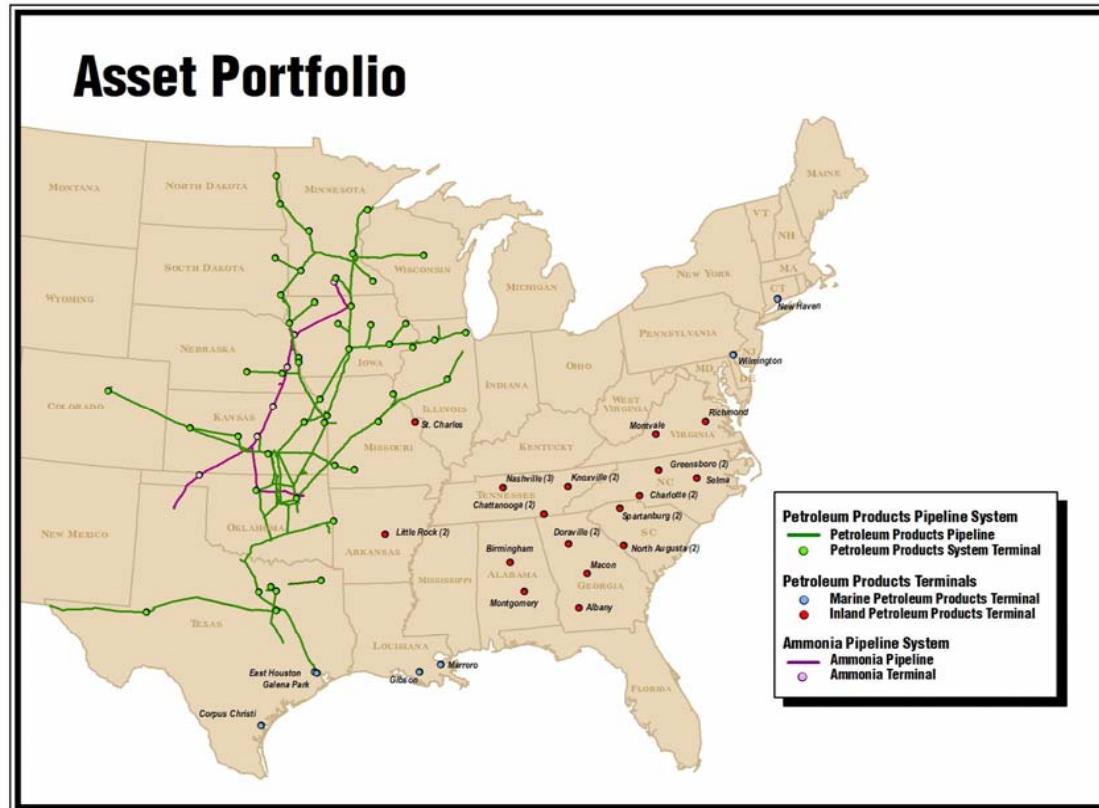
MMP, MGG and the officers and directors of the general partner of each partnership may be deemed to be participants in the solicitation of proxies from their security holders. Information about these persons can be found in the annual report and proxy statement for each partnership as filed with the SEC, and additional information about such persons may be obtained from the joint proxy statement/prospectus.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended.

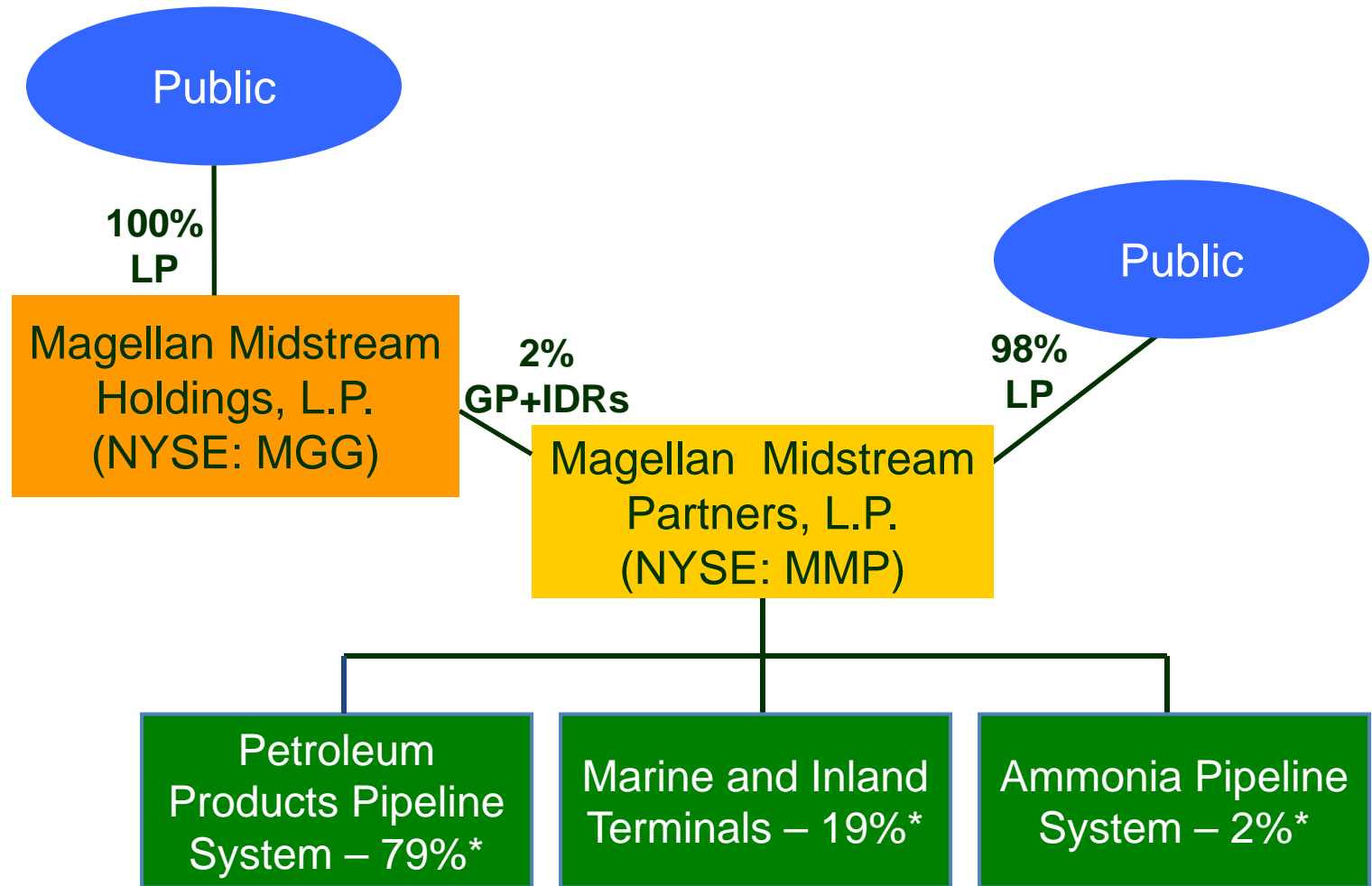


Key U.S. Petroleum Infrastructure

- Longest U.S. refined petroleum products pipeline system
- Access to more than 40% of refining capacity in the continental U.S.
- Over 80 petroleum terminals with more than 60mm barrels of storage



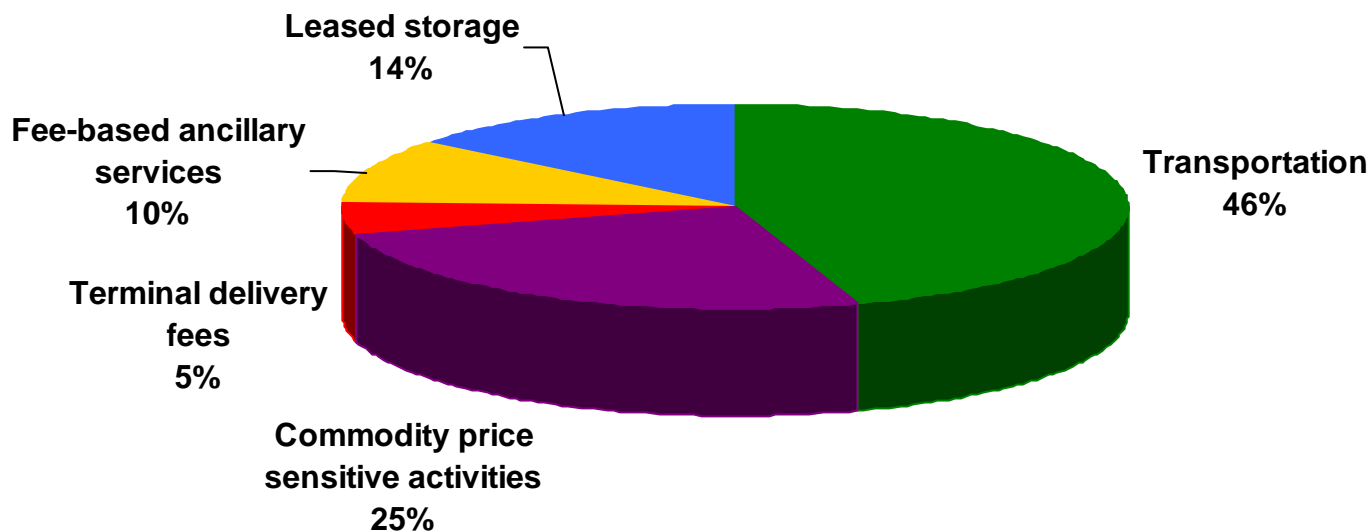
Magellan's Current Structure



Primarily Fee-Based Business

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

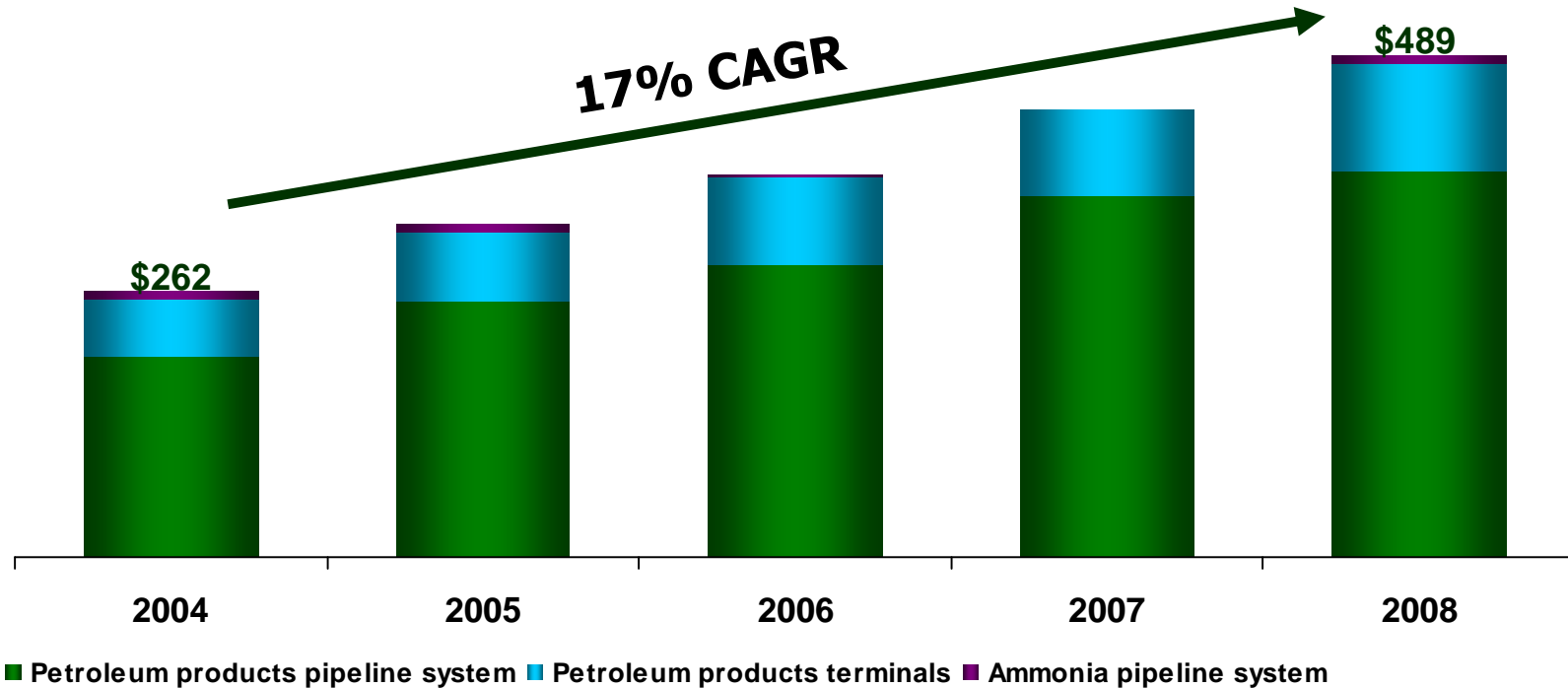
2008 Results



** Operating margin represents operating profit before depreciation & amortization and general & administrative costs; excludes \$38mm of one-time favorable items and \$14mm of NYMEX contract gains*

Growing MMP Operating Margin

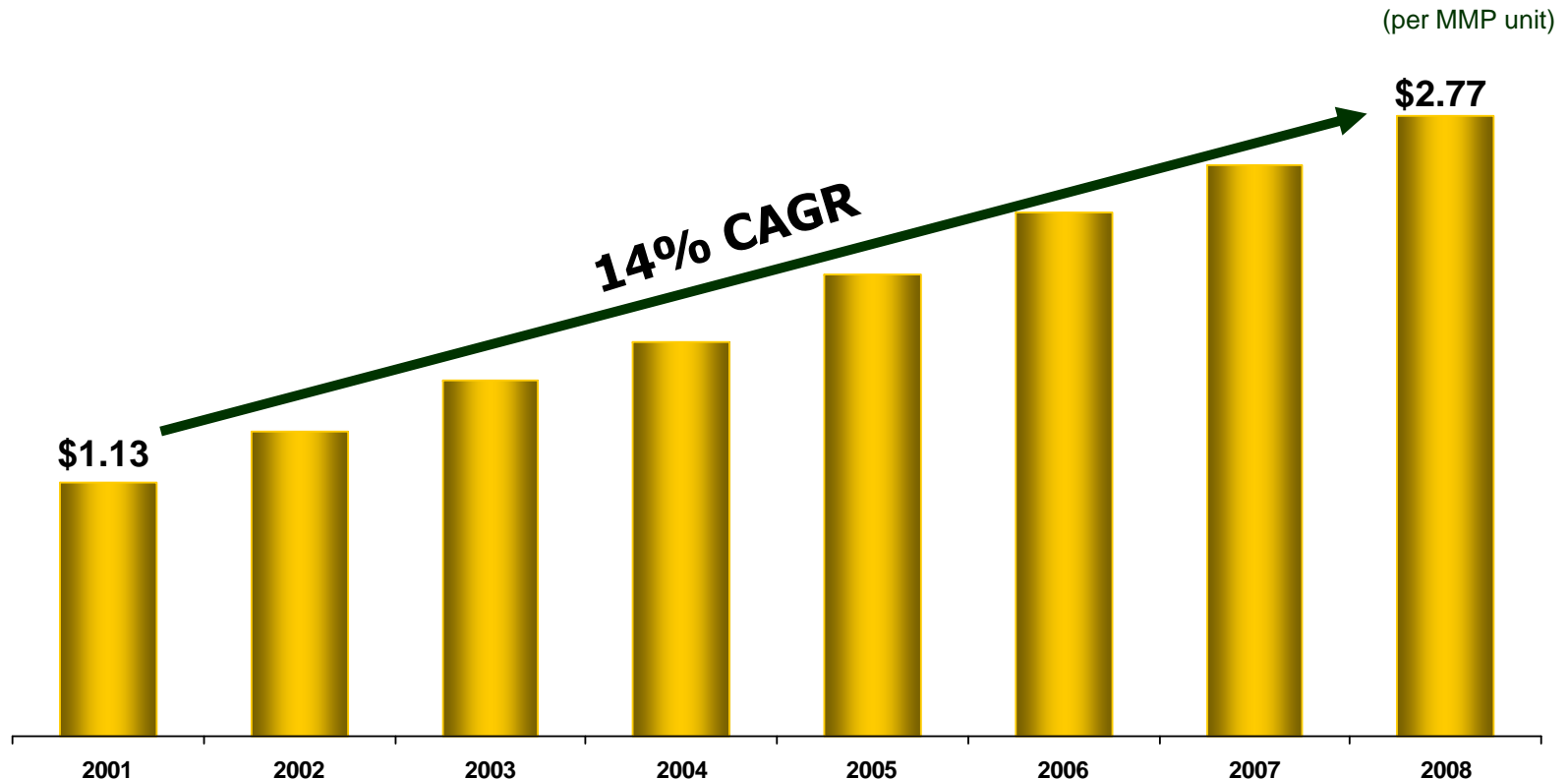
(\$ in millions)



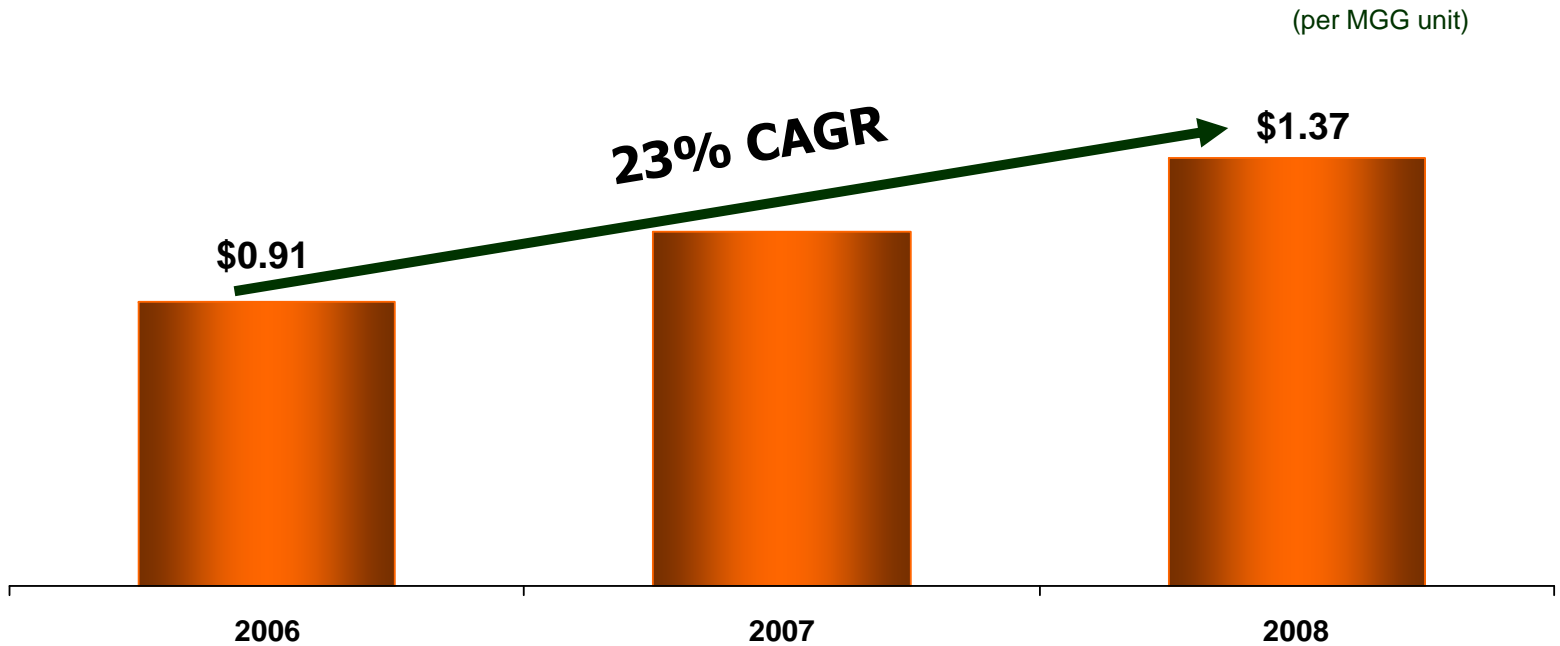
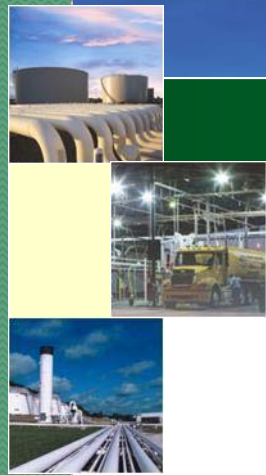
* Operating margin represents operating profit before depreciation & amortization and general & administrative costs; 2008 excludes \$38mm of one-time favorable items and \$14mm of NYMEX contract gains

MMP Distribution Growth Trend

- Based on current economic environment, plan to maintain current quarterly distribution of 71 cents (\$2.84 annualized) in 2009



MGG Distribution Growth Trend



Strong MMP Distribution Coverage

(\$ in millions)

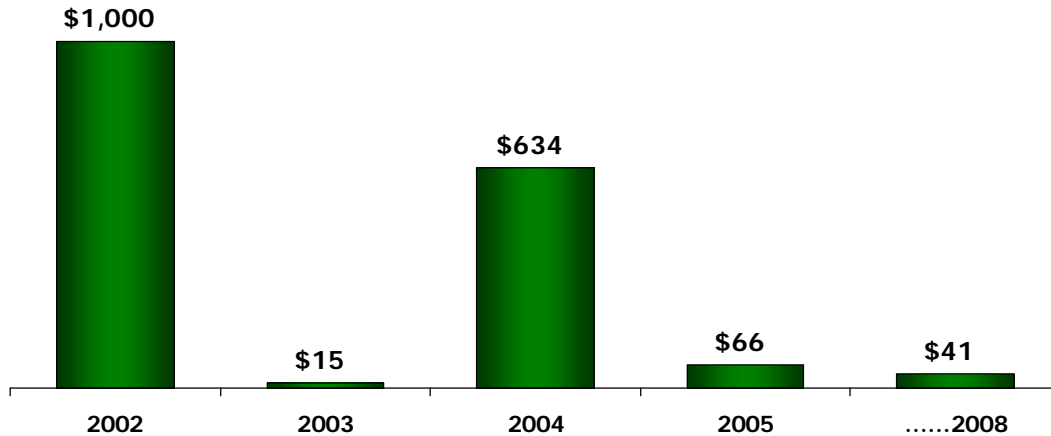
	<u>2007</u>	<u>2008</u>	<u>fcst</u> <u>2009</u>
Operating Margin *	\$437	\$489	
▪ Cash G&A	(61)	(68)	
▪ Interest expense (net of interest income)	(54)	(50)	
▪ Maintenance capital (net of reimbursements)	(31)	(43)	
▪ Previously indemnified environmental	4	5	
▪ Other items	<u>3</u>	<u>5</u>	
Cash available for distribution	298	338	330
▪ Distributions paid	<u>(244)</u>	<u>(274)</u>	
Excess Cash	\$54	\$64	
Distribution Coverage	1.2x	1.2x	

* 2008 Operating margin excludes \$38mm of one-time favorable items and \$14mm of NYMEX contract gains

Acquisitions & Organic Growth Projects

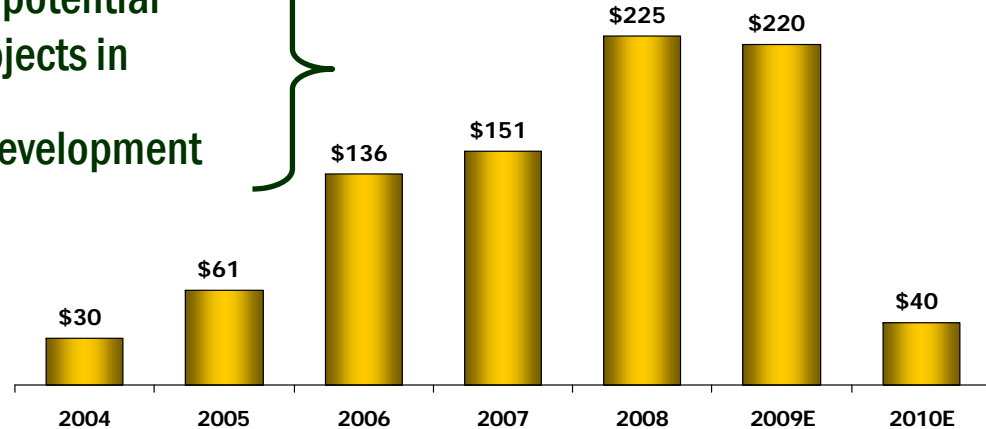
(\$ in millions)

Acquisitions



+ >\$500mm of potential expansion projects in earlier stages of development

Organic Growth Projects



Industry Themes Drive Organic Growth

- Continued strong demand for storage
 - 4mm bbls underway with add'l being assessed
- Government regulations for renewable fuels
 - 51 terminals with ethanol currently, 11 underway primarily in Southeast, another 11 being assessed
- Refinery expansions and enhanced connectivity to key growth markets
 - \$120mm project to support 15-year Motiva contract, primarily servicing existing market demand



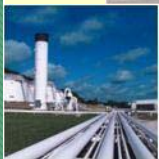
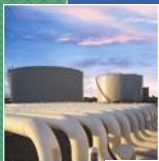
Potential Expansion Projects

- Continue to assess \$500mm+ of potential growth projects
- Project list includes additional infrastructure to provide same types of services Magellan performs today:
 - Storage and terminal services, including potential crude storage opportunities
 - Renewable fuels
- Generally target 6-8x EBITDA for project returns



Significant Balance Sheet Capacity

- Investment grade credit ratings: BBB / Baa2
- Strong financial ratios: leverage ratio < 3x
- No near-term debt maturities:
 - Public notes mature 2014, 2016, 2018 and 2037
 - \$550mm revolver available thru Sept 2012
(~\$200mm outstanding currently)



Estimated Simplification Timeline

- March 3: announced simplification agreement
- April 6: filed preliminary joint proxy / prospectus with SEC
- May 21: filed amendment #1 to joint proxy, addressing first round of SEC comments

Remaining steps required:

- Once SEC finalizes review, set record date for unitholder vote: 10 days
- Mail documents to MMP and MGG investors, allowing time for voting: 60 days

Expected MMP / MGG unitholder votes to occur 3Q09



Investing in Magellan Midstream

- Key U.S. energy infrastructure
- Stable base business with relatively low commodity price risk
- Attractive yield
- Quarterly cash distributions that are largely tax deferred
- Extremely strong balance sheet with investment grade credit rating
- Low-risk growth projects funded with debt
 - No equity issuance required to fund growth

