



MAGELLAN[®]
MIDSTREAM PARTNERS, L.P.

28

Wells Fargo Pipeline and MLP Symposium

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This presentation contains 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 Magellan's future performance based on risk factors and other information disclosed in our filings with the Securities and Exchange Commission.

Why Magellan?

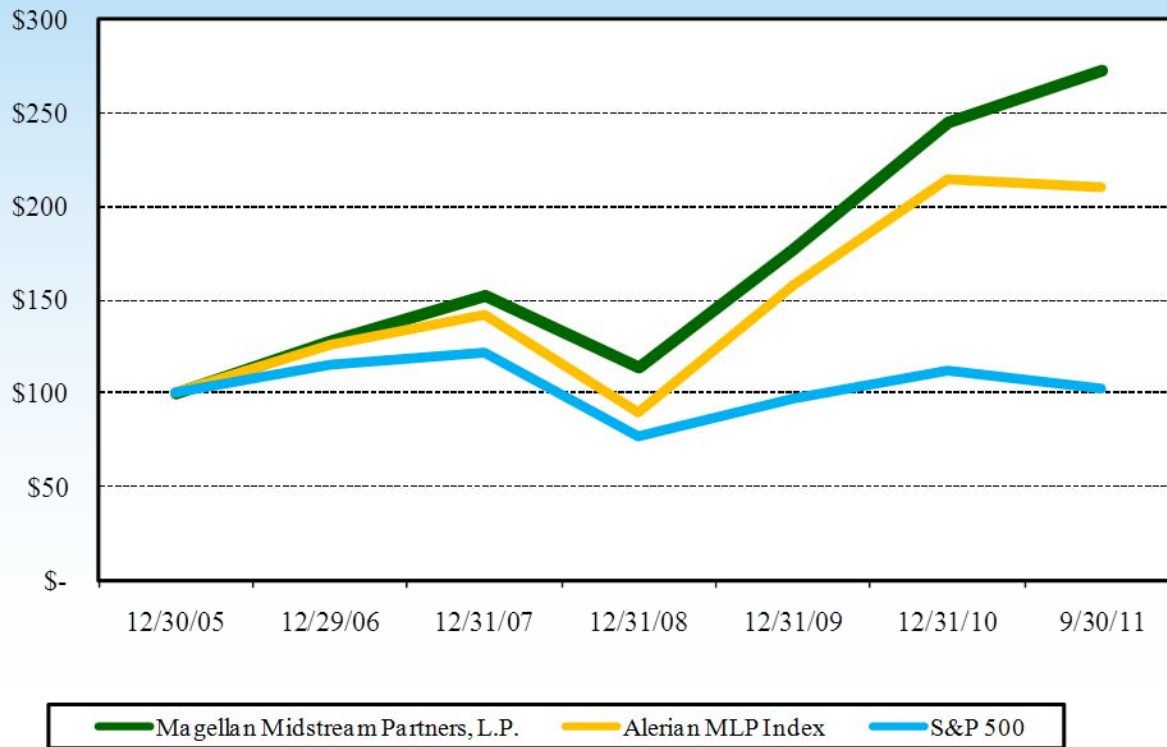


- Simple to understand, low risk, stable business profile
 - No general partner incentive distribution rights
- Attractive growth opportunities
- Proven history of distribution growth
- Record distributable cash flow generation with strong distribution coverage
- Strong investment-grade balance sheet and liquidity position = low cost of capital
- History of exceptional returns

Exceptional Total Return



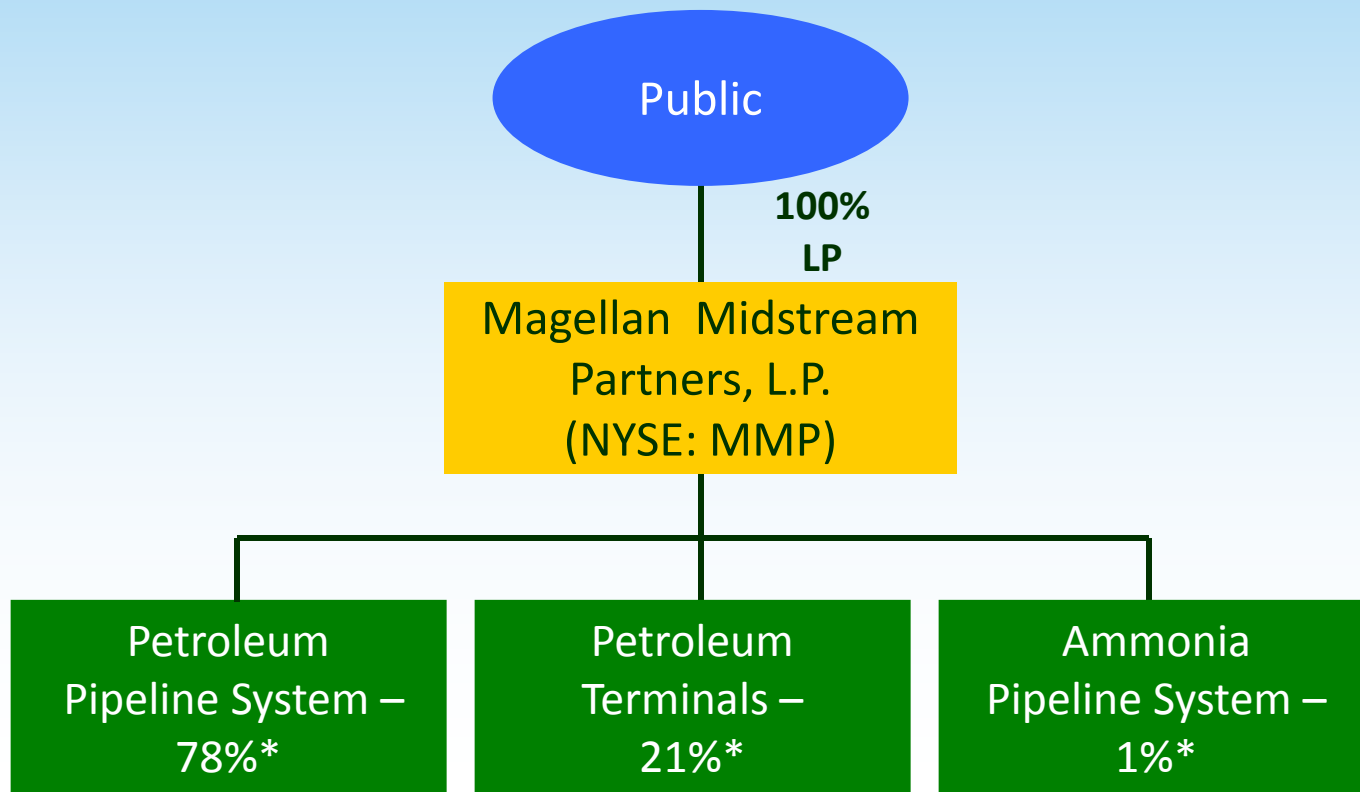
- MLPs have significantly outperformed the S&P 500 over the past few years
 - And Magellan has outperformed the Alerian MLP index, generating a total return of 170%+ since 2005



Current Structure = Competitive Advantage



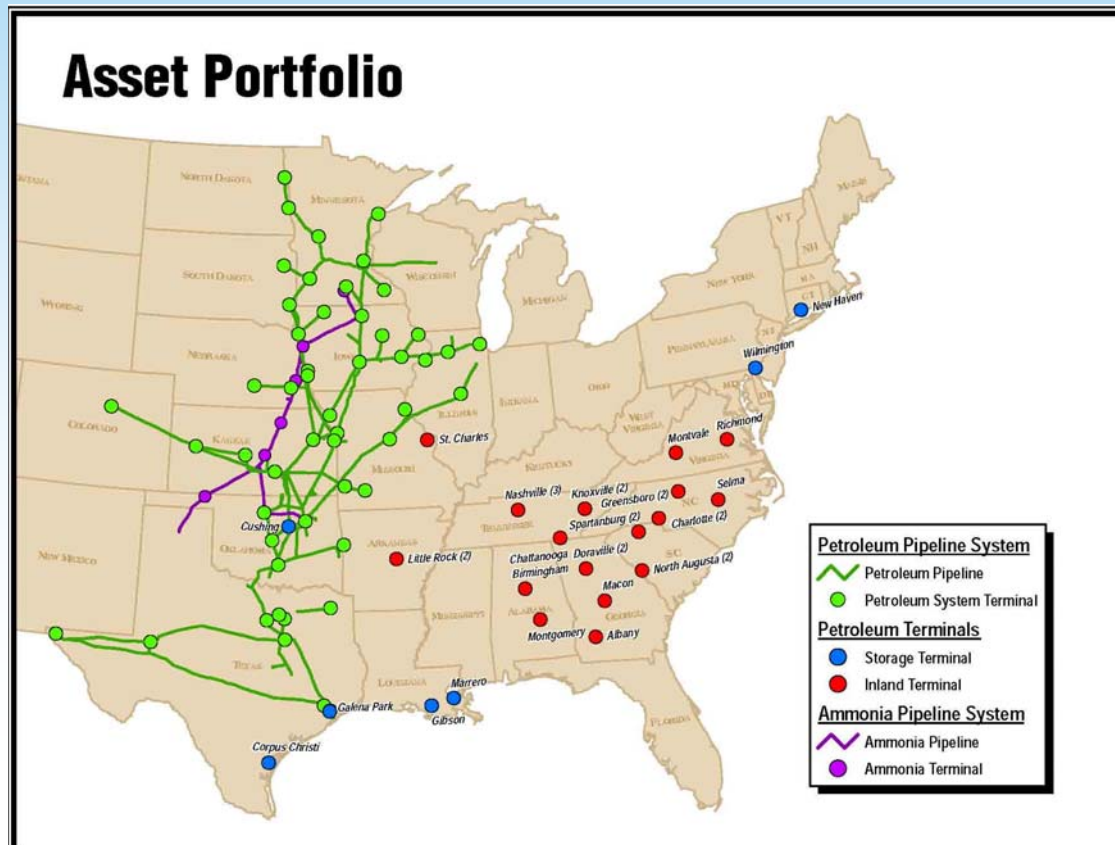
- Investment grade MLP with no incentive distribution rights
 - Provides MMP a competitive advantage with one of the lowest costs of capital in the MLP space



Key U.S. Petroleum Infrastructure



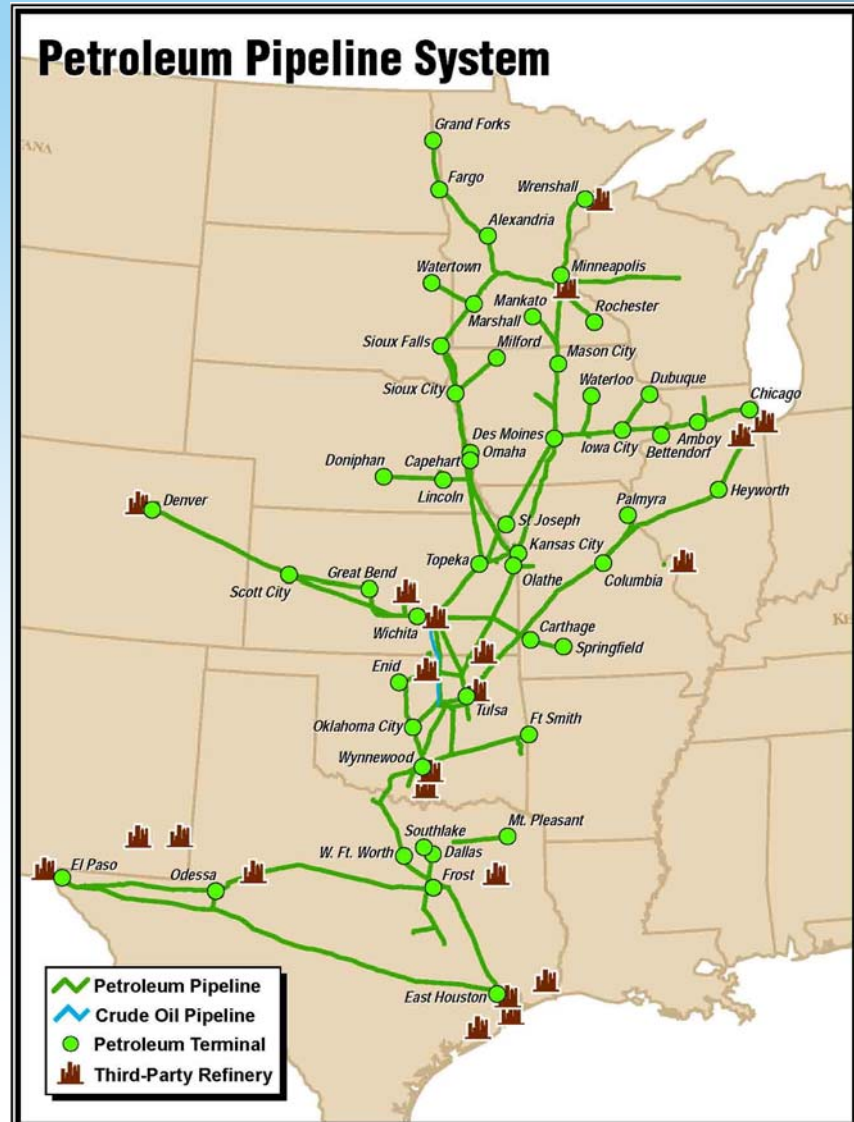
- Longest U.S. refined petroleum products pipeline system at 9,600 miles
- Access to more than 40% of refining capacity in the continental U.S. + imports
- >80 petroleum terminals with over 75mm barrels of storage



Petroleum Pipeline System



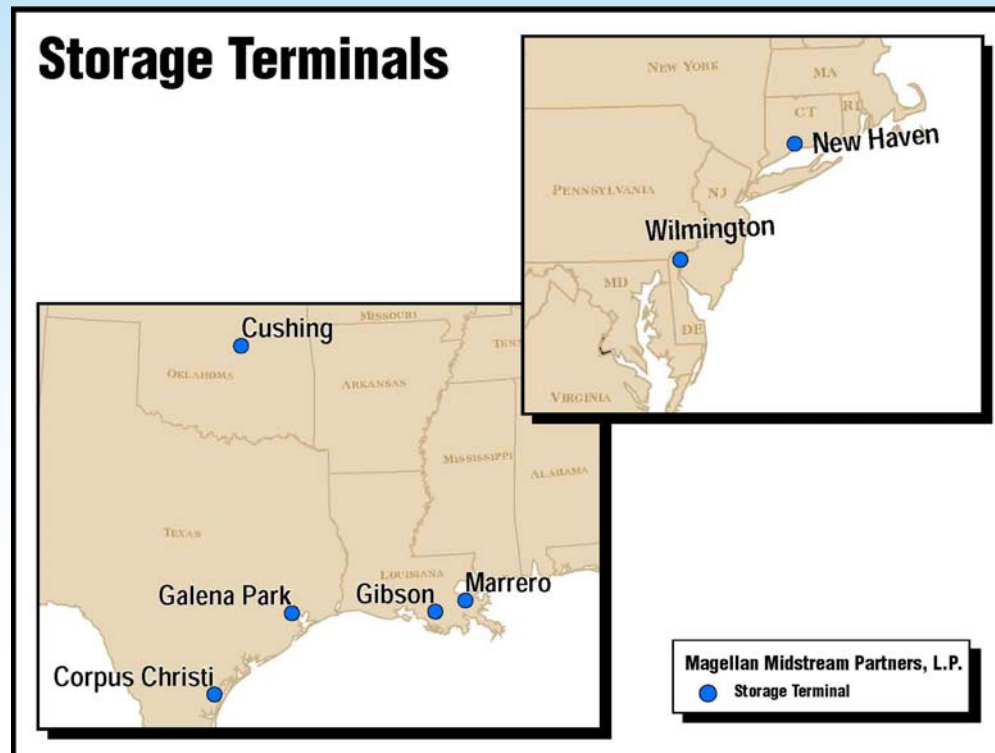
- 9,600-mile common carrier pipeline
 - 50 related pipeline terminals with 37mm barrels of storage
- Transports gasoline, diesel fuel, jet fuel, liquefied petroleum gases and crude oil
- Profit driven by throughput volume and tariffs
 - Tariff increases directly related to Producer Price Index; 7/11 increase = 6.9%
- Customers include merchant refiners, wholesale marketers and end-users



Storage Terminals



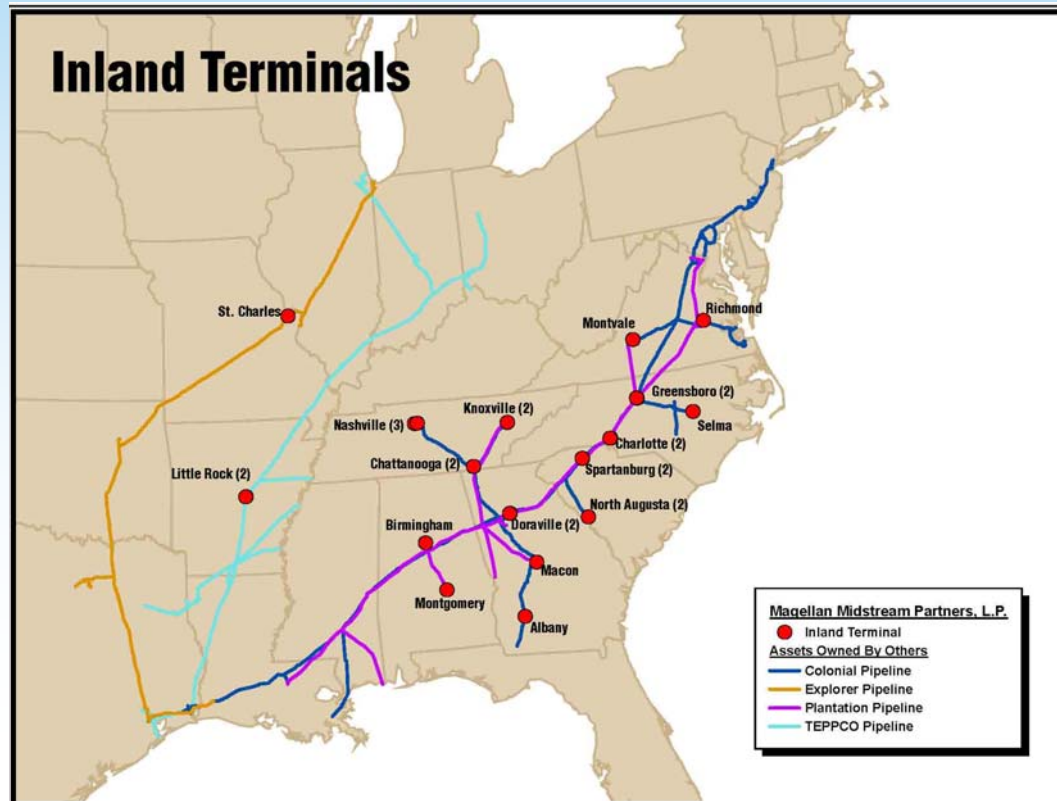
- 7 storage facilities with 35mm barrels of storage
 - including one of the largest crude oil storage positions in Cushing, OK
- Profit driven by storage utilized
- High utilization rates
- Customers include marketers, traders and refiners



Inland Terminals



- 27 inland terminals with 5mm barrels of storage
- Profit driven by throughput volume
- Connected to large third-party pipelines such as Colonial and Plantation
- Customers include retailers, wholesalers and exchange customers

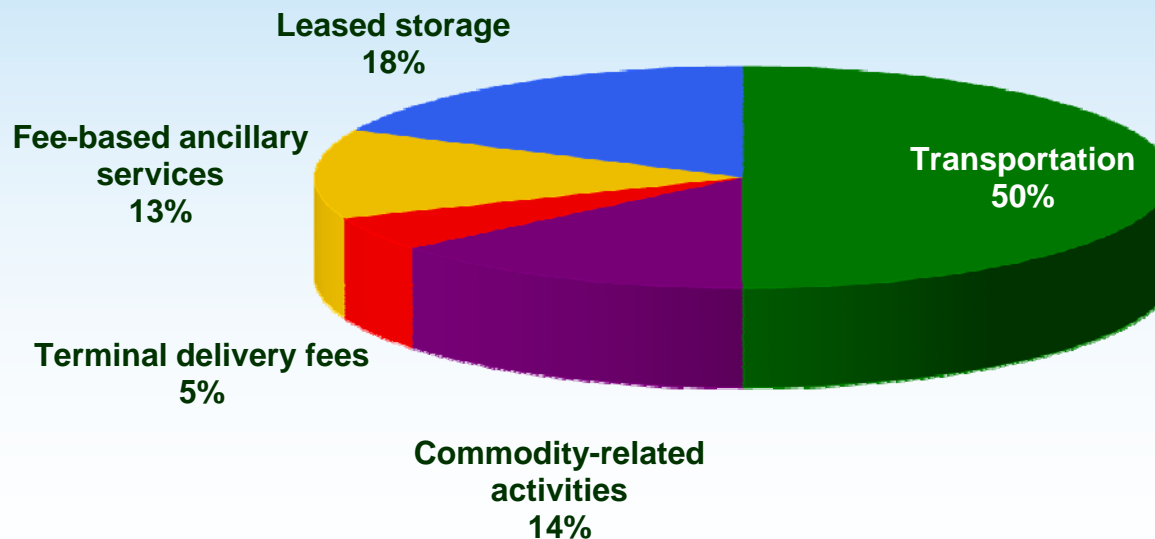


Primarily Fee-Based Business



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

ytd 3Q11 Results*

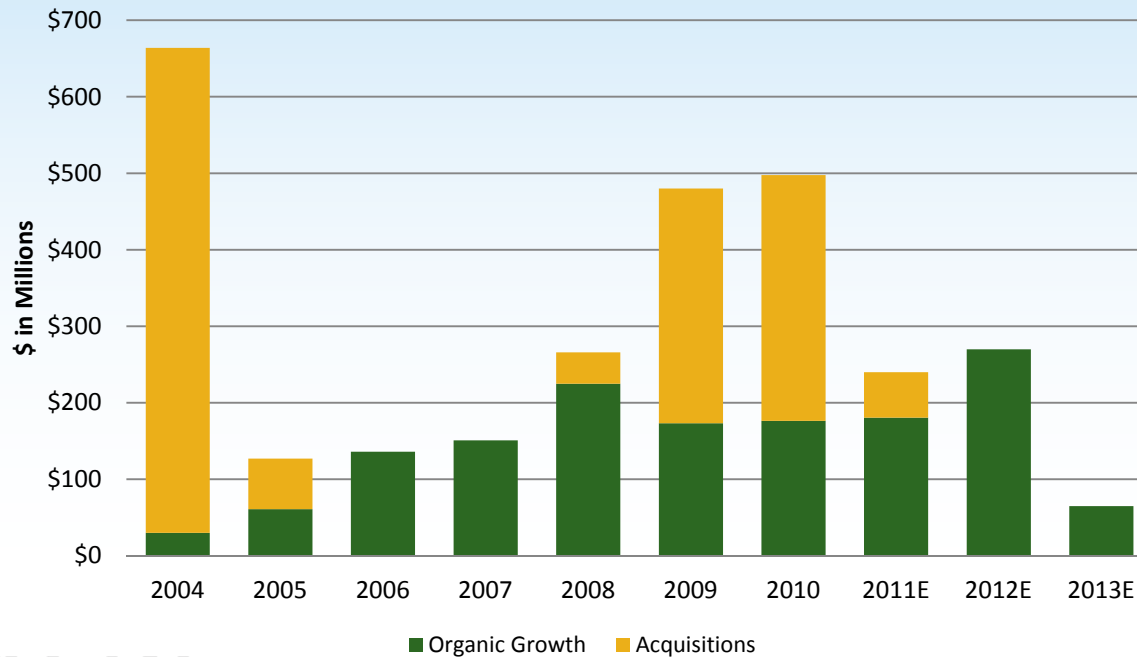


* Operating margin represents operating profit before depreciation & amortization and general & administrative costs; excludes \$38mm of NYMEX adjustments

Acquisitions & Organic Growth Projects



- Over the last seven years, Magellan has invested \$2.3 billion in acquisitions and organic growth projects
- \$575mm of expansion projects currently underway
- Many opportunities exist for continued growth
 - Future acquisitions are difficult to predict but quality assets remain “on the market”
 - Continue to assess >\$500mm of potential expansion projects



Magellan's Growing Crude Oil Asset Profile



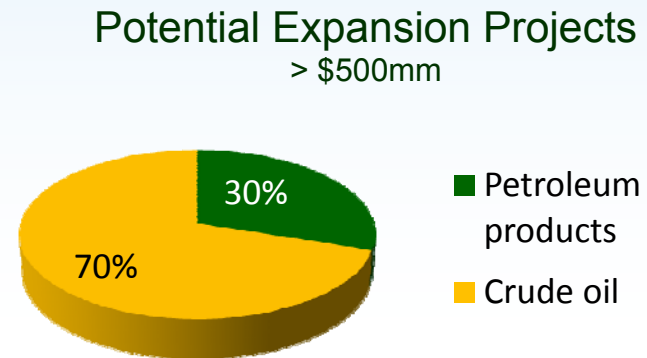
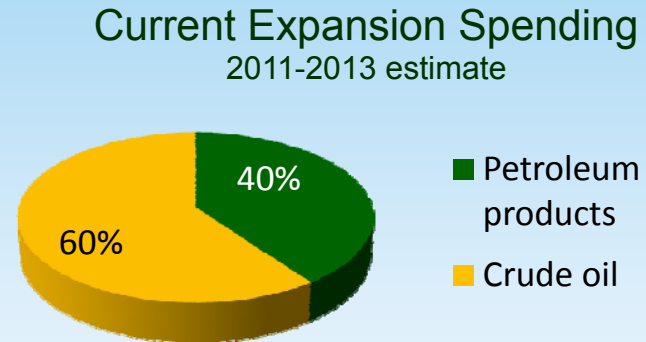
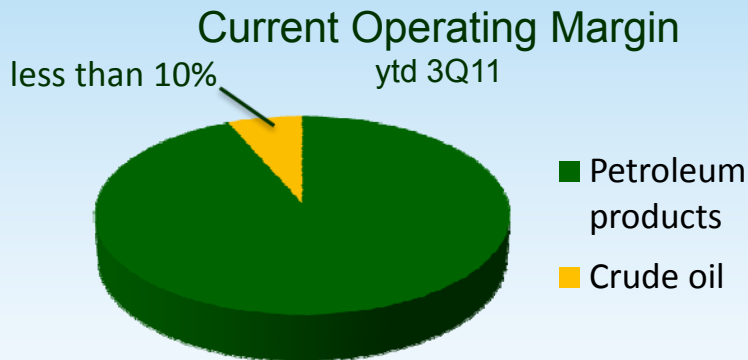
Current Crude Oil Assets

- One of the largest owners of storage in Cushing, OK with 12mm barrels
 - 7.8mm barrels acquired from BP in Sept. 2010
 - Additional 4.25mm barrels constructed in 2011
- Gibson, LA terminal
- 2mm barrels of storage at East Houston terminal
- Cushing-to-Tulsa pipeline segment
- Houston-to-Texas City pipeline segment acquired from BP in Sept. 2010
- 50% ownership in Osage Pipeline

Future Growth Opportunities



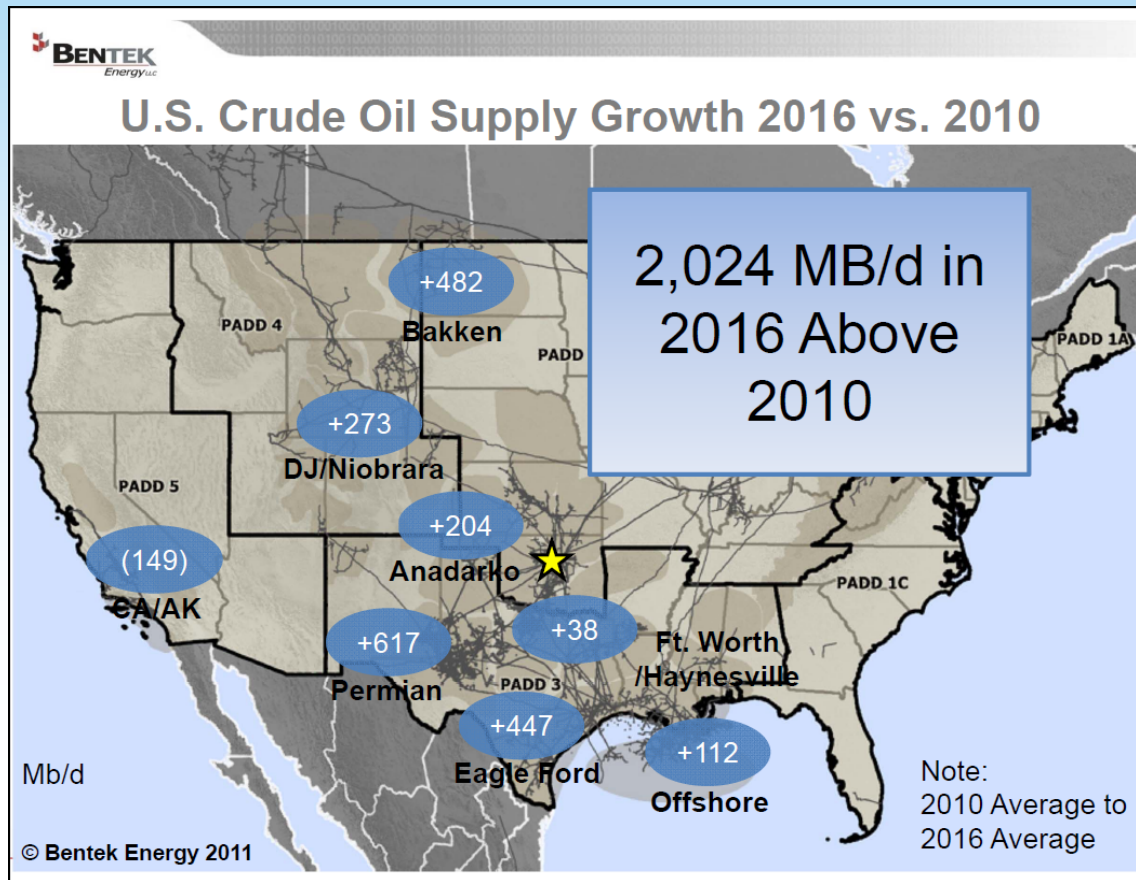
- Magellan's growing crude oil asset profile provides springboard for additional crude oil opportunities



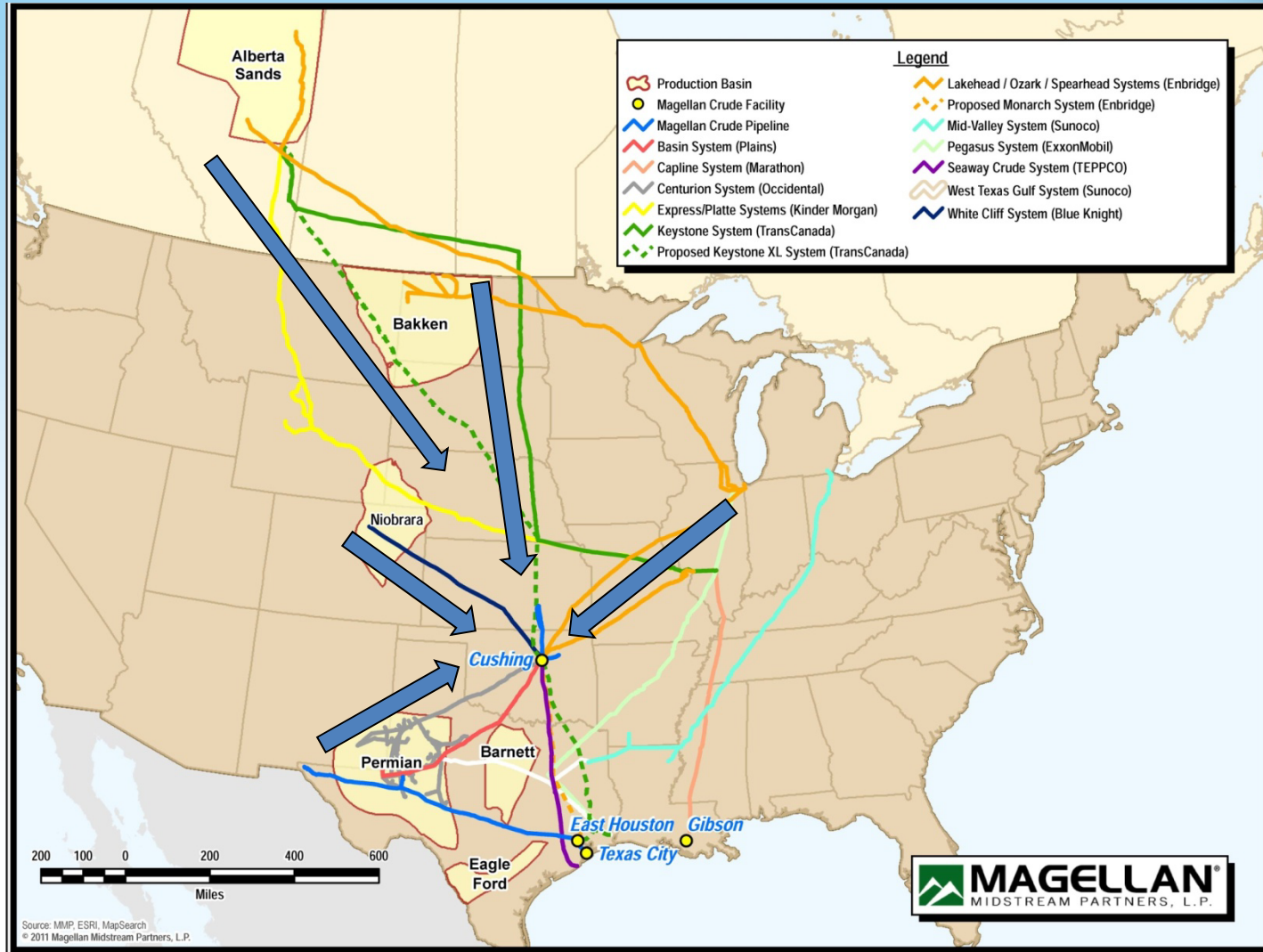
Crude Oil Market Trends



- Overall, 2mm bpd of U.S. production is expected to come online by 2016
 - New production is expected to displace offshore foreign imports
 - Much of the new production is in areas with underdeveloped pipeline infrastructure



Canadian and Central U.S. Crude Pipelines

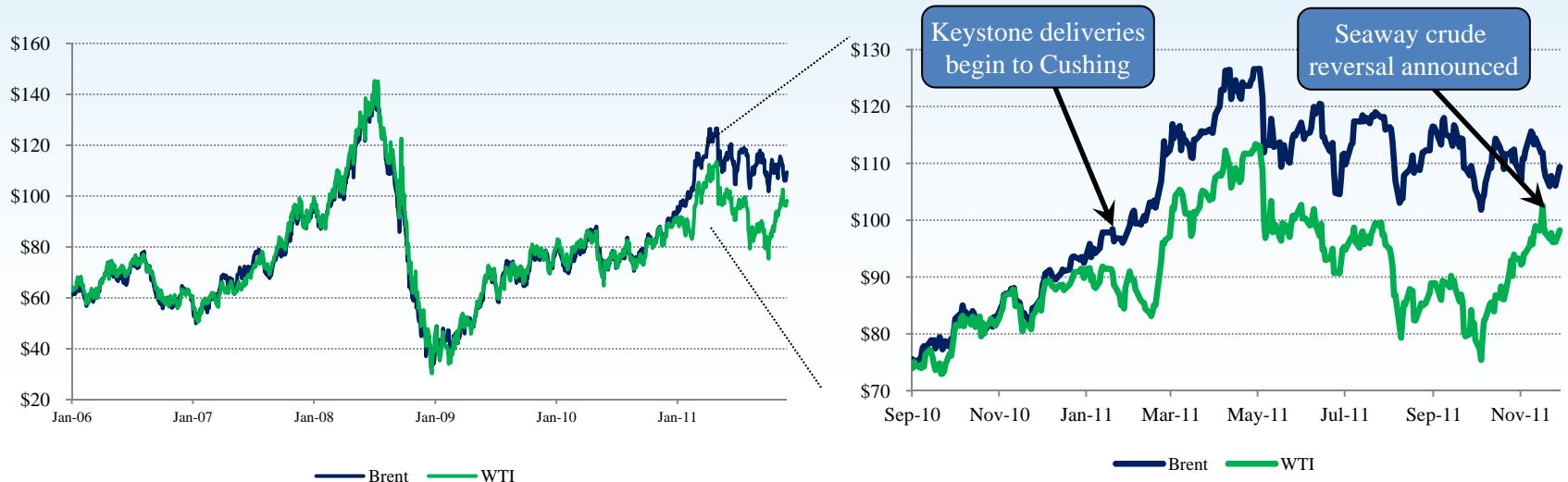


Current WTI Discount



- The continued oversupply of crude oil at Cushing, the civil war in Libya and North Sea declines have led to a dislocation of prices between WTI and Brent
- The dislocation started last fall and appeared to widen as Keystone initiated deliveries to Cushing earlier this year and the unrest in the Middle East began; continued to widen as Libya exports ceased
- Until pipeline capacity is available from Cushing or West Texas to the Gulf Coast, this situation is expected to remain and Brent will continue to be used as the “true” world marker for crude oil

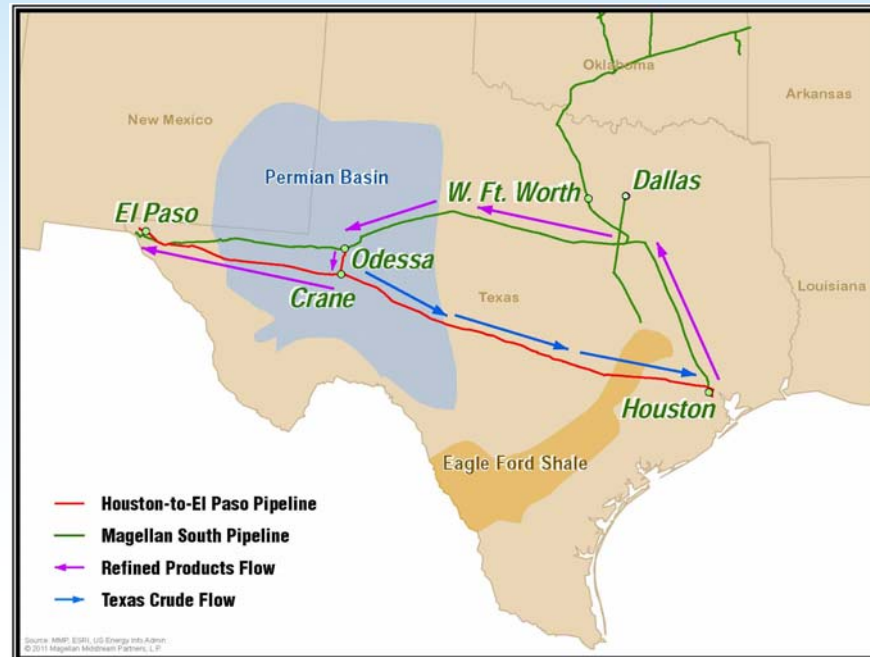
Historical Crude Oil Prices



Pipeline Reversal and Crude Oil Conversion



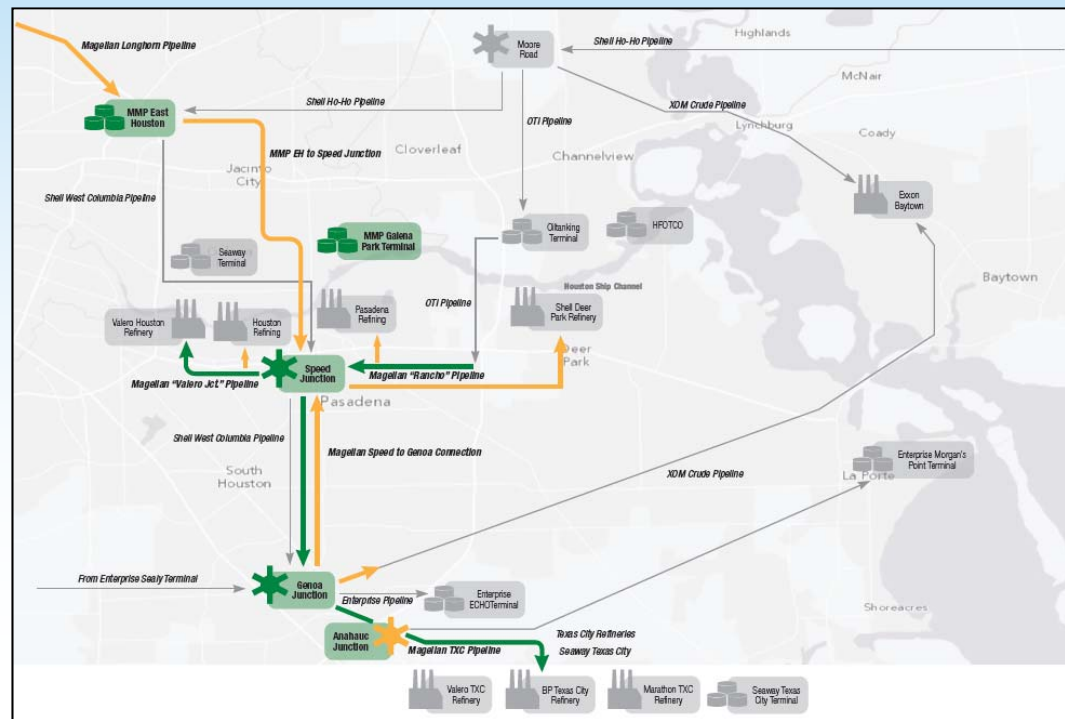
- Proceeding with reversal and crude oil conversion of the eastern leg of our Houston-to-El Paso pipeline; western portion to remain in refined products service, delivering up to 58k bpd to El Paso
- Current spending estimate of \$245mm for 135k bpd of crude oil capacity – **largest organic growth project to date for Magellan**
- Expandable to 225k bpd
- Expect reversed crude oil line to be operational by early 2013



Houston Area Distribution System



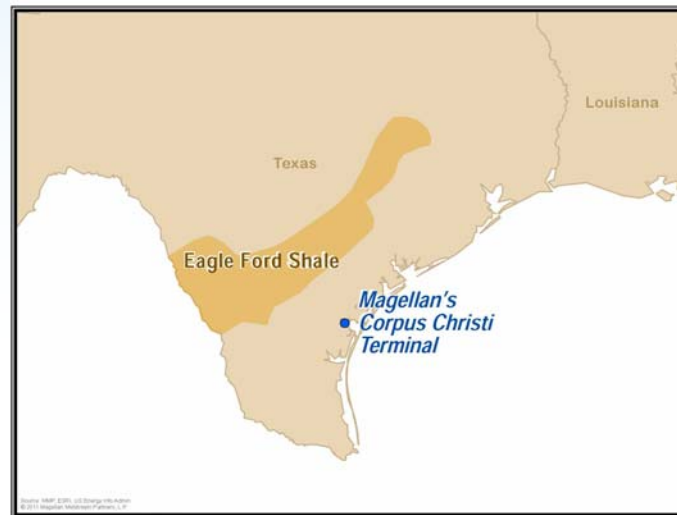
- Nearly 40 miles of crude oil pipelines running between Houston and TX City refining region
- Strategically positioned to be the “last leg” distribution conduit to the refinery gate for growing domestic and Canadian crude oil production
- Currently connected, or potential to connect, to all refineries in region
- Recently completed hydrotest to increase capacity to TX City ~50% to 350k bpd



Potential Corpus Christi Opportunity



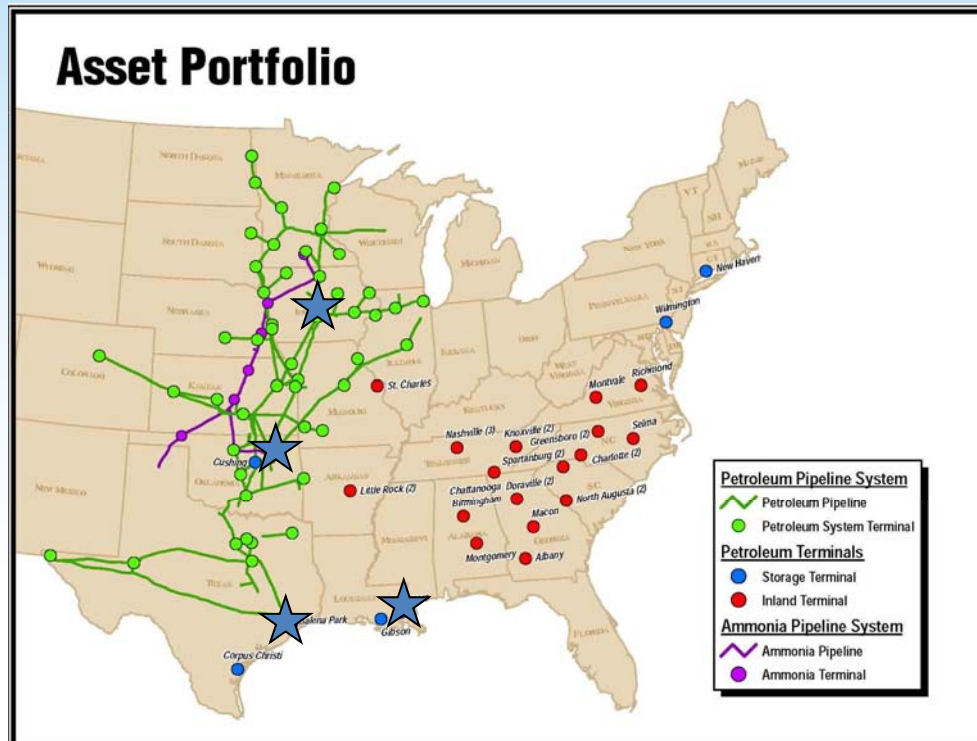
- Magellan's Corpus Christi terminal is ideally situated to be a landing spot for condensate coming from the western portion of the Eagle Ford Shale
 - 3mm barrels of storage currently, primarily handling heavy oils and refinery feedstocks
 - Room to build an additional ~3mm barrels
 - Access to 3 local Corpus refineries and dock for export to domestic refineries
- In final stages of negotiating a joint venture agreement with Copano Energy to transport condensate using existing pipelines from the Eagle Ford Shale formation to our Corpus Christi terminal



Additional Storage



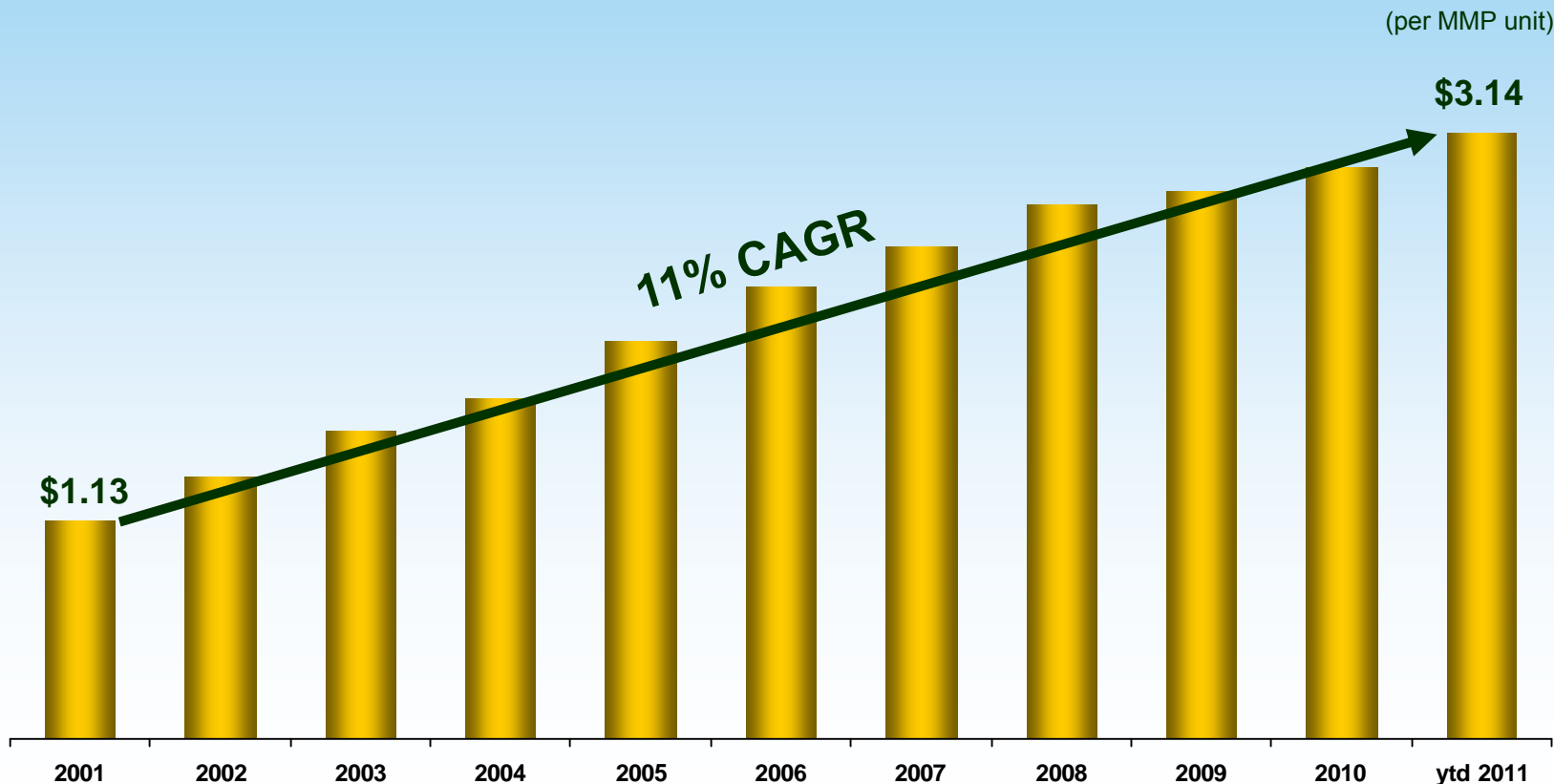
- Continued strong demand for storage
 - 4mm bbls placed into service in 2010
 - 5mm completed so far in '11 (largest project >4mm bbls of crude at Cushing)
 - Another 4mm bbls under construction currently
 - Additional storage opportunities being assessed at Cushing, Galena Park and Corpus Christi



Distribution Growth Trend



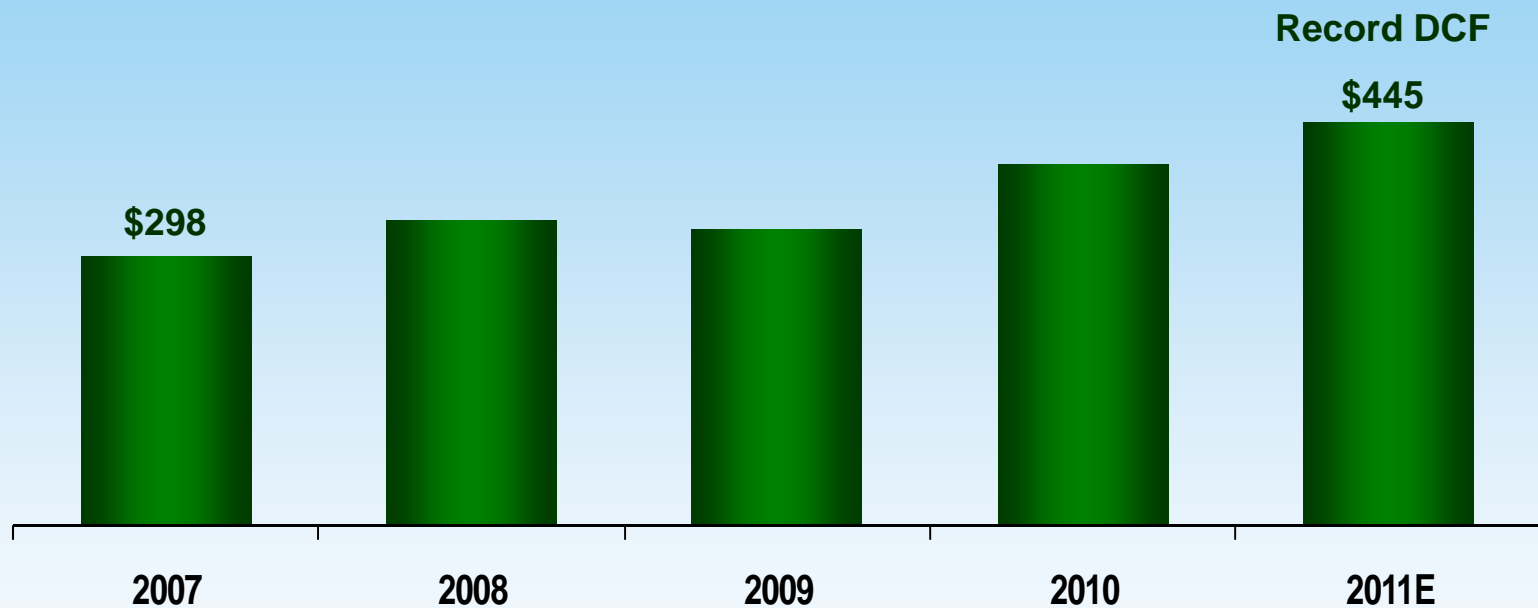
- Proven history of distribution growth with 38 quarterly increases
- Targeting 7% annual distribution growth for 2011



Total Distributable Cash Flow



(\$ in millions)



Coverage: 1.2x

1.2x

1.1x

1.2x

1.2x
(assumes 7%
distrib growth)