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.
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. + imports
- >80 petroleum terminals with over 75mm barrels of storage
Over the last seven years, Magellan has invested $2.3 billion in acquisitions and organic growth projects. $575mm of expansion projects are 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

- 12mm barrels of storage at Cushing
  - 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
- El Dorado-to-Cushing 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

**Current Operating Margin**
- less than 10%

**Current Expansion Spending**
- 2011-2012 estimate
- 38% Petroleum products
- 62% Crude oil

**Potential Expansion Projects**
- >$500mm
- 55% Petroleum products
- 45% Crude oil
Pipeline Reversal and Crude Oil Conversion

- Proceeding with reversal and crude oil conversion of the eastern leg of the former Longhorn pipeline; western portion to remain in refined products service, delivering up to 65k bpd to El Paso
- Current spending estimate of $275mm 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 mid-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
• With 12mm barrels of storage at Cushing, OK, Magellan is now one of the largest owners of crude oil storage in Cushing
• Demand continues to be strong for additional storage, evidenced by customer willingness to commit to 5+ year contracts for new storage

Source: SEC filings and Magellan estimates
Magellan’s Cushing Competitive Advantages

• Magellan does not compete against our storage customers
  – We don’t have a crude trading group or take ownership of the crude in our possession
  – Truly independent storage provider

• Maintaining customer product quality is top priority
  – In the process of ensuring ways that customers can observe and track quality of crude oil in all phases of handling the oil from the time the oil enters our terminal until it leaves
  – Will soon be sampling all incoming and outgoing oil to validate and track oil quality

• Very well-connected to other terminals in Cushing hub plus direct connectivity to key pipelines, such as Seaway and Centurion
Questions