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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report: January 28, 2011  
(Date of earliest event reported): January 27, 2011**

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**SUNOCO LOGISTICS PARTNERS L.P.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-31219**  
(Commission  
file number)

**23-3096839**  
(IRS employer  
identification number)

**1818 Market Street, Suite 1500, Philadelphia, PA**  
(Address of principal executive offices)

**19103-7583**  
(Zip Code)

**(215) 977-3000**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On January 27, 2011, Sunoco Logistics Partners L.P. (the "Partnership") issued a press release announcing its financial results for the fourth quarter 2010. A copy of this press release is attached as Exhibit 99.1 and is incorporated herein by reference.

**Item 7.01. Regulation FD Disclosure**

On January 27, 2011, the Partnership issued a press release announcing its financial results for the fourth quarter 2010. Additional information concerning the Partnership's fourth quarter earnings was presented in a slide presentation to investors during a teleconference on January 27, 2011. A copy of the slide presentation is attached as Exhibit 99.2 and is incorporated herein by reference.

The information in this report, being furnished pursuant to Item 2.02, 7.01, and 9.01 related thereto, of Form 8-K, shall not be deemed to be "filed" for purposes of Section 1D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and is not incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Press release dated January 27, 2011.
99.2	Slide presentation given January 27, 2011 during investor teleconference.

**Forward-Looking Statements**

Statements contained in the exhibits to this report that state the Partnership's or its management's expectations or predictions of the future are forward-looking statements. The Partnership's actual results could differ materially from those projected in such forward-looking statements. Factors that could affect those results include those mentioned in the documents that the Partnership has filed with the Securities and Exchange Commission.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**SUNOCO LOGISTICS PARTNERS LP.**

**By: Sunoco Partners LLC, its General Partner**

**By: /s/ MICHAEL D. GALTMAN**

**Michael D. Galtman**  
**Controller**

**January 28, 2011**  
**Philadelphia, PA**

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Press release dated January 27, 2011.
99.2	Slide presentation given January 27, 2011 during investor teleconference.



News Release  
Sunoco Logistics Partners L.P.  
1818 Market Street  
Philadelphia, Pa. 19103-3615

For further information contact:  
Thomas Golembeski (media) 215-977-6298  
Peter Gvazdauskas (investors) 215-977-6322

For release: Immediately

No. 2

**Sunoco Logistics Partners L.P. Increases Distribution and Reports  
Earnings for Fourth Quarter 2010**

PHILADELPHIA, January 27, 2011 – Sunoco Logistics Partners L.P. (NYSE: SXL) (the “Partnership”) today announced net income attributable to owners for the fourth quarter 2010 of \$59 million (\$1.42 per unit diluted), compared with \$54 million (\$1.30 per unit diluted) for the fourth quarter 2009. Highlights of the fourth quarter 2010 include:

- Distributable cash flow of \$69 million for the quarter compared to \$50 million for the prior year period
- Recognized contango inventory profits of approximately \$10 million in the fourth quarter 2010
- Finished 2010 with a Debt to EBITDA ratio of 3.4x

Sunoco Partners LLC, the general partner of the Partnership, declared a cash distribution for the fourth quarter 2010 of \$1.18 per limited partnership unit (\$4.72 annualized) to be paid on February 14, 2011 to unitholders of record on February 8, 2011. This represents the twenty-third consecutive quarterly distribution increase and provides 1.4 times coverage of the quarterly cash distribution.

“2010 was a record year for Sunoco Logistics,” said Lynn L. Elsenhans, Chairman and Chief Executive Officer. “We set all-time highs in capital investment and EBITDA generation. Excluding market-related earnings, our ratable EBITDA was up approximately 15 % versus 2009. This is a reflection of our continuing organic growth program, recent acquisitions, and our strong operating base.”

“Entering 2011, we continue to build upon our diverse asset base with near-term emphasis on expanding our marketing terminal blending services and working toward optimizing our assets in the Marcellus Shale region with Project Mariner. We are projecting \$100 to \$150 million for our 2011 expansion capital program, excluding major projects and acquisitions, and we expect \$45 million of maintenance capital spending. Our balance sheet remains strong and should provide the opportunity to grow beyond our base capital program.”

**DETAILS OF FOURTH QUARTER SEGMENT RESULTS**

	<b>Three Months Ended December 31,</b>		
	<b>2010</b>	<b>2009</b>	<b>Variance</b>
		<b>(in millions)</b>	
Refined Products Pipeline System	\$ 10	\$ 10	\$ —
Terminal Facilities	21	21	—
Crude Oil Pipeline System	52	35	17
<b>Operating Income</b>	<b>\$ 83</b>	<b>\$ 66</b>	<b>\$ 17</b>
Interest expense, net	19	12	7
Provision for income taxes	4	—	4
<b>Net Income</b>	<b>\$ 60</b>	<b>\$ 54</b>	<b>\$ 6</b>
Net income attributable to noncontrolling interests	1	—	1
<b>Net income attributable to Sunoco Logistics Partners L.P.</b>	<b>\$ 59</b>	<b>\$ 54</b>	<b>\$ 5</b>

**Refined Products Pipeline System**

Operating income for the fourth quarter 2010 was unchanged from the prior year period. Lower pipeline volumes resulted in reduced revenues compared to the prior year's quarter. Higher equity income from the Partnership's joint venture interests, along with reduced utility and tax expenses offset the reduced level of pipeline volumes.

**Terminal Facilities**

Operating income was unchanged from the prior year period. Improvements from the prior period related to higher volumes and fees at the refined products terminals, additional volumes at the Nederland terminal facility and cash contributions from butane blending operations. These improvements were offset by increased depreciation and amortization expense related to organic projects and acquisitions, along with a non-cash impairment charge of \$3 million related to the cancellation of a construction project. Reduced refinery terminal volumes driven by the permanent shut-down of Sunoco's Eagle Point refinery and higher operating expenses related to the new tankage at the Partnership's Nederland facility further offset the improved operating results.

**Crude Oil Pipeline System**

The increase in operating income was due to increased pipeline volumes and incremental earnings associated with the Partnership's acquisitions of additional joint venture interests. Higher lease acquisition results driven primarily by increased contango profits in 2010 further improved operating results.

**Financing Update**

The increase in net interest expense was primarily attributable to the offering of \$500 million of Senior Notes completed during the first quarter of 2010. At December 31, 2010, the Partnership's total debt balance was \$1.2 billion, including \$31 million of borrowings under its revolving credit facilities and a \$100 million promissory note from Sunoco which was used to partially finance the Partnership's butane blending business acquisition.

## CAPITAL EXPENDITURES

	Twelve Months Ended December 31,	
	2010	2009
	(in millions)	
Maintenance capital expenditures	\$ 37	\$ 32
Expansion capital expenditures	389	194
<b>Total</b>	<b>\$ 426</b>	<b>\$ 226</b>

Expansion capital for 2010 includes approximately \$243 million for acquisitions of a butane blending business and additional ownership interests in three joint venture pipelines previously held by the Partnership. Expansion capital for 2010 also includes projects to expand services at the Partnership's refined products terminals, increase tankage at the Nederland facility and expand upon the Partnership's refined products platform in the southwest United States. The Partnership expects to invest \$100 to \$150 million in expansion capital for 2011, excluding major acquisitions and capital related to Project Mariner. Additionally, the Partnership's expects its maintenance capital spending for 2011 to be approximately \$45 million.

## INVESTOR CALL

An investor call with management regarding our fourth quarter results is scheduled for Thursday evening, January 27 at 5:00 pm ET. Those wishing to listen can access the call by dialing (USA toll free) 1-888-889-4955; International (USA toll) 1-312-470-0130 and request "Sunoco Logistics Partners Earnings Call, Conference Code—Sunoco Logistics". This event may also be accessed by a webcast, which will be available at [www.sunocologistics.com](http://www.sunocologistics.com). A number of presentation slides will accompany the audio portion of the call and will be available to be viewed and printed shortly before the call begins. Individuals wishing to listen to the call on the Partnership's web site will need Windows Media Player, which can be downloaded free of charge from Microsoft or from Sunoco Logistics Partners' conference call page. Please allow at least fifteen minutes to complete the download. 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 1-800-947-6258. International callers should dial 1-402-220-3482.

## ABOUT SUNOCO LOGISTICS

Sunoco Logistics Partners L.P. (NYSE: SXL), headquartered in Philadelphia, is a master limited partnership that owns and operates refined products and crude oil pipelines and terminal facilities. The Refined Products Pipeline System consists of approximately 2,200 miles of refined products pipelines located in the northeast, midwest and southwest United States and equity interests in four refined products pipelines. The Terminal Facilities consist of approximately 10 million shell barrels of refined products terminal capacity and approximately 23 million shell barrels of crude oil terminal capacity (including approximately 20 million shell barrels of capacity at the Nederland Terminal on the Gulf Coast of Texas). The Crude Oil Pipeline System consists of approximately 5,400 miles of crude oil pipelines, located principally in Oklahoma and Texas.

Portions of this document constitute forward-looking statements as defined by federal law. Although Sunoco Logistics Partners L.P. believes that the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements are inherently uncertain and necessarily involve risks that may affect the Partnership's business prospects and performance causing actual results to differ from those discussed in the foregoing release. Such risks and uncertainties include, by way of example and not of limitation: whether or not the transactions described in the foregoing news release will be cash flow accretive; increased competition; changes in demand for crude oil and refined products that we store and distribute; changes in operating conditions and costs; changes in the level of environmental remediation spending; potential equipment malfunction; potential labor issues; the legislative or regulatory environment; plant construction/repair delays; nonperformance by major customers or suppliers; and political and economic conditions, including the impact of potential terrorist acts and international hostilities. These and other applicable risks and uncertainties have been described more fully in the Partnership's Form 10-Q filed with the Securities and Exchange Commission on November 4, 2010. The Partnership undertakes no obligation to update any forward-looking statements in this release, whether as a result of new information or future events.

**Sunoco Logistics Partners L.P.**  
**Financial Highlights**  
**(unaudited)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010 <sup>(1)</sup>	2009	2010 <sup>(1)</sup>	2009
(in millions)				
<b>Income Statement:</b>				
Sales and other operating revenue	\$ 2,223	\$ 1,661	\$ 7,808	\$ 5,402
Other income	5	7	30	28
Total revenues	<u>2,228</u>	<u>1,668</u>	<u>7,838</u>	<u>5,430</u>
Cost of products sold and operating expenses	2,103	1,573	7,398	5,023
Depreciation and amortization expense	19	13	64	48
Selling, general and administrative expenses	20	16	72	64
Impairment charge	3	—	3	—
Total costs and expenses	<u>2,145</u>	<u>1,602</u>	<u>7,537</u>	<u>5,135</u>
<b>Operating income</b>	<b>83</b>	<b>66</b>	<b>301</b>	<b>295</b>
Interest cost and debt expense	21	13	78	49
Capitalized interest	(2)	(1)	(5)	(4)
Gain on investments in affiliates	—	—	128	—
<b>Income before provision for income taxes</b>	<b>64</b>	<b>54</b>	<b>356</b>	<b>250</b>
Provision for income taxes	4	—	8	—
<b>Net Income</b>	<b>\$ 60</b>	<b>\$ 54</b>	<b>\$ 348</b>	<b>\$ 250</b>
Net income attributable to noncontrolling interests	1	—	2	—
<b>Net Income attributable to Sunoco Logistics Partners L.P.</b>	<b>\$ 59</b>	<b>\$ 54</b>	<b>\$ 346</b>	<b>\$ 250</b>
<b>Calculation of Limited Partners' interest:</b>				
Net Income attributable to Sunoco Logistics Partners L.P.	\$ 59	\$ 54	\$ 346	\$ 250
Less: General Partner's interest	(12)	(14)	(48)	(52)
Limited Partners' interest in Net Income	<u>\$ 47</u>	<u>\$ 40</u>	<u>\$ 298</u>	<u>\$ 198</u>
<b>Net Income per Limited Partner unit:</b>				
Basic	<u>\$ 1.42</u>	<u>\$ 1.31</u>	<u>\$ 9.40</u>	<u>\$ 6.52</u>
Diluted	<u>\$ 1.42</u>	<u>\$ 1.30</u>	<u>\$ 9.34</u>	<u>\$ 6.48</u>
<b>Weighted Average Limited Partners' units outstanding:</b>				
Basic	<u>33.0</u>	<u>31.0</u>	<u>31.7</u>	<u>30.3</u>
Diluted	<u>33.2</u>	<u>31.2</u>	<u>31.9</u>	<u>30.5</u>

(1) Acquiring a controlling interest in the Mid-Valley Pipeline Company and the West Texas Gulf Pipe Line Company required the Partnership to consolidate results of these entities beginning in the third quarter 2010. Consolidated results from these acquisitions have been included from the acquisition date.



**Sunoco Logistics Partners L.P.**  
**Earnings Contribution by Business Segment**  
**(unaudited)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
(in millions)				
<b>Refined Products Pipeline System:</b>				
Sales and other operating revenue	\$ 29	\$ 33	\$ 120	\$ 128
Other income	5	3	16	12
Total revenues	34	36	136	140
Operating expenses	15	16	54	60
Depreciation and amortization expense	3	4	15	13
Selling, general and administrative expenses	6	6	23	22
Operating income	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 44</u>	<u>\$ 45</u>
<b>Terminal Facilities:</b>				
Sales and other operating revenue	\$ 92	\$ 52	\$ 264	\$ 191
Other income	—	1	1	2
Total revenues	92	53	265	193
Cost of products sold and operating expenses	52	23	116	71
Depreciation and amortization expense	8	4	26	19
Selling, general and administrative expenses	8	5	25	19
Impairment charge	3	—	3	—
Operating income	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ 95</u>	<u>\$ 84</u>
<b>Crude Oil Pipeline System:</b>				
Sales and other operating revenue	\$ 2,102	\$ 1,576	\$ 7,424	\$ 5,083
Other income	—	3	13	14
Total revenues	2,102	1,579	7,437	5,097
Cost of products sold and operating expenses	2,036	1,534	7,228	4,892
Depreciation and amortization expense	8	5	23	16
Selling, general and administrative expenses	6	5	24	23
Operating income	<u>\$ 52</u>	<u>\$ 35</u>	<u>\$ 162</u>	<u>\$ 166</u>

**Sunoco Logistics Partners L.P.**  
**Financial Highlights**  
**(unaudited)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
	(in millions)			
<b>Capital Expenditure Data:</b>				
Maintenance capital expenditures	\$ 12	\$ 17	\$ 37	\$ 32
Expansion capital expenditures	58	50	389	194
<b>Total</b>	<u>\$ 70</u>	<u>\$ 67</u>	<u>\$426</u>	<u>\$ 226</u>
	December 31, 2010	December 31, 2009		
	(in millions, at period end)			
<b>Balance Sheet Data:</b>				
Cash and cash equivalents	\$ 2	\$ 2		
Revolving credit facilities <sup>(1)</sup>	\$ 31	\$ 269		
Note from affiliate—due May 2013	100	—		
Senior Notes	1,098	599		
Total Long-term Debt	<u>\$ 1,229</u>	<u>\$ 868</u>		
Sunoco Logistics Partners L.P. Partners' equity	\$ 965	\$ 862		
Noncontrolling interests	77	—		
Total Equity	<u>\$ 1,042</u>	<u>\$ 862</u>		

<sup>(1)</sup> As of December 31, 2010, the Partnership had unutilized borrowing capacity of \$427 million under its revolving credit facilities.

**Sunoco Logistics Partners L.P.**  
**Financial and Operating Statistics**  
**(unaudited)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
(in millions)				
<b>Operating Income</b>				
Refined Products Pipeline System	\$ 10	\$ 10	\$ 44	\$ 45
Terminal Facilities	21	21	95	84
Crude Oil Pipeline System	52	35	162	166
Total Operating Income	<u>\$ 83</u>	<u>\$ 66</u>	<u>\$ 301</u>	<u>\$ 295</u>
<b>Operating Highlights</b>				
<b>Refined Products Pipeline System:</b>				
Total shipments (barrel miles per day) <sup>(1)(2)</sup>	49,290,093	56,540,785	50,758,293	57,741,323
Revenue per barrel mile (cents)	0.643	0.636	0.645	0.606
<b>Terminal Facilities:</b>				
Terminal throughput (bpd):				
Refined products terminals	501,917	466,167	488,490	462,219
Nederland terminal	724,048	531,405	728,491	597,144
Refinery terminals	434,049	573,344	465,349	591,180
<b>Crude Oil Pipeline System:</b>				
Crude oil pipeline throughput (bpd) <sup>(2)(3)</sup>	1,495,174	687,095	1,138,824	657,991
Crude oil purchases at wellhead (bpd)	192,489	177,164	188,966	181,564
Gross margin per barrel of pipeline throughput (cents) <sup>(3)(4)</sup>	42.4	60.4	41.8	73.0
Average crude oil price (per barrel)	<u>\$ 85.18</u>	<u>\$ 76.17</u>	<u>\$ 79.55</u>	<u>\$ 61.93</u>

<sup>(1)</sup> Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

<sup>(2)</sup> Excludes amounts attributable to equity ownership interests which are not consolidated.

<sup>(3)</sup> Reflects total throughput by Mid-Valley Pipeline Company and West Texas Gulf Pipe Line Company from the dates of acquisition, over the total number of days in each period. From the dates of acquisition, these pipelines had actual throughput of 575 thousand bpd and 585 thousand bpd for the three and twelve months ended December 31, 2010.

<sup>(4)</sup> 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.

**Sunoco Logistics Partners L.P.**  
**Non-GAAP Financial Measures**  
**(unaudited)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
	(in millions)			
<b>Net Income attributable to Sunoco Logistics Partners L.P.</b>	\$ 59	\$ 54	\$ 346	\$ 250
Add: Interest expense, net	19	12	73	45
Add: Depreciation and amortization	19	13	64	48
Add: Impairment charge	3	—	3	—
Add: Provision for income taxes	4	—	8	—
Less: Gain on investments in affiliates	—	—	(128)	—
<b>EBITDA<sup>(1)</sup></b>	<u>104</u>	<u>79</u>	<u>366</u>	<u>343</u>
Less: Interest expense, net	(19)	(12)	(73)	(45)
Less: Maintenance capital expenditures	(12)	(17)	(37)	(32)
Less: Provision for income taxes	(4)	—	(8)	—
<b>Distributable cash flow<sup>(1)</sup></b>	<u>\$ 69</u>	<u>\$ 50</u>	<u>\$ 248</u>	<u>\$ 266</u>

<sup>(1)</sup> 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.

**Adjusted Net Income Attributable to Sunoco Logistics Partners L.P.**

	Twelve Months Ended December 31, 2010 (in millions)
<b>Net Income attributable to Sunoco Logistics Partners L.P.</b>	\$ 346
Less: Gain on investments in affiliates	(128)
<b>Adjusted Net Income attributable to Sunoco Logistics Partners L.P.</b>	<u>\$ 218</u>
Less: General Partner's interest	(45)
<b>Limited Partners' interest in Net Income</b>	<u>\$ 173</u>
<b>Net Income per Limited Partner unit:</b>	
Basic	<u>\$ 5.46</u>
Diluted	<u>\$ 5.42</u>
<b>Weighted Average Limited Partners' units outstanding:</b>	
Basic	<u>31.7</u>
Diluted	<u>31.9</u>

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# Sunoco Logistics Partners L.P.



Fourth Quarter 2010  
Earnings Conference Call  
January 27, 2011

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# Forward-Looking Statements

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You should review this slide presentation in conjunction with the fourth quarter 2010 earnings conference call for Sunoco Logistics Partners L.P., held on January 27 at 5:00 p.m. ET. You may listen to the audio portion of the conference call on our website at [www.sunocologistics.com](http://www.sunocologistics.com) or by dialing (USA toll-free) 1-888-889-4955. International callers should dial 1-312-470-0130. 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 1-800-947-6258. International callers should dial 1-402-220-3482.

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, 2009, and in its subsequent Form 10-Q and 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](http://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.

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# Q4 2010 Assessment

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- Distributable cash flow of \$69 million, a \$19 million increase from 4Q09
- Recognized approximately \$10 million in crude contango earnings
- Expansion capital of \$58 million including the acquisition of two small terminals in Texas
- Increased distribution for 23<sup>rd</sup> consecutive quarter

# 2010 Assessment

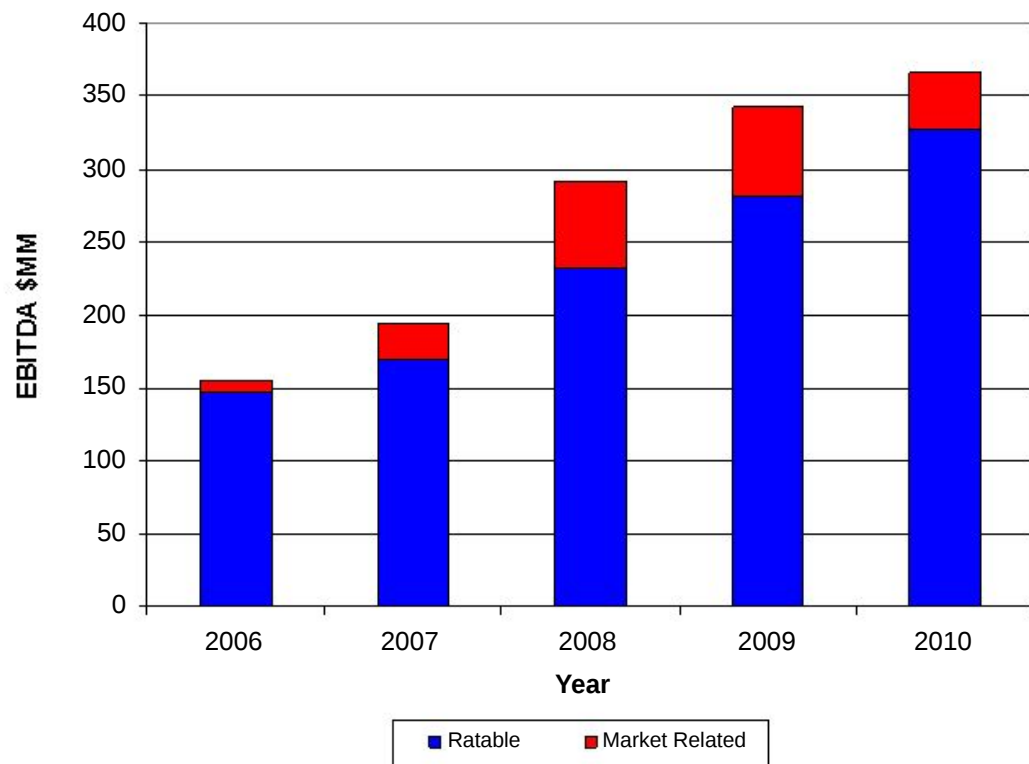
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- Record EBITDA of \$366 million
  - \$23 million higher than 2009
  - Ratable EBITDA approximately 15% higher than 2009
  - Increase driven by organic growth and 2010 acquisitions
  
- Record capital investment of \$426MM
  
- Distribution coverage ratio of 1.3x
  
- Debt-to-EBITDA of 3.4x at 12/31/10



# EBITDA: Ratable and Market Related

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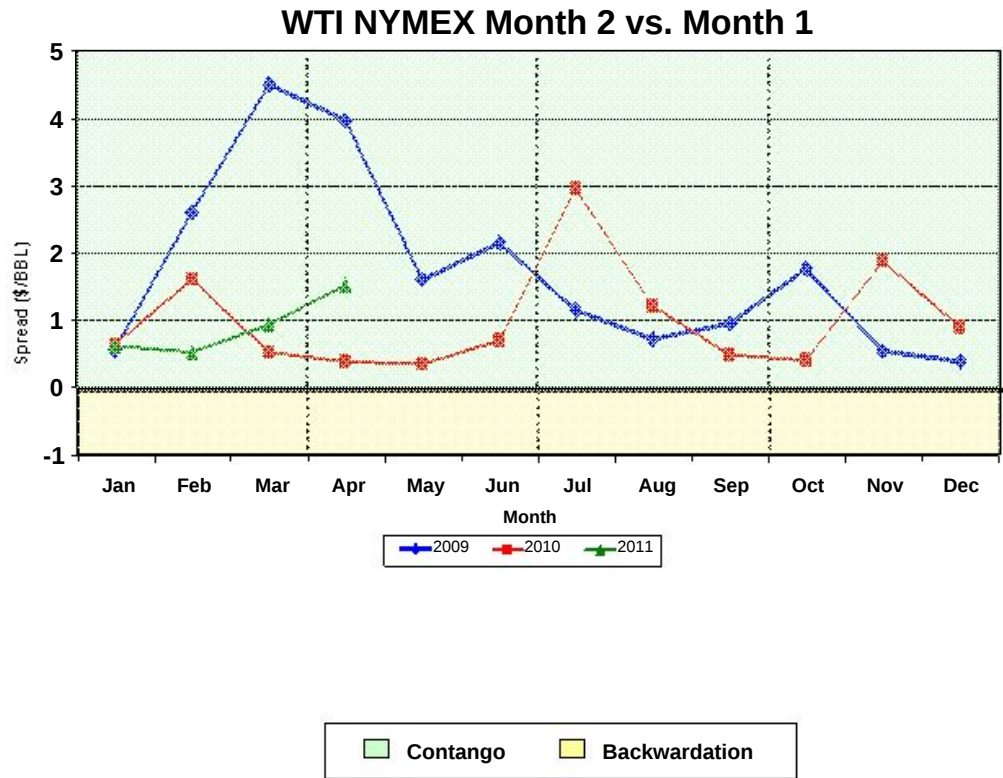
# 2010 Acquisitions

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- Acquired Butane Blending Business – Third Quarter
  - Enhances terminal service offerings
  
- Acquired Three Additional Joint Venture Interests – Third Quarter
  - Joint venture assets are an excellent fit with asset base
  
- Acquired Terminal in Bay City, Texas – Fourth Quarter
  - 110 thousand barrel crude and refined products terminal
  
- Acquired Terminal in Big Sandy, Texas – Fourth Quarter
  - 160 thousand barrel refined products terminal

# Crude Oil Contango

- Widened contango market structure provided strong earnings in the second half of 2010
- Approximately \$10MM of contango profits were recognized in Q4, including the remaining deferred LIFO profits



# Q4 2010 Financial Highlights

(\$ in millions, unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Sales and other operating revenue	\$ 2,223	\$ 1,661	\$ 7,808	\$ 5,402
Other income	5	7	30	28
Total revenues	2,228	1,668	7,838	5,430
Cost of products sold and operating expenses	2,103	1,573	7,398	5,023
Depreciation and amortization	19	13	64	48
Selling, general and administrative expenses	20	16	72	64
Impairment charge	3	-	3	-
Total costs and expenses	2,145	1,602	7,537	5,135
<b>Operating income</b>	83	66	301	295
Interest cost and debt expense	21	13	78	49
Capitalized interest	(2)	(1)	(5)	(4)
Gain on investments in affiliates	-	-	128	-
<b>Income before provision for income taxes</b>	64	54	356	250
Provision for income taxes	4	-	8	-
<b>Net Income</b>	\$ 60	\$ 54	\$ 348	\$ 250
Net income attributable to noncontrolling interests	1	-	2	-
<b>Net Income attributable to Sunoco Logistics Partners L.P.</b>	\$ 59	\$ 54	\$ 346	\$ 250

# Q4 2010 Financial Highlights

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
<b>Calculation of Limited Partners' interest:</b>				
Net Income attributable to Sunoco Logistics Partners L.P.	\$ 59	\$ 54	\$ 346	\$ 250
Less: General Partner's interest	(12)	(14)	(48)	(52)
Limited Partners' interest in Net Income	<u>\$ 47</u>	<u>\$ 40</u>	<u>\$ 298</u>	<u>\$ 198</u>
<b>Net Income per Limited Partner unit:</b>				
Basic	<u>\$ 1.42</u>	<u>\$ 1.31</u>	<u>\$ 9.40</u>	<u>\$ 6.52</u>
Diluted	<u>\$ 1.42</u>	<u>\$ 1.30</u>	<u>\$ 9.34</u>	<u>\$ 6.48</u>
<b>Weighted Average Limited Partners' units outstanding (in thousands):</b>				
Basic	<u>33.0</u>	<u>31.0</u>	<u>31.7</u>	<u>30.3</u>
Diluted	<u>33.2</u>	<u>31.2</u>	<u>31.9</u>	<u>30.5</u>

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# Refined Products Pipeline System

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(\$ in millions, unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
<b>Financial Highlights</b>				
Sales and other operating revenue	\$ 29	\$ 33	\$ 120	\$ 128
Other income	5	3	16	12
Total revenues	34	36	136	140
Operating expenses	15	16	54	60
Depreciation and amortization	3	4	15	13
Selling, general and administrative expenses	6	6	23	22
Operating income	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 44</u>	<u>\$ 45</u>

# Terminal Facilities

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(\$ in millions, unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
<b>Financial Highlights</b>				
Total Revenues	\$ 92	\$ 53	\$ 265	\$ 193
Cost of products sold and operating expenses	52	23	116	71
Depreciation and amortization	8	4	26	19
Selling, general and administrative expenses	8	5	25	19
Impairment charge	3	-	3	-
Operating income	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ 95</u>	<u>\$ 84</u>

# Crude Oil Pipeline System

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(\$ in millions, unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
<b>Financial Highlights</b>				
Sales and other operating revenue	\$ 2,102	\$ 1,576	\$ 7,424	\$ 5,083
Other income	-	3	13	14
Total revenues	2,102	1,579	7,437	5,097
Cost of products sold and operating expenses	2,036	1,534	7,228	4,892
Depreciation and amortization	8	5	23	16
Selling, general and administrative expenses	6	5	24	23
Operating income	\$ 52	\$ 35	\$ 162	\$ 166



# Q4 2010 Operating Highlights

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
<b>Operating highlights (unaudited)</b>				
Refined Products Pipeline System:				
Total shipments (barrel miles per day) <sup>(1)(2)</sup>	49,290,093	56,540,785	50,758,293	57,741,323
Revenue per barrel mile (cents)	0.643	0.636	0.645	0.606
Terminal Facilities:				
Refined products terminals throughput (bpd)	501,917	466,167	488,490	462,219
Nederland terminal throughput (bpd)	724,048	531,405	728,491	597,144
Refinery terminals throughput (bpd)	434,049	573,344	465,349	591,180
Crude Oil Pipeline System:				
Crude oil pipeline throughput (bpd) <sup>(2)(3)</sup>	1,495,174	687,095	1,138,824	657,991
Crude oil purchases at wellhead (bpd)	192,489	177,164	188,966	181,564
Gross margin per barrel of pipeline throughput (cents) <sup>(3)(4)</sup>	42.4	60.4	41.8	73.0
Average crude oil price (per barrel)	\$ 85.18	\$ 76.17	\$ 79.55	\$ 61.93

<sup>(1)</sup> Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

<sup>(2)</sup> Excludes amounts attributable to equity ownership interests which are not consolidated.

<sup>(3)</sup> Includes results from Mid-Valley Pipeline Company and West Texas Gulf Pipe Line Company from the acquisition dates. From the dates of acquisition, these pipelines had actual throughput of approximately 575 thousand bpd and 585 thousand bpd for the three and twelve months ended December 31, 2010.

<sup>(4)</sup> 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.

# Q4 2010 Financial Highlights

(\$ in millions, unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
<b>Capital Expenditure Data:</b>				
Maintenance capital expenditures	\$ 12	\$ 17	\$ 37	\$ 32
Expansion capital expenditures	58	50	389	194
Total	<u>\$ 70</u>	<u>\$ 67</u>	<u>\$ 426</u>	<u>\$ 226</u>

	December 31,	December 31,
	2010	2009
<b>Balance Sheet Data (at period end):</b>		
Cash and cash equivalents	\$ 2	\$ 2
Total debt <sup>(1)</sup>	\$ 1,229	\$ 868
Equity		
Sunoco Logistics Partners L.P. Equity	\$ 965	\$ 862
Noncontrolling interests	77	-
	<u>\$ 1,042</u>	<u>\$ 862</u>

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

# Non-GAAP Financial Measures

(\$ in millions, unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
<b>Net Income attributable to Sunoco Logistics Partners L.P.</b>	\$ 59	\$ 54	\$ 346	\$ 250
Add: Interest expense, net	19	12	73	45
Add: Depreciation and amortization	19	13	64	48
Add: Impairment charge	3	-	3	-
Add: Provision for income taxes	4	-	8	-
Less: Gain on investments in affiliates	-	-	(128)	-
<b>EBITDA</b>	<u>104</u>	<u>79</u>	<u>366</u>	<u>343</u>
Less: Interest expense, net	(19)	(12)	(73)	(45)
Less: Maintenance capital expenditures	(12)	(17)	(37)	(32)
Less: Provision for income taxes	(4)	-	(8)	-
<b>Distributable cash flow</b>	<u>\$ 69</u>	<u>\$ 50</u>	<u>\$ 248</u>	<u>\$ 266</u>

## Non-GAAP Financial Measures

<sup>(1)</sup> 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.

# Non-GAAP Financial Measures

(\$ in millions, unaudited)

	Twelve Months Ended				
	December 31				
	2006	2007	2008	2009	2010
<b>Net Income attributable to Sunoco Logistics Partners L.P.</b>					
Logistics Partners L.P.	\$ 90	\$ 121	\$ 214	\$ 250	\$ 346
Add: Interest expense, net	28	35	31	45	73
Add: Depreciation and amortization	37	37	40	48	64
Add: Impairment charge	-	-	6	-	3
Add: Provision for income taxes	-	-	-	-	8
Less: Gain on investments in affiliates	-	-	-	-	(128)
<b>EBITDA</b>	<b>155</b>	<b>193</b>	<b>291</b>	<b>343</b>	<b>366</b>
Ratable	148	169	232	282	327
Market-related	7	24	59	61	39
<b>EBITDA</b>	<b>\$ 155</b>	<b>\$ 193</b>	<b>\$ 291</b>	<b>\$ 343</b>	<b>\$ 366</b>

## 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.

# Non-GAAP Financial Measures

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*(\$ in millions, unaudited)*

## Adjusted Net Income Attributable to Sunoco Logistics Partners L.P.

	<b>Twelve Months Ended December 31, 2010</b>
<b>Net Income attributable to Sunoco Logistics Partners L.P.</b>	\$ 346
Less: Gain on investments in affiliates	(128)
<b>Adjusted Net Income attributable to Sunoco Logistics Partners L.P.</b>	\$ 218
Less: General Partner's interest	(45)
<b>Limited Partners' interest in Net Income</b>	<u>\$ 173</u>
<b>Net Income per Limited Partner unit:</b>	
Basic	<u>\$ 5.46</u>
Diluted	<u>\$ 5.42</u>
<b>Weighted Average Limited Partners' units outstanding:</b>	
Basic	<u>31.7</u>
Diluted	<u>31.9</u>

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