



BUCKEYE PARTNERS, L.P.

LAUREL PIPE LINE PROJECT OVERVIEW

PROPOSED PARTIAL REVERSAL OF LAUREL PIPE LINE

Laurel Pipe Line is a gasoline and diesel fuel line that currently flows westward across Pennsylvania from the Philadelphia area to the Pittsburgh area.

In November 2016, Laurel Pipe Line Co., L.P., a subsidiary of Buckeye, filed an application with the Pa. Public Utility Commission (PUC) to reverse the direction of flow on Laurel between Altoona, Blair County, and Pittsburgh. The proposed change would reverse the flow in this part of the line and allow eastward flows of gasoline and diesel fuel from the Midwest to the Altoona area. The remainder of the line, east of Altoona, would continue to flow westward from Philadelphia.

The proposed project is driven by a number of clear market forces, principally steadily increasing supplies of lower-cost gasoline and diesel from Midwestern refineries. This growing supply is a result of large increases in production of crude oil from secure North American sources. As domestic energy production continues to increase, Midwestern refiners are seeking safe, reliable pipeline options to move their lower-cost fuels eastward to meet consumer demand in central Pennsylvania.

This is a win for Pennsylvania consumers. As shown below, wholesale gasoline prices in the Midwest are historically lower than East Coast supplies. In addition, over the past decade, Midwest refineries have been expanding while East Coast refinery capacity has declined.

As a result of these long-term trends, the portion of Laurel that Buckeye is seeking to reverse is increasingly underutilized, reflecting the changing market dynamics driving this proposal. The increased access to lower-cost fuel from the Midwest that this partial reversal will enable can reduce overseas gasoline imports into the East Coast. The New York region remains the largest area in the U.S. requiring such imports.

While the existing Laurel Pipe Line will continue to be used, and no new pipeline will be installed, Buckeye will invest ~\$200 million in equipment upgrades as part of this project.

ABOUT BUCKEYE

Buckeye Partners, L.P. (NYSE: BPL), with a regional headquarters in Pennsylvania, is an energy logistics firm that owns and operates a diversified network of integrated assets providing midstream solutions, primarily consisting of the transportation and storage of liquid petroleum products. Buckeye is one of the largest independent liquid petroleum products pipeline operators in the United States with ~6,000 miles of pipeline and has served Pennsylvania for more than 60 years. Buckeye supports nearly 400 direct Pennsylvania jobs and works with dozens of local suppliers and vendors across its supply chain. The company's activities generate ~\$50 million in various taxes to the Commonwealth and at local levels annually.

FUNDAMENTAL SHIFT IN REFINING CAPACITY AND FUEL SUPPLY PRICING

- Refining capacity fell 26% on the East Coast but increased 10% in the Midwest over the past decade, representing a nearly 800,000-barrel-per-day trend.

REFINERY CAPACITY BY REGION (Barrels per calendar day)													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	+/- since '05
East Coast	1,717,000	1,713,100	1,717,575	1,721,850	1,722,700	1,397,300	1,617,500	1,188,200	1,293,200	1,296,500	1,268,500	1,277,500	(439,500)
Midwest	3,569,061	3,582,640	3,587,220	3,658,050	3,671,500	3,723,400	3,721,200	3,664,700	3,768,600	3,809,545	3,859,300	3,922,200	353,139

Source: U.S. Energy Information Administration

- Over the past 10 years, gasoline sourced from Midwest refineries has dropped in price by 7 cents per gallon (cpg) relative to East Coast supplied gasoline. This is consistent with a trend that's expected to continue.

REGIONAL GASOLINE PRICE DIFFERENTIAL (CHI vs. NYH) ¹										
	2007	2008	2009	2010	2011	2012	2013	2014	2015 ²	2016
Cents/gallon ²	+5 cpg	+3 cpg	+1 cpg	-2 cpg	-3 cpg	-9 cpg	-3 cpg	-4 cpg	+4 cpg	-2 cpg

Source: Argus, U.S. Energy Information Administration

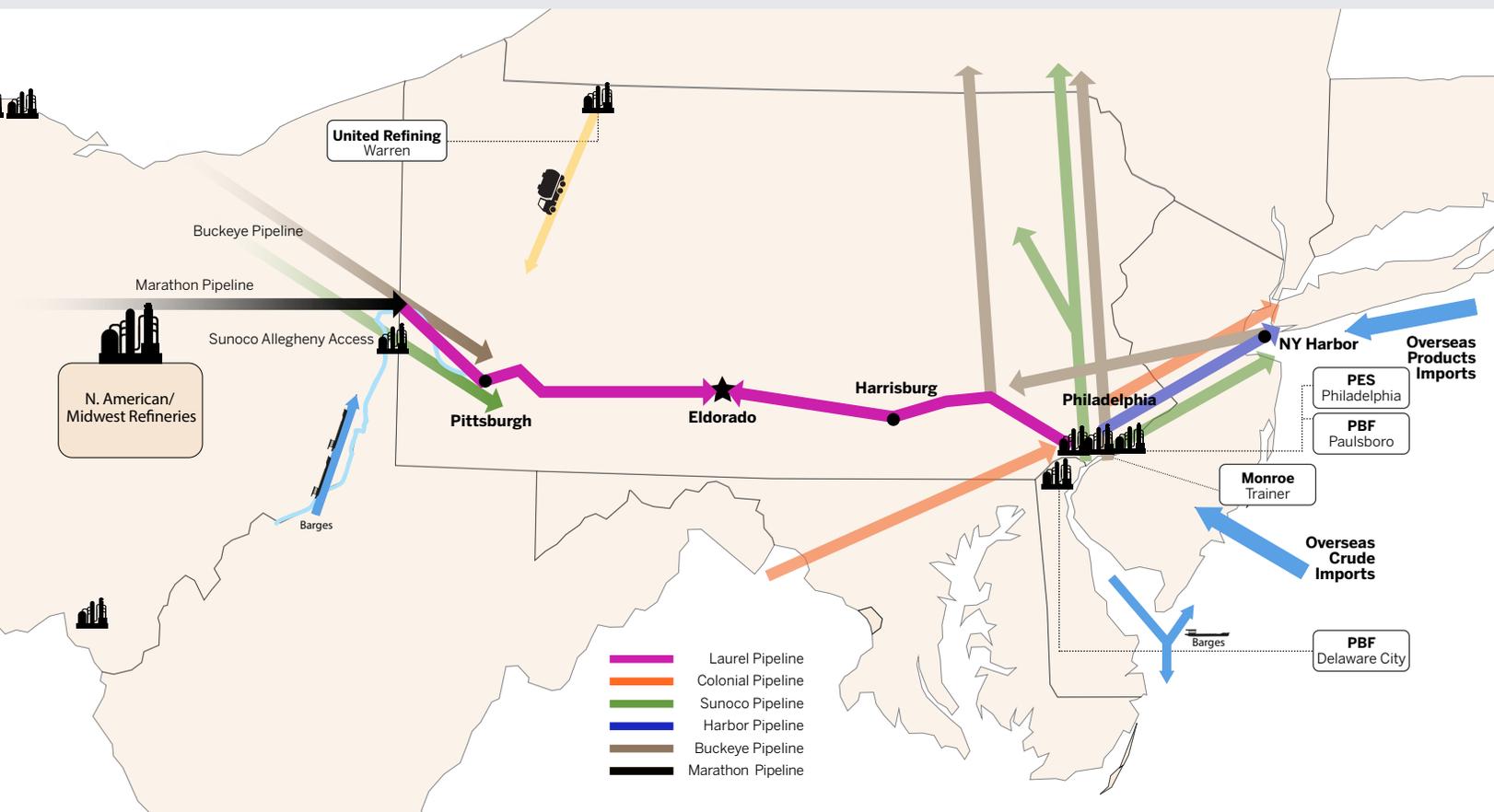
¹ NYH: Argus Laurel Gasoline Quote; CHI: Argus Chicago Gasoline Quote

² Red designates CHI more expensive than NYH

³ BP's Whiting, IN refinery outage during Aug. 2015, resulting in lost gasoline production of ~120,000-140,000 bpd, per EIA est.

ENHANCING PENNSYLVANIA'S ROBUST FUEL SUPPLY SYSTEM

- Central Pennsylvania gains new access to increased supplies of lower-cost, domestically refined fuels from the Midwest.
- Western Pennsylvania maintains multiple options to receive fuel supplies from North American refineries by pipeline, barge and truck.
- Eastern Pennsylvania continues to have multiple supply options for gasoline and diesel fuel from local refineries, and major pipelines coming from the Gulf Coast and New York Harbor.
- Philadelphia-area refineries will continue to have pipeline access to Central Pennsylvania and Upstate New York after the partial reversal to Altoona.
- Philadelphia-area refineries will remain connected to the large demand center in New York Harbor, the country's largest import market.



MORE OVERALL SUPPLY & FUEL SOURCING OPTIONS BENEFITS CONSUMERS

- Pennsylvania consumers will benefit from increased volumes of more competitively priced gasoline and diesel fuel from American refineries using secure, North American-sourced crude oil supplies.
- As proposed, the partial reversal of Laurel will bring up to 1.7 million gallons – or 40,000 barrels – per day of Midwestern-produced gasoline and diesel fuel into Central and Western Pennsylvania, enhancing competition, supply and ultimately consumer choice.
- The Northeast U.S. relies heavily on refined products from overseas and the U.S. Gulf Coast. The partial reversal of Laurel would provide Pennsylvania consumers with greater access to supply from Midwest refineries, reducing dependence on overseas imports, while providing an additional source when other supplies to the East Coast are disrupted.