

# *SemGroup Energy Partners, L.P.*

Master Limited Partnership  
Investor Conference

New York, NY  
May 22, 2008



# Disclaimer

## Cautionary Notice

Certain statements in this presentation are “forward-looking statements” as defined by the Securities and Exchange Commission and are intended to qualify for the safe harbors from liability provided herein. All statements, other than statements of historical factors, included in this presentation that address activities, events or developments that the Partnership expects, believes or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside SemGroup Energy Partners’ control, which could cause results to differ materially from those expected by management of SemGroup Energy Partners. Such risk and uncertainties include, but are not limited to, our dependence upon SemGroup, L.P. for a substantial majority of our revenues; our exposure to the credit risk of SemGroup, L.P. and third-party customers; a decrease in the demand for crude oil or liquid asphalt cement in the areas served by our storage facilities and pipelines; a decrease in the production of crude oil from the oil fields served by our pipelines; the availability of, and our ability to consummate, acquisition opportunities; our debt levels and restrictions in our credit facility; general economic, market or business conditions; and other factors and uncertainties inherent in the crude oil and liquid asphalt cement gathering, transportation, terminalling and storage business. These and other applicable uncertainties, factors and risks are described more fully in the Partnership’s filings with the Securities and Exchange Commission. SemGroup Energy Partners undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## Use of Non-GAAP Financial Measures

This presentation includes financial measures and terms not calculated in accordance with generally accepted accounting principles in the United States (GAAP). We believe that a presentation of non-GAAP measures provides investors with an alternative method for assessing our operating results in a manner that enables investors to more thoroughly evaluate our current performance compared to past performance. We also believe these non-GAAP measures provide investors with a better baseline for assessing the company’s future earnings expectations. Our management uses these non-GAAP measures for the same purposes. The non-GAAP measures included in this presentation are provided to give investors access to the types of measures that we use in analyzing our results.



*Welcome*

**Kevin Foxx**

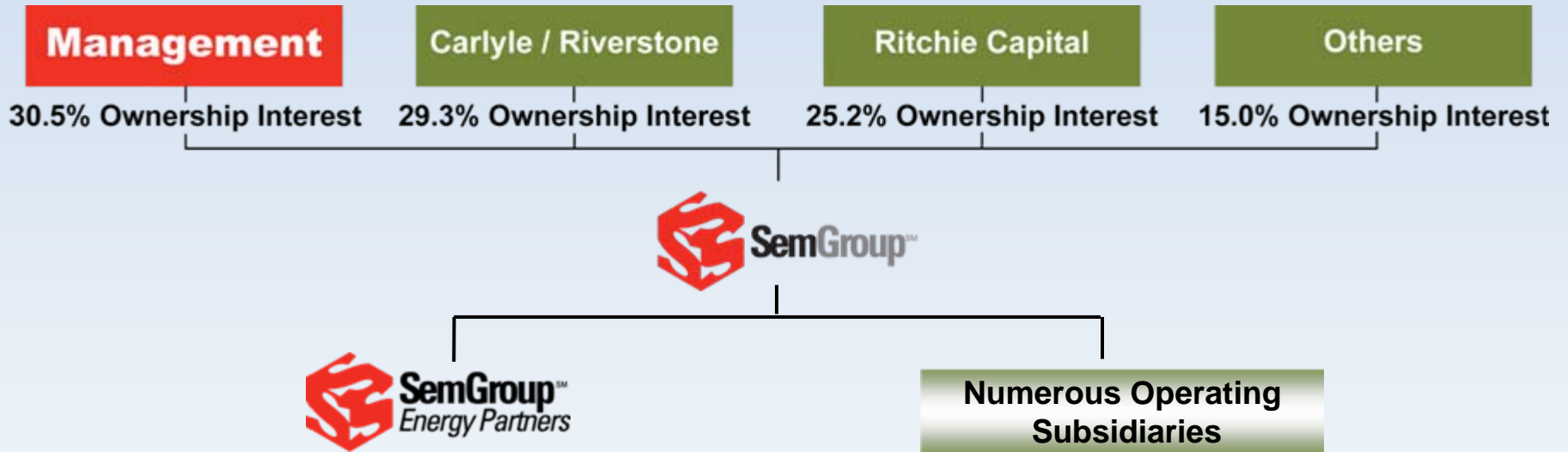
*President & Chief Executive Officer*



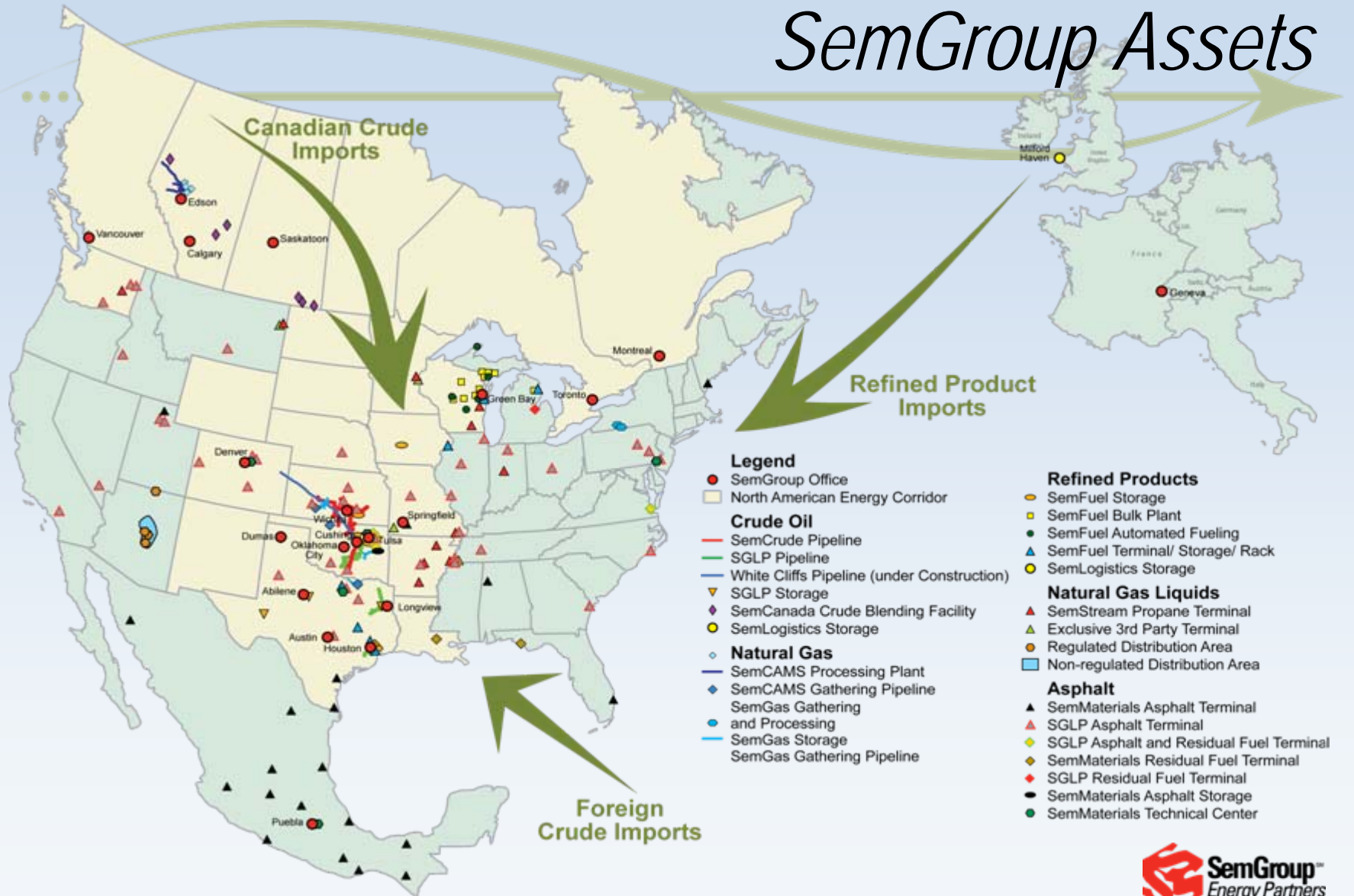
*SemGroup, L.P. (our Parent)*



# SemGroup Ownership Structure



# SemGroup Assets



## Legend

- SemGroup Office
- North American Energy Corridor
- Crude Oil**
- SemCrude Pipeline
- SGLP Pipeline
- White Cliffs Pipeline (under Construction)
- ▽ SGLP Storage
- ◇ SemCanada Crude Blending Facility
- ◇ SemLogistics Storage
- Natural Gas**
- SemCAMS Processing Plant
- SemCAMS Gathering Pipeline
- SemGas Gathering and Processing
- SemGas Storage
- SemGas Gathering Pipeline
- Refined Products**
- SemFuel Storage
- SemFuel Bulk Plant
- SemFuel Automated Fueling
- ▲ SemFuel Terminal/ Storage/ Rack
- SemLogistics Storage
- Natural Gas Liquids**
- ▲ SemStream Propane Terminal
- ▲ Exclusive 3rd Party Terminal
- Regulated Distribution Area
- Non-regulated Distribution Area
- Asphalt**
- ▲ SemMaterials Asphalt Terminal
- ▲ SGLP Asphalt Terminal
- ◇ SGLP Asphalt and Residual Fuel Terminal
- ◇ SemMaterials Residual Fuel Terminal
- ◆ SGLP Residual Fuel Terminal
- SemMaterials Asphalt Storage
- SemMaterials Technical Center

# *SemGroup Overview*

SemGroup is comprised of eight business segments, seven of which are private and one of which, SemGroup Energy Partners, is public.



## Privately Owned



# *SemGroup Overview*

## **Diversified midstream energy business consisting of:**

- 4,289 miles of owned pipeline
- 38.5 million barrels of owned and/or leased storage
- 99 owned and/or leased asphalt, NGL and refined product terminals
- 10 owned gas processing plants
- Over 1,800 railcars
- 500+ transport vehicles

*Key Asset Statistics as of March 31, 2008*



# *SemGroup Overview*

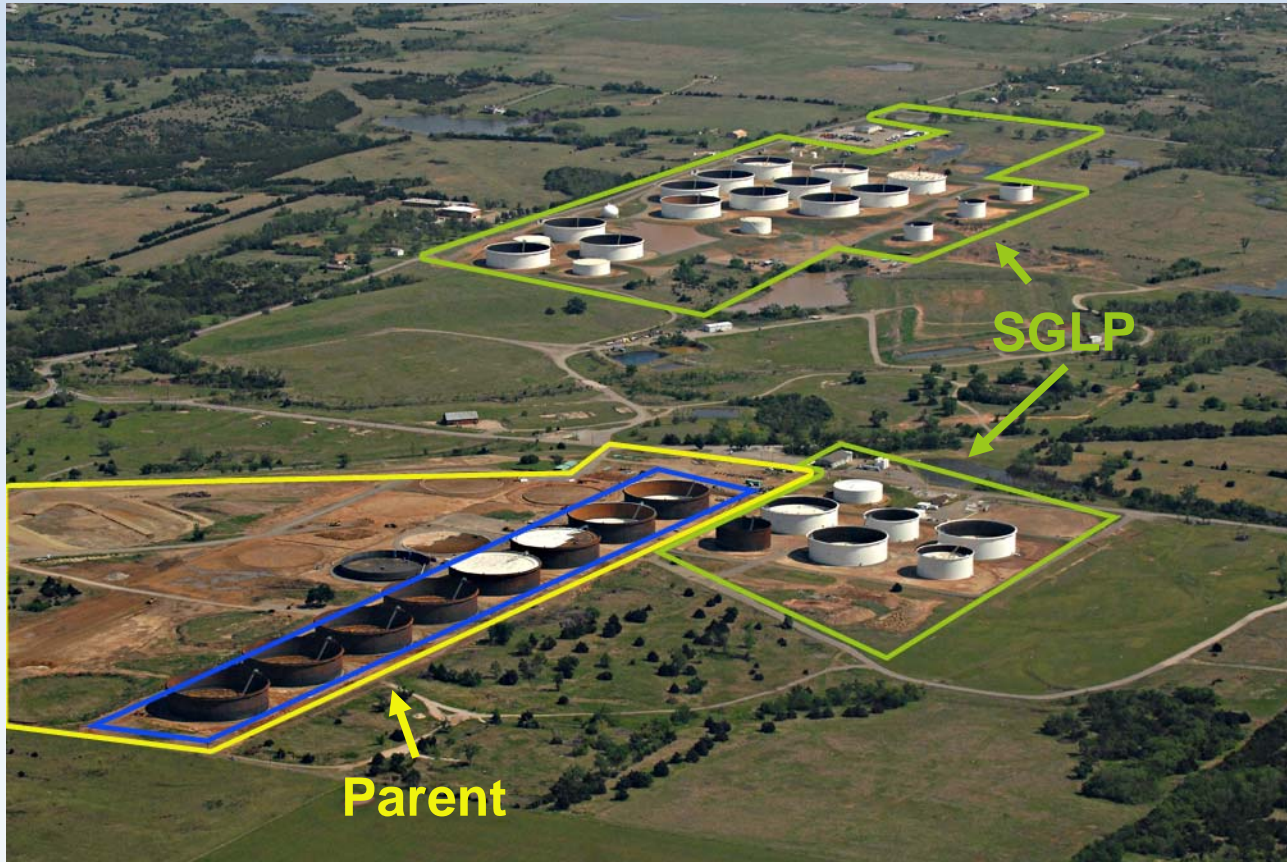
## **Gathers, transports, stores, distributes and markets:**

- 476,000 bpd of crude oil
- 282,000 bpd equivalent of refined products
- 86,000 bpd equivalent of NGLs
- 133,000 bpd equivalent of natural gas
- 54,000 bpd equivalent of asphalt cement
- 206,000 bpd equivalent of European crude oil and refined products

*Key Daily Operational Statistics for the twelve months ended March 31, 2008*



# SemGroup Cushing Terminal



- Heart of crude oil operations
- Delivery point for all NYMEX crude oil futures contracts
- SGLP owns 4.8 million barrels of storage
- SemGroup (the Parent) is building an additional 6.1 million barrels of storage

# Comparison

Dollars in millions



Total assets	\$262.0	\$4,937.0
Property, plant and equipment, net	\$244.8	\$1,246.1
Miles of transportation pipeline	1,150	3,139
Aggregate barrels of storage owned and/or leased	13.4	25.2
Owned and/or leased asphalt, NGL and refined product terminals	46	53
Natural gas processing plants	--	10
Transport vehicles and railcars	311	2,038
States of operation	23	43
Foreign operations	No	Yes
Number of employees	643 <sup>(2)</sup>	1,729

Data as of March 31, 2008

<sup>(1)</sup> Amounts are exclusive of SGLP

<sup>(2)</sup> Represents SemGroup employees dedicated to supporting SGLP's operations



# SemGroup's Major 2008 Capital Projects

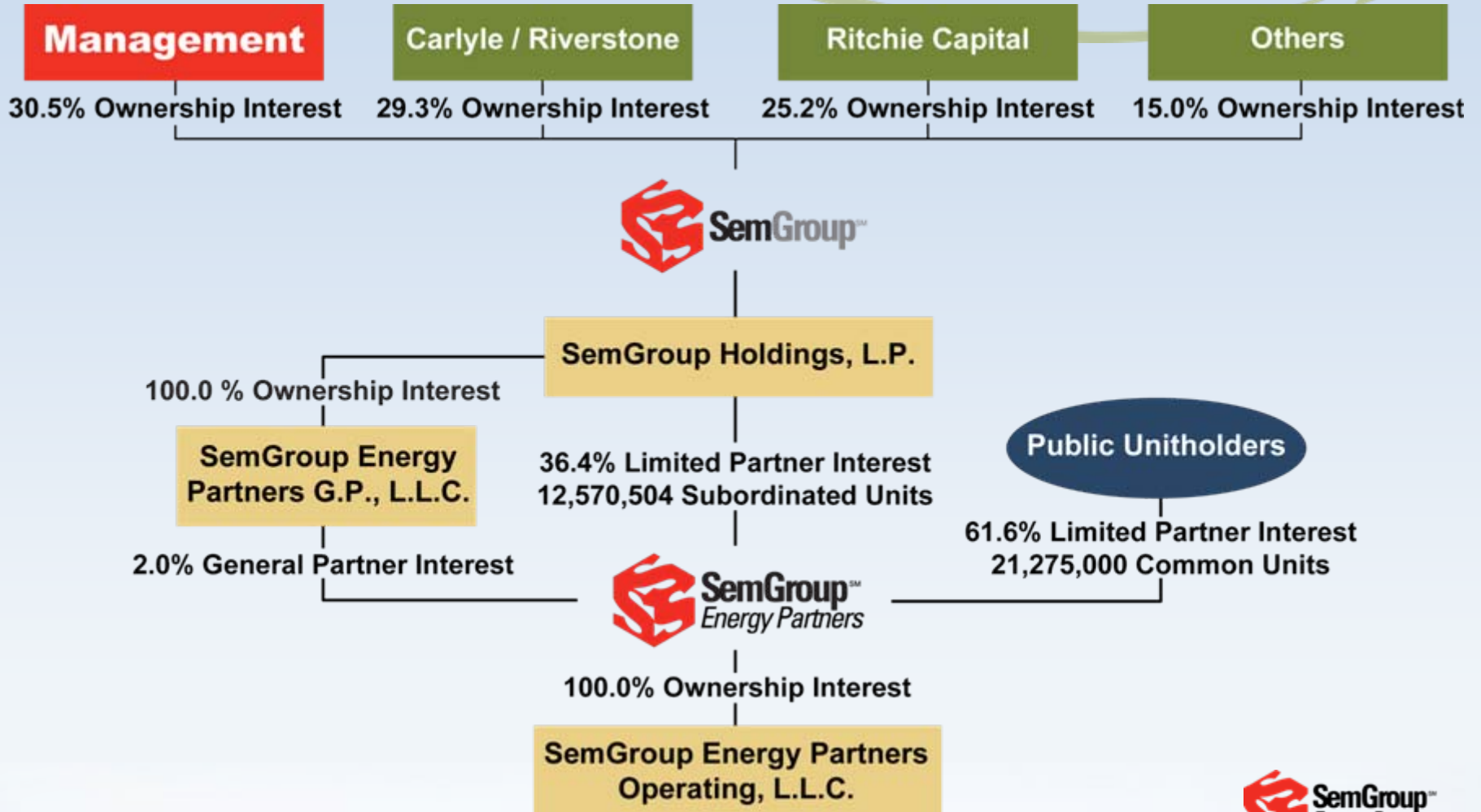
Dollars in millions

Segment	Description	2008 Estimated Capital Expenditure
<b>SemCrude</b>	Crude oil pipeline and storage projects	\$ 212
<b>SemMaterials</b>	Asphalt processing, marketing and storage projects	112
<b>SemGas</b>	Natural gas storage, pipeline and gathering system projects	30
<b>SemCanada</b>	Sour natural gas pipeline project	20
<b>SemEuro</b>	Crude oil and refined product storage projects	15
<b>SemStream</b>	Natural gas liquids terminal	7
		<u>\$ 396</u>

# *SemGroup Energy Partners, L.P.*



# Our Structure



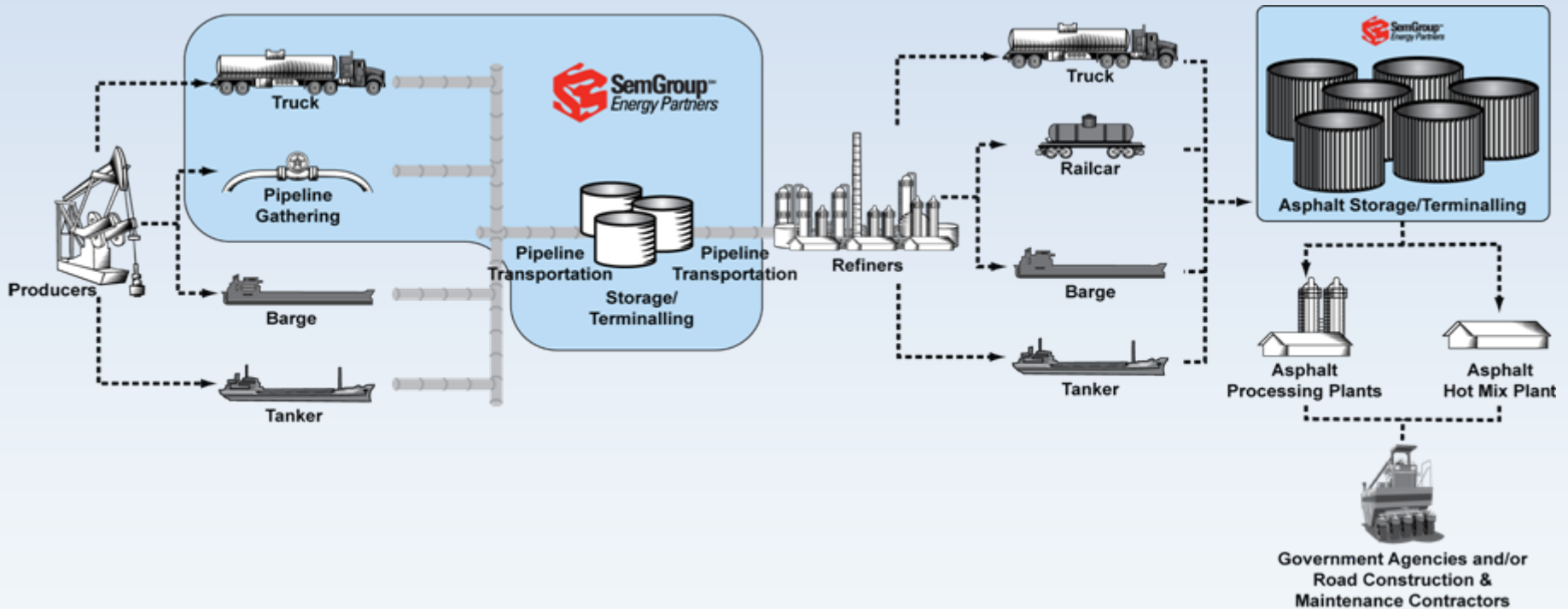
# Our Footprint

High quality, well-maintained, efficient assets providing fee-based transportation and storage services



# Our Business

Positioned to extract value at various stages within the crude oil supply chain



# *Our Assets*

- National operating footprint with operations in 23 states
- 13.4 million barrels of total storage
  - 6.8 million barrels of crude oil storage
    - 4.8 million barrels located in Cushing, Oklahoma
  - 6.6 million barrels of liquid asphalt cement storage
- 46 U.S. liquid asphalt cement terminals
- 1,150 miles of crude oil transportation and gathering pipeline
- 311 transport vehicles

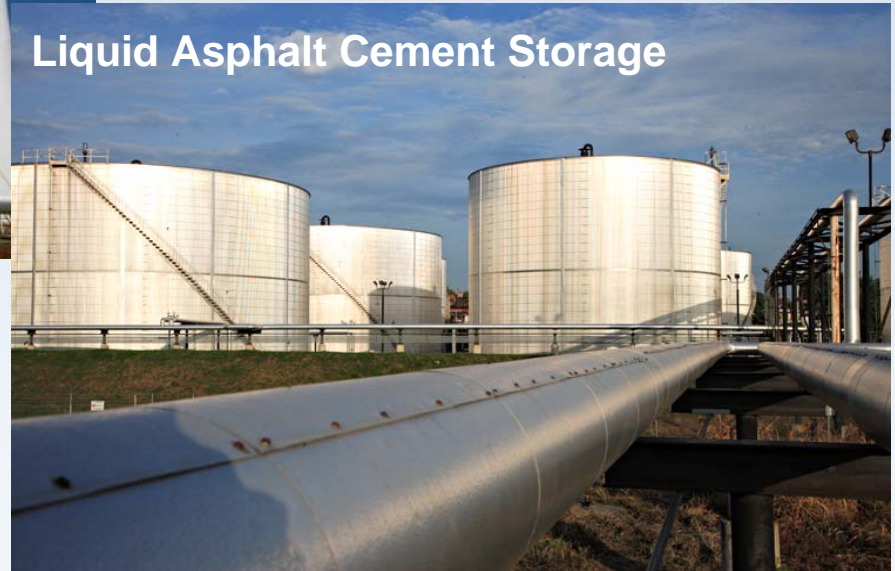
# *Terminalling, Transportation and Storage*

## Crude Oil Storage



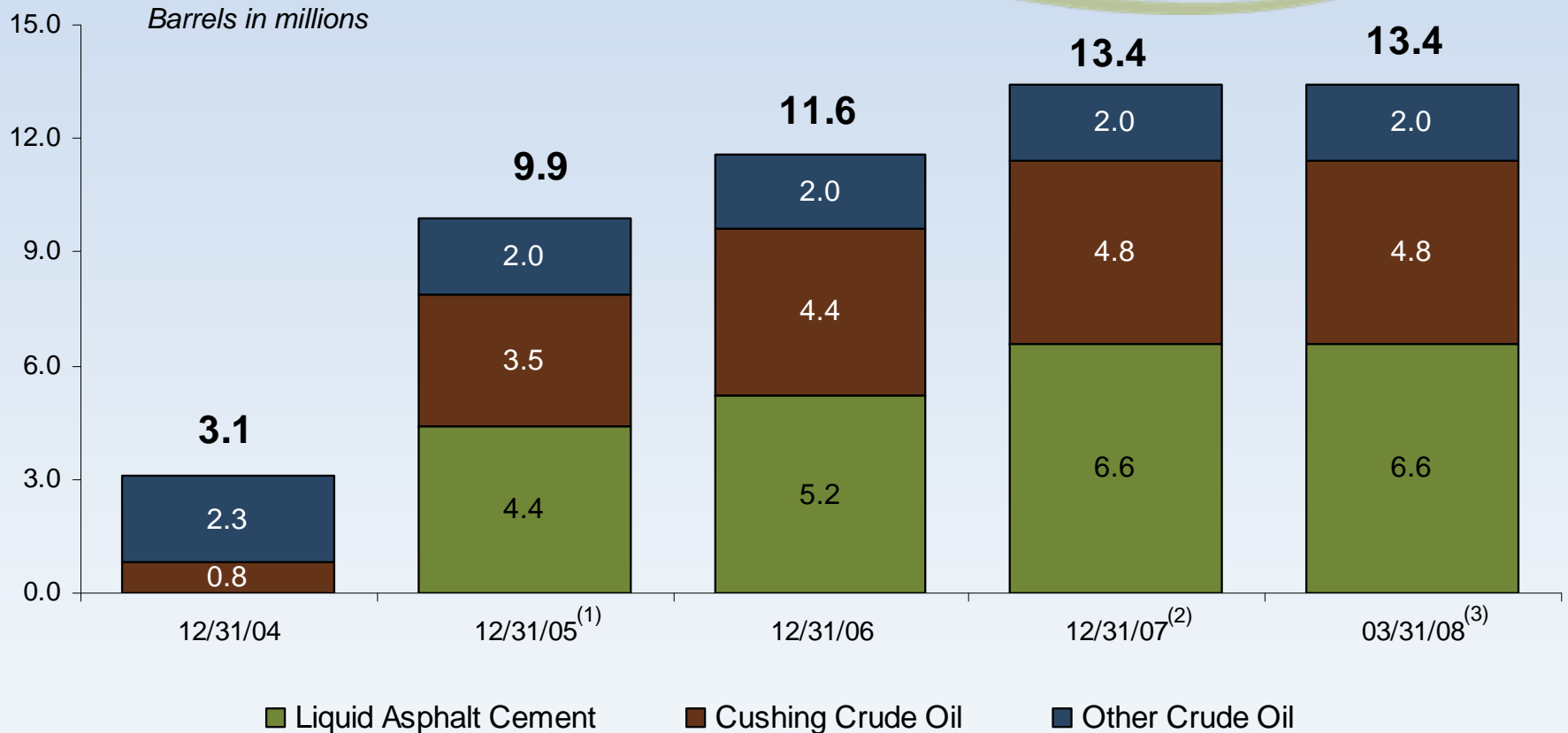
- We provide crude oil and liquid asphalt cement terminalling, transportation and storage services

## Liquid Asphalt Cement Storage



- Existing contracts generate \$135 million annually
- Guaranteed payments through 2014

# Storage Capacity Growth



<sup>(1)</sup> SemGroup acquired Koch Materials (now SemMaterials) in May of 2005

<sup>(2)</sup> Effective July 23, 2007, the crude oil storage assets were contributed to SGLP

<sup>(3)</sup> On February 20, 2008, the liquid asphalt cement storage assets were sold to SGLP

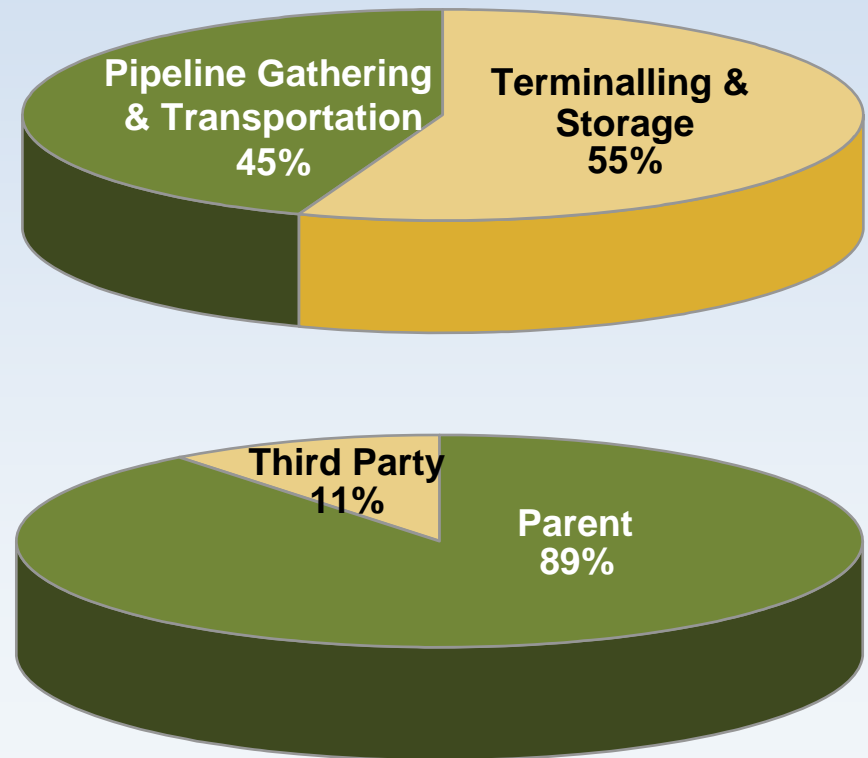
# Overview of Agreements

The Throughput and Terminalling agreements provide stable cash flows

## Overview

- Minimum revenues of \$135 million
- 100% fee-based terminalling, storage and transportation services agreements
- Take-or-pay arrangements based on services provided and volumes handled
- Expires December 31, 2014
- Fee adjustments subject to inflation index (CPI)

## Revenue Breakdown



# *Cushing Terminal*

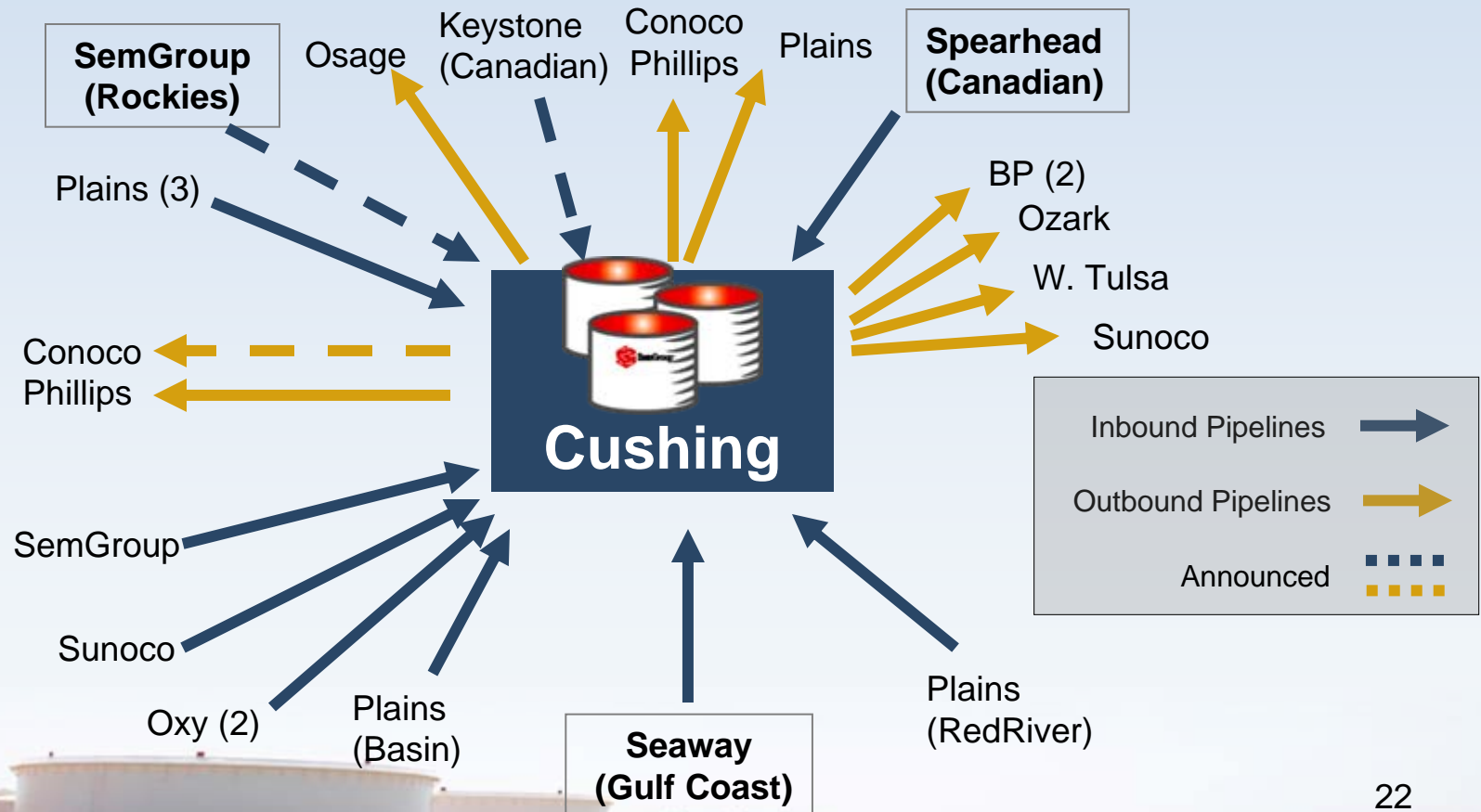


- SGLP owns 4.8 mm bbls of storage
- SGLP owns 29 acres with potential to build additional 1.5 mm bbls
- SGLP has connectivity to all terminals within Cushing Interchange



# Crude Oil Market Overview

**Cushing will continue to play an increasing role in the aggregation of various types of crude oil from multiple supply sources.**



# Crude Oil Market Overview

The Cushing hub is experiencing significant expansion activity due to increasing Canadian imports, increasing complexity of crude oil grades stored there and overall market and price volatility.

## Expansion Activity

*(Millions of Barrels)*

<u>Owner</u>	<u>Expansion</u>	<u>Total Capacity</u> *
<b>SemGroup</b>	<b>6.1</b>	<b>10.9</b>
Enbridge	5.0	16.7
Plains All American	3.4	10.8
BP	n/a	7.7
TEPPCO	4.2	6.1

\* All are estimated

## Primary Growth Drivers

- Need to segregate increased Canadian crude oil (sour barrels)
- Contango market and increasing number of financial participants
- New tank inspection regulations (API 653)

# Asphalt Market Overview

Asphalt will continue to be the primary product used for road construction and maintenance, having an approximate 95% market share.



## Primary Growth Drivers

- U.S. paving product demand is estimated at 170 million barrels per year; expected to grow nearly 2% per year.
- U.S. asphalt production is approximately 190 million barrels per year; expected to grow approximately 1.3% per year.
- Liquid asphalt cement storage is a vital element of the supply chain providing:
  - Off-season storage
  - Quality blending
  - Market proximity

# *Keys to Success*

## **SemGroup Energy Partners is a growth vehicle:**

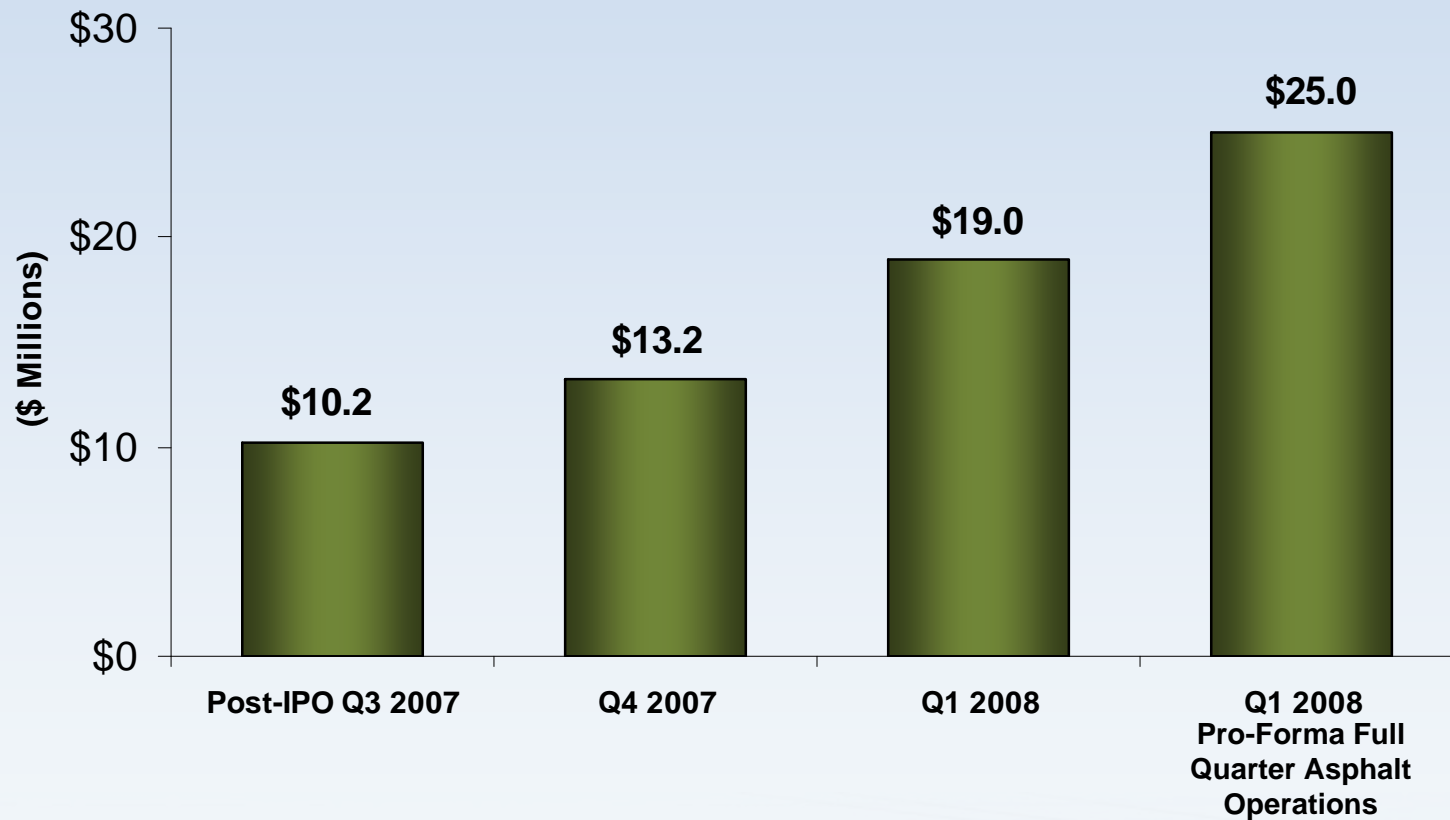
- Sustainable and stable fee-based cash flows
- Strong, aligned relationship with parent to identify and execute accretive organic growth capital projects
- Management team experienced in executing both organic projects and third-party acquisitions
- Management team with substantial equity ownership



# *Financial Highlights*

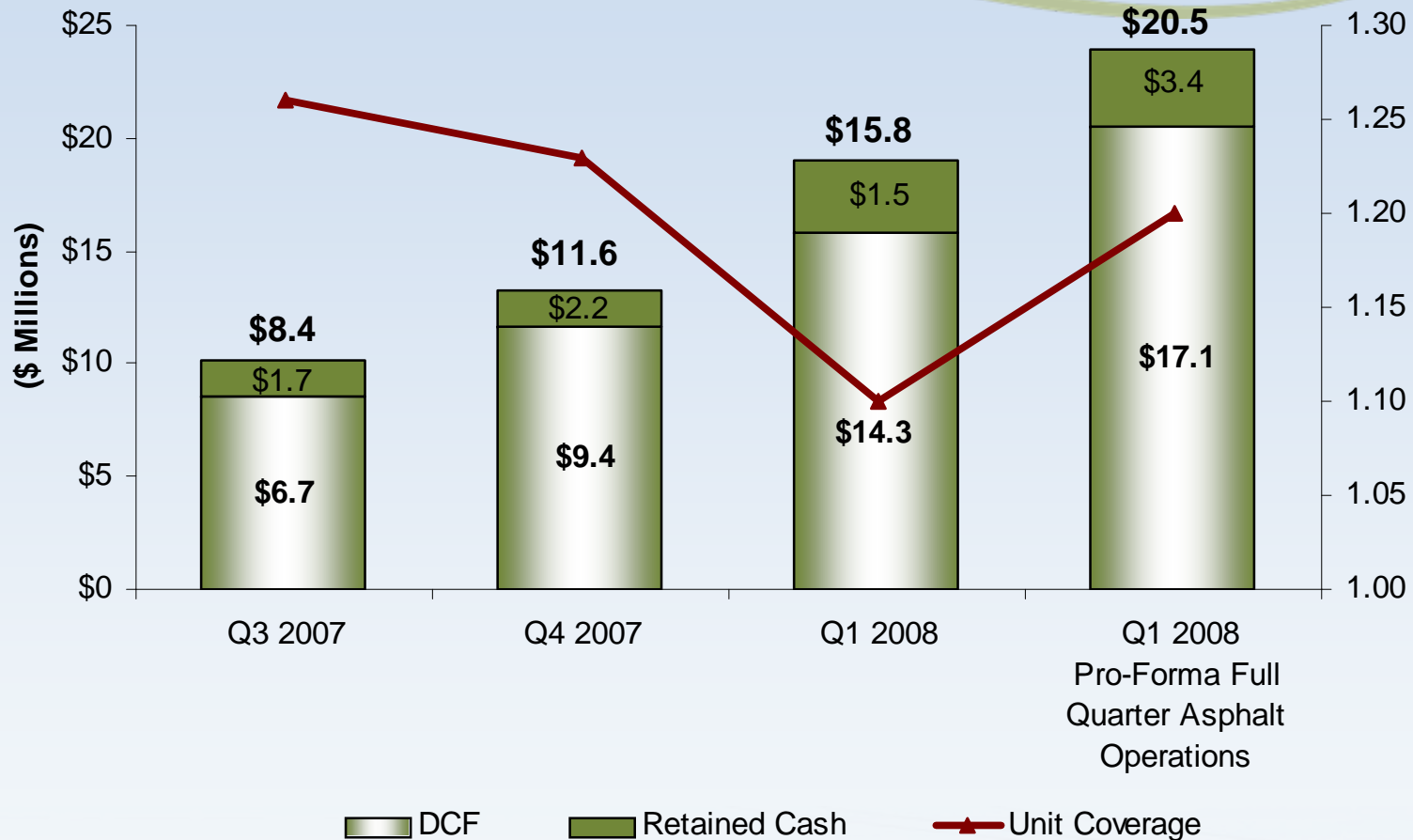


# EBITDA\*



\* A reconciliation of EBITDA to net income is provided at the end of this presentation

# DCF\* and Unit Coverage

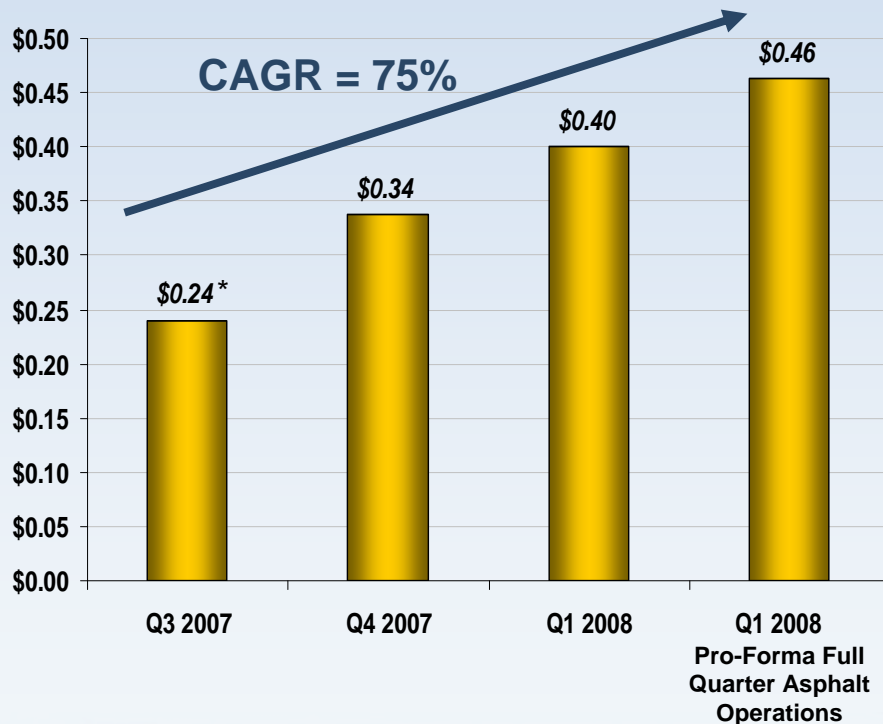


\* A reconciliation of distributable cash flow to net income is provided at the end of this presentation

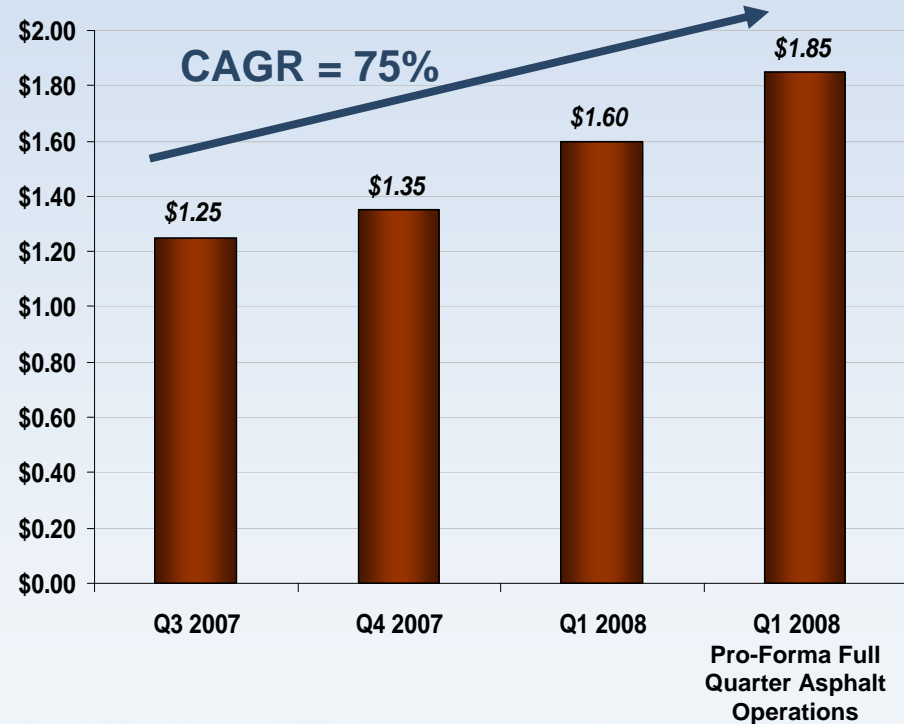
# Distribution Growth

**SGLP Has Demonstrated a Strong Growth Trajectory Since IPO**

**Quarterly**



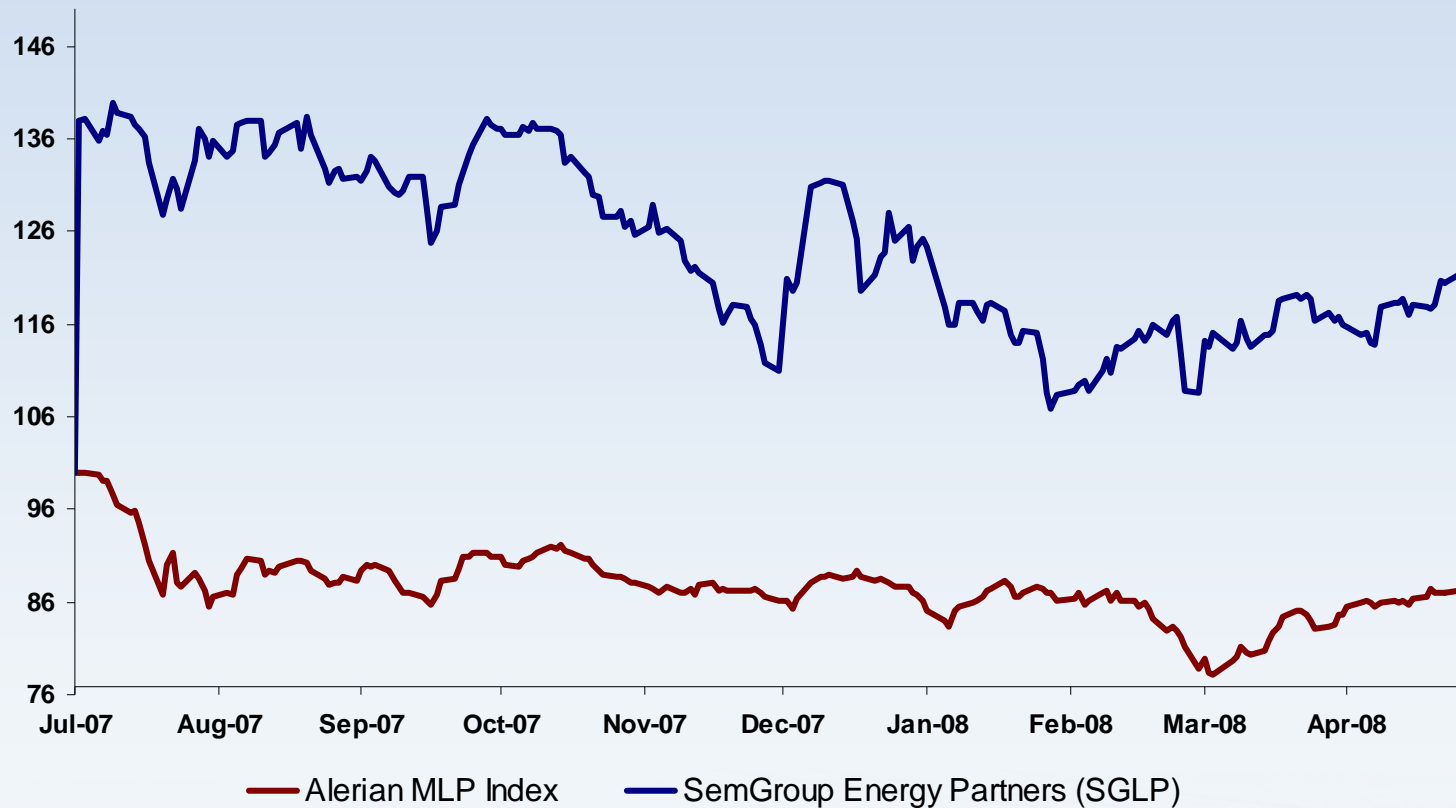
**Annualized**



\* Minimum quarterly distribution of \$0.3125 prorated for the partial IPO quarter (CAGR calculation based on \$0.3125).

# SGLP Market Performance

SGLP has Performed Relatively Well During the Current Market Downturn



Source: Capital IQ, Data as of May 12, 2008

# *SGLP Balance Sheet and Liquidity*

## Debt to EBITDA



## Credit Facility Availability



# *Our Goals*

- Continue to grow annual distribution
  - 48% growth in distribution since our IPO (7/20/07)
- Fund growth capital with approximately 50% equity/excess cash flow
- Target a credit profile of:
  - Debt / EBITDA Ratio < 4.0x (2.9x at March 31, 2008)
  - EBITDA / Interest Ratio > 3.3x (6.4x at March 31, 2008)
- Maintain significant liquidity and financial flexibility
- Manage interest rate exposure and maturity profile (60% of debt hedged with fixed rate swaps)
- Maximize value for our unitholders and minimize risk

# Multiple Avenues for Growth

KEY DRIVERS OF DISTRIBUTION GROWTH

## Acquisitions from Third Parties

- Acquisitions of third-party assets on a stand-alone basis
- Acquisitions in partnership with our Parent
- New business lines and/or geographic areas

## Acquisitions from Our Parent

- Parent with broad midstream asset base
  - *Approximately \$1 billion of property and equipment*
  - *Approximately \$400 million of growth capex planned for 2008*

## Organic Growth Opportunities

- Expansion of existing terminalling and storage assets, with available land at Cushing
- Expansion of gathering and transportation assets
- Continued expansion of existing asphalt storage

## Uncontracted Capacity

- Incremental capacity available for pipeline gathering and transportation services
- Incremental capacity available for acquired assets throughput

## Built-In Contracted Growth

- CPI escalator in Throughput & Terminalling Agreement fees



# *Investment Highlights*

**Guaranteed Revenues Provided by 7-year Throughput  
and Terminalling Agreements**

**Strategically Located and Well-Maintained Assets**

**Ability to Grow Through Organic Projects and  
Acquisitions from our Parent and Third Parties**

**Relationship With Our Diversified Midstream Parent Company**

**Significant Financial Flexibility**

**Management Team With Significant Experience Executing  
Acquisition and Organic Expansion Strategies**

# *Questions & Answers*



CUSHING OKLA.  
PIPELINE CROSSROADS OF THE WORLD

# Non-GAAP to GAAP Reconciliation

## EBITDA and DCF

<i>Dollars in thousands</i>	Post-IPO Q3 '07	Q4 '07	Q1 '08	Pro Forma Q1 '08*
Net Income	\$ 5,940	\$ 7,265	\$ 9,758	\$ 11,938
Add: Interest	2,299	3,191	5,089	5,965
Income taxes	62	79	91	106
Depreciation and amortization	1,886	2,697	4,013	6,955
EBITDA	\$ 10,187	\$ 13,232	\$ 18,951	\$ 24,964
Add: Non-cash equity-based compensation expense	532	674	674	674
Less: Cash interest expense	(1,781)	(1,525)	(2,828)	(3,708)
Maintenance capital expenditures	(480)	(732)	(1,052)	(1,425)
Distributable Cash Flow	\$ 8,458	\$ 11,649	\$ 15,745	\$ 20,505

\* - Adjusted to reflect a full quarter of asphalt operations.