ENERGY TRANSFER

May 2019 Investor Presentation

FORWARD-LOOKING STATEMENTS / LEGAL DISCLAIMER

Management of Energy Transfer LP (ET) will provide this presentation to analysts at meetings to be held on May 14-15, 2019. At the meetings, members of management may make statements about future events, outlook and expectations related to Panhandle Eastern Pipe Line Company, LP (PEPL), Sunoco LP (SUN), USA Compression Partners, LP (USAC), Energy Transfer Operating, L.P. (ETO) and ET (collectively, the Partnerships), and their subsidiaries and this presentation may contain statements about future events, outlook and expectations related to the Partnerships and their subsidiaries all of which statements are forward-looking statements. Any statement made by a member of management of the Partnerships at these meetings and any statement in this presentation that is not a historical fact will be deemed to be a forward-looking statement. These forward-looking statements rely on a number of assumptions concerning future events that members of management of the Partnerships believe to be reasonable, but these statements are subject to a number of risks, uncertainties and other factors, many of which are outside the control of the Partnerships. While the Partnerships believe that the assumptions concerning these future events are reasonable, we caution that there are inherent risks and uncertainties in predicting these future events that could cause the actual results, performance or achievements of the Partnerships and their subsidiaries to be materially different. These risks and uncertainties are discussed in more detail in the filings made by the Partnerships with the Securities and Exchange Commission, copies of which are available to the public. The Partnerships expressly disclaim any intention or obligation to revise or publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

All references in this presentation to capacity of a pipeline, processing plant or storage facility relate to maximum capacity under normal operating conditions and with respect to pipeline transportation capacity, is subject to multiple factors (including natural gas injections and withdrawals at various delivery points along the pipeline and the utilization of compression) which may reduce the throughput capacity from specified capacity levels.

ET HIGHLIGHTS

ET KEY INVESTMENT HIGHLIGHTS

Well Positioned Assets

- Fully integrated platform spanning entire midstream value chain
- Assets well positioned in most active basins
- Integrated assets allow solid commercial synergies including gas, crude and NGLs

Growth From Organic Investments

- Completing multi-year capex program
- Beginning to see strong EBITDA growth from recently completed major growth projects
- Expect additional EBITDA growth from remainder of projects coming online through 2020

Solid Financials

- Stable cash flow profile with minimal contract roll-offs
- Healthy and improving balance sheet
- Increased retained cash flow with ~$2.5 – $3.0 billion per year of distribution coverage expected

Company well positioned for sustainable organic growth

WHAT'S NEW

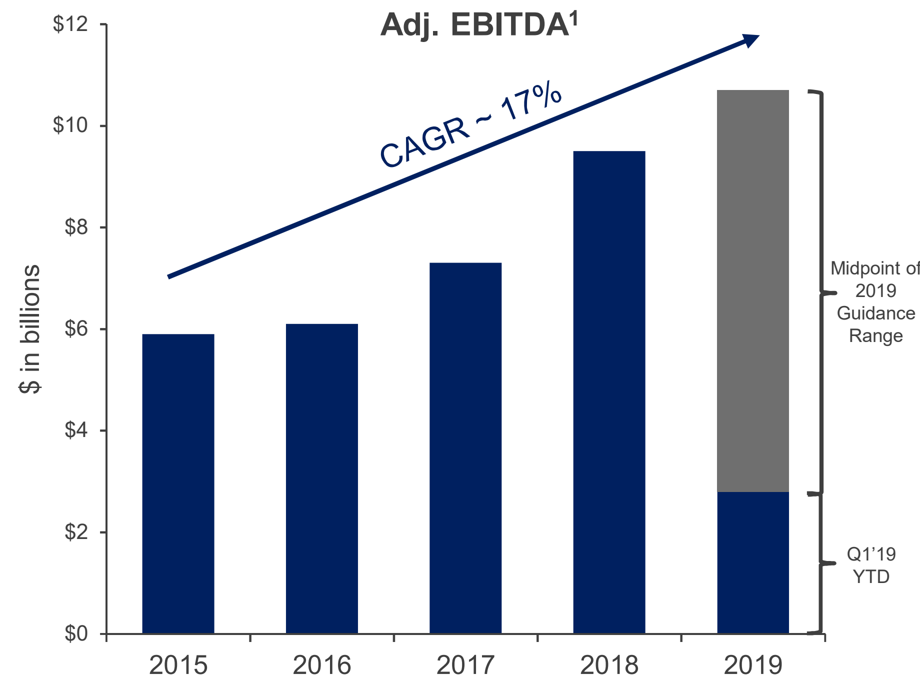
Recent Developments

- Opened office in Beijing, first office in Asia (April 2019)
- Bayou Bridge Phase II completed (Mar. 2019)
- Project framework agreement with Shell at Lake Charles LNG (Mar. '19)
- Frac VI placed in service (Feb. '19)
- Bakken open season successfully completed (Jan. '19)
- NTX natural gas pipeline capacity increase (Jan. '19)
- Mariner East 2 pipeline placed in service (Dec. 2018)
- Announced Frac VII at Mont Belvieu (Nov. '18)

Improved Financial Position

- Transforming key financial metrics
- Moody's revised Energy Transfer Operating, L.P. ("ETO") credit rating to stable
  - Baa3 (investment grade)
- ~$2.5 – $3.0 billion per year distribution coverage expected
  - Q1'19 excess distributable cash flow after distributions of $856 million
- ~1.7x – 1.9x expected long-term coverage ratio
  - Q1'19 coverage was 2.07x[2]

Consistent Growth With Strong Financial/Operational Performance



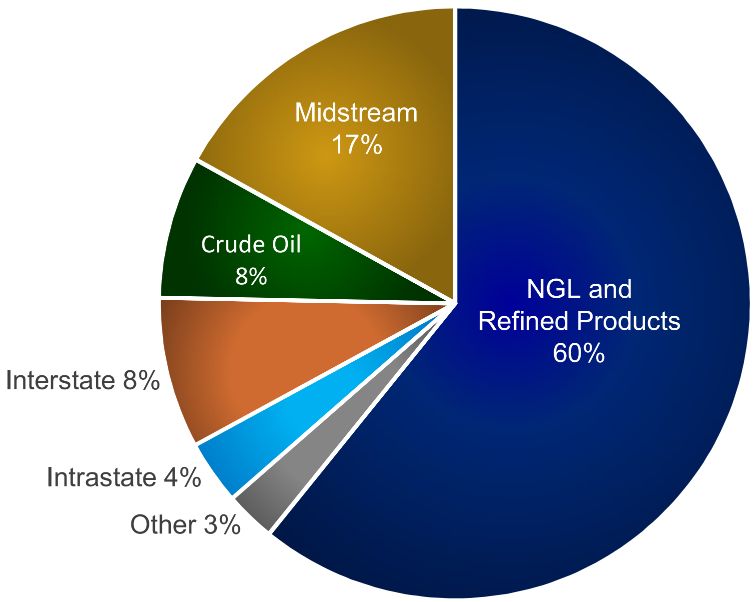
BARRON'S Top 10 Stock Picks for 2019

Bloomberg Businessweek *50 Companies to Watch in 2019*

1. See Appendix for Reconciliation of Non-GAAP financial measures
2. Distribution coverage ratio for a period is calculated as Distributable Cash Flow attributable to partners, as adjusted, divided by net distributions expected to be paid to the partners of ET in respect of such period

2019 OUTLOOK

Growth Capital: ~$5 billion

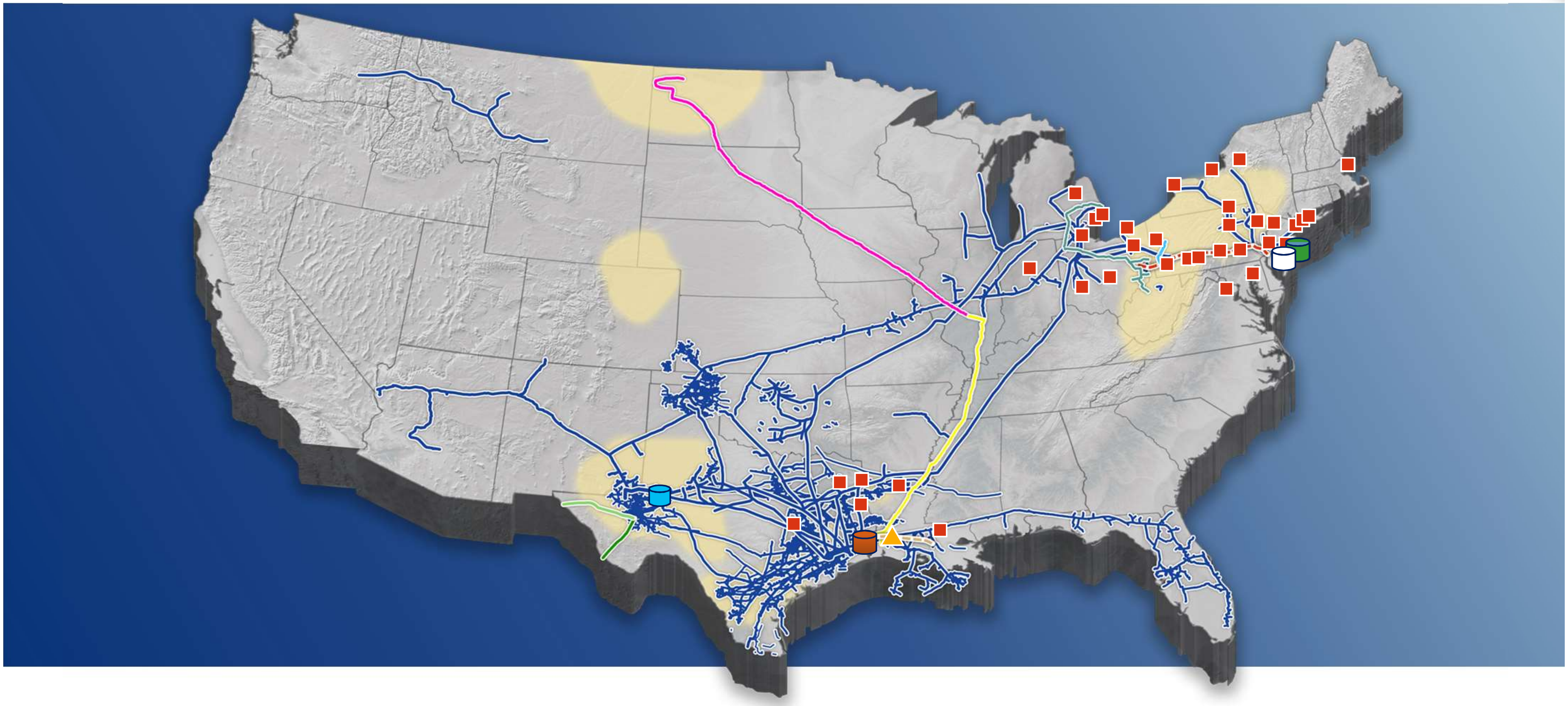


Segment[1]	Includes
NGL & Refined Products	• Marnier East System (ME2, ME2X) • Fractionation Plants (VI, VII) • Obit JV (storage tank, export facilities) • Lone Star Express Pipeline • J.C. Nolan Diesel Pipeline
Midstream	• Processing plants (Arrowhead III, other additional processing) • Gathering projects (primarily located in Permian and Northeast) • Compression facilities
Crude Oil	• Bayou Bridge Pipeline • Nederland storage facilities • Permian Express 4
Interstate	• Rover Pipeline • Lake Charles
Intrastate	• Red Bluff Express Pipeline

Expected Adj. EBITDA of $10.6 billion to $10.8 billion

1 Energy Transfer Operating Segments
Note: Capital by segment percentages are based on mid-point of company estimates. See Q1 2019 Form 10-Q for information on capital estimates

SIGNIFICANT GEOGRAPHIC FOOTPRINT ACROSS THE FAMILY



Asset Overview

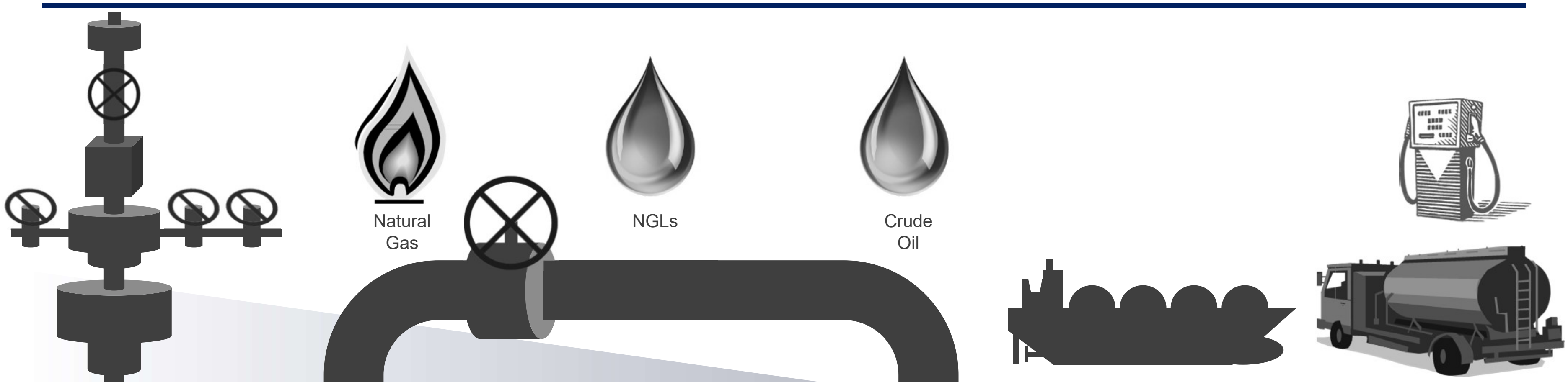
- Energy Transfer Assets
- Terminals
- Marcus Hook
- Eagle Point
- Nederland
- Midland

Recently In-service & Announced Growth Projects

- Lake Charles LNG
- Dakota Access Pipeline
- ETCO Pipeline
- Comanche Trail Pipeline
- Trans-Pecos Pipeline
- Bayou Bridge
- Rover Pipeline
- Revolution System
- Mariner East Phase 2

A TRULY UNIQUE FRANCHISE

ENERGY TRANSFER



- Gather ~ 12.7 million mmbtu/d of gas & 563,000 bbls/d of NGLs produced
- Transport ~24 million mmbtu/d of natural gas
- Fractionate ~678,000 bbls/d of NGLs at Mont Belvieu
- Transport ~4.5 million barrels crude oil per day
- One of the largest planned LNG Export facilities in the US
- More than 7.9 billion gallons of annual motor fuel sales

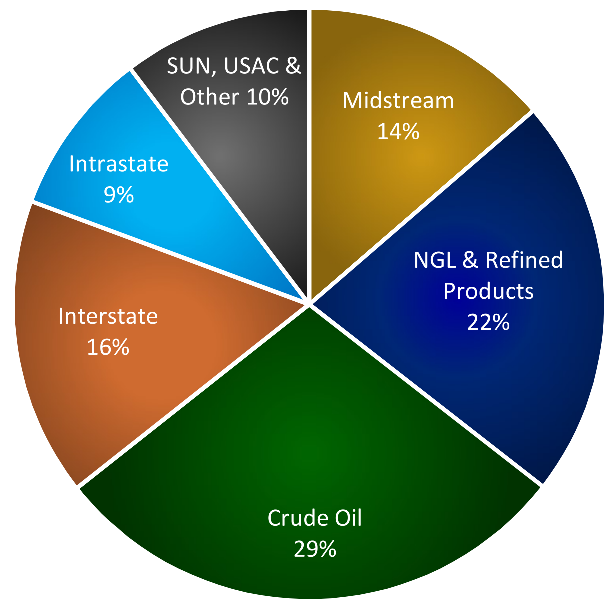
- **~$90 billion enterprise value[1]**
- **8+ percent distribution yield[1]**
- **Expected annual long-term distribution coverage of ~1.7x – 1.9x**
- **Investment grade balance sheet**
- **Asset base spanning all major U.S. supply basins and major markets throughout U.S.**
- **Franchise provides multi-year, multi-billion dollar investment opportunities at attractive returns**

1 Based on market cap of ~$40B, total debt as of 3/31/19 ~$46.5B and preferred securities ~$3B

DIVERSIFIED EARNINGS MIX
WITH PRIMARILY FEE-BASED BUSINESS

Segment[1]	Contract Structure	Strength
Interstate Transport & Storage	Fees based on reserved capacity, regardless of usage	Connected to all major U.S. supply basins and demand markets, including exports
Intrastate Transport & Storage	Reservation charges and transport fees based on utilization	Largest intrastate pipeline system in the US with interconnects to TX markets, as well as major consumption areas throughout the US
Midstream	Minimum volume commitment (MVC), acreage dedication, utilization-based fees and percent of proceeds (POP)	Significant acreage dedications, including assets in Permian, Eagle Ford, and Marcellus/Utica Basins
NGL & Refined Products	Fees from dedicated capacity and take-or-pay contracts, storage fees and throughput fees, and fractionation fees, which are primarily frac-or-pay structures	~60 facilities connected to ET's Lone Star NGL pipelines, and new frac expansions will bring total fractionation capacity at the Mont Belvieu complex to more than 900 Mbpd
Crude Oil	Fees from transporting and terminalling	More than 9,300 miles connecting Permian, Bakken and Midcon Basins to U.S. markets, including Nederland terminal

Q1 2019 Adjusted EBITDA by Segment[1]

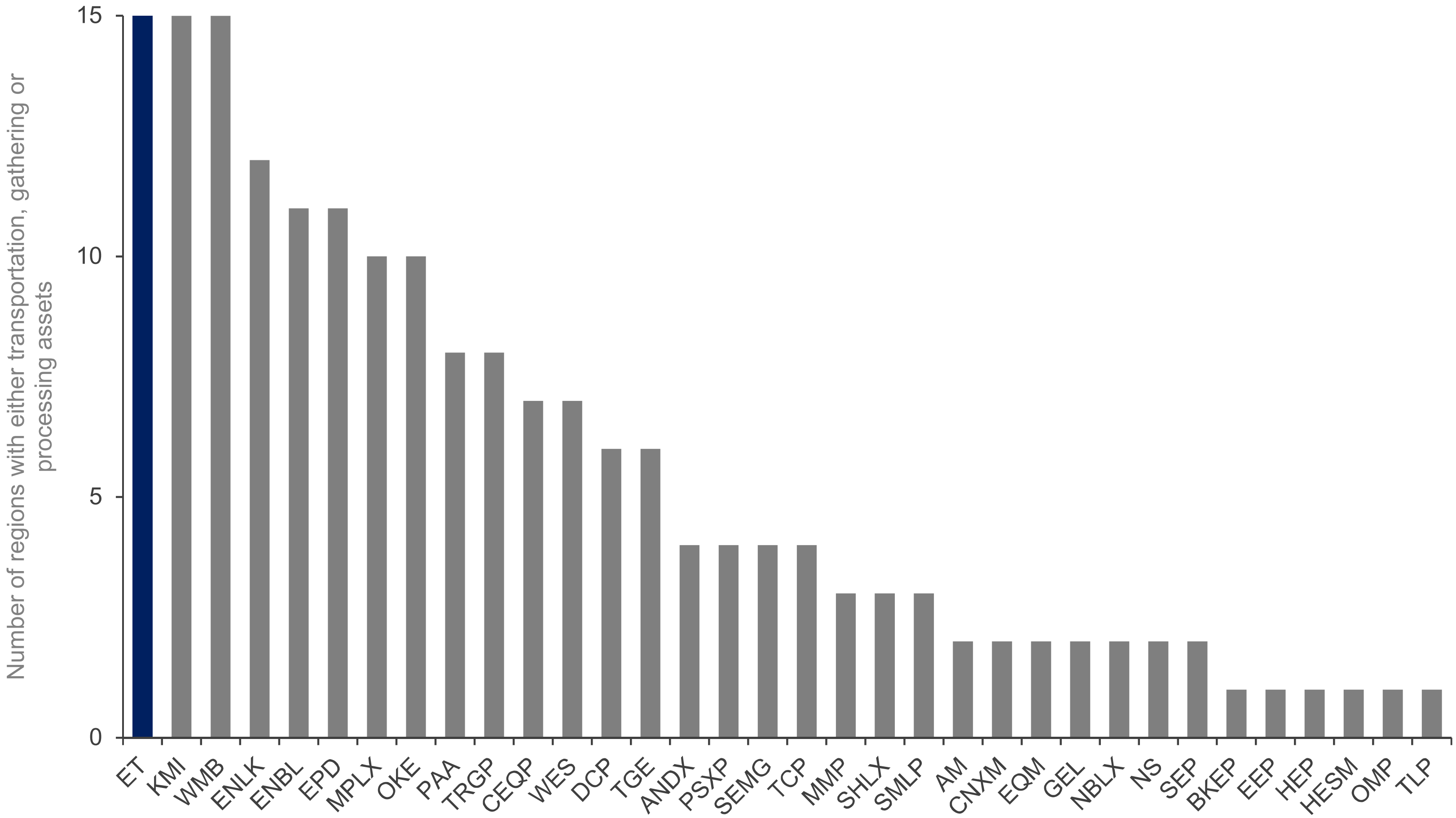


2018 Breakout	
Fee-Based Margin	85-90%
Commodity Margin	5-7%
Spread Margin[2]	5-7%

1 Energy Transfer Operating Segments
2 Spread margin is pipeline basis, cross commodity and time spreads

EXPOSURE TO MAJOR PRODUCING REGIONS

- **Energy Transfer is one of the most geographically diverse midstream companies with leading positions in the majority of the active basins in the U.S.**



Anadarko/Hugoton, Bakken/Williston, Barnett, Bossier, Cotton Valley, DJ Basin, Eagle Ford, Granit Wash, Haynesville, Fayetteville, Marcellus, Mississippi Lime, Montney, Niobrara, Offshore oil & gas, Uinta, Utica, Piceance, Pinedale/Jonah, Permian, Powder River, San Juan, SCOOP/STACK, Terryville complex, Woodford/Arkoma

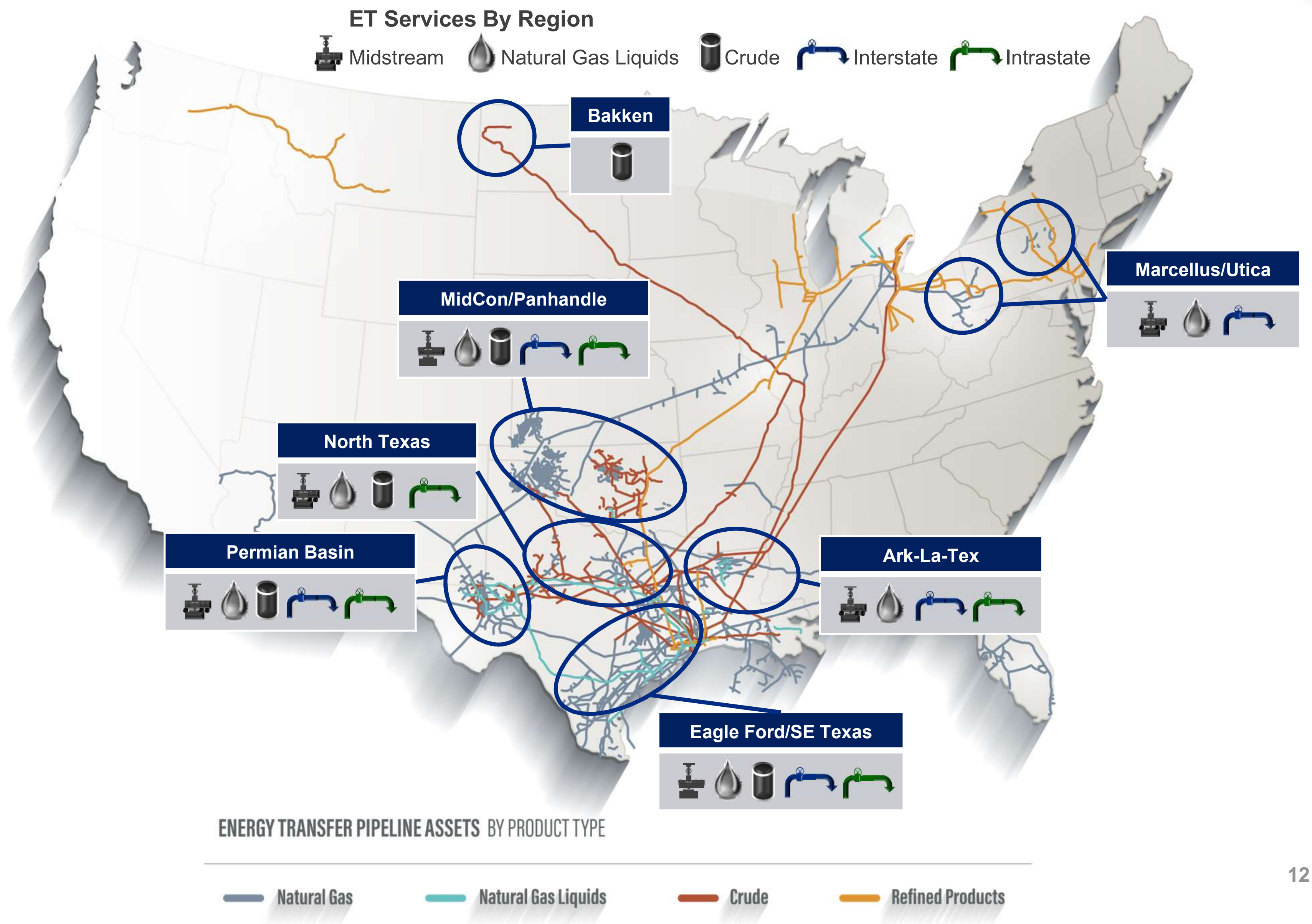
Source: Wells Fargo, November 2018

FULLY INTEGRATED PLATFORM SPANNING THE ENTIRE MIDSTREAM VALUE CHAIN

➢ Involvement in Major Midstream Themes Across the Best Basins and Logistics Hubs

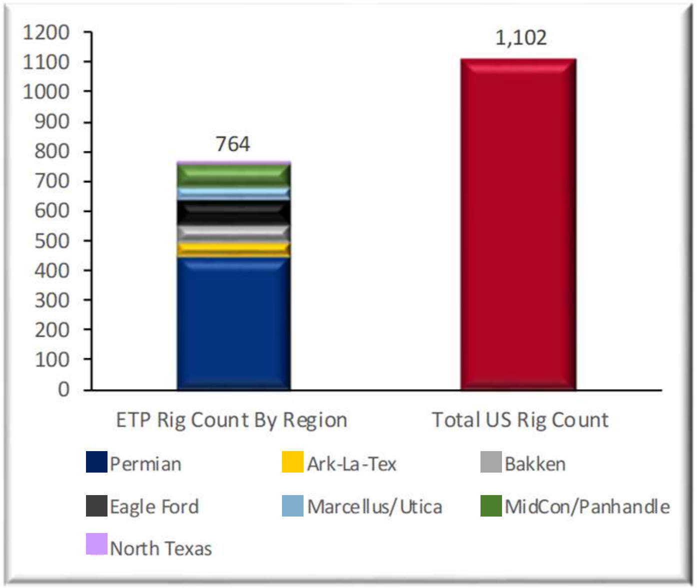
	Franchise Strengths	Opportunities
Interstate Natural Gas T&S	• Access to multiple shale plays, storage facilities and markets • Approximately 95% of revenue from reservation fee contracts • Well positioned to capitalize on changing market dynamics • Key assets: Rover, PEPL, FGT, Transwestern, Trunkline, Tiger	• Marcellus natural gas takeaway to the Midwest, Gulf Coast, and Canada • Backhaul to LNG exports and new petrochemical demand on Gulf Coast
Intrastate Natural Gas T&S	• Well positioned to capture additional revenues from anticipated changes in natural gas supply and demand • Largest intrastate natural gas pipeline and storage system on the Gulf Coast • Key assets: ET Fuel Pipeline, Oasis Pipeline, Houston Pipeline System, ETC Katy Pipeline	• Natural gas exports to Mexico • Additional demand from LNG and petrochemical development on Gulf Coast
Midstream	• More than 40,000 miles of gathering pipelines with ~7.9 Bcf/d of processing capacity • Majority of projects placed in-service underpinned by long-term, fee-based contracts	• Gathering and processing build out in Texas and Marcellus/Utica • Synergies with ET downstream assets • Significant growth projects ramping up to full capacity over the next two years
NGL & Refined Products	• World-class integrated platform for processing, transporting, fractionating, storing and exporting NGLs • Fastest growing NGLs business in Mont Belvieu via Lone Star • Liquids volumes from our midstream segment culminate in the ET family's Mont Belvieu / Mariner South / Nederland Gulf Coast Complex • Mariner East provides significant Appalachian liquids takeaway capacity connecting NGL volumes to local, regional and international markets via Marcus Hook	• Increased volumes from transporting and fractionating volumes from Permian/Delaware and Midcontinent basins • Increased fractionation volumes as large NGL fractionation third-party agreements expire • Permian NGL takeaway • New ethane export opportunities from Gulf Coast
Crude Oil	• Bakken Crude Oil pipeline supported by long-term, fee-based contracts; expandable with pump station modifications • Significant Permian takeaway abilities • ~400,000 barrels per day crude oil export capacity from Nederland • 28 million barrel Nederland crude oil terminal on the Gulf Coast • Bakken crude takeaway to Gulf Coast refineries	• Permian Express 4 expected to provide Midland & Delaware Basin crude oil takeaway to various markets, including Nederland, TX • Permian Express Partners joint venture with ExxonMobil

FULLY INTEGRATED SERVICES BY REGION



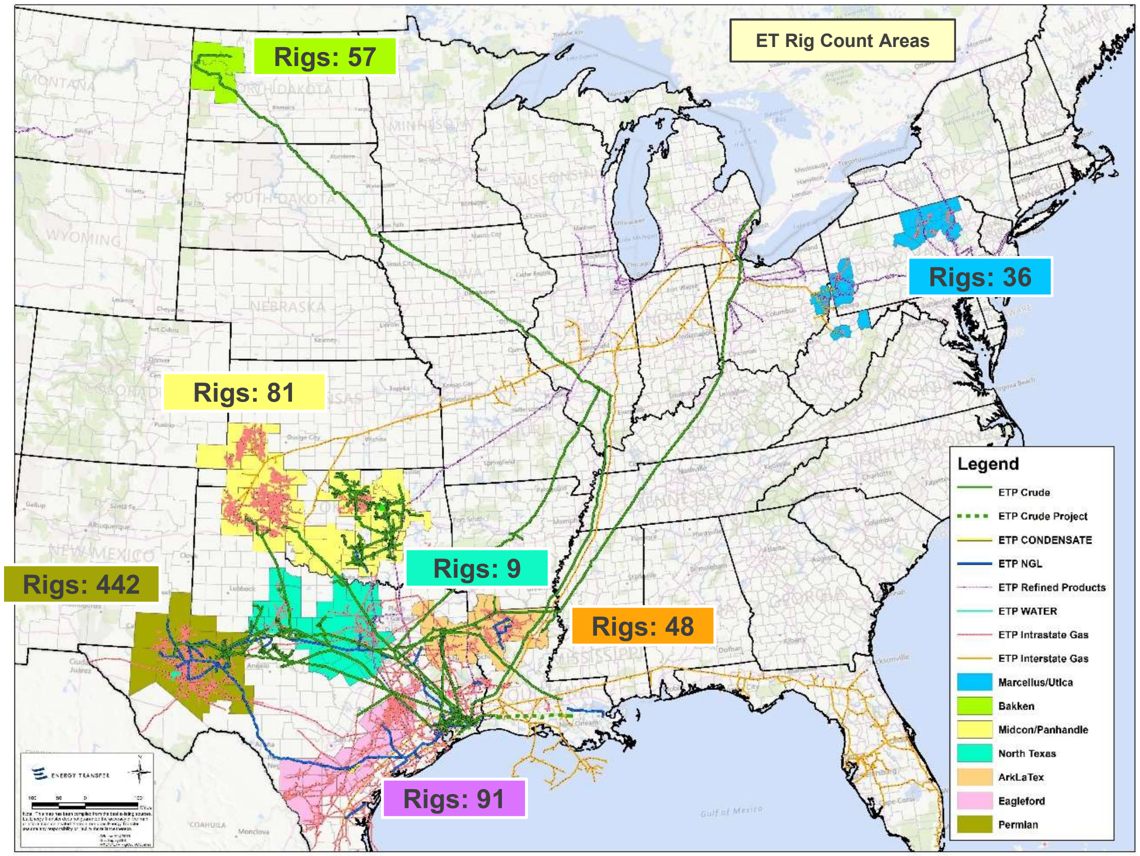
ET ASSETS ALIGNED WITH MAJOR U.S. DRILLING REGIONS

ET Rig Count Vs. Total US Rig Count[1]



- Significant growth opportunities from bolt-on projects
  - Bolt-on projects are typically lower cost, higher return

ET Rig Count[1] Vs. Lower 48 US Rig Count

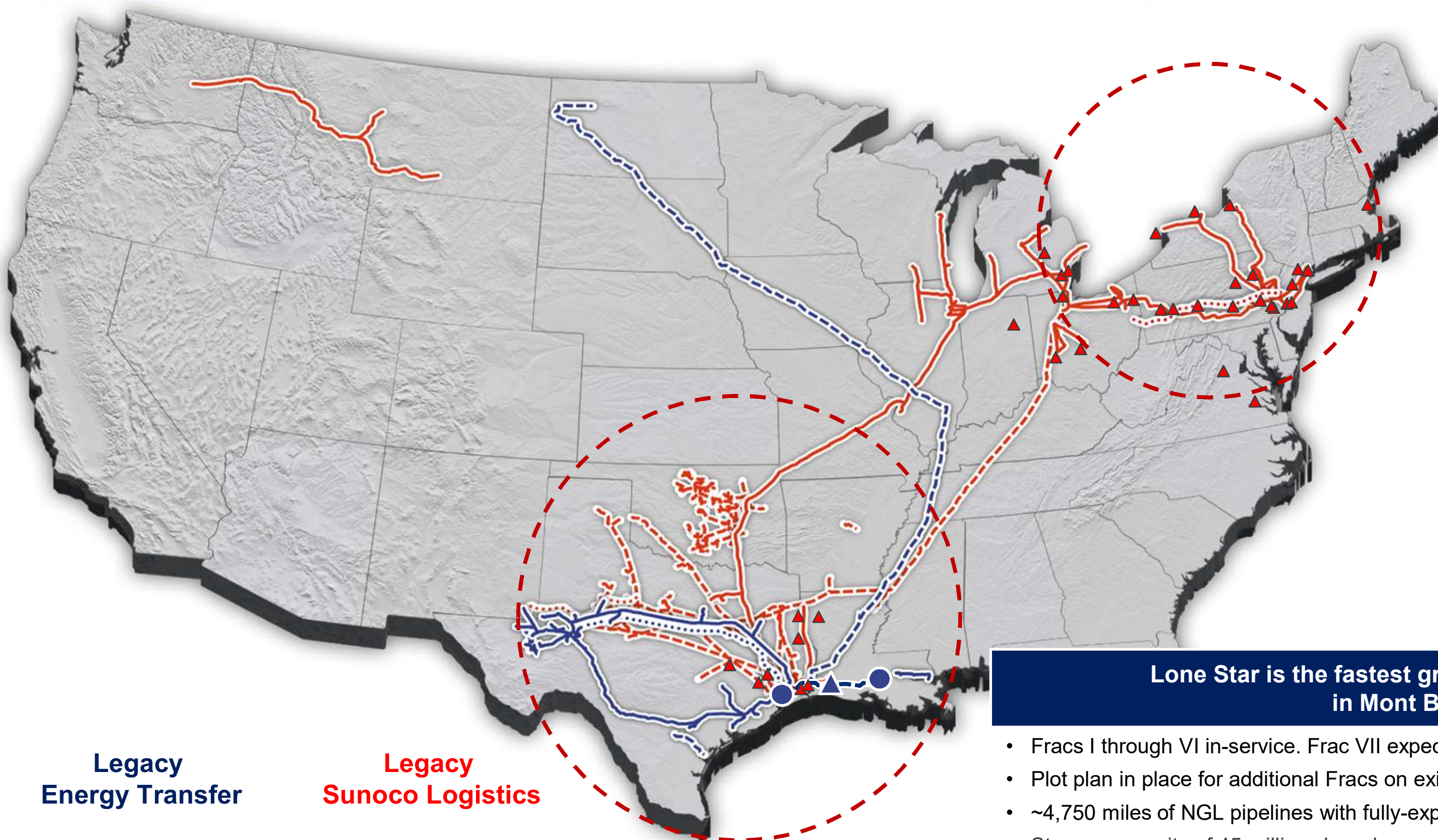


ET's gas and crude gathering assets are located in counties where ~70% of total U.S. rigs are currently drilling

(1) Source: Drilling Info; ET rig count includes only rigs operating in counties in which ET has assets/operations. As of 3-14-2019.

FULLY INTEGRATED MIDSTREAM/LIQUIDS PLATFORM ACROSS NORTH AMERICA

The ability to integrate an end-to-end liquids solution will better serve customers and alleviate bottlenecks currently faced by producers



Legacy Energy Transfer

- NGL Pipelines
- Crude Projects¹
- NGL Projects
- LNG Facilities
- Fractionator

Legacy Sunoco Logistics

- Refined Products/NGL
- Crude
- Growth Projects
- Facility

Marcus Hook: The future Mont Belvieu of the North

- World-class export capabilities via Marcus Hook Industrial Complex
- Logistically and financially advantaged for exports being 1,500 miles closer to Europe, significantly reducing shipping cost.
- Advantaged to local, regional and international markets
- ET's Rover, Revolution and Mariner East systems provide long-term growth potential

Lone Star is the fastest growing NGLs business in Mont Belvieu

- Fracs I through VI in-service. Frac VII expected in-service Q1 2020
- Plot plan in place for additional Fracs on existing footprint
- ~4,750 miles of NGL pipelines with fully-expanded capacity of ~1,300,000 bpd
- Storage capacity of 45 millions barrels
- ~200,000 bpd LPG export terminal
- ET's Lone Star presence in Mont Belvieu, combined with its Nederland terminal, provide opportunities for multiple growth projects
- Potential ethane and ethylene projects delivering Lone Star fractionated products to Nederland for export

(1) Via joint ventures

GROWING UNIQUE EXPORT CAPABILITIES

Nederland Terminal

- ~1,200 acre site on USGC
- ~1.5 million bbls/d crude export capacity; 200 thousand bbls propane/butane export capacity
- ~28 million bbls crude storage capacity; 1.2 million bbls refrigerated propane/butane storage capacity
- 5 ship docks and 4 barge docks accommodate Suez Max sized ships
- Rail and truck unloading capabilities
- 800 thousand bbls refrigerated ethane storage under construction as part of Orbit export project
- Permian and Mont Belvieu expansions provide future growth opportunities
- Space available for further dock and tank expansion

Marcus Hook Industrial Complex

- ~800 acre site: inbound and outbound pipeline along with infrastructure connectivity
- Will have 280 thousand bbls/d NGL export capacity with room for expansion; 65 thousand bbls/d ethane export capacity
- ~2 million bbls underground NGL storage; 3 million bbls above-ground NGL storage; ~1 million bbls crude storage capacity
- 4 seaborne export docks accommodate VLGC sized vessels
- Rover, Revolution and Mariner East systems provide long-term growth potential
- Positioned for further expansion and development of exports, processing, storage and manufacturing

Only logistics provider with export facilities on both the U.S. Gulf Coast and East Coast, providing optionality and security of supply for customers via two world-class export terminals

RENEWED COMMITMENT TO DEVELOP LAKE CHARLES LNG EXPORT TERMINAL

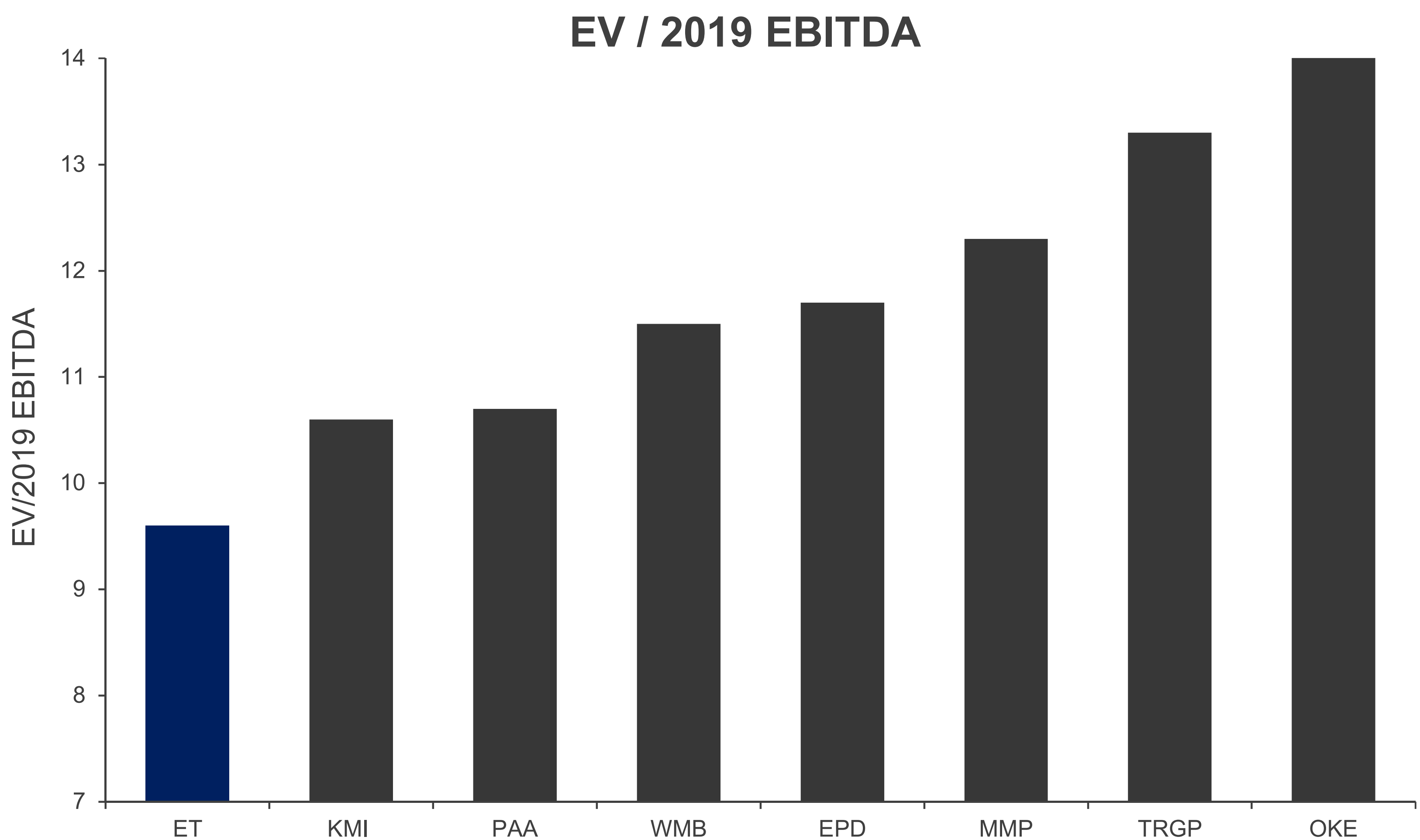
Current Terminal Assets

- 152 acre site
- Two existing deep-water docks to accommodate ships up to 215,000 m3 capacity
- Four LNG storage tanks with capacity of 425,000 m3

Lake Charles LNG Export Project

- Executed Project Framework Agreement in March 2019
- Issued Invitation to Tender (ITT) to U.S. and International consortia to bid for EPC contract in May 2019
- Final investment decision (FID) to be mutually determined
- 50/50 partnership
  - Energy Transfer
  - Shell US LNG, LLC
- Convert existing LNG import facility to export terminal
- Fully permitted
  - Utilizes existing infrastructure
- Strategically located
  - Abundant natural gas supply
  - Proximity to major pipelines
- Estimated export capacity of ~16.5 million tonnes per year

COMPELLING VALUE PROPOSITION



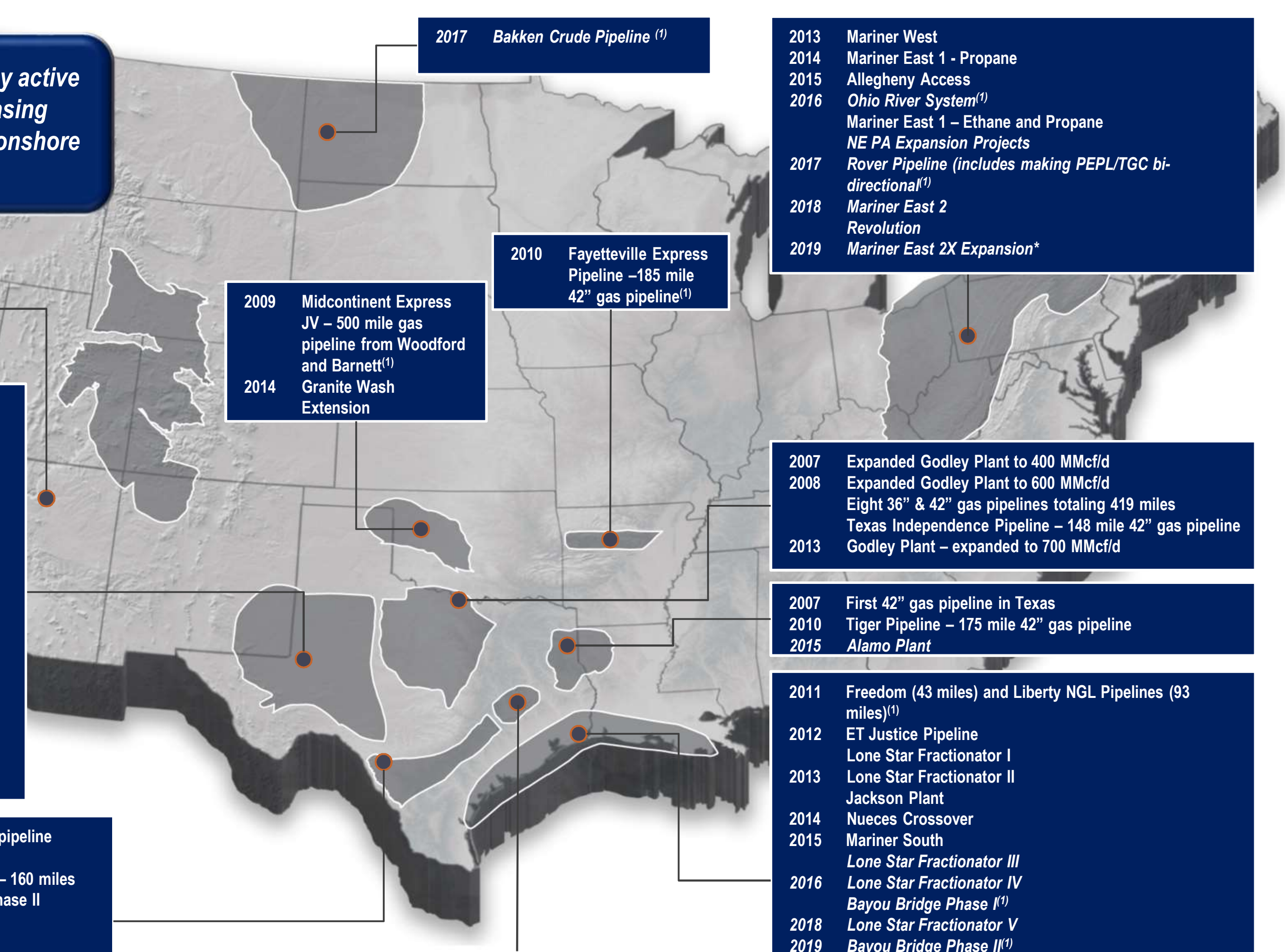
Source: Bernstein Research, May 2019

GROWTH FROM ORGANIC INVESTMENTS

ENERGY TRANSFER®

ORGANIC GROWTH ENHANCES OUR STRONG FOOTHOLD IN THE MOST PROLIFIC PRODUCING BASINS

Active in 9 of the top 10 basins by active rig count with a rapidly increasing footprint in the most prolific US onshore plays



2017 Bakken Crude Pipeline (1)

2013 Mariner West
2014 Mariner East 1 - Propane
2015 Allegheny Access
2016 Ohio River System(1)
Mariner East 1 – Ethane and Propane
NE PA Expansion Projects
2017 Rover Pipeline (includes making PEPL/TGC bi-directional(1)
2018 Mariner East 2
Revolution
*2019 Mariner East 2X Expansion**

2010 Fayetteville Express Pipeline –185 mile 42" gas pipeline(1)

2009 Midcontinent Express JV – 500 mile gas pipeline from Woodford and Barnett(1)
2014 Granite Wash Extension

2009 Phoenix Lateral added to Transwestern pipeline – 260-mile, 36" and 42" gas pipeline

2013 Permian Express 1
2014 Rebel Plant
Permian Express 1 expansion
2015 Permian Express 2
Mi Vida Plant
2016 Permian Longview & Louisiana Extension
Delaware Basin Extension
Orla Plant
Lone Star Express
2017 Panther Plant
Trans-Pecos / Comanche Trail(1)
Arrowhead Plant
Permian Express 3 Phase 1
2018 Rebel II
Red Bluff Express Pipeline
Arrowhead II*
2019 Red Bluff Express Pipeline Expansion*
Permian Express 4*
J.C. Nolan Diesel Pipeline*

2007 Expanded Godley Plant to 400 MMcf/d
2008 Expanded Godley Plant to 600 MMcf/d
Eight 36" & 42" gas pipelines totaling 419 miles
Texas Independence Pipeline – 148 mile 42" gas pipeline
2013 Godley Plant – expanded to 700 MMcf/d

2007 First 42" gas pipeline in Texas
2010 Tiger Pipeline – 175 mile 42" gas pipeline
2015 Alamo Plant

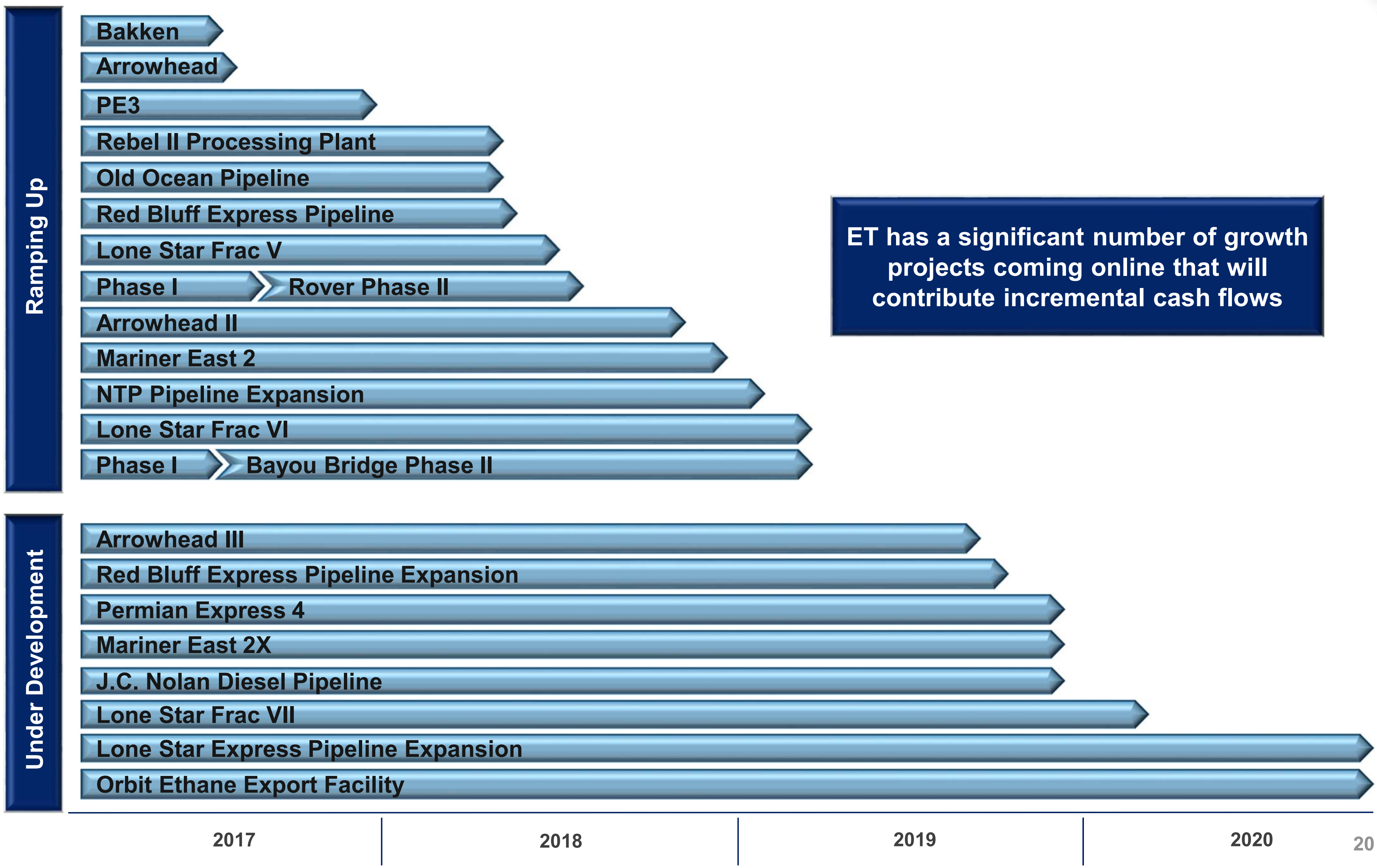
2011 Freedom (43 miles) and Liberty NGL Pipelines (93 miles)(1)
2012 ET Justice Pipeline
Lone Star Fractionator I
2013 Lone Star Fractionator II
Jackson Plant
2014 Nueces Crossover
2015 Mariner South
Lone Star Fractionator III
2016 Lone Star Fractionator IV
Bayou Bridge Phase I(1)
2018 Lone Star Fractionator V
2019 Bayou Bridge Phase II(1)
*Lone Star Fractionator VI**
*2020 Lone Star Fractionator VII**
Lone Star Express Expansion
Orbit Ethane Export Facility (1)*
*2021+ Lake Charles LNG Facility**

2010 Dos Hermanas Pipeline – 50 mile, 24" gas pipeline
2011 Chisholm Pipeline – 83 miles
Rich Eagle Ford Mainline ("REM") Phase I – 160 miles
2012 Chisholm Plant, Kenedy Plant, and REM Phase II
Lone Star West Texas Gateway
2014 REM expanded to exceed 1 Bcf/d
Rio Bravo Crude Conversion
Eagle Ford Expansion Project
2015 Kenedy II Plant (REM II)

2014 Eaglebine Express

** Growth project under development*
(1) Joint venture.

ET PROJECTS PROVIDE VISIBILITY FOR FUTURE EBITDA GROWTH

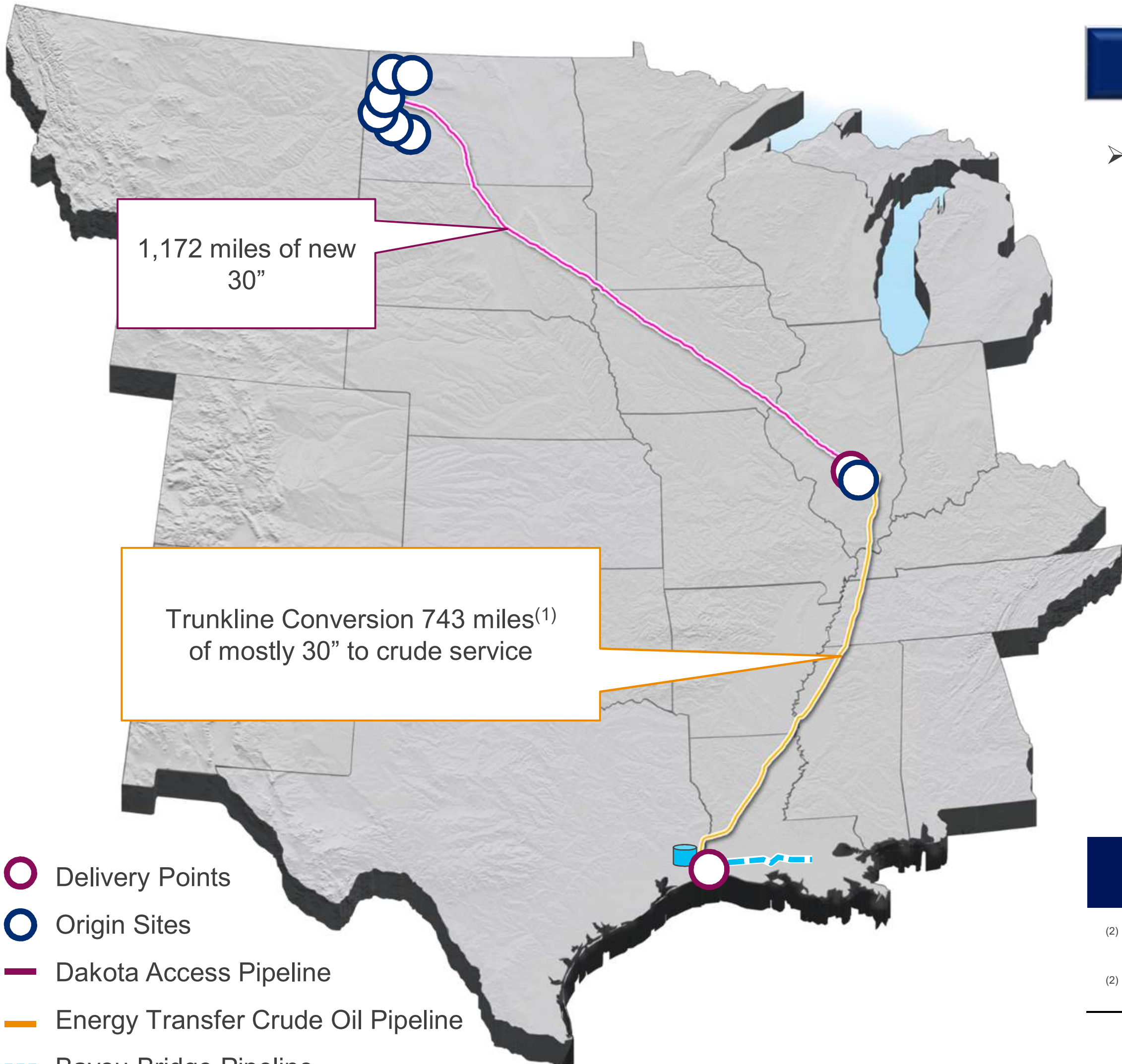


FORESEE SIGNIFICANT EBITDA GROWTH IN 2019 FROM COMPLETION OF PROJECT BACKLOG

PROJECT	SCOPE	IN-SERVICE TIMING
NGL & Refined Products		
Lone Star Frac V	Additional 120 Mbpd fractionator at Mont Belvieu complex	In Service July 2018
Lone Star Frac VI	150 Mbpd fractionator at Mont Belvieu complex	In Service Q1 2019
Lone Star Frac VII	150 Mbpd fractionator at Mont Belvieu complex	Q1 2020
Lone Star Express Expansion	24-inch, 352 mile expansion to LS Express Pipeline adding 400,000 bbls/d from Wink,TX to Fort Worth, TX	Q4 2020
Mariner East 2	NGLs from Marcellus Shale to MHIC with 275Mbpd capacity upon full completion	In Service Q4 2018
Mariner East 2X	Increase NGL takeaway from the Marcellus to the East Coast w/ storage at Marcus Hook complex	Late 2019
J.C. Nolan Diesel Pipeline	30,000 bbls/d diesel pipeline from Hebert, TX to newly-constructed terminal in Midland, TX	Before end of 2019
Orbit Ethane Export Terminal	800,000 bbl refrigerated ethane storage tank and 175,000 bbl/d ethane refrigeration facility and 20-inch ethane pipeline to connect Mont Belvieu to export terminal	End of 2020
Midstream		
Rebel II Processing Plant	200 MMcf/d cryogenic processing plant near existing Rebel plant in Midland Basin	In Service Q2 2018
Revolution	110 miles of gas gathering pipeline, cryogenic processing plant, NGL pipelines, and frac facility in PA	Plant complete; awaiting pipeline restart
Arrowhead II	200 MMcf/d cryogenic processing plant in Delaware Basin	In Service Q4 2018
Arrowhead III	200 MMcf/d cryogenic processing plant in Delaware Basin	Q3 2019
Crude Oil		
Permian Express 3(1)	Provides incremental Permian takeaway capacity, with total capacity of 140Mbpd	In Service Q4 2017/Sept. 2018
Bayou Bridge(1)	212 mile crude pipeline connecting Nederland to Lake Charles / St. James, LA	Q2 2016/End of March 2019
Permian Express 4(1)	Provides incremental Permian takeaway capacity, with total capacity of 120Mbpd	End of Q3 2019
Interstate Transport & Storage		
Rover Pipeline(1)	712 mile pipeline from Ohio / West Virginia border to Defiance, OH and Dawn, ON	Aug. 31, 2017 – Q2 2018
Intrastate Transport & Storage		
Old Ocean Pipeline(1)	24-inch, 160,000 Mmbtu/d natural gas pipeline from Maypearl, TX to Hebert, TX	In Service Q2 2018
Red Bluff Express Pipeline	80 mile pipeline with capacity of at least 1.4; new extension will add an incremental 25 miles of pipeline	Q2 2018 / 2H 2019
NTP Pipeline Expansion(1)	36-inch natural gas pipeline expansion, providing 160,000 Mmbtu/d of additional capacity from WTX for deliveries into Old Ocean	In Service January 2019

(1) Joint Venture

CRUDE OIL SEGMENT – BAKKEN PIPELINE PROJECT



- Delivery Points
- Origin Sites
- Dakota Access Pipeline
- Energy Transfer Crude Oil Pipeline
- Bayou Bridge Pipeline
- Nederland Terminal

Project Details

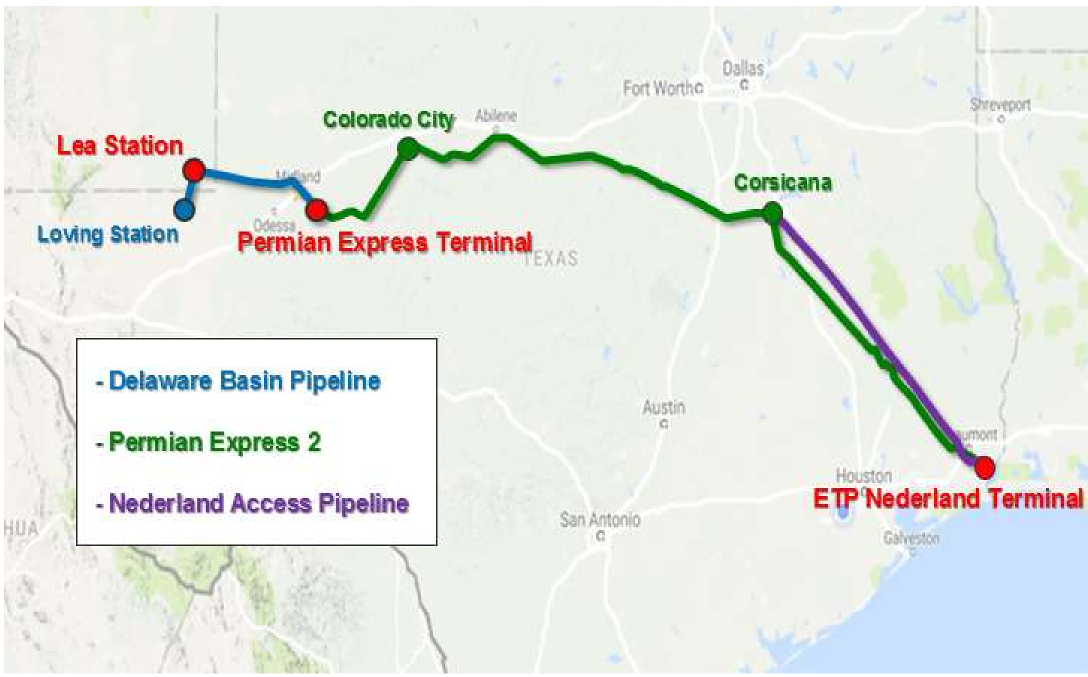
- Dakota Access Pipeline connects Bakken production to Patoka Hub, IL, with interconnection to Energy Transfer Crude Oil Pipeline (Trunkline conversion) to reach Nederland and the Gulf Coast
  - Went into service and began collecting demand charges on the initial committed capacity June 1, 2017
  - Q1 2019 volumes averaged ~540,000 barrels per day
  - Completed successful open season in January 2019 to bring current system capacity to 570,000 barrels per day
  - Progressing with plans to further increase system capacity by late 2020 to meet growing demand for additional takeaway

Project Name	Asset Type	Miles	Project Cost ($bn)	In-service	Average Contract Duration
(2) Dakota Access	Crude pipelines	1,172	$4.8	June 1, 2017	8.5 yrs
(2) ETCO Pipeline	Crude pipelines	743(1)			

Note: Gross JV project cost where applicable
(1) 676 miles of converted pipeline + 67 miles of new build
(2) Ownership is ET- 36.37%, MarEn-36.75%, PSXP-25%

CRUDE OIL SEGMENT – PERMIAN EXPRESS PROJECTS

Permian Crude Projects



Permian Express 3

- Expected to provide Midland & Delaware Basin producers new crude oil takeaway capacity (utilizing existing pipelines) from this rapidly growing area to multiple markets, including the 26 million barrel ET Nederland, Texas terminal facility
- Placed ~100,000 barrels of capacity into-service in Q4 2017, and remaining capacity went into service September 2018, bringing total capacity to 140,000 barrels per day
- PE1, PE2 and PE3 are all operating at full capacity
- PE4 is expected in-service by the end of Q3 2019 and will add an incremental 120,000 barrels per day of capacity from Colorado City to Nederland, TX

CRUDE OIL SEGMENT – BAYOU BRIDGE PIPELINE

Project Details

- Joint venture between Phillips 66 Partners (40%) and ET (60%, operator)
- 30” Nederland to Lake Charles segment went into service in April 2016
- 24” St. James segment began commercial operations at the end of March 2019
- Light and heavy service
- Project highlights synergistic nature of ET crude platform and creates additional growth opportunities and market diversification

Bayou Bridge Pipeline Map

NGL & REFINED PRODUCTS SEGMENT – MARINER EAST SYSTEM

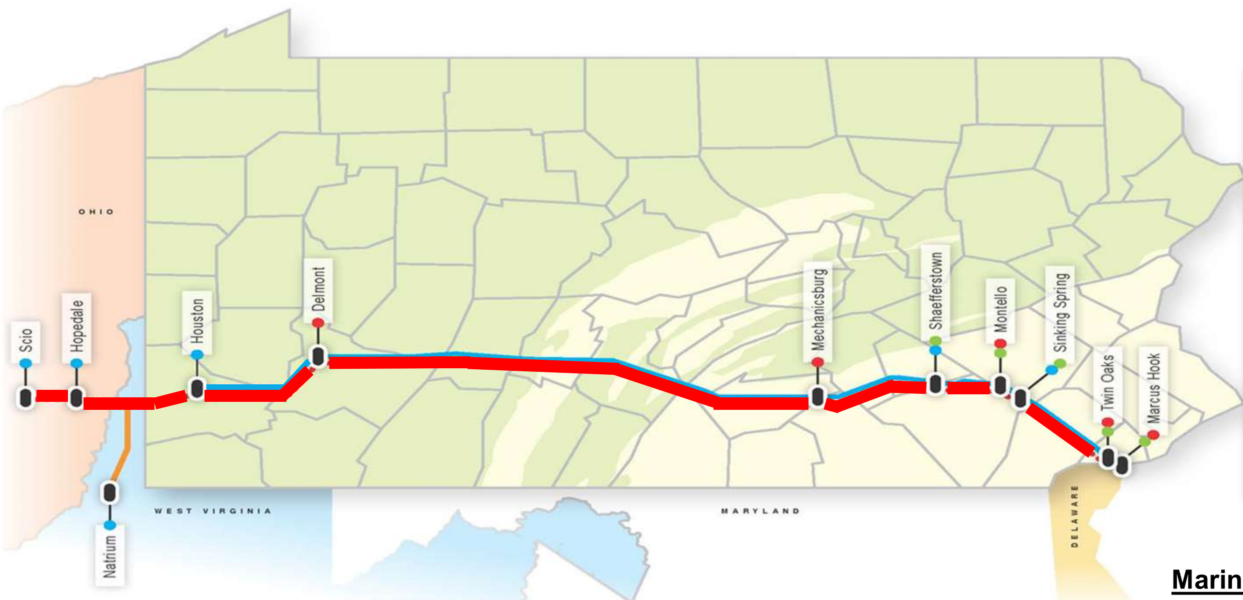
- A comprehensive Marcellus Shale solution reaching local, regional and international markets
- Transports Natural Gas Liquids from OH / Western PA to the Marcus Hook Industrial Complex on the East Coast
- Supported by long-term, fee-based contracts

Mariner East 1:

- Currently in-service for propane & ethane transportation, storage & terminalling services
- Approximate capacity of 70,000 barrels per day

Mariner East 2:

- Placed into initial service December 2018
- NGL transportation, storage & terminalling services
- Capacity of 275,000 barrels per day upon full completion, with ability to expand as needed

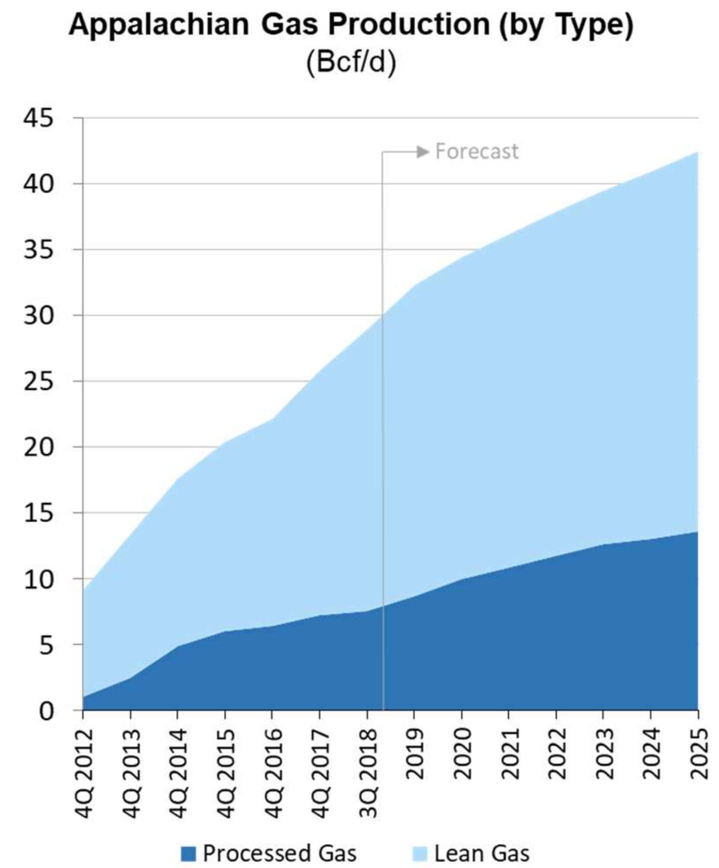


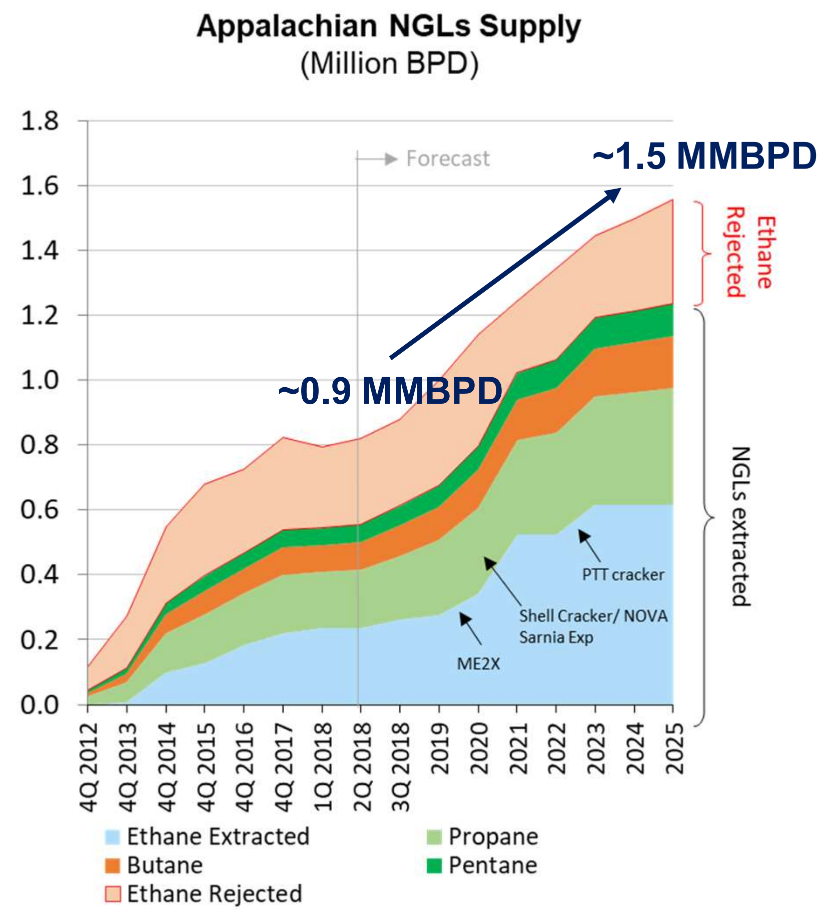
ME2 Pipeline
Existing Third Party Pipeline
ME1 Pipeline
SXL Terminal Facilities
Third Party Facility
Pennsylvania Propane Delivery
Marcellus Shale Formation

Mariner East 2x:

- Expected to be in-service late 2019
- Transportation, storage and terminalling services for ethane, propane, butane, C3+, natural gasoline, condensate and refined products

NGL & REFINED PRODUCTS SEGMENT – NORTHEAST GROWTH OUTLOOK

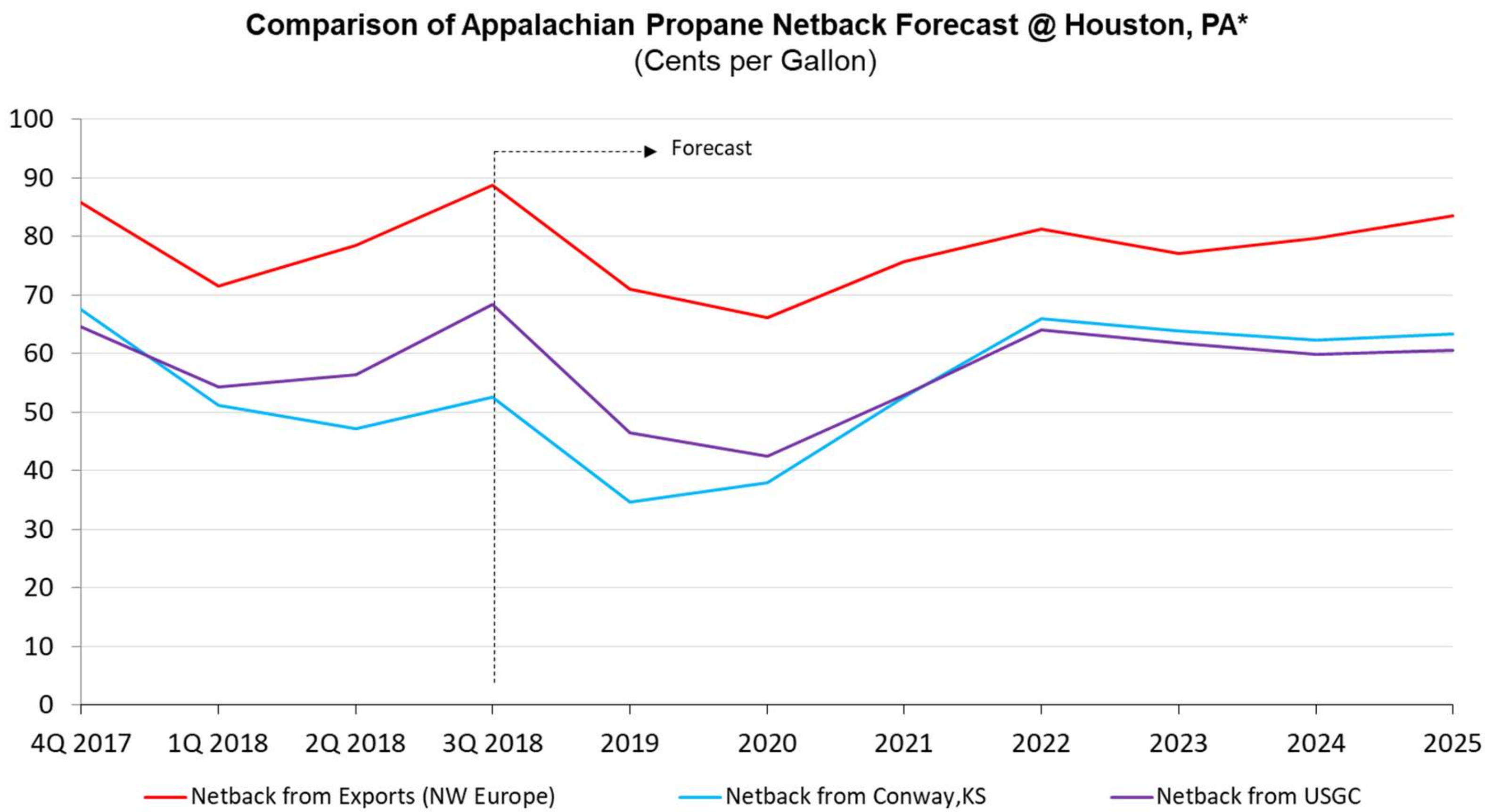




Growth in rich gas drives Appalachian NGLs production

Note: Outlook is based on full C2 recovery and WTI price forecast of $55/Bbl by 2020, $65/Bbl by 2025; Henry Hub gas price forecast of $3.30/MMBtu by 2020 and $3.70/MMBtu by 2025.
Source: Enkon Energy Advisors (www.enkonenergy.com)

NGL & REFINED PRODUCTS SEGMENT – FAVORABLE NETBACKS WITH MARINER EAST

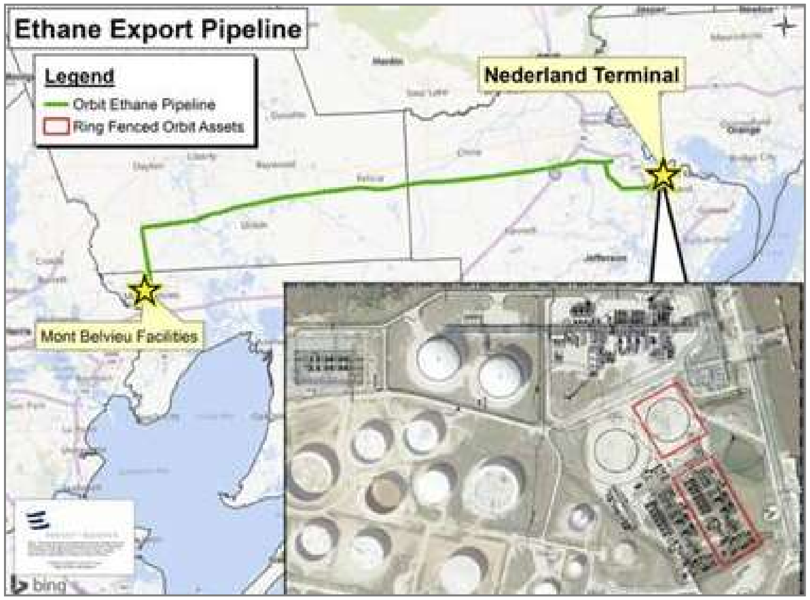


Producer C3+ netbacks (via Marcus Hook) are expected to be significantly higher than other domestic outlets

** Note: Assumes annual escalation of terminal fees (Marcus Hook) and rail fees (Conway, USGC) of 2 percent and 2.5 percent.*
Source: Enkon Energy Advisors (www.enkonenergy.com)

NGL & REFINED PRODUCTS SEGMENT – ORBIT ETHANE EXPORT PROJECT

Orbit Export Pipeline and Facility



Construction of Satellite's Ethane Receiving Terminal

Orbit Pipeline JV

- Announced Orbit Joint Venture with Satellite Petrochemical USA Corp to construct new ethane export terminal on the U.S. Gulf Coast to provide ethane to Satellite
- At the terminal, Orbit plans to construct
  - 800,000 barrel refrigerated ethane storage tank
  - 175,000 barrel per day ethane refrigeration facility
  - 20-inch ethane pipeline originating at our Mont Belvieu facilities, that will make deliveries to the export terminal, as well as domestic markets in the region
- ET will be the operator of the Orbit assets, provide storage and marketing services for Satellite, and provide Satellite with approximately 150,000 barrels per day of ethane under a long-term, demand-based agreement
- In addition, ETP will construct and wholly-own infrastructure required to supply ethane to the pipeline, and to load ethane onto carriers destined for Satellite's newly-constructed ethane crackers in China
- Subject to Chinese Government approval, export terminal expected to be ready for commercial service in the 4th quarter of 2020

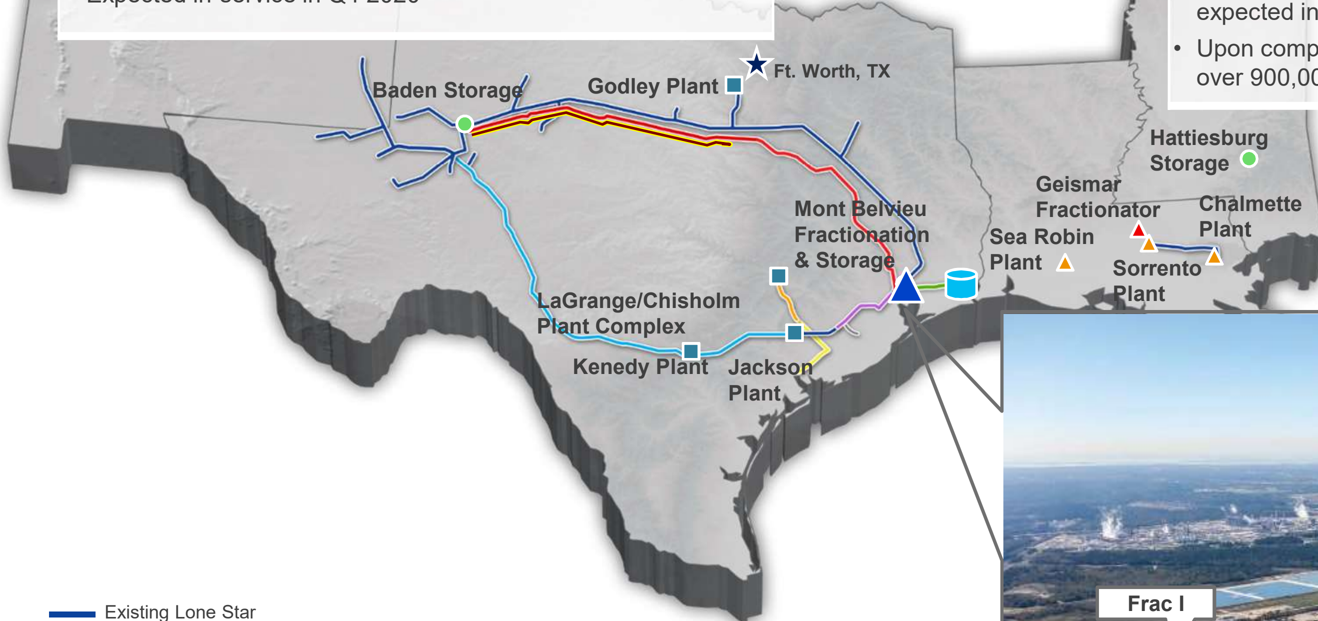
NGL & REFINED PRODUCTS SEGMENT – PIPELINE AND FRACTIONATION EXPANSION

Lone Star Express Expansion

- 24-inch, 352-mile expansion
- Will add 400 thousand bbls/d of NGL pipeline capacity from Lone Star's pipeline system near Wink, Texas to the Lone Star Express 30-inch pipeline south of Fort Worth, Texas
- Expected in-service in Q4 2020

Mt. Belvieu Fractionation Expansions

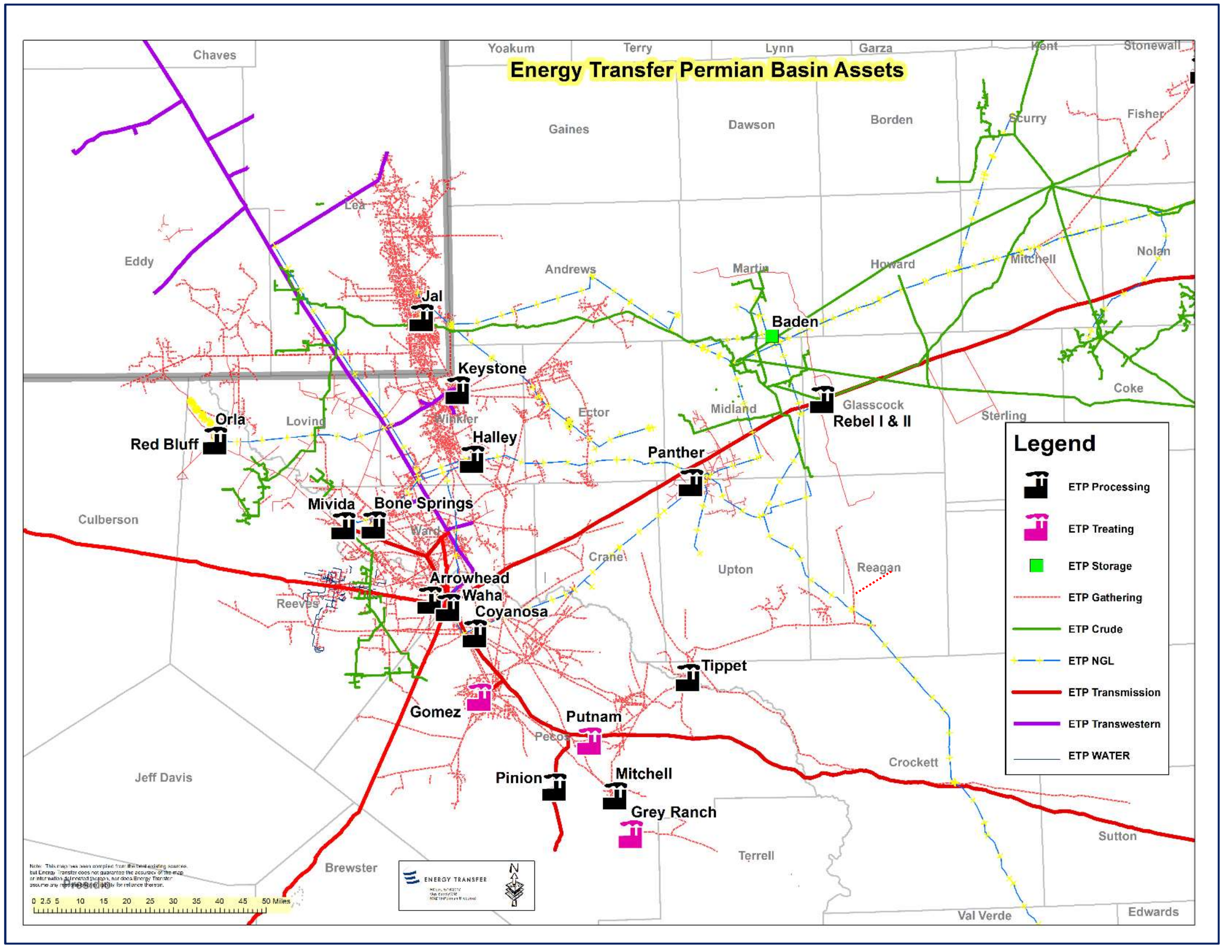
- Total of 6 fractionators at Mont Belvieu
- 150,000 bbls/d Frac VI went into service in February 2019
- Announced plans to construct 7th fractionator at Mont Belvieu in November 2018
- Frac VII will have a capacity of 150 thousand bbls/d and is expected in-service in Q1 2020
- Upon completion of Frac VII, ET will be capable of fractionating over 900,000 barrels per day at Mont Belvieu



- Existing Lone Star
- ETP Justice
- ETP-Copano Liberty JV
- Lone Star Express
- Lone Star Express Expansion
- Lone Star West Texas Gateway
- ETP Spirit
- Mariner South
- ETP Freedom
- Mont Belvieu Fractionation and Storage
- Nederland Terminal
- Plant
- Storage

MIDSTREAM SEGMENT – PERMIAN BASIN INFRASTRUCTURE BUILDOUT

- ET is nearing capacity in both the Delaware and Midland Basins due to continued producer demand and strong growth outlook in the Permian
- As a result of this demand, ET has continued to build out its Permian infrastructure



Processing Expansions

- 600 mmcf/d of processing capacity online in 2016 and 2017
- 200 mmcf/d Arrowhead II processing plant went into service at end of October 2018; running full today
- 200 MMcf/d Arrowhead III in the Delaware Basin expected in service Q3 2019
- Recently approved construction of another 200 MMcf/d processing plant expected in service in 2020
- Expect to add one to two new processing plants per year in the Midland and Delaware Basins over the next few years as demand remains strong

Red Bluff Express Pipeline

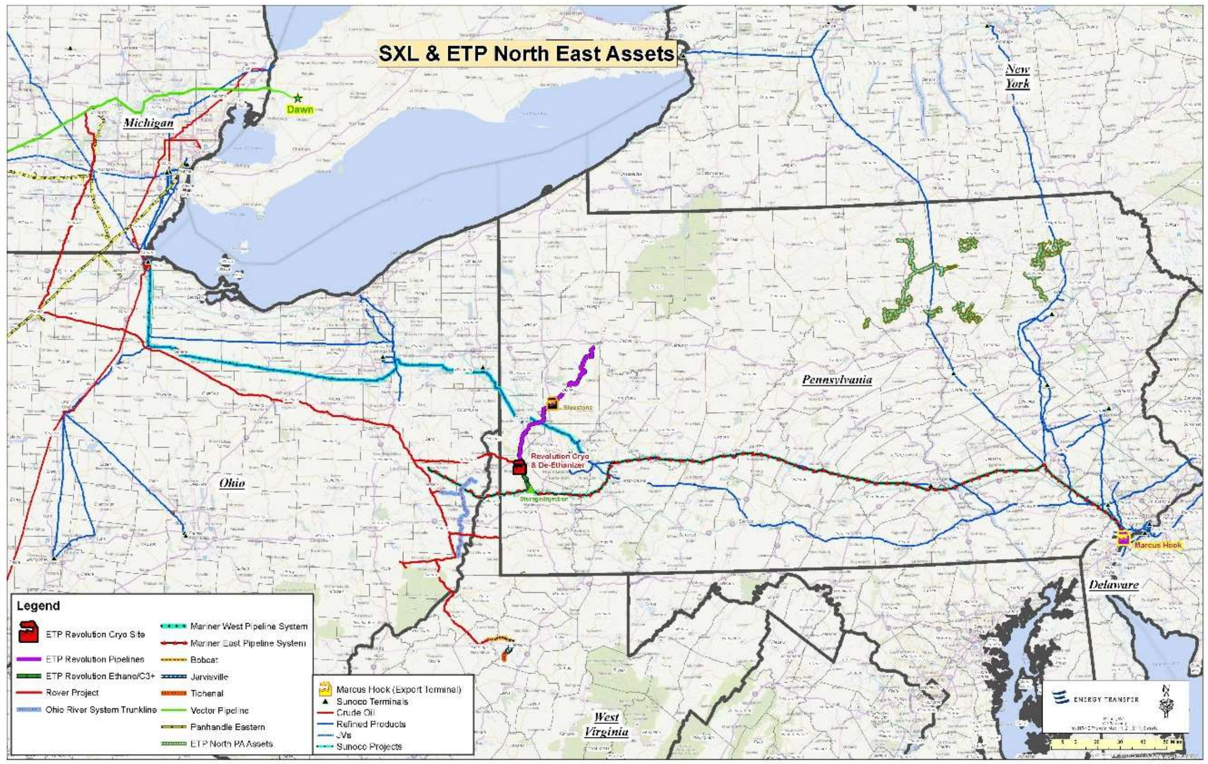
- 1.4 Bcf/d natural gas pipeline through heart of the Delaware Basin
- Connects Orla plant, as well as 3rd party plants, to Waha/Oasis header
- Went into service May 2018
- 25-mile expansion expected in service 2H 2019

MIDSTREAM SEGMENT – REVOLUTION SYSTEM

Project Details

- System is located in Pennsylvania's Marcellus/Upper Devonian Shale rich-gas area
- Rich-gas, complete solution system
- Currently 20 miles of 16" in-service
- Build out assets will include:
  - 110 miles of 20", 24" & 30" gathering pipelines
  - Cryogenic processing plant with de-ethanizer
  - Natural gas residue pipeline with direct connect to Rover pipeline
  - Purity ethane pipeline to Mariner East system
  - C3+ pipeline and storage to Mariner East system
  - Fractionation facility located at Marcus Hook facility
- Multiple customers committed to project, which include volume commitments and a large acreage dedication
- Plant is mechanically complete; awaiting pipeline restart

Revolution Project Map



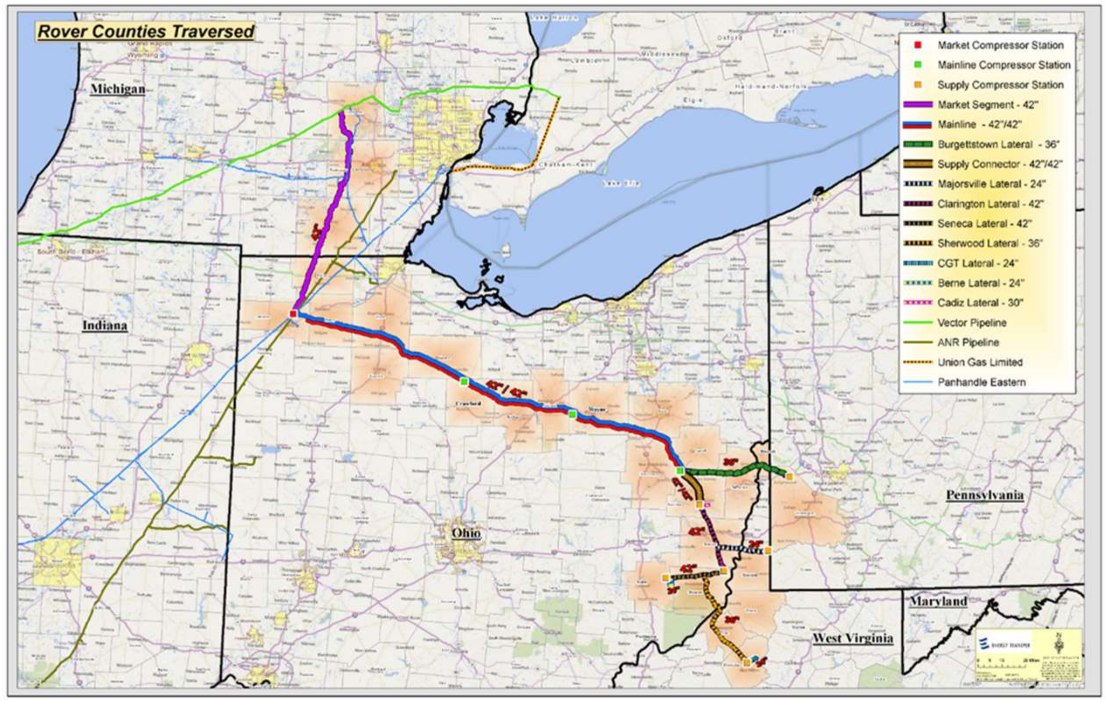
- *Opportunity to connect Revolution system to Mariner East system to move additional NGL volumes out of the Marcellus / Utica*
- *Potential to increase product flows to Marcus Hook*

INTERSTATE SEGMENT – MARCELLUS/UTICA ROVER PIPELINE

Project Details

- Sourcing natural gas from the Marcellus and Utica shales
- Connectivity to numerous markets in the U.S. and Canada
  - Midwest: Panhandle Eastern and ANR Pipeline near Defiance, Ohio
  - Michigan: MichCon, Consumers
  - Trunkline Zone 1A (via PEPL/Trunkline)
  - Canada: Union Gas Dawn Hub in Ontario, Canada
- 712 miles of new pipeline with capacity of 3.25 Bcf/d
- 3.1 Bcf/d contracted under long-term, fee-based agreements
- 32.56% owned by ET / 32.44% owned by Blackstone / 35% owned by Traverse Midstream Partners LLC[1]

Rover Project Map



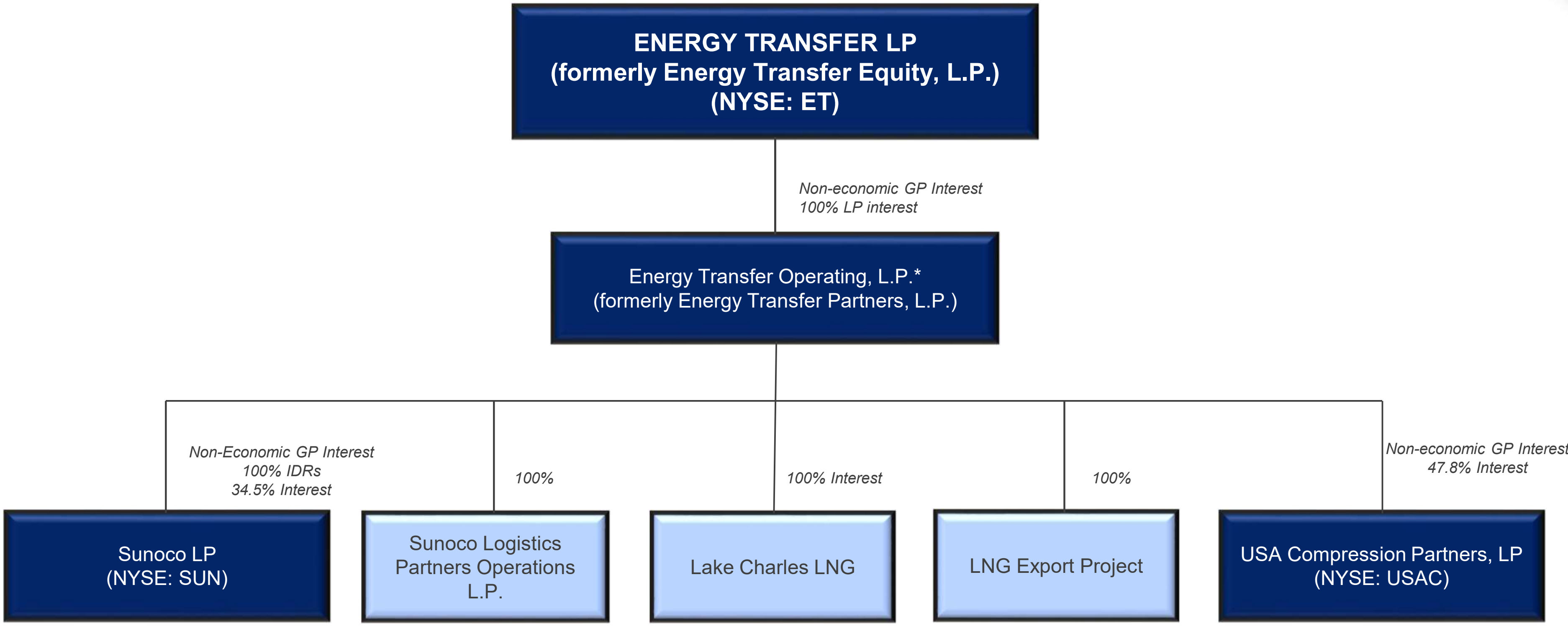
Timeline

- Phase IA began natural gas service on August 31, 2017; Phase IB began natural gas service in mid- December 2017
- Received FERC approval to place additional Phase II facilities into service, allowing for the full commercial operational capability of the Market North Zone segments
- 100% of Rover mainline capacity is in service
- In August 2018, ET received approval to commence service on the Burgettstown and Majorsville supply laterals, allowing for 100% of contractual commitments on Rover to begin September 1, 2018
- Received approval from FERC to place Sherwood / CGT laterals into service November 1, 2018

1) On October 31, 2017, ET closed on the sale of a 32.44% equity interest in an entity holding interest in the Rover Pipeline Project to a fund managed by Blackstone Energy Partners. The transaction was structured as a sale of a 49.9% interest in ET Rover Pipeline, an entity that owned a 65% interest in Rover.

APPENDIX

ET ORGANIZATIONAL STRUCTURE



Legend:

Publicly Traded MLP

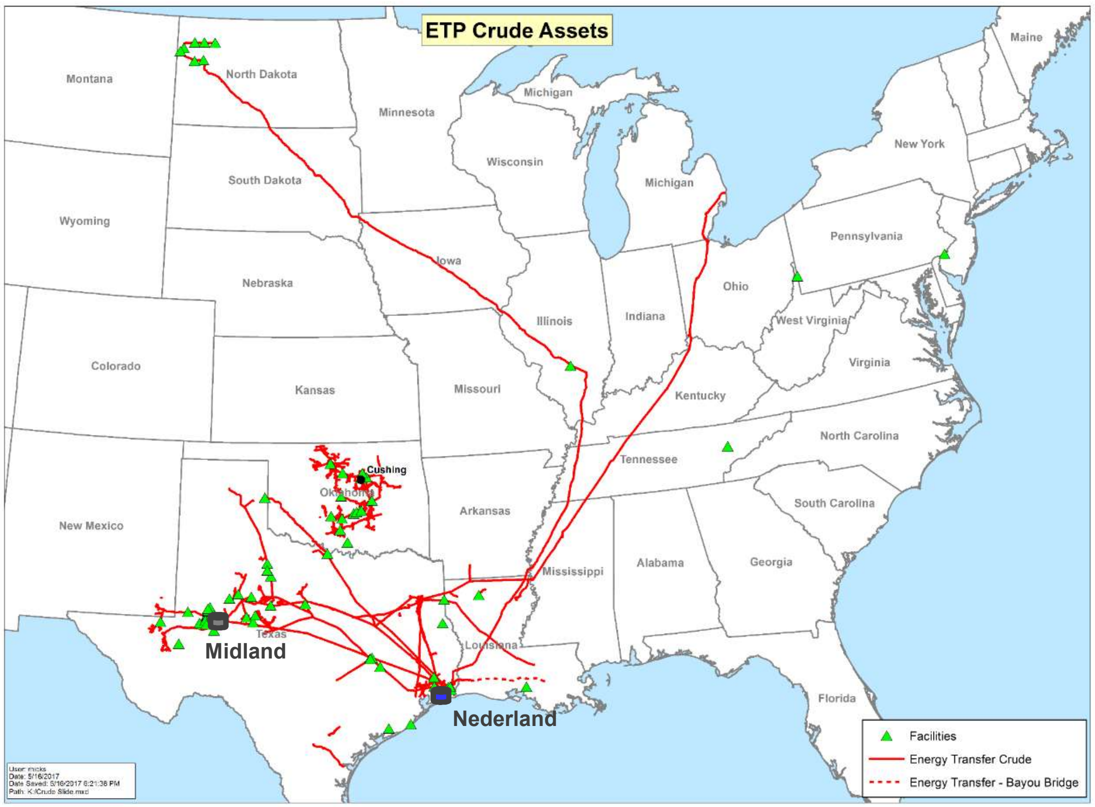
Operating Business

Includes ETP Preferred Units

CRUDE OIL SEGMENT

Crude Oil Pipelines

- ~9,524 miles of crude oil trunk and gathering lines located in the Southwest and Midwest United States
- Controlling interest in 3 crude oil pipeline systems
  - Bakken Pipeline (36.4%)
  - Bayou Bridge Pipeline (60%)
  - Permian Express Partners (87.7%)



Crude Oil Acquisition & Marketing

- Crude truck fleet of approximately 370 trucks
- Purchase crude at the wellhead from ~3,000 producers in bulk from aggregators at major pipeline interconnections and trading locations
- Marketing crude oil to major pipeline interconnections and trading locations
- Marketing crude oil to major, integrated oil companies, independent refiners and resellers through various types of sale and exchange transactions
- Storing inventory during contango market conditions

Crude Oil Terminals

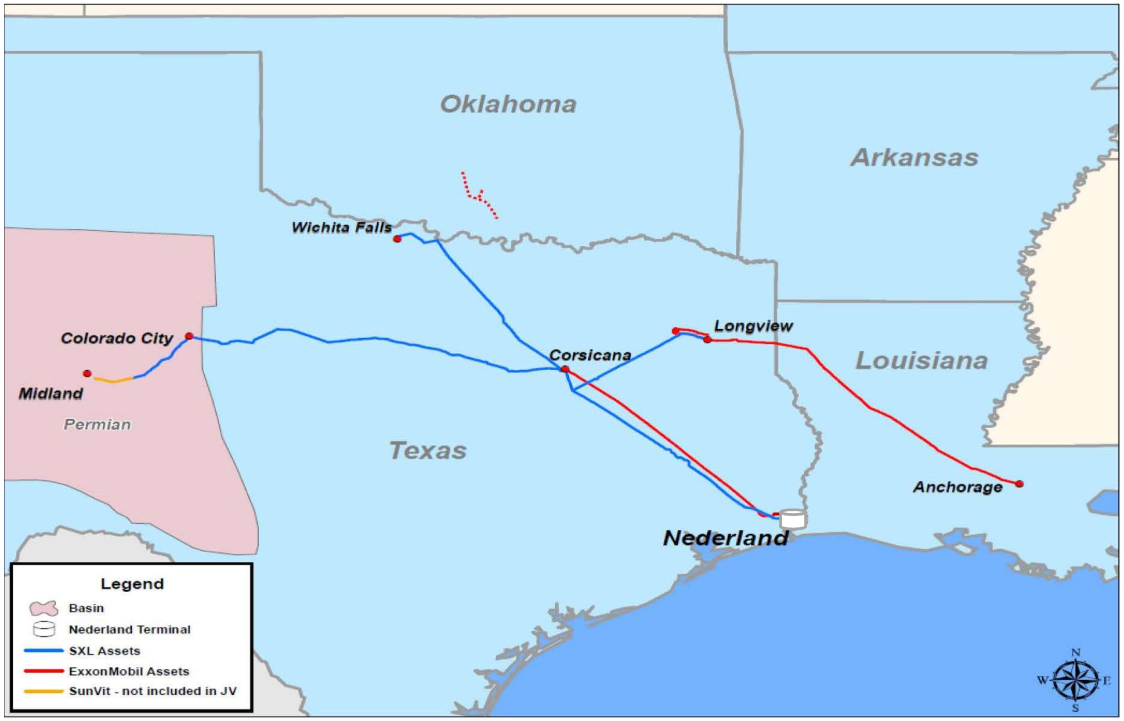
- Nederland, TX Crude Terminal - ~28 million barrel capacity
- Northeast Crude Terminals - ~3 million barrel capacity
- Midland, TX Crude Terminal - ~2 million barrel capacity

ET Opportunities

- Delaware Basin Pipeline has ability to expand by 100 mbpd
- Permian Express 4 expected in-service by end of Q3 2019

CRUDE OIL SEGMENT – PERMIAN EXPRESS PARTNERS

Permian Express Partners



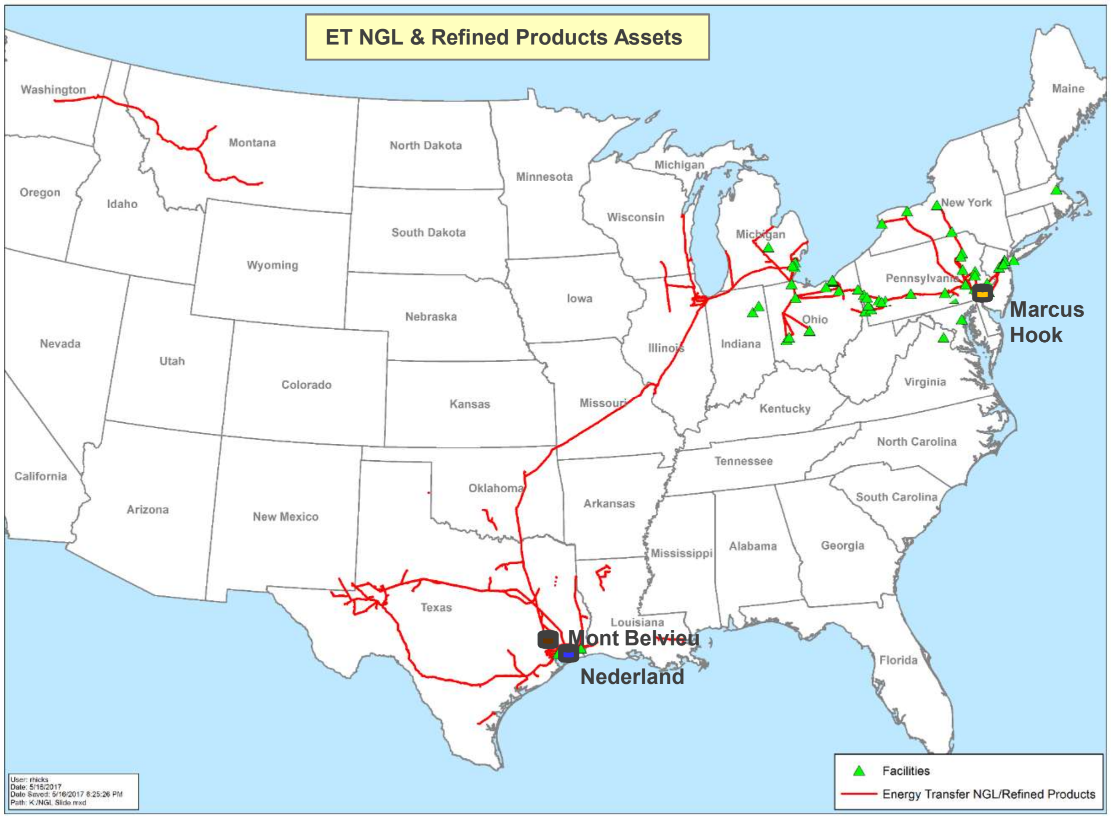
Joint Venture Details

- Strategic joint venture with ExxonMobil (ET owns ~87.7% and is the operator)
- Combines key crude oil pipeline network of both companies and aligns ET's Permian takeaway assets with ExxonMobil's crude pipeline network

NGL & REFINED PRODUCTS SEGMENT

NGL Storage

- TET Mont Belvieu Storage Hub ~46 million barrels NGL storage
- 3 million barrel Mont Belvieu cavern under development
- ~7 million barrels of NGL storage at Marcus Hook, Nederland and Inkster
- Hattiesburg Butane Storage ~3 million barrels



Fractionation

- 6 Mont Belvieu fractionators (~790 Mbpd)
- 40 Mbpd King Ranch, 25 Mbpd Geismar
- 50 Mbpd Houston DeEthanizer and 30 to 50 Mbpd Marcus Hook C3+ Frac in service Q4 2017
- 150 Mbpd Frac VI placed in-service Q1 2019
- 150 Mbpd Frac VI in-service Q1 2020

NGL Pipeline Transportation

- ~4,750 miles of NGL Pipelines throughout Texas and Northeast
- Announced Lone Star expansion
  - 352 mile, 24-inch NGL pipeline
  - In-service Q4 2020

Mariner Franchise

- ~200 Mbpd Mariner South LPG from Mont Belvieu to Nederland
- 50 Mbpd Mariner West ethane to Canada
- 70 Mbpd ME1 ethane and propane to Marcus Hook
- 275 Mbpd[(1)] ME2 NGLs to Marcus Hook (Placed into initial service Q4 2018)
- Total NGL volumes moved through Marcus Hook expected to be ~300 Mbpd for June 2019
- ME2X expected in-service late 2019

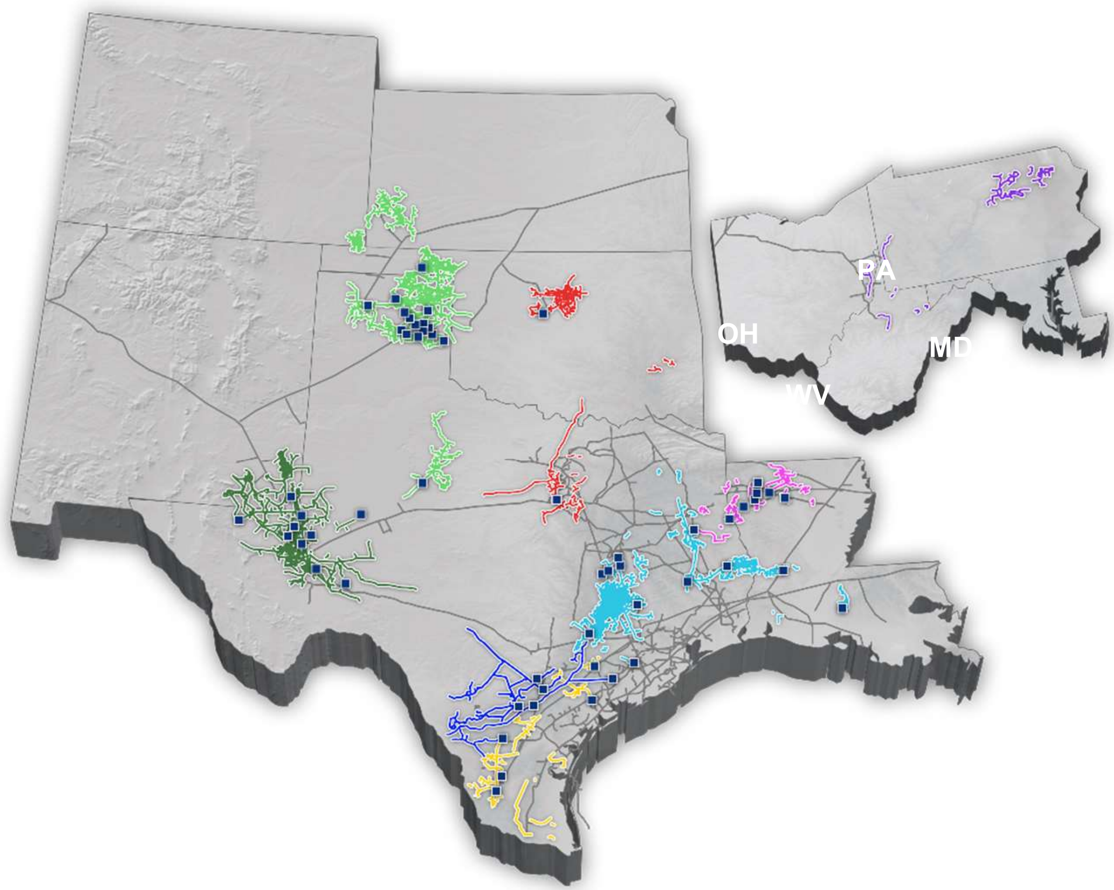
Refined Products

- ~2,200 miles of refined products pipelines in the northeast, Midwest and southwest US markets
- 35 refined products marketing terminals with 8 million barrels storage capacity

(1) Upon full completion

MIDSTREAM ASSETS

Midstream Asset Map



Midstream Highlights

- Volume growth in key regions:
  - Q1 2019 gathered volumes were ~12.7 million mmbtu/d, and NGLs produced were ~563,000 bbls/d, both up substantially over Q1 2018
- Permian Capacity Additions:
  - 200 MMcf/d Rebel II processing plant came online in April 2018
  - 200 MMcf/d Arrowhead II processing plant came online in October 2018
  - Recently approved construction of an additional 200 MMcf/d processing plant in the Delaware Basin
  - Due to continued strong demand in the Permian, expect to add one to two plants per year over the next few years as demand remains strong

Current Processing Capacity

	Bcf/d	Basins Served
Permian	2.3	Permian, Midland, Delaware
Midcontinent/Panhandle	0.9	Granite Wash, Cleveland
North Texas	0.7	Barnett, Woodford
South Texas	1.9	Eagle Ford
North Louisiana	1.4	Haynesville, Cotton Valley
Southeast Texas	0.4	Eagle Ford, Eagle Bine
Eastern	0.2	Marcellus Utica

More than 40,000 miles of gathering pipelines with ~ 7.9 Bcf/d of processing capacity

INTERSTATE PIPELINE ASSETS

Interstate Asset Map

Interstate Highlights

Our interstate pipelines provide:

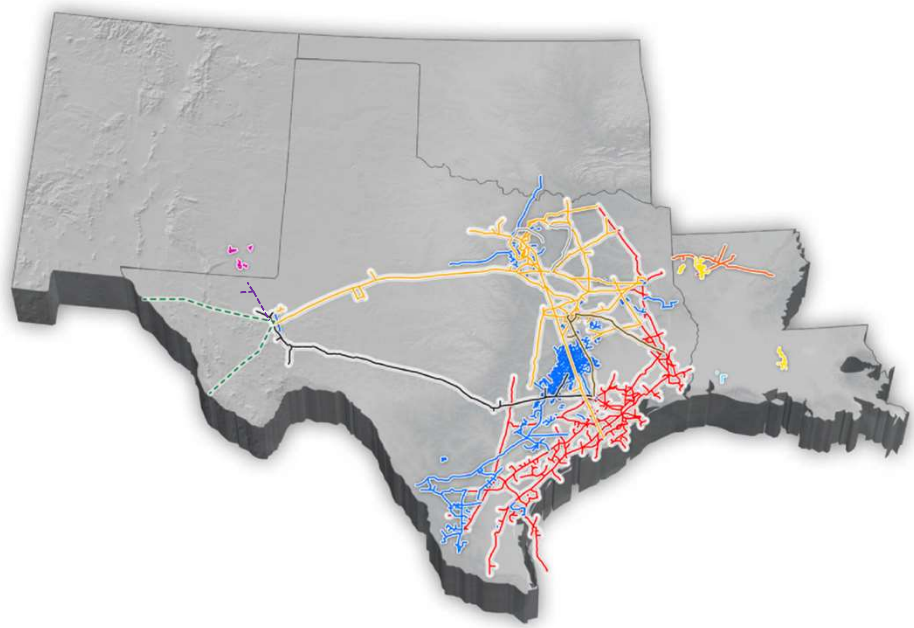
- Stability
  - Approximately 95% of revenue is derived from fixed reservation fees
- Diversity
  - Access to multiple shale plays, storage facilities and markets
- Growth Opportunities
  - Well positioned to capitalize on changing supply and demand dynamics
  - Expect earnings to benefit from placing Rover in full service
  - In addition, expect to receive significant revenues from backhaul capabilities on Panhandle and Trunkline

	PEPL	TGC	TW	FGT	SR	FEP	Tiger	MEP	Gulf States	Rover	Total
Miles of Pipeline	6,402	2,231	2,614	5,344	785	185	197	512	10	713	18,993
Capacity (Bcf/d)	2.8	0.9	2.1	3.4	2.0	2.0	2.4	1.8	0.1	3.25	20.75
Owned Storage (Bcf)	73.4	13	--	--	--	--	--	--	--	--	86.4
Ownership	100%	100%	100%	50%	100%	50%	100%	50%	100%	32.6%	

~18,990 miles of interstate pipelines with ~21Bcf/d of throughput capacity

INTRASTATE PIPELINE ASSETS

Intrastate Asset Map



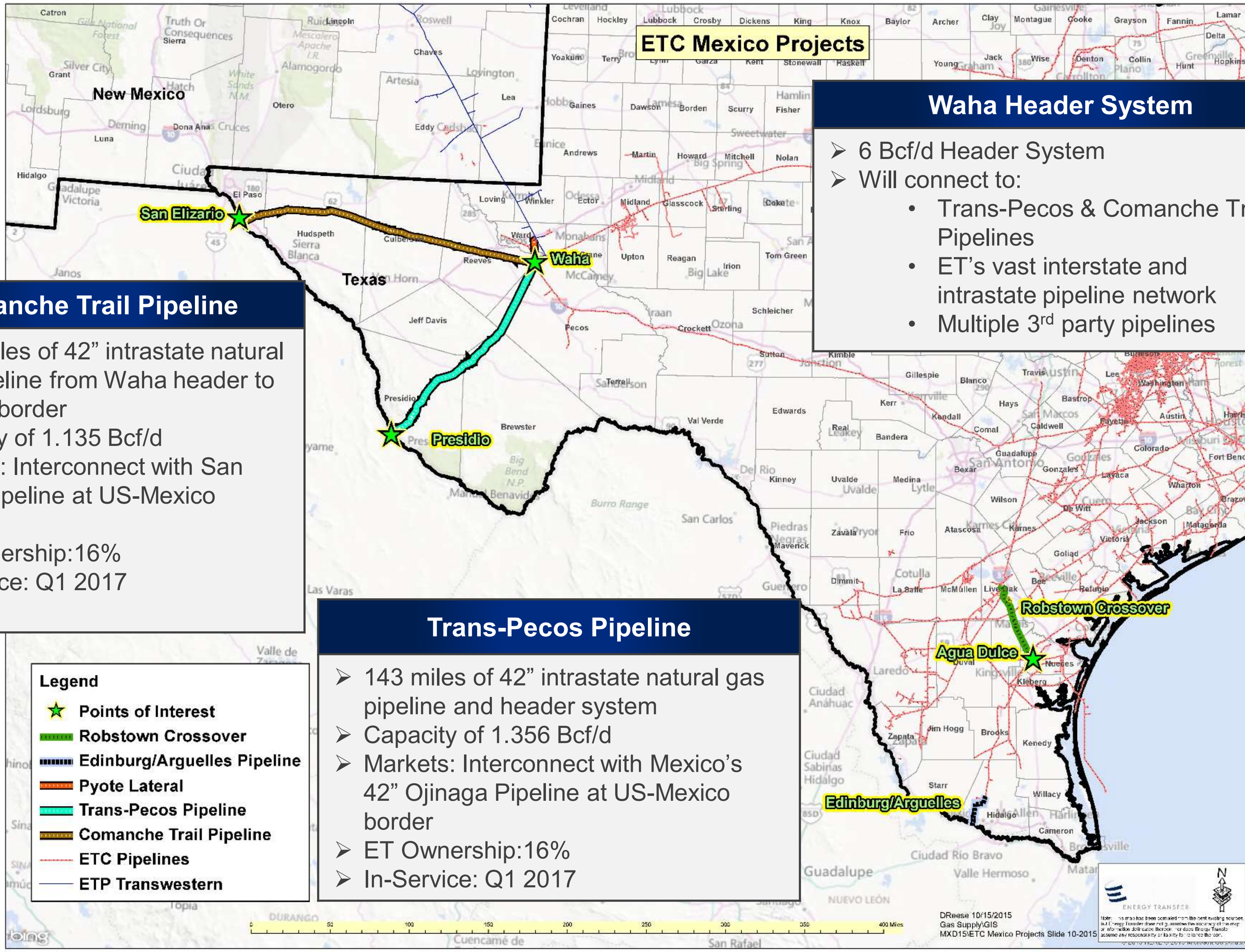
- ***~ 9,400 miles of intrastate pipelines***
- ***~21 Bcf/d of throughput capacity***

Intrastate Highlights

- Continue to expect volumes to Mexico to grow, particularly with the startup of Trans-Pecos and Comanche Trail in Q1 2017, which will result in increased demand for transport services through ET's existing pipeline network
  - Have seen an increase in 3rd party activity on both of these pipes, mostly via backhaul services being provided to the Trans-Pecos header
- Well positioned to capture additional revenues from anticipated changes in natural gas supply and demand in the next five years
- Red Bluff Express Pipeline connects the Orla Plant, as well as 3rd party plants, to the Waha Oasis Header, and went into service in Q2 2018
  - An expansion to Red Bluff Express is expected online in 2H 2019

In Service					
	Capacity (Bcf/d)	Pipeline (Miles)	Storage Capacity (Bcf)	Bi-Directional Capabilities	Major Connect Hubs
Trans Pecos & Comanche Trail Pipelines	2.5	338	NA	No	Waha Header, Mexico Border
ET Fuel Pipeline	5.2	3,150	11.2	Yes	Waha, Katy, Carthage
Oasis Pipeline	2	750	NA	Yes	Waha, Katy
Houston Pipeline System	5.3	3,920	52.5	No	HSC, Katy, Aqua Dulce
ETC Katy Pipeline	2.4	460	NA	No	Katy
RIGS	2.1	450	NA	No	Union Power, LA Tech
Red Bluff Express	1.4	100	NA	No	Waha

INTRASTATE SEGMENT – MEXICO (CFE)



Waha Header System

- 6 Bcf/d Header System
- Will connect to:
  - Trans-Pecos & Comanche Trail Pipelines
  - ET's vast interstate and intrastate pipeline network
  - Multiple 3rd party pipelines

Comanche Trail Pipeline

- ~195 miles of 42" intrastate natural gas pipeline from Waha header to Mexico border
- Capacity of 1.135 Bcf/d
- Markets: Interconnect with San Isidro Pipeline at US-Mexico border
- ET Ownership:16%
- In-Service: Q1 2017

Trans-Pecos Pipeline

- 143 miles of 42" intrastate natural gas pipeline and header system
- Capacity of 1.356 Bcf/d
- Markets: Interconnect with Mexico's 42" Ojinaga Pipeline at US-Mexico border
- ET Ownership:16%
- In-Service: Q1 2017

ET NON-GAAP FINANCIAL MEASURES

Energy Transfer LP
Reconciliation of Non-GAAP Measures

	Full Year	Pro Forma for Mergers 2018					2019
	2017	Q1	Q2	Q3	Q4	YTD	Q1
Net income	$ 2,366	$ 489	$ 633	$ 1,391	$ 852	$ 3,365	$ 1,180
(Income) loss from discontinued operations	177	237	26	2	-	265	-
Interest expense, net	1,922	466	510	535	544	2,055	590
Impairment losses	1,039	-	-	-	431	431	50
Income tax expense (benefit) from continuing operations	(1,833)	(10)	68	(52)	(2)	4	126
Depreciation, depletion and amortization	2,554	665	694	750	750	2,859	774
Non-cash compensation expense	99	23	32	27	23	105	29
(Gains) losses on interest rate derivatives	37	(52)	(20)	(45)	70	(47)	74
Unrealized (gains) losses on commodity risk management activities	(59)	87	265	(97)	(244)	11	(49)
Losses on extinguishments of debt	89	106	-	-	6	112	18
Inventory valuation adjustments	(24)	(25)	(32)	7	135	85	(93)
Impairment of investment in unconsolidated affiliates	313	-	-	-	-	-	-
Equity in (earnings) losses of unconsolidated affiliates	(144)	(79)	(92)	(87)	(86)	(344)	(65)
Adjusted EBITDA related to unconsolidated affiliates	716	156	168	179	152	655	146
Adjusted EBITDA from discontinued operations	223	(20)	(5)	-	-	(25)	-
Other, net	(155)	(41)	15	(33)	38	(21)	17
Adjusted EBITDA (consolidated)	7,320	2,002	2,262	2,577	2,669	9,510	2,797
Adjusted EBITDA related to unconsolidated affiliates	(716)	(156)	(168)	(179)	(152)	(655)	(146)
Distributable Cash Flow from unconsolidated affiliates	431	104	99	109	95	407	93
Interest expense, net	(1,958)	(468)	(510)	(535)	(544)	(2,057)	(590)
Preferred unitholders' distributions	(12)	(24)	(41)	(51)	(54)	(170)	(53)
Current income tax (expense) benefit	(39)	(468)	27	(24)	(7)	(472)	(28)
Transaction-related income taxes	-	480	(10)	-	-	470	-
Maintenance capital expenditures	(479)	(91)	(126)	(156)	(137)	(510)	(92)
Other, net	67	7	7	16	19	49	18
Distributable Cash Flow (consolidated)	4,614	1,386	1,540	1,757	1,889	6,572	1,999
Distributable Cash Flow attributable to Sunoco LP (100%)	(449)	(84)	(99)	(147)	(115)	(445)	(97)
Distributions from Sunoco LP	259	41	41	41	43	166	41
Distributable Cash Flow attributable to USAC (100%)	-	-	(46)	(47)	(55)	(148)	(55)
Distributions from USAC	-	-	31	21	21	73	21
Distributable Cash Flow attributable to PennTex Midstream Partners, LP (100%)	(19)	-	-	-	-	-	-
Distributions from PennTex Midstream Partners, LP	8	-	-	-	-	-	-
Distributable Cash Flow attributable to noncontrolling interest in other non-wholly-owned subsidiaries	(350)	(147)	(181)	(253)	(294)	(875)	(251)
Distributable Cash Flow attributable to the partners of ET - pro forma for mergers	4,063	1,196	1,286	1,372	1,489	5,343	1,658
Transaction-related adjustments	57	(1)	14	12	27	52	(2)
Distributable Cash Flow attributable to the partners of ET, as adjusted - pro forma for mergers	$ 4,120	$ 1,195	$ 1,300	$ 1,384	$ 1,516	$ 5,395	$ 1,656

Notes

The closing of the Merger has impacted the Partnership's calculation of Distributable Cash Flow attributable to partners, as well as the number of ET Common Units outstanding and the amount of distributions to be paid to partners. In order to provide information on a comparable basis for pre-Merger and post-Merger periods, the Partnership has included certain pro forma information. Pro forma Distributable Cash Flow attributable to partners reflects the following merger related impacts:

- ETO is reflected as a wholly-owned subsidiary and pro forma Distributable Cash Flow attributable to partners reflects ETO's consolidated Distributable Cash Flow (less certain other adjustments, as follows).
- Distributions from Sunoco LP and USAC include distributions to both ET and ETO.
- Distributions from PennTex are separately included in Distributable Cash Flow attributable to partners.
- Distributable Cash Flow attributable to noncontrolling interest in our other non-wholly-owned subsidiaries is subtracted from consolidated Distributable Cash Flow to calculate Distributable Cash Flow attributable to partners.

Pro forma distributions to partners include actual distributions to legacy ET partners, as well as pro forma distributions to legacy ETO partners. Pro forma distributions to ETO partners are calculated assuming (i) historical ETO common units converted under the terms of the Merger and (ii) distributions on such converted common units were paid at the historical rate paid on ET Common Units. Pro forma Common Units outstanding include actual Common Units outstanding, in addition to Common Units assumed to be issued in the Merger, which are based on historical ETO common units converted under the terms of the Merger. For the year ended December 31, 2017, the calculation of Distributable Cash Flow and the amounts reflected for distributions to partners and common units outstanding also reflect the pro forma impacts of the Sunoco Logistics Merger as though the merger had occurred on January 1, 2017.

Definitions

Adjusted EBITDA, Distributable Cash Flow and distribution coverage ratio are non-GAAP financial measures used by industry analysts, investors, lenders and rating agencies to assess the financial performance and the operating results of ET's fundamental business activities and should not be considered in isolation or as a substitute for net income, income from operations, cash flows from operating activities, or other GAAP measures. There are material limitations to using measures such as Adjusted EBITDA, Distributable Cash Flow and distribution coverage ratio, including the difficulty associated with using either as the sole measure to compare the results of one company to another, and the inability to analyze certain significant items that directly affect a company's net income or loss or cash flows. In addition, our calculations of Adjusted EBITDA, Distributable Cash Flow and distribution coverage ratio may not be consistent with similarly titled measures of other companies and should be viewed in conjunction with measurements that are computed in accordance with GAAP, such as segment margin, operating income, net income and cash flow from operating activities.

We define Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Unrealized gains and losses on commodity risk management activities include unrealized gains and losses on commodity derivatives and inventory valuation adjustments (excluding lower of cost or market adjustments). Adjusted EBITDA reflects amounts for less than wholly-owned subsidiaries based on 100% of the subsidiaries' results of operations and for unconsolidated affiliates based on the Partnership's proportionate ownership.

Distributable Cash Flow is used by management to evaluate our overall performance. Our partnership agreement requires us to distribute all available cash, and Distributable Cash Flow is calculated to evaluate our ability to fund distributions through cash generated by our operations. We define Distributable Cash Flow as net income, adjusted for certain non-cash items, less distributions to preferred unitholders and maintenance capital expenditures. Non-cash items include depreciation, depletion and amortization, non-cash compensation expense, amortization included in interest expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, non-cash impairment charges, losses on extinguishments of debt and deferred income taxes. Unrealized gains and losses on commodity risk management activities includes unrealized gains and losses on commodity derivatives and inventory valuation adjustments (excluding lower of cost or market adjustments). For unconsolidated affiliates, Distributable Cash Flow reflects the Partnership's proportionate share of the investee's distributable cash flow.

On a consolidated basis, Distributable Cash Flow includes 100% of the Distributable Cash Flow of ET's consolidated subsidiaries. However, to the extent that noncontrolling interests exist among the Partnership's subsidiaries, the Distributable Cash Flow generated by our subsidiaries may not be available to be distributed to our partners. In order to reflect the cash flows available for distributions to the partners of ET, the Partnership has reported Distributable Cash Flow attributable to the partners of ET, which is calculated by adjusting Distributable Cash Flow (consolidated), as follows:

- For subsidiaries with publicly traded equity interests, other than ETO, Distributable Cash Flow (consolidated) includes 100% of Distributable Cash Flow attributable to such subsidiary, and Distributable Cash Flow attributable to the our partners includes distributions to be received by the parent company with respect to the periods presented.
- For consolidated joint ventures or similar entities, where the noncontrolling interest is not publicly traded, Distributable Cash Flow (consolidated) includes 100% of Distributable Cash Flow attributable to such subsidiaries, but Distributable Cash Flow attributable to the partners reflects only the amount of Distributable Cash Flow of such subsidiaries that is attributable to our ownership interest.

For Distributable Cash Flow attributable to partners, as adjusted, certain transaction-related and non-recurring expenses that are included in net income are excluded.

ETO NON-GAAP FINANCIAL MEASURES

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Segment Margin:		
Intrastate transportation and storage	$ 284	$ 171
Interstate transportation and storage	498	365
Midstream	577	553
NGL and refined products transportation and services	705	600
Crude oil transportation and services	1,086	568
Investment in Sunoco LP	370	296
Investment in USAC	149	—
All other	42	95
Intersegment eliminations	(5)	(11)
Total segment margin	3,706	2,637
Less:		
Operating expenses	808	724
Depreciation, depletion and amortization	774	665
Selling, general and administrative	147	148
Impairment losses	50	—
Operating income	$ 1,927	$ 1,100

Segment Margin is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment Margin is similar to the GAAP measure of gross margin, except that Segment Margin excludes charges for depreciation, depletion and amortization.

The above is a reconciliation of Segment Margin to operating income, as reported in the Partnership's consolidated statements of operations.