SUNOCO LOGISTICS PARTNERS L.P.
Form 424B5
February 02, 2010
Table of Contents

Filed Pursuant to Rule 424(B)(5)
File Number 333-155644

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount To Be Registered(1)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Common Units Representing Limited Partner Interests	2,530,000	$68.85	$174,190,500	$12,419.78

(1) Includes limited partnership to be sold by the selling unitholder upon exercise of the underwriters option to purchase additional partnership units.

(2) The registration fee of $12,419.78 is calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended. Pursuant to Rule 457(p) under the Securities Act of 1933, as amended, a portion of the $30,404 previously paid and unused registration fee remaining with respect to the proposed offering of unsold securities registered under a Registration Statement on Form S-3 (Registration No. 333-130564) initially filed with the Securities Exchange Commission by Sunoco Logistics Partners L.P., Sunoco Logistics Partners Operations L.P., Sunoco Partners Marketing and Terminals L.P. and Sunoco Pipeline L.P. on December 21, 2005 is being applied to offset all of the registration fee. Accordingly, no filing fee is being paid at this time.

Table of Contents

PROSPECTUS SUPPLEMENT
(To Prospectus dated February 1, 2010)

Sunoco Logistics Partners L.P.

2,200,000 Common Units

Representing Limited Partner Interests

The selling unitholder, Sunoco Partners LLC, is selling 2,200,000 common units representing limited partner interests in Sunoco Logistics Partners L.P. Sunoco Partners LLC is our general partner and an indirectly wholly owned subsidiary of Sunoco, Inc.

We will not receive any proceeds from the sale of the common units by the selling unitholder in this offering. Our common units are listed on the New York Stock Exchange under the symbol SXL. The last reported sales price of our common units on the New York Stock Exchange on February 1, 2010 was $71.04 per common unit.

Investing in our common units involves risk. See Risk Factors beginning on page S-12 of this prospectus supplement and on page 4 of the accompanying prospectus.

	Per Common Unit	Total
Price to the public	$ 68.85	$ 151,470,000
Underwriting discounts and commissions	$ 2.78	$ 6,116,000
Proceeds to the selling unitholder (before expenses)	$ 66.07	$ 145,354,000

The selling unitholder has granted the underwriters a 30-day option to purchase up to an additional 330,000 common units from it on the same terms and conditions as set forth above if the underwriters sell more than 2,200,000 common units in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Barclays Capital, on behalf of the underwriters, expects to deliver the common units on or about February 5, 2010.

Joint Book-Running Managers

Barclays Capital Citi Credit Suisse Wells Fargo Securities

Prospectus Supplement dated February 2, 2010

Table of Contents

Table of Contents

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common units. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of common units. Generally, when we refer only to the prospectus, we are referring to both parts combined. If the information about the common unit offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any free writing prospectus prepared by us. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. The selling unitholder is offering to sell the common units, and seeking offers to buy the common units, only in jurisdictions where offers and sales are permitted. You should not assume that the information included in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the dates shown in these documents or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

TABLES OF CONTENTS

Prospectus Supplement

Prospectus dated February 1, 2010

Table of Contents

FORWARD-LOOKING STATEMENTS

All of the statements, other than statements of historical fact, included or incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference contain forward-looking statements. These forward-looking statements discuss our goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to us, based on the current beliefs of our management as well as assumptions made by, and information currently available to, management. Words such as may, will, anticipate, believe, plan, schedule, expect, estimate, intend, project, and phrases or expressions identify forward-looking statements. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference.

Although we believe these forward-looking statements to be reasonable, they are based upon a number of assumptions, any or all of which ultimately may prove to be inaccurate. These statements are also subject to numerous uncertainties and risks that could cause actual results to differ materially from any results projected, forecasted, estimated or budgeted, including, but not limited to, the following:

- our ability to successfully consummate announced acquisitions or expansions and integrate them into our existing business operations;
- delays related to construction of, or work on, new or existing facilities and the issuance of applicable permits;
- changes in demand for, or supply of, crude oil, refined petroleum products and natural gas liquids that impact demand for our pipeline, terminalling and storage services;
- changes in the short-term and long-term demand for crude oil we both buy and sell;
- the loss of Sunoco R&M as a customer or a significant reduction in its current level of throughput and storage with us;
- an increase in the competition encountered by our petroleum products terminals, pipelines and crude oil acquisition and marketing operations;
- changes in the financial condition or operating results of joint ventures or other holdings in which we have an equity ownership interest;
- changes in the general economic conditions in the United States;
- changes in laws and regulations to which we are subject, including federal, state, and local tax, safety, environmental and employment laws;
- changes in regulations governing the composition of refined petroleum products that we transport, terminal and store;
- improvements in energy efficiency and technology resulting in reduced demand for petroleum products;

the effect of changes in accounting principles and tax laws and interpretations of both;

global and domestic economic repercussions, including disruptions in the crude oil and petroleum products markets, from terrorist activities, international hostilities and similar events;

the occurrence of operational hazards or unforeseen interruptions for which we may not be adequately insured (including as a result of equipment malfunction, explosions, fires, spills and the effects of severe weather conditions);

changes in insurance markets resulting in increased costs and reductions in the level and types of coverage available;

- the age of, and changes in the reliability and efficiency of, our operating facilities;
- changes in the expected level of capital, operating, or remediation spending related to environmental matters;
- risks related to labor relations and workplace safety;
- non-performance by or disputes with major customers, suppliers or other business partners;
- changes in our tariff rates implemented by federal and/or state government regulators;
- the amount and terms of our debt, which could make us vulnerable to adverse general economic and industry conditions, limit our ability to borrow additional funds, place us at competitive disadvantages compared to competitors that have less debt, or have other adverse consequences;
- changes in interest rates on our outstanding debt, which could increase the costs of borrowing;
- changes in our or Sunoco s credit ratings, as assigned by ratings agencies;
- the condition of the debt capital markets and equity capital markets in the United States, and our ability to raise capital in a cost-effective way;
- performance of financial institutions impacting our liquidity, including those supporting our credit facilities; and
- the costs and effects of legal and administrative claims and proceedings against us or any entity in which we have an ownership interest, and changes in the status of, or the initiation of new litigation, claims or proceedings, to which we, or any entity in which we have an ownership interest, is a party.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events.

Table of Contents

SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference for a more complete understanding of this offering. Please read Risk Factors beginning on page S-12 of this prospectus supplement and page 4 of the accompanying prospectus for more information about important risks that you should consider before buying our common units. Unless the context otherwise indicates, the information included in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional common units from Sunoco Partners LLC.

As used in this prospectus supplement, unless the context otherwise indicates, the terms we, us, our and similar terms mean Sunoco Logistics Partners L.P., together with our operating subsidiaries. References to Operating Partnership mean Sunoco Logistics Partners Operations L.P., our wholly owned subsidiary. References to Sunoco mean Sunoco, Inc., the owner of our general partner. References to Sunoco R&M mean Sunoco, Inc. (R&M), a wholly owned subsidiary of Sunoco, through which Sunoco conducts its refining and marketing operations and references to selling unitholder mean Sunoco Partners LLC, our general partner.

Sunoco Logistics Partners L.P.

We are a Delaware limited partnership that owns, operates and acquires a geographically diverse portfolio of complementary pipeline, terminalling, and crude oil acquisition and marketing assets. We are principally engaged in the transportation, terminalling and storage of refined products and crude oil and the purchase and sale of crude oil.

Our business is currently comprised of three segments, consisting of our Refined Products Pipeline System, our Terminal Facilities and our Crude Oil Pipeline System.

The *Refined Products Pipeline System* serves the United States operations of Sunoco and selected other third parties and consists of: approximately 2,200 miles of refined product pipelines, including a two-thirds undivided interest in the 80-mile refined product Harbor Pipeline, and 58 miles of interrefinery pipelines between two of Sunoco s refineries; a 9.4 percent interest in Explorer Pipeline Company, a joint venture that owns a 1,881-mile refined product pipeline; a 31.5 percent interest in Wolverine Pipe Line Company, a joint venture that owns a 721-mile refined product pipeline; a 12.3 percent interest in West Shore Pipe Line Company, a joint venture that owns a 652-mile refined product pipeline; and a 14.0 percent interest in Yellowstone Pipe Line Company, a joint venture that owns a 690-mile refined product pipeline.

The *Terminal Facilities* consist of 42 refined product terminals with an aggregate storage capacity of 7.2 million shell barrels, primarily serving our Refined Products Pipeline System; the Nederland Terminal, a 19.6 million barrel marine crude oil terminal on the Texas Gulf Coast; a 2.0 million barrel refined product terminal serving Sunoco s Marcus Hook refinery near Philadelphia, Pennsylvania; one inland and two marine crude oil terminals with a combined capacity of 3.4 million barrels, and related pipelines, that serve Sunoco s Philadelphia refinery; and a 1.0 million barrel liquefied petroleum gas terminal near Detroit, Michigan.

The *Crude Oil Pipeline System* gathers, purchases, sells, and transports crude oil principally in Oklahoma and Texas and consists of approximately 3,850 miles of crude oil trunk pipelines, including a 37.0 percent undivided interest in the 80-mile Mesa Pipe Line system, and approximately 500 miles of crude oil gathering lines that supply the trunk pipelines; approximately 110 crude oil transport trucks; approximately 120 crude oil truck unloading facilities; and a 55.3 percent equity interest (50 percent voting interest) in the Mid-Valley Pipeline Company, a joint venture that owns a 994-mile crude pipeline and a 43.8 percent interest in West Texas Gulf Pipe Line Company, a joint venture that owns a 579-mile crude oil pipeline.

We are principally engaged in the transport, terminalling and storage of refined products and crude oil in 13 states located in the northeastern, midwestern and southwestern United States. We generate revenues by charging tariffs for transporting refined products, crude oil and other hydrocarbons through our pipelines and by charging fees for storing refined products, crude oil and other hydrocarbons in, and for providing other services at, our terminals. We also generate revenues by purchasing and selling domestic crude oil. Generally, as we purchase crude oil, we simultaneously enter into corresponding sale transactions involving physical deliveries of crude oil, which enables us to secure a profit on the transaction at the time of purchase and establish a substantially balanced position, thereby minimizing our exposure to crude oil price volatility after the initial purchase. However, the margins we receive from these transactions may vary from period to period. We do not enter into futures contracts or other derivative instruments in connection with these purchases and sales unless they result in the physical delivery of crude oil.

Our Business Strategies

Our primary business strategies are to:

- generate stable cash flows;
- increase our pipeline and terminal throughput;
- pursue strategic and accretive acquisitions that complement or supplement our existing asset base;
- pursue economically accretive organic growth opportunities;
- continue to improve our operating efficiency and to reduce our costs; and
- increase our cash distributions to unitholders.

Our Competitive Strengths

We believe that we are well-positioned to execute our business strategies successfully because of the following competitive strengths:

- *We have a unique strategic relationship with Sunoco and its affiliates*. Many of our refined product and crude oil pipelines and terminals are directly connected to Sunoco R&M s refineries and afford Sunoco R&M a cost-effective means to access crude oil and distribute refined products. In addition, we and Sunoco and its affiliates can jointly bid on potential acquisitions, and we are entitled to purchase from Sunoco and its affiliates any significant crude oil or refined product pipeline and terminalling assets, which we often refer to as logistics assets, associated with acquisitions made by Sunoco and its affiliates. Our acquisition of an undivided interest in the Mesa Pipe Line system in 2005 and our acquisition of a 55.3 percent equity interest (50 percent voting interest) in Mid-Valley Pipeline Company in 2006 are examples of our exercising our right to acquire logistics assets from Sunoco and its affiliates.

- *Our refined product pipelines and terminal facilities are strategically located in areas with high demand*. We have a strong presence in the northeastern and midwestern United States, and our transportation and distribution assets in these regions operate at high utilization rates, providing us with a base of stable cash flows. Additionally, our 2008 acquisition of the MagTex products pipeline system expanded our presence in the growing refined product markets in the southwestern United States.

We have a complementary portfolio of assets that are both geographically and operationally diverse. Our assets include refined product pipelines and terminals in the northeastern, midwestern and

Table of Contents

southwestern United States, a crude oil terminal on the Texas Gulf Coast and crude oil pipelines in Oklahoma, Texas and Michigan. We also own equity interests in four refined product pipelines located in the central and western regions of the United States and in two crude oil pipelines. This geographic and asset diversity contributes to the stability of our cash flows.

Our pipelines and terminal facilities are efficient and well-maintained. In recent years, we have made significant investments to upgrade our asset base. All of our refined product pipelines and terminal facilities and many of our crude oil pipelines are automated to provide continuous, real-time operational data. We continually undertake internal inspection programs and other procedures to monitor the integrity of our pipelines.

Our executive officers and directors have extensive energy industry experience. Our executive officers and directors have broad experience in the energy industry and our management team has operated our core assets for over ten years. As a result, we believe that we have the expertise to execute our business strategies and manage our assets and operations effectively. Our general partner has adopted incentive compensation plans to closely align the interests of its executive officers with the interests of our unitholders.

Our Relationship with Sunoco and its Affiliates

We have a strong and mutually beneficial relationship with Sunoco, one of the leading independent refining and marketing companies in the United States and the largest refiner in the northeastern United States. Sunoco operates its businesses through a number of operating subsidiaries, the primary one being Sunoco R&M, which operates Sunoco s refineries and markets gasoline and convenience items through approximately 4,700 retail sites. Sunoco R&M s three active refineries have an aggregate refining capacity of approximately 675,000 barrels per day. Substantially all of Sunoco s business activities with us are conducted through Sunoco R&M and the majority of our operations are strategically located within Sunoco R&M s refining and marketing supply chain. Sunoco R&M relies on us to provide transportation and terminalling services that support a significant portion of its refining and marketing operations.

The success of our operations depends substantially upon the continued use of our pipelines and terminal facilities by Sunoco R&M. For the nine months ended September 30, 2009, Sunoco R&M accounted for approximately 55 percent of the total revenues of our Refined Products Pipeline System, approximately 51 percent of the total revenues of our Terminal Facilities and approximately 11 percent of the total revenues of our Crude Oil Pipeline System. In 2002, we entered into a pipelines and terminals storage and throughput agreement with Sunoco R&M. That agreement was replaced, in part, on March 1, 2007 with: (i) a five year products terminal services agreement with Sunoco R&M under which Sunoco R&M may terminal and store refined products at our terminals, and (ii) a new tank farm agreement under which Sunoco R&M may terminal and store refined products at our Marcus Hook Tank Farm. These agreements contain no minimum throughput obligations for Sunoco R&M. Certain additional obligations under the 2002 agreement were replaced with new three year agreements with Sunoco R&M relating to the Inkster Terminal, effective April 1, 2009, and the Fort Mifflin Terminal Complex, effective March 1, 2009, that contain minimum annual obligations for each facility. The remainder of Sunoco s obligations under the 2002 agreement expired in March 2009.

After this offering of common units, Sunoco, through its ownership of our general partner, will have an aggregate 31.2 percent limited partner interest and a 2.0 percent general partner interest in us in addition to its ownership of all of our outstanding incentive distribution rights. Because of its significant equity ownership in us and operational relationship with us, Sunoco has and will continue to have a substantial vested interest in the growth and success of our business. In addition, our general partner and its affiliates, which are indirectly owned by Sunoco, employ approximately 1,340 people who provide direct support to our operations. We do not have any employees.

Table of Contents

Recent Developments

Fourth Quarter and Full Year Earnings. On January 26, 2010, we announced financial results for the quarter and year ended December 31, 2009. For the quarter ended December 31, 2009, net income decreased to $54.4 million, or $1.30 per limited partner unit on a diluted basis, compared to $75.3 million, or $2.23 per limited partner unit on a diluted basis, for the quarter ended December 31, 2008. Operating income for the quarter ended December 31, 2009 decreased by $16.8 million, to $66.4 million, from $83.1 million for the quarter ended December 31, 2008.

For the year ended December 31, 2009, net income increased to $250.4 million compared to $214.5 million for the year ended December 31, 2008. Operating income for the year ended December 31, 2009 increased by $49.5 million to $295.0 million from $245.6 million for the year ended December 31, 2008.

Our independent registered public accounting firm has not completed its audit of our financial statements for the year ended December 31, 2009. As a result, the financial results for the quarter and full year ended December 31, 2009 that we announced are subject to change.

Distribution Increase. On January 26, 2010, the board of directors of our general partner declared a cash distribution for the fourth quarter of 2009 of $1.09 per common unit ($4.36 annualized), which is payable on February 12, 2010 to unitholders of record as of February 8, 2010. This represents the twenty-sixth distribution increase in the last twenty-seven quarters. This distribution rate is 10.1 percent higher than the fourth quarter of 2008 distribution of $0.99 per common unit and represents a 2.3 percent increase over the distribution for the third quarter of 2009 of $1.065 per common unit.

IDR Exchange. On January 26, 2010, we repurchased, and our general partner transferred and assigned to us for cancellation, the incentive distribution rights held by our general partner under our Second Amended and Restated Agreement of Limited Partnership, as amended, in consideration for (i) our issuance to our general partner of new incentive distribution rights issued under our Third Amended and Restated Agreement of Limited Partnership and (ii) our issuance to our general partner of a promissory note in the principal amount of $201.2 million. The promissory note matures on December 31, 2010. We intend to replace the promissory note with notes issued by the Operating Partnership or other longer term financing entered into prior to such maturity. The new incentive distribution rights provide for target distribution levels and distribution splits between the general partner and the holders of our common units equal to those applicable to the cancelled incentive distribution rights, except that (i) the general partner s distribution split for distributions above the current second target distribution of $0.575 per common unit per quarter (or $2.30 per common unit on an annualized basis) and up to the third target distribution will increase to 37 percent from 25 percent (these percentages include our general partner s two percent general partner interest); and (ii) the third target distribution will be increased from $0.70 to $1.5825 per common unit per quarter (or from $2.80 to $6.33 per common unit on an annualized basis).

The following table compares the target distribution levels and distribution splits between the general partner and the holders of our common units under the cancelled incentive distribution rights and under the new incentive distribution rights:

	Cancelled IDRs			New IDRs		
		Marginal Percentage Interest in Distributions			Marginal Percentage Interest in Distributions	
	Total Quarterly Distribution Target Amount	General Partner	Unit-holders	Total Quarterly Distribution Target Amount	General Partner	Unitholders
Minimum Quarterly Distribution	$0.450	2%	98%	No change	No change	No change
First Target Distribution	up to $0.500	2%	98%	No change	No change	No change
Second Target Distribution	up to $0.575	15%*	85%	No change	No change	No change
Third Target Distribution	up to $0.700	25%*	75%	up to $1.5825	37%*	63%
Thereafter	above $0.700	50%*	50%	above $1.5825	50%*	50%

* Percentages include our general partner s 2% general partner interest.

The transaction was approved by the board of directors of our general partner upon the recommendation of the conflicts committee. The conflicts committee was composed of three independent directors and had independent legal and financial advisors.

Eagle Point Refinery. On October 6, 2009, Sunoco announced its decision to indefinitely idle its Eagle Point refinery and to consolidate production at its Marcus Hook and Philadelphia refineries. On February 1, 2010 Sunoco subsequently announced its permanent shutdown of the Eagle Point refinery. Sunoco expects to continue to distribute refined products through our Eagle Point terminal. Our assets, including docks, terminals and pipelines, which provide logistics support to the Eagle Point refinery had a net book value of $62.0 million as of September 30, 2009 and generated revenues of $12.9 million for the first nine months of 2009. We do not expect the shutdown of the Eagle Point refinery to have a material impact on us or our results of operations and continue to work with Sunoco to evaluate the impact, if any, that the shutdown of the Eagle Point refinery will have on our operating results and the net book value of our assets.

Our Ownership, Structure and Management

Our operations are conducted through, and our operating assets are owned by, our operating partnership and its subsidiaries. Our general partner has sole responsibility for conducting our business and for managing our operations. The senior executives of our general partner manage our business.

Upon consummation of this offering:

- There will be 21,117,531 publicly held common units outstanding, representing an aggregate 66.8% limited partner interest;
- Sunoco, through its ownership of our general partner, will own 9,863,734 common units, representing an aggregate 31.2% limited partner interest; and
- Our general partner will continue to own a 2.0% general partner interest in us and all of the incentive distribution rights. See Recent Developments IDR Exchange.

Table of Contents

The following chart depicts the organization and ownership of us and our subsidiaries after giving effect to this offering but before any exercise of the underwriters option to purchase additional common units from Sunoco Partners LLC.

	Percentage Interest
Ownership of Sunoco Logistics Partners L.P.	
Public Common Units	66.8%
Sunoco Partners LLC Common Units	31.2%
Sunoco Partners LLC General Partner Interest	2.0%
Total	100.0%

Our principal executive offices are located at 1818 Market Street, Suite 1500, Philadelphia, Pennsylvania 19103, and our phone number is (866) 248-4344.

Table of Contents

The Offering

Common units offered by selling unitholder	2,200,000 common units

2,530,000 common units if the underwriters exercise their option to purchase an additional 330,000 common units.

Units outstanding before and after this offering	30,981,265 common units
Use of proceeds	We will not receive any proceeds from this offering.
Cash distributions	Under our partnership agreement, we must distribute all of our cash on hand as of the end of each quarter after payment of fees and expenses, including payments to our general partner, less reserves established by our general partner in its reasonable discretion. We refer to this cash as available cash, and we define it in our partnership agreement. The common units sold in this offering will receive the declared cash distribution of \$1.09 per unit for the fourth quarter of 2009 to be paid on February 12, 2010.

To the extent that our quarterly cash distribution exceeds \$0.50 per common unit in any quarter, our general partner receives a higher percentage of the cash distributed in excess of \$0.50 per limited partner unit, in increasing percentages up to 50 percent if the quarterly cash distribution exceeds \$1.5825 per common unit. For a description of our cash distribution policy, please read Cash Distributions in the accompanying prospectus.

Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through the record date for the distribution with respect to the fourth calendar quarter of 2012, you will be allocated, on a cumulative basis, an amount of federal taxable income for the taxable years 2010 through 2012 that will be less than 20 percent of the cash distributed to you with respect to that period. This estimated taxable income amount is largely comprised of qualified dividends we receive, which are generally taxable to an individual at a maximum federal income tax rate of 15 percent through the end of 2010. Thereafter, absent legislation extending the current rates, beginning January 1, 2011, the highest marginal U.S. federal income tax rate applicable to dividends received by individuals will increase to 39.6 percent. Please read Tax Considerations beginning on page S-15 of this prospectus supplement for the basis for this estimate.
New York Stock Exchange symbol	SXL

Table of Contents

Summary Financial and Operating Data

The following tables set forth summary condensed consolidated financial and operating data of Sunoco Logistics Partners L.P. for the years ended December 31, 2006, 2007 and 2008 and for the nine months ended September 30, 2008 and 2009. The summary financial and operating data presented below is derived from (i) the audited financial statements of Sunoco Logistics Partners L.P., which are included in its Annual Report on Form 10-K for the year ended December 31, 2008, except as it pertains to the retrospective adjustment of earnings per unit and segment data, which is derived from its selected financial data and audited financial statements included in Exhibit 99.4 to its Current Report on Form 8-K filed on January 27, 2010 and (ii) the unaudited financial statements included in its Quarterly Reports on Form 10-Q for the nine months ended September 30, 2009. Sunoco Logistics Partners L.P. s Annual Report on Form 10-K for the year ended December 31, 2008, its Quarterly Report on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, and its Current Report on Form 8-K filed on January 27, 2010 are incorporated by reference herein.

The summary financial and operating data should be read together with, and are qualified in their entirety by reference to, the historical financial statements of Sunoco Logistics Partners L.P. and the accompanying notes and Management s Discussion and Analysis of Financial Condition and Results of Operations, which are set forth in its Annual Report on Form 10-K for the year ended December 31, 2008, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009 and its Current Report on Form 8-K filed on January 27, 2010.

	Year Ended December 31,			Nine Months Ended September 30,	
	2006(1)	**2007(2)**	**2008(3)**	**2008(4)**	**2009(5)**
	($ in thousands, except per unit amounts)				
Income Statement Data:					
Revenues:					
Sales and other operating revenue:					
Affiliates	$ 1,842,634	$ 1,682,042	$ 2,571,947	$ 2,153,655	$ 531,309
Unaffiliated customers	3,994,601	5,695,413	7,540,373	6,385,662	3,209,485
Other income[6]	17,315	28,381	24,298	19,854	21,298
Total revenues	5,854,550	7,405,836	10,136,618	8,559,171	3,762,092
Costs and expenses:					
Cost of products sold and operating expenses	5,644,021	7,156,142	9,786,014	8,316,720	3,450,490
Depreciation and amortization	36,649	37,341	40,054	29,499	35,328
Impairment charge			5,674	5,674	
Selling, general and administrative expenses	55,686	56,198	59,284	44,827	47,616
Total costs and expenses	5,736,356	7,249,681	9,891,026	8,396,720	3,533,434
Operating income	118,194	156,155	245,592	162,451	228,658
Net interest cost and debt expense	27,853	35,280	31,112	23,291	32,649
Net income	$ 90,341	$ 120,875	$ 214,480	$ 139,160	$ 196,009
Net income per limited partner unit:					
Basic	$ 2.68	$ 3.39	$ 6.19	$ 3.94	$ 5.22
Diluted	2.67	3.37	6.15	3.92	5.19
Cash distributions per unit to limited partners[7]:					
Paid	3.03	3.33	3.67	2.70	3.05
Declared	3.13	3.38	3.79	2.80	3.12

Table of Contents

	Year Ended December 31,			Nine Months Ended September 30, (Unaudited)	
			($ in thousands)		
	2006(1)	2007(2)	2008(3)	2008(4)	2009(5)
Balance Sheet Data (at period end):					
Net properties, plants and equipment	$ 1,006,668	$ 1,089,262	$ 1,375,429	$ 1,143,615	$ 1,498,886
Total assets	2,082,077	2,504,642	2,308,249	2,774,358	2,995,480
Total debt	491,910	515,104	747,631	525,249	889,374
Total partners capital	582,911	591,045	669,900	631,979	852,993
Other Financial Data:					
Net cash provided by operating activities	$ 141,480	$ 207,499	$ 228,587	$ 196,942	$ 37,637
Net cash provided by (used in) investing activities	(241,220)	(119,351)	(331,244)	(99,509)	(158,803)
Net cash provided by (used in) financing activities	87,507	(95,560)	102,657	(97,433)	121,166
Capital expenditures:					
Maintenance	$ 29,872	$ 24,946	$ 25,652	$ 15,655	$ 15,326
Expansion	209,135(1)	94,666(2)	305,592(3)	73,389(4)	143,477(5)
Total capital expenditures	$ 239,007(1)	$ 119,612(2)	$ 331,244(3)	$ 89,044(4)	$ 158,803(5)
EBITDA (unaudited)(8)	$ 154,843	$ 193,496	$ 291,320	$ 197,624	$ 263,986
Distributable cash flow (unaudited)(8)	102,844	134,467	236,982	160,529	216,011
Operating Data (unaudited)(9):					
Refined Products Pipeline System total shipments (in thousands of barrel miles per day)(10)(11)	46,573	49,147	46,868	44,129	58,146
Terminal Facilities					
Terminal throughput (bpd)					
Refined products terminals	391,718	433,797	436,213	428,146	462,969
Nederland Terminal	461,943	507,312	525,954	541,517	619,297
Refinery terminals	687,809	695,868	653,326	647,891	597,191
Crude Oil Pipeline System					
Crude oil pipeline throughput (bpd)(10)	650,527	673,724	682,616	672,877	648,183
Crude oil purchases at wellhead (bpd)	191,644	177,981	177,662	175,209	183,047

(1) Expansion capital expenditures in 2006 include approximately $40.9 million related to the March 1, 2006 acquisition of the Millennium and Kilgore crude oil pipeline system, approximately $68.0 million related to the March 1, 2006 acquisition of the Amdel and White Oil crude oil pipeline system and approximately $12.5 million related to the August 18, 2006 acquisition of a 55.3 percent equity interest in Mid-Valley Pipeline Company. The total purchase price of Mid-Valley was approximately $65.0 million, however since a portion of the interest was acquired from a related party, we recorded it at Sunoco s historical cost, and the $52.5 million difference between the purchase price and the cost basis of the assets was recorded as a capital distribution.

(2) Expansion capital expenditures in 2007 include approximately $13.4 million related to the June 1, 2007 acquisition of the Syracuse Terminal and the construction in progress in connection with our agreement to connect our Nederland Terminal to a Port Arthur, Texas refinery. Expansion capital also includes further construction of crude oil storage tanks at the Nederland Terminal.

Table of Contents

(3) Expansion capital expenditures in 2008 include approximately $185.4 million related to the acquisition of the MagTex refined products pipeline system, construction of tankage and pipeline assets in connection with our agreement to connect the Nederland Terminal to a Port Arthur, Texas refinery and construction of additional crude oil storage tanks at the Nederland Terminal.

(4) Expansion capital expenditures for the nine months ended September 30, 2008 were $73.4 million, which includes construction in progress in connection with our agreement to connect our Nederland Terminal to a Port Arthur, Texas refinery, and the construction of additional crude oil storage tanks at Nederland.

(5) Expansion capital expenditures for the nine months ended September 30, 2009 were $143.5 million, which includes the acquisitions of a refined products terminal in Romulus, Michigan and Excel Pipeline LLC, the owner of a crude oil pipeline which services Gary Williams Wynnewood, Oklahoma refinery, and the construction pursuant to our agreement to connect our Nederland Terminal to a Port Arthur, Texas refinery. Expansion capital also includes refined products terminal optimization and construction of additional crude oil storage tanks at Nederland.

(6) Includes equity income from investments in the following joint ventures: Explorer Pipeline Company, Wolverine Pipe Line Company, West Shore Pipe Line Company, Yellowstone Pipe Line Company, West Texas Gulf Pipe Line Company and Mid-Valley Pipeline Company. Equity income from these investments has been included based on our respective ownership percentages of each, and from the dates of acquisition forward.

(7) Cash distributions paid per unit to limited partners include payments made per unit during the period stated. Cash distributions declared per unit to limited partners include distributions declared per unit related to the quarters within the period stated. Declared distributions are paid within 45 days following the close of each quarter.

(8) EBITDA and distributable cash flow provide additional information for evaluating our ability to make distributions to our unitholders and our general partner. The following table reconciles the difference between net income, as determined under United States generally accepted accounting principles, and EBITDA and distributable cash flow (in thousands) as well as net cash provided by operating activities and EBITDA (in thousands):

	Year Ended December 31,			Nine Months Ended September 30,	
	2006	**2007**	**2008**	**2008**	**2009**
Net Income	$ 90,341	$ 120,875	$ 214,480	$ 139,160	$ 196,009
Interest, net	27,853	35,280	31,112	23,291	32,649
Depreciation and amortization	36,649	37,341	40,054	29,499	35,328
Impairment charge			5,674	5,674	
EBITDA	154,843	193,496	291,320	197,624	263,986
Interest, net	(27,853)	(35,280)	(31,112)	(23,291)	(32,649)
Maintenance capital expenditures	(29,872)	(24,946)	(25,652)	(15,655)	(15,326)
Sunoco reimbursements	5,726	1,197	2,426	1,851	
Distributable cash flow	$ 102,844	$ 134,467	$ 236,982	$ 160,529	$ 216,011

Table of Contents

	Year Ended December 31, 2006	2007	2008	Nine Months Ended September 30, 2008	2009
Net cash provided by operating activities	$ 141,480	$ 207,499	$ 228,587	$ 196,942	$ 37,637
Interest, net	27,853	35,280	31,112	23,291	32,649
Amortization fees and bond discount	(508)	(666)	(633)	(457)	(1,123)
Restricted unit incentive plan expense	(3,686)	(5,310)	(4,277)	(2,566)	(4,904)
Net change in working capital pertaining to operating activities	(11,456)	(40,221)	38,381	(23,773)	186,828
Proceeds from insurance recovery		(4,389)			
Other	1,160	1,303	(1,850)	4,187	12,899
EBITDA	$ 154,843	$ 193,496	$ 291,320	$ 197,624	$ 263,986

Our management believes EBITDA and distributable cash flow information enhances an investor s understanding of a business s ability to generate cash for payment of distributions and other purposes. EBITDA and distributable cash flow do not represent and should not be considered alternatives to net income or net cash provided by operating activities as determined under United States generally accepted accounting principles and may not be comparable to other similarly titled measures of other businesses.

(9) On January 1, 2009, we re-aligned our reporting segments. Prior to this date, the reporting segments were designated by geographic region. We determined it more meaningful to functionally align our reporting segments. As such, the updated reporting segments as of January 1, 2009 are *Refined Products Pipeline System*, *Terminal Facilities* and *Crude Oil Pipeline System*. The primary difference in the new segment reporting is the consolidation of approximately 120 miles of a crude oil pipeline formerly in the eastern pipeline system with the former western pipeline system. For comparative purposes, all prior year amounts have been recast to reflect the new segment reporting and do not impact consolidated net income.

(10) Excludes amounts attributable to our equity ownership interests in corporate joint ventures.

(11) Total shipments represent the total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped. We believe that total shipments is a better performance indicator for the Refined Products Pipeline System than throughput, as certain refined product pipelines, including inter-refinery and transfer pipelines, transport large volumes over short distances and generate minimal revenues.

Table of Contents

RISK FACTORS

An investment in our common units involves risks. You should carefully consider all of the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference as provided under Where You Can Find More Information, including our Annual Report on Form 10-K for the year ended December 31, 2008 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009 and the risk factors described under Risk Factors in such reports. This prospectus supplement, the accompanying prospectus and the documents incorporated by reference also contain forward-looking statements that involve risks and uncertainties. Please read Forward-Looking Statements. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including the risks described below, elsewhere in this prospectus supplement, in the accompanying prospectus and in the documents incorporated by reference. If any of these risks occur, our business, financial condition or results of operation could be adversely affected.

USE OF PROCEEDS

We will not receive any proceeds from the sale of our common units by the selling unitholder in this offering.

Table of Contents

SELLING UNITHOLDER

The following table sets forth information concerning the ownership of our common units by the selling unitholder. As of January 29, 2010, there were 30,981,265 common units outstanding.

	Common Units owned immediately prior to this offering			Common Units owned immediately after this offering	
Name and Address of Selling Unitholder	Common Units	Percent	Common Units to be offered (2)	Common Units	Percent
Sunoco Partners LLC[(1)] 1818 Market Street Suite 1500 Philadelphia, PA 19103	12,063,734	38.9%	2,200,000	9,863,734	31.8%

(1) Sunoco Partners LLC is our general partner and its board of directors has voting and investment power over the securities held by it. The common units held by the general partner were issued to it in connection with our initial public offering and upon the conversion of subordinated units issued to it in connection with our initial public offering.

(2) A total of 2,530,000 common units will be sold by the selling unitholder if the underwriters exercise their over-allotment option in full. The selling unitholder may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended, or the Securities Act. If the selling unitholder is deemed to be an underwriter, the selling unitholder may be subject to certain statutory liabilities under the Securities Act and the Securities Exchange Act of 1934, as amended, or the Exchange Act. In addition, in making offers and sales pursuant to this prospectus supplement and the accompanying prospectus, the selling unitholder may be deemed to be making such offers and sales indirectly on behalf of the Partnership.

For more information about our relationship with the selling unitholder, please see our Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

Table of Contents

PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS

At the close of business on January 29, 2010, there were 90 holders of record of our common units, including our general partner. Our common units are traded on the New York Stock Exchange under the symbol SXL.

The following table sets forth, for the periods indicated, the high and low sales prices for our common units, as reported on the New York Stock Exchange Composite Transactions Tape, and quarterly cash distributions paid or to be paid to our unitholders. The last reported sales price of our common units on the New York Stock Exchange on February 1, 2010 was $71.04 per common unit.

	Common Unit Price Ranges		Cash Distributions
	High	Low	per Unit(1)
2010			
First Quarter (through February 1, 2010)	$ 72.32	$ 67.05	$
2009			
Fourth Quarter	$ 69.87	$ 57.00	$ 1.0900(2)
Third Quarter	59.96	52.72	1.0650
Second Quarter	56.60	49.10	1.0400
First Quarter	56.00	44.65	1.0150
2008			
Fourth Quarter	$ 50.00	$ 27.62	$ 0.9900
Third Quarter	51.66	41.00	0.9650
Second Quarter	54.39	46.27	0.9350
First Quarter	55.42	42.01	0.8950
2007			
Fourth Quarter	$ 59.50	$ 48.01	$ 0.8700
Third Quarter	63.25	45.04	0.8500
Second Quarter	63.75	54.56	0.8375
First Quarter	59.45	49.25	0.8250

(1) Represents cash distributions attributable to the quarter and declared and paid or to be paid within 45 days after quarter end. We declared and, within 45 days of the end of the period, paid or will pay cash distributions to our general partner with respect to its 2.0% general partner interest that totaled $37.7 million for the nine months ended September 30, 2009, $35.7 million for the year ended December 31, 2008 and $24.1 million for the year ended December 31, 2007.

(2) We declared this cash distribution on January 26, 2010, to be paid on February 12, 2010 to unitholders of record at the close of business on February 8, 2010. The common units purchased in this offering will receive the declared distribution for the fourth quarter of 2009 because the common units purchased in this offering will be held by the purchasers on the record date for the distribution.

TAX CONSIDERATIONS

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the principal federal income tax considerations associated with our operations and the purchase, ownership and disposition of common units, please read Material Tax Considerations beginning on page 32 of the accompanying prospectus. You are urged to consult your own tax advisor about the federal, state, foreign and local tax consequences peculiar to your circumstances.

Ratio of Taxable Income to Distributions

We estimate that if you purchase common units in this offering and own them through the record date for the distribution with respect to the fourth calendar quarter of 2012, then you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be less than 20% of the amount of cash distributed to you with respect to that period. This estimated taxable income amount is largely comprised of qualified dividends we receive, which are generally taxable to an individual at a maximum federal income tax rate of 15% through the end of 2010. Thereafter, absent legislation extending the current rates, beginning January 1, 2011, the highest marginal U.S. federal income tax rate applicable to dividends received by individuals will increase to 39.6%. If you continue to own common units purchased in this offering after that period, the percentage of federal taxable income allocated to you may be higher. Our estimate is based upon many assumptions regarding our business and operations, including assumptions as to tariffs, capital expenditures, cash flows and anticipated cash distributions. Our estimate assumes our available cash will approximate the amount necessary to continue to distribute the current quarterly distribution throughout the referenced period. This estimate and the assumptions are subject to, among other things, numerous business, economic, regulatory, competitive and political uncertainties beyond our control. Further, this estimate is based on current tax law and certain tax reporting positions that we have adopted. The Internal Revenue Service could disagree with our tax reporting positions. Accordingly, we cannot assure you that the estimate will be correct. The actual ratio of taxable income to distributions could be higher or lower, and any differences could be material and could materially affect the value of common units. For example, the ratio of allocable taxable income to cash distributions to a purchaser of common units in this offering will be greater, and perhaps substantially greater, than our estimate with respect to the period described above if:

- gross income from operations exceeds the amount required to make the current quarterly distribution on all units, yet we only distribute the current quarterly distribution on all units; or

- we make a future offering of common units and use the proceeds of such offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of such offering or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of such offering.

Please read Material Tax Considerations in the accompanying prospectus and Risk Factors Tax Risks to Our Common Unit Holders in our Annual Report on Form 10-K for the year ended December 31, 2008.

Tax-Exempt Organizations & Other Investors

Ownership of common units by tax-exempt entities, including employee benefit plans and individual retirement accounts (known as IRAs), and non-U.S. investors raises issues unique to such persons. Please read Material Tax Considerations Tax-Exempt Organizations and Other Investors in the accompanying prospectus.

Table of Contents

UNDERWRITING

Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Wells Fargo Securities, LLC are acting as our joint book-running managers for this offering and as representatives for the underwriters named below. Under the terms of an underwriting agreement, which will be filed as an exhibit to a Current Report on Form 8-K, each of the underwriters named below has severally agreed to purchase from the selling unitholder the respective number of common units shown opposite its name below:

Underwriters	Number of Common Units
Barclays Capital Inc. .	770,000
Citigroup Global Markets Inc.	770,000
Credit Suisse Securities (USA) LLC	330,000
Wells Fargo Securities, LLC	330,000
Total	2,200,000

The underwriting agreement provides that the underwriters obligation to purchase common units depends on the satisfaction of the conditions contained in the underwriting agreement including:

- the obligation to purchase all of the common units offered hereby (other than those common units covered by their option to purchase additional common units described below), if any of the common units are purchased;
- the representations and warranties made by us and the selling unitholder to the underwriters are true;
- there is no material change in the financial markets; and
- we and the selling unitholder deliver customary closing documents to the underwriters.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions the selling unitholder will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional common units. The underwriting fee is the difference between the initial price to the public and the amount the underwriters pay to the selling unitholder for the common units.

	No Exercise	Full Exercise
Per unit	$ 2.78	$ 2.78
Total	$ 6,116,000	$ 7,033,400

The representatives of the underwriters have advised us and the selling unitholder that the underwriters propose to offer the common units directly to the public at the public offering price on the cover of this prospectus supplement and to selected dealers, which may include the underwriters, at such offering price less a selling concession not in excess of $1.668 per unit. After the offering, the representative may change the offering price and other selling terms.

We estimate that total expenses for this offering, excluding underwriting discounts and commissions, will be approximately $0.5 million. Pursuant to our partnership agreement, we will pay all of the expenses incurred in connection with the offering, other than the selling unitholder s underwriting discounts and commissions.

Option to Purchase Additional Units

The selling unitholder has granted the underwriters an option exercisable for 30 days after the date of this prospectus supplement, to purchase, from time to time, in whole or in part, up to an aggregate of 330,000 common units at the public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than 2,200,000 common units in connection with this offering. To the extent that this option is exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional units based on the underwriter s percentage underwriting commitment in the offering as indicated in the table at the beginning of this Underwriting section.

Lock-Up Agreements

We, our general partner, and all of the directors and executive officers of our general partner have agreed that, without the prior written consent of Barclays Capital Inc. we and they will not, directly or indirectly, (1) offer for sale, sell, pledge, or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any common units or securities convertible into or exercisable or exchangeable for common units (other than (A) common units issued pursuant to employee benefit plans, qualified unit option plans or other employee compensation plans existing on the date of this prospectus supplement, (B) common units issued in connection with acquisitions provided that in connection with such issuance, the seller agrees in writing to be bound by the lock-up provisions set forth in the underwriting agreement or (C) pursuant to currently outstanding options, warrants or rights), or sell or grant options, rights or warrants with respect to any common units or securities convertible into or exchangeable for common units (other than the grant of options pursuant to option plans existing on the date of this prospectus supplement), (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of the common units or securities convertible into or exchangeable for common units, (3) file or cause to be filed, or make any demand for or exercise any right to file or cause to be filed, a registration statement, including any amendments thereto, to register any common units or securities convertible, exercisable or exchangeable into common units or any of our other securities (other than any registration statement on Form S-8), or (4) publicly disclose the intention to do any of the foregoing, in each case, for a period of 60 days after the date of this prospectus supplement.

Barclays Capital Inc., in its sole discretion, may release the common units subject to lock-up agreements in whole or in part at any time with or without notice. When determining whether or not to release common units from lock-up agreements, Barclays Capital Inc. will consider, among other factors, our or the unitholders reasons for requesting the release, the number of common units for which the release is being requested, and market conditions at the time.

Indemnification

We and our general partner have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make for these liabilities.

Stabilization, Short Positions and Penalty Bids

The representatives may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common units, in accordance with Regulation M under the Exchange Act:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

- A short position involves a sale by the underwriters of common units in excess of the number of common units the underwriters are obligated to purchase in the offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of common units involved in the sales made by the underwriters in excess of the number of common units they are obligated to purchase is not greater than the number of common units that they may purchase by exercising their option to purchase additional common units.

Table of Contents

In a naked short position, the number of common units involved is greater than the number of common units in their option to purchase additional common units. The underwriters may close out any short position by either exercising their option to purchase additional common units and/or purchasing common units in the open market. In determining the source of common units to close out the short position, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase common units through their option to purchase additional common units. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the common units in the open market after pricing that could adversely affect investors who purchase in the offering.

Syndicate covering transactions involve purchases of the common units in the open market after the distribution has been completed in order to cover syndicate short positions.

Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common units originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common units or preventing or retarding a decline in the market price of the common units. As a result, the price of the common units may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common units. In addition, neither we nor any of the underwriters make any representation that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters and/or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of common units for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representative on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter s or selling group member s web site and any information contained in any other web site maintained by an underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus supplement and the accompanying prospectus forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

Relationships / FINRA Conduct Rules

Some of the underwriters and their affiliates have engaged, and may in the future engage, in commercial banking, investment banking or financial advisory transactions with us, our affiliates and Sunoco, in the ordinary course of their business. Such underwriters and their affiliates have received customary compensation and expenses for these commercial banking, investment banking or financial advisory transactions. For instance, affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Wells Fargo Securities, LLC are lenders under our $400 million revolving credit facility that matures in November 2012. In addition, Citigroup Global Markets Inc. is the counterparty to a futures account agreement with our indirect subsidiary, Sunoco Partners Marketing & Terminals L.P.

Table of Contents

Because FINRA views the common units offered hereby as interests in a direct participation program, the offering is being made in compliance with Rule 2310 of the FINRA Conduct Rules. Investor suitability with respect to the common units should be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.

Listing

Our common units are traded on the New York Stock Exchange under the symbol SXL.

Selling Restrictions

Public Offer Selling Restrictions Under the Prospectus Directive

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of securities described in this prospectus supplement may not be made to the public in that relevant member state other than:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

We and the selling unitholder have not authorized and do not authorize the making of any offer of securities through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the securities as contemplated in this prospectus supplement. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of us, the selling unitholder or the underwriters.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

This prospectus supplement is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Qualified Investors) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order

Table of Contents

(all such persons together being referred to as relevant persons). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant persons should not act or rely on this document or any of its contents.

Selling Restrictions Addressing Additional Switzerland Securities Laws

This document, as well as any other material relating to the common units which are the subject of the offering contemplated by this prospectus, do not constitute an issue prospectus pursuant to Article 652a and/or 1156 of the Swiss Code of Obligations. The common units will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the common units, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The common units are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the common units with the intention to distribute them to the public. The investors will be individually approached by the issuer from time to time. This document, as well as any other material relating to the common units, is personal and confidential and do not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Table of Contents

LEGAL

The validity of the common units will be passed upon for us by our counsel, Vinson & Elkins L.L.P., Houston, Texas. Certain legal matters relating to the offering of the common units will be passed upon for the underwriters by Andrews Kurth LLP, Washington D.C. Andrews Kurth LLP has in the past represented Sunoco Logistics Partners L.P. in an unrelated matter.

EXPERTS

The financial statements of Sunoco Logistics Partners L.P., appearing in our Current Report on Form 8-K filed on January 27, 2010, and the parent-company-only balance sheet of Sunoco Partners LLC and the effectiveness of Sunoco Logistics Partners L.P. s internal control over financial reporting as of December 31, 2008 appearing in Sunoco Logistics Partners L.P. s Annual Report on Form 10-K for the year ended December 31, 2008, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein and incorporated herein by reference. Such financial statements of Sunoco Logistics Partners L. P. and parent-company-only balance sheet of Sunoco Partners LLC are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the Securities and Exchange Commission, or the SEC, under the Securities Act that registers the securities offered by this prospectus supplement. The registration statement, including the attached exhibits, contains additional relevant information about us. In addition, we file annual, quarterly and other reports and other information with the SEC. You may read and copy any document we file at the SEC s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on their public reference room. Our SEC filings are also available at the SEC s web site at http://www.sec.gov. You can also obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus supplement or the accompanying prospectus by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Information that we file later with the SEC and that is deemed to be filed with the SEC will automatically update and may replace information in this prospectus supplement and the accompanying prospectus and information previously filed with the SEC.

We incorporate the documents listed below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished under Items 2.02 or 7.01 on any Current Report on Form 8-K) after the date of this prospectus supplement and until the termination of this offering. These reports contain important information about us, our financial condition and our results of operations.

- Annual Report on Form 10-K for the year ended December 31, 2008;

- Quarterly Reports on Form 10-Q for the quarters ended September 30, 2009, June 30, 2009 and March 31, 2009;

Table of Contents

Current Reports on Form 8-K filed February 6, 2009, April 15, 2009, May 4, 2009, May 6, 2009, September 1, 2009, September 8, 2009, October 7, 2009 (including Item 7.01 thereof), January 27, 2010 (other than items 2.02 and 7.01 and exhibits 99.1, 99.2 and 99.3) and January 28, 2010; and

the description of our common units contained in our registration statement on Form 8-A, filed on January 28, 2002, as amended by Amendment No. 1 filed on May 13, 2005 and Amendment No. 2 filed on January 29, 2010, and any subsequent amendment thereto filed for the purpose of updating such description.

We make available free of charge on or through our Internet website, www.sunocologistics.com, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our Internet website is not part of this prospectus supplement or the accompanying prospectus.

You may request a copy of any document incorporated by reference in this prospectus, at no cost, by writing or calling us at the following address:

Investor Relations Department

Sunoco Logistics Partners L.P.

1818 Market Street, Suite 1500

Philadelphia, Pennsylvania 19103-3615

(866) 248-4344

Table of Contents

PROSPECTUS

Sunoco Logistics Partners L.P.

Common Units

Representing Limited Partner Interests

Sunoco Logistics Partners Operations L.P.

Debt Securities

Fully and Unconditionally Guaranteed by

Sunoco Logistics Partners L.P.

Sunoco Logistics Partners L.P. or selling unitholders may, in one or more offerings, offer and sell common units representing limited partner interests in Sunoco Logistics Partners L.P. Sunoco Logistics Partners L.P. s common units are listed for trading on the New York Stock Exchange under the symbol SXL.

Sunoco Logistics Partners Operations L.P. may, in one or more offerings, offer and sell its debt securities, which will be fully and unconditionally guaranteed by Sunoco Logistics Partners L.P., and may be so guaranteed by one or more of our subsidiaries. We will provide information in the related prospectus supplement for the trading market, if any, for any debt securities Sunoco Logistics Partners Operations L.P. may offer.

We or selling unitholders may offer the securities in amounts, at prices and on terms to be determined by market conditions and other factors at the time of our offerings. This prospectus describes only the general terms of these securities and the general manner in which we or selling unitholders will offer the securities. The specific terms of any securities that we or selling unitholders offer will be included in a supplement to this prospectus. The prospectus supplement will describe the specific manner in which we or selling unitholders will offer the securities, and also may add, update or change information contained in this prospectus. We or selling unitholders will sell these securities through underwriters on a firm commitment basis. The names of any underwriters and the specific terms of a plan of distribution will be stated in a supplement to this prospectus. Selling unitholders that are affiliates of Sunoco Logistics Partners L.P. may be deemed to be underwriters within the meaning of the Securities Act of 1933, as amended, or the Securities Act, and, as a result, may be deemed to be offering securities, indirectly, on our behalf. We will not receive any of the proceeds from the sale of common units by selling unitholders.

You should read this prospectus and the prospectus supplement carefully before you invest in any of our securities. This prospectus may not be used to consummate sales of our securities unless it is accompanied by a prospectus supplement.

INVESTING IN OUR SECURITIES INVOLVES RISK. LIMITED PARTNERSHIPS ARE INHERENTLY DIFFERENT FROM CORPORATIONS. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS ON PAGE 4 OF THIS PROSPECTUS BEFORE YOU MAKE ANY INVESTMENT IN OUR SECURITIES.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is February 1, 2010

TABLE OF CONTENTS

Table of Contents

In making your investment decision, you should rely only on the information contained in this prospectus, any prospectus supplement and the documents we have incorporated by reference in this prospectus. We have not authorized anyone else to give you different information. We are not offering these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents. We will disclose any material changes in our affairs in an amendment to this prospectus, a prospectus supplement or a future filing with the Securities and Exchange Commission incorporated by reference in this prospectus.

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we have filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this shelf registration process, we or selling unitholders may sell, in one or more offerings, common units of Sunoco Logistics Partners L.P. or we may sell, in or more offerings, the debt securities of Sunoco Logistics Partners Operations L.P. described in this prospectus. This prospectus generally describes us, the common units of Sunoco Logistics Partners L.P., the debt securities of Sunoco Logistics Partners Operations L.P., and the guarantees of the debt securities. Each time we sell common units or debt securities with this prospectus, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities offered by us or selling unitholders in that offering. The prospectus supplement also may add to, update, or change information in this prospectus.

As used in this prospectus, we, us, and our and similar terms mean Sunoco Logistics Partners L.P. and its subsidiaries, except that those terms, when used in this prospectus in connection with the common units described herein, shall mean Sunoco Logistics Partners L.P., and when used in connection with the debt securities described herein, shall mean Sunoco Logistics Partners Operations L.P., unless the context indicates otherwise. References to Sunoco R&M shall mean Sunoco, Inc. (R&M), a wholly owned subsidiary of Sunoco, Inc., through which Sunoco, Inc. conducts its refining and marketing operations.

The information in this prospectus is accurate as of its date. You should read carefully this prospectus, any prospectus supplement, and the additional information described below under the heading Where You Can Find More Information.

ABOUT SUNOCO LOGISTICS PARTNERS L.P. AND

SUNOCO LOGISTICS PARTNERS OPERATIONS L.P.

Sunoco Logistics Partners L.P. is a publicly traded Delaware limited partnership that owns, operates and acquires a geographically diverse portfolio of complementary pipeline, terminalling, and crude oil acquisition and marketing assets located in the Northeast, Midwest and Southwest United States. Sunoco Logistics Partners Operations L.P. is a direct wholly owned subsidiary of Sunoco Logistics Partners L.P. that owns the operating subsidiaries of Sunoco Logistics Partners L.P.

Occasionally, in this prospectus, we refer to Sunoco Logistics Partners L.P. as the Guarantor. The Guarantor will unconditionally guarantee our payment obligations under any series of debt securities offered by this prospectus.

We are principally engaged in the transport, terminalling, and storage of refined products and crude oil and in the purchase and sale of crude oil in 13 states. We generate revenues by charging tariffs for transporting refined products, crude oil and other hydrocarbons through our pipelines as well as by charging fees for storing refined products, crude oil and other hydrocarbons in, and for providing other services at, our terminals. We also generate revenues by purchasing and selling domestic crude oil. Generally, as we purchase crude oil we simultaneously enter into corresponding sale transactions involving physical deliveries of crude oil, which enables us to secure a profit on the transaction at the time of purchase and establish a substantially balanced position, thereby minimizing exposure to crude oil price volatility after the initial purchase. However, the margins we receive from these transactions may vary from period to period. We do not enter into futures contracts or other derivative instruments in connection with these purchases and sales unless they result in the physical delivery of crude oil.

Sunoco Partners LLC, the general partner of Sunoco Logistics Partners L.P., is an indirect wholly owned subsidiary of Sunoco, Inc., and holds no assets other than its investment in Sunoco Logistics Partners L.P. and notes receivable and other amounts receivable from Sunoco R&M.

Our principal executive offices are located at 1818 Market Street, Suite 1500, Philadelphia, Pennsylvania 19103, and our phone number is 866-248-4344.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC under the Securities Act that registers the offer and sale of the securities covered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this prospectus.

In addition, Sunoco Logistics Partners L.P. files annual, quarterly and other reports and other information with the SEC. You may read and copy any document we file with the SEC at the SEC s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on its public reference room. Our SEC filings also are available on the SEC s web site at http://www.sec.gov. You also can obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information Sunoco Logistics Partners L.P. has filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus by referring you to other documents filed separately with the SEC. The information incorporated by reference is an important part of this prospectus. Information that Sunoco Logistics Partners L.P. later provides to the SEC, and which is deemed to be filed with the SEC, automatically will update information previously filed with the SEC, and may replace information in this prospectus.

We incorporate by reference in this prospectus the documents listed below and any future filings made by Sunoco Logistics Partners L.P. with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (excluding any information furnished and not filed pursuant to any Current Report on Form 8-K, unless otherwise noted below), until the termination of each offering under this prospectus:

- Annual Report on Form 10-K for the year ended December 31, 2008;

- Quarterly Reports on Form 10-Q for the quarters ended September 30, 2009, June 30, 2009 and March 31, 2009;

- Current Reports on Form 8-K filed February 6, 2009, April 15, 2009, May 4, 2009, May 6, 2009, September 1, 2009, September 8, 2009, October 7, 2009 (including Item 7.01 thereof), January 27, 2010 (other than items 2.02 and 7.01 and exhibits 99.1, 99.2 and 99.3) and January 28, 2010; and

- the description of our common units contained in our registration statement on Form 8-A, filed on January 28, 2002, as amended by Amendment No. 1 filed on May 13, 2005 and Amendment No. 2 filed on January 29, 2010, and any subsequent amendment thereto filed for the purpose of updating such description.

These reports contain important information about us, our financial condition and our results of operations.

We make available free of charge on or through our Internet website, www.sunocologistics.com, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our Internet website is not part of this prospectus.

Table of Contents

You may obtain any of the documents incorporated by reference in this prospectus from the SEC through the SEC s website at the address provided above. You also may request a copy of any document incorporated by reference in this prospectus (excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference in this document), at no cost, by visiting our internet website at www.sunocologistics.com, or by writing or calling us at the following address:

Investor Relations

Sunoco Logistics Partners L.P.

1818 Market Street, Suite 1500

Philadelphia, PA 19103

Telephone: (866) 248-4344

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with any information. You should not assume that the information incorporated by reference or provided in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of each document.

Table of Contents

RISK FACTORS

An investment in our securities involves risks. Before you invest in our securities, you should carefully consider the risk factors included in our most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q and those that may be included in the applicable prospectus supplement, as well as risks described in Management s Discussion and Analysis of Financial Condition and Results of Operations and cautionary notes regarding forward-looking statements included or incorporated by reference herein, together with all of the other information included in this prospectus, any prospectus supplement and the documents we incorporate by reference.

If any of these risks were to materialize, our business, results of operations, cash flows and financial condition could be materially adversely affected. In that case, our ability to make distributions to our unitholders or pay interest on, or the principal of, any debt securities, may be reduced, the trading price of our securities could decline and you could lose all or part of your investment.

Table of Contents

FORWARD-LOOKING STATEMENTS

All of the statements, other than statements of historical fact, included or incorporated by reference in this prospectus, the accompanying prospectus supplement and the documents we incorporate by reference contain forward-looking statements. These forward-looking statements discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to us, based on the current beliefs of our management as well as assumptions made by, and information currently available to, management. Words such as may, will, anticipate, believe, expect, estimate, intend, project, and other similar phrases or expression forward-looking statements. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus, any prospectus supplement and the documents we have incorporated by reference.

Although we believe these forward-looking statements to be reasonable, they are based upon a number of assumptions, any or all of which ultimately may prove to be inaccurate. These statements are also subject to numerous uncertainties and risks that could cause actual results to differ materially from any results projected, forecasted, estimated or budgeted, including, but not limited to, the following:

- our ability to successfully consummate announced acquisitions or expansions and integrate them into our existing business operations;
- delays related to construction of, or work on, new or existing facilities and the issuance of applicable permits;
- changes in demand for, or supply of, crude oil, refined petroleum products and natural gas liquids that impact demand for our pipeline, terminalling and storage services;
- changes in the short-term and long-term demand for crude oil we both buy and sell;
- the loss of Sunoco R&M as a customer or a significant reduction in its current level of throughput and storage with us;
- an increase in the competition encountered by our petroleum products terminals, pipelines and crude oil acquisition and marketing operations;