

SUNOCO LOGISTICS PARTNERS L.P.

Form 424B5

April 15, 2009

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Filed Pursuant to Rule 424(b)(5)

Registration Statement No. 333-155644

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed	Proposed	Amount of Registration Fee(2)
		Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	
Common Units Representing Limited Partner Interests	2,530,000	\$50.60	\$ 128,018,000	\$7,143.40

(1) Includes limited partnership units issuable upon exercise of the underwriters' option to purchase additional partnership units.

(2) The registration fee of \$7,143.40 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 \$37,548 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.

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Registration Statement No. 333-155644**

PROSPECTUS SUPPLEMENT

(To Prospectus Dated November 25, 2008)

2,200,000 Common Units

Representing Limited Partner Interests

We are selling 2,200,000 common units representing limited partner interests in Sunoco Logistics Partners L.P. 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 April 13, 2009 was \$52.84 per common unit.

Investing in our common units involves risk. See Risk Factors beginning on page S-11 of this prospectus supplement and on page 4 of the accompanying prospectus.

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 are truthful or complete. Any representation to the contrary is a criminal offense.

	Per Common Unit	Total
Public offering price	\$50.60	\$ 111,320,000
Underwriting discount	\$ 1.80	\$ 3,960,000
Proceeds to Sunoco Logistics Partners L.P. (before expenses)	\$48.80	\$ 107,360,000

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

The underwriters expect to deliver the common units on or about April 17, 2009.

Joint Book-Running Managers

Citi

Barclays Capital

UBS Investment Bank

April 14, 2009

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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. We are 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.

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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 subject to numerous assumptions, 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 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 concerning required composition of refined petroleum products, that result in changes in throughput volumes, pipeline tariffs and/or terminalling and storage fees;

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improvements in energy efficiency and technology resulting in reduced demand for petroleum products;

our ability to manage growth and/or control costs;

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 other events, and the government's response thereto;

changes in the level of operating expenses and hazards related to operating facilities (including equipment malfunction, explosions, fires, spills and the effects of severe weather conditions);

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the occurrence of operational hazards or unforeseen interruptions for which we may not be adequately insured;

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;

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

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 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;

restrictive covenants in our or Sunoco, Inc.'s credit agreements;

changes in our or Sunoco, Inc.'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;

changes in interest rates on our outstanding debt, which could increase the costs of borrowing;

claims of our non-compliance with regulatory and statutory requirements; and

the costs and effects of legal and administrative claims and proceedings against us or any entity in which it has 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 it has 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.

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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-11 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.

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.

Sunoco Logistics Partners L.P.

We are a Delaware limited partnership formed by Sunoco to own, operate and acquire 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 Eastern Pipeline System, our Terminal Facilities and our Western Pipeline System.

Eastern Pipeline System. Our Eastern Pipeline System serves the northeastern and midwestern United States operations of Sunoco and includes: approximately 1,650 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; approximately 140 miles of crude oil pipelines; 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 Eastern Pipeline System also includes the MagTex refined product pipeline system, which was acquired from an affiliate of Exxon Mobil Corporation in November 2008. The system consists of approximately 480 miles of refined product pipelines located in Texas. Although these assets are physically located in the southwestern United States, we have included these assets in the Eastern Pipeline System along with our existing refined products pipelines.

Terminal Facilities. Our Terminal Facilities consist of 36 refined product terminals with an aggregate storage capacity of 6.2 million shell barrels, primarily serving our Eastern Pipeline System in the northeastern and midwestern United States; 5 refined product terminals located in Texas and Louisiana serving the MagTex refined product pipeline system with an aggregate storage capacity of 0.5 million shell barrels, the Nederland Terminal, a 17.8 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, which serve Sunoco's Philadelphia refinery; a ship and barge

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dock which serves Sunoco's Eagle Point refinery; and a 1.0 million barrel liquefied petroleum gas (LPG) terminal near Detroit, Michigan.

Western Pipeline System. Our Western Pipeline System gathers, purchases, sells and transports crude oil principally in Oklahoma and Texas and consists of approximately 3,200 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; 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 oil 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 transport, terminal and store 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 domestic crude oil and selling it to Sunoco R&M and other customers. 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.

For the year ended December 31, 2008, we had revenues of approximately \$10.1 billion, EBITDA of \$291.3 million and net income of \$214.5 million. For an explanation of EBITDA and a reconciliation of EBITDA to net income, please read note 6 to Summary Financial and Operating Data beginning on page S-8 of this prospectus supplement.

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;

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 successfully execute our business strategies 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 terminaling assets, which we often refer to as logistics assets, associated with acquisitions made by Sunoco and its

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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 rights) 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, the acquisition of the MagTex products pipeline system expands 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 southwestern United States, a crude oil terminal on the Texas Gulf Coast and crude oil pipelines in Oklahoma and Texas. We also own equity interests in four refined product pipelines located in the central and western regions of the United States and 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 owns and operates five refineries with an aggregate refining capacity of approximately 910,000 barrels per day, or bpd. 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 year ended December 31, 2008, Sunoco R&M accounted for approximately 66 percent of the total revenues of our Eastern Pipeline System, approximately 61 percent of the total revenues of our Terminal Facilities and approximately 24 percent of the total revenues of our Western Pipeline System. In 2002, we entered into a pipelines and terminals storage and throughput agreement with Sunoco R&M, under which Sunoco R&M agreed to pay us a minimum level of revenues for the transporting and throughput of refined products and agreed to minimum levels of storage and throughput of crude oil and liquefied petroleum gas. In February 2007, certain obligations under the pipelines and terminals storage and throughput agreement relating to throughput of refined products through our terminals and to our Marcus Hook Tank Farm expired. On

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March 1, 2007 we entered into (i) a new five year product terminal services agreement with Sunoco R&M under which Sunoco R&M may throughput refined products through our terminals, and (ii) a new tank farm agreement under which Sunoco R&M may throughput refined products through our Marcus Hook Tank Farm. With the exception of the crude oil storage and throughput commitments at the Fort Mifflin Terminal, which will expire in May 2009, and the liquefied petroleum gas storage and throughput commitments at the Inkster Terminal, which will expire in April 2009, Sunoco R&M's obligations under the 2002 pipelines and terminals storage and throughput agreement expired in March 2009. Because our facilities are well situated to handle Sunoco R&M's refining and marketing supply chain needs, we expect that Sunoco R&M will continue to utilize our pipelines and terminals after the expiration of its remaining minimum throughput obligations. The strategic interplay between our assets and Sunoco R&M's assets result in a mutually beneficial relationship between us and Sunoco R&M.

After this offering of our common units, Sunoco, through its ownership of our general partner, will have an aggregate 38.2% limited partner interest and a 2.0% general partner interest in us. Because of its significant equity ownership in us and operational relationship with us, Sunoco 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 1,270 people who provide direct support to our operations. We do not have any employees.

Recent Developments

Senior Notes Offering. On February 6, 2009, we closed a public offering of \$175 million aggregate principal amount of our 8.75% senior notes due 2014. We used net proceeds of the notes offering to repay borrowings under our \$400 million revolving credit facility, which were incurred to finance our acquisition of the MagTex products pipeline system and the other assets acquired from Exxon Mobil.

Distribution. On January 28, 2009, the board of directors of Sunoco Partners LLC, our general partner, declared a cash distribution for the fourth quarter of 2008 of \$0.99 per common partnership unit (\$3.96 annualized) that was paid on February 13, 2009 to unitholders of record as of February 9, 2009. This represents the twenty-second distribution increase in the last twenty-three quarters. The distribution rate is 13.8% higher than the fourth quarter of 2007 distribution of \$0.87 per unit and represents a 2.6% increase over the distribution for the third quarter of 2008 of \$0.965 per unit.

\$62.5 Million Revolving Credit Facility. On March 13, 2009, we entered into a \$62.5 million revolving credit facility, which matures in September 2011, with Toronto Dominion (Texas) LLC as the administrative agent. Approximately \$31.3 million of borrowings were outstanding under the facility as of April 13, 2009 and were used for general partnership purposes.

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 18,864,699 publicly held common units outstanding representing an aggregate 59.8% limited partner interest;

Sunoco, through its ownership of our general partner, will own 12,063,734 common units representing an aggregate 38.2% 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.

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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.

	Percentage Interest
Ownership of Sunoco Logistics Partners L.P.	
Public Common Units	59.8%
Sunoco Partners LLC Common Units	38.2%
Sunoco Partners LLC General Partner Interest	2.0%
Total	100.0%

Our principal executive offices are located at Mellon Bank Center, 1735 Market Street, Suite LL, Philadelphia, Pennsylvania 19103, and our phone number is (866) 248-4344.

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The Offering

Common units offered by us 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 this offering 28,728,433 common units

Units outstanding after this offering 30,928,433 common units (31,258,433 common units if the underwriters exercise their option to purchase additional common units in full)

Use of proceeds We will use the net proceeds from this common unit offering and the related capital contribution of our general partner to reduce indebtedness under our \$400 million revolving credit facility and for general partnership purposes. Affiliates of certain of the underwriters participating in this offering are lenders under our revolving credit facilities and will receive greater than 10% of the net proceeds of this offering through our repayment of that facility. Please read Underwriting Relationships/FINRA Conduct Rules. We will use all the net proceeds from any exercise of the underwriters option to purchase additional common units, together with the related capital contribution of our general partner, to pay down additional indebtedness under our \$400 million revolving credit facility and for general partnership purposes.

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. We expect that the first distribution payable to purchasers of the common units offered by this prospectus supplement will be paid in May 2009.

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% if the quarterly cash distribution exceeds \$0.70 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 2011, you will be allocated, on a cumulative basis, an amount of federal taxable income for the taxable years 2009 through 2011 that will be less than 20% of the cash distributed to you with respect to that period. This estimated taxable income amount is largely comprised of qualified dividends we

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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%. 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

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The following table sets forth summary financial and operating data as of and for the years ended December 31, 2006, 2007 and 2008. The summary financial and operating data presented is derived from the audited financial statements of Sunoco Logistics Partners L.P., which are included in our Annual Report on Form 10-K for the year ended December 31, 2008.

The summary financial and operating data should be read together with, and is qualified in its entirety by reference to, our historical financial statements and the accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, which are set forth in our Annual Report on Form 10-K for the year ended December 31, 2008.

Sunoco Logistics Partners L.P.'s Annual Report on Form 10-K for the year ended December 31, 2008 is incorporated by reference into this prospectus supplement.

	Year Ended December 31,		
	2006(1)	2007(2)	2008(3)
	(\$ 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
Unaffiliated customers	3,994,601	5,695,413	7,540,373
Other income(4)	17,315	28,381	24,298
Total revenues	5,854,550	7,405,836	10,136,618
Costs and expenses:			
Cost of products sold and operating expenses	5,644,021	7,156,142	9,786,014
Depreciation and amortization	36,649	37,341	40,054
Impairment charge			5,674
Selling, general and administrative expenses	55,686	56,198	59,284
Total costs and expenses	5,736,356	7,249,681	9,891,026
Operating income	118,194	156,155	245,592
Net interest cost and debt expense	27,853	35,280	31,112
Net income	\$ 90,341	\$ 120,875	\$ 214,480
Net income per limited partner unit:			
Basic	\$ 2.87	\$ 3.38	\$ 5.01
Diluted	\$ 2.85	\$ 3.37	\$ 4.98
Cash distributions per unit to limited partners(5):			
Paid	\$ 3.03	\$ 3.33	\$ 3.67
Declared	\$ 3.13	\$ 3.38	\$ 3.79

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	Year Ended December 31,		
	2006(1)	2007(2)	2008(3)
	(\$ in thousands, except per unit amounts)		
Balance Sheet Data (at period end):			
Net properties, plants and equipment	\$ 1,006,668	\$ 1,089,262	\$ 1,375,429
Total assets	2,082,077	2,504,642	2,308,249
Total debt	491,910	515,104	747,631
Total partners' capital	582,911	591,045	669,900
Other Financial Data:			
Net cash provided by operating activities	\$ 141,480	\$ 207,499	\$ 228,587
Net cash used in investing activities	(241,220)	(119,351)	(331,244)
Net cash provided by (used in) financing activities	87,507	(95,560)	102,657
Capital expenditures:			
Maintenance	\$ 29,872	\$ 24,946	\$ 25,652
Expansion	209,135(1)	94,666(2)	305,592(3)
Total capital expenditures	\$ 239,007(1)	\$ 119,612(2)	\$ 331,244(3)
EBITDA(6)	\$ 154,843	\$ 193,496	\$ 291,320
Distributable cash flow(6)	\$ 102,844	\$ 134,467	\$ 236,982
Operating Data:			
Eastern Pipeline System total shipments (in thousands of barrel miles per day)(7)(8)	61,764	65,737	64,786
Terminal Facilities throughput (bpd)	1,541,470	1,636,977	1,615,493
Western Pipeline System throughput (bpd)(7)	526,014	527,491	535,015
Crude oil purchases at wellhead (bpd)	191,644	177,981	177,662

- (1) Expansion capital expenditures in 2006 includes 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, construction in progress in connection with our agreement with Motiva Enterprises LLC of three crude oil storage tanks at our Nederland Terminal and a crude oil pipeline from Nederland to Motiva's Port Arthur, Texas refinery. Expansion capital also includes further construction of crude oil storage tanks at the Nederland terminal.
- (3) Expansion capital expenditures in 2008 include \$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 five additional crude oil storage tanks at the Nederland terminal.
- (4) 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.

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- (5) 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.
- (6) 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,		
	2006	2007	2008
Net Income	\$ 90,341	\$ 120,875	\$ 214,480
Interest, net	27,853	35,280	31,112
Depreciation and amortization	36,649	37,341	40,054
Impairment charge			5,674
EBITDA	154,843	193,496	291,320
Interest, net	(27,853)	(35,280)	(31,112)
Maintenance capital expenditures	(29,872)	(24,946)	(25,652)
Sunoco reimbursements	5,726	1,197	2,426
Distributable cash flow	\$ 102,844	\$ 134,467	\$ 236,982

	Year Ended December 31,		
	2006	2007	2008
Net cash provided by operating activities	\$ 141,480	\$ 207,499	\$ 228,587
Interest, net	27,853	35,280	31,112
Amortization fees and bond discount	(508)	(666)	(633)
Restricted unit incentive plan expense	(3,686)	(5,310)	(4,277)
Net change in working capital pertaining to operating activities	(11,456)	(40,221)	38,381
Proceeds from insurance recovery		(4,389)	
Other	1,160	1,303	(1,850)
EBITDA	\$ 154,843	\$ 193,496	\$ 291,320

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 cash flows from operating activities as determined under United States generally accepted accounting principles and may not be comparable to other similarly titled measures of other businesses.

- (7) Excludes amounts attributable to our equity ownership interests in corporate joint ventures.
- (8) 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 Eastern 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.

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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 the risk factors described under **Risk Factors** in such report. 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.*

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USE OF PROCEEDS

We will receive net proceeds of approximately \$107.4 million from the sale of the 2,200,000 common units we are offering after deducting the underwriting discount but before offering expenses. We will also receive approximately \$2.3 million from the related capital contribution of our general partner to maintain its 2.0% general partner interest in us. We will use those combined net proceeds to reduce indebtedness under our \$400 million revolving credit facility and for general partnership purposes.

At April 13, 2009, we had approximately \$287.7 million of debt outstanding under our \$400 million revolving credit facility with a weighted average interest rate of 1.547%. The borrowings we are repaying were used for general partnership purposes. The \$400 million revolving credit facility matures in November 2012.

We will use all the net proceeds from any exercise of the underwriters' option to purchase additional common units, together with the related capital contribution of our general partner, to pay down additional indebtedness under our \$400 million revolving credit facility and for general partnership purposes.

Affiliates of certain of the underwriters participating in this offering are lenders under our revolving credit facilities and will receive approximately 28% of the net proceeds of this offering through the repayment of indebtedness under our \$400 million revolving credit facility.

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Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization as of December 31, 2008:

on an actual basis; and

as adjusted to give effect to the common units offered by this prospectus supplement, the related capital contribution of our general partner and the application of the net proceeds therefrom in the manner described under "Use of Proceeds."

This table should be read together with our historical financial statements and the accompanying notes incorporated by reference into this prospectus supplement and the accompanying prospectus.

	As of December 31, 2008(a)	
	Actual	As Adjusted
	(\$ in thousands)	
\$400 million revolving credit facility due November 2012 (b)	\$ 323,385	\$ 213,753
\$100 million 364-day revolving credit facility due May 2009 (c)		
7.25% Senior Notes due 2012	250,000	250,000
6.125% Senior Notes due 2016	175,000	175,000
Less unamortized bond discount	(754)	(754)
Total debt	\$ 747,631	\$ 637,999
Partners' capital		
Unitholders	\$ 653,289	\$ 760,649
General partner	19,741	22,013
Accumulated other comprehensive loss	(3,130)	(3,130)
Total partners' capital	\$ 669,900	\$ 779,532
Total capitalization	\$ 1,417,531	\$ 1,417,531

(a) On February 6, 2009, we issued \$175 million aggregate principal amount of 8.75% Senior Notes due 2014 and used the net proceeds to repay borrowings under our \$400 million revolving credit facility. In addition, on March 13, 2009, we entered into a \$62.5 million revolving credit facility which matures in September 2011. Approximately \$31.3 million was outstanding under this facility as of April 13, 2009.

(b) A total of approximately \$287.7 million was outstanding under this revolving credit facility as of April 13, 2009.

(c) No amounts were outstanding under this revolving credit facility as of April 13, 2009.

This table does not reflect the issuance of up to 330,000 common units that may be sold to the underwriters upon exercise of their option to purchase additional common units, the proceeds of which, together with the related capital contribution of our general partner, will be used in the manner described under "Use of Proceeds."

Table of Contents**PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS**

At the close of business on April 9, 2009, there were 93 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 April 13, 2009 was \$52.84 per common unit.

	Common Unit Price Ranges		Cash Distributions per Unit(1)
	High	Low	
2009			
Second Quarter (through April 13, 2009)	\$ 53.95	\$ 50.08	
First Quarter	56.00	44.65	
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 cash distributions to our general partner with respect to its 2.0% general partner interest that totaled \$35.7 million for the year ended December 31, 2008, \$24.1 million for the year ended December 31, 2007 and \$16.7 million for the year ended December 31, 2006.

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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.

Partnership Tax Treatment

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested a ruling from the IRS with respect to our partnership status. In order to be treated as a partnership for federal income tax purposes, at least 90% of our gross income must be from specific qualifying sources, such as the transportation of refined petroleum products or other passive types of income such as dividends. For a more complete description of this qualifying income requirement, please read *Material Tax Considerations Partnership Status* in the accompanying prospectus.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%, and would likely pay state income tax at varying rates. Distributions to you would generally be taxed again as corporate distributions, and no income, gains, losses or deductions would flow through to you. Because a tax would be imposed upon us as a corporation, our cash available for distribution to you would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to the unitholders, likely causing a substantial reduction in the value of our common units.

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 2011, 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 percentage of distributions that will constitute taxable income 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

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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 Consequences* in the accompanying prospectus and *Tax Considerations for Unitholders* and *Tax Risks for Unitholders* 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.

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Table of Contents**UNDERWRITING**

Citigroup Global Markets Inc., Barclays Capital Inc., and UBS 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 we will file as an exhibit to a Current Report on Form 8-K, each of the underwriters named below has severally agreed to purchase from us the respective number of common units shown opposite its name below:

Underwriters	Number of Common Units
Citigroup Global Markets Inc.	733,334
Barclays Capital Inc.	733,333
UBS Securities LLC	733,333
 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 to the underwriters are true;

there is no material change in the financial markets; and

we deliver customary closing documents to the underwriters.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions we 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 us for the common units.

	No Exercise	Full Exercise
Per unit	\$ 1.80	\$ 1.80
Total	\$ 3,960,000	\$ 4,554,000

The representatives of the underwriters have advised us 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 \$1.08 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.

Option to Purchase Additional Units

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We have 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

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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 and our general partner and all of the directors and executive officers of our general partner have agreed that, without the prior written consent of Citigroup Global Markets 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 certain accretive 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.

Citigroup Global Markets Inc., in its 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, Citigroup Global Markets Inc. will consider, among other factors, 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 of 1933, 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 Securities Exchange Act of 1934:

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

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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. 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

Citigroup Global Markets Inc., Barclays Capital Inc., and UBS Securities LLC and their related entities 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.

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Affiliates of all the underwriters are lenders under our \$400 million revolving credit facility and will receive approximately 28% of the net proceeds of this offering through our payments on this facility. Accordingly, this offering is being made in compliance with the requirements of Rule 5110(h) of the Financial Industry Regulatory Authority (FINRA). Pursuant to that rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering.

In addition, affiliates of Citigroup Global Markets Inc. and UBS Securities LLC are lenders in our \$100 million 364-day revolving credit facility that matures in May 2009. No amounts were outstanding under our \$100 million credit facility as of April 13, 2009.

Because FINRA views the common units offered hereby as interests in a direct participation program, the offering is being made in compliance with Rule 2810 of the Conduct Rules of the National Association of Securities Dealers, Inc. (which are part of the FINRA Conduct Rules).

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 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.

The sellers of the securities 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. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of the sellers of the securities or the underwriters.

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Selling Restrictions Addressing Additional United Kingdom Securities Laws

This prospectus 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 (all such persons together being referred to as "relevant persons"). This prospectus 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.

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. and the parent-company-only balance sheet of Sunoco Partners LLC appearing in Sunoco Logistics Partners L.P.'s Annual Report on Form 10-K for the year ended December 31, 2008 and the effectiveness of Sunoco Logistics Partners L.P.'s internal control over financial reporting as of 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.

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WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the Securities and Exchange Commission, or 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 filed February 24, 2009.

Current Report on Form 8-K filed February 6, 2009.

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 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 it electronically files such material with, or furnishes 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.

Mellon Bank Center

1735 Market Street, Suite LL

Philadelphia, Pennsylvania 19103-7583

(866) 248-4344

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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. 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 will 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 will offer the securities. The specific terms of any securities we offer will be included in a supplement to this prospectus. The prospectus supplement will describe the specific manner in which we will offer the securities, and also may add, update or change information contained in this prospectus.

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 November 25, 2008

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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.

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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 may sell, in one or more offerings, common units of Sunoco Logistics Partners L.P. or 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 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 domestic crude oil and selling it to Sunoco R&M and other customers. 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.

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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 Mellon Bank Center, 1735 Market Street, Suite LL, Philadelphia, Pennsylvania 19103-7583, and our phone number is 866-248-4344.

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WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC under the Securities Act of 1933 (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), until the termination of each offering under this prospectus:

Annual Report on Form 10-K for the year ended December 31, 2007;

Quarterly Reports on Form 10-Q for the quarters ended September 30, 2008, June 30, 2008 and March 31, 2008;

Current Reports on Form 8-K filed January 9, 2008, January 24, 2008, April 30, 2008, May 20, 2008, June 2, 2008, July 24, 2008, August 11, 2008, October 29, 2008 and November 20, 2008; 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 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.

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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.

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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.

Mellon Bank Center

1735 Market Street, Suite LL

Philadelphia, PA 19103-7583

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.

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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.

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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 expressions are used in 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 subject to numerous assumptions, 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 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 concerning required composition of refined petroleum products, that result in changes in throughput volumes, pipeline tariffs and/or terminalling and storage fees;

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improvements in energy efficiency and technology resulting in reduced demand for petroleum products;

our ability to manage growth and/or control costs;

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 other events, and the government's response thereto;

changes in the level of operating expenses and hazards related to operating facilities (including equipment malfunction, explosions, fires, spills and the effects of severe weather conditions);

the occurrence of operational hazards or unforeseen interruptions for which we may not be adequately insured;

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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;

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

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 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;

restrictive covenants in our or Sunoco, Inc.'s credit agreements;

changes in our or Sunoco, Inc.'s credit ratings, as assigned by ratings agencies;

performance of financial institutions impacting our liquidity, including those supporting our credit facilities;

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;

changes in interest rates on our outstanding debt, which could increase the costs of borrowing;

claims of our non-compliance with regulatory and statutory requirements; 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 factors also could 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.

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USE OF PROCEEDS

Unless we specify otherwise in any prospectus supplement, we will use the net proceeds (after the payment of offering expenses and underwriting discounts and commissions) from our sale of securities for general partnership purposes, which may include, among other things:

paying or refinancing all or a portion of our indebtedness outstanding at the time; and

funding working capital, capital expenditures or acquisitions (which may consist of acquisitions of discrete assets or businesses).

The actual application of proceeds from the sale of any particular offering of securities using this prospectus will be described in the applicable prospectus supplement relating to such offering. The precise amount and timing of the application of these proceeds will depend upon our funding requirements and the availability and cost of other funds.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges for both Sunoco Logistics Partners L.P. and Sunoco Logistics Partners Operations L.P. for each of the periods indicated is as follows:

	Year Ended December 31,					Nine Months Ended
	2003	2004	2005	2006	2007	September 30, 2008
Ratio of Earnings to Fixed Charges	3.56x	3.55x	3.55x	3.56x	3.77x	5.95x

For purposes of calculating the ratio of earnings to fixed charges:

fixed charges represent interest expense (including amounts capitalized), amortization of debt costs and the portion of rental expense representing the interest factor; and

earnings represent the aggregate of income from continuing operations (before adjustment for minority interest, extraordinary loss and equity earnings), fixed charges and distributions from equity investments, less capitalized interest.

DESCRIPTION OF THE COMMON UNITS

References in this Description of the Common Units to we, us and our mean Sunoco Logistics Partners L.P.

Number of Units

We currently have 28,657,485 common units outstanding, of which 16,593,751 are held by the public and 12,063,734 are held by our general partner. The common units represent an aggregate 98% limited partner interest and the general partner interests represent an aggregate 2% general partner interest in Sunoco Logistics Partners L.P.

Issuance of Additional Securities

Our partnership agreement authorizes us to issue an unlimited number of additional partnership securities and rights to buy partnership securities for the consideration and on the terms and conditions established by our general partner without the approval of our unitholders.

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It is possible that we will fund acquisitions through the issuance of additional common units or other equity securities. Holders of any additional common units we issue will be entitled to share equally with the then-existing holders of common units in our distributions of available cash. In addition, the issuance of additional partnership interests may dilute the value of the interests of the then-existing holders of common units in our net assets.

In accordance with Delaware law and the provisions of our partnership agreement, we may also issue additional partnership securities interests that have special voting rights to which the common units are not entitled.

Upon issuance of additional partnership securities, the general partner will be required to make additional capital contributions to the extent necessary to maintain its 2% general partner interest in us; provided, however, that the capital contributions required of the general partner will be offset to the extent contributions received by the partnership in exchange for the issuance of additional partnership securities are used by the partnership concurrently with such contributions to redeem or repurchase from any person outstanding partnership securities of the same class as the partnership securities that were issued. Moreover, the general partner will have the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase common units, subordinated units or other equity securities whenever, and on the same terms that, we issue those securities to persons other than the general partner and its affiliates, to the extent necessary to maintain its percentage interest, including its interest represented by common units and subordinated units, that existed immediately prior to each issuance. The holders of common units will not have preemptive rights to acquire additional common units or other partnership securities.

The issuance of additional common units or other equity securities of equal or senior rank will decrease the proportionate ownership interest of existing unitholders and may reduce the amount of cash available for distribution and the market price of our common units.

Voting

Our general partner manages and operates us. Unlike the holders of common stock in a corporation, the holders of our units have only limited voting rights on matters affecting our business. They have no right to elect our general partner, or the directors of our general partner, on an annual or other continuing basis. On those matters that are submitted to a vote of unitholders, each record holder of a unit has a vote according to his percentage interest in us, although additional limited partner interests having special voting rights could be issued. However, if at any time any person or group, other than the general partner and its affiliates, a direct or subsequently approved transferee of the general partner or its affiliates or any other person or group approved by the board of directors of the general partner, acquires, in the aggregate, beneficial ownership of 20% or more of any class of units then outstanding, that person or group will lose voting rights on all of its units and the units may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, determining the presence of a quorum, or for other similar purposes.

Holders of common units have very limited voting rights and may vote on the following matters:

a sale or exchange of all or substantially all of our assets;

the election of a successor general partner in connection with the removal of the general partner;

dissolution or reconstitution of our partnership;

a merger of our partnership;

issuance of limited partner interests in some circumstances; and

some amendments to the partnership agreement, including any amendment that would cause us to be treated as an association taxable as a corporation.

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Removal of our general partner requires:

a 66²/₃% vote of all outstanding units; and

the election of a successor general partner by the holders of a majority of the outstanding common units.

Under our partnership agreement, our general partner generally will be permitted to effect amendments to the partnership agreement that do not materially adversely affect unitholders without the approval of any unitholders.

Limited Call Right

If at any time our general partner and its affiliates hold more than 80% of the then-issued and outstanding limited partner interests of any class, the general partner will have the right, which it may assign in whole or in part to any of its affiliates or to us, to acquire all, but not less than all, of the remaining limited partner interests of the class held by unaffiliated persons as of a record date to be selected by the general partner, on at least ten but not more than 60 days notice. The purchase price in the event of this purchase is the greater of:

- (1) the highest cash price paid by either of the general partner or any of its affiliates for any limited partner interests of the class purchased within the 90 days preceding the date on which the general partner first mails notice of its election to purchase those limited partner interests; and
- (2) the current market price as of the date three days before the date the notice is mailed. The current market price is defined as the average of the daily closing prices per limited partner interest of such class for the 20 consecutive trading days immediately prior to such date.

As a result of the general partner's right to purchase outstanding limited partner interests, a holder of limited partner interests may have his limited partner interests purchased at an undesirable time or price. The tax consequences to a unitholder of the exercise of this call right are the same as a sale by that unitholder of his common units in the market. Please read "Material Tax Considerations—Disposition of Common Units" in this prospectus.

Listing

Our outstanding common units are listed on the New York Stock Exchange under the symbol "SXL". We expect that any additional common units we issue will also be listed on the NYSE.

Transfer Agent and Registrar

Our transfer agent and registrar for the common units is American Stock Transfer & Trust Company.

Summary of Partnership Agreement

A summary of the important provisions of our partnership agreement is included in our reports filed with the SEC.

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CASH DISTRIBUTIONS

Distributions of Available Cash

General. Our partnership agreement provides that we will distribute all of our available cash to unitholders of record on the applicable record date within 45 days after the end of each quarter.

Definition of Available Cash. Available cash generally means, for each fiscal quarter:

all cash on hand at the end of the quarter

less the amount of cash that the general partner determines in its reasonable discretion is necessary or appropriate to:

provide for the proper conduct of our business;

comply with applicable law, any of our debt instruments, or other agreements; or

provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters;

plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter.

Working capital borrowings are generally borrowings that are made under our credit facilities and in all cases are used solely for working capital purposes or to pay distributions to partners.

Intent to Distribute the Minimum Quarterly Distribution. We intend to distribute to the holders of common units on a quarterly basis at least the minimum quarterly distribution of \$0.45 per unit, or \$1.80 per year, to the extent we have sufficient cash from our operations after establishment of cash reserves and payment of fees and expenses, including payments to our general partner. On October 27, 2008, our general partner declared an increase in our quarterly distribution to \$0.965 per unit, or \$3.86 per year. However, there is no guarantee that we will pay the quarterly distribution in this amount, or the minimum quarterly distribution on the common units in any quarter, and we will be prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default is existing, under our credit facilities or the senior notes.

Operating Surplus and Capital Surplus

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General. All cash distributed to unitholders will be characterized as either operating surplus or capital surplus. We distribute available cash from operating surplus differently than available cash from capital surplus.

Definition of Operating Surplus. Operating surplus for any period generally means:

our cash balance on the closing date of our initial public offering; plus

\$15.0 million (as described below); plus

all of our cash receipts after the closing of our initial public offering, excluding cash from borrowings that are not working capital borrowings, sales of equity and debt securities and sales or other dispositions of assets outside the ordinary course of business; plus

working capital borrowings made after the end of a quarter but before the date of determination of operating surplus for the quarter; less

all of our operating expenditures after the closing of our initial public offering, including the repayment of working capital borrowings, but not the repayment of other borrowings, and including maintenance capital expenditures; less

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the amount of cash reserves established by the general partner in good faith to provide funds for future operating expenditures.

Definition of Capital Surplus. Generally, capital surplus will be generated only by:

borrowings other than working capital borrowings;

sales of debt and equity securities; and

sales or other disposition of assets for cash, other than inventory, accounts receivable and other current assets sold in the ordinary course of business or as part of normal retirements or replacements of assets.

Characterization of Cash Distributions. We will treat all available cash distributed as coming from operating surplus until the sum of all available cash distributed since we began operations equals the operating surplus as of the most recent date of determination of available cash. We will treat any amount distributed in excess of operating surplus, regardless of its source, as capital surplus. As reflected above, operating surplus includes \$15.0 million in addition to our cash balance on the closing date of our initial public offering, cash receipts from our operations and cash from working capital borrowings. This amount does not reflect actual cash on hand that is available for distribution to our unitholders. Rather, it is a provision that will enable us, if we choose, to distribute as operating surplus up to \$15.0 million of cash we receive in the future from non-operating sources, such as asset sales, issuances of securities, and long-term borrowings, that would otherwise be distributed as capital surplus. We do not anticipate that we will make any distributions from capital surplus.

Distributions of Available Cash from Operating Surplus

We will make distributions of available cash from operating surplus for any quarter in the following manner:

First, 98% to all unitholders, pro rata, and 2% to the general partner, until we distribute for each outstanding unit an amount equal to the minimum quarterly distribution for that quarter; and

Thereafter, in the manner described in *Incentive Distribution Rights* below.

Incentive Distribution Rights

Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds all of the incentive distribution rights, but may transfer these rights separately from its general partner interest, subject to restrictions in the partnership agreement.

If for any quarter:

we have distributed available cash from operating surplus to the common unitholders in an amount equal to the minimum quarterly distribution; and

we have distributed available cash from operating surplus on outstanding common units in an amount necessary to eliminate any cumulative arrearages in payment of the minimum quarterly distribution;

then, we will distribute any additional available cash from operating surplus for that quarter among the unitholders and the general partner in the following manner:

First, 98% to all unitholders, pro rata, and 2% to the general partner, until each unitholder receives a total of \$0.500 per unit for that quarter (the first target distribution);

Second, 85% to all unitholders, pro rata, and 15% to the general partner, until each unitholder receives a total of \$0.575 per unit for that quarter (the second target distribution);

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Third, 75% to all unitholders, pro rata, and 25% to the general partner, until each unitholder receives a total of \$0.700 per unit for that quarter (the third target distribution); and

Thereafter, 50% to all unitholders, pro rata, and 50% to the general partner.

In each case, the amount of the target distribution set forth above is exclusive of any distributions to common unitholders to eliminate any cumulative arrearages in payment of the minimum quarterly distribution.

Percentage Allocations of Available Cash from Operating Surplus

The following table illustrates the percentage allocations of the additional available cash from operating surplus between the unitholders and our general partner up to the various target distribution levels.

The amounts set forth under *Marginal Percentage Interest in Distributions* are the percentage interests of our general partner and the unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column *Total Quarterly Distribution Target Amount*, until available cash from operating surplus we distribute reaches the next target distribution level, if any.

The percentage interests shown for the unitholders and the general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution.

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
		Unitholders	General Partner
Minimum Quarterly Distribution	\$0.450	98%	2%
First Target Distribution	up to \$0.500	98%	2%
Second Target Distribution	above \$0.500	85%	15%
	up to \$0.575		
Third Target Distribution	above \$0.575	75%	25%
	up to \$0.700		
Thereafter	above \$0.700	50%	50%

Distributions from Capital Surplus

We will make distributions of available cash from capital surplus, if any, in the following manner:

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First, 98% to all unitholders, pro rata, and 2% to the general partner, until we distribute for each common unit an amount of available cash from capital surplus equal to the initial public offering price;

Second, 98% to the common unitholders, pro rata, and 2% to the general partner, until we distribute for each common unit an amount of available cash from capital surplus equal to any unpaid arrearages in payment of the minimum quarterly distribution on the common units; and

Thereafter, we will make all distributions of available cash from capital surplus as if they were from operating surplus.

The partnership agreement treats a distribution of capital surplus as the repayment of the initial unit price from the initial public offering, which is a return of capital. The initial public offering price less any distributions of capital surplus per unit is referred to as the unrecovered initial unit price. Each time a distribution of capital surplus is made, the minimum quarterly distribution and the target distribution levels will be reduced in the same proportion as the corresponding reduction in the unrecovered initial unit price. Because distributions of capital

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surplus will reduce the minimum quarterly distribution, after any of these distributions are made, it may be easier for the general partner to receive incentive distributions. However, any distribution of capital surplus before the unrecovered initial unit price is reduced to zero cannot be applied to the payment of the minimum quarterly distribution or any arrearages.

Once we distribute capital surplus on a unit in an amount equal to the initial unit price, we will reduce the minimum quarterly distribution and the target distribution levels to zero. We will then make all future distributions from operating surplus, with 50% being paid to the holders of units, 48% to the holders of the incentive distribution rights and 2% to the general partner.

Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels

In addition to adjusting the minimum quarterly distribution and target distribution levels to reflect a distribution of capital surplus, if we combine our units into fewer units or subdivide our units into a greater number of units, we will proportionately adjust:

the minimum quarterly distribution;

target distribution levels; and

unrecovered initial unit price.

For example, if a two-for-one split of the common units should occur, the minimum quarterly distribution, the target distribution levels and the unrecovered initial unit price would each be reduced to 50% of its initial level. We will not make any adjustment by reason of the issuance of additional units for cash or property.