

## SUN Supplemental Tax Basis Information

In connection with the merger pursuant to the Agreement and Plan of Merger, dated as of April 29, 2012, as amended (the "Merger Agreement"), by and among Energy Transfer Partners, L.P. (NYSE: ETP), Sam Acquisition Corporation, Energy Transfer Partners GP, L.P., Sunoco, Inc. (NYSE: SUN), and, for certain limited purposes set forth therein, Energy Transfer Equity, L.P., you received at least a portion of your merger consideration in the form of ETP common units.

Under the terms of the Merger Agreement, SUN shareholders were able to receive, for each SUN common share they owned, a combination of \$25.00 in cash and 0.5245 of an ETP common unit (the "Standard Mix of Consideration"). In lieu of receiving the Standard Mix of Consideration, SUN shareholders could make an election to receive \$50.00 in cash (the "Cash Consideration") or 1.0490 ETP common units (the "Unit Consideration") for each SUN share, with such Cash Consideration and Unit Consideration subject to proration in accordance with the Merger Agreement. Based on the elections of the SUN shareholders, the Cash Consideration was oversubscribed, resulting in a proration of cash and ETP units for all SUN shareholders making a cash election. Due to this proration, the shareholders who elected the Cash Consideration received \$26.47 in cash and 0.493730 ETP units for each SUN share. SUN shareholders who elected either the Standard Mix of Consideration or Unit Consideration received merger consideration consistent with their election. After giving effect to proration under the terms and conditions of the Merger Agreement, Sunoco shareholders, in the aggregate, received 50% of the merger consideration in cash and 50% in ETP common units.

In general, tax basis should be allocated between the ETP units and cash received in proportion to the fair market value (FMV) of the mix of units and cash received. The fair market value of ETP units at the time of the merger was \$43.85 per unit.

The allocation of tax basis is illustrated by the following examples:

In each example, the investor will have exchanged 100 SUN shares with a total tax basis of \$3,000

### **Unit Consideration (1.049 ETP units for each SUN share):**

100 SUN shares become...

104 ETP units at FMV \$4,560.40 (104 \* \$43.85)  
\$39.46 cash (0.9 fractional unit disposition at \$43.85 per unit)

Total consideration has a FMV of \$4,599.86.

Basis applied to cash is equal to  $\$3,000 * (39.46 / 4599.86) = \$26$

Basis applied to ETP units is equal to  $\$3,000 * (4560.40 / 4599.86) = \$2,974$

### **Standard Mix of Consideration (\$25 in cash and 0.5245 ETP units for each SUN share)**

100 SUN shares become...

52 ETP units at FMV \$2,280.20 (52 \* \$43.85)  
\$2,519.73 cash (\$25 per SUN share plus 0.45 fractional unit disposition at \$43.85 per unit)

Total consideration has a FMV of \$4,799.93

Basis applied to cash is equal to  $\$3,000 * (2519.73 / 4799.93) = \$1,575$

Basis applied to ETP units is equal to  $\$3,000 * (2280.20 / 4799.93) = \$1,425$

### **Cash Consideration (\$26.47 in cash and 0.493730 ETP units for each SUN share)**

100 SUN shares become...

49 ETP units at FMV \$2,148.65 (49 \* \$43.85)  
\$2,663.36 cash (\$26.47 per SUN share plus 0.373 fractional unit disposition at \$43.85 per unit)

Total consideration has a FMV of \$4,812.01

Basis applied to cash is equal to  $\$3,000 * (2663.36 / 4812.01) = \$1,660$

Basis applied to ETP units is equal to  $\$3,000 * (2148.65 / 4812.01) = \$1,340$

***Energy Transfer does not provide tax advice to its unitholders and has only provided these examples for illustrative purposes. They are not intended to be, nor should they be construed as, tax advice. Energy Transfer suggests that you consult a tax advisor with any questions.***