

Growth Expectations for MPLX Have Material Implications on Share Price for MPC

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**MPC'S JANUARY 3, 2017 PLAN HAS FUNDAMENTAL
FLAWS THAT DESTROY
LONG-TERM VALUE FOR MPC AND MPLX**

January 2017

**JOHN M. FOX, CO-FOUNDER, RETIRED CEO AND CHAIRMAN OF
MARKWEST ENERGY PARTNERS AND CURRENT INVESTOR IN MPLX
AND MPC**

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The Market is Telling Us That MPC's January 3, 2017 Plan Destroys Growth and Long-Term Value

Marathon Petroleum Corp (NYSE:MPC)

Add to portfolio

More results

Range 49.34 - 49.96 Div/yield 0.36/2.88
52 week 29.24 - 54.59 EPS 2.13
Open 49.59 Shares 527.82M
Vol / Avg 319,073,00/5,80M Beta 1.81
Mkt cap 26,236 Inst. own 81%
P/E 23.45

G+1 31

Dow Jones 20,093.56 -0.04%
S&P 500 2,293.60 -0.13%
Energy -0.66%
MPC 49.95 1.03%

Compare: Enter ticker here Add Dow Jones S&P 500 PSX XOM TSO CVX HFC VLO NTI

Zoom: 1d 5d 1m 3m 6m YTD 1y 5y 10y All
Dec 29, 2016 - Jan 12, 2017 -1.08 (-2.15%)



Chart shows MPC share price performance from December 29, 2016 through January 12, 2017

MPC's Plan Sends MPLX Down The Slow Growth Path

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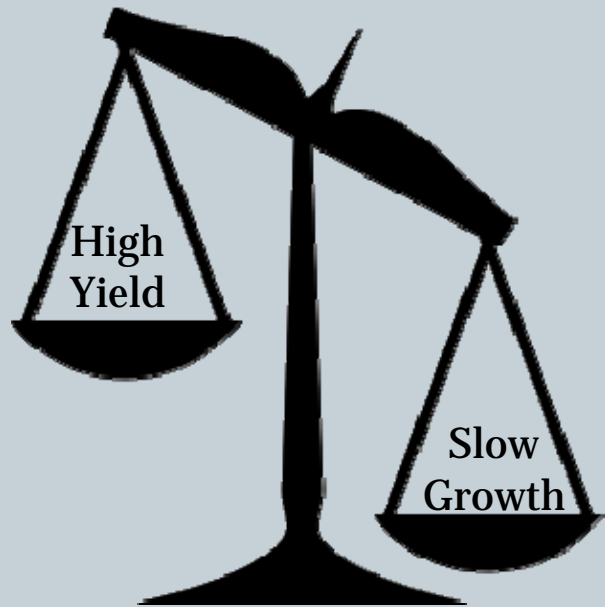
MPC's January 3, 2017 Plan Leads to Value Destruction:

- By dropping down slow growth refining assets, MPLX's organic growth assets will be strangled, diminishing MPC's fully integrated value
- After MPLX is saddled with all of the slow growth refining assets, MPLX will not be able to recover and attract a growth multiple – it puts MPLX in the penalty box.
- MPC plan pushes us down the path of a slow growth company with a 7.8% yield



Why Should We Care About Growth and Yield? Companies with slow distribution growth are put in the penalty box, putting downward pressure on the unit price and upward pressure on the yield investors demand.

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MPLX Put in "Slow Growth" Penalty Box



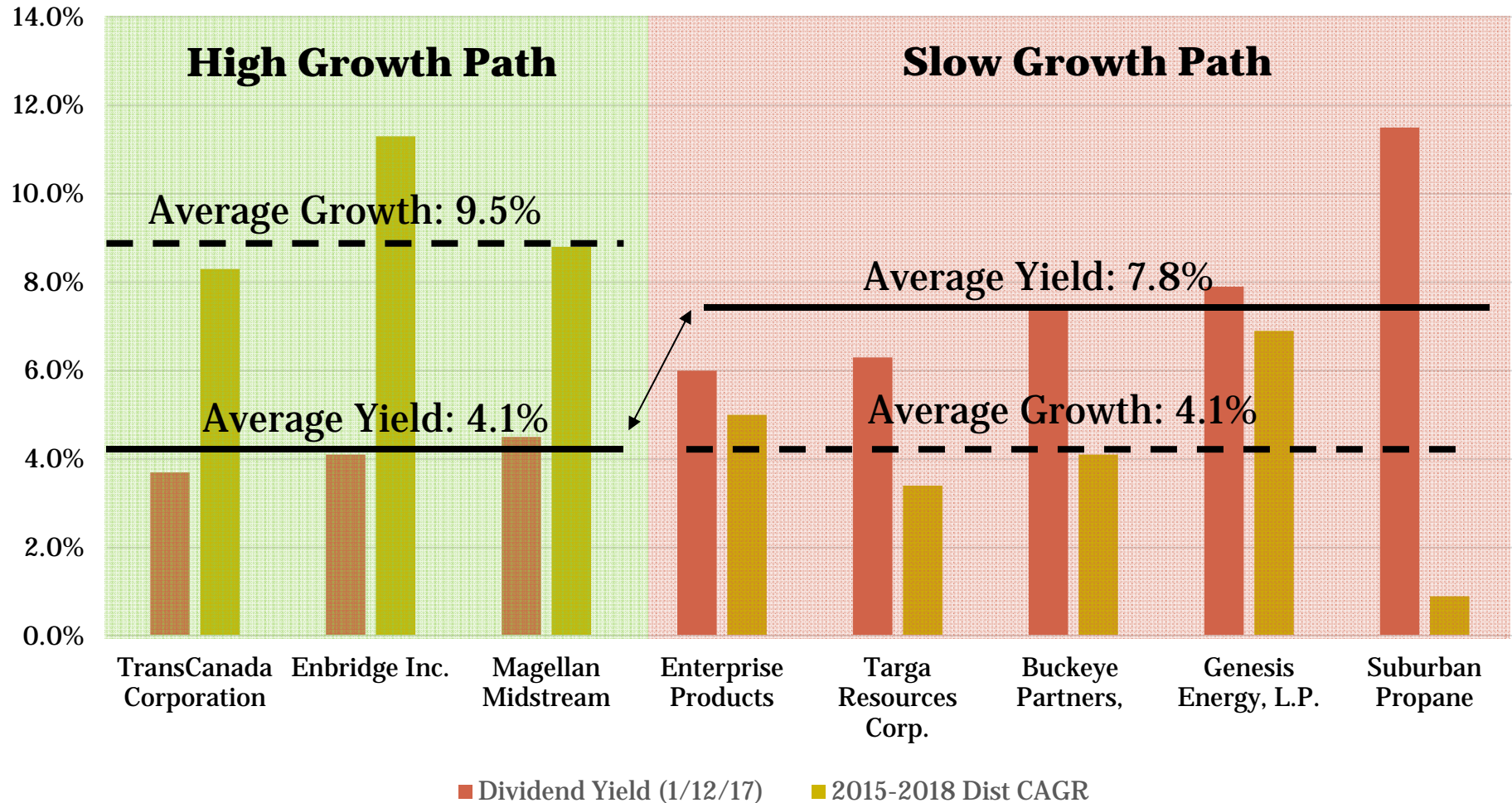
High Yield: Other MLPs with similar slow growth on average pay a 7.8% Yield

Slow Growth: MPC's Dropdown plan slows MPLX distribution growth from double digits to 5%

Penalty Box = Lower Value for MPC too because it is the largest shareholder of MPLX Units

Why Should MPC Management Optimize MPLX's Growth Profile? Higher Growth Companies Pay Lower Yields, Reducing the Cost of Capital

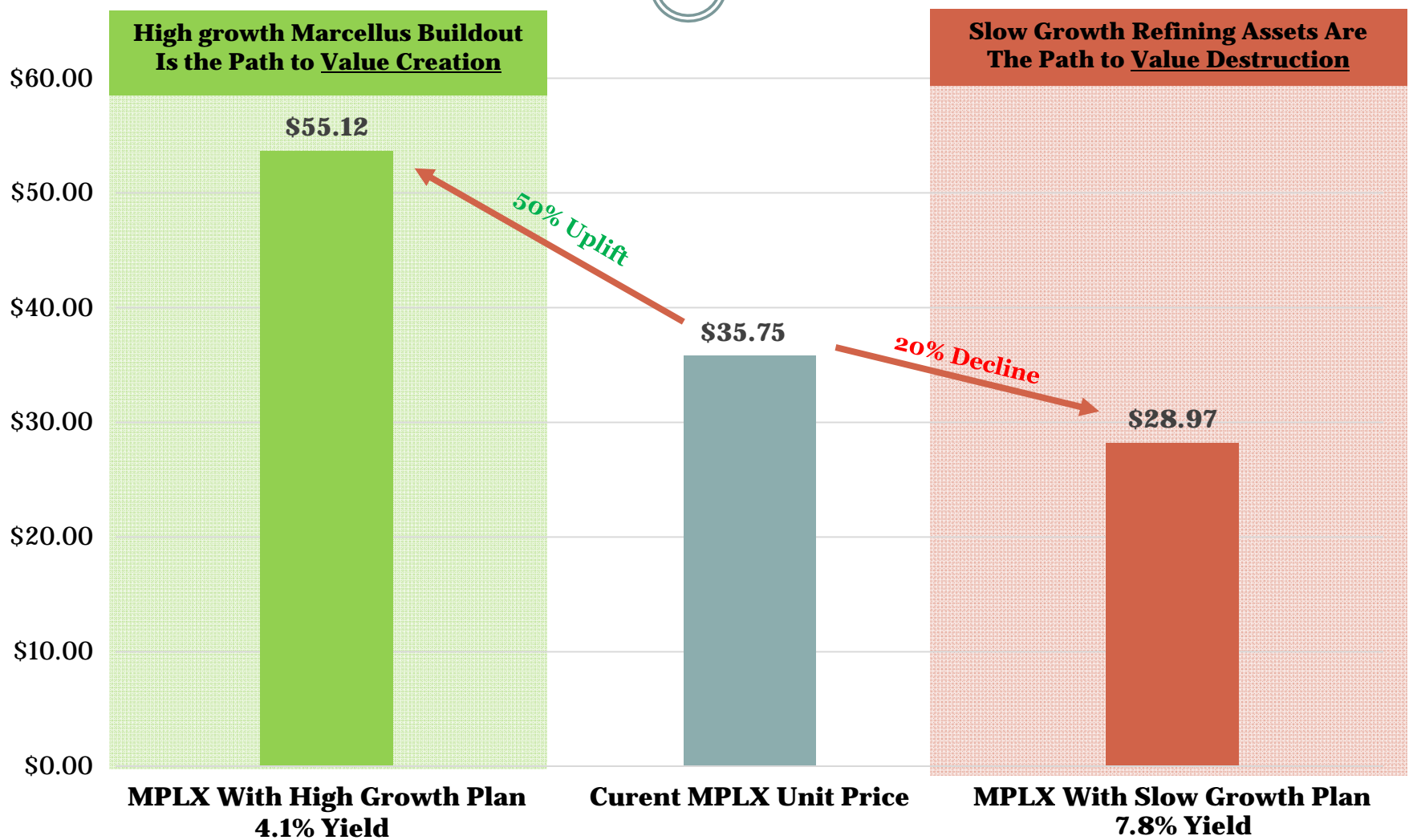
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*Note: All companies in the comparison are MLPs without IDRs
Growth estimates based on BAML research.

Why MPC Shareholders Should Care? Growth at MPLX Has Material Implications on MPC Value Because It Is The Largest Unitholder of MPLX

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See Appendix for more details

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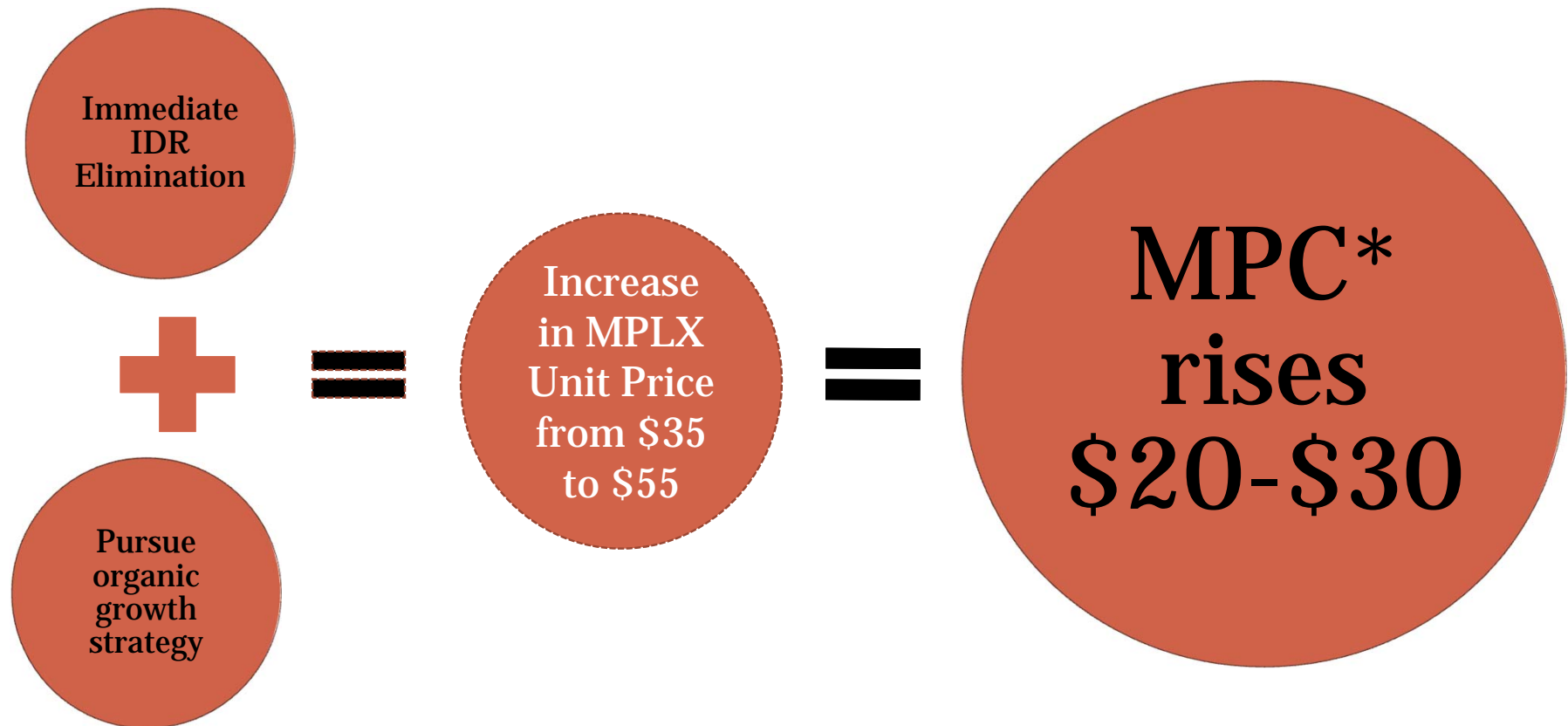
Our Simple and Less Risky Plan Puts MPLX On a Near-Term Growth Path to Value Creation for MPC:

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- **If managed properly, MPLX has years of organic growth ahead with high rate of return projects built on its substantial core infrastructure**
- **Retains management's focus on high-return EBITDA projects in the Marcellus**
- **We estimate the adoption of this plan results in an immediate uplift in value for MPC shareholders of between \$20-\$30 per share**

Our Plan: Simple, Less Risky and Better for MPC – the Largest Unitholder of MPLX

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*See Appendix. Assumes MPC "Sets MPLX Free" and conveys its MPLX units to its MPC Shareholders

Our Plan: Creates Immediate Value for MPC Shareholders

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The Simple Process to Value Creation at MPC

Immediate IDR
Elimination

+

MPLX is “Set Free” to
pursue organic double digit
EBITDA and distribution
growth

=

\$20-\$30
Uplift Per
MPC Share

Total Uplift



There Is a Roadmap For Real Value Creation For MPC and MPLX

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- 1. IMMEDIATELY ELIMINATE THE IDR BURDEN BY EXCHANGING MPLX UNITS FOR MPC'S ECONOMIC INTERESTS IN THOSE IDRS AT A FAIR AND TRANSPARENT PRICE *WITHOUT BURDENING MPLX WITH SLOW GROWTH DROPDOWN ASSETS***
- 2. *MPC SPINS OUT ITS CURRENT OWNERSHIP OF 87 MILLION UNITS PLUS THE MPLX UNITS RECEIVED FROM THE IDR ELIMINATION TO ITS SHAREHOLDERS***
- 3. WE ESTIMATE THE RESULTING IMMEDIATE UPLIFT IN VALUE FOR MPC SHAREHOLDERS RANGES BETWEEN \$20-\$30 PER SHARE**

The High Growth Path Is the Only Real Path to Value Creation for MPC and MPLX

- It Just Makes Sense -

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Execute the IDR elimination plan immediately at a fair and transparent price

AND

Set MPLX free with its own focused and growth driven management team

Appendix

Our Plan For Immediate Uplift in MPC Share Price	
Growth Plan Assumptions	
2017-2020 EBITDA Compounded Annual Growth Rate	12%
MPLX Units Held by MPC	
<i>Units Held Today</i>	87,000,000
<i>MPLX Units from IDR Exchange (17.5 x 2017 IDR burden)</i>	163,000,000
<i>MPLX Units for the \$350M of 2017 Drops already in process (8x EBITDA & 50/50 Equity/Debt funding)</i>	39,000,000
TOTAL MPLX Units To be Distributed to MPC Shareholders in 2017	289,000,000

Value of MPLX Units to be Distributed to MPC Shareholders	
Estimated 2017-2020 MPLX Unit Distribution Compounded Annual Growth Rate	11%
MPLX '17 Distribution Per Unit	\$2.26
Estimated Yield if MPLX is "Set Free" and trades as a "High Growth" MLP	4.1%
MPLX Projected Unit Price (\$2.26 / 4.1%)	\$55.12
Uplift in Value to MPC from pursuing our plan (\$55.12 x 289M)	\$16 Billion
Uplift Per Share to MPC Shareholders (\$16B / 528M)	\$30.17

Assumes MPC receives little to no value for its ownership in MPLX today.

We agree with Gary Heminger when he said, "Despite the steps we have taken to create value for investors, we believe MPC's share price reflects a significant discount to the intrinsic value of our business, and much of that relates to the valuation ascribed to MPC's general and limited partner ownership interests in MPLX LP (NYSE: MPLX) and to the midstream assets that MPC holds directly." – October 27, 2016 MPC press release