

Buckeye Partners, L.P.

ANNUAL
REPORT
2005



Buckeye Partners, L.P., through its operating subsidiaries, is one of the largest independent refined petroleum products pipeline systems in the United States in terms of volumes delivered, with approximately 5,350 miles of pipeline. The Partnership also owns and operates 44 refined petroleum products terminals with an aggregate storage capacity of approximately 17.2 million barrels in Illinois, Indiana, Massachusetts, Michigan, Missouri, New York, Ohio and Pennsylvania, and operates and maintains approximately 2,100 miles of pipeline under agreements with major oil and chemical companies.



Financial and Operating Highlights

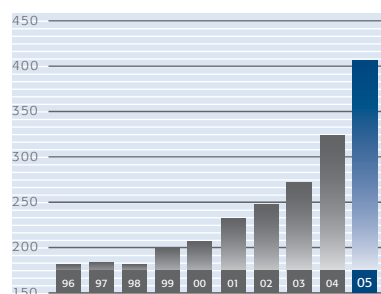
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
FINANCIAL DATA										
(Dollars in millions, except per unit and operating data)										
Revenue	\$408.4	\$323.5	\$272.9	\$247.3	\$232.4	\$208.6	\$200.8	\$184.5	\$185.0	\$183.0
Operating income	161.3	122.1	109.3	102.4	98.3	91.5	95.9	74.4	72.1	68.8
Income from continuing operations	100.0	82.9	30.2	71.9	69.4	64.5	71.1	52.0	6.4	49.3
Net income ¹	100.0	82.9	30.2	71.9	69.4	96.3	76.3	52.0	6.4	49.3
Per unit (amounts in dollars): ²										
Income from continuing operations	\$2.69	\$2.76	\$1.05	\$2.65	\$2.56	\$2.38	\$2.63	\$1.93	\$0.25	\$2.03
Net income	2.69	2.76	1.05	2.65	2.56	3.56	2.82	1.93	0.25	2.03
Cash distributions	2.83	2.64	2.54	2.50	2.45	2.40	2.18	2.10	1.72	1.50
OPERATING DATA										
Daily pipeline volumes (thousand barrels per day)	1,385.4	1,200.6	1,136.4	1,101.4	1,090.4	1,061.5	1,056.1	1,031.2	1,024.0	1,007.1
Barrel miles (billions)	67.2	56.0	52.6	51.6	50.3	47.5	47.1	44.3	44.1	43.9
Average tariff rate (cents per barrel)	56.8	55.8	55.0	53.3	51.9	50.4	50.1	48.8	49.0	49.3

¹ 2003 includes a charge on early extinguishment of debt of \$45.5 million; 2000 includes earnings from discontinued operations of \$5.7 million plus a gain on the sale of discontinued operations of \$26.2 million; 1999 includes earnings from discontinued operations of \$5.2 million; 1997 includes a charge on early extinguishment of debt of \$42.4 million.

² 1997 to 1996 restated to reflect 2-for-1 unit split.

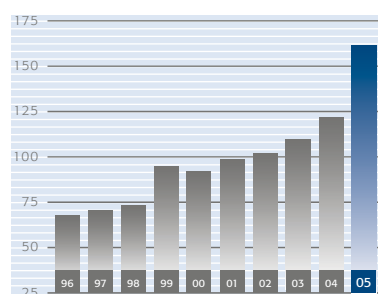
REVENUE

Dollars in Millions



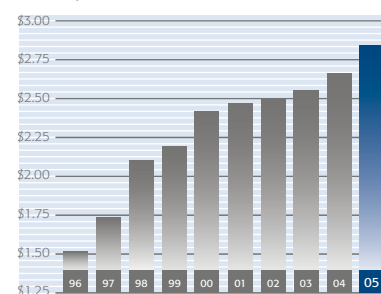
OPERATING INCOME

Dollars in Millions



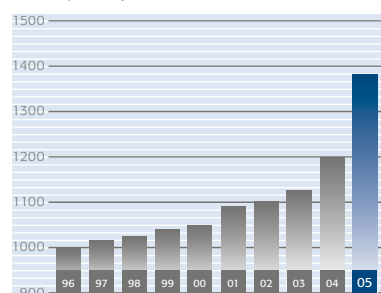
CASH DISTRIBUTIONS

Dollars per Unit



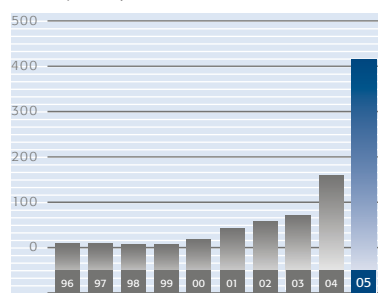
PIPELINE VOLUME

Barrels per Day in Thousands

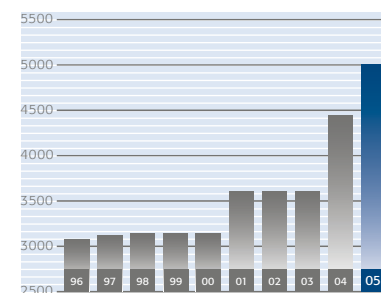


TERMINAL THROUGHPUT VOLUME

Barrels per Day in Thousands



MILES OF PIPELINE



To Our Unitholders



William H. Shea, Jr.
Chairman of the Board of Directors
Buckeye GP LLC

NEW HAVEN

It is a pleasure to report another year of excellent financial results and continued growth for our Partnership. During 2005, Buckeye set new records for all of our key operating statistics and financial measures:

- Pipeline deliveries averaged 1,385,400 barrels per day – an increase of 15.4% over the 2004 level.
- Pipeline barrel miles totaled 67.2 billion – up 20.0%.
- Terminal throughput averaged 419,200 barrels per day compared with 160,900 barrels per day in 2004. At more than 2.6 times 2004 amounts, this statistic clearly demonstrates the impact of the new terminals acquired during the past two years.
- Revenue reached \$408.4 million, climbing 26.2% from the prior year.
- Operating income was \$161.3 million – a 32.1% increase over 2004.
- Net income rose by 20.6%, reaching an even \$100.0 million.

Based on these strong results, the Board of Directors increased the per-unit cash distribution each quarter of 2005, and announced a further increase in the first quarter of 2006. The per-unit distribution increase paid during 2005 was increased by 7.1% over the amount paid in 2004.

ACQUISITIONS AND GROWTH

With the October 1, 2004 acquisition of five refined products pipelines and twenty-four terminals from affiliates of Shell Oil Products, US, Buckeye began 2005 with our integration program

for those new assets in high gear. Our plan was to finish that integration by the end of the second quarter. I am pleased to report that the effort was completed on schedule and on budget.

Shortly after we completed the integration of the Shell assets, Buckeye acquired another significant system of pipelines and terminals. On May 5, we purchased a major refined petroleum products pipeline system and four products terminals from affiliates of Exxon Mobil Corporation. The new pipelines, which originate in Paulsboro, New Jersey and serve locations in eastern Pennsylvania and upstate New York, complement our existing pipeline systems in the region. Operational integration of these new pipelines and terminals into the Buckeye infrastructure was completed during the fourth quarter. We are currently completing a pipeline interconnection between one of the pipelines acquired from ExxonMobil and our existing pipeline system near Allentown, Pennsylvania. This new connection will add flexibility for customers supplying product to destinations we serve in Pennsylvania and New York.

We also added two new terminals to our operations, with the December 20th purchase of a refined products terminal in the Detroit, Michigan area, and the January 1st, 2006 acquisition of a refined products terminal in Niles, Michigan.

Our asset acquisitions have continued. On January 31, 2006, we purchased a natural gas liquids pipeline system from BP Pipelines (North America) Inc. This pipeline extends from the Denver area of eastern Colorado to Bushton, Kansas.



HARTFORD

The acquisition of this natural gas liquids pipeline expands the geographic reach and product diversity of the Partnership, and is consistent with our strategy of owning assets that provide stable, fee-based revenues.

Although acquisitions capture the most public attention, Buckeye enjoys growth opportunities in other areas. For example, during the first quarter of 2006 we expect to complete construction of a new pipeline and terminal project to deliver jet fuel to the Memphis airport. Buckeye is the majority owner of this joint venture project with Kealine Partners. This pipeline and terminal project further broadens the Partnership's geographic diversity and adds a new source of consistent revenue to our business.

LOOKING AHEAD

2006 will be a year of transition for our industry with the introduction of new ultra-low sulfur diesel fuel specifications. Protecting the product quality and low sulfur content of this new fuel during transportation will require significant changes in our operations, additional testing and administrative oversight, as well as some modifications to a number of our terminal and pipeline facilities. Like others in the refined petroleum product supply chain, Buckeye will make additional investment in our infrastructure to ready our system to handle this new, more environmentally-friendly fuel.

The new year also presents Buckeye with additional opportunities. For instance, the new ultra-low sulfur fuel will require the injection of a lubricity additive at terminal delivery and loading points. We are currently installing additization

SPRINGFIELD

equipment at all of our terminals that handle diesel fuel in order to provide this new service to our customers. We will also be pursuing a number of internal growth projects which we expect will enhance the Partnership's financial results in the years ahead.

2006 marks our 120th business anniversary and our 20th year as a publicly-traded master limited partnership. Buckeye has enjoyed long-term success by working diligently at a business we know well, and by adhering to our business strategy. We have an experienced management team and a workforce of professional, well-trained and highly-dedicated employees. We expect to continue our record of success by operating the assets we own safely and efficiently, and by investing in our business to meet the needs of our customers. We will also continue to seek pipeline and terminal acquisitions that provide stable, ratable cashflows and fit our risk profile.

At Buckeye, we recognize we are stewards of a remarkable company. We thank you for your continued confidence and support as we operate and grow this business on your behalf. We encourage you to read more about our 2005 financial results in the Securities and Exchange Commission 10-K report which follows.

Respectfully,

William H. Shea, Jr.

*Chairman of the Board of Directors
Buckeye GP LLC
As General Partner*



LINDEN

ALLENTOWN

A reputation for high-quality, safe, reliable and efficient transportation services.

Partnership Overview



SYRACUSE

ROCHESTER

Buckeye Partners, L.P. is a publicly-traded master limited partnership that provides pipeline transportation and refined petroleum products terminalling and storage services through facilities that we own and operate in the United States.

Buckeye operates one of the nation's largest independent common carrier pipeline networks providing refiners, wholesalers, marketers, airlines, railroads and other commercial end-users with dependable, all-weather transportation of refined petroleum products. The Partnership provides pipeline transportation services principally in the Northeast and upper Midwest states through its pipeline operating subsidiaries, Buckeye Pipe Line Company, L.P., Buckeye Pipe Line Transportation LLC, Buckeye NGL Pipe Line LLC, Everglades Pipe Line Company, L.P., Laurel Pipe Line Company, L.P., Norco Pipe Line Company, LLC and Wood River Pipe Lines LLC. We believe that our distinctive

combination of experienced and responsive professional staff, technical expertise and modern transportation facilities has earned the Partnership a reputation for providing high-quality, safe, reliable and efficient transportation services.

In addition to pipeline transportation services, Buckeye Partners provides refined products terminalling and storage services through Buckeye Terminals, LLC, and affiliated subsidiaries. Buckeye owns and operates 44 refined petroleum products terminals with an aggregate storage capacity of approximately 17.2 million barrels in Illinois, Indiana, Massachusetts, Michigan, Missouri, New York, Ohio and Pennsylvania.

The Partnership also owns Buckeye Gulf Coast Pipe Lines, L.P., which operates and maintains pipelines under agreements with major oil and chemical companies. In addition, we are the largest stockholder of West Shore Pipe Line Company, hold a 20% interest in West Texas LPG Pipeline, L.P., and are a majority owner of WesPac Pipelines-Memphis LLC and other affiliated WesPac entities.

BUSINESS STRATEGY

Buckeye Partners' objective is to increase the value of our unitholders' investment by consistently growing our cash flow and the cash available for distribution to our unitholders. Because stable cash flow is important to our investors, we do not own the product we transport and thus are not directly subject

to petroleum pricing risk. Our business strategy to accomplish our objective of consistently increasing cash flow to our unitholders is to:

- Own and operate high-quality logistics assets
- Increase throughput on our pipelines and terminals that have available capacity
- Expand the capacity of our pipeline and terminals to facilitate customer-generated growth
- Maintain and enhance the integrity of our pipelines and terminals to ensure safe and reliable service
- Focus on providing superior customer service so that we remain the provider of choice in markets served, and
- Pursue selective strategic acquisition opportunities that complement our existing asset base or provide entry into attractive new markets.

PHILADELPHIA

HARRISBURG





Buckeye's pipelines provide an efficient and vital transportation link between major petroleum refining and supply locations and consumption centers.

ALTOONA

PITTSBURGH

PIPELINE TRANSPORTATION OPERATIONS

Buckeye Partners owns and operates approximately 5,350 miles of underground pipelines serving approximately 100 delivery locations. These pipelines transport refined petroleum products including gasoline, jet fuel, diesel fuel, heating oil and kerosene from major supply sources to distribution terminals located within major end-use markets. Our pipelines also transport other products, such as propane and butane, natural gas liquids, refinery feedstocks and blending components. Transportation service is typically provided on a common-carrier basis under published tariffs for approximately 110 customers. The Partnership is not affiliated with any major oil company and does not own the products that it transports.

Our pipelines provide an efficient and vital transportation link between major petroleum refining and supply locations and consumption centers, including major metropolitan areas. The Partnership's operations generally deliver consistent results because (i) pipeline volumes are driven primarily by demand in the markets served, (ii) the Partnership's pipelines and terminals are geographically diversified and connected to multiple sources of supply, and (iii) the pipelines deliver petroleum products to numerous delivery locations.

Mid-Atlantic Markets

The Partnership's pipelines in the Mid-Atlantic Region serve markets in New Jersey, Pennsylvania, and New York. Refined products destined to our delivery facilities in markets in these states are sourced from either our Linden facility in the New York Harbor area, our Booth facility just outside Philadelphia, or Paulsboro, New Jersey.

At Buckeye's Linden, New Jersey location, product receipts are handled from numerous sources including connecting pipelines, deepwater and bulk storage terminals and local refineries. Over three million barrels of tankage at our Linden station accommodate the staging of product into various outbound pipelines. From Linden, product moves east to the three major New York City airports (John F. Kennedy International, LaGuardia, and Newark Liberty International) and commercial marketing terminals on Long Island, or west to our operating center in Macungie, Pennsylvania. At Macungie, nearly two million barrels of tankage facilitate the shipment of products to delivery points in central and western Pennsylvania and central and western New York.

Our Booth facility outside Philadelphia, Pennsylvania receives products from five area refineries and from a major interstate pipeline which transports products from the U. S. Gulf Coast supply



sources. Product is pumped from Booth's two million barrels of tankage through the Partnership's large-diameter trunkline across Pennsylvania.

Buckeye also serves the Mid-Atlantic region with pipelines that originate in Paulsboro, New Jersey. Product received from a refinery at Paulsboro can be transported westward to Malvern, Pennsylvania, where it is staged for delivery either to destinations in central Pennsylvania, or transported north to terminals in upstate New York. A separate pipeline carries jet fuel from Paulsboro to the Philadelphia International Airport.

The Partnership's Mid-Atlantic pipeline systems are interconnected to allow shippers flexibility and a wide variety of options in supplying product to markets in upstate New York and across Pennsylvania. Market areas served by Buckeye's Mid-Atlantic operations include Allentown, Altoona, Harrisburg, Lancaster, Philadelphia, Pittsburgh, Reading, and Scranton/Wilkes-Barre in Pennsylvania; and Binghamton, Buffalo, Rochester, Syracuse, Utica, and the western end of Long Island in New York.

Upper Midwest Markets

In the upper Midwest, Buckeye operates an extensive network of interconnected pipelines that transport a wide range of refined products to markets in Illinois, Indiana, Michigan, Missouri, Ohio and western Pennsylvania. These pipeline networks also offer shippers great supply flexibility and sourcing options with multiple origin and delivery points. Product source points include refineries at Wood River, Illinois; Whiting, Indiana; Detroit, Michigan; and Lima and Toledo, Ohio; our Midwestern pipelines are also connected to other local and regional pipelines and terminals, as well as major interstate pipelines with access to the U. S. Gulf Coast.

The backbone of this vital network is the north-south corridor of pipelines linking Lima and Toledo, Ohio with Detroit, Michigan. Branches from these trunklines run eastward across northern Ohio to Cleveland and Pittsburgh, Pennsylvania; north to Flint and Bay City, Michigan; southeast to Columbus, Ohio; and west to Huntington, Indiana, then continuing south to Indianapolis.

Another part of the midwestern network is a system of six pipelines that radiate from the St. Louis area. One pipeline transports refined products northward to the Chicago area and other markets in Illinois and Indiana. A second line carries refined products eastward across Illinois and Indiana, connecting to the major north-south corridor trunklines at Lima, Ohio. A separate

pipeline transports refined products east and then south to Buckeye Terminals' 1.3 million barrel facility on the Ohio River in Mt. Vernon, Indiana. A dedicated jet fuel line delivers product to the Lambert-St. Louis International Airport, and another local pipeline carries refined products to terminals in St. Louis. The sixth pipeline operates bi-directionally between East St. Louis and Wood River, Illinois.

The upper-midwest pipeline network is completed with lines operating from the East Chicago area in the northwestern corner of Indiana. Chicago sourced product is carried across Indiana by a line linking into the Partnership's Lima-Detroit backbone corridor at Lima. Two parallel pipelines connect major storage terminals in East Chicago and Hartsdale, Indiana. From Hartsdale, one pipeline operates west delivering product to Peoria and Galesburg, Illinois; a second line transports product east to Toledo, Ohio, where it connects to the Lima-Detroit corridor pipelines.

Major delivery areas in the Upper-Midwest include Chicago and Peoria, Illinois; Huntington, Indianapolis and South Bend, Indiana; Detroit, Flint, Owosso and Bay City, Michigan; St. Louis, Missouri; Columbus, Lima, Toledo and Cleveland, Ohio; and Pittsburgh, Pennsylvania.

Other Markets

Buckeye serves the New England region with a pipeline that originates in New Haven, Connecticut and carries refined products to the Hartford, Connecticut and Springfield, Massachusetts areas. This line also transports jet fuel to the Bradley International Airport in Connecticut and the Westover Air Force Base in Massachusetts.

The Partnership's pipeline assets also serve other airports as well. In Florida, Buckeye owns and operates a pipeline that transports commercial aviation fuels from Port Everglades, Florida to Fort Lauderdale-Hollywood International Airport and Miami International Airport. We also own a dedicated line that delivers jet fuel to the Reno/Tahoe International Airport in Nevada.


Our most recent pipeline acquisition is a common carrier feeder and mainline pipeline system that transports raw mix natural gas liquids (NGLs) from numerous natural gas processing plants in the Front Range area of eastern Colorado. The mainline operates from Wattenberg Station just outside Denver, Colorado to Bushton, Kansas where it connects with another pipeline for delivery to a key NGL distribution hub in Conway, Kansas. The system includes gathering lines that feed product into the mainline at Wattenberg.

Buckeye Partners owns and operates approximately **5,350 miles of underground pipelines** serving approximately 100 delivery locations.

FLINT

BAY CITY





The Partnership
transports approximately
1.4 million barrels
of refined petroleum
products per day.

HARRISTOWN

ST. LOUIS

PEOTONE

Products Transported

The Partnership transports approximately 1.4 million barrels of refined petroleum products per day. Approximately 52% of our deliveries are various grades of gasoline, including regular, mid-grade, and premium unleaded gasoline, natural gasoline and other blend stocks. Gasoline demand is largely related to general economic activity.

Distillates account for approximately 23% of our pipeline volume and include diesel fuel, heating oil and kerosene. Diesel fuel is used predominantly by over-the-road truck carriers, and demand largely depends on general economic activity. Heating oil and kerosene consumption are generally used for space heating, and demand is more directly related to the weather.

Buckeye serves the airline industry through direct connections to nine major airports, as well as through indirect connections to numerous other airports. We also deliver jet fuel to various military bases. Approximately 23% of our pipeline deliveries are jet fuel.

The Partnership also transports liquefied petroleum gases (LPGs) and other specialty products. LPGs, including butane and propane, are used for space heating and crop drying, as well as by refineries as blending components. Feedstocks, such as gas oil, are used by refineries in the production of gasoline and other finished refined products. LPG and feedstock volumes are primarily transported on Buckeye's Midwest system, and account for approximately 2% of pipeline deliveries. In addition, although not included in the volume statistics above,

Buckeye recently began the transportation of natural gas liquids via the Wattenberg to Bushton NGL line acquired early in 2006.

TERMINAL OPERATIONS

Buckeye owns and operates a total of 44 active facilities in the states of Illinois, Indiana, Massachusetts, Michigan, Missouri, New York, Ohio and Pennsylvania. Our terminals business provides a variety of services for its customers including product storage, injection of additives, loading of refined products at truck racks, product blending, barge loading and unloading, and transfers to connecting pipelines. Like our pipeline operations, we do not own the products stored or loaded-out of our terminals. As a service-focused and independent terminal operator not engaged in the buying or selling of products, we offer our customers an attractive alternative to procuring terminalling services from other terminal operators that may also simultaneously be marketing products as competitors from the same location.

CONTRACT PIPELINE OPERATIONS

The Partnership's Gulf Coast subsidiary operates and/or maintains approximately 2,100 miles of gas and liquid pipelines in the United States Gulf Coast area. Gulf Coast operates the pipelines and underground storage facilities owned by major oil and chemical companies on a contract basis, handling over forty different petro-chemical products for approximately a dozen major customers. Operations are run

CHICAGO

PEORIA





MIDLAND

HOUSTON

PORT ARTHUR

from Gulf Coast's state-of-the-art pipeline control facility in Mont Belvieu, Texas. Pipelines operated and maintained by Gulf Coast stretch from West Texas, Freeport and Texas City to Mont Belvieu, Port Arthur and Orange near the Louisiana border. Gulf Coast also owns pipelines, some of which are leased to third parties and operated by Gulf Coast. Gulf Coast is also the majority owner and operator of a 90-mile crude butadiene pipeline system that extends from the Houston Ship Channel to the Beaumont, Texas area.

Gulf Coast's experienced staff of engineering, construction and operating personnel is dedicated to providing superior and cost-effective pipeline and storage services to the oil, gas and petrochemical industries. They provide a complete range of services to our customers including the design, construction, operations and maintenance of pipeline and storage facilities.

JOINT VENTURES AND MINORITY INTERESTS

Buckeye Partners is the majority owner of several joint venture projects with Kealine Partners. These projects, collectively known as WesPac, focus on identifying airports in high-growth areas

that currently do not have direct pipeline supply, and building pipelines directly to those airports to replace trucking as the final leg in the transportation chain. WesPac owns and operates pipelines serving the San Diego International Airport in California and the Memphis International Airport in Tennessee.

The Partnership owns other minority pipeline interests including an approximate 25% equity interest in West Shore Pipe Line Company and a 20% partnership interest in West Texas LPG Pipeline Limited Partnership. West Shore owns and operates a refined products pipeline system that originates in the Chicago, Illinois area and extends north to Green Bay, Wisconsin and northwest to Madison, Wisconsin. West Texas LPG owns a major natural gas liquids pipeline system that delivers NGLs to the nation's largest NGL market hub in Mont Belvieu, Texas. Product on West Texas LPG comes from gathering fields in North, East, West and Central Texas and Eastern New Mexico, as well as raw mix NGLs transported from the Rocky Mountain region via connecting pipelines.

BUCKEYE GP LLC

Directors

William H. Shea, Jr.
Chairman of the Board
Director since 2000

Brian F. Billings¹
Director since 1986

Michael B. Hoffman
Director since 2004

Edward F. Kosnik^{1 2}
Director since 1986

Joseph A. LaSala, Jr.¹
Director since 2001

David M. Leuchen
Director since 2004

Jonathan O'Herron^{1 2}
Director since 1997

Frank S. Sowinski
Director since 2001

Andrew W. Ward²
Director since 2004

¹ Member of Audit Committee

² Member of Finance Committee

Officers

William H. Shea, Jr.
President and
Chief Executive Officer

Stephen C. Muther
Senior Vice President
Administration, General Counsel
and Secretary

Robert B. Wallace
Senior Vice President, Finance and
Chief Financial Officer

Eric A. Gustafson
Senior Vice President
Operations and Technology

PARTNERSHIP INFORMATION

Partnership Characteristics

As a publicly traded partnership, Buckeye Partners, L.P. differs in several ways from stock corporations:

- A partner in a publicly traded partnership owns units of the partnership rather than shares of stock and receives cash distributions rather than dividends. The cash distributions are treated as return of capital as long as the partner's tax basis in the partnership is positive.
- Generally, a corporation is subject to federal and state income taxes but a partnership is not. All of the income, gains, losses and deductions of a partnership are passed through to its partners who are required to report their allocated share of these amounts on their personal income tax returns.
- While an owner of corporate stock receives a Form 1099 each year detailing required tax data, a unit holder of a partnership receives a tax reporting package including Schedule K-1 and other forms to file with their income tax return. This tax reporting package shows a partner's allocable share of the partnership's income, gains, losses and deductions.
- Compared to a corporate form of organization, the partnership form enables Buckeye to distribute to investors a greater percentage of cash generated by the business.

Investor Information

For more information about the Partnership please contact:

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Partnership Office

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Transfer Agent and Registrar

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www.equiserve.com
(800) 519-3111

Unitholder Tax Information

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K-1 Support
P.O. Box 799060, Dallas, TX 75379
(800) 230-7224

Equal Opportunity

Buckeye Partners, L.P. provides equal opportunity in all aspects of employment without regard to race, color, creed, religion, ancestry, national origin, gender, age, disability, veteran or marital status.





Buckeye Partners, L.P.