MARKWEST

Markwest Energy Partners, L.P.

2004 Annual Report

Growth

Contents

Company Profile

MarkWest Energy Partners, L.P., a master limited partnership, is a midstream energy company primarily engaged in the gathering, processing and transportation of natural gas; the transportation, fractionation and storage of natural gas liquids (NGLs); and the gathering and transportation of crude oil. MarkWest charges fees for its services and in some cases retains a portion of the product in exchange for services rendered. During 2004 approximately 56% of the partnership's net operating margin was derived from fee-based contracts and 44% from the sale of retained gas or liquids. MarkWest's operations are diversified both geographically and by activity. MarkWest's Southwest Business Unit consists of gathering and processing natural gas primarily in Texas and Oklahoma. Since 2003 MarkWest has expanded its Southwest Business Unit to include 19 gathering systems, two processing plants (including the East Texas plant under construction) and four lateral pipeline systems. MarkWest's Northeast Business Unit generates a stable cash flow stream from gathering and processing natural gas from long-lived gas reserves in the Appalachian Basin and from gathering, processing and transporting natural gas and transporting crude oil via its facilities in Michigan.

MarkWest will continue to grow the partnership and its distributions by pursuing a multi-tiered and risk-weighted strategy to increase its asset base and service capability. The primary elements of this strategy include:

- Increasing utilization of existing facilities
- Expanding operations through incremental investment in core areas
- Completing strategic, accretive acquisitions and
- Improving margins with long-term, fee-based contracts

The partnership is managed by MarkWest Energy GP, L.L.C., which is 89.3% owned by MarkWest Hydrocarbon, Inc., an Englewood, Colorado-based energy company. Since its initial public offering of 2,415,000 common units at $20.50 on May 24, 2002, MarkWest has completed two additional public offerings at $39.90 per unit on January 13, 2004 and $43.41 per unit on September 15, 2004. There are 10,642,697 units outstanding as of November 1, 2005, which includes approximately 2.5 million limited partner units owned by MarkWest Hydrocarbon. Common units of the partnership are listed on the American Stock Exchange under the symbol MWE.

Letter to Unitholders

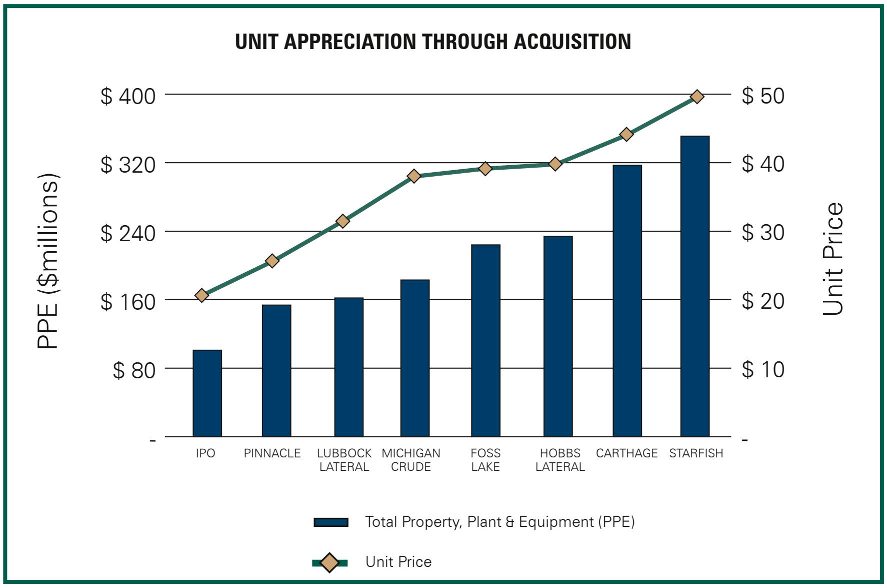
I am very happy to report that MarkWest Energy Partners had an outstanding year in 2004. We accelerated the growth track started in 2003 and more than doubled the size of the company. It was without doubt a year to be proud of, but we strongly believe the best is yet to come for our partnership and our unitholders.

Since we began business in May 2002, MarkWest Energy Partners L.P. has been focused on growing the assets in the partnership, increasing the distributable cash flow and creating value for our unitholders. Since inception, we have consistently exceeded our publicly stated targets, growing our asset base to $529 million at December 31, 2004 from $85 million in May 2002. Our $0.78 per unit distribution for the fourth quarter of 2004 represents a 56% increase since our initial public offering while our unit price has climbed to $50.00 per unit from $20.50 per unit at the initial public offering. We have generated a 175% total return for our unitholders since our IPO.

We increased revenue more than 150% to $301.3 million in 2004 versus $117.5 million in 2003. Net income grew to $9.9 million in 2004, or $1.31 per unit, from $4.7 million, or $0.94 per unit in 2003, while distributable cash flow in 2004 of $37.0 million was 127% higher than 2003. We achieved this while expanding our asset portfolio with two acquisitions, completing three common unit offerings and a senior unsecured debt offering, all of which strengthened our balance sheet and positioned us for more growth.

Growing asset base

We started business in 2002 when the partnership was formed with the natural gas gathering and processing assets of MarkWest Hydrocarbon, Inc., our general partner. In 2003 we completed four acquisitions, ending the year with $212 million of assets. In 2004 we made two more acquisitions, more than doubling the size of our assets to $529 million. Each of these acquisitions provided predictable, sustainable cash flow as well as opportunities for growth. Our latest 2004 acquisition, the East Texas System, gathers and processes natural gas from the prolific Carthage Field in East Texas, the fourth largest producing area in the United States. The expansion opportunities on that system alone will allow us to achieve our growth targets as the operating cash flow grows from $10 million for the five months we owned the system in 2004 to a projected $50 million for 2006.



Because of the value creation in the MLP sector during the last several years, a large amount of new capital in the market is competing for existing and new assets. MarkWest's success has been achieved by recognizing and acquiring undervalued assets with upside potential, so our challenge is to identify the niche opportunities where our smaller size and our focus on gathering and processing is an advantage. Unlike some of our larger competitors, MarkWest can add real value for our shareholders with a $50 million to $100 million acquisition. But more importantly, MarkWest is an ideal partner for sellers who want to monetize their non-core assets. Our reputation for providing good, reliable service at a fair price, our focus on the gathering and processing portion of the business, together with the fact that we don't compete with exploration and production companies or interstate pipeline businesses, all make MarkWest a complementary midstream partner.

Growing system utilization

Each of our acquisitions has met or exceeded our cash flow projections enabling us to achieve 64% growth in our per unit distribution since our IPO. While commodity prices have positively impacted our performance, increased system utilization has been the biggest contributor to our success. When evaluating acquisitions, our due diligence process includes extensive evaluation of the reserve potential of the area and assessment of our competitive position relative to other service providers. This has benefited the Partnership as active drilling surrounding several of our systems and aggressive marketing to increase market share have significantly increased throughput on several of our systems.

Growing total return

In 2003 our goal was to be a $1 billion company by 2010 as measured by market capitalization. We are more than halfway to attaining our objective just two years into our program, and we've achieved this while delivering top-quartile performance on all metrics. Our performance puts us at the top of our peer group with a total return for 2004 of 26.5%, a 2004 distribution coverage ratio of 1.27, growth in our distributions to our limited unitholders of 64% since our IPO, and a conservative debt-to-capital ratio of 48%. But more importantly, we are positioned to continue delivering top-quartile results in 2005 and beyond. The expansion opportunities in our asset portfolio will allow us to meet or exceed our goal of 10% growth in distributions per limited unit in 2005 and 2006 without additional acquisitions. We accessed the equity market in September 2004 with a 2.1 million common unit offering at $43.41 per unit. We also completed a

private placement in October of $225 million of senior unsecured notes at 6.875%. These transactions strengthened our competitive position with low-cost capital.

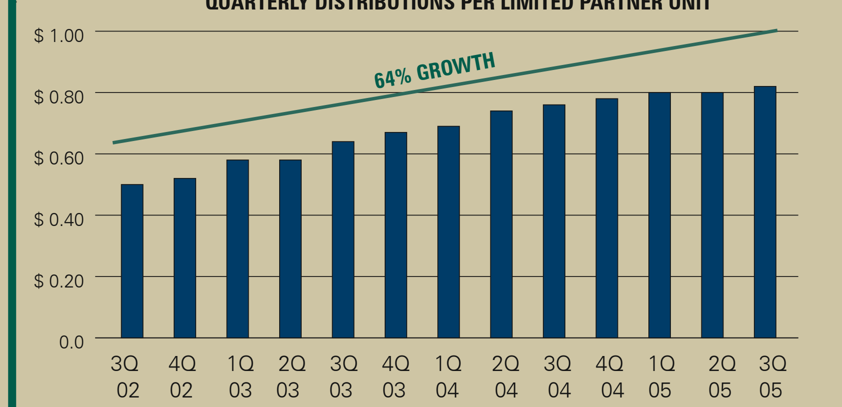
As we have acquired and expanded our operations we have benefited from the addition of a significant number of experienced managers and field operators, as well as marketing and accounting personnel who bring critical expertise to our operations. We have also augmented our management team with the addition of Jim Ivey, our Chief Financial Officer, and Corwin Bromley, our General Counsel.

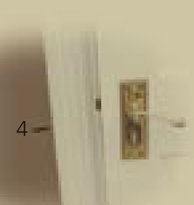
Looking ahead to 2005 and beyond, we see a very dynamic marketplace that involves continued growth and volatility. These dynamics will provide significant opportunities for a capable company like MarkWest Energy Partners to provide expanded services to the producer customers and also to acquire assets that develop from the ongoing rationalization of the industry primarily by the major oil and gas companies. MarkWest will continue to focus on providing high quality, competitive midstream services which will drive additional internal growth projects and also leverage our balance sheet and business development strengths to acquire high quality assets. We believe it is a great time to be in the business and we intend to seize the opportunities. We have a great team of hard working, dedicated employees and with your support we will continue to build MarkWest Energy Partners into the premier provider of gathering and processing services in our core markets.

Thank you,

Frank M. Semple
President and Chief Executive Officer
November 1, 2005

QUARTERLY DISTRIBUTIONS PER LIMITED PARTNER UNIT





Financial and Operational Summary

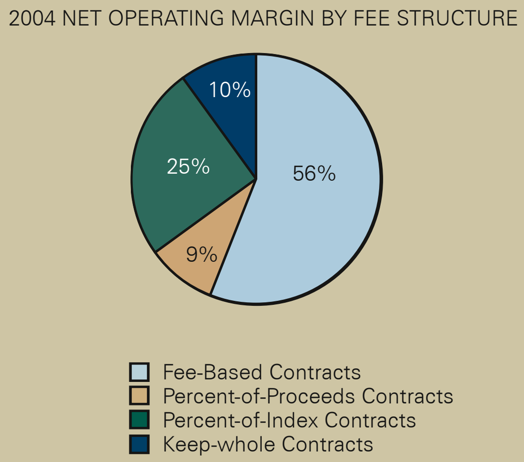
		Year Ended December 31, 2004		2003
Statement of Operating Data ($000)				
Revenues	$	301,314	$	117,430
Net Income	$	9,962	$	4,759
General Partner's Interest in Net Income	$	(723)	$	(654)
Limited Partners' Interest in Net Income	$	10,685	$	5,413
Net Income per Limited Partner Unit (Basic)	$	1.31	$	0.95
Weighted Average Units Outstanding (Basic)		8,151		5,722
Cash Flow Data				
Net Cash Provided By (Used In)				
Operating Activities	$	42,275	$	21,229
Investing Activities	$	(273,176)	$	(112,893)
Financing Activities	$	(246,411)	$	97,641
Other Financial Data				
Distributable Cash Flow*	$	37,014	$	16,254
Distributions per Limited Partner Unit	$	2.97	$	2.47
Balance Sheet Data				
Working Capital	$	10,547	$	2,457
Total Assets	$	529,422	$	212,871
Long-Term Debt	$	225,000	$	126,200
Total Partner Capital	$	241,142	$	64,944

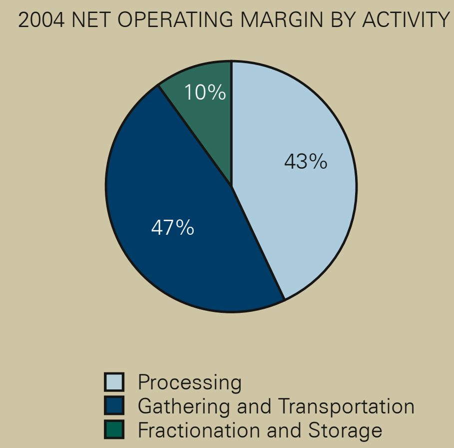
	2004	2003
Operating Data		
East Texas (1)		
Gathering systems throughput (Mcf/d)	259,300	NA
NGL product sales (gallons)	41,478,000	NA
Oklahoma		
Foss Lake gathering systems throughput (Mcf/d) (2)	60,900	57,000
Arapaho NGL product sales (gallons) (3)	45,273,000	2,910,000
Appleby gathering systems throughput (Mcf/d) (4)	27,100	23,800
Other gathering systems throughput (Mcf/d) (4)	17,000	20,500
Lateral throughput volumes (Mcf/d) (5)	75,500	32,100
Appalachia:		
Natural gas processed for a fee (Mcf/d) (6)	203,000	202,000
NGLs fractionated for a fee (Gal/day)	475,000	458,000
NGL product sales (gallons)	42,105,000	40,305,000
Natural gas processed for a fee (Mcf/d)	12,300	15,000
NGL product sales (Mcf/d)	9,818,000	11,800,000
Crude oil transported for a fee (Bbl/d) (7)	14,700	15,100

(1) We acquired our East Texas System in late July 2004. Volumes are for the period of time we owned the facility during 2004.
(2) We acquired our Foss Lake gathering system in December 2003.
(3) We acquired our Arapaho processing plant in December 2003.
(4) We acquired our Pinnacle gathering systems in late March 2003.
(5) We acquired our Lubbock pipeline (a/k/a the Power-tex Lateral Pipeline) in September 2003 and our Hobbs lateral pipeline in April 2004. The Lubbock and Hobbs pipelines are the only laterals we own that produce revenue on a per-unit-of-throughput basis. We receive a flat fee from our other lateral pipelines and, consequently, the throughput data from these lateral pipelines is excluded from this statistic.
(6) Includes throughput from our Kenova, Cobb, and Boldman processing plants.
(7) We acquired our Michigan Crude Pipeline in December 2003.

*Reconciliation of Non-GAAP Measures to GAAP Measures (thousands)

		Year Ended December 31, 2004		2003
Net income	$	9,962	$	4,759
Adjustments to Reconcile Net Income to Distributable Cash Flow				
Depreciation & Amortization		19,196		7,548
Impairment		130		1,148
Amortization of deferred financing costs		5,236		984
Non-cash Compensation Expense		3,342		2,269
Other		311		587
Sustaining Capital Expenditures		(1,163)		(1,041)
Distributable Cash Flow	$	37,014	$	16,254





Since our initial public offering in 2002, MarkWest has demonstrated the ability to increase value for our unitholders through a combination of growth in distributable cash flow and a continued drive towards operational excellence. The growth has come from both internal expansion and strategic acquisitions. During that time, we have completed seven acquisitions with a combined value of $396 million. Each of these was accretive to our unitholders, enabling us to increase our quarterly distributions while expanding our geographic diversity. Our most recent acquisition was the Starfish Pipeline Company, LLC in the first quarter of 2005. The Starfish acquisition extended our operations into the offshore Gulf of Mexico, further expanding our presence in major hydrocarbon basins in the United States and exposing us to even more development and acquisition opportunities.

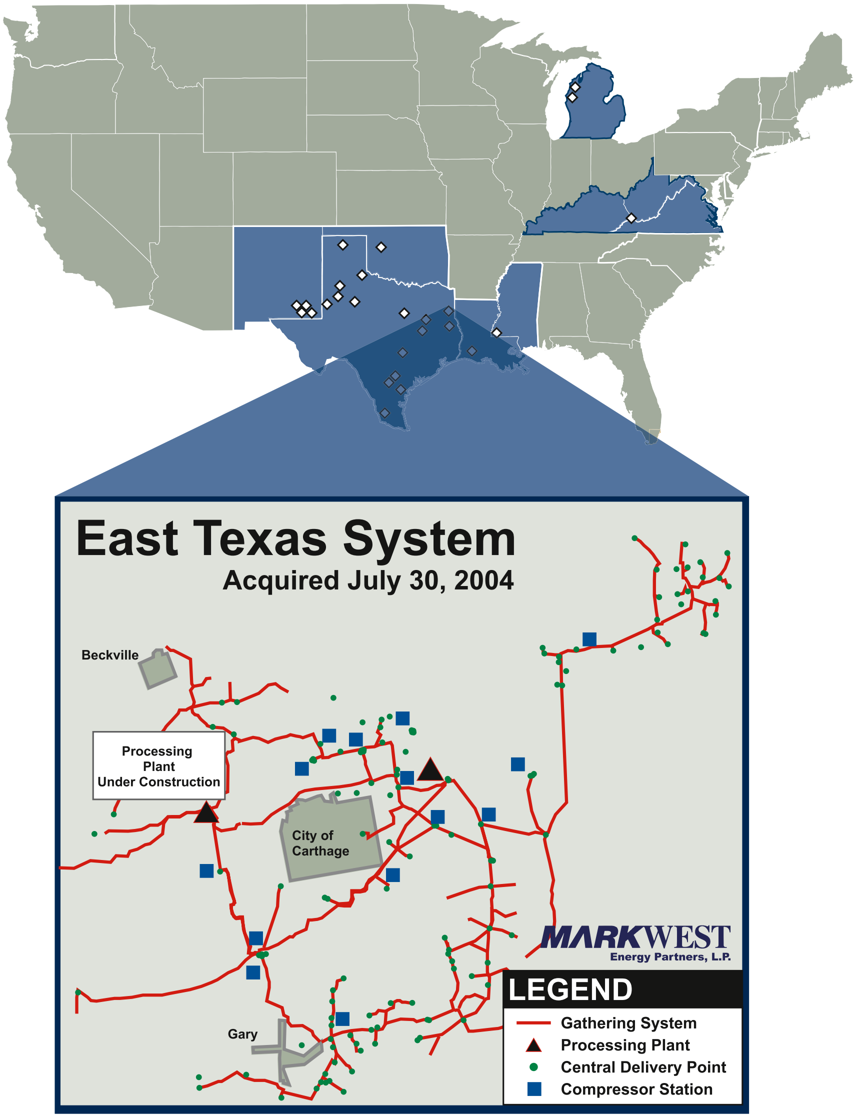
Southwest Business Unit

Our Southwest Business Unit was formed in 2003 through the acquisition of 19 gathering systems and four lateral natural gas pipelines in Texas and Oklahoma. In 2004 we completed two additional acquisitions, the Hobbs Lateral pipeline in Southeast New Mexico and the East Texas System in Panola County, Texas. In March 2005, we completed the purchase of a 50% interest in the Starfish Pipeline Company, LLC, which owns natural gas pipelines and facilities offshore in the Gulf of Mexico and onshore in southwestern Louisiana.

The Southwest Business Unit has rapidly expanded through acquisitions and significant internal growth and generated approximately $26 million of operating income in 2004. This extraordinary performance has been achieved through a combination of quality due diligence, efficient integration and a strong focus on operational excellence. Since our IPO in 2003, all of the assets we have acquired have met or exceeded our original acquisition economics.

We realized a nearly 15% increase in throughput in 2004 on our Appleby system in East Texas as we connected 30 new wells to the system. Operators are actively drilling in the Travis Peak formation surrounding our system and we are expanding the gathering system to support the increasing production. In 2005, we plan to add a 12” line and a new compressor station to the existing system. Once these upgrades are complete, the system capacity will be 40 MMcf per day with less than 100 pounds of gathering line pressure.

In the Anadarko Basin in Western Oklahoma we are connecting three to four new wells each month to our Foss Lake Gathering System and the Arapaho gas processing plant. When we acquired the Foss Lake system, throughput was



52 MMcf per day. That has climbed to 65 MMcf per day as strong commodity prices have stimulated drilling activity in the region.

We have four lateral pipeline systems in Texas and New Mexico. The Lake Whitney and Rio Nogales pipelines provide natural gas service to electric power plants in Texas. The Lubbock lateral system transports natural gas from El Paso Natural Gas and Northern Natural Gas to industrial users and municipalities around Lubbock, Texas. The Hobbs lateral transports gas from Northern Natural Gas into two power generation plants in Hobbs, New Mexico. Each of these pipelines provides stable cash flow from utility and industrial customers under fee-based contracts with terms ranging from one to 25 years.

In July 2004 we nearly doubled the size of our company with the acquisition of the East Texas Gathering System, which services approximately 20 producers in the prolific Carthage Field. This low-pressure gathering system, initially constructed in 1990, now consists of approximately 185 miles of natural gas gathering lines and 14 centralized compressor stations with 61,500 horsepower of compression. As of December 2004, throughput on the system was 300,000 Mcf per day, utilizing 85% of the 350,000 Mcf per day capacity. Given that current production in the area is more than 600,000 Mcf per day and operators are actively drilling the Cotton Valley, Travis Peak and Pettit formations, we believe there is significant opportunity for expansion of the system. We completed an additional 78 miles of gathering pipeline in late 2004 and early 2005 and have installed an additional 23,900 horsepower of compression. We are constructing a 200,000 Mcf per day processing plant that will be completed by the end of 2005 and ready to serve our contracts which commence January 1, 2006.

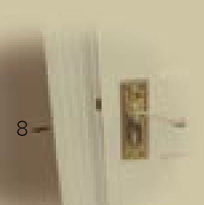
In March 2005 we closed the acquisition of a 50% interest in the Starfish Pipeline Company, LLC for $42.1 million. Starfish owns the Stingray natural gas pipeline, the Triton natural gas gathering system and the West Cameron dehydration facility, all located in the Gulf of Mexico or onshore in southwestern Louisiana. This acquisition establishes MarkWest's presence in the Gulf of Mexico expanding our geographic diversity into yet another prolific natural gas producing region. Transportation services on the two systems are provided under long-term, fee-based contracts consistent with our goal of growing our fee-based revenue.

Northeast Business Unit

MarkWest is the largest processor of natural gas in the Appalachian Basin where the company owns five processing plants, 136 miles of natural gas liquids pipelines, a natural gas liquids fractionation plant and two natural gas liquids storage facilities. The Appalachian Basin is a natural gas rich basin with long-lived, high-liquid content reserves that have produced at fairly steady rates for decades. The Appalachian Basin assets provide a relatively stable cash flow from processing this rich natural gas. Our position as the major provider of gathering and processing services in our operating region gives us an advantage when competing for additional gas supplies.

We own a 90-mile gas gathering system and the Fisk Gas Processing Plant in Michigan. The system serves producers in western Michigan, primarily producing natural gas and oil from the Niagaran Reef Trend in the Michigan Basin.

In 2003, we purchased the largest intrastate crude oil pipeline in Michigan from Shell Oil Corporation. In 2004 we opened access to our pipeline for all shippers through our truck unloading terminals, which are located along the system. We also invested in upgrades to improve service and operational efficiency. These upgrades included increasing terminal capacity, installation of a new SCADA system to monitor system operations, and restructuring the transportation and terminal fees to provide a more balanced and competitive rate structure for our shippers. With these changes in place, we expect to improve customer satisfaction and also increase market share through the capture of crude oil production which is currently transported by truck. Once delivered into our pipeline, shippers have multiple options for marketing their production.



Executive Officers of MarkWest Energy GP, L.L.C.

Frank M. Semple
President and Chief Executive Officer

James G. Ivey
Senior Vice President and Chief Financial Officer

Nancy K. Masten
Senior Vice President and Chief Accounting Officer

John C. Mollenkopf
Senior Vice President, Southwest Business Unit

Randy S. Nickerson
Senior Vice President, Corporate Development

David L. Young
Senior Vice President, Northeast Business Unit

C. Corwin Bromley
Vice President, General Counsel and Secretary

Richard A. Ostberg
Vice President, Risk and Compliance

Andrew L. Schroeder
Vice President, Finance and Treasurer

Board of Directors of MarkWest Energy GP, L.L.C.

John M. Fox, Chairman
Retired President and CEO of
MarkWest Energy GP, L.L.C.

Frank M. Semple
President and Chief Executive Officer

Keith E. Bailey a/c
Retired Chairman, President and CEO of the Williams Companies

Charles K. Dempster a/c
Retired Executive of Aquila Energy Company

Donald C. Heppermann
Retired Executive of MarkWest Energy GP, L.L.C.

William A. Kellstrom
Retired Executive of Reliant Energy, Inc.

William P. Nicoletti a/c
Managing Director, Nicoletti & Company Inc.

a – Member of the Audit Committee
c – Member of the Compensation Committee

Unitholder Information

MarkWest Energy Partners, L.P.
155 Inverness Drive West, Suite 200
Englewood, CO 80112-5000
Tel: 800.730.8388
Fax: 303.290.8769
Internet: www.markwest.com
Email: investorrelations@markwest.com

Transfer Agent and Registrar

Computershare Trust Co.
350 Indiana Street, Suite 800
Golden, CO 80401
303.262.0600

Unit Listing: American Stock Exchange: MWE

MARKWEST
Energy Partners, L.P.

155 Inverness Drive West, Suite 200
Englewood, CO 80112-5000
Tel: 800.730.8388
Fax: 303.290.8769
www.markwest.com

MarkWest Core Principles

MarkWest will help make the earth a better place by being a leading supplier of environmentally cleaner fuels and by using environmentally cleaner processes in all that we do.

MarkWest believes every associate is important to the company and its success. Therefore, employee participation will play an essential role in management, which will provide an environment built on safety, trust and teamwork. MarkWest will share its success with all people in the company.

MarkWest is customer-driven – we will seek true understanding of our customers' needs (upstream, downstream and internal), and we will strive to provide solutions exceeding their expectations.

MarkWest will aim for innovative concepts in all that we do, and the company will support and encourage the search for innovation at all levels. Creation of substantially new value will be the primary criteria for any new endeavor.

MarkWest seeks a fair profit and will maintain a strong balance sheet and lean expense controls through continuous process involvement.

MarkWest's reputation rests on our ability to act with honesty, integrity and trustworthiness. To that end, we have adopted and communicated our Code of Conduct & Ethics as the cornerstone of our business.