Final

2017 First Quarter
Results Conference Call
May 4, 2017

Notice: This transcript contains references to non-GAAP financial measures. A presentation of the most directly comparable GAAP measures and reconciliations to non-GAAP financial measures used in this presentation is available on our website at genlp.com and click on the non-GAAP Reconciliations icon at the Investor Relations page.

Welcome to the 2017 First Quarter Conference Call for Genesis Energy. Genesis has four business segments. The Offshore Pipeline Transportation Division is engaged in providing the critical infrastructure to move oil produced from the long-lived, world-class reservoirs from the deepwater Gulf of Mexico to onshore refining centers. The Refinery Services Division primarily processes sour gas streams to remove sulfur at refining operations. The Marine Transportation Division is engaged in the maritime transportation of primarily refined petroleum products. The Supply and Logistics Division is engaged in the transportation, handling, blending, storage and supply of energy products, including crude oil and refined products. Genesis' operations are primarily located in Texas, Louisiana, Arkansas, Mississippi, Alabama, Florida, Wyoming and the Gulf of Mexico.

During this conference call, management may be making forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. The law provides safe harbor protection to encourage companies to provide forward-looking information. Genesis intends to avail itself of those safe harbor provisions and directs you to its most recently filed and future filings with the Securities Exchange Commission. We also encourage you to visit our website at genesisenergy.com where a copy of the press release we issued today is located. The press release also presents a reconciliation of non-GAAP financial measures to the most comparable GAAP financial measures.

At this time, I would like to introduce Grant Sims, CEO of Genesis Energy, L.P. Mr. Sims will be joined by Bob Deere, Chief Financial Officer, and Karen Pape, Chief Accounting Officer.

Introduction and Comments on First Quarter 2017

[Grant]

Good morning and welcome to all.

As we mentioned in the release, while certain headwinds persist, we are encouraged by the performance of certain of our base businesses that have experienced specific challenges. Although the offshore continues to meet or exceed our expectations, we feel other segments are clearly bottoming and poised to deliver increasing financial contributions in future periods (with little or no additional capital required) as the industry ultimately recovers from cyclical lows. Even though we experienced certain delays, our growth projects are starting to contribute meaningfully and, we believe, will accelerate as we reach full operational capability across our suite of projects. As we sit here today, the ultimate performance of our recent investments appears likely to exceed our original expectations.

The first quarter and beginning of the second quarterhave been a busy and, we believe, constructive start to 2017. We are beginning to have line of sight on record volumes to be moved on our crude oil pipelines out of the deepwater Gulf of Mexico, a trend we would expect to likely continue in coming years based on current activities by our customers. Some of the turnarounds that we expected in Q one will not be felt until the

second quarter, but again, we view these as quarter to quarter anomalies that are not indicative of what we feel are very solid fundamentals. This is Offshore Technology Conference week here in Houston, and we would encourage those who are interested to review some of the really informative news and data points coming out of the OTC from the likes of BP and others who are major customers of ours in the Gulf.

We are handling increasing volumes across our Baton Rouge corridor footprint, with both imports of marine-based intermediate refined products from international sources and crude by rail from Canada. We have recently entered into agreements to expand our volume handling capabilities at what amounts to a guaranteed, low single-digit EBITDA multiple type arrangement on marginal capital; not bad for 30 to 40 year lived assets that we have reason to believe will be used far beyond those minimum commitments. The capital should be fully deployed and contributing no later than the end of the first quarter of 2018.

Our expanded and repurposed capabilities in Texas are now fully operational and will begin contributing as of May 1. Raceland, including our ability to competitively move Poseidon to desirable onshore locations, should be fully operational by the end of June.

We would reasonably expect to experience increasing volumes in Wyoming as operators ramp up drilling activity in and around our fully operational footprint. One of the largest operators just this week characterized the Powder River Basin as one of the best emerging resource opportunities in North America and capable of delivering returns that rival that of the STACK and the Delaware Basin.

We are seeing increased utilization of our marine assets, approaching 100% daily use of our inland, black oil barges, although our blue water barges continue to face challenging macros. As we have discussed in other places, the challenges for blue water, and what others characterize as coastwise trade, are in large part driven by an imbalance in demand and capacity. We would not expect significant improvement near term, although it somewhat feels like we may be bottoming. And, as you know, our American Phoenix is contracted through September 2020.

We extended our largest refinery service agreement with our host refinery through 2026. As a result of commercial discussions with other of our host refineries as well as a large number of NaHS customers regarding extending the term and tenor of our contractual relationships, we would expect our refinery services segment margin to be closer to $16-$17 million a quarter prospectively. Second quarter could be somewhat below as we have experienced lost sales due to labor disputes (which, apparently, have all been resolved) at certain South American mining locations.

In summary, although we still have some headwinds in certain places, it certainly feels like maybe the worst is behind us, and we can look forward to at least a partial recovery and increasing contributions from our suite of soon to be fully operational growth projects.

Our liquidity is strong and getting stronger daily. We are generating substantial cash flow. We sold 4.6 million new units resulting in approximately 140 million dollars of net proceeds during the quarter in a bought deal, with nothing sold under our at-the-market program. Absent significant additional capital requirements associated with

organic opportunities or acquisitions of scale, we see no pressing need to issue additional equity anytime soon. We are continuing to evaluate sales of certain assets to third parties that value them, for their own particular reasons, in excess of what we do. We would ultimately expect sales potentially in the $50-$75 million range. As always, we continue to evaluate growth opportunities—mostly organic and some acquisitions--that we think have the potential to make long-term sense for the partnership.

Finally, we are in the process of extending our revolving credit agreement. Among other things, we expect to have an expanded debt covenant over the next year or so, not that we intend to bump up against it, but rather to bolster our financial and opportunistic flexibility during this peak leverage period where we have spent lots of money and just now are starting to see the ramp up in the financial contribution from those investments. Additionally, we expect to extend the term into mid-2022, while maintaining the full committed amount. We actually view our banks as knowledgeable and sophisticated investors. Certainly unique in the capital structure, the banks are clearly insiders and get to review our contracts and internal forecasts and evaluate the data provided to us by our customers to support their long-term investment decisions in Genesis. We very much appreciate their continuing support and investment in us.

With that, I'll turn it over to Bob to discuss our quarterly results in greater detail.

Results of Operations Comparison of First Quarter 2017 to 2016

[Bob]

Thank you, Grant

In the first quarter of 2017, we generated total Available Cash before Reserves of $93 million, representing a decrease of $4.8 million, or 5%, over the first quarter of 2016. Adjusted EBITDA decreased $2.5 million over the prior year quarter to $131.4 million, representing a 2% decrease.

Net income attributable to Genesis for the quarter was $27.1 million, or $0.23 per unit, compared to $35.3 million, or $0.32 per unit, for the same period in 2016.

Segment Margin from our Offshore Pipeline transportation segment increased $8.5 million, or 11%, between the first quarter periods. The increase was the result of new production primarily attributable to 2016 drilling activity. This activity predominantly occurred near existing infrastructure due to the attractive economics even in current pricing conditions. Our extensive pipeline network benefited ratably from the new production.

Refinery services Segment Margin for the 2017 Quarter decreased $3.7 million, or 17%. The 2017 Quarter results include the effects of commercial discussions with certain of our host refineries as well as a large number of our NaHS customers, which resulted in extending the term and tenor of our contractual relationships. This includes the extension of our largest refinery services agreement at our Westlake facility through 2026. We would expect the effects of these discussions and reworked contractual relationships to continue going forward.

Marine transportation Segment Margin for the 2017 Quarter decreased $6.0 million, or 31%, from the 2016 Quarter. The decrease in Segment Margin is primarily due to a combination of slightly lower utilization and lower day rates on our inland fleet, as well as lower day rates on our offshore fleet (which offset higher utilization as adjusted for

planned dry-docking time). This excludes the M/T American Phoenix which is under long term contract through September 2020. In our inland fleet, we experienced a temporary drop in utilization in the first month of the 2017 Quarter resulting from a temporary decline in demand from one of our major refinery customers. However, we ended that quarter at close to full utilization. We continue to see a strengthening in utilization and stabilization in spot day rates, especially in the black oil, or heavy intermediate refined products trade, the trade to which we have almost exclusively committed our inland barges. In addition, several of our inland units came off of higher rate term contracts and were placed temporarily into spot service before being placed into higher rate term service towards the end of the 2017 Quarter. In our offshore barge fleet, as a number of our units have come off longer term contracts, we have continued to choose to primarily place them in spot service or short-term (less than a year) service, as we continue to believe the day rates currently being offered by the market are at, or approaching, cyclical lows. This includes one of our last legacy offshore contracts, which expired and was re-priced into the spot market.

Supply and logistics Segment Margin decreased by $5.1 million, or 19%, between the two quarters. This was primarily the result of an indefinite reduction in the southward bound legacy pipeline volumes to the Texas City refining market. Our historical customers in Texas City made alternative arrangements to receive crude oil as a result of our expansion and repurposing of our facilities which were placed into service on May 1, 2017. These decreases were partially offset by a ramp up in volumes associated with our rail and other infrastructure included in our Baton Rouge facilities during the 2017 Quarter. The decrease in Segment Margin is also partially due to lower demand for our services in our

historical back-to-back, or buy/sell, crude oil marketing business associated with aggregating and trucking crude oil from producers' leases to local or regional re-sale points. We have found it difficult to compete with certain participants in the market who are willing to lose money on local gathering because they are attempting to minimize their losses from minimum volume or take-or-pay commitments they previously made in anticipation of new production that has not yet and is unlikely to come online.

In addition to the overall net decrease in Segment Margin, Available Cash before Reserves declined as a result of increased interest expense. The increase in interest expense was primarily due to an increase in our average outstanding indebtedness from acquired and constructed assets. Interest costs, on an ongoing basis, are net of capitalized interest costs attributable to our growth capital expenditures. The impacts of these items were partially offset by a decrease in general and administrative costs. General and administrative costs included in the Available Cash calculation decreased on a comparative basis due to the $3.3 million in severance and restructuring expenses we incurred during the 2016 Quarter.

In addition to the above factors, the decrease in net income also results from an increase in depreciation expense for assets placed into service (including those at our Port of Baton Rouge Facility placed into service during 2016).

Grant will now provide some concluding remarks to our prepared comments.

Summary Remarks

[Grant]

Thanks Bob.

As discussed, our legacy businesses are performing reasonably well and we are increasingly confident in the ultimate performance of our growth projects. The actions we have taken, including the issuance of new units, or are currently undertaking, which includes going through the process of extending our credit agreement, should provide financial and opportunistic flexibility as our significant recent investments continue to ramp up and our consolidated financial results resume growing.

As we remain confident in our business prospects in the current environment, we continue to believe we are well positioned to deliver long term value to all of our stakeholders without ever losing our absolute commitment to safe, reliable and responsible operations.

As always, we would like to recognize the efforts and commitment of all those with whom we are fortunate enough to work.

With that, I'll turn it back to the moderator for any questions.

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