

**2015 Second Quarter
Results Conference Call
July 29, 2015**

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 2015 Second Quarter Conference Call for Genesis Energy. Genesis has five business segments. The Onshore Pipeline Transportation Division is principally engaged in the pipeline transportation of crude oil. 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 Second Quarter 2015

[Grant]

Good morning and welcome to everyone.

This morning, we reported Available Cash before Reserves of \$68.8 million, providing 1.0 times coverage of the distribution we will pay on August 14th. Excluding the effects from our common units issued in July 2015 to fund a portion of our acquisition of the Enterprise offshore pipeline and services business, Available Cash before Reserves would have provided 1.1 times coverage for our quarterly distribution. That distribution of \$0.625 per unit represents the 40th consecutive increase in our quarterly distribution, 35 of which have been greater than 10 percent over the prior year's quarter and none of which has been less than 8.7 percent.

Last Friday, we closed our acquisition of Enterprise's offshore pipeline and services business. These offshore assets substantially enlarge our portfolio of strategic infrastructure in the Gulf of Mexico, allowing us to further enhance our support of the world-class oil developments of integrated and large independent energy companies operating in the Deepwater of the Gulf of Mexico. We believe the acquisition will be immediately accretive to our cash available for distribution per common unit and will

improve our credit metrics over time, which should accelerate an increase in our credit ratings in the future. In addition, we look forward to welcoming to Genesis the world-class team that has been assembled by Enterprise to operate and manage these acquired assets. Since acquiring ownership interests in each of CHOPS, Poseidon and SEKCO, we have been impressed with this group and look forward to a seamless transition for them and the customers we serve.

To finance that acquisition, in July, we sold 10,350,000 common units in a public offering that generated net proceeds of approximately \$437 million and \$750 million aggregate principal amount of 6.75% senior unsecured notes due 2022 that generated net proceeds of approximately \$729 million. We funded the remainder of the purchase price of the offshore acquisition under our senior secured credit facility, which we recently amended to provide for a total \$1.5 billion (or an increase of \$500 million) of committed borrowing capacity to allow for further funding of working capital requirements and general partnership needs.

With regards to our other growth initiatives, our second quarter results reflect the continuing contributions from our newest assets, our interest in the SEKCO pipeline and the M/T American Phoenix. Volume flow in the SEKCO pipeline increased throughout the quarter, though this throughput only had a direct financial benefit to our then existing interest in Poseidon and limited benefit to SEKCO once minimum volumes were achieved and exceeded and in both cases only through May activity because of our treatment of equity in earnings. We anticipate the financial effect of these volumes to positively impact our results in the second half of 2015 to our now 100 percent owned SEKCO pipeline, which will be consolidated, and our increased economic interest in

Poseidon which we anticipate to continue to be reported as a non-consolidated joint venture. The M/T American Phoenix, which we acquired in November 2014, is now fully integrated into our offshore marine fleet and we are pleased with the results achieved to date from the operations of this vessel. When coupled with the additional inland barges we have added to our marine fleet, we anticipate continued favorable comparisons of operating results from our marine transportation segment in the second half of 2015.

We continue to progress on our refinery-centric projects in Louisiana, stretching from Port Hudson, through Baton Rouge, and south to Raceland, all designed to provide services for multiple refining complexes in Louisiana. Although a small portion of that infrastructure is in operation, we would not expect to see meaningful volumes until those facilities are completed in the second half of 2015.

Our business strategies that we previously outlined, coupled with our complementary acquisitions and growth projects that will be ramping up throughout 2015 and into 2016, as well as our recent material acquisition, should position us well to continue to achieve our goals of delivering low double-digit growth in distributions, an increasing coverage ratio and an investment grade leverage ratio, all without ever losing our cultural focus on providing safe, responsible and reliable services.

With that, I will turn it over to Bob.

Results of Operations

Comparison of Second Quarter 2015 to 2014

[Bob]

Thank you, Grant

In the second quarter of 2015, we generated total Available Cash before Reserves of \$68.8 million, representing an increase of \$13.3 million, or 24%, over the second quarter of 2014. Adjusted EBITDA increased \$17.1 million over the prior year quarter to \$87.3 million, representing 24% year over year growth.

Net income for the quarter was \$11.7 million, or \$0.12 per unit, compared to \$21.1 million, or \$0.24 per unit, for the same period in 2014. We recognized a \$19.2 million loss in the second quarter in relation to the early retirement of our \$350 million, 7.875% senior unsecured notes, which we refinanced with a new 8 year tranche at a 6% coupon.

Segment Margin from our Onshore Pipeline transportation segment decreased \$2.2 million, or 13%, between the second quarter periods. The decrease was primarily the result of a decrease in revenue from pipeline loss allowance volumes, collected and sold, due to the change in the market price of crude oil between the respective periods.

Offshore Pipeline transportation segment margin increased \$13.7 million, or 120%, between the second quarter periods. The increase was primarily the result of the financial contribution realized from the minimum throughput requirements on our SEKCO pipeline. Upon completion of the SEKCO pipeline in July 2014, we began earning certain minimum fees with actual crude deliveries beginning in January 2015.

While throughput has commenced on the SEKCO pipeline, throughput volumes did not exceed a level at which throughput revenues would exceed the monthly minimum payments until May, 2015. Until that point, all such throughput benefited our Poseidon pipeline but did not add additional contribution from SEKCO.

Refinery services Segment Margin decreased \$1.4 million, or 7%, between the second quarter periods. NaHS revenues decreased due to a reduction in volumes. The reduction was attributable to the bankruptcy of one mining customer, reduced sales to a major customer as they work through an atypical ore seam as a result of a landslide, and certain sales foregone as a result of supply interruptions at one of our major processing facilities. We were able to realize benefits from our favorable management of the acquisition and utilization of caustic soda in our operations, and from our logistics management capabilities, which somewhat offset the effects on Segment Margin of decreased NaHS sales volumes.

Segment Margin from our Marine transportation segment increased \$8.2 million or 43%, between the second quarter periods. That increase was primarily attributable to a full quarter of operating results from the M/T American Phoenix, which we acquired in November 2014. The results also benefit from the addition of two additional barges to our inland fleet, and higher realized contract rates on several of our oceangoing barges.

Supply and logistics Segment Margin decreased by \$2.5 million, or 17%, between the second quarter periods, primarily due to lower crude oil volumes unloaded at our Natchez Terminal and our Port Hudson terminal relative to the 2014 quarter, as we prepare for the increased utilization of different phases of our Baton Rouge facilities.

Interest costs for the second quarter of 2015 increased by \$3.8 million from the second quarter of 2014 primarily due to an increase in our average outstanding indebtedness from newly acquired and constructed assets. Interest costs, on an ongoing basis, are net of capitalized interest costs attributable to our growth capital expenditures.

In addition to the factors impacting Available Cash before Reserves, other components of net income included depreciation and amortization expense which increased \$7.7 million between the quarterly periods primarily as a result of newly acquired and constructed assets placed into service. Also in the 2015 Quarter, our derivative positions resulted in a \$0.2 million non-cash unrealized gain compared to a \$2.7 million non-cash unrealized loss in the 2014 Quarter. As previously discussed, we also recognized a \$19.2 million loss in relation to the early retirement of our \$350 million, 7.875% senior unsecured notes. The items discussed above, as partially offset by an increase in Segment Margin, resulted in a decrease in net income per common unit of \$0.12 between the quarterly periods.

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

Summary Remarks

[Grant]

Thanks Bob.

As discussed, our businesses are performing well, and we would expect them to continue to do so in spite of challenges or headwinds that always seem to pop up. We expect to continue to be well-served by our business strategies, including being

primarily refinery centric and supporting long-lived, world-class oil developments of integrated and large independent energy companies.

As always, we would like to recognize the efforts and commitment of all of those with whom we are fortunate enough to work, including their commitment to providing safe, responsible and reliable services.

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

Operator: At this time, I would like to remind everyone, in order to ask a question press star then the number one on your telephone keypad.

Your first question comes from the line of (Brian Darren) from Barclays. Your line is open.

(Brian Darren): Good morning.

Grant Sims: Good morning.

(Brian Darren): I guess, on the Gulf of Mexico acquisition you acquired it at a pretty attractive multiple but we are seeing some lower CapEx budgets even from the majors. Can you talk a little bit about the downside protection that you have from the reacquisition if we do see a lower production?

Grant Sims: Well, we don't actually anticipate, relative to at least the next several years, any substantial diminution in any kind anticipated throughputs through the acquired assets based upon the drilling activity, the development activity that is occurring at both contracted and existing facilities, so we don't have any concerns from our perspective of seeing any kind of dramatic decrease in volumes over the next 3 to 5 years.

(Brian Darren): I guess I'm not looking at the other side of things as volumes in your base case grow. Do you see any opportunities for growth projects or is it more just higher volumes on the base assets?

Grant Sims: We see significant opportunities and I think Anadarko mentioned earlier this week that Lucius) which goes into SEKCO has ramped up and stabilized at design capacity of 80,000 barrels a day and that Heidelberg is on track for first production in second quarter of 2016 which is already contracted about 60 percent to go to Poseidon and about 40 percent to go to Cameron Highway.

There's continued activity, they're drilling delineation wells at both Shenandoah and Yeti. I am using them as an example because they announced earlier this week. So the point is, similar to SEKCO, the preponderance of new deepwater developments access back to the infrastructure to get to shore is represented by Poseidon and Cameron Highway. We believe this will generate incremental opportunities for us on SEKCO-type lateral opportunities on a go forward basis.

(Brian Darren): OK, we'll – we'll stay tuned on potential growth projects. Just turning to marine transportation, the business is obviously doing well. Can you comment on the re-contracting rates, you know, where they stand relative to a year so ago?

Grant Sims: The American Phoenix, which is our Panamax class vessel, is under contract which will go on an increase contract basis starting on or about September 1 under a five-year contract with P66. So we'll have that ready to contribute at over to what it's currently working for. We have been re-contracting our oceangoing barges at rates consistent with, if not slightly higher than, what they have been historically contracted for. And on our inland side, again I want to empathize that our focus is on black oil heater barges exclusively.

We don't move crude oil. We move intermediate refined products between the refinery locations in contracts with the refiners to provide that transportation service. We've seen no step back in the pricing for that type of service in the inland barge business.

(Brian Darren): And last one for me, looking at crude by rail, you know, how do you -- what kind of impact have you seen in terms of barrels reaching the West Coast? There's been a lot of delays in unloading facilities. How is that impacting your crude by rail business?

Grant Sims: I think it's probably, you know, we're obviously not involved in any kind of unloading facilities on the West Coast. We anticipated that, at couple of our loading facilities, ultimately the rational destination is the West Coast. The level of activity is consistent with our previous expectations but the trains that are getting loaded are not necessarily going to the West Coast but going to other locations.

(Brian Darren): Thanks, Grant.

Grant Sims: Thanks.

Operator: Your next question comes from the line of Shneur Gershuni from UBS. Your line is open.

Shneur Gershuni: Hi, good morning, guys.

Grant Sims: Good morning.

Shneur Gershuni: I was wondering if I can spend my first question just sort of talking about the transaction from a financing perspective with -- with Enterprise? You know, when I sort of -- when I run through the numbers that you presented it seems that you basically roughly financed the equity component -- or rather you equity financed the project by about 30 percent versus the traditional 50-50.

And so, you know, when I sort of look at the deal seeing that it's extremely accretive, I mean is the plan effectively to balance out the funding gap by using the excess distributable cash flow to effectively bring down the debt or, you know, is there a potential equity overhang as well to go on a go forward basis?

Grant Sims: Our anticipation is that it is so accretive EBITDA basis that our coverage ratio will generate significant excess cash while still being able to maintain our historical growth rate in distributions. And yes we will -- we'd anticipate using that excess cash to repay a portion of the debt and predominantly the draws under the revolver to manage our leverage ratios back down to the plus or minus 4 turns.

Shneur Gershuni: OK, so once you've paid down that debt, kind of as a follow on, when I think about your distribution growth outlook you've kind of been pretty firm about where you'd like it to be and so forth but once leverage comes down your coverage is still going to be relatively high. If there isn't an organic growth project or an acquisition opportunity, I mean would stepping up the payout of the distribution be a consideration or even a unit buy back?

I mean, obviously this would be absent an organic growth project or acquisition opportunity.

Grant Sims: We've been pretty firm in our distribution policy. In fact, we've done it for 10 years at this point and -- but you're exactly right. I mean, we think that it generates a lot of the financial flexibility for us to the extent that I guess in one sense we view that as providing the equity to do other organic opportunities and provided that we are capable of identifying organic opportunities and/or other acquisitions which make sense to us to be able to continue that track record. That's what we'll evaluate but, I mean, we feel very good about where we are certainly for the next 3 to 5 years in terms of been able to meet our financial goals.

Shneur Gershuni: OK, and then one last final question about the results. I realize you gave Brian quite a bit of detail, but I was wondering if you can explicitly expand on the onshore volumes, you know, kind of the performance year-over-year and where you expect the trends to be over the next, you know, 6 to 9 months and possibly longer if you have that kind of a crystal ball?

Grant Sims: We would anticipate primarily growth in the onshore volumes to occur in Louisiana system at our integrated project as we continue to bring certain parts of it in the full operations and integrated operations. But as we said in the prepared remarks, and kind of said for the last nine months I guess, it's kind of a complex integrated project and a lot of parts of it are in startup type operations.

We won't see what we would call meaningful volume growth until everything is kind of completed towards the end of this year and early into – and ramp up into 2016.

Shneur Gershuni: Great, thank you very much guys. Appreciate the color.

Operator: Your next question comes from the line Justin Jenkins. Please state your company. Your line is open.

Justin Jenkins: Hi, thanks guys. This is Justin Jenkins from Raymond James. I guess I've just got a really quick follow-up from the previous question on comments on the onshore pipe segment and specifically the Louisiana system. And I know you said there's a lot of work going on with the organic project and the reasons, and I guess I'm just wondering if that was the reason why we saw volumes dip on that system or if it was turnaround related? I guess just looking for a little more color there.

Grant Sims: As Bob mentioned in the year earlier we were taking a number of volumes into the same refinery complex but they were coming in through Natchez and Port Hudson both -- and those -- in this quarter were less than they were in the year ago quarter, but as we are transitioning to higher volumes with the coming integration and completion of everything.

So I wouldn't read anything into it other than we are transitioning and we would anticipate that the period-over-period volumes will be favorable in the remaining quarters in 2015 and certainly into 2016.

Justin Jenkins: That's perfect. Thanks.

Operator: Again, if you would like to ask a question, press star then the number one on your telephone keypad.

Your next question comes from the line of TJ Schultz from RBC Capital Markets. Your line is open.

TJ Schultz: Hey, Grant, just one thing from me. On the timing of the South Louisiana projects, you guys when you did the offshore deal kind of indicated fourth quarter EBIDTA somewhere over \$140 million, so I'm just trying to figure out kind of the South Louisiana footprint as that ramps in how much of that is in that fourth quarter implied run rate? Maybe if you could give an update on the total CapEx that is being allocated to South Louisiana and then how that kind of ramps over the next call it six to nine months?

Grant Sims: You know, I wouldn't under certain FD restrictions, you know, I'm not sure 140 run rate was necessarily what we would consider to be our expectations for the fourth quarter. But we are spending in the aggregate about half a billion dollars in the corridor from Port Hudson down through Raceland. As we have consistently maintained that we believe that once fully operational all the way through that we are building things on a base case basis from our perspective that would generate, you know, kind of seven to eight type multiples. And in certain cases we think that there's a possibility for exceeding that.

You know, I would certainly anticipate that, you know, starting in -- or ramping up and getting into a run rate of that type of thing by the middle of 2016 would not be an unreasonable expectation.

TJ Schultz: OK, thank you.

Operator: Your next question comes from the line of Dan Schenk from MLV and CO.. Your line is open.

Dan Schenk: Hi, good morning everyone. Just a couple quick questions. With the larger footprint with the Enterprise deal, curious about your CapEx. I know you have guided to about 290 million. I know it's a little early

in the game to, you know, lock down a new number but are you guys going – going forward are you going to be revising that number at all or how are you thinking about that?

Grant Sims: There's no significant material near-term organic growth identified off of the expanded footprint at this point. So I wouldn't anticipate in 2015 and possibly even in the 2016, although we're always working on stuff, that we would see any significant organic expenditures in the Gulf of Mexico.

Dan Schenk: OK. Part of the deal you guys also acquired offshore personnel from Enterprise and I was kind of curious from a modeling perspective what that looks -- what that does to your G&A expense. Do you think you kind of stay in the, I think, \$10-\$15 million range, or do you think that increases significantly?

Grant Sims: The team that we're acquiring will, in essence, all be charged if you will from a financial reporting point of view into the offshore pipeline segment. There may be incrementally, you know, additional things that we actually account for in the corporate SG&A, whether or not it's incremental in-house legal expense or potentially some accounting things. But in the EBITDA guidance that we gave of how we view the acquisition - that is inclusive of the field operations and the management team that we're transitioning over that has historically been reflected in the historical financials of the acquired assets.

Dan Schenk: Great, thank you.

Operator: Your next question comes from the line of Bernie Colson from Oppenheimer. Your line is open.

Bernie Colson: Good morning, guys.

Grant Sims: Good morning.

Bernie Colson: I was hoping that you could just talk a little bit about refinery services that -- that segment of the business and some about the declines in the

quarter, and then also are there – are you seeing any opportunities going forward to expand that segment or do we think that that's just going to kind of continue to shrink as a percentage of the whole?

Grant Sims: Well, that's a two part question. First is, as Bob mentioned and I think we mentioned in the press release, we discussed that there was a bankruptcy of an independent copper mine in Arizona which represented about 1,500 tons per quarter run rate. We also mentioned that one of our very large customers in the U.S. had a wall collapse at one of their mines and as a result they're in an atypical ore body and their requirements for our products are going to be burdened on a quarter-over-quarter basis that was close to 2,000 tons.

That possibly could last to the end of 2016. But, you know, otherwise we haven't seen any significant behavioral modifications for many of our existing customers.

From a longer-term perspective as we have consistently said, we really can't grow that business any more than the market primarily -- the market for Nash or as, you know, caustic soda. We can't grow it any faster than our ability to meet those incremental market requirements. So, because we are spending money and growing other things, whether or not it's the onshore pipelines or the offshore pipelines, that kind of necessarily is just arithmetic. I would say that that will become, while still a great business and growing to the extent that the markets allow us to grow it but it will become a smaller percentage contributor to our overall segment margins.

Bernie Colson: OK, so other than those couple of blips in the quarter there's no real change in your outlook for I guess the demand for the end products. Is -- that's a good summary of what you believe?

Grant Sims: That is correct.

Bernie Colson: OK, thank you.

Operator: There are no further questions at this time. I will turn the call back over to the presenters.

Grant Sims: OK, well thanks, everybody, very much for joining us this morning and we will talk to everyone in 90 days or so. Thank you.

Operator: This concludes today's conference call. You may now disconnect.