



genesisenergy

GENESIS ENERGY, L.P.
2009 ANNUAL REPORT TO UNITHOLDERS

LETTER TO OUR UNITHOLDERS

2009 was a solid year for Genesis, in spite of the macroeconomic environment that challenged us throughout the year. Our operational highlights and accomplishments for 2009 included the follow:

- Total segment margin remained consistent with the prior year, with quarterly results improving throughout the year.
- In Pipeline Transportation, a full-year of cash flow from the NEJD and Free State CO₂ pipelines acquired in May 2008 contributed significantly to the 27% increase in the margin for this segment.
- In Supply and Logistics, we benefited during the year from additional opportunities to handle the heavy end of the refined barrel due to our access to the additional leased heavy-products storage and to barge transportation capabilities through our DG Marine joint venture and the beginnings of a rebound in the world's economics.
- In Refinery Services, our operations continue to run smoothly. Our monthly sales volumes of NaHS increased during the year as mining activities started to show improvement in the latter half of the year due to increases in copper and molybdenum market prices.
- In Industrial Gases, we experienced a slight decline due to the impact of macroeconomic conditions on our industrial gases customers that purchase CO₂ from us. Additionally a scheduled turnaround in the second half of 2009 at our syngas joint venture facility reduced the contribution of that venture in 2009.
- In February 2010, we paid a total distribution of approximately \$16.6 million attributable to our financial and operational results for the fourth quarter of 2009. \$14.3 million, or \$0.36 per unit, was paid to our limited partners and \$2.3 million was paid to our general partner including its incentive distribution, attributable to our financial and operational results for the fourth quarter of 2009. Given the total Cash Available before Reserves generated for the fourth quarter of 2009, the coverage ratio for our total distribution was approximately 1.4 times. For all of 2009, our Cash Available before Reserves provided a coverage ratio of 1.45 times our total distributions.
- The distribution for the fourth quarter of 2009 represented the eighteenth consecutive quarter with an increase in the per unit distribution. The distribution of \$0.36 per unit represents a 2.1% increase in the distribution paid relative to the previous quarter and an approximately 9.1% increase over the year earlier period.

We are cautiously optimistic and encouraged about the increased activities and apparent opportunities across our business segments that we started to see in the fourth quarter of 2009. We are proud of our employees and how they responded to the macroeconomic challenges presented in 2009. Because of their efforts, we were able to deliver the eighteenth consecutive quarterly increase in the distribution paid to our unitholders, while maintaining a high coverage ratio and conservative financial structure. While the challenging environment has not disappeared, we believe we are as well positioned as anyone to take advantage of opportunities to improve our financial results. With the continuing financial performance of our existing businesses, the healthy coverage of our current distributions, and existing debt

commitments at December 31, 2009, and no need, other than opportunistically, to access the capital markets, we hope to be able to take advantage of both organic and/or attractive acquisition opportunities that we believe are likely to develop in 2010. Our goal is unchanged, and that is to create long-term value for all of our stakeholders.

In February 2010, the ownership of our general partner changed. We look forward to working with, and being supported by, the Quintana Group and their co-investors in our continuing efforts to create value for all of the partnership's stakeholders. With their support and encouragement, we look forward to identifying and capitalizing on opportunities for growth.

A handwritten signature in black ink, appearing to read "G. Sims". The signature is fluid and cursive, with a large initial "G" and a stylized "Sims".

Grant E. Sims

Chief Executive Officer

Officers*

Grant E. Sims

Chief Executive Officer

Robert V. Deere

Chief Financial Officer

Steven R. Nathanson

President, Refinery Services Division

Ross A. Benavides

General Counsel and Secretary

Karen N. Pape

Senior Vice President and Controller

Stephen M. Smith

Vice President-Finance & Corporate Development

Unitholder Information

Partnership Offices

Genesis Energy, L.P.
5919 Milam, Suite 2100
Houston, TX 77002
(713) 860-2500

Partnership Website

www.genesisenergy.com

Exchange Listing

NYSE Amex Exchange
Ticker Symbol: GEL

Principal Transfer Agent, Registrar and Cash Distribution Paying Agent

American Stock Transfer & Trust Company
40 Wall Street
New York, NY 10005
(800) 937-5449

Additional Information:

- For information regarding your K-1 tax report, call (888) 236-1148
- Unitholder questions regarding transfers, lost certificates, distribution checks and address changes should be directed to the Transfer Agent or your stockbroker.

The Partnership's Annual Report on Form 10-K is available to Unitholders upon request. It is also available on the Internet at <http://www.genesisenergy.com>

Directors*

James E. Davison ⁽¹⁾

Private investor; former chairman of Davison Transport, Inc.

James E. Davison, Jr. ⁽¹⁾

Private investor; executive of Davison family businesses

Donald L. Evans ⁽¹⁾

President of Don Evans Group, Ltd.; former Secretary of U.S. Dept of Commerce

Sharilyn S. Gasaway ⁽¹⁾⁽²⁾

Private investor; former Executive Vice President and Chief Financial Officer of Alltel Corporation

Kenneth M. Jastrow, II ⁽¹⁾

Non-Executive Chairman of Forestar Group, Inc.; former Chairman and Chief Executive Officer of Temple-Inland, Inc.

S. James Nelson ⁽¹⁾⁽²⁾

Private investor; former Chief Financial Officer, Vice Chairman and director of Cal Dive International, Inc.

Corbin J. Robertson III ⁽¹⁾

Private investor; Managing Director, Coal and Downstream for Quintana Capital Group, L.P.

William K. Robertson ⁽¹⁾

Private investor; Managing Director, Midstream and Power for Quintana Capital Group, L.P.

Grant E. Sims ⁽¹⁾

Chief Executive Officer, Genesis Energy, LLC

Robert C. Sturdivant ⁽¹⁾

Chairman of the Board, Genesis Energy, LLC; Vice President-Finance and Managing Director-Risk Management of certain Quintana Capital Group, L.P. affiliates

Carl A. Thomason ⁽¹⁾⁽²⁾

Private investor; marketing consultant to Yessup Oil Corp.

⁽¹⁾ Governance, Compensation and Business Development Committee Member

⁽²⁾ Audit Committee Member

*Genesis Energy, L.P., does not have officers or directors. Listed above are the officers and directors of the General Partner, Genesis Energy, LLC

