

**2009 Fourth Quarter and Year End
Results Conference Call
February 24, 2010**

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 2009 Fourth Quarter and Year End Conference Call for Genesis Energy. Genesis has four business segments. The Pipeline Transportation Division is engaged in the pipeline transportation of crude oil and carbon dioxide. The Refinery Services Division primarily processes sour gas streams to remove sulfur at refining operations, principally located in Texas, Louisiana, and Arkansas. The Supply and Logistics Division is engaged in the transportation, blending, storage and supply of energy products, including crude oil and refined products. The Industrial Gases Division produces and supplies industrial gases such as carbon dioxide and syngas. Genesis' operations are primarily located in Texas, Louisiana, Arkansas, Mississippi, Alabama, and Florida.

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 such 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, Ross Benavides, General Counsel and Karen Pape, Chief Accounting Officer.

Introduction and Comments of 2009

Thank you and welcome to everyone.

As I mentioned in the release, we are cautiously optimistic about increased activities and opportunities across our businesses relative to the third quarter. As you can see, higher throughput volumes are by and large driving the increased pipeline segment margin. Likewise, higher volumes are primarily responsible for the improvement in refinery services margin. That's a good thing; in one sense, it indicates macroeconomic activity is improving.

The lack of contango and blending economics in our crude oil business is and appears will be a challenge. Diversifying and expanding our geographic and commercial footprint for our heavy refined products blending/storage/transporting business is a priority.

In any event, we're encouraged....certainly relative to the glass is half empty view of the world a year ago. With the help of all our employees, we delivered sustained quarterly distribution growth through the Great Recession and we believe in our ability to continue on that path for the foreseeable future.

With that, I'll turn it over to Bob Deere, our CFO, to review our results in greater detail.

Results of Operations

Comparison to Third Quarter

Thank you, Grant

I will discuss the key differences in our fourth quarter results from the third quarter of 2009. A comparison of the annual periods will follow the quarterly comparison. My discussion will focus on our segment margin, as fluctuations in our revenues resulting from changes in the commodity price of crude oil and petroleum products do not have a corresponding impact on our earnings or available cash flow.

For the 2009 fourth quarter, we generated Available Cash before Reserves of \$23.7 million, essentially equal to the previous quarter. While we reported a net loss attributable to the partnership of \$6.0 million, this loss was due to non-cash charges not affecting the payment of distributions to our unitholders as I will discuss later.

Turning to our operating segments, results from our pipeline transportation segment improved by \$1.1 million, to \$11.3 million, when compared to the third quarter. Throughput in our crude oil pipelines increased, with increases on the Mississippi System and Jay Systems offsetting a slight decrease in volume on the Texas System. In total, volumes increased by 2,395 barrels per day, with the majority of that increase on the Jay System. We were pleased to see volumes begin to flow again in December from Little

Escambia Creek, which had been shut-in due to crude oil prices and maintenance since November of 2008. Little Escambia Creek only accounted for 191 barrels per day of the increase in the fourth quarter, but in January 2010 volume was over 2,000 barrels per day. CO2 volumes transported on our Free State Pipeline increased by 45,300 Mcf a day, resulting in increased revenue of \$0.5 million. Also adding to revenues was an increase in pipeline loss allowance volumes and higher market prices for those loss allowance volumes. The added revenue from the pipeline loss allowance volumes was approximately \$0.4 million.

During the fourth quarter of 2009, the refinery services segment contributed \$13.2 million, an increase of \$0.5 million or 4 percent between periods. Increased NaHS sales volumes was the primary factor in the increase in segment margin. NaHS sales volumes increased by 3,760 dry short tons to 31,967 dry short tons. Caustic soda volumes decreased by 1,500 dry short tons to 25,398 dry short tons. We are particularly pleased with the increase in NaHS volumes, primarily to our mining customers.

Supply and logistics segment margin decreased \$2.3 million between the quarters. The flattening of the forward curve in crude oil prices and narrowing of the differential in prices between sour and sweet crude oil contributed to approximately \$0.8 million of such decrease. Seasonal declines in asphalt sales, slightly lower petroleum product sales and increased operating expenses (principally due to river flooding early in the fourth quarter) accounted for approximately \$0.8 of such decrease. DG Marine contributed approximately \$0.4 million less compared to the third quarter.

Our industrial gases segment margin declined slightly. We typically experience a seasonal decline in CO2 marketing volumes due to the use of CO2 in food and beverages

which have greater demand in the warmer months. The volume decline was approximately 8,000 Mcf per day, which is slightly less than the seasonal decline between the third and fourth quarters in 2008. The planned turnaround at the facility owned by our Syngas joint venture was completed in the third quarter of 2009; however cash distributions were not made to the joint venture partners in the fourth quarter as the invoices for the turnaround were paid.

Decreases in other expenditure components of Available Cash contributed to keeping the fourth quarter Available Cash consistent with the third quarter. These components include the cash portion of our corporate general and administrative costs, interest costs and maintenance capital expenditures. Moving from Available Cash, our net loss for the quarter was principally due to non-cash items. During the quarter, we recorded an impairment charge of \$5.0 million related to an investment in the Faustina Project. The Faustina Project is a developmental pet coke to ammonia project in which we first invested in 2006. Based on the progress of the project and our decision not to fund further development cash calls, we determined that the likelihood of recovery of our investment was remote and we wrote off the investment we had recorded. The fourth quarter charge for non-cash equity-based compensation charges increased by approximately \$3.6 million as compared to the third quarter of 2009, primarily due to the compensation arrangements between our executives and our general partner. The cash cost of these arrangements was borne by our former general partner.

Comparison to 2009 to Last Year

I will now discuss the principal differences between 2009 and 2008. Available Cash before Reserves was \$1.2 million more in 2009 as compared to 2008. Despite the changes in the economic environment between 2009 and 2008, our segment margin only decreased by \$0.4 million between the periods. Reductions in other cash costs and expenses more than offset the decline in segment margin, resulting in the increased Available Cash before Reserves. Net income attributable to the partnership in 2009 was \$18 million less than 2008; however the factors creating this difference were non-cash charges not affecting Available Cash before Reserves.

Results from our pipeline transportation segment increased \$9.0 million to \$42.2 million, or by 27 percent. The inclusion of a full year in 2009 of the effects of the NEJD CO2 pipeline lease and Free State Pipeline acquisition added \$11.9 million to segment margin. These pipeline transactions closed at the end of May 2008. Throughput on our crude oil pipeline systems decreased 6%, although approximately one-third of the volumetric decrease was on the Mississippi System, where the incremental tariff is only \$0.25 per barrel. As I previously indicated, the Little Escambia Creek field was shut-in for most of 2009, which accounted for a difference of 3,470 barrels per day of volume on the Jay System. In December of 2009, the production from that field re-started. Increases from other fields on the Jay System offset a portion of the Little Escambia Creek decline, resulting in an annual net decline for the Jay System of 2,905 barrels per day. The throughput decline was mitigated by increases in tariff rates of 7.6% on the Jay and Mississippi Systems effective July 1, 2009. Sales of pipeline loss allowance volumes

declined \$4.1 million as a result of approximately 10,000 fewer loss allowance barrels combined with significantly lower crude oil prices in 2009.

During 2009, our refinery services segment contributed \$51.8 million, a decrease of \$3.9 million or 7 percent between periods. There were two significant components of this fluctuation. First - NaHS sales volumes declined by 34%. The demand for NaHS, primarily in mining and industrial activities, has been negatively impacted during 2009 by macroeconomic conditions. As we have seen in the current quarter, we expect demand for NaHS to continue to increase as market prices and demand for copper and molybdenum improve and stabilize. Similarly we expect improvements in industrial activities like the pulp and paper and tanning industries to increase NaHS demand. The second component of the variance in margin for this segment was an increase in caustic soda sales volumes of 30% that offset some of the impact of the NaHS sales decline. Caustic soda is a key component of our sulfur removal process. Our economies of scale and logistics capabilities allow us to effectively market caustic soda to third parties.

Supply and logistics segment margin was \$29.1 million in 2009 compared to \$32.4 million in 2008. Volumes of crude oil and petroleum products sold in 2009 were approximately 1% more than in 2008. Although we did not see a decline in volumes, we did not experience the price environment in the petroleum products markets and robust refinery utilization that occurred in 2008. Those market conditions in 2008 created blending and sales opportunities with expanded margins in comparison to historical rates. Relatively flat petroleum prices and reduced refinery utilization in 2009 narrowed the economics of our blending opportunities and reduced sales margins to more historical rates. Somewhat offsetting these declines were the additional opportunities to handle

volumes from 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. However, the result of all of the above factors was that our crude oil and petroleum products marketing activities contributed \$11.1 million less to segment margin in 2009 than in 2008.

Contango pricing in the crude oil market, primarily in the first three quarters of 2009, provided opportunities for us to hold more barrels in storage tanks to take advantage of higher oil prices for future deliveries. We hedge the future delivery price with the use of derivative contracts (principally NYMEX futures) and minimize price risk. During 2009, we averaged approximately 174,000 barrels of crude oil in inventory and recorded \$2.2 million of segment margin related to storing and hedging crude oil. The DG Marine barge operations we acquired in July 2008 added approximately \$5.6 million more to our segment margin in 2009 as compared to 2008. However, because the cash flows generated by DG Marine must be utilized to reduce DG Marine's debt under its credit facility, we exclude the effects of DG Marine from our calculation of Available Cash before Reserves.

Segment margin from industrial gas activities in 2009 decreased \$2.1 million from the prior year period to \$11.4 million. We sold on average 4,730 Mcf less per day to our CO₂ industrial customers in 2009 than in 2008. Our industrial customers sell the CO₂ to companies in the food and beverage industries and for use in tertiary oil recovery and other industrial processes. The macroeconomic conditions have depressed the demand for CO₂ in these areas. Additionally, due to a scheduled turnaround at our syngas joint venture, the contribution to our available cash by our joint ventures in 2009 was

approximately \$1.3 million less than in 2008. The turnaround was completed and we expect our joint ventures to contribute to available cash throughout 2010.

Other items affecting Available Cash before Reserves are cash costs and expenses including corporate general and administrative expenses and interest costs. Our cash corporate G&A expenses declined by \$5.7 million, primarily in the areas of professional service fees and bonus expense. Interest costs on debt under the Genesis credit facility decreased \$2.6 million between 2009 and 2008 due to lower market interest rates.

The \$18 million decline in net income for 2009 as compared to 2008 was the result of an increase in non-cash charges. The largest of these charges are depreciation, amortization and impairment expense and the charge related to the compensation arrangement between our executives and the former owner of our general partner. In 2009, routine depreciation and amortization of our assets declined \$8.8 million between the annual periods as the decline in the amortization of intangible assets acquired in the Davison acquisition more than offset the additional depreciation from DG Marine and the Free State pipeline both acquired during 2008. As I previously discussed we recorded an impairment charge of \$5.0 million in 2009 related to the Faustina investment.

Non-cash compensation charges increased by approximately \$20.1 million between 2009 and 2008 as a result of the compensation arrangement between our executives and our former general partner as well as the effects of the increase in the market price of our common units on the stock appreciation rights plan expense.

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

Summary Remarks

Thanks Bob.

As we've discussed today, we're cautiously optimistic as we put 2008/2009 behind us and look forward. Hopefully, the world's glass is just now half full. Hopefully, the whole glass is not smaller.

In any event, with the 1.43 times coverage of our total distribution, our relatively conservative credit metrics, our dedicated employees, our increasingly integrated suite of service capabilities, and our commitment to our customers and service providers, we are as well-positioned as anyone to take advantage of opportunities .

We're excited to have the Quintana Group, members of the Davison family and the other investors in our GP on board and on point. With their support and encouragement, we look forward to identifying and capitalizing on those opportunities.

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

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