

Partnering With The Rail Industry



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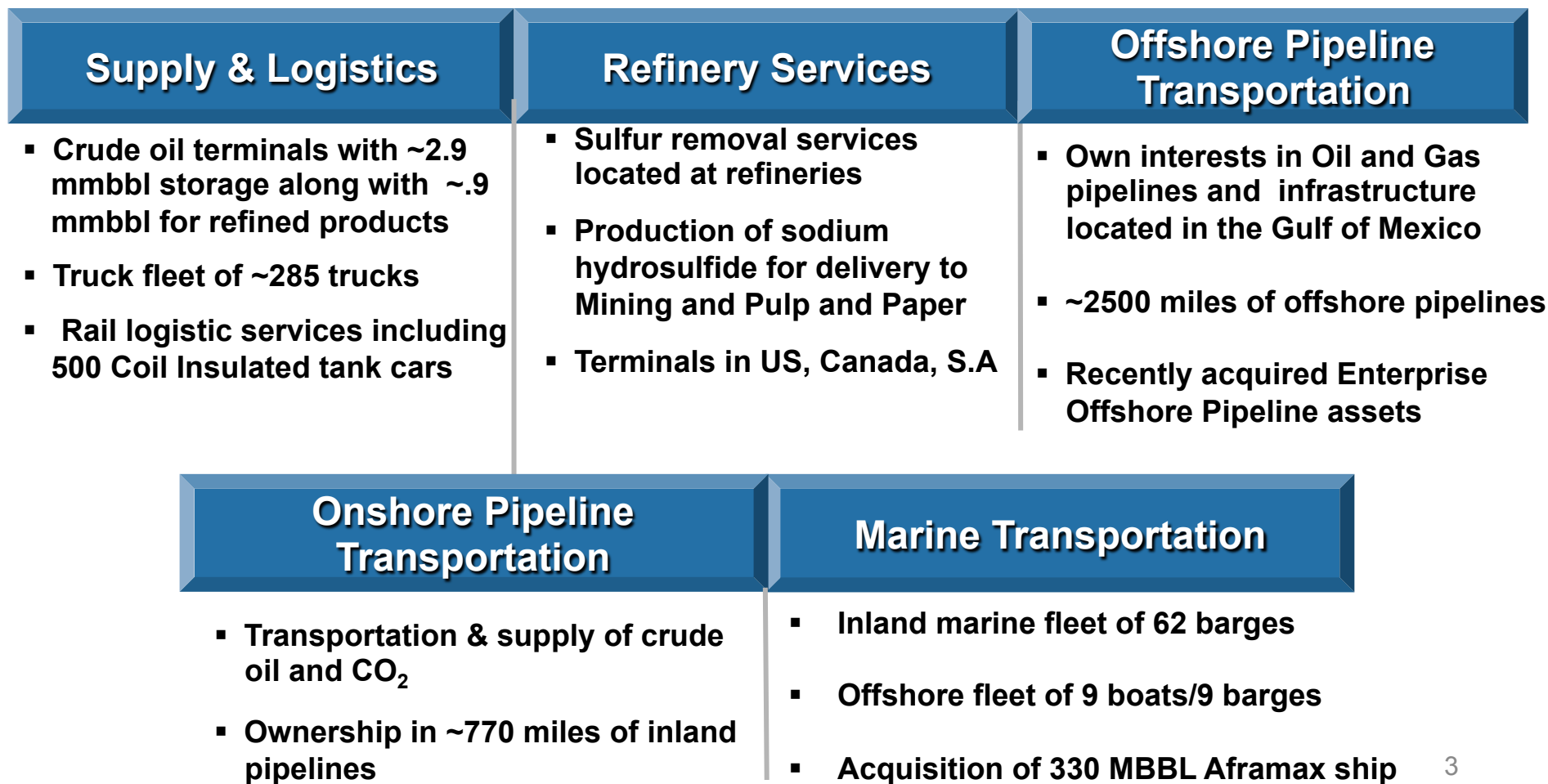
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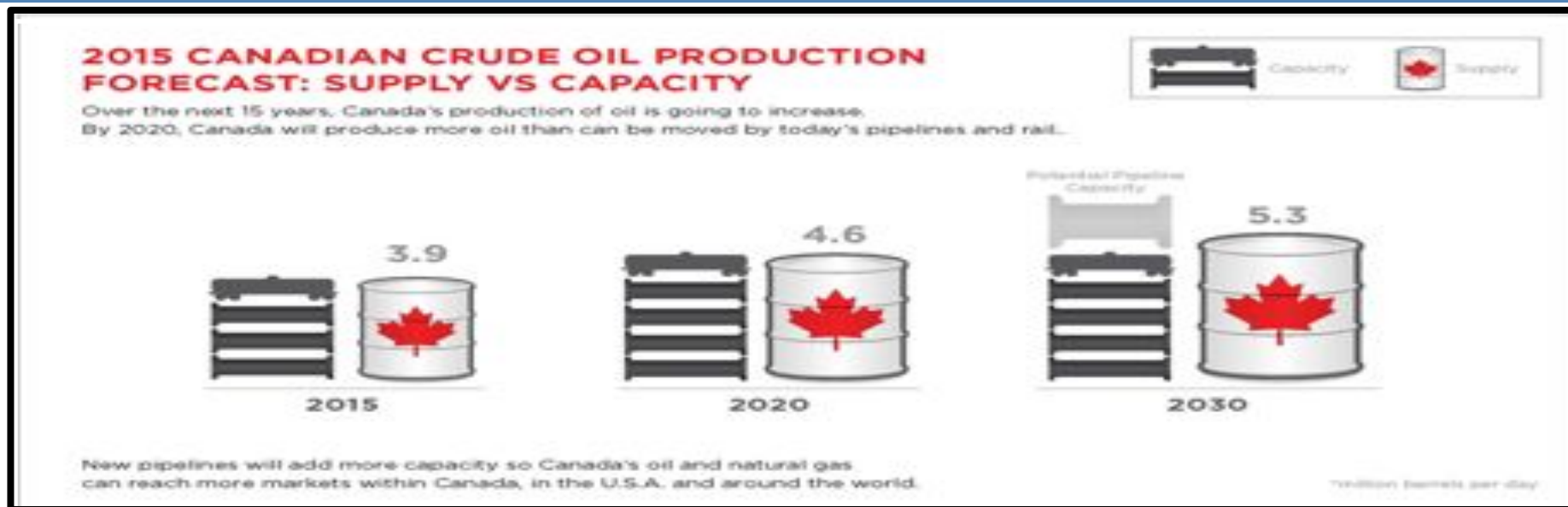
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Genesis Business Segments

Genesis Energy is a diversified midstream energy MLP focused on offering high quality, safe, and efficient crude oil transportation services



Canadian Production Increase Slows But Is Not Stopping




Source: CAPP June 2015 Forecast

- CAPP forecast is ~150,000 BPD growth in 2015 and an additional 500,000 BPD from 2016 through 2018
- To minimize rail growth some combination of the following pipeline projects must occur but lots of obstacles:
 - If either Keystone XL or Energy East move forward it will put a large dent in Crude by Rail
 - If either Northern Gateway or TransMountain Express move forward there will be a lesser impact
- Industry expectation is that a large % of recent cost reductions will be maintained when crude oil rebounds

Moore's Law will apply: Exponential advances in technology = Declining costs and surges in production

Industry Focus: The Right Crude to the Right Market

- 
- ❑ Genesis is well positioned to serve the US Gulf Coast refineries
 - ❑ Genesis terminals are built to handle light, medium and heavy crudes
 - ❑ Ready for the Neat Bitumen challenge
 - ❑ Prepared for Crude Oil exports
 - ❑ Suite of services includes barge, pipelines, trucks and terminals
 - ❑ Focus on pipeline delivery to refinery
 - ❑ Multiple Class 1 RR access is a must

Competitive access keeps rail costs under control

- ❑ **Dual served Class 1 rail terminals will always have a price advantage**
- ❑ **Rail price competition can make or break a deal**
- ❑ **Rail competition offers the option to use the best performing Railroad**
- ❑ **Competitive access offers service disruption alternatives**
- ❑ **Multiple carrier access improves supply and market optionality**

***Rail competition is a must for the
Crude Oil Industry***



Managing the cost of fleet leasing



- ❑ Avoid mileage utilization penalty
- ❑ Understand the lease mileage limit
- ❑ Understand the “mandated regulation” clause in most leases
- ❑ Do not sublease cars based on a handshake agreement
- ❑ Get the right size car- larger is better
- ❑ Take advantage of lower DOT 117 rail pricing

Bottom Line is avoid lease surprises

Controlling costs through refinery connectivity

- ❑ **Refineries want terminals with a pipeline delivery option. Reduces on site capital, operating cost, risk and allows for increased supply options**
- ❑ **Producers generally want terminals connected to multiple markets via pipeline and marine. This avoids being locked into 1 refinery market.**

Producers with the option of utilizing terminals with multiple sites and delivery options = significant savings



Controlling costs through proactive monitoring



- ❑ Minimize terminal congestion
- ❑ Reduce locomotive demurrage
- ❑ Improve staff utilization
- ❑ Improve cycle time and fleet cost
- ❑ Improve fleet maintenance planning
- ❑ Rail segment performance reports
- ❑ Improved customer experience

Jump on a cost and performance issue before it is out of control

Cost impact of rail inconsistency and rail car quality

- ❑ **Brutal 2013-14 winter stalled CBR. Lost sales, higher cost and lost CBR confidence**

Followed in 2014/15 By

- ❑ **Drop in crude oil prices forcing cars into storage at very high costs to owners**

Followed in 2015 By

- ❑ **New CBR regulations will increase cost**
 - **Smaller players out of CBR**
 - **Slowed fleet acquisition by majors**
 - **Retrofits will have a long term cost**
 - **Fleet will be pulled from service, retrofits will be slow. When you need a train set it will not be available.**

CBR users are forced to consider pipeline or rail/pipeline options



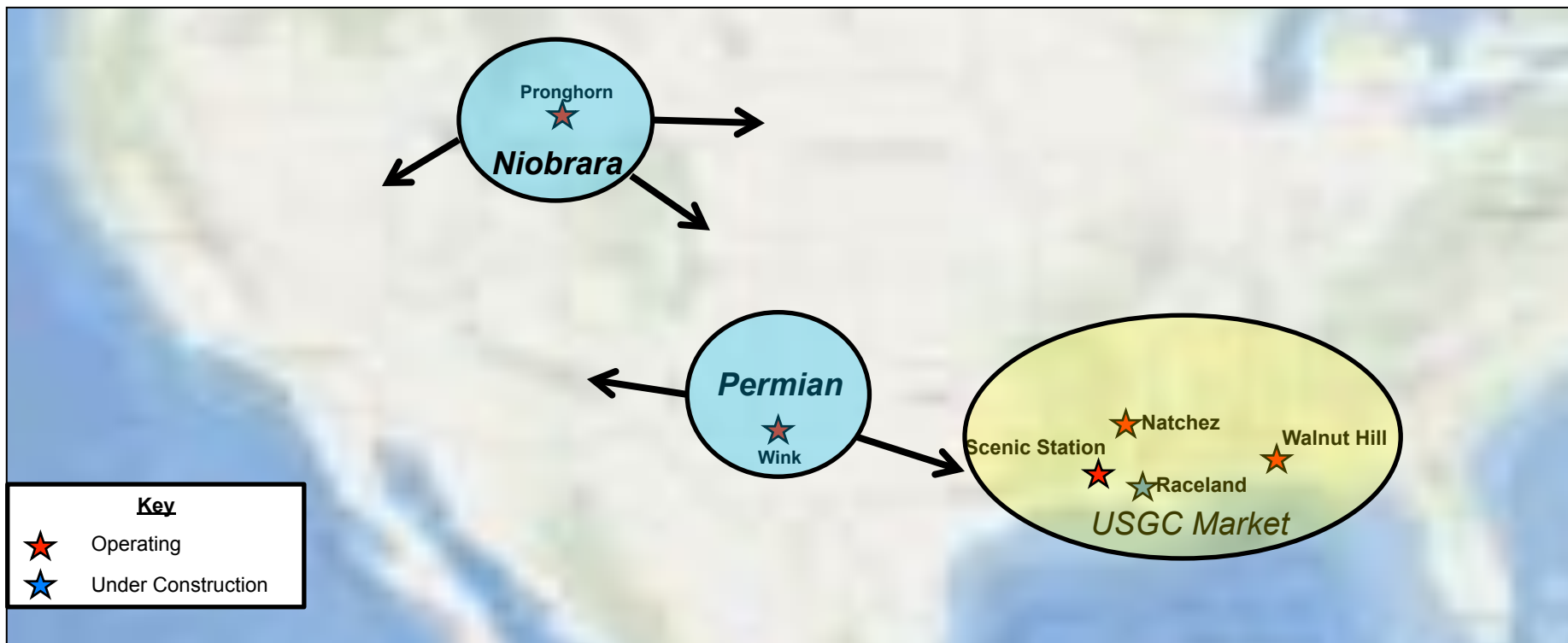
Crude by Rail can still fill a niche



- ❑ Production increase in Canada continues and major pipelines are delayed
- ❑ Reduction of highly visible derailments is a must thru regulation
- ❑ Opening up of California to a rail option will be a boon to CBR but when!!
- ❑ Softening of the US export rules may open a significant new CBR market
- ❑ Governments must support the safe handling of Crude By Rail
- ❑ Railroads must price to meet the demands of the market

None of this happens without a safe supply chain



Genesis Crude by Rail Terminals



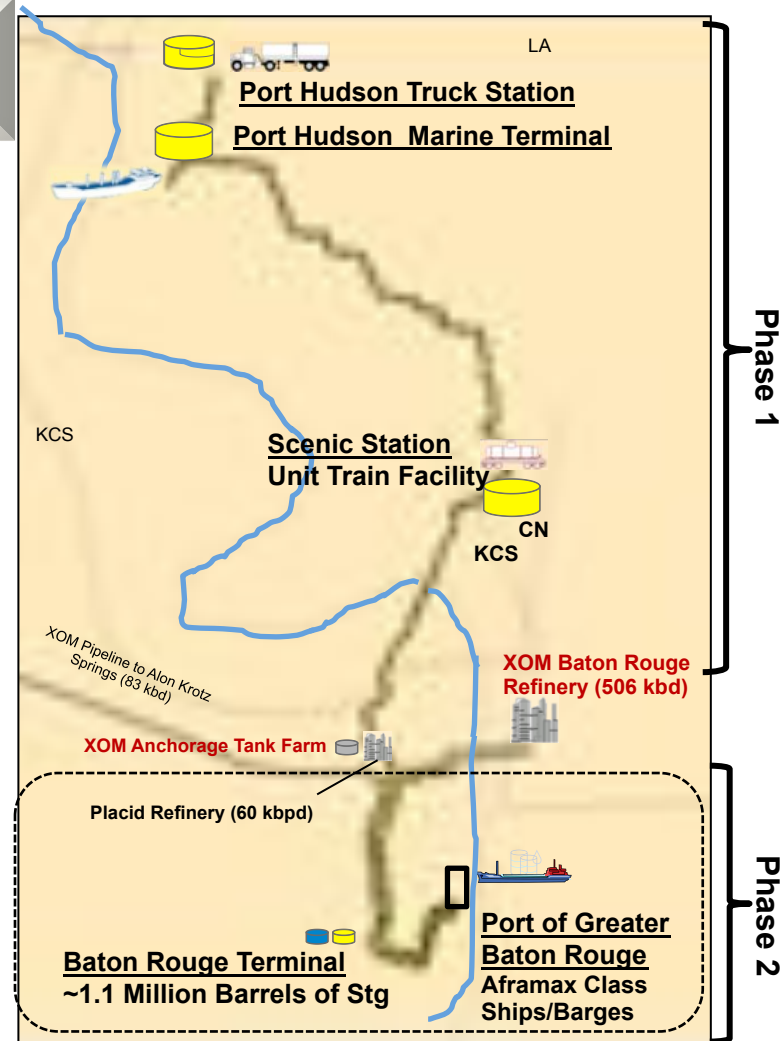
Key	
	Operating
	Under Construction

	Scenic Station	Natchez	Raceland	Walnut Hill	Pronghorn	Wink
Status	<ul style="list-style-type: none"> Operating 	<ul style="list-style-type: none"> Operating 	<ul style="list-style-type: none"> Under Construction Q1 2015 start up 	<ul style="list-style-type: none"> Operating 	<ul style="list-style-type: none"> Operating 	<ul style="list-style-type: none"> Operating
Railroad Access	<ul style="list-style-type: none"> CP via KCS CN 	<ul style="list-style-type: none"> CN via NTZR 	<ul style="list-style-type: none"> BNSF UP 	<ul style="list-style-type: none"> BN/CN/CSX/NS/KCS via AGR UP via Class 1/AGR 	<ul style="list-style-type: none"> UP BNSF 	<ul style="list-style-type: none"> UP via TNMR
Delivery Points	<ul style="list-style-type: none"> XOM Anchorage Tank Farm GEL Port of BR Terminal 	<ul style="list-style-type: none"> Barge Loading on the Mississippi 	<ul style="list-style-type: none"> Genesis Pipeline XOM Pipeline 	<ul style="list-style-type: none"> Genesis' Jay Pipeline system to Mobile, AL 	<ul style="list-style-type: none"> Western / Gulf Coast / East Coast Refineries via Rail 	<ul style="list-style-type: none"> West Coast / Gulf Coast Refineries via Rail

Baton Rouge: Creating a World Class Logistics Hub

Phase 1 : Scenic Station Rail Terminal and Port Hudson Barge /Truck Terminal

- Accepted first unit train June 27, 2014
- Unit Train unload rate less than 15 hours
- Competitive rail access: CN and CP/KCS
- Double loop with unloading of 140 kbpd
- Scenic Station has ~440 kbbl of stg
- Port Hudson has ~416 kbbl of storage
- New 18 mi, 24” pipeline connecting Port Hudson to Scenic and Anchorage



Scenic Station Unit Train Unloading Rack

- ❑ Enclosed facility with 20 unload spots expandable to 40 or 80 unload spots
- ❑ Current trains unloading on average at 10-14 hours per train



Baton Rouge: Creating a World Class Logistics Hub

Phase 2: Construction of new Crude Oil import/export terminal

- ~1.1 Million barrels of storage with expansion capability
- Pipeline connected to the Port of Baton Rouge, our Scenic Station unit train terminal and Port Hudson
- Capable of handling Aframax size ships
- Expected start-up Q4 2015

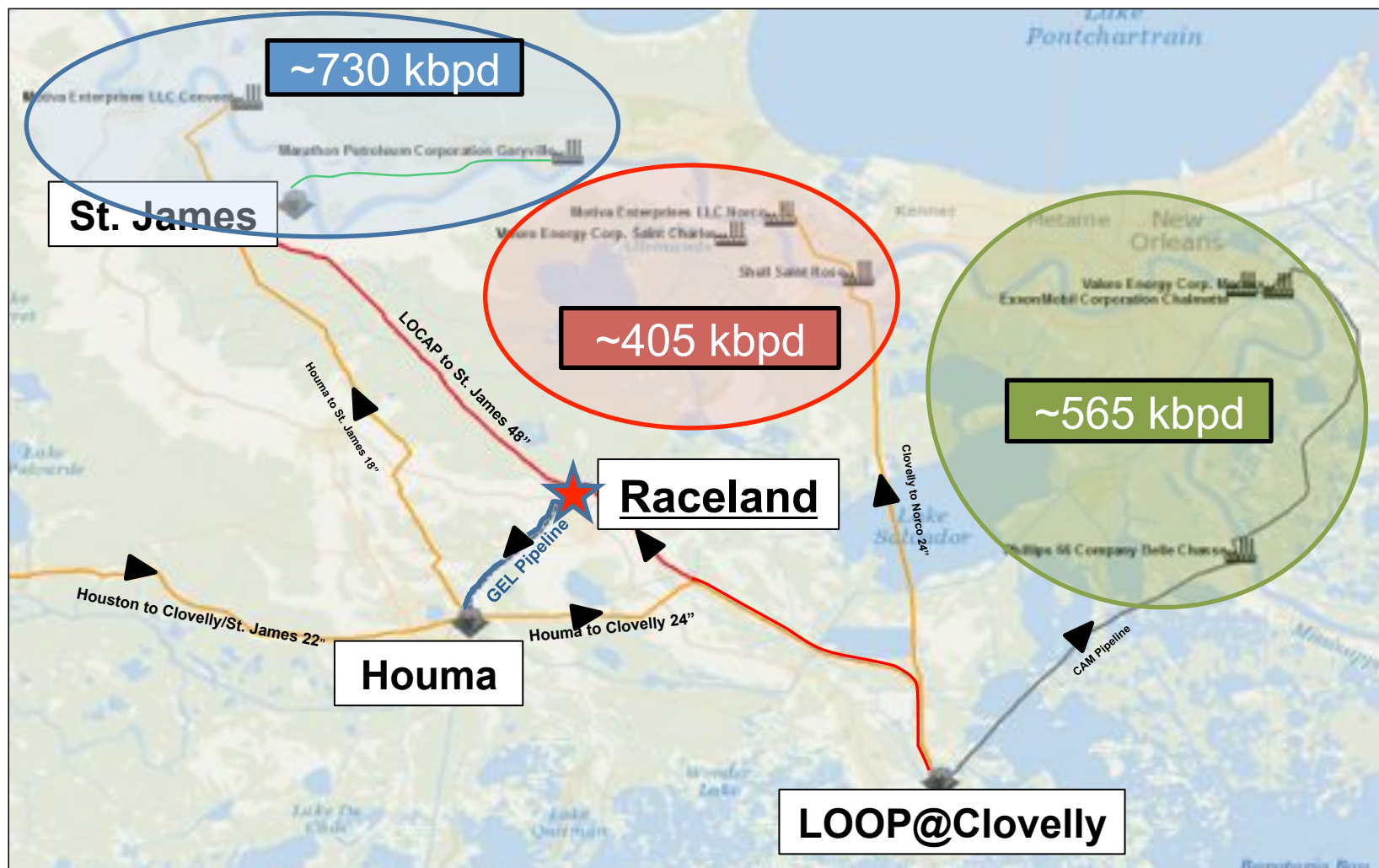


Raceland Terminal (under construction)

- **Designed to handle 2 UTs per day. Unload time of less than 12 hours/train**
- **2 Parallel 118-car tracks**
- **3-135 kbbl tanks and 1-110 kbbl tank**
- **Terminal is served by BN and UP**
- **Will accept Canadian and US Crudes**
- **Commissioning with 1st Train January 2016**
- **Pipeline access to over 2 Million barrels per day of refining capacity**



Raceland Connectivity to Lower Mississippi Refineries

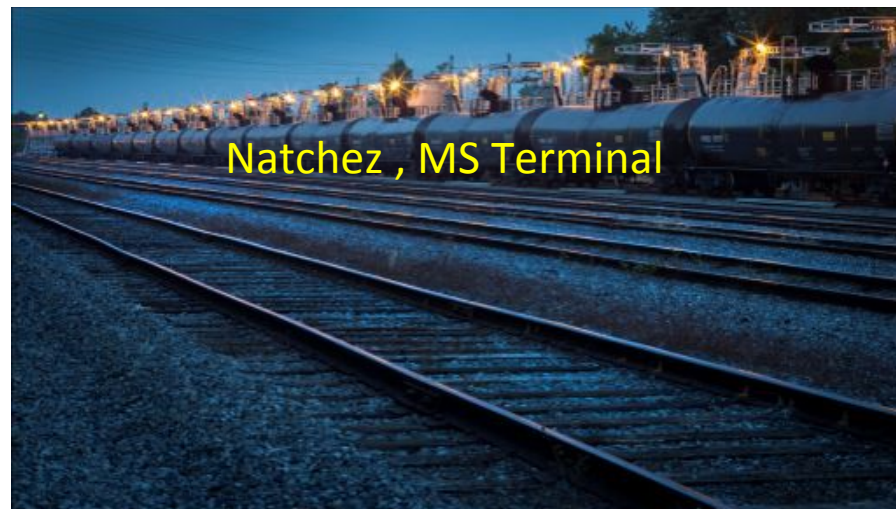


Other Genesis Crude by Rail Terminals

Pronghorn, WY Terminal



Natchez, MS Terminal



Walnut Hill, FL Terminal



Wink, TX Terminal



Genesis Marine: Compliments Our Existing Operations

Genesis Barge Operations

- ❑ Brown water barge fleet consists of 29 boats and 62 inland barges (30-38,000 BBL Capacity)
- ❑ Blue water barge fleet consists of 9 boats and 9 coastwise barges (65-135,000 BBLs capacity)
- ❑ New builds planned for 2015 and 2016



Latest Aframax Acquisition

- ❑ In 2014, Genesis acquired the M/T American Phoenix from Mid Ocean Tanker Company for approximately \$157 million
- ❑ Modern, double-hulled, Jones Act qualified tanker with 330,000 barrels of cargo capacity



Genesis: Positioned to Maximize on CBR Opportunities

- ❑ **The safe handling of Crude By Rail is our number 1 priority**
- ❑ **Terminal design focused on dual rail access and pipeline delivery**
- ❑ **Five operational terminals now with Raceland complete Q4 2015**
- ❑ **Terminal construction focused on handling US and Canadian crudes**
- ❑ **Preparing for the export and neat bitumen challenges**
- ❑ **Customer supply chain utilizes our wide range of our assets**
- ❑ **Refinery connectivity is the key**

