



**CROSSTEX**

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**MLP Investor Conference  
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**Business Overview**

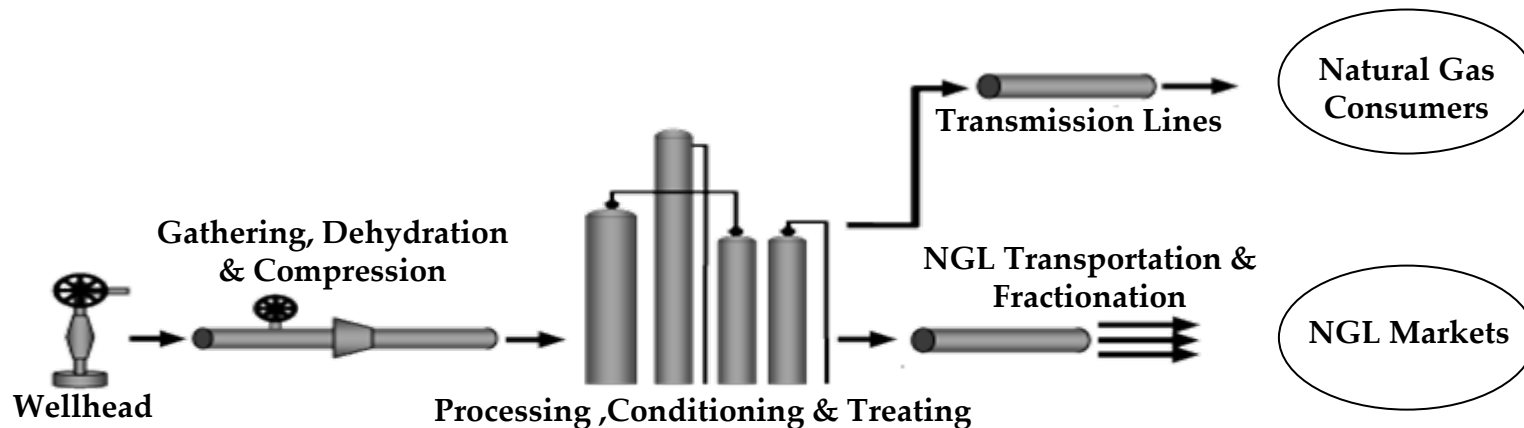
# Key Business Highlights

## Leading Midstream Company

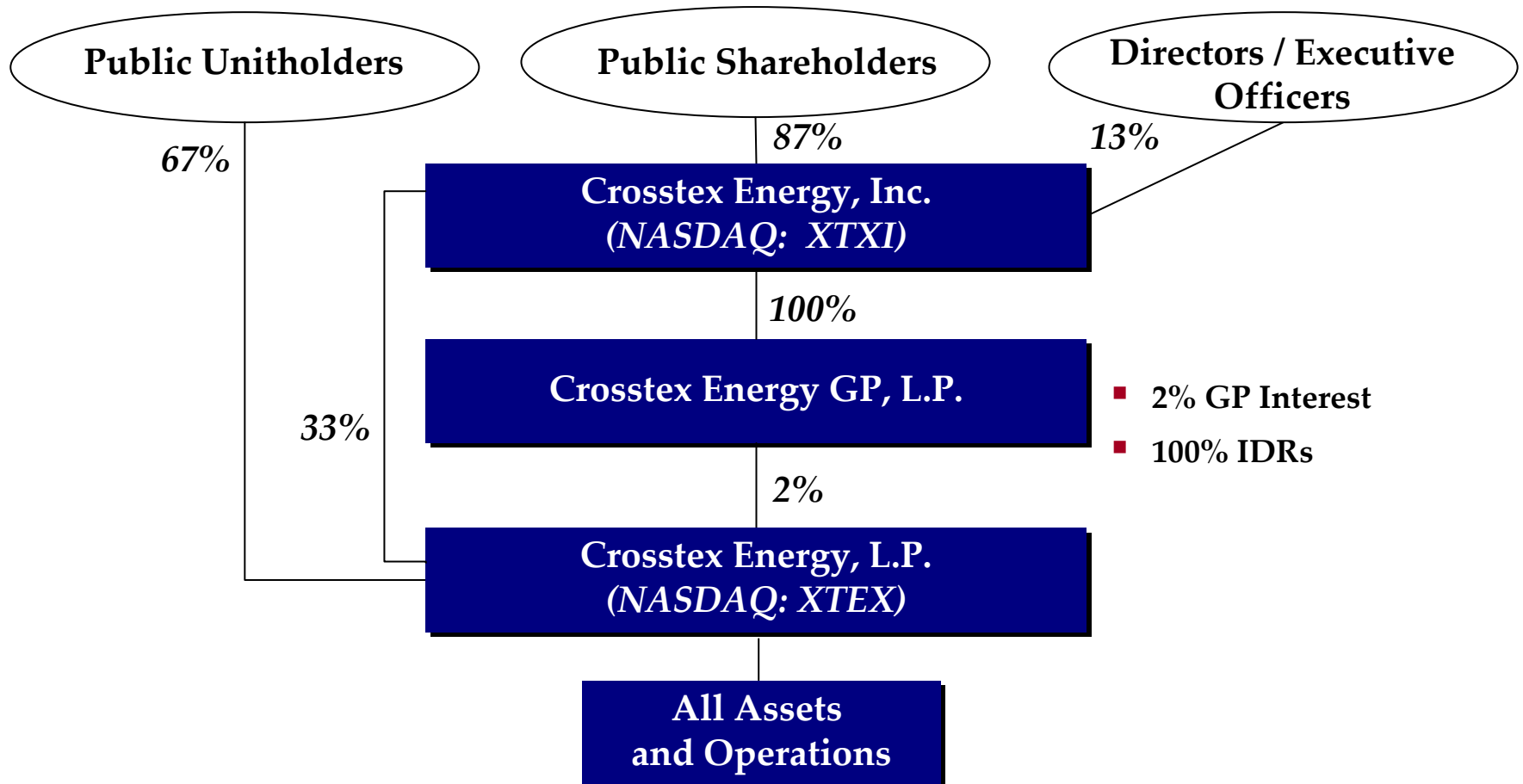
- Leading midstream energy services company focused on gathering, treating, transporting, processing and marketing natural gas and natural gas liquids
- Assets strategically located in key producing areas and market regions
- Focus in Barnett and Haynesville Shale plays

## Diversity of Services

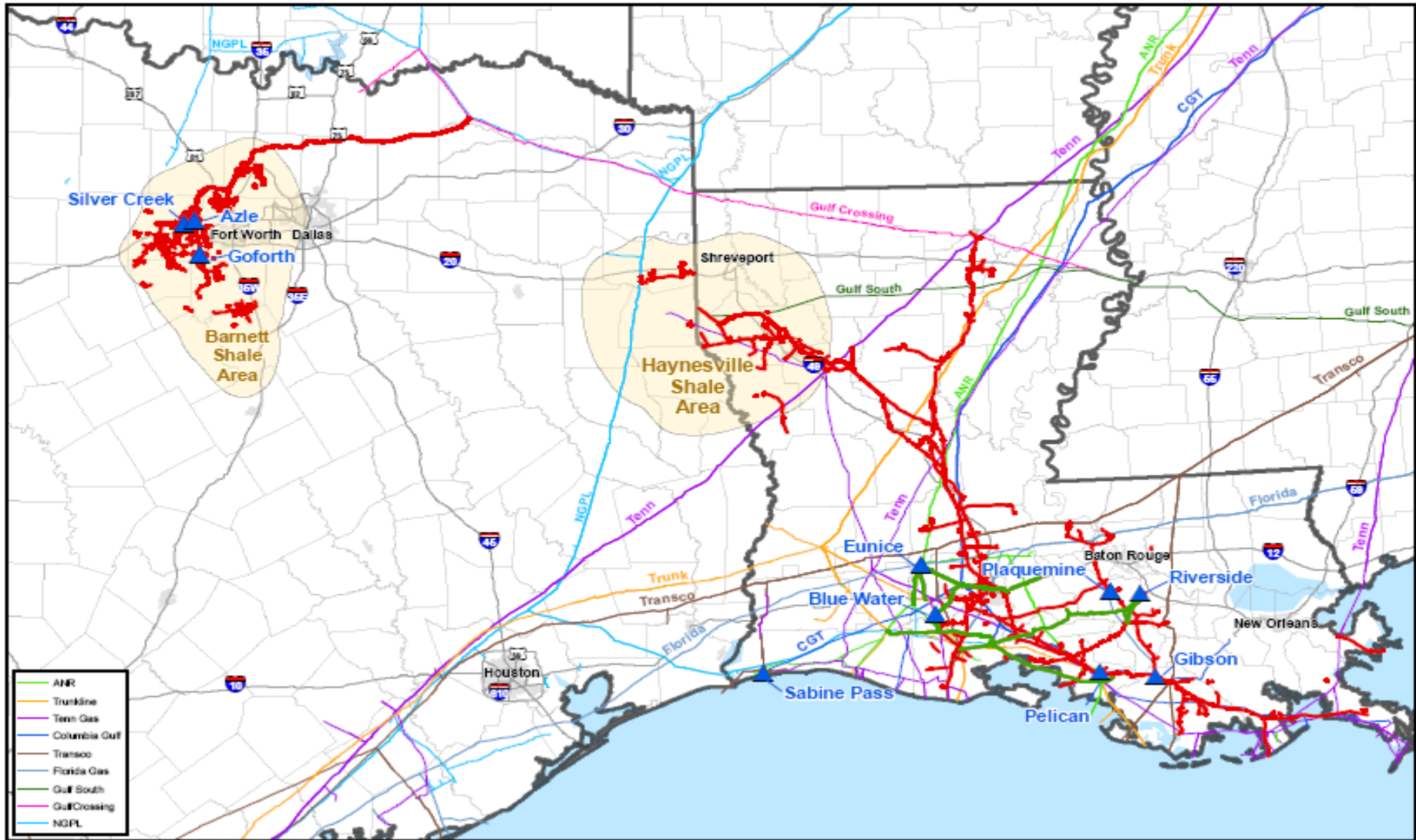
- Over 3,000 miles of gathering and transmission pipeline
- 10 natural gas processing plants
- 3 fractionators
- Over 400 miles of NGL pipeline
- 2.5mm barrels of NGL storage capacity



# Crosstex Corporate Structure



# Strategically Located Assets



# Recent Accomplishments



## Successfully executing plan

The Plan	Accomplishments
1. Restructure Debt	- Two years of covenant relief from lenders - February 2009
2. Sell Non-core Assets - Reduce Debt	<ul style="list-style-type: none"> <li>- Sold Seminole Plant interest &amp; Arkoma system \$96mm</li> <li>- Sold Mississippi and South Texas assets \$220mm</li> <li>- Announced sale of Treating assets <u>\$266mm</u></li> <li style="text-align: right;">Total sales \$582mm</li> </ul>
3. Invest in High Return Projects	- 2009 capex focused on \$100mm of high return, low risk projects
4. Maximize Operating Efficiencies	- Additional \$9mm of savings above initial 2009 projection
5. Continue To Improve Results	- Increased adjusted cash flow guidance \$25MM for 2009
6. Refinance Debt	- Positioned to complete in 2010
7. Restore Distributions/Dividends	- After new financing plan in place

# Experienced, Dedicated Teams

- Strong culture has maintained engagement during past year
- Louisiana leadership team with extensive regional knowledge leads to step-out opportunities
- North Texas team built the asset, now optimizing
- South Louisiana processing team focused on near-term, high-return growth projects
- Management team/Board focused on risk reduction, debt refinancing, and return of distributions/dividends





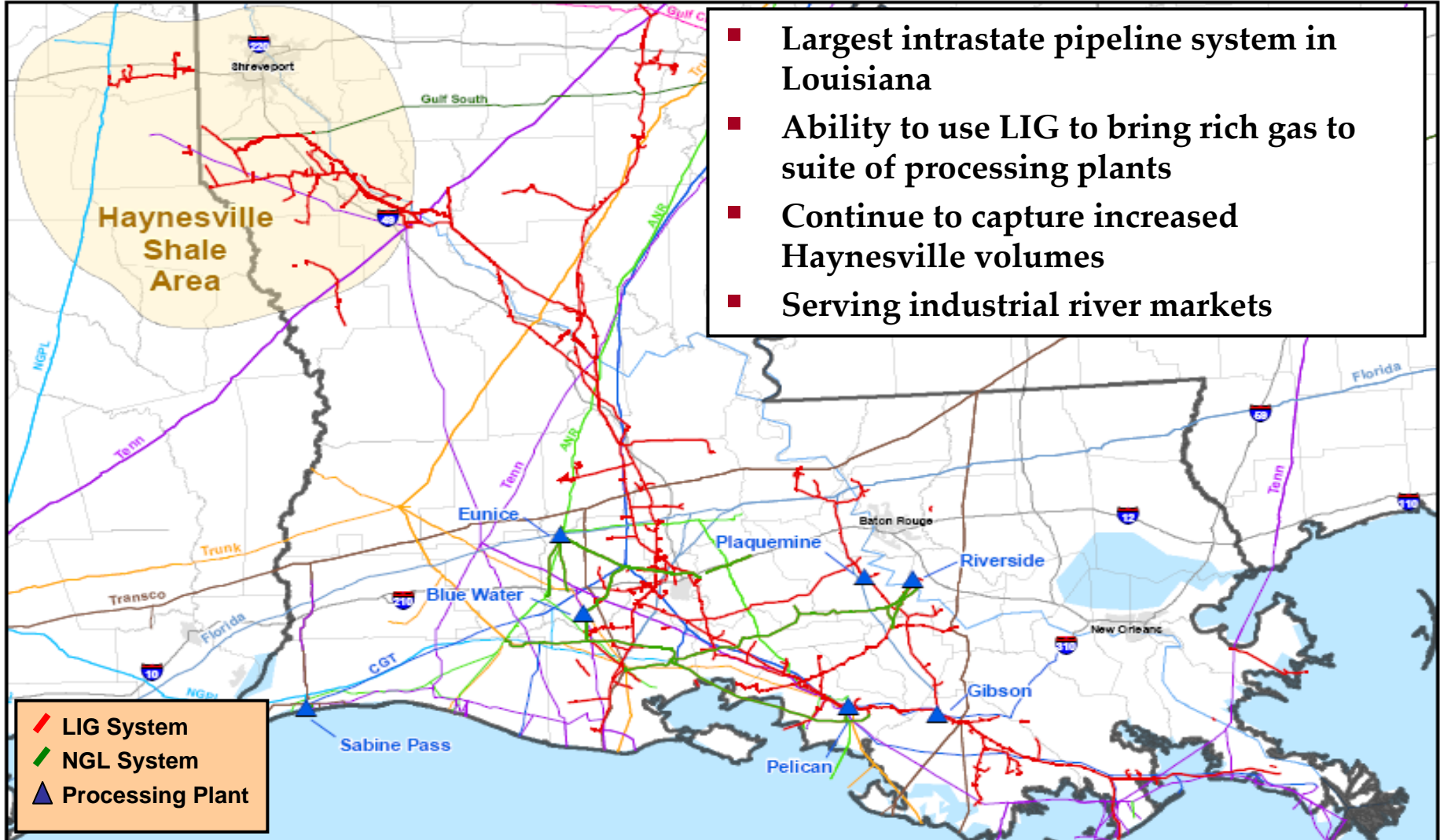
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**Assets Overview**

**Louisiana**

# Louisiana Overview



# Louisiana Highlights



## Key Assets

### Pipelines

- LIG System (including Red River)
  - 2,450 miles of gathering and transmission pipelines
  - Average throughput: 910,000 MMbtu/d - six months ended June 2009
- Cajun Sibon NGL System – approximately 400 miles with capacity of approximately 28,000 Bbls/d

### Processing, Fractionation, and Storage Facilities

Facility	Capacity		
	Processing (MMcf/d)	Fractionation (Bbls/d)	Storage (Bbls)
Blue Water	400	-	-
Eunice	1,200	36,000	-
Gibson	140	-	-
Pelican	600	-	-
Plaquemine	220	10,500	-
Sabine Pass	300	-	-
Riverside	-	30,000	102,000
Napoleonville Storage	-	-	2,400,000

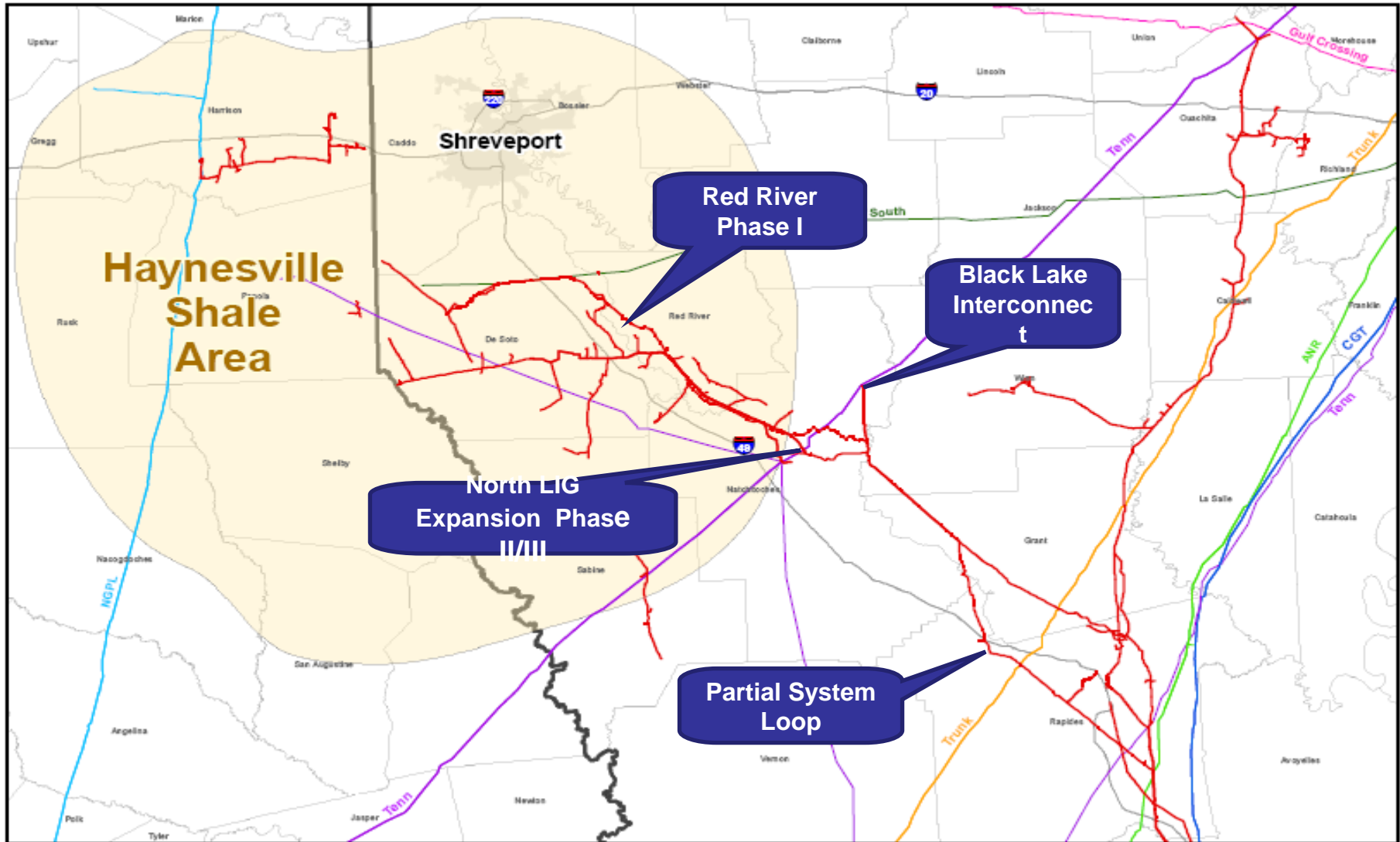
# Haynesville Provides Abundant Near Term Opportunities



- Strategic position
- Haynesville drilling activity continues to increase
- LIG Haynesville capacity expansions & timing:
  - “Bolt On” to original capacity
  - Low cost, high return projects
  - Generate new opportunities
  - Underwritten by long-term Firm Transport contracts with major producers

	In Service	Capacity MMcf/d		Contract Term
		Total	Contracted	
Projects - Completed				
Red River Phase I	Q1 2008	240	240	7 yr
North LIG Expansion Phase II	Q4 2008	35	35	10 yr
North LIG Expansion Phase III	Q2 2009	100	100	10 yr
Projects - In Progress				
Black Lake Interconnect	Q4 2009	70	35	3 yr
Partial System Loop	Q2 2010	75	Under negotiation	
All Projects		520	410	

# Louisiana: Haynesville Projects



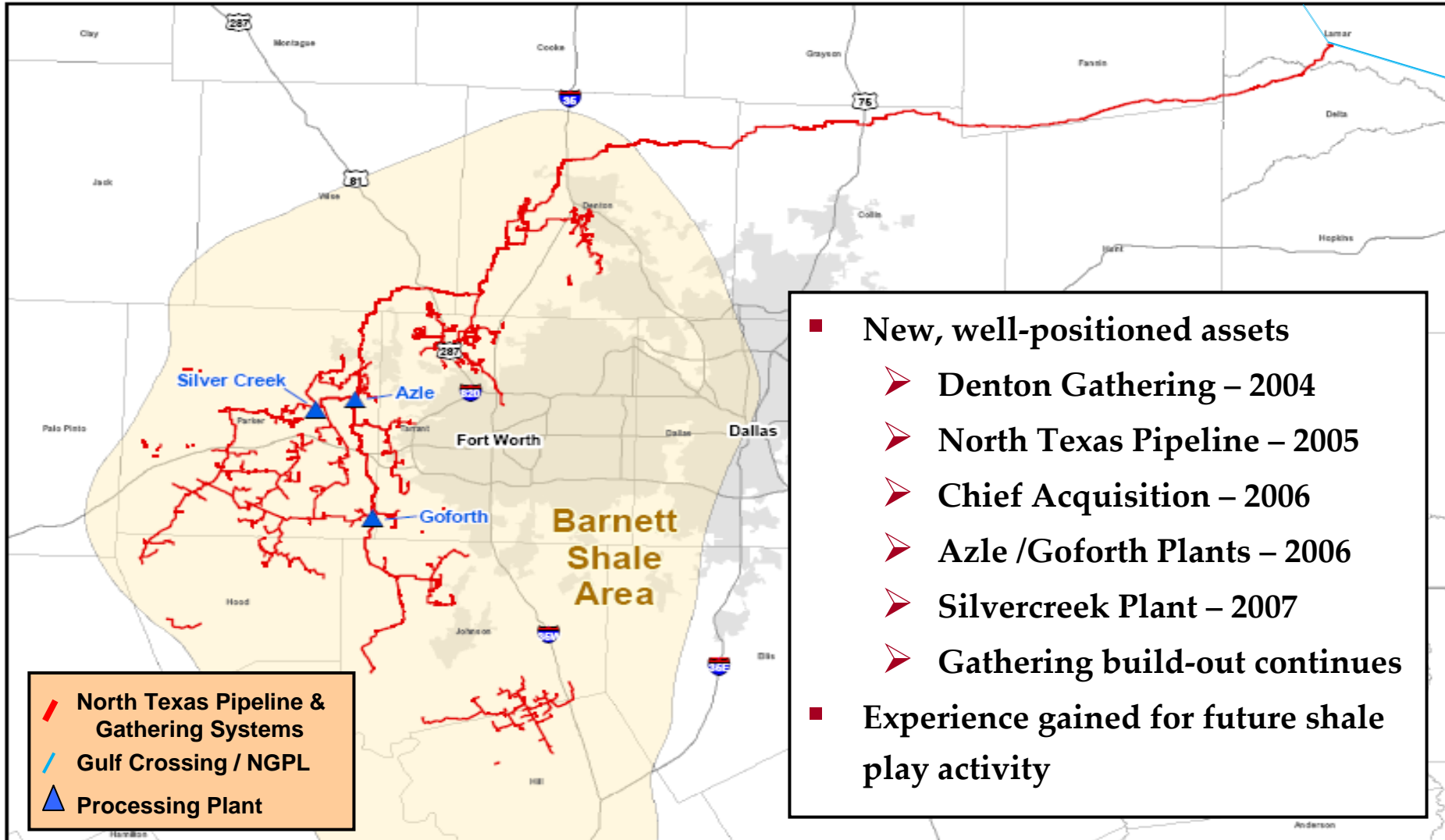


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**North Texas**

# North Texas Asset Overview



# North Texas Highlights



- **Favorable Contract Mix**

- Average terms for remaining gathering and transmission contracts are ~10 years and ~7 years, respectively

- **Key Assets**

### Gathering and Transmission Systems

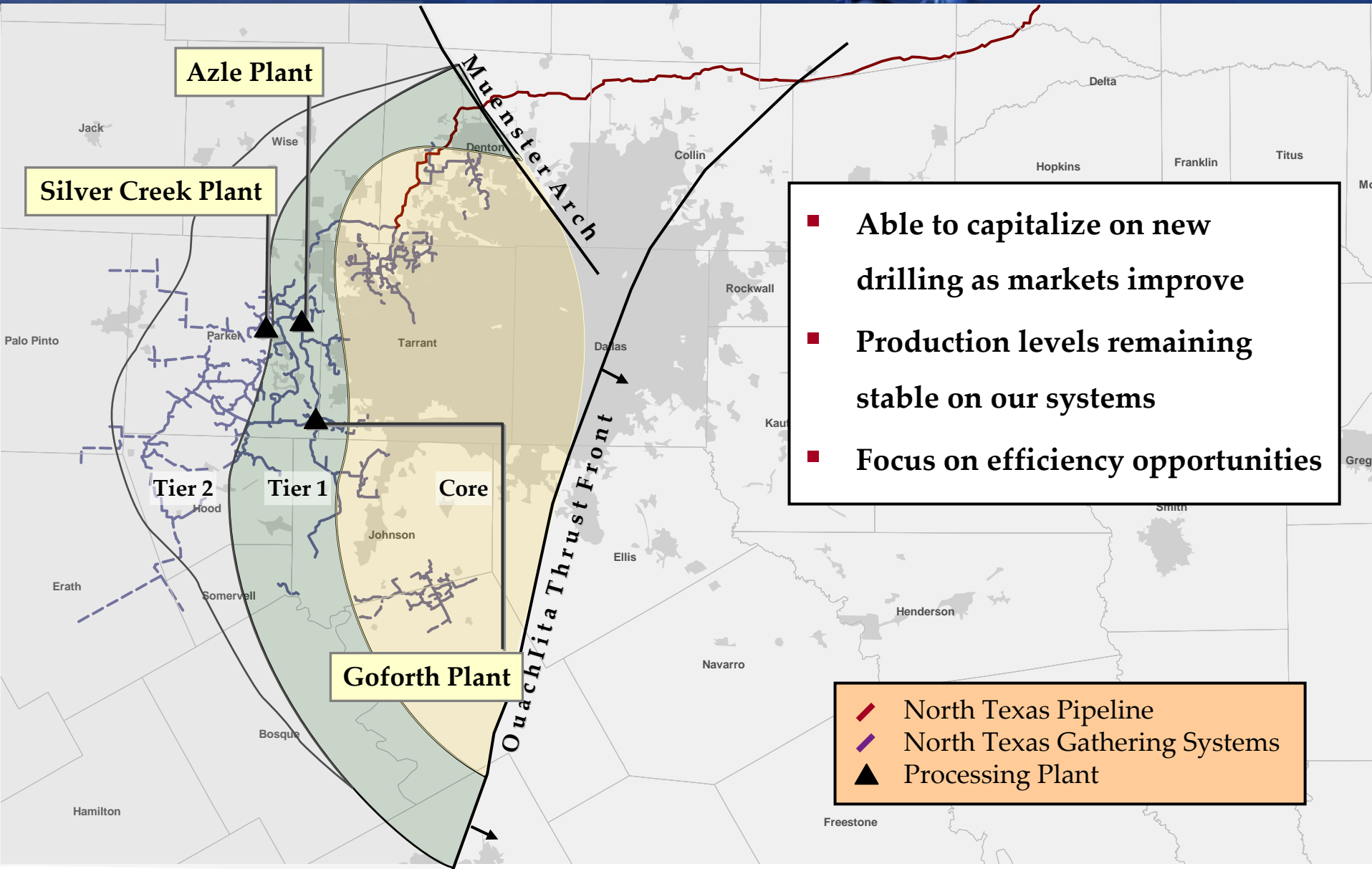
- 668 miles of gathering pipelines including North Johnson County and West Tarrant Gathering systems
- Average gathering volume for the six months ended June 30, 2009 = 825,000 MMBtu/d
- North Texas Pipeline – 133 mile transmission system with 375 MMcf/d of takeaway capacity
- Average transmission volume for the six months ended June 30, 2009 = 313,000 MMBtu/d

### Processing Facilities

Facility	Processing Capacity (MMcf/d)
Azle	50
Goforth	35
Silver Creek	200



# North Texas Assets Well Positioned in Barnett Shale



- Able to capitalize on new drilling as markets improve
- Production levels remaining stable on our systems
- Focus on efficiency opportunities

- North Texas Pipeline
- North Texas Gathering Systems
- Processing Plant

# Current Operating Focus - Barnett Shale



- **Capitalize on Strategic Position**
  - Barnett expected to be among first areas to see drilling activity increase as environment improves
- **Maintain volume levels on Crosstex systems**
- **Pursue opportunities to optimize efficiencies with other midstream companies and producers**



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**Financial Overview**

# Historical Performance



<b>Volume and Prices</b>	<b>Twelve Months Ended December 31, 2008</b>	<b>Six Months Ended June 30, 2009</b>
<b>Gathering and Transmission Volume</b> (MMBtu/d)	2,608,000	2,646,000
<b>Processing Volume</b> (MMBtu/d)	1,812,000	1,339,000
<b>Realized Weighted Average NGL Price</b> (\$/gallon)	\$1.36	\$0.69
<b>Average Daily Henry Hub Gas Price</b> (\$/MMBtu)	\$8.89	\$4.14

<b>Financial Metrics (000's)</b>	<b>Twelve Months Ended December 31, 2008</b>	<b>Six Months Ended June 30, 2009</b>
Adjusted Cash Flow *	\$248,906	\$110,497
Distributable Cash Flow *	\$180,192	\$42,635
Debt **	\$1,291,602	\$1,162,696
LTM Debt/Adjusted Cash Flow **	4.33 x	5.84 x
Covenants	5.00 x	8.25 x

\* Adjusted Cash Flow and Distributable Cash Flow are non-GAAP financial measures. A reconciliation of these measures to net income is included in the Appendix to this presentation.

\*\* Six months ended June 30, 2009 has been adjusted to reflect sale of the Mississippi, Alabama and South Texas assets.

# Margin By Business Type \*



Margin Components *	Twelve Months Ended	Six Months Ended
	December 31, 2008	June 30, 2009
Gathering and Transportation	57.4%	68.2%
Processing:		
Processing Margin	15.5%	6.0%
Percent of Proceeds	18.0%	14.8%
Fixed Fee	9.2%	11.1%
Total Processing	42.6%	31.8%
Total	100.0%	100.0%

\* Amounts have been adjusted to reflect the Mississippi, Alabama , and South Texas assets sale and the announced sale of Treating assets.

# Current Financial Focus

- **Liquidity**
  - Adequate through 2010 with no new capital market access
- **Deleveraging**
  - Significant progress made through asset sales
- **Improving cash flows**
  - Raised 2009 guidance \$25mm
- **High Return Investments**
  - Impacts to be realized in 2010
- **Refinance Debt**
  - Working to put long-term financing plan in place
- **Restore Distributions/Dividends**
  - Will follow long-term financing plan

# Financial Projection – Updated 2009 Guidance



Adjusted Cash Flow *	<u>High</u> (amounts in millions)	<u>Low</u>
Original Guidance	\$211	\$184
Closed Asset Sale Adjustment	(17)	(17)
Adjusted Guidance (1)	\$194	\$167
Changes Year to Date		
Gross Margin Improvement	\$6	\$24
Opex Saving	7	7
G&A Saving	2	2
Net Change	\$15	\$33
Updated Guidance (1)	\$209	\$200
Pro-forma Guidance after Treating Sale (2)	\$200	\$191

\* Adjusted cash flow is a non-GAAP financial measure. A reconciliation of this measure to net income is included in the Appendix to this presentation.

(1) Adjusted to reflect sale of the Mississippi, Alabama and South Texas assets.

(2) Assumes the close of the Treating asset sale in Q4-09.

# Commodity Sensitivity

- Annual impacts:
  - ± \$0.10 NGL pricing (POL) - \$4.9mm
  - ± 5% NGL – gas ratios (proc margin)- \$2.4mm
- Hedge position summary

Hedged Volume as a % of Hedgable Volume					
		Q1	Q2	Q3	Q4
2009					
	POL			47%	59%
	Proc Margin			42%	67%
2010					
	POL	43%	39%	26%	35%
	Proc Margin	74%	67%	42%	54%



# Investment Highlights

- Continuing to work plan to improve the business
- Plan has resulted in substantial improvement in 2009 results
- Total debt and leverage continue to decline
- Employees engaged and enthusiastic about plan execution
- Expect continued improvement in our business and in the financial and commodity markets
- Expect to complete a new financing plan during first half of 2010



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**Q&A**

# Appendix

Financial Metrics (000's)	Twelve Months Ended	Six Months Ended
	December 31, 2008	June 30, 2009
Net income (loss)	\$10,771	(\$25,656)
Depreciation and amortization	163,050	68,322
Stock-based compensation	11,243	3,923
Interest	102,676	56,619
Taxes and other	(38,834)	7,289
<b>Adjusted cash flow</b>	<b>\$248,906</b>	<b>\$110,497</b>
Interest	(80,537)	(60,037)
Cash taxes and other	30,133	(2,986)
Maintenance capital expenditures	(18,310)	(4,839)
<b>Distributable cash flow</b>	<b>\$180,192</b>	<b>\$42,635</b>

Financial Projections 2009 Guidance (000,000's)	Original		Revised		Pro-Forma After Treating Sale	
	High	Low	High	Low	High	Low
	Net income (loss)	(\$70)	(\$97)	(\$62)	(\$70)	(\$66)
Depreciation and amortization	144	144	142	142	142	142
Stock-based compensation	8	8	8	8	8	8
Interest	127	128	119	118	114	114
Taxes and other	2	1	2	2	2	2
<b>Adjusted cash flow</b>	<b>\$211</b>	<b>\$184</b>	<b>\$209</b>	<b>\$200</b>	<b>\$200</b>	<b>\$191</b>