FINAL TRANSCRIPT

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XTEX - Q2 2011 Crosstex Energy LP Earnings Conference Call

Event Date/Time: Aug. 05. 2011 / 3:00PM GMT

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Crosstex Energy second quarter 2011 earnings conference call. My name is Keith and I will about be your operator today. At this time, all participants are in a listen-only mode. Later on in the call, we will conduct a question-and-answer session. (Operator Instructions).

As a reminder, today's conference is being recorded for replay purposes.

And I would now like to turn the conference over to your host for today, Ms. Jill McMillan, Director of Public and Industry Affairs. Please proceed, ma'am.

Jill McMillan - *Crosstex Energy LP - Director-Public and Industry Affairs*

Thank you, Keith, and good morning, everyone. Thank you for joining us today to discuss Crosstex's second quarter 2011 results.

On the call today are Barry Davis, President and Chief Executive Officer, and Bill Davis, Executive Vice President and Chief Financial Officer. Also, Mike Garberding, Senior Vice President of Finance and Business Development, and Steve Spaulding, Senior Vice President of Processing and Natural Gas Liquids, are on the call today, as well. Mike and Steve will be available during the Q&A to answer questions about some of the growth projects mentioned on the call. We have posted slides on the home page and Investor page of our website that Barry Davis will use as part of his discussion of our growth projects. You can refer to them during this portion of the call or revisit them later.

Our second quarter 2011 earnings release was issued yesterday evening. For those of you who didn't receive a copy, it is available on our website at crosstexenergy.com. If you want to listen to a recording of today's call, you have 90 days to access a replay by phone or webcast on our website.

I will remind you that any statements that might include our expectations or predictions should be considered forward-looking statements within the meaning of the federal securities laws. Forward-looking statements are subject to a number of assumptions and uncertainties that may cause our actual results to differ materially from those expressed in these statements. And we undertake no obligation to update or revise any forward-looking statements. We encourage you to review the cautionary statements and other disclosures made in our SEC filings, specifically those under the heading Risk Factors.

I will now turn the call over to Barry Davis.

Barry Davis - *Crosstex Energy LP - President, CEO*

Thank you, Jill. Good morning, everyone, and thank you all for joining us on the call today to discuss our second quarter 2011 earnings.

We are very pleased to deliver strong second quarter results, which demonstrate the continued successful execution of our plans. As I mentioned before, we have two overarching objectives this year. The first objective is to maximize the Company's earnings and growth from our existing businesses.

During the second quarter, our assets continued to perform extremely well and we delivered our tenth consecutive quarterly improvement in EBITDA. An increase of about 61% over that same period. Adjusted EBITDA for the second quarter was $55.4 million, up 23% from the second quarter of 2010.

Distributable cash flow was $32.9 million, a 44% increase over the same period last year. As part of our first objective, we recently come completed three projects. Two sizeable gathering system expansions in the Barnett Shale in north Texas and the restart of our fractionator at Eunice in South Central Louisiana.

Our second objective is to expand our business to increase scale and diversification. We began our pursuit of step-out growth opportunities in mid-2010 and our plan is on track.

Now, I would like to focus on our recently announced growth projects and provide more detail around each opportunity and the benefits we expect to realize. Before I discuss each of them in greater detail, let me remind you of our previously stated strategies for expansion, which are noted on slide three of the PowerPoint slides. The projects that we have announced are exactly the types of opportunities that we have been targeting and they touch on each of these strategies.

The first is to acquire assets that serve as a platform for growth in target area. The second is organic build of new infrastructure in emerging shale plays. And the third is to utilize existing NGL/crude infrastructure so that we can provide services in new regions.

The first project we announced recently was the Howard Energy partners transaction in late June. Please see slides five through nine in the PowerPoint. This strategic investment provides us with an important growth platform in the rapidly developing Eagle Ford shale play, a new geographic area for Crosstex. Slide six gives you a great overview of the Eagle Ford area.

The investment also brings together a great group of industry leaders with Howard Energy Management, Quanta Services, and Crosstex. Our experience in large scale and emerging shale developments and Quanta's construction experience provide the group the depth and overall ability to develop and execute mid-stream projects in the Eagle Ford. Crosstex and Qanta Services, a leading pipeline construction contractor in the industry, each provided an initial capital contribution of $35 million for a combined ownership interest of about 70% in Howard Energy.

Crosstex is working closely together with Howard Energy to develop new projects in the Eagle Ford. To give you some background, Howard Energy began operations with the acquisition of the Texas pipeline and bottom line services for $76 million. Howard provides mid-stream and construction services to Eagle Ford shale producers through these subsidiaries.

You will see on the map on slide nine that Howard assets are well-positioned and will serve as a platform for growth in the Eagle Ford. Large producers operate more than 900,000 acres in the vicinity of Howard's assets. Most of the base business is fee-based revenue and it has just executed a very large new central delivery point contract with a major producer.

Howard Energy Chairman and CEO, Mike Howard, and his team are experienced leaders with a strong track record of successful mid-stream project execution. We know Mike very well, as he served as Vice President of Engineering and Operations for Crosstex several years ago and has had bigger roles with large mid-stream companies since he left us.

Now, turning to our project with Apache, which you can find on slides ten through 14. On July 12th, we announced a joint venture with Apache Corporation in the Permian basin in West Texas shown on slide 11. Both parties will hold a 50% interest in the $85 million gas processing project.

If you will look at slide 14, you will see that the project is in Glasscock County. There are approximately 320 rigs running in the Permian Basin today, an increase of 38% from just a year ago. Apache currently operating approximately 24 rigs in the greater Permian is one of the largest producers in the region, and we are very excited about creating a great working relationship with them.

Crosstex has worked hard to develop a creative solution with Apache to ensure the highest product recoveries and a market outlook for their NGLs, in theinitial phase of the project, an interim processing solution, compression, and residue gas takeaway for Apache's Deadwood development. We expect this phase to be operational by the fourth quarter of 2011. A cryogenic gas processing facility with the capacity of 50 million cubic feet of gas per day is expected to be operational in the second quarter of 2012.

Crosstex will be the construction manager and operations manager for each of these facilities. Separately, we purchased a rail terminal and idle fractionation facilities in nearby Midland County. We refer to this facility as our Mesquite Terminal. This facility is connected to the Chevron Texas NGL pipeline.

Initially, we will refurbish the facility and expand and modify it so that we can receive about 7,500 barrels per day of NGLs by pipeline and deliver NGLs and other products by pipeline to Mt. Belvieu and by rail to our Eunice fractionator south central Louisiana for fractionation and sales. The Mesquite Terminal should be completed and in operation in the fourth quarter of this year. This facility will provide much needed NGL takeaway from the Permian Basin, which is constrained until additional NGL pipeline capacity is built out of the area.

The facilities can be easily expanded to handle up to 12,000 barrels of NGLs, and we are working hard to add facilities that will allow us to receive crude and condensate by truck and ship it by rail to premium Louisiana and other Gulf Coast markets. We also plan to move purity products to regional demand centers via existing products pipelines that are near the facility. Together, these two transactions create a significant footprint for Crosstex in a new production area of the Permian Basin.

Like in the Eagle Ford Shale, producers are very active in the Permian Basin because of the rich gas and crude in the play. The recent development activity has overrun the mid-stream infrastructure, so we expect to see additional opportunities to grow in this new area. This is exactly the type of investment opportunity that we have been targeting, anentry into a new geographic area that is very active and will create additional growth opportunities for us.

Now, moving on to the third project that we announced just last week, the Cajun Sibon NGL pipeline extension and Eunice fractionator expansion. Please refer to slides 15 through 17. This project will connect the rapidly growing NGL supply that is currently destined for the Mt. Belvieu market area with the south Louisiana petrochemical plants, which have seen significant declines in local supplies due to the production declines that we've experienced in the Gulf of Mexico.

The new pipeline will be an extension of Crosstex's 440-mile Cajun Sibon NGL pipeline that is connected to our fractionation facilities in south central Louisiana. The approximately 130 mile 12 inch diameter extension will originate from interconnections to major Mt. Belvieu supply pipelines, providing connectivity for NGLs from the Permian Basin, Mid-Continent, Barnet Shale, Eagle Ford, and Rocky Mountain areas to our NGL fractionation facilities in southern Louisiana.

The extension will have an initial capacity of 70,000 barrels per day of NGLs. Slide 17 shows the pipeline extension's strategic location. The project also includes the expansion of the Eunice NGL fractionation facilities from 15,000 barrels to 55,000 barrels per day, which will increase our interconnected fractionation capacity in Louisiana to approximately 97,000 barrels per day. Current estimated capital for this project is $180 million to $220 million.

A significant milestone for this project was our execution of a long-term ethane sales agreement with Williams Olefins, a subsidiary of the Williams Companies, which provides us a secure market for the key product in the project. On the supply side, we have equity supply from our Texas gas plants and commitments for raw make supply from a select group of NGL suppliers, and we are negotiating additional long-term commitments for the system expansion.

We have also started our right-of-way and permitting work, and we are completing our design work for the facilities. Assuming that we complete the permitting and commercial arrangements as planned, pipeline construction is expected to begin in the second quarter of 2012 and the facilities are expected to be operational in the first quarter of 2013. This project is the ideal foundation for expansion of our integrated NGL system and optimization of our existing assets.

It creates great optionality for our Louisiana assets, with the ability to take advantage of the increasing demand for fractionation and NGL handling as producers pursue developing liquids rich natural gas shale plays. We will now be able to offer mid-stream and producer customers an integrated NGL transportation, fractionation, and marketing alternative to Mt. Belvieu. We expect each of these projects, Howard Energy, the venture with Apache, and our NGL expansion, to have a rate of return in the high teens.

Finally, I would like to update you on our crude terminalling opportunity. Please see slides 18 through 20. We are modifying the rail truck pipeline and barge facilities at our Eunice and Riverside fractionators for use as crude oil terminals.

They will be able to receive 5,000 to 6,000 barrels per day in Phase One of the project, which could be expanded to up to 50,000 barrels per day. This is a low cost, high return opportunity to expand the use of these existing facilities. This project puts us in a position to take advantage of the crude pricing differentials that exist in today's market by providing quick access to the premium Louisiana market.

As shown on slide 19, US crude oil production and supply continues to decline. In 2009, US crude production increased for the first time in 25 years, and the oil rig count has increased from about 365 to almost 900 rigs since the beginning of 2010. Regional infrastructure bottlenecks have created substantial differentials to the Louisiana Gulf Coast crude, Louisiana Light Sweet, LLS, markets a benefit to Crosstex's physical asset position.

You can see that we have been working hard on our growth strategies, expanding into new geographic areas and markets, enhancing scale, and diversifying our operations. In fact, our growth capital spent in the first six months of 2011 has been approximately $79 million and we expect to spend another $50 million in the second half of the year on the projects that we've announced to date. We are extremely excited that we have the strong relationships, the financial flexibility, and the right people to pursue these ventures while continuing to look at additional business opportunities.

Now, I will turn the call over to Bill who will discuss our second quarter 2011 operational and financial results in detail.

Bill Davis - *Crosstex Energy LP - EVP, CFO*

Thanks, Barry. Good morning, everyone.

As Barry has said our operating results were quite robust in this quarter and I'm going to review the details of those results with you. The biggest volume change we see is in North Texas where throughput on our North Texas gathering systems was 826,000 MMBTU per day, an 18% increase over the volumes that we experienced in the prior quarter. This increase is largely attributable to the Benbrook and Fossil Creek gathering system expansion projects that Barry mentioned.

Similarly, our North Texas plants processed 269,000 MMBTU per day in the second quarter versus 214,000 MMBTU per day in the first quarter. This 55,000 MMBTU per day, or 26% increase, is also a result of the Benbrook expansion project. It is interesting to note that daily production in the Barnett as a whole hit another all time high of 5.8 BCFs per day during the second quarter of 2011, despite considerably fewer rigs running in the play. I think that we can say that the reports of the Barnett's demise were greatly exaggerated.

Moving to Louisiana. Our lead pipeline system provides 465 million per day of fully contracted takeaway capacity for gas from the Haynesville Shale, with a volume weighted average remaining life of approximately five years on those contracts. In addition to the Haynesville, we have exposure to several other plays in various stages of development, including the Austin Chalk and Tuscaloosa Marine Shale. There continues to be a lot of activity around these plays by producers who are targeting liquids rich production.

Second quarter throughput on our LIG system was about flat with the first quarter of 2011. In our processing business in LIG, as you know, we connected Gibson to the Pelican Plant several months ago allowing us to keep more of the recovered liquids in our fractionation facilities. This accounted for the decline of LIG processing volumes in the quarter from 258,000 MMBTU per day in the first quarter of 2011 to 236,000 MMBTU per day in the second quarter of 2011.

In PNGL assets, we're seeing strong results from our processing and NGL business. This is primarily due to higher fractionation volume and higher processing margins. Second quarter 2011 processing volumes were 881,000 MMBTU per day compared to 921,000 MMBTU per day in the first quarter of 2011. The decrease was primarily the result of volume fluctuations at our Blue Water Plant. NGLs fractionated during the second quarter 2011 remained about constant with the first quarter of 2011, despite the decline in processing volumes due to capturing a somewhat richer stream of gas.

Obviously, there is growing demand for fractionation and NGL marketing as producers make developing liquids rich shell plays, including the Eagle Ford, Granite Wash, the Marcellus, the Bakken, and the Permian a priority. These areas have restricted or undeveloped infrastructure, which led directly to our Apache, Mesquite, and Cajun Sibon projects. We offer producers in these regions interim solutions by transporting their NGLs via truck and rails to our Louisiana fractionators.

Currently, we're receiving truck and rail volume of approximately 10,000 barrels per day, including about 3,000 barrels per day from the Marcellus. We expect our truck and rail volumes to continue to grow as producer activity increases in these plays and the West Texas Mesquite Terminal begins operations. We restarted our Eunice fractionator in south central Louisiana in early April at an initial capacity of 15,000 barrels of NGLs per day, and plan to add capacity as part of our Cajun Sibon NGL pipeline extension process.

We're also in the process of adding the capability to deliver overflow volumes of NGLs from Riverside to our Plaquemine plant for fractionation. As Barry discussed earlier, we are making other big changes to increase our capacity to handle NGLs and continue to look for additional opportunities across our entire Louisiana system.

Now, I will turn to our financials for the second quarter. In our earnings release, you will find reconciliations of certain non-GAAP items to their GAAP equivalents, which we'll discuss on the call today. Please refer to the earnings release for these reconciliations. In addition, our 10-Q will be on file this morning with the SEC, which you can access for more details on our results.

We are very pleased with our results, as you have heard, as we continue to strengthen our balance sheet and reduce leverage. The continuation of strong cash flows enabled us to end the quarter with a debt to EBITDA ratio of 3.9 to 1. In addition, we have approximately $360 million in liquidity available under our credit facility.

The continued strong cash flows allowed us to increase our distribution from $0.29 to $0.31 per unit and the dividend from $0.09 to $0.10 per share, increases of 7% and 11%, respectively, over the prior quarter. With distribution coverage of over 1.5 times, we are retaining over $11 million of cash this quarter to be reinvested in the business and reduce leverage.

Turning to the second quarter 2011 results. We realized EBITDA of $55.4 million, an increase of almost 23% over the $45.2 million in the same period of 2010. As Barry has said, we've now increased EBITDA for ten straight quarters.

Gross operating margin for the second quarter was $96.6 million, an increase of $12.6 million from the second quarter of 2010. The improvement resulted from continuing strong processing economics as evidenced by the strength of natural gas liquids prices and NGL-to-gas ratio, and increased gathering and transmission volumes. We had a weighted average NGL price of $1.24 per gallonand an NGL-to-gas ratio of 325% during the second quarter of 2011, compared with NGL prices of $0.98 per gallon and an NGL-to-gas ratio of 261% in 2010.

Fractionated volumes continue to grow, increasing approximately 25% in the second quarter of 2011 over the same period in 2010. We have also continued to add commodity hedges to hedge our percentage of liquids contracts on processing margin contracts. We are 58% hedged for our 2011 hedgeable percentage of liquids volumes, excluding our puts. And if you count the puts, we've hedged over 90% of our hedgeable percentage of liquids volumes for the year.

In addition, we've hedged over 60% of our hedgeable processing margin volumes for 2011. We continue to look at our hedges for 2012 and layer in hedges for both percentage of liquids and processing margin contracts.

Currently, we've hedged about 38% of our target percentage of liquid volumes for the year 2012 and approximately 32% of our 2012 processing margin contracts. As you know, we only use product-specific hedges in the forward liquids markets, and you can find a complete update of our current hedge position in our 10-Q filing.

We received several inquiries about future capital market activity to support our new projects, which total almost $300 million in growth capital. As you might expect, we will be in the market for equity over the next 18 months to continue our de-leveraging process and support our growth projects. Since we have so much availability and liquidity under our revolving credit facility, we'll be opportunistic in addressing the timing of accessing that market.

Turning briefly to Crosstex Energy, Inc., the corporation had a second quarter ending cash balance of approximately $4.7 million with no debt. As I previously stated, the corporation declared a dividend of $0.10 per share.

Now, I will turn the call back to Barry.

Barry Davis - *Crosstex Energy LP - President, CEO*

Thank you, Bill. I think it is clear that we've made great progress and have accelerated the execution of our growth strategy. Through our recent development projects, we have demonstrated our capability to provide creative solutions for our producers and we've also made strategic steps into three new operating areas and services. These are key steps to expand the scale and diversification of our assets and operations. We are excited to be operating in a very robust mid-stream environment for new mid-stream infrastructure build and we intend to see more growth in the future. We are well-positioned with great assets and great people. As I have said before, and it is worth saying again, our vision in 2011 and beyond is to be the best mid-stream energy solutions provider for our customers and to enhance value for our investors. We are confident we will continue to succeed.

Now, I will turn the call back to our operator, Keith, and remind you that Bill, Mike, Steve, and I will be happy to answer any questions that you may have.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). And your first question is from the line of Darren Horowitz with Raymond James. Please proceed.

Darren Horowitz - *Raymond James - Analyst*

Good morning, guys.

Barry Davis - *Crosstex Energy LP - President, CEO*

Hi, Darren. How are you?

Darren Horowitz - *Raymond James - Analyst*

Good, thanks, and yourself?

Barry Davis - *Crosstex Energy LP - President, CEO*

Very well.

Darren Horowitz - *Raymond James - Analyst*

Good. Just a couple of quick questions, and appreciate the color that you guys provided via the slides for all the different growth projects. As it relates to the Permian, Bill, can you talk a little bit about the opportunity to increase your scale there?Because just looking at what you've already announced, like at Mesquite, for example, you're right, that is going to give you a lot of NGL pipe capacity, but even if it goes to 12,000 barrels of NGLs, I would still imagine based on the volume metric ramp that you need more capacity than that, so I'd love your thoughts.

Barry Davis - *Crosstex Energy LP - President, CEO*

Hey, Darren, let's let Mike Garberding respond who has really led us on that project. Mike, go ahead.

Michael Garberding - *Crosstex Energy LP - SVP-Business Development & Finance*

Yeah, Darren, first, we're real pleased about the strategic position of the Permian and the associated growth. Second, we are really focused on the successful implementation of the Apache Deadwood project. We believe we're going to have a long, successful relationship with Apache, and ultimately, I believe that will lead to additional opportunities with them.

When you look at the Deadwood project itself, it is very strategically located in Glasscock County. There are a lot of other producers around there we have been talking with from a growth perspective. On the Mesquite Terminal itself, it does provide the additional opportunities beyond just the NGL takeaways.

As you mentioned, we are looking at truck to rail and crude and condensate, and we're looking at moving other purity products in and out of that facility. So I think you will see as time moves on how we can expand the services out of that facility beyond just the NGL takeaway to the Eunice facility.

Barry Davis - *Crosstex Energy LP - President, CEO*

And, Darren, I would say to the extent that we do expand the capacity, certainly we are very active in the contracting with the new pipelines coming out of West Texas, and we don't expect there to be a shortage of capacity ultimately out of that area if the pipes get built and we expect that they will get built. So, we think it will be there. We think Mesquite is a great interim solution and will fit out needs for not only the Deadwood opportunity but some other things that we're working on.

Darren Horowitz - *Raymond James - Analyst*

Shifting gears over to the Cajun NGL extension and all the associated projects that you're doing there, when you're look at breaking that apart as it relates to the total capital costs of $180 million to $220 million, if I'm thinking about the expansion of the frac, expanding the connectivity, as well as for some of the product lines, am I correct in assuming that that chunk could be somewhere between $45 million and $75 million, which would leave the price tag on that 130 mile 12 inch line somewhere around $135 million. Is that right?

Barry Davis - *Crosstex Energy LP - President, CEO*

You're in ballpark, Darren. The pipe itself is the great majority of the capital associated with the project and I'd say the $135 million to $150 million range is what we are seeing on the pipeline.

Darren Horowitz - *Raymond James - Analyst*

Okay. And then as it relates to Eunice, with that going up to 55,000 barrels a day, correct me if I'm wrong, but when you all first brought that on, it was about 15,000 barrels a day of about 36,000 of installed capacity, right? So really on a net basis, you're adding about 19,000 barrels a day of nameplate capacity, correct?

Barry Davis - *Crosstex Energy LP - President, CEO*

That is correct. We will be restarting the other phase of the original capacity, as well as then adding a third train, if you will, for the additional expansion.

Darren Horowitz - *Raymond James - Analyst*

Okay.

Barry Davis - *Crosstex Energy LP - President, CEO*

And, Darren, on the capital, the reason for us having the range of capital at this point is really some conservativeness on our part as we really get through -- I mean, the pipeline is pretty predictable and, again, that's the majority of the project. We just got some -- a little less certainty in working through the details, if you will, on the expansion and the start up of the Eunice facility. But we'll tighten that range up shortly and as we continue to communicate on the project.

Darren Horowitz - *Raymond James - Analyst*

Sure. Last question. As you think about leveraging that Eunice footprint, how much of an opportunity do you have out of the tailgate for purity products? I would think that with all the inlet volumes coming in, the raw mat coming in, especially given the production profile that you laid out from a lot of those volumes moving from west to east, it would seem to me like you've got a tremendous opportunity to get greater downstream connectivity out of the tailgate of that plant, right?

Barry Davis - *Crosstex Energy LP - President, CEO*

Yeah, Darren, again, we think this project, and it has been received extremely well in the marketplace, but we think it's a terrific alternative to Mt. Belvieu, essentially having the same product pricing, having the same fractionation pricing, but really offering a geographic diversification, and that in itself is really attractive to the producers. Again, what we're trying to do is backfill, if you will, the raw make that has declined from the Gulf of Mexico. And Steve, I'll let you -- Steve Spaulding comment on anything additional as far as the opportunities on the market behind the fractionation?

Steve Spaulding - *Crosstex Energy LP - SVP-Processing and NGLs*

Of course, in the capital, we've spent quite a bit of capital developing that infrastructure to make sure that we can get to the market as far as the frac expansion on product deliveries. There are potential expansions, which I believe we are looking at to really improve product pricing there, too, to take advantage of that opportunity that we are creating with bringing that product into the market. Just like Barry said, the Gulf of Mexico has seen declines over the last ten years and that has impacted the demand has remained relatively constant over that time and we are very confident in developing and having outlets for our products.

Darren Horowitz - *Raymond James - Analyst*

I appreciate it, guys.

Barry Davis - *Crosstex Energy LP - President, CEO*

I would also say some of the indications for additional expansions in that area, we certainly would be in a good position to be a part of that and for interconnections to those new facilities. A great position for us to have. We are excited about the potential commercial development over time.

Darren Horowitz - *Raymond James - Analyst*

Thanks, Barry.

Barry Davis - *Crosstex Energy LP - President, CEO*

Thank you, Darren.

Operator

And your next question is from the line of Sharon Lui with Wells Fargo. Please proceed.

Sharon Lui - *Wells Fargo - Analyst*

Hi, good morning.

Barry Davis - *Crosstex Energy LP - President, CEO*

Hi, Sharon.

Bill Davis - *Crosstex Energy LP - EVP, CFO*

Hi, Sharon.

Sharon Lui - *Wells Fargo - Analyst*

I guess in terms of the projects, can you maybe just talk about the timing on when you would achieve those targeted returns? Is there expected ramp-up in the cash flows?

Barry Davis - *Crosstex Energy LP - President, CEO*

Yeah, Bill, do you want to --

Bill Davis - *Crosstex Energy LP - EVP, CFO*

Yeah, there is on the -- on Howard, we don't expect to see any distributions on that for the first year. So about the mid-point of 2012, we expect to start seeing the distributions come from there, and so we'd expect to see those targeted returns at that point in time in. In the Apache Mesquite project, there is going to be a stair step where it gets to its full production run rate at about 2016. And in the Cajun Sibon, it will start cash flowing in 2013 and get to full run rate cash flows 2015.

Sharon Lui - *Wells Fargo - Analyst*

Okay. Great. And also if you could provide some details on the capacity commitments you secured for the NGL extension?

Barry Davis - *Crosstex Energy LP - President, CEO*

Sharon, this is Barry. Let me say, first of all, we are very confident in our ability to get this project underwritten. We've got significant or important key commitments to date, and are in late-stagenegotiations with other key parties on the supply side.

As we've said on the ethane side, we have got the contract with Williams, it is really the strategic piece there. We're also negotiating long-term agreements and are in a good position on the additional products off the fractionators. So we're very confident in our ability to get this to final commercial commitments and feel really good about the project.

Sharon Lui - *Wells Fargo - Analyst*

Great. And all of these projects, do they all generate fee-based cash flows, including the processing agreements?

Bill Davis - *Crosstex Energy LP - EVP, CFO*

They are all fee-based, Sharon. There is no commodity exposure on any of these.

Sharon Lui - *Wells Fargo - Analyst*

Okay, great. Thank you.

Barry Davis - *Crosstex Energy LP - President, CEO*

Thank you, Sharon.

Operator

(Operator Instructions). Your next question is from the line of John Edwards with Morgan Keegan. Please proceed.

John Edwards - *Morgan Keegan - Analyst*

Good morning, everybody.

Bill Davis - *Crosstex Energy LP - EVP, CFO*

Hi, John.

Barry Davis - *Crosstex Energy LP - President, CEO*

Good morning, John.

John Edwards - *Morgan Keegan - Analyst*

Another follow-up on the Cajun Sibon NGL extension, the Eunice fractionator, I mean, you're sayingthey're all fee-based cash flows with no commodity exposure. Would you have any opportunity to participate in commodity exposure if you so chose?

Barry Davis - *Crosstex Energy LP - President, CEO*

We do have that opportunity, John. I would just say our contemplated structure on this, though, is that it will be fee-based. And so -- but we'll look at and do have the opportunity to have an exposure depending on, you know -- and probably that would

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be the last few percentages of the commercial commitments, if you will. We'll have it underwritten with a large percentage of fee-based, and we could do some things on top to give us some exposure.

John Edwards - *Morgan Keegan - Analyst*

And then the ramp through 2015, about what percentage -- I mean, what kind of a ramp are you expecting on that? Is it about 25% a year or something --

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Bill Davis - *Crosstex Energy LP - EVP, CFO*

I would say it goes from 60% to 80% to 100%.

John Edwards - *Morgan Keegan - Analyst*

Okay. And then a couple of housekeeping items. What was the growth CapEx spend this quarter so far this year and what are you expecting to spend this year?

Barry Davis - *Crosstex Energy LP - President, CEO*

Year-to-date is $79 million, $50 million is expected in the second half based oncommitments that we've made or the announced projects that we communicated.

John Edwards - *Morgan Keegan - Analyst*

Okay. And so with the $300 million in growth CapEx, the $50 million, that would be included in that?

Bill Davis - *Crosstex Energy LP - EVP, CFO*

Yeah, most of that spending, obviously -- I mean of the $79 million so far this year, John, $35 million is associated with the investment in Howard. The $50 million is mostly related to completion of the Apache Mesquite project and then some of it is in the early phases of the Cajun Sibon expansion. Most of the Cajun Sibon spending takes place in 2012.

John Edwards - *Morgan Keegan - Analyst*

Okay, so roughly you expect to spend about $150 million next year in round numbers?

Bill Davis - *Crosstex Energy LP - EVP, CFO*

I would say it is probably closer to $200 million.

John Edwards - *Morgan Keegan - Analyst*

$200 million, okay. And then in terms of your sensitivity metric that you guys often update, what is the sensitivity metric looking like now? And this is to commodity prices.

Bill Davis - *Crosstex Energy LP - EVP, CFO*

Well, I would say that we've got -- as you know, that question gets complicated when you look at the processing margin.

John Edwards - *Morgan Keegan - Analyst*

I know.

Bill Davis - *Crosstex Energy LP - EVP, CFO*

Because when you just look at straight POL exposure, you know, it is still $0.10 roughly as a change in our average liquids price equates to roughly $3 million of margin. Currently, we would say that about a 5% change in the NGL-to-gas ratio is also about $3 million. I think we'll probably put out some more detailed guidance on that in the coming weeks, John, probably associated with a presentation at an investor conference that we will be doing in the next couple of weeks, so we'll provide a lot more detail and color on that.

John Edwards - *Morgan Keegan - Analyst*

Okay. And then I think you mentioned something about liquidity in your remarks. I just missed it. If you could repeat that.

Bill Davis - *Crosstex Energy LP - EVP, CFO*

Yeah, availability under the facility today is a little over $360 million.

John Edwards - *Morgan Keegan - Analyst*

Okay. Great. Thank you very much.

Barry Davis - *Crosstex Energy LP - President, CEO*

Thanks, John. And John, and to others on the call, I think there have been several questions on this. As we get a little further into the project, the Cajun Sibon project, we will give much more detail on the projected cash flow buildup and the CapEx spending, so just be patient with us there for a little bit and we will give you some more detail on that soon.

Operator

And there are no other questions at this time, so I would like to hand the call back over to Mr. David for closing comments.

Barry Davis - *Crosstex Energy LP - President, CEO*

Great, thank you, Keith. And, again, to everyone on the call, thank you for your participation today. We do very much appreciate your support and we feel very good about the message we've delivered to you today and look forward to talking to you next quarter and continuing the great progress and success that we are having. Have a great day and a great weekend.

Operator

Ladies and gentlemen, that concludes today's conference. Thank you for joining us and you may now disconnect. Everyone have a great weekend.