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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Q4 2011 Crosstex Energy, L.P. earnings conference call. (Operator Instructions). I would now like to turn the conference over to your host for today, Jill McMillan. Please proceed.

Jill McMillan - *Crosstex Energy, L.P. - Director, Public and Industry Affairs*

Thank you, Laura and good morning, everyone. Thank you for joining us today to discuss Crosstex's fourth quarter and full year 2011 results. On the call today are Barry Davis, President and Chief Executive Officer; Bill Davis, Executive Vice President and Chief Operating Officer; and Mike Garberding, Senior Vice President and Chief Financial Officer. Our fourth quarter and full year 2011 earnings released was issued early this morning. For those of you who didn't receive a copy , it is available on our website at Croxxtexenergy.com. If you want to listen to a recording of today's call, you have 90 days to access a replay by phone or web cast on our website.

I will mind you that any statement 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 headings "risk factors." Before I hand off the call I want to announce that Crosstex will host an analyst event in Dallas on Tuesday, March 27th. The event will include a half day presentation with breakout sessions followed by an evening of entertainment. We will provide an overview of our corporate strategy and update on our guidance and an in depth operational review of our assets. If you are interested in attending, we have posted the invitation on the home page of our website. You can also go to www.crosstexinvestorevents.com for more information. Also if you want more details , please feel free to contact me as well, and we hope you are able to join us. I will now turn the call over to Barry Davis.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Thank you, Jill. Good morning, everyone, and thank you all for joining us on the call today to discuss our fourth quarter and full year 2011 results. I will start today by quickly reviewing our financial results and outlook for 2012. And then I will briefly run through our 2011 accomplishments. Bill Davis will then provide some more detail on our growth projects and provide an operational update and Mike Garberding will discuss our financial results and 2012 guidance.

Looking briefly at our 2011 financial results we had strong year-over-year growth with adjusted EBITDA of $214 million for the year, a 15% increase over 2010. Distributable cash flow was $121.3 million , up 33% from 2010. These solid results allowed us to increase our distributions 23%, and our dividends 38% comparing the fourth quarter of 2011 to the fourth quarter of 2010. In 2012 our core assets and growth projects will continue to provide us with a strong cash flow platform. We are forecasting adjusted EBITDA to be in the range of $205 million to $245 million. We anticipate continued strong distribution and dividend growth in 2012 with fourth quarter distributions projected to increase more than 10% and dividends to increase more than 20% over the fourth quarter of 2011. Mike Garberding will provide more details about our fourth quarter and full year 2011 results and 2012 guidance later in the call.

Now, I want to take a minute and review what we accomplished in 2011. We began the year by outlining our objectives, and I am proud to say way achieved those goals by successfully executing our plan. Operationally our first objective was to maximize the growth and earnings of our existing businesses, and we accomplished that. In the Barnett Shale we completed two gathering system expansion projects that we expect will contribute average throughput of over 100 million cubic feet a day in 2012.

We anticipate these projects will generate average annual cash flow of approximately $18 million. Our aggregate costs for these two projects was approximately $35 million. We have optimized and expanded our strategically positioned LIG system in Louisiana to link LIG assets with our processing and NGL assets in southern Louisiana. As a result we continue to see increasing volumes in our plants. In north Louisiana we continue to benefit from our solid contracts in the Haynesville. Our north LIG system has a weighted average contract life remaining of about five years which insulates us from drilling fluctuations in the near term. In southern Louisiana we restarted the Eunice fractionation which plays a key role in the success of our Cajun Sibon pipeline extension project. We also expanded our rail and truck deliveries significantly increasing the volume of NGL's fractionated. We expect this business to grow further in 2012 with more producer activity.

Our second objective in 2011 was to enhance scale and diversification. As you know we took major steps to strategically expand our operations into new core areas and services by initiating four significant growth projects in 2011. Our Cajun Sibon NGL expansion pipeline project is moving forward on schedule, and we have raw mix supply and ethane cells agreements in place. We continue to expect pipeline construction to begin in the third quarter of this year and the facilities to be operational in the first half of 2013. In the Permian Basin we have made progress with regards to our Apache joint venture and the first assets associated with the JV are already in service and performing better than expected. During the first quarter of 2012, the Deadwood Plant and Mesquite terminal began operations, and we expect our cryogenic gas processing facility to be operational in the second quarter.

Entry into the Eagle Ford sale was initiated through an equity investment in Howard Energy Partners. This investment project is still in the early stages , but we believe there are many exciting growth projects on the horizon. We don't expect to see distributions on our investment until after the middle of 2012 because we intend to initially reinvest all cash flow from Howard Energy into other related growth projects.

Lastly, we further enhanced our facilities in southern Louisiana with the addition of crude oil and condensate logistics capabilities which became operational in January. We have been receiving crude by rail since the beginning of January and made our first barge deliveries at the end of January. We continue to enhance those facilities and are working on additional expansion opportunities that would add storage and crude logistics and truck unloading spots. This phase of enhancement should be completed by the end of 2012. Bill will update you a bit more on these projects in a moment.

From a financial perspective our 2011 accomplishments include ending the year with a debt to EBITDA ratio below 4.0 reaching a target we set some time ago. We have no near term debt maturities and strong liquidity with over $400 million available on our revolver. Consistent with our goals we have maintained a solid financial position, strong balance sheet, and improved long-term capital structure, and increased financial flexibility. Taking a look at the commodity price environment WTI Crude has been trading at just above a $100 per barrel and Brent Crude has been trading at just above $115 a barrel. Brent Crude pricing has a higher correlation to natural gas liquid prices which have been trading around a $1.00 per gallon. The relatively low gas price compared with Crude and NGO prices has prompted many gas producers to refocus their spending to drilling programs aimed at rich gas and crude areas. Consistent with this we have seen drilling decline in both the Barnett and Haynesville Shale place; however, Crosstex has not been directly affected so far.

Chesapeake recently announced their decision to reduce their rig count and shut end gas in Barnett and Haynesville. We believe they shut in approximately one Bcf a day of production between the two plays. Crosstex has not been affected by these reductions because the gas that Chesapeake shut in was being delivered to other pipelines. Differently, Devon has said they do not currently plan to reduce their drilling in north Texas. They will maintain approximately 10 rigs working in the Barnett Shale focusing on liquid rich area. Devon has an inventory of about 2500 drilling locations in the Barnett that are rich in NGL's and we expect to benefit from their development. In fact, today our processing facilities are operating at near full capacity due to this focus on rich gas in Texas. Crosstex currently processes around a third of all of the gas it gathers in the Barnett, and Bill will talk more about this later.

We continue to see high demand for mid stream infrastructure. According to a recent study an average of $8 billion to $10 billion will be spent annually on infrastructure over the next 25 years. We believe we are in a great position to continue to take advantage of the unprecedented opportunities that this market offers. Before I turn the call over to Bill, I would like to briefly provide some color about our strategy in 2012. We will remain focused on maximizing the earnings and growth of our existing businesses while enhancing the scale and diversification of our assets and our operations. We will run our assets efficiently and manage our balance sheet conservatively. We will continue executing the growth projects that are underway and pursue new opportunities related to them. And we will maintain our strategy of enhancing our scale and diversification by expanding our NGO business, expanding our crude oil business and developing gas processing and transportation projects in new rich gas areas. We expect to expand our footprint into other developing rich areas. Now Bill Davis will update you on our operations.

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

Thanks, Barry. Good morning, everyone. Our core businesses performed extremely well in 2011 , and as Barry said we took some important steps to enhance our scale and diversification by initiating several key growth projects which I will introduce here in the beginning. I would like to start with our joint venture with Apache Corporation in the Permian, one of the hottest areas in the country.

In our joint venture we each hold a 50% interest in the $85 million gas processing project in Glasscock County which we refer to as the Deadwood plant. Separately outside of the joint venture we acquired and refurbished the Mesquite fractionator and rail terminal which is connected to the Chevron west Texas NGL pipeline. To date production is exceeding what we anticipated , and we have accelerated delivery of new inland compression to meet our customers' needs. We expect to start a new cryogenic processing plant in the second quarter of 2012.

In early February , we announced we have long-term supply commitments to proceed with the construction of our Cajun Sibon pipeline extension. This projects will enable us to offer our customers an integrated NGL transportation, fractionation, and marketing alternative to Mont Belvieu. Specifically we have contracted approximately 40,000 barrels per day or nearly 60% of the capacity under long-term agreements with additional agreements being negotiated we expect the new pipeline will begin operations at or near its initial capacity of 70,000 barrels of NGL's per day. We continue to expect pipeline construction to begin in the third quarter of 2012, and for the facilities to be operational in the first half of 2013. Moving forward we could expand the system to grow capacity to approximately $120,000 barrels per day of NGL's if customer interest warrants. And we are continually evaluating demand. Financially the current capital estimate for the base project is $230 million.

Our crude terminal project is underway in south Louisiana as well. The modification of our Riverside facility has been completed for the trans loading of crude from rail cars to barges. We are in an advantageous location from a market standpoint because we have access to LLS markets at a premium to other domestic crude pricing and we are leveraging our position to capitalize on the interest we are seeing and our abilities to move crude. Volumes are ramping up , and by the second quarter we expect to handle 5,000 to 6,000 barrels per day. And we plan to expand capacity to approximately 20,000 barrels a day by year-end. This will represent fee-based margin for us.

Turning to the Eagle Ford, our equity investment at Howard Energy Partners served as our entry into the important shale. To date Howard's mid stream assets are performing as anticipated , and the construction side of the business is exceeding expectations. We are excited by the position of the Howard assets and the Eagle Ford and are confident they can create many growth opportunities for us.

Now I will turn to the rest of our operations. As you know Crosstex holds a franchise position in the Barnett Shale where we have a short-term and long-term strategy for the play. As part of our short-term strategy we will continue to focus on maximizing system operational capabilities. We expect our north Texas gathering and transmission volumes to be roughly flat during 2012 compared to the average for 2011. We expect processing volumes will be higher as compared to last year due to the continued focus on rich gas. Recently in the first quarter we have seen a rapid increase of volumes at our north Texas plant, the highest levels we have ever achieved, and we are extremely pleased with this. A lot of this new rich gas is due to the completion of the second phase of our Benbrook expansion and remaining wells are being brought on-line right now. Barnett recently reached a production rate of approximately 6 bcf a day in the fourth quarter of 2011, an all-time high according to Powell Shale Digest, and cumulative production has exceeded 11 tcf now.

About 85% of our dedicated acreage is in the core and tier1 areas of the play, and based on our studies more than 50% of future production volume is expected to occur within three miles of our existing infrastructure. Rig efficiency , extensive knowledge of the play, pad drilling ,and improved well recoveries helped to mitigate the impact of few drilling rigs on overall production. Barnett is mature play where 70% to 80% of the wells are more than a year old, indicating a stable production plateau has been reached. To date more than 15,000 wells have been drilled in the Barnett, and based on our studies, 15,000 locations remain to be drilled. With major infrastructure already in place it is very efficient for us to handle new volumes. In 2011 throughput on our north Texas pipeline averaged approximately 352,000 mmbt per day versus 339,000 in 2010. Fourth quarter 2011 throughput was about 354,000 mmbt per day compared with 342,000 in the third quarter of 2011.

Throughput in our north Texas gathering systems in 2011 was 773,000 mmbt per day versus 730,000 in 2010. Fourth quarter 2011 throughput was 782,000 per day versus 779,000 in the third quarter of 2011. Our north Texas plants process 249,000 mmbt per day compared with 209,000 in 2010, and they processed 252,000 per day in the fourth quarter versus 258,000 in the third quarter of 2011. As I said, today in the first quarter we are completely full in our north Texas plants.

Turning to Louisiana our LIG pipeline system provides 440 million cubic feet per day of fully contracted take away capacity for gas from the Haynesville Shale. In addition to the Haynesville producers are evaluating the Austin Chalk and Tuscaloosa Marine Shale. There continues to be activity around these plays by producers who are targeting these liquid rich production horizons. If successful these plays could provide great transportation, processing, and fractionation opportunities for our LIG and PNGL facilities and systems. We are watching the activity closely, but it is a bit early to predict when or if these plays will be successful.

In 2011 through put on our entire LIG system averaged approximately 912,000 mmbt per day compared with 902,000 mmbt per day in 2010. Our fourth quarter 2011 LIG through put was 919,000 mmbt per day versus approximately 859,000 in third quarter of 2011. Through put in the third quarter was lower due to customer plant maintenance and other operational issues and the plants have comes back on line in the fourth quarter. For the full year 2011 LIG processing volumes were 247,000 mmbt per day versus 283,000 per day in 2010. Volumes declined year-over-year due to the lower average well head volumes upstream of the Plaquemine plant and volumes that were bypassed around the Gibson plant for delivery to the PNLG Pelican plant. In the fourth quarter of 2011 LIG processing volumes were 259,000 per day compared with 236,000 per day in the third quarter of 2011. The increase was due to the greater spot purchases of pipe to pipe gas into the Gibson plant early in the fourth quarter of 2011.

We continue to see many additional opportunities to link our LIG and PNLG systems and take advantage of the current processing environment and producer search for liquid rich gas. For example we are bringing new supply from interstate's through LIG into the Pelican plant beginning last November. Moving to southern Louisiana our PNLG assets, strong processing margins, higher NGO rail car volumes and increased fractionation fees helped to improve results from this business. Our full year processing volumes in 2011 were 829,000 mmbt per day compared with 874,000 in 2010. (Inaudible). Volumes were down due to the decline in Gulf of Mexico production. In the fourth quarter of 2011 processing volumes averaged 811,000 mmbtu per day versus 699,000 in the third quarter of 2011. (Inaudible). Volumes for the fourth quarter were up due to strong processing at our Pelican and Blue Water gas plants offsetting the declines in the Gulf of Mexico volumes.

We have leveraged LIG interconnects to provide additional volumes into Pelican for processing about 215 million per day at their peak. During 2011 we fractionated approximately 1.1 million gallons per day of NGL's compared with 900,000 gallons per day in 2010. NGL's fractionate during the fourth quarter of 2011 amounted to about 1.2 million gallons per day versus approximately 1 million gallons per day in the third quarter of 2011. The improvement was due to increases in NGL rail imports and increased NGL volumes from our plants. Lagging fractionation capacities has continued to push fractionation fees higher across all regional markets, and we have benefited from our available fractionation space in Louisiana.

During the third quarter earnings call I discussed some operational challenges that we were facing in PGNL. As our results show most of the operational challenges I discussed have been resolved. With the exception of a deep water pipeline connection up stream of the Pelican plant. We expect this connection to be completed later this year. At Eunice we are installing amine treater to handle carbon dioxide levels which reduce ethane recoveries and limit plant capacity. We expect this treater to be in service in the second quarter. Finally our Blue Water plant which was down for repairs in the third quarter was operational during most of the fourth quarter.

Looking forward we will continue to focus on increasing our NGL and crude business and maximizing the value of our gas plants through strong processing. We anticipate increased NGL and crude oil through put and expect the Gulf of Mexico declines will be offset by new gas contracts. We will focus on the execution of our Cajun Sibon NGL project and continue to develop and conclude additional NGL and crude projects we have identified. Now Mike Garberding will discuss our fourth quarter and full year 2011 financial performance.

Mike Garberding - *Crosstex Energy, L.P. - SVP, CFO*

Thanks, Bill. In our earnings release you will find reconciliations of certain non-GAAP items to their GAAP equivalents which we will discuss on the call today. Please refer to the earnings release for these reconciliations. In addition our 10-K will be on file this morning with the SEC which you can access for more details on our results. As a report our results and financial condition in 2011, and give 2012 guidance we feel we are in great shape and strategically positioned for our next phase of growth. We end the year at the top end of guidance on EBITDA, distributions and dividends with an average distribution coverage of approximately 1.4 times and an end of year debt to EBITDA ratio under 4 times. We are able to achieve this while spending greater than $100 million on growth capital with no equity issuances.

From a balance sheet perspective we currently have over $400 million available in our credit facility which we amended in January of this year. This gives us ample liquidity to manage our business and cover our 2012 growth capital program which is currently estimated just under $300 million. Before we turn to guidance for 2012, I want to give a brief overview of our fourth quarter 2011 results compared with third quarter 2011 which we believe illustrates the strength of our existing business platform. The partnership realized adjusted EBITDA of $54.6 million in the fourth quarter of 2011 , an increase of 9% from the third quarter of 2011 , EBITDA of $50.1 million. Gross operating margin for the fourth quarter was $97.8 million, an increase of $6.8 million from the third quarter of 2011. This increase was primarily a result of favorable processing environment and increased processing volumes.

We have continued to see strong processing margins throughout 2011. During the fourth quarter we had a weighted average NGL price of $1.37 per gallon and NGL to gas ratio of 432% compared with the weighted average NGL price of $1.41 per gallon and NGL gas ratio of 371% in the third quarter of 2011. This translated into approximately $29 million of our fourth quarter gross operating margin coming from commodity based opportunities. However, we ended the year with approximately 70% of our growth operating margin coming from fee based gathering transportation and processing activities margin that is not sensitive to money prices. The increase in distribution coverage for the year took into consideration the increase in margin from the commodity-based opportunities.

We continued to add positions to our hedge our commodity exposure in 2012 and 2013. Currently we have hedged approximately 72% of our target percentage of percent of liquid volumes and approximately 94% of our target percentage of processing margin volumes for 2012. We have also begun to layer on hedges in 2013. To date we have hedged 50% of our propane, butane and natural gasoline target percent of percentage of liquid volumes in 2013 as well as 22% of our ethane target percentage of percent liquid volumes in 2013 with a focus on the latter half of the year. In aggregate we have hedged approximately 35% of our target percentage of percent of liquid volumes for 2013. As in the past we only use product specific hedges in the forward liquids market.

Turning briefly to Crosstex Energy, Inc., the corporation had a year end cash balance of approximately $6 million which will continue to grow as a portion of distributions it receives each quarter are added to the cash balance. This cash will be used to make its 2% matching contributions on any equity raises by XTEX fund miscellaneous expenditures and build reserve for potential income taxes payable in the future. As we have said, we don't currently envision any significant income taxes to be paid by the corporation in the near future. It is anticipated that new unit holders at XTEX could expect an estimated tax shield of at least 80% for 2012.

For 2012 we are providing preliminary low, mid-point and high guidance that is based on a range of commodity pricing assumptions and other factors. We are forecasting our mid-point of 2012 adjusted EBITDA to be approximately $225 million and associated as distributable cash flow of $134 million. Key drivers to the growth in the business are the start up of the Permian operations including the Apache joint venture which is expected to contribute between $12 million and $18 million for the year and accrued logistic business which is expected to contribute between $8 million to $10 million for the year. The Cajun Sibon project which represents a large portion of our estimated 2012 growth capital is not expected to be in operations until the first half of 2013. Depending upon changes to commodity prices and other factors affecting the business adjusted EBITDA could range from $205 million on the low side to $245 million on the high side. You will note that we have coverage of 1.1 times or above for each of our guidance cases.

Consistent with last year we have assumed a 1.3 times coverage for the mid-point of guidance given that approximately 25% of our 2012 gross operating margin is expected to come from activities sensitive to commodity prices. Our guidance assumes a weighted average liquid price will be $1.04 per gallon and $1.38 per gallon implying a Brent crude price of between $0.93 and $1.23 per barrel. We have also assumed average Henry Hub gas prices of between $3 and $4 for mmbtu which implies natural gas to liquids ratio of between 307% to 543% for the year. If you were to look at today's current commodity market we are around $1.02 per gallon with weighted average liquid price with gas prices around $2.50 per mmbtu which translates into a natural gas to liquids ratio of approximately 468%. Assuming actual results are within the range of guidance we expect the partnership to pay distributions in the range of $1.28 to $1.41 per unit year for the year and we expect the corporation could pay dividends in the range of $0.44 to $0.55 cents per share assuming the receipt of a per unit distribution in the range stated above from a partnership.

Assuming the mid-point of guidance this is consistent with our goal of at least a 10% growth in 2012 distributions and at least a 20% growth in 2012 dividends we discussed this past year and Barry mentioned in his opening remarks. The guidance also assumes growth capital of approximately $294 million and maintenance capital between $16 million and $18 million. The growth capital estimate includes projects that have been approved by the partnership as well as additional project opportunities with the high probability of being executed in 2012. Most of these projects like Cajun Sibon have 6-month to 12-month lead times on their development so the impact to 2012 cash flows are minimal.

There are a number of variables particularly around our financial guidelines that could affect the payment of distributions and the dividends. Of course the payment and amount of any distribution or dividend will be subject to approval by the respective Board of Directors with the partnership and corporation and to economic conditions and other factors existing at the time of determination. We will provide additional color on this guidance during our schedule analyst event for the buy side, and sell side analyst committee on March 27th, and we look forward to seeing many of you for additional overview of Crosstex's operations and financials. If you have questions or want more information, please contact Jill McMillan or myself. Now I will turn the call back to Barry.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Thank you, Mike. As you can see 2011 was a great year. We successfully carried out our plan to grow our existing business and maximize our contributions to the bottom line. Our focus on higher return projects in our core areas during the last three years resulted in record earnings for our north Texas, Louisiana, and natural gas liquid businesses. In 2011 we also enhanced the size and scope of our assets and operations which provides us with an important platform for growth. While we accomplished what we set out in 2011, an enhanced value for Crosstex investors, we will not stop here. We remain focused first and foremost on executing our strategy to create value for all of our shareholders. In 2011 we celebrated 15 years as a Company, a landmark achievement, and today we are as well positioned as ever with great assets and great people to take advantage of the unprecedented growth opportunities ahead. Our vision remains unchanged, to be the best midstream energy solutions provider in the industry. That concludes our prepared remarks, and I will now turn the call back over to our operator, Laura, and Bill, Mike, and I will be happy to answer any questions that you may have.

QUESTIONS AND ANSWERS

Operator

Thank you.(Operator Instructions). Your first question comes from the line of Darren Horowitz from Raymond James. Please proceed.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Good morning, Darren.

Darren Horowitz - *Raymond James & Associates - Analyst*

A couple of quick questions, Barry. First recognizing the locations of your assets in the (Inaudible) tier within north Texas, can you give us a sense for the contract structure on that one bcf a day gathering volume? I am just trying to get a sense for when you have been discussing with producers , like Devon for example, have they given you any price sensitivity to say if the forward curve for gas remains where it is today then x amount of volume could get curtailed?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

This is Till, Darren. I would say that I am not going to put words in Devon's mouth . You have seen their announcement that they aren't currently intending to scale back drilling in the Barnett Shale. I don't know that very many of those producers are intending to curtail production at these levels. I certainly haven't heard that other than the announced curtailments. Does that answer your question?

Darren Horowitz - *Raymond James & Associates - Analyst*

Yes, it answers part of it, Bill. Is the contract structure then is it just all fee for volume or are there any take or pay contracts?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

We have a few of the take or pay type contracts, but most of our contracts on the Barnett are acreage dedications. Where the production comes to us if it is drilled and produced.

Darren Horowitz - *Raymond James & Associates - Analyst*

Can you give us a sense for how much of that capacity will be coming up for renewal both this year and next year?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

None.

Darren Horowitz - *Raymond James & Associates - Analyst*

None?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

Yes, none of the contracts are that short-term in nature.

Darren Horowitz - *Raymond James & Associates - Analyst*

Okay. Last question from me, and Barry you hit on this, and it seems like from a synergistic standpoint one of the biggest opportunities that you guys have, but can you give us a little more color on linking that LIG system with PNGL? It seems there are more opportunities outside of interstate connections like north of the Pelican plant and maybe even further downstream either additional treating opportunities at Eunice or the ability to expand capacity further maybe with some outlet pipeline capacity (Inaudible). Can you just give us a sense for how you are thinking about that interaction between the segments developing over the next couple years and possibly quantify what you think the associated CapEx could be?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

There some really large projects, Darren, that could come out of that. We have been discussing a couple of them internationally in the last few days. Including some of the work around the second phase of the Cajun Sibon expansion that we were talking about which would be very large incremental capital expenditure in the order of $230 million again on top of the initial expenditure. As you say there are a number of opportunities our LIG team and our PNGL team are busy evaluating those and they have successfully executed some in recent days including the 215 or so of gas that LIG is bringing to Pelican now off of interstate. We will continue to work those opportunities and there are a lot of opportunities to improve operating results as a result.

Darren Horowitz - *Raymond James & Associates - Analyst*

Thanks, Bill.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Hi, Darren, this is Barry . I wouldn't compliment our teams. When you look at the guys we have operating and executing on the PGNL and LIG assets there is probably an average tenure there in excess of 20 or 25 years. We only recently moved those to under common operations leadership. We have really seen some good benefit from that. What we have total confidence in is if there is an opportunity to integrate those assets, our teams right now are able to see it and execute on it. As dynamic as the market place is, we feel really good about that and think that will result in good, continued improvement there.

Darren Horowitz - *Raymond James & Associates - Analyst*

Thanks, Barry.

Operator

Your next question comes from the line of Sharon Lui from Wells Fargo. Please proceed.

Sharon Lui - *Wells Fargo Securities - Analyst*

Hi, good morning.

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

Good morning, Sharon.

Sharon Lui - *Wells Fargo Securities - Analyst*

With regards to your guidance for 2012, are you also assuming that LIG pipe and processing volumes remain relatively flat?

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Yes.

Sharon Lui - *Wells Fargo Securities - Analyst*

Okay. And then I guess in terms of the growth CapEx guidance that you provided, it looks like it is a little bit higher. Is it just an acceleration of spending for Cajun Sibon , or do you actually have additional projects in that number?

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

If you think about the number, about 60% of the number is Cajun Sibon and then another 20% to 25% is related to the finalizing the work in Permian with Apache joint venture in Mesquite and the last really being the crude terminals. So from an over all size standpoint the large increase you saw from our initial discussion on guidance really is the Cajun Sibon pipeline.

Sharon Lui - *Wells Fargo Securities - Analyst*

Okay. That is helpful. And then also I think they indicated that the current NGL pricing is about $1.02. Just wondering if that is net of hedges. It seems like it is a pretty big discount from Belvieu pricing?

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

General range you are seeing ethane has come up so that price has come up since then. When you look at a market price, but again we have seen between $1.00 to $1.10 as of late.

Sharon Lui - *Wells Fargo Securities - Analyst*

Okay. Great.

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

And , Sharon, that would be based on ethane at the time about $0.52. So the weighted average price is what we are referring to there as $1.02.

Sharon Lui - *Wells Fargo Securities - Analyst*

That's helpful. Thank you.

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

Thanks, Sharon.

Operator

(Operator Instructions). The next question comes from the line of James Jampel with HITE. Please proceed.

James Jampel - *HITE Hedge - Analyst*

Hi, you mentioned that your debt to EBITDA at the end of the year was 3.9. Are you comfortable running much ahead of that -- much above that as you go through CapEx program this year?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

When we think about how we want to run the business long-term, we think it makes sense given the cyclical nature of this business to be somewhere around 3.5 to 4 times. When we have projects like Cajun Sibon that are fully contracted fee based we can see that we will come up a little above 4 times this year, but ultimately once the project comes up and running in the first half of 2013 that gets back down into the range of where we want to be. So again given the structure of this project we think it makes sense to have the debt to EBITDA rise a little bit knowing the completion time is about 12 months to 18 months from today.

James Jampel - *HITE Hedge - Analyst*

Are you saying that you may not necessarily need equity to complete the project?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

No, I did not say that. I said we are comfortable having a debt to EBITDA a little bit north to 4 times during the project construction cycle. When we talk about financing the project, like we have said in the past, we will look to finance our capital on a basis of 50% debt, 50% equity with retaining cash being considered equity, and just as an example, in 2011 we had retained cash of just under $30 million.

James Jampel - *HITE Hedge - Analyst*

All right. Thank you.

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

Thank you, James.

Operator

There are no further questions at this time. I would like to turn the call over to Barry Davis for closing remarks.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Thank you, Laura. Again thank you to all of you on the call today. It gives us great pleasure to give you a great report. We continue to look forward to the good things in the future, and seeing you here at the analyst meetings coming up or as we report to you next quarter. Thank you again for being on the call, and have a great day.

Operator

Thank you. That concludes today's conference. You may now disconnect and have a great day.