GENESIS ENERGY LP
Form 424B3
November 27, 2007

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(3)**
**Registration No. 333-126482**

PRELIMINARY PROSPECTUS SUPPLEMENT SUBJECT TO COMPLETION November 27, 2007
(To Prospectus dated August 30, 2005)

**7,000,000 Common Units**

**Representing Limited Partner Interests**

We are offering 7,000,000 common units representing limited partner interests, as well as 559,035 common units to be offered to our general partner. We will receive all of the net proceeds from the sale of such common units. Our common units are traded on the American Stock Exchange, or AMEX, under the symbol GEL. On November 26, 2007, the last reported sales price of our common units on the AMEX was $22.52 per common unit.

**Investing in our common units involves a high degree of risk. Before buying any common units, you should read the discussion of material risks of investing in our common units in Risk factors beginning on page S-16 of this prospectus supplement and page 2 of the accompanying prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

| | **Per common unit** | **Total** |
|---|---|---|
| Public offering price | $ | $ |
| Underwriting discounts and commissions[(1)] | $ | $ |
| Proceeds, before expenses, to us | $ | $ |

*(1) The underwriters will receive no discount or commission on the sale of common units to our general partner.*

The underwriters may also purchase up to an additional 1,050,000 common units from us at the public offering price, less underwriting discounts and commissions payable by us to cover over-allotments, if any, within 30 days from the date of this prospectus supplement. Our general partner will purchase up to an additional 83,855 common units from us at the public offering price, less the underwriting discount, allowing it to maintain its proportionate interest in us to

the extent the underwriters exercise the over-allotment option.

The underwriters are offering the common units as set forth under Underwriting. Delivery of the common units will be made on or about December , 2007.

*Joint Book-Running Managers*

**UBS Investment Bank** **Wachovia Securities**

**Goldman, Sachs & Co.** **RBC Capital Markets**

**Banc of America Securities LLC**

**Deutsche Bank Securities**

**Sanders Morris Harris**

The date of this prospectus supplement is , 2007.

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This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering of common units. The second part is the base prospectus dated August 30, 2005, which gives more general information, some of which may not apply to this offering. You should not assume that the information provided by this prospectus supplement or the accompanying base prospectus, as well as information we previously filed with the Securities and Exchange Commission that is incorporated by reference herein, is accurate as of any date other than its respective date. Generally, when we refer only to the prospectus, we are referring to the two parts combined. If information varies between the prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted.

Prospectus supplement summary

*This summary highlights some basic information from this prospectus supplement and the accompanying base prospectus to help you understand the common units. It likely does not contain all the information that is important to you. You should read carefully the entire prospectus supplement, the accompanying base prospectus and the other documents incorporated by reference to understand fully the terms of the common units, as well as the tax and other considerations that are important in making your investment decision.*

*Unless the context otherwise requires, references in this prospectus to Genesis Energy, L.P., Genesis, we, our, us or like terms refer to Genesis Energy, L.P. and its operating subsidiaries; Denbury means Denbury Resources Inc. and its subsidiaries;* $CO_2$ *means carbon dioxide; and NaHS, which is commonly pronounced as nash, means sodium hydrosulfide. Except as the context otherwise indicates, the information in this prospectus supplement assumes no exercise of the underwriters over-allotment option. This prospectus supplement presents segment margin and available cash before reserve amounts, or ratios derived therefrom, which are non-GAAP financial measures as used herein. For a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, please see Reconciliation of Non-GAAP Financial Measures on page S-13.*

**GENESIS ENERGY, L.P.**
**OVERVIEW**

We are a growth-oriented limited partnership focused on the midstream segment of the oil and gas industry in the Gulf Coast region of the United States, primarily Texas, Louisiana, Arkansas, Mississippi, Alabama and Florida. We have a diverse portfolio of customers, operations and assets, including refinery-related plants, pipelines, storage tanks and terminals, and trucks and truck terminals. We provide services to refinery owners; oil, natural gas and $CO_2$ producers; industrial and commercial enterprises that use $CO_2$ and other industrial gases; and individuals and companies that use our dry-goods trucking services. Consequently, substantially all of our revenues are derived from providing services to integrated oil companies, large independent oil and gas or refinery companies, and large industrial and commercial enterprises.

We manage our businesses through four divisions which are our reportable segments:

Ø *Pipeline Transportation:* We transport oil and, to a lesser extent, natural gas and $CO_2$ in the Gulf Coast region of the U.S. through approximately 500 miles of pipeline. We own and operate three oil common carrier pipelines, a small $CO_2$ pipeline and several small natural gas gathering pipelines. Our pipeline systems include a total of approximately 0.7 million barrels of leased and owned tankage.

Ø *Refinery Services:* We provide services to eight refining operations located predominantly in Texas, Louisiana and Arkansas. These refineries generally are owned and operated by large companies, including ConocoPhillips, Citgo and Ergon. Our refinery services primarily involve processing high sulfur (or sour ) natural gas streams, which are separated from hydrocarbon streams, to remove the sulfur. Our refinery services contracts, which usually have an initial term of two to ten years, have an average remaining term of five years.

Ø *Supply and Logistics:* We provide terminaling, blending, storing, marketing, gathering and transporting by trucks, and other supply and logistics services to third parties, as well as to support our other businesses. We own or lease approximately 300 trucks, 600 trailers and almost 1.5 million barrels of liquid storage capacity at eleven different locations. Our terminaling, blending, marketing and gathering activities are focused on oil and petroleum products, primarily fuel oil.

- Ø *Industrial Gases:* We supply $CO_2$ to industrial customers under long-term, back-to-back agreements. In addition, through our 50% interest in Sandhill Group, LLC, we process raw $CO_2$ for sale to other customers for uses ranging from completing oil and natural gas producing wells to food processing. Through our 50% interest in T&P Syngas Supply Company, or T&P Syngas, we also process syngas (a combination of carbon monoxide and hydrogen), which T&P Syngas sells to Praxair Inc., the other 50% owner.

**OUR RELATIONSHIP WITH DENBURY RESOURCES INC.**

We continue to benefit from our strategic affiliation with Denbury Resources Inc. (NYSE:DNR), which indirectly owns 100% of our general partner interest, 100% of our incentive distribution rights and, prior to the closing of this offering, 7.4% of our outstanding common units. Denbury, which had an equity market capitalization of approximately $6.9 billion as of October 31, 2007, operates primarily in Mississippi, Louisiana and Texas, emphasizing the tertiary recovery of oil using $CO_2$ flooding. Denbury is the largest producer (based on average barrels produced per day) of oil in Mississippi, and it is one of only a handful of producers in the U.S. that possesses $CO_2$ tertiary recovery expertise along with large deposits of low-cost $CO_2$ reserves, consisting of approximately 5.5 trillion cubic feet of estimated proved $CO_2$ reserves as of December 31, 2006. Other than the $CO_2$ reserves owned by Denbury, we do not know of any significant natural sources of $CO_2$ from East Texas to Florida. Denbury is conducting the largest $CO_2$ tertiary recovery operations in the Eastern Gulf Coast of the U.S., an area with many mature oil reservoirs that potentially contain substantial volumes of recoverable oil. In addition to the amounts it has already expended on the Free State and North East Jackson Dome, or NEJD, $CO_2$ pipelines, Denbury has announced that it expects to spend approximately $775 million between December 31, 2007 and the end of 2009 to build $CO_2$ pipelines to support its tertiary oil recovery expansions.

We believe Denbury has strong economic and strategic incentives to furnish business opportunities to us in the form of acquisitions, leases, transportation agreements and other transactions. In fact, Denbury has indicated that it plans to use us as a vehicle to provide its midstream infrastructure needs, particularly with respect to $CO_2$ pipelines. We believe Denbury is likely to provide us with future growth opportunities due to the following additional factors, among others:

- Denbury s stated intent for us to function as a provider of pipelines and gathering systems necessary to support its operations;
- Denbury s significant economic and strategic interests in us;
- the close proximity of certain of Denbury s assets and operations to certain of our assets and operations; and
- the extent of Denbury s growth capital requirements.

Denbury has announced its intention, which it can change at any time, to drop down to us certain midstream assets over time, at its discretion. Denbury intends to consider offering $1.00 of drop down transactions to us for each $1.50 of non-Denbury-related capital we economically deploy. For example, because we have consummated the Davison acquisition for approximately $623 million (net of cash acquired at closing and subject to final purchase price adjustments), Denbury is willing to discuss with us drop down transactions of approximately $400 million.

We believe there is a broad array of transactions that we could explore with Denbury which could result in strong growth opportunities for us, including acquiring (through purchase, construction, lease or otherwise) $CO_2$, oil and/or natural gas gathering and transportation pipelines and related midstream infrastructure; transporting $CO_2$; transporting, gathering and storing oil and/or natural gas; and enhancing our industrial gases opportunities. In August, both Denbury and we announced our intention to enter into negotiations regarding specific transactions. See *Recent Events Announced Potential Denbury Drop Down Transactions* below.

Although our relationship with Denbury may provide us with a source of acquisition and other growth opportunities, Denbury is not obligated to enter into any transactions with (or to offer any opportunities to) us or to promote our interest, and none of Denbury or any of its affiliates (including our general partner) has any obligation or commitment to contribute or sell any assets to us or enter into any type of transaction with us, and each of them, other than our

general partner, has the right to act in a manner that could be beneficial to its interests and detrimental to ours. Further, Denbury may, at any time, and without notice, alter its business strategy, including determining that it no longer desires to use us as a provider of its midstream infrastructure. Additionally, if Denbury were to make one or more offers to us, we cannot say that we would elect to pursue or consummate any such opportunity. In addition, though our relationship with Denbury is a significant strength, it also is a source of potential conflicts. Please read *Summary of Conflicts of Interest and Fiduciary Duties.*

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**OUR OBJECTIVES AND STRATEGIES**

Our primary business objectives are to generate stable cash flows to allow us to make quarterly cash distributions to our unitholders and to increase those distributions over time. We plan to achieve those objectives by executing the following strategies:

- Ø Expanding our asset base through strategic and accretive acquisitions and construction and development projects with third parties and Denbury;
- Ø Optimizing our $CO_2$ and other industrial gases expertise and infrastructure;
- Ø Leveraging our oil handling capabilities with Denbury s tertiary recovery projects;
- Ø Attracting new refinery customers and expanding the services we provide those customers;
- Ø Increasing the utilization rates and enhancing the profitability of our existing assets;
- Ø Increasing stable cash flows generated through fee-based services, long-term contractual arrangements and managing commodity price risks;
- Ø Maintaining a balanced and diversified portfolio of midstream energy and industrial gases assets, operations and customers;
- Ø Creating strategic arrangements and sharing capital costs and risks through joint ventures and strategic alliances; and
- Ø Maintaining, on average, a conservative capital structure that will allow us to execute our growth strategy while, over the longer term, enhancing our credit ratings.

**OUR COMPETITIVE STRENGTHS**

We believe we are well positioned to execute our strategies and ultimately achieve our objectives due primarily to the following competitive strengths:

- Ø *Relationship with Denbury.* We have a strong relationship with Denbury, the indirect owner of our general partner. Denbury has indicated that it intends to use us as a vehicle to provide its midstream infrastructure needs, particularly with respect to $CO_2$ pipelines. We believe Denbury has strong economic and strategic incentives to provide business opportunities to us. We also believe that, if we can become an instrumental component of Denbury s future development projects, we can leverage those operations (and our relationship with Denbury) into oil transportation and storage opportunities with third parties, such as other producers and refinery operators, in the areas into which Denbury expands its operations.
- Ø *Experienced, Knowledgeable and Motivated Senior Management Team with Proven Track Record.* Our senior management team has over 40 years of combined experience in the midstream sector. They have worked together and separately in leadership roles at a number of large, successful public companies, including other publicly-traded partnerships. As discussed below, the incentive compensation arrangements of our senior management team are structured to help ensure that our senior management team executes our growth strategy in a manner that is accretive on a distribution per unit basis.

- *Unique Platform, Limited Competition and Anticipated Growing Demand in Refinery Services Operations.* We provide services to eight refining operations located predominantly in Texas, Louisiana and Arkansas. Our refinery services primarily involve processing sour natural gas streams, which are separated from hydrocarbon streams, to remove the sulfur. We believe that the U.S. refinery industry s demand for sulfur extraction services will increase because we believe sour oil will constitute an ever-increasing portion of the total supply of refinery oil worldwide. In addition, we have an increasing array of services we can offer to our refinery customers and we believe our

proprietary knowledge, scale, logistics capabilities and safety and service record will encourage such customers to continue to outsource their existing refinery services needs to us.

Ø *Supply and Logistics Division Supports Full Suite of Services.* In addition to its established customers, our supply and logistics division can, from time to time, attract customers to our other divisions and/or create synergies that may not be available to our competitors.

Ø *Diversified and Balanced Portfolio of Customers, Operations and Assets.* We have a diversified and well-balanced portfolio of customers, operations and assets throughout the Gulf Coast region of the U.S. Through our diverse assets, we provide stand-alone and integrated gathering, transporting, processing, blending, storing and marketing services, among others, to four distinct customer groups. Our operations and assets are characterized by:

- *Strategic Locations.* Our oil pipelines and related assets are predominately located near areas that are experiencing increasing oil production, in large part because of Denbury s tertiary recovery operations, and in and around inland refining operations, many of which we believe are contemplating expansion.

- *Cost-Effective Expansion and Enhancement Opportunities.* We own pipelines, terminals and other assets that have available capacity or that have opportunities for expansion of capacity without incurring material expenditures. Our available capacity allows us to increase our revenues with little or no additional cost to us, and our expansion capability allows us to increase our asset base, as needed, in a cost-effective manner.

- *Cash Flow Stability.* Our cash flow is relatively stable due to a number of factors, including our long-term, fee-based contracts with our refinery services and industrial gases customers, our diversified base of customers, assets and services, and our relatively low exposure to volatile fluctuations in commodity prices.

Ø *Financial Flexibility.* After we complete the offering contemplated by this prospectus supplement, we believe we will have the financial flexibility to pursue additional growth projects. As of September 30, 2007, we had $285 million of loans and $4.7 million in letters of credit outstanding under our $500 million credit facility, resulting in $90.4 million of remaining credit availability under our borrowing base. In addition, any new acquisitions that we complete will have the potential to increase our borrowing base, subject to specified limitations and lender consent. We will use the proceeds of this offering for general partnership purposes, including temporarily paying down the outstanding balance under our credit facility and, ultimately, indirectly funding certain acquisitions. If we use $165.9 million, or all of the net proceeds relating to this offering (including proceeds received from our general partner), to reduce indebtedness under our credit facility, we will have $256.3 million of remaining credit availability under our borrowing base. We believe this offering and our credit facility will provide us with the financial flexibility to fund our short term operations and strategic growth plan and to facilitate our longer-term expansion and acquisition strategies, which include accessing the capital markets from time to time to fund future growth.

## RECENT EVENTS

### Acquisition of Refinery Services Division and Other Businesses

On July 25, 2007, we acquired five energy-related businesses, including the operations that comprise our refinery services division, from several entities owned and controlled by the Davison family of Ruston, Louisiana. The other acquired businesses, which transport, store, procure and market petroleum products and other bulk commodities, are included in our supply and logistics segment.

Our acquisition agreement with the Davisons provided that we would deliver to them $563 million of consideration, half in common units (13,459,209 common units at an agreed-to value of $20.8036 per unit) and half in cash, subject to specified purchase price adjustments. Our financial statements at September 30, 2007 reflect a total acquisition price of $631 million, which includes the preliminary purchase price adjustments, our transaction costs, working capital acquired, net of cash acquired, and a

valuation of the units at $24.52 per unit, which was the average closing price of our units during the five trading day period ending two days after we signed the acquisition agreement. See *Business Overview Recent Events Acquisition of Refinery Services Division and Other Businesses.*

The Davison family is our largest unitholder, with a 36.8% interest in us (represented by 13,459,209 of our common units) after giving effect to the issuances pursuant to this offering. It has designated two of the members of the board of directors of our general partner, and as long as it maintains a specified minimum ownership percentage of our common units, it will have the continuing right to designate up to two directors. The Davison family has agreed to restrictions that limit its ability to sell specified percentages of its common units through July 26, 2010. For example, prior to July 25, 2008, the Davison family may not sell more than 20% of its common units.

**Announced Potential Denbury Drop Down Transactions**

Denbury has announced plans to negotiate several anticipated transactions with us involving the drop down of some of its $CO_2$ pipeline assets. We currently expect those transactions to consist of property purchases combined with associated transportation or service arrangements or direct financing leases, or a combination of both. We anticipate that, during the fourth quarter of 2007, we will enter into approximately $200 to $250 million of transactions with Denbury relating to its Free State and NEJD $CO_2$ pipelines. We also anticipate similar transactions in the range of $100 to $150 million in the second half of 2008 for other $CO_2$ pipelines that Denbury is currently constructing. Although we currently are negotiating the Free State and NEJD transactions with Denbury, we cannot assure you that we will reach mutually satisfactory terms and consummate those transactions. See *Business Our Relationship with Denbury Resources Inc.*

**Quarterly Distribution Increase**

On October 26, 2007, our board of directors declared a cash distribution of $0.27 per unit for the quarter ended September 30, 2007. The distribution was paid on November 14, 2007 to our general partner and all common unitholders of record as of the close of business on November 6, 2007. That quarterly distribution rate represents an increase of 17% relative to the distribution paid for the second quarter of 2007, an approximate 35% increase relative to the same period in 2006, and an approximate 69% increase relative to the third quarter in 2005. This is our ninth consecutive quarterly distribution increase, with the previous eight being increased by $0.01 per unit.

**Increased Credit Facility to $500 Million**

On November 15, 2006, we replaced our $50 million working capital credit facility with a $500 million working capital and acquisition facility. As of September 30, 2007, we had borrowed $285 million under that facility, and we had $4.7 million in letters of credit outstanding, resulting in $90.4 million of remaining credit availability under our borrowing base.

**Adopted Growth-Oriented Strategy and Hired an Experienced Midstream Senior Management Team**

Our board of directors has adopted a growth-oriented strategy for us, and on August 8, 2006, we hired an experienced senior management team. To help ensure that our senior management team is incentivized to execute our growth strategy in a manner that is accretive on a distribution per unit basis, our general partner has undertaken to negotiate definitive agreements relating to an incentive compensation arrangement to provide the members of our senior management team with the opportunity to earn up to a 20% interest in our general partner if certain performance criteria are met. Those performance criteria primarily relate to the dollar amount of expenditures for acquisitions we consummate (including development projects, but excluding acquisitions from Denbury and its affiliates) provided such expenditures earn (using a look-back provision) a specified minimum, un-levered return on investment.

**Acquired Terminal and Dock Facilities**

Effective July 1, 2007, we paid $8.1 million for BP Pipelines (North America) Inc. s Port Hudson oil truck terminal, marine terminal and marine dock on the Mississippi River, which includes 215,000 barrels of tankage, a pipeline and other related assets in East Baton Rouge Parish, Louisiana.

**Florida Oil Pipeline System Expansion**

We committed to construct an extension of our existing Florida oil pipeline system that would extend to producers operating in southern Alabama, which will consist of approximately 33 miles of 8 pipeline and gathering connections to approximately 30 wells and oil storage capacity of 20,000 barrels in the field. We expect to place those facilities in service in the second half of 2008.

**Unitholder Meeting**

We have called a special meeting of our unitholders to be held on December 18, 2007, for unitholders of record as of November 2, 2007, to vote on (1) a proposal to amend certain provisions of our partnership agreement to allow any affiliated persons or group who hold more than 20% of our outstanding voting units to vote on all matters on which holders of our voting units have the right to vote, other than matters relating to the succession, election, removal, withdrawal, replacement or substitution of our general partner, and to clarify and expand the concept of *group* as defined in our partnership agreement; and (2) a proposal to approve the terms of the Genesis Energy, Inc. 2007 Long Term Incentive Plan, which provides for awards of our units and other rights to our employees and, possibly, our directors.

**OUR OFFICES**

Our executive offices are located at 500 Dallas, Suite 2500, Houston, Texas 77002, and the phone number at this address is (713) 860-2500.

**OWNERSHIP STRUCTURE**

We conduct our operations through, and our operating assets are owned by, our subsidiaries and joint ventures. As is customary with publicly-traded limited partnerships, or MLPs, our general partner, Genesis Energy, Inc., is responsible for operating our business, including providing all necessary personnel and other resources.

Genesis Energy, Inc. is a holding company with employees, but with no independent assets or operations other than its general partner interest in us and several of our subsidiaries. Our general partner is dependent upon the cash distributions it receives from us to service any obligations it may incur. Our general partner is a subsidiary of Denbury Gathering & Marketing, Inc., a subsidiary of Denbury. After giving effect to the issuances pursuant to this offering:

- Public unitholders will own 19,765,000 common units, representing a 54.0% interest in us.
- The Davison family will own 13,459,209 common units, representing a 36.8% interest in us.
- Our general partner, who will maintain its proportionate ownership interest in us, will own 2,653,358 common units (representing a 7.2% interest in us) and all of our 2.0% general partnership interest, as well as our incentive distribution rights.

Below is a chart depicting our ownership structure after giving effect to the issuances relating to this offering.

(1) *The incentive compensation arrangement in connection with which our general partner has undertaken to negotiate definitive agreements to provide our senior management team with the opportunity to earn up to 20% of the interest in our general partner if certain performance criteria are met. See Recent Events Adopted Growth-Oriented Strategy and Hired an Experienced Midstream Senior Management Team.*

The offering

| | |
|---|---|
| Common units we are offering to the public | 7,000,000 common units, or 8,050,000 common units if the underwriters exercise their option to purchase additional common units. |
| Common units we are offering to our general partner in a private offering concurrently with this offering | 559,035 common units, or 642,891 common units if the underwriters exercise their over-allotment option in full. The per unit price for the sale to our general partner will be equal to the per unit price offered to the public through this prospectus supplement, less an amount equal to any underwriting discounts and fees that would apply if those units had been offered to the public. |
| Common units to be outstanding after this offering | 35,877,567 common units, or 37,011,423 common units if the underwriters exercise their option to purchase additional common units. |
| Use of proceeds | We will receive net proceeds (after deducting underwriting discounts and estimated offering expenses) from this offering, our concurrent offering to our general partner and the contribution from our general partner to maintain its 2% general partner interest of approximately $165.9 million. We will use the net proceeds for general partnership purposes, including temporarily repaying indebtedness under our credit facility and, ultimately, funding a portion of our future growth expenditures. |
| Cash distributions | Within approximately 45 days after the end of each quarter, we will distribute all available cash to unitholders of record on the applicable record date. However, there is no guarantee that we will pay a distribution on the common units in any quarter, and we will be prohibited from making any distributions to unitholders if it would cause an event of default, or if an event of default then exists, under our credit facility. |
| Incentive distributions | Our general partner is entitled to receive incentive distributions if the amount we distribute with respect to any quarter exceeds levels specified in our partnership agreement. Under the quarterly incentive distribution provisions, the general partner is entitled to receive 13.3% of any distributions in excess of $0.25 per unit, 23.5% of any distributions in excess of $0.28 per unit, and 49% of any distributions in excess of $0.33 per unit, without duplication. |
| Risk factors | An investment in our common units involves risk. See Risk factors beginning on page S-16 of this prospectus supplement and page 2 of the accompanying base prospectus and the materials incorporated by reference for a more detailed discussion of additional factors that you should consider before purchasing our common units. |

| | |
|---|---|
| Estimated ratio of taxable income to distributions | We estimate that if you own the common units you purchase in this offering through the record date for the distribution with respect to the final calendar quarter of 2009, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 20% or less of the cash distributed to you with respect to that period. Please read Tax considerations on page S-37 for the basis of this estimate. |
| Material tax consequences | For a discussion of other material federal income tax considerations that may be relevant to prospective unitholders who are individual citizens or residents of the U.S., please read Material Tax Consequences in the accompanying base prospectus. |
| American Stock Exchange symbol | GEL. |

Summary historical and pro forma financial data

We have derived (i) the summary historical financial data as of and for each of the years in the three-year period ended December 31, 2006 from our audited financial statements and related notes, (ii) the summary unaudited pro forma financial data for the year ended December 31, 2006 from our unaudited pro forma combined financial statements, (iii) the summary unaudited historical financial data as of and for the nine months ended September 30, 2006 and 2007 from our unaudited financial statements and (iv) the summary unaudited pro forma financial data as of and for the nine months ended September 30, 2007 from our unaudited pro forma combined financial statements. Pro forma information assumes that the Davison acquisition was consummated as of January 1.

You should read the information below in conjunction with our historical interim and year-end financial statements.

| | **Actual** | | | | | **Pro Forma**[1] | |
|---|---|---|---|---|---|---|---|
| | **Years ended December 31,** | | | **Nine months ended September 30,** | | **Year ended December 31,** | **Nine months ended September 30,** |
| | **2004** | **2005** | **2006** | **2006** | **2007** | **2006** | **2007** |
| | **(dollars in thousands, except per unit amounts)** | | | | | | |
| **Income Statement Data:** | | | | | | | |
| Revenues | $ 927,143 | $ 1,078,739 | $ 918,369 | $ 726,496 | $ 738,850 | $ 1,479,174 | $ 1,113,927 |
| Operating (loss) income | (23) | 5,220 | 8,584 | 7,415 | 7,304 | 25,319 | 19,619 |
| (Loss) Income from Continuing Operations | (949) | 3,689 | 8,351 | 7,700 | 1,912 | 156(2) | (1,234) |
| (Loss) Income from Continuing Operations per limited partnership unit diluted | $ (0.10) | $ 0.38 | $ 0.59 | $ 0.55 | $ 0.11 | $ 0.01(2) | $ (0.04) |