

# Crosstex Energy Announces Long-Term Supply Commitments for Cajun-Sibon Natural Gas Liquids Extension Project

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## *Project Provides Substantial Economic Benefits in Louisiana and Texas*

DALLAS--(BUSINESS WIRE)--Feb. 8, 2012-- The Crosstex Energy companies, Crosstex Energy, L.P. (NASDAQ:XTEX) (the Partnership) and Crosstex Energy, Inc. (NASDAQ:XTXI) (the Corporation), today announced that the Partnership has received sufficient long-term supply commitments to proceed with the construction of its Cajun-Sibon extension, a 130-mile, 12-inch-diameter natural gas liquids (NGL) pipeline. The pipeline will extend the Partnership's existing 440-mile Cajun-Sibon NGL system and connect Crosstex's NGL fractionation facilities in south central Louisiana to Mont Belvieu supply pipelines in East Texas. The extension allows the Partnership to provide producers and midstream companies an attractive alternative market for their NGL production at Mont Belvieu pricing. The Partnership is currently negotiating additional long-term agreements for the remaining capacity and expects the new pipeline will begin operations at or near its initial capacity of 70,000 barrels of NGL per day.

The Partnership will begin construction in the third quarter of 2012 as scheduled. Due to strong supplier interest, the pipeline project has been expanded since it was announced in July 2011 and now includes an additional supply connection. The total capital investment is now estimated at \$230 million. The new pipeline and facilities are expected to be operational in the first half of 2013.

As previously announced, the Partnership has entered into a long-term ethane sales agreement with Williams Olefins, LLC, a subsidiary of the Williams Companies, which provides a secure market for the key product in the project. The Partnership's facilities in South Louisiana provide an attractive ethane market, as well as market access for the remaining components of the NGL barrel.

"We are pleased with the strong interest in this project," said Barry E. Davis, Crosstex President and Chief Executive Officer. "The willingness of midstream and producer customers to make long-term commitments reflects increasing demand for fractionation and NGL handling as producers continue to pursue liquids-rich natural gas plays. We will be able to offer our customers an integrated NGL transportation, fractionation and marketing alternative to Mont Belvieu."

## **Project Provides Economic Benefits in Louisiana and Texas**

The Cajun-Sibon pipeline extension and expansion of the Eunice fractionation facilities will provide substantial economic benefits in Louisiana and Texas according to the economic impact study prepared by Dr. James A. Richardson. In Louisiana, it is estimated that the Cajun-Sibon project will produce additional business activity of \$206.9 million and 1,351 net new jobs during the construction period. In Texas, the construction project will lead to average additional business activity of \$131.9 million and 1,014 net new jobs.

The completed study can be found at [www.crosstexenergy.com](http://www.crosstexenergy.com).

## **About the Crosstex Energy Companies**

Crosstex Energy, L.P., a midstream natural gas company headquartered in Dallas, operates approximately 3,300 miles of pipeline, nine processing plants and three fractionators. The Partnership currently provides services for 3.2 billion cubic feet of natural gas per day, or approximately six percent of marketed U.S. daily production.

Crosstex Energy, Inc. owns the two percent general partner interest, a 25 percent limited partner interest and the incentive distribution rights of Crosstex Energy, L.P.

Additional information about the Crosstex companies can be found at [www.crosstexenergy.com](http://www.crosstexenergy.com).

*This press release contains forward-looking statements within the meaning of the federal securities laws. These statements are based on certain assumptions made by the Partnership and the Corporation based upon management's experience and perception of historical trends, current conditions, expected future developments and other factors the Partnership and the Corporation believe are appropriate in the circumstances. These statements include, but are not limited to, statements with respect to forecasts regarding capacity, cash flow, incremental investment and timing for becoming operational for the projects discussed above, as well as the Partnership's future growth and results of operations. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Partnership and the Corporation, which may cause the Partnership's and the Corporation's actual results to differ materially from those implied or expressed by the forward-looking statements. These risks include, but are not limited to, risks discussed in the Partnership's and the Corporation's filings with the Securities and Exchange Commission. The Partnership and the Corporation have no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

Source: Crosstex Energy

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