Acquisition of Cardinal Interests

August 11th, 2014

MARTIN MIDSTREAM PARTNERS



NASDAQ: MMLP
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FORWARD LOOKING STATEMENTS

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Statements included that are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto), are forward-looking statements. These statements can be identified by the use of forward-looking terminology including “forecast,” “may,” “believe,” “will,” “expect,” “anticipate,” “estimate,” “continue,” or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other “forward-looking” information. We and our representatives may from time to time make other oral or written statements that are also forward-looking statements. These forward-looking statements are based upon management’s current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Because these forward-looking statements involve risks and uncertainties, actual results could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons. A discussion of these factors, including risks and uncertainties, is set forth in Martin Midstream Partners L.P.’s annual and quarterly reports filed from time to time with the Securities and Exchange Commission. Martin Midstream Partners L.P. expressly disclaims any intention or obligation to revise or update any forward-looking statements whether as a result of new information, future events, or otherwise.

CARDINAL PROFILE

Asset Highlights

- Strategically located in the nation's largest natural gas corridor with interconnections to several critical pipelines
  - Uniquely positioned to capitalize on the growing demand center of the Gulf Coast as well as pipe reversals from emerging northeast supply centers (Marcellus and Utica)
- Situated near important growth areas for new demand
  - Approved Gulf Coast LNG terminals (Sabine Pass, Cameron LNG, Freeport LNG)
  - Gas-fired power generation in the southeast
  - Industrial demand in Louisiana and the Gulf Coast (GTL, ethane cracker and other petrochem facilities)

Cardinal Facilities

Facility	Type	Working Gas Capacity (bcf)	Currently Contracted	Wtd. Avg. Remaining Life (yrs)
Arcadia	Salt Cavern	17.5	76%	3.1
Cadeville	Depleted Reservoir	17.0	100%	8.8
Perryville	Salt Cavern	8.5	100%	4.4
Monroe	Depleted Reservoir	7.0	96%	1.0
	Total	**50.0**	**91%**	**5.2**

Location



Source: U.S. Energy Information Administration and National Pipeline Mapping System

TRANSACTION OVERVIEW

Consideration	• $120 million in cash for 57.8% Category A interest • ~$265 million payoff of 100% of net project finance debt at Cardinal • Total investment of $385 million ($273 million attributable to acquired interest)
Distribution Growth / Coverage Ratio	• Management expects to recommend a 4Q distribution increase of at least $0.02/LP unit ($0.08 annually) as a result of this transaction • Expect total accretion of $0.15+/LP unit annually by end of 2015 • Distribution coverage expected to immediately improve to above 1.05x pro forma for distribution increases
MRMC Support	• MRMC to commit at least $40 million in exchange for common limited partner units • MRMC unit issuance price based on 10-day VWAP price of $38.42, which represents a 5.8% premium to the 8/8/2014 closing price of $36.30 • MRMC reimbursement mechanism intact (currently estimated at $3 million in 2015 and $4.5 million in 2016)
Financing	• Drawdown on revolver of approximately $345 million • MRMC equity investment of at least $40 million and up to $45 million

TRANSACTION HIGHLIGHTS

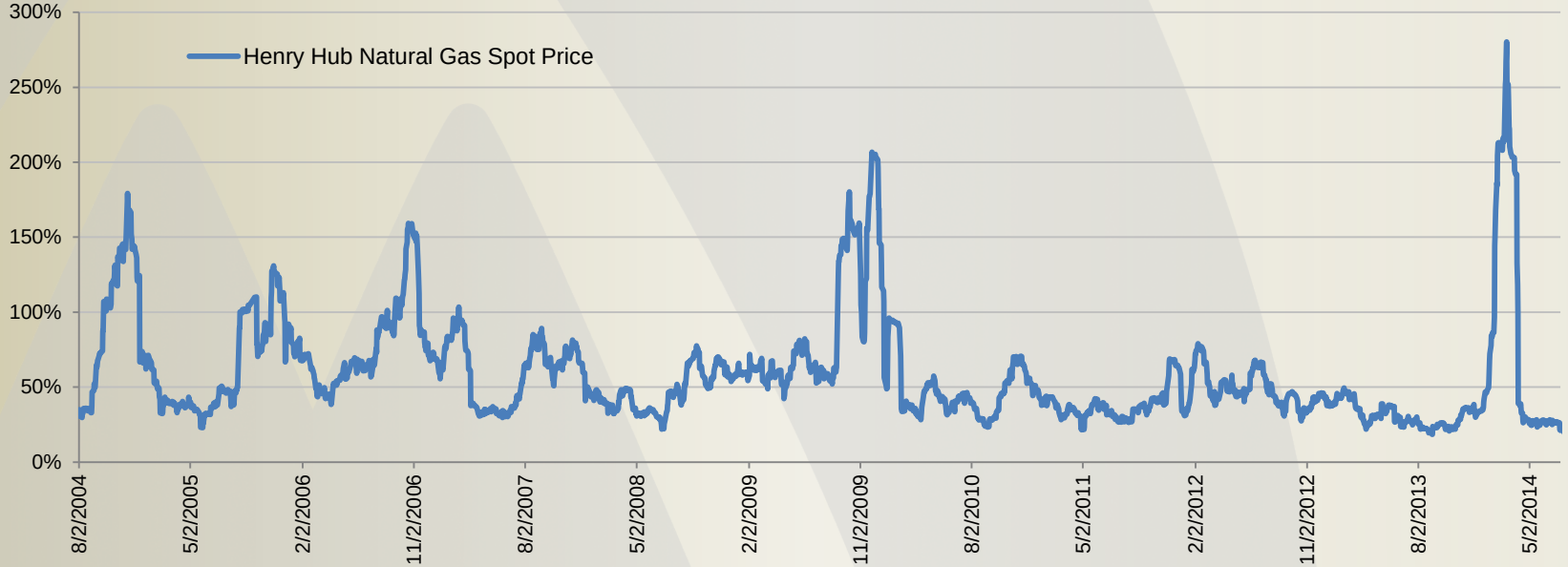
Unlock Significant Cash Distributions	• MMLP estimates 2015 Cardinal distributions of approximately $40 to $45 million • Post-closing, MMLP will receive 100% of all Cardinal cash flows (no debt at Cardinal or subs) • Accelerates timing of distributions from Cardinal assets • Improved coverage provides for more cost effective funding of future organic growth projects
Contracted Revenues Match Long-term Fundamentals	• Approximately 80% of estimated cumulative revenues through 2018 are under contract, 60% through mid-2023 • ~46 billion cubic feet (bcf) of contracted capacity with remaining weighted average life of 5 years • Contracted revenues allow significant time for long-term thesis/upside to play out • Minimal interruptible revenues assumed through 2017
Growth in Fee-Based Cash Flows	• MMLP's current fee-based EBITDA estimated at approximately 50-55% • Pro forma fee-based EBITDA estimated at approximately 60-65%
Investment Grade Counterparties	• ~41 bcf of fee-based revenue contracted with investment grade counterparties (utilities, pipelines, producers, etc.) • Remaining contracts with well-known, well-capitalized companies backed by letters of credit and/or parent guarantees
Control & Consolidation	• Flexibility to direct course of operations with experienced management team in place • Ensures immediate pay down of Cardinal debt releasing cash flows • Consolidation of Cardinal into existing MMLP infrastructure (e.g. Arcadia NGL facilities)

CURRENT TRENDS

Return to Volatility Enhances Value of Storage

- Impact from 2013/14 winter resulted in massive storage drawdowns and return to volatility absent previous four years
- Relatively cool summer season has resulted in record injections but producing region (mostly Gulf Coast) inventories expected substantially below historical averages creating potential for additional volatility in 2014/15
- While recent volatility doesn't necessarily translate into higher intrinsic values (forward seasonal spreads), it reminds customers of the value of storage
- Commercial discussions around Cardinal storage materially improved post-winter 2013/14; substantially long-term contracted nature of Cardinal capacity mitigates short-term reliance on volatility

10-Year Historical Monthly Average Annualized Volatility



Source: Bloomberg

FORWARD THOUGHTS

Long-Term Demand Outlook Continues to Strengthen

- **LNG Exports** - *Confidence continues to increase*
  - LNG exports look promising beginning in 2018 (Sabine Pass, Cameron, Freeport all FERC approved)
  - Commissioning of LNG export facilities ahead of 2018+ is expected to require storage service in strategic locations
  - 5+ bcf/d of incremental demand expected by 2019; longer-term up to 8 bcf/d

- **Power** – *Retirements, conversions and new builds should bring meaningful demand growth through 2023*
  - Retirements forced by regulatory changes primarily effect the southeastern United States with approximately 37 GW of capacity set to retire by 2023 according to the EIA
  - Forward curve stability strengthens case for new gas-fired power plant construction
  - New power demand estimated to consume 1 to 3 bcf/d by 2018

- **Industrial** – *Increases driven by the use of natural gas as a manufacturing input*
  - Numerous expansions, newbuilds, conversions and reactivations have been announced by large petrochem companies along the Gulf Coast
  - Industrial demand expected to create additional 1-3 bcf/d in natural gas consumption over next 5 yrs.

- **Mexican Exports** – *New pipeline projects to increase export capabilities to Mexico*
  - Gas-fired power demand in Mexico driving material increase in natural gas
  - New pipelines to add an additional 2-4 bcf/d of export capacity from the U.S. to Mexico by 2017/18

SUMMARY

- **Shorter-term**
  - *Accretive to distributions by $0.15+ (annualized)/LP unit by 4Q-2015*
  - *Improves distribution coverage ratio to above 1.05x (pro forma for distribution increase)*
  - *Increases percentage of fee-based cash flow to approximately 60-65%*
- **Longer-term**
  - *Current supply/demand fundamentals to become more balanced in the longer term (2017+) driven by LNG exports, coal-to-gas switching, new power plant and industrial/petrochemical demand*
  - *Strategic location positions Cardinal to take advantage of these trends*
  - *Acquisition of controlling interests allows MMLP to better drive the strategic direction of the company*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