



2014 Investor Day

December 8, 2014

Cautionary Statements



This presentation contains forward-looking statements and information. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain the words “expect,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “will be,” “will continue,” “will likely result” and similar expressions, or future conditional verbs such as “may,” “will,” “should,” “would” and “could.” In addition, any statement concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible actions taken by us, our subsidiaries or our affiliates, are also forward-looking statements. These forward-looking statements involve external risks and uncertainties, including, but not limited to, those described under the section entitled “Risk Factors” included in our 2013 Annual Report on Form 10-K (as updated by our Quarterly Reports on Form 10-Q).

Forward-looking statements are based on current expectations and projections about future events and are inherently subject to a variety of risks and uncertainties, many of which are beyond the control of our management team. All forward-looking statements in this presentation and in any other written or oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by these risks and uncertainties. These risks and uncertainties include, among others:

- the volatility of natural gas, crude oil and NGL prices and the price and demand of products derived from these commodities;
- competitive conditions in our industry and the extent and success of producers increasing production or replacing declining production and our success in obtaining new sources of supply;
- industry conditions and supply of pipelines, processing and fractionation capacity relative to available natural gas from producers;
- our dependence upon a relatively limited number of customers for a significant portion of our revenues;
- actions taken, inactions or non-performance by third parties, including suppliers, contractors, operators, processors, transporters and customers;
- our ability to effectively recover NGLs at a rate equal to or greater than our contracted rates with customers;
- our ability to produce and market NGLs at the anticipated differential to NGL index pricing;
- our access to markets enabling us to match pricing indices for purchases and sales of natural gas and NGLs;
- our ability to complete projects within budget and on schedule, including but not limited to, timely receipt of necessary government approvals and permits, our ability to control the costs of construction and other factors that may impact projects;
- our ability to consummate acquisitions, successfully integrate the acquired businesses and realize anticipated cost savings and other synergies from any acquisitions, including in respect of our acquisition of the TexStar rich gas system assets;
- our ability to manage over time changing exposure to commodity price risk;
- the effectiveness of our hedging activities or our decisions not to undertake hedging activities;
- our access to financing and ability to remain in compliance with our financing covenants;
- our ability to generate sufficient operating cash flow to fund our quarterly distributions;
- changes in general economic conditions;
- the effects of downtime associated with our assets or the assets of third parties interconnected with our systems;
- operating hazards, fires, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- the failure of our processing and fractionation plants to perform as expected, including outages for unscheduled maintenance or repair;
- the effects of laws and governmental regulations and policies;
- the effects of existing and future litigation; and
- other financial, operational and legal risks and uncertainties detailed from time to time in our filings with the U.S. Securities and Exchange Commission.

Developments in any of these areas could cause actual results to differ materially from those anticipated or projected, affect our ability to maintain distribution levels and/or access necessary financial markets, or cause a significant reduction in the market price of our common units.

The foregoing list of risks and uncertainties may not contain all of the risks and uncertainties that could affect us. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this presentation may not, in fact, occur. Accordingly, undue reliance should not be placed on these statements. We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, except as otherwise required by law.

Non-GAAP Financial Measures



We believe that Adjusted EBITDA is a widely accepted financial indicator of our operational performance and our ability to incur and service debt, fund capital expenditures and make distributions.

We define Adjusted EBITDA as net income/loss, plus interest expense, income tax expense, depreciation and amortization expense, equity in losses of joint venture investments, certain non-cash charges (such as non-cash unit-based compensation, impairments, loss on extinguishment of debt and unrealized losses on derivative contracts), major litigation costs net of recoveries, transaction-related costs, revenue deferral adjustment, loss on sale of assets and selected charges that are unusual or non-recurring; less interest income, income tax benefit, unrealized gains on derivative contracts, equity in earnings of joint venture investments and selected gains that are unusual or non-recurring.

Adjusted EBITDA is used as a supplemental measure by our management and by external users of our financial statements, such as investors, commercial banks, research analysts and others, to assess:

- the financial performance of our assets without regard to financing methods, capital structure or historical cost basis;
- the ability of our assets to generate cash sufficient to support our indebtedness and make future cash distributions;
- operating performance and return on capital as compared to those of other companies in the midstream energy sector, without regard to financing or capital structure; and
- the attractiveness of capital projects and acquisitions and the overall rates of return on investment opportunities.

Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure provides useful information to investors in assessing our financial condition, results of operations and cash flows from operations. Net income/loss is the GAAP measure most directly comparable to Adjusted EBITDA, and a reconciliation of Adjusted EBITDA to net income/loss is included in this presentation. Adjusted EBITDA should not be considered an alternative to net income, operating cash flow or any other measure of financial performance presented in accordance with GAAP. Non-GAAP financial measures have important limitations as an analytical tool because each excludes some but not all items that affect the most directly comparable GAAP financial measure. You should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Presenters



Overview



David Biegler
Chairman

Operations and Strategy



John Bonn
President and Chief Executive
Officer

Financial Overview and Outlook



Michael Anderson
SVP and Chief Financial Officer

Other Management Team Attendees



David Ash
VP, Corporate Development



David Mueller
VP, Commercial & Operations Support



David Lawrence
VP, Treasury & Investor Relations



Gerardo Rivera
VP, Natural Gas Liquids



Corey Lothamer
VP, Gas Marketing & Supply

President & Chief Executive Officer John E. Bonn

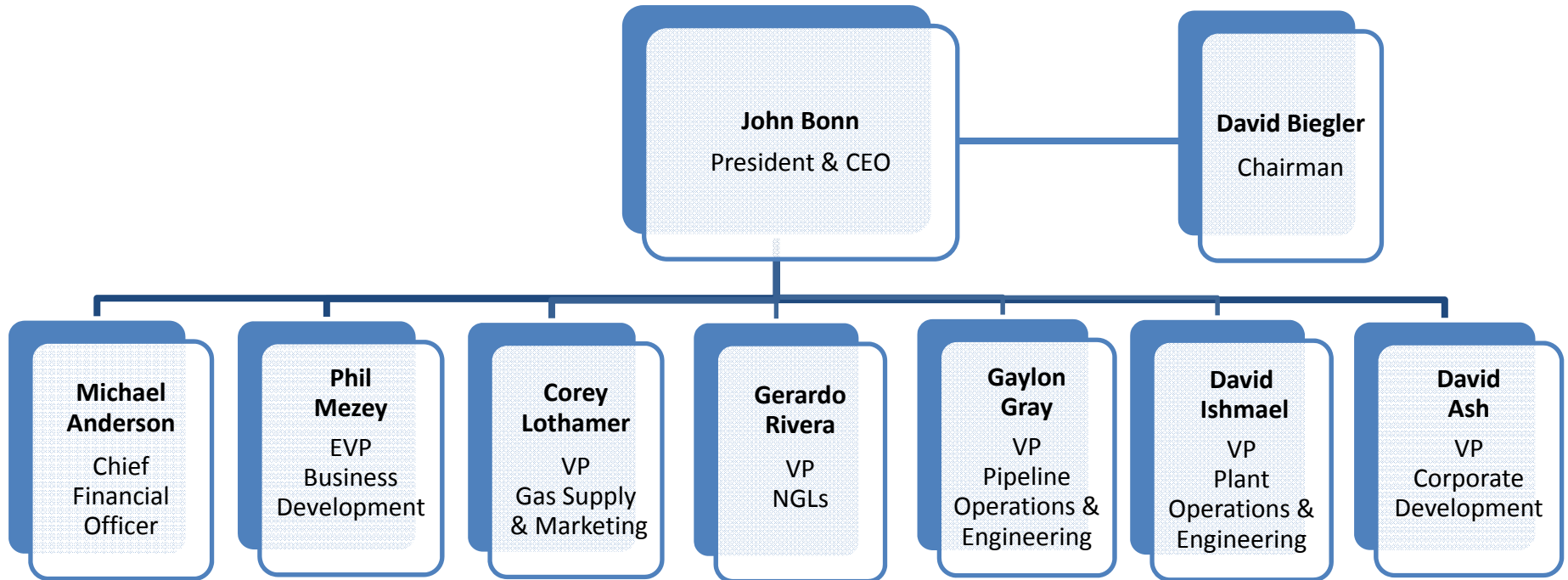


30+ Years' Experience

- President & COO **Southcross Energy**
- President **NiSource Midstream Services**
- Owner, President **Ranger Interests, Inc.**
- VP, Commercial (Western Region) **Enterprise Product Partners**
- Director, Commercial (Permian Basin) **GulfTerra Energy Partners**
- Director, Commercial **El Paso Field Services**
- Manager, Northeast Marketing **Delhi Gas Pipeline**
- VP, Business Development **Triumph Natural Gas**

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- Bachelor of Science, Agricultural Engineering, Texas A&M
 - Officer, United States Army and Army Reserves
 - Board member, Texas Aggie Corps of Cadets Association
 - Past board member, Marcellus Shale Coalition,
 - New Mexico Oil & Gas Association
 - Past president, Natural Gas Society of North Texas

Key Executive Management



Attending Management Team Bios



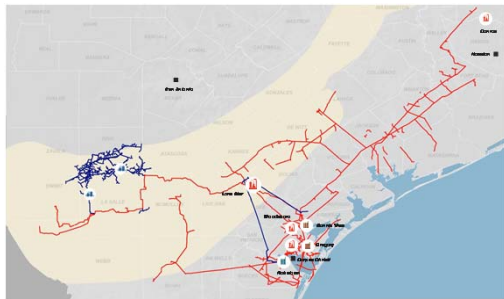
Name / Title	Years of Experience		Previous Experience
David Biegler <i>Chairman</i>	45+	<ul style="list-style-type: none"> • Chairman and CEO • Chairman and Co-Founder • Vice Chairman, President and COO • Chairman, President and CEO • President and COO 	Estrella Energy Regency Gas Services TXU Corp ENSERCH Corp Lone Star Gas Co.
John Bonn <i>President & CEO</i>	30+	<ul style="list-style-type: none"> • President • VP, Commercial (Western Region) • Director, Commercial (Permian Basin) • Director, Commercial 	Nisource Midstream Services Enterprise Product Partners GulfTerra Energy Partners El Paso Field Services
Michael Anderson <i>SVP & Chief Financial Officer</i>	25+	<ul style="list-style-type: none"> • SVP and CFO • CFO; later serving as Chairman and CEO • VP, M&A 	Exterran and Exterran Partners Azurix Corp. JPMorgan Chase & Co.
Corey Lothamer <i>VP, Gas Marketing & Supply</i>	10+	<ul style="list-style-type: none"> • Gas Supply • Project Engineer 	Crosstex Energy Services Raytheon Company
Gerardo Rivera <i>VP, Natural Gas Liquids</i>	25+	<ul style="list-style-type: none"> • Strategy, Planning, Marketing and M&A • Director 	Vermilion Energy, Inc. ConocoPhillips
David Ash <i>VP, Corporate Development</i>	13+	<ul style="list-style-type: none"> • CFO • Partner • SVP 	BlackBrush / TexStar Donovan Capital FBR Capital Markets
David Mueller <i>VP, Commercial & Operations Support</i>	30+	<ul style="list-style-type: none"> • VP, Finance & Administration • VP, Controller • VP 	Texas Independent Energy Enserch Energy Services Enserch Development
David Lawrence <i>VP, Treasury & Investor Relations</i>	15+	<ul style="list-style-type: none"> • Managing Director • Manager 	FTI Consulting Deloitte



Overview – David Biegler



The Southcross Advantage



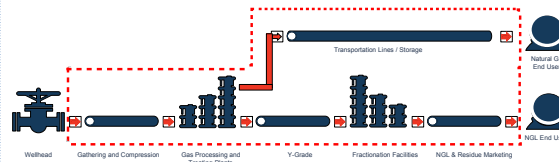
Premier Strategic Platform in the Eagle Ford

Significant scale of pipeline and processing assets

Operating stability through interconnected system

Extensive footprint in the prolific Eagle Ford and Gulf Coast area

Blue chip, active producer customer base



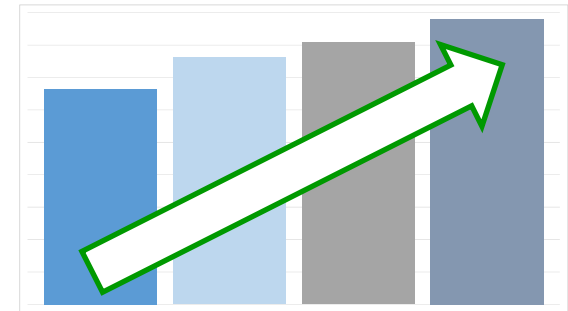
Fully Integrated Midstream Platform

Full spectrum of services creates competitive and economic advantages

Fractionation assets are a significant differentiator

Premium and growing markets for gas, NGLs and condensate

Corpus Christi region is growing rapidly and serving new export markets



Four Drivers of Growth

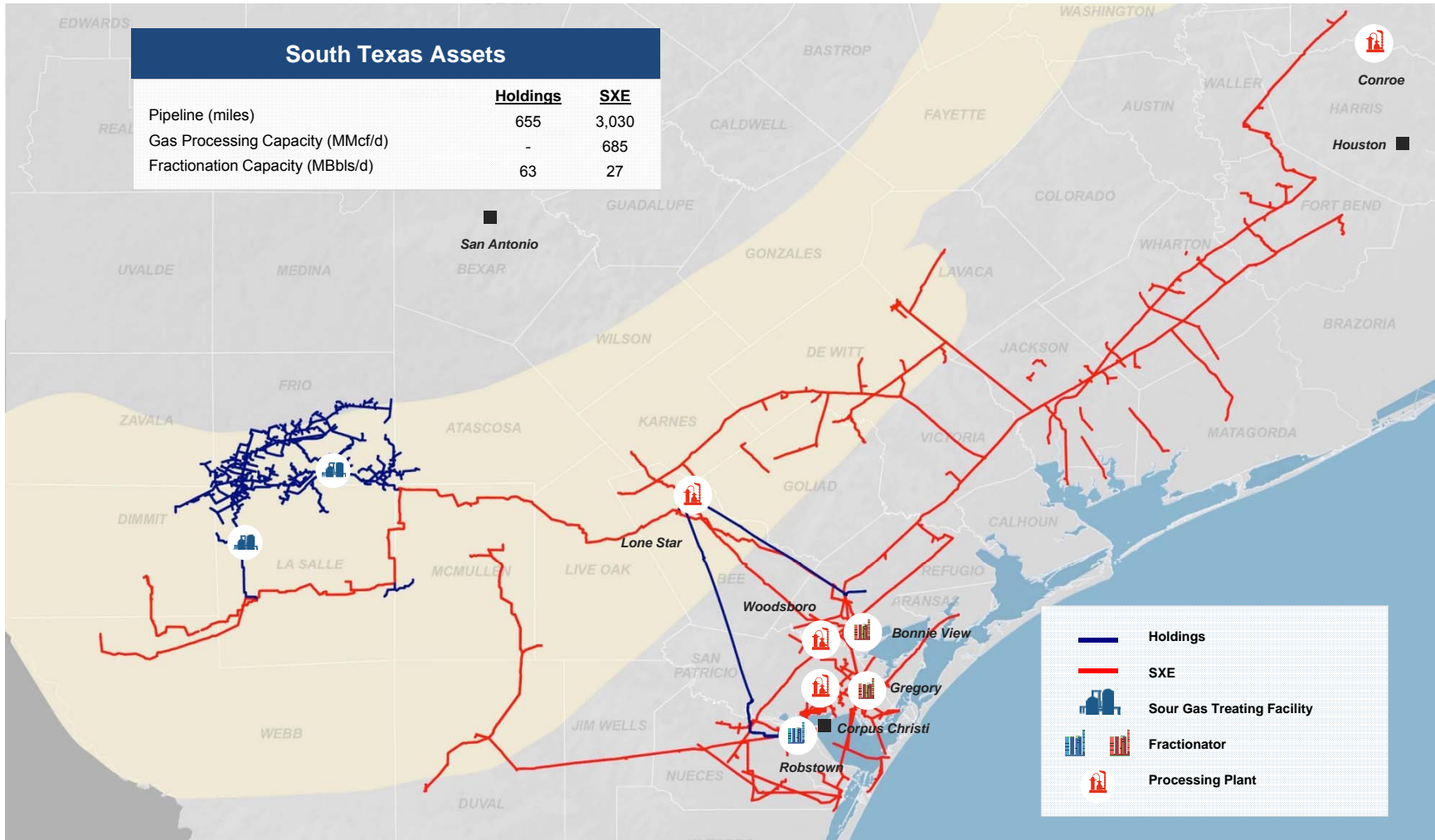
Fully utilize existing capacity

Develop organic growth projects

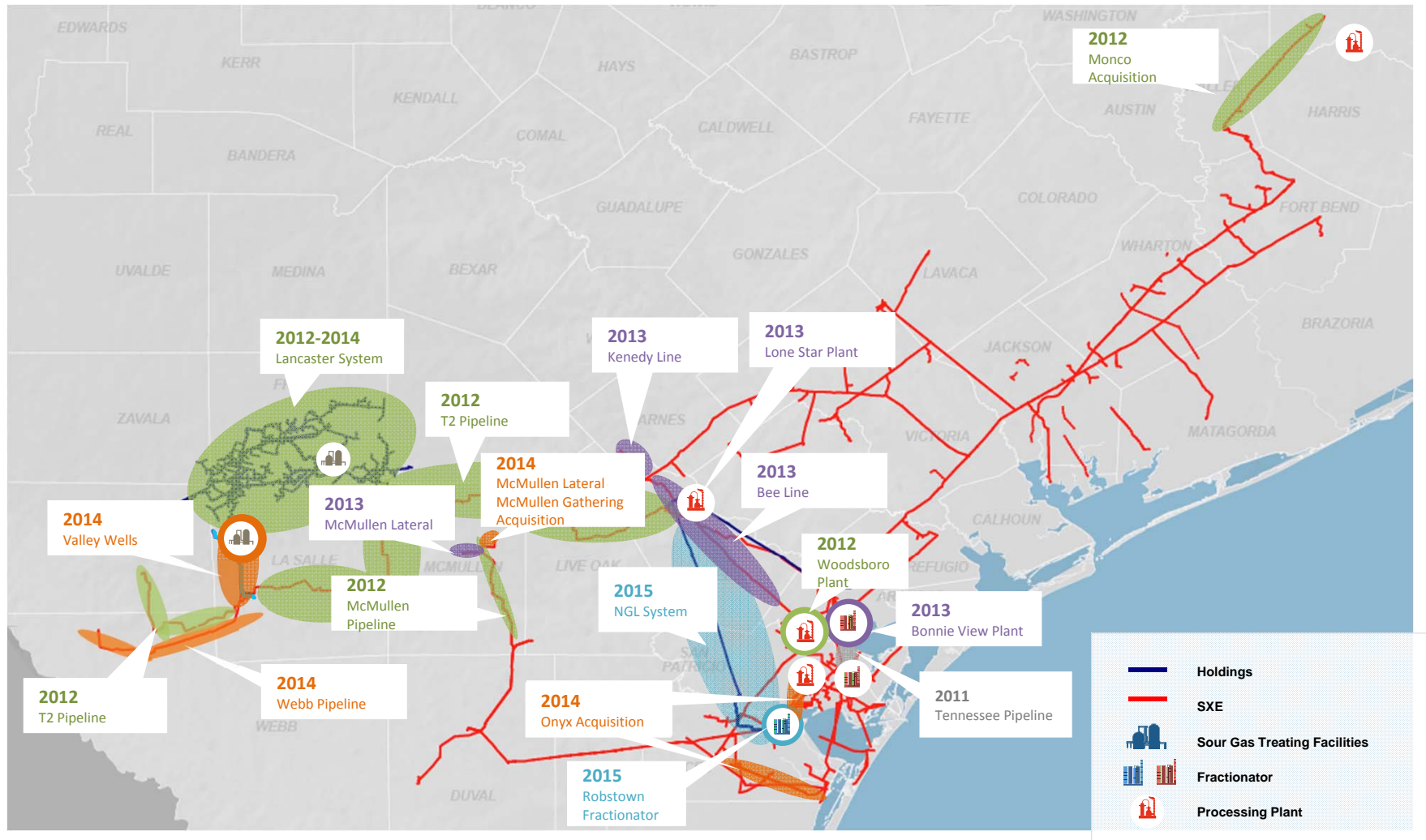
Drop-downs

Acquisitions

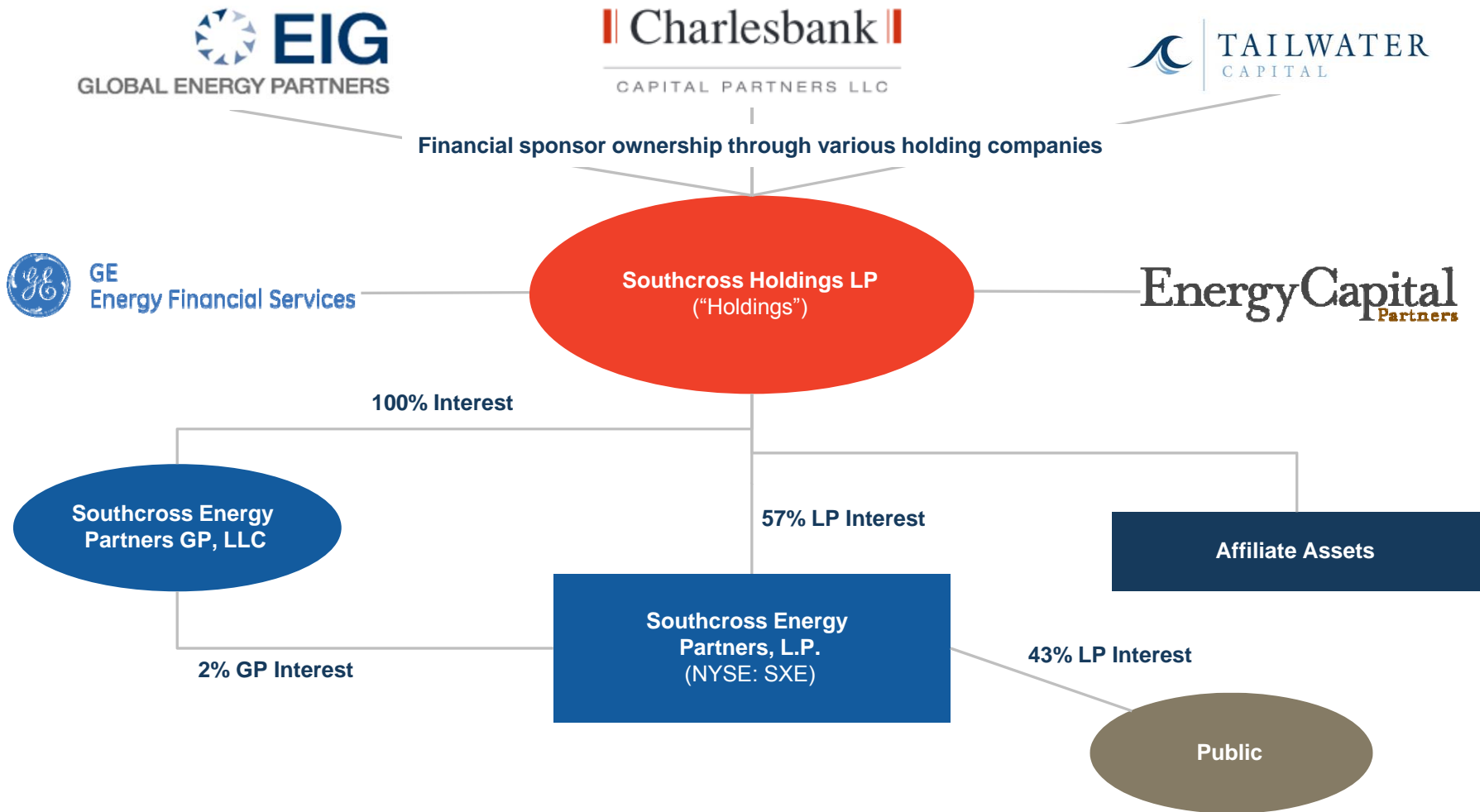
Premier Strategic Footprint with Scale to Succeed in the Eagle Ford



History of Growth



Partnership Structure



Strong Equity Sponsors with a History of Industry Success



- \$15.1 billion assets under management
- Solely invests in energy projects, companies and related infrastructure
- Invested \$16.6 billion through 300 projects or companies in 35 countries on six continents since 1982

- BlackBrush Oil & Gas (realized)
- Bolivia-Brazil Gas Pipeline (current)
- FourPoint Energy (current)
- Piñon Gathering Company (current)



- \$3.0 billion assets under management
- Originally managed an investment portfolio solely for Harvard University
- Invested over \$3.3 billion in 70 companies since 1991

- Regency Gas Partners (realized)
- Blueknight Energy Partners (current)



- \$1.2 billion assets under management
- Focused on midstream and upstream oil and gas companies
- Principals have invested over \$1 billion the past 14 years in the space

- Regency Gas Partners (realized)
- TexStar Midstream I (realized)
- BlackBrush Oil & Gas (realized)
- Align Midstream Partners (current)
- Pivotal Petroleum Partners (current)
- Petro Waste Environmental Partners (current)



- \$13 billion in capital commitments
- Focuses on investing in power generation, midstream oil and gas, electric transmission, environmental infrastructure and energy services sectors of North America's energy infrastructure

- Cardinal Gas Storage Partners (realized)
- Summit Midstream (current)
- Alaska Midstream (current)
- Rimrock Midstream (current)
- Sendero Midstream Partners (current)
- USD Group LLC (current)



- Over \$16 billion in assets under management with over \$2 billion in oil and gas infrastructure
- 300 person team dedicated to the business of energy investment with over \$25 billion in energy transactions since 2004

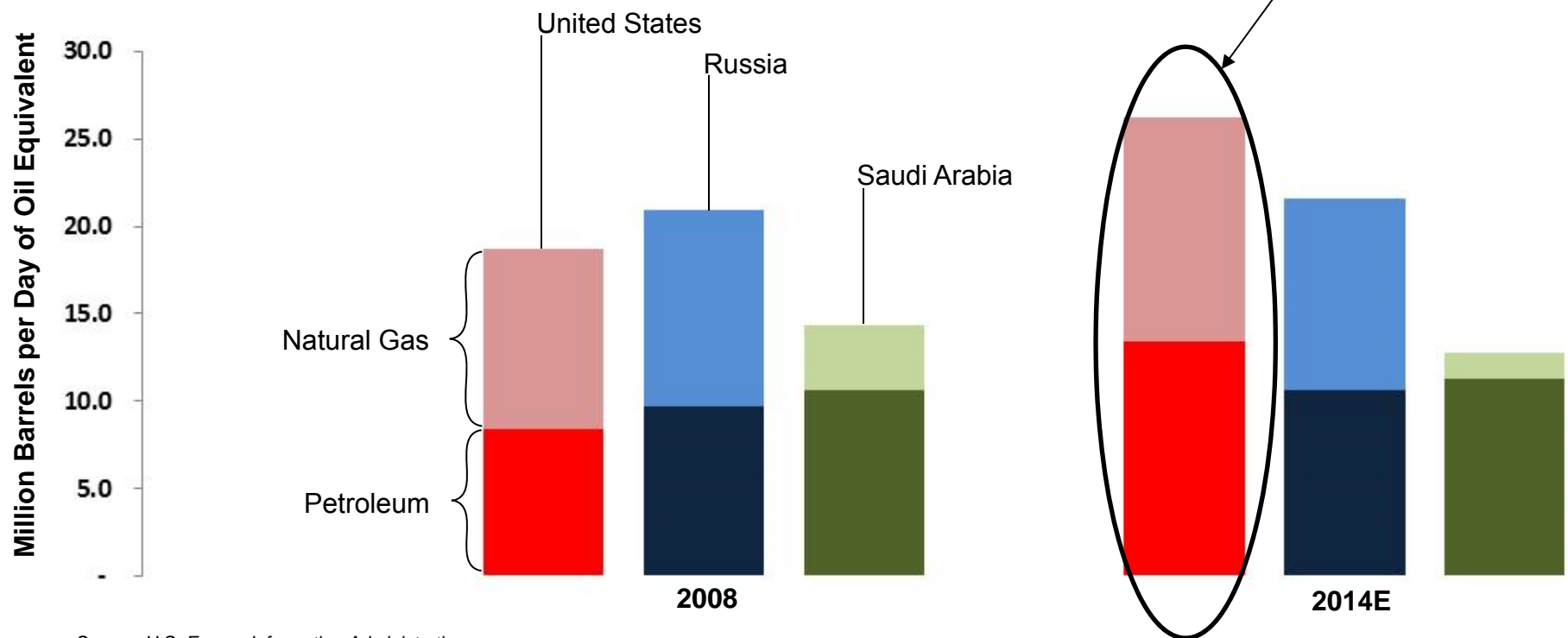
- Regency Gas Partners (realized)
- Howard Energy Partners (realized)
- Freeport LNG (current)
- Summit Midstream Partners, LLC (current)
- Harvest Pipeline (current)

U.S. Energy Highlights



The U.S. is the largest petroleum and natural gas-producing country in the world

The U.S. is expected to produce more than 25 MMBOE in 2014, over 40% growth in 6 years



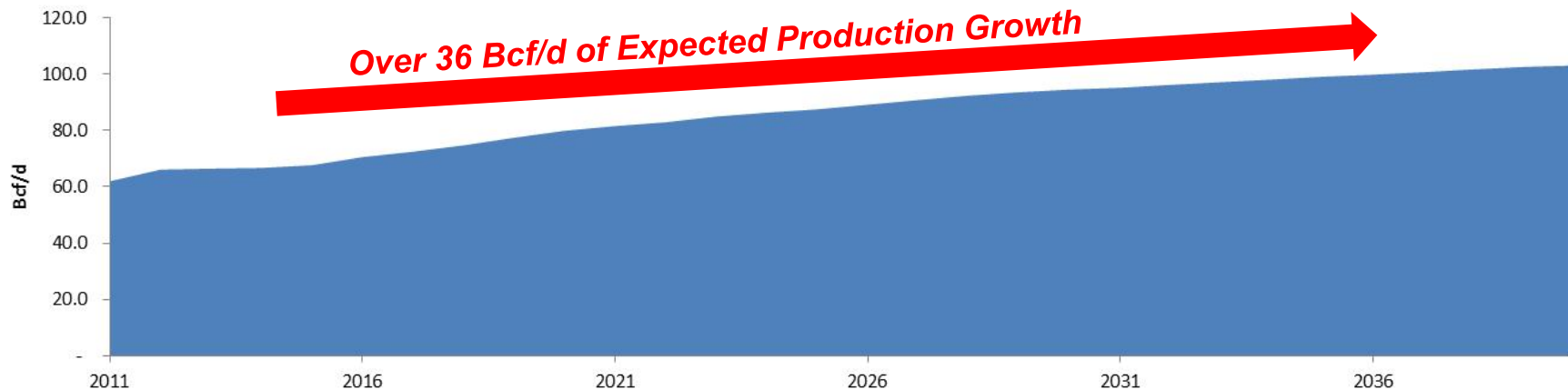
Source: U.S. Energy Information Administration

Note: Petroleum production includes crude oil, natural gas liquids, condensates, refinery processing gain, and other liquids, including biofuels; barrels per day oil equivalent were calculated using a conversion factor of 1 barrel oil equivalent=5.55 million British thermal units (Btu)

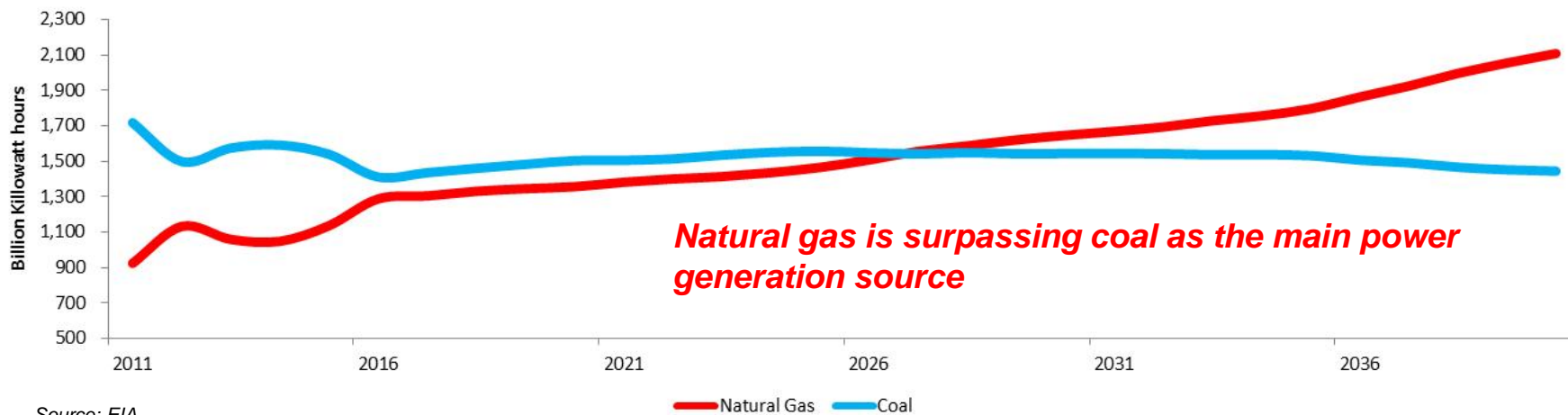
U.S. Energy Highlights



U.S. Natural Gas Production



Power Generation by Source



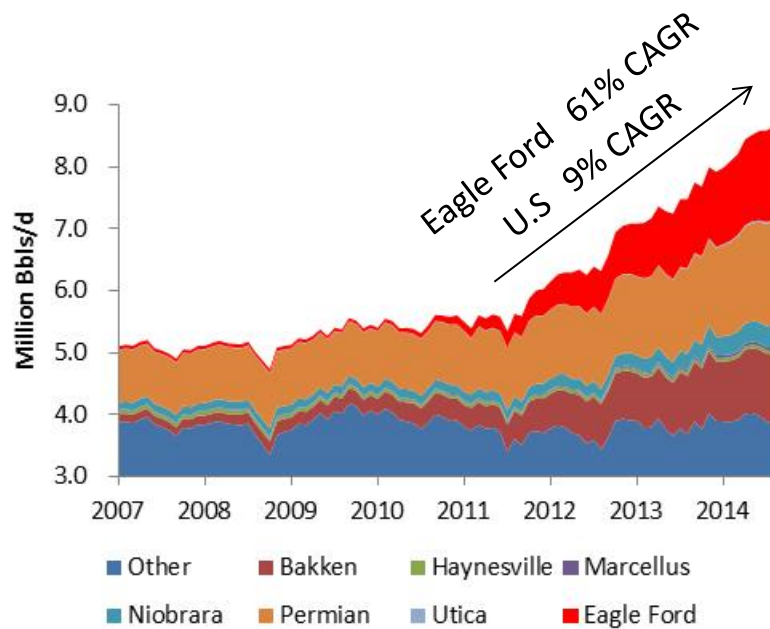
Source: EIA

Eagle Ford Highlights

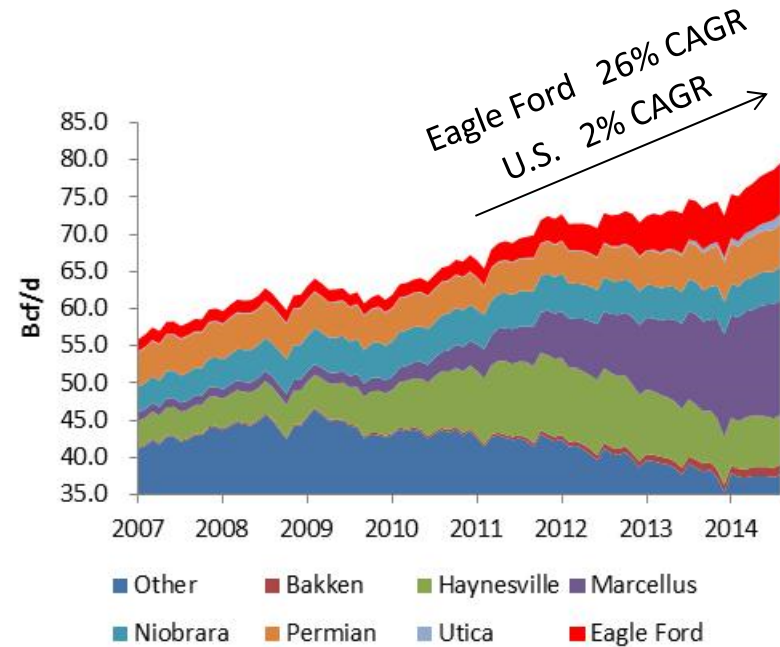


The Eagle Ford is a major driver of U.S. oil and natural gas production growth

U.S. Oil Production per Day



U.S. Natural Gas Production per Day

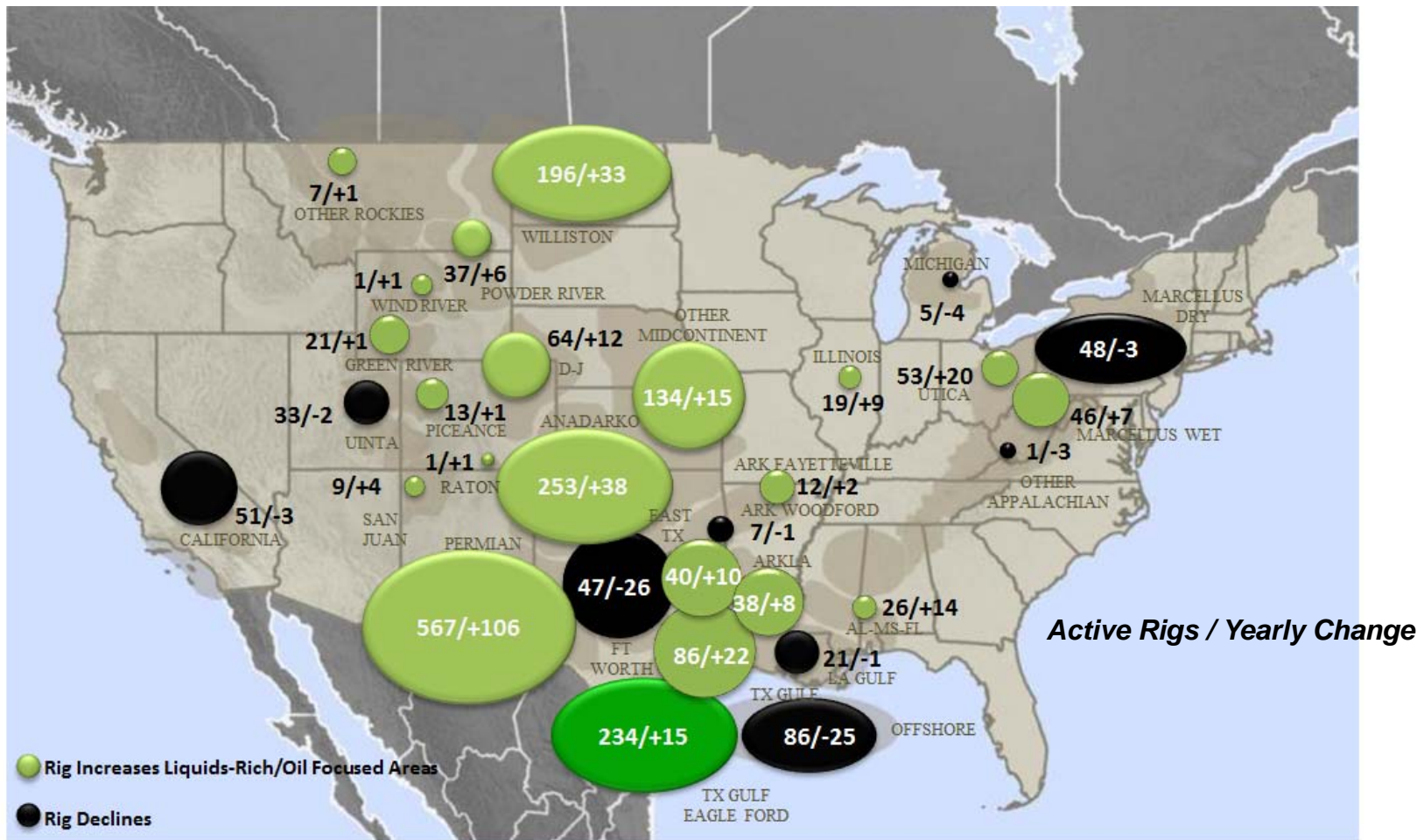


Source: EIA

The Eagle Ford is One of the Most Active Plays in the U.S.



Eagle Ford rig count is up 15 rigs since November 1, 2013



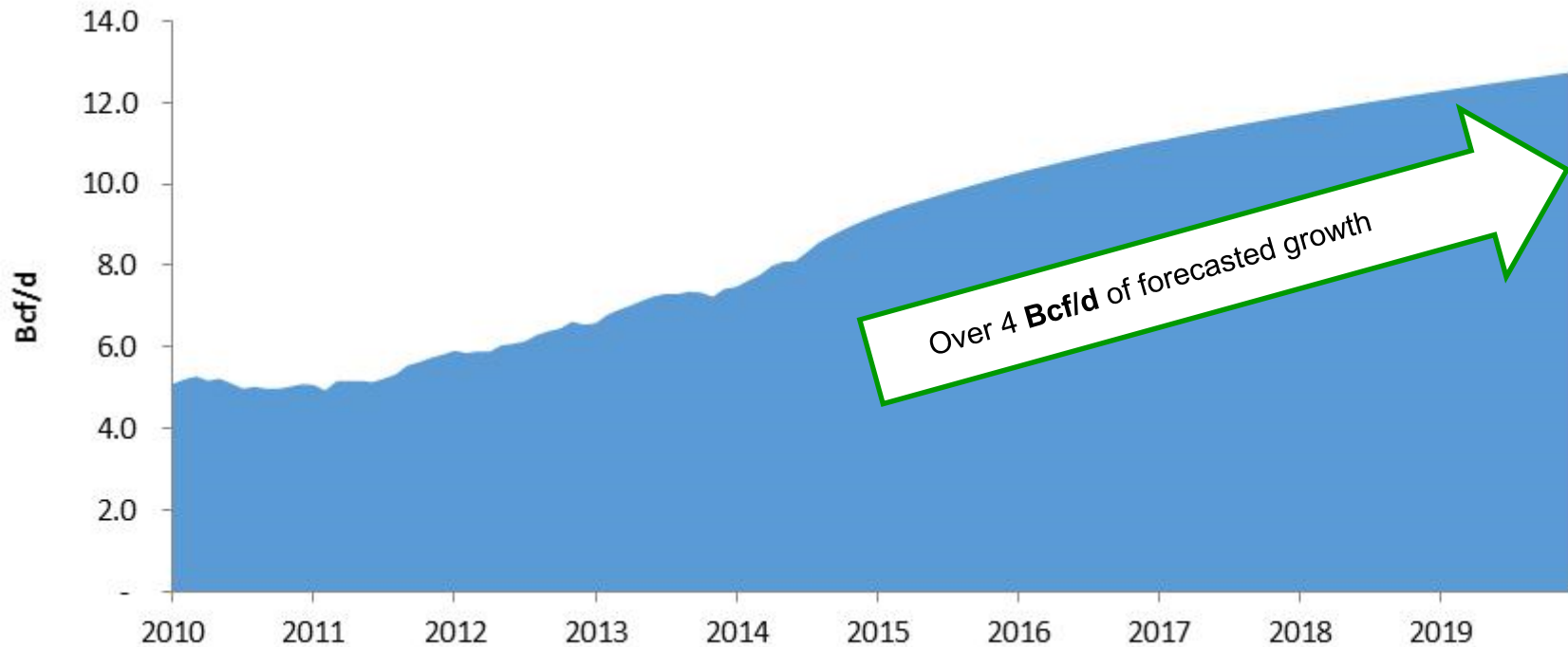
Source: Bentek

U.S. Gas Production Growth Led by the Texas Gulf Coast Region



The Texas Gulf Coast Region is projected to account for an additional 4 Bcf/d U.S. production by 2019

Texas Gulf Coast Region Gas Production per Day

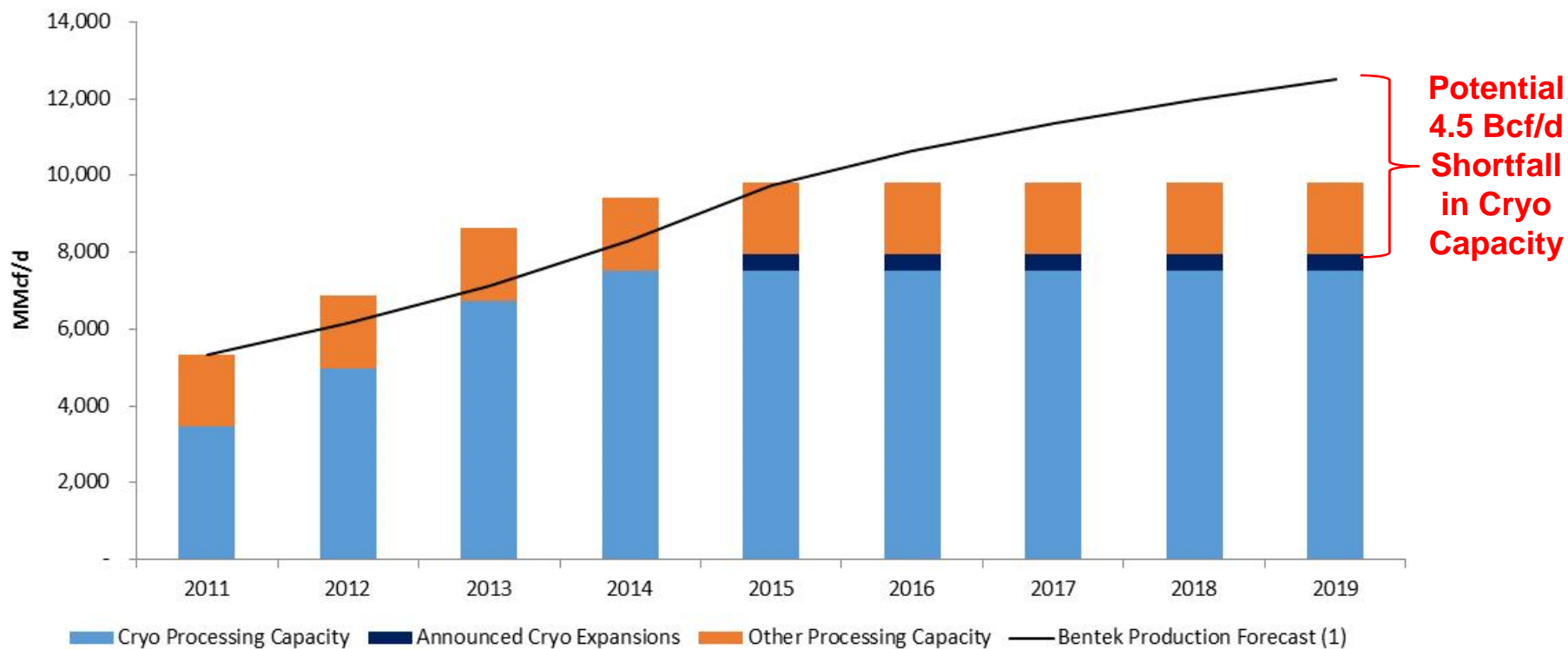


Source: Bentek

Texas Gulf Coast Production Expected to Exceed Processing Capacity



Texas Gulf Coast Region is forecasted to need an additional 2.0 to 4.5 bcf/d of processing capacity by 2019

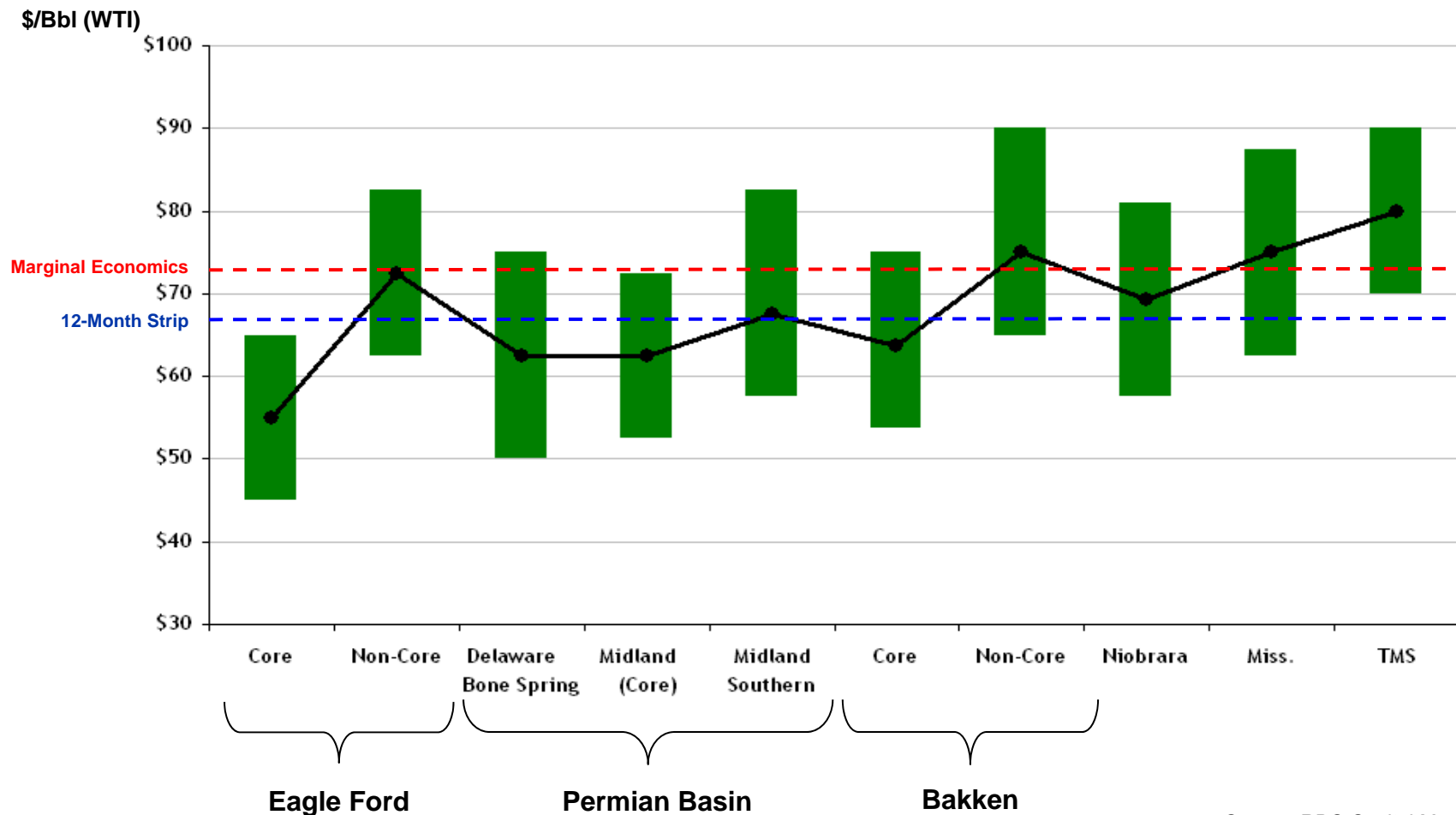


(1) Bentek Eagle Ford and Texas Gulf Coast production estimates
 Note: Excludes plant retirements.

Eagle Ford Has Attractive Producer Economics



U.S. Oil Play Break-Even Assessment at December 1, 2014 Forward Strip Prices



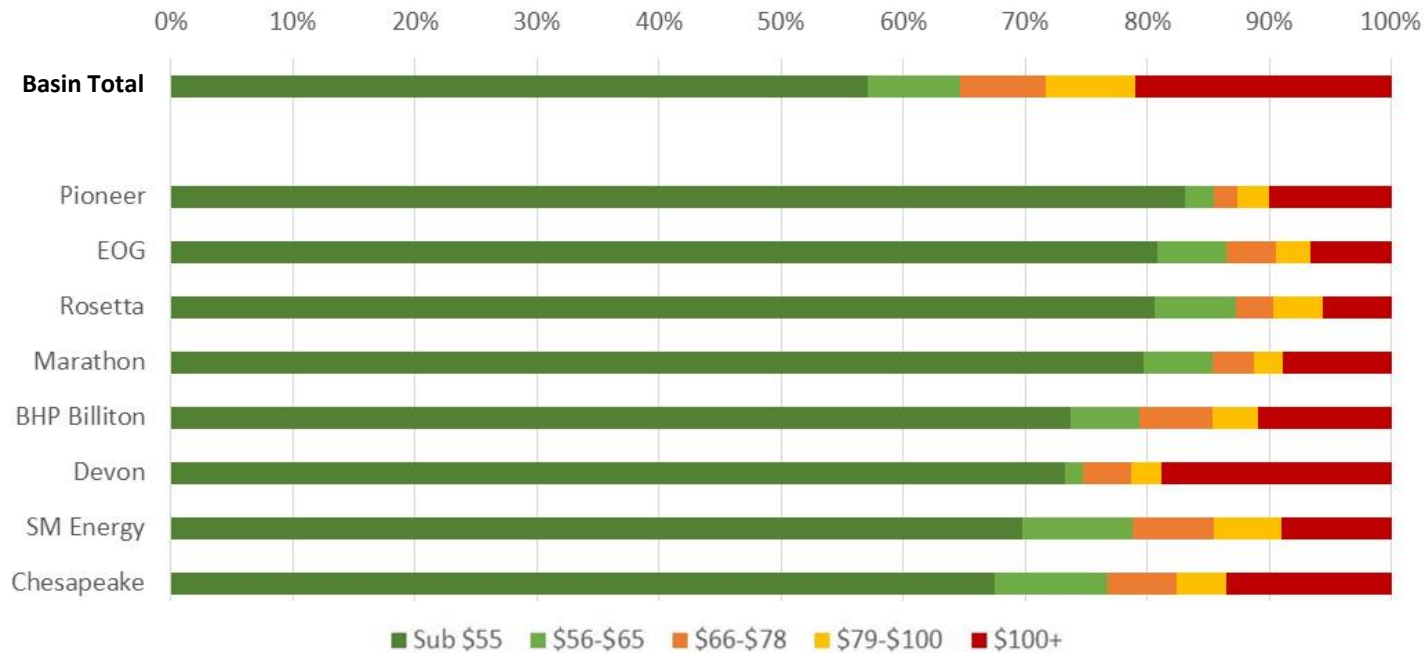
Source: RBC Capital Markets

Eagle Ford Breakeven Price at 10% IRR



Most Eagle Ford drilling since 2011 would have been economic under today's lower oil prices

Percentage of Wells by Operator with a Greater than 10% IRR



Note: All Horizontal wells drilled since 2011; assumes \$7.5MM D&C in East Eagle Ford and \$6.8MM D&C in West Eagle Ford and \$4/MMBtu natural gas price. Breakeven cost estimated at 10% IRR.

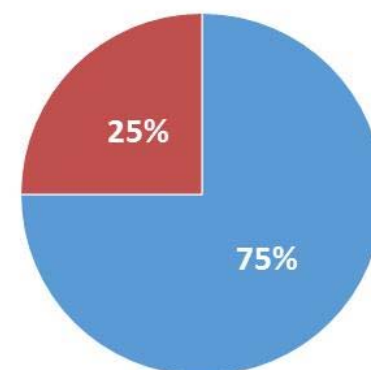
Source: BTU Analytics, LLC, Data as of November 1, 2014

Gas Producers More Resistant to Current Change in Commodity Landscape



Gas well gas producers account for approximately 75% of Southcross' processed volumes and have seen their revenue decline approximately 8% over the last month compared to 14% for crude producers

Southcross Processed Volumes



■ Gas Well Gas ■ Associated Gas

	Oct. 1	Nov. 1	Dec. 1	% Change	
				Oct. 1 - Dec. 1	Nov. 1 - Dec. 1
Commodity Prices:					
Crude per Barrel	\$ 90.73	\$ 80.54	\$ 69.00	(24.0%)	(14.3%)
Condensate per Barrel	81.66	72.49	62.10	(24.0%)	(14.3%)
Natural Gas per MMBtu	4.05	3.63	4.14	2.2%	14.0%
NGL Basket per Gallon	0.77	0.68	0.57	(26.7%)	(16.9%)
Rich Gas Revenue to Producers per mcf	\$ 11.19	\$ 9.97	\$ 9.20	(17.8%)	(7.7%)

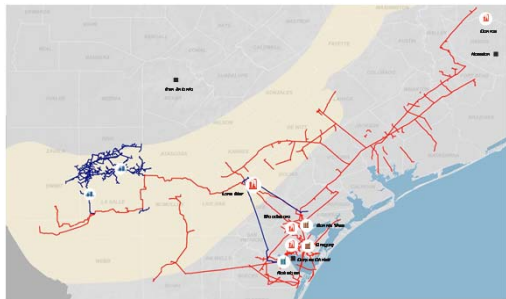
Note: Assumptions include, 5.75 GPM gas, normal processing plant recoveries, 57 barrels of condensate per 1 MMcf and a condensate price equal to 90% of the crude price.



Operations and Strategy – John Bonn



The Southcross Advantage



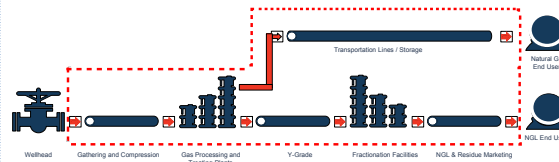
Premier Strategic Platform in the Eagle Ford

Significant scale of pipeline and processing assets

Operating stability through interconnected system

Extensive Footprint in the prolific Eagle Ford and Gulf Coast area

Blue chip, active producer customer base



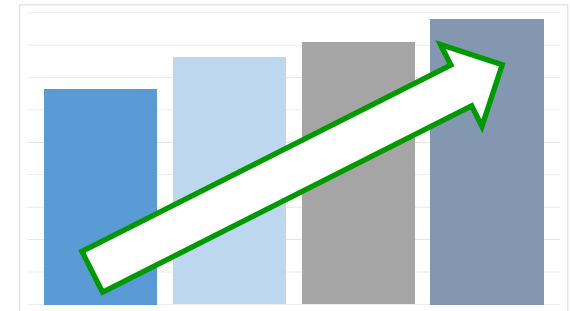
Fully Integrated Midstream Platform

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Fractionation assets are a significant differentiator

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Four Drivers of Growth

Fully utilize existing capacity

Develop organic growth projects

Drop-downs

Acquisitions

Significant Scale of Pipeline and Processing Assets



Lone Star Processing Plant




- Year Built: **2013**
- Capacity: **300 MMcf/d**

Woodsboro Processing Plant




- Year Built: **2012**
- Capacity: **200 MMcf/d**

Conroe Processing Plant




- Year Enhanced: **2012**
- Capacity: **50 MMcf/d**

Bonnie View Fractionator




- Year Built: **2013**
- Capacity: **22.5 MBbls/d**

Gregory Processing Plant

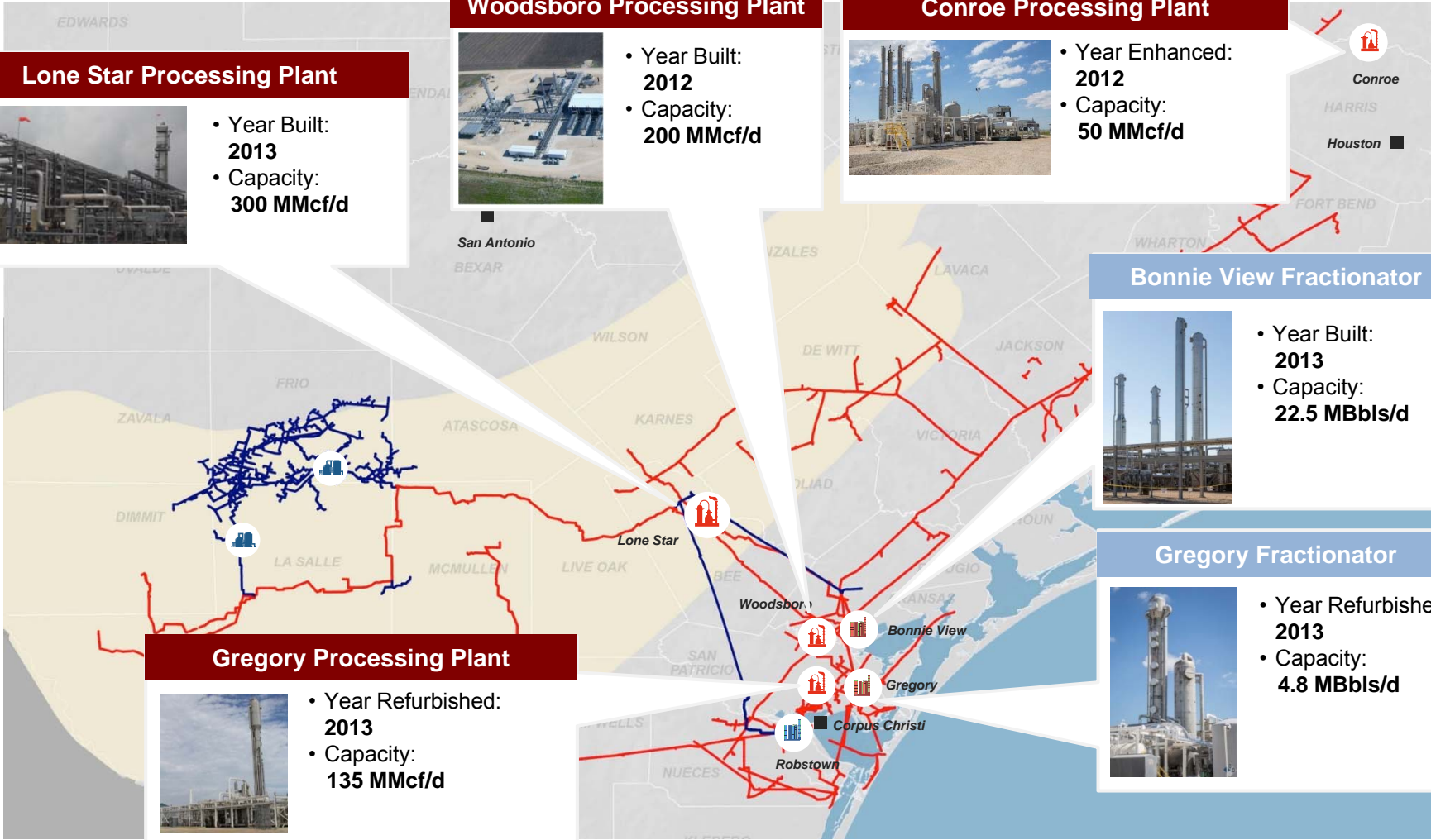


- Year Refurbished: **2013**
- Capacity: **135 MMcf/d**

Gregory Fractionator



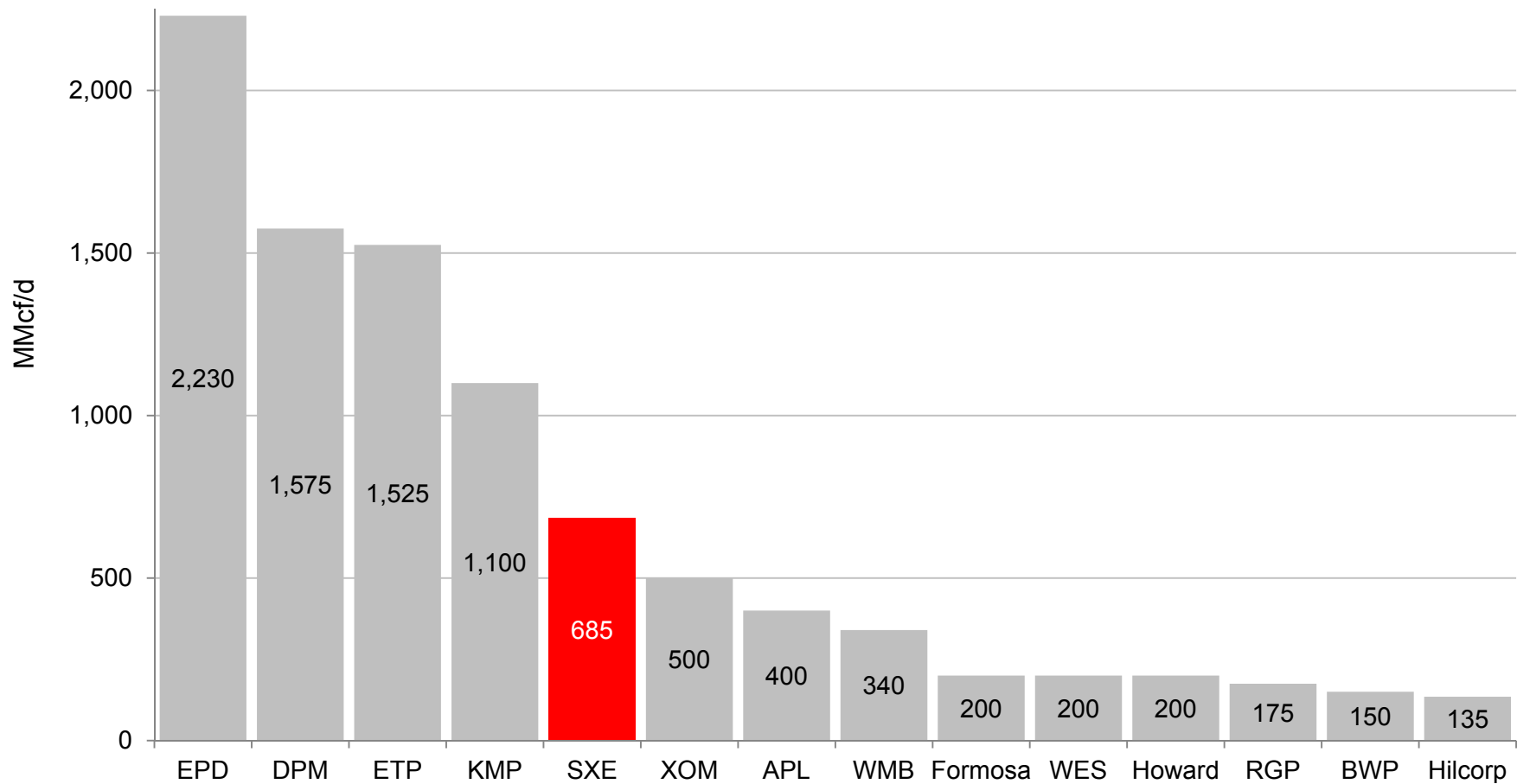
- Year Refurbished: **2013**
- Capacity: **4.8 MBbls/d**



Major Eagle Ford Midstream Company

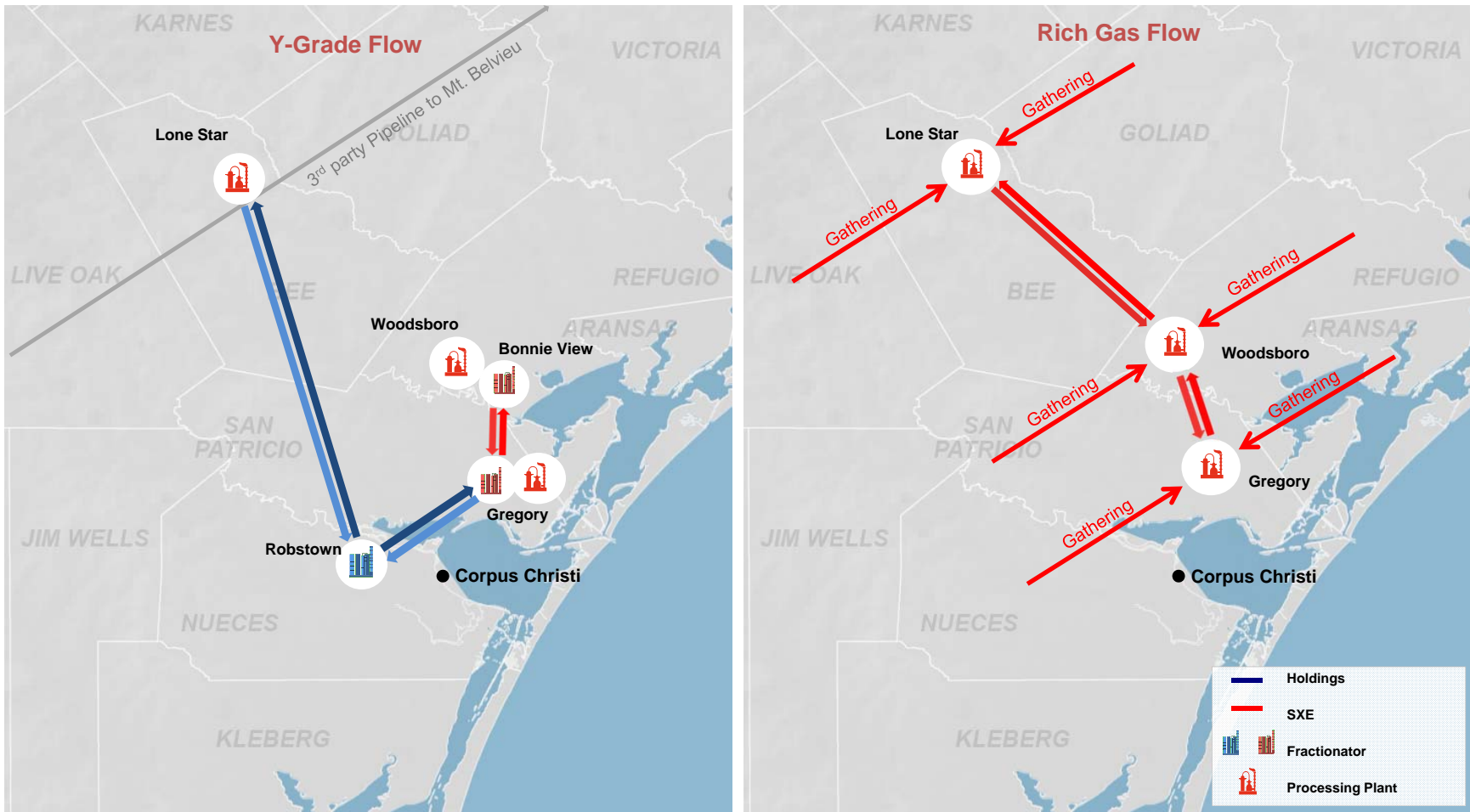


Southcross is the 5th largest Eagle Ford midstream company by processing capacity

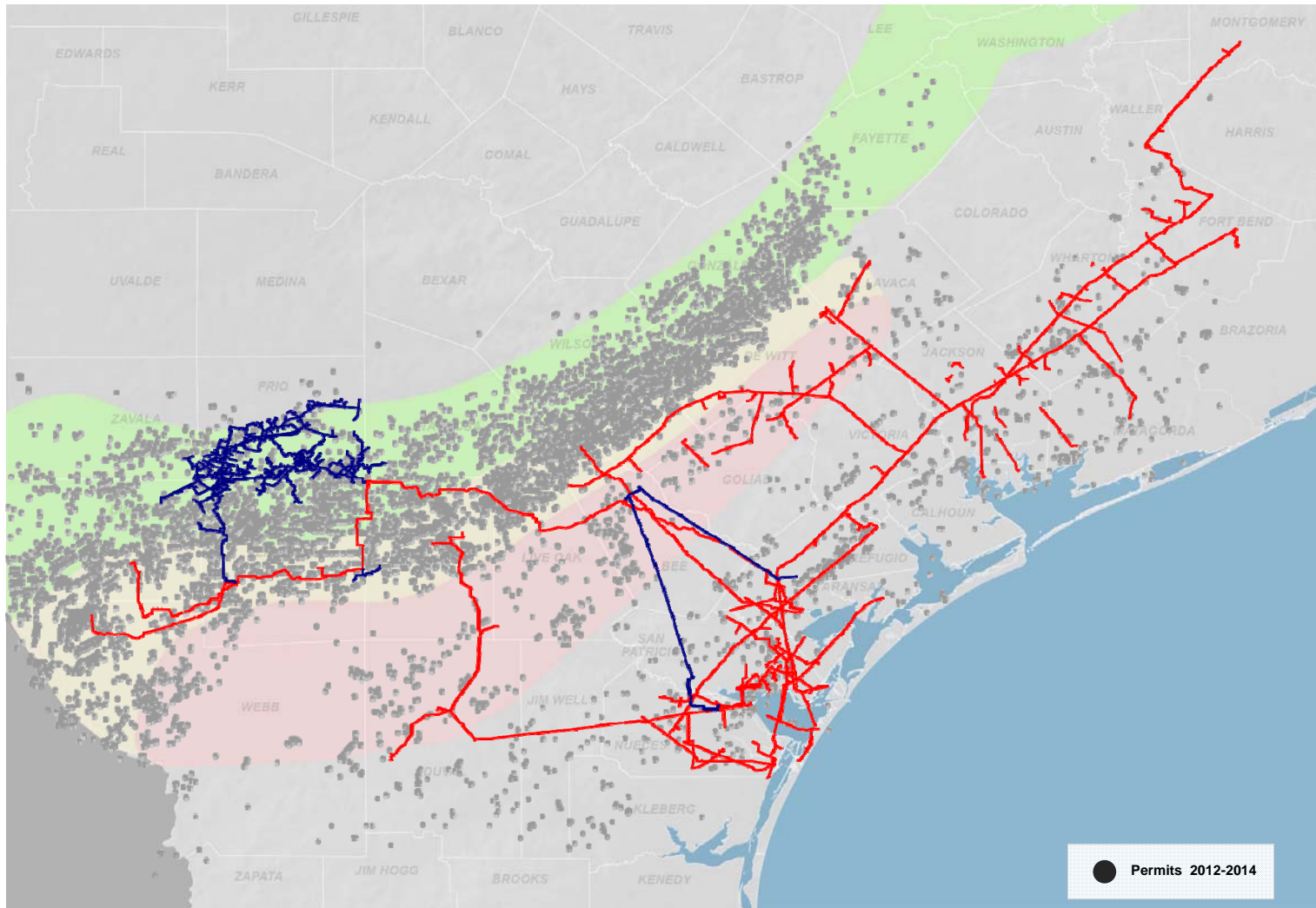


Source: BENTEK Energy

Operating Stability through Interconnected System



Well Positioned for Current Eagle Ford Activity



Attractive Supply Sourcing



Southcross' footprint is in prolific gas production counties with significant drilling inventory

County	Production (MMcf/d)		Inventory		
	2014 YTD	Y/Y Growth	Eagle Ford Total Locations	Eagle Ford Cumulative Wells Drilled	% Drilled
Webb	1,795	11%	8,309	1,499	18%
De Witt	645	31%	4,662	709	15%
Dimmit	746	32%	6,570	1,513	23%
La Salle	642	13%	11,034	1,096	10%
Karnes	639	20%	7,716	1,019	13%
McMullen	390	22%	9,921	672	7%
Live Oak	328	26%	3,452	386	11%
Gonzales	171	15%	3,424	501	15%
Lavaca	101	30%	2,484	101	4%
Atascosa	58	59%	6,254	351	6%
Bee	53	-9%	225	24	11%
Frio	29	10%	2,792	185	7%
Grimes	34	-5%	N/A	N/A	N/A
Duval	43	-12%	230	6	3%
Brazos	26	65%	1,180	130	11%
Fayette	53	-5%	1,229	76	6%
Zavala	15	27%	3,204	135	4%
Maverick	11	19%	1,272	68	5%
Burleson	25	152%	N/A	N/A	N/A

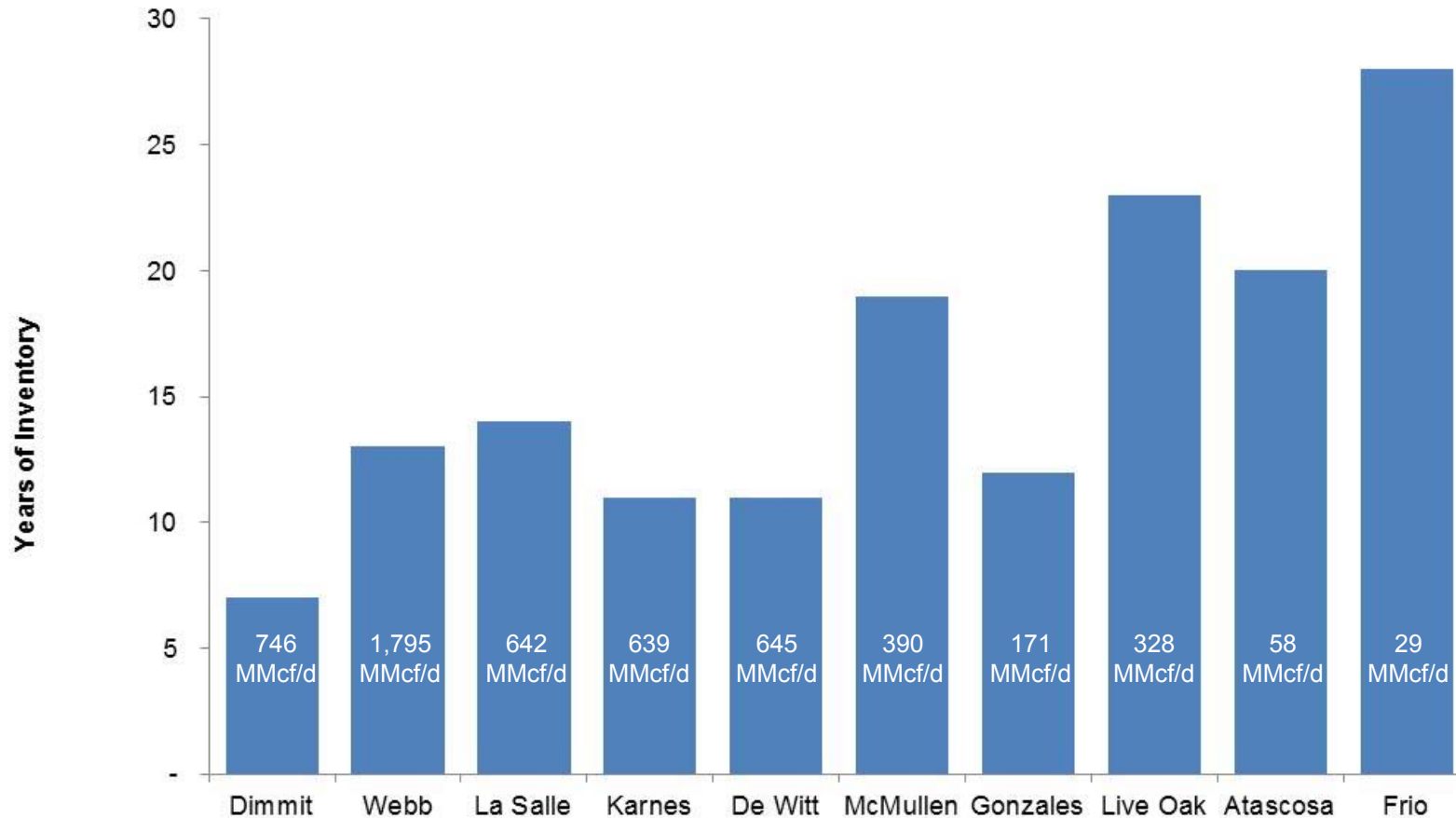
Source: BTU Analytics, Drillinginfo

Note: Shading indicates counties where Southcross has operations

Lengthy Gas Supply Inventory in Eagle Ford



The major producing Eagle Ford counties have a weighted average inventory of 13 years



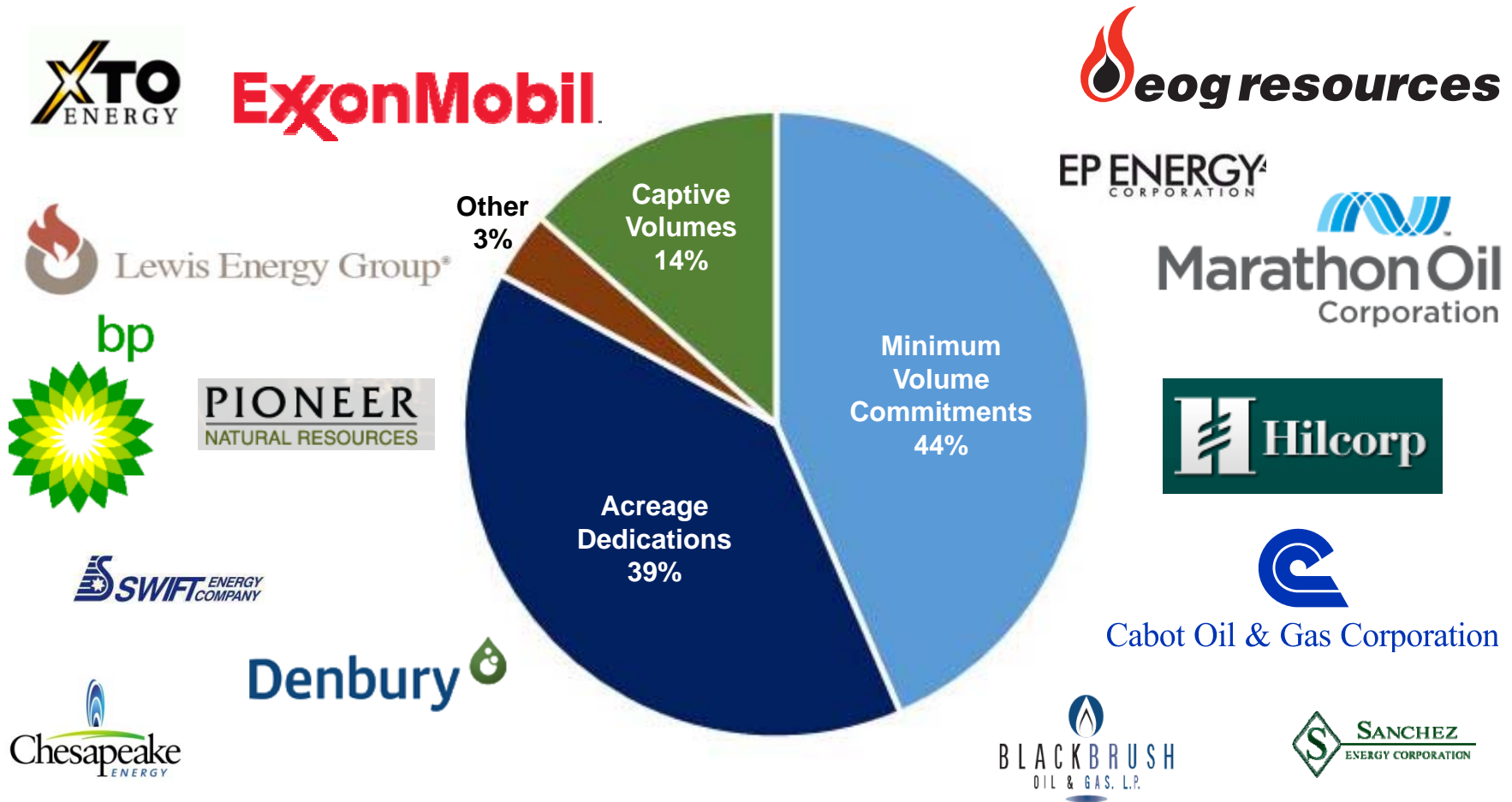
Source: BTU Analytics, Drillinginfo.

Note: Production data listed is 2014 YTD average; years of inventory equals drilling locations divided by current pace of drilling.

Blue Chip Customer and Contract Base



Minimum volume commitments, acreage dedications and captive volumes should provide a solid and growing base of gas supply⁽¹⁾

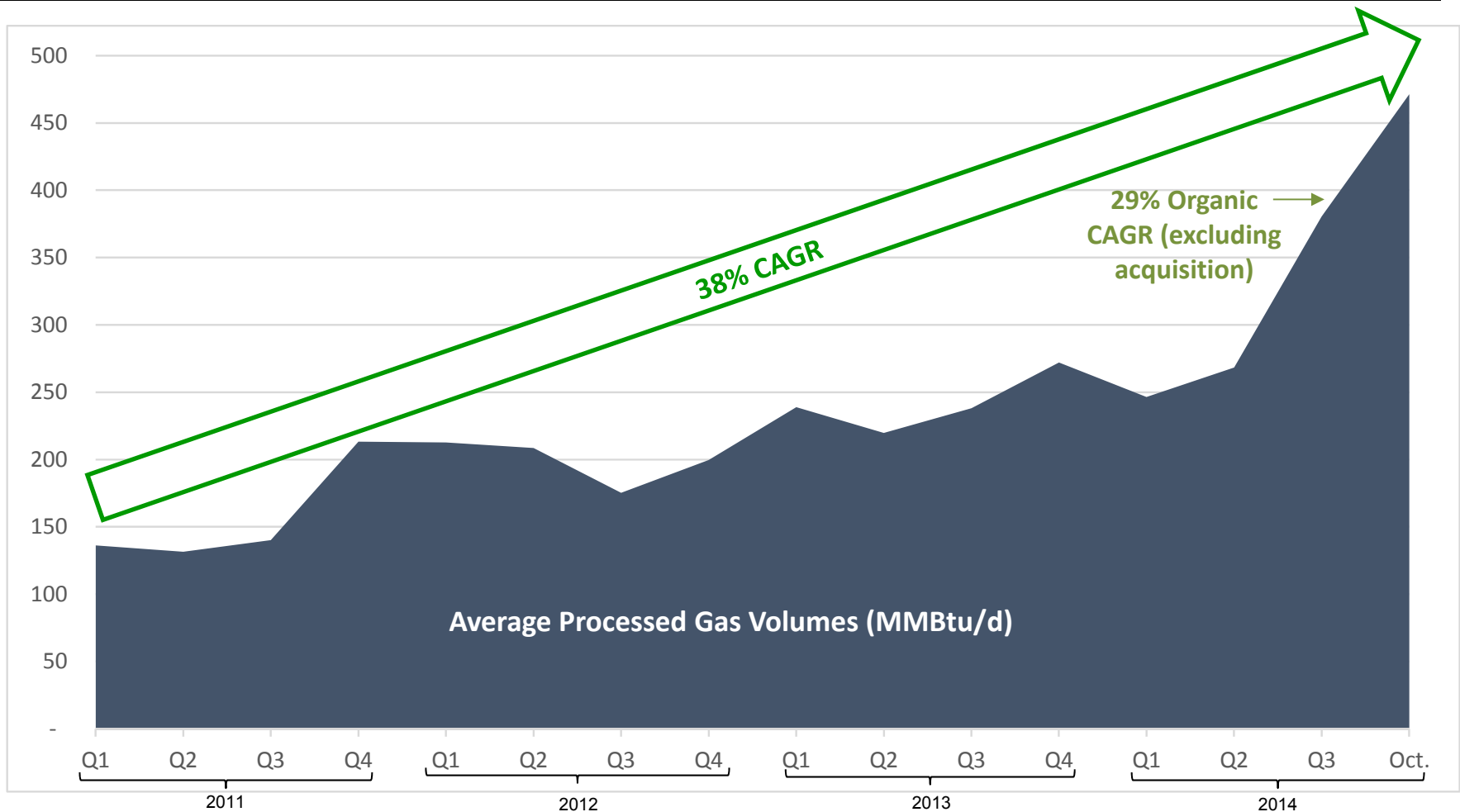


⁽¹⁾ Data from processed gas volumes for the Q4 guidance range.

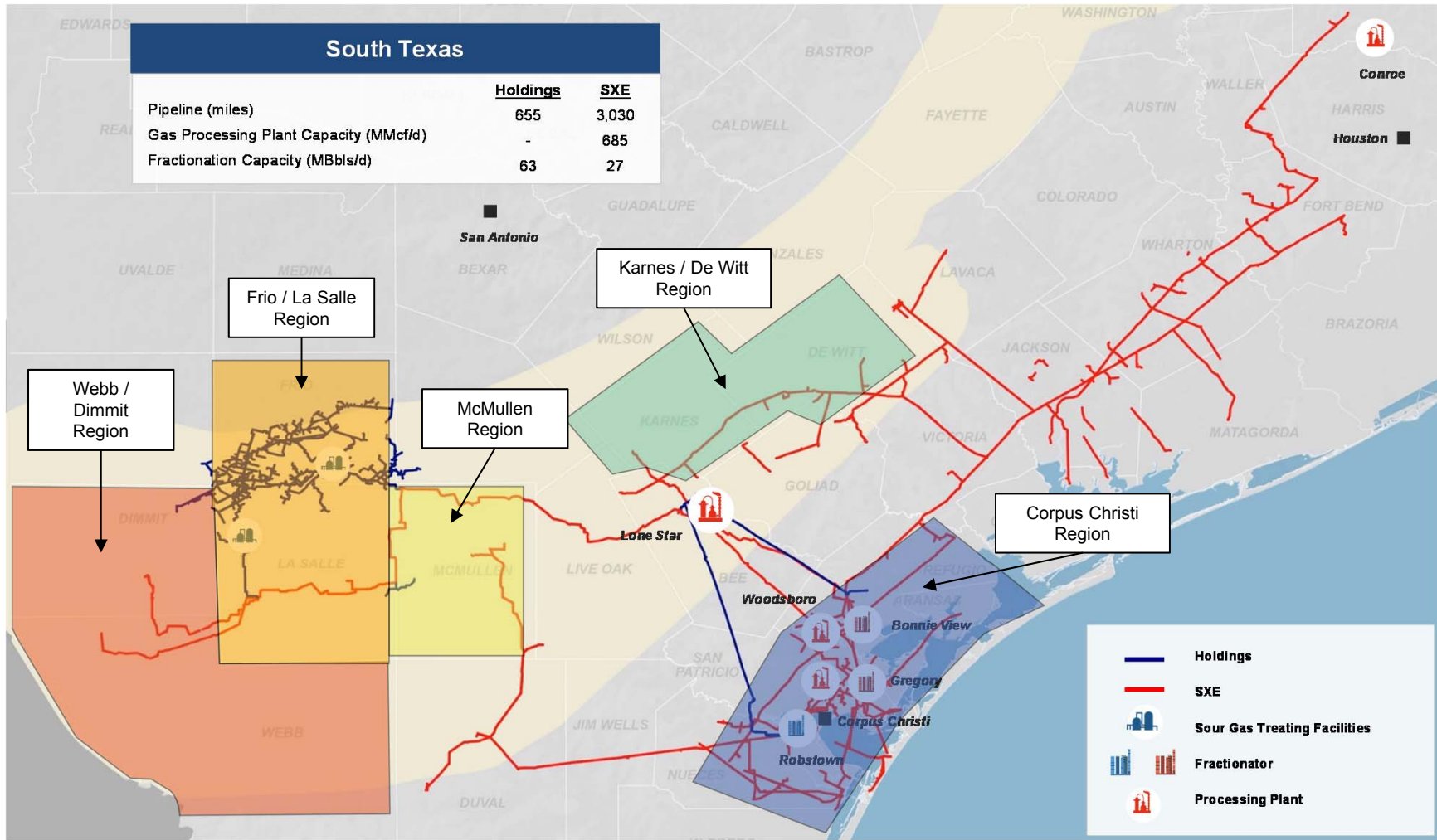
Rapid Growth of Southcross Processed Gas Volumes



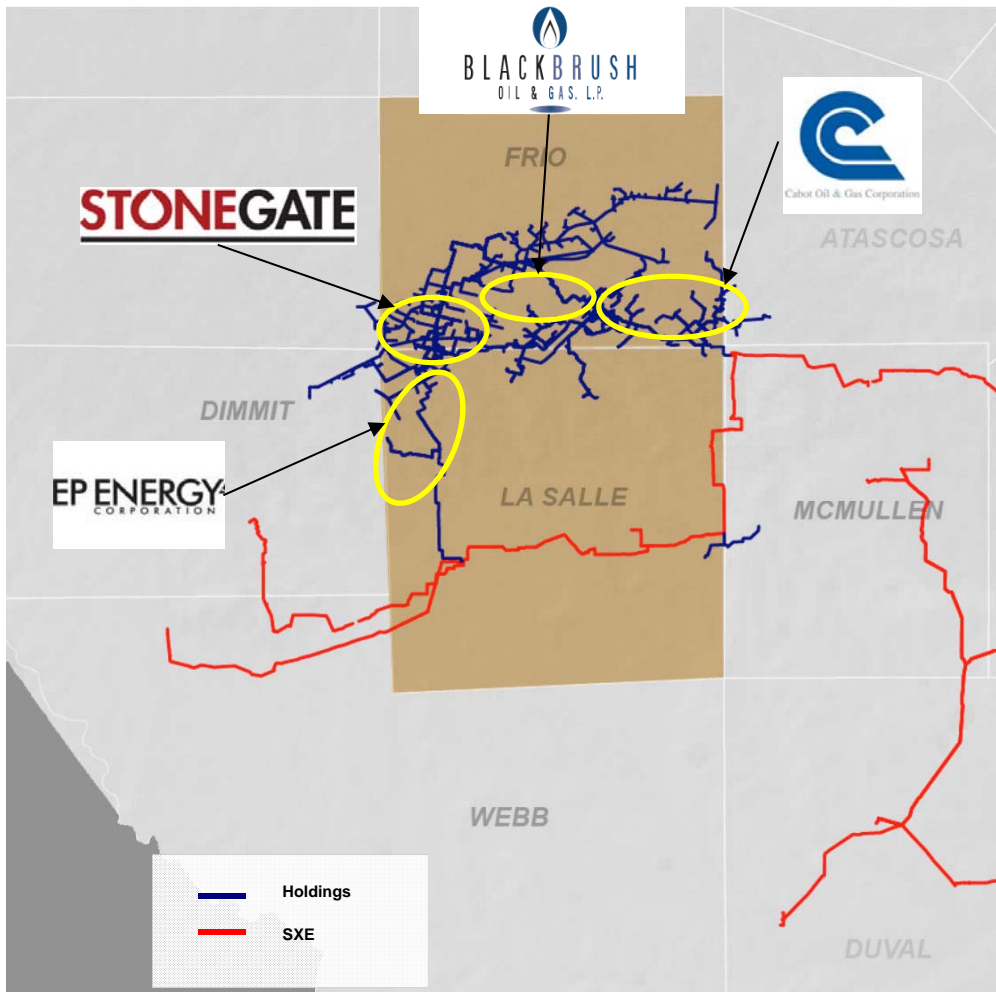
38% compound annual growth rate in average daily processed gas volumes since 2011



Focus on Eagle Ford Region



Frio / La Salle Region



Selected Producer Highlights



- 100 MMcf/d of current production
- Operating 4 rigs in La Salle
- Breakeven oil price of \$50 per barrel
- 50% of 3Q14 capex spend in the Eagle Ford



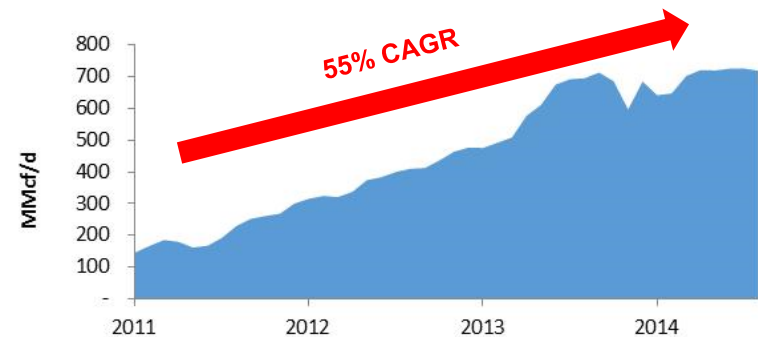
- 12 MMcf/d of current production
- Operating 4 rigs in Frio
- Estimated \$700 million 2015 capex spend in the Eagle Ford



- 21 MMcf/d of current production
- Operating 3 rigs in Frio/LaSalle/Dimmitt

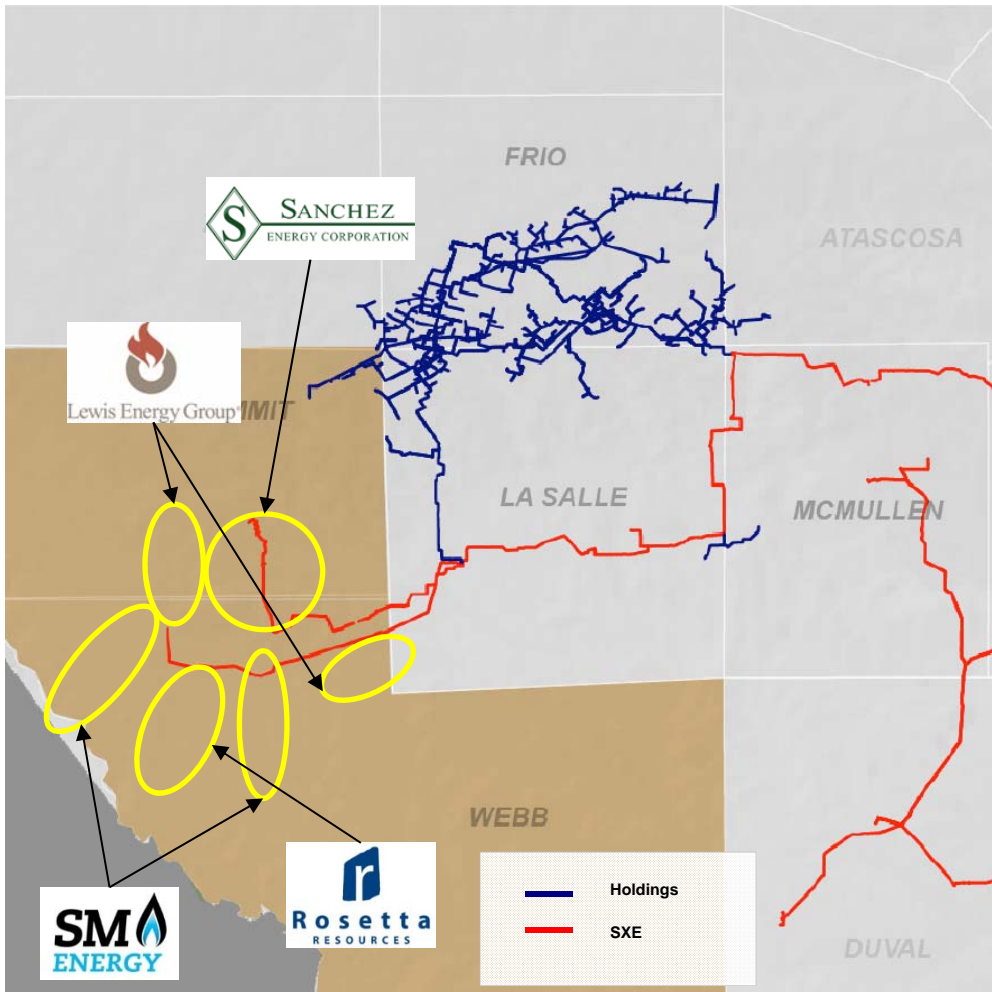


- 25 MMcf/d of current production
- Operating 4 rigs in the area
- Recently acquired by Ares Capital



Note: Monthly producer data from Drilling Info and relates to their production in the noted counties.

Webb / Dimmit Region



Selected Producer Highlights



Lewis Energy Group*

- 525 MMcf/d of current production
- Operating more than 1,400 wells, primarily focused on Eagle Ford



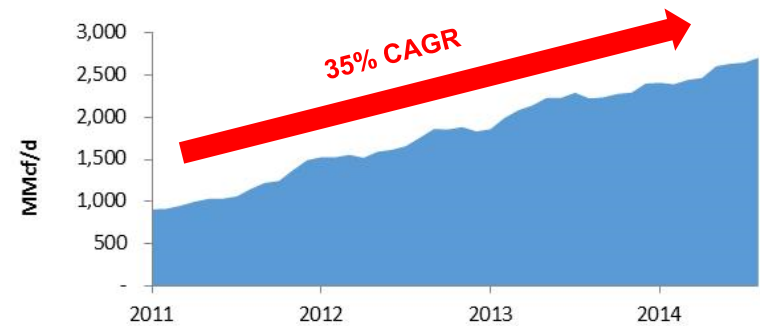
- 150 MMcf/d of current production
- More than 2,800 net drilling locations in the Eagle Ford
- Purchased Shell acreage
- Operating 7 rigs in the Eagle Ford



- 439 MMcf/d of current production
- 3 rigs operating in the area

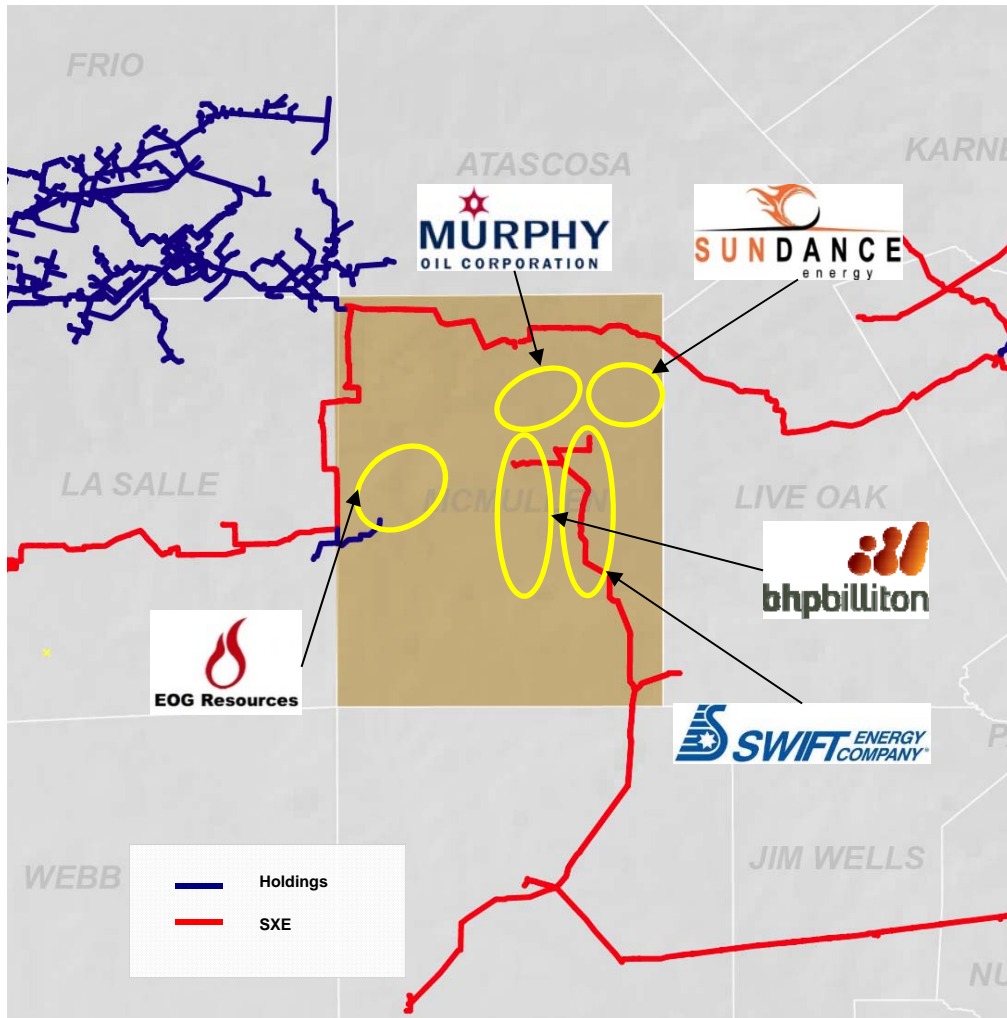


- 223 MMcf/d of current production
- 3 rigs operating in the area



Note: Monthly producer data from Drilling Info and relates to their production in the noted counties.

McMullen Region



Note: Monthly producer data from Drilling Info and relates to their production in the noted counties.

Selected Producer Highlights



- 51 MMcf/d of current production
- 82% of 2014 capex has been spent in the Eagle Ford
- Completed 10 wells in 3Q 14
- Operating 1 rig in McMullen



- 15 MMcf/d of current production
- Operating 2 rigs in McMullen



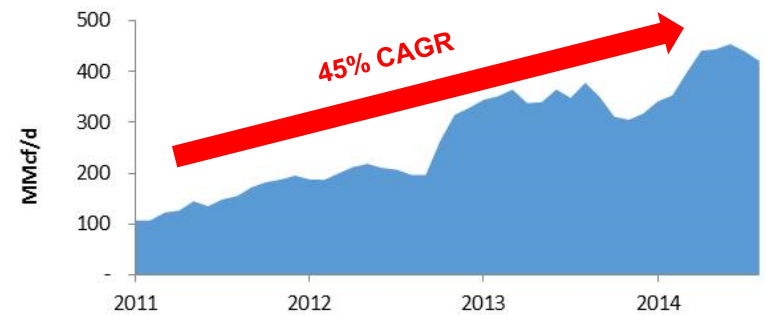
- 21 MMcf/d of current production
- Operating 1 rig in McMullen



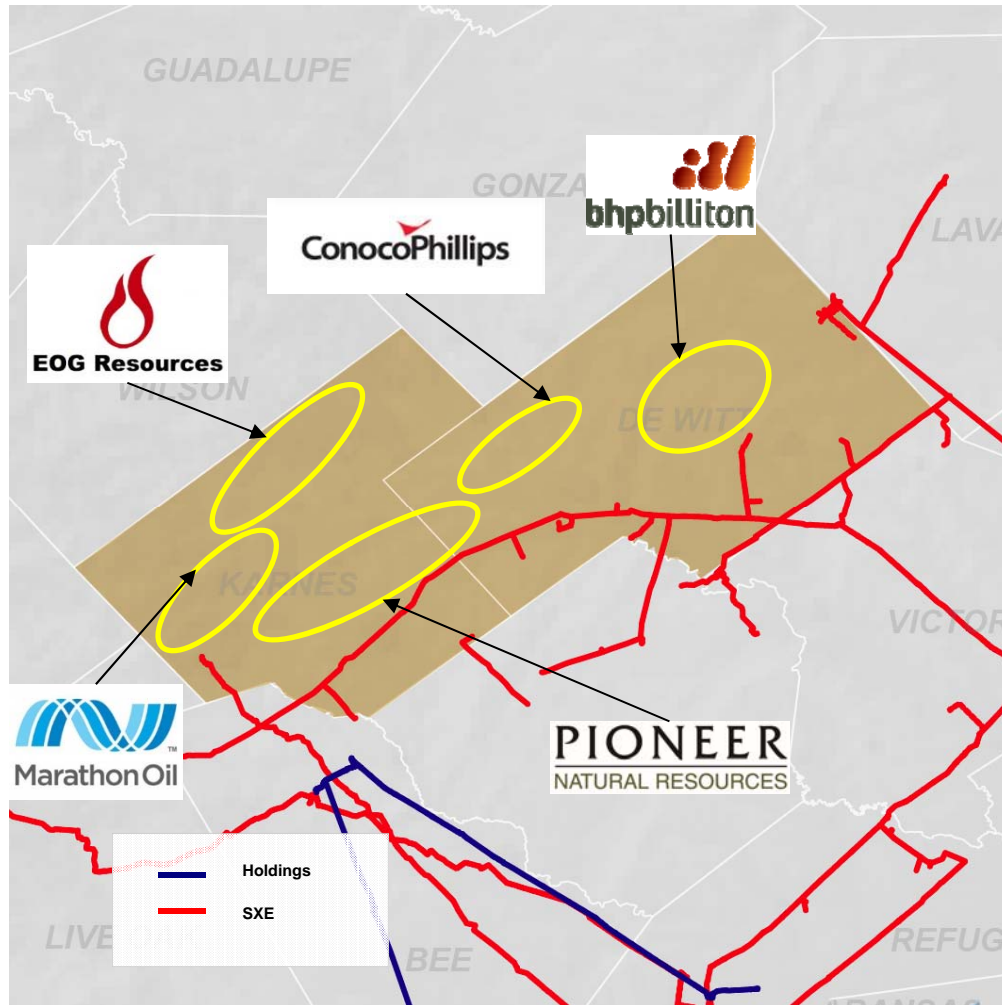
- 28 MMcf/d of current production
- Operating 1 rig in McMullen



- 173 MMcf/d of current production
- Operating 2 rigs in McMullen



Karnes / Dewitt Region



Note: Monthly producer data from Drilling Info and relates to their production in the noted counties.

Selected Producer Highlights



- 200 MMcf/d of current production
- Operating 15 rigs in Karnes
- \$2.3 billion in capex has been spent in the Eagle Ford in 2014



- 18 MMcf/d of current production
- 13 active rigs in the area



- 232 MMcf/d of current production
- 10 active rigs in the area

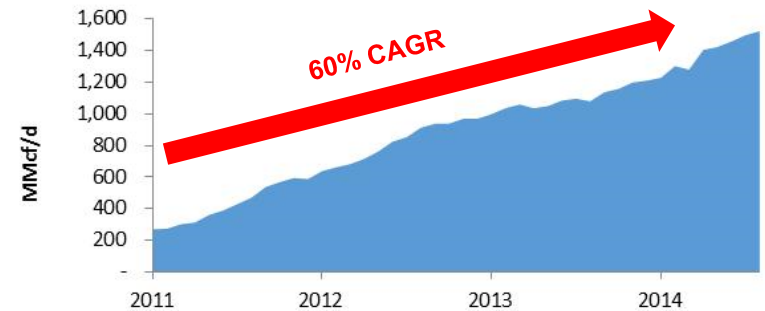


- 266 MMcf/d of current production
- 5 active rigs in the area

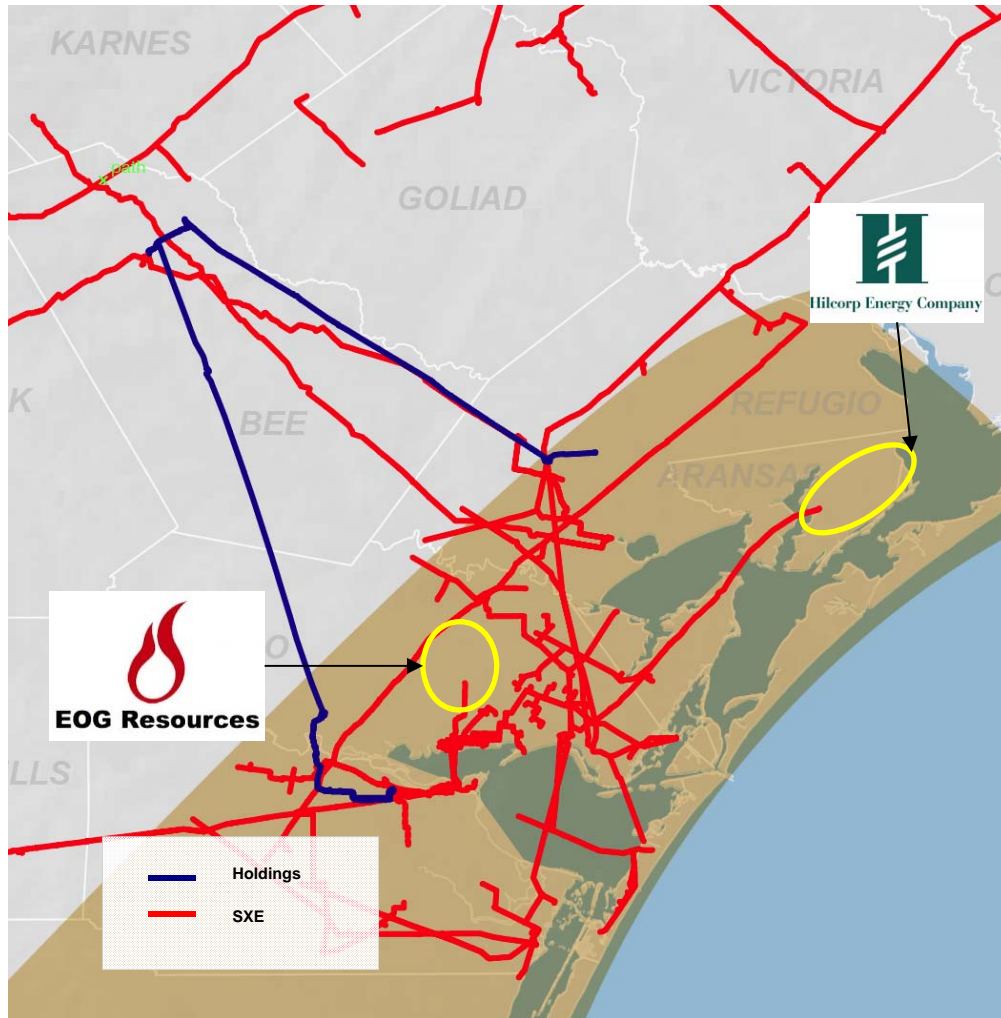


EOG Resources

- 80 MMcf/d of current production
- 5 active rigs in the area



Corpus Christi Region



Selected Producer Highlights



Hilcorp Energy Company

- 33 MMcf/d of current production
- Operating 3 rigs in the area

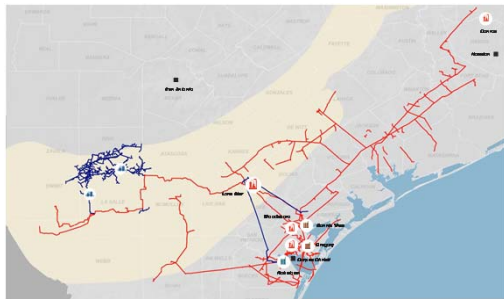


EOG Resources

- 27 MMcf/d of current production
- Operating 1 rig in San Patricio county

Note: Monthly producer data from Drilling Info and relates to their production in the noted counties.

The Southcross Advantage



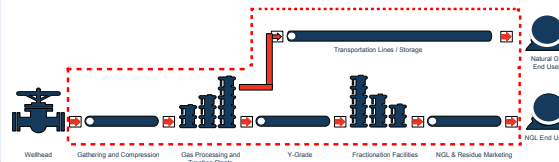
Premier Strategic Platform in the Eagle Ford

Significant scale of pipeline and processing assets

Operating stability through interconnected system

Extensive footprint in the prolific Eagle Ford and Gulf Coast area

Blue chip, active producer customer base



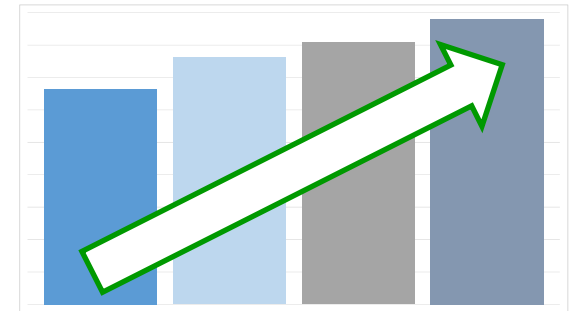
Fully Integrated Midstream Platform

Full spectrum of services creates competitive and economic advantages

Fractionation assets are a significant differentiator

Premium and growing markets for gas, NGLs and condensate

Corpus Christi region is growing rapidly and serving new export markets



Four Drivers of Growth

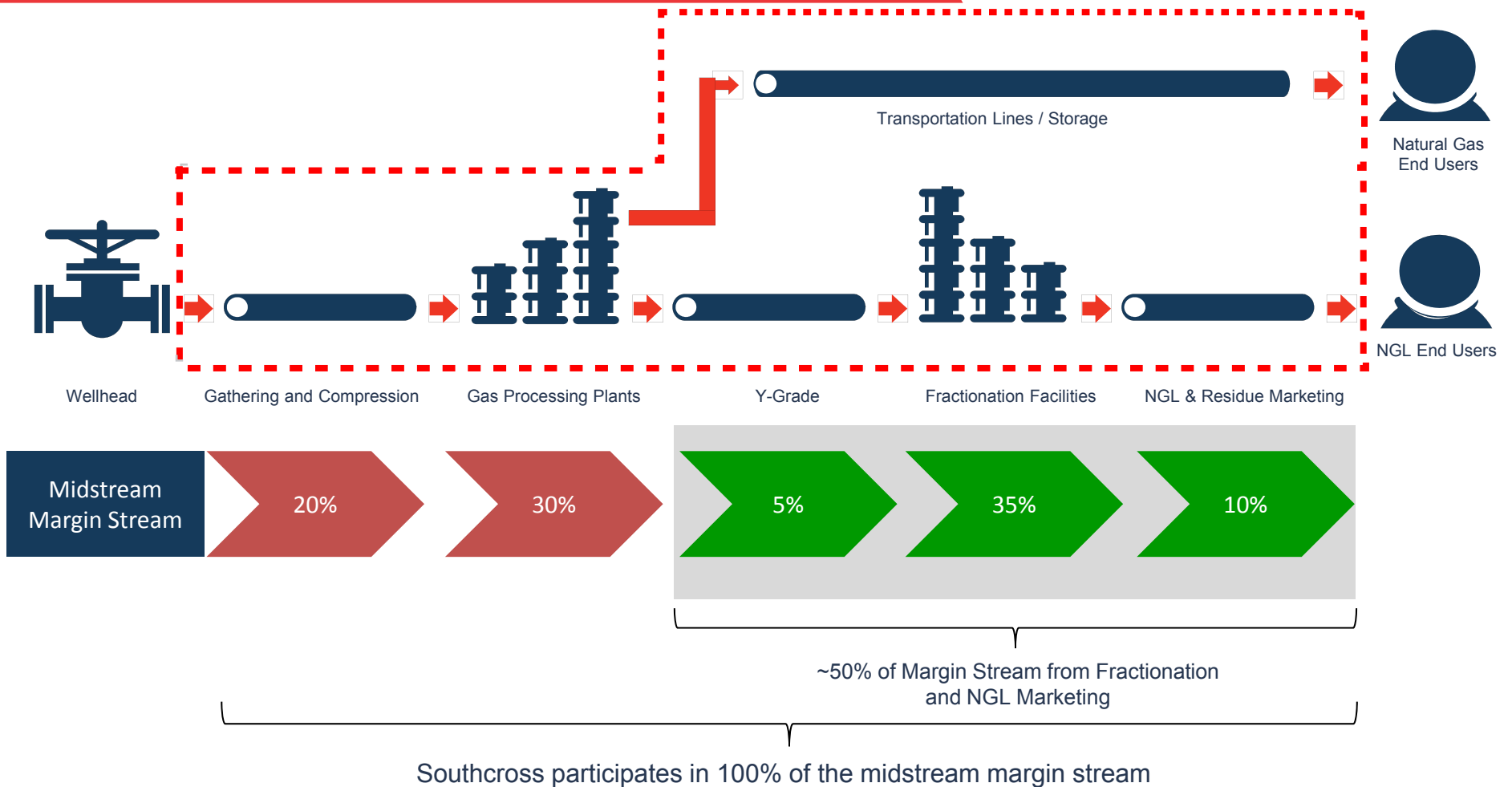
Fully utilize existing capacity

Develop organic growth projects

Drop-downs

Acquisitions

Full Spectrum of Services Creates Competitive and Economic Advantages

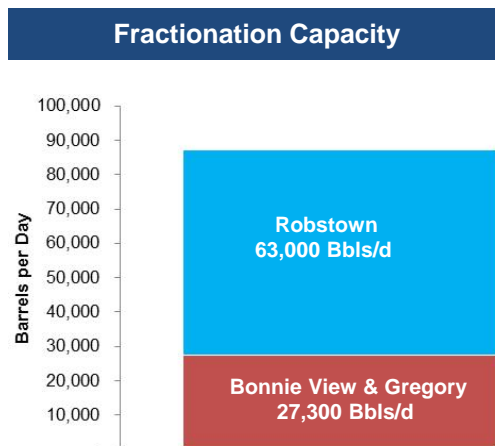


Note: Treating fees, when applicable, further supplement the margin stream

Fractionation Assets Create a Significant Service and Margin Advantage



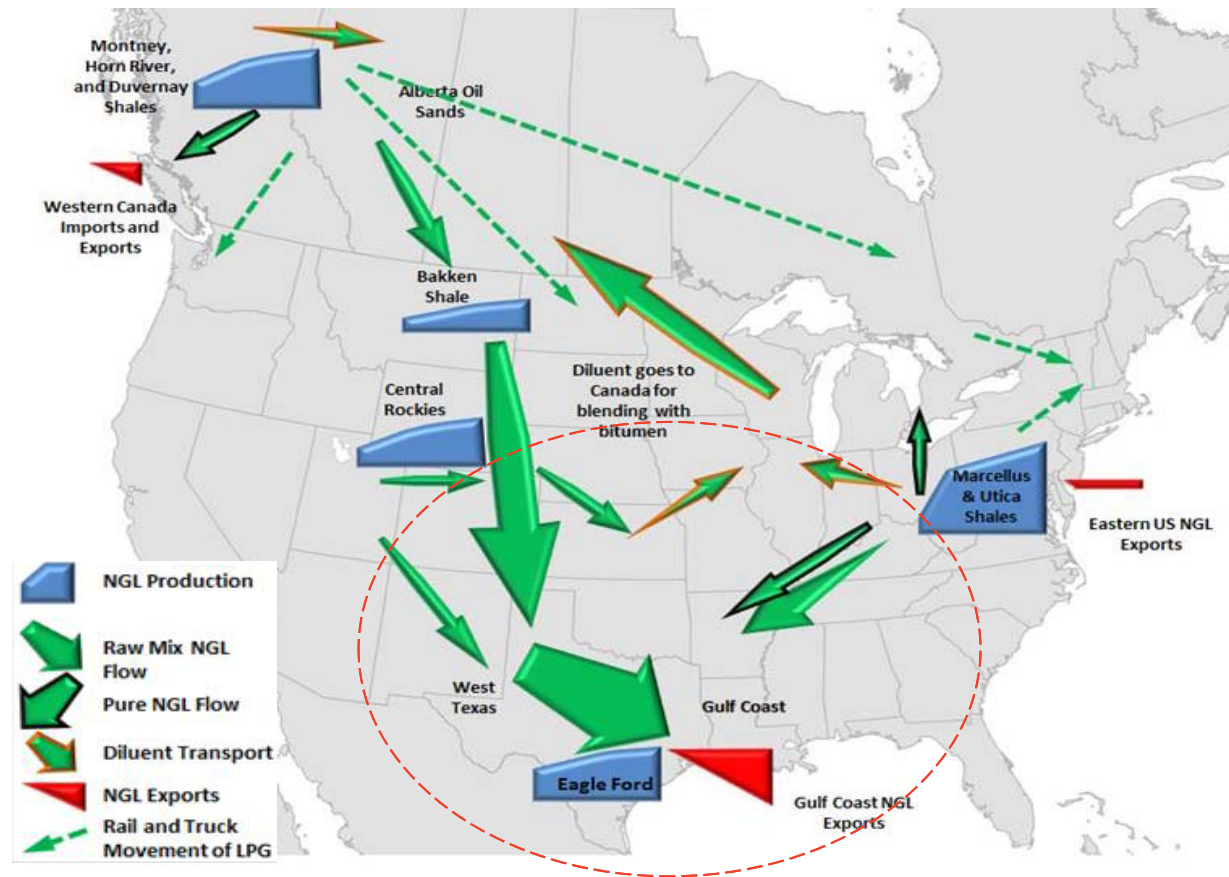
- Fractionation increases the full value service offering enabling Southcross to achieve higher margins and be more competitive winning new gas supply
- Wellhead to end-use NGL marketing provides convenience to producers by avoiding the need to negotiate multiple long term transportation and fractionation agreements and provides a secure off-take for NGLs
- The location of Southcross' fractionators in Corpus Christi enables producers to avoid bottlenecks at Mt. Belvieu, reduces transport costs and provides direct access to end-use markets and key export facilities



The Gulf Coast is the Hub for NGL Production and End-Use



The increasing shift to the Gulf Coast for both production and end-use markets is fueling a heavy demand for midstream infrastructure in the area

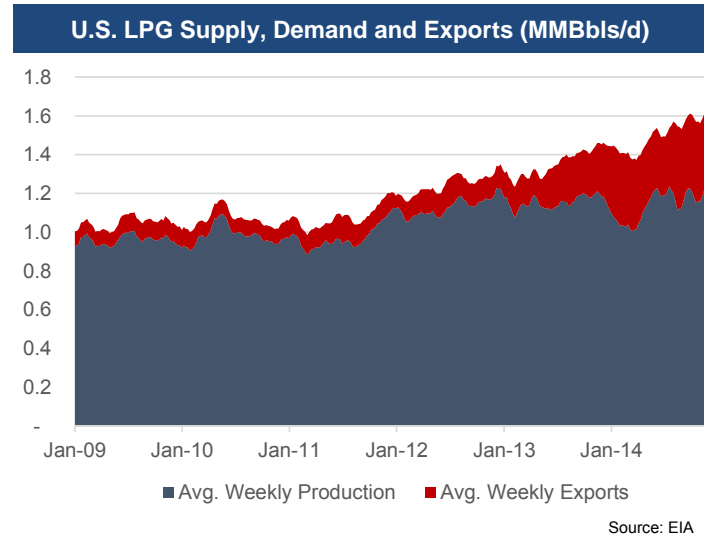


Source: INGAA Foundation, Inc.

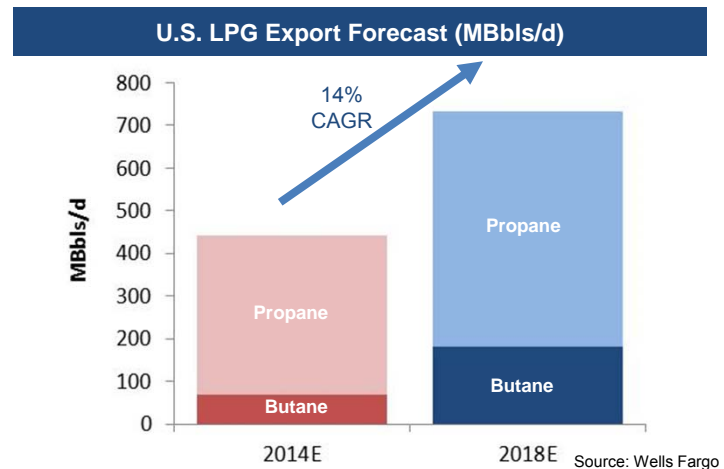
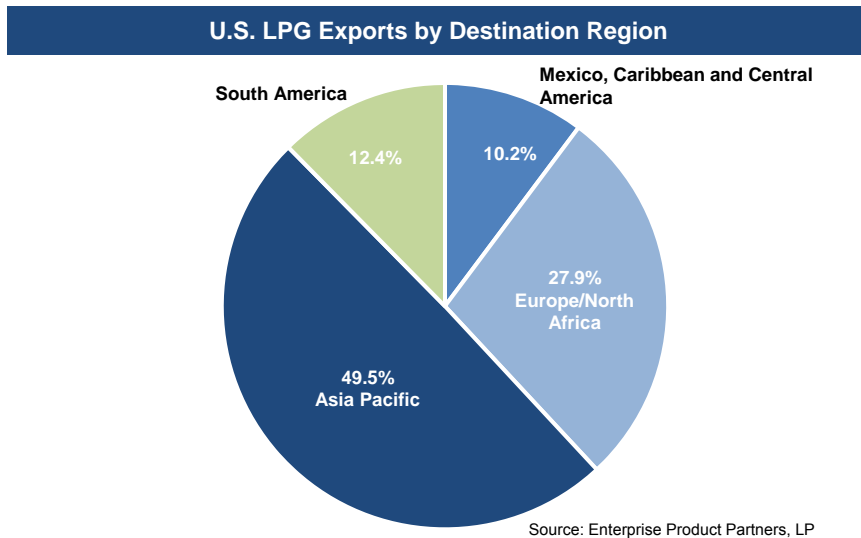
Growing LPG Export Market



- Propane export terminal capacity is expected to double in 2015 to nearly 840 MBbls/d
- The anticipated 2015 propane export terminal capacity represents over 50% of current propane production in the U.S.
- The majority of the LPG terminal capacity is on the Gulf Coast of Texas



Source: Oxford Institute for Energy Studies



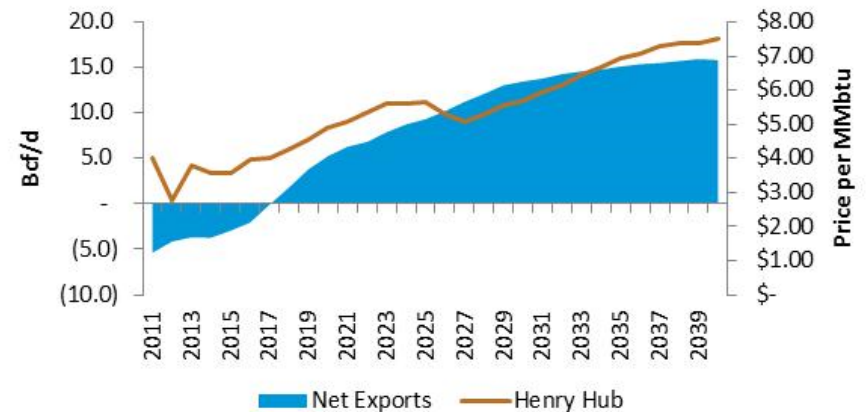
Growing Exports of U.S. Natural Gas



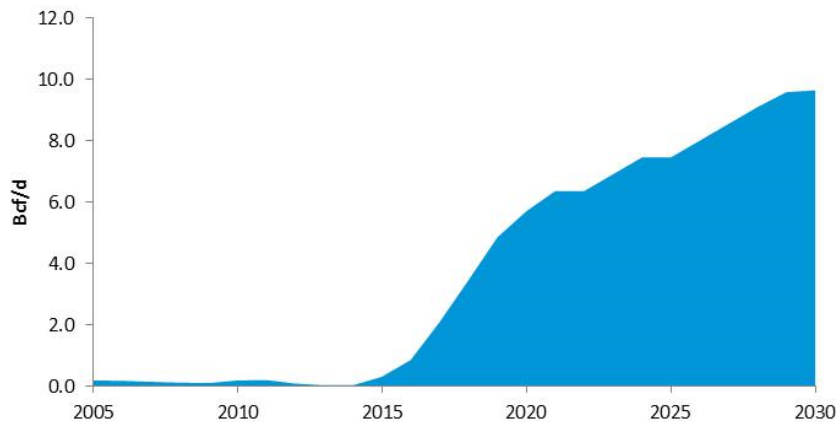
Overview

- The United States is transitioning from being a net importer of 1.5 Tcf of natural gas in 2012 to a net exporter of 5.8 Tcf in 2040
- In 2012, U.S. natural gas exports to Mexico accounted for over 38% of total U.S. natural gas exports, and nearly 80% of Mexico's natural gas imports
- Net LNG exports, primarily to Asia, are expected to increase by 3.5 Tcf from 2012 to 2030

U.S. Natural Gas Net Export Projection

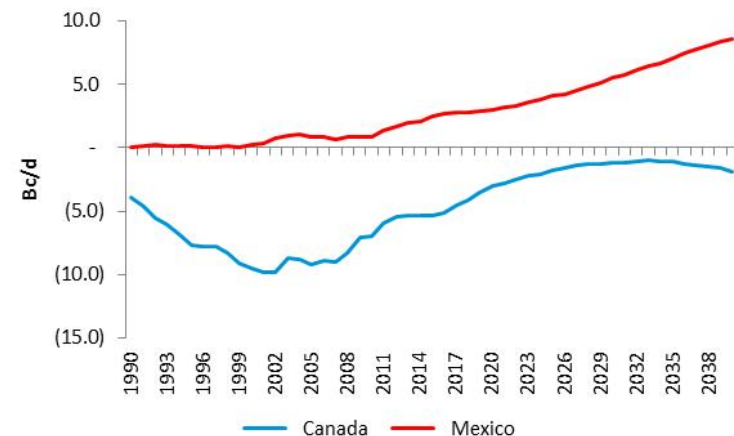


U.S. Liquefied Natural Gas Export Projection



Source: EIA

U.S. Net Exports by Counterparty



Lower Gulf Coast Projects Fuel Growth



Lyondell / Equistar Ethylene Capacity Expansion

- Lyondell to add 800 million lbs/year of ethylene capacity at Corpus Christi plant by 2016
- 20,000 Bbl/d of estimated increase in ethane demand by 2016



OxyChem Corpus Christi Development Projects

- OxyChem 110,000 Bbl/d propane export facility at Ingleside expected to begin operations in 2015
- OxyChem and MexiChem to build 1.2 billion lbs/year ethylene cracker in 2017 (34,000 Bbl/d ethane demand)



Trafigura – November 14, 2013 and September 11, 2014 Press Release

- Trafigura spending \$500 million to expand dock facilities at Corpus Christi
- Expansion to meet increasing demand for water access for Eagle Ford production
- Buckeye Partners LP completes \$860 million acquisition of 80% of Corpus Christi midstream business from Trafigura



Refining Projects

- Valero upgrading 325kb/d Corpus Christi refinery
- Flint Hills plans to reconfigure 230kb/d Corpus Christi West Refinery
- Martin Midstream, Magellan Midstream and Trafigura constructing condensate splitters at facilities in Corpus Christi



Cheniere – April 7, 2014, July 17, 2014 and October 8, 2014 Press Releases

- Entered into 20 year LNG supply agreements with Endesa
- Signed agreement to supply EDF with 380,000 tons / year of LNG from Train 3 as early as 2019
- Expect to complete steps to final investment decision and construction by early 2015
- FERC issues final Environmental Impact Statement for project on October 8, 2014



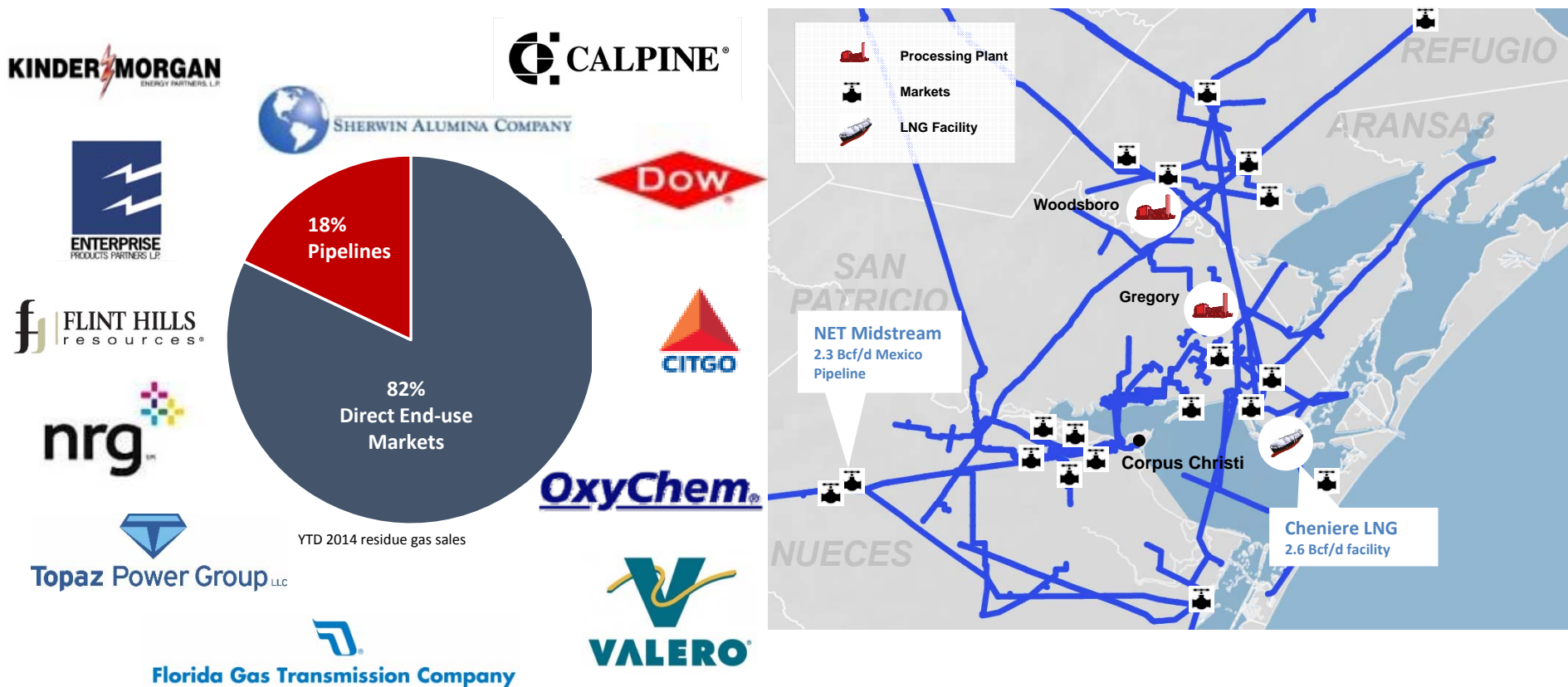
NET Midstream Pipeline to Mexico – November 17, 2014 Press Release

- 120-mile, 42" and 48" natural gas pipeline with 2.3 Bcf/d of initial capacity (expandable to 3.0 Bcf/d) was completed ahead of schedule and is now operational
- Long-term firm gas transportation agreement with MexGas Supply Ltd., a subsidiary of Pemex

Southcross Delivers Gas to Attractive End-use Markets



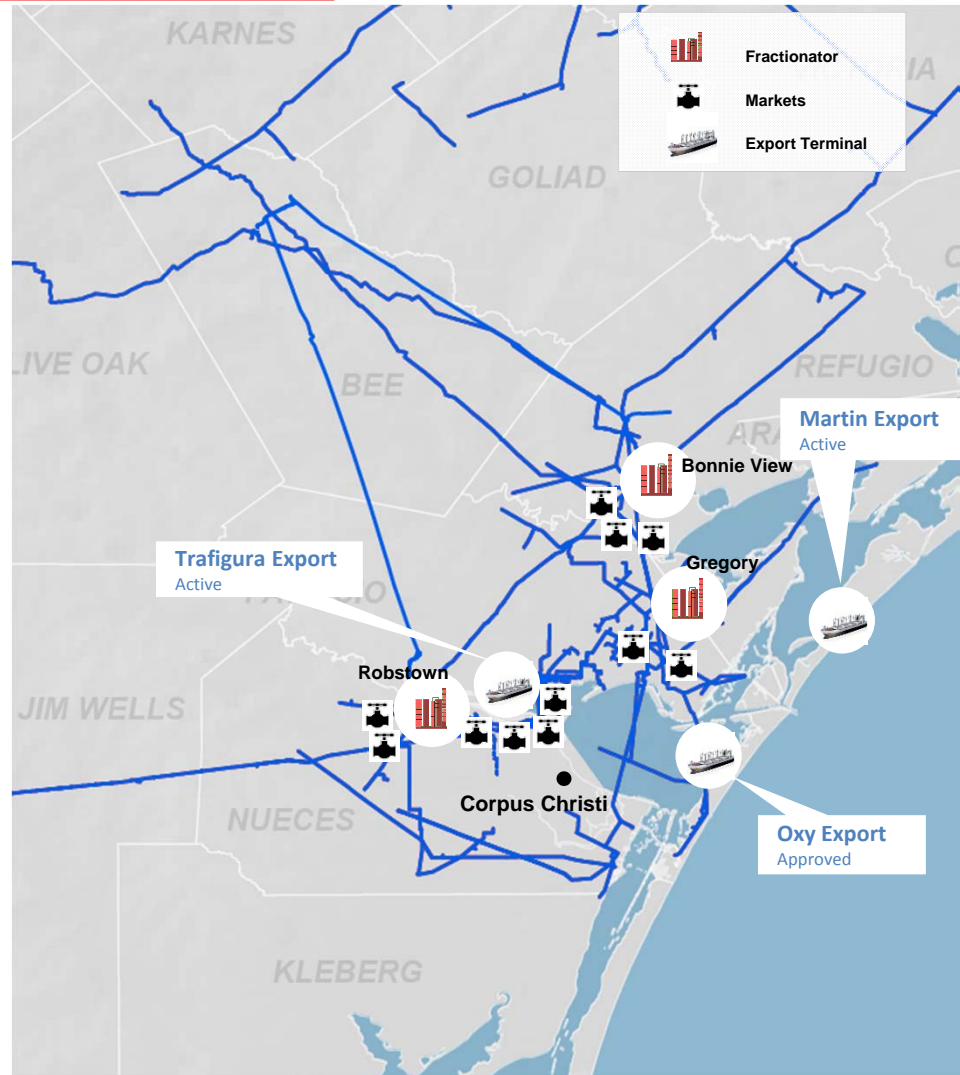
- System provides interconnects to every interstate pipeline in the region and diverse market outlets; both are an advantage in attracting producer contracts
- Local markets provide incremental downstream margins
- Multiple gas sale outlets including direct connections to industrial and electric generation markets



Multiple NGL Markets in Corpus Christi Area



- Advantaged Southcross footprint in expanding Gulf Coast petrochemical infrastructure and NGL markets
- End-use NGL markets provide attractive pricing and market outlets
- New NGL export terminals near Corpus Christi
- Most North American ethane cracking is on the Gulf Coast and is expanding
- Attractive NGL customer base in the Corpus Christi market



Strategic End-use Market Position in Mississippi and Alabama



Overview of Mississippi and Alabama

- Largest intrastate pipeline in each state
- Provides consistent cash flow
- Periodic growth opportunities to expand in the region

Alabama System

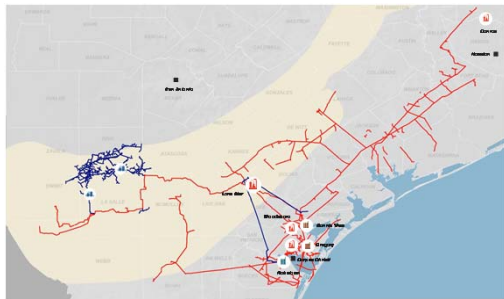
- 519 mile intrastate pipeline system
- Gas supply primarily from low-decline coal bed methane under life of lease transportation agreements, fortified by interconnections with long-line pipelines
- Long-term gas sales contract with Alagasco

Mississippi System

- 626 mile intrastate pipeline system
- End-use driven business with 85% of gas sold to on-system end-users and only 15% sold to other pipelines
- High quality end-user customer base including:
 - SMEPA
 - Georgia Pacific
 - CF Industries



The Southcross Advantage



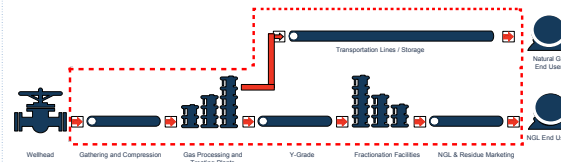
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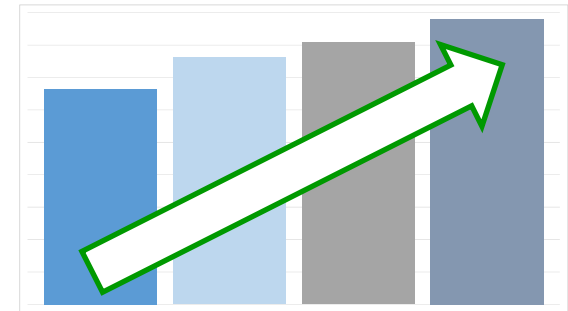
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Four Drivers of Growth

Fully utilize existing capacity

Develop organic growth projects

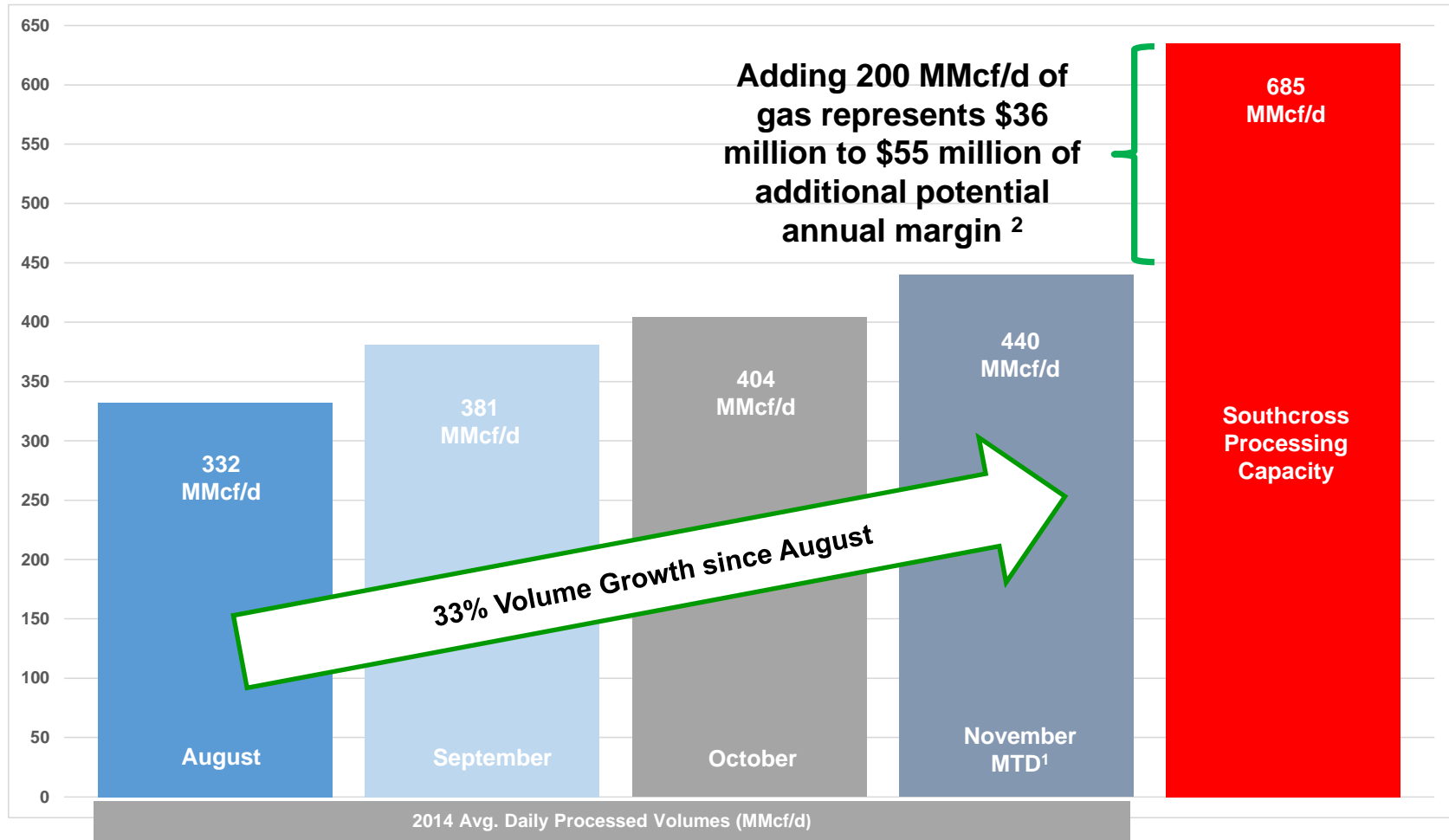
Drop-downs

Acquisitions

Significant Growth Achievable From Existing Capacity



Significant available processing capacity presents cash flow growth opportunity



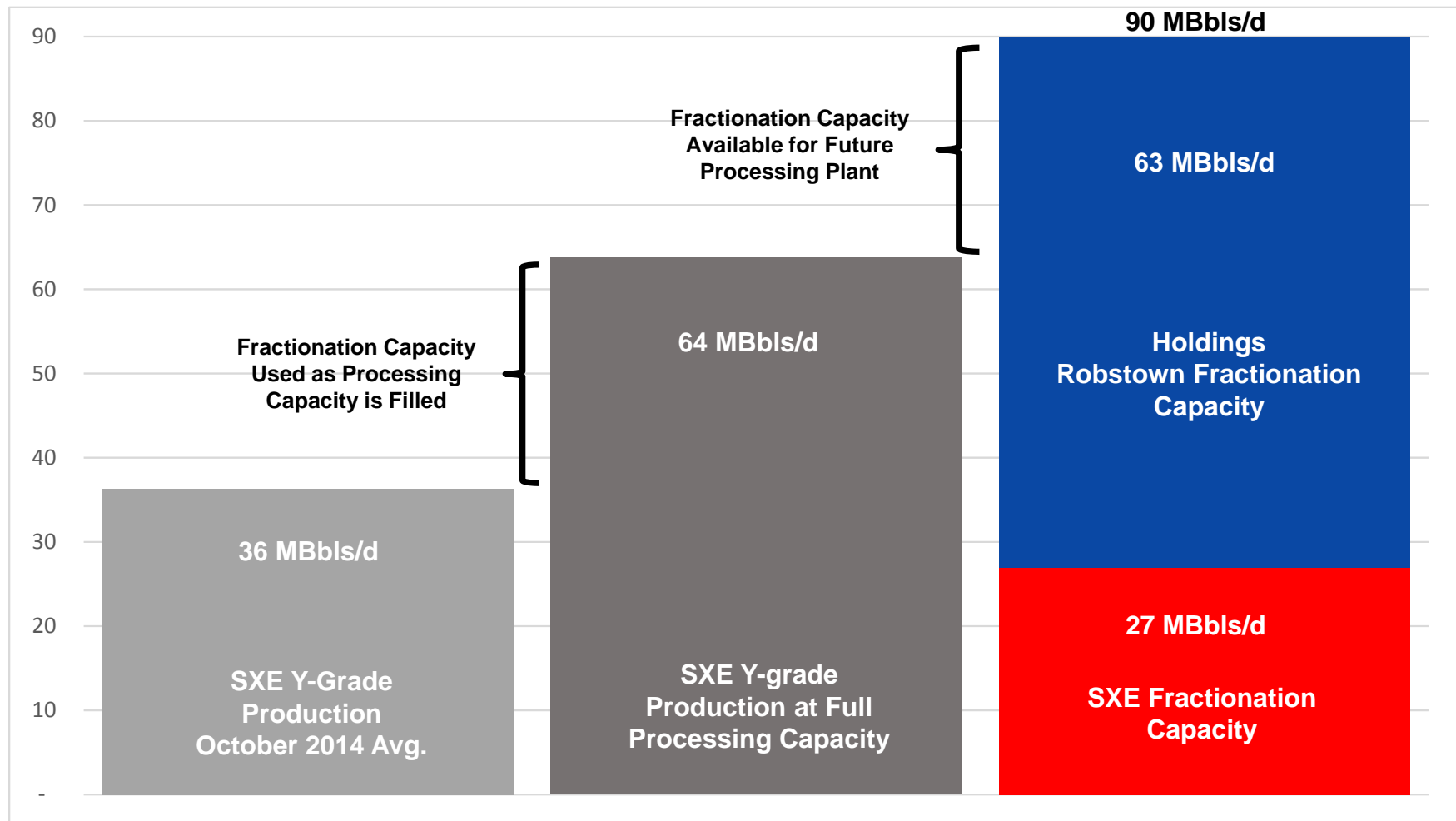
¹ As discussed on the November 7, 2014 SXE earnings call.

² At margin of \$0.50 to \$0.75 per mcf/d.

Fully Utilize Existing Capacity



Significant available fractionation capacity to accommodate a new processing plant



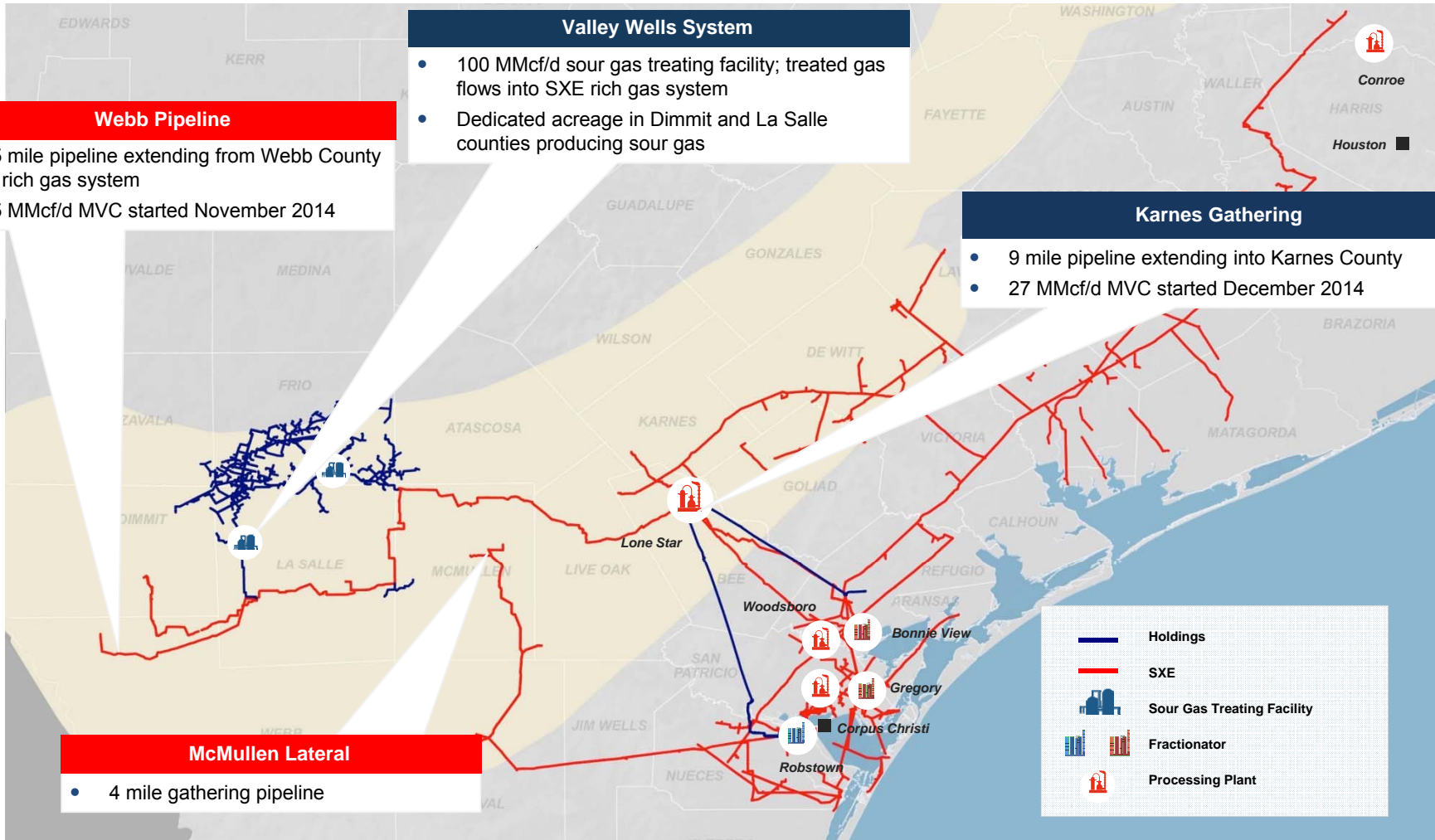
Develop Organic Growth Projects



The Southcross business development team has been enhanced through the TexStar combination and possesses experienced and talented professionals

- Business Development team is focused on:
 - Full utilization of existing asset processing and fractionation facilities
 - Adding to rich gas network to accelerate growth
 - Optimization of extensive pipeline and asset base in South Texas
- Currently pursuing projects including:
 - Repurposing pipelines for higher value uses of crude and condensate transports
 - Exploiting NGL position to add NGL pipeline transportation services
 - Serving new gas and NGL export opportunities

Updates on Recent Key Projects



Growth Through Acquisitions



Near-Term

- Near-term focus is on opportunities to enhance our position in the Eagle Ford
 - Primarily targeting bolt-on acquisitions and other opportunities to enhance our capacity and volumes in South Texas
 - Expect consolidation to continue

Long-Term

- Long-term focus includes opportunities beyond existing operating areas

Summary of Acquisitions

- **Crosstex Pipelines and Plants (2009)**
- **Enterprise Alabama (2011)**
- **Tennessee Pipeline Assets (2011)**
- **Monco Pipeline System (2012)**
- **Valero Pipeline (2012)**
- **Tierra Pipelines (2013)**
- **Onyx Pipelines (2014)**
- **TexStar Rich Gas System (2014)**
- **McMullen Gathering System (2014)**

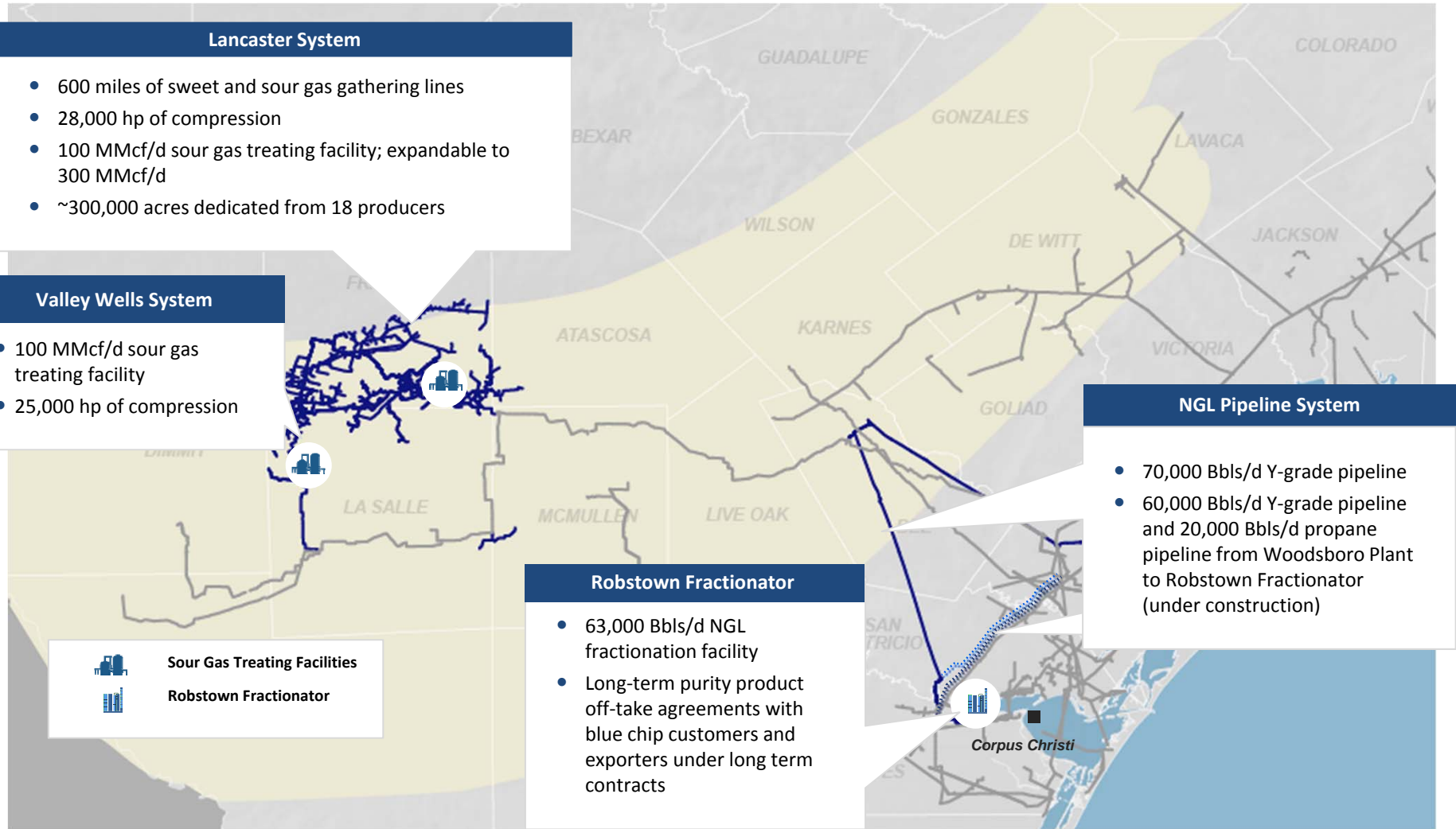
Drop-Down Opportunities



Overview

- Well in excess of \$1 billion of asset value expected to be dropped down to SXE over time
 - Timing and size of each drop-down based upon maturity of asset and capital market conditions
 - Expect to drop down assets that have achieved some maturity of cash flow
 - Expect to fund drop-downs with prudent mix of debt and equity
- Holdings is incentivized to drop down assets to SXE and grow distributions
 - Holdings owns approximately 57% of the SXE LP interests and 100% of the GP interests
- Drop-down outlook:
 - Expect to complete at least one drop-down during 2015
 - Expect to drop down assets through a greater number of transactions in smaller asset packages

Drop-Down Inventory



Robstown Fractionator



Overview

- Holdings is completing construction of the 63,000 Bbl/d Robstown Fractionator with an expected in-service date during Q1 2015
 - The fractionator will be connected via pipeline to over 1 Bcf/d of processing capacity and to the DCP Sandhills Y-grade pipeline
- Delivers a substantial portion of purity NGL products to Equistar's Olefins Facility in Corpus Christi
- Primary purity pipeline connections are:
 - Equistar
 - Dow
 - Trafigura
 - Citgo
- Location near Corpus Christi provides access to international markets



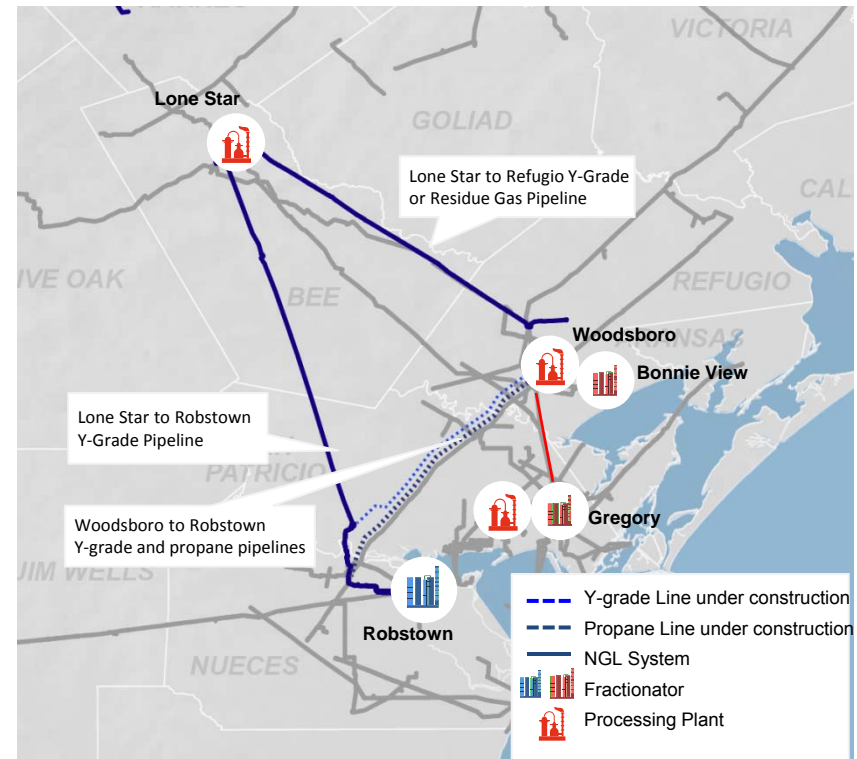
NGL Pipeline System



Overview

- 56 mile 70,000 Bbls/d 12" Y-grade pipeline extending from the Lone Star Plant to the Robstown Fractionator in Corpus Christi
- 49 mile 12" pipeline extending from Pettus to Refugio County
- Currently constructing two additional pipelines:
 - 37 mile 20,000 Bbls/d 6" propane pipeline to connect Bonnie View to Robstown and Trafigura
 - 27 mile 60,000 Bbls/d 10" Y-grade pipeline to connect Woodsboro to Robstown and DCP Sandhills
- The NGL Pipeline System connects Y-grade from the Lone Star, Woodsboro and Gregory processing plants to multiple outlets including:
 - Robstown Fractionator
 - Bonnie View Fractionator
 - Gregory Fractionator
 - Multiple Mont Belvieu fractionators via DCP Sandhills Pipeline

NGL Pipeline System Map



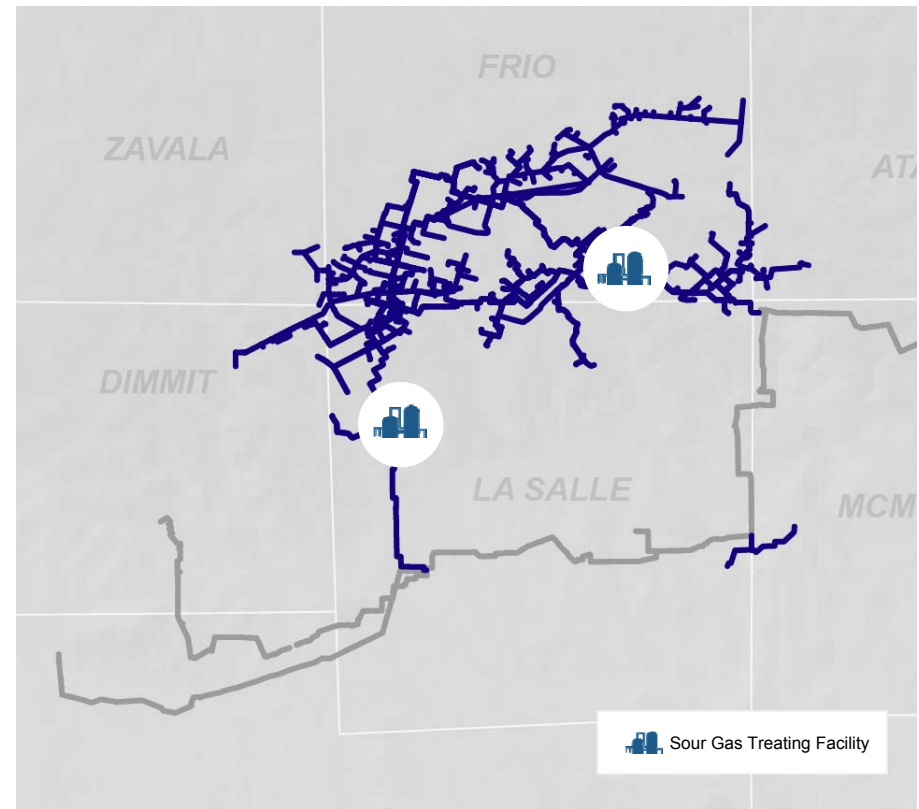
Sour Gas Gathering and Treating



Overview

- Holdings currently owns two sour gas gathering systems and two sour gas treating plants
 - Lancaster System
 - Valley Wells System
- At Lancaster, Holdings owns and operates an acid gas injection well, providing a unique disposal service and meaningful competitive advantage with up to 300 MMcf/d of inlet treating capacity
 - Valley Wells is able to send its recovered H₂S back to Lancaster via pipeline for injection
- Sour gas treating plants are a key strategic advantage
 - Limited amount of sour gas gathering and treating service available in the area
 - Producer activity is driven by oil wells
 - Increasing sour gas production trends

Gathering and Treating Systems



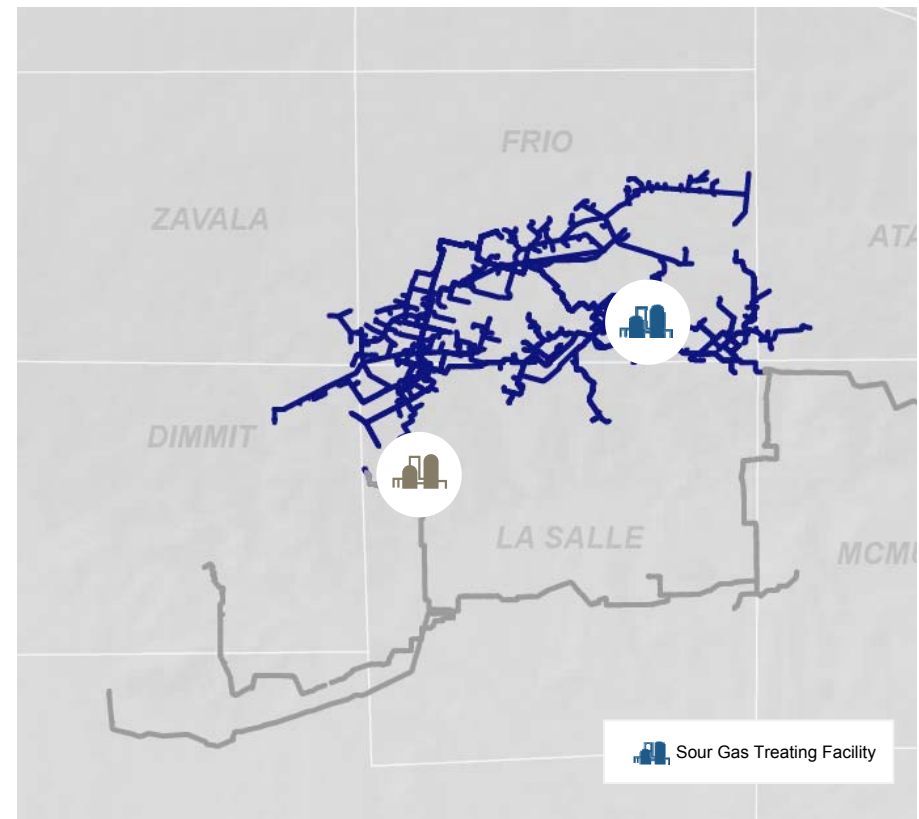
Lancaster Treating Facility and Pipelines



Overview

- Holdings operates approximately 600 miles of sweet and sour gas gathering lines located in Frio, La Salle, Zavala, Dimmit, Atascosa and McMullen Counties
 - 28,000 HP of compression
 - Acid gas injection well with ability to serve up to 300 MMcf/d of treating capacity
 - Current treating capacity of approximately 100 MMcf/d being expanded to approximately 250 MMcf/d
- Holding's Lancaster gathering system connects to the SXE rich gas system
- Significant acreage dedications totaling approximately 300,000 acres from 18 producers

Lancaster Gathering and Treating System



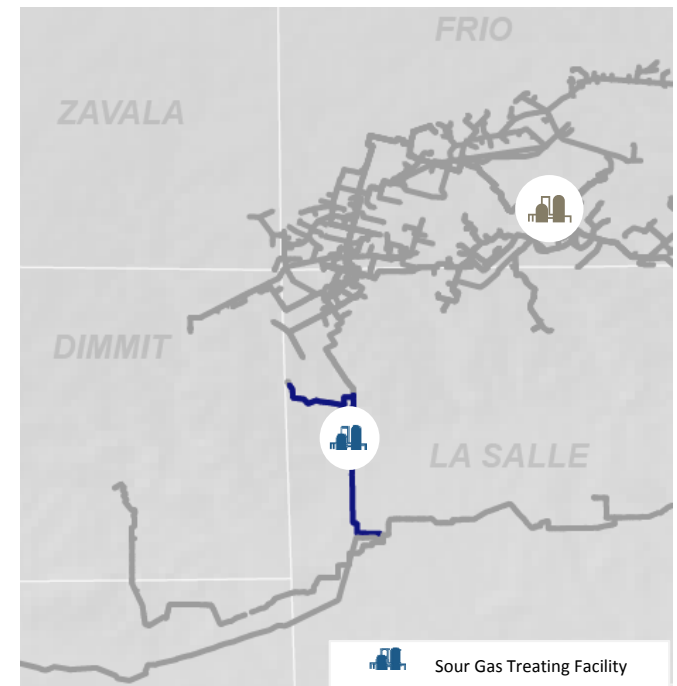
Valley Wells Treating Facility and Pipelines



Valley Wells Treating Facility

- Built to serve acreage located between Lancaster System and the rich gas system in Dimmit and La Salle Counties
 - 25,000 horsepower of compression
 - Proven ability to build and operate sour gas treating facilities and the existing acid gas injection well are significant competitive advantages
 - Current treating capacity of approximately 100 MMcf/d
- Valley Wells gathering system connects to the SXE rich gas system
- Received firm volume commitment of 35 MMcf/d which began in October 2014

Asset Map

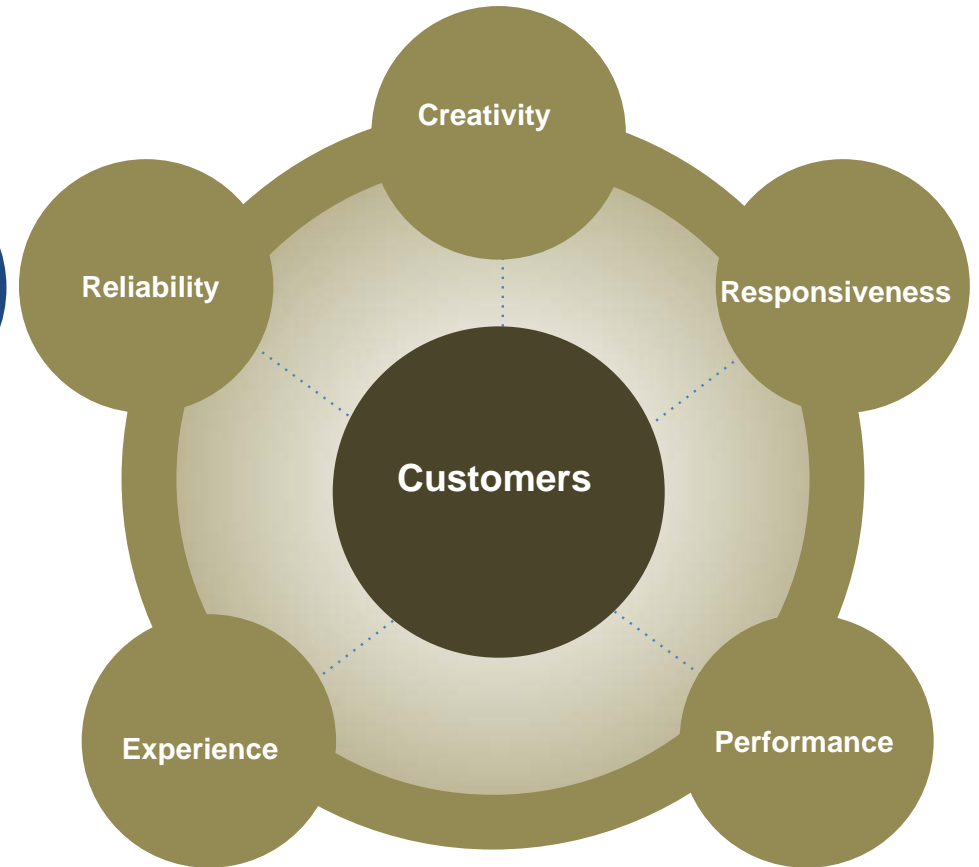


Employee and Customer Focus



Southcross employees and customers are at the heart of our operational success

Our commercial success is centered around our customers



Growth Strategy



SXE

Holdings

Fill Capacity

- Fully utilize processing capacity in 12 to 18 months

- Fill fractionator with system volumes and potential third party volumes; add sour gas to treating and gathering system

Organic Projects

- Optimization of asset base
- Potential new processing plant in 2016

- Larger projects with significant development time and ramp

Drop-downs

- Expect drop-down transaction in 2015

- Recycle capital from drop-downs to further growth

Acquisitions

- Focus on bolt-on assets in existing markets

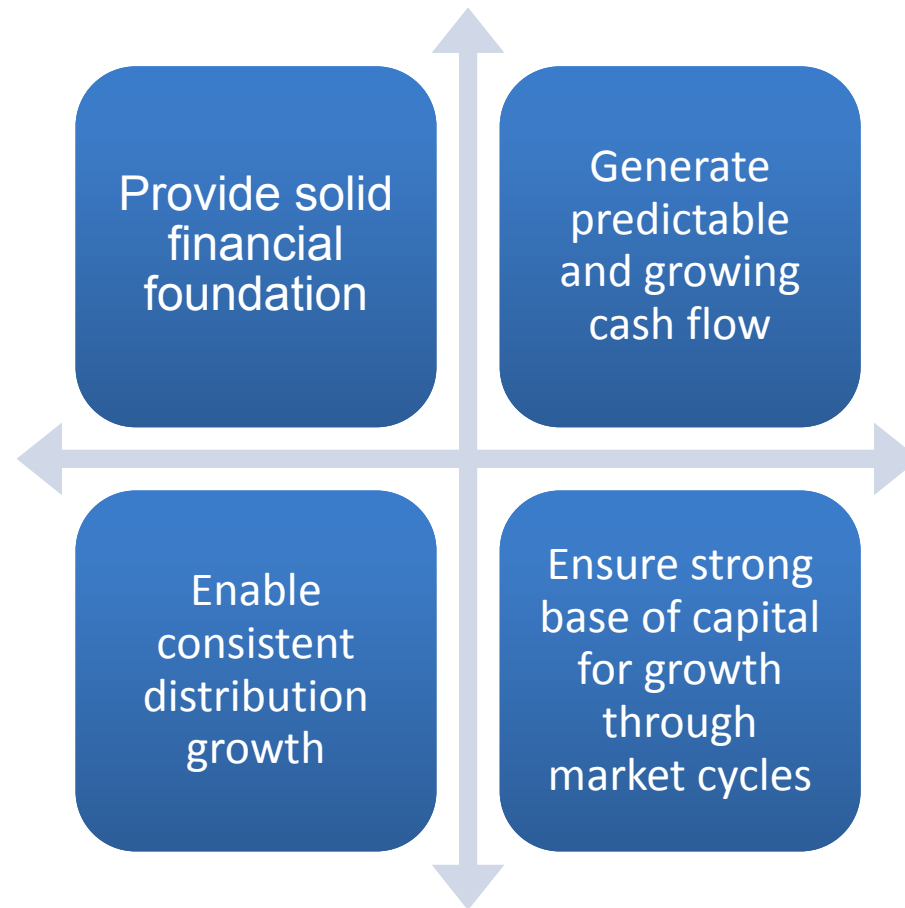
- Focus on larger and/or less developed acquisitions in existing markets; potentially move to other areas later



Financial Overview & Outlook – Michael Anderson



Financial Strategy



Provide Solid Financial Foundation



- Attractive credit facilities with long-dated maturities
 - Corporate family credit rating of B1 / B
 - \$450 million term loan B facility
 - August 2021 maturity; borrowing rate of LIBOR plus 4.25% (1.00% LIBOR floor)
 - \$200 million revolving credit facility
 - August 2019 maturity; current borrowing rate of LIBOR plus 3.25%
 - Existing debt balance is over 50% hedged
- Expect near term de-leveraging
 - Benefits from expected cash flow growth related to recent projects and acquisitions
 - Limited required growth capital expenditures in 2015
 - Adjusted EBITDA growth expected from filling existing processing capacity
- Access to capital for growth
 - Recently implemented ATM equity program
 - Expect to fund drop-downs with prudent debt/equity mix
 - Flexibility through Holding's asset and capital base

***Targeting 3.0x to 4.0x leverage ratio and 1.1x to 1.2x distribution coverage
with prudent use of equity to fund growth***

Generate Predictable and Growing Cash Flow



- Attractive contract mix with large base of minimum volume commitment contracts and producer customers driven by attractive Eagle Ford economics
- Gross operating margin¹ is becoming increasingly fixed fee oriented
- Anticipate ability to grow Adjusted EBITDA without significant growth capital
 - Filling 200 MMcf/d of current processing space can generate meaningful incremental Adjusted EBITDA:
 - \$36 million at \$0.50 per mcf/d
 - \$55 million at \$0.75 per mcf/d
 - \$73 million at \$1.00 per mcf/d
- Access to potential drop-down assets at Holdings that are already integrated with South Texas asset base

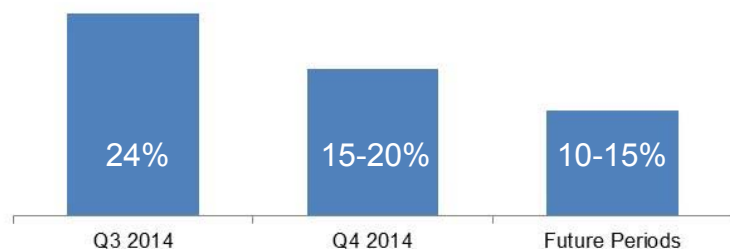
¹ We define gross operating margin as the sum of revenues less the cost of natural gas and NGLs sold.

Low Commodity Price Sensitivity



- Largely fixed fee contracts with producers provide attractive mix of fixed fee margins with some commodity sensitive upside
- Commodity price exposure primarily from NGL equity barrels created through fixed recovery processing contracts
- Commodity sensitive margins expected to decline as a portion of gross operating margin
 - Recently acquired and new contracts are largely fixed fee margins

% of Commodity Sensitive Gross Margin



Change in Gross Operating Margin vs. Change in Commodity Prices

	Change in Commodity Price			
	(20.0%)	(10.0%)	10.0%	20.0%
Natural Gas	1.5%	0.8%	(0.8%)	(1.5%)
NGLs	(5.3%)	(2.7%)	2.7%	5.3%

Analysis based upon Q4 2014 guidance forecast

Enable Consistent Distribution Growth



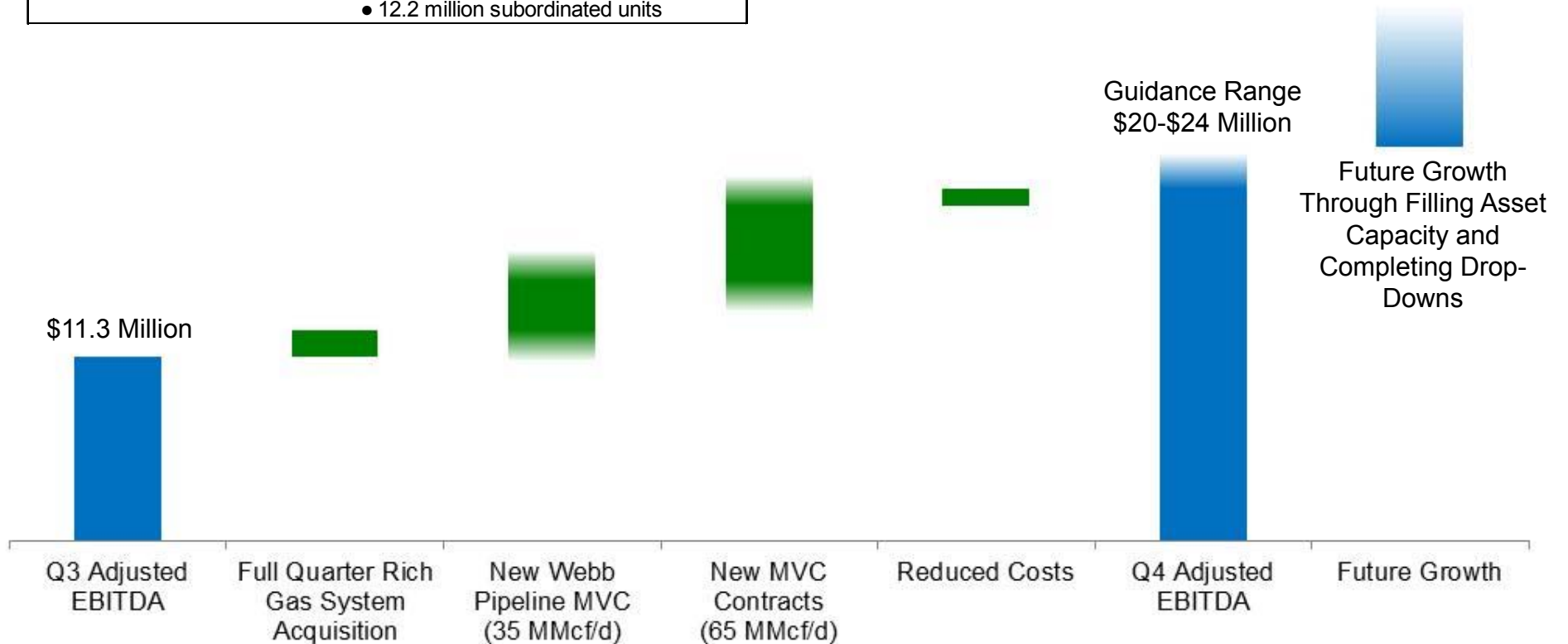
- Expected near-term path to 1.0x distribution coverage
 - Recent new minimum volume commitment contracts are expected to add \$7 million to \$8 million in full quarter Adjusted EBITDA
 - Existing base of strong producer customers is expected to continue to grow production at current commodity price levels
- Existing commitment from Holdings to forgo subordinated unit distributions while coverage is less than 1.0x provides support for common units
- Expect to fill processing plant capacity within 12 to 18 months
 - Potential to start-up new processing plant in 2016
- Supplement organic growth through expected drop-downs



Expected Path to Distribution Coverage



Quarterly Adjusted EBITDA	Distributions Covered
\$19.0 Million	\$10.0 million in quarterly distributions <ul style="list-style-type: none"> • 25.0 million common units / GP units
\$23.9 Million	\$14.9 million in quarterly distributions <ul style="list-style-type: none"> • 25.0 million common units / GP units • 12.2 million subordinated units



Holdings Profile



Holdings Asset Composition

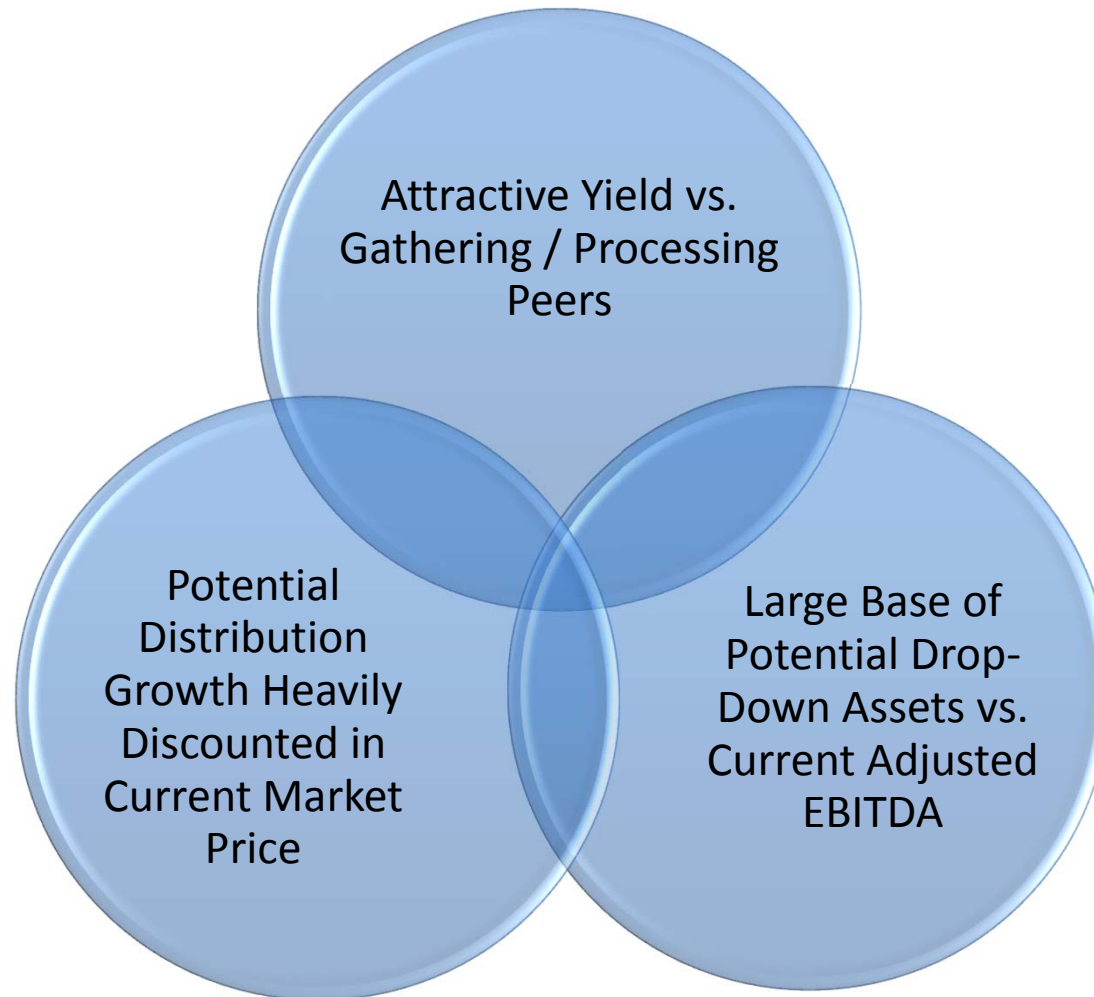
- 29.2 million SXE common / Class B Convertible PIK units
 - Market value of approximately \$440 million at \$15 per unit
- 100% of SXE General Partner units
- Operating assets with estimated value well in excess of \$1 billion

Holdings Capital Available for Growth

- Approximately \$100 million in cash
- \$50 million from unfunded revolving credit facility
- Additional capital from unfunded preferred equity commitment
- Future potential investments from strong base of private equity investors

Holdings provides an ideal platform for potential growth through existing assets and an enviable cadre of private equity energy investors

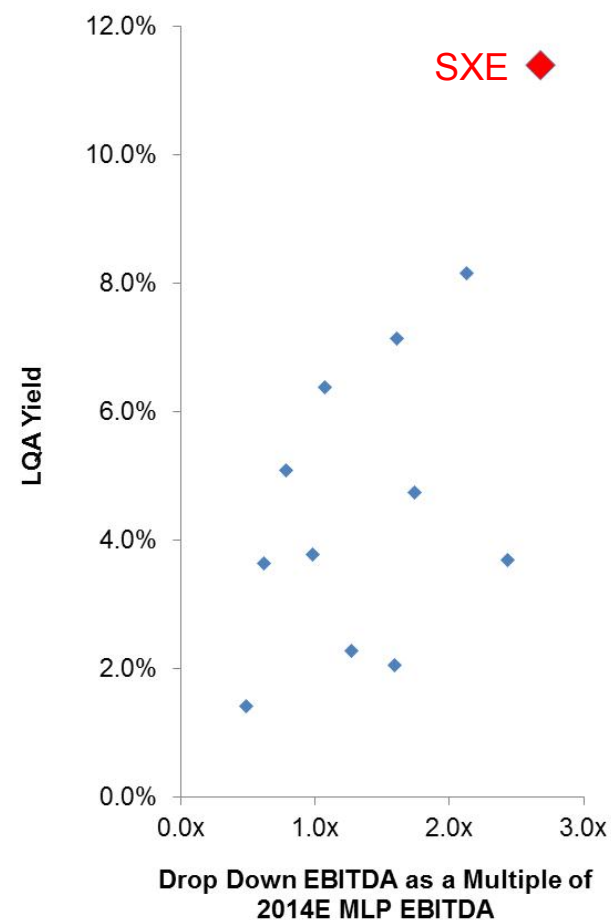
Compelling Valuation



Attractive Yield Versus Drop-Down Peers



Company	Drop Down Opportunities		Drop Down EBITDA / 2014E	LQA Yield
	EBITDA	2014E EBITDA	EBITDA	
Southcross	\$150.0+ ⁽¹⁾	\$56.0 ⁽²⁾	2.7x	11.4%
Valero	850.0	69.0	12.4x	2.0%
Phillips 66	1,500.0	136.0	11.0x	2.5%
MPLX	800.0	168.0	4.8x	2.0%
Western Refining Logistics	175.0	72.0	2.4x	3.7%
Midcoast Energy	200.0	94.0	2.1x	8.2%
Summit	350.0	201.0	1.7x	4.8%
Oiltanking	300.0	188.0	1.6x	2.1%
QEP Midstream	150.0	93.0	1.6x	7.2%
EQT Midstream	325.0	256.0	1.3x	2.3%
DCP Midstream	555.0	519.0	1.1x	6.4%
Rose Rock	115.0	117.0	1.0x	3.8%
EnLink	400.0	511.0	0.8x	5.1%
Western Gas	400.0	649.0	0.6x	3.7%
Tesoro	150.0	308.0	0.5x	1.4%

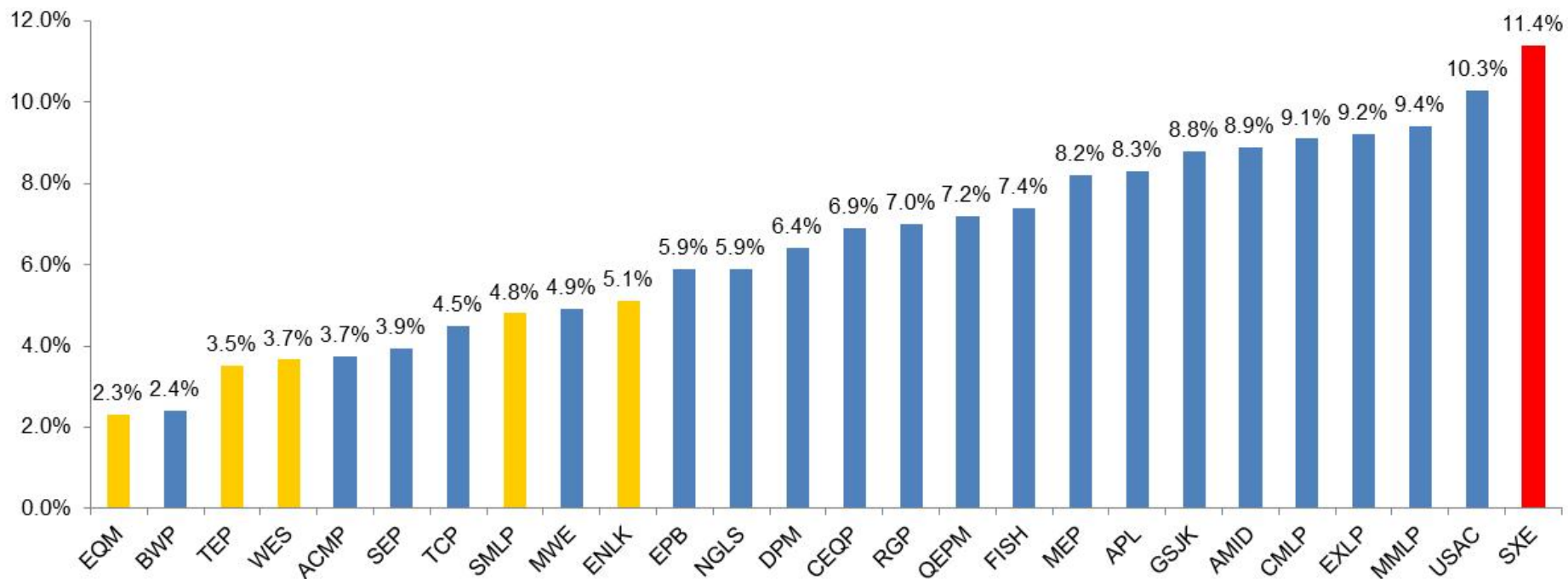


Source: Goldman Sachs; company research

(1) Company estimates of Adjusted EBITDA at time of potential drop-down

(2) 2014E Adjusted EBITDA based upon mid-point of \$20 - \$24 million Q4 Adjusted EBITDA guidance range

Opportunity for Unit Price Appreciation



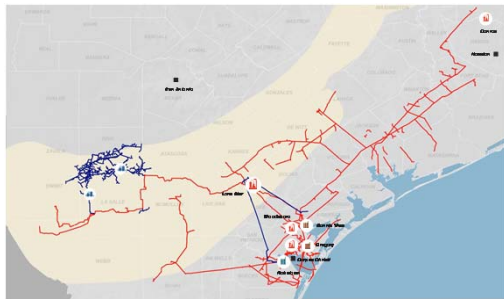
Note: As of market close December 4, 2014; gold shading denotes peers with significant assets at GP level



Summary – David Biegler



The Southcross Advantage



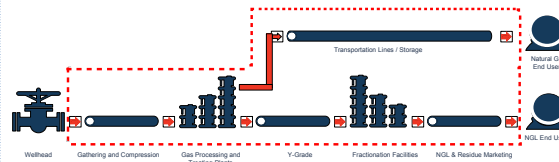
Premier Strategic Platform in the Eagle Ford

Significant scale of pipeline and processing assets

Operating stability through interconnected system

Extensive footprint in the prolific Eagle Ford and Gulf Coast areas

Blue chip, active producer customer base



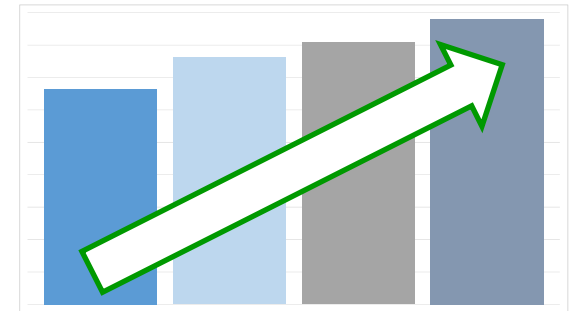
Fully Integrated Midstream Platform

Full spectrum of services creates competitive and economic advantages

Fractionation assets are a significant differentiator

Premium and growing markets for gas, NGLs and condensate

Corpus Christi region is growing rapidly and serves new export markets



Four Drivers of Growth

Fully utilize existing capacity

Develop organic growth projects

Drop-downs

Acquisitions



Appendix



Reconciliation to Adjusted EBITDA



(Dollars in Thousands)

Three Months Ended,

	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014
Reconciliation of net loss to Adjusted EBITDA:					
Net (loss) income	\$ (4,069)	\$ 674	\$ (1,289)	\$ (2,961)	\$ (24,778)
Add (deduct):					
Depreciation and amortization expense	9,447	8,590	8,528	8,978	11,629
Interest expense	3,587	3,855	2,973	1,771	4,596
Loss on extinguishment of debt	-	-	-	-	2,316
Unit-based compensation	552	542	529	1,082	609
Income tax (benefit) expense	125	(19)	8	56	69
Unrealized (gain) loss	-	(120)	(32)	175	207
Revenue deferral adjustment	-	-	1,182	444	444
Gain on sale of assets	-	(25)	-	(45)	-
Loss on asset disposal	-	-	4	-	334
Major litigation costs, net of recoveries	-	517	273	630	488
Transaction-related costs	-	-	303	4	10,506
Equity in losses of joint venture investments	-	-	-	-	3,308
Impairment of assets	-	-	-	-	1,556
Other, net	20	24	18	44	-
Adjusted EBITDA	\$ 9,662	\$ 14,038	\$ 12,497	\$ 10,178	\$ 11,284