

OPPORTUNITY



OUR VISION:

**WE WILL BE THE
BEST MIDSTREAM
ENERGY SOLUTIONS
PROVIDER.**

OUR MISSION:

TO PROVIDE MIDSTREAM ENERGY SERVICES
TO IMPROVE THE QUALITY OF BUSINESS
FOR OUR CUSTOMERS, THE QUALITY
OF LIFE FOR OUR EMPLOYEES AND THE
RETURNS FOR OUR STAKEHOLDERS.

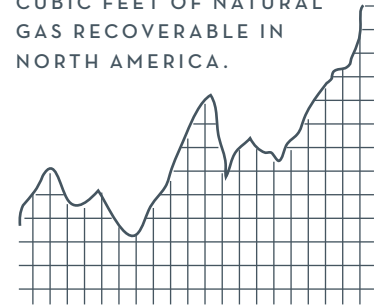


WHO WE ARE *Well Positioned for the Future*

Crosstex Energy is a Dallas-based midstream natural gas company engaged in the gathering, transmission, processing and fractionation of natural gas and natural gas liquids. We own and operate 3,300 miles of pipeline, nine processing plants and three fractionators, providing services for 3.2 billion cubic feet of natural gas per day, or about six percent of marketed U.S. daily production. There are abundant natural gas reserves in the United States that have yet to be developed. As a midstream company that links producers who explore for and produce gas with consuming markets, Crosstex is well positioned to take advantage of this attractive growth opportunity for years to come.

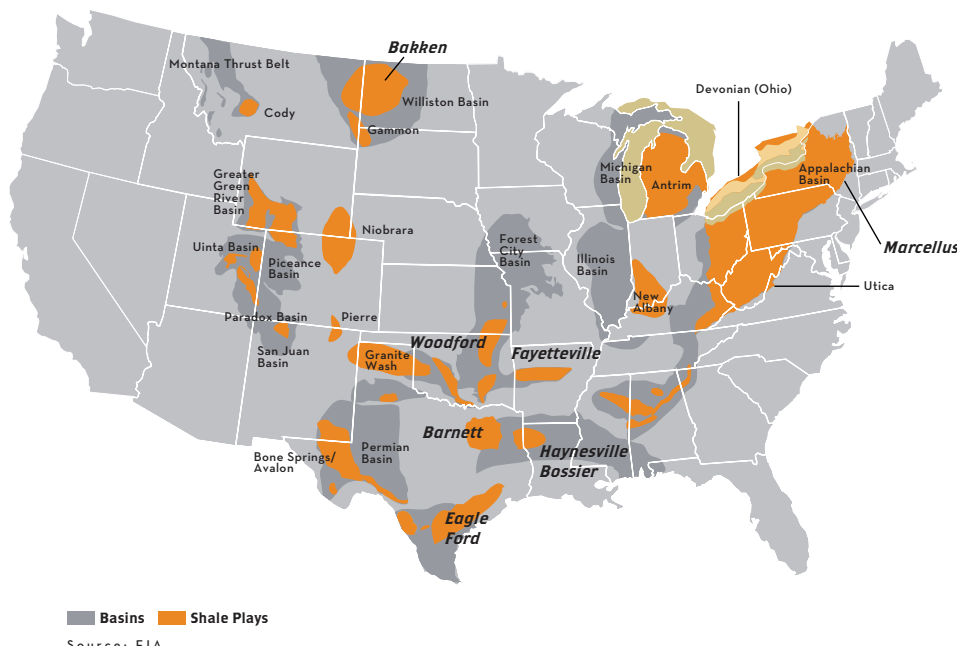
2,000 TRILLION*

BY SOME ESTIMATES, THERE ARE 2,000 TRILLION CUBIC FEET OF NATURAL GAS RECOVERABLE IN NORTH AMERICA.



**Shell: Gas is Quickest Route to Lower CO₂ Emissions, Platts Gas Daily, February 16, 2011*

WELL POSITIONED *for Opportunities*



CROSSTEX'S 2011 GROWTH INITIATIVES INCLUDE:

1. Taking advantage of the abundant opportunities in and around our existing assets in North Texas and Louisiana.
2. Aggressively pursuing infrastructure needs in the emerging liquids-rich shale plays where producer activity is focused.
3. Increases in natural gas liquids (NGL) production will create new opportunities for us to better utilize and grow our existing NGL assets in Louisiana, where we have NGL fractionation and storage capacity, and access to key Louisiana NGL markets.
4. Evaluating opportunities to acquire assets that are synergistic with our existing assets or that provide a point of entry into a new geographic location.

HOW TO INVEST *XTEX or XTXI?*

Crosstex offers two equity securities for investment. The public can purchase either units in Crosstex Energy, L.P. (NASDAQ: XTEX) or shares in Crosstex Energy, Inc. (NASDAQ: XTXI).

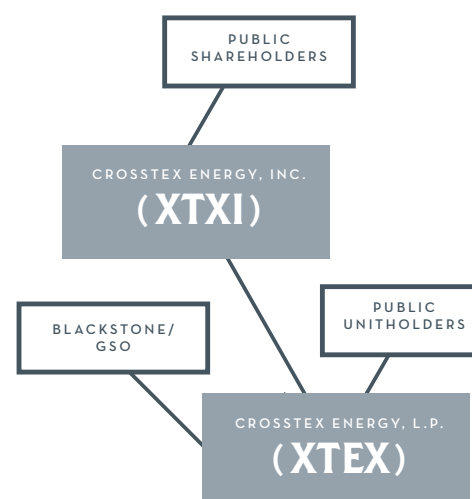
XTEX is a master limited partnership, or MLP, that owns the operating assets of our business. MLPs generally are not subject to federal income tax, and items of income, gain, loss and deduction are passed through to the partners.

XTXI is a holding company and the general partner of XTEX. XTXI's assets consist almost exclusively of partnership interests in XTEX. XTXI owns the two percent general partner interest, 25 percent of its limited partner units and 100 percent of its incentive distribution rights (escalating rights to share in XTEX's cash distributions when quarterly distributions exceed \$0.25 per common unit).

XTXI is structured as a typical "C" corporation. This business model provides institutions that are hesitant to make direct MLP investments with a way to participate in XTEX's growth through common share ownership.

THE DEVELOPMENT AND GROWTH OF SHALE PLAYS, ALONG WITH GROWTH IN POWER DEMAND ACROSS THE U.S., IS ESTIMATED TO CREATE \$6-10 BILLION ANNUALLY IN MIDSTREAM INFRASTRUCTURE NEEDS OVER THE NEXT SEVERAL YEARS.*

**American Oil & Gas Reporter, October 2010*



NASDAQ Symbols:

XTEX (MLP)
XTXI (Corporation)



EXCELLENCE

ETHICS

**EMPLOYEE
FOCUS**

ENTHUSIASM





2501 CEDAR SPRINGS, SUITE 100 | DALLAS, TEXAS 75201 | 214 953 9500 | WWW.CROSSTEXENERGY.COM

NASDAQ Symbols XTEX (MLP) | TXI (Corporation)



THANK YOU *From All of Us at Crosstex*

Over the past two years, we've worked hard to strengthen our company foundation by increasing liquidity, reducing debt, improving the predictability and reliability of our cash flow, and enhancing our profitability. We have posted eight consecutive quarters of EBITDA growth, and the company's EBITDA increased approximately 50 percent during that period. In early 2010, Blackstone/GSO, one of the world's most respected investment and advisory firms, purchased a 22 percent interest in Crosstex, a strong vote of confidence in the company and our future. We then completed a successful recapitalization that allowed us to repay our borrowings and create a long-term financial structure with greater flexibility. Today we have a solid balance sheet with no near-term debt maturities and no significant outstanding debt on our revolver. Further, we continue to conduct our business according to conservative financial guidelines – managing risk and reducing leverage.

One of our most important achievements in 2010 was the resumption of our quarterly distribution and dividend for the third quarter. We worked hard to restore these payments for investors, which we believe strategically positions us for the future. In January 2011, we increased the payments, affirming our commitment to continue to grow these payments to our investors.

Today Crosstex is a lean, efficient company focused on performance and growth. We have many competitive advantages, the most significant of which is our premier asset locations in North Texas and Louisiana. In these regions, there are numerous opportunities for incremental expansion as we identify and invest in low-cost, high-return projects. We are encouraged by the opportunities generated by our business development teams, both in and beyond our core operating areas. These include emerging shale plays, where we will focus on natural gas liquids activity using our existing infrastructure.

Looking ahead, we believe this year will be filled with abundant opportunities for Crosstex. In this robust industry environment, there are billions of dollars of capital being invested in the midstream sector, and we are confident Crosstex will participate in this development.

As a company, we are well positioned, well capitalized and well managed with a dedicated, seasoned workforce that's one of the best in the industry. We are committed to Being the Best midstream energy solutions provider. On behalf of the entire Crosstex team, thank you for your continued support.



Barry E. Davis

PRESIDENT & CEO



WE ARE STRONG BELIEVERS IN NATURAL GAS AS A CLEAN ENERGY ALTERNATIVE FOR GENERATIONS TO COME.

— *Barry E. Davis*
PRESIDENT & CEO

Management Team

BARRY E. DAVIS
President & Chief Executive Officer

WILLIAM W. DAVIS
Executive Vice President & Chief Financial Officer

JOE A. DAVIS
Executive Vice President & General Counsel

MICHAEL S. BURDETT
Senior Vice President, Commercial

MICHAEL J. GARBERDING
Senior Vice President, Business Development & Finance

JAMES S. GOLEMON
Senior Vice President, Engineering & Operations

JENNIFER K. JOHNSON
Senior Vice President, Human Resources
& Organizational Development

STEVE R. SPAULDING
Senior Vice President of Processing & NGLs



STRONG BALANCE SHEET

Well Positioned for Financial Stability

We Are:

- Well capitalized with a strong balance sheet, no significant near-term debt maturities, and over \$300 million of liquidity
- Focused on growing our cash flows by reducing costs, maximizing operating efficiencies, and investing in high-return projects
- Committed to conservative financial guidelines governing distributions, capitalization, and investment decisions
- Emphasizing growth in our distributions and dividends to our investors

FORECAST FOR TOTAL YEAR 2011-RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA & DISTRIBUTABLE CASH FLOW*

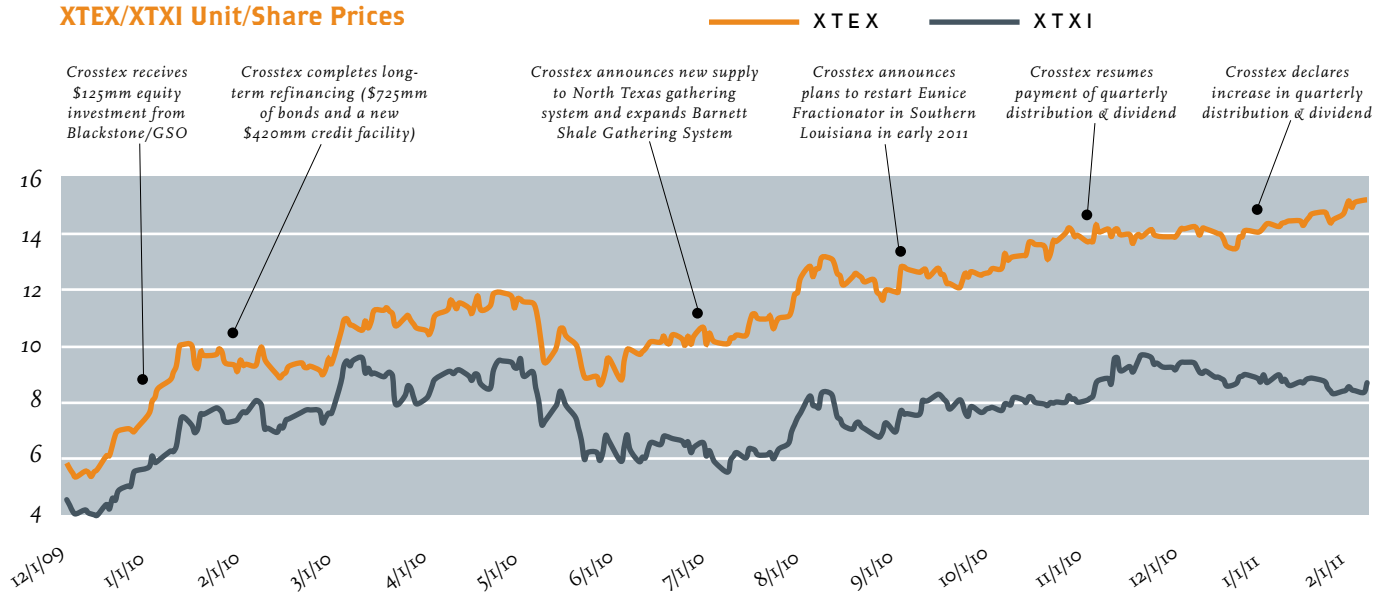
(Amounts in millions except prices & ratios)

	TOTAL YEAR 2011	
	Low	High
Net Income	\$ (27)	\$ 4
Depreciation & amortization	119	119
Stock-based compensation	8	8
Interest expense	83	82
Taxes and other	2	2
Adjusted EBITDA*	\$ 185	\$ 215
Interest expense	(83)	(82)
Cash taxes & other	(2)	(2)
Maintenance capital expenditures	(14)	(11)
Distributable cash flow*	\$ 86	\$ 120
Growth Capital	\$ 50	\$ 150

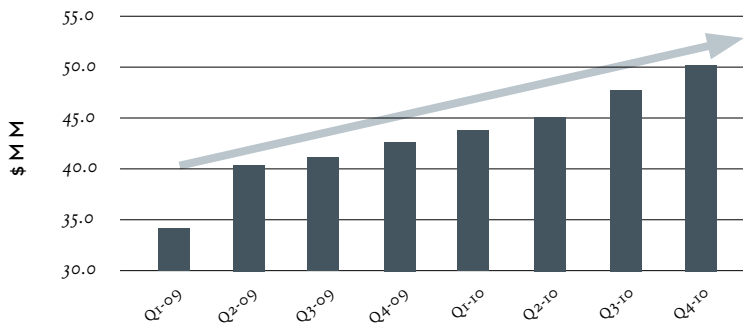
Key Assumptions for Forecast		
Weighted Avg. Liquids Price (\$/gal.)	\$ 0.83	\$ 1.18
Crude (\$/Bbl)	\$ 60.21	\$ 85.69
Natural Gas (\$/MMBtu)	\$ 4.50	\$ 3.50
Natural Gas Liquids to Gas Ratio	208.5%	381.6%

*Adjusted EBITDA and Distributable cash flow are non-GAAP financial measures.

XTEX/XTXI Unit/Share Prices



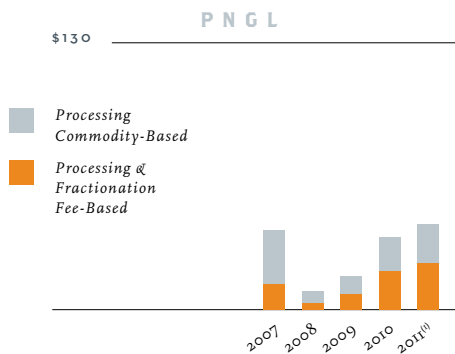
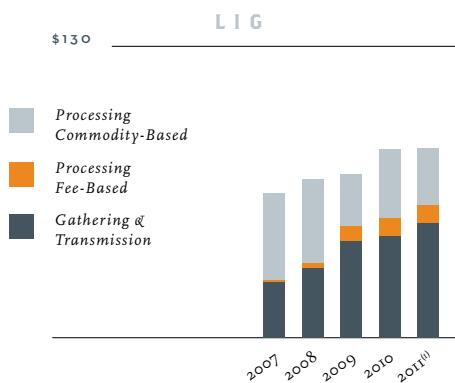
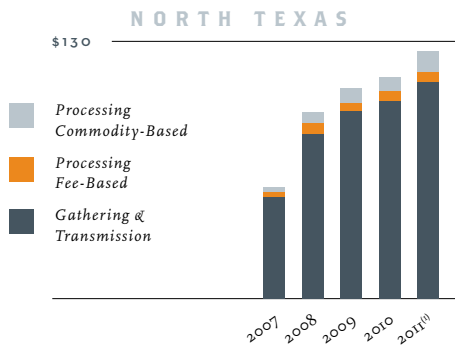
Quarterly Adjusted EBITDA*



*Adjusted EBITDA excludes discontinued operations and is a non-GAAP financial measure



SEGMENT PROFIT SUMMARY & SEGMENT PROFIT MIX ⁽²⁾ (\$ MM)

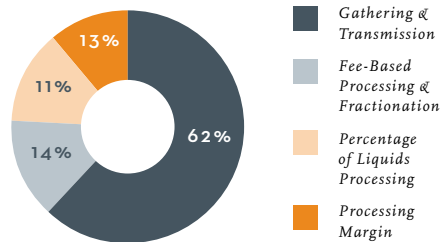


78%

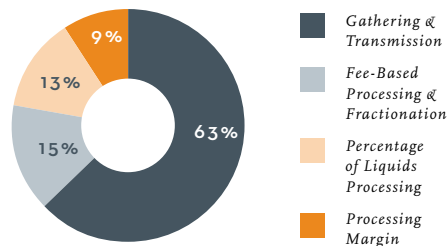
NON-COMMODITY-BASED MARGINS HAVE INCREASED FROM ≈68% IN 2008 TO AN ESTIMATED 78% IN 2011.

(GUIDANCE)

GROSS OPERATING MARGIN BY CONTRACT TYPE ⁽²⁾ 2010 (ACTUAL)



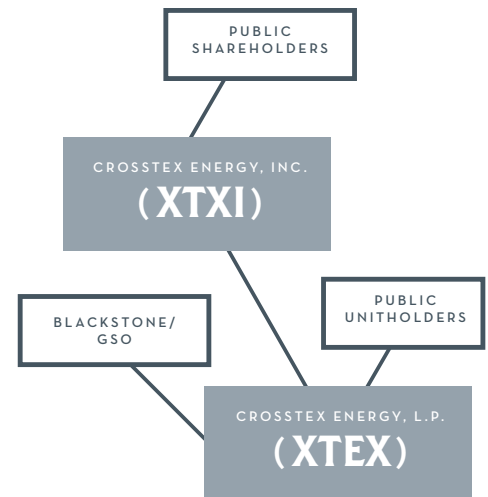
GROSS OPERATING MARGIN BY CONTRACT TYPE ⁽²⁾ 2011 (GUIDANCE) ⁽¹⁾



This report contains forward-looking statements within the meaning of the federal securities laws. These statements include, but are not limited to, the forecast of our financial results. Such statements are subject to a number of assumptions, risks and uncertainties. We have no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

(1) 2011 represents mid-point of guidance

(2) Segment Profit and Gross Operating Margin are non-GAAP financial measures. A reconciliation to GAAP measures can be found in our form 10-K for the year ended December 31, 2010.



NASDAQ Symbols:

XTEX (MLP)
XTXI (Corporation)

How to Invest

Crosstex offers two equity securities for investment. The public can purchase either units in Crosstex Energy, L.P. (NASDAQ: XTEX) or shares in Crosstex Energy, Inc. (NASDAQ: XTXI).

XTEX is a master limited partnership, or MLP, that owns the operating assets of our business. MLPs generally are not subject to federal income tax, and items of income, gain, loss and deduction are passed through to the partners.

XTXI is a holding company and the general partner of XTEX. XTXI's assets consist almost exclusively of partnership interests in XTEX. XTXI owns the two percent general partner interest, 25 percent of its limited partner units and 100 percent of its incentive distribution rights (escalating rights to share in XTEX's cash distributions when quarterly distributions exceed \$0.25 per common unit).

XTXI is structured as a typical "C" corporation. This business model provides institutions that are hesitant to make direct MLP investments with a way to participate in XTEX's growth through common share ownership.



ASSETS *Where We Operate*

Our strategically located assets are well positioned for opportunity in the Barnett and Haynesville shales and the Louisiana Gulf Coast. We believe our future holds significant opportunity for us as we focus on growth in these prolific, energy-rich regions as well as other regions in the U.S.

5.4 BCFD*

THE BARNETT SHALE IS NOW PRODUCING AT AN ALL-TIME HIGH OF 5.4 BCFD.

**Powell Shale Digest*





CAPABILITIES *What We Do*

FOR ON-SYSTEM PRODUCERS:

We connect gas wells to our pipeline gathering systems; treat gas for removal of contaminants; process gas for the removal of natural gas liquids (NGL); fractionate NGL into valuable by-products for resale; and transport gas to end-users.

We purchase and sell gas on producers' behalf for resale to utilities, industrial consumers, and other marketers and pipelines.

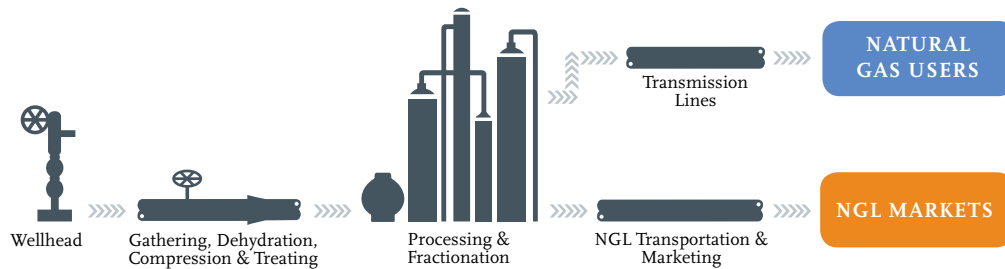
FOR OFF-SYSTEM PRODUCERS:

We purchase their gas for resale and sell it for them. We also fractionate NGL and transport third-party gas to end-use markets.

FOR INTERSTATE PIPELINES:

We process gas they've transported to our facilities and transport gas to other interstate pipelines.

HOW WE WORK:



Responsive Service Maintaining an open flow of communication is essential in this business. That's why each of our customers is assigned a dedicated Crosstex Representative, who acts as their direct line of communication on all issues from well connects to payment.

Efficient Operations Our Operations Personnel are second to none. With a focus on maximum efficiency, professional service and timely responses, we take responsibility for your valuable resources, treating your gas like our own.

Engineering Expertise We seek out the best and brightest in the industry for our Engineering Team – and our customers and stakeholders reap the benefits. Crosstex in-house engineering capabilities include design and construction services for pipelines, compression, measurement, treating and processing facilities.

Commercial Capabilities Crosstex has tremendous experience with large shale developments. We have the organizational capabilities, the right people and the systems to support your business. Through our experienced Commercial Team, we have the flexibility to structure customized deal terms to suit the needs of our customers.