Oiltanking Partners, L.P.
Form DEFM14A
January 09, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Section 240.14a-12

Oiltanking Partners L.P.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

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Dear Oiltanking Partners, L.P. Unitholders:

On November 11, 2014, Enterprise Products Partners L.P. (Enterprise), Enterprise Products Holdings LLC (Enterprise GP), which is the general partner of Enterprise, EPOT MergerCo LLC (MergerCo), which is a wholly owned subsidiary of Enterprise, Oiltanking Partners, L.P. (Oiltanking), and OTLP GP, LLC (Oiltanking GP), which is the general partner of Oiltanking, entered into an Agreement and Plan of Merger (the merger agreement). Pursuant to the merger agreement, MergerCo will merge with and into Oiltanking (the merger), with Oiltanking surviving the merger as an indirect wholly owned subsidiary of Enterprise, and all outstanding common units representing limited partner interests in Oiltanking at the effective time of the merger (Oiltanking common units) held by the Oiltanking public unitholders (which consist of Oiltanking unitholders other than Enterprise and its subsidiaries) will be cancelled and converted into the right to receive common units representing limited partner interests in Enterprise (Enterprise common units) based on an exchange ratio of 1.30 Enterprise common units for each Oiltanking common unit. No fractional Enterprise common units will be issued in the merger, and Oiltanking public unitholders will, instead, receive cash in lieu of fractional Enterprise common units, if any.

Pursuant to the merger agreement and Oiltanking s partnership agreement, a majority of the outstanding Oiltanking common units must vote in favor of the proposal in order for it to be approved. Pursuant to a support agreement between Oiltanking, Enterprise and Enterprise Products Operating LLC (EPO) executed in connection with the merger agreement, Enterprise and EPO have agreed to vote any Oiltanking common units owned by them or their subsidiaries in favor of adoption of the merger agreement and the merger, including the 54,799,604 Oiltanking common units currently directly owned by EPO (representing approximately 66% of the outstanding Oiltanking common units), at any meeting of Oiltanking unitholders, which is sufficient to approve the merger agreement and the merger under the merger agreement and Oiltanking s partnership agreement. Oiltanking has scheduled a special meeting of its unitholders to vote on the merger agreement and the merger on February 13, 2015 at 8:00 a.m., local time, at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002. **Regardless of the number of units you own or whether you plan to attend the meeting, it is important that your common units be represented and voted at the meeting. Voting instructions are set forth inside this proxy statement/prospectus**.

The Conflicts Committee (Oiltanking Conflicts Committee) of the Oiltanking GP board of directors (the Oiltanking Board) has determined unanimously that the merger agreement and the transactions contemplated thereby are advisable, fair and reasonable to and in the best interests of Oiltanking and the Oiltanking unaffiliated unitholders, and it approved the merger agreement, the execution, delivery and performance by Oiltanking of the merger agreement and the transactions contemplated thereby, which constituted Special Approval under Oiltanking s partnership agreement. The Oiltanking Conflicts Committee also recommended that the Oiltanking Board approve the merger agreement, the execution, delivery and performance by Oiltanking of the merger agreement and the transactions contemplated thereby and submit the merger agreement to the Oiltanking unitholders for approval at a meeting, and further recommended that the holders of Oiltanking common units approve the merger agreement and the merger. The Oiltanking Board has determined unanimously that the merger agreement and the transactions contemplated thereby are fair and reasonable to and in the best interests of Oiltanking and the holders of Oiltanking common units, approved the merger agreement, the execution, delivery and performance by Oiltanking of the merger agreement and the transactions contemplated thereby, directed that the merger agreement be submitted to the Oiltanking unitholders for approval at a meeting of such unitholders for the purpose of approving the merger agreement

and the merger and recommended that the holders of Oiltanking common units approve the merger agreement and the merger.

This proxy statement/prospectus provides you with detailed information about the proposed merger and related matters. Oiltanking encourages you to read the entire document carefully. **In particular, please read Risk Factors beginning on page 31 of this proxy statement/prospectus for a discussion of risks relevant to the merger and Enterprise s business following the merger.**

Enterprise s common units are listed on the New York Stock Exchange (NYSE) under the symbol EPD, and Oiltanking s common units are listed on the NYSE under the symbol OILT. The last reported sale price of Enterprise s common units on the NYSE on January 8, 2015 was $34.44. The last reported sale price of Oiltanking common units on the NYSE on January 8, 2015 was $44.47.

Laurie H. Argo

President and Chief Executive Officer

OTLP GP, LLC

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or has determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

All information in this document concerning Enterprise has been furnished by Enterprise. All information in this document concerning Oiltanking has been furnished by Oiltanking. Enterprise has represented to Oiltanking, and Oiltanking has represented to Enterprise, that the information furnished by and concerning it is true and correct in all material respects.

This proxy statement/prospectus is dated January 9, 2015 and is being first mailed to Oiltanking unitholders on or about January 15, 2015.

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Houston, Texas

January 9, 2015

Notice of Special Meeting of Unitholders

To the Unitholders of Oiltanking Partners, L.P.:

A special meeting of unitholders of Oiltanking Partners, L.P. (Oiltanking) will be held on February 13, 2015 at 8:00 a.m., local time, at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002, for the following purposes:

To consider and vote upon the approval of the Agreement and Plan of Merger dated as of November 11, 2014, by and among Enterprise Products Partners L.P. (Enterprise), Enterprise Products Holdings LLC, EPOT MergerCo LLC, Oiltanking and OTLP GP, LLC (Oiltanking GP), as it may be amended from time to time (the merger agreement), and the merger contemplated by the merger agreement (the merger); and

To transact such other business as may properly be presented at the meeting or any adjournments or postponements of the meeting.

Pursuant to the merger agreement and Oiltanking s partnership agreement, a majority of the outstanding common units representing limited partner interests in Oiltanking (the Oiltanking common units) must vote in favor of the proposal in order for it to be approved. Failures to vote, abstentions and broker non-votes will have the same effect as a vote against the proposal for purposes of the vote by the Oiltanking unitholders required under the merger agreement and Oiltanking s partnership agreement.

Pursuant to a support agreement (the support agreement) between Oiltanking, Enterprise and Enterprise Products Operating LLC (EPO), a wholly owned subsidiary of Enterprise, executed in connection with the merger agreement, Enterprise and EPO have agreed to vote any Oiltanking common units owned by them or their subsidiaries in favor of adoption of the merger agreement and the merger at any meeting of Oiltanking unitholders. EPO currently owns 54,799,604 Oiltanking common units representing approximately 66% of the outstanding Oiltanking common units), which is sufficient to approve the merger agreement and the merger under the merger agreement and Oiltanking s partnership agreement.

The Conflicts Committee (Oiltanking Conflicts Committee) of the Oiltanking GP board of directors (the Oiltanking Board) has determined unanimously that the merger agreement and the transactions contemplated thereby are advisable, fair and reasonable to and in the best interests of Oiltanking and the Oiltanking unaffiliated unitholders, and it approved the merger agreement, the execution, delivery and performance by Oiltanking of the merger agreement and the transactions contemplated thereby, which constituted Special Approval under Oiltanking s partnership agreement. The Oiltanking Conflicts Committee also recommended that the Oiltanking Board approve the merger agreement, the execution, delivery and performance by Oiltanking of the merger agreement and the transactions contemplated thereby and submit the merger agreement to the Oiltanking unitholders for approval at a meeting, and further recommended that the holders of Oiltanking common units approve the merger agreement and the merger. The Oiltanking Board has determined unanimously that the merger agreement and the transactions contemplated thereby are fair and reasonable to and in the best interests of Oiltanking and the holders of Oiltanking common units, approved the

merger agreement, the execution, delivery and performance by Oiltanking of the merger agreement and the transactions contemplated thereby, directed that the merger agreement be submitted to the Oiltanking unitholders for approval at a meeting of such unitholders for the purpose of approving the merger agreement and the merger and recommended that the holders of Oiltanking common units approve the merger agreement and the merger.

Only unitholders of record at the close of business on January 2, 2015 are entitled to notice of and to vote at the meeting and any adjournments or postponements of the meeting. A list of unitholders entitled to vote at the meeting will be available for inspection at Oiltanking s offices in Houston, Texas for any purpose relevant to the meeting during normal business hours for a period of 10 days before the meeting and at the meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE VOTE OR SUBMIT YOUR PROXY IN ONE OF THE FOLLOWING WAYS. If you hold your units in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee when voting your Oiltanking common units. If you hold your units in your own name, you may vote by:

using the toll-free telephone number shown on the proxy card;

using the Internet website shown on the proxy card; or

marking, signing, dating and promptly returning the enclosed proxy card in the postage-paid envelope. It requires no postage if mailed in the United States.

By order of the Board of Directors of OTLP GP, LLC, as the general partner of Oiltanking Partners, L.P.

Laurie H. Argo

President and Chief Executive Officer

OTLP GP, LLC

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IMPORTANT NOTE ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission, which is referred to as the SEC or the Commission, constitutes a proxy statement of Oiltanking under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, with respect to the solicitation of proxies for the special meeting of Oiltanking unitholders to, among other things, approve the merger agreement and the merger. This proxy statement/prospectus is also a prospectus of Enterprise under Section 5 of the Securities Act of 1933, as amended, which is referred to as the Securities Act, for Enterprise common units that will be issued to Oiltanking unitholders in the merger pursuant to the merger agreement.

As permitted under the rules of the SEC, this proxy statement/prospectus incorporates by reference important business and financial information about Enterprise and Oiltanking from other documents filed with the SEC that are not included in or delivered with this proxy statement/prospectus. Please read Where You Can Find More Information beginning on page 142. You can obtain any of the documents incorporated by reference into this document from the SEC s website at *http://www.sec.gov*. This information is also available to you without charge upon your request in writing or by telephone from Enterprise or Oiltanking, as the case may be, at the following addresses and telephone numbers:

Enterprise Products Partners L.P.	Oiltanking Partners, L.P.
1100 Louisiana Street, 10th Floor	1100 Louisiana Street, 10th Floor
Attention: Investor Relations	Attention: Investor Relations
Houston, Texas 77002	Houston, Texas 77002
Telephone: (713) 381-6500	Telephone: (713) 381-6500

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or this proxy statement/prospectus.

You may obtain certain of these documents at Enterprise s website, *www.enterpriseproducts.com*, by selecting Investors and then selecting SEC Filings, and at Oiltanking s website, *www.oiltankingpartners.com*, by selecting Investor Relations and then selecting SEC Filings. Information contained on Oiltanking s and Enterprise s websites is expressly not incorporated by reference into this proxy statement/prospectus.

In order to receive timely delivery of requested documents in advance of the Oiltanking special meeting of unitholders, your request should be received no later than February 5, 2015. If you request any documents, Enterprise or Oiltanking will mail them to you by first class mail, or another equally prompt means, within one business day after receipt of your request.

Enterprise and Oiltanking have not authorized anyone to give any information or make any representation about the merger, Enterprise or Oiltanking that is different from, or in addition to, that contained in this proxy statement/prospectus or in any of the materials that have been incorporated by reference into this proxy statement/prospectus. Therefore, if anyone distributes this type of information, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this proxy statement/prospectus or the solicitation of proxies is unlawful, or you are a person to whom it is

unlawful to direct these types of activities, then the offer presented in this proxy statement/prospectus does not extend to you. The information contained in this proxy statement/prospectus speaks only as of the date of this proxy statement/prospectus, or in the case of information in a document incorporated by reference, as of the date of such document, unless the information specifically indicates that another date applies. All information in this document concerning Enterprise has been furnished by Enterprise. All information in this document concerning Oiltanking has been furnished by Oiltanking. Enterprise has represented to Oiltanking, and Oiltanking has represented to Enterprise, that the information furnished by and concerning it is true and correct in all material respects.

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PROXY STATEMENT/PROSPECTUS

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DEFINITIONS

The following terms have the meanings set forth below for purposes of this proxy statement/prospectus, unless the context otherwise indicates:

Enterprise means Enterprise Products Partners L.P., a Delaware limited partnership.

Enterprise Board means the board of directors of Enterprise GP.

Enterprise GP means Enterprise Products Holdings LLC, a Delaware limited liability company and the general partner of Enterprise.

Enterprise unaffiliated unitholders means Enterprise unitholders other than those controlling, controlled by or under common control with Enterprise GP.

EPCO means Enterprise Products Company, a Texas corporation.

EPO means Enterprise Products Operating LLC, a Texas limited liability company.

MergerCo means EPOT MergerCo LLC, a Delaware limited liability company and wholly owned subsidiary of Enterprise.

Oiltanking means Oiltanking Partners, L.P., a Delaware limited partnership.

Oiltanking Board means the board of directors of Oiltanking GP.

Oiltanking Conflicts Committee means the Conflicts Committee of the Oiltanking Board.

Oiltanking GP means OTLP GP, LLC, a Delaware limited liability company and the general partner of Oiltanking.

Oiltanking public unitholders means the Oiltanking unitholders other than Enterprise and its subsidiaries.

Oiltanking unaffiliated unitholders means the Oiltanking unitholders other than Enterprise and its affiliates, Oiltanking and its subsidiaries, and the directors and executive officers of Oiltanking GP.

Special Approval under Oiltanking s partnership agreement means the approval of a majority of the members of the Oiltanking Conflicts Committee.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

Important Information and Risks. *The following are brief answers to some questions that you may have regarding the proposed merger and the proposal being considered at the special meeting of Oiltanking unitholders. You should read and consider carefully the remainder of this proxy statement/prospectus, including the Risk Factors beginning on page 31 and the attached Annexes, because the information in this section does not provide all of the information that might be important to you. Additional important information and descriptions of risk factors are also contained in the documents incorporated by reference in this proxy statement/prospectus. Please read Where You Can Find More Information beginning on page 142.*

Q: Why am I receiving these materials?

A: Enterprise and Oiltanking have agreed to combine by merging MergerCo, a wholly owned subsidiary of Enterprise, with and into Oiltanking, with Oiltanking surviving the merger. The merger cannot be completed without the approval of the Oiltanking unitholders.

Q: Who is soliciting my proxy?

A: Oiltanking GP, on behalf of the Oiltanking Conflicts Committee and the Oiltanking Board, is sending you this proxy statement/prospectus in connection with its solicitation of proxies for use at Oiltanking s special meeting of unitholders. Certain directors and officers of Oiltanking GP and certain employees of EPCO and its affiliates who provide services to Oiltanking may also solicit proxies on Oiltanking s behalf by mail, telephone, fax or other electronic means, or in person.

Q: What is the proposed transaction?

A: Enterprise and Oiltanking have agreed to combine by merging MergerCo with and into Oiltanking, under the terms of a merger agreement that is described in this proxy statement/prospectus and attached as Annex A to this proxy statement/prospectus. As a result of the merger, each outstanding Oiltanking common unit held by Oiltanking public unitholders will be converted into the right to receive 1.30 common units representing limited partner interests in Enterprise (Enterprise common units).

The merger will become effective on the date and at the time that the certificate of merger is filed with the Secretary of State of the State of Delaware, or a later date and time if set forth in the certificate of merger. Throughout this proxy statement/prospectus, this is referred to as the effective time of the merger.

Q: Why are Enterprise and Oiltanking proposing the merger?

A:

Enterprise and Oiltanking believe that the merger will benefit both Enterprise and Oiltanking unitholders by combining the two entities into a single partnership that is better positioned to compete in the marketplace. Please read The Merger Recommendation of the Oiltanking Conflicts Committee and the Oiltanking Board and Reasons for the Merger and The Merger Enterprise s Reasons for the Merger.

Q: What will happen to Oiltanking as a result of the merger?

A: As a result of the merger, MergerCo will merge with and into Oiltanking, and Oiltanking will survive as an indirect wholly owned subsidiary of Enterprise.

Q: What will Oiltanking unitholders receive in the merger?

A: If the merger is completed, Oiltanking public unitholders will be entitled to receive 1.30 Enterprise common units in exchange for each Oiltanking common unit owned. This exchange ratio is fixed and will not be adjusted, regardless of any change in price of either Enterprise common units or Oiltanking common units prior to completion of the merger. If the exchange ratio would result in an Oiltanking unitholder being entitled to receive a fraction of an Enterprise common unit, that unitholder will receive cash from Enterprise

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in lieu of such fractional interest in an amount equal to such fractional interest multiplied by the average of the closing price of Enterprise common units for the ten consecutive New York Stock Exchange (NYSE) full trading days ending at the close of trading on the last NYSE full trading day immediately preceding the day the merger closes. For additional information regarding exchange procedures, please read The Merger Agreement Exchange of Certificates; Fractional Units.

Q: Where will my units trade after the merger?

A: Enterprise common units will continue to trade on the NYSE under the symbol EPD. Oiltanking common units will no longer be publicly traded.

Q: What will Enterprise common unitholders receive in the merger?

A: Enterprise common unitholders will simply retain the Enterprise common units they currently own. They will not receive any additional Enterprise common units in the merger.

Q: What happens to my future distributions?

A: Once the merger is completed and Oiltanking common units are exchanged for Enterprise common units, when distributions are approved and declared by Enterprise GP and paid by Enterprise, former Oiltanking unitholders will receive distributions on the Enterprise common units they receive in the merger in accordance with Enterprise s partnership agreement. Because the special meeting is scheduled to take place after the record dates for the distributions on both Enterprise and Oiltanking common units for the quarter ended December 31, 2014, to be declared and paid in February 2015, Oiltanking unitholders will receive fourth quarter distributions on their Oiltanking common units and not on Enterprise common units received in the merger. Oiltanking unitholders will not receive distributions from both Oiltanking and Enterprise for the same quarter. For additional information, please read Market Prices and Distribution Information.

Current Enterprise common unitholders will continue to receive distributions on their common units in accordance with Enterprise s partnership agreement and at the discretion of the Enterprise Board. For a description of the distribution provisions of Enterprise s partnership agreement, please read Comparison of the Rights of Enterprise and Oiltanking Unitholders.

The current annualized distribution rate for each Oiltanking common unit is $1.0900 (based on the quarterly distribution rate of $0.2725 for each Oiltanking common unit paid on November 14, 2014 with respect to the third quarter of 2014). Based on the exchange ratio, the annualized distribution rate for each Oiltanking common unit exchanged for 1.30 Enterprise common units would be approximately $1.8980 (based on the quarterly distribution rate of $0.3650 per Enterprise common unit paid on November 7, 2014 with respect to the third quarter of 2014). Accordingly, based on current distribution rates and the 1.30 exchange ratio, an Oiltanking unitholder would initially receive approximately 74% more in quarterly cash distributions on an annualized basis after giving effect to the merger. For additional information, please read Comparative Per Unit Information and Market Prices and Distribution Information.

Q: If I am a holder of Oiltanking common units represented by a unit certificate, should I send in my certificates representing Oiltanking common units now?

A: No. After the merger is completed, Oiltanking unitholders who hold their units in certificated form will receive written instructions for exchanging their certificates representing Oiltanking common units. Please do not send in your certificates representing Oiltanking common units with your proxy card. If you own Oiltanking common units in street name, the merger consideration should be credited by your broker to your account within a few days following the closing date of the merger.

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Q: What constitutes a quorum?

A: The presence in person or by proxy at the special meeting of the holders of a majority of Oiltanking s outstanding common units on the record date will constitute a quorum and will permit Oiltanking to conduct the proposed business at the special meeting. Your units will be counted as present at the special meeting if you:

are present in person at the meeting; or

have submitted a properly executed proxy card or properly submitted your proxy by telephone or Internet.

Proxies received but marked as abstentions will be counted as units that are present and entitled to vote for purposes of determining the presence of a quorum. If an executed proxy is returned by a broker or other nominee holding units in street name indicating that the broker does not have discretionary authority as to certain units to vote on the proposals (a broker non-vote), such units will be considered present at the meeting for purposes of determining the presence of a quorum but cannot be included in the vote; therefore, broker non-votes have the same effect as a vote against the merger for purposes of the vote required under the merger agreement and Oiltanking s partnership agreement.

Q: What is the vote required of Oiltanking unitholders to approve the merger agreement and the merger?

A: Pursuant to the merger agreement and Oiltanking s partnership agreement, holders of a majority of the outstanding Oiltanking common units must affirmatively vote in favor of the proposal in order for it to be approved. Failures to vote, abstentions and broker non-votes will have the same effect as a vote against the merger proposal for purposes of the vote required under the merger agreement and Oiltanking s partnership agreement. **Your vote is important**.

Pursuant to a support agreement between Oiltanking, Enterprise and EPO executed in connection with the merger agreement, Enterprise and EPO have agreed to vote any Oiltanking common units owned by them or their subsidiaries in favor of adoption of the merger agreement and the merger, including the 54,799,604 Oiltanking common units currently directly owned by EPO (representing approximately 66% of the outstanding Oiltanking common units), at any meeting of Oiltanking unitholders, which is sufficient to approve the merger agreement and the merger under the merger agreement and Oiltanking s partnership agreement.

Q: When do you expect the merger to be completed?

A: A number of conditions must be satisfied before Enterprise and Oiltanking can complete the merger, including approval of the merger agreement and the merger by the common unitholders of Oiltanking. Although Enterprise and Oiltanking cannot be sure when all of the conditions to the merger will be satisfied, Enterprise and Oiltanking expect to complete the merger as soon as practicable following the Oiltanking special meeting (assuming the merger proposal is approved by the common unitholders). For additional information, please read The Merger Agreement Conditions to the Merger.

Q: What is the recommendation of the Oiltanking Conflicts Committee and the Oiltanking Board?

A: The Oiltanking Conflicts Committee and the Oiltanking Board recommend that you vote FOR the merger proposal.

On November 11, 2014, the Oiltanking Conflicts Committee determined unanimously that the merger agreement and the merger are advisable, fair and reasonable to and in the best interests of Oiltanking and the Oiltanking unaffiliated unitholders and recommended that the merger, the merger agreement and the transactions contemplated thereby be approved by the Oiltanking Board and the Oiltanking unitholders.

The Oiltanking Board determined that the merger agreement and merger are fair and reasonable to and in the best interests of Oiltanking and the Oiltanking common unitholders, approved the merger agreement and the merger and recommended that the Oiltanking unitholders vote in favor of the merger proposal.

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Q: What are the expected U.S. federal income tax consequences to Oiltanking public unitholders as a result of the transactions contemplated by the merger agreement?

A: It is anticipated that for U.S. federal income tax purposes no gain or loss should be recognized by Oiltanking public unitholders solely as a result of the merger, other than gain resulting from either (i) any decrease in an Oiltanking public unitholder s share of partnership liabilities pursuant to Section 752 of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code) or (ii) any cash received in lieu of any fractional Enterprise common units.

Please read Risk Factors Tax Risks Related to the Merger and Material U.S. Federal Income Tax Consequences of the Merger Tax Consequences of the Merger to Oiltanking and the Oiltanking Public Unitholders.

Q: What are the expected U.S. federal income tax consequences for an Oiltanking public unitholder of the ownership of Enterprise common units after the merger is completed?

A: Each Oiltanking public unitholder who becomes an Enterprise unitholder as a result of the merger will, as is the case for existing Enterprise common unitholders, be allocated such unitholder s distributive share of Enterprise s income, gains, losses, deductions and credits. In addition to U.S. federal income taxes, such a holder will be subject to other taxes, including state and local income taxes, unincorporated business taxes, and estate, inheritance or intangibles taxes that may be imposed by the various jurisdictions in which Enterprise conducts business or owns property or in which the unitholder is resident. Please read U.S. Federal Income Tax Consequences of Ownership of Enterprise Common Units.

Q: Are Oiltanking unitholders entitled to appraisal rights?

A: No. Oiltanking unitholders do not have appraisal rights under applicable law or contractual appraisal rights under Oiltanking s partnership agreement or the merger agreement.

Q: How do I vote my common units if I hold my common units in my own name?

A: After you have read this proxy statement/prospectus carefully, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope, or by submitting your proxy by telephone or the Internet as soon as possible in accordance with the instructions provided under The Special Unitholder Meeting Voting Procedures Voting by Oiltanking Unitholders beginning on page 40.

Q: If my Oiltanking common units are held in street name by my broker or other nominee, will my broker or other nominee vote my common units for me?

A:

No. Your broker cannot vote your Oiltanking common units held in street name for or against the merger proposal unless you tell the broker or other nominee how you wish to vote. To tell your broker or other nominee how to vote, you should follow the directions that your broker or other nominee provides to you. Please note that you may not vote your Oiltanking common units held in street name by returning a proxy card directly to Oiltanking or by voting in person at the special meeting of Oiltanking unitholders unless you provide a legal proxy, which you must obtain from your broker or other nominee. If you do not instruct your broker or other nominee on how to vote your Oiltanking common units, your broker or other nominee may not vote your Oiltanking common units, which will have the same effect as a vote against the merger for purposes of the vote required under the merger agreement and Oiltanking s partnership agreement. You should therefore provide your broker or other nominee with instructions as to how to vote your Oiltanking common units.

Q: What if I do not vote?

A: If you do not vote in person or by proxy or if you abstain from voting, or a broker non-vote is made, it will have the same effect as a vote against the merger proposal for purposes of the vote required under the merger agreement and Oiltanking s partnership agreement. If you sign and return your proxy card but do not indicate how you want to vote, your proxy will be counted as a vote in favor of the merger proposal.

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Q: Who can attend and vote at the special meeting of Oiltanking unitholders?

A: All Oiltanking unitholders of record as of the close of business on January 2, 2015, the record date for the special meeting of Oiltanking unitholders, are entitled to receive notice of and vote at the special meeting of Oiltanking unitholders.

Q: When and where is the special meeting?

A: The special meeting will be held on February 13, 2015, at 8:00 a.m., local time, at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002.

Q: If I am planning to attend the special meeting in person, should I still vote by proxy?

A: Yes. Whether or not you plan to attend the special meeting, you should vote by proxy. Your common units will not be voted if you do not vote by proxy and do not vote in person at the special meeting.

Q: Can I change my vote after I have submitted my proxy?

A: Yes. If you own your common units in your own name, you may revoke your proxy at any time prior to its exercise by:

- giving written notice of revocation to the chief executive officer of Oiltanking GP at or before the special meeting;
- appearing and voting in person at the special meeting; or
- properly completing and executing a later dated proxy and delivering it to the chief executive officer of Oiltanking GP at or before the special meeting.

Your presence without voting at the meeting will not automatically revoke your proxy, and any revocation during the meeting will not affect votes previously taken.

Q: What should I do if I receive more than one set of voting materials for the special meeting of Oiltanking unitholders?

A:

You may receive more than one set of voting materials for the special meeting of Oiltanking unitholders and the materials may include multiple proxy cards or voting instruction cards. For example, you will receive a separate voting instruction card for each brokerage account in which you hold units. If you are a holder of record registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive according to the instructions on it.

Q: Whom do I call if I have further questions about voting, the meeting or the merger?

A: Oiltanking unitholders may call Oiltanking s Investor Relations department at (713) 381-6500. If you would like additional copies, without charge, of this proxy statement/prospectus or if you have questions about the merger, including the procedures for voting your units, you should contact American Stock Transfer & Trust Company, LLC, which is assisting Oiltanking as tabulation agent in connection with the merger, at (800) 937-5449.

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SUMMARY

This summary highlights some of the information in this proxy statement/prospectus. It may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the terms of the merger, you should read carefully this document, the documents incorporated by reference, and the Annexes to this document, including the full text of the merger agreement included as Annex A. Please also read Where You Can Find More Information.

The Merger Parties Businesses (page 90)

Enterprise Products Partners L.P.

Enterprise is a publicly traded Delaware limited partnership, the common units of which are listed on the NYSE under the ticker symbol EPD. Enterprise was formed in April 1998 to own and operate certain natural gas liquids (NGLs) related businesses of EPCO. Enterprise is a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, petrochemicals and refined products. Enterprise s midstream energy asset network links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the United States, Canada and the Gulf of Mexico with domestic consumers and international markets. Enterprise s assets include approximately: 52,000 miles of onshore and offshore pipelines; 220 million barrels (MMBbls) of storage capacity for NGLs, petrochemicals, refined products and crude oil; 14 billion cubic feet (Bcf) of natural gas storage capacity; 24 natural gas processing plants; 22 NGL and propylene fractionators; six offshore hub platforms located in the Gulf of Mexico; a butane isomerization complex; NGL import and LPG export terminals; and octane enhancement and high-purity isobutylene production facilities.

Enterprise s midstream energy operations include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage, and import and export terminaling; crude oil and refined products transportation, storage and terminaling; offshore production platforms; petrochemical transportation and services; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems and in the Gulf of Mexico.

Enterprise is owned 100% by its limited partners from an economic perspective. Enterprise is managed and controlled by Enterprise GP, which has a non-economic general partner interest in Enterprise. Enterprise GP is a wholly owned subsidiary of Dan Duncan LLC (DDLLC), a private affiliate of EPCO. Enterprise conducts substantially all of its business through its operating company, Enterprise Products Operating LLC (EPO).

Enterprise s principal executive offices are located at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002, and its telephone number is (713) 381-6500.

Oiltanking Partners, L.P.

Oiltanking is a publicly traded Delaware limited partnership, the common units of which are listed on the NYSE under the ticker symbol OILT. Oiltanking engages in the terminaling, storage and transportation of crude oil, refined petroleum products and liquefied petroleum gas. Through its wholly owned subsidiaries, Oiltanking Houston, L.P., a Texas limited partnership (OTH) and Oiltanking Beaumont Partners, L.P., a Delaware limited partnership (OTB), Oiltanking owns and operates storage and terminaling assets located along the United States Gulf Coast on the Houston Ship Channel and in Beaumont, Texas.

Oiltanking s principal executive offices are located at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002, and its telephone number is (713) 381-6500.

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Relationship of Enterprise and Oiltanking (page 93)

Enterprise and Oiltanking are currently under common control. At October 1, 2014, Oiltanking was owned 98.0% by its limited partners and 2.0% by its general partner, Oiltanking GP. On October 1, 2014, Enterprise acquired, directly or through its wholly owned subsidiaries, Oiltanking s general partner and approximately 66% of the limited partner interests in Oiltanking, or 54,799,604 units (including 38,899,802 Oiltanking common units issued upon the conversion of subordinated units on November 17, 2014). Oiltanking GP and the 66% of Oiltanking s common units are currently owned by an indirect wholly owned subsidiary of Enterprise.

Enterprise is controlled by DDLLC and EPCO. EPCO and DDLLC are each controlled by three voting trustees, pursuant to the EPCO Inc. Voting Trust Agreement dated April 26, 2006 (the EPCO Voting Trust Agreement) and the Dan Duncan LLC Voting Trust Agreement dated April 26, 2006 (the DDLLC Voting Trust Agreement), respectively. The current EPCO voting trustees are Randa Duncan Williams, Ralph S. Cunningham and Richard H. Bachmann. The current DDLLC voting trustees are also Ms. Williams, Dr. Cunningham and Mr. Bachmann.

Neither Oiltanking nor Enterprise has any employees. All of the operating functions and general and administrative support services of Oiltanking and Enterprise are provided by employees of EPCO pursuant to an administrative services agreement (ASA) or by other service providers.

Some of the executive officers of Enterprise GP are directors of Oiltanking GP, including Bryan F. Bulawa, William Ordemann and Michael C. Smith, and some employees of Enterprise GP are directors or executive officers of Oiltanking GP, including Laurie H. Argo and Robert D. Sanders. For information about the common executive officers and employees of Enterprise GP and Oiltanking GP, and these executive officers relationships with EPCO and its affiliates and the resulting interests of Oiltanking GP directors and officers in the merger, please read Certain Relationships; Interests of Certain Persons in the Merger.

Structure of the Merger and Related Transactions (page 66)

Pursuant to the merger agreement, at the effective time of the merger, a wholly owned subsidiary of Enterprise will merge with and into Oiltanking, with Oiltanking surviving the merger as an indirect wholly owned subsidiary of Enterprise, and each outstanding common unit of Oiltanking held by Oiltanking public unitholders will be cancelled and converted into the right to receive 1.30 Enterprise common units. This merger consideration represents a 5.6% premium to the closing price of Oiltanking common units based on the closing prices of Oiltanking common units and Enterprise common units on September 30, 2014, the last trading day before Enterprise announced its initial proposal to acquire all of the Oiltanking common units owned by the public. Relative to the respective closing prices for Enterprise and Oiltanking common units on November 10, 2014, the day before the parties entered into the merger agreement, the 1.30 exchange ratio represents a 10.4% premium to Oiltanking unitholders.

In connection with the merger, EPO will not receive any consideration for the continuation of its limited partner interests in Oiltanking, Oiltanking GP will not receive any consideration for the continuation of its general partner interests or incentive distribution rights in Oiltanking, and Enterprise will be admitted as a limited partner of Oiltanking and be issued a number of Oiltanking common units equal to the number of Oiltanking common units held by Oiltanking public unitholders prior to the effective time.

If the exchange ratio would result in an Oiltanking public unitholder being entitled to receive a fraction of an Enterprise common unit, then such Oiltanking public unitholder will receive cash from Enterprise in lieu of such fractional interest in an amount equal to such fractional interest multiplied by the average of the closing price of Enterprise common units for the ten consecutive NYSE full trading days ending at the close of trading on the last

NYSE full trading day immediately preceding the day the merger closes.

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Once the merger is completed and Oiltanking common units held by Oiltanking public unitholders are exchanged for Enterprise common units (and cash in lieu of fractional units, if applicable), when distributions are declared by the general partner of Enterprise and paid by Enterprise, former Oiltanking public unitholders will receive distributions on their Enterprise common units in accordance with Enterprise s partnership agreement. For a description of the distribution provisions of Enterprise s partnership agreement, please read Comparison of the Rights of Enterprise and Oiltanking Unitholders.

As of December 31, 2014, there were 1,937,324,817 Enterprise common units and 83,128,494 Oiltanking common units outstanding. Based on the 28,328,890 Oiltanking common units outstanding at such date that are owned by Oiltanking public unitholders and eligible for exchange into Enterprise common units pursuant to the merger agreement, Enterprise expects to issue approximately 36,827,557 Enterprise common units in connection with the merger.

Based on the $40.30 closing price of Enterprise common units on November 10, 2014 (the last full trading day before Enterprise and Oiltanking entered into and announced the merger agreement), the exchange ratio of 1.30 Enterprise common units for each outstanding Oiltanking common unit, and the 28,328,890 Oiltanking common units owned by Oiltanking public unitholders, the value of the merger consideration to be received by such holders was approximately $1.4 billion, or $52.39 for each Oiltanking common unit.

Support Agreement (page 65)

In connection with the merger agreement, Oiltanking, Enterprise and EPO entered into the support agreement dated as of November 11, 2014. Pursuant to the support agreement, Enterprise and EPO have agreed to vote any Oiltanking common units owned by them or their subsidiaries in favor of adoption of the merger agreement and the merger at any meeting of Oiltanking unitholders. In addition, pursuant to the support agreement, EPO granted an irrevocable proxy to a member of the Oiltanking Conflicts Committee to vote such units accordingly. EPO currently owns directly 54,799,604 Oiltanking common units representing approximately 66% of the outstanding Oiltanking common units. The support agreement will terminate upon the completion of the merger, the termination of the merger agreement, the Oiltanking Conflicts Committee making a change in recommendation or the written agreement of EPO, Enterprise and Oiltanking.

Directors and Officers of Enterprise GP and Oiltanking GP (page 99)

DDLLC, the sole member of Enterprise GP, has the power to appoint and remove all of the directors of Enterprise GP. Enterprise GP has indirect power to cause the appointment or removal of the directors of Oiltanking GP, an indirect wholly owned subsidiary of Enterprise. DDLLC is controlled by the DDLLC voting trustees under the DDLLC Voting Trust Agreement. Each of the executive officers of Enterprise GP is currently expected to remain an executive officer of Enterprise GP following the merger. The DDLLC voting trustees have not yet determined whether any directors of Oiltanking GP will serve as directors of Enterprise GP following the merger. In connection with Enterprise s acquisition of Oiltanking GP on October 1, 2014, F. Christian Flach, a former Oiltanking GP director, was appointed as a director of Enterprise GP. In the absence of any changes, we expect the current directors of Enterprise GP to continue as directors following the merger.

The following individuals are currently executive officers of Enterprise GP, and those persons signified with an asterisk (*) also currently serve as directors of Oiltanking GP.

Michael A. Creel

W. Randall Fowler

A. James Teague

Graham W. Bacon

Craig W. Murray

William Ordemann*

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Michael C. Smith*

Bryan F. Bulawa*

Michael J. Knesek

Market Prices of Enterprise Common Units and Oiltanking Common Units Prior to Announcing the Proposed Merger (page 29)

Enterprise s common units are traded on the NYSE under the ticker symbol EPD. Oiltanking s common units are traded on the NYSE under the ticker symbol OILT. The following table shows the closing prices of Enterprise common units and Oiltanking common units on September 30, 2014 (the last full trading day before Enterprise announced its initial proposal to acquire all of the Oiltanking common units owned by the public) and on November 10, 2014 (the last full trading day before Enterprise and Oiltanking entered into and announced the merger agreement).

Date/Period	Enterprise Common Units	Oiltanking Common Units
September 30, 2014	$ 40.30	$ 49.59
November 10, 2014	$ 37.73	$ 44.42

The Special Unitholder Meeting (page 40)

Where and when: The Oiltanking special unitholder meeting will take place at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002 on February 13, 2015 at 8:00 a.m., local time.

What you are being asked to vote on: At the Oiltanking meeting, Oiltanking unitholders will vote on the approval of the merger agreement and the merger. Oiltanking unitholders also may be asked to consider other matters as may properly come before the meeting. At this time, Oiltanking knows of no other matters that will be presented for the consideration of its unitholders at the meeting.

Who may vote: You may vote at the Oiltanking meeting if you owned Oiltanking common units at the close of business on the record date, January 2, 2015. On that date, there were 83,128,494 Oiltanking common units outstanding. You may cast one vote for each outstanding Oiltanking common unit that you owned on the record date.

What vote is needed: Under the merger agreement and Oiltanking s partnership agreement, holders of a majority of the outstanding Oiltanking common units must affirmatively vote in favor of the proposal in order for it to be approved. Enterprise and EPO have agreed to vote any Oiltanking common units owned by them or their subsidiaries in favor of adoption of the merger agreement and the merger at any meeting of Oiltanking unitholders. EPO currently directly owns 54,799,604 Oiltanking common units (representing approximately 66% of the outstanding Oiltanking common units), which is sufficient to approve the merger agreement and the merger under the merger agreement and Oiltanking s partnership agreement.

Recommendation to Oiltanking Unitholders (page 51)

The members of the Oiltanking Conflicts Committee considered the benefits of the merger and the related transactions as well as the associated risks and determined unanimously that the merger agreement and the merger are advisable,

fair and reasonable to, and in the best interests of, Oiltanking and the Oiltanking unaffiliated unitholders. The Oiltanking Conflicts Committee also recommended that the merger agreement and the merger be approved by the Oiltanking Board and the Oiltanking unitholders. The Oiltanking Board has also approved the merger agreement and the merger and recommends that the Oiltanking unitholders vote to approve the merger agreement and the merger.

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Oiltanking unitholders are urged to review carefully the background and reasons for the merger described under The Merger and the risks associated with the merger described under Risk Factors.

Oiltanking s Reasons for the Merger (page 51)

The Oiltanking Conflicts Committee considered many factors in making its determination and recommendation that the merger agreement and the merger are fair and reasonable to and in the best interests of Oiltanking and the Oiltanking unitholders. The Oiltanking Conflicts Committee viewed the following factors, among others described in greater detail under The Merger Recommendation of the Oiltanking Conflicts Committee and the Oiltanking Board and Reasons for the Merger, as being generally positive or favorable in coming to its determination and its related recommendations:

The exchange ratio of 1.30 Enterprise common units for each Oiltanking common unit in the merger, which represented a premium of:

approximately 5.6% based on the respective closing prices of Enterprise common units and Oiltanking common units on September 30, 2014 (the day before the merger was originally proposed); and

approximately 10.4% based on the respective closing prices of Enterprise common units and Oiltanking common units on November 10, 2014 (the day before the merger agreement was approved and executed).

The pro forma increase of approximately 74% in quarterly cash distributions expected to be received by Oiltanking unitholders based upon the 1.30 exchange ratio and quarterly cash distribution rates paid by Oiltanking and Enterprise in November 2014 with respect to the quarter ended September 30, 2014.

In connection with the merger, Oiltanking unitholders will receive common units representing limited partner interests in Enterprise, which have substantially more liquidity than Oiltanking common units because of the Enterprise common units significantly larger average daily trading volume, as well as Enterprise having a broader investor base and a larger public float.

The committee s belief that the current and prospective growth prospects for Oiltanking if it continues as a stand-alone public entity are more limited following Enterprise s acquisition of Oiltanking GP.

The committee s belief that the merger provides Oiltanking unitholders with an opportunity to benefit from unit price appreciation and increased distributions through ownership of Enterprise common units, which should benefit from Enterprise s much larger and more diversified asset and cash flow base and lower dependence on individual capital projects and from Enterprise s greater ability to compete for future acquisitions and finance organic growth projects.

The delivery by Jefferies LLC (Jefferies) of an opinion to the Oiltanking Conflicts Committee on November 11, 2014 to the effect that, as of that date and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in the written opinion, the exchange ratio to be offered to the holders of Oiltanking common units pursuant to the merger agreement was fair, from a financial point of view, to the Oiltanking unaffiliated unitholders.

The committee s belief that the merger and the exchange ratio present the best opportunity to maximize value for Oiltanking s unitholders and is superior to Oiltanking remaining as a standalone public entity.

The Oiltanking Conflicts Committee considered the following factors to be generally negative or unfavorable in making its determination and recommendations:

Because the exchange ratio is fixed, the possibility that the Enterprise common unit price could decline relative to the Oiltanking common unit price prior to closing, reducing the value of the securities received by Oiltanking public unitholders in the merger.

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The risk that potential benefits sought in the merger might not be fully realized.

The risk that the merger might not be completed in a timely manner, or that the merger might not be consummated as a result of a failure to satisfy the conditions contained in the merger agreement, and that a failure to complete the merger could negatively affect the trading price of the Oiltanking common units.

The Oiltanking Conflicts Committee was not authorized to, and did not, conduct an auction process or other solicitation of interest from third parties for the acquisition of Oiltanking. Because Enterprise indirectly controls Oiltanking, it was unrealistic to pursue a third party acquisition proposal or offer for the assets or control of Oiltanking, and it was unlikely that the Oiltanking Conflicts Committee could have conducted a meaningful auction for the acquisition of the assets or control of Oiltanking. Enterprise, in the merger proposal, previously had asserted that it was interested only in acquiring the Oiltanking common units it did not already own and that it was not interested in disposing of its controlling interest in Oiltanking to a third party at such time.

Certain members of management of Oiltanking GP and the Oiltanking Board may have interests that are different from those of the Oiltanking unaffiliated unitholders.

Overall, the Oiltanking Conflicts Committee believed that the advantages of the merger outweighed the negative factors.

Opinion of the Oiltanking Conflicts Committee s Financial Advisor (page 55)

In connection with the merger, the Oiltanking Conflicts Committee retained Jefferies as its financial advisor. On November 11, 2014, Jefferies rendered to the Oiltanking Conflicts Committee its oral opinion, subsequently confirmed in writing, that, as of such date and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in the written opinion, the exchange ratio to be offered to the holders of Oiltanking common units pursuant to the merger agreement was fair, from a financial point of view, to the Oiltanking unaffiliated unitholders. The full text of the written opinion of Jefferies, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Jefferies in rendering its opinion, is attached as Annex B to this proxy statement/prospectus and is incorporated herein by reference in its entirety. The opinion was directed to the Oiltanking Conflicts Committee and addresses only the fairness, from a financial point of view and as of the date of the opinion, to the Oiltanking unaffiliated unitholders, of the exchange ratio to be offered to the holders of Oiltanking common units pursuant to the merger agreement. The opinion does not address any other aspect of the merger and does not constitute a recommendation as to how any holder of Oiltanking common units should vote on the merger or any matter relating thereto.

Certain Relationships; Interests of Certain Persons in the Merger (page 93)

Oiltanking has extensive and ongoing relationships with Enterprise and its affiliates. Enterprise represented 12%, 13%, 29% and 30% of Oiltanking s revenues during 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively.

Enterprise and EPO, both of which have agreed to vote in favor of the merger and the merger agreement, currently beneficially own approximately 66% of Oiltanking s outstanding common units. Other than this 66% ownership, the directors, executive officers and other affiliates of Enterprise collectively own or control less than 1% of Oiltanking s

outstanding common units.

Certain current executive officers of Oiltanking GP are current employees of EPCO. A number of EPCO employees who provide services to Oiltanking also provide services to Enterprise, often serving in the same positions. Enterprise GP also has indirect power to cause the appointment or removal of the directors of

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Oiltanking GP, an indirect wholly owned subsidiary of Enterprise. Oiltanking has an extensive and ongoing relationship with EPCO, which provides all administrative services to both Enterprise and its subsidiaries, including Oiltanking and its subsidiaries, pursuant to an administrative services agreement.

Further, Oiltanking GP s directors and executive officers have interests in the merger that may be different from, or in addition to, your interests as a unitholder of Oiltanking, including:

- All of the directors and executive officers of Oiltanking GP will receive continued indemnification for their actions as directors and executive officers.

- Certain directors of Oiltanking GP, none of whom is a member of the Oiltanking Conflicts Committee, own Enterprise common units.

- Some of Oiltanking GP s directors, none of whom is a member of the Oiltanking Conflicts Committee, also serve as officers of Enterprise GP, have certain duties to the limited partners of Enterprise and are compensated, in part, based on the performance of Enterprise. In addition to serving as a director of Oiltanking GP, Mr. Bulawa also serves as the Senior Vice President and Treasurer of Enterprise GP; Mr. Ordemann serves as a Group Senior Vice President of Enterprise GP; Mr. Sanders serves as Senior Vice President of Asset Optimization of Enterprise GP; and Mr. Smith serves as a Group Senior Vice President of Enterprise GP.

- One of Oiltanking GP s officers also serves as an officer of Enterprise GP, and is compensated, in part, based on the performance of Enterprise. In addition to serving as President and Chief Executive Officer of Oiltanking GP, Ms. Argo serves as a Senior Vice President of Enterprise GP.

Each of the executive officers and directors of Enterprise GP is currently expected to remain an executive officer or director of Enterprise GP following the merger.

The Merger Agreement (page 66)

The merger agreement is attached to this proxy statement/prospectus as Annex A and is incorporated by reference into this document. You are encouraged to read the merger agreement because it is the legal document that governs the merger.

What Needs to Be Done to Complete the Merger

Enterprise and Oiltanking will complete the merger only if the conditions set forth in the merger agreement are satisfied or, in some cases, waived. The obligations of Enterprise and Oiltanking to complete the merger are subject to, among other things, the following conditions:

- the approval of the merger agreement and the merger by the affirmative vote or consent of holders (as of the record date for the Oiltanking special meeting) of a majority of the outstanding Oiltanking common units

held by Oiltanking unitholders;

the making of all required filings and the receipt of all required governmental consents, approvals, permits and authorizations from any applicable governmental authorities prior to the merger effective time, except where the failure to obtain such consent, approval, permit or authorization would not be reasonably likely to result in a material adverse effect (as defined in the merger agreement) on Oiltanking or Enterprise;

the absence of any order, decree, injunction or law that enjoins, prohibits or makes illegal the consummation of any of the transactions contemplated by the merger agreement, and any action, proceeding or investigation by any governmental authority seeking to restrain, enjoin, prohibit or delay such consummation;

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the continued effectiveness of the registration statement of which this proxy statement/prospectus is a part; and

the approval for listing on the NYSE of Enterprise common units to be issued in the merger, subject to official notice of issuance.

Enterprise s obligation to complete the merger is further subject to the following conditions:

the representations and warranties of each of Oiltanking and Oiltanking GP set forth in the merger agreement being true and correct in all material respects, and Oiltanking and Oiltanking GP having performed all of their obligations under the merger agreement in all material respects;

Enterprise having received an opinion of Andrews Kurth LLP, counsel to Enterprise (Andrews Kurth), as to the treatment of the merger for U.S. federal income tax purposes and as to certain other tax matters; and

no material adverse effect (as defined in the merger agreement) having occurred with respect to Oiltanking.

Oiltanking s obligation to complete the merger is further subject to the following conditions:

the representations and warranties of each of Enterprise and Enterprise GP set forth in the merger agreement being true and correct in all material respects, and Enterprise and Enterprise GP having performed all of their obligations under the merger agreement in all material respects;

Oiltanking having received an opinion of Vinson & Elkins L.L.P., counsel to Oiltanking (Vinson & Elkins), as to the treatment of the merger for U.S. federal income tax purposes and as to certain other tax matters; and

no material adverse effect (as defined under the merger agreement) having occurred with respect to Enterprise.

Each of Enterprise and Oiltanking (with the consent of the Oiltanking Conflicts Committee and the Oiltanking Board) may choose to complete the merger even though any condition to its obligation has not been satisfied if the necessary unitholder approval has been obtained and the law allows it to do so.

No Solicitation

Oiltanking GP and Oiltanking have agreed that they will not, and they will use their commercially reasonable best efforts to cause their representatives not to, directly or indirectly, initiate, solicit, knowingly encourage or knowingly facilitate any inquiries or the making or submission of any proposal that constitutes, or may reasonably be expected to lead to, an acquisition proposal, or participate in any discussions or negotiations regarding, or furnish to any person any non-public information with respect to, any acquisition proposal, unless the Oiltanking Conflicts Committee, after consultation with its outside legal counsel and financial advisors, determines in its good faith judgment that such acquisition proposal constitutes or is likely to result in a superior proposal and the failure to do so would be

inconsistent with its duties under Oiltanking s partnership agreement and applicable law. Please read The Merger Agreement Covenants No Solicitation; Acquisition Proposals; Change in Recommendation for more information about what constitutes an acquisition proposal and a superior proposal.

Change in Recommendation

The Oiltanking Conflicts Committee is permitted to withdraw, modify or qualify in any manner adverse to Enterprise its recommendation of the merger agreement and the merger or publicly approve or recommend, or publicly propose to approve or recommend, any acquisition proposal, referred to in this proxy statement/

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prospectus as a change in recommendation, in certain circumstances. Specifically, if, prior to receipt of Oiltanking unitholder approval, the Oiltanking Conflicts Committee concludes in its good faith judgment, after consultation with its outside legal counsel and financial advisors, that a failure to change its recommendation would be inconsistent with its duties under Oiltanking s partnership agreement and applicable law, the Oiltanking Conflicts Committee may determine to make a change in recommendation.

Termination of the Merger Agreement

Enterprise and Oiltanking can agree to terminate the merger agreement by mutual written consent at any time without completing the merger, even after the Oiltanking unitholders have approved the merger agreement and the merger. In addition, either party may terminate the merger agreement on its own upon written notice to the other without completing the merger if:

- the merger is not completed on or before March 31, 2015;
- any legal prohibition to completing the merger has become final and non-appealable, provided that the terminating party is not in breach of its covenant to use commercially reasonable best efforts to complete the merger promptly; or
- any condition to the terminating party s obligation to close the merger cannot be satisfied.

Enterprise may terminate the merger agreement at any time if (i) Oiltanking determines not to, or otherwise fails to, hold the Oiltanking special meeting because of a change in recommendation pursuant to the merger agreement, (ii) Oiltanking does not obtain the necessary unitholder approval at the Oiltanking special meeting or (iii) an Oiltanking change in recommendation occurs.

Oiltanking may terminate the merger agreement if (i) Oiltanking determines not to, or otherwise fails to, hold the Oiltanking special meeting because of a change in recommendation pursuant to the merger agreement or (ii) Oiltanking does not obtain the necessary unitholder approval at the Oiltanking special meeting.

The Oiltanking Conflicts Committee, on behalf of Oiltanking, may terminate the merger agreement (i) upon written notice to Enterprise, in the event that an Oiltanking change in recommendation occurs or (ii) at any time prior to the Oiltanking special meeting, if Oiltanking receives an acquisition proposal from a third party, the Oiltanking Conflicts Committee concludes in its good faith judgment that such acquisition proposal constitutes a superior proposal, the Oiltanking Conflicts Committee has made a change in recommendation pursuant to the merger agreement with respect to such superior proposal, Oiltanking has not knowingly and intentionally breached the no solicitation covenants contained in the merger agreement, and the Oiltanking Conflicts Committee concurrently approves, and Oiltanking concurrently enters into, a definitive agreement with respect to such superior proposal.

Material U.S. Federal Income Tax Consequences of the Merger (page 121)

Tax matters associated with the merger are complicated. The U.S. federal income tax consequences of the merger to an Oiltanking public unitholder will depend on such unitholder s own situation. The tax discussions in this proxy statement/prospectus focus on the U.S. federal income tax consequences generally applicable to individuals who are residents or citizens of the United States that hold their Oiltanking common units as capital assets, and these

discussions have only limited application to other unitholders, including those subject to special tax treatment. Oiltanking public unitholders are urged to consult their tax advisors for a full understanding of the U.S. federal, state, local and foreign tax consequences of the merger that will be applicable to them.

Oiltanking expects to receive an opinion from Vinson & Elkins to the effect that no gain or loss should be recognized by the Oiltanking public unitholders to the extent Enterprise common units are received as a result of the merger, other than gain resulting from either (i) any decrease in partnership liabilities pursuant to Section 752

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of the Internal Revenue Code, or (ii) any cash received in lieu of any fractional Enterprise common units. Enterprise expects to receive an opinion from Andrews Kurth to the effect that no gain or loss should be recognized by Enterprise unaffiliated unitholders as a result of the merger (other than gain resulting from any decrease in partnership liabilities pursuant to Section 752 of the Internal Revenue Code). Opinions of counsel, however, are subject to certain limitations and are not binding on the Internal Revenue Service, or IRS, and no assurance can be given that the IRS would not successfully assert a contrary position regarding the merger and the opinions of counsel.

The U.S. federal income tax consequences described above may not apply to all holders of Enterprise common units and Oiltanking common units. Please read Material U.S. Federal Income Tax Consequences of the Merger beginning on page 121 for a more complete discussion of the U.S. federal income tax consequences of the merger.

Other Information Related to the Merger

No Dissenters or Appraisal Rights (page 63)

Oiltanking unitholders do not have dissenters or appraisal rights under applicable Delaware law or contractual appraisal rights under Oiltanking s partnership agreement or the merger agreement.

Antitrust and Regulatory Matters (page 63)

The merger is subject to both state and federal antitrust laws. Under the rules applicable to partnerships, no filing is required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the HSR Act). However, Enterprise has received an initial inquiry letter relating to its acquisition of Oiltanking GP and existing ownership interests in Oiltanking, and Enterprise or Oiltanking may receive additional inquiries or requests for information concerning the proposed merger and related transactions from the Federal Trade Commission (FTC), the Antitrust Division of the Department of Justice (DOJ), or individual states, or the FTC or DOJ could take such action under the antitrust laws as it deems necessary or desirable in the public interest.

Listing of Common Units to be Issued in the Merger (page 64)

Enterprise expects to obtain approval to list on the NYSE the Enterprise common units to be issued pursuant to the merger agreement, which approval is a condition to the merger.

Accounting Treatment (page 64)

The proposed merger will be accounted for in accordance with Accounting Standards Codification 810, *Consolidations Overall Changes in Parent s Ownership Interest in a Subsidiary*, which is referred to as ASC 810. Changes in Enterprise s ownership interest in Oiltanking, while Enterprise retains its controlling financial interest in Oiltanking, will be accounted for as an equity transaction and no gain or loss will be recognized as a result of the proposed merger. The proposed merger represents Enterprise s acquisition of the noncontrolling interests in Oiltanking.

Comparison of the Rights of Enterprise and Oiltanking Unitholders (page 105)

Oiltanking unitholders will own Enterprise common units following the completion of the merger, and their rights associated with Enterprise common units will be governed by, in addition to Delaware law, Enterprise s partnership agreement, which differs in a number of respects from Oiltanking s partnership agreement.

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Pending Litigation (page 64)

On November 20, 2014, Matthew Ellis, a purported unitholder of Oiltanking, filed a complaint in the United States District Court of the Southern District of Texas, Houston Division, as a putative class action on behalf of the unitholders of Oiltanking, captioned *Matthew Ellis v. Bryan Bulawa, William Ordemann, Robert D. Sanders, Michael C. Smith, Gregory C. King, D. Mark Leland, Thomas M. Hart III, Oiltanking Partners, L.P., OTLP GP LLC, Enterprise Products Partners L.P., Enterprise Products Holdings LLC, Enterprise Products Operating LLC and EPOT MergerCo LLC*, Civil Action No. 4:14-cv-3343. On December 12, 2014, the plaintiff filed a motion to dismiss without prejudice and the court issued a notice of dismissal of this case.

On December 23, 2014, Mathew Ellis and Chaile Steinberg, purported unitholders of Oiltanking, filed a complaint in the Court of Chancery of the State of Delaware, as a putative class action on behalf of the Oiltanking unitholders, captioned *Mathew Ellis and Chaile Steinberg v. OTLP GP, LLC, Oiltanking Holding Americas, Inc., Oiltanking GMBH, Marquard & Bahls AG, Kenneth F. Owen, Christian Flach, Enterprise Products Partners L.P. and Enterprise Products Holdings LLC, Case No. 10495*. This new Ellis complaint alleges, among other things, that Oiltanking GP breached the implied covenant of good faith and fair dealing, that Oiltanking GP has breached the Oiltanking partnership agreement, and that other defendants have aided and abetted Oiltanking GP s breach of the Oiltanking partnership agreement or contractual duty of good faith thereunder. The plaintiffs seek to (i) enjoin the special meeting to vote on the merger proposal unless it is subjected to an unaffiliated vote and (ii) in the event the merger approval is not compelled to be subject to an unaffiliated vote, an award of money damages.

While Enterprise and Oiltanking cannot predict the outcome of this lawsuit or any other lawsuits that might be filed subsequent to the date of the filing of this proxy statement/prospectus, nor can Enterprise and Oiltanking predict the amount of time and expense that will be required to resolve this lawsuit or any other lawsuits, Enterprise, Oiltanking and the other defendants named in this lawsuit intend to defend vigorously against this and any other actions.

Summary of Risk Factors (page 31)

You should consider carefully all of the risk factors together with all of the other information included in this proxy statement/prospectus before deciding how to vote. The risks related to the merger and the related transactions, Enterprise s business, Enterprise common units and risks resulting from Enterprise s organizational structure are described under the caption Risk Factors beginning on page 31 of this proxy statement/prospectus. Some of these risks include, but are not limited to, those described below:

- Oiltanking s partnership agreement limits the fiduciary duties of Oiltanking GP to common unitholders and restricts the remedies available to common unitholders for actions taken by Oiltanking GP that might otherwise constitute breaches of fiduciary duty.

- The directors and executive officers of Oiltanking GP may have interests relating to the merger that differ in certain respects from the interests of the Oiltanking unaffiliated unitholders.

- The exchange ratio is fixed and the market value of the merger consideration to Oiltanking public unitholders on the closing date will be equal to 1.30 times the price of Enterprise common units at the closing of the merger, which market value will decrease if the market value of Enterprise s common units

decreases.

The pro forma financial statements are presented for illustrative purposes only and may not be an indication of Enterprise s financial condition or results of operations following the merger.

The transactions contemplated by the merger agreement may not be consummated even if Oiltanking unitholders approve the merger agreement and the merger.

Because Enterprise and EPO own approximately 66% of the outstanding Oiltanking common units and have agreed to vote their units to approve the merger proposal, a vote in favor of the merger proposal at

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the Oiltanking special meeting is assured regardless of how the Oiltanking unaffiliated unitholders vote.

While the merger agreement is in effect, both Oiltanking and Enterprise may lose opportunities to enter into different business combination transactions with other parties on more favorable terms, and may be limited in their ability to pursue other attractive business opportunities.

No ruling has been obtained with respect to the U.S. federal income tax consequences of the merger.

The intended U.S. federal income tax consequences of the merger are dependent upon Enterprise being treated as a partnership for U.S. federal income tax purposes.

Oiltanking public unitholders could recognize taxable income or gain for U.S. federal income tax purposes as a result of the merger.

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Organizational Chart

Before the Merger

The following diagram depicts a simplified organizational structure of Enterprise and Oiltanking as of December 31, 2014 before the consummation of the merger and the other transactions contemplated by the merger agreement.

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After the Merger

The following diagram depicts a simplified organizational structure of Enterprise and Oiltanking immediately after giving effect to the merger and the other transactions contemplated by the merger agreement, as well as an anticipated contribution of resulting limited partner interests in the merger by Enterprise to EPO.

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SUMMARY HISTORICAL AND PRO FORMA FINANCIAL AND OPERATING INFORMATION OF ENTERPRISE AND OILTANKING

The following tables set forth, for the periods and at the dates indicated, summary historical financial and operating information for Enterprise, summary historical financial information for Oiltanking and summary unaudited pro forma financial information for Enterprise after giving effect to the proposed merger with Oiltanking. The summary historical financial data as of and for each of the years ended December 31, 2011, 2012 and 2013 are derived from and should be read in conjunction with the audited financial statements and accompanying footnotes of Enterprise and Oiltanking, respectively. The summary historical financial data as of and for the nine-month periods ended September 30, 2014 and 2013 are derived from and should be read in conjunction with the unaudited financial statements and accompanying footnotes of Enterprise and Oiltanking, respectively.

Enterprise s and Oiltanking s consolidated balance sheets as of December 31, 2012 and 2013 and as of September 30, 2014, and the related statements of consolidated operations, comprehensive income, cash flows and equity for each of the three years in the period ended December 31, 2013 and the nine months ended September 30, 2014 and 2013 are incorporated by reference into this proxy statement/prospectus from Enterprise s and Oiltanking s respective Annual Reports on Form 10-K for the year ended December 31, 2013, and their Quarterly Reports on Form 10-Q for the three months ended September 30, 2014.

The summary unaudited pro forma condensed consolidated financial statements of Enterprise show the pro forma effect of Enterprise s proposed merger with Oiltanking. For a complete discussion of the pro forma adjustments underlying the amounts in the table on the following page, please read Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page F-2 of this proxy statement/prospectus.

Upon Enterprise s completion of the acquisition of Oiltanking GP and related incentive distribution rights, 15,899,802 Oiltanking common units and 38,899,802 Oiltanking subordinated units on October 1, 2014, Oiltanking became a consolidated subsidiary of Enterprise for financial accounting and reporting purposes. The proposed merger will be accounted for in accordance with Accounting Standards Codification 810, *Consolidations Overall Changes in Parent s Ownership Interest in a Subsidiary*, which is referred to as ASC 810. Changes in Enterprise s ownership interest in Oiltanking, while Enterprise retains its controlling financial interest in Oiltanking, will be accounted for as an equity transaction and no gain or loss will be recognized as a result of the proposed merger. The proposed merger represents Enterprise s acquisition of the noncontrolling interests in Oiltanking.

The unaudited pro forma condensed consolidated financial statements have been prepared to assist in the analysis of financial effects of the proposed merger between Enterprise and Oiltanking. The unaudited pro forma condensed statements of consolidated operations for the year ended December 31, 2013 and the nine months ended September 30, 2014 assume the proposed merger-related transactions occurred on January 1, 2013. The unaudited pro forma condensed consolidated balance sheet assumes the proposed merger-related transactions occurred on September 30, 2014. The unaudited pro forma condensed consolidated financial statements are based upon assumptions that Enterprise and Oiltanking believe are reasonable under the circumstances, and are intended for informational purposes only. They are not necessarily indicative of the financial results that would have occurred if the transactions described herein had taken place on the dates indicated, nor are they indicative of the future consolidated results of the combined entity.

Enterprise s non-generally accepted accounting principles, or non-GAAP, financial measures of gross operating margin and Adjusted EBITDA are presented in the summary historical and pro forma financial information. Please read Non-GAAP Financial Measures, which provides the necessary explanations for these non-GAAP financial measures

and reconciliations to their most closely related GAAP financial measures.

For information regarding the effect of the proposed merger on pro forma distributions to Oiltanking unitholders, please read Comparative Per Unit Information. For additional financial information, please read Selected Financial Data and Pro Forma Information of Enterprise and Oiltanking on page 87.

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Enterprise and Oiltanking completed two-for-one common unit splits of their limited partner units on August 21, 2014 and July 14, 2014, respectively. All references to units outstanding and per unit amounts in this proxy statement/prospectus for each company have been adjusted to give effect to the respective unit splits.

Summary Historical and Pro Forma Financial Information of Enterprise

	Enterprise Consolidated Historical					As Adjusted Enterprise Pro Forma(1)	
	For the Year Ended December 31,			For the Nine Months Ended September 30,		For the Year Ended December 31,	For the Nine Months Ended September 30,
	2011	2012	2013	2013	2014	2013	2014
	(Dollars in millions, except per unit amounts)						
				(Unaudited)		(Unaudited)	
Income statement data:							
Revenues	$ 44,313.0	$ 42,583.1	$ 47,727.0	$ 34,625.7	$ 37,760.9	$ 47,875.7	$ 37,897.2
Cost and expenses	41,500.3	39,538.2	44,427.0	32,200.0	35,085.3	44,518.5	35,162.1
Equity in income of unconsolidated affiliates	46.4	64.3	167.3	126.1	179.1	167.3	179.1
Operating income	2,859.1	3,109.2	3,467.3	2,551.8	2,854.7	3,524.5	2,914.2
Other income (expense):							
Interest expense	(744.1)	(771.8)	(802.5)	(604.4)	(679.6)	(829.2)	(697.0)
Other, net	0.5	73.4	(0.2)	0.2	(0.2)	(0.1)	(0.1)
Total other expense, net	(743.6)	(698.4)	(802.7)	(604.2)	(679.8)	(829.3)	(697.1)
Income before income taxes	2,115.5	2,410.8	2,664.6	1,947.6	2,174.9	2,695.2	2,217.1
Benefit from (provision for) income taxes	(27.2)	17.2	(57.5)	(46.2)	(22.5)	(58.6)	(23.5)
Net income	2,088.3	2,428.0	2,607.1	1,901.4	2,152.4	2,636.6	2,193.6
Net income attributable to noncontrolling interests	(41.4)	(8.1)	(10.2)	(3.4)	(24.8)	(10.2)	(24.8)
Net income attributable to limited partners	$ 2,046.9	$ 2,419.9	$ 2,596.9	$ 1,898.0	$ 2,127.6	$ 2,626.4	$ 2,168.8
Earnings per unit:							
Basic earnings per unit	$ 1.24	$ 1.40	$ 1.45	$ 1.07	$ 1.16	$ 1.40	$ 1.13
Diluted earnings per unit	$ 1.19	$ 1.35	$ 1.41	$ 1.03	$ 1.13	$ 1.36	$ 1.10

Cash distributions:							
Per common unit(2)	$ 1.2176	$ 1.2863	$ 1.3700	$ 1.0200	$ 1.0800	$ 1.3700	$ 1.0800
Balance sheet data (at period end):							
Total assets	$ 34,125.1	$ 35,934.4	$ 40,138.7	$ 40,125.0	$ 42,905.5	n/a	$ 48,023.5
Total long-term and current maturities of debt	$ 14,529.4	$ 16,201.8	$ 17,351.5	$ 17,531.5	$ 19,646.4	n/a	$ 21,146.4
Total equity	$ 12,219.3	$ 13,296.0	$ 15,440.4	$ 14,682.2	$ 15,981.9	n/a	$ 19,536.3
Other financial data:							
Net cash flows provided by operating activities	$ 3,330.5	$ 2,890.9	$ 3,865.5	$ 2,366.2	$ 2,704.4	n/a	n/a
Cash used in investing activities	$ 2,777.6	$ 3,018.8	$ 4,257.5	$ 2,937.5	$ 2,268.1	n/a	n/a
Cash provided by (used in) financing activities	$ (598.6)	$ 124.2	$ 432.8	$ 564.8	$ 568.4	n/a	n/a
Distributions received from unconsolidated affiliates	$ 156.4	$ 116.7	$ 251.6	$ 187.6	$ 260.7	n/a	n/a
Gross operating margin (unaudited)(3)	$ 3,871.7	$ 4,387.0	$ 4,818.1	$ 3,527.3	$ 3,928.1	$ 4,985.2	$ 4,079.9
Adjusted EBITDA (unaudited)(3)	$ 3,960.1	$ 4,329.9	$ 4,736.8	$ 3,492.6	$ 3,902.3	$ 4,882.8	$ 4,037.4

(1) Reflects the pro forma effects of the proposed merger. See Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page F-2 of this proxy statement/prospectus.
(2) Represents cash distributions per unit declared and paid with respect to period by Enterprise
(3) Please read Non-GAAP Financial Measures below beginning on page 24 for a reconciliation of non-GAAP gross operating margin and Adjusted EBITDA to their most closely related GAAP financial measures.

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Summary Historical Operating Information of Enterprise

	Enterprise Consolidated Historical				
	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2011	2012	2013	2013	2014
Selected volumetric operating data by segment:					
NGL Pipelines & Services, net:					
NGL transportation volumes (MBPD)	2,284	2,472	2,787	2,717	2,862
NGL fractionation volumes (MBPD)	575	659	726	707	820
Equity NGL production (MBPD)	116	101	126	120	125
Fee-based natural gas processing (MMcf/d)	3,820	4,382	4,612	4,589	4,872
Onshore Natural Gas Pipelines & Services, net:					
Natural gas transportation volumes (BBtus/d)	13,231	13,634	12,936	13,115	12,541
Onshore Crude Oil Pipelines & Services, net					
Crude oil transportation volumes (MBPD)	678	828	1,175	1,139	1,274
Offshore Pipelines & Services, net:					
Natural gas transportation volumes (BBtus/d)	1,065	853	678	706	621
Crude oil transportation volumes (MBPD)	279	300	307	306	329
Platform natural gas processing (MMcf/d)	405	291	202	217	150
Platform crude oil processing (MBPD)	17	17	16	15	14
Petrochemical & Refined Products Services, net:					
Butane isomerization volumes (MBPD)	129	141	161	160	174
Propylene fractionation volumes (MBPD)	73	72	74	71	72
Octane additive and related plant production volumes (MBPD)	17	16	20	18	15
Transportation volumes, primarily refined products and petrochemicals (MBPD)	783	689	702	693	746

As used in the table above, the following industry abbreviations mean the following:

/d = per day

BBtus = billion British thermal units

MBPD = thousand barrels per day

MMcf = million cubic feet

Enterprise s consolidated historical operating data does not include Oiltanking s assets and operations. For Oiltanking s consolidated historical operating data, please read the Oiltanking reports filed with the SEC and incorporated by reference into this proxy statement/prospectus.

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Summary Historical Financial Information of Oiltanking

	Oiltanking Consolidated Historical				
	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2011	2012	2013	2013	2014
	(Dollars in millions, except per unit amounts)			(Unaudited)	
Income statement data:					
Revenues	$ 117.4	$ 135.5	$ 211.0	$ 150.8	$ 195.4
Costs and expenses	65.2	70.8	85.5	62.4	79.5
Operating income	52.2	64.7	125.5	88.4	115.9
Other income (expense):					
Interest expense	(5.4)	(1.7)	(7.4)	(5.1)	(3.0)
Other, net	(5.9)	0.2	0.1		0.1
Total other expense, net	(11.3)	(1.5)	(7.3)	(5.1)	(2.9)
Income before income taxes	40.9	63.2	118.2	83.3	113.0
Benefit from (provision for) income taxes	21.5	(0.6)	(1.1)	(0.7)	(1.0)
Net income	$ 62.4	$ 62.6	$ 117.1	$ 82.6	$ 112.0
Net income subsequent to IPO on July 19, 2011(1)	$ 23.8	$ 62.6	$ 117.1	$ 82.6	$ 112.0
Earnings per limited partner unit:					
Common unit (basic and diluted)	$ 0.30	$ 0.79	$ 1.22	$ 0.88	$ 1.02
Subordinated unit (basic and diluted)	$ 0.30	$ 0.79	$ 1.20	$ 0.88	$ 1.02
Cash distributions:					
Per common and subordinated unit(2)	$ 0.3039	$ 0.7375	$ 0.8725	$ 0.6375	$ 0.7800
Balance sheet data (at period end):					
Total assets	$ 322.0	$ 469.2	$ 729.0	$ 601.2	$ 858.6
Total debt, including current portion	$ 20.8	$ 149.3	$ 190.8	$ 233.3	$ 225.8
Total partners capital	$ 279.8	$ 285.9	$ 493.6	$ 319.7	$ 540.2
Other financial data:					
Net cash flows provided by operating activities	$ 56.4	$ 75.3	$ 134.3	$ 87.8	$ 136.3
Cash used in investing activities	$ 45.3	$ 162.5	$ 256.0	$ 113.3	$ 100.4
Cash provided by (used in) financing activities	$ 4.0	$ 70.5	$ 131.9	$ 34.9	$ (31.7)
Gross operating margin(3)	$ 85.5	$ 99.5	$ 167.1	$ 119.0	$ 151.8

(1) Oiltanking completed its initial public offering on July 19, 2011. With respect to the year ended December 31, 2011, net income attributable to Oiltanking s general partner and limited partner interests and associated earnings per unit amounts reflect the period July 19, 2011 through December 31, 2011.
(2) Represents cash distributions per unit declared and paid with respect to period by Oiltanking.
(3) Please read Non-GAAP Financial Measures below for a reconciliation of non-GAAP gross operating margin to GAAP operating income for Oiltanking.

Non-GAAP Financial Measures

This section provides reconciliations of Enterprise s and Oiltanking s non-GAAP financial measures included in this proxy statement/prospectus to their most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the U.S., or GAAP. Within this document, Enterprise and Oiltanking both present the non-GAAP financial measure of gross operating margin

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and Enterprise also presents the non-GAAP financial measure of Adjusted EBITDA. These non-GAAP financial measures should not be considered as an alternative to GAAP measures such as net income, operating income, net cash flows provided by operating activities or any other measure of liquidity or financial performance calculated and presented in accordance with GAAP. These non-GAAP financial measures may not be comparable to similarly titled measures of other companies because they may not calculate such measures in the same manner as Enterprise or Oiltanking do.

Gross Operating Margin

We evaluate segment performance based on the non-GAAP financial measure of gross operating margin. Total segment gross operating margin is an important performance measure of the core profitability of our operations. This measure forms the basis of our internal financial reporting and is used by management in deciding how to allocate capital resources among business segments. We believe that investors benefit from having access to the same financial measures that management uses in evaluating segment results. The GAAP measure most directly comparable to total segment gross operating margin is operating income. The non-GAAP financial measure of total segment gross operating margin should not be considered an alternative to GAAP operating income. Gross operating margin is presented on a 100% basis before the allocation of earnings to noncontrolling interests.

The following table presents a reconciliation of Enterprise s GAAP operating income to its non-GAAP financial measure of total gross operating margin, on a historical and pro forma basis, as applicable for each of the periods indicated:

	Enterprise Consolidated Historical					Enterprise Pro Forma	
	For the Year Ended December 31,			For the Nine Months Ended September 30,		For the Year Ended December 31,	For the Nine Months Ended September 30,
	2011	2012	2013	2013	2014	2013	2014
	(Dollars in millions, except per unit amounts)						
				(Unaudited)		(Unaudited)	
Operating income	$ 2,859.1	$ 3,109.2	$ 3,467.3	$ 2,551.8	$ 2,854.7	$ 3,524.5	$ 2,914.2
Adjustments to reconcile GAAP operating income to total non-GAAP gross operating margin:							
Add depreciation, amortization and accretion expense	959.0	1,061.7	1,148.9	851.7	936.5	1,237.6	1,011.0
Add non-cash asset impairment charges	27.8	63.4	92.6	53.3	18.2	92.6	18.2
Subtract net gains attributable to asset sales and insurance recoveries in costs and expenses	(156.0)	(17.6)	(83.4)	(68.4)	(99.0)	(84.0)	(99.1)
			4.4		66.8	4.4	66.8

Add non-refundable deferred revenues attributable to shipper make-up rights on new pipeline projects excluded from consolidated revenues							
Add general and administrative costs	181.8	170.3	188.3	138.9	150.9	210.1	168.8
Gross operating margin	$ 3,871.7	$ 4,387.0	$ 4,818.1	$ 3,527.3	$ 3,928.1	$ 4,985.2	$ 4,079.9

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The following table presents a reconciliation of Oiltanking s GAAP operating income to its non-GAAP financial measure of total gross operating margin, on a historical basis, as applicable for each of the periods indicated:

	Oiltanking Consolidated Historical				
	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2011	2012	2013	2013	2014
	(Dollars in millions, except per unit amounts)				
				(Unaudited)	
Operating income	$ 52.2	$ 64.7	$ 125.5	$ 88.4	$ 115.9
Adjustments to reconcile GAAP operating income to total non-GAAP gross operating margin:					
Add depreciation and amortization expense	15.7	15.9	20.4	14.8	17.1
Subtract net gains attributable to asset sales and insurance recoveries	(0.4)		(0.6)	(0.2)	(0.1)
Add general and administrative costs	18.0	18.9	21.8	16.0	18.9
Gross operating margin	$ 85.5	$ 99.5	$ 167.1	$ 119.0	$ 151.8

Adjusted EBITDA

Adjusted EBITDA is commonly used as a supplemental financial measure by management and by external users of Enterprise s financial statements, such as investors, commercial banks, research analysts and rating agencies, to assess: (i) the financial performance of Enterprise s assets without regard to financing methods, capital structures or historical cost basis; (ii) the ability of Enterprise s assets to generate cash sufficient to pay interest cost and support its indebtedness; and (iii) the viability of projects and the overall rates of return on alternative investment opportunities. The GAAP measure most directly comparable to Adjusted EBITDA is net cash flows provided by operating activities.

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The following table presents Enterprise s calculation of Adjusted EBITDA (unaudited) on a historical and pro forma basis and a reconciliation of Enterprise s non-GAAP financial measure of Adjusted EBITDA to its GAAP financial measure of net cash flows provided by operating activities on a historical basis.

	Enterprise Consolidated Historical					Enterprise Pro Forma	
	For the Year Ended December 31,			For the Nine Months Ended September 30,		For the Year Ended December 31,	For the Nine Months Ended September 30,
	2011	2012	2013	2013	2014	2013	2014
	(Dollars in millions, except per unit amounts)						
				(Unaudited)		(Unaudited)	
Net income	$ 2,088.3	$ 2,428.0	$ 2,607.1	$ 1,901.4	$ 2,152.4	$ 2,636.6	$ 2,193.6
Adjustments to GAAP net income to derive non-GAAP Adjusted EBITDA:							
Subtract equity in income of unconsolidated affiliates	(46.4)	(64.3)	(167.3)	(126.1)	(179.1)	(167.3)	(179.1)
Add cash distributions from unconsolidated affiliates	156.4	116.7	251.6	187.6	260.7	251.6	260.7
Add interest expense, including related amortization amounts	744.1	771.8	802.5	604.4	679.6	829.2	697.0
Add provision for income taxes	27.2	(17.2)	57.5	46.2	22.5	58.6	23.6
Add depreciation, amortization and accretion expense in costs and expenses	990.5	1,094.9	1,185.4	879.1	966.2	1,274.1	1,041.6
Adjusted EBITDA	$ 3,960.1	$ 4,329.9	$ 4,736.8	$ 3,492.6	$ 3,902.3	$ 4,882.8	$ 4,037.4
Adjustments to reconcile non-GAAP Adjusted EBITDA to GAAP net cash flows provided by operating activities:							
Subtract interest expense, excluding related amortization amounts	(727.6)	(761.8)	(770.3)	(581.2)	(653.4)		
Subtract provision for income taxes	(27.2)	17.2	(57.5)	(46.2)	(22.5)		
Add deferred income tax expense or subtract benefit, as applicable	12.1	(66.2)	37.9	32.1	2.6		

Subtract net gains attributable to asset sales and insurance recoveries	(155.7)	(86.4)	(83.4)	(68.4)	(99.0)
Add non-cash asset impairment charges	27.8	63.4	92.6	53.3	18.2
Add losses or subtract gains due to changes in the fair market value of derivative instruments	(25.7)	(29.5)	1.4	(5.3)	(3.8)
Net effect of changes in operating accounts	266.9	(582.5)	(97.6)	(513.9)	(435.8)
Other, net	(0.2)	6.8	5.6	3.2	(4.2)
Net cash flows provided by operating activities	$ 3,330.5	$ 2,890.9	$ 3,865.5	$ 2,366.2	$ 2,704.4

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COMPARATIVE PER UNIT INFORMATION

The following table sets forth (i) historical per unit information of Enterprise, (ii) the unaudited pro forma per unit information of Enterprise after giving pro forma effect to the proposed merger and the transactions contemplated thereby, including Enterprise s issuance of 1.30 Enterprise common units for each outstanding Oiltanking common unit (other than Oiltanking common units owned by EPO), and (iii) the historical and equivalent pro forma per unit information for Oiltanking.

You should read this information in conjunction with (i) the summary historical financial information included elsewhere in this proxy statement/prospectus, (ii) the historical consolidated financial statements of Oiltanking and Enterprise and related notes that are incorporated by reference in this proxy statement/prospectus and (iii) the Unaudited Pro Forma Condensed Consolidated Financial Statements and related notes included elsewhere in this proxy statement/prospectus. The unaudited pro forma per unit information does not purport to represent what the actual results of operations of Oiltanking and Enterprise would have been had the proposed merger been completed in another period or to project Oiltanking s and Enterprise s results of operations that may be achieved if the proposed merger is completed.

In calculating the historical book value per common unit amounts for Oiltanking presented in the following tables, Oiltanking s common and subordinated units were treated as one class of units. Oiltanking s subordinated units owned by Enterprise converted to common units on a one-for-one basis on November 17, 2014.

	Year Ended December 31, 2013			
	Enterprise		Oiltanking	
	Historical	Combined Company Pro Forma(1)	Historical	Equivalent Pro Forma(2)
Net income per limited partner unit:				
Basic	$ 1.45	$ 1.40	$ 1.22	$ 1.82
Diluted	$ 1.41	$ 1.36	$ 1.20	$ 1.77
Cash distributions declared per unit(3)	$ 1.3700	$ 1.3700	$ 0.8725	$ 1.7810
Book value per common unit	$ 8.13	$ N/A	$ 5.65	$ N/A

	Nine Months Ended September 30, 2014			
	Enterprise		Oiltanking	
	Historical	Combined Company Pro Forma(1)	Historical	Equivalent Pro Forma(2)
Net income per limited partner unit:				
Basic	$ 1.16	$ 1.13	$ 1.02	$ 1.47
Diluted	$ 1.13	$ 1.10	$ 1.02	$ 1.43
Cash distributions declared per unit(3)	$ 1.0800	$ 1.0800	$ 0.7800	$ 1.4040
Book value per common unit	$ 8.38	$ 9.79	$ 5.94	$ 12.73

(1)

Enterprise s pro forma information includes the effect of the proposed merger on the basis described in the notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements included elsewhere in this proxy statement/prospectus.

(2) Oiltanking s equivalent pro forma earnings, book value and cash distribution amounts have been calculated by multiplying Enterprise s pro forma per unit amounts by the 1.30 exchange ratio.

(3) With respect to Enterprise, represents cash distributions per common unit declared and paid with respect to the period by Enterprise.

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MARKET PRICES AND DISTRIBUTION INFORMATION

Enterprise common units are traded on the NYSE under the ticker symbol EPD, and the Oiltanking common units are traded on the NYSE under the ticker symbol OILT. The following table sets forth, for the periods indicated, the range of high and low sales prices per unit for Enterprise common units and Oiltanking common units, on the NYSE composite tape, as well as information concerning quarterly cash distributions declared and paid with respect to each period. Oiltanking s common units began trading on July 14, 2011, at an initial offering price of $10.75 per unit (split adjusted). Prior to July 14, 2011, Oiltanking s equity securities were not listed on any exchange and there was no public market for its common units.

Enterprise and Oiltanking completed two-for-one common unit splits of their limited partner units on August 21, 2014 and July 14, 2014, respectively. All references to sales prices and distributions per unit in the following table have been adjusted to give effect to the respective unit splits. The sales prices are as reported in published financial sources, after giving effect to the unit splits.

	Enterprise Common Units			Oiltanking Common Units		
	Sales Prices		Distribution	Sales Prices		Distribution
	High	Low	Rate(1)	High	Low	Rate(1)
2012						
First Quarter	$ 26.48	$ 22.89	$ 0.3138	$ 16.47	$ 13.29	$ 0.1750
Second Quarter	$ 26.47	$ 22.84	$ 0.3175	$ 15.98	$ 13.83	$ 0.1800
Third Quarter	$ 27.49	$ 25.39	$ 0.3250	$ 20.57	$ 15.37	$ 0.1875
Fourth Quarter	$ 27.69	$ 24.26	$ 0.3300	$ 19.30	$ 16.56	$ 0.1950
2013						
First Quarter	$ 30.17	$ 25.51	$ 0.3350	$ 26.60	$ 19.01	$ 0.2025
Second Quarter	$ 31.78	$ 28.06	$ 0.3400	$ 26.99	$ 23.25	$ 0.2125
Third Quarter	$ 32.80	$ 28.83	$ 0.3450	$ 26.37	$ 23.34	$ 0.2225
Fourth Quarter	$ 33.46	$ 29.57	$ 0.3500	$ 33.00	$ 25.37	$ 0.2350
2014						
First Quarter	$ 35.50	$ 31.51	$ 0.3550	$ 38.66	$ 30.75	$ 0.2475
Second Quarter	$ 39.26	$ 34.52	$ 0.3600	$ 49.11	$ 37.58	$ 0.2600
Third Quarter	$ 41.38	$ 35.55	$ 0.3650	$ 54.95	$ 40.63	$ 0.2725
Fourth Quarter	$ 40.95	$ 30.71	$ 0.3700(2)	$ 52.00	$ 38.60	n/a(2)
2015						
First Quarter (through January 8, 2015)	$ 36.98	$ 32.37	n/a(2)	$ 47.72	$ 41.76	n/a(2)

(1) Represents cash distribution declared with respect to the quarter presented and paid in the following quarter. The partnership agreements of both Enterprise and Oiltanking require them to distribute all of their available cash, as defined in their respective partnership agreements, within 45 days after the end of each quarter. The payment of future quarterly cash distributions by Enterprise and/or Oiltanking, therefore, will depend on their respective available cash amounts at the end of each quarter.

(2) The cash distribution of Enterprise with respect to the fourth quarter of 2014 was declared by Enterprise on January 6, 2015, but has not been paid as of the date of this proxy statement/prospectus. The cash distribution of Oiltanking with respect to the fourth quarter of 2014 has not been declared or paid by Oiltanking as of the date of

this proxy statement/prospectus. Cash distributions with respect to the first quarter of 2015 have not been declared or paid as of the date of this proxy statement/prospectus.

The last reported sale price of Oiltanking common units on the NYSE on September 30, 2014, the last trading day before Enterprise announced its initial proposal to acquire all of the Oiltanking common units owned by the public, was $49.59 per unit. The last reported sale price of Enterprise common units on the NYSE on September 30, 2014, the last trading day before Enterprise announced its initial proposal to acquire all of the Oiltanking common units owned by the public, was $40.30 per unit.

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The last reported sale price of Oiltanking common units on the NYSE on November 10, 2014, the last trading day before Enterprise and Oiltanking entered into and announced the merger agreement, was $44.42 per unit. Likewise, the last reported sale price of Enterprise common units was $37.73 per unit on November 10, 2014.

The last reported sale price of Oiltanking common units on the NYSE on January 6, 2015, the last trading day before the filing of the registration statement of which this proxy statement/prospectus is a part, was $43.20 per unit. Likewise, the last reported sale price of Enterprise common units was $33.59 per unit on January 6, 2015.

As of December 31, 2014, Enterprise had 1,937,324,817 common units outstanding held by approximately 2,974 holders of record. As of the record date for the special meeting, Oiltanking had 83,128,494 outstanding common units held by approximately four holders of record.

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RISK FACTORS

You should consider carefully the following risk factors, together with all of the other information included in, or incorporated by reference into, this proxy statement/prospectus before deciding how to vote. In particular, please read Part I, Item 1A, Risk Factors, in the Annual Reports on Form 10-K for the year ended December 31, 2013 for each of Enterprise and Oiltanking incorporated by reference herein. This document also contains forward-looking statements that involve risks and uncertainties. Please read Information Regarding Forward-Looking Statements.

Risks Related to the Merger

Oiltanking s partnership agreement limits the fiduciary duties of Oiltanking GP to common unitholders and restricts the remedies available to common unitholders for actions taken by Oiltanking GP that might otherwise constitute breaches of fiduciary duty.

Oiltanking s partnership agreement contains provisions that modify and limit Oiltanking GP s fiduciary duties to Oiltanking unitholders. Oiltanking s partnership agreement also restricts the remedies available to Oiltanking unitholders for actions taken that, without those limitations, might constitute breaches of fiduciary duty.

Neither Oiltanking GP nor its affiliates (including directors of Oiltanking GP) will be in breach of their obligations under Oiltanking s partnership agreement or its duties to Oiltanking or the Oiltanking unitholders if the resolution of the conflict is or is deemed to be fair and reasonable to Oiltanking. Any resolution will be deemed fair and reasonable if it is:

- approved by a majority of the members of the Oiltanking Conflicts Committee;
- approved by a vote of the majority of the Oiltanking common units (excluding Oiltanking common units owned by Oiltanking GP and its affiliates);
- on terms no less favorable to Oiltanking than those generally being provided to or available from unrelated third parties; or
- fair and reasonable to Oiltanking, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Oiltanking).

In light of conflicts of interest in connection with the merger between Enterprise, Oiltanking GP and its controlling affiliates, on the one hand, and Oiltanking and the Oiltanking unaffiliated unitholders, on the other hand, the Oiltanking Board delegated authority to the Oiltanking Conflicts Committee to consider, analyze, review, evaluate, determine and recommend whether to pursue the merger and related matters and if a determination to pursue a merger and related matters were made, to negotiate the terms and conditions of a merger and related matters. Approval by a majority of the members of the Oiltanking Conflicts Committee is referred to as Special Approval in Oiltanking s partnership agreement. Under Oiltanking s partnership agreement:

any conflict of interest and any resolution thereof is permitted and deemed approved by all parties and will not constitute a breach of the partnership agreement of Oiltanking, or of any duty expressed or implied by law or equity, if approved by Special Approval ; and

if special approval is sought, then it shall be presumed that, in making its decision, the Oiltanking Conflicts Committee acted in good faith.

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The directors and executive officers of Oiltanking GP may have interests relating to the merger that differ in certain respects from the interests of the Oiltanking unaffiliated unitholders.

In considering the recommendations of the Oiltanking Conflicts Committee and the Oiltanking Board to approve the merger agreement and the merger, you should consider that some of the directors and executive officers of Oiltanking GP may have interests that differ from, or are in addition to, interests of Oiltanking unitholders generally, including:

- All of the directors and executive officers of Oiltanking GP will receive continued indemnification for their actions as directors and executive officers.
- Certain directors of Oiltanking GP, none of whom is a member of the Oiltanking Conflicts Committee, own Enterprise common units.
- Some of Oiltanking GP s directors, none of whom is a member of the Oiltanking Conflicts Committee, also serve as officers of Enterprise GP, have certain duties to the limited partners of Enterprise and are compensated, in part, based on the performance of Enterprise.
- One of Oiltanking GP s officers also serves as an officer of Enterprise GP, and is compensated, in part, based on the performance of Enterprise. In addition to serving as President and Chief Executive Officer of Oiltanking GP, Ms. Argo serves as a Senior Vice President of Enterprise GP.

The exchange ratio is fixed and the market value of the merger consideration to Oiltanking public unitholders on the closing date will be equal to 1.30 times the price of Enterprise common units at the closing of the merger, which market value will decrease if the market value of Enterprise s common units decreases.

The market value of the consideration that Oiltanking public unitholders will receive in the merger will depend on the trading price of Enterprise s common units at the closing of the merger. The 1.30 exchange ratio that determines the number of Enterprise common units that Oiltanking public unitholders will receive in the merger is fixed. This means that there is no price protection mechanism contained in the merger agreement that would adjust the number of Enterprise common units that Oiltanking public unitholders will receive based on any decreases in the trading price of Enterprise common units. If Enterprise s common unit price at the closing of the merger is less than Enterprise s common unit price on the date that the merger agreement was signed, then the market value of the consideration received by Oiltanking public unitholders will be less than contemplated at the time the merger agreement was signed.

Enterprise common unit price changes may result from a variety of factors, including general market and economic conditions, changes in Enterprise s business, operations and prospects, and regulatory considerations. Many of these factors are beyond Enterprise s and Oiltanking s control. For historical and current market prices of Enterprise common units and Oiltanking common units, please read the Market Prices and Distribution Information section of this proxy statement/prospectus.

The pro forma financial statements are presented for illustrative purposes only and may not be an indication of Enterprise s financial condition or results of operations following the merger.

The pro forma financial statements contained in this proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of Enterprise s financial condition or results of operations following the merger for several reasons. The pro forma financial statements have been derived from the historical financial statements of Enterprise and Oiltanking, and adjustments and assumptions have been made after giving effect to the merger. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with accuracy. Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by Enterprise and Oiltanking in connection with the merger. As a result, the actual financial condition and results of operations of Enterprise following the merger may not be consistent with, or evident from, these pro forma financial statements.

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The assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect Enterprise s financial condition or results of operations following the merger. Any decline or potential decline in Enterprise s financial condition or results of operations may cause significant variations in its unit price. Please read Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page F-2 of this proxy statement/prospectus.

The transactions contemplated by the merger agreement may not be consummated even if Oiltanking unitholders approve the merger agreement and the merger.

The merger agreement contains conditions that, if not satisfied or waived, would result in the merger not occurring, even though Oiltanking unitholders may have voted in favor of the merger agreement. In addition, Oiltanking and Enterprise can agree not to consummate the merger even if Oiltanking unitholders approve the merger agreement and the merger and the conditions to the closing of the merger are otherwise satisfied.

Because Enterprise and EPO own approximately 66% of the outstanding Oiltanking common units and have agreed to vote their units to approve the merger proposal, a vote in favor of the merger proposal at the Oiltanking special meeting is assured regardless of how the Oiltanking unaffiliated unitholders vote.

Regardless of how the Oiltanking unaffiliated unitholders vote at the Oiltanking special meeting, a vote to approve the proposed merger is assured because Enterprise and EPO, which own approximately 66% of the outstanding Oiltanking common units, have agreed to vote their units in favor of the proposed merger. Consequently, Oiltanking unaffiliated unitholders have no control over whether the proposed merger is approved at the Oiltanking special meeting.

While the merger agreement is in effect, both Oiltanking and Enterprise may lose opportunities to enter into different business combination transactions with other parties on more favorable terms, and may be limited in their ability to pursue other attractive business opportunities.

While the merger agreement is in effect, Oiltanking is prohibited from initiating, soliciting, knowingly encouraging or facilitating any inquiries or the making or submission of any proposal that constitutes or may reasonably be expected to lead to a proposal to acquire Oiltanking, or offering to enter into certain transactions such as a merger, sale of assets or other business combination, with any other person, subject to limited exceptions. As a result of these provisions in the merger agreement, Oiltanking may lose opportunities to enter into more favorable transactions. While the merger agreement is in effect, Enterprise is prohibited from merging, consolidating or entering into any other business combination with any other entity or making any acquisition or disposition that would likely have a material adverse effect, as defined in the merger agreement.

Both Enterprise and Oiltanking have also agreed to refrain from taking certain actions with respect to their businesses and financial affairs pending completion of the merger or termination of the merger agreement. These restrictions and the non-solicitation provisions (described in more detail below in The Merger Agreement) could be in effect for an extended period of time if completion of the merger is delayed and the parties agree to extend the March 31, 2015 outside termination date.

In addition to the economic costs associated with pursuing a merger, each of Enterprise GP s and Oiltanking GP s management is devoting substantial time and other resources to the proposed transaction and related matters, which could limit Enterprise s and Oiltanking s ability to pursue other attractive business opportunities, including potential joint ventures, stand-alone projects and other transactions. If either Enterprise or Oiltanking is unable to pursue such other attractive business opportunities, its growth prospects and the long-term strategic position of its business and the

combined business could be adversely affected.

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Risks Related to Enterprise s Business After the Merger

Enterprise s cash distributions may vary based on its operating performance and level of cash reserves.

Distributions will be dependent on the amount of cash Enterprise generates and may fluctuate based on its performance. Neither Enterprise nor Oiltanking can guarantee that after giving effect to the merger Enterprise will continue to be able to pay distributions at the current level each quarter or make any increase in the amount of distributions in the future. The actual amount of cash that is available to be distributed each quarter will depend upon numerous factors, some of which will be beyond Enterprise s control and the control of its general partner. These factors include but are not limited to the following:

- the volume of products that Enterprise handles and the prices it receives for its products and services;
- the level of Enterprise s operating costs;
- the level of competition from third parties;
- prevailing economic conditions, including the price of and demand for NGLs, crude oil, natural gas and other products Enterprise will process, transport, store and market;
- the level of capital expenditures Enterprise will make and the availability of, and timing of completion of, organic growth projects;
- the restrictions contained in Enterprise s debt agreements and debt service requirements;
- fluctuations in Enterprise s working capital needs;
- the weather in Enterprise s operating areas;
- the availability and cost of acquisitions, if any;
- regulatory changes; and
- the amount, if any, of cash reserves established by Enterprise GP in its discretion.

In addition, Enterprise s ability to pay the minimum quarterly distribution each quarter will depend primarily on its cash flow, including cash flow from financial reserves and working capital borrowings, and not solely on profitability,

which is affected by non-cash items. As a result, Enterprise may make cash distributions during periods when it records losses, and Enterprise may not make distributions during periods when it records net income.

Risks Related to Enterprise s Common Units and Risks Resulting from its Partnership Structure

The general partner of Enterprise and its affiliates have limited fiduciary responsibilities to, and have conflicts of interest with respect to, Enterprise, which may permit the general partner of Enterprise to favor its own interests to your detriment.

The directors and officers of the general partner of Enterprise and its affiliates have duties to manage the general partner of Enterprise in a manner that is beneficial to its member. At the same time, the general partner of Enterprise has duties to manage Enterprise in a manner that is beneficial to Enterprise. Therefore, the duties of the general partner to Enterprise may conflict with the duties of its officers and directors to its member. Such conflicts may include, among others, the following:

- neither Enterprise s partnership agreement nor any other agreement requires the general partner of Enterprise or EPCO to pursue a business strategy that favors Enterprise;

- decisions of the general partner of Enterprise regarding the amount and timing of asset purchases and sales, cash expenditures, borrowings, issuances of additional units and reserves in any quarter may affect the level of cash available to pay quarterly distributions to unitholders and the general partner of Enterprise;

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under Enterprise s partnership agreement, the general partner of Enterprise determines which costs incurred by it and its affiliates are reimbursable by Enterprise;

the general partner of Enterprise is allowed to resolve any conflicts of interest involving Enterprise and the general partner of Enterprise and its affiliates;

the general partner of Enterprise is allowed to take into account the interests of parties other than Enterprise, such as EPCO, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to Enterprise s unitholders;

any resolution of a conflict of interest by the general partner of Enterprise not made in bad faith and that is fair and reasonable to Enterprise is binding on the partners and will not be a breach of Enterprise s partnership agreement;

affiliates of the general partner of Enterprise may compete with Enterprise in certain circumstances;

the general partner of Enterprise has limited its liability and reduced its fiduciary duties and has also restricted the remedies available to Enterprise s unitholders for actions that might, without the limitations, constitute breaches of fiduciary duty. As a result of acquiring Enterprise common units, you are deemed to consent to some actions and conflicts of interest that might otherwise constitute a breach of fiduciary or other duties under applicable law;

Enterprise does not have any employees and relies solely on employees of EPCO and its affiliates;

in some instances, the general partner of Enterprise may cause Enterprise to borrow funds in order to permit the payment of distributions;

Enterprise s partnership agreement does not restrict the general partner of Enterprise from causing Enterprise to pay it or its affiliates for any services rendered to Enterprise or entering into additional contractual arrangements with any of these entities on Enterprise s behalf;

the general partner of Enterprise intends to limit its liability regarding Enterprise s contractual and other obligations and, in some circumstances, may be entitled to be indemnified by Enterprise;

the general partner of Enterprise controls the enforcement of obligations it owes to Enterprise and other affiliates of EPCO;

the general partner of Enterprise decides whether to retain separate counsel, accountants or others to perform services for Enterprise; and

Enterprise has significant business relationships with entities controlled by the DDLLC voting trustees and the EPCO voting trustees, including EPCO. For detailed information on these relationships and related transactions with these entities, please see Item 13 (Certain Relationships and Related Transactions, and Director Independence) of Enterprise s Annual Report on Form 10-K for the year ended December 31, 2013 and Note 12 (Related Party Transactions) to the Unaudited Condensed Consolidated Financial Statements included in Item 1 of Enterprise s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014.

The general partner of Enterprise has a limited call right that may require common unitholders to sell their common units at an undesirable time or price.

If at any time the general partner of Enterprise and its affiliates own 85% or more of Enterprise common units then outstanding, the general partner of Enterprise will have the right, but not the obligation, which it may assign to any of its affiliates or to Enterprise, to acquire all, but not less than all, of the remaining Enterprise common units held by unaffiliated persons at a price not less than then current market price. As a result, common unitholders may be required to sell their Enterprise common units at an undesirable time or price and may therefore not receive any return on their investment. They may also incur a tax liability upon a sale of their units.

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Tax Risks Related to the Merger

In addition to reading the following risk factors, you are urged to read Material U.S. Federal Income Tax Consequences of the Merger beginning on page 121 and U.S. Federal Income Tax Consequences of Ownership of Enterprise Common Units beginning on page 125 for a more complete discussion of the expected material U.S. federal income tax consequences of the merger and owning and disposing of Enterprise common units received in the merger.

No ruling has been obtained with respect to the U.S. federal income tax consequences of the merger.

No ruling has been or will be requested from the IRS with respect to the U.S. federal income tax consequences of the merger. Instead, Enterprise and Oiltanking are relying on the opinions of their respective counsel as to the U.S. federal income tax consequences of the merger, and counsel s conclusions may not be sustained if challenged by the IRS.

The intended U.S. federal income tax consequences of the merger are dependent upon Enterprise being treated as a partnership for U.S. federal income tax purposes.

The treatment of the merger as nontaxable to Oiltanking unitholders is dependent upon Enterprise being treated as a partnership for U.S. federal income tax purposes. If Enterprise were treated as a corporation for U.S. federal income tax purposes, the consequences of the merger would be materially different and the merger would likely be a fully taxable transaction to an Oiltanking unitholder.

Oiltanking public unitholders could recognize taxable income or gain for U.S. federal income tax purposes as a result of the merger.

As a result of the merger, Oiltanking public unitholders who receive Enterprise common units will become limited partners of Enterprise and will be allocated a share of Enterprise s nonrecourse liabilities. Each Oiltanking public unitholder will be treated as receiving a deemed cash distribution equal to the excess, if any, of such unitholder s share of nonrecourse liabilities of Oiltanking immediately before the merger over such unitholder s share of nonrecourse liabilities of Enterprise immediately following the merger. If the amount of any deemed cash distribution received by an Oiltanking public unitholder exceeds the unitholder s basis in his Oiltanking common units, such unitholder will recognize gain in an amount equal to such excess. Enterprise and Oiltanking do not expect any Oiltanking public unitholders to recognize gain in this manner.

To the extent Oiltanking public unitholders receive cash in lieu of fractional Enterprise common units in the merger, such unitholders will recognize gain or loss equal to the difference between the cash received and the common unitholders adjusted tax basis allocated to such fractional Enterprise common units.

Tax Risks Related to Owning Enterprise Common Units Following the Merger

Enterprise s tax treatment depends on its status as a partnership for federal income tax purposes, as well as it not being subject to a material amount of entity-level taxation by individual states. If the Internal Revenue Service were to treat it as a corporation for federal income tax purposes or if it were to become subject to a material amount of entity-level taxation for state tax purposes, then cash available for distribution to its unitholders would be substantially reduced.

Despite the fact that Enterprise is a limited partnership under Delaware law, it is possible in certain circumstances for a partnership such as Enterprise to be treated as a corporation for federal income tax purposes. A change in its

business or a change in current law could cause it to be treated as a corporation for federal income tax purposes or otherwise subject it to a material amount of federal taxation as an entity. The anticipated after-tax economic benefit of an investment in Enterprise common units depends, to an extent, on its being treated as a partnership for federal income tax purposes. Enterprise has not requested, and does not plan to request, a ruling from the Internal Revenue Service (IRS) on this matter.

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If Enterprise were treated as a corporation for federal income tax purposes, it would pay federal income tax on its taxable income at the corporate tax rate (which is currently at a maximum of 35%) and it would also likely pay additional state income taxes at varying rates. Distributions to its unitholders would generally be taxed again as corporate dividends, and no income, gains, losses, deductions or credits would flow through to its unitholders. Because a tax would be imposed upon it as a corporation, the cash available for distribution to its unitholders would be substantially reduced. Thus, treatment of Enterprise as a corporation would result in a material reduction in the after-tax return to its unitholders, likely causing a substantial reduction in the value of Enterprise common units. Please read U.S. Federal Income Tax Consequences of Ownership of Enterprise Common Units Partnership Status for a further discussion of the foregoing.

In addition, because of widespread state budget deficits and other reasons, several states are evaluating ways to enhance state-tax collections. If any additional state were to impose an entity-level tax upon Enterprise or its operating subsidiaries, the cash available for distribution to its unitholders would be reduced.

The tax treatment of publicly traded partnerships or an investment in Enterprise common units could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

The present federal income tax treatment of publicly traded partnerships, including Enterprise, may be modified by administrative, legislative or judicial interpretation at any time. For example, from time to time, members of the U.S. Congress propose and consider substantive changes to the existing federal income tax laws that affect the tax treatment of certain publicly traded partnerships. Any modification to federal income tax laws and interpretations thereof may or may not be applied retroactively and could make it more difficult or impossible to meet the qualifying income exception in order for Enterprise to be treated as a partnership for federal income tax purposes (i.e., not taxable as a corporation). In addition, such changes may affect or cause Enterprise to change its business activities, affect the tax considerations of an investment in Enterprise, change the character or treatment of portions of its income, or otherwise adversely affect an investment in Enterprise common units. Enterprise is unable to predict whether any of these changes or any other proposals will ultimately be enacted. Any such changes could negatively impact the value of an investment in Enterprise common units and the amount of cash available for distribution to its unitholders.

Enterprise prorates its items of income, gain, loss and deduction between transferors and transferees of its common units each month based upon the ownership of its common units on the first day of each month, instead of on the basis of the date a particular common unit is transferred.

Enterprise prorates items of income, gain, loss and deduction between transferors and transferees of its common units each month based upon the ownership of the units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The use of this proration method may not be permitted under existing or proposed Treasury Regulations. If the IRS were to challenge this method or new Treasury Regulations were issued, Enterprise may be required to change the allocation of items of income, gain, loss and deduction among its unitholders. Andrews Kurth has not rendered an opinion with respect to whether Enterprise s monthly convention for allocating taxable income and losses is permitted by existing Treasury Regulations. Please read U.S. Federal Income Tax Consequences of Ownership of Enterprise Common Units Disposition of Enterprise Common Units Allocations Between Transferors and Transferees.

A successful IRS contest of the federal income tax positions Enterprise takes may adversely impact the market for its common units and the cost of any IRS contest will reduce its cash available for distribution to unitholders.

The IRS may adopt positions that differ from the positions Enterprise takes, even positions taken with advice of counsel. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions Enterprise takes. A court may not agree with some or all of the positions Enterprise takes. Any

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contest with the IRS may adversely impact the taxable income reported to Enterprise s unitholders and the income taxes they are required to pay. As a result, any such contest with the IRS may materially and adversely impact the market for Enterprise common units and the price at which such common units trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will result in a reduction in cash available for distribution to Enterprise unitholders.

Even if Enterprise common unitholders do not receive any cash distributions from Enterprise, they will be required to pay taxes on their share of its taxable income.

Because Enterprise unitholders will be treated as partners to whom Enterprise will allocate taxable income (which could be different in amount from the cash that Enterprise distributes), Enterprise unitholders will be required to pay federal income taxes and, in some cases, state and local income taxes on their share of Enterprise s taxable income, whether or not they receive any cash distributions from Enterprise. Enterprise common unitholders may not receive cash distributions from it equal to their share of its taxable income or even equal to the actual tax liability resulting from their share of its taxable income.

Tax gains or losses on the disposition of Enterprise common units could be different than expected.

If an Enterprise common unitholder sells Enterprise common units, such unitholder will recognize a gain or loss equal to the difference between the amount realized in the sale and the unitholder s tax basis in those common units. Because distributions in excess of a unitholder s allocable share of Enterprise s net taxable income decrease the unitholder s tax basis in the unitholder s common units, the amount, if any, of such prior excess distributions with respect to the Enterprise common units a unitholder sells will, in effect, become taxable income to the unitholder if the unitholder sells such common units at a price greater than the unitholder s tax basis in those common units, even if the price received is less than the unitholder s original cost. A substantial portion of the amount realized, whether or not representing gain, may be ordinary income to a unitholder. In addition, because the amount realized may include a unitholder s share of Enterprise s nonrecourse liabilities, a unitholder that sells Enterprise common units may incur a tax liability in excess of the amount of the cash received from the sale. Please read U.S. Federal Income Tax Consequences of Ownership of Enterprise Common Units Disposition of Enterprise Common Units Recognition of Gain or Loss for a further discussion of the foregoing.

Tax-exempt entities and non-U.S. persons face unique tax issues from owning Enterprise common units that may result in adverse tax consequences to them.

Investments in Enterprise common units by tax-exempt entities, such as individual retirement accounts (IRAs), other retirement plans and non-U.S. persons, raise issues unique to them. For example, virtually all of Enterprise s income allocated to unitholders who are organizations exempt from federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Distributions to non-U.S. persons will be reduced by withholding taxes at the highest applicable effective tax rate, and non-U.S. persons will be required to file U.S. federal income tax returns and pay tax on their share of Enterprise s taxable income.

Enterprise will treat each purchaser of its common units as having the same tax benefits without regard to the common units purchased. The IRS may challenge this treatment, which could adversely affect the value of its common units.

Because Enterprise cannot match transferors and transferees of Enterprise common units, it adopts depreciation and amortization positions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to a common

unitholder. Andrews Kurth is unable to opine as to the validity of such filing positions. It also could affect the timing of these tax benefits or the amount of gain from a sale of common units and could have a negative impact on the value of Enterprise common units or result in audit adjustments to the unitholder s tax

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returns. Please read U.S. Federal Income Tax Consequences of Ownership of Enterprise Common Units Tax Consequences of Enterprise Common Unit Ownership Section 754 Election for a further discussion of the effect of the depreciation and amortization positions Enterprise will adopt.

Enterprise s common unitholders will likely be subject to state and local taxes and return filing requirements in states where they do not live as a result of an investment in its common units.

In addition to federal income taxes, Enterprise s common unitholders will likely be subject to other taxes, such as state and local income taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which it does business or owns property even if the unitholder does not live in any of those jurisdictions. Enterprise s common unitholders will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, they may be subject to penalties for failure to comply with those requirements. Enterprise may own property or conduct business in other states or foreign countries in the future. It is the responsibility of each unitholder to file its own federal, state and local tax returns.

The sale or exchange of 50% or more of the total interests in Enterprise s capital and profits within any twelve-month period will result in the termination of its partnership for federal income tax purposes.

Enterprise will be considered to have technically terminated its existing partnership and having formed a new partnership for federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in its capital and profits within a twelve-month period. For purposes of determining whether the 50% threshold has been met, multiple sales of the same interest will be counted only once. Enterprise s technical termination would, among other things, result in the closing of its taxable year for all unitholders, which could result in it filing two tax returns for one fiscal year. However, pursuant to an IRS relief procedure, the IRS may allow a technically terminated partnership to provide a single Schedule K-1 for the calendar year in which a termination occurs. Enterprise s technical termination could also result in the deferral of depreciation deductions allowable in computing its taxable income. In the case of a unitholder reporting on a taxable year other than a fiscal year ending December 31, the closing of Enterprise s taxable year may also result in more than twelve months of its taxable income or loss being includable in the unitholder s taxable income for the year of termination. If treated as a new partnership, Enterprise must make new tax elections and could be subject to penalties if it was unable to determine that a termination occurred. Please read U.S. Federal Income Tax Consequences of Ownership of Enterprise Common Units Disposition of Enterprise Common Units Constructive Termination for a discussion of the consequences of Enterprise s termination for federal income tax purposes.

An Enterprise unitholder whose Enterprise common units are loaned to a short seller to cover a short sale of Enterprise common units may be considered as having disposed of those common units. If so, the unitholder would no longer be treated for tax purposes as a partner with respect to those common units during the period of the loan and may recognize gain or loss from the disposition.

Because an Enterprise common unitholder whose Enterprise common units are loaned to a short seller to cover a short sale of Enterprise common units may be considered as having disposed of the loaned units, the unitholder may no longer be treated for tax purposes as a partner with respect to those common units during the period of the loan to the short seller and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan to the short seller, any of Enterprise s income, gain, loss or deduction with respect to those Enterprise common units may not be reportable by such unitholder and any cash distributions received by the unitholder as to those common units could be fully taxable as ordinary income. Andrews Kurth has not rendered an opinion regarding the treatment of an Enterprise unitholder whose Enterprise common units are loaned to a short seller to cover a short sale of Enterprise common units. Therefore, Enterprise unitholders desiring to assure their status as partners of Enterprise

and avoid the risk of gain recognition from a loan to a short seller are urged to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their Enterprise common units.

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THE SPECIAL UNITHOLDER MEETING

Time, Place and Date. The special meeting of Oiltanking unitholders will be held on February 13, 2015 at 8:00 a.m., local time at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002. The meeting may be adjourned or postponed by Oiltanking GP to another date or place for proper purposes, including for the purpose of soliciting additional proxies.

Purposes. The purposes of the special meeting are:

- to consider and vote on the approval of the merger agreement and the merger; and
- to transact such other business as may properly be presented at the meeting or any adjournment or postponement of the meeting.

At this time, Oiltanking knows of no other matter that will be presented for consideration at the meeting.

Quorum. A quorum requires the presence, in person or by proxy, of holders of a majority of the outstanding Oiltanking common units. Oiltanking common units will be counted as present at the special meeting if the holder is present in person at the meeting or has submitted a properly executed proxy card or properly submits a proxy by telephone or Internet. Proxies received but marked as abstentions will be counted as units that are present and entitled to vote for purposes of determining the presence of a quorum. If an executed proxy is returned by a broker or other nominee holding units in street name indicating that the broker does not have discretionary authority as to certain units to vote on the proposals, such units will be considered present at the meeting for purposes of determining the presence of a quorum but will not be considered entitled to vote.

Record Date. The Oiltanking unitholder record date for the special meeting is the close of business on January 2, 2015.

Units Entitled to Vote. Oiltanking unitholders may vote at the special meeting if they owned Oiltanking common units at the close of business on the record date. Oiltanking unitholders may cast one vote for each Oiltanking common unit owned on the record date.

Votes Required. Under the merger agreement and Oiltanking s partnership agreement, the merger agreement and the merger must be approved by the affirmative vote of the Oiltanking unitholders holding a majority of the outstanding Oiltanking common units. As of the record date, affiliates of Enterprise collectively owned 54,799,604 or approximately 66% of the outstanding Oiltanking common units and Oiltanking unaffiliated unitholders owned approximately 34% of the outstanding Oiltanking common units. Enterprise and EPO have agreed to vote any Oiltanking common units owned by them or their subsidiaries in favor of adoption of the merger agreement and the merger at any meeting of Oiltanking unitholders, which is sufficient to approve the merger agreement and the merger under the merger agreement and Oiltanking s partnership agreement.

Common Units Outstanding. As of the record date, there were 83,128,494 Oiltanking common units outstanding.

Voting Procedures

Voting by Oiltanking Unitholders. Oiltanking unitholders who hold units in their own name may vote or submit their proxy using any of the following methods:

call the toll-free telephone number listed on your proxy card and follow the recorded instructions;

go to the internet website listed on your proxy card and follow the instructions provided;

complete, sign and mail your proxy card in the postage-paid envelope; or

attend the meeting and vote in person.

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If you have timely and properly submitted your proxy, clearly indicated your vote and have not revoked your proxy, your units will be voted as indicated. If you have timely and properly submitted your proxy but have not clearly indicated your vote, your units will be voted FOR approval of the merger agreement and the merger.

If any other matters are properly presented for consideration at the meeting or any adjournment or postponement thereof, the persons named in your proxy will have the discretion to vote on these matters. Oiltanking s partnership agreement provides that, in the absence of a quorum, any meeting of Oiltanking limited partners may be adjourned from time to time by the affirmative vote of a majority of the outstanding Oiltanking partnership interests (including Oiltanking partnership interests deemed owned by Oiltanking GP) represented either in person or by proxy.

Revocation. If you hold your Oiltanking common units in your own name, you may revoke your proxy at any time prior to its exercise by:

- giving written notice of revocation to the chief executive officer of Oiltanking GP at or before the special meeting;
- appearing and voting in person at the special meeting; or
- properly completing and executing a later dated proxy and delivering it to the chief executive officer of Oiltanking GP at or before the special meeting.

Your presence without voting at the meeting will not automatically revoke your proxy, and any revocation during the meeting will not affect votes previously taken.

Validity. The inspectors of election will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of proxies. Their determination will be final and binding. The Oiltanking Board has the right to waive any irregularities or conditions as to the manner of voting. Oiltanking may accept your proxy by any form of communication permitted by Delaware law so long as Oiltanking is reasonably assured that the communication is authorized by you.

Solicitation of Proxies. The accompanying proxy is being solicited by Oiltanking GP on behalf of the Oiltanking Board. The expenses of preparing, printing and mailing the proxy and materials used in the solicitation will be borne by Oiltanking.

In addition to the mailing of this proxy statement/prospectus, proxies may also be solicited from Oiltanking unitholders by personal interview, telephone, fax or other electronic means by directors and officers of Oiltanking GP and employees of EPCO and its affiliates who provide services to Oiltanking, who will not receive additional compensation for performing that service. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of proxy materials to the beneficial owners of Oiltanking common units held by those persons, and Oiltanking will reimburse them for any reasonable expenses that they incur.

Units Held in Street Name. If you hold Oiltanking common units in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee when voting your Oiltanking common units or when granting or revoking a proxy.

Absent specific instructions from you, your broker is not empowered to vote your units with respect to the approval of the merger agreement and the merger. If you do not provide voting instructions, your units will not be voted on any proposal on which your broker, bank or other nominee does not have discretionary authority. This is often called a broker non-vote. The only proposal for consideration at the special meeting, however, is a non-discretionary matter for which brokers, banks and other nominees do not have discretionary authority to vote.

Failures to vote, abstentions and broker non-votes will have the same effect as a vote against approval of the merger proposal for purposes of the vote required under the merger agreement and Oiltanking s partnership agreement.

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THE MERGER

Background of the Merger

During late April 2014, Enterprise management determined that it had an interest in a potential acquisition of Oiltanking. During May 2014, Enterprise management, with the assistance of Citigroup Global Markets Inc. (Citi), prepared and reviewed financial information regarding a potential transaction. Enterprise management also scheduled a meeting with Marquard & Bahls AG, the indirect owner of 100% of Oiltanking GP and approximately 66% of Oiltanking s limited partner interests (M&B), in Hamburg, Germany, on June 11 and 12, 2014. On June 11, 2014, Michael A. Creel, the Chief Executive Officer of Enterprise GP, and A. James Teague, the Chief Operating Officer of Enterprise GP, met with Kenneth F. Owen, then-current Chief Executive Officer of Oiltanking GP, along with Hellmuth Weisser, the Chairman of M&B, and other M&B management, including Dr. Christian Flach, Dr. Claus-Georg Nette and Julio Tellechea, at a dinner in Hamburg, and Messrs. Creel and Teague met on June 12, 2014 with the same members of M&B management at meetings in the Hamburg office of M&B. At these meetings, the attendees had general discussions, and the parties presented detailed overviews of each company s history and operations. At these meetings, M&B clarified that it would not be interested in considering a sale of its interest in the general partner of Oiltanking and its limited partner interests in Oiltanking if such sale were subject to unitholder approval by all Oiltanking unitholders, and that any such second step transaction for the remaining Oiltanking common units would need to occur after the closing of the acquisition of Oiltanking interests from M&B and its affiliates. Mr. Weisser indicated that he would review the proposal with the M&B owners and let Enterprise know by mid-July whether the proposal warranted further discussion with Enterprise. Dr. Nette requested a written summary of a proposal from Enterprise to facilitate discussions with the owners.

From June 16-18, 2014, Enterprise held internal meetings and, along with its outside counsel at Andrews Kurth LLP, prepared a written proposal. Enterprise sent the written proposal to Mr. Owen for delivery to M&B on June 19, 2014. This proposal, and subsequent responses from M&B, did not include the acquisition of any Oiltanking common units held by public unitholders. From June 19 until July 24, 2014, the Enterprise proposal was discussed among M&B owners, board members and management to determine their interest in continuing discussions. On July 24, 2014, Messrs. Flach, Nette and Owen met with Messrs. Creel, Teague and W. Randall Fowler, the Executive Vice President and Chief Financial Officer of Enterprise GP, to deliver a written counterproposal. From July 24 until October 1, 2014, Enterprise and M&B, including its affiliate OTA, engaged in proposals and negotiations regarding the sale by OTA of its interest in Oiltanking GP and limited partner interests owned by OTA and its affiliates in Oiltanking (the GP Purchase Transactions), and conducted diligence regarding the same. The GP Purchase Transactions as consummated did not include any other assets not owned by Oiltanking and its subsidiaries unrelated to the existing Oiltanking business, including other U.S. Gulf Coast assets owned by OTA and its affiliates previously considered as potential drop-down opportunities for Oiltanking.

On September 28, 2014, Mr. Owen separately contacted each of the members of the Oiltanking Conflicts Committee (Gregory C. King as Chairman, Thomas M. Hart III and D. Mark Leland) and apprised them of a potential transaction involving Enterprise for the sale by OTA of its interests in Oiltanking GP and limited partner interests owned by OTA and its affiliates in Oiltanking.

On the afternoon of September 29, 2014, Enterprise participated in a conference call with each of the members of the Oiltanking Conflicts Committee, along with Messrs. Owen and Brian Brantley, the General Counsel of Oiltanking GP, representatives from Andrews Kurth and Vinson & Elkins LLP, counsel to OTA. On this call, Mr. Owen summarized to the Oiltanking Conflicts Committee the pending GP Purchase Transactions. Enterprise acknowledged the GP Purchase Transactions, provided a more detailed description of the pending GP Purchase Transactions, informed the Oiltanking Conflicts Committee members that Enterprise would like them to continue their services following such

transactions, and stated that Enterprise expected to announce an additional proposal for review and consideration by the Oiltanking Conflicts Committee.

On October 1, 2014, Enterprise and OTA signed the definitive purchase agreement and related agreements, and consummated the acquisition of Oiltanking GP and approximately 66% of the outstanding limited partner

interests of Oiltanking as part of the GP Purchase Transactions. Enterprise also delivered a letter containing the merger proposal to Mr. King, as Chairman of the Oiltanking Conflicts Committee, and the other members of the Oiltanking Conflicts Committee. The letter included a proposed exchange ratio of 1.23 Enterprise common units for each outstanding Oiltanking common unit, as well as a statement that Enterprise was interested only in acquiring Oiltanking common units it did not already own, and that Enterprise was not interested in selling its controlling interest in Oiltanking or approving any combination of Oiltanking with, or sale of all or substantially all of the assets of Oiltanking to, any other acquirer. Enterprise and Oiltanking also publicly announced the GP Purchase Transactions and the merger proposal. In connection with the consummation of the transactions, each of the prior OTA affiliate directors, Messrs. Owen, Flach, James Flannan Browne and David L. Griffis, resigned as a director of Oiltanking GP.

On October 1, 2014, immediately following the consummation of the GP Purchase Transactions, Messrs. Bulawa, Ordemann, Sanders and Smith were appointed and elected directors of Oiltanking GP by written consent of the sole member of Oiltanking GP.

On October 2, 2014, Mr. Hart contacted a representative of Latham & Watkins LLP (Latham) regarding the Oiltanking Conflict Committee s potential engagement of Latham as legal advisor to the Oiltanking Conflicts Committee.

On October 6, 2014, the Oiltanking Board, including each of the new directors, met for the first time following the consummation of the GP Purchase Transactions. Immediately prior to the commencement of this meeting, certain directors and members of the EPCO and Enterprise management teams, including Messrs. Bachmann, Creel, Teague and Fowler and Ms. Williams, introduced themselves to the Oiltanking Conflicts Committee members. Mr. Bulawa, as Chairman of the Oiltanking Board, commenced the Oiltanking Board meeting. Mr. David Buck from Andrews Kurth first discussed drafts of a proposed tax sharing agreement and proposed new administrative services agreement. The Oiltanking Board deferred any action on those agreements until the Oiltanking Conflicts Committee members had further time to review the proposed agreements. Mr. Buck then discussed with the Oiltanking Board the current limited liability company agreement of Oiltanking GP, which remained substantially unchanged other than the change of its current sole member. The Oiltanking Board then discussed changes to Oiltanking s management team proposed by the sole member of Oiltanking GP. Messrs. King, Hart and Leland noted that the proposed changes to management were based on the desires of the sole member of Oiltanking GP, and while they did not object to the changes, they did not have time to review in detail the proposed management changes. Messrs. King, Hart and Leland abstained from voting on the management changes and related officer designations, while a majority of the Oiltanking Board voted in favor of these matters.

On October 6, 2014, the Oiltanking Conflicts Committee held an in-person meeting at Latham s offices, with Mr. King in attendance telephonically. At the meeting, the Oiltanking Conflicts Committee met with representatives of Latham and determined to engage Latham as its legal advisor. The Oiltanking Conflicts Committee then discussed the merger proposal, including the timing contemplated by the merger proposal, the process to be implemented in connection with the proposed transaction and the upcoming meeting of the Oiltanking Board scheduled for October 10, 2014. At this meeting, the Oiltanking Conflicts Committee also discussed potential financial advisors and authorized representatives of Latham to schedule interviews of specified candidates selected by the Oiltanking Conflicts Committee. In addition, the Oiltanking Conflicts Committee authorized representatives of Latham to contact representatives of Richards, Layton & Finger, P.A. (Richards Layton) regarding the potential engagement of Richards Layton as special Delaware legal advisor to the Oiltanking Conflicts Committee.

From October 6 through October 17, 2014, Latham and the Oiltanking Conflicts Committee reviewed and negotiated with Mr. Bulawa, as Chairman of the Oiltanking Board, and other representatives of Oiltanking GP, authorizing resolutions for the Oiltanking Conflicts Committee, including its scope of duties for the requested Special Approval of

the proposed transaction and fees relating to the same.

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On October 17, 2014, the Oiltanking Board met in the morning to consider the Oiltanking distribution with respect to the quarter ended September 30, 2014, the proposed Tax Sharing Agreement and Seventh Amended and Restated Administrative Services Agreement, and a delegation of authority from the Oiltanking Board to the Oiltanking Conflicts Committee for review of the merger proposal in accordance with the Special Approval process under Oiltanking s partnership agreement. Mr. Buck of Andrews Kurth attended on behalf of Enterprise to respond to questions regarding the proposed agreements and related duties under Oiltanking s partnership agreement and applicable law, while noting that the Oiltanking Conflicts Committee was represented by Latham regarding the Special Approval process. The Oiltanking Board unanimously approved the distribution, the proposed agreements, and the authorizing resolutions delegating authority from the Oiltanking Board to the Oiltanking Conflicts Committee related to the merger proposal, including authority to (i) consider, review and evaluate the merger proposal, (ii) negotiate any terms of a proposed transaction and related agreements, (iii) consult with management of Oiltanking GP in connection with discussions and negotiations, (iv) consider other matters as may be requested by the Oiltanking Board or otherwise deemed appropriate by the Oiltanking Conflicts Committee, and (v) determine whether to approve, and if so approved, whether to recommend to the Oiltanking Board to approve, the proposed transaction and related agreements, with such approval constituting Special Approval for all purposes under the Oiltanking partnership agreement.

In addition, at the Oiltanking Board meeting on October 17, 2014, following discussions between and among representatives of Latham and Andrews Kurth during the preceding week, the Oiltanking Board adopted resolutions finalizing the compensation to be paid to the members of the Oiltanking Conflicts Committee with respect to any proposed transaction. The compensation, which is in addition to the regular compensation payable to the members of the Oiltanking Conflicts Committee in their capacity as directors of the Oiltanking Board, was set as follows: (i) $20,000 per month (plus an additional $5,000 per month for the chairman) payable monthly in arrears beginning October 1, 2014, and continuing until the mailing of Oiltanking s proxy statement; (ii) $7,500 per month (plus an additional $2,500 per month for the chairman) payable monthly in arrears thereafter until the closing or termination of the merger; and (iii) if litigation continues after closing, a fee of $1,000 per hour for time actually spent in connection with such litigation. The final terms also provided that any such fees would cease accruing upon the cessation of discussions relating to any proposed transaction.

On October 17, 2014, the Oiltanking Conflicts Committee held an in-person meeting at Latham s offices. Representatives of Latham were present at the meeting, and representatives of Richards Layton were present telephonically. At this meeting, representatives of Latham and Richards Layton gave a presentation to the Oiltanking Conflicts Committee with respect to, among other things, the duties of members of the Oiltanking Conflicts Committee under Delaware law and Oiltanking s partnership agreement, issues relating to conflicts of interests, the process of the Oiltanking Conflicts Committee and recent Delaware cases involving master limited partnerships (MLPs). Following the presentation, the Oiltanking Conflicts Committee interviewed three financial advisors to potentially serve as independent financial advisor to the Oiltanking Conflicts Committee. Following such interviews, the Oiltanking Conflicts Committee discussed and deliberated on the selection of a financial advisor and then determined to engage Jefferies LLC (Jefferies) as its financial advisor (subject to finalizing the terms of an engagement letter). The Oiltanking Conflicts Committee and its advisors also discussed due diligence and procedural considerations, including the need for the committee and its advisors to take the time necessary to fully understand the financial and other implications of the proposed transaction.

During the morning of October 21, 2014, a meeting was held at Enterprise s offices at which Enterprise management gave business diligence presentations. In addition to Enterprise management, attendees included Messrs. King, Hart and Leland as members of the Oiltanking Conflicts Committee; representatives of Jefferies and Latham, as financial and legal advisors, respectively, to the Oiltanking Conflicts Committee; and representatives of Citi and Andrews Kurth, as financial and legal advisors, respectively, to Enterprise. Messrs. Creel, Teague and Tony Chovanec, along

with other officers on behalf of Enterprise management, made presentations, reviewing a history of Enterprise asset drop-downs, contributions of those assets to cash flows, current operations, recent events, capital projects, historical practice of retaining a portion of distributable cash flows, reinvestments in other capital projects and other commercial overviews of Enterprise s business segments. The presentation also covered,

among other things, the potential transaction between Enterprise and Oiltanking, market fundamentals and certain of Enterprise s financial metrics and publicly available financial projections. The presentation also included questions from the Oiltanking Conflicts Committee and representatives of Jefferies and Latham with respect to the topics discussed and Enterprise s responses thereto.

On October 21, 2014, following the due diligence meeting at Enterprise s offices, the Oiltanking Conflicts Committee held an in-person meeting at Latham s offices. Also present at the meeting were representatives of Jefferies and Latham. The Oiltanking Conflicts Committee discussed with representatives of Jefferies and Latham certain aspects of the due diligence meeting with Enterprise held earlier that morning and follow up diligence materials to request from Enterprise.

Later that day on October 21, 2014, Andrews Kurth delivered an initial draft merger agreement to Latham. The draft of the merger agreement was consistent with the merger proposal dated October 1, 2014, and included an exchange ratio of 1.23 Enterprise common units for each outstanding Oiltanking common unit held by Oiltanking s public unitholders.

On October 23, 2014, Mr. Jon Ackerman, former Chief Financial Officer of Oiltanking GP, along with current Oiltanking GP management members Mr. Robert McCall, Senior Vice President Commercial and Business Development, and Ms. Donna Hymel, Chief Financial Officer, held a telephonic due diligence session with representatives of Jefferies. Also present telephonically at the meeting were Mr. Hart, on behalf of the Oiltanking Conflicts Committee, as well as representatives of Enterprise, Andrews Kurth, Citi and Latham. The presentation covered, among other things, the business and operations of Oiltanking, industry and market fundamentals and projections, storage and terminaling infrastructure, Oiltanking s business plans and capital projects, certain of Oiltanking s financial metrics and publicly available financial projections and the potential transaction between Enterprise and Oiltanking. The presentation also included questions from the Oiltanking Conflicts Committee and representatives of Jefferies and Latham with respect to the topics discussed and responses thereto from Messrs. Ackerman and McCall and Ms. Hymel.

On October 24, 2014, the Oiltanking Conflicts Committee held an in-person meeting at Latham s offices. Also present at the meeting were representatives of Jefferies and representatives of Latham. At the meeting, representatives of Jefferies provided an overview of the merger proposal and discussed with the Oiltanking Conflicts Committee certain issues regarding the merger proposal.

During the October 24, 2014 meeting of the Oiltanking Conflicts Committee, representatives of Jefferies discussed Jefferies preliminary draft analysis of the proposed transaction. Representatives of Jefferies, among other things, (i) summarized the transaction and provided background on the market and the parties, (ii) provided a structural overview of the proposed transaction, (iii) reviewed Enterprise s proposed exchange ratio of 1.23 in connection with an implied multiples analysis, (iv) discussed summary market data for each of Oiltanking s and Enterprise s common units, along with implied multiples with respect thereto relating to, among other things, total equity value, EBITDA and distributable cash flow, (v) described the implied premiums to pricing sensitivity analysis, and (vi) discussed the overlap of significant unitholders in a cross-holder analysis.

Representatives of Jefferies also, among other things, (i) provided a detailed market update; (ii) discussed three-year annotated unit price performance charts; (iii) summarized Oiltanking s and Enterprise s unit price history over the last twelve months; (iv) reviewed Oiltanking s and Enterprise s trading volume and unit price analyses over the last six and twelve months; (v) summarized analysts views for both Oiltanking and Enterprise; and (vi) discussed the relative unit performance for Oiltanking and Enterprise.

Representatives of Jefferies next, among other things, (i) provided a detailed presentation regarding the relative valuation analysis performed by Jefferies, (ii) discussed the distributable cash flow growth for both Oiltanking and Enterprise, (iii) gave a financial summary for both Oiltanking and Enterprise, (iv) summarized the valuation methodologies utilized by Jefferies, (v) summarized the implied exchange ratio of Enterprise s

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proposed exchange ratio of 1.23 with respect to a selected public companies analysis, distributable cash flow analysis and premiums paid analysis.

Thereafter, representatives of Jefferies described the valuation methodologies in detail and discussed, among other things, (i) the historical market implied exchange ratio analysis, (ii) the comparable company analysis implied exchange ratios, (iii) Oiltanking s and Enterprise s trading metrics of comparable companies, (iv) Oiltanking s and Enterprise s discounted cash flow analysis, (v) the implied discounted cash flow analysis exchange ratio and (vi) the third-party premiums paid analysis based on both current prices and the unaffected price as well as with respect to precedent affiliate MLP transactions.

Representatives of Jefferies subsequently discussed the potential pro forma financial impact of the proposed transaction assuming both a 1.23 exchange ratio and a 1.40 exchange ratio, along with the assumptions relating thereto.

Representatives of Jefferies then (i) provided an overview of Enterprise contained in the presentation, including, among other things, a summary of Enterprise s management, historical trading performance, ownership structure and assets, (ii) discussed the potential financial impact to Oiltanking and Enterprise assuming both a 1.23 exchange ratio and a 1.40 exchange ratio, and (iii) discussed the weighted average cost of capital analyses.

The members of the Oiltanking Conflicts Committee also discussed among themselves, and with representatives of Jefferies and Latham, the risks and merits of the proposed merger with Enterprise and whether other potential alternative transactions may be available to Oiltanking. The Oiltanking Conflicts Committee considered whether it would be appropriate to seek other prospective bidders for the assets or control of Oiltanking and to make further inquiry of Enterprise with respect to other alternatives. The Oiltanking Conflicts Committee considered that Enterprise, in the merger proposal, previously had asserted that it was interested only in acquiring the Oiltanking common units it did not already own and that it was not interested in disposing of its controlling interest in Oiltanking to a third party at such time, meaning that a prospective bidder would not be able to gain control of Oiltanking. The Oiltanking Conflicts Committee concluded that prospective bidders would not be interested in purchasing the common units held by Oiltanking public unitholders without gaining control of Oiltanking. As a result, the Oiltanking Conflicts Committee determined that it was unlikely that it could conduct a meaningful auction for the acquisition of the assets or control of Oiltanking.

In addition, the Oiltanking Conflicts Committee discussed potential alternatives for Oiltanking remaining as a standalone public company, including, among other things, the current and expected growth prospects for Oiltanking, current and expected market conditions for the storage and terminaling business and the potential financial performance and related implications for Oiltanking. The Oiltanking Conflicts Committee concluded that the current and prospective growth prospects for Oiltanking if it were to continue as a standalone public entity would be more limited following Enterprise s acquisition of Oiltanking GP. In reaching that conclusion, the Oiltanking Conflicts Committee considered (i) the loss of visible growth prospects, such as complimentary potential drop downs from affiliates of M&B, upon Enterprise acquiring Oiltanking GP and approximately 66% of Oiltanking s limited partner interests on October 1, 2014, (ii) potential reduced incentives for Enterprise to grow Oiltanking as a standalone public entity in view of Enterprise s business relationship with Oiltanking, including the fact that Enterprise represented approximately 29% of Oiltanking s revenues for the year ended December 31, 2013, as well as Enterprise s 50-year service agreement with Oiltanking relating to Enterprise s LPG export terminal at Oiltanking s complex on the Houston Ship Channel, (iii) the lack of any duty or other obligation for Enterprise to support Oiltanking s growth or otherwise adopt a business strategy that is favorable to Oiltanking and (iv) the potential unwillingness of third parties, including current and potential competitors of Enterprise, to do business with Oiltanking as a controlled subsidiary of Enterprise.

On October 29, 2014, the Oiltanking Conflicts Committee held a telephonic meeting. Present telephonically at the meeting were representatives of Jefferies, representatives of Latham and representatives of Richards

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Layton. Representatives of Latham reviewed with the Oiltanking Conflicts Committee the terms of a revised draft of the merger agreement that included proposed revisions from the Oiltanking Conflicts Committee, Latham and Richards Layton, including (i) the addition of a condition that the merger be approved by the holders of a majority of the Oiltanking common units excluding the Oiltanking common units held by Enterprise and its subsidiaries, (ii) the deletion of a force the vote provision and addition of a provision that would allow the Oiltanking Conflicts Committee to cancel the calling, holding or convening of an Oiltanking unitholder meeting if the Oiltanking Conflicts Committee changed its recommendation to the Oiltanking common unitholders if it felt that doing so was necessary to comply with its duties, (iii) the addition of provisions that would allow the Oiltanking Conflicts Committee to terminate the merger agreement upon a change in recommendation and in order for Oiltanking to accept a superior proposal, (iv) the elimination of the $30 million termination fee initially proposed by Enterprise and (v) the entry by Enterprise and EPO into the support agreement as a condition to Oiltanking s willingness to enter into the merger agreement. In addition, the revised draft of the merger agreement, among other things, broadened the definitions of acquisition proposal and superior proposal, as well as broadened certain representations and warranties. The Oiltanking Conflicts Committee then discussed with its advisors an exchange ratio to submit as a counterproposal to Enterprise s initial proposal of an exchange ratio of 1.23. At the conclusion of the meeting, the Oiltanking Conflicts Committee determined that Mr. King would communicate to Mr. Creel that, subject to the negotiation of a mutually satisfactory form of merger agreement, the Oiltanking Conflicts Committee was willing to support a transaction by which Enterprise would acquire all of the publicly held units of Oiltanking if (i) the exchange ratio were increased to 1.40 Enterprise common units for each publicly held unit of Oiltanking and (ii) the consummation of the transaction were conditioned on receiving the approval of a majority of Oiltanking common units held by Oiltanking unaffiliated unitholders.

On October 30, 2014, Mr. King met with Mr. Creel in person and communicated that, subject to the negotiation of a mutually satisfactory form of merger agreement, the Oiltanking Conflicts Committee was willing to support a transaction by which Enterprise would acquire all of the publicly held units of Oiltanking if (i) the exchange ratio were increased to 1.40 Enterprise common units for each publicly held unit of Oiltanking and (ii) the consummation of the transaction was conditioned on receiving the approval of a majority of Oiltanking common units held by Oiltanking unaffiliated unitholders. In their discussions, Mr. Creel explained that Enterprise believed its original proposal was very fair and that the market had already factored Oiltanking s future growth into the Oiltanking unit price. Mr. Creel also explained that Enterprise could not negotiate a transaction in pieces and would need to see the Oiltanking Conflicts Committee s comments to the draft merger agreement and consider all the issues together. Mr. King committed to sending Enterprise the Oiltanking Conflicts Committee s mark-up of the merger agreement.

On October 30, 2014, Latham distributed a revised merger agreement to Andrews Kurth on behalf of the Oiltanking Conflicts Committee. From October 30, 2014 until November 5, 2014, Enterprise and Andrews Kurth held meetings to discuss comments and revised the draft merger agreement.

On November 5, 2014, Andrews Kurth distributed a revised merger agreement to Latham, together with a note that Enterprise s original proposal regarding a 1.23 exchange ratio remained the same.

On November 6, 2014, the Oiltanking Conflicts Committee held a telephonic meeting. Present telephonically at the meeting were representatives of Jefferies, representatives of Latham and representatives of Richards Layton. Representatives of Latham reviewed with the Oiltanking Conflicts Committee the terms of the revised draft of the merger agreement that Andrews Kurth had provided to Latham on November 5, 2014, including (i) the reinsertion of a force the vote provision that would require Oiltanking to hold a unitholder meeting even if the Oiltanking Conflicts Committee changed its recommendation regarding the proposed transaction, (ii) the deletion of Oiltanking s ability to terminate the merger agreement upon the Oiltanking Conflicts Committee changing its recommendation or in order for Oiltanking to enter into a superior proposal, (iii) the deletion of the condition that consummation of the transaction

was conditioned on receiving the approval of a majority of Oiltanking common units held by Oiltanking unaffiliated unitholders and (iv) Enterprise s reiteration of its original proposal of an exchange ratio of 1.23.

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Also at the November 6, 2014 meeting of the Oiltanking Conflicts Committee, representatives of Jefferies reviewed with the Oiltanking Conflicts Committee certain financial information related to the proposed transaction, including (i) the relative unit performance of Oiltanking and Enterprise, (ii) an implied improvements analysis, (iii) a premiums paid analysis of the proposed transaction under various exchange ratios as compared to precedent affiliate MLP mergers, (iv) all-in implied exchange ratio sensitivity analysis, and (v) the historical implied premium (discount) to Oiltanking s unaffected price and spot price. The Oiltanking Conflicts Committee also discussed possible alternative combinations of consideration (such as a combination of cash and units) to possibly facilitate the parties agreement to terms with respect to the proposed transaction. In addition, the members of the Oiltanking Conflicts Committee discussed among themselves, and with representatives of Jefferies and Latham, the risks and merits of the proposed merger with Enterprise and whether other potential alternative transactions may be available to Oiltanking, as well as potential alternatives for Oiltanking remaining as a standalone public entity, including, among other things, the current and expected growth prospects for Oiltanking, current and expected market conditions for the storage and terminaling business and the potential financial performance and related implications for Oiltanking. The Oiltanking Conflicts Committee reaffirmed the conclusions reached at its previous meeting on October 24, 2014 that (i) prospective bidders would not be interested in purchasing the common units held by Oiltanking s public unitholders without gaining control of Oiltanking, (ii) it was unlikely that the Oiltanking Conflicts Committee could conduct a meaningful auction for the acquisition of the assets or control of Oiltanking and (iii) the current and prospective growth prospects for Oiltanking if it were to continue as a standalone public entity would be more limited following Enterprise s acquisition of Oiltanking GP. At the end of the meeting, the Oiltanking Conflicts Committee determined that it would refuse to offer another exchange ratio proposal until Enterprise proposed an exchange ratio greater than 1.23.

Later in the afternoon on November 6, 2014, Bill Finnegan of Latham spoke telephonically with Mr. Buck of Andrews Kurth regarding timing and process of the proposed transaction. Mr. Buck informed Mr. Finnegan that Enterprise expected that the Oiltanking Conflicts Committee might want to present a counterproposal at a subsequent meeting or discussion with Enterprise. Mr. Finnegan informed Mr. Buck that the Oiltanking Conflicts Committee was expecting Enterprise to make a counterproposal, and Mr. Buck advised that he believed Enterprise considered its prior response a counterproposal. Mr. Finnegan conveyed to Mr. Buck the Oiltanking Conflicts Committee s unwillingness to negotiate further with Enterprise until Enterprise proposed an exchange ratio greater than 1.23. Mr. Finnegan and Mr. Buck agreed that Mr. Creel should contact Mr. King directly. During the evening of November 6, 2014, Mr. Finnegan spoke telephonically with Mr. King of the Oiltanking Conflicts Committee and Peter Bowden, Global Head of Midstream Energy Investment Banking at Jefferies, with respect to the Oiltanking Conflicts Committee s unwillingness to negotiate further with Enterprise until Enterprise proposed an exchange ratio greater than 1.23, and Mr. Buck communicated the Oiltanking Conflicts Committee s desire for a counterproposal by Enterprise with a new exchange ratio to Mr. Creel.

On November 7, 2014, Mr. Creel spoke telephonically with Mr. King. Mr. King indicated that the Oiltanking Conflicts Committee was not willing to accept an exchange ratio of 1.23 and that the Oiltanking Conflicts Committee refused to negotiate further with respect to the proposed transaction until Enterprise proposed an exchange ratio greater than 1.23. Mr. Creel explained why Enterprise continued to believe its original and current offered 1.23 exchange ratio was reasonable. Mr. Creel noted:

> He believed the Oiltanking unit price prior to October 1, 2014 fully reflected growth prospects, including a proposed Texas City dropdown (and has traded below 1.23x Enterprise common units for a month);

Oiltanking distribution coverage dropped from 2.1x in the third quarter of 2013 to 1.5x for the third quarter of 2014;

Oiltanking unitholders would receive an immediate 65% distribution increase based on the respective distributions with respect to the third quarter of 2014 (or approximately 70% based on second quarter 2014 distributions or 60% based on potential fourth quarter 2014 distributions);

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Oiltanking unitholders would receive increased liquidity 94% owned by institutional investors (based on float);

The proposed transaction was a tax-free exchange (unlike certain other pending MLP mergers);

Oiltanking s third quarter 2014 missed analyst expectations by approximately 13%;

Due to the change in Oiltanking GP ownership, analyst expectations for future drop-downs by prior affiliates of Oiltanking GP no longer existed;

Oiltanking s 2014 price/distributable cash flows ratio (price/DCF) of 26.2x versus comparables at 6.8 18.4x (based on analyst projections); and

Oiltanking s 2016 price/DCF of 17.7x versus comparables at 6.8 14.0x (based on analyst projections).

Mr. King stated that he believed all of these issues were likely identified in diligence prior to the GP Purchase Transactions, and thus should have factored into the original proposed exchange ratio. Mr. Creel responded that Enterprise only conducted public company-level due diligence and that Enterprise did not pay a premium for the Oiltanking common units and subordinated units sold by OTA and its affiliate. Mr. King advised Mr. Creel that if Enterprise would not move off the 1.23 exchange ratio, the Oiltanking Conflicts Committee would not make another counterproposal and was prepared to wait. Mr. Creel informed Mr. King that he could take back a revised 1.25 exchange ratio to his team. Mr. King noted he appreciated the revised offer and would come back with a counter that was lower than their original 1.40 exchange ratio.

Also on November 7, 2014, the Oiltanking Conflicts Committee held a telephonic meeting. Present telephonically at the meeting were representatives of Jefferies and representatives of Latham. Mr. King summarized his earlier conversation with Mr. Creel for the Oiltanking Conflicts Committee. The Oiltanking Conflicts Committee discussed with its advisors an appropriate counter to Enterprise s proposal of an exchange ratio of 1.25 and agreed to a counterproposal of 1.30 and that such counterproposal would be the Oiltanking Conflicts Committee s best and final offer. The Oiltanking Conflicts Committee determined that if Enterprise agreed to increase the exchange ratio to 1.30, the Oiltanking Conflicts Committee would withdraw its request that the merger be approved by a majority of Oiltanking common units held by Oiltanking unaffiliated unitholders.

On November 10, 2014, Mr. Creel spoke telephonically with Mr. King. Mr. King indicated that the Oiltanking Conflicts Committee was not willing to accept Enterprise s proposed exchange ratio of 1.25. Mr. King also communicated to Mr. Creel that, subject to the negotiation of a mutually satisfactory form of merger agreement, the Oiltanking Conflicts Committee proposed an exchange ratio of 1.30 coupled with a vote of all of the Oiltanking unitholders was the Oiltanking Conflicts Committee s best and final offer. Mr. Creel conveyed that he would present the Oiltanking Conflicts Committee s offer to his team for consideration. Later that morning, Mr. Creel spoke telephonically with Mr. King and conveyed that Enterprise was willing to accept those terms subject to the resolution of open terms of the draft merger agreement.

On November 10, 2014, the Oiltanking Conflicts Committee convened a telephonic committee meeting. Representatives of Jefferies and Latham were present at the meeting. At the meeting, Mr. King summarized his

conversation with Mr. Creel earlier that day. The committee discussed certain process issues. Representatives of Latham also updated the Oiltanking Conflicts Committee on the terms of the draft merger agreement.

In addition, on November 10, 2014, Mr. Buck sent an initial draft of the support agreement to Latham via email, which Latham subsequently revised to include a provision in which EPO granted an irrevocable proxy to a member of the Oiltanking Conflicts Committee.

On November 10 and November 11, 2014, the parties exchanged drafts and revisions to the merger agreement, the support agreement and related documents for the transaction to finalize the documents. On

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November 10, 2014, representatives of Andrews Kurth and Latham also held conferences calls to negotiate final open points in the merger agreement, including covenants and termination matters, and the support agreement, including EPO s granting an irrevocable proxy to a member of the Oiltanking Conflicts Committee. Representatives of Andrews Kurth and Latham also held a conference call with representatives of Seiz Ross Aronstam & Moritz LLP and Richards Layton, as special Delaware counsel to Enterprise and the Oiltanking Conflicts Committee, respectively, to discuss the Oiltanking Conflicts Committee s proposals regarding force the vote provisions, including allowing Oiltanking to cancel the Oiltanking special meeting and to terminate the merger agreement in the event of a permitted change in recommendation by the Oiltanking Conflicts Committee. After discussions, Enterprise acquiesced to these proposals by the Oiltanking Conflicts Committee.

At 1:00 p.m. (Central time) on November 11, 2014, the Oiltanking Conflicts Committee held a telephonic committee meeting. Representatives of Jefferies, Latham and Richards Layton were present at the meeting. The representatives from Jefferies provided an overview of the terms of the proposed transaction, as well as the history of the negotiations between Enterprise and the Oiltanking Conflicts Committee.

Representatives from Jefferies, among other things, (i) summarized the unit price performance of both Enterprise and Oiltanking, (ii) summarized relative valuation analyses performed and the assumptions underlying those analyses, (iii) described the historical and projected distributable cash flow growth profiles for each of Oiltanking and Enterprise, (iv) presented standalone financial forecasts for each of Oiltanking and Enterprise, (v) discussed Enterprise s current and projected yield as compared to its peers, as well as analysts current recommendations regarding Enterprise s common units and (vi) summarized the pro forma financial analysis for each of Oiltanking and Enterprise.

In addition, representatives from Jefferies reviewed with the Oiltanking Conflicts Committee the valuation methodologies used by Jefferies to analyze an exchange ratio of 1.30, including (i) the selected public companies analysis, (ii) the discounted cash flow analysis, (iii) the premiums paid analysis and (iv) the historical exchange ratio analysis. Representatives from Jefferies also discussed and described the proposed exchange ratio of 1.30 in relation to the selected public companies analysis, the discounted cash flow analysis and the premiums paid analysis and, in the latter case, distinguished between third-party transactions and affiliated MLP mergers. Representatives from Jefferies reviewed with the Oiltanking Conflicts Committee the historical market implied exchange ratio analysis in relation to the trading relationship of Oiltanking s and Enterprise s common units.

The members of the Oiltanking Conflicts Committee also discussed again among themselves, and with representatives of Jefferies and Latham, the risks and merits of the proposed merger with Enterprise and whether other potential alternative transactions may be available to Oiltanking. In addition, the Oiltanking Conflicts Committee discussed again potential alternatives for Oiltanking remaining as a standalone public entity, including, among other things, the current and expected growth prospects for Oiltanking, current and expected market conditions for the storage and terminaling business and the potential financial performance and related implications for Oiltanking. The Oiltanking Conflicts Committee reaffirmed the conclusions reached at its previous meeting on October 24, 2014 that (i) prospective bidders would not be interested in purchasing the common units held by Oiltanking s public unitholders without gaining control of Oiltanking, (ii) it was unlikely that the Oiltanking Conflicts Committee could conduct a meaningful auction for the acquisition of the assets or control of Oiltanking and (iii) the current and prospective growth prospects for Oiltanking if it were to continue as a standalone public entity would be more limited following Enterprise s acquisition of Oiltanking GP.

Representatives from Jefferies confirmed that Jefferies was prepared to deliver an oral fairness opinion to the Oiltanking Conflicts Committee based on an exchange ratio of 1.30. Jefferies then rendered its oral opinion, which was confirmed by delivery of a written opinion dated November 11, 2014, that, as of November 11, 2014, the exchange ratio of 1.30 to be offered to the holders of the Oiltanking s common units pursuant to the merger agreement

is fair, from a financial point of view, to such holders (other than Enterprise and its affiliates, Oiltanking and its subsidiaries and the directors and executive officers of Oiltanking GP).

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Following the Jefferies presentation, representatives from Latham provided an update on legal due diligence and gave a detailed presentation regarding the terms of the proposed merger agreement and the support agreement.

After discussion, the Oiltanking Conflicts Committee unanimously (i) determined that the merger agreement and the transactions contemplated thereby are advisable, fair and reasonable to and in the best interests of Oiltanking and the Oiltanking unaffiliated unitholders, (ii) approved the merger and the execution of the merger agreement and the transactions contemplated thereby, (iii) recommended that the Oiltanking Board (A) approve the merger and the merger agreement, (B) submit the merger agreement to Oiltanking unitholders for approval and (C) cause Oiltanking to enter into the merger agreement and consummate the merger, (iv) determined that its approval of the merger agreement and transactions contemplated thereby constituted Special Approval (as defined in Section 7.9 of Oiltanking s partnership agreement) and (v) recommended that the Oiltanking unitholders approve adoption of the merger agreement and the merger.

At 2:00 p.m. (Central time) on November 11, 2014, the Oiltanking Board held a special meeting. Jennifer Cunningham, in-house counsel to Oiltanking, was present at the meeting and representatives of Latham were in attendance telephonically. Representatives of Latham discussed certain process and procedural matters in connection with the Oiltanking Conflicts Committee s approval of the merger agreement and the merger, which constituted Special Approval under Oiltanking s partnership agreement. Representatives of Latham also reviewed with the Oiltanking Board Jefferies fairness opinion to the Oiltanking Conflicts Committee, copies of which had been circulated to the members of the Oiltanking Board. Representatives of Latham and Ms. Cunningham reviewed with the Oiltanking Board the terms and conditions of the merger agreement, support agreement and the merger. Following discussion and deliberation among the members of the Oiltanking Board, the Oiltanking Board unanimously (i) determined that the merger agreement and the transactions contemplated thereby are fair and reasonable to, and in the best interests of, Oiltanking and the holders of Oiltanking common units, (ii) approved the merger agreement and the merger and the transactions contemplated thereby, (iii) directed the merger agreement and merger be submitted to Oiltanking unitholders for approval at a special meeting and (iv) recommended that the Oiltanking unitholders approve the merger agreement and the merger.

On November 11, 2014, the Enterprise Board met to consider the form of merger agreement, with representatives of Andrews Kurth and Citi in attendance. At that meeting, representatives of Andrews Kurth summarized the terms of the merger agreement and related transaction documents with the Enterprise Board, and reviewed fiduciary duties applicable to the transaction. Citi discussed with the Enterprise Board financial matters relating to the proposed merger. The Enterprise Board also discussed legal and procedural matters in connection with its approval of the proposed transactions. After these discussions and deliberation, the Enterprise Board unanimously approved the merger agreement and related documents and the issuance of Enterprise common units in connection with the proposed merger.

On November 11, 2014, following the Enterprise Board, the Oiltanking Conflicts Committee and the Oiltanking Board meetings, Enterprise and Oiltanking management executed the definitive documents.

On November 12, 2014, Enterprise and Oiltanking issued a joint press release announcing the merger agreement and the proposed merger.

Based on the $40.30 closing price of Enterprise common units on November 10, 2014 (the last full trading day before Enterprise and Oiltanking entered into and announced the merger agreement), the exchange ratio of 1.30 Enterprise common units for each outstanding Oiltanking common unit, and the 28,328,890 Oiltanking common units owned by Oiltanking public unitholders, the value of the merger consideration to be received by such holders was approximately $1.4 billion, or $52.39 for each Oiltanking common unit.

Recommendation of the Oiltanking Conflicts Committee and the Oiltanking Board and Reasons for the Merger

On November 11, 2014, the Oiltanking Conflicts Committee determined unanimously that the merger agreement and the merger are advisable, fair and reasonable to and in the best interests of Oiltanking and the

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Oiltanking unaffiliated unitholders and recommended that the merger, the merger agreement and transactions contemplated thereby be approved by the Oiltanking Board and the Oiltanking unitholders. The Oiltanking Board determined that the merger agreement and the merger are fair and reasonable to and in the best interests of Oiltanking and the Oiltanking unitholders, approved the merger agreement and recommended that the Oiltanking unitholders vote in favor of the merger proposal.

The Oiltanking Conflicts Committee considered many factors in making its determination and recommendation. The committee consulted with its financial and legal advisors and viewed the following factors as being generally positive or favorable in coming to its determination and related recommendations:

The exchange ratio of 1.30 Enterprise common units for each Oiltanking common unit in the merger, which represented a premium of:

approximately 5.6% based on the respective closing prices of Enterprise common units and Oiltanking common units on September 30, 2014 (the day before the merger was originally proposed); and

approximately 10.4% based on the respective closing prices of Enterprise common units and Oiltanking common units on November 10, 2014 (the day before the merger agreement was approved and executed).

The exchange ratio of 1.30 Enterprise common units for each Oiltanking common unit represents a 5.7% improvement from Enterprise s originally offered exchange ratio of 1.23 Enterprise common units for each Oiltanking common unit.

The terms and conditions of the merger were determined through arm s-length negotiations between Enterprise and the Oiltanking Conflicts Committee and their respective representatives and advisors, and the Oiltanking Conflicts Committee believes that the exchange ratio of 1.30 represents the highest price per unit that Enterprise was willing to agree to pay at the time of the Oiltanking Conflicts Committee s approval taking into account, among other things, (i) the current market environment for MLPs in light of commodity prices and macroeconomic factors, both on an absolute basis and relative to the environment, at the time of Enterprise s initial merger proposal and (ii) the changes in the market environment for MLPs in light of commodity prices and macroeconomic factors, both on an absolute basis and relative to the environment, since the time Enterprise made its initial merger proposal.

The pro forma increase of approximately 74% in quarterly cash distributions expected to be received by Oiltanking unitholders based upon the 1.30 exchange ratio and quarterly cash distribution rates paid by Oiltanking and Enterprise in November 2014 with respect to the quarter ended September 30, 2014.

In connection with the merger, Oiltanking unitholders will receive common units representing limited partner interests in Enterprise, which have substantially more liquidity than Oiltanking common units

because of the Enterprise common units significantly larger average daily trading volume, as well as Enterprise having a broader investor base and a larger public float.

The belief of the Oiltanking Conflicts Committee that the current and prospective growth prospects for Oiltanking if it continues as a standalone public entity are more limited following Enterprise s acquisition of Oiltanking GP, taking into account, among other things, (i) the loss of visible growth prospects, such as complimentary potential drop downs from affiliates of M&B, upon Enterprise acquiring Oiltanking GP and approximately 66% of Oiltanking s limited partner interests on October 1, 2014, (ii) potential reduced incentives for Enterprise to grow Oiltanking as a standalone public entity in view of Enterprise s business relationship with Oiltanking, including the fact that Enterprise represented approximately 29% of Oiltanking s revenues for the year ended December 31, 2013, as well as Enterprise s 50-year service agreement with Oiltanking relating to Enterprise s LPG export terminal at Oiltanking s complex on the Houston Ship Channel, (iii) the lack of any duty or other obligation for Enterprise to support Oiltanking s growth or otherwise adopt a business strategy that is favorable to Oiltanking and (iv) the potential unwillingness of third parties, including current and

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potential competitors of Enterprise, to do business with Oiltanking as a controlled subsidiary of Enterprise.

The belief of the Oiltanking Conflicts Committee that the merger provides Oiltanking unitholders with an opportunity to benefit from Enterprise s favorable growth prospects and the experience and track record of Enterprise s management team, who have demonstrated the ability to (i) successfully grow Enterprise s asset base, gross operating margin and price per Enterprise common unit, (ii) achieve consistent distribution growth on Enterprise common units over the past 41 consecutive quarters, (iii) complete approximately $12.7 billion in organic growth projects since 2011 and (iv) complete and successfully integrate significant M&A transactions, including transactions similar to the proposed merger with Oiltanking.

The belief of the Oiltanking Conflicts Committee that the merger provides Oiltanking unitholders with an opportunity to benefit from (i) unit price appreciation and increased distributions through ownership of Enterprise common units, which should benefit from Enterprise s much larger and more diversified asset and cash flow base and lower dependence on individual capital projects and (ii) Enterprise s greater ability to compete for future acquisitions and finance organic growth projects.

The belief of the Oiltanking Conflicts Committee that the merger provides Oiltanking unitholders with an opportunity to benefit from Enterprise s significantly larger and more diversified asset base, with Enterprise s leading business positions across the midstream energy value chain and multiple earnings streams, including NGL pipelines and services, onshore natural gas pipelines and services, petrochemical and refined products services, onshore crude oil pipelines and services and offshore pipelines and services.

The Oiltanking Conflicts Committee s familiarity with, and understanding of, the businesses, assets, liabilities, results of operations, financial conditions and competitive positions and prospects of Oiltanking.

The Oiltanking Conflicts Committee s gaining, in connection with evaluating the merits of the merger, familiarity with and an understanding of the businesses, assets, liabilities, results of operations, financial condition and competitive positions and prospects of Enterprise.

The consistency between the results of the due diligence investigation of Enterprise by the Oiltanking Conflicts Committee s advisors with the expectations of the Oiltanking Conflicts Committee with respect to the strategic and financial benefits of the merger.

The belief of the Oiltanking Conflicts Committee that the merger and the exchange ratio present the best opportunity to maximize value for Oiltanking s unitholders and is superior to Oiltanking remaining as a standalone public entity.

The Oiltanking Conflicts Committee s engagement of independent financial and legal advisors with knowledge and experience with respect to public company merger and acquisition transactions, Enterprise s and Oiltanking s respective industries generally, and Enterprise and Oiltanking particularly, as well as

substantial experience advising publicly traded limited partnerships and other companies with respect to transactions similar to the proposed transaction.

The belief of the Oiltanking Conflicts Committee that the value being provided in the merger as implied by the exchange ratio is attractive to the Oiltanking unaffiliated unitholders as indicated by, among other things, the valuation analyses of the Oiltanking common units prepared by Jefferies, including analyses based on a discounted cash flow analysis, a precedent transactions analysis, a peer group trading analysis, a premiums paid analysis and an analysis of research analyst price targets.

Jefferies delivery of an opinion to the Oiltanking Conflicts Committee on November 11, 2014 to the effect that, as of that date and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in its written opinion, the exchange ratio to be offered to the holders of Oiltanking common units pursuant to the merger agreement was fair, from a financial point of view, to the Oiltanking unaffiliated unitholders.

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The ability of Oiltanking Conflicts Committee, pursuant to the merger agreement, to change its recommendation of the merger and terminate the merger agreement if the committee has concluded in its good faith judgment, after consultation with its outside legal and financial advisors, that the failure to make such a change in recommendation would be inconsistent with its duties under Oiltanking s partnership agreement and applicable law, and no termination fee is payable by Oiltanking upon any such change of recommendation or termination of the merger agreement.

The ability of Oiltanking, pursuant to the merger agreement, to enter into discussions with another party, without payment of a termination fee or other penalty, in response to an unsolicited written offer if (i) the Oiltanking Conflicts Committee, after consultation with its outside legal counsel and financial advisors, determines in its good faith judgment (a) that the unsolicited written offer constitutes or is likely to result in a superior proposal and (b) that the failure to take that action would be inconsistent with its duties under Oiltanking s partnership agreement and applicable law and (ii) prior to furnishing any non-public information to such third party (including any information pertaining to Oiltanking subsidiaries in which Oiltanking has an equity interest or transactions to which Oiltanking is a party), Oiltanking receives from such third party an executed confidentiality agreement; notwithstanding that Enterprise informed the Oiltanking Conflicts Committee that Enterprise would not entertain an acquisition proposal relating to Oiltanking from a third party, the committee considered it possible that a subsequent offer could affect the viewpoint of Enterprise regarding the merger or a third party transaction.

The Oiltanking Conflicts Committee s understanding of and management s and the committee s advisors review of overall market conditions, and the committee s determination that, in light of these factors, the timing of the potential transaction is favorable to Oiltanking.

The structuring of the merger as a non-taxable exchange of Enterprise common units for Oiltanking common units.

The review by the Oiltanking Conflicts Committee with its financial and legal advisors of the financial and other terms of the merger agreement and related documents, including the conditions to their respective obligations and the termination provisions.

Following the merger, the elimination of potential conflicts of interest between the unaffiliated unitholders of Oiltanking and Enterprise, and for persons holding executive positions with both Oiltanking and Enterprise.

Each of Enterprise s and Oiltanking s strong commitment to complete the merger on the anticipated schedule.

Because the exchange ratio is fixed, the possibility that the value of the merger consideration payable to Oiltanking public unitholders will increase in the event that the market price of Enterprise common units increases prior to the closing.

The potential that the merger will allow Enterprise and Oiltanking to achieve synergies in the form of cost savings and other efficiencies, including reduced SEC filing requirements and a reduction in the number of public company boards and other costs associated with multiple public companies.

The Oiltanking Conflicts Committee considered the following factors to be generally negative or unfavorable in making its determination and recommendations:

Because the exchange ratio is fixed, the possibility that the Enterprise common unit price could decline relative to the Oiltanking common unit price prior to closing, reducing the value of the securities received by Oiltanking public unitholders in the merger.

The risk that potential benefits sought in the merger might not be fully realized.

The fact that Oiltanking s projected standalone growth rate was higher than the projected standalone growth rate of Enterprise.

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Oiltanking common unitholders are not entitled to appraisal rights under the merger agreement, Oiltanking s partnership agreement or Delaware law.

Because the merger agreement can be approved by holders of a majority of the outstanding Oiltanking common units, and Enterprise already owns approximately 66% of the outstanding Oiltanking common units (which is sufficient to approve the merger agreement and the merger) and has agreed to vote in favor of the merger proposal, a vote in favor of the proposed merger at the Oiltanking special meeting is assured regardless of how the Oiltanking unaffiliated unitholders vote.

The Oiltanking Conflicts Committee was not authorized to, and did not, conduct an auction process or other solicitation of interest from third parties for the acquisition of Oiltanking. Because Enterprise indirectly controls Oiltanking, it was unrealistic to pursue a third party acquisition proposal or offer for the assets or control of Oiltanking, and it was unlikely that the Oiltanking Conflicts Committee could have conducted a meaningful auction for the acquisition of the assets or control of Oiltanking. Enterprise, in the merger proposal, previously had asserted that it was interested only in acquiring the Oiltanking common units it did not already own and that it was not interested in disposing of its controlling interest in Oiltanking to a third party at such time.

The risk that the merger might not be completed in a timely manner, or that the merger might not be consummated as a result of a failure to satisfy the conditions contained in the merger agreement, and that a failure to complete the merger could negatively affect the trading price of the Oiltanking common units.

Certain members of management of Oiltanking GP and the Oiltanking Board may have interests that are different from those of the Oiltanking unaffiliated unitholders.

The foregoing discussion of the information and factors considered by the Oiltanking Conflicts Committee is not intended to be exhaustive, but includes the material factors the committee considered. In view of the variety of factors considered in connection with its evaluation of the merger, the committee did not find it practicable to, and did not, quantify or otherwise assign specific weights to the factors considered in reaching its determination and recommendation. In addition, each of the members of the committee may have given differing weights to different factors. Overall, the committee believed that the advantages of the merger outweighed the negative factors it considered.

Enterprise s Reasons for the Merger

In evaluating the merger, the Enterprise Board consulted with management and Enterprise s legal and financial advisors and in reaching its decision to approve the merger agreement, the Enterprise Board considered many factors, including the following:

the merger is expected to be neutral or slightly accretive to distributable cash flow per Enterprise common unit (after giving effect to retained distributable cash flow attributable to the public unitholders of Oiltanking);

the merger will simplify Enterprise s commercial and organizational structure as a result of Enterprise s ownership of 100 percent of the equity interests in Oiltanking;

the merger will maintain Enterprise s financial flexibility as the unit-for-unit exchange will finance all of the acquisition of the Oiltanking public common units; and

the merger may result in an estimated $30 million of synergies and cost savings from the complete integration of Oiltanking into Enterprise as well as public company cost savings.

Opinion of the Oiltanking Conflicts Committee s Financial Advisor

In connection with Enterprise s merger proposal to Oiltanking, the Oiltanking Conflicts Committee retained Jefferies to render an opinion as to the fairness, from a financial point of view, to the unaffiliated holders of

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Oiltanking common units of the exchange ratio to be offered in a possible sale or other business transaction or series of transactions involving all or a material portion of the equity or assets of one or more entities comprising Oiltanking. At the meeting of the Oiltanking Conflicts Committee on November 11, 2014, Jefferies rendered its oral opinion (subsequently confirmed in writing) to the Oiltanking Conflicts Committee to the effect that, as of November 11, 2014, and based upon and subject to the various assumptions made, procedures followed, matters considered and limitations on the review undertaken as set forth in its opinion, the proposed exchange ratio of 1.30 to be offered to the holders of the Oiltanking common units (other than Enterprise and its subsidiaries and Oiltanking and its subsidiaries) pursuant to the merger agreement is fair, from a financial point of view, to such holders (other than Enterprise and its affiliates, Oiltanking and its subsidiaries and the directors and executive officers of Oiltanking GP).

The full text of Jefferies written opinion, dated as of November 11, 2014, is attached to this proxy statement/prospectus as Annex B. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Jefferies in rendering its opinion. Oiltanking encourages the holders of Oiltanking common units to read the opinion carefully and in its entirety. Jefferies opinion is directed to the Oiltanking Conflicts Committee and addresses only the fairness, from a financial point of view and as of the date of the opinion, to the Oiltanking unaffiliated unitholders, of the exchange ratio to be offered to the holders of Oiltanking common units pursuant to the merger agreement. It does not address any other aspects of the merger and does not constitute a recommendation as to how any holder of Oiltanking common units should vote on the merger or any matter relating thereto. The summary of the opinion of Jefferies set forth below is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Jefferies, among other things:

- reviewed a draft dated November 10, 2014 of the merger agreement;
- reviewed certain publicly available financial and other information about Oiltanking;
- reviewed certain information furnished to Jefferies by Oiltanking s management;
- held discussions with members of senior management of Oiltanking concerning the matters described in the prior two bullet points;
- reviewed the unit trading price history and valuation multiples for the Oiltanking common units and the Enterprise common units and compared them with those of certain publicly traded partnerships that Jefferies deemed relevant;
- compared the proposed financial terms of the merger with the financial terms of certain other transactions that Jefferies deemed relevant;

analyzed the discounted cash flows of Oiltanking and Enterprise;

reviewed the trading history and historical exchange ratios of Oiltanking and Enterprise; and

conducted such other financial studies, analyses and investigations as Jefferies deemed appropriate.

In Jefferies review and analysis and in rendering its opinion, Jefferies assumed and relied upon, but did not assume any responsibility to independently investigate or verify, the accuracy and completeness of all financial and other information that was supplied or otherwise made available by Oiltanking to Jefferies or that was publicly available (including, without limitation, the information described above), or that was otherwise reviewed by Jefferies. Jefferies relied on assurances of the management of Oiltanking that it was not aware of any facts or circumstances that would make such information supplied by Oiltanking inaccurate or misleading or of any relevant information that has been omitted or that remains undisclosed to Jefferies. In its review, Jefferies did not perform or obtain any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of, nor did Jefferies conduct a physical inspection of any of the properties, assets or facilities of,

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Oiltanking. Jefferies was not furnished with any such evaluations or appraisals of such physical inspections, and did not assume any responsibility to obtain any such evaluations, appraisals or physical inspections.

Jefferies based its analysis on certain publicly available financial forecasts for Oiltanking and Enterprise, which Jefferies adjusted as necessary based on discussions with Oiltanking s management and Enterprise s management as to Oiltanking s and Enterprise s projected financial performance. With respect to such financial forecasts of Oiltanking and Enterprise examined by Jefferies, Jefferies opinion noted that projecting future results of any company is inherently subject to uncertainty. Jefferies assumed that the guidance provided by Enterprise s management and Oiltanking s management reflects the best currently available estimates as to the future financial performance of Oiltanking and Enterprise. Jefferies expressed no opinion as to any forecasts of Oiltanking s or Enterprise s financial condition or the assumptions on which such forecasts are made.

Jefferies opinion was based on economic, monetary, regulatory, market and other conditions that existed and could be evaluated as of the date of its opinion. Jefferies has not undertaken to reaffirm or revise its opinion or otherwise comment on events occurring after the date of its opinion and expressly disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting Jefferies opinion of which Jefferies became aware after the date of its opinion.

Jefferies made no independent investigation of any legal, tax or accounting matters affecting Oiltanking, and Jefferies assumed no responsibility for any legal and accounting advice as to the legal, accounting and tax consequences of the terms of, and transactions contemplated by, the merger agreement to Oiltanking and the holders of Oiltanking common units. In addition, in preparing its opinion, Jefferies did not take into account, and expressed no view with regards to, any tax consequences of the transaction to Oiltanking, Oiltanking GP, Enterprise, Enterprise GP, MergerCo or any holder of Oiltanking common units. In rendering its opinion, Jefferies assumed that the final form of the merger agreement would be substantially similar to the last draft reviewed by Jefferies. Jefferies also assumed that the merger will be consummated in accordance with its terms or as otherwise described to Jefferies by representatives of Oiltanking without waiver, modification or amendment of any term, condition or agreement that would be meaningful in any respect to Jefferies analysis or opinion. Jefferies further assumed that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Oiltanking, Enterprise or the consummation of, or the contemplated benefits of, the merger.

In addition, Jefferies was not requested to and did not provide advice concerning the structure, the specific exchange ratio, or any other aspects of the merger, or to provide services other than the delivery of its opinion. Jefferies was not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of Oiltanking or any other alternative transaction. Jefferies did not participate in negotiations with respect to the terms of the merger and related transactions, and did not express an opinion as to whether any alternative transaction might result in an exchange ratio more favorable to the holders of Oiltanking common units than that contemplated by the merger agreement.

Jefferies opinion was for the use and benefit of the Oiltanking Conflicts Committee in its consideration of the merger, and Jefferies opinion did not address the relative merits of the transactions contemplated by the merger agreement as compared to any alternative transaction or opportunity that might be available to Oiltanking, nor did it address the underlying business decision by Oiltanking to engage in the merger or the terms of the merger agreement or the documents referred to therein. Jefferies opinion does not constitute a recommendation as to how any holder of Oiltanking common units should vote on the merger or any matter related thereto. In addition, Oiltanking did not ask Jefferies to address, and Jefferies opinion did not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of Oiltanking, other than the Oiltanking unaffiliated

unitholders. Jefferies expressed no opinion as to the price at which Oiltanking common units or Enterprise common units will trade at any time. Jefferies did not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable or

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to be received by any of Oiltanking s or Oiltanking GP s officers, directors or employees, or any class of such persons, in connection with the merger, relative to the exchange ratio. Jefferies opinion was authorized by the Fairness Committee of Jefferies.

In preparing its opinion, Jefferies performed a variety of financial and comparative analyses. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant quantitative and qualitative methods of financial analysis and the applications of those methods to the particular circumstances and, therefore, is not necessarily susceptible to partial analysis or summary description. Jefferies believes that its analyses must be considered as a whole. Considering any portion of Jefferies analyses or the factors considered by Jefferies, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the conclusion expressed in Jefferies opinion. In addition, Jefferies may have given various analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described below should not be taken to be Jefferies view of Oiltanking s actual value. Accordingly, the conclusions reached by Jefferies are based on all analyses and factors taken as a whole and also on the application of Jefferies own experience and judgment.

In performing its analyses, Jefferies made numerous assumptions with respect to industry performance, general business, economic, monetary, regulatory, market and other conditions and other matters, many of which are beyond Oiltanking s and Jefferies control. The analyses performed by Jefferies are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the per unit value of Oiltanking common units do not purport to be appraisals or to reflect the prices at which Oiltanking common units may actually be sold. The analyses performed were prepared solely as part of Jefferies analysis of the fairness, from a financial point of view, to the Oiltanking unaffiliated unitholders of the exchange ratio to be offered to the holders of Oiltanking common units pursuant to the merger agreement, and were provided to the Oiltanking Conflicts Committee in connection with the delivery of Jefferies opinion.

The following is a summary of the material financial and comparative analyses performed by Jefferies in connection with Jefferies delivery of its opinion to the Oiltanking Conflicts Committee on November 11, 2014. The financial analyses summarized below include information presented in tabular format. In order to fully understand Jefferies financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data described below without considering the full narrative descriptions of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Jefferies financial analyses.

Transaction Overview

Based upon the proposed exchange ratio of 1.30 Enterprise common units for one Oiltanking common unit and the closing price of $37.73 per Enterprise common unit on the NYSE on November 10, 2014, Jefferies noted that the implied value of the merger consideration pursuant to the merger agreement was approximately $49.05 per Oiltanking common unit (calculated by multiplying the $37.73 closing price by the 1.30 exchange ratio).

Selected Public Companies Analysis

Oiltanking

Jefferies compared certain financial data for Oiltanking and selected master limited partnerships with publicly traded equity securities which Jefferies deemed relevant. These partnerships, which are referred to as Oiltanking Selected Public Partnerships, were selected because they were deemed to be similar to Oiltanking in one or more respects, including the nature of their business, size, diversification and financial performance. No

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specific numeric or other similar criteria were used to select the Oiltanking Selected Public Partnerships and all criteria were evaluated in their entirety without application of definitive qualifications or limitations to individual criteria. As a result, a significantly larger or smaller partnership with substantially similar lines of business and business focus may have been included while a similarly sized partnership with less similar lines of business and greater diversification may have been excluded. Jefferies identified a number of partnerships for purposes of its analysis but may not have included all partnerships that might be deemed comparable to Oiltanking.

The financial data reviewed for Oiltanking and the Oiltanking Selected Public Partnerships included:

- Current declared quarterly distribution per unit divided by current closing unit price, which is referred to as Current LP Yield;
- 2015E distribution per unit divided by current closing unit price, which is referred to as 2015E Yield; and
- 2016E distribution per unit divided by current closing unit price, which is referred to as 2016E Yield.

The Oiltanking Selected Public Partnerships were:

- Sunoco Logistics Partners, L.P.
- Magellan Midstream Partners, L.P.
- Buckeye Partners, L.P.
- Tesoro Logistics LP
- Phillips 66 Partners LP
- NuStar Energy L.P.
- Genesis Energy, L.P.
- Holly Energy Partners LP
- Global Partners LP

Blueknight Energy Partners, L.P.

World Point Terminals LP

The selected public companies analysis for Oiltanking utilizing the Oiltanking Selected Public Partnerships indicated the following mean and median multiples of the financial data reviewed for the Oiltanking Selected Public Partnerships as of November 10, 2014:

Benchmark	Mean	Median	Implied Yield Range for Oiltanking
Current Yield	5.1%	5.7%	3.50% - 4.00%
2015E Yield	5.4%	6.0%	3.75% - 4.25%
2016E Yield	6.0%	6.4%	4.50% - 5.00%

Enterprise

Jefferies also compared certain financial data for Enterprise and selected MLPs with publicly traded equity securities Jefferies deemed relevant. These partnerships, which are referred to as the Enterprise Selected Public Partnerships, were selected because they were deemed to be similar to Enterprise in one or more respects, including the nature of their business, size, diversification and financial performance. No specific numeric or other similar criteria were used to select the Enterprise Selected Public Partnerships and all criteria were evaluated in their entirety without application of definitive qualifications or limitations to individual criteria. As a

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result, a significantly larger or smaller partnership with substantially similar lines of business and business focus may have been included while a similarly sized partnership with less similar lines of business and greater diversification may have been excluded. Jefferies identified a number of partnerships for purposes of its analysis but may not have included all partnerships that might be deemed comparable to Enterprise.

The financial data reviewed for Enterprise and the Enterprise Selected Public Partnerships included:

Current LP Yield

2015E Yield

2016E Yield

The Enterprise Selected Public Partnerships were:

Energy Transfer Partners, L.P.

Plains All American Pipeline, L.P.

ONEOK Partners, L.P.

Enbridge Energy Partners, L.P.

The selected public companies analysis for Enterprise utilizing the Enterprise Selected Public Partnerships indicated the following mean and median multiples of the financial data reviewed for the Enterprise Selected Public Partnerships as of November 11, 2014:

Benchmark	Mean	Median	Implied Yield Range for Enterprise
Current Yield	5.9%	6.1%	5.50% - 6.00%
2015E Yield	6.2%	6.2%	6.00% - 6.50%
2016E Yield	6.6%	6.5%	6.50% - 7.00%

Analysis Performed

Jefferies applied the yield ranges based on the selected public companies analysis to corresponding financial data for Oiltanking (based on publicly available data and guidance from Oiltanking management) and Enterprise (based on publicly available data) to calculate implied exchange ratio reference ranges. The selected public companies analysis indicated a range of implied values per Oiltanking common unit and Enterprise common unit, which in turn indicated

the following implied exchange ratio reference ranges:

Benchmark	Implied Value Per Enterprise Common Unit Reference Ranges	Implied Value Per Oiltanking Common Unit Reference Ranges	Implied Exchange Ratio Reference Ranges
Current Yield	$ 24.33 - $26.55	$ 27.25 - $31.14	1.027 - 1.280
2015E Yield	$ 23.36 - $25.30	$ 29.32 - $33.23	1.159 - 1.423
2016E Yield	$ 23.18 - $24.96	$ 30.22 - $33.58	1.211 - 1.449

Such exchange ratio reference ranges were compared to the merger exchange ratio of 1.30 Enterprise common units per Oiltanking common unit.

None of the Oiltanking Selected Public Partnerships utilized in the selected public companies analysis is identical to Oiltanking, and none of the Enterprise Selected Public Partnerships utilized in the selected public companies analysis is identical to Enterprise. In evaluating the selected public companies that would comprise the Oiltanking Selected Public Partnerships and the Enterprise Selected Public Partnerships, Jefferies made

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judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond Oiltanking s and Jefferies control. Mathematical analysis, such as determining the mean or median, is not in itself a meaningful method of using comparable company data.

Discounted Cash Flow Analysis

Jefferies performed a discounted cash flow analysis by calculating the net present value of Oiltanking s estimated future cash available for distribution through the fiscal year ending December 31, 2019, based on publicly available data and guidance from Oiltanking management, and the net present value of Enterprise s estimated future cash available for distribution through the fiscal year ending December 31, 2019, based on publicly available data. In performing this analysis, Jefferies applied (i) discount rates ranging from 10.70% to 11.70% to the estimated future cash available for distribution of Oiltanking and 7.00% to 8.00% to the estimated future cash available for distribution of Enterprise, based on the respective estimated weighted average cost of capital of Oiltanking and Enterprise; and (ii) terminal value yield ranges of 4.00% to 4.50% to the estimated future cash available for distribution of Oiltanking and 5.50% to 6.00% to the estimated future cash available for distribution of Enterprise, based on the trading metrics of similar partnerships.

The discounted cash flow analysis indicated a range of implied values per Oiltanking common unit and Enterprise common unit, which in turn indicated the following implied exchange ratio reference range:

Implied Value Per Enterprise Common Unit Reference Range	Implied Value Per Oiltanking Common Unit Reference Range	Implied Exchange Ratio Reference Range
$32.02 - $35.47	$38.14 - $43.63	1.075 - 1.363

Such exchange ratio reference range was compared to the merger exchange ratio of 1.30 Enterprise common units per Oiltanking common unit.

Historical Exchange Ratio Analysis

Based on the closing prices for Oiltanking common units on the NYSE and Enterprise common units on the NYSE, and using the various time periods set forth below ending on November 10, 2014, Jefferies calculated a range of implied historical exchange ratios by dividing the average daily closing price per Oiltanking common unit by the average daily closing price per Enterprise common unit. This analysis indicated that during the three years prior to November 10, 2014, the exchange ratio ranged from 0.556 to 1.348 Enterprise commons unit per Oiltanking common unit, as compared to the merger exchange ratio of 1.30. This analysis also indicated the following historical average trading price exchange ratios:

	Average Oiltanking Unit	Average Enterprise Unit	Average Exchange Ratio	Current Trading Price Ratio as Premium

	Price	Price		(Discount) to Prior Period
As of 11/10/14	$ 44.42	$ 37.73	1.177	
10% Premium	48.86	37.73	1.295	
20% Premium	53.30	37.73	1.413	
30% Premium	57.75	37.73	1.531	
30-Day average	45.18	37.28	1.212	(2.9%)
60-Day average	47.41	38.36	1.235	(4.7%)
90-Day average	48.32	38.86	1.243	(5.3%)
Last 12 Months	40.80	35.88	1.128	4.4%
2-Year	32.21	32.55	0.967	21.8%
3-Year	26.81	30.15	0.854	37.8%

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Premiums Paid Analysis

Using publicly available information and certain other database information available to Jefferies, Jefferies examined selected third-party transactions and selected affiliate MLP transactions. The following tables summarize the transactions analyzed:

Selected Third-Party Transactions

Date	Buyer	Seller
10/13/14	Targa Resources Partners	Atlas Pipeline Partners
10/10/13	Regency Energy Partners	PVR Partners
05/06/13	Inergy Midstream	Crestwood Midstream Partners
01/29/13	Kinder Morgan Energy Partners	Copano Energy
06/12/06	Plains All American Pipeline	Pacific Energy Partners
11/01/04	Valero	Kaneb Pipeline Partners
12/15/03	Enterprise Products Partners	GulfTerra Energy Partners

Selected Affiliate MLP Transactions

Date	Buyer	Seller
10/26/14	Access Midstream Partners	Williams Partners
08/10/14	Kinder Morgan, Inc.	El Paso Pipeline Partners Kinder Morgan Energy Partners Kinder Morgan Management
08/27/13	Plains All American Pipeline	PAA Natural Gas Storage
07/11/11	Vanguard Natural Resources	Encore Energy Partners
02/23/11	Enterprise Products Partners	Duncan Energy Partners
06/29/09	Enterprise Products Partners	TEPPCO Partners

For each of the selected transactions, Jefferies calculated the premium represented by the offer price or merger consideration over the target company s closing unit price one trading day, seven trading days and 30 trading days prior to the transaction s announcement. This analysis indicated the following premiums for those time periods prior to announcement:

Selected Third-Party Transactions

Date	High	75% Percentile Premium	25% Percentile Premium	Low
1 Day	25.7%	22.4%	12.5%	2.2%
7 Days	25.2%	20.8%	10.7%	3.0%
30 Days	23.7%	21.1%	9.8%	2.6%

Selected Affiliate MLP Transactions

Date	High	75% Percentile Premium	25% Percentile Premium	Low
1 Day	28.3%	16.1%	7.8%	4.4%
7 Days	29.1%	16.2%	7.8%	3.8%
30 Days	29.0%	12.7%	7.6%	3.1%

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Using a reference range of the 25th percentile to the 75th percentile premiums for each of the transaction categories listed above, Jefferies performed a premiums paid analysis using the closing prices of Oiltanking common units one trading day, seven trading days and 30 trading days prior to November 10, 2014.

Based on Jefferies premiums paid analysis, the implied value per Oiltanking common unit reference ranges and the implied exchange ratio reference ranges were indicated to be as follows:

Selected Transactions	Enterprise Common Unit Price as of November 10, 2014	Implied Value Per Oiltanking Common Unit Reference Ranges	Implied Exchange Ratio References Ranges
Selected Third-Party Transactions	$ 37.73	$ 49.15 - $54.72	1.303 - 1.450
Selected Affiliate MLP Transactions	$ 37.73	$ 47.84 - $51.59	1.268 - 1.367

Such reference ranges were compared to the merger exchange ratio of 1.30 Enterprise common units per Oiltanking common unit. None of the selected transactions utilized as a comparison in the selected premiums paid analysis is identical to the merger.

General

Jefferies opinion was one of many factors taken into consideration by the Oiltanking Conflicts Committee in making its determination to approve the merger and should not be considered determinative of the views of the Oiltanking board of directors or management with respect to the merger or the exchange ratio to be offered to the holders of Oiltanking common units in the merger.

Jefferies was selected by the Oiltanking Conflicts Committee based on Jefferies qualifications, expertise and reputation. Jefferies is an internationally recognized investment banking and advisory firm. Jefferies, as part of its investment banking business, is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements, financial restructurings and other financial services.

Oiltanking has agreed to pay Jefferies a fee of $1 million, $250,000 of which was delivered upon the execution of Jefferies engagement letter and $750,000 of which was paid upon delivery of Jefferies opinion. Jefferies also will be reimbursed by Oiltanking for certain expenses incurred. Oiltanking has also agreed to indemnify Jefferies against certain liabilities arising out of or in connection with the services rendered and to be rendered by Jefferies under such engagement. Jefferies maintains a market in Oiltanking securities, and in the ordinary course of Jefferies business, Jefferies and its affiliates may trade or hold securities of Oiltanking or Enterprise and/or their respective affiliates for Jefferies own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions in those securities. In addition, Jefferies may seek to, in the future, provide financial advisory and financing services to Oiltanking, Enterprise or entities that are affiliated with Oiltanking or Enterprise, for which Jefferies would expect to receive compensation. Except as otherwise expressly provided in its engagement letter with the Oiltanking Conflicts Committee, Jefferies opinion may not be used or referred to by Oiltanking, or quoted or disclosed to any person in any matter, without Jefferies prior consent.

No Dissenters or Appraisal Rights

Oiltanking unitholders do not have dissenters or appraisal rights under Oiltanking s partnership agreement, the merger agreement or applicable Delaware law.

Antitrust and Regulatory Matters

Due to rules applicable to partnerships and the common control of Oiltanking and Enterprise, no filing is required under the HSR Act and the rules promulgated thereunder by the FTC. However, at any time before or after completion of the merger, the DOJ, the FTC, or any state request additional information or could take such

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action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the merger, to rescind the merger or to seek divestiture of particular assets of Enterprise or Oiltanking. Private parties also may seek to take legal action under the antitrust laws under certain circumstances. In addition, non-U.S. governmental and regulatory authorities may seek to take action under applicable antitrust laws. A challenge to the merger on antitrust grounds may be made and, if such a challenge is made, it is possible that Enterprise and Oiltanking will not prevail.

Listing of Common Units to be Issued in the Merger; Delisting and Deregistration of Oiltanking Common Units

Enterprise expects to obtain approval to list on the NYSE the Enterprise common units to be issued pursuant to the merger agreement, which approval is a condition to closing the merger. Upon completion of the merger, Oiltanking common units currently listed on the NYSE will cease to be listed on the NYSE and will be subsequently deregistered under the Exchange Act.

Accounting Treatment

The proposed merger will be accounted for in accordance with Accounting Standards Codification 810, *Consolidations Overall Changes in Parent s Ownership Interest in a Subsidiary*, which is referred to as ASC 810. Changes in Enterprise s ownership interest in Oiltanking, while Enterprise retains its controlling financial interest in Oiltanking, will be accounted for as an equity transaction and no gain or loss will be recognized as a result of the proposed merger. The proposed merger represents Enterprise s acquisition of the noncontrolling interests in Oiltanking.

Pending Litigation

On November 20, 2014, Matthew Ellis, a purported unitholder of Oiltanking, filed a complaint in the United States District Court of the Southern District of Texas, Houston Division, as a putative class action on behalf of the unitholders of Oiltanking, captioned *Matthew Ellis v. Bryan Bulawa, William Ordemann, Robert D. Sanders, Michael C. Smith, Gregory C. King, D. Mark Leland, Thomas M. Hart III, Oiltanking Partners, L.P., OTLP GP LLC, Enterprise Products Partners L.P., Enterprise Products Holdings LLC, Enterprise Products Operating LLC and EPOT MergerCo LLC*, Civil Action No. 4:14-cv-3343. On December 12, 2014, the plaintiff filed a motion to dismiss without prejudice and the court issued a notice of dismissal of this case.

On December 23, 2014, Mathew Ellis and Chaile Steinberg, purported unitholders of Oiltanking, filed a complaint in the Court of Chancery of the State of Delaware, as a putative class action on behalf of the Oiltanking unitholders, captioned *Mathew Ellis and Chaile Steinberg v. OTLP GP, LLC, Oiltanking Holding Americas, Inc., Oiltanking GMBH, Marquard & Bahls AG, Kenneth F. Owen, Christian Flach, Enterprise Products Partners L.P. and Enterprise Products Holdings LLC, Case No. 10495*. This new Ellis complaint alleges, among other things, that Oiltanking GP breached the implied covenant of good faith and fair dealing, that Oiltanking GP has breached the Oiltanking partnership agreement, and that other defendants have aided and abetted Oiltanking GP s breach of the Oiltanking partnership agreement or contractual duty of good faith thereunder. The plaintiffs seek to (i) enjoin the special meeting to vote on the merger proposal unless it is subjected to an unaffiliated vote and (ii) in the event the merger approval is not compelled to be subject to an unaffiliated vote, an award of money damages.

While Enterprise and Oiltanking cannot predict the outcome of this lawsuit or any other lawsuits that might be filed subsequent to the date of the filing of this proxy statement/prospectus, nor can Enterprise and Oiltanking predict the amount of time and expense that will be required to resolve this lawsuit or any other lawsuits, Enterprise, Oiltanking

and the other defendants named in the lawsuit intend to defend vigorously against this and any other actions.

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Support Agreement

In connection with the merger agreement, Oiltanking, Enterprise and EPO entered into the support agreement, pursuant to which Enterprise and EPO have agreed to vote any Oiltanking common units owned by them or their subsidiaries in favor of adoption of the merger agreement and the merger) at any meeting of unitholders. In addition, pursuant to the support agreement, EPO granted an irrevocable proxy to a member of the Oiltanking Conflicts Committee to vote such units accordingly. EPO currently directly owns 54,799,604 Oiltanking common units representing approximately 66% of the outstanding Oiltanking common units. The support agreement will terminate upon the termination of the merger agreement.

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THE MERGER AGREEMENT

The following is a summary of the material terms of the merger agreement and the related transactions. The provisions of the merger agreement are extensive and not easily summarized. This summary is qualified in its entirety by reference to the merger agreement, a copy of which is attached to this proxy statement/prospectus as Annex A and is incorporated into this proxy statement/prospectus by reference. You should read the merger agreement because it, and not this proxy statement/prospectus, is the legal document that governs the terms of the merger.

The merger agreement contains representations and warranties by each of the parties to the merger agreement. The assertions embodied in those representations and warranties are qualified by information in confidential disclosure schedules that the parties have exchanged in connection with signing the merger agreement. The disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the attached merger agreement. Accordingly, you should keep in mind that the representations and warranties are modified in part by the underlying disclosure schedules. The disclosure schedules contain information that has been included in Oiltanking s and Enterprise s general prior public disclosures, as well as additional information, some of which is non-public. Information concerning the subject matter of the representations and warranties may have also changed since the date of the merger agreement, and all of this information may or may not be fully reflected in the companies public disclosures. To the extent there are any conflicts between any representations and warranties in the merger agreement and the additional information included or incorporated by reference in the proxy statement/prospectus, the information included or incorporated by reference herein shall control. Accordingly, the representations, warranties and covenants in the merger agreement and the description of them in this proxy statement/prospectus should not be read alone but instead should be read in conjunction with the other information contained in the reports, statements and filings of Enterprise and Oiltanking filed with the SEC.

In the following summary of the material terms of the merger agreement, all references to the subsidiaries of Enterprise or Enterprise GP do not include Oiltanking GP or its subsidiaries (including Oiltanking), unless explicitly stated.

Structure of the Merger and Related Transactions

Pursuant to the merger agreement, MergerCo will merge with and into Oiltanking, with Oiltanking surviving the merger as an indirect wholly owned subsidiary of Enterprise (the surviving entity), and all outstanding common units representing limited partner interests in Oiltanking held by Oiltanking public unitholders at the effective time of the merger will be cancelled and converted into the right to receive Enterprise common units based on an exchange ratio of 1.30 Enterprise common units for each Oiltanking common unit. This merger consideration represents a 5.6% premium to the closing price of Oiltanking common units based on the closing prices of Oiltanking common units and Enterprise common units on September 30, 2014, the last trading day before Enterprise announced its initial proposal to acquire all of the Oiltanking common units owned by the public. Relative to the respective closing prices for Enterprise and Oiltanking common units on November 10, 2014, the day before the parties entered into the merger agreement, the 1.30 exchange ratio represents a 10.4% premium to Oiltanking unitholders. Based on the $40.30 closing price of Enterprise common units on November 10, 2014, the 1.30 exchange ratio and the 28,328,890 Oiltanking common units owned by Oiltanking public unitholders, the value of the merger consideration to be received by such holders was approximately $1.4 billion, or $52.39 for each Oiltanking common unit. No fractional Enterprise common units will be issued in the merger, and Oiltanking public unitholders will, instead, receive cash in lieu of fractional Enterprise common units, if any. In connection with the merger, EPO will not receive any consideration for the continuation of its limited partner interests in Oiltanking, Oiltanking GP will not receive any consideration for the continuation of its general partner interests or incentive distribution rights in Oiltanking, and Enterprise will be admitted as a limited partner of Oiltanking and be issued Oiltanking common units equal to the

converted Oiltanking common units held by unitholders other than Enterprise or its subsidiaries. As of December 31, 2014,

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there were 1,937,324,817 Enterprise common units and 83,128,494 Oiltanking common units outstanding. Based on the 28,328,890 Oiltanking common units outstanding at such date that are owned by Oiltanking public unitholders and eligible for exchange into Enterprise common units pursuant to the merger agreement, Enterprise expects to issue approximately 36,827,557 Enterprise common units in connection with the merger.

When the Merger Becomes Effective

The closing of the merger will take place on either (i) the business day after the date on which the last of the conditions set forth in the merger agreement (other than those conditions that by their nature cannot be satisfied until the closing date) have been satisfied or waived in accordance with the terms of the merger agreement, or (ii) such other date to which the parties may agree in writing. Please read Conditions to the Merger beginning on page 73 for a more complete description of the conditions that must be satisfied or waived prior to closing. The date on which the closing occurs is referred to as the closing date.

The merger will become effective at the effective time, which will occur upon Oiltanking filing a certificate of merger with the Secretary of State of the State of Delaware or at such later date and time as may be set forth in the certificate of merger. The Oiltanking certificate of limited partnership will be the certificate of limited partnership of the surviving entity, until duly amended in accordance with its terms and applicable law.

Effect of Merger on Outstanding Oiltanking Common Units and Other Interests

At the effective time, by virtue of the merger and without any further action on the part of any holder of Oiltanking common units, the following will occur:

All of the limited liability company interests in MergerCo outstanding immediately prior to the effective time will be cancelled and no consideration will be received therefor.

The general partner interest in Oiltanking issued and outstanding immediately prior to the effective time shall remain outstanding in the surviving entity and no consideration shall be delivered in respect thereof, and Oiltanking GP, as the holder of such general partner interests, shall continue as the sole general partner of the surviving entity as set forth in Oiltanking s partnership agreement.

The incentive distribution rights in Oiltanking outstanding immediately prior to the effective time shall remain outstanding in the surviving entity and continue to be held by Oiltanking GP, and no consideration shall be delivered to Oiltanking GP in respect of such interests.

Each Oiltanking common unit held by Oiltanking public unitholders immediately prior to the effective time will be converted into the right to receive 1.30 Enterprise common units.

The limited partner interests in Oiltanking issued and outstanding immediately prior to the effective time and held by Enterprise and its subsidiaries shall remain outstanding in the surviving entity and Enterprise and its subsidiaries shall continue as a limited partner of the surviving entity, and no consideration shall be

delivered to such holder in respect of such interests.

Enterprise will be issued a number of Oiltanking common units equal to the number of Oiltanking common units held by Oiltanking public unitholders immediately prior to the effective time.

Notwithstanding anything to the contrary in the merger agreement, all Oiltanking common units owned by Oiltanking or its subsidiaries (if any) will automatically be cancelled and no consideration shall be delivered in respect of such units.

All Oiltanking common units held by Oiltanking public unitholders shall be converted into the right to receive the merger consideration. At the effective time, each holder of a certificate representing common units and each holder of non-certificated Oiltanking common units represented by book-entry will cease to be a unitholder of Oiltanking and cease to have any rights as a unitholder of Oiltanking, except the right to receive (i) 1.30 Enterprise common units for each outstanding Oiltanking common unit, and the right to be admitted as

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an additional limited partner of Enterprise, (ii) any cash to be paid in lieu of any fractional new Enterprise common unit in accordance with the merger agreement and (iii) any distributions in accordance with the merger agreement, in each case, to be issued or paid, without interest, in accordance with the merger agreement. In addition, to the extent applicable, holders of Oiltanking common units as of the effective time will have continued rights to any distribution, without interest, with respect to such Oiltanking common units with a record date occurring prior to the effective time that may have been declared or made by Oiltanking with respect to such Oiltanking common units in accordance with the terms of the merger agreement and which remains unpaid as of the effective time. The unit transfer books of Oiltanking will be closed at the effective time and there will be no further registration of transfers on the unit transfer books of Oiltanking with respect to Oiltanking common units.

For a description of the Enterprise common units, please read Description of Enterprise Common Units, and for a description of the comparative rights of the holders of Enterprise common units and Oiltanking common units, please read Comparison of the Rights of Enterprise and Oiltanking Unitholders.

Exchange of Certificates; Fractional Units

Exchange Agent

In connection with the merger, Enterprise has appointed Wells Fargo Shareowner Services to act as exchange agent for the issuance of Enterprise common units and for cash payments for fractional units. Promptly after the effective time, Enterprise will deposit or will cause to be deposited with the exchange agent for the benefit of the holders of Oiltanking common units, for exchange through the exchange agent, new Enterprise common units and cash as required by the merger agreement. Enterprise has agreed to make available to the exchange agent, from time to time as needed, cash sufficient to pay any distributions pursuant to the merger agreement and to make payments in lieu of any fractional new Enterprise common units pursuant to the merger agreement, in each case without interest. Any cash and new Enterprise common units deposited with the exchange agent (including as payment for any fractional new Enterprise common units and any distributions with respect to such fractional new Enterprise common units) are referred to as the exchange fund. The exchange agent will deliver the merger consideration contemplated to be paid for Oiltanking common units pursuant to the merger agreement out of the exchange fund. Except as contemplated by the merger agreement, the exchange fund will not be used for any other purpose.

Exchange of Units

Promptly after the effective time of the merger, Enterprise will instruct the exchange agent to mail to each applicable holder of an Oiltanking common unit a letter of transmittal and instructions explaining how to surrender Oiltanking common units to the exchange agent. This letter will contain instructions on how to surrender certificates or book-entry units formerly representing Oiltanking common units in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

Oiltanking common unit certificates should NOT be returned with the enclosed proxy card. Oiltanking unitholders who deliver a properly completed and signed letter of transmittal and any other documents required by the instructions to the transmittal letter, together with their Oiltanking common unit certificates, if any, will be entitled to receive:

- new Enterprise common units representing, in the aggregate, the whole number of new Enterprise common units that the holder has the right to receive pursuant to the terms of the merger agreement and as described above under Effect of Merger on Outstanding Oiltanking Common Units and Other Interests, and

a check in an amount equal to the aggregate amount of cash that the holder has the right to receive pursuant to the merger agreement, including cash payable in lieu of any fractional new Enterprise common units and distributions pursuant to the terms of the merger agreement.

No interest will be paid or accrued on any merger consideration, any cash payment in lieu of fractional new Enterprise common units, or on any unpaid distributions payable to holders of certificated or book-entry Oiltanking common units.

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In the event of a transfer of ownership of Oiltanking common units that is not registered in the transfer records of Oiltanking, the merger consideration payable in respect of those Oiltanking common units may be paid to a transferee, if the certificate representing those Oiltanking common units or evidence of ownership of the book-entry Oiltanking common units is presented to the exchange agent, and in the case of both certificated and book-entry Oiltanking common units, accompanied by all documents required to evidence and effect the transfer and the person requesting the exchange will pay to the exchange agent in advance any transfer or other taxes required by reason of the delivery of the merger consideration in any name other than that of the record holder of those Oiltanking common units, or will establish to the satisfaction of the exchange agent that any transfer or other taxes have been paid or are not payable. Until the required documentation has been delivered and certificates, if any, have been surrendered, as contemplated by the merger agreement, each certificate or book-entry Oiltanking common unit will be deemed at any time after the effective time to represent only the right to receive, upon the delivery and surrender of the Oiltanking common units, the merger consideration payable in respect of Oiltanking common units and any cash or distributions to which the holder is entitled pursuant to the terms of the merger agreement.

All new Enterprise common units to be issued in the merger will be issued in book-entry form, without physical certificates. Upon the issuance of new Enterprise common units to the holders of Oiltanking common units in accordance with the merger agreement and the compliance by such holders with the requirements of Section 10.4 of Enterprise s partnership agreement, which requirements may be satisfied by each holder of Oiltanking common units by the execution and delivery by such holder of a completed and executed letter of transmittal, (i) such holder shall be deemed to have made a capital contribution to Enterprise in accordance with Enterprise s partnership agreement and (ii) Enterprise GP shall be deemed to have automatically consented to the admission of such holder as a limited partner of Enterprise and will reflect such admission on the books and records of Enterprise.

The exchange agent will deliver to Enterprise any Enterprise common units to be issued in the merger, cash in lieu of fractional units to be paid in connection with the merger and any distributions paid on Enterprise common units, in each case without interest, to be issued in the merger that are not claimed by former Oiltanking unitholders within 180 days after the effective time of the merger. Thereafter, Enterprise will act as the exchange agent and former Oiltanking unitholders may look only to Enterprise for their new Enterprise common units, cash in lieu of fractional units and unpaid distributions, in each case without interest. The merger consideration issued upon conversion of an Oiltanking common unit in accordance with the terms of the merger agreement is deemed issued in full satisfaction of all rights pertaining to such unit.

Distributions

No distributions declared or made with respect to Enterprise common units with a record date after the effective time will be paid to the holder of any Oiltanking common units with respect to new Enterprise common units that such holder would be entitled to receive in accordance with the merger agreement, and no cash payment in lieu of fractional new Enterprise common units will be paid to any Oiltanking unitholder, in each case until the holder has delivered the required documentation and surrendered any certificates or book-entry units as contemplated by the merger agreement. Subject to applicable law, after satisfying the requirements of the merger agreement, the following will be paid to a holder of new Enterprise common units, without interest, (i) promptly after satisfying the merger agreement s procedures, the amount of any cash payable in lieu of fractional new Enterprise common units to which the holder is entitled pursuant to the merger agreement and an amount in cash equal to any Enterprise distributions with a record date after the effective time and a payment date prior to compliance with the procedures described above under Exchange of Units and payable with respect to such new Enterprise common units, and (ii) at the appropriate payment date, the amount of distributions with a record date after the effective time but prior to such delivery and surrender and with a payment date subsequent to such compliance payable with respect to such new Enterprise common units.

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Fractional Units

No fractional Enterprise common units will be issued upon the surrender of Oiltanking common units outstanding immediately prior to the effective time. In lieu of any fractional Enterprise common unit, each Oiltanking unitholder who would otherwise be entitled to a fraction of a new Enterprise common unit will be paid in cash (without interest rounded up to the nearest whole cent) an amount equal to the product of (i) the average closing price of Enterprise common units for the ten consecutive NYSE full trading days ending at the close of trading on the last NYSE full trading day immediately preceding the closing date and (ii) the fraction of a new Enterprise common unit that the holder would otherwise be entitled to receive pursuant to the merger agreement. Any fractional Enterprise common unit interest will not entitle its owner to vote or to have any rights as an Enterprise unitholder with regard to such interest. To the extent applicable, each holder of Oiltanking common units is deemed to have consented pursuant to the merger agreement for U.S. federal income tax purposes to report the cash received for fractional Enterprise common units in the merger as a sale of a portion of that holder s Oiltanking common units to Enterprise.

No Liability

To the fullest extent permitted by law, none of Oiltanking GP, Enterprise, Oiltanking or the surviving entity will be liable to any holder of Oiltanking common units for any Enterprise common units (or distributions with respect thereto) or cash from the exchange fund delivered to a public official pursuant to any abandoned property, escheat or similar law.

Lost, Stolen or Destroyed Certificates

If any certificate representing Oiltanking common units has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed and, if required by Enterprise, the posting by such person of a bond, in a reasonable amount that Enterprise may direct, as indemnity against any claim that may be made against it with respect to such certificate, the exchange agent will pay in exchange for the lost, stolen or destroyed certificate the merger consideration payable in respect of Oiltanking common units represented by the certificate and any distributions to which the holders thereof are entitled pursuant to the terms of the merger agreement.

Withholding Rights

Each of Enterprise, the surviving entity and the exchange agent will be entitled to deduct and withhold from the consideration otherwise payable pursuant to the merger agreement to any holder of Oiltanking common units any amount that Enterprise, the surviving entity or the exchange agent reasonably deems to be required to deduct and withhold under any provision of federal, state, local, or foreign tax law with respect to the making of such payment. To the extent that amounts are deducted and withheld by Enterprise, the surviving entity or the exchange agent as described in this paragraph, the deducted and withheld amounts will be treated for all purposes of the merger agreement as having been paid to the holder of Oiltanking common units in respect of whom such deduction and withholding was made by Enterprise, the surviving entity or the exchange agent, as the case may be.

Investment of the Exchange Fund

Enterprise will cause the exchange agent to invest any cash included in the exchange fund as directed by Enterprise on a daily basis. The investment of the exchange fund will be limited to direct short-term obligations of, or short-term obligations fully guaranteed as to principal and interest by, the U.S. government and no investment or loss thereon will affect the amounts payable or the timing of the amounts payable to Oiltanking unitholders pursuant to the merger

agreement. Any interest and other income resulting from the investments described in this paragraph will be paid to Enterprise.

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Anti-Dilution Provisions

In the event of any subdivision, reclassification, recapitalization, split, unit distribution, combination or exchange of units with respect to, or rights in respect of, Oiltanking common units or Enterprise common units (in each case, as permitted pursuant to the merger agreement), the number of new Enterprise common units to be issued in the merger and the average closing price of Enterprise common units will be correspondingly adjusted to provide to the holders of Oiltanking common units the same economic effect as contemplated by the merger agreement prior to such event.

No Oiltanking Equity-Based Awards

As of the date of the merger agreement, there were no outstanding unvested restricted Oiltanking common units, and there were no outstanding unit appreciation rights or options or other awards issued under the Oiltanking Long-Term Incentive Plan.

No Dissenters Rights

No dissenters or appraisal rights will be available with respect to the merger or the other transactions contemplated by the merger agreement.

Tax Characterization of Merger

Oiltanking and Enterprise each acknowledged and agreed that for U.S. federal income tax purposes the exchange of the Oiltanking common units held by Oiltanking public unitholders for new Enterprise common units pursuant to the merger shall qualify as an exchange to which Section 721(a) of the Internal Revenue Code applies. Each of Oiltanking and Enterprise agrees to prepare and file all U.S. federal income tax returns in accordance with the foregoing qualification and treatment and shall not take any position inconsistent therewith on any such tax return, or in the course of any audit, litigation or other proceeding with respect to U.S. federal income taxes, except as otherwise required by applicable laws following a final determination by a court of competent jurisdiction or other final administrative decision by an applicable governmental authority.

Actions Pending the Merger

From the date of the merger agreement until the effective time of the merger, except as expressly contemplated by the merger agreement, each of (i) Enterprise and Enterprise GP have agreed that, without the prior written consent of the Oiltanking Conflicts Committee and the Oiltanking Board, and (ii) Oiltanking and Oiltanking GP have agreed that, without the prior written consent of the Enterprise Board, which consents, in either case, will not be unreasonably withheld, delayed or conditioned, it will not, and will cause its subsidiaries not to:

- conduct its business and the business of its subsidiaries other than in the ordinary and usual course;

- fail to use commercially reasonable best efforts to preserve intact its business organizations, goodwill and assets and maintain its rights, franchises and existing relations with customers, suppliers, employees or business associates;

take any action that would have a material adverse effect (please read Representations and Warranties for a summary of the definition of material adverse effect in the merger agreement);

in the case of Oiltanking and its subsidiaries (i) issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional equity or any additional rights or enter into any agreement to do such things or (ii) permit any additional equity interests to become subject to new grants of employee unit options, unit appreciation rights or similar equity-based employee rights; and in the case of Enterprise and its subsidiaries, take any action described in (i) and (ii) above, which would materially adversely affect Enterprise s ability to consummate the transactions contemplated by the merger agreement;

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split, combine or reclassify any of its equity interests or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for its equity interests, or in the case of Oiltanking and its subsidiaries, repurchase, redeem or otherwise acquire, or permit any of its subsidiaries to purchase, redeem or otherwise acquire any partnership or other equity interests or rights, except for net unit settlements made in connection with the vesting of restricted units or as required by the terms of its securities outstanding on the date of the merger agreement or as contemplated by any existing compensation and benefit plan on the date of the merger agreement;

in the case of Oiltanking and its subsidiaries, (i) sell, lease, dispose of or discontinue all or any portion of its assets, business or properties other than in the ordinary course of business, including distributions permitted under the merger agreement, (ii) acquire, by merger or otherwise, or lease any assets or all or any portion of the business or property of any other entity other than in the ordinary course of business consistent with past practice, (iii) merge, consolidate or enter into any other business combination transaction with any person, or (iv) convert from a limited partnership or limited liability company, as the case may be, to any other business entity; and in the case of Enterprise and its subsidiaries, merge, consolidate or enter into any other business combination transaction with any person or make any acquisition or disposition that would reasonably be expected to have a material adverse effect;

make or declare dividends or distributions to the holders of Oiltanking common units or Enterprise common units, as applicable, that are special or extraordinary distributions or that are in a cash amount in excess of the most recently declared distribution, other than regular quarterly cash distributions or increases made pursuant to applicable Oiltanking Board or Enterprise Board approvals in accordance with past practices;

amend its partnership agreement other than in accordance with the merger agreement;

in the case of Oiltanking and its subsidiaries, enter into any material contract or modify, amend, terminate or assign, or waive or assign any rights under any material contract in any material respect in a manner which is adverse to Enterprise and its subsidiaries, taken as a whole, or which could prevent or materially delay the consummation of the merger or the other transactions contemplated by the merger agreement past the March 31, 2015 termination date, or any extension of the termination date; and in the case of Enterprise and its subsidiaries, enter into any material contract, or modify, amend, terminate or assign, or waive or assign any rights under any material contract, in a manner that would reasonably be expected to have a material adverse effect;

waive, release, assign, settle or compromise any claim, action or proceeding, including any state or federal regulatory proceeding seeking damages or injunction or other equitable relief, except as would not reasonably be expected to result in a material adverse effect;

implement or adopt any material change in its accounting principles, practices or methods, other than as may be required by law or U.S. GAAP;

fail to use commercially reasonable best efforts to maintain, with financially responsible insurance companies, insurance in such amounts and against such risks and losses as has been customarily maintained by it in the past;

change in any material respect any of its express or deemed elections relating to taxes, including elections for any and all joint ventures, partnerships, limited liability companies or other investments where it has the capacity to make such binding election;

settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to taxes;

change in any material respect any of its methods of reporting income or deductions for U.S. federal income tax purposes from those employed in the preparation of its U.S. federal income tax return for the most recent taxable year for which a return has been filed, except as may be required by applicable law;

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in the case of Oiltanking and its subsidiaries, (i) adopt, enter into, amend, become liable with respect to or otherwise increase, or accelerate the payment or vesting of the amounts, benefits or rights payable or accrued or to become payable or accrued under, any compensation and benefit plan, (ii) grant any severance or termination pay to any officer or director of Oiltanking or any of its subsidiaries or (iii) establish, adopt, enter into or amend any plan, policy, program or arrangement for the benefit of any current or former directors or officers of Oiltanking or any of its subsidiaries or any of their dependents or beneficiaries;

in the case of Oiltanking and its subsidiaries other than in the ordinary course of business consistent with past practices, (i) incur, assume, guarantee or otherwise become liable for any indebtedness (directly, contingently or otherwise), other than borrowings under revolving credit facilities existing as of the date of the merger agreement, (ii) enter into any material lease (whether operating or capital), (iii) create any lien on its property or the property of its subsidiaries in connection with any pre-existing indebtedness, new indebtedness or lease, or (iv) make or commit to make any material capital expenditures unrelated to Oiltanking s existing contracts with Enterprise other than such capital expenditures as are (A) contemplated in Oiltanking s 2014 capital budget or (B) required on an emergency basis or for the safety of persons or the environment; and in the case of Enterprise, take any action described in clauses (i), (ii), (iii) or (iv) above which would materially adversely affect Enterprise s ability to consummate the transactions contemplated by the merger agreement;

authorize, recommend, propose or announce an intention to adopt a plan of complete or partial dissolution or liquidation; or

agree or commit to do any of the prohibited actions described above.

Conditions to the Merger

Conditions of Each Party

The respective obligations of the parties to effect the merger are subject to the satisfaction or, if applicable, waiver, on or prior to the closing date of the merger, of each of the following conditions:

the merger agreement and the merger will have been approved by the affirmative vote or consent of holders (as of the record date for the Oiltanking meeting) of a majority of the outstanding Oiltanking common units;

all filings required to be made prior to the effective time with, and all other consents, approvals, permits and authorizations required to be obtained prior to the effective time from, any governmental authority in connection with the execution and delivery of the merger agreement and the consummation of the transactions contemplated thereby by the parties to the merger agreement or their affiliates will have been made or obtained, except where the failure to obtain such consents, approvals, permits and authorizations would not be reasonably likely to result in a material adverse effect on Enterprise or Oiltanking; provided, however, that prior to invoking this condition, the invoking party shall have complied in all material respects with its obligations under the merger agreement to obtain such approvals;

no order, decree or injunction of any court or agency of competent jurisdiction will be in effect, and no law will have been enacted or adopted, that enjoins, prohibits or makes illegal the consummation of any of the transactions contemplated by the merger agreement, and no action, proceeding or investigation by any governmental authority with respect to the merger or the other transactions contemplated by the merger agreement will be pending that seeks to restrain, enjoin, prohibit or delay the consummation of the merger or such other transaction or to impose any material restrictions or requirements thereon or on Enterprise or Oiltanking with respect to the merger or the other transactions contemplated by the merger agreement; provided, however, that prior to invoking this condition, the invoking party must have used its commercially reasonable best efforts in good faith to consummate the merger as required under the merger agreement;

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the registration statement of which this proxy statement/prospectus is a part will have become effective under the Securities Act and no stop order suspending the effectiveness of the registration statement will have been issued and no proceedings for that purpose will have been initiated or threatened by the SEC; and

the new Enterprise common units to be issued in the merger will have been approved for listing on the NYSE, subject to official notice of issuance.

Each of Enterprise and Oiltanking (with the consent of the Oiltanking Conflicts Committee and the Oiltanking Board) may choose to complete the merger even though any condition to its obligation has not been satisfied if the necessary unitholder approval under Oiltanking s partnership agreement has been obtained and the law allows it to do so.

Additional Conditions to the Obligations of Oiltanking

The obligations of Oiltanking to effect the merger are further subject to the satisfaction or written waiver by Oiltanking, on or prior to the closing date of the merger, of each of the following conditions:

each of the representations and warranties contained in the merger agreement of Enterprise, Enterprise GP and MergerCo qualified as to materiality or material adverse effect are true and correct in all respects and those not so qualified are true and correct in all material respects on the closing date, except for any representations and warranties made as of a specified date, which are true and correct as of that date in all material respects;

each and all of the agreements and covenants of Enterprise, Enterprise GP and MergerCo to be performed and complied with pursuant to the merger agreement on or prior to the closing date must have been duly performed and complied with in all material respects;

Oiltanking will have received a certificate signed by the chief executive officer of Enterprise GP, dated the closing date, to the effect that the conditions set forth in the first two bullet points immediately above have been satisfied;

Oiltanking will have received an opinion from Vinson & Elkins, counsel to Oiltanking, to the effect that no gain or loss should be recognized for U.S. federal income tax purposes by Oiltanking public unitholders to the extent that Enterprise common units are received as a result of the merger (other than gain resulting from either (i) any decrease in partnership liabilities pursuant to Section 752 of the Internal Revenue Code or (ii) any cash received in lieu of any fractional Enterprise common units); and

there has not occurred a material adverse effect with respect to Enterprise between the date of the merger agreement and the closing date.

Additional Conditions to the Obligations of Enterprise

The obligations of Enterprise to effect the merger are further subject to the satisfaction or written waiver by Enterprise, on or prior to the closing date of the merger, of each of the following conditions:

each of the representations and warranties contained in the merger agreement of Oiltanking and Oiltanking GP qualified as to materiality or material adverse effect are true and correct in all respects and those not so qualified are true and correct in all material respects as of the date of the merger agreement and on the closing date, except for any representations and warranties made as of a specified date, which are true and correct as of such date in all material respects;

each and all of the agreements and covenants of Oiltanking and Oiltanking GP to be performed and complied with pursuant to the merger agreement on or prior to the closing date must have been duly performed and complied with in all material respects;

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Enterprise will have received a certificate signed by the chief executive officer of Oiltanking GP, dated the closing date, to the effect that the conditions set forth in the first two bullet points immediately above have been satisfied;

Enterprise will have received an opinion from Andrews Kurth, counsel to Enterprise, to the effect that:

at least 90% of the combined gross income of each of Oiltanking and Enterprise for all of calendar year 2013 and all calendar quarters of 2014 ending before the closing date for which the necessary financial information is available constitutes qualifying income within the meaning of Section 7704(d) of the Internal Revenue Code;

no gain or loss should be recognized for U.S. federal income tax purposes by existing Enterprise unaffiliated unitholders as a result of the merger (other than gain resulting from any decrease in partnership liabilities pursuant to Section 752 of the Internal Revenue Code); and

there has not occurred a material adverse effect with respect to Oiltanking between the date of the merger agreement and the closing date.

Representations and Warranties

The merger agreement contains representations and warranties of the parties to the merger agreement, many of which provide that the representations and warranties do not extend to matters where the failure of the representation and warranty to be accurate would not result in a material adverse effect on the party making the representation and warranty. These representations and warranties concern, among other things:

legal organization, existence, general authority and good standing;

capitalization;

the absence of Oiltanking s ownership of any equity interests other than in its subsidiaries;

power and authorization to enter into and carry out the obligations of the merger agreement, and enforceability of the merger agreement;

the absence of defaults, breaches, violations and other conflicts caused by entering into the merger agreement and completing the merger;

required board and committee consents and approvals;

the absence of required governmental consents and approvals, other than those noted therein;

the accuracy of financial statements and reports filed with the SEC;

the absence of certain undisclosed liabilities;

compliance with laws;

the absence of undisclosed material contracts and the validity of existing material contracts;

the absence of brokers other than those noted therein;

tax matters;

environmental matters;

regulatory matters;

the absence of undisclosed compensation and employee benefit plans;

title to properties and rights of way;

operations of MergerCo;

the fairness opinion delivered to the Oiltanking Conflicts Committee; and

the absence of any material adverse effects.

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For purposes of the merger agreement, material adverse effect, when used with respect to Oiltanking or Enterprise, means any effect that:

- is or would reasonably be expected to be material and adverse to the financial position, results of operations, business or assets of such party and its subsidiaries taken as a whole, respectively; or
- materially impairs or delays, or could reasonably be expected to materially impair or delay, the ability of such party to perform its obligations under the merger agreement or otherwise materially threaten or materially impede the consummation of the merger and the other transactions contemplated by the merger agreement.

A material adverse effect does not include any of the following or the impact thereof (so long as, in the case of the first through fourth bullet points immediately below, the impact on Oiltanking or Enterprise is not disproportionately adverse as compared to others in the petroleum product transportation, terminaling, storage and distribution industry generally):

- circumstances affecting the petroleum product transportation, terminaling, storage and distribution industry generally (including the price of petroleum products and the costs associated with the transportation, terminaling, storage and distribution thereof), or in any region in which Enterprise or Oiltanking operates;
- any general market, economic, financial or political conditions, or outbreak of hostilities or war, in the United States of America or elsewhere;
- changes in law;
- earthquakes, hurricanes, floods, or other natural disasters;
- any failure of Enterprise or Oiltanking to meet any internal or external projections, forecasts or estimates of revenue or earnings for any period (but not the underlying causes of any such failure);
- changes in the market price or trading volume of Oiltanking common units or Enterprise common units (but not any effect underlying any decrease that would otherwise constitute a material adverse effect); or
- the announcement or pendency of the merger agreement or the matters contemplated by the merger agreement or the compliance by either party with the provisions of the merger agreement.

Covenants

Oiltanking and Enterprise made the covenants described below:

Commercially Reasonable Best Efforts

Subject to the terms and conditions of the merger agreement, each of Oiltanking and Enterprise will use its commercially reasonable best efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, desirable or advisable under applicable laws, in order to permit consummation of the merger promptly and otherwise enable consummation of the transactions contemplated by the merger agreement, including obtaining (and cooperating with the other parties to obtain) any third-party approval that is required to be obtained by Enterprise or Oiltanking or any of their respective subsidiaries in connection with the merger and the other transactions contemplated by the merger agreement, using commercially reasonable best efforts to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the transactions contemplated by the merger agreement, and using commercially reasonable best efforts to defend any litigation seeking to enjoin, prevent or delay the consummation of the transactions contemplated by the merger agreement or seeking material damages, and each will cooperate fully with the other parties to the merger agreement to that end, and will furnish to the other party copies of all correspondence, filings and communications between it and its affiliates and any governmental authority with respect to the transactions contemplated under the merger agreement.

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Oiltanking Special Meeting

Subject to the terms and conditions of the merger agreement, and except as permitted upon a change of recommendation in accordance with the merger agreement, Oiltanking will take, in accordance with applicable law, applicable stock exchange rules and Oiltanking s partnership agreement, all action necessary to call, hold and convene the Oiltanking special meeting to consider and vote upon the approval of the merger agreement and the merger, and any other matters required to be approved by Oiltanking unitholders for consummation of the merger and other transactions contemplated by the merger agreement, promptly after the date of the merger agreement. Subject to the provisions of the merger agreement permitting a change in recommendation, the Oiltanking Conflicts Committee and the Oiltanking Board have recommended approval of the merger agreement and the merger to the Oiltanking unitholders, and Oiltanking will take all reasonable lawful action to solicit such approval by the Oiltanking unitholders. Notwithstanding anything to the contrary in the merger agreement, if there occurs a change in recommendation by the Oiltanking Conflict Committee in accordance with the merger agreement, Oiltanking shall not be required to call, hold or convene the Oiltanking special meeting. In addition, each of Enterprise and the Oiltanking Conflicts Committee, on behalf of Oiltanking, may terminate the merger agreement in the event that an Oiltanking change in recommendation has occurred.

Oiltanking shall not, without the prior written consent of Enterprise (which consent shall not be unreasonably withheld, delayed or conditioned), adjourn or postpone the Oiltanking special meeting; provided that Oiltanking may, without the prior written consent of Enterprise but after consultation with Enterprise , adjourn or postpone the Oiltanking special meeting (i) if, as of the time for which the meeting is originally scheduled, there are an insufficient number of Oiltanking common units represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the meeting, (ii) if the failure to adjourn or postpone the meeting is determined by the Oiltanking Conflicts Committee to be reasonably likely to result in a violation of applicable law for the distribution of any required supplement or amendment to this proxy statement/prospectus, or (iii) for a single period not to exceed ten business days, to solicit additional proxies if necessary to obtain Oiltanking unitholder approval. Once Oiltanking has established a record date for the Oiltanking special meeting, Oiltanking shall not change such record date or establish a different record date for the meeting without the prior written consent of Enterprise (which consent shall not be unreasonably withheld, delayed or conditioned). Without the prior written consent of Enterprise, the adoption of the merger agreement shall be the only matter (other than matters of procedure and matters required by applicable law to be voted on by Oiltanking unitholders in connection with the approval of the merger agreement and the transactions contemplated thereby) that Oiltanking shall propose to be acted on by the Oiltanking unitholders at the Oiltanking special meeting.

Registration Statement

Each of Enterprise and Oiltanking agrees to cooperate in the preparation of the registration statement (including this proxy statement/prospectus) to be filed by Enterprise with the SEC in connection with the issuance of new Enterprise common units in the merger as contemplated by the merger agreement. Each of Oiltanking and Enterprise agrees to use all commercially reasonable best efforts to cause the registration statement to be declared effective under the Securities Act as promptly as practicable after filing of the registration statement. Enterprise also agrees to use commercially reasonable best efforts to obtain all necessary state securities law or Blue Sky permits and approvals required to carry out the transactions contemplated by the merger agreement. Each of Enterprise and Oiltanking agrees to furnish to the other party all information concerning Enterprise, Enterprise GP and their respective subsidiaries or Oiltanking, Oiltanking GP and their respective subsidiaries, as applicable, and the officers, directors and unitholders of Enterprise and Oiltanking and any applicable affiliates, as applicable, and to take such other action as may be reasonably requested in connection with the foregoing. Neither the registration statement nor this proxy statement/prospectus will be filed by Enterprise or Oiltanking, as applicable, in each case without having provided the

other party a reasonable opportunity to review and comment thereon.

Each of Oiltanking and Enterprise agrees, as to itself and its subsidiaries, that (i) none of the information supplied or to be supplied by it for inclusion or incorporation by reference in this registration statement will, at

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the time this registration statement and each amendment or supplement to this registration statement, if any, becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated in this registration statement or any amendment or supplement or necessary to make the statements in this registration statement or any amendment or supplement, in light of the circumstances under which they were made, not misleading, and (ii) the proxy statement/prospectus and any amendment or supplement to this proxy statement/prospectus will, at the date of mailing to the holders of Oiltanking common units and at the time of the Oiltanking special meeting, not contain any untrue statement of a material fact or omit to state any material fact required to be stated in this proxy statement/prospectus or any amendment or supplement or necessary to make the statements in this proxy statement/prospectus or any amendment or supplement hereto, in light of the circumstances under which they were made, not misleading. Each of Oiltanking and Enterprise further agrees that if it becomes aware prior to the closing date of any information that would cause any of the statements in this registration statement or any amendment or supplement to be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not false or misleading, it will promptly inform the other party of such information and take the necessary steps to correct such information in an amendment or supplement to this registration statement.

Enterprise will advise Oiltanking, promptly after Enterprise receives notice of any of the following, of (i) the time when this registration statement has become effective or any supplement or amendment has been filed, (ii) the issuance of any stop order or the suspension of the qualification of new Enterprise common units for offering or sale in any jurisdiction, (iii) the initiation or threat of any proceeding for any such purpose, or (iv) any request by the SEC for the amendment or supplement of this registration statement or for additional information.

Oiltanking will use its commercially reasonable best efforts to cause this proxy statement/prospectus to be mailed to its unitholders as soon as practicable after the effective date of this registration statement.

Press Releases

Prior to an Oiltanking change in recommendation, if any, each of Oiltanking and Enterprise will not, without the prior approval of the Oiltanking Board in the case of Enterprise and the Enterprise Board in the case of Oiltanking, issue any press release or written statement for general circulation relating to the transactions contemplated by the merger agreement, except as otherwise required by applicable law or the rules of the NYSE, in which case it will consult with the other party before issuing any such press release or written statement.

Access; Information

Upon reasonable notice and subject to applicable laws relating to the exchange of information, each party will, and will cause its subsidiaries to, afford the other parties and their representatives, access, during normal business hours throughout the period prior to the effective time, to all of its properties, books, contracts, commitments and records, and to its representatives, and, during such period, it and its subsidiaries will furnish promptly to such person and its representatives (i) a copy of each material report, schedule and other document filed by it pursuant to the requirements of federal or state securities law (other than reports or documents that Enterprise or Oiltanking or their respective subsidiaries, as the case may be, are not permitted to disclose under applicable law) and (ii) all other information concerning its business, properties and personnel as the other parties may reasonably request. Neither Oiltanking nor Enterprise nor any of their respective subsidiaries will be required to provide access to or to disclose information where such access or disclosure would jeopardize the attorney-client privilege (or other applicable privilege or immunity) of the institution in possession or control of such information or contravene any law, fiduciary duty or binding agreement entered into prior to the date of the merger agreement. The parties to the merger agreement will make appropriate substitute disclosure arrangements under the circumstances in which the restrictions described in the

immediately preceding sentence apply.

Enterprise and Oiltanking, respectively, will not use any information obtained pursuant to the merger agreement (to which it was not entitled under law or any agreement other than the merger agreement) for any

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purpose unrelated to (i) the consummation of the transactions contemplated by the merger agreement or (ii) the matters contemplated by the provisions of the merger agreement concerning acquisition proposals and an Oiltanking change in recommendation in accordance with the terms of the merger agreement, and will hold all information and documents obtained pursuant to the merger agreement in confidence. No investigation by either party of the business and affairs of the other will affect or be deemed to modify or waive any representation, warranty, covenant or agreement in the merger agreement, or the conditions to either party s obligation to consummate the transactions contemplated by the merger agreement.

No Solicitation; Acquisition Proposals; Change in Recommendation

Neither Oiltanking GP nor Oiltanking will, and they will use their commercially reasonable best efforts to cause their representatives not to, directly or indirectly,

- initiate, solicit, knowingly encourage or knowingly facilitate any inquiries or the making or submission of any proposal that constitutes, or may reasonably be expected to lead to, an acquisition proposal; or

- participate in any discussions or negotiations regarding, or furnish to any person any non-public information with respect to, any acquisition proposal.

As defined in the merger agreement, acquisition proposal means any proposal or offer from or by any person other than Enterprise, Enterprise GP, and MergerCo relating to: (i) any direct or indirect acquisition of (a) more than 25% of the assets of Oiltanking and its subsidiaries, taken as a whole, (b) more than 25% of the outstanding equity securities of Oiltanking or (c) a business or businesses that constitute more than 25% of the cash flow, net revenues, net income or assets of Oiltanking and its subsidiaries, taken as a whole; (ii) any tender offer or exchange offer, as defined under the Exchange Act, that, if consummated, would result in any person beneficially owning more than 25% of the outstanding equity securities of Oiltanking; or (iii) any merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Oiltanking, other than the merger. As defined in the merger agreement, superior proposal means any bona fide acquisition proposal (except that references to 25% shall be replaced by 50%) made by a third party on terms that the Oiltanking Conflicts Committee determines, in its good faith judgment and after consulting with its or Oiltanking s financial advisors and outside legal counsel, and taking into account the financial, legal, regulatory and other aspects of the acquisition proposal (including any conditions to and the expected timing of consummation and any risks of non-consummation), (i) to be more favorable to Oiltanking unitholders, from a financial point of view than the merger (taking into account the transactions contemplated by the merger agreement and any revised proposal by Enterprise to amend the terms of the merger agreement) and (ii) is reasonably likely to be consummated and, if a cash transaction in whole or in part, has financing that is fully committed or reasonably determined to be available by the Oiltanking Conflicts Committee.

Notwithstanding the prohibitions described above, but subject to the limitations described below and set forth in the merger agreement, nothing contained in the merger agreement will prohibit Oiltanking or any of its representatives from furnishing or making available any information or data pertaining to Oiltanking, or entering into or participating in discussions or negotiations with, any person that makes an unsolicited written acquisition proposal that did not result from a knowing and intentional breach of the provisions of the merger agreement summarized under this section No Solicitation; Acquisition Proposals; Change in Recommendation (a Receiving Party), if (i) the Oiltanking Conflicts Committee after consultation with its outside legal counsel and financial advisors, determines in its good faith judgment (a) that such acquisition proposal constitutes or is likely to result in a superior proposal, and (b) that failure to take such action would be inconsistent with its duties under Oiltanking s partnership agreement and

applicable law and (ii) prior to furnishing any non-public information to such Receiving Party (including any information pertaining to an Oiltanking subsidiary in which Enterprise has an equity interest or to which Enterprise is a party), Oiltanking receives from such Receiving Party an executed confidentiality agreement.

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Except as otherwise provided in the merger agreement, neither the Oiltanking Conflicts Committee nor the Oiltanking Board will:

(i) withdraw, modify or qualify in any manner adverse to Enterprise its recommendation of the merger agreement and the merger or (ii) publicly approve or recommend, or publicly propose to approve or recommend, any acquisition proposal (any action described in this clause being referred to as a change in recommendation); or

approve, adopt or recommend, or publicly propose to approve, adopt or recommend, or allow Oiltanking or any of its subsidiaries to execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement, or other similar contract or any tender or exchange offer providing for, with respect to, or in connection with, any acquisition proposal.

Notwithstanding the limitations described in the immediately preceding paragraph, at any time prior to obtaining the Oiltanking unitholder approval, the Oiltanking Conflicts Committee may make an Oiltanking change in recommendation if it has concluded in its good faith judgment, after consultation with its outside legal counsel and financial advisors, that failure to make a change in recommendation would be inconsistent with its duties under Oiltanking s partnership agreement and applicable law; provided, however, that (i) the Oiltanking Conflicts Committee will not be entitled to exercise its right to make a change in recommendation pursuant to this sentence unless Oiltanking and Oiltanking GP have: (a) complied in all material respects with the provisions of the merger agreement summarized under this section No Solicitation; Acquisition Proposals; Change in Recommendation, (b) provided to Enterprise and the Enterprise Audit Committee three business days prior written notice advising Enterprise that the Oiltanking Conflicts Committee intends to make a change in recommendation and specifying the reasons for the change in reasonable detail, including, if applicable, the terms and conditions of any superior proposal that is the basis of the proposed action and the identity of the person making the proposal (it being understood and agreed that any material amendment to the terms of any such superior proposal will require a new notice of the proposed recommendation change and an additional three business day period), (c) if applicable, provided to Enterprise all materials and information delivered or made available to the person or group of persons making any superior proposal in connection with such superior proposal (to the extent not previously provided), (d) Oiltanking has negotiated, and has caused its representative to negotiate, in good faith with Enterprise during such notice period, to the extent Enterprise wished to negotiate, to enable Enterprise to propose revisions to the terms of the merger agreement such that it would permit the Oiltanking Conflicts Committee not to make a change in recommendation and (e) upon the end of such notice period, the Oiltanking Conflicts Committee will have considered in good faith any revisions to the terms of the merger agreement proposed by Enterprise, and will have determined, after consultation with its financial advisor and outside legal counsel, that the Oiltanking Conflicts Committee s fiduciary duties under Oiltanking s partnership agreement and applicable law continue to require a change in recommendation and (ii) the Oiltanking Conflicts Committee will not be entitled to make a change in recommendation in response to an acquisition proposal unless such acquisition proposal constitutes a superior proposal. Notwithstanding any provision in the merger agreement to the contrary, Enterprise and Enterprise GP will maintain, and cause their representatives to maintain, the confidentiality of all information received from Oiltanking pursuant to the provisions of the merger agreement summarized under this section No Solicitation; Acquisition Proposals; Change in Recommendation, subject to the exceptions contained in the confidentiality agreement. Oiltanking and its affiliates will not enter into any agreement with any person subsequent to the date of the merger agreement which prohibits Oiltanking from providing any information in accordance with the merger agreement. In the event that Oiltanking is otherwise entitled to provide information to a Receiving Party under this section No Solicitation; Acquisition Proposals; Change in

Recommendation, Oiltanking shall promptly provide or make available to Enterprise any non-public information concerning Oiltanking or any of its subsidiaries that is provided or made available to any Receiving Party pursuant to this section No Solicitation; Acquisition Proposals; Change in Recommendation that was not previously provided or made available to Enterprise. Notwithstanding anything in the merger agreement to the contrary, without the prior written consent of Enterprise, no acquisition proposal will constitute a superior proposal if such acquisition proposal is conditioned on the completion of (x) any direct or indirect acquisition of (1) more than 50% of the assets of Enterprise and its subsidiaries, taken as a whole,

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(2) more than 50% of the outstanding equity securities of Enterprise or (3) a business or businesses that constitute more than 50% of the cash flow, net revenues, net income or assets of Enterprise and its subsidiaries, taken as a whole; (y) any tender offer or exchange offer, as defined pursuant to the Exchange Act, that, if consummated, would result in any person beneficially owning more than 50% of the outstanding equity securities of Enterprise; or (z) any merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Enterprise other than the transactions contemplated by the merger agreement.

In addition to the obligations of Oiltanking set forth in the provisions of the merger agreement summarized under this section No Solicitation; Acquisition Proposals; Change in Recommendation, Oiltanking will as promptly as practicable (and in any event within the periods set forth later in this sentence) advise Enterprise orally, within 24 hours after receipt, and in writing, within 48 hours after receipt, of any acquisition proposal or any matter giving rise to a change in recommendation and the material terms and conditions of any such acquisition proposal or any matter giving rise to a change in recommendation (including any changes thereto) and the identity of the person making such acquisition proposal. Oiltanking will keep Enterprise informed on a reasonably current basis of material developments with respect to any such acquisition proposal or any matter giving rise to a change in recommendation.

Nothing contained in the merger agreement will prevent Oiltanking or the Oiltanking Conflicts Committee from taking and disclosing to the holders of Oiltanking common units a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act (or any similar communication to limited partners of Oiltanking) or from making any legally required disclosure to holders of Oiltanking common units. Any stop-look-and-listen communication by Oiltanking or the Oiltanking Board to the limited partners of Oiltanking pursuant to Rule 14d-9(f) promulgated under the Exchange Act (or any similar communication to the limited partners of Oiltanking) will not be considered a failure to make, or a withdrawal, modification or change in any manner adverse to Enterprise of, all or a portion of the recommendation of the merger agreement and the merger by the Oiltanking Conflicts Committee and the Oiltanking Board.

Takeover Laws

Neither Oiltanking nor Enterprise will take any action that would cause the transactions contemplated by the merger agreement to be subject to requirements imposed by any takeover laws, and each of them will take all necessary steps within its control to exempt (or ensure the continued exemption of) the transactions contemplated by the merger agreement from, or if necessary challenge the validity or applicability of, any rights plan adopted by such party or any applicable takeover law, as in effect on the date of the merger agreement or thereafter, including takeover laws of any state that purport to apply to the merger agreement or the transactions contemplated by the merger agreement.

No Rights Triggered

Each of Oiltanking and Enterprise will take all steps necessary to ensure that the entering into of the merger agreement and the consummation of the transactions contemplated by the merger agreement and any other action or combination of actions, or any other transactions contemplated by the merger agreement, do not and will not result in the grant of any rights to any person (i) in the case of Oiltanking, under Oiltanking s partnership agreement, and, in the case of Enterprise, under Enterprise s partnership agreement or (ii) under any material agreement to which it or any of its subsidiaries is a party.

New Common Units Listed

Enterprise will use its commercially reasonable best efforts to list, prior to the closing, on the NYSE, subject to official notice of issuance, the new Enterprise common units to be issued as merger consideration in connection with

the merger.

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Third Party Approvals

Enterprise and Oiltanking and their respective subsidiaries will cooperate and use their respective commercially reasonable best efforts to prepare all documentation, to effect all filings, to obtain all permits, consents, approvals and authorizations of all governmental authorities and third parties necessary to consummate the transactions contemplated by the merger agreement and to comply with the terms and conditions of such permits, consents, approvals and authorizations and to cause the merger to be consummated as expeditiously as practicable. Each of Enterprise and Oiltanking will have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable laws relating to the exchange of information, with respect to, all material written information submitted to any third party or any governmental authorities in connection with the transactions contemplated by the merger agreement. In exercising the foregoing right, each of the parties to the merger agreement agrees to act reasonably and promptly. Each party to the merger agreement agrees that it will consult with the other parties with respect to the obtaining of all material permits, consents, approvals and authorizations of all third parties and governmental authorities necessary or advisable to consummate the transactions contemplated by the merger agreement, and each party will keep the other parties apprised of the status of material matters relating to completion of the transactions contemplated by the merger agreement.

Each of Enterprise and Oiltanking agrees, upon request, to furnish the other party with all information concerning itself, its subsidiaries, directors, officers and unitholders and such other matters as may be reasonably necessary or advisable in connection with the registration statement, this proxy statement/prospectus or any filing, notice or application made by or on behalf of such other party or any of such other party s subsidiaries to any governmental authority in connection with the transactions contemplated by the merger agreement.

Indemnification; Directors and Officers Insurance

In addition to and without limiting any additional rights that any director, officer, trustee, employee, agent, or fiduciary may have under any employment or indemnification agreement or under Oiltanking s partnership agreement, the limited liability company agreement of Oiltanking GP or the merger agreement or, if applicable, similar organizational documents or agreements of any of Oiltanking s subsidiaries, from and after the effective time, Enterprise GP, Enterprise, Oiltanking GP and the surviving entity, jointly and severally, will: (i) indemnify and hold harmless each person who is at the date of the merger agreement or during the period from the date of the merger agreement through the date of the effective time serving as a director or officer of Oiltanking GP or any of its subsidiaries or as a trustee of (or in a similar capacity with) any compensation and benefit plan of any thereof (collectively, the Indemnified Parties) to the fullest extent authorized or permitted by applicable law, as in effect at or after the time of the merger agreement, in connection with any claim or action arising from his or her service in such capacity and any losses, claims, damages, liabilities, costs, indemnification expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of any thereof) resulting therefrom; and (ii) promptly pay on behalf of or, within 10 days after any request for advancement, advance to each of the Indemnified Parties, any indemnification expenses incurred in defending, serving as a witness with respect to or otherwise participating with respect to any such claim or action in advance of the final disposition of such claim or action, including payment on behalf of or advancement to the Indemnified Party of any indemnification expenses incurred by such Indemnified Party in connection with enforcing any rights with respect to such indemnification and/or advancement, in each case without the requirement of any bond or other security. The indemnification and advancement obligations of Enterprise GP, Enterprise, Oiltanking GP and the surviving entity pursuant to the merger agreement will extend to acts or omissions occurring at or before the effective time and any claim or action relating thereto (including with respect to any acts or omissions occurring in connection with the approval of the merger agreement and the consummation of the merger and the transactions contemplated by the merger agreement, including the consideration and approval thereof and the process undertaken in connection

therewith and any claim or action relating thereto), and all rights to indemnification and advancement conferred under the merger agreement will continue as to any Indemnified Party who has ceased to be a director or officer of Oiltanking GP after the date of the merger agreement and will inure to the benefit of such person s heirs,

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executors and personal and legal representatives. Neither Enterprise, Enterprise GP, Oiltanking GP nor the surviving entity will settle, compromise or consent to the entry of any judgment in any actual or threatened claim or action in respect of which indemnification has been or could be sought by such Indemnified Party under the merger agreement unless the settlement, compromise or judgment includes an unconditional release of that Indemnified Party from all liability arising out of that claim or action without admission or finding of wrongdoing, or that Indemnified Party otherwise consents to such settlement, compromise or judgment.

Without limiting the foregoing, Enterprise and MergerCo agree that all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the effective time existing as of the time of the merger agreement in favor of the indemnitees as provided in Oiltanking s partnership agreement or the limited liability company agreement of Oiltanking GP (or, as applicable, the charter, bylaws, partnership agreement, limited liability company agreement, or other organizational documents of any of Oiltanking s subsidiaries) and indemnification agreements of Oiltanking or Oiltanking GP or any of their respective subsidiaries will be assumed by the surviving entity, Oiltanking GP and Enterprise in the merger, without further action, at the effective time and will survive the merger and will continue in full force and effect in accordance with their terms.

For a period of six years from the effective time, Oiltanking s partnership agreement, as it may be amended, restated or supplemented from time to time, will contain provisions no less favorable with respect to indemnification, advancement of expenses and limitations on liability of directors and officers than are set forth in Oiltanking s partnership agreement, which provisions will not be amended, repealed or otherwise modified for a period of six years from the effective time in any manner that would affect adversely the rights under Enterprise s partnership agreement of individuals who, at or prior to the effective time, were Indemnified Parties, unless such modification is required by law and then only to the minimum extent required by law.

For a period of six years from the effective time, Enterprise will, or will cause EPCO to, maintain in effect the current directors and officers liability insurance policies with aggregate coverage limits no less than under the policies in existence on the date of the merger agreement and covering the Indemnified Parties maintained by EPCO (but may substitute therefor other policies of at least the same coverage and amounts containing terms and conditions that are no less advantageous to the Indemnified Parties so long as that substitution does not result in gaps or lapses in coverage) with respect to matters occurring on or before the effective time, but neither Enterprise nor EPCO will be required to pay annual premiums in excess of 300% of the last annual premiums paid for the insurance policies prior to the date of the merger agreement and will purchase as much coverage as is reasonably practicable for that amount if the coverage described in the merger agreement would cost in excess of that amount.

If Enterprise GP, Enterprise, Oiltanking GP, the surviving entity or any of their respective successors or assigns (i) consolidates with or merges with or into any other person and will not be the continuing or surviving corporation, partnership or other entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any person, then, and in each such case, proper provision will be made so that the successors and assigns of Enterprise GP, Enterprise, Oiltanking GP or the surviving entity assume the obligations set forth in the provisions of the merger agreement summarized under this section Indemnification; Directors and Officers Insurance. Enterprise GP, Enterprise and Oiltanking GP following the merger will cause the surviving entity to perform all of the obligations of the surviving entity under these provisions of the merger agreement. These provisions will survive the consummation of the merger and are intended to be for the benefit of, and will be enforceable by, the Indemnified Parties and the indemnitees and their respective heirs and personal representatives, and will be binding on Enterprise GP, Enterprise, Oiltanking GP, the surviving entity and their respective successors and assigns.

Notification of Certain Matters

Each of Oiltanking and Enterprise will give prompt notice to the other of (i) any fact, event or circumstance known to it that (a) is reasonably likely, individually or taken together with all other facts, events and circumstances known to it, to result in any material adverse effect with respect to it or (b) would cause or

constitute a material breach of any of its representations, warranties, covenants or agreements contained in the merger agreement, and (ii) (a) any change in its condition (financial or otherwise) or business or (b) any litigation or governmental complaint, investigation or hearing, in each case to the extent such change, litigation, complaint, investigation or hearing results in, or would reasonably be expected to result in, a material adverse effect.

Rule 16b-3

Prior to the effective time, each of Enterprise and Oiltanking will take any steps that are reasonably requested by any party to the merger agreement to cause dispositions of Oiltanking or Enterprise equity securities (including derivative securities), as applicable, pursuant to the transactions contemplated by the merger agreement by each individual who is a director or officer of Oiltanking or Enterprise, as applicable, to be exempt under Rule 16b-3 promulgated under the Exchange Act in accordance with the No-Action Letter dated January 12, 1999 issued by the SEC regarding such matters.

Oiltanking Board Membership

The members of the Oiltanking Board immediately prior to the effective time will continue to serve as members of the Oiltanking Board following the effective time unless otherwise determined or removed effective at such time or thereafter by the sole member of Oiltanking GP in accordance with the limited liability company agreement of Oiltanking GP.

Distributions

Each of Oiltanking GP and Enterprise GP will consult with the other regarding the declaration and payment of distributions in respect of the Oiltanking common units and the Enterprise common units and the record and payment dates relating to any such distributions, so that no Oiltanking unitholder will receive two distributions, or fail to receive one distribution, for any single calendar quarter with respect to its applicable Oiltanking common units or any Enterprise common units any such Oiltanking unitholder receives in exchange for any such Oiltanking common units pursuant to the merger.

Termination

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after approval by the Oiltanking unitholders, in any of the following ways:

- by mutual written consent of Oiltanking and Enterprise;
- by either Oiltanking or Enterprise upon written notice to the other if:
  - the merger is not completed on or before March 31, 2015; provided, however, the right to terminate the merger agreement pursuant to this bullet point will not be available to a party whose failure to fulfill any material obligation under the merger agreement or other material breach of the merger agreement has been the primary cause of, or resulted in, the failure of the merger to have been consummated on or before such date;

any governmental authority has issued a final and nonappealable statute, rule, order, decree or regulation or taken any other action that permanently restrains, enjoins or prohibits the consummation of the merger, or makes the merger illegal, so long as the terminating party is not then in material breach of its obligation to use commercially reasonable best efforts to complete the merger promptly;

Oiltanking (i) determines not to, or otherwise fails to, hold the Oiltanking special meeting in accordance with the provisions summarized under Covenants Oiltanking Special Meeting or (ii) Oiltanking does not obtain the Oiltanking unitholder approval at the Oiltanking special meeting. A party s right to terminate the merger agreement as described in this bullet point will

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not, however, be available to a terminating party if the failure to obtain the Oiltanking unitholder approval was caused by the action or failure to act of such party and such action or failure to act constitutes a material breach by such party of the merger agreement;

there has been a material breach of or any material inaccuracy in any of the representations or warranties set forth in the merger agreement on the part of any of the other parties (treating Enterprise, Enterprise GP and MergerCo as one party, and Oiltanking and Oiltanking GP as one party, for the purposes of the provision summarized in this bullet point), which breach is not cured within 30 days following receipt by the breaching party of written notice of its breach from the terminating party, or which breach, by its nature, cannot be cured prior to March 31, 2015 (provided in any such case that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement). No party will have the right, however, to terminate the merger agreement pursuant to the provision summarized in this bullet point unless the breach of a representation or warranty, together with all other such breaches, would entitle the party receiving such representation not to consummate the transactions contemplated by the merger agreement because the closing conditions described in the first bullet point under Conditions to the Merger Additional Conditions to the Obligations of Oiltanking or Conditions to the Merger Additional Conditions to the Obligations of Enterprise, as applicable, have not been met; or

there has been a material breach of any of the covenants or agreements set forth in the merger agreement on the part of any of the other parties to the merger agreement, and the breach has not been cured within 30 days following receipt by the breaching party of written notice of such breach from the terminating party, or which breach, by its nature, cannot be cured prior to the termination date (so long as the terminating party itself is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement). In no event, however, will any party have the right to terminate the merger agreement pursuant to the provision summarized in this bullet point unless the breach of covenants or agreements, together with all other such breaches, would entitle the party receiving the benefit of such covenants or agreements not to consummate the transactions contemplated by the merger agreement because the closing conditions described in the first bullet point under Conditions to the Merger Additional Conditions to the Obligations of Oiltanking or Conditions to the Merger Additional Conditions to the Obligations of Enterprise, as applicable, have not been met.

by either Enterprise or the Oiltanking Conflicts Committee on behalf of Oiltanking, upon written notice to the other party, in the event that an Oiltanking change in recommendation has occurred; and

by the Oiltanking Conflicts Committee on behalf of Oiltanking in order for Oiltanking to accept a superior proposal and enter into an agreement with respect to such superior proposal.

Effect of Termination

In the event of the termination of the merger agreement, written notice of the termination will be given by the terminating party to the other parties specifying the provision of the merger agreement pursuant to which the termination is made, and except as provided in the provision summarized in this paragraph (other than certain provisions with regard to confidentiality, payment of fees and expenses, governing law, jurisdiction, remedies and

other matters), the merger agreement will become null and void after the expiration of any applicable period following such notice. In the event of such termination, there will be no liability on the part of any party to the merger agreement, except with respect to (i) fees and expenses summarized below under Fees and Expenses and (ii) the requirement to comply with the confidentiality agreement. Nothing in the merger agreement, however, will relieve any party from any liability or obligation with respect to fraud or the willful and material breach of a covenant or agreement contained the merger agreement. In the case of fraud or willful and material breach of a covenant or agreement contained the merger agreement, then the parties to the merger agreement shall be entitled to all remedies available at law or in equity. For purposes of the merger agreement, willful and

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material breach means a deliberate act or failure to act, which act or failure to act constitutes in and of itself a material breach of the merger agreement that the breaching party had knowledge would or would reasonably be expected to breach its obligations under the merger agreement.

Fees and Expenses

Whether or not the merger is consummated, all costs and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring such costs and expenses; provided, that the expenses relating to the preparation, filing and mailing of this proxy statement/prospectus and the registration statement and the solicitation of Oiltanking unitholder approval shall be paid 50% by Enterprise and 50% by Oiltanking.

Waiver and Amendment

Subject to compliance with applicable law, prior to the closing, any provision of the merger agreement except the requirement of Oiltanking unitholder approval (see Conditions to the Merger Conditions of Each Party) may be waived in writing by the party benefited by the provision, or amended or modified at any time, whether before or after the Oiltanking unitholder approval, by an agreement in writing between the parties to the merger agreement, as long as (i) after the Oiltanking unitholder approval, no amendment will be made to the nature or amount of the merger consideration or that results in a material adverse effect on the Oiltanking unaffiliated unitholders without the required Oiltanking unitholder approval (Oiltanking GP being authorized to approve any other amendment on behalf of Oiltanking without any other approval of the Oiltanking unitholders); and (ii) in addition to any other approvals required by the parties constituent documents or under the merger agreement, any of the waivers, amendments or modifications as described above are approved by the Enterprise Audit Committee in the case of Enterprise and by the Oiltanking Board and the Oiltanking Conflicts Committee in the case of Oiltanking.

Unless otherwise expressly set forth in the merger agreement, whenever a determination, decision, approval or consent of Oiltanking or Oiltanking GP is required pursuant to or otherwise in connection with the merger agreement, such determination, decision, approval or consent shall require the determination, decision, approval or consent of each of the Oiltanking Board and the Oiltanking Conflicts Committee, and shall not require any approval of the Oiltanking unitholders.

Governing Law

The merger agreement is governed by and interpreted under Delaware law.

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SELECTED FINANCIAL DATA AND PRO FORMA INFORMATION OF ENTERPRISE AND OILTANKING

The following tables set forth, for the periods and at the dates indicated, selected historical and pro forma financial information for Enterprise and selected historical financial information for Oiltanking. The selected historical financial data for Enterprise and Oiltanking as of and for each of the years ended December 31, 2009, 2010, 2011, 2012 and 2013 are derived from and should be read in conjunction with the audited financial statements and accompanying footnotes for such periods. The selected historical financial data as of and for the nine-month periods ended September 30, 2013 and 2014 are derived from and should be read in conjunction with the unaudited financial statements and accompanying footnotes for such periods. Enterprise s and Oiltanking s consolidated balance sheets as of December 31, 2012 and 2013 and as of September 30, 2014, and the related statements of consolidated operations, comprehensive income, cash flows and equity for each of the three years in the period ended December 31, 2013 and the nine months ended September 30, 2013 and 2014 are incorporated by reference into this proxy statement/prospectus from Enterprise s and Oiltanking s respective annual reports on Form 10-K for the year ended December 31, 2013, and quarterly reports on Form 10-Q for the nine months ended September 30, 2014.

The selected unaudited pro forma condensed consolidated financial statements of Enterprise show the pro forma effect of Enterprise s proposed merger with Oiltanking. For a complete discussion of the pro forma adjustments underlying the amounts in the table below, please read Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page F-2 of this document.

Oiltanking is a consolidated subsidiary of Enterprise for financial accounting and reporting purposes. The proposed merger will be accounted for in accordance with Financial Accounting Standards Board Accounting Standards Codification 810, *Consolidations Overall Changes in Parent s Ownership Interest in a Subsidiary*, which is referred to as ASC 810. The changes in Enterprise s ownership interest in Oiltanking will be accounted for as an equity transaction and no gain or loss will be recognized as a result of the merger.

The unaudited pro forma condensed consolidated financial statements have been prepared to assist in the analysis of financial effects of the proposed merger between Enterprise and Oiltanking. The unaudited pro forma condensed statements of consolidated operations for the year ended December 31, 2013 and the nine months ended September 30, 2014 assume the proposed merger-related transactions occurred on January 1, 2013. The unaudited pro forma condensed consolidated balance sheet assumes the proposed merger-related transactions occurred on September 30, 2014. The unaudited pro forma condensed consolidated financial statements are based upon assumptions that Enterprise and Oiltanking believe are reasonable under the circumstances, and are intended for informational purposes only. They are not necessarily indicative of the financial results that would have occurred if the transactions described herein had taken place on the dates indicated, nor are they indicative of the future consolidated results of the combined entity.

For information regarding the effect of the merger on pro forma distributions to Oiltanking unitholders, please read Comparative Per Unit Information.

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Selected Historical and Pro Forma Financial Information of Enterprise

	Enterprise Consolidated Historical							As Adjusted Enterprise Pro Forma(1)	
	For the Year Ended December 31,					For the Nine Months Ended September 30, 2014		For the Year Ended December 31, 2013	For the Nine Months Ended September 30, 2014
	2009(2)	2010(2)	2011	2012	2013	2013	2014	2013	2014
	(Dollars in millions, except per unit amounts)					(Unaudited)		(Unaudited)	
Income statement data:(3)									
Revenues	$ 25,510.9	$ 33,739.3	$ 44,313.0	$ 42,583.1	$ 47,727.0	$ 34,625.7	$ 37,760.9	$ 47,875.7	$ 37,897.2
Net income	$ 1,140.3	$ 1,383.7	$ 2,088.3	$ 2,428.0	$ 2,607.1	$ 1,901.4	$ 2,152.4	$ 2,636.6	$ 2,193.6
Net income attributable to noncontrolling interest	$ 936.2	$ 1,062.9	$ 41.4	$ 8.1	$ 10.2	$ 3.4	$ 24.8	$ 10.2	$ 24.8
Net income attributable to limited partners	$ 204.1	$ 320.8	$ 2,046.9	$ 2,419.9	$ 2,596.9	$ 1,898.0	$ 2,127.6	$ 2,626.4	$ 2,168.8
Earnings per unit:(4)									
Basic earnings per unit	$ 0.50	$ 0.59	$ 1.24	$ 1.40	$ 1.45	$ 1.07	$ 1.16	$ 1.40	$ 1.13
Diluted earnings per unit	$ 0.50	$ 0.58	$ 1.19	$ 1.35	$ 1.41	$ 1.03	$ 1.13	$ 1.36	$ 1.10
Cash distributions:									
Per common unit(5)	$ 1.0150	$ 1.1350	$ 1.2176	$ 1.2863	$ 1.3700	$ 1.0200	$ 1.0800	$ 1.3700	$ 1.0800
Balance sheet data (at period end):									
Total assets	$ 27,686.3	$ 31,360.8	$ 34,125.1	$ 35,934.4	$ 40,138.7	$ 40,125.0	$ 42,905.5		$ 48,023.5

Total long-term and current maturities of debt	$ 12,427.9	$ 13,563.5	$ 14,529.4	$ 16,201.8	$ 17,351.5	$ 17,531.5	$ 19,646.4	$ 21,146.4
Total equity	$ 10,473.1	$ 11,900.8	$ 12,219.3	$ 13,296.0	$ 15,440.4	$ 14,682.2	$ 15,981.9	$ 19,536.3

(1) Reflects the pro forma effects of the proposed merger. See Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page F-2 of this proxy statement/prospectus.

(2) On November 22, 2010, we completed the merger of Enterprise GP Holdings L.P. (Holdings) with a wholly owned subsidiary of ours and related transactions. Collectively, we refer to these transactions as the Holdings Merger. Prior to the Holdings Merger, Enterprise was a consolidated subsidiary of Holdings, which was Enterprise s parent. The Holdings Merger resulted in Holdings being considered the surviving consolidated entity for accounting purposes, while Enterprise was the surviving consolidated entity for legal purposes. From an accounting perspective, Holdings was deemed acquirer of the noncontrolling interests in Enterprise (i.e., the Enterprise common units and other limited partner interests owned by parties other than Holdings) that were previously reflected in Holdings consolidated financial statements. As a result of the Holdings Merger, Enterprise s consolidated financial and operating results prior to November 22, 2010 are presented as if Enterprise was Holdings from an accounting perspective (i.e., the consolidated financial statements of Holdings became the historical financial statements of Enterprise).

(3) At the effective time of the Holdings Merger, each issued and outstanding unit representing limited partner interests in Holdings was cancelled and converted into the right to receive Enterprise common units based on the 1.5 to 1 unit-for-unit exchange ratio. Since Holdings regarded third party and affiliate ownership of our common units and other limited partner units as noncontrolling interests prior to the Holdings Merger, net income attributable to limited partners for 2009 and 2010 is significantly different than the amounts following the Holdings Merger. Net income attributable to limited partners following the Holdings Merger reflects all of our limited partners.

(4) Basic and diluted earnings per unit data for periods prior to the Holdings Merger reflect those reported by Holdings, after retroactively adjusting Holdings reported amounts to reflect the 1.5 to 1 exchange ratio.

(5) Reflects cash distributions declared and paid with respect to the periods presented. Cash distributions per unit presented for 2009 reflect those declared and paid by Holdings. Cash distributions per unit presented for 2010 represent the sum of cash distributions declared and paid by Holdings with respect to the first, second and third quarters of 2010 and the cash distribution declared and paid by Enterprise with respect to the fourth quarter of 2010. Cash distributions per unit for periods subsequent to 2010 represent those declared and paid by us with respect to those years.

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Selected Historical Financial Information of Oiltanking

	Oiltanking Consolidated Historical						
	For the Year Ended December 31,					For the Nine Months Ended September 30,	
	2009	2010	2011(1)	2012	2013	2013	2014
	(Dollars in millions, except per unit amounts)					(Unaudited)	
Income statement data:							
Revenues	$ 100.8	$ 116.5	$ 117.4	$ 135.5	$ 211.0	$ 150.8	$ 195.4
Net income	$ 25.1	$ 37.8	$ 62.4	$ 62.6	$ 117.1	$ 82.6	$ 112.0
Net income attributable to predecessor	$ 25.1	$ 37.8	$ 38.6				
Net income attributable to general partner			$ 0.5	$ 1.5	$ 22.1	$ 14.5	$ 27.1
Net income attributable to limited partners			$ 23.3	$ 61.1	$ 95.0	$ 68.1	$ 84.9
Earnings per unit:(2)							
Basic and diluted earnings per common unit			$ 0.30	$ 0.79	$ 1.22	$ 0.88	$ 1.02
Basic and diluted earnings per subordinated unit			$ 0.30	$ 0.79	$ 1.20	$ 0.88	$ 1.02
Cash distributions:(2, 3)							
Per common and subordinated unit			$ 0.3039	$ 0.7375	$ 0.8725	$ 0.6375	$ 0.7800
Balance sheet data (at period end):							
Total assets	$ 303.5	$ 310.5	$ 322.0	$ 469.2	$ 729.0	$ 601.2	$ 858.6
Total long-term and current maturities of debt	$ 164.2	$ 148.3	$ 20.8	$ 149.3	$ 190.8	$ 233.3	$ 225.8
Total equity	$ 90.1	$ 104.0	$ 279.8	$ 285.9	$ 493.6	$ 319.7	$ 540.2

(1) Oiltanking completed its initial public offering on July 19, 2011. With respect to the year ended December 31, 2011, net income attributable to Oiltanking s general partner and limited partner interests and associated earnings per unit amounts reflect the period July 19, 2011 through December 31, 2011. Amounts presented for periods prior to July 19, 2011 reflect Oiltanking s predecessor.

(2) Oiltanking completed a two-for-one split of its limited partner units on July 14, 2014. All references to per unit amounts in the preceding table have been adjusted to reflect the unit split for all periods presented.
(3) Reflects cash distributions declared and paid with respect to the periods presented.

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THE MERGER PARTIES BUSINESSES

Oiltanking s Business

This section summarizes information from Oiltanking s Annual Report on Form 10-K for the year ended December 31, 2013, Oiltanking s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and the other filings incorporated into this proxy statement/prospectus by reference. For a more detailed discussion of Oiltanking s business, please read the Business section contained in Oiltanking s 2013 Annual Report on Form 10-K and the other filings incorporated into this document by reference.

General

Oiltanking is a publicly traded Delaware limited partnership. Oiltanking common units are listed on the New York Stock Exchange under the ticker symbol OILT. Oiltanking was formed by Oiltanking Holding Americas, Inc. (OTA) in 2011 to engage in the independent terminaling, storage and transportation of crude oil, refined petroleum products and LPG. Through its wholly owned subsidiaries, Oiltanking Houston, L.P. (OTH) and Oiltanking Beaumont Partners, L.P. (OTB), Oiltanking owns and operates terminaling and storage assets located along the United States Gulf Coast on the Houston Ship Channel and in Beaumont, Texas. Oiltanking provides services to major integrated oil companies, distributors, marketers and chemical and petrochemical companies, typically under long-term commercial agreements that include minimum volume commitments and inflation escalators. Oiltanking does not take ownership of the crude oil, refined products or LPG that its terminals, stores or transports nor does Oiltanking engage in any marketing or trading of commodities. At September 30, 2014, Oiltanking had approximately 24.7 million barrels of total active storage capacity at its Houston and Beaumont terminals. These integrated facilities are strategically located and directly connected to 23 key refining, production and storage facilities along the Gulf Coast and the Cushing, Oklahoma storage interchange through dedicated and common carrier pipelines. In addition, Oiltanking s facilities provide its customers deep-water access and international distribution capabilities. Oiltanking s Houston terminals serve as a regional hub for crude oil and other feedstocks for refineries and petrochemical facilities located in the Gulf Coast region and also serve as important export facilities for LPG, crude oil and other refined petroleum products. Oiltanking s Beaumont terminal serves as a regional hub for refined petroleum products for refineries located in the Gulf Coast region.

At January 5, 2015, Oiltanking had outstanding (i) 83,128,494 common units representing limited partner interests (including 38,899,802 common units issued on November 17, 2014 upon the conversion of subordinated units), (ii) a 2.0% general partner interest and (iii) IDRs. OTA and its affiliates held 66.0% of all of Oiltanking s outstanding common and subordinated units (or a 64.6% limited partner interest), and other security holders held the remaining 34.0% (or a 33.4% limited partner interest). The limited partners collectively held a 98.0% limited partner interest in Oiltanking, and the general partner holds a 2.0% general partner interest in Oiltanking.

Oiltanking s principal executive offices are located at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002, and its telephone number is (713) 381-6500.

Oiltanking s Business Segments

Oiltanking derives its revenues from two operating segments: OTH and OTB. The two operating segments have been aggregated into one reportable business segment because they have similar long-term economic characteristics, types and classes of customers and provide similar services.

Oiltanking s Strategies

Oiltanking s business strategies are to:

optimize the benefits of its economies of scale, strategic location, port access and pipeline connections serving its customers;

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manage its portfolio of midstream energy assets to minimize volatility in its cash flows;

invest in organic growth capital projects to capitalize on market opportunities that expand its asset base and generate additional cash flow; and

pursue acquisitions of assets and businesses from related parties and third parties.

Enterprise s Business

This section summarizes information from Enterprise s Annual Report on Form 10-K for the year ended December 31, 2013, Enterprise s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and the other filings incorporated into this proxy statement/prospectus by reference. For a more detailed discussion of Enterprise s business, please read the Business and Properties section contained in its 2013 Annual Report on Form 10-K and the other filings incorporated into this proxy statement/prospectus by reference.

General

Enterprise is a publicly traded Delaware limited partnership, the common units of which are listed on the NYSE under the ticker symbol EPD. Enterprise was formed in April 1998 to own and operate certain NGLs related businesses of EPCO. Enterprise is a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, petrochemicals and refined products. Enterprise s midstream energy asset network links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the United States, Canada and the Gulf of Mexico with domestic consumers and international markets. Enterprise s assets include approximately: 52,000 miles of onshore and offshore pipelines; 220 MMBbls of storage capacity for NGLs, refined products and crude oil; and 14 Bcf of natural gas storage capacity.

Enterprise s midstream energy operations include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage, and import and export terminaling; crude oil and refined products transportation, storage and terminaling; offshore production platforms; petrochemical transportation and services; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems and in the Gulf of Mexico.

Enterprise is owned 100% by its limited partners from an economic perspective. Enterprise is managed and controlled by Enterprise GP, which has a non-economic general partner interest in Enterprise. Enterprise GP is a wholly owned subsidiary of DDLLC. Enterprise conducts substantially all of its business through EPO.

Enterprise s principal executive offices are located at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002, and its telephone number is (713) 381-6500.

Enterprise s Business Segments

Enterprise has five reportable business segments: (i) NGL Pipelines & Services; (ii) Onshore Natural Gas Pipelines & Services; (iii) Onshore Crude Oil Pipelines & Services; (iv) Offshore Pipelines & Services; and (v) Petrochemical & Refined Products Services. Enterprise provides the services in these segments directly and through its subsidiaries and unconsolidated affiliates.

Enterprise s Strategies

Enterprise s business strategies are to:

capitalize on expected increases in the production of natural gas, NGLs and crude oil from development activities in various domestic production basins (e.g., the Rocky Mountains, Mid-Continent, Northeast, U.S. Gulf Coast and deepwater Gulf of Mexico), including associated shale plays such as the Barnett, Eagle Ford, Haynesville, Marcellus, Mancos and Utica Shales;

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capitalize on expected demand growth for natural gas, NGLs, crude oil and petrochemical and refined products;

maintain a diversified portfolio of midstream energy assets and expand this asset base through growth capital projects and accretive acquisitions of complementary midstream energy assets;

enhance the stability of Enterprise s cash flows by investing in pipelines and other fee-based businesses; and

share capital costs and risks through joint ventures or alliances with strategic partners, including those that will provide processing, throughput or feedstock volumes for growth capital projects or purchase such projects end products.

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CERTAIN RELATIONSHIPS; INTERESTS OF CERTAIN PERSONS IN THE MERGER

Relationship of Enterprise and Oiltanking

General

Enterprise and Oiltanking are currently under common control. At October 1, 2014, Oiltanking was owned 98.0% by its limited partners and 2.0% by its general partner, Oiltanking GP. On October 1, 2014, Enterprise acquired, directly or through its wholly owned subsidiaries, Oiltanking s general partner and approximately 66% of the limited partner interests in Oiltanking, or 54,799,604 units (including 38,899,802 Oiltanking common units issued upon the conversion of subordinated units on November 17, 2014). Oiltanking GP and the 66% of Oiltanking s common units are currently owned by an indirect wholly owned subsidiary of Enterprise. Less than 1% of Oiltanking s common units are owned by affiliates, directors and officers of Enterprise GP and Oiltanking GP, EPCO and certain of EPCO s privately held affiliates (excluding EPO).

In addition, some of the directors of Oiltanking GP are also executive officers or employees of Enterprise GP, including Bryan F. Bulawa, William Ordemann, Robert D. Sanders and Michael C. Smith, as more fully described below under Interests of Directors and Executive Officers in the Merger.

Enterprise represented 12%, 13%, 29% and 30% of Oiltanking s revenues during 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively.

LPG Export Terminal Agreement and Dock Expansion Project

In March 2013, Oiltanking announced an expansion of its relationship with Enterprise and plans to increase its ability to import and export LPG at its terminal on the Houston Ship Channel. In connection with the agreement with Enterprise, Oiltanking announced an expansion project to construct a new vessel dock and add infrastructure to existing docks, which Oiltanking currently expects to cost approximately $67.0 million. The expansion project, which included modifications to one of Oiltanking s existing docks to enable Enterprise to serve larger vessels, required Oiltanking to take this dock out of service for nearly two months, from mid-June to mid-August 2014. The modifications to this dock were completed during the third quarter of 2014, and the new vessel dock was completed at the end of 2014 and is expected to become operational in the first quarter of 2015.

Pursuant to this agreement with Enterprise, Oiltanking was initially entitled to participate in margin sharing with Enterprise on only a portion of the customer vessels loaded at its Houston facility; however, in July 2013, Oiltanking triggered a contractual provision that entitled Oiltanking to participate in margin sharing on all customer vessels loaded at its Houston facility after January 2014. Oiltanking also agreed to provide vessel-based LPG import and export services on the Houston Ship Channel exclusively to Enterprise, and Enterprise agreed to use Oiltanking s facility on an exclusive basis for its vessel-based imports and exports of LPG on the Houston Ship Channel.

In January 2014, Oiltanking announced a further expansion of its terminal service agreement with Enterprise to handle increased volumes of LPG exports at its Houston terminal. Under the amended agreement, the primary contract term was extended to 50 years from the February 1, 2014 effective date, and the exclusivity provisions relating to the Houston Ship Channel in the prior agreement were expanded to cover all of the U.S. Gulf Coast. The throughput rates and margin sharing provisions in the amended agreement remain unchanged from the prior terminal service agreement.

Relationship of Enterprise and Oiltanking with EPCO and Affiliates

General

Enterprise and Oiltanking and their general partners have extensive and ongoing relationships with EPCO and its affiliates, including DDLLC.

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Enterprise GP is a wholly owned subsidiary of DDLLC. The membership interests of DDLLC are owned of record by a voting trust formed on April 26, 2006, pursuant to the DDLLC Voting Trust Agreement dated April 26, 2006, between DDLLC and Dan L. Duncan (as the record owner of all of the membership interests of DDLLC immediately prior to entering into the DDLLC Voting Trust Agreement and as the sole voting trustee).

Immediately upon Mr. Duncan s death on March 29, 2010, voting and dispositive control of all the membership interests of DDLLC was transferred pursuant to the DDLLC Voting Trust Agreement to three voting trustees. The current DDLLC voting trustees are: (i) Randa Duncan Williams, Mr. Duncan s eldest daughter; (ii) Dr. Ralph S. Cunningham; and (iii) Richard H. Bachmann. Ms. Williams, Dr. Cunningham and Mr. Bachmann are also currently directors of Enterprise GP.

EPCO is owned of record by a voting trust formed on April 26, 2006, pursuant to the EPCO Voting Trust Agreement between EPCO and Mr. Duncan (as the record owner of a majority of the outstanding voting capital stock of EPCO immediately prior to the entering into of the EPCO Voting Trust Agreement and as the initial sole voting trustee). Immediately upon Mr. Duncan s death, voting and dispositive control of such majority of the outstanding voting capital stock of EPCO was transferred pursuant to the EPCO Voting Trust Agreement to three voting trustees. The current EPCO voting trustees are Ms. Williams, Dr. Cunningham and Mr. Bachmann, who are also the DDLLC voting trustees and are each independent co-executors of the Estate.

As of December 31, 2014, the DDLLC voting trustees and the EPCO voting trustees, in their capacities as such trustees, as independent co-executors of the Estate and individually, collectively owned or controlled 684,706,999 Enterprise common units, representing approximately 35.3% of Enterprise s outstanding common units. Enterprise, in turn, through its ownership of EPO, both of which have agreed to vote in favor of the merger and the merger agreement, beneficially owns approximately 66% of Oiltanking s outstanding units. As of December 31, 2014, the directors, executive officers and other affiliates of Enterprise collectively owned or controlled less than 1% of Oiltanking s outstanding units.

Certain current executive officers of Oiltanking GP are current employees of EPCO. In addition, one of Oiltanking GP s executive officers serves as an officer of, or provides services to, other affiliates of Enterprise. Laurie H. Argo, Oiltanking GP s President and Chief Executive Officer, is also a Senior Vice President of Enterprise GP.

EPCO and its privately held affiliates depend on the cash distributions they receive from Enterprise and other investments to fund their other operations and to meet their debt obligations. EPCO and its privately held affiliates received $811.4 million and $652.8 million in cash distributions from Enterprise during the year ended December 31, 2013 and nine months ended September 30, 2014, respectively. Also, Enterprise issued to EPCO and its affiliates under Enterprise s distribution reinvestment program $100.0 million of its common units, or 3,498,996 units, during the year ended December 31, 2013, and $75.0 million of its common units, or 2,232,872 units, during the nine months ended September 30, 2014. EPCO and its affiliates acquired an additional $25.0 million of Enterprise s common units in November 2014 under the distribution reinvestment program.

EPCO Administrative Services Agreement

Enterprise and Oiltanking have no employees. All of their operating functions and general and administrative support services are provided by employees of EPCO pursuant to an ASA or by other service providers. EPCO, Enterprise, Oiltanking and their respective general partners and certain affiliates are parties to the ASA. The significant terms of the ASA, which was amended effective October 1, 2014 to add Oiltanking as a party, are as follows:

EPCO will provide selling, general and administrative services, and management and operating services, as may be necessary to manage and operate the businesses of Enterprise and Oiltanking, and their respective properties and assets (all in accordance with prudent industry practices). EPCO will employ or otherwise retain the services of such personnel as may be necessary to provide such services.

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Enterprise and Oiltanking are required to reimburse EPCO for its services in an amount equal to the sum of all costs and expenses incurred by EPCO which are directly or indirectly related to Enterprise s and Oiltanking s business or activities (including expenses reasonably allocated to Enterprise and Oiltanking by EPCO). In addition, Enterprise and Oiltanking have agreed to pay all sales, use, excise, value added or similar taxes, if any, that may be applicable from time to time in respect of the services provided to Enterprise and Oiltanking by EPCO.

EPCO will allow Enterprise and Oiltanking to participate as named insureds in its overall insurance program, with the associated premiums and other costs being allocated to Enterprise and Oiltanking.

Enterprise s and Oiltanking s general and administrative costs include amounts Enterprise and Oiltanking reimburse to EPCO for administrative services, including compensation of employees. In general, Enterprise s and Oiltanking s reimbursement to EPCO for administrative services is either (i) on an actual basis for direct expenses EPCO may incur on their behalf (e.g., the purchase of office supplies) or (ii) based on an allocation of such charges among the various parties to the ASA based on the estimated use of such services by the applicable party (e.g., the allocation of general legal or accounting salaries based on estimates of time spent on such entity s business and affairs).

Since the vast majority of such expenses are charged to Enterprise and Oiltanking on an actual basis (i.e. no mark-up or subsidy is charged or received by EPCO), Enterprise and Oiltanking believe that such expenses are representative of what the amounts would have been on a stand-alone basis. With respect to allocated costs, Enterprise and Oiltanking believe that the proportional direct allocation method employed by EPCO is reasonable and reflective of the estimated level of costs Enterprise and Oiltanking would have incurred on a stand-alone basis.

Interests of Directors and Executive Officers in the Merger

General

In considering the recommendations of the Oiltanking Conflicts Committee and the Oiltanking Board with respect to the merger, Oiltanking unitholders should be aware that certain of the executive officers and directors of Oiltanking GP have interests in the transaction that differ from, or are in addition to, the interests of Oiltanking unitholders generally, including:

All of the directors and executive officers of Oiltanking GP will receive continued indemnification for their actions as directors and executive officers.

Certain directors of Oiltanking GP, none of whom is a member of the Oiltanking Conflicts Committee, own Enterprise common units.

Some of Oiltanking GP s directors, none of whom is a member of the Oiltanking Conflicts Committee, also serve as executive officers of Enterprise GP, have certain duties to the limited partners of Enterprise and are compensated, in part, based on the performance of Enterprise.

Each of the executive officers and directors of Enterprise GP is currently expected to remain an executive officer and director of Enterprise GP following the merger. The persons who will be elected as additional executive officers or directors of Enterprise GP following the merger have not yet been determined.

The members of the Oiltanking Conflicts Committee and the Oiltanking Board were aware of these interests and the relationships described below and considered them in making their determinations and recommendations with respect to the merger agreement and the merger. These interests and relationships, to the extent material, are further described below. For more information, please read The Merger Background of the Merger, and The Merger Recommendation of the Oiltanking Conflicts Committee and the Oiltanking Board and Reasons for the Merger.

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Relationships of Oiltanking GP Board Members

Bryan F. Bulawa, William Ordemann, Robert D. Sanders and Michael C. Smith, who are directors of Oiltanking GP, are each employed by EPCO and also serve as executive officers or employees of Enterprise GP as described under Relationships of Oiltanking GP Management.

Thomas M. Hart III is Chief Executive Officer of Jonah Energy, LLC, a privately held oil and natural gas company. Enterprise provides services on market terms to Jonah Energy, LLC with respect to certain oil and gas properties owned or operated by it.

Relationships of Oiltanking GP Management

Certain current executive officers of Oiltanking GP are current employees of EPCO. In addition, one of Oiltanking GP s executive officers serves as an officer of, or provides services to, other affiliates of Enterprise. Laurie H. Argo, Oiltanking GP s President and Chief Executive Officer, is also a Senior Vice President of Enterprise GP.

Treatment of Equity Awards

As of the date of the merger agreement, there were no outstanding unvested restricted Oiltanking common units, and there were no outstanding unit appreciation rights or options or other awards issued under the Oiltanking Long-Term Incentive Plan.

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Equity Interests of Enterprise GP s and Oiltanking GP s Directors and Executive Officers in Oiltanking and Enterprise

The following table sets forth the beneficial ownership of the directors and executive officers of Enterprise GP and Oiltanking GP in the equity of (i) Oiltanking, (ii) Enterprise prior to the merger and (iii) Enterprise after giving effect to the merger, each as of December 31, 2014:

Name	Positions with Enterprise GP	Positions with Oiltanking GP	Oiltanking Common Units	Enterprise Common Units Prior to the Merger(11)	Enterprise Common Units After the Merger(11)
Randa Duncan Williams(1)	Director and Chairman of the Board		0	684,706,999	684,706,999
Thurmon M. Andress(2)	Director		0	77,468	77,468
E. William Barnett	Director		0	44,138	44,138
Michael A. Creel	Director and CEO		0	1,757,764	1,757,764
F. Christian Flach	Director		0	0	0
W. Randall Fowler(3)	Director, Executive Vice President and CFO		0	1,355,420	1,355,420
James T. Hackett(4)	Director		3,997	18,489	23,685
Charles E. McMahen	Director		0	85,082	85,082
Richard S. Snell(5)	Director		2,274	32,054	35,010
A. James Teague(6)	Director and COO		0	1,962,246	1,962,246
Graham W. Bacon	Group Senior Vice President		0	154,728	154,728
Craig W. Murray(7)	Group Senior Vice President and General Counsel		0	57,488	57,488
William Ordemann	Group Senior Vice President	Director	0	999,460	999,460
Michael C. Smith	Group Senior Vice President	Director	0	164,951	164,951
Bryan F. Bulawa	Senior Vice President and Treasurer	Director and Chairman of the Board	0	159,112	159,112
Michael J. Knesek(8)	Senior Vice President, Controller and Principal Accounting		0	625,644	625,644

	Officer			
Thomas M. Hart III	Director	3,000	0	3,900
Gregory C. King	Director	23,000	0	29,900
D. Mark Leland	Director	20,380	0	26,494
Robert D. Sanders(9)	Director	0	29,440	29,440
Laurie H. Argo(9)	President and CEO	0	19,464	19,464
Donna Y. Hymel(10)	CFO	5,816	0	7,561

(1) The Enterprise common units presented for Ms. Williams are held by DFI GP Holdings L.P., Dan Duncan LLC, EPCO, EPCO Investments, LLC, Duncan Family Interests, Inc., EPCO Holdings, Inc., the Estate, DD Securities LLC, certain family trusts for which Ms. Williams serves as trustee, Alkek and Williams, Ltd., an affiliate of Ms. Williams, her spouse and jointly with her spouse. Ms. Williams disclaims beneficial ownership of the Enterprise common units held indirectly other than to the extent of her pecuniary interest for Section 16 purposes.

(2) The Enterprise common units presented for Mr. Andress include (i) 31,064 Enterprise common units held by a family partnership, (ii) 2,400 Enterprise common units held by Mr. Andress spouse and (iii) 1,424 Enterprise common units held by family trusts.

(3) The Enterprise common units presented for Mr. Fowler include 500,000 Enterprise common units held by a family limited partnership (for which he has disclaimed beneficial ownership except to the extent of his pecuniary interest).

(4) The Enterprise common units presented for Mr. Hackett include 7,496 Enterprise common units held by family trusts. The Oiltanking common units presented for Mr. Hackett include 1,665 Oiltanking common units held by family trusts.

(5) The Oiltanking common units presented for Mr. Snell are held by Mr. Snell s spouse.

(6) The Enterprise common units presented for Mr. Teague include (i) 53,000 Enterprise common units held by a trust and (ii) 425,473 Enterprise common units held by Mr. Teague s spouse.

(7) The Enterprise common units presented for Mr. Murray include 507 Enterprise common units held by a family trust.

(8) The Enterprise common units presented for Mr. Knesek include 182 Enterprise common units held by Mr. Knesek s spouse.

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(9) These individuals also serve as non-executive officers of Enterprise GP. Mr. Sanders serves as Senior Vice President of Asset Optimization of Enterprise GP. Ms. Argo serves as a Senior Vice President of Enterprise GP.

(10) The Oiltanking common units presented for Ms. Hymel include 2,000 Oiltanking common units held by Ms. Hymel s spouse.

(11) The Enterprise common units noted above also include options to acquire Enterprise common units and phantom units (for which Enterprise common units are issuable in connection with the vesting and settlement thereof), in each case, owned by the directors and executive officers, that shall become exercisable (in the case of options), or that shall become vested (in the case of phantom units), within 60 days after the date of this proxy statement/prospectus. The following executive officers hold options exercisable within such 60-day period into the following numbers of Enterprise common units: Mr. Creel 180,000; Mr. Teague 120,000; Mr. Fowler 120,000; Mr. Ordemann 120,000; Mr. Bulawa 40,000; and Mr. Knesek 60,000. The following executive officers hold phantom units for which Enterprise common units are issuable within such 60-day period in connection with the vesting and settlement thereof in the following amounts: Mr. Creel 35,500; Mr. Teague 35,500; Mr. Fowler 22,500; Mr. Bacon 8,000; Mr. Ordemann 10,000; Mr. Smith 8,000; Mr. Bulawa 7,325; and Mr. Knesek 7,550 (including 50 held by his spouse). For additional information regarding options and phantom units owned by the named executive officers, please see the annual report on Form 10-K filed by Enterprise for the year ended December 31, 2013 and other reports incorporated by reference into this proxy statement/prospectus.

Director and Officer Insurance; Indemnification

The merger agreement requires Enterprise to maintain, or to cause EPCO to maintain, for six years after the effective time of the merger, officers and directors liability insurance for the benefit of persons who are or were at any time before the effective time of the mergers covered by the existing directors and officers liability insurance policies applicable to Oiltanking, Oiltanking GP or any of their subsidiaries, as described more fully under The Merger Agreement Covenants Indemnification; Directors and Officers Insurance.

The merger agreement also provides for indemnification and advancement of expenses by Enterprise GP after the merger, Enterprise and MergerCo, jointly and severally, of directors and officers of Oiltanking GP and Enterprise GP to the fullest extent authorized or permitted by applicable law, in addition to existing rights, as described more fully under The Merger Agreement Covenants Indemnification; Directors and Officers Insurance.

Support Agreement

Pursuant to the support agreement, Enterprise and its wholly owned subsidiary, EPO, have agreed to vote any Oiltanking common units owned by them or their subsidiaries in favor of adoption of the merger agreement and the merger, including the 54,799,604 Oiltanking common units currently directly owned by EPO (representing approximately 66% of the outstanding Oiltanking common units), at any meeting of Oiltanking unitholders. In addition, pursuant to the support agreement, EPO granted an irrevocable proxy to a member of the Oiltanking Conflicts Committee to vote such units accordingly.

For additional information about the support agreement, please read The Merger Support Agreement.

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DIRECTORS AND OFFICERS OF ENTERPRISE GP AND OILTANKING GP

DDLLC, the sole member of Enterprise GP, has the power to appoint and remove all of the directors of Enterprise GP. Enterprise GP has indirect power to cause the appointment or removal of the directors of Oiltanking GP, an indirect wholly owned subsidiary of Enterprise. DDLLC is controlled by the DDLLC voting trustees under the DDLLC Voting Trust Agreement. Each of the executive officers of Enterprise GP is currently expected to remain an executive officer of Enterprise GP following the merger. The DDLLC voting trustees have not yet determined whether any directors of Oiltanking GP will serve as directors of Enterprise GP following the merger. In the absence of any changes, the current directors of Enterprise GP will continue as directors following the merger.

The following persons currently serve as directors and executive officers of Oiltanking GP and Enterprise GP.

ame	Age	Positions with Enterprise GP	Positions with Oiltanking GP
nda Duncan illiams	53	Director and Chairman of the Board	
urmon M. ddress(1)	81	Director	
William rnett	82	Director	
ichael A. eel	61	Director and CEO	
Christian ach	47	Director	
Randall wler	58	Director, Executive Vice President and CFO	
mes T. ckett	60	Director	
harles E. cMahen(1,2)	75	Director	
chard S. ell(1)	72	Director	
James ague	69	Director and COO	
aham W. con	51	Group Senior Vice President	
	67		

aig W. urray		Group Senior Vice President and General Counsel						
illiam rdemann	55	Gro#160;	6.2%	(148)	(2.3)%	1,189	6.3%	(322)	(2.4)
terest come, net	22	0.2%	40	0.6%	34	0.2%	34	0.3%	
in (loss) on rivative struments	194	1.8%	(5)	(0.1)%	207	1.1%	5	0.0%	
her expense, t	(111)	(1.0)%	(65)	(0.9)%	(221)	(1.2)%	(129)	(0.9)%	
come (loss) fore income xes	763	7.2%	(178)	(2.7)%	1,209	6.4%	(412)	(3.0)%	
ovision for come taxes	192	1.8%	92	1.4%	305	1.6%	151	1.1%	
et income ss)	$ 571	5.4%	$ (270)	(4.1)%	$ 904	4.8%	$ (563)	(4.1)%	

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our estimates, judgments and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates.

A summary of the Company's significant accounting policies as of December 31, 2008 is included in Note 2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008. Certain of our accounting policies require higher degrees of judgment than others in their application. These include revenue recognition on long-term contracts, capitalization of computer software development costs, and deferred income tax valuation allowances. These critical accounting policies and estimates are discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations section in the 2008 Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

Results of Operations - Three and Six Months ended June 30, 2009 versus Three and Six Months ended June 30, 2008

Contract Revenue. Total contract revenue for the quarter ended June 30, 2009 totaled $10.6 million, which was 62.5% higher than the $6.6 million total revenue for the quarter ended June 30, 2008. For the six months ended June 30, 2009, contract revenue totaled $18.8 million, a 37.7% increase from the $13.6 million for the six months ended June 30, 2008. The Company recorded total orders of $42.4 million in the six months ended June 30, 2009 versus $18.0 million in the six months ended June 30, 2008. Included in the 2009 orders was an $18.4 million contract to

build a new nuclear power plant simulator for a two unit reactor plant in Slovakia. The contract includes approximately $12 million for hardware, the largest portion being a digital control system from Siemens, that the customer has requested be a part of the contract in addition to approximately $6 million related specifically to the simulator. Due to the significant hardware portion of the project, the overall margin on the project is lower than the Company's normal gross margin. In the three and six months ended June 30, 2009, the Company recognized $1.5 million and $1.8 million, respectively, of contract revenue on this project using the percentage-of-completion method, which accounted for 14.4% and 9.6%, respectively, of the Company's consolidated revenue. At June 30, 2009, the Company's backlog was $62.2 million, of which $16.6 million related to this contract.

Gross Profit. Gross profit totaled $2.6 million for the quarter ended June 30, 2009 versus $1.9 million for the same quarter in 2008. As a percentage of revenue, gross profit decreased from 29.1% for the three months ended June 30, 2008 to 24.5% for the three months ended June 30, 2009. For the six months ended June 30, 2009, gross profit increased $1.3 million from the same period in 2008 to $5.0 million, however, as a percentage of revenue, gross profit decreased from 27.7% to 26.9%. The decrease in gross profit percentage mainly reflects the impact of the lower margin on the $18.4 million full scope simulator and digital control system order received in the first quarter 2009 from a Slovak utility.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses totaled $1.8 million in the quarter ended June 30, 2009, a 6.1% decrease from the $2.0 million for the same period in 2008. For the six months ended June 30, 2009 and 2008, SG&A expenses totaled $3.6 million and $3.9 million, respectively. The decrease reflects the following spending variances:

- Business development and marketing costs decreased from $809,000 in the second quarter 2008 to $783,000 in the second quarter of 2009 and decreased from $1.6 million for the six months ended June 30, 2008 to $1.4 million in the same period 2009. The decrease mainly reflects a reduction in bidding and proposal costs, which are the costs of operations personnel in assisting with the preparation of contract proposals.

- The Company's general and administrative expenses were virtually unchanged, totaling $1.0 million in both the second quarter 2009 and 2008 and totaling $2.1 million in both the six months ending June 30, 2009 and 2008.

- Gross spending on software product development ("development") totaled $139,000 in the quarter ended June 30, 2009 as compared to $299,000 in the same period of 2008. For the three months ended June 30, 2009, the Company expensed $72,000 and capitalized $67,000 of its development spending while in the three months ended June 30, 2008, the Company expensed $99,000 and capitalized $200,000 of its development spending. For the six months ended June 30, 2009, gross development spending totaled $240,000 versus $537,000 in the same period of 2008. The Company expensed $97,000 and capitalized $143,000 of its development spending in the six months ended June 30, 2009 and expensed $144,000 and capitalized $393,000 of its development spending in the same period of 2008. The Company's capitalized development expenditures in 2009 were mainly related to the customization of RELAP5-RT software (which simulates transient fluid dynamics, neutronics and heat transfer in nuclear power plants) to run on the Company's real-time executive software and the replacement of the current Graphic User Interface of SimSuite Pro with JADE Designer. The Company anticipates that its total gross development spending in 2009 will approximate $500,000.

Depreciation. Depreciation expense totaled $122,000 and $103,000 during the quarters ended June 30, 2009 and 2008, respectively. For the six months ended June 30, 2009 and 2008, depreciation expense totaled $242,000 and $203,000, respectively. The higher 2009 depreciation expense is a result of the Company's 2008 capital purchases related to the Company's move to its Sykesville, Maryland headquarters in 2008 and the purchase of new computers for new hires.

Operating Income. The Company had operating income of $658,000 (6.2% of revenue) in the second quarter 2009, as compared with an operating loss of $148,000 (2.3% of revenue) for the same period in 2008. For the six months ended June 30, 2009 and 2008, the Company had operating income of $1.2 million (6.3% of revenue) and an operating loss of $322,000 (2.4% of revenue), respectively. The variances were due to the factors outlined above.

Interest Income, Net. Net interest income totaled $22,000 in the quarter ended June 30, 2009 versus net interest income of $40,000 in the quarter ended June 30, 2008. For both the six months ended June 30, 2009 and 2008, net interest income totaled $34,000.

On March 28, 2008 the Company entered into two separate revolving line of credit agreements for two-year revolving lines of credit with Bank of America ("BOA"), replacing the Company's credit facility with Laurus Master Fund. One line of credit is in the principal amount of up to $3.5 million and is guaranteed by the U.S. Export-Import Bank. The second line of credit was originally in the principal amount of up to $1.5 million, however, on May 5, 2009, the credit agreement was amended to increase the principal amount to $2.5 million. The other line of credit is in the principal amount of up to $2.5 million. The Company has not borrowed any funds against either BOA line of credit.

The deferred financing costs incurred in conjunction with the Laurus Master Fund line of credit were amortized over the two-year period of the line of credit, with the final amortization expense recorded in February 2008. Amortization expense totaled $89,000 in the six months ended June 30, 2008. The deferred financing costs incurred in conjunction with the BOA lines of credit are being amortized over the two-year period of the lines of credit. Amortization began in April 2008 and totaled $9,000 and $27,000 for the three and six months ended June 30, 2009, respectively, and $18,000 in both the three and six months ended June 30, 2008.

At June 30, 2009 and 2008, the Company had approximately $4.9 million and $2.9 million, respectively, of cash in Certificates of Deposit with BOA that were being used as collateral for various performance and advance payment bonds. The Company recorded interest income of $17,000 and $29,000 from the Certificates of Deposit in the three and six months ended June 30, 2009, respectively, versus $40,000 and $64,000 of interest income in the three and six months ended June 30, 2008, respectively. The reduction in interest income reflects lower interest rates on the Certificates of Deposit in 2009.

In May 2007, the Company deposited $1.2 million into a restricted, interest-bearing account at the Union National Bank in the United Arab Emirates as a partial guarantee for the $11.8 million credit facility that UNB has extended to ESA. The Company recorded interest income of $10,000 and $19,000 in the three and six months ended June 30, 2009 respectively. For the three and six months ended June 30, 2008, the Company recorded interest income of $14,000 and $29,000, respectively.

Interest income earned on short-term investments of the Company's operating cash totaled $1,000 for the three months ended June 30, 2009 versus $7,000 for the three months ended June 30, 2008 and totaled $4,000 for the six months ended June 30, 2009 versus $40,000 for the six months ended June 30, 2008. The lower interest income in 2009 mainly reflects lower interest rates on the short-term investments.

Gain (Loss) on Derivative Instruments. The Company periodically enters into forward foreign exchange contracts to manage market risks associated with the fluctuations in foreign currency exchange rates on foreign-denominated trade receivables. As of June 30, 2009, the Company had foreign exchange contracts for sale of approximately 2.0 million Pounds Sterling, 3.1 million Euro and 970 million Japanese Yen at fixed rates. The contracts expire on various dates through February 2014. The Company has not designated the contracts as hedges and has recognized a loss on the change in the estimated fair value of the contracts of $25,000 for the three months ended June 30, 2009 and a gain of $101,000 for the six months ended June 30, 2009.

The foreign currency denominated trade receivables and unbilled receivables that are related to the outstanding foreign exchange contracts were remeasured into the functional currency using the current exchange rate at the end of the period. For the three and six months ended June 30, 2009, the Company recognized a $219,000 and $106,000 gain, respectively, from the remeasurement of such contract receivables and billings in excess of revenue earned.

At June 30, 2008, the Company had contracts for the sale of approximately 225,000 Euro at fixed rates. The contracts expired on various dates through February 2009. The Company had not designated the contracts as hedges and recognized a loss of $5,000 in the change in the estimated fair value of the contracts during the three months ended June 30, 2008 and a gain of $5,000 during the six months ended June 30, 2008.

Other Expense, Net. For the three and six months ended June 30, 2009, other expense, net was $111,000 and $221,000, respectively. For the three and six months ended June 20, 2008, other expense, net was $65,000 and $129,000, respectively. The major components of other expense, net included the following items:

- The Company accounts for its investment in the Emirates Simulation Academy using the equity method. In accordance with the equity method, the Company eliminated 10% of the profit from this contract as the training simulators are assets that have been recorded on the books of ESA, and the Company was thus required to eliminate its proportionate share of the profit included in the asset value. The profit elimination totaled $(1,000) and $38,000 for the three and six months ended June 30, 2008. ESA began to amortize the training simulators effective January 1, 2009 over a four year life; accordingly, GSE began to amortize the deferred profit in January 2009 and recognized a gain of $45,000 and $90,000 for the three and six months ended June 30, 2009, respectively.

- For the three and six months ended June 30, 2009, the Company recognized a $156,000 and $313,000 equity loss, respectively, on its investment in ESA. For the three and six months ended June 30, 2008, the Company's recognized a $63,000 and $88,000 equity loss, respectively.

Provision for Income Taxes.

The Company files in the United States federal jurisdiction and in several state and foreign jurisdictions. Because of the net operating loss carryforwards, the Company is subject to U.S. federal and state income tax examinations from years 1997 and forward and is subject to foreign tax examinations by tax authorities for years 2001 and forward. Open tax years related to state and foreign jurisdictions remain subject to examination but are not considered material to our financial position, results of operations or cash flows.

As of June 30, 2009, there have been no material changes to the liability for uncertain tax positions. Furthermore, the Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits would significantly decrease or increase within the next twelve months.

The Company expects to pay U.S. federal alternative minimum income taxes in 2009 and to pay income taxes in Sweden and China. In addition, the Company will pay foreign income tax withholding on several non-U.S. contracts. The Company has a full valuation allowance on its deferred tax assets at June 30, 2009 with the exception of the deferred tax assets of its Swedish subsidiary which are expected to be realized in 2009, which total $126,000.

Liquidity and Capital Resources

As of June 30, 2009, the Company's cash and cash equivalents totaled $5.3 million compared to $8.3 million at December 31, 2008.

Cash provided by (used in) operating activities. For the six months ended June 30, 2009, net cash provided by operations totaled $58,000. Significant changes in the Company's assets and liabilities in the six months ended June 30, 2009 included:

- A $4.3 million increase in the Company's contract receivables. The Company's trade receivables decreased from $7.3 million at December 31, 2008 to $6.5 million at June 30, 2009 while the Company's unbilled receivables increased by $5.1 million to $8.8 million at June 30, 2009. At June 30, 2009, trade receivables outstanding for more than 90 days totaled $1.9 million versus $2.2 million at December 31, 2008. Included in the over 90 day balance at both June 30, 2009 and December 31, 2008 was $1.6 million due from ESA. The Company believes the entire overdue balance will be received and has not increased its bad debt reserve. The increase in the unbilled receivables is due to the timing of contracted billing milestones of the Company's current projects. In July 2009, the Company invoiced $2.8 million of the unbilled amounts; the balance of the unbilled amounts is expected to be invoiced and collected within one year.
- A $2.5 million increase in accounts payable, accrued compensation and accrued expenses. The Company's accounts payable and accrued liabilities have increased due to material purchases and the utilization of subcontractors on several of the Company's current projects.

Net cash used in operating activities for the six months ended June 30, 2008 totaled $1.1 million. Significant changes in the Company's assets and liabilities in the six months ended June 30, 2008 included:

- A $1.9 million increase in the Company's contract receivables. The Company's trade receivables increased from $4.2 million at December 31, 2007 (including $1.0 million due from ESA) to $8.5 million at June 30, 2008 (including $3.9 million due from ESA) while the Company's unbilled receivables decreased by $2.4 million to $4.2 million at June 30, 2008. At June 30, 2008, trade receivables outstanding for more than 90 days totaled $3.0 million (including $2.6 million from ESA) versus $2,000 at December 31, 2007.
- A $1.2 million increase in billings in excess of revenues earned. The increase was due to the timing of contracted billing milestones of the Company's projects.

Cash used in investing activities. Net cash used in investing activities totaled $2.5 million for the six months ended June 30, 2009. Capital expenditures totaled $202,000 and capitalized software development costs totaled $143,000. The Company utilized $2.1 million to cash collateralize a standby letter of credit and a bank guarantee.

For the six months ended June 30, 2008, net cash used in investing activities totaled $1.1 million. Capital expenditures totaled $393,000, capitalized software development costs totaled $393,000, and the Company increased its investment in ESA by $422,000. Cash used as collateral for stand-by letters of credit decreased by $94,000.

Cash provided by financing activities. For the six months ended June 30, 2009, net cash used in financing activities totaled $499,000, and for the six months ended June 30, 2008, net cash provided by financing activities totaled $203,000. The Company received $121,000 and $291,000 from the issuance of common stock in the six months ended June 30, 2009 and 2008, respectively. In the six months ended June 30, 2009 and 2008, the Company spent $20,000 and $88,000, respectively, on deferred financing costs in conjunction with the Bank of America lines of credit. In accordance with the amendment to the Company's $2.5 million BOA line of credit effective May 5, 2009, the Company placed $600,000 in a restricted certificate of deposit. This certificate of deposit is included in the borrowing base calculation to determine the amount of funds that the Company can utilize under its $2.5 million line of credit.

At June 30, 2009, the Company had cash of $5.3 million and another $4.9 million available under its lines of credit. Based on the Company's forecasted expenditures and cash flow, the Company believes that it will generate sufficient cash through its normal operations and through the utilization of its current credit facility to meet its liquidity and working capital needs for the next twelve months. However, notwithstanding the foregoing, the Company may be required to look for additional capital to fund its operations if the Company is unable to operate profitably and generate sufficient cash from operations. There can be no assurance that the Company would be successful in raising such additional funds.

Credit Facilities

On March 28, 2008, the Company entered into two separate revolving line of credit agreements for two-year revolving lines of credit with Bank of America, N.A. ("BOA"). The Company and its subsidiary, GSE Power Systems, Inc., are jointly and severally liable as co-borrowers. The credit facilities enable the Company to borrow funds to support working capital needs and standby letters of credit. The first line of credit in the principal amount of up to $3.5 million enables the Company to borrow funds up to 90% of eligible foreign accounts receivable, plus 75% of eligible unbilled foreign receivables and 100% of cash collateral pledged to BOA on outstanding warranty standby letters of credit. This line of credit is 90% guaranteed by the Export-Import Bank of the United States. The interest rate on this line of credit is based on the daily LIBOR rate plus 150 basis points, with interest only payments due monthly. The second line of credit was originally in the principal amount of up to $1.5 million, however, on May 5, 2009, the credit agreement was amended to increase the principal amount to $2.5 million. This line of credit enables the Company to borrow funds up to 80% of domestic accounts receivable, 30% of domestic unbilled receivables and 100% of the principal balance of a $600,000 certificate of deposit issued by BOA. The interest rate on this line of credit is based on the daily LIBOR rate plus 225 basis points, with interest only payments due monthly. Both credit agreements contain financial covenants with respect to the Company's minimum tangible net worth, debt service coverage ratio, and funded debt to EBITDA ratio. At June 30, 2009, the Company was in compliance will all of these financial covenants as shown below:

	Covenant	As of June 30, 2009
Tangible net worth	Must Exceed $15.0 million	$19.1 million
Debt service coverage ratio	Must Exceed 1.25 : 1.00	1,425 : 1.00
Funded debt to EBITDA ratio	Not to Exceed 2.50 : 1.00	.97 : 1.00

In addition, the credit agreements contain certain restrictive covenants regarding future acquisitions, incurrence of debt and the payment of dividends. At June 30, 2009, the Company's available borrowing base under the two lines of credit was $5.4 million of which $484,000 had been utilized as collateral for a standby letter of credit.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

The Company's market risk is principally confined to changes in foreign currency exchange rates. The Company's exposure to foreign exchange rate fluctuations arises in part from inter-company accounts in which costs incurred in one entity are charged to other entities in different foreign jurisdictions. The Company is also exposed to foreign exchange rate fluctuations as the financial results of all foreign subsidiaries are translated into U.S. dollars in consolidation. As exchange rates vary, those results when translated may vary from expectations and adversely impact overall expected profitability.

The Company utilizes forward foreign currency exchange contracts to manage market risks associated with the fluctuations in foreign currency exchange rates. The principal currencies for which such forward exchange contracts are entered into are the Pound Sterling, the Euro and the Japanese Yen. It is the Company's policy to use such derivative financial instruments to protect against market risk arising in the normal course of business in order to reduce the impact of these exposures. The Company minimizes credit exposure by limiting counterparties to nationally recognized financial institutions.

As of June 30, 2009, the Company had foreign exchange contracts for sale of approximately 2.0 million Pounds Sterling, 3.1 million Euro and 970 million Japanese Yen at fixed rates. The contracts expire on various dates through February 2014. The Company had not designated the contracts as hedges and has recognized a loss on the change in the estimated fair value of the contracts of $25,000 for the three months ended June 30, 2009 and a gain of $101,000 for the six months ended June 30, 2009. A 10% fluctuation in the foreign currency exchange rates up or down as of June 30, 2009 would have increased/ decreased the change in estimated fair value of the contracts by $6,000.

At June 30, 2008, the Company had contracts for the sale of approximately 225,000 Euro at fixed rates. The contracts expired on various dates through February 2009. The Company had not designated the contracts as hedges and had recognized a loss of $5,000 on the change in the estimated fair value of the contracts during the three months ended June 30, 2008 and a gain of $5,000 during the six months ended June 30, 2008.

The Company is also subject to market risk related to the interest rate on its existing lines of credit. However, during the first six months of 2009, the Company had no outstanding borrowings from its lines of credit.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. The Company maintains adequate internal disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), as amended) as of the end of the period covered by this quarterly report on Form 10-Q pursuant to Rule 13a-15(b) under the Exchange Act that are designed to ensure that information required to be disclosed by it in its reports filed or submitted pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and that information required to be disclosed by the Company in its Exchange Act reports is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO"), who is its principal executive officer, and Chief Financial Officer ("CFO"), who is its principal financial officer, to allow timely decisions regarding required disclosure.

The Company's CEO and CFO are responsible for establishing and maintaining adequate internal control over the Company's financial reporting. They have reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14 as of June 30, 2009 in order to ensure the reporting of material information required to be included in the Company's periodic filings with the Commission comply with the Commission's requirements for certification of this Form 10-Q. Based on that evaluation, the Company's CEO and CFO have concluded that as of June 30, 2009 the Company's disclosure controls and procedures were effective at the reasonable assurance level to satisfy the objectives for which they were intended and that the information required to be disclosed is (a) recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and (b) compiled and communicated to our management to allow timely decisions regarding required disclosure.

(b) Changes in internal control. There were no changes in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Limitation of Effectiveness of Controls

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. The design of any control system is based, in part, upon the benefits of the control system relative to its costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of control. In addition, over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of inherent limitation in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. The Company's controls and procedures are designed to provide a reasonable level of assurance of achieving their objectives.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

The Company has no material changes to the disclosure on this matter made in its Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

On June 25, 2009, the Company held its annual meeting of shareholders. At that meeting, the following matters were voted upon:

Proposal	For	Withheld	Total
1) Election of Directors for a three year term expiring in 2012:			
Joseph W. Lewis	14,464,493	212,090	14,676,583
Jane Bryant Quinn	14,592,258	84,325	14,676,583
O. Lee Tawes, III	14,406,274	270,309	14,676,583

The following directors are serving terms until the annual meeting in 2010 and were not reelected at the June 25, 2009 annual meeting:

Jerome I. Feldman
John V. Moran
George J. Pedersen

The following directors are serving terms until the annual meeting in 2011 and were not reelected at the June 25, 2009 annual meeting:

Michael D. Feldman
Sheldon L. Glashow
Roger L. Hagengruber

Proposal	For	Against	Abstain	Total
2) Ratification of KPMG LLP as the Company's independent registered public accountants for the 2009 fiscal year.	14,550,938	121,082	4,563	14,676,583

Item 5. Other Information

None

Item 6. Exhibits

31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002, filed herewith.
31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 10, 2009 GSE SYSTEMS, INC.

/S/ JOHN V. MORAN
John V. Moran
Chief Executive Officer
(Principal Executive Officer)

/S/ JEFFERY G. HOUGH
Jeffery G. Hough
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)