

MARTIN MIDSTREAM PARTNERS LP  
Form 424B5  
January 23, 2012  
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Filed pursuant to Rule 424(b)(5)  
Registration No. 333-171028

**PROSPECTUS SUPPLEMENT**

(To the Prospectus dated December 30, 2010)

**2,300,000 Common Units**

**Martin Midstream Partners L.P.**

**Representing Limited Partner Interests**

We are selling 2,300,000 common units representing limited partner interests in Martin Midstream Partners L.P. Our common units are listed on the Nasdaq Global Select Market under the symbol MMLP. The last reported sale price of our common units on the Nasdaq Global Select Market on January 19, 2012 was \$37.72 per common unit.

**Investing in our common units involves risks. Please read Risk Factors beginning on page S-10 of this prospectus supplement and on page 5 of the accompanying prospectus.**

	<b>Per Common Unit</b>	<b>Total</b>
Public Offering Price	\$ 36.150	\$ 83,145,000
Underwriting Discounts and Commissions	\$ 1.446	\$ 3,325,800
Proceeds, Before Expenses, to Martin Midstream Partners L.P.	\$ 34.704	\$ 79,819,200

The underwriters expect to deliver the common units on or about January 25, 2012.

The underwriters may also purchase up to an additional 345,000 common units from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over-allotments.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.**

*Joint Book-Running Managers*

**RBC CAPITAL MARKETS**

**WELLS FARGO SECURITIES**

**UBS INVESTMENT BANK**

*Senior Co-Manager*

**RAYMOND JAMES**

*Co-Managers*

**BAIRD**

**STIFEL NICOLAUS WEISEL**

**BB&T CAPITAL MARKETS**

Prospectus supplement dated January 20, 2012

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**IMPORTANT NOTICE ABOUT INFORMATION IN THIS  
PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information about securities we may offer from time to time. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus, the information in this prospectus supplement controls. Before you invest in our common units, you should carefully read this prospectus supplement, along with the accompanying prospectus, in addition to the information contained in the documents we refer to under the heading "Where You Can Find More Information" in this prospectus supplement and the accompanying prospectus.

**You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus that we may authorize to be delivered to you. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy our common units in any jurisdiction where such offer or any sale would be unlawful. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus is accurate as of any date other than the dates shown in these documents or any information that we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in this prospectus supplement or the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.**

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other information to which we refer for a more complete understanding of this offering. Please read the sections entitled Risk Factors on page S-10 of this prospectus supplement and page 5 of the accompanying prospectus for more information about important factors that you should consider before buying our common units in this offering. Unless we indicate otherwise, the information presented in this prospectus supplement assumes that the underwriters' option to purchase additional common units is not exercised.*

*References in this prospectus supplement to Martin Midstream Partners L.P., the Partnership, we, our, us or like terms refer to Martin Midstream Partners L.P. and its consolidated subsidiaries. References in this prospectus supplement to Martin Resource Management refer to Martin Resource Management Corporation and its consolidated subsidiaries other than our general partner.*

**Martin Midstream Partners L.P.**

**Overview**

We are a publicly traded limited partnership with a diverse set of operations focused primarily in the United States Gulf Coast region. Our four primary business lines include:

Terminalling and storage services for petroleum products and by-products;

Natural gas services;

Sulfur and sulfur-based products gathering, processing, marketing, manufacturing and distribution; and

Marine transportation services for petroleum products and by-products.

The petroleum products and by-products we collect, transport, store and market are produced primarily by major and independent oil and gas companies who often turn to third parties, such as us, for the transportation and disposition of these products. In addition to these major and independent oil and gas companies, our primary customers include independent refiners, large chemical companies, fertilizer manufacturers and other wholesale purchasers of these products. We generate the majority of our cash flow from fee-based contracts with these customers. Our location in the Gulf Coast region of the United States provides us strategic access to a major hub for petroleum refining, natural gas gathering and processing and support services for the exploration and production industry.

**Recent Developments**

**Increase to Revolving Credit Facility**

On December 6, 2011, we increased the size of our revolving credit facility by \$25 million to \$375 million. The revolving credit facility is our primary source of liquidity and matures April 15, 2016.

**Conversion of Subordinated Units**

On November 25, 2011, the 889,444 subordinated units held indirectly by Martin Resource Management automatically converted pursuant to their terms on a one-for-one basis into common units of the Partnership.



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### **Business Strategy**

The key components of our business strategy are to:

***Pursue Organic Growth Projects.*** We continually evaluate economically attractive organic expansion opportunities in new or existing areas of operation that will allow us to leverage our existing market position, increase the distributable cash flow from our existing assets through improved utilization and efficiency.

***Pursue Internal Organic Growth by Attracting New Customers and Expanding Services Provided to Existing Customers.*** We seek to identify and pursue opportunities to expand our customer base across all of our business segments. We generally begin a relationship with a customer by transporting, storing or marketing a limited range of products and services. We believe expanding our customer base and our service and product offerings to existing customers is an efficient and cost effective method of achieving organic growth in revenues and cash flow. We believe significant opportunities exist to expand our customer base and provide additional services and products to existing customers.

***Pursue Strategic Acquisitions.*** We continually monitor the marketplace to identify and pursue accretive acquisitions that expand the services and products we offer or that expand our geographic presence. After acquiring other businesses, we will attempt to utilize our industry knowledge, network of customers and suppliers and strategic asset base to operate the acquired businesses more efficiently and competitively, thereby increasing revenues and cash flow. We believe that our diversified base of operations provides multiple platforms for strategic growth through acquisitions.

***Pursue Strategic Alliances.*** Many of our larger customers, which include major integrated energy companies, have established strategic alliances with midstream service providers such as us to address logistical and transportation problems or achieve operational synergies. We intend to pursue strategic alliances with such customers in the future, pursuing growth opportunities.

***Expand Geographically.*** We work to identify and assess other attractive geographic markets for our services and products based on the market dynamics and the cost associated with penetration of such markets. We typically enter a new market through an acquisition or by securing at least one major customer or supplier and then dedicating or purchasing assets for operation in the new market. Once in a new territory, we seek to expand our operations within this new territory both by targeting new customers and by selling additional services and products to our original customers in the territory.

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**Competitive Strengths**

We believe we are well positioned to execute our business strategy because of the following competitive strengths:

***Asset Base and Integrated Distribution Network.*** We operate a diversified asset base that enables us to offer our customers an integrated distribution network consisting of transportation, terminalling and storage and midstream logistical services while minimizing our dependence on the availability and pricing of services provided by third parties. Our integrated distribution network enables us to provide customers a complementary portfolio of transportation, terminalling, distribution and other midstream services for petroleum products and by-products.

***Strategically Located Assets.*** We are one of the largest operators of marine service shore-based terminals in the United States Gulf Coast region providing broad geographic coverage and distribution capability of our products and services to our customers. Our natural gas gathering and processing and storage assets are focused in areas that continue to experience high levels of drilling activity. In addition, our natural gas transmission and storage assets are located in areas of high customer demand for such services. Finally, many of our Sulfur Services assets are strategically located to source sulfur from the largest refinery sources in the United States.

***Specialized Transportation Equipment and Storage Facilities.*** We have the assets and expertise to handle and transport certain petroleum products and by-products with unique requirements for transportation and storage. For example, we own facilities and resources to transport a variety of specialty products, including ammonia, molten sulfur and asphalt. Some of these specialty products require treatment across a wide range of temperatures ranging between approximately -30 to +275 degrees Fahrenheit to remain in liquid form. We believe these capabilities help us enhance relationships with our customers by offering them services to handle their unique product requirements.

***Strong Industry Reputation and Established Relationships with Suppliers and Customers.*** We believe we have established a reputation in our industry as a reliable and cost-effective supplier of services to our customers and have a track record of safe, efficient operation of our facilities. Our management has also established long-term relationships with many of our suppliers and customers. We believe we benefit from our management's reputation and track record, and from these long-term relationships.



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***Financial Strength and Flexibility.*** We have historically financed our operations with a combination of debt and equity while maintaining a modest leverage profile, even in challenging business environments. Since our initial public offering, we have accessed the public equity markets six times for \$334.6 million in total net proceeds, including capital contributions from our general partner. We have also occasionally issued units to Martin Resource Management in exchange for cash or assets.

***Fee-Based Contracts and Active Commodity Risk Management.*** We generate a majority of our cash flow from fee-based contracts with our customers. In addition, a significant portion of these fee-based contracts consist of reservation charges or minimum fee arrangements, which reduce the volatility of a portion of cash flows to volume fluctuations. We seek to further minimize our direct exposure to commodity price fluctuations through swaps for crude oil, natural gas and natural gas liquids. As of December 31, 2011, Prism Gas has hedged approximately 48.8% and 33.5% of its commodity risk by volume for 2011 and 2012, respectively.

***Experienced Management Team and Operational Expertise.*** Members of our executive management team and the heads of our principal business lines have, on average, more than 25 years of experience in the industries in which we operate. Our management team has a successful track record of creating internal growth and completing acquisitions. We believe our management team's experience and familiarity with our industry and businesses are important assets that assist us in implementing our business strategies.

### **Our Relationship with Martin Resource Management**

We were formed in 2002 by Martin Resource Management, a privately held company whose initial predecessor was incorporated in 1951 as a supplier of products and services to drilling rig contractors. Since then, Martin Resource Management has expanded its operations through acquisitions and internal expansion initiatives as its management identified and capitalized on the needs of producers and purchasers of hydrocarbon products and by-products and other bulk liquids. Following this offering, Martin Resource Management will own an approximate 28.4% limited partnership interest in us. Furthermore, it owns and controls our general partner, which owns a 2.0% general partner interest in us and owns all of our incentive distribution rights.

### **Our Executive Offices**

Our principal executive offices are located at 4200 Stone Road, Kilgore, Texas 75662, our phone number is (903) 983-6200, and our website is [www.martinmidstream.com](http://www.martinmidstream.com). Information contained on our website is not incorporated by reference into this prospectus supplement, and you should not consider information contained on our website as part of this prospectus supplement.

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**Our Ownership and Organizational Structure**

The diagram below depicts our organizational structure after giving effect to this offering (excluding any exercise of the underwriters over-allotment option) and the use of proceeds contemplated hereby:

**Ownership of Martin Midstream Partners L.P.**

Public Common Units	69.6%
Martin Resource Management's Common Units	28.4%
General Partner Interest	2.0%
Total	100.0%

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**The Offering**

Common Units Offered by Us	2,300,000 common units.
	2,645,000 common units if the underwriters exercise their over-allotment option in full.
Units Outstanding Before this Offering	20,471,776 common units, representing a 98% limited partner interest in us.
Units Outstanding After this Offering	22,771,776 common units, representing a 98% limited partner interest in us.
Use of Proceeds	We will use the net proceeds from this offering (including any proceeds from the exercise of the underwriters' over-allotment option), including our general partner's proportionate capital contribution and after deducting underwriting discounts and estimated offering expenses, to repay outstanding indebtedness incurred under our revolving credit facility, including indebtedness incurred in connection with the formation of Redbird Gas Storage LLC, a natural gas storage joint venture, on May 31, 2011, and for general partnership purposes. Amounts repaid under our revolving credit facility may be reborrowed and used to fund both future acquisitions and expansion capital expenditures. Please read Use of Proceeds.
Cash Distributions	Under our partnership agreement, we must distribute all of our cash on hand at the end of each quarter, less reserves established by our general partner. We refer to this cash as available cash, and we define its meaning in our partnership agreement.  Cash distributions attributable to the quarters ended December 31, 2011 and March 31, 2012 have not yet been declared or paid. We expect to declare and pay a cash distribution within 45 days following the end of a quarter.
Subordination Period	On November 25, 2009, the Partnership issued 889,444 subordinated units to Martin Resource Management in connection with the acquisition of certain specialty lubricants processing assets from Cross Oil Refining & Marketing, Inc., a subsidiary of Martin Resource Management. The subordination period for these subordinated units has ended and all such subordinated units were automatically converted on a one-for-one basis into common units of the Partnership on November 25, 2011.

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Limited Voting Rights	Our general partner manages and operates us. Unlike the holders of common stock in a corporation, you will have only limited voting rights on matters affecting our business. You will have no right to elect our general partner or its officers or directors. Our general partner may not be removed except by a vote of the holders of at least 66 2/3% of the outstanding units, including units owned by our general partner and its affiliates, voting together as a single class. Following this offering, Martin Resource Management will own an approximate 28.4% limited partnership interest in us. Therefore, it is unlikely that our general partner would be removed involuntarily without the consent of one or more affiliates of our general partner.
Estimated Ratio of Taxable Income to Distributions	We estimate that if you hold the common units you purchase in this offering through the record date for distributions for the period ending December 31, 2014, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be less than 20% of the amount of cash distributed to you with respect to that period. Please read <b>Material Tax Considerations</b> in this prospectus supplement for the basis of this estimate.
Conflicts of Interest	As described in <b>Use of Proceeds</b> , some of the net proceeds of this offering will be used to repay outstanding indebtedness incurred under our revolving credit facility. Because affiliates of RBC Capital Markets, LLC, Wells Fargo Securities, LLC, UBS Securities LLC, and Raymond James & Associates, Inc. are lenders under our revolving credit facility, certain of the underwriters or their affiliates may receive more than 5% of the proceeds of this offering (not including underwriting discounts and commissions). Nonetheless, in accordance with the Financial Industry Regulatory Authority, or FINRA, Rule 5121, the appointment of a qualified independent underwriter is not necessary in connection with this offering because the common units offered hereby are interests in a direct participation program. Investor suitability with respect to the common units will be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.
Material Tax Considerations	For a discussion of other material federal income tax considerations that may be relevant to prospective unitholders who are individual citizens or residents of the United States, please read <b>Material Tax Considerations</b> in this prospectus supplement and the accompanying prospectus.

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Agreement to be Bound by the Partnership Agreement By purchasing a common unit, you will be bound by all of the terms of our partnership agreement. Please read The Partnership Agreement in the accompanying prospectus for more information.

Risk Factors You should consider carefully the information set forth in the section of this prospectus supplement and the accompanying prospectus entitled Risk Factors as well as the other information included or incorporated by reference in this prospectus supplement before deciding whether to invest in our common units.

Exchange Listing Our common units are listed on the Nasdaq Global Select Market under the symbol MMLP.

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**RISK FACTORS**

*An investment in our common units involves risk. You should read carefully the risk factors included under the caption Risk Factors beginning on page 5 of the accompanying prospectus and the risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011, June 30, 2011 and September 30, 2011 and together with all of the other information included or incorporated by reference in this prospectus supplement.*

*If any of the risks were to occur, our business, financial condition or results of operations could be materially adversely affected. In this case, we might not be able to pay distributions on our common units, the trading price of our common units could decline and unitholders could lose all or part of their investment.*

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**USE OF PROCEEDS**

We will receive net proceeds of approximately \$81.1 million from the sale of the 2,300,000 common units offered by this prospectus supplement, after deducting underwriting discounts and the estimated offering expenses. This amount includes a proportionate capital contribution from our general partner to maintain its 2% general partner interest in us. If the underwriters exercise their over-allotment option in full, we will receive total net proceeds of approximately \$92.8 million. We will use the net proceeds from this offering (including any proceeds from the exercise of the underwriters' over-allotment option) to repay outstanding indebtedness incurred under our revolving credit facility, including indebtedness incurred in connection with the formation of Redbird Gas Storage LLC, a natural gas storage joint venture, on May 31, 2011, and for general partnership purposes. Amounts repaid under our revolving credit facility may be reborrowed and used to fund both future acquisitions and expansion capital expenditures.

As of January 19, 2012, approximately \$276 million was outstanding under our revolving credit facility at a weighted-average annual interest rate of 3.25%. Our revolving credit facility matures on April 15, 2016. Affiliates of certain of the underwriters are lenders under our revolving credit facility and will receive a portion of the proceeds. Please read "Underwriting" and "Conflicts of Interest."

**Table of Contents****CAPITALIZATION**

The following table shows our cash and cash equivalents and our capitalization as of September 30, 2011:

on an actual basis;

as adjusted to give effect to the automatic conversion on November 25, 2011 of 889,444 subordinated units held indirectly by Martin Resource Management; and

as further adjusted to give effect to: (a) the public offering of 2,300,000 common units (b) the increase in our general partner capital account of approximately \$1.7 million to allow it to maintain its 2% general partner interest, and (c) the application of the net proceeds. Please read Use of Proceeds.

This table should be read in conjunction with our historical financial statements and the accompanying notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

	<b>September 30, 2011</b>		
	<b>Actual</b>	<b>As Adjusted (In thousands)</b>	<b>As Further Adjusted</b>
Cash and cash equivalents	\$ 296	\$ 296	\$ 296
Debt, including current maturities:			
Revolving credit facility(1)	230,000	230,000	148,884
8.875% Senior Notes due 2018(2)	197,720	197,720	197,720
Other	12,694	12,694	12,694
Total long-term debt	440,414	440,414	359,298
Partners' capital			
Common unitholders	274,326	292,878	372,297
Subordinated unitholders(3)	18,552		
General partner	5,743	5,743	7,440
Accumulated other comprehensive income	1,377	1,377	1,377
Total partners' capital	299,998	299,998	381,114
Total capitalization	\$ 740,412	\$ 740,412	\$ 740,412

(1) As of January 19, 2012, borrowings under our revolving credit facility were \$276 million.

(2) Net of unamortized discount of \$2.3 million.

(3)



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On November 25, 2011, the 889,444 subordinated units held indirectly by Martin Resource Management automatically converted pursuant to their terms on a one-for-one basis into common units of the Partnership.

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**Table of Contents****PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS**

Our common units are listed on the Nasdaq Global Select Market under the symbol MMLP. The last reported sales price of the common units on January 19, 2012 was \$37.72. As of January 19, 2012, we had issued and outstanding 20,471,776 common units, which were beneficially held by approximately 17,000 unitholders. The following table sets forth the range of high and low sales prices of the common units on the Nasdaq Global Select Market, as well as the amount of cash distributions paid per common unit for the periods indicated.

	Price Range		Cash
	High	Low	Distributions Per Unit(1)
<b>Year Ending December 31, 2012</b>			
First Quarter (through January 19, 2012)	\$ 37.72	\$ 34.18	\$ N/A(2)
<b>Year Ending December 31, 2011</b>			
Fourth Quarter	\$ 36.48	\$ 28.01	\$ N/A(2)
Third Quarter	\$ 40.25	\$ 27.00	\$ 0.7625
Second Quarter	\$ 41.74	\$ 35.36	\$ 0.7625
First Quarter	\$ 42.64	\$ 36.36	\$ 0.7625
<b>Year Ended December 31, 2010</b>			
Fourth Quarter	\$ 39.54	\$ 32.26	\$ 0.7600
Third Quarter	\$ 33.95	\$ 28.60	\$ 0.7500
Second Quarter	\$ 32.55	\$ 25.51	\$ 0.7500
First Quarter	\$ 34.40	\$ 27.75	\$ 0.7500

(1) Distributions are shown for the quarter with respect to which they were declared.

(2) Cash distributions attributable to the quarters ended December 31, 2011 and March 31, 2012 have not yet been declared or paid. We expect to declare and pay a cash distribution within 45 days following the end of a quarter.

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**MATERIAL TAX CONSIDERATIONS**

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the principal federal income tax considerations associated with our operations and the purchase, ownership and disposition of our common units, please read **Material Tax Considerations** in the accompanying base prospectus. Please also read Item 1A. **Risk Factors – Tax Risks to Common Unitholders** in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 for a discussion of the tax risks related to purchasing and owning our common units. You are urged to consult with your own tax advisor about the federal, state, local and foreign tax consequences peculiar to your circumstances.

**Ratio of Taxable Income to Distributions**

We estimate that if you purchase common units in this offering and own them through the record date for distributions for the period ending December 31, 2014, then you will be allocated, on a cumulative basis, an amount of federal taxable income for that same period ending December 31, 2014 that will be less than 20% of the cash distributed to you with respect to that period. Thereafter, we anticipate that the ratio of allocable taxable income to cash distributions to the unitholders will increase. Our estimates are based upon the assumption that gross income from operations will approximate the amount required to make the current quarterly distribution amount on all units and other assumptions with respect to capital expenditures, cash flow, net working capital and anticipated cash distributions. These estimates and assumptions are subject to, among other things, numerous business, economic, regulatory, competitive and political uncertainties beyond our control. Further, the estimates are based on current tax law and tax reporting positions that we have adopted and with which the IRS could disagree. Accordingly, we cannot assure you that these estimates will prove to be correct. The actual ratio of taxable income to distributions could be higher or lower than expected, and any differences could be material and could materially affect the value of the common units. For example, the ratio of allocable taxable income to cash distributions to a purchaser of common units in this offering will be greater, and perhaps substantially greater, than our estimate with respect to the period described above if:

Gross income from operations exceeds the amount required to make the current quarterly distribution amount on all units, yet we only distribute the current quarterly distribution amount on all units; or

We make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of such offering or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of such offering.

**Tax Exempt Organizations and Other Investors**

Ownership of common units by tax-exempt entities and foreign investors raises issues unique to such persons. Please read **Material Tax Considerations – Tax-Exempt Organizations, Foreign Unitholders and Other Investors** beginning on page 55 of the accompanying base prospectus.

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**Tax Rates**

Under current law, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is 35% and the highest marginal U.S. federal income tax rate applicable to long-term capital gains of individuals is 15%. However, absent new legislation extending the current rates, beginning January 1, 2013, the highest marginal U.S. federal income tax rate applicable to ordinary income and long-term capital gains of individuals will increase to 39.6% and 20%, respectively. Moreover, these rates are subject to change by new legislation at any time.

**Nominee Reporting**

Persons who hold an interest in us as a nominee for another person are required to furnish to us:

- (1) the name, address and taxpayer identification number of the beneficial owner and the nominee;
- (2) a statement regarding whether the beneficial owner is:
  - (a) a person that is not a U.S. person;
  - (b) a non-U.S. government, an international organization or any wholly owned agency or instrumentality of either of the foregoing; or
  - (c) a tax-exempt entity;
- (3) the amount and description of units held, acquired or transferred for the beneficial owner; and
- (4) specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales.

Brokers and financial institutions are required to furnish additional information, including whether they are U.S. persons and specific information on units they acquire, hold or transfer for their own account. A penalty of \$100 per failure, up to a maximum of \$1,500,000 per calendar year, is imposed by the Internal Revenue Code for failure to report that information to us. The nominee is required to supply the beneficial owner of the units with the information furnished to us.

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**INVESTMENT IN US BY BENEFIT PLANS**

An equity investment in us by a benefit plan may raise certain issues under the U.S. Employee Retirement Income Security Act of 1974, as amended ( ERISA ), and the Internal Revenue Code. For a discussion of the considerations applicable to employee benefit plans when investing in our units, please read Investment in Us by Benefit Plans beginning on page 59 of the accompanying base prospectus. Prospective investors that may be subject to any such laws should consult their professional advisors with regard to such laws.

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**Table of Contents****UNDERWRITING**

RBC Capital Markets, LLC, Wells Fargo Securities, LLC and UBS Securities LLC, are acting as joint book-running managers of the underwritten offering and representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the number of common units set forth opposite the underwriter's name.

<b>Underwriter</b>	<b>Number of Common Units</b>
RBC Capital Markets, LLC	523,250
Wells Fargo Securities, LLC	523,250
UBS Securities LLC	523,250
Raymond James & Associates, Inc.	287,500
Robert W. Baird & Co., Incorporated	172,500
Stifel, Nicolaus & Company, Incorporated	172,500
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	97,750
Total	2,300,000

The underwriting agreement provides that the obligations of the underwriters to purchase the common units included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all of the common units (other than those covered by the over-allotment option to purchase additional common units described below) if they purchase any of the common units.

**Option to Purchase Additional Common Units**

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 345,000 additional common units at the public offering price less the underwriting discount. To the extent the option is exercised, each underwriter must purchase a number of additional common units approximately proportionate to that underwriter's initial purchase commitment.

**Underwriting Discounts and Expenses**

The underwriters propose to offer some of the common units directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the common units to dealers at the public offering price less a concession not to exceed \$0.868 per common unit. If all of the common units are not sold at the initial offering price, the underwriters may change the public offering price and the other selling terms. All compensation received by the underwriters in connection with this offering will not exceed eight percent of the gross offering proceeds.

The following table shows the underwriting discounts that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional common units.

	<b>No Exercise</b>	<b>Full Exercise</b>
Per Unit	\$ 1.446	\$ 1.446
Total	\$ 3,325,800	\$ 3,824,670

We estimate that our total expenses of this offering, excluding the underwriting discounts, will be approximately \$0.4 million.

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### **Lock-Up Agreements**

Martin Resource Management, certain of its subsidiaries and all of the directors and executive officers of our general partner have entered into lock-up agreements with the underwriters. Under these agreements, each of these persons may not, without the prior written approval of the representatives, offer, sell, contract to sell, pledge or otherwise dispose of or hedge our common units or securities convertible into or exchangeable for our common units, enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common units, make any demand for or exercise any right or file or cause to be filed a registration statement with respect to the registration of any common units or securities convertible, exercisable or exchangeable into common units or publicly disclose the intention to do any of the foregoing. These restrictions will be in effect for a period of 90 days after the date of this prospectus supplement. The restrictions described in this paragraph do not apply to, among other things, the sale of units to the underwriters pursuant to the underwriting agreement, grants of restricted common units or options to acquire restricted common units pursuant to our long term incentive plan or the issuance of common units pursuant to distribution reinvestments under a plan maintained by Martin Resource Management.

At any time and without public notice, the representatives may in their discretion, release all or some of the securities from these lock-up agreements.

### **Listing**

Our common units are listed on the Nasdaq Global Select Market under the symbol MMLP.

### **Passive Market Making**

In connection with the offering, the underwriters may engage in passive market making transactions in the common units on the Nasdaq Global Select Market in accordance with Rule 103 of Regulation M under the Securities Exchange Act of 1934 during the period before the commencement of offers or sales of common units and extending through the completion of distribution. A passive market maker must display its bids at a price not in excess of the highest independent bid of the security. However, if all independent bids are lowered below the passive market maker's bid that bid must be lowered when specified purchase limits are exceeded.

### **Price Stabilization, Short Positions and Penalty Bids**

In connection with the offering, the representatives, on behalf of the underwriters, may purchase and sell common units in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve syndicate sales of common units in excess of the number of common units to be purchased by the underwriters in the offering, which creates a syndicate short position. Covered short sales are sales of common units made in an amount up to the number of common units represented by the underwriters over-allotment option. In determining the source of common units to close out the covered syndicate short position, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase units through the over-allotment option. Transactions to close out the covered syndicate short position involve either purchases of the common units in the open market after the distribution has been completed or the exercise of the over-allotment option. The underwriters may also make naked short sales of common units in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing common units in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common units in the open market after pricing that could adversely affect investors who purchase in the offering.

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Stabilizing transactions consist of bids for or purchases of common units in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the representatives repurchase common units originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the common units. They may also cause the price of the common units to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the Nasdaq Global Select Market or in the over-the-counter market, or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

## **Conflicts of Interest**

The underwriters and their affiliates have performed investment and commercial banking and advisory services for us and our affiliates from time to time for which they have received customary fees and expenses. The underwriters and their affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business. As described in Use of Proceeds, some of the net proceeds of this offering may be used to repay borrowings under our secured credit facility. Because affiliates of RBC Capital Markets, LLC, Wells Fargo Securities, LLC, UBS Securities LLC and Raymond James & Associates, Inc. are lenders under our secured credit facility, certain of the underwriters or their affiliates may receive more than 5% of the proceeds of this offering (not including underwriting discounts and commissions). Nonetheless, in accordance with the Financial Industry Authority Rule 5121, the appointment of a qualified independent underwriter is not necessary in connection with this offering because the common units offered hereby are interests in a direct participation program. Investor suitability with respect to the common units will be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.

## **Electronic Distribution**

This prospectus supplement and the accompanying prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The underwriters may agree to allocate a number of common units for sale to their online brokerage account holders. The common units will be allocated to underwriters that may make internet distributions on the same basis as other allocations. In addition, common units may be sold by the underwriters to securities dealers who resell common units to online brokerage account holders.

Other than this prospectus supplement and the accompanying prospectus in electronic format, information contained in any website maintained by an underwriter is not part of this prospectus supplement or the accompanying prospectus or registration statement of which the accompanying prospectus forms a part, has not been endorsed by us and should not be relied on by investors in deciding whether to purchase common units. The underwriters are not responsible for information contained in websites that they do not maintain.

## **Indemnification**

We, our general partner, our operating subsidiaries and the general partner of our operating partnership have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of these liabilities.



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### **Notice to Prospective Investors in the United Kingdom**

Our partnership may constitute a collective investment scheme as defined by section 235 of the Financial Services and Markets Act 2000 ( FSMA ) that is not a recognized collective investment scheme for the purposes of FSMA ( CIS ) and that has not been authorized or otherwise approved. As an unregulated scheme, it cannot be marketed in the United Kingdom to the general public, except in accordance with FSMA. This prospectus supplement and the accompanying prospectus are only being distributed in the United Kingdom to, and are only directed at:

(1) if our partnership is a CIS and is marketed by a person who is an authorized person under FSMA, (a) investment professionals falling within Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) Order 2001, as amended (the CIS Promotion Order ) or (b) high net worth companies and other persons falling with Article 22(2)(a) to (d) of the CIS Promotion Order; or

(2) otherwise, if marketed by a person who is not an authorized person under FSMA, (a) persons who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Financial Promotion Order ) or (b) Article 49(2)(a) to (d) of the Financial Promotion Order; and

(3) in both cases (1) and (2) to any other person to whom it may otherwise lawfully be made, (all such persons together being referred to as relevant persons ). Our partnership's common units are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such common units will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with the issue or sale of any common units which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus will only be communicated or caused to be communicated in circumstances in which Section 21(1) of FSMA does not apply to our partnership.

### **Notice to Prospective Investors in Germany**

This prospectus supplement and the accompanying prospectus have not been prepared in accordance with the requirements for a securities or sales prospectus under the German Securities Prospectus Act (Wertpapierprospektgesetz), the German Sales Prospectus Act (Verkaufprospektgesetz), or the German Investment Act (Investmentgesetz). Neither the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) nor any other German authority has been notified of the intention to distribute our common units in Germany. Consequently, our common units may not be distributed in Germany by way of public offering, public advertisement or in any similar manner and this prospectus prospectus supplement, the accompanying and any other document relating to this offering, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the common units to the public in Germany or any other means of public marketing. Our common units are being offered and sold in Germany only to qualified investors which are referred to in Section 3, paragraph 2 no. 1, in connection with Section 2, no. 6, of the German Securities Prospectus Act, Section 8f paragraph 2 no. 4 of the German Sales Prospectus Act, and in Section 2 paragraph 11 sentence 2 no. 1 of the German Investment Act. This prospectus supplement and the accompanying prospectus are strictly for use of the person who has received them. They may not be forwarded to other persons or published in Germany.

This offering of our common units does not constitute an offer to buy or the solicitation or an offer to sell common units in any circumstances in which such offer or solicitation is unlawful.

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### **Notice to Prospective Investors in the Netherlands**

Our common units may not be offered or sold, directly or indirectly, in the Netherlands, other than to qualified investors (gekwalificeerde beleggers) within the meaning of Article 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

### **Notice to Prospective Investors in Switzerland**

This prospectus supplement and the accompanying prospectus are being communicated in Switzerland to a small number of selected investors only. Each copy of this prospectus supplement and the accompanying prospectus are addressed to a specifically named recipient and may not be copied, reproduced, distributed or passed on to third parties. Our common units are not being offered to the public in Switzerland, and neither this prospectus supplement, the accompanying prospectus, nor any other offering materials relating to our common units may be distributed in connection with any such public offering.

We have not been registered with the Swiss Financial Market Supervisory Authority FINMA as a foreign collective investment scheme pursuant to Article 120 of the Collective Investment Schemes Act of June 23, 2006 ( CISA ). Accordingly, our common units may not be offered to the public in or from Switzerland, and neither this prospectus supplement, the accompanying prospectus, nor any other offering materials relating to our common units may be made available through a public offering in or from Switzerland. Our common units may only be offered and this prospectus supplement and the accompanying prospectus may only be distributed in or from Switzerland by way of private placement exclusively to qualified investors (as this term is defined in the CISA and its implementing ordinance).

### **Notice to Prospective Investors in the EEA**

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of securities described in this prospectus supplement and the accompanying prospectus may not be made to the public in that relevant member state other than:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive

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means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the securities as contemplated in this prospectus supplement and the accompanying prospectus. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of us or the underwriters.

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**LEGAL MATTERS**

The validity of the common units offered by this prospectus supplement will be passed upon for us by Locke Lord LLP, Houston, Texas. Certain legal matters in connection with the common units offered by this prospectus supplement will be passed upon for the underwriters by Vinson & Elkins L.L.P., Houston, Texas.

**EXPERTS**

The following financial statements and management's assessment have been incorporated in this prospectus supplement by reference in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing: (i) the consolidated financial statements of Martin Midstream Partners L.P. and subsidiaries as of December 31, 2010 and 2009, and for each of the years in the three year period ended December 31, 2010, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2010, and (ii) the consolidated financial statements of Waskom Gas Processing Company and subsidiaries, one of our unconsolidated entities, as of December 31, 2010 and 2009, and for each of the years in the three year period ended December 31, 2010.

**WHERE YOU CAN FIND MORE INFORMATION**

We file periodic reports and other information with the SEC. You may read and copy this information, for a copying fee, at the SEC's public reference room at 100 F Street, NE, Washington, DC 20549. We encourage you to call the SEC at 1-800-SEC-0330 for more information about its public reference room. Our SEC filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC at <http://www.sec.gov>. Information about us is also available to the public from our website at <http://www.martinmidstream.com>. Information contained on our website is not incorporated by reference into this prospectus supplement and, you should not consider information contained on our website as part of this prospectus supplement.

This prospectus supplement is part of a registration statement we have filed with the SEC relating to the securities we may offer. As permitted by SEC rules, this prospectus supplement does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You should read the registration statement and the exhibits and schedules for more information about us and our securities. The registration statement, exhibits and schedules are available at the SEC's public reference room or through its website.

You may also obtain a copy of our filings with the SEC, at no cost, by telephoning or writing us at the following address:

Martin Midstream Partners L.P.

4200 Stone Road

Kilgore, Texas 75662

Attention: Joe McCreery

Telephone: (903) 983-6200

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus

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supplement and the accompanying prospectus by referring you to other documents filed separately with the SEC. These other documents contain important information about us, our financial condition and results of operations. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Information that we file later with the SEC will automatically update and may replace information in this prospectus supplement and the accompanying prospectus and information previously filed with the SEC.

We incorporate by reference in this prospectus supplement the documents listed below (excluding any portions thereof that are deemed to be furnished and not filed):

our annual report on Form 10-K for the year ended December 31, 2010 filed with the SEC on March 2, 2011;

our quarterly reports on Form 10-Q for the quarters ended March 31, 2011 filed with the SEC on May 4, 2011, June 30, 2011 filed with the SEC on August 9, 2011 and September 30, 2011 filed with the SEC on November 7, 2011;

our current reports on Form 8-K or 8-K/A (excluding any portions thereof that may be deemed to be furnished and not filed) filed January 7, 2011, February 1, 2011, February 4, 2011, February 9, 2011, April 21, 2011, May 4, 2011, June 1, 2011, November 14, 2011, December 7, 2011 and January 13, 2012;

the description of our common units in our registration statement on Form 8-A (File No. 1-02801862) filed pursuant to the Securities Exchange Act of 1934 on October 29, 2002; and

all documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 between the date of this prospectus and prior to the termination of this offering.

You may obtain any of the documents incorporated by reference in this prospectus supplement from the SEC through the SEC's website at the address provided above or by contacting us using the address or telephone number provided above.

You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus. If information in incorporated documents conflicts with information in this prospectus supplement or the accompanying prospectus you should rely on the most recent information. If information in an incorporated document conflicts with information in another incorporated document, you should rely on the most recent incorporated document. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date of those documents. We have not authorized anyone else to provide you with any information.

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**PROSPECTUS**

**Martin Midstream Partners L.P.**  
**Martin Midstream Finance Corp.**  
**\$500,000,000**  
**COMMON UNITS**  
**DEBT SECURITIES**  
**3,500,000 COMMON UNITS**  
**OFFERED BY THE SELLING UNITHOLDER**

The following securities may be offered in one or more offerings under this prospectus:

Common units representing limited partner interests in Martin Midstream Partners L.P.; and

Debt securities of Martin Midstream Partners L.P. and Martin Midstream Finance Corp. Martin Midstream Finance Corp. may act as co-issuer of the debt securities, and certain direct or indirect subsidiaries of Martin Midstream Partners L.P. may guarantee the debt securities.

The aggregate initial offering price of the securities that we offer by this prospectus will not exceed \$500,000,000. We will offer the securities in amounts, at prices and on terms to be determined by market conditions at the time of our offerings.

In addition, the selling unitholder may offer and sell, from time to time, under this prospectus up to an aggregate of 3,500,000 common units. We will not receive any of the proceeds from the sale of our units by the selling unitholder.

This prospectus describes only the general terms of these securities and the general manner in which we or the selling unitholder may offer the securities. The specific terms of any securities we or the selling unitholder may offer will be included in a supplement to this prospectus. The prospectus supplement will describe the specific manner in which we or the selling unitholder will offer the securities and also may add, update or change information contained in this prospectus. The common units are traded on the Nasdaq National Market under the symbol MMLP.

You should read this prospectus and the prospectus supplement carefully before you invest in any of our securities. This prospectus may not be used to consummate sales of our securities unless it is accompanied by a prospectus supplement.

**Investing in our securities involves risk. You should carefully consider the risk factors described under Risk Factors beginning on page 5 of this prospectus before you make any investment in our securities.**

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 30, 2010

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You should rely only on the information contained in this prospectus, any prospectus supplement and the documents we have incorporated by reference. We have not authorized anyone else to give you different information. We are not offering these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents. We will disclose any material changes in our affairs in an amendment to this prospectus, a prospectus supplement or a future filing with the Securities and Exchange Commission incorporated by reference in this prospectus.



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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement on Form S-3 that we have filed with the Securities and Exchange Commission using a shelf registration process. Under this shelf registration process, we may sell, in one or more offerings, up to \$500,000,000 in total aggregate initial offering price of securities described in this prospectus. The selling unitholder may, from time to time, use this process to sell in one or more offering transactions an aggregate of up to 3,500,000 common units. We will not receive any proceeds from the sale of units by the selling unitholder.

This prospectus provides you with a general description of us and the securities offered under this prospectus. Each time we or the selling unitholder sell securities under this prospectus, we or the selling unitholder will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities being offered. The prospectus supplement also may add to, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. You should read carefully this prospectus, any prospectus supplement and the additional information described below under the heading **Where You Can Find More Information**.

As used in this prospectus, **Martin Midstream Partners**, **we**, **us**, and **our** and similar terms mean Martin Midstream Partners L.P., and its subsidiaries. References to **Martin Midstream Partners Predecessor**, **we**, **ours**, **us**, or like terms when used in a historical context for periods prior to November 2002 refer to the assets and operations of Martin Resource Management Corporation's businesses that were contributed to us in connection with the closing of our initial public offering in November 2002. References in this prospectus to **Martin Resource Management** refer to Martin Resource Management Corporation and its direct and indirect consolidated and unconsolidated subsidiaries.

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### **MARTIN MIDSTREAM PARTNERS L.P.**

#### **Overview**

We are a publicly traded limited partnership with a diverse set of operations focused primarily in the United States Gulf Coast region. Our four primary business lines include:

Terminalling and storage services for petroleum products and by-products;

Natural gas services;

Sulfur and sulfur-based products processing, manufacturing, marketing and distribution; and

Marine transportation services for petroleum products and by-products.

The petroleum products and by-products we gather, process, transport, store and market are produced primarily by major and independent oil and gas companies who often turn to third parties, such as us, for the transportation and disposition of these products. In addition to these major and independent oil and gas companies, our primary customers include independent refiners, large chemical companies, fertilizer manufacturers and other wholesale purchasers of these products. We generate the majority of our cash flow from fee-based contracts with these customers. Our location in the Gulf Coast region of the United States provides us strategic access to a major hub for petroleum refining, natural gas gathering and processing and support services for the exploration and production industry.

We were formed in 2002 by Martin Resource Management Corporation ( Martin Resource Management ), a privately-held company whose initial predecessor was incorporated in 1951 as a supplier of products and services to drilling rig contractors. Since then, Martin Resource Management has expanded its operations through acquisitions and internal expansion initiatives as its management identified and capitalized on the needs of producers and purchasers of hydrocarbon products and by-products and other bulk liquids. Martin Resource Management indirectly owns an approximate 35.5% limited partnership interest in us. Furthermore, it owns and controls our general partner, which owns a 2.0% general partner interest and incentive distribution rights in us.

The historical operation of our business segments by Martin Resource Management provides us with several decades of experience and a demonstrated track record of customer service across our operations. Our current lines of business have been developed and systematically integrated over this period of more than 50 years, including natural gas services (1950s); sulfur (1960s); marine transportation (late 1980s) and terminalling and storage (early 1990s). This development of a diversified and integrated set of assets and operations has produced a complementary portfolio of midstream services that facilitates the maintenance of long-term customer relationships and encourages the development of new customer relationships.

#### **Primary Business Segments**

Our primary business segments can be generally described as follows:

*Terminalling and Storage.* We own or operate 12 marine shore based terminal facilities and 11 specialty terminal facilities located in the United States Gulf Coast region that provide storage, processing and handling services for producers and suppliers of petroleum products and by-products, lubricants and other liquids, including the refining of various grades and quantities of naphthenic lubricants and related products. Our facilities and resources provide us with the ability to handle various products that require specialized treatment, such as molten sulfur and asphalt. We also provide land rental to oil and gas companies along with storage and handling services for lubricants and fuel oil. We provide these terminalling and storage services on a fee basis primarily under long-term contracts. A significant portion of the contracts in this segment provide for minimum fee arrangements that are not based on the volumes handled.



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*Natural Gas Services.* Through our acquisitions of Prism Gas Systems I, L.P. ( Prism Gas ) and Woodlawn Pipeline Co., Inc. ( Woodlawn ), we have ownership interests in over 615 miles of gathering and transmission pipelines located in the natural gas producing regions of East Texas, Northwest Louisiana, the Texas Gulf Coast and offshore Texas and federal waters in the Gulf of Mexico, as well as a 285 MMcfd capacity natural gas processing plant located in East Texas. In addition to our natural gas gathering and processing business, we distribute natural gas liquids or, NGLs . We purchase NGLs primarily from natural gas processors. We store NGLs in our supply and storage facilities for wholesale deliveries to propane retailers, refineries and industrial NGL users in Texas and the Southeastern United States. We own an NGL pipeline which spans approximately 200 miles running from Kilgore to Beaumont, Texas. We own three NGL supply and storage facilities with an aggregate above-ground storage capacity of approximately 3,000 barrels and we lease approximately 2.2 million barrels of underground storage capacity for NGLs. We believe we have a natural gas processing competitive advantage in East Texas with the only full fractionation facilities serving this area. The recent acquisition of natural gas gathering and processing assets from Crosstex Energy, L.P. and Crosstex Energy, Inc. by our Waskom Gas Processing Company (a joint venture in which we participate with Center Point Energy Gas Processing Company, an indirect, wholly-owned subsidiary of CenterPoint Energy, Inc.) further strengthens our East Texas infrastructure.

*Sulfur Services.* We have developed an integrated system of transportation assets and facilities relating to sulfur services over the last 30 years. We process and distribute sulfur predominantly produced by oil refineries primarily located in the United States Gulf Coast region. We handle molten sulfur on contracts that are tied to sulfur indices and tend to provide stable margins. We process molten sulfur into prilled or pelletized sulfur on take or pay fee contracts at our facilities in Port of Stockton, California and Beaumont, Texas. The sulfur we process and handle is primarily used in the production of fertilizers and industrial chemicals. We own and operate six sulfur-based fertilizer production plants and one emulsified sulfur blending plant that manufacture primarily sulfur-based fertilizer products for wholesale distributors and industrial users. These plants are located in Illinois, Texas and Utah. In October 2007, we completed the construction of a sulfuric acid production plant in Plainview, Texas which processes molten sulfur into sulfuric acid. Demand for our sulfur products exists in both the domestic and foreign markets, and we believe our asset base provides us with additional opportunities to handle increases in U.S. supply and access to foreign demand.

*Marine Transportation.* We own a fleet of 40 inland marine tank barges, 17 inland push boats and four offshore tug barge units that transport petroleum products and by-products largely in the United States Gulf Coast region. We provide these transportation services on a fee basis primarily under annual contracts and many of our customers have long standing contractual relationships with us. Over the past several years, we have focused on modernizing our fleet. As a result, the average age of our vessels has decreased from 33 years in 2006 to 22 years as of March 4, 2010 and we anticipate that the average age will be 19 years at the end of 2010. This modernized asset base is attractive both to our existing customers as well as potential new customers. In addition, our fleet contains several vessels that reflect our focus on specialty products. For example, we are one of a very limited number of companies that can transport molten sulfur.

Our principal executive offices are located at 4200 Stone Road, Kilgore, Texas 75662, our phone number is (903) 983-6200, and our web site is [www.martinmidstream.com](http://www.martinmidstream.com).

**Our Relationship with Martin Resource Management**

We were formed in 2002 by Martin Resource Management, a privately-held company whose initial predecessor was incorporated in 1951 as a supplier of products and services to drilling rig contractors. Since then, Martin Resource Management has expanded its operations through acquisitions and internal expansion initiatives as its management identified and capitalized on the needs of producers and purchasers of hydrocarbon products and by-products and other bulk liquids. Martin Resource Management owns an approximate 35.5%

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limited partnership interest in us. Furthermore, it owns and controls our general partner, which owns a 2.0% general partner interest and incentive distribution rights in us. Martin Resource Management directs our business operations through its ownership and control of our general partner. In addition, under the terms of an omnibus agreement with Martin Resource Management, the employees of Martin Resource Management are responsible for conducting our business and operating our assets. Martin Resource Management is also an important supplier and customer of ours.

**THE SUBSIDIARY GUARANTORS**

Our general partner, Martin Midstream GP LLC, is a Delaware limited liability company. Martin Resource Management Corporation, a Delaware corporation, owns and controls Martin Midstream GP LLC, such that it has ultimate responsibility for conducting our business and managing our operations.

We own 100% of Martin Midstream Finance Corp. Martin Midstream Finance Corp. was organized for the purpose of co-issuing our debt securities and has no material assets or liabilities, other than as co-issuer of our debt securities. Its activities will be limited to co-issuing our debt securities and engaging in activities thereto.

Martin Operating GP LLC, Martin Operating Partnership L.P., Prism Gas Systems I, L.P., Prism Gas Systems GP, L.L.C., Prism Gulf Coast Systems, L.L.C., McLeod Gas Gathering and Processing Company, L.L.C., Woodlawn Pipeline Co., Inc. and Prism Liquids Pipeline LLC may unconditionally guarantee any series of debt securities of Martin Midstream Partners L.P. and Martin Midstream Finance Corp. offered by this prospectus, as set forth in a related prospectus supplement. As used in this prospectus, the term **Subsidiary Guarantors** means the subsidiaries that unconditionally guarantee any such series of debt securities.

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**RISK FACTORS**

An investment in our securities involves a high degree of risk. You should carefully consider the risks described in our filings with the SEC referred to under the heading *Where You Can Find More Information*, as well as the risks included and incorporated by reference in this prospectus, including the risk factors incorporated by reference herein from our Annual Report on Form 10-K for the year ended December 31, 2009, as amended on our Form 10-K/A filed with the SEC on May 4, 2010, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010, June 30, 2010 and September 30, 2010, as updated by annual, quarterly and other reports and documents we file with the SEC after the date of this prospectus and that are incorporated by reference herein. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our common units or debt securities could decline and you could lose all or part of your investment. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

**FORWARD-LOOKING STATEMENTS**

This prospectus, the accompanying prospectus supplement and the documents we incorporate by reference include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements included in this prospectus, the accompanying prospectus supplement and the documents we incorporate by reference that are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto), are forward-looking statements. These statements can be identified by the use of forward-looking terminology including *forecast*, *may*, *believe*, *will*, *expect*, *anticipate*, *estimate*, *continue* or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other forward-looking information. We and our representatives may from time to time make other oral or written statements that are also forward-looking statements.

These forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Because these forward-looking statements involve risks and uncertainties, actual results could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons, including, but not limited to, the matters discussed under *Risk Factors* and elsewhere in this prospectus, the accompanying prospectus supplement and the documents we incorporate by reference herein. If one or more of these risks or uncertainties materialize (or the consequences of such a development changes), or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. We undertake no responsibility to update forward-looking statements for changes related to these or any other factors that may occur subsequent to this filing for any reason.

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**USE OF PROCEEDS**

Unless we specify otherwise in any prospectus supplement, we will use the net proceeds (after the payment of offering expenses and underwriting discounts and commissions) from the sale of securities offered hereby for general partnership purposes, which may include, among other things:

paying or refinancing all or a portion of our indebtedness outstanding at the time, including indebtedness incurred in connection with acquisitions; and

funding working capital, capital expenditures or acquisitions.

The actual application of proceeds from the sale of any particular offering of securities using this prospectus will be described in the applicable prospectus supplement relating to such offering. The precise amount and timing of the application of these proceeds will depend upon our funding requirements and the availability and cost of other funds.

We will not receive any of the proceeds from the sale of the common units by the selling unitholder.

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**RATIO OF EARNINGS TO FIXED CHARGES**

The table below sets forth the Ratios of Earnings to Fixed Charges for us for each of the periods indicated.

	Fiscal Year Ended December 31,					Nine Months
	2005	2006	2007	2008	2009	Ended September 30, 2010
Ratio of Earnings to Fixed Charges	2.41	2.17	2.64	2.52	1.97	1.38

Earnings included in the calculation of this ratio consist of pre-tax income before minority interest and equity in earnings of the partnership, distributions from unconsolidated entities, fixed charges and amortization of capitalized interest less capitalized interest. Fixed charges included in the calculation of this ratio consist of fixed charges interest expense, capitalized interest and estimated interest element of rentals.



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**DESCRIPTION OF THE DEBT SECURITIES**

Martin Midstream Partners and Martin Midstream Finance Corp. may issue senior debt securities under an indenture among them, the Subsidiary Guarantors, if any, and a trustee that we will name in the related prospectus supplement. We refer to this indenture as the Martin Midstream Partners senior indenture. The issuers may also issue subordinated debt securities under an indenture to be entered into among them, the Subsidiary Guarantors, if any, and a trustee that we will name in the related prospectus supplement. We refer to this indenture as the Martin Midstream Partners subordinated indenture. We refer to the Martin Midstream Partners senior indenture and the Martin Midstream Partners subordinated indenture collectively as the indentures. The debt securities will be governed by the provisions of the related indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939.

We have summarized material provisions of the indentures, the debt securities and the guarantees below. This summary is not complete. We have filed the form of senior indentures and the form of subordinated indentures with the SEC as exhibits to the registration statement of which this prospectus forms a part, and you should read the indentures for provisions that may be important to you.

Unless the context otherwise requires, references in this Description of the Debt Securities to we, us and our mean Martin Midstream Partners and Martin Midstream Finance Corp. and references herein to an indenture refer to the particular indenture under which we issue a series of debt securities.

**Provisions Applicable to Each Indenture**

*General.* Any series of debt securities:

will be general obligations of the issuer;

will be general obligations of the Subsidiary Guarantors if they are guaranteed by the Subsidiary Guarantors; and

may be subordinated to the Senior Indebtedness (as defined below) of the issuers and the Subsidiary Guarantors.

The indentures do not limit the amount of debt securities that may be issued under any indenture, and do not limit the amount of other indebtedness or securities that we may issue. We may issue debt securities under the indentures from time to time in one or more series, each in an amount authorized prior to issuance.

No indenture contains any covenants or other provisions designed to protect holders of the debt securities in the event we participate in a highly leveraged transaction or upon a change of control. The indentures also do not contain provisions that give holders the right to require us to repurchase their securities in the event of a decline in our credit ratings for any reason, including as a result of a takeover, recapitalization or similar restructuring or otherwise.

*Terms.* We will prepare a prospectus supplement and either a supplemental indenture, or authorizing resolutions of the board of directors of our general partner, accompanied by an officers certificate, relating to any series of debt securities that we offer, which will include specific terms relating to some or all of the following:

whether the debt securities will be senior or subordinated debt securities;

the form and title of the debt securities of that series;

whether or not the debt securities will be secured;

the total principal amount of the debt securities of that series;

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whether the debt securities will be issued in individual certificates to each holder or in the form of temporary or permanent global securities held by a depository on behalf of holders;

the date or dates on which the principal of and any premium on the debt securities of that series will be payable;

any interest rate which the debt securities of that series will bear, the date from which interest will accrue, interest payment dates and record dates for interest payments;

any right to extend or defer the interest payment periods and the duration of the extension;

whether and under what circumstances any additional amounts with respect to the debt securities will be payable;

whether the debt securities are entitled to the benefit of any guarantee by any Subsidiary Guarantor;

the place or places where payments on the debt securities of that series will be payable;

any provisions for optional redemption or early repayment;

any provisions that would require the redemption, purchase or repayment of debt securities;

the denominations in which the debt securities will be issued;

whether payments on the debt securities will be payable in foreign currency or currency units or another form and whether payments will be payable by reference to any index or formula;

the portion of the principal amount of debt securities that will be payable if the maturity is accelerated, if other than the entire principal amount;

any additional means of defeasance of the debt securities, any additional conditions or limitations to defeasance of the debt securities or any changes to those conditions or limitations;

any changes or additions to the events of default or covenants described in this prospectus;

any restrictions or other provisions relating to the transfer or exchange of debt securities;

any terms for the conversion or exchange of the debt securities for our other securities or securities of any other entity;

whether the securities are to constitute Rule 144A securities;

any changes to the subordination provisions for the subordinated debt securities; and

any other terms of the debt securities of that series.

This description of debt securities will be deemed modified, amended or supplemented by any description of any series of debt securities set forth in a prospectus supplement related to that series.

We may sell the debt securities at a discount, which may be substantial, below their stated principal amount. These debt securities may bear no interest or interest at a rate that at the time of issuance is below market rates. If we sell these debt securities, we will describe in the prospectus supplement any material United States federal income tax consequences and other special considerations.

If we sell any of the debt securities for any foreign currency or currency unit or if payments on the debt securities are payable in any foreign currency or currency unit, we will describe in the prospectus supplement the restrictions, elections, tax consequences, specific terms and other information relating to those debt securities and the foreign currency or currency unit.

*The Subsidiary Guarantees.* The Subsidiary Guarantors may fully, unconditionally and absolutely guarantee on an unsecured basis all series of debt securities of the issuers and may execute a notation of guarantee as further evidence of such guarantee. The applicable prospectus supplement will describe the terms of any such guarantee by the Subsidiary Guarantors.

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If a series of senior debt securities is so guaranteed, the Subsidiary Guarantors' guarantee of the senior debt securities will be the Subsidiary Guarantors' unsecured and unsubordinated general obligation, and will rank on a parity with all of the Subsidiary Guarantors' other unsecured and unsubordinated indebtedness. If a series of subordinated debt securities is so guaranteed, the Subsidiary Guarantors' guarantee of the subordinated debt securities will be the Subsidiary Guarantors' unsecured general obligation and will be subordinated to all of the Subsidiary Guarantors' other unsecured and unsubordinated indebtedness.

The obligations of each Subsidiary Guarantor under its guarantee of the debt securities will be limited to the maximum amount that will not result in the obligations of the Subsidiary Guarantor under the guarantee constituting a fraudulent conveyance or fraudulent transfer under federal or state law, after giving effect to:

all other contingent and fixed liabilities of the Subsidiary Guarantor; and

any collections from or payments made by or on be