

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): **July 31, 2018**

Ferrellgas Partners, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-11331
(Commission
File Number)

43-1698480
(I.R.S. Employer
Identification No.)

**7500 College Blvd., Suite 1000,
Overland Park, Kansas**
(Address of principal executive offices)

66210
(Zip Code)

Registrant's telephone number, including area code: **913-661-1500**

n/a

Former name or former address, if changed since last report

Ferrellgas Partners Finance Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

333-06693
(Commission
File Number)

43-1742520
(I.R.S. Employer
Identification No.)

**7500 College Blvd., Suite 1000,
Overland Park, Kansas**
(Address of principal executive offices)

66210
(Zip Code)

Registrant's telephone number, including area code: **913-661-1500**

n/a

Former name or former address, if changed since last report

Ferrellgas, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50182
(Commission
File Number)

43-1698481
(I.R.S. Employer
Identification No.)

**7500 College Blvd., Suite 1000,
Overland Park, Kansas**
(Address of principal executive offices)

66210
(Zip Code)

Registrant's telephone number, including area code: **913-661-1500**

n/a

Former name or former address, if changed since last report

Ferrellgas Finance Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50183
(Commission
File Number)

14-1866671
(I.R.S. Employer
Identification No.)

**7500 College Blvd., Suite 1000,
Overland Park, Kansas**
(Address of principal executive offices)

66210
(Zip Code)

Registrant's telephone number, including area code: **913-661-1500**

n/a

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.01. Completion of Acquisition or Disposition of Assets.

On July 31, 2018, Ferrellgas Partners, L.P. (“Ferrellgas Partners” or the “Company”) completed the sale of a subsidiary and a group of assets to two subsidiaries controlled by Pilot Travel Centers LLC (“Pilot Flying J”) for approximately \$57.0 million in cash, subject to customary post-closing adjustments to working capital. The subsidiary sold was Bridger Environmental LLC, which encompasses all saltwater disposal activities previously operated by Ferrellgas Partners. The group of assets sold includes all assets, excluding working capital, associated with the crude oil trucking operations previously operated by Ferrellgas Partners. Additionally, the sale included two crude oil injection terminals. All operations sold to Pilot Flying J had been included in Ferrellgas Partners’ and the operating partnership’s Midstream segment. Raymond James served as the exclusive financial advisor to the Company on this transaction.

Item 8.01. Other Information.

On August 1, 2018, the Company issued a press release announcing the disposition described above. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(b) Unaudited Pro Forma Condensed Consolidated Financial Information

The unaudited pro forma condensed consolidated balance sheets as of April 30, 2018 give effect to the disposition described above under Item 2.01 as if it had occurred on April 30, 2018. The unaudited pro forma condensed consolidated statements of operations for the year ended July 31, 2017 and the nine months ended April 30, 2018 give effect to the disposition described above under Item 2.01 as if it had occurred on August 1, 2016. The unaudited pro forma condensed consolidated financial information is provided for illustrative purposes only and does not purport to represent what Ferrellgas Partners’ or the operating partnership’s actual results of operations or financial position would have been if the disposition had occurred on the dates indicated, nor are they necessarily indicative of Ferrellgas Partners’ or the operating partnership’s future operating results or financial position.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release issued by the Company, dated August 1, 2018.*
99.2	Unaudited Pro Forma Condensed Consolidated Financial Information of Ferrellgas Partners, L.P.*
99.3	Unaudited Pro Forma Condensed Consolidated Financial Information of Ferrellgas, L.P.*

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FERRELLGAS PARTNERS, L.P.
By Ferrellgas, Inc. (General Partner)

August 6, 2018

By: /s/ Doran N. Schwartz
Name: Doran N. Schwartz
Title: Senior Vice President; Chief Financial Officer; Treasurer
(Principal Financial and Accounting Officer)

FERRELLGAS PARTNERS FINANCE CORP.

August 6, 2018

By: /s/ Doran N. Schwartz
Name: Doran N. Schwartz
Title: Chief Financial Officer and Sole Director

FERRELLGAS, L.P.
By Ferrellgas, Inc. (General Partner)

August 6, 2018

By: /s/ Doran N. Schwartz

Name: Doran N. Schwartz
Title: Senior Vice President; Chief Financial Officer; Treasurer
(Principal Financial and Accounting Officer)

FERRELLGAS FINANCE CORP.

August 6, 2018

By: /s/ Doran N. Schwartz
Name: Doran N. Schwartz
Title: Chief Financial Officer and Sole Director

Ferrellgas Partners, L.P. Completes Sale of Remaining Bridger Operations and Global Sourcing Business

LIBERTY, Mo., August 1, 2018 (GLOBE NEWSWIRE) — Ferrellgas Partners, L.P. (NYSE:FGP) (“Ferrellgas” or the “Company”) today announced the successful divestitures of its Bridger Environmental, Bridger Transportation, and Bridger Terminals (collectively as Bridger) and Blue Rhino Global Sourcing lines of business. These divestitures reflect the Company’s decision to focus on its core retail propane distribution and Blue Rhino tank exchange operations. The transactions generated net proceeds of approximately \$92 million which are to be re-invested into growth opportunities of the propane business, debt reduction or general working capital purposes.

The Company completed the Bridger sale, which includes the company’s saltwater disposal operations operating as Bridger Environmental, all assets associated with its crude oil trucking business operating as Bridger Transportation, and two crude oil injection terminals to two subsidiaries controlled by Pilot Flying J on July 31, 2018. Other terms of the deal were not disclosed. In separate transactions, the remaining assets of the Bridger Terminal business were sold to various parties. The largest of these assets, the Swan Ranch Terminal, was sold to a division of The Granite Peak Group.

Further, the Company also recently completed the sale of Blue Rhino Global Sourcing, which manufactures and distributes grills, firepits, and grilling tools. The transaction closed on July 27, 2018 to an undisclosed buyer. This business is not related to the Blue Rhino tank exchange business, which the Company will continue to own and operate.

“We continue to pursue strategies that enable us to focus on our retail propane and Blue Rhino tank exchange businesses,” said James E. Ferrell, Interim Chief Executive Officer and President of Ferrellgas. “Our propane operations have seen strong growth this year and we have good momentum. We see that trend continuing as we build our company for long term success to the benefit of our customers, our employees and our investors.”

About Ferrellgas

Ferrellgas Partners, L.P., through its operating partnership, Ferrellgas, L.P., and subsidiaries, serves propane customers in all 50 states, the District of Columbia, and Puerto Rico, and provides midstream services to major energy companies in the United States. Ferrellgas employees indirectly own 22.8 million common units of the partnership, through an employee stock ownership plan. Ferrellgas Partners, L.P. filed a Form 10-K with the Securities and Exchange Commission on September 28, 2017. Investors can request a hard copy of this filing free of charge and obtain more information about the partnership online at www.ferrellgas.com.

About Pilot Flying J

Pilot Flying J, the largest operator of travel centers in North America, is committed to connecting people and places with comfort, care and a smile at every stop. Headquartered in Knoxville, Tennessee, Pilot Flying J has more than 750 retail locations in 44 states, Roadside assistance available at over 145 locations nationwide and growing as part of its Truck Care program, 44 Goodyear Commercial Tire and Service Centers, and 34 Boss Shops. The Pilot Flying J network provides drivers with access to more than 72,000 parking spaces for trucks with Prime Parking at more than 400 locations, 5,200 deluxe showers and more than 6,200 diesel lanes with 5,200 offering Diesel Exhaust Fluid (DEF) at the pump. Pilot Flying J is currently ranked No. 15 on Forbes’ list of America’s Largest Private Companies. Visit www.pilotflyingj.com/ for more information.

About The Granite Peak Group

The Granite Peak Group (www.thegranitepeakgroup.com) is a diverse group of infrastructure and service companies including rail and midstream assets, frac sand and petroleum product transloading, fabrication, crude oil marketing, and a broad real estate portfolio.

Forward Looking Statements

Statements in this release concerning expectations for the future are forward-looking statements. A variety of known and unknown risks, uncertainties and other factors could cause results, performance, and expectations to differ materially from anticipated results, performance, and expectations. These risks, uncertainties, and other factors include those discussed in the Form 10-K of Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P., and Ferrellgas Finance Corp. for the fiscal year ended July 31, 2017, the Form 10-Q of these entities for the fiscal quarter ended April 30, 2018 and in other documents filed from time to time by these entities with the Securities and Exchange Commission.

Contacts

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Bill Ruisinger, Investor Relations — billruisinger@ferrellgas.com, 816-792-7914

FERRELLGAS PARTNERS, L.P.
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FERRELLGAS PARTNERS, L.P.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On July 31, 2018, Ferrellgas Partners L.P. (“Ferrellgas Partners”) and Ferrellgas, L.P. (“the operating partnership”) completed the sale of a subsidiary and a group of assets (the “Disposition”), all of which had been included in Ferrellgas Partners’ and the operating partnership’s Midstream segment, for approximately \$57.0 million in cash, subject to customary post-closing adjustments to working capital. The subsidiary sold was Bridger Environmental LLC, which encompasses all saltwater disposal operations previously operated by Ferrellgas Partners. The group of assets sold includes all assets associated with the crude oil trucking operations previously operated by Ferrellgas Partners. Additionally, the Disposition included the sale of two crude oil injection terminals.

The accompanying unaudited pro forma condensed consolidated financial information of Ferrellgas Partners has been prepared in accordance with Article 11 of Regulation S-X. The accompanying unaudited pro forma condensed consolidated balance sheet as of April 30, 2018, includes adjustments in the column “Midstream disposition” to give pro forma effect to the Disposition as if it had occurred on April 30, 2018. The accompanying unaudited pro forma condensed consolidated statements of operations for the nine months ended April 30, 2018 and the year ended July 31, 2017 include adjustments in the column “Midstream disposition” to give pro forma effect to the Disposition as if it occurred August 1, 2016. The terms “we”, “our”, “us”, and similar language used in this unaudited pro forma condensed consolidated financial information refer to Ferrellgas Partners and its subsidiaries.

This unaudited pro forma condensed consolidated financial information has been derived from our historical financial statements, which are included in our quarterly report on Form 10-Q for the quarter ended April 30, 2018, and our annual report on Form 10-K for the year ended July 31, 2017.

This unaudited pro forma condensed consolidated financial information is provided for illustrative purposes only and does not purport to represent what our actual results of operations would have been if the Disposition had occurred on the dates indicated, nor is it necessarily indicative of our future operating results or financial position. However, the pro forma adjustments included in this unaudited pro forma condensed consolidated financial information reflect estimates and assumptions that we believe to be reasonable.

Although pro forma adjustments for the following transactions were not required under Article 11 of Regulation S-X, we have included adjustments to give pro forma effect to the following transactions in our unaudited pro forma condensed consolidated financial information:

- In January 2018, we sold Bridger Energy, LLC for an \$8.5 million secured promissory note due in May 2020. Adjustments to remove the historical results of operations for this disposition have been included in the column “Other Midstream dispositions” in the unaudited pro forma condensed consolidated statements of operations as if the disposition had occurred on August 1, 2016.
- During the third quarter of fiscal 2018, we sold 1,292 rail cars for approximately \$51.3 million. The proceeds from the disposal were used to repay debt. Adjustments to remove the historical results of operations for this disposition have been included in the column “Other Midstream dispositions” in the unaudited pro forma condensed consolidated statements of operations as if the disposition had occurred on August 1, 2016.
- On May 4, 2018, the operating partnership executed a new \$575.0 million senior secured credit facility to replace the previous \$575.0 million senior secured credit facility that was scheduled to mature in October 2018. This new facility consists of a \$300 million revolving line of credit, as well as a \$275 million term loan, both priced at LIBOR + 5.75% and maturing May 4, 2023. Adjustments have been included in the unaudited pro forma condensed consolidated balance

sheet as if the refinancing had occurred on April 30, 2018 and in the unaudited pro forma condensed consolidated statements of operations as if the refinancing had occurred on August 1, 2016.

- On July 31, 2018, we sold certain crude oil terminal assets previously included in our Midstream segment for approximately \$8.0 million in cash. Adjustments to remove the historical assets, liabilities and results of operations for this disposition have been included in the column “Other Midstream dispositions” in the unaudited pro forma condensed consolidated balance sheet as if the disposition had occurred on April 30, 2018 and in the unaudited pro forma condensed consolidated statements of operations as if the disposition had occurred on August 1, 2016.
- On July 27, 2018, we sold a group of assets encompassing an immaterial reporting unit within our Propane operations segment for approximately \$26.6 million in cash, subject to customary post-closing adjustments to working capital. The reporting unit was engaged in the sale of certain lower margin equipment to large retailers. Adjustments to remove the historical assets, liabilities and results of operations for this disposition have been included in the column “Global Products disposition” in the unaudited pro forma condensed

FERRELLGAS PARTNERS, L.P.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF APRIL 30, 2018
(in thousands)
(unaudited)

	Ferrellgas Partners, L.P. Historical	Midstream Disposition	Other Midstream Dispositions	Global Products Disposition	Pro Forma Adjustments	Ferrellgas Partners, L.P. Pro Forma
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 9,499	\$ —	\$ —	\$ (50)	\$ 48,932(B) 86,500(A)	\$ 144,881
Accounts and notes receivable	202,727	(2,033)	(754)	(17,706)	—	182,234
Inventories	85,062	(103)	(110)	(11,701)	—	73,148
Prepaid expenses and other current assets	44,090	(7,421)	(52)	(4,020)	—	32,597
Total Current Assets	341,378	(9,557)	(916)	(33,477)	135,432	432,860
Property, plant and equipment, net	637,688	(67,189)	(16,743)	(1,205)	—	552,551
Goodwill, net	246,098	—	—	—	—	246,098
Intangible assets, net	235,318	(95,493)	—	(16,648)	—	123,177
Other assets, net	72,094	(447)	—	(915)	15,064(B)	85,796
Total Assets	<u>\$ 1,532,576</u>	<u>\$ (172,686)</u>	<u>\$ (17,659)</u>	<u>\$ (52,245)</u>	<u>\$ 150,496</u>	<u>\$ 1,440,482</u>
LIABILITIES AND PARTNERS' CAPITAL						
Current Liabilities:						
Accounts payable	\$ 52,472	\$ (110)	\$ (365)	\$ —	\$ —	\$ 51,997
Other current liabilities	158,875	(264)	(231)	(1,565)	—	156,815
Other Note payables to 3rd party	104,000	—	—	—	—	104,000
Total Current Liabilities	315,347	(374)	(596)	(1,565)	—	312,812
Long-term debt	1,995,608	—	—	—	65,000(B)	2,060,608
Other liabilities	34,225	(210)	—	(4,400)	—	29,615
Partners' Capital	(830,276)	—	—	—	(148,945)(A) (1,004)(B)	(980,225)
Accumulated other comprehensive income	17,672	—	—	—	—	17,672
Total Partners' Capital	(812,604)	—	—	—	(149,949)	(962,553)
Total Liabilities and Partners' Capital	<u>\$ 1,532,576</u>	<u>\$ (584)</u>	<u>\$ (596)</u>	<u>\$ (5,965)</u>	<u>\$ (84,949)</u>	<u>\$ 1,440,482</u>

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FERRELLGAS PARTNERS, L.P.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED APRIL 30, 2018
(in thousands, except per share data)
(unaudited)

	Ferrellgas Partners, L.P. Historical	Midstream Disposition	Other Midstream Dispositions	Global Products Disposition	Pro Forma Adjustments	Ferrellgas Partners, L.P. Pro Forma
Revenues:						
Propane and other gas	\$ 1,346,299	\$ —	\$ —	\$ —	\$ —	\$ 1,346,299

liquids sales						
Midstream revenues and other	260,631	(68,826)	(191,571)	—	—	234
Other	118,691	—	—	(60,301)	—	58,390
Total revenues	1,725,621	(68,826)	(191,571)	(60,301)		1,404,923
Costs and expenses:						
Cost of product sold - propane/gas liquids	802,852	—	—	—	—	802,852
Cost of product sold - Midstream	229,710	(47,707)	(179,817)	—	—	2,186
Cost of product sold - other	54,339	—	—	(47,238)	—	7,101
Operating expenses	350,757	(18,668)	(739)	(7,938)	—	323,412
Depreciation and amortization	76,565	(15,664)	(2,876)	(1,837)	—	56,188
General and administrative	39,733	—	(3,647)	(900)	—	35,186
Equipment leases	20,828	—	(251)	(22)	—	20,555
ESOP expense	10,731	—	—	—	—	10,731
Goodwill Impairment	10,005	—	—	(10,005)	—	—
Loss on disposal of fixed assets	46,414	(2,174)	—	(45)	—	44,195
Operating income	83,687	15,387	(4,241)	7,684	—	102,517
Interest expense	(123,855)	—	—	—	(4,572)(C)	(128,427)
Other income, net	1,422	—	(921)	(11)	—	490
Loss before income tax exp	(38,746)	15,387	(5,162)	7,673	(4,572)	(25,420)
Income tax expense	282	—	(5)	(82)	—	195
Net loss	(39,028)	15,387	(5,157)	7,755	(4,572)	(25,615)
Net income (loss) attributable to noncontrolling interest	(131)	155	(52)	78	(46)	4
Net loss attributable Ferrellgas Partners, L.P.	(38,897)	15,232	(5,105)	7,677	(4,526)	(25,619)
Less: General partner's interest in net loss	(389)	152	(51)	77	(45)	(256)
Common unitholders' interest in net loss	<u>\$ (38,508)</u>	<u>\$ 15,080</u>	<u>\$ (5,054)</u>	<u>\$ 7,600</u>	<u>\$ (4,481)</u>	<u>\$ (25,363)</u>
Basic and diluted net loss per common unitholders' interest	<u>\$ (0.40)</u>					<u>\$ (0.26)</u>

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FERRELLGAS PARTNERS, L.P.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2017
(in thousands, except per share data)
(unaudited)

	Ferrellgas Partners, L.P. Historical	Midstream Disposition	Other Midstream Dispositions	Global Products Disposition	Pro Forma Adjustments	Ferrellgas Partners, L.P. Pro Forma
Revenues:						
Propane and other gas liquids sales	\$ 1,318,412	\$ —	\$ —	\$ —	\$ —	\$ 1,318,412
Midstream revenues and other	466,703	(88,421)	(376,267)	—	—	2,015
Other	145,162	—	—	(75,382)	—	69,780
Total revenues	1,930,277	(88,421)	(376,267)	(75,382)	—	1,390,207
Costs and expenses:						
Cost of product sold - propane/gas liquids	694,155	—	—	—	—	694,155
Cost of product sold - Midstream	429,439	(58,588)	(367,192)	—	—	3,659
Cost of product sold - other	67,267	—	—	(58,972)	—	8,295
Operating expenses	432,413	(22,543)	(3,644)	(12,001)	—	394,225

Depreciation and amortization	103,351	(22,471)	(5,647)	(2,065)	—	73,168
General and administrative	49,617	—	(3,463)	(1,200)	—	44,954
Equipment leases	29,123	—	(529)	(35)	—	28,559
ESOP expense	15,088	—	—	—	—	15,088
Loss on disposal of fixed assets	14,457	(5,259)	—	—	—	9,198
Operating income	95,367	20,440	4,208	(1,109)	—	118,906
Interest expense	(152,485)	—	—	—	(9,034)(C)	(161,519)
Other income, net	1,474	—	(1,646)	1,022	—	850
Loss before income tax expense	(55,644)	20,440	2,562	(87)	(9,034)	(41,763)
Income tax expense (benefit)	(1,143)	—	(24)	1,390	—	223
Net loss	(54,501)	20,440	2,586	(1,477)	(9,034)	(41,986)
Net loss attributable to noncontrolling interest	(294)	206	26	(15)	(91)	(167)
Net loss attributable Ferrellgas Partners, L.P.	(54,207)	20,234	2,560	(1,462)	(8,943)	(41,819)
Less: General partner's interest in net loss	(542)	202	26	(15)	(89)	(418)
Common unitholders' interest in net loss	<u>\$ (53,665)</u>	<u>\$ 20,032</u>	<u>\$ 2,534</u>	<u>\$ (1,447)</u>	<u>\$ (8,854)</u>	<u>\$ (41,401)</u>
Basic and diluted net loss per common unitholders' interest	<u>\$ (0.55)</u>					<u>\$ (0.43)</u>

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FERRELLGAS PARTNERS, L.P.
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(Unaudited)

Note A — Basis of presentation

The unaudited pro forma condensed consolidated balance sheet as of April 30, 2018, and the unaudited pro forma condensed consolidated statements of operations for the nine months ended April 30, 2018, and for the year ended July 31, 2017, are based on the historical financial statements of Ferrellgas Partners, L.P. ("Ferrellgas Partners").

This unaudited pro forma condensed consolidated financial information is provided for illustrative purposes only and does not purport to represent what our actual results of operations would have been if the various transactions had occurred on the dates indicated, nor is it necessarily indicative of our future operating results or financial position. However, the pro forma adjustments included in this unaudited pro forma condensed consolidated financial information reflect estimates and assumptions that we believe to be reasonable.

Preparation of the unaudited pro forma condensed consolidated financial information was based on assumptions considered appropriate by Ferrellgas Partners' management. The unaudited pro forma condensed consolidated financial information is unaudited and is not necessarily indicative of the results which would have occurred if the various dispositions and the refinancing of our senior secured credit facility described above had been consummated on August 1, 2016 for the unaudited pro forma condensed consolidated statements of operations and on April 30, 2018 for the unaudited pro forma condensed consolidated balance sheet, nor does it purport to represent the future financial position and the results of operations for future periods. In management's opinion, all adjustments necessary to reflect the pro forma effects of the various dispositions and the refinancing of our senior secured credit facility have been made.

Note B — Pro forma adjustments

The following is a description of the pro forma adjustments to the historical condensed consolidated financial statements:

- (A) Adjustments related to the various dispositions to reflect the estimated net cash proceeds received and unaudited pro forma pre-tax losses based on the carrying values as of April 30, 2018, including (in millions):

Description of disposition	Proceeds	Pro forma pre-tax loss
Sale of saltwater disposal well operations, crude oil trucking operations, and two crude oil injection terminals	\$ 57.0	\$ 115.1
Sale of crude oil terminal assets	8.0	9.1
Sale of an immaterial reporting unit within our Propane operations segment	26.6	19.7
Transaction fees and other associated costs	(5.1)	5.1

- (B) Adjustment to reflect the refinancing of Ferrellgas Partners' credit facility on May 4, 2018, which included: (i) the issuance of a \$275.0 million term loan; (ii) the repayment of \$210.0 million of borrowings under the old senior secured credit facility as of April 30, 2018; (iii) payment of approximately \$15.1 million in financing costs; and (iv) receipt of approximately \$48.9 million in cash.
- (C) Adjustment to reflect increase in interest expense following the refinancing of Ferrellgas Partners' credit facility on May 4, 2018.

FERRELLGAS, L.P.
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FERRELLGAS, L.P.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On July 31, 2018, Ferrellgas Partners L.P. (“Ferrellgas Partners”) and Ferrellgas, L.P. (“the operating partnership”) completed the sale of a subsidiary and a group of assets (the “Disposition”), all of which had been included in Ferrellgas Partners’ and the operating partnership’s Midstream segment, for approximately \$57.0 million in cash, subject to customary post-closing adjustments to working capital. The subsidiary sold was Bridger Environmental LLC, which encompasses all saltwater disposal operations previously operated by Ferrellgas Partners. The group of assets sold includes all assets associated with the crude oil trucking operations previously operated by Ferrellgas Partners. Additionally, the Disposition included the sale of two crude oil injection terminals.

The accompanying unaudited pro forma condensed consolidated financial information of the operating partnership has been prepared in accordance with Article 11 of Regulation S-X. The accompanying unaudited pro forma condensed consolidated balance sheet as of April 30, 2018, includes adjustments in the column “Midstream disposition” to give pro forma effect to the Disposition as if it had occurred on April 30, 2018. The accompanying unaudited pro forma condensed consolidated statements of operations for the nine months ended April 30, 2018 and the year ended July 31, 2017, include adjustments in the column “Midstream disposition” to give pro forma effect to the Disposition as if it occurred August 1, 2016. The terms “we”, “our”, “us”, and similar language used in this unaudited pro forma condensed consolidated financial information refer to Ferrellgas Partners and its subsidiaries.

This unaudited pro forma condensed consolidated financial information has been derived from our historical financial statements, which are included in our quarterly report on Form 10-Q for the quarter ended April 30, 2018, and our annual report on Form 10-K for the year ended July 31, 2017.

This unaudited pro forma condensed consolidated financial information is provided for illustrative purposes only and does not purport to represent what our actual results of operations would have been if the Disposition had occurred on the dates indicated, nor is it necessarily indicative of our future operating results or financial position. However, the pro forma adjustments included in this unaudited pro forma condensed consolidated financial information reflect estimates and assumptions that we believe to be reasonable.

Although pro forma adjustments for the following transactions were not required under Article 11 of Regulation S-X, we have included adjustments to give pro forma effect to the following transactions in our unaudited pro forma condensed consolidated financial information:

- In January 2018, we sold Bridger Energy, LLC for an \$8.5 million secured promissory note due in May 2020. Adjustments to remove the historical results of operations for this disposition have been included in the column “Other Midstream dispositions” in the unaudited pro forma condensed consolidated statements of operations as if the disposition had occurred on August 1, 2016.
- During the third quarter of fiscal 2018, we sold 1,292 rail cars for approximately \$51.3 million. The proceeds from the disposal were used to repay debt. Adjustments to remove the historical results of operations for this disposition have been included in the column “Other Midstream dispositions” in the unaudited pro forma condensed consolidated statements of operations as if the disposition had occurred on August 1, 2016.
- On May 4, 2018, the operating partnership executed a new \$575.0 million senior secured credit facility to replace the previous \$575.0 million senior secured credit facility that was scheduled to mature in October 2018. This new facility consists of a \$300 million revolving line of credit, as

well as a \$275 million term loan, both priced at LIBOR + 5.75% and maturing May 4, 2023. Adjustments have been included in the unaudited pro forma condensed consolidated balance sheet as if the refinancing had occurred on April 30, 2018 and in the unaudited pro forma condensed consolidated statements of operations as if the refinancing had occurred on August 1, 2016.

- On July 31, 2018, we sold certain crude oil terminal assets previously included in our Midstream segment for approximately \$8.0 million in cash. Adjustments to remove the historical assets, liabilities and results of operations for this disposition have been included in the column “Other Midstream dispositions” in the unaudited pro forma condensed consolidated balance sheet as if the disposition had occurred on April 30, 2018 and in the unaudited pro forma condensed consolidated statements of operations as if the disposition had occurred on August 1, 2016.
- On July 27, 2018, we sold a group of assets encompassing an immaterial reporting unit within our Propane operations segment for approximately \$26.6 million in cash, subject to customary post-closing adjustments to working capital. The reporting unit was engaged in the sale of certain lower margin equipment to large retailers. Adjustments to remove the historical assets, liabilities and results of operations for this disposition have been included in the column “Global Products disposition” in the unaudited pro forma condensed

FERRELLGAS, L.P.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF APRIL 30, 2018
(in thousands)
(unaudited)

	<u>Ferrellgas, L.P. Historical</u>	<u>Midstream Disposition</u>	<u>Other Midstream Dispositions</u>	<u>Global Products Disposition</u>	<u>Pro Forma Adjustments</u>	<u>Ferrellgas, L.P. Pro Forma</u>
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 9,491	\$ —	\$ —	\$ (50)	\$ 48,932(B) 86,500(A)	\$ 144,873
Accounts and notes receivable	202,727	(2,033)	(754)	(17,706)	—	182,234
Inventories	85,062	(103)	(110)	(11,701)	—	73,148
Prepaid expenses and other current assets	44,059	(7,421)	(52)	(4,020)	—	32,566
Total Current Assets	341,339	(9,557)	(916)	(33,477)	135,432	432,821
Property, plant and equipment, net	637,688	(67,189)	(16,743)	(1,205)	—	552,551
Goodwill, net	246,098	—	—	—	—	246,098
Intangible assets, net	235,318	(95,493)	—	(16,648)	—	123,177
Other assets, net	72,094	(447)	—	(915)	15,064	85,796
Total Assets	\$ 1,532,537	\$ (172,686)	\$ (17,659)	\$ (52,245)	\$ 150,496	\$ 1,440,443
LIABILITIES AND PARTNERS' CAPITAL						
Current Liabilities:						
Accounts payable	\$ 52,472	\$ (110)	\$ (365)	\$ —	\$ —	\$ 51,997
Other current liabilities	147,243	(264)	(231)	(1,565)	—	145,183
Other Note payables to 3rd party	104,000	—	—	—	—	104,000
Total Current Liabilities	303,715	(374)	(596)	(1,565)	—	301,180
Long-term debt	1,646,069	—	—	—	65,000(B)	1,711,069
Other liabilities	34,225	(210)	—	(4,400)	—	29,615
Partners' Capital	(469,338)	—	—	—	(148,945)(A) (1,004)(B)	(619,287)
Accumulated other comprehensive income	17,866	—	—	—	—	17,866
Total Partners' Capital	(451,472)	—	—	—	(149,949)	(601,421)
Total Liabilities and Partners' Capital	\$ 1,532,537	\$ (584)	\$ (596)	\$ (5,965)	\$ (84,949)	\$ 1,440,443

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FERRELLGAS, L.P.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED APRIL 30, 2018
(in thousands)
(unaudited)

	<u>Ferrellgas, L.P. Historical</u>	<u>Midstream Disposition</u>	<u>Other Midstream Dispositions</u>	<u>Global Products Disposition</u>	<u>Pro Forma Adjustments</u>	<u>Ferrellgas, L.P. Pro Forma</u>
Revenues:						
Propane and other gas liquids sales	\$ 1,346,299	\$ —	\$ —	\$ —	\$ —	\$ 1,346,299
Midstream revenues and other	260,631	(68,826)	(191,571)	—	—	234
Other	118,691	—	—	(60,301)	—	58,390
Total revenues	1,725,621	(68,826)	(191,571)	(60,301)	—	1,404,923

Costs and expenses:						
Cost of product sold - propane/gas liquids	802,852	—	—	—	—	802,852
Cost of product sold - Midstream	229,710	(47,707)	(179,817)	—	—	2,186
Cost of product sold - other	54,339	—	—	(47,238)	—	7,101
Operating expenses	350,757	(18,668)	(739)	(7,938)	—	323,412
Depreciation and amortization	76,565	(15,664)	(2,876)	(1,837)	—	56,188
General and administrative	39,600	—	(3,647)	(900)	—	35,053
Equipment leases	20,828	—	(251)	(22)	—	20,555
ESOP expense	10,731	—	—	—	—	10,731
Goodwill Impairment	10,005	—	—	(10,005)	—	—
Loss on disposal of fixed assets	46,414	(2,174)	—	(45)	—	44,195
Operating income	83,820	15,387	(4,241)	7,684	—	102,650
Interest expense	(97,993)	—	—	—	(4,572)(C)	(102,565)
Other income, net	1,422	—	(921)	(11)	—	490
Income (loss) before income tax exp	(12,751)	15,387	(5,162)	7,673	(4,572)	575
Income tax expense	261	—	(5)	(82)	—	174
Net income (loss)	\$ (13,012)	\$ 15,387	\$ (5,157)	\$ 7,755	\$ (4,572)	\$ 401

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FERRELLGAS, L.P.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2017
(in thousands)
(unaudited)

	<u>Ferrellgas, L.P. Historical</u>	<u>Midstream Disposition</u>	<u>Other Midstream Dispositions</u>	<u>Global Products Disposition</u>	<u>Pro Forma Adjustments</u>	<u>Ferrellgas, L.P. Pro Forma</u>
Revenues:						
Propane and other gas liquids sales	\$ 1,318,412	\$ —	\$ —	\$ —	\$ —	\$ 1,318,412
Midstream revenues and other	466,703	(88,421)	(376,267)	—	—	2,015
Other	145,162	—	—	(75,382)	—	69,780
Total revenues	1,930,277	(88,421)	(376,267)	(75,382)	—	1,390,207
Costs and expenses:						
Cost of product sold - propane/gas liquids	694,155	—	—	—	—	694,155
Cost of product sold - Midstream	429,439	(58,588)	(367,192)	—	—	3,659
Cost of product sold - other	67,267	—	—	(58,972)	—	8,295
Operating expenses	432,413	(22,543)	(3,644)	(12,001)	—	394,225
Depreciation and amortization	103,351	(22,471)	(5,647)	(2,065)	—	73,168
General and administrative	49,478	—	(3,463)	(1,200)	—	44,815
Equipment leases	29,123	—	(529)	(35)	—	28,559
ESOP expense	15,088	—	—	—	—	15,088
Loss on disposal of fixed assets	14,457	(5,259)	—	—	—	9,198
Operating income	95,506	20,440	4,208	(1,109)	—	119,045
Interest expense	(127,188)	—	—	—	(9,034)(C)	(136,222)
Other income, net	1,474	—	(1,646)	1,022	—	850
Loss before income tax expense	(30,208)	20,440	2,562	(87)	(9,034)	(16,327)
Income tax expense (benefit)	(1,149)	—	(24)	1,390	—	217
Net loss	\$ (29,059)	\$ 20,440	\$ 2,586	\$ (1,477)	\$ (9,034)	\$ (16,544)

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Note A — Basis of presentation

The unaudited pro forma condensed consolidated balance sheet as of April 30, 2018, and the unaudited pro forma condensed consolidated statements of operations for the nine months ended April 30, 2018, and for the year ended July 31, 2017, are based on the historical financial statements of Ferrellgas, L.P. (the “operating partnership”).

This unaudited pro forma condensed consolidated financial information is provided for illustrative purposes only and does not purport to represent what our actual results of operations would have been if the various transactions had occurred on the dates indicated, nor is it necessarily indicative of our future operating results or financial position. However, the pro forma adjustments included in this unaudited pro forma condensed consolidated financial information reflect estimates and assumptions that we believe to be reasonable.

Preparation of the unaudited pro forma condensed consolidated financial information was based on assumptions considered appropriate by the operating partnership’s management. The unaudited pro forma condensed consolidated financial information is unaudited and is not necessarily indicative of the results which would have occurred if the various dispositions and the refinancing of our senior secured credit facility described above had been consummated on August 1, 2016 for the unaudited pro forma condensed consolidated statements of operations and on April 30, 2018 for the unaudited pro forma condensed consolidated balance sheet, nor does it purport to represent the future financial position and the results of operations for future periods. In management’s opinion, all adjustments necessary to reflect the pro forma effects of the various dispositions and the refinancing of our senior secured credit facility have been made.

Note B — Pro forma adjustments

The following is a description of the pro forma adjustments to the historical condensed consolidated financial statements:

- (A) Adjustments related to the various dispositions to reflect the estimated net cash proceeds received and unaudited pro forma pre-tax losses based on the carrying values as of April 30, 2018, including (in millions):

Description of disposition	Proceeds	Pro forma pre-tax loss
Sale of saltwater disposal well operations, crude oil trucking operations, and two crude oil injection terminals	\$ 57.0	\$ 115.1
Sale of crude oil terminal assets	8.0	9.1
Sale of an immaterial reporting unit within our Propane operations segment	26.6	19.7
Transaction fees and other associated costs	(5.1)	5.1
Total	\$ 86.5	\$ 149.0

- (B) Adjustment to reflect the refinancing of the operating partnership’s credit facility on May 4, 2018, which included: (i) the issuance of a \$275.0 million term loan; (ii) the repayment of \$210.0 million of borrowings under the old senior secured credit facility as of April 30, 2018; (iii) payment of approximately \$15.1 million in financing costs; and (iv) receipt of approximately \$48.9 million in cash.
- (C) Adjustment to reflect increase in interest expense following the refinancing of the operating partnership’s credit facility on May 4, 2018.