



Enterprise and Energy Transfer to Form Joint Venture to Develop Crude Oil Pipeline from Cushing to the Gulf Coast

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HOUSTON & DALLAS, Apr 26, 2011 (BUSINESS WIRE) -- Enterprise Products Partners L.P. (NYSE: EPD) and Energy Transfer Partners, L.P. (NYSE: ETP) today announced they have agreed to form a 50/50 joint venture to design and construct a crude oil pipeline from Cushing, Oklahoma to Houston. The project would allow greater access to the United States Gulf Coast-area refining complex and add approximately 500,000 barrels of storage capacity at new facilities to be constructed and owned by the joint venture at Enterprise's new Houston crude oil terminal. The pipeline would provide an outlet for more than 400,000 barrels per day of crude oil supplies which are currently stranded at the Cushing hub and priced at a substantial discount to imported crude oil on the Gulf Coast. The pipeline would also give refiners on the Gulf Coast improved access to growing supplies of domestic crude oil production and an alternative to higher priced crude oil imports, which represent their largest source of supply.

Utilizing new and existing pipelines, the 584-mile project would originate at Enterprise's 3.1 million barrel crude oil storage facility in Cushing. Enterprise and Energy Transfer would each contribute existing assets to the joint venture, including Energy Transfer's 240-mile, 24-inch diameter natural gas pipeline in East Texas, which would comprise approximately 40 percent of the proposed system. By utilizing infrastructure already in place and following existing pipeline right-of-ways for the 354 miles of new construction, the joint venture partners expect the pipeline to be in service much sooner than laying new pipe only. The terminus of the pipeline would be at Enterprise's ECHO crude oil storage and terminal facility in southeast Harris County, Texas. The ECHO crude oil terminal would offer access to major Texas Gulf Coast refining centers in Texas City, Pasadena/Deer Park, Baytown and on the Houston Ship Channel.

Subject to sufficient commitments from shippers and the required regulatory approvals, the new pipeline is expected to begin service in the fourth quarter of 2012. The joint venture partners would share commercial responsibilities, with an Integrated Project Team responsible for construction of the pipeline and Enterprise serving as operator.

"We are very pleased to partner with Energy Transfer on this project which has received a very positive response during initial meetings with potential shippers," said Michael A. Creel, president and chief executive officer of Enterprise's general partner. "Within the next 60 days, we expect to have firm, long-term commitments in place for the available capacity."

"We are pleased to work with Enterprise on this crude oil pipeline project," stated Kelcy L. Warren, chairman and chief executive officer of Energy Transfer. "We believe our joint venture will be cost-competitive and offer the most expedient solution to benefit domestic crude oil producers and Gulf Coast consumers who are dependent on higher-priced foreign crude oil as a result of the lack of pipeline infrastructure between Cushing and the Gulf Coast. We are also excited by this opportunity, which marks our entry into the fee-based crude oil pipeline and terminalling business, further diversifying Energy Transfer's business mix."

U.S. Midcontinent crude oil supplies have been growing rapidly and are expected to continue to grow with the development of shale plays such as Bone Springs/Avalon, Bakken and Barnett, as well as increasing Canadian crude oil production. These supplies are accumulating in Cushing, which lacks southbound pipeline capacity to the largest U.S. crude oil market on the Gulf Coast with more than two million barrels per day of refining capacity. The glut of crude oil supplies in Cushing has resulted in Cushing barrels trading at a substantial discount to the price of crude oil on the Gulf Coast, most of which is crude oil imported by ship from foreign crude oil producers. Over the past three months, Cushing crude oil (West Texas Intermediate) has been trading at an average discount of approximately \$12.57 per barrel and \$10.54 per barrel to Louisiana Light Sweet and Brent crude oil, respectively.

For commercial inquiries about the crude oil pipeline project, please contact: Bart Moore (713) 381-8267, bmoore@eprod.com at Enterprise or Roy Patton (214) 981-0771, roy.patton@energytransfer.com at Energy Transfer.

Enterprise Products Partners L.P. is the largest publicly traded partnership and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. EPD's assets include approximately: 50,200 miles of onshore and offshore pipelines; 192 million barrels of storage capacity for NGLs, refined products and crude oil; and 27 billion cubic feet of natural gas storage capacity. Services include: natural gas transportation, gathering, processing and storage; NGL fractionation, transportation, storage, and import and export terminalling; crude oil and refined products storage, transportation and terminalling; offshore production platform; petrochemical transportation and storage; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems and in the Gulf of Mexico.

Energy Transfer Partners, L.P. (NYSE:ETP) is a publicly traded partnership owning and operating a diversified portfolio of energy assets. ETP has pipeline operations in Arkansas, Arizona, Colorado, Louisiana, Mississippi, New Mexico, Utah, and West Virginia and owns the largest intrastate pipeline system in Texas. ETP currently has natural gas operations that include more than 17,500 miles of gathering and transportation pipelines, treating and processing assets, and three storage facilities located in Texas. ETP also is one of the three largest retail marketers of propane in the United States, serving more than one million customers across the country.

Energy Transfer Equity, L.P. (NYSE:ETE) is a publicly traded partnership, which owns the general partner of Energy Transfer Partners and approximately 50.2 million ETP limited partner units; and owns the general partner of Regency Energy Partners and approximately 26.3 million Regency limited partner units.

This press release includes "forward-looking statements" as defined by the Securities and Exchange Commission. All statements, other than statements of historical fact, included herein that address activities, events, developments or transactions that EPD and/or ETP expect, believe or anticipate will or may occur in the future, including anticipated benefits and other aspects of such activities, events, developments or transactions, are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially,

including required approvals by regulatory agencies, the possibility that the anticipated benefits from such activities, events, developments or transactions cannot be fully realized, the possibility that costs or difficulties related thereto will be greater than expected, the impact of competition and other risk factors included in the reports filed with the Securities and Exchange Commission by EPD or ETP. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Except as required by law, neither EPD nor ETP does not intend to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Photos/Multimedia Gallery Available: www.businesswire.com/cgi-bin/mmg.cgi?eid=6696401&lang=en

SOURCE: Enterprise Products Partners L.P. and Energy Transfer

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