



Midcontinent Express Pipeline Announces Additional Significant Capacity Commitment

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HOUSTON, Jan. 28 /PRNewswire-FirstCall/ -- Midcontinent Express Pipeline LLC (MEP) today announced it has entered into a contract with Newfield Exploration Mid-Continent Inc. (Newfield) for a minimum of 200,000 dekatherms per day of additional firm capacity on the MEP transmission system. The natural gas production will originate from Newfield's Woodford Shale play in southeast Oklahoma.

"MEP is delighted to enter into this long-term, binding precedent agreement with Newfield, the Woodford Shale's largest producer and most active driller," said Scott Parker, president of Kinder Morgan's natural gas pipelines. "This agreement assures that Newfield will have significant pipeline capacity for its current production and future production growth to flow to markets further east. MEP now has long-term binding commitments of approximately 1.2 billion cubic feet per day (Bcf/d) from creditworthy shippers on the 1.4 Bcf/d pipeline project."

In conjunction with Newfield's contracted commitment, MarkWest Pioneer, L.L.C. (MarkWest) a subsidiary of MarkWest Energy Partners L.P., will be constructing a new pipeline from the Woodford Shale to a new receipt point with MEP in Bryan County, Okla. In addition, MEP and MarkWest have entered into an option agreement, which provides MarkWest the one-time right to purchase 10 percent of the equity in MEP after the pipeline is fully constructed and placed into service. If the option is exercised, Kinder Morgan and Energy Transfer Partners will each own 45 percent of the equity in the project, while MarkWest will own 10 percent.

MEP will strengthen the nation's energy infrastructure by providing access to Midwest, Northeast, Mid-Atlantic and Southeast markets for growing domestic onshore supplies of clean-burning natural gas from the Barnett Shale and Bossier Sand in Texas, the Fayetteville Shale in Arkansas and the Woodford Shale in Oklahoma, as well as other new and existing gas supplies in the region.

"Energy Transfer is excited about adding Newfield to the growing list of MEP shippers and we look forward to working with them as they develop their acreage holding in the Woodford Shale. The timing of the MEP project is aligned with Newfield's development, and when coupled with Energy Transfer's pipeline systems, provides Newfield significant flexibility and market diversification as they develop this rapidly emerging resource play," said Lee Hanse, Sr. Vice President of Energy Transfer.

"The Woodford Shale Play is the fastest growing component of our portfolio today," said David A. Trice, Newfield chairman, president and CEO. "We exited 2005 with 25 MMcfe/d of gross production in the Woodford. We exited 2006 producing 85 MMcfe/d, 2007 at 165 MMcfe/d and we expect to exit 2008 with another 50 percent increase in rate at approximately 250 MMcfe/d. This agreement ensures that a large portion of our expected future production from the Woodford will move out of the region on firm transportation, reducing both basis risk and pricing volatility."

The approximately \$1.3 billion project will extend from southeast Oklahoma, across northeast Texas, northern Louisiana and central Mississippi, to an interconnection with the Transco Pipeline near Butler, Ala. The approximately 500-mile pipeline will consist of 262 miles of 42-inch, 197 miles of 36-inch and 40 miles of 30-inch pipe, and have up to 13 receipt and/or delivery interconnections. The delivery interconnections will provide access to numerous downstream markets, including those served by the NGPL, Transco, Texas Eastern, Tennessee, Columbia Gulf, Texas Gas, Southern Natural, Destin and ANR pipelines. Subject to receipt of regulatory approvals, Midcontinent Express is scheduled to be in service by March 2009.

Midcontinent Express Pipeline is a 50/50 joint venture between Kinder Morgan Energy Partners, L.P. (NYSE: KMP) and Energy Transfer Partners, L.P. (NYSE: ETP). KMP is managing the construction of the project and will operate the pipeline. More information on the project is available at <http://www.midcontinentexpress.com>.

Shippers seeking to contract for firm capacity or who need additional information on MEP should contact David Matney at (713) 369-9218, Kim Corley at (713) 369-9436 or Kim Watson at (713) 369-9233.

Kinder Morgan Energy Partners, L.P. is a leading pipeline transportation and energy storage company in North America. KMP owns an interest in or operates more than 24,000 miles of pipelines and 150 terminals. Its pipelines transport natural gas, gasoline, crude oil, CO₂ and other products, and its terminals store petroleum products and chemicals and handle bulk materials like coal and petroleum coke. KMP is also the leading provider of CO₂ for enhanced oil recovery projects in North America. One of the largest publicly traded pipeline limited partnerships in America, KMP has an enterprise value of approximately \$20 billion. The general partner of KMP is owned by Knight Inc. (formerly Kinder Morgan, Inc.), a private company.

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 Arizona, Colorado, Louisiana, New Mexico and Utah, and owns the largest intrastate pipeline system in Texas. ETP's natural gas operations include intrastate natural gas gathering and transportation pipelines, natural gas treating and processing assets and three natural gas storage facilities located in Texas. These assets include approximately 14,000 miles of intrastate pipeline in service, with approximately 500 miles of intrastate pipeline under construction, and 2,400 miles of interstate pipeline. ETP is also 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) owns the general partner of Energy Transfer Partners and approximately 62.5 million ETP limited partners units. Together ETP and ETE have a combined enterprise value of approximately \$20 billion.

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although Kinder Morgan believes that its expectations are based on reasonable assumptions, it can give no assurance that such assumptions will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Kinder Morgan's Forms 10-K and 10-Q as filed with the Securities and Exchange Commission.

SOURCE Kinder Morgan Energy Partners, L.P.; Energy Transfer Partners, L.P.

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/Web site: <http://www.kindermorgan.com>

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(KMP ETP ETE)

CO: Kinder Morgan Energy Partners, L.P.; Energy Transfer Partners, L.P.;
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