

Energy Transfer Partners, L.P. Announces Expansion of 42" Pipeline

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DALLAS--(BUSINESS WIRE)--May 4, 2006--Energy Transfer Partners, L.P. (NYSE:ETP) announced today that the Board of Directors of its general partner has approved an expansion of its 42" pipeline construction project. The expansion consists of adding 157 miles of 36" pipeline and 92,700 horsepower of compression. This \$360 million expansion will increase the throughput capabilities of the 42" project to a volume of 2.3 Bcf per day, and brings the total cost of this project to \$895 million.

This new 36" pipeline begins in Limestone County and traverses in a southeasterly direction to interconnect with the 30" Texoma system in Hardin County Texas, northeast of Beaumont. Interconnects with several interstate pipelines are being contemplated. Additionally, the Texoma system will deliver into Tennessee Gas Pipeline, Transco Pipeline, a future NGPL interconnect, the Carthage hub, as well as both the east and west side Houston Ship Channel markets. The project is expected to be completed by August, 2007.

Increased commitments out of both the Barnett Shale and Bossier production areas have created demand for this project. This pipeline also allows producers and shippers to benefit from pricing differentials between marketing hubs. The pipeline will have capacity of up to 950 MMcf/d. It will also increase the capacity of the Texoma system by over 600MMcf/d, with additional capacity available for both intrastate and interstate markets.

"This expansion allows Energy Transfer to offer its producers and shippers complete optionality in the market place," said Jim Holotik, Energy Transfer's Vice President of Project Development. "This pipeline affords producers, shippers and end-users additional capacity on the Energy Transfer system. This includes the three main Texas gas hubs; Waha, Carthage, and Katy, and also affords additional access to interstate and east Houston Ship Channel markets. This new system offers both Waha and South Texas producers a path around the bottlenecks in the Houston Ship Channel corridor and greater access to both intrastate and interstate markets. I know of no other pipeline in Texas which offers this type of flexibility and market accessibility."

Energy Transfer Partners, L.P. is a publicly traded partnership owning and operating a diversified portfolio of energy assets. The Partnership's natural gas transportation and storage operations include natural gas gathering and transportation pipelines, natural gas treating and processing assets located in Texas and Louisiana, and three natural gas storage facilities located in Texas. This includes approximately 11,700 miles of pipeline in service plus an additional 550 miles under construction. The Partnership is one of the five largest retail marketers of propane in the United States, serving more than 700,000 customers from 323 customer service locations in 34 states extending from coast to coast.

Energy Transfer Equity, L.P. (NYSE:ETE) owns the general partner of Energy Transfer Partners, L.P.

The information contained in this press release is available on the Partnership's website at www.energytransfer.com.

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SOURCE: Energy Transfer Partners, L.P.