



FOR IMMEDIATE RELEASE

**COMMITMENTS TO CAIMAN ENERGY INCREASE TOTAL CAPITAL AVAILABLE
FOR MIDSTREAM BUILD-OUT TO MORE THAN \$1 BILLION
Company Continues Aggressive Infrastructure Expansion in the Marcellus Shale**

DALLAS - July 27, 2011 - Caiman Energy, LLC announced today that it has completed the second of two recent financings. On July 26 Highstar Capital IV LP and two of Caiman's existing limited partners made a joint equity commitment to Caiman of up to \$300 million. Highstar Capital is a private equity firm with significant experience in the midstream energy sector. This commitment makes a total of more than \$1 billion available to Caiman for investment in midstream infrastructure in the Marcellus shale.

In late March, Caiman closed on a \$200 million, four-year syndicated revolving credit facility. Twelve banks participated in the financing, which was led by Bank of America, N.A. and Wells Fargo Securities, LLC.

The completion of these two financings, combined with an existing \$380 million equity commitment from EnCap Flatrock Midstream and Caiman's expected cash flow through the end of 2012, provide Caiman with more than \$1 billion of total capital to finance the build-out and expansion of its midstream infrastructure network in the Marcellus shale.

Caiman currently operates Fort Beeler I, a 120 MMcfd cryogenic processing facility in Marshall County, West Virginia, near Cameron. An additional 200 MMcfd facility at the Fort Beeler site is expected to be completed by the end of this year. Fort Beeler III, Caiman's third processing facility, is expected to be complete within one year, bringing total processing capacity at Fort Beeler to 520 MMcfd. Caiman's natural gas liquids, Y-grade pipeline and the initial phase of its fractionation facility on the Ohio River are scheduled for completion by the end of this year. Gathering pipeline construction is ongoing, with the backbone of Caiman's 140-mile rich gas system in West Virginia's Marshall and Wetzel counties to near completion by the end of this year. These projects will bring Caiman's total investment in the Marcellus shale to more than \$500 million by the end of 2011.

"We are excited to announce the completion of these two important financings. Partnering with a strong bank group and another high-quality, experienced investor like Highstar Capital are important milestones for Caiman. With the combined expertise and financial strength of EnCap Flatrock Midstream, Highstar Capital and our bank group behind us, we will continue to move forward with our aggressive build-out program in the rich area of the Marcellus shale so that we can provide natural gas producers with the infrastructure they need to rapidly deliver product to high-value markets," said Caiman President and CEO, Jack Lafield.

Highstar Capital Founder and Managing Partner Christopher Lee said about the Caiman Energy investment, "We are excited to partner with Caiman's senior management team. Since the company's founding in 2009, the team has built an impressive network of gathering and processing infrastructure in the Marcellus shale. We also look forward to partnering with EnCap Flatrock Midstream, which has provided equity capital supporting Caiman's management team since its founding and has a successful track record of backing best-in-class midstream management teams."

Barclays Capital acted as exclusive financial adviser and Thompson & Knight LLP acted as legal counsel to Caiman Energy and EnCap Flatrock Midstream. Morgan Stanley acted as exclusive financial adviser and Latham & Watkins LLP acted as legal counsel to Highstar Capital.

About Caiman Energy, LLC

Caiman Energy is a midstream energy company focused on the design, construction, operation and acquisition of midstream assets. The company is currently focused on midstream projects in the Marcellus shale and serves producers by providing natural gas and condensate gathering, compression, dehydration, measurement, treating and conditioning, processing, liquids transportation and fractionation services. Partners Jack Lafield, Danny Thompson and Rick Moncrief, who have more than 90 years of experience in the midstream industry, founded Caiman in 2009. Caiman is an EnCap Flatrock Midstream portfolio company. For more information, visit www.CaimanEnergy.com.

About Highstar Capital IV LP

Highstar Capital is an independently owned and operated private equity firm with an operationally focused, value-added strategy. Based in New York, the firm was founded in 1998 and currently manages more than \$5 billion on behalf of its managed funds and co-investment vehicles in a diversified portfolio of energy, transportation and environmental/waste management assets and businesses.

Highstar has significant experience investing in the midstream energy sector. Previous investments include: Southern Star Central, a 6,000-mile interstate natural gas pipeline in the Midwestern U.S.; Stagecoach Holdings, a natural gas storage facility with 12 billion cubic feet of working gas capacity located near New York City; and the management buyout of Kinder Morgan, Inc., which owns the general partner of one of the largest master limited partnerships. For more information visit www.HighstarCapital.com.

About EnCap Flatrock Midstream

Based in San Antonio, EnCap Flatrock Midstream is a private equity firm founded in 2008 by EnCap Investments L.P. and Flatrock Energy Advisors. The firm provides value-added private equity capital to proven management teams focusing on midstream energy infrastructure opportunities throughout North America. The EnCap Flatrock Midstream team is led by Dennis Jaggi, Billy Lemmons and Bill Waldrip, who have worked together for virtually all of the past 30 years in the midstream sector of the oil and gas industry. With more than 95 years of midstream experience and 125 prior advisory clients, the principals at EnCap Flatrock Midstream have been directly involved in a total of approximately \$4.1 billion in energy transactions and investments. The firm has more than \$1.2 billion in midstream equity under management and 66 prestigious institutional investors.

EnCap Investments L.P. is the nation's leading source of private equity to the independent oil and gas sector. The firm has raised 15 oil and gas investment funds totaling more than \$11 billion. Over the past 23 years the firm has provided growth capital to more than 180 upstream and midstream oil and gas companies. Visit www.EFMidstream.com for more information.

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