



TARGA RESOURCES ANNOUNCES ACQUISITION OF MIDSTREAM ENERGY ASSETS FROM CONOCOPHILLIPS

Targa Resources, Inc., an independent company formed in 2003 by management and Warburg Pincus to pursue gas gathering, processing, and pipeline asset acquisition opportunities, announced today that it has signed a definitive agreement to acquire major midstream assets owned by ConocoPhillips in Texas and Louisiana. Targa and ConocoPhillips have already received all necessary regulatory and other approvals, and the Company expects to close the transaction in April of 2004. Warburg Pincus LLC, a leading private equity investor in the energy sector, and Targa Resources' management team will fund the entire equity amount required to consummate the transaction.

Rene R. Joyce, CEO of Targa Resources, formed the Company last year with a veteran management team with over 140 years of collective experience in acquiring and managing midstream assets. The team has actively evaluated numerous midstream asset acquisitions, including but not limited to gas pipelines, storage, and gathering and processing facilities, in stable and growing supply and demand areas. Several members of the management team have worked together extensively in the past, including at Tejas Gas Corporation, where Joyce was President of the Operating Companies. Joyce and others helped grow Tejas Gas to a leading \$2.4 billion midstream company that was sold to Shell Oil in 1998.

"Our corporate strategy is to leverage our experience to enhance the value of acquisitions through asset optimization, selective reinvestment, and add-on acquisitions," said Joyce. "This acquisition is an ideal first step in our strategy and provides a firm foundation for future growth."

The Texas assets consist of an integrated gathering and processing system with approximately 1,200 miles of low and high-pressure lines, gathering from approximately 2,800 wells and 750 wellhead and central delivery locations in the Permian Basin, covering parts of eight counties from San Angelo to Big Springs.

The Louisiana assets also consist of an integrated gathering and processing system, covering approximately 2,000 square miles from Lake Charles to Lafayette, with approximately 700 miles of pipeline and processing capacity of about 260 MMcf and 14 MBD of NGL raw mix production. The Louisiana system supplies approximately 40% of the Lake Charles industrial and refinery market. Both systems are well maintained by a highly experienced operations staff and are up to date for the latest process, safety, and environmental technologies.

Peter R. Kagan, a Warburg Pincus Managing Director, said: "We have worked diligently with Targa Resources to evaluate numerous potential acquisitions, and this one provides very exciting prospects for growth and value enhancement." He added: "We chose to fund this management team because of its past success in a variety of midstream businesses. We believe that management can succeed in stabilizing these assets and in using this acquisition as a building block towards the creation of a meaningful midstream company."

Warburg Pincus has invested approximately \$1.0 billion in energy companies since the late 1980s, predominantly in exploration and production, power, and oilfield and other services. The Targa Resources investment reflects the firm's continued dedication to investing throughout the energy sector.

About Targa Resources

Targa Resources, Inc. is an independent company that was formed in 2003 to pursue gas gathering, processing, and pipeline asset acquisition opportunities. The Company's strategy is to acquire high quality assets and grow this base into a leading focused midstream energy company, predominantly in the Gulf Coast, Mid-Continent and Rocky Mountain regions of the United States. The management team consists of Rene Joyce, CEO; Roy Johnson, EVP; Joe Bob Perkins, President; Mike Heim, COO, Jeff McParland, CFO; and Paul Chung, General Counsel. The team has a combined 165 years of experience in the midstream energy business and is prepared to rapidly assess and close on available acquisition opportunities through negotiated transactions and limited auctions. For more information, please visit www.targaresources.com.

About Warburg Pincus

With approximately \$13 billion under management, including \$3 billion available for investment, Warburg Pincus has been a

leading private equity investor since 1971. The firm has invested more than \$18 billion in approximately 490 companies in 30 countries. Warburg Pincus has invested approximately \$1.3 billion in energy companies since the late 1980s including exploration and production, power and oilfield and other services companies. Example energy portfolio companies include: Bill Barrett Corporation (NYSE: BBG), Encore Acquisition Company (NYSE: EAC), Spinnaker Exploration (NYSE: SKE), Antero Resources, Carneros Energy, Competitive Power Ventures, emgs (ElectroMagnetic GeoServices), Gryphon Exploration, Kosmos Energy, Latigo Petroleum, MEG Energy, and Targa Resources. In addition, the firm is a significant investor in many advanced technology companies pioneering new semiconductor, software, and telecommunications products around the world. Throughout its history in private equity, Warburg Pincus has invested at all stages of a company's life cycle, from founding start-ups and providing growth capital, to leading restructurings, recapitalizations and buyouts. For more information, please visit www.warburgpincus.com.

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