Targa Resources Partners LP Announces Memorandum of Understanding to Provide NGL Transportation and Fractionation Services for Eagle Ford Shale

HOUSTON, Dec. 21, 2010 (GLOBE NEWSWIRE) -- Targa Resources Partners LP (NYSE:NGLS) ("Targa Resources Partners" or "the Partnership"), today announced that an exclusive non-binding Memorandum of Understanding ("MOU") has been signed with TexStar Midstream Services, LP ("TexStar"), and TEAK Midstream, L.L.C. ("TEAK"), for the development of a new pipeline to transport natural gas liquids ("y-grade") from processing facilities in the Eagle Ford shale to Mont Belvieu, Texas, and a new fractionation train at the Targa Resources Partners operated Cedar Bayou fractionation facility ("CBF"). CBF is owned by Cedar Bayou Fractionators, L.P., a joint venture that is 88% owned by Targa Resources Partners.

Upon consummation of the transaction, Targa Resources Partners would expect to become an owner in the new y-grade pipeline that would provide transportation services from natural gas processing plants in the Eagle Ford shale area, including a TEAK gas plant and a TexStar gas plant, into Mont Belvieu, Texas. The new y-grade pipeline would be designed to provide additional capacity to customers in the Eagle Ford shale area. Additionally, the y-grade pipeline would be designed to accommodate a future extension into the Permian Basin area of West Texas to provide y-grade transportation services to that growth region.

CBF would be expected to expand by 100,000 barrels per day, with commencement of operations expected in late 2012. The 100,000 barrel per day expansion would be an addition to the current 78,000 barrel per day expansion at CBF, which is expected to be operational in the second quarter of 2011. Upon the completion of both expansions, the y-grade fractionation capacity of CBF would be approximately 353,000 barrels per day.

TEAK would be expected to install and operate a new cryogenic natural gas processing plant with approximately 200 MMcf per day of processing capacity and TexStar would be expected to install and operate a new cryogenic natural gas processing plant with approximately 300 MMcf per day of processing capacity. TEAK and TexStar would expand existing gas gathering systems that supply the new natural gas processing plants. The two plants would be expected to produce approximately 50,000 barrels per day of y-grade. Combined, the two processing plants and the gathering systems behind them would serve twelve counties in the liquids rich Eagle Ford shale of South Texas.

About Targa Resources Partners

Targa Resources Partners is engaged in the business of gathering, compressing, treating, processing and selling natural gas and storing, fractionating, treating, transporting and selling natural gas liquids, or NGLs, and NGL products. The Partnership owns an extensive network of integrated gathering pipelines and gas processing plants and currently operates along the Louisiana Gulf Coast primarily accessing the offshore region of Louisiana, the Permian Basin in West Texas and Southeast New Mexico and the Fort Worth Basin in North Texas. Additionally, our natural gas liquids logistics and marketing assets are located primarily at Mont Belvieu and Galena Park near Houston, Texas and in Lake Charles, Louisiana with terminals and transportation assets across the United States. Targa Resources Partners is managed by its general partner, Targa Resources GP LLC, which is indirectly wholly owned by Targa Resources Corp. (NYSE:TRGP).

Targa Resources Partners' principal executive offices are located at 1000 Louisiana, Suite 4300, Houston, TX Texas 77002 and its telephone number is 713-584-1000.

About TexStar

TexStar Midstream Services, LP ("TexStar") is a full service midstream company focused on providing a full suite of midstream services to producers in South Texas. TexStar's goal is to provide the highest netback possible to producers for their oil, gas, and natural gas liquids by providing low cost gathering, treating, compression, processing, and logistics solutions as well as access to multiple product outlets. TexStar's management team has decades of experience operating midstream assets in South Texas. TexStar is in the process of rapidly expanding its existing gathering assets in the Eagle Ford shale area and is currently working to install additional gas and crude oil pipelines.

TexStar's principal offices are located at 18615 Tuscany Stone, Suite 300, San Antonio, TX, 78258 and its telephone number is 210-495-5577. TexStar is a portfolio company of HM Capital Partners, LP.

About TEAK Midstream L.L.C.

TEAK Midstream, L.L.C. ("TEAK") provides gathering, transmission, treating, processing, compression, marketing and price risk management services in key gas producing areas of the United States. TEAK acquired Texana Pipeline Company LLC in July 2010. The transaction included over 325 miles of intrastate gathering pipeline assets located throughout 17 South and East Texas counties. Significant portions of the acquired assets are located in and around the Eagle Ford Shale formation.

TEAK's principal offices are located at 2602 McKinney Ave., Suite 350, Dallas, Texas, 75204 and its telephone number is 214-468-8325. TEAK is backed by Natural Gas Partners, an affiliate of NGP Energy Capital Management. To learn more about TEAK, you may visit their website at www.teakmidstream.com.

Forward-Looking Statements

Certain statements in this release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this release that address activities, events or developments that the Partnership expects, believes or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside Targa Resources Partners' control, which could cause results to differ materially from those expected by management of Targa Resources Partners. Such risks and uncertainties include, but are not limited to, weather, political, economic and market conditions, including a decline in the price and market demand for natural gas and natural gas liquids, the timing and success of business development efforts; and other uncertainties. Furthermore, the transactions contemplated in the MOU are subject to completion of definitive documents and other customary conditions. These and other applicable uncertainties, factors and risks are described more fully in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2009 and other reports filed with the Securities and Exchange Commission. Targa Resources Partners undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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