



TARGA RESOURCES ANNOUNCES MIDSTREAM ENERGY PARTNERSHIP WITH SEASONED INDUSTRY EXECUTIVES

Newly formed Targa Resources, Inc. announced today that it has received seed funding from Warburg Pincus LLC to pursue acquisition opportunities in the midstream energy sector, including but not limited to gas pipelines, storage, gathering and processing facilities. Warburg Pincus has also negotiated the terms under which it would invest additional equity in Targa to fund specific acquisition or growth opportunities.

Partnering with Warburg Pincus in Targa Resources are Rene Joyce and Roy Johnson, veterans of the energy midstream sector. The management team will lead Targa in seeking midstream acquisition opportunities in stable and growing supply and demand areas. Potential focus areas for the group include the Gulf Coast, Mid-Continent and Rocky Mountain regions of the United States, where management has extensive experience.

"We are pleased to join forces with one of the most highly regarded and experienced private equity investors in this industry," said Joyce. "Our business strategy is to acquire high quality intrastate gas pipelines and related assets and to leverage our experience to enhance their value through selective reinvestment and asset optimization. Roy and I have worked together extensively and have successfully executed a similar strategy in the past. We are excited about the opportunities to improve upon that success in today's more favorable environment."

Previously, Mr. Joyce was President of the Operating Companies of Tejas Gas Corporation, which he helped grow to a company with over 11,000 miles of gas pipelines plus associated gas processing plants and storage facilities. The company was sold to Shell Oil in 1998 for \$2.4 billion. Mr. Johnson worked with Joyce at Tejas Gas in senior management and business development roles and both have held other senior positions with major midstream energy companies. The two have recently spent significant time consulting in the industry and seeking acquisition opportunities.

Peter R. Kagan, a Warburg Pincus Managing Director, said: "We are very impressed by what Rene Joyce and Roy Johnson have accomplished previously, and are confident they can replicate their success and build a leading midstream energy company. We are thrilled to be their partners in this effort." He added: "We have been following the midstream energy sector for some time, and believe we found the right team at the right time to build a meaningful company of scale in the sector."

Warburg Pincus has invested approximately \$700 million in early stage energy companies since the late 1980's, most of which has been invested in upstream exploration and production, power and oilfield and other services companies. The Targa Resources investment reflects the firm's continued dedication to investing in the entire energy industry.

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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