

**Crestwood Midstream Partners, LLC Announces The Blackstone Group and GSO Capital Partners LP as New Investors**

*Wednesday, June 25, 2008*

HOUSTON--(BUSINESS WIRE)—Crestwood Midstream Partners, LLC (“Crestwood”), a private midstream company formed in November 2007 by a management team led by industry veteran Bob Phillips, announced today that The Blackstone Group (“Blackstone”) and GSO Capital Partners LP (“GSO”) have acquired ownership interests in Crestwood. Blackstone and GSO, along with Kayne Anderson and Crestwood Management, LLC, have combined to provide Crestwood with \$500 million in equity capital commitments, an increase from the existing \$150 million in equity capital commitments, to pursue the acquisition and development of North American midstream assets and businesses.

“I am pleased to announce the addition of The Blackstone Group and GSO Capital Partners as investors in Crestwood,” stated Bob Phillips, President and CEO of Crestwood. “We view Blackstone and GSO as extremely knowledgeable energy investors which, along with Kayne Anderson, provide Crestwood the financial support and industry credibility to become a significant midstream company. The expansion of our investor base also validates the investment strategies we are pursuing and positions Crestwood to be at the forefront of midstream activity over the coming years.”

Danny Weingeist, Senior Managing Director of Kayne Anderson added, “We welcome Blackstone and GSO into Crestwood and look forward to the benefits of partnering with these leading private investment firms to pursue a broad range of midstream investment opportunities that are emerging in the current marketplace.”

Blackstone’s and GSO’s investment in Crestwood highlights their view that the midstream sector of the energy industry offers significant growth opportunity, which is supported by record supply development in many regions of the US, broad-based investment in new energy infrastructure projects and potential consolidation opportunities that may emerge in the coming years. David Foley, Senior Managing Director of Blackstone, stated, “We have been closely following the developments in the midstream sector and believe the Crestwood management team possesses a deep understanding of the sector and has the credibility and relationships to build a world-class midstream business and deliver attractive returns to our investors. Blackstone has successfully backed management teams in

startup ventures in other segments of the energy sector such as Sithe Global Power (power plant development) and Kosmos Energy (oil exploration).”

Blackstone (NYSE: BX) is one of the world’s leading investment and advisory firms with total assets under management of approximately \$113 billion and a long and distinguished track record of investing in the energy sector. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, the companies it advises and the broader global economy. Blackstone accomplishes this through the commitment of its extraordinary people and flexible capital. Blackstone’s alternative asset management businesses include the management of corporate private equity funds, real estate funds, hedge funds, funds of funds, debt funds, collateralized loan obligation vehicles (CLOs) and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement service. Further information is available at [www.blackstone.com](http://www.blackstone.com).

GSO Capital Partners LP is a leading credit-oriented alternative asset manager with approximately \$23 billion of assets under. GSO manages senior debt funds, hedge funds and mezzanine funds focused on the leveraged finance marketplace. GSO was acquired by The Blackstone Group L.P. in March 2008, following which Blackstone's debt investment businesses were combined with GSO's operations. Further information is available at [www.blackstone.com/maam/gso](http://www.blackstone.com/maam/gso).

Kayne Anderson Energy Funds, a division of Kayne Anderson Capital Advisors, L.P., with approximately \$9 billion of assets under management, manages \$1.85 billion of private capital for investment in the energy industry. With offices in Houston, Texas and Los Angeles, California, Kayne Anderson Energy Funds invests private capital in high-growth exploration and production, midstream, and oilfield services companies. For more information, please visit [www.kayneenergy.com](http://www.kayneenergy.com) or contact either Danny Weingeist at 713-655-7351 or Bob Sinnott at 310-284-5508.

Crestwood Midstream Partners, LLC, headquartered in Houston, Texas, is a private energy company formed to pursue the acquisition and development of North American midstream assets and businesses. The company will utilize management’s extensive industry experience and relationships to enable its growth through the acquisition of strategic assets, the recruitment of experienced midstream personnel and investment in organic infrastructure projects.

**For more information, please visit [www.crestwoodlp.com](http://www.crestwoodlp.com) or contact either Bob Phillips at 713-493-2023 or Keith Forman at 310-282-7900.**