



News Release
CRESTWOOD MIDSTREAM PARTNERS LP
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**Crestwood Announces Fifth Consecutive Quarterly Distribution Increase
and Executive Team Addition**

HOUSTON, TEXAS, January 18, 2012 – Crestwood Midstream Partners LP (NYSE: CMLP) (“Crestwood”) announced today that the Board of Directors of its general partner has declared a regular quarterly distribution of \$0.49 per unit for the quarter ended December 31, 2011. This quarterly distribution will be payable on February 10, 2012, to unitholders of record on January 31, 2012. The quarterly distribution represents a 14 percent increase over the \$0.43 per unit distribution paid with respect to the fourth quarter of 2010. The Class C units issued in April 2011 will not receive a cash distribution, but will instead be issued additional Class C units.

Crestwood also announced the addition of Robert T. Halpin, Vice President of Business Development, to Crestwood’s general partner executive team. Mr. Halpin was previously an associate at First Reserve Corporation, the majority owner of Crestwood’s general partner, since 2009 where he worked closely with Crestwood management in the selection, evaluation, negotiation and financing of over \$1.3 billion in acquisitions and capital projects. Prior to joining First Reserve, Mr. Halpin was an analyst in the global natural resource group at Lehman Brothers.

About Crestwood Midstream Partners LP

Houston, Texas-based Crestwood is a growth-oriented, midstream master limited partnership which owns and operates predominately fee-based gathering, processing, treating and compression assets servicing natural gas producers in the Barnett Shale in North Texas, the Fayetteville Shale in Arkansas, the Haynesville/Bossier Shale in Louisiana, the Granite Wash area in the Texas Panhandle and the Avalon Shale area of Southeastern New Mexico. For more information about Crestwood, visit www.crestwoodlp.com.

Forward-Looking Statements

The statements in this news release regarding future events, occurrences, circumstances, activities, performance, outcomes and results are forward-looking statements. Although these statements reflect the current views, assumptions and expectations of Crestwood’s management, the matters addressed herein are subject to numerous risks and uncertainties which could cause actual activities, performance, outcomes and results to differ materially from those indicated. Such forward-looking statements include, but are not limited to, statements about the future financial and operating results, objectives, expectations and intentions and other statements that are not historical facts. Factors that could result in such

differences or otherwise materially affect Crestwood's financial condition, results of operations and cash flows including, without limitation, changes in general economic conditions; fluctuations in oil, natural gas and NGL prices; failure or delays by our customers in achieving expected production in their natural gas projects; competitive conditions in our industry; actions or inactions taken or non-performance by third parties, including suppliers, contractors, operators, processors, transporters and customers; our ability to consummate acquisitions, successfully integrate the acquired businesses, realize any cost savings and other synergies from any acquisition; fluctuations in the value of certain of our assets and liabilities; changes in the availability and cost of capital; operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control; timely receipt of necessary government approvals and permits, our ability to control the costs of construction, including costs of materials, labor and right-of-way and other factors that may impact our ability to complete projects within budget and on schedule; the effects of existing and future laws and governmental regulations, including environmental and climate change requirements; the effects of existing and future litigation; internal controls; and risks related to our substantial indebtedness as well as other factors disclosed in Crestwood's filings with the Securities and Exchange Commission. You should read our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2010, our subsequently filed Quarterly Reports on Form 10-Q/A and our Current Reports on Form 8-K and 8-K/A, for a more extensive list of factors that could affect results.

Notice to Non-U.S. Investors

This announcement is intended to be a qualified notice under Treasury Regulation Section 1.1446-4(b) given by a publicly traded partnership. Brokers and nominees should treat 100 percent of Crestwood's distributions to non-U.S. investors as being attributed to income that is effectively connected with a United States trade or business. Accordingly, Crestwood's distributions to non-U.S. investors are subject to federal income tax withholding at the highest applicable effective tax rate.

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