



NEWS RELEASE

Crestwood Announces Contribution of Willow Lake Assets to Delaware Basin Joint Venture with First Reserve and Expansion of Processing Capacity

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Crestwood will contribute its Willow Lake gathering and processing assets to the Permian joint venture between Crestwood and First Reserve

The joint venture will finance and build a new 200 MMcf/d cryogenic gas processing plant near Orla, TX and related infrastructure

Creates large-scale integrated midstream footprint covering the core of the Delaware Basin

HOUSTON--(BUSINESS WIRE)-- Crestwood Equity Partners LP (NYSE:CEQP) ("Crestwood Equity" or "Crestwood") and First Reserve today announced that Crestwood Permian Basin Holdings LLC ("CPJV"), a joint venture focused on developing, owning and operating midstream infrastructure in the Delaware Basin, has agreed to acquire Crestwood's Willow Lake gathering and processing assets located in Eddy County, New Mexico. Crestwood and First Reserve, a leading global private equity and infrastructure investment firm exclusively focused on energy, also announced that the joint venture has fully sanctioned the construction of a 200 million cubic feet per day ("MMcf/d") cryogenic gas processing plant located near Orla, TX (the "Orla Plant") and related infrastructure required to connect the Willow Lake system to the plant (the "Orla Express Pipeline") and multiple third-party pipelines. Upon completion of the project the joint venture's integrated gathering and processing footprint will span more than 100 miles and service customers across Eddy and Lea counties, NM and Loving, Ward, Reeves and Culberson counties, TX.

Management Commentary

“The announced Orla processing plant and the contribution of Willow Lake to our Permian joint venture with First Reserve is an important step in Crestwood’s strategy of expanding and integrating our Delaware Basin footprint to create a super system that spans over two million acres located in the heart of the most active development counties in the Delaware Basin,” stated Robert G. Phillips, Chairman, President and Chief Executive Officer of Crestwood’s general partner. Mr. Phillips added, “Dropping the Willow Lake assets into our joint venture is consistent with our strategy of prudently pursuing organic growth opportunities while managing risk and maintaining balance sheet strength. As we continue to build out a large integrated platform in the Delaware Basin, Crestwood and First Reserve are aggressively evaluating new organic expansion opportunities for existing and new customers that will further expand our Permian presence and drive meaningful cash flow growth beginning in 2018.”

Gary Reaves, Managing Director of First Reserve, stated, “First Reserve is excited to expand the size and scale of our Permian joint venture with Crestwood. This project, which expands the scope and adds processing capabilities to our joint venture, creates a Delaware Basin infrastructure footprint that we believe is ideally positioned to provide superior netbacks to our customers. It also will allow us to capitalize on incremental organic growth opportunities over the next 12 months in the Delaware Basin which, in our view, is currently the most attractive onshore resource play in the United States. As general partner of Crestwood, we remain highly committed to the long-term success of Crestwood and we believe the joint venture is well-positioned to generate accretive growth in the Delaware Basin that will generate substantial value for all of Crestwood’s stakeholders.”

Orla Expansion Project

The initial project scope will include the Orla Express Pipeline, a 33 mile, 20 inch high pressure line connecting the existing Willow Lake gathering system in Eddy County, NM to the Orla plant. The Orla plant will offer full liquids handling and multiple residue and NGL interconnects. Initial project capital is expected to be approximately \$170 million with an in-service date in the second half of 2018.

The Orla Plant is supported by current dedications from existing Willow Lake customers, including Concho Resources Inc., Mewbourne Oil Company, Matador Resources Company, Cimarex Energy, Marathon Oil Corporation, and Exxon Mobil Corporation and is strategically located to attract processing volumes in Eddy County, NM as well as around the Orla Express Pipeline and Nautilus system, a new gas gathering system for a subsidiary of Royal Dutch Shell (SWEPI) in Loving and Ward counties, Texas. The Orla Plant will provide needed incremental processing capacity and enhanced netbacks to producers through improved connectivity to the best NGL and residue gas takeaway options out of the basin.

Willow Lake Assets Contributed to CPJV

Under the terms of the transaction, the joint venture will continue to be owned 50% by Crestwood and 50% by First Reserve. First Reserve will fund 100% of the initial capital requirements during the early-stage build-out of the Orla expansion, after which Crestwood will fund 100% of capital requirements until both parties have made an equal amount of capital contributions. In connection with the expansion, Crestwood will contribute its Willow Lake gathering and processing assets to the joint venture at a value of \$151 million, and this value will be credited as part of Crestwood's capital requirements to the joint venture. Capital requirements thereafter are expected to be funded 50/50 by Crestwood and First Reserve. Crestwood will continue to receive 100% of the available cash flow generated by the Willow Lake assets until the earlier of the Orla plant in-service date or June 30, 2018, at which time the parties will receive distributions on a 50/50 basis.

Following the closing of this transaction, the joint venture will own all of Crestwood's Delaware Basin assets, which include the Nautilus gas gathering system and the Willow Lake gas gathering and processing system (including the announced gas processing plant and Orla Express Pipeline). Once the Orla plant is placed into service, the joint venture's asset footprint will include over 200,000 acres of dedication, 255 MMcf/d of processing capacity, 300 MMcf/d of gathering capacity, and over 360 miles of pipe.

The Conflicts Committee of Crestwood's Board of Directors unanimously recommended this transaction, and the board unanimously approved the transaction. The Willow Lake contribution is subject to anti-trust review, and the parties expect to close the transaction in June 2017.

About First Reserve

First Reserve is a leading global private equity and infrastructure investment firm exclusively focused on energy. With nearly 35 years of industry insight, investment expertise and operational excellence, the Firm has cultivated an enduring network of global relationships and raised approximately USD \$31 billion of aggregate capital since inception. Putting these to work, First Reserve has completed more than 650 transactions (including platform investments and add-on acquisitions) on six continents. Its portfolio companies span the energy spectrum from upstream oil and gas to midstream and downstream, including resources, equipment and services and infrastructure. Visit us at www.firstreserve.com for more information.

About Crestwood Equity Partners LP

Houston, Texas, based Crestwood Equity Partners LP (NYSE: CEQP) is a master limited partnership that owns and operates midstream businesses in multiple unconventional shale resource plays across the United States.

Crestwood Equity is engaged in the gathering, processing, treating, compression, storage and transportation of

natural gas; storage, transportation, terminalling, and marketing of NGLs; and gathering, storage, terminalling and marketing of crude oil.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934. The words “expects,” “believes,” “anticipates,” “plans,” “will,” “shall,” “estimates,” and similar expressions identify forward-looking statements, which are generally not historical in nature. Forward-looking statements are subject to risks and uncertainties and are based on the beliefs and assumptions of management, based on information currently available to them. Although Crestwood believes that these forward-looking statements are based on reasonable assumptions, it can give no assurance that any such forward-looking statements will materialize. Important factors that could cause actual results to differ materially from those expressed in or implied from these forward-looking statements include the risks and uncertainties described in Crestwood’s reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K and its subsequent reports, which are available through the SEC’s EDGAR system at www.sec.gov and on our website. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management’s view only as of the date made, and Crestwood assumes no obligation to update these forward-looking statements.

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