



June 19, 2012

## **CenterPoint Energy to acquire gathering and processing assets in northeast Texas**

### **Through two transactions, field services unit will increase fee based gathering and treating portfolio, and expand position in liquids-rich area**

HOUSTON, June 19, 2012 /PRNewswire/ -- CenterPoint Energy Field Services, LLC (CEFS), an indirect, wholly-owned natural gas gathering, processing and treating subsidiary of CenterPoint Energy, Inc. (NYSE: CNP), announced today that it has entered into two agreements to acquire gathering and processing assets located primarily in northeast Texas.

(Logo: <http://photos.prnewswire.com/prnh/20020930/CNPLOGO>)

- The first is an agreement to acquire gathering and processing assets from Prism Gas Systems I, L.P. (Prism), a wholly-owned subsidiary of Martin Midstream Partners L.P. (NASDAQ: MMLP), and certain other gathering and processing assets from MMLP's Natural Gas Services segment for approximately \$275 million, subject to certain adjustments. The assets to be acquired include Prism's 50 percent interest in Waskom Gas Processing Company (Waskom). A subsidiary of CEFS currently owns the other 50 percent interest in Waskom.
- CEFS has also entered into a 15-year agreement with Encana Oil & Gas (USA) Inc. (Encana), a subsidiary of Encana Corporation (NYSE: ECA), to gather and treat its natural gas production from the Amoruso and Hilltop fields located in Robertson and Leon counties in east Texas. In connection with entering into the gathering agreement, which includes volume commitments and acreage dedication, CEFS purchased Encana's 139-mile Amoruso gathering systems for approximately \$89 million. Amoruso currently has more than 200 million cubic feet per day of natural gas throughput primarily from the Deep Bossier and Cotton Valley Lime formations.

"We are very excited about these acquisitions, which will strategically increase our portfolio of gathering and processing assets," said Greg Harper, group president of CenterPoint Energy's Midstream businesses. "These transactions expand our capabilities in a liquids-rich production area and position us as the operator of key processing assets in northeast Texas."

#### **Prism Transaction**

The assets to be acquired from Prism, located primarily in northeast Texas, include:

- Prism's 50 percent interest in Waskom, which includes a 320 million cubic feet per day natural gas processing facility, a 14,500 barrels per day fractionation plant, and the Harrison system, a 75 million cubic feet per day gathering system,
- The Woodlawn plant and gathering system, a 30 million cubic feet per day gathering and processing system with 135 miles of gathering pipe, and
- The McLeod, Hallsville and Darco gathering systems, which combine to gather and treat more than 40 million cubic feet of natural gas per day and are located near the other assets to be acquired in east Texas and northwest Louisiana.

"We have seen a significant increase in producer activity due to the improved economics of producing liquids-rich natural gas in the Cotton Valley field as well as other nearby formations," said Bill May, division senior vice president and chief commercial officer of CenterPoint Energy's Field Services business. "Waskom provides a competitive outlet for natural gas liquids, including ethane, as well as several take-away options for natural gas including our CenterPoint Energy Gas Transmission pipeline and direct access to our Perryville Hub™."

The Prism transaction is subject to the satisfaction of certain closing conditions, including Hart, Scott, Rodino approval, and satisfactory completion of due diligence, and is expected to close in the third quarter of 2012.

#### **Encana Agreement**

Under the terms of the Encana gathering agreement, which includes volume commitments and acreage dedication, CEFS will expand the Amoruso systems in order to gather and treat additional volumes as necessary to support Encana's future production within the dedicated area.

"We are excited to partner with Encana again and appreciate the confidence they have placed in our ability to meet their needs on a timely basis as they develop their properties in this region," said May.

The Encana transaction closed on May 31, 2012.

CEFS owns and operates approximately 3,900 miles of gathering pipelines and processing plants that gather, treat and process approximately 2.6 billion cubic feet per day of natural gas from approximately 150 separate systems located in major producing fields in Arkansas, Louisiana, Oklahoma and Texas.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, interstate pipelines, and field services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total more than \$22 billion. With about 8,800 employees, CenterPoint Energy and its predecessor companies have been in business for more than 135 years. For more information, visit the Web site at [www.CenterPointEnergy.com](http://www.CenterPointEnergy.com).

This news release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this news release regarding the anticipated acquisition of the Prism assets, including the anticipated benefits and closing date of the Prism acquisition, the anticipated benefits of the long-term gathering agreement with Encana, and other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the satisfaction or waiver of the conditions to closing the Prism transaction, the receipt of applicable regulatory approvals, post-signing due diligence, and the termination rights of the parties under the purchase agreement for the Prism transaction, the effects of competition, the timing and extent of changes in commodity prices, and other factors discussed in CenterPoint Energy's and its subsidiaries' Form 10-Ks for the fiscal year ended December 31, 2011, and form 10-Qs for the quarterly period ended March 31, 2012, and other filings with the SEC.

For more information contact

**Media:**

**Leticia Lowe**

Phone 713.207.7702

**Investors:**

**Marianne Paulsen**

Phone 713.207.6500

SOURCE CenterPoint Energy

News Provided by Acquire Media