

K-L ENERGY PARTNERS COMPLETES ITS FIRST TRANSACTION

– Recently Formed Energy Investment Firm Partners with Hicks, Muse, Tate & Furst on Its Acquisition of Regency Gas Systems –

Houston, Tex. – January 24, 2005 – K-L Energy Partners, LLC (“K-L”) is pleased to announce its first transaction, a strategic co-investment with Hicks, Muse, Tate and Furst Incorporated (“HMTF”) in its recent acquisition of Regency Gas Systems, LLC, a natural gas gathering, processing and transmission company based in Dallas, Texas. In conjunction with the co-investment, K-L Managing Directors Robert D. Kincaid and Gary Luce have now joined the Regency Board of Directors.

“Partnering with K-L Energy from due diligence through closing of the Regency transaction was an integral part of our midstream investment strategy, and having Bobby and Gary invest alongside us and serve on the Board will allow us to maximize this opportunity,” said Joe Colonnetta, Regency Board Chairman and an HMTF Partner.

“Gary and I are very fortunate to have teamed up with one of the most successful private equity firms in the country to help build a leading natural gas midstream company,” said Mr. Kincaid. “Regency represents a great platform of assets with a top-notch management team, and we are confident that K-L will contribute its prior investment and operating experience in the sector to make the investment a big success.”

Regency owns and operates five gas gathering systems, one major transmission system and five cryogenic gas liquids processing plants. The company’s pipeline systems are anchored by contractual relationships with more than 500 major gas producers, and connect approximately 2,800 wells to nearly 3,000 miles of pipeline with current throughput of approximately 450 MMcf/day. Its processing plants have aggregate capacity of 330 MMcf/day.

With a total of more than \$11 billion under management since inception in 1989, HMTF has completed or currently has pending more than 400 transactions with a total capital value of approximately \$50 billion. The firm’s principal offices are in Dallas and London.

K-L was formed in April 2004 to make private equity investments in the midstream and downstream energy industry. Its principals have successful energy industry backgrounds in mezzanine and private equity investing, senior management of operating companies and management consulting. K-L has assembled a broad and experienced advisory board, and is currently marketing its initial fund Energy Infrastructure Partners, LP. More information on K-L can be seen on its website at www.klenergy.com.