



**National Association of Publicly Traded Partnerships
2011 MLP Investor Conference**

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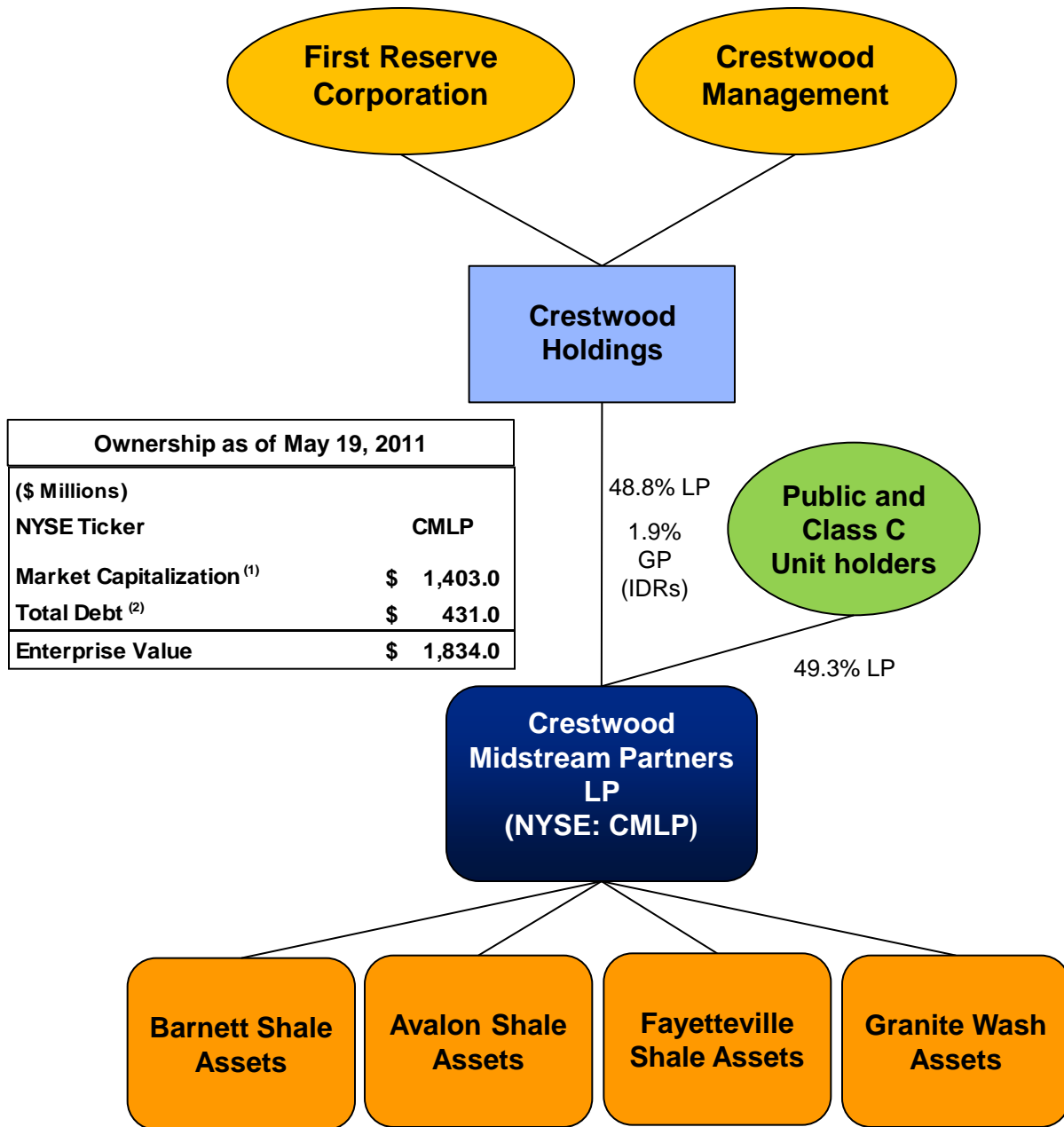
May 26, 2011

Forward Looking Statements



This presentation contains forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, regarding future events, occurrences, circumstances, activities, performance, outcomes and results of Crestwood Midstream Partners LP (“Crestwood” or “CMLP”). 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. However, a variety of factors could cause actual results to materially differ from Crestwood’s current expectations in financial condition, results of operations and cash flows including, without limitation, changes in general economic conditions; fluctuations in natural gas prices; failure or delays by our customers in achieving expected production 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 and successfully integrate the acquired business and ability to realize any cost savings and other synergies from any acquisition; any disruption from the recent acquisition of midstream assets from Frontier Gas Services, LLC making it more difficult to maintain relationships with customers, employees or suppliers; 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; construction costs or capital expenditures exceeding estimated or budgeted amounts; the effects of existing and future laws and governmental regulations, including environmental and climate change requirements; the effects of existing and future litigation; and risks related to our substantial indebtedness; as well as other factors disclosed in Crestwood’s filings with the Securities and Exchange Commission. The forward-looking statements included in this presentation are made only as of the date of this presentation, and we undertake no obligation to update any of these forward-looking statements to reflect new information, future events or circumstances except to the extent required by applicable law.

Crestwood's Platform



Ownership as of May 19, 2011	
(\$ Millions)	
NYSE Ticker	CMLP
Market Capitalization ⁽¹⁾	\$ 1,403.0
Total Debt ⁽²⁾	\$ 431.0
Enterprise Value	\$ 1,834.0

■ May 2010

First Reserve, a leading private equity energy investor and Crestwood Management, led by Bob Phillips, form Crestwood Holdings to pursue midstream assets in shale plays

- Crestwood Holdings available to make additional acquisitions for future drop downs

■ October 2010

Crestwood Holdings acquired GP and LP interests in Quicksilver Gas Services (NYSE:KGS) for \$701 MM including assets in the Barnett Shale

- Changed name/ticker to Crestwood Midstream Partners (NYSE: CMLP)

■ February 2011

CMLP acquired assets in Avalon Shale play for \$5.1 MM

■ April 2011

CMLP acquired midstream assets of Frontier Gas Services in the Fayetteville Shale and the Granite Wash play for \$338 MM

(1) Based on unit price of \$28.05 as of May 19, 2011. Includes 39.3MM LP units plus \$300MM estimated GP valuation

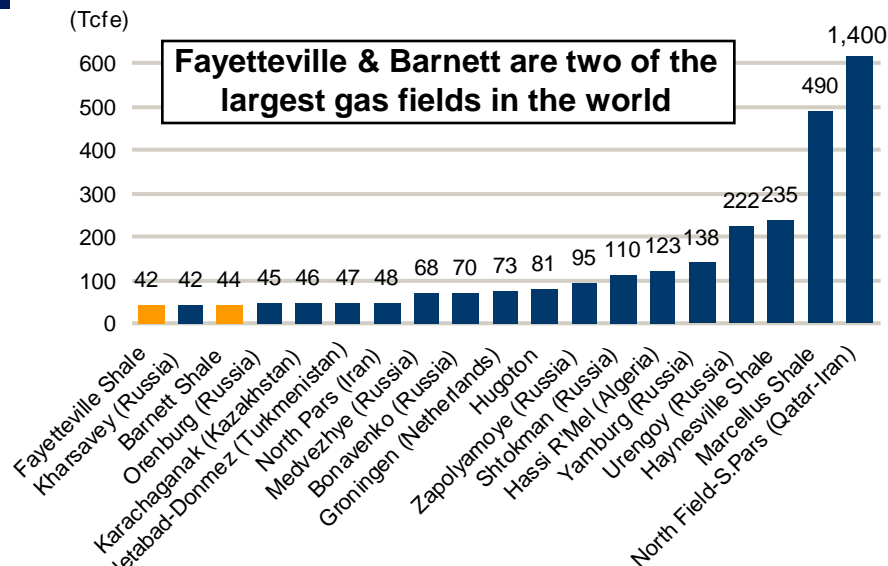
(2) Total Pro Forma Debt as of 3/31/11 including \$200MM Senior Notes

Crestwood's Shale Play Strategy



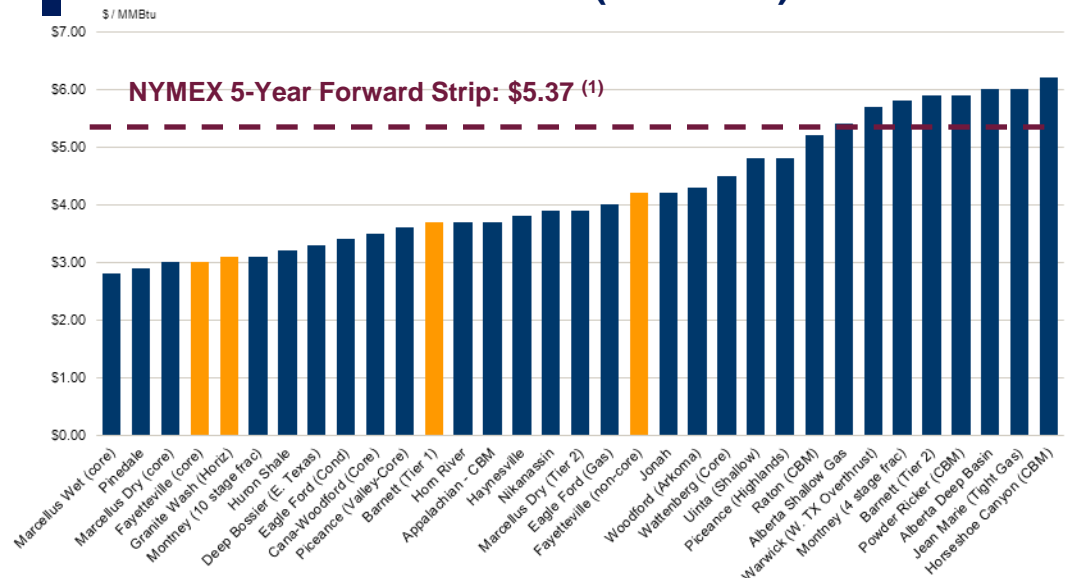
- Acquire a diversified set of midstream assets in prolific oil and natural gas basins and active shale plays as a platform for a high growth midstream business
- Focus on long term acreage dedication's located in core areas of the shale plays with solid drilling economics even at today's low gas prices
- Create diversified producer portfolio of the largest, technically competent and financially sound oil and gas shale developers
- Expand footprint and operations through visible organic growth projects and bolt-on acquisitions

World Class Natural Gas Resource



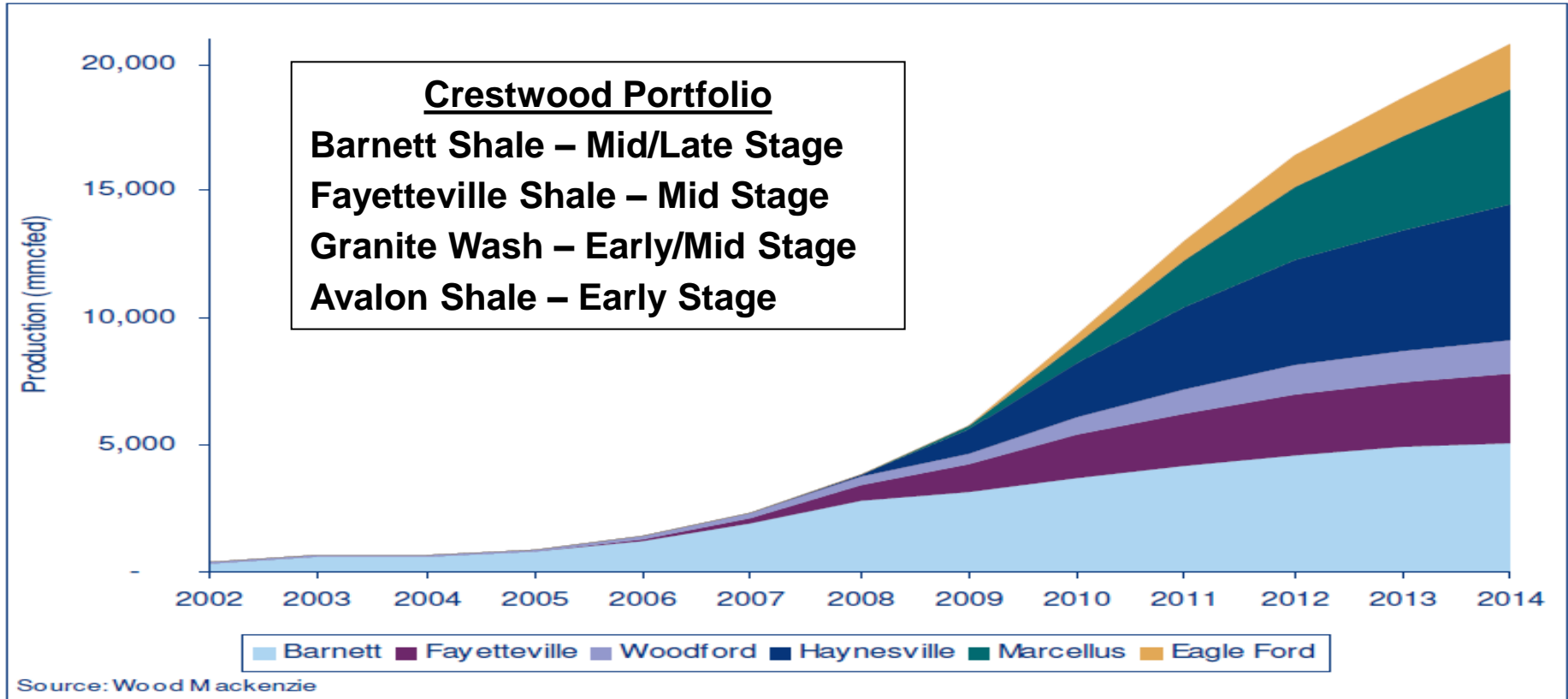
Source: Chesapeake October 2010 Investor Presentation
 *US Dept of Energy (April 2009): Modern Shale Gas Development in the US
 ** Dr. Terry Engelder, Penn State University.

Basin Breakeven NYMEX (10% IRR)



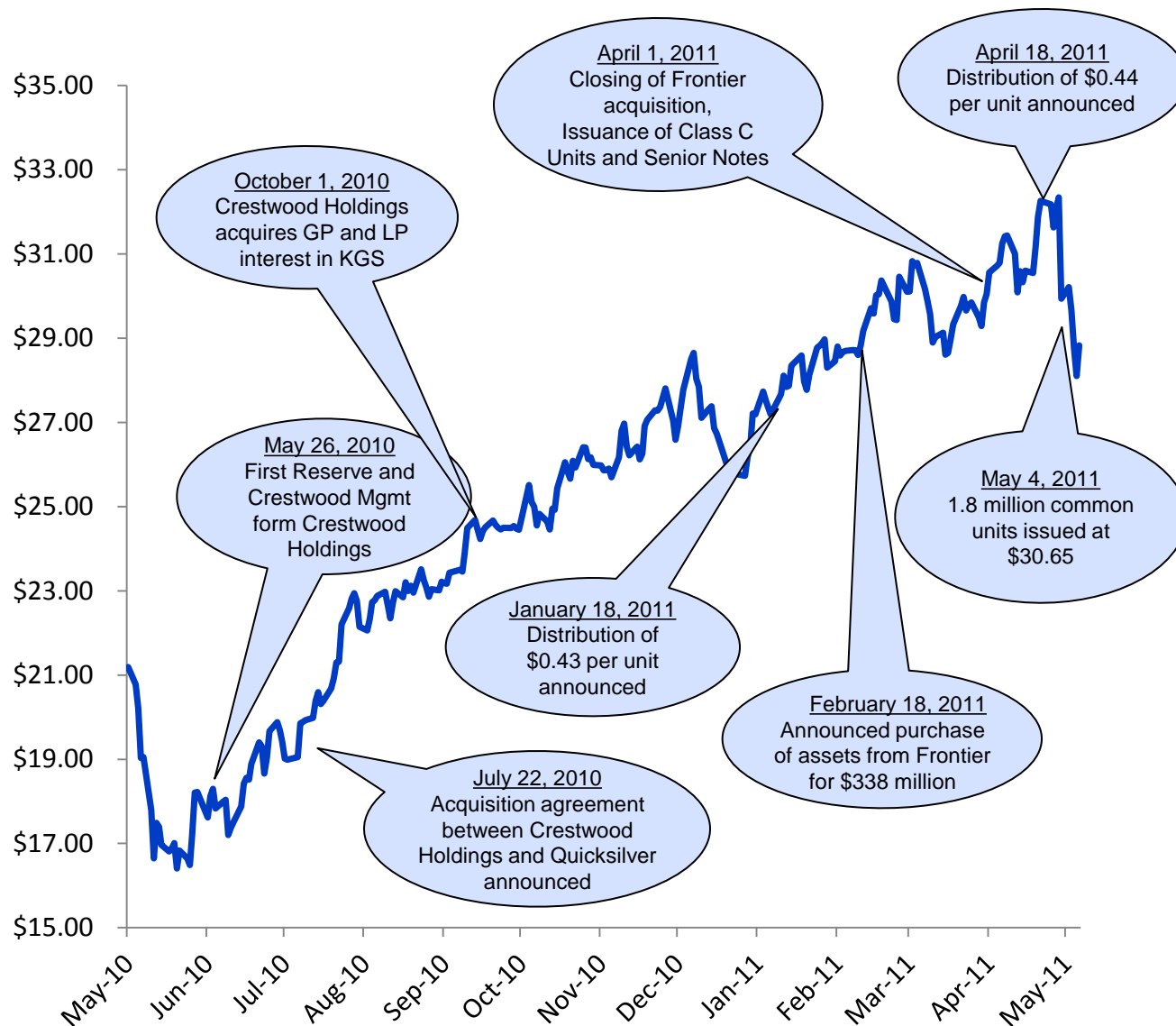
Source: Morgan Stanley research estimates as of November 7, 2010.
 1. As of May 20, 2011.

Shale Play Life Cycle



Early Stage	Mid Stage	Late Stage
Lease Accumulation Exploration Drilling Define Infrastructure Plan Build System Backbone	HBP Drilling Phase Expand System Infrastructure through Laterals & Central Facilities	Infill Drilling Phase Infrastructure largely complete Modify Central Facilities based upon volume outlook

Short but Successful History



Executing the Strategy

- ✓ Diversifying into new basins
- ✓ Expanding customer base
- ✓ Continuing focus on fee-based cash flow
- ✓ Maintaining conservative financial structure
- ✓ Consistently increasing distributions

Highlights to Date

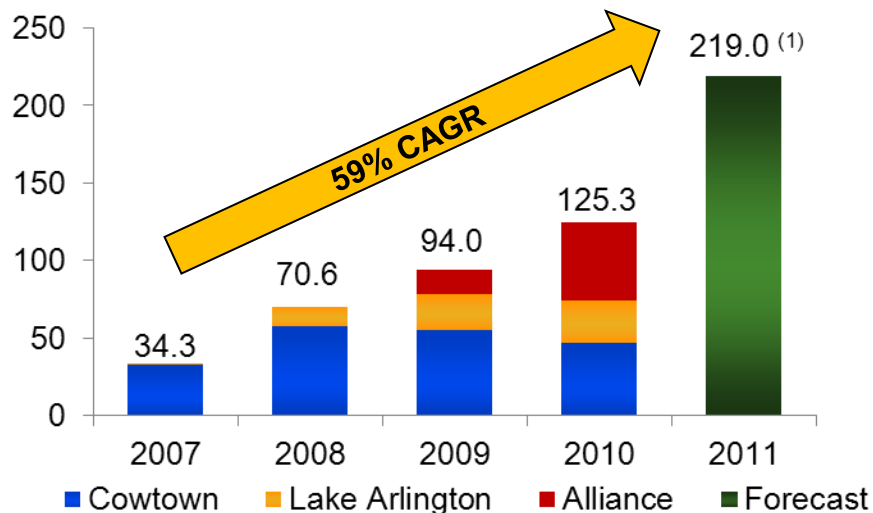
- ✓ \$1.1 billion of completed acquisitions
- ✓ \$1.3 billion of capital raising financings
- ✓ 13% increase in year-over-year quarterly distribution payment

Strong Growth Expectations in 2011

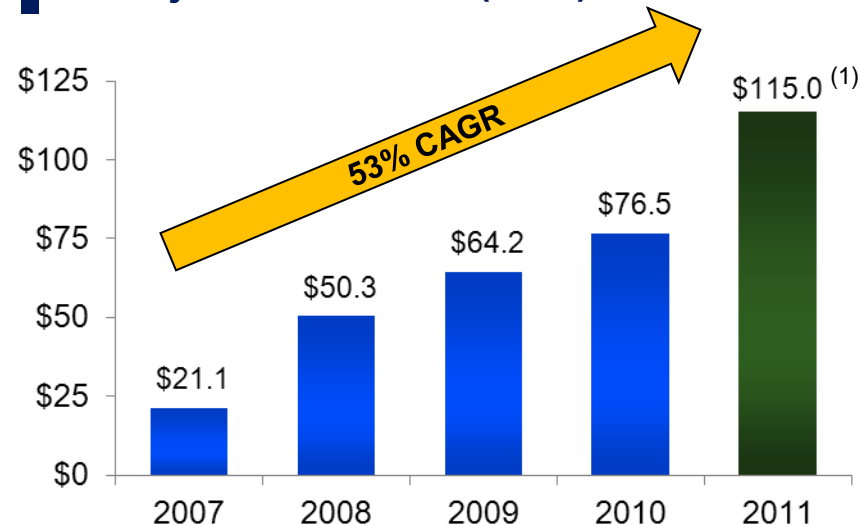


Gathering Volumes

(Billion cubic feet)



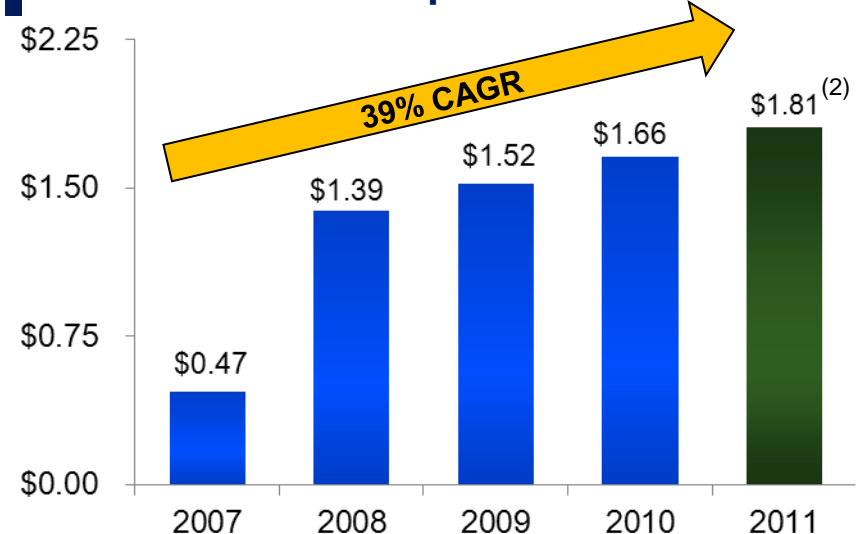
Adjusted EBITDA (\$mm)



2011 Growth Forecast

- Barnett Shale volume growth based on Quicksilver Resource's (KWK) 2011 guidance up 20%+ (actual 1Q 2011 volumes up 31%)
 - CMLP 1Q 2011 volumes up 53% YOY
- 50% YOY increase in Adjusted EBITDA includes 9 month contribution from Frontier Assets
- 8-10% distribution growth based upon consensus with 1.3x coverage ratio

Distributions Paid per Unit



(1) Represents mid-point of guidance provided by CMLP on May 10, 2011.

(2) Consensus estimate per First Call.

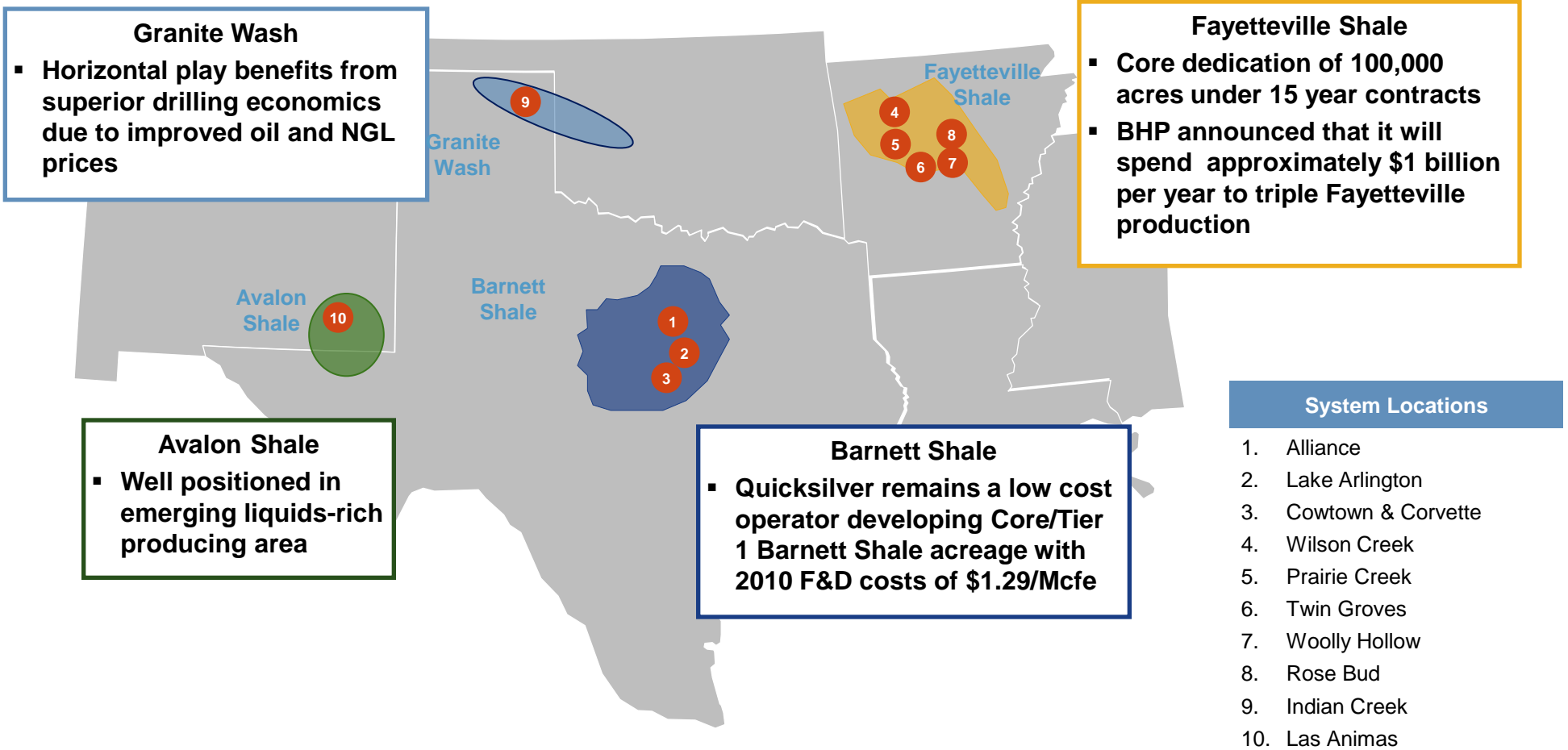
Asset Overview

Crestwood – A Diversified Midstream Shale Story



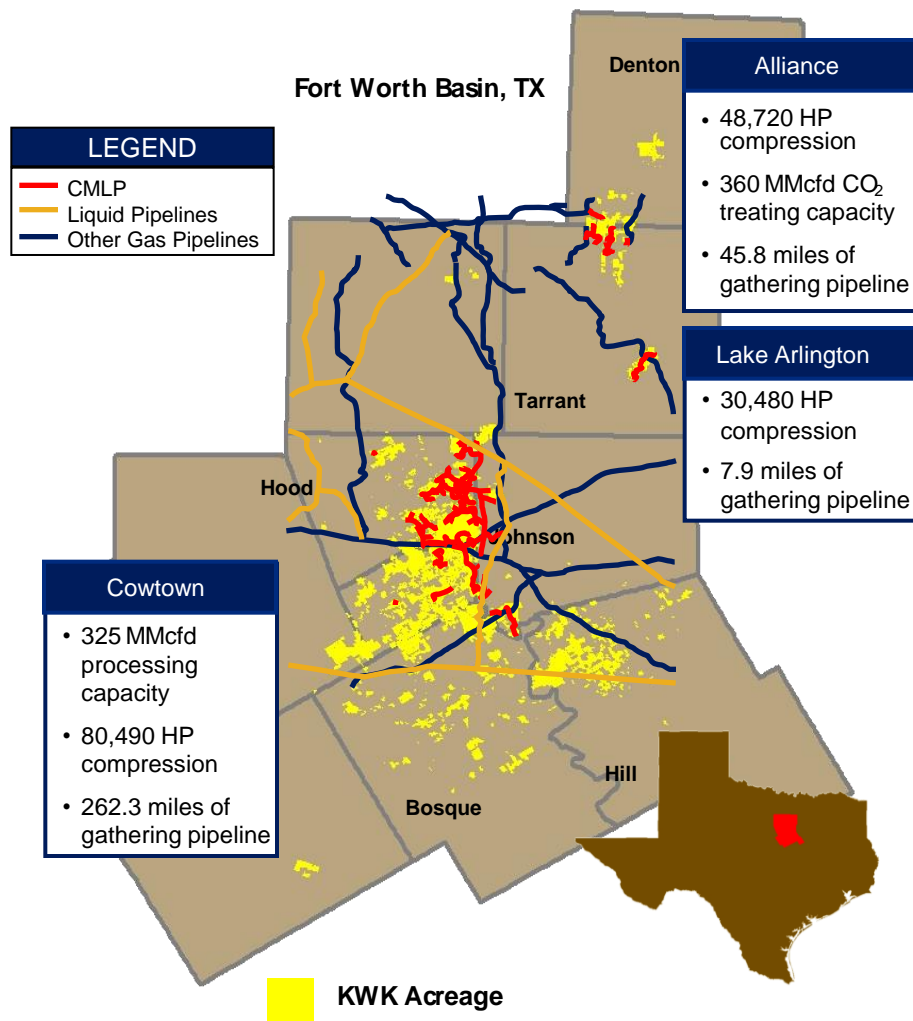
- Crestwood’s initial platform includes strong asset positions in core acreage for the Barnett, Fayetteville, Granite Wash and Avalon Shale unconventional resource plays
- Over 320,000 acres dedicated under long term contracts through 2020-2025 with in excess of 5 Tcfe reserve potential
- Diversified portfolio of successful producers including KWK, Chesapeake (CHK), BP America (BP), BHP Billiton (BHP), ExxonMobil/XTO (XTO) and Devon (DVN)

Geographical Footprint



Barnett Shale Assets

Fort Worth Basin of North Texas

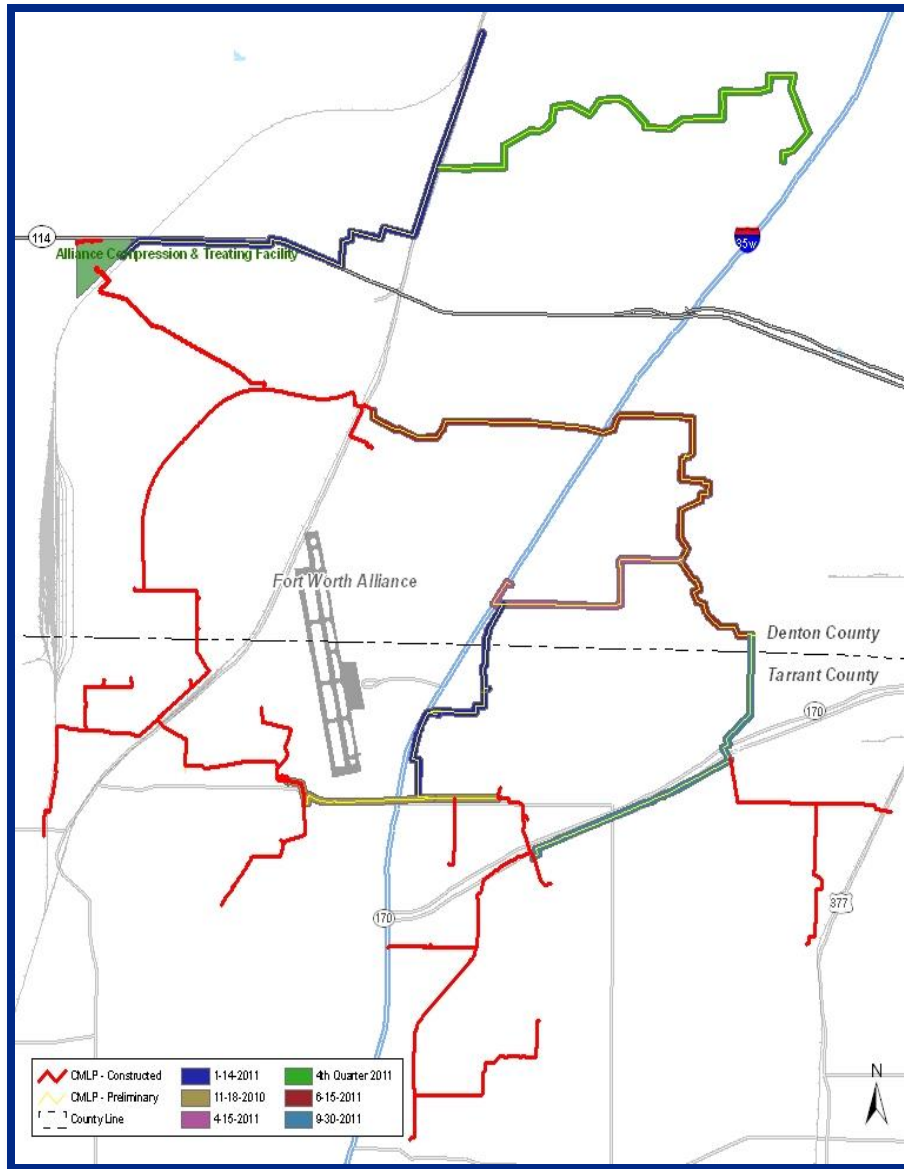


Key Highlights

- Crestwood owns and operates competitive gathering, processing and treating assets; low operating cost pipelines, high NGL recovery plants in the Barnett Shale
 - 320 miles of pipeline with 825 MMcf/d capacity; 3 NGL processing plants; 1 Amine CO₂ treating plant; 160,000 HP compression
 - Assets primarily support KWK's development program
- The Barnett Shale is one of the largest producing natural gas fields in North America ⁽¹⁾
 - 5 Bcf/d in 1Q 2011; 29+ Tcf proved reserves; 14,000+ wells completed
 - 66 rigs still running in play; Core & Tier 1 area offers 10-25% returns at \$4-\$5/Mcf
- KWK is the 4th largest producer in the Barnett Shale
 - 155,000 acres; 40% developed; 10-year drilling inventory; 2.6 Tcfe proved reserves dedicated to CMLP
 - 1Q 2011 volumes increased YOY by 31%

1. Barnett Shale Newsletter – RigData.

Alliance Expansion Project



- KWK has focused on development of the Alliance area in 2011
 - Joint venture with Eni SpA driving activity
 - Core acreage wells delivering higher volumes due to longer laterals and more frac stages
 - Olivet West 3H is a 8,000 ft lateral / 22 stages; averaged 5.7 MMcf/d since 3/11 first flow
- CMLP's 2011 \$30 MM capital program for Alliance area designed to keep pace with KWK drilling and DUC completion plans
- Strong 1Q 2011 performance by KWK led to 72% YOY increase in CMLP volumes (191 Mmcf/d in Q1 2011 vs 111 MMcf/d in Q1 2010)
 - 16 new wells in the 1Q 2011
- Speedway lateral completed in 1Q 2011
- Commerce A to Cartwright lateral expected in mid-June 2011

Benefits of Frontier Acquisition



Basin Diversity

- Access to world-class Fayetteville Shale and liquids-rich Granite Wash

Producer and Cash Flow Diversification

- Expands CMLP's customer portfolio and opportunity set
- Adds credit enhancing producers to CMLP's customer base
 - BHP, BP, XTO and CHK

Expected Favorable Impact From BHP Announcement

- BHP's \$4.75 billion acquisition supports Crestwood's value proposition in the Fayetteville area
- Potential acceleration of Fayetteville drilling program

Long-term, Fee Based Contracts

- Fayetteville contracts have initial terms through 2020 with 100% fixed-fee services; CMLP option to extend to 2025
- Granite Wash contracts range from 5 years to 11 years with percent-of-proceeds (POP) processing and fee based gathering services
- Fee-based cash flow is approximately 95% pro forma for acquisition

Significant Acreage Dedications

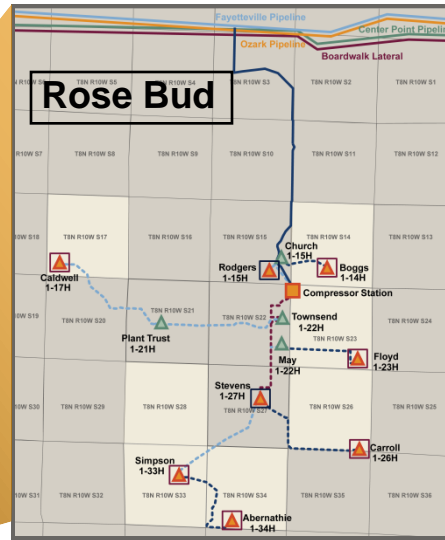
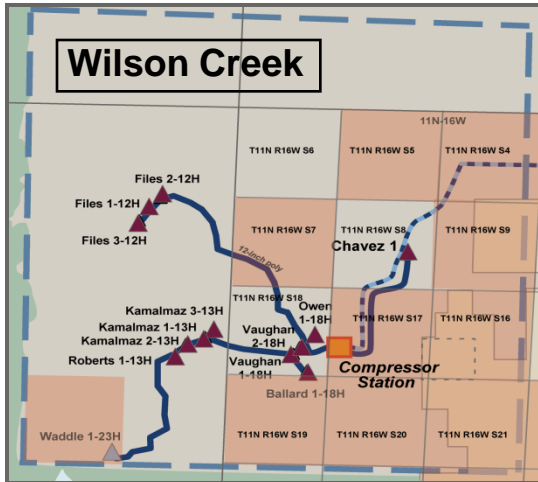
- Fayetteville Systems have over 100,000 acres dedicated
 - 1,000 – 1,100 drillable locations based on expected acreage spacing
- Granite Wash has over 13,000 acres dedicated with 100-150 drillable locations

Low Risk Volume Growth

- Positive drilling economics despite low gas prices
- Improved oil and NGL prices provide superior economics in the liquids rich Granite Wash supports increased producer activity

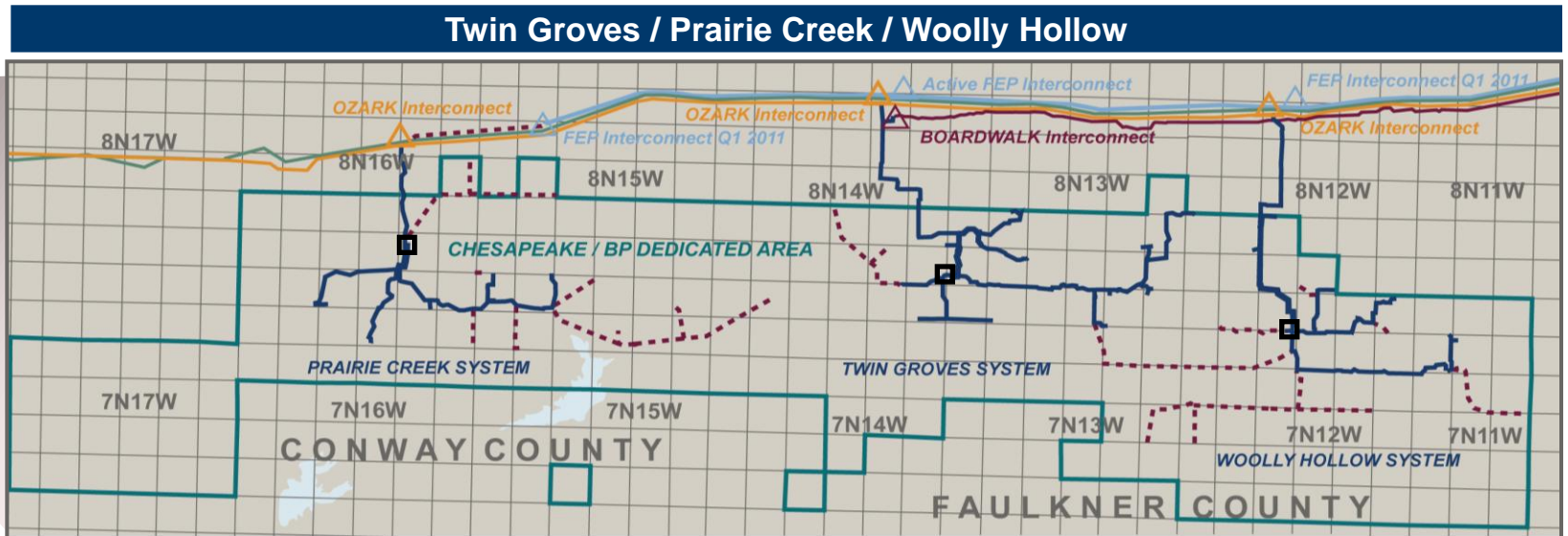
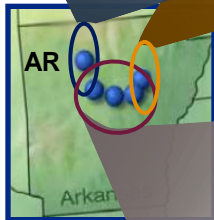
Fayetteville Shale Assets

Significant long-term acreage dedications



Overview

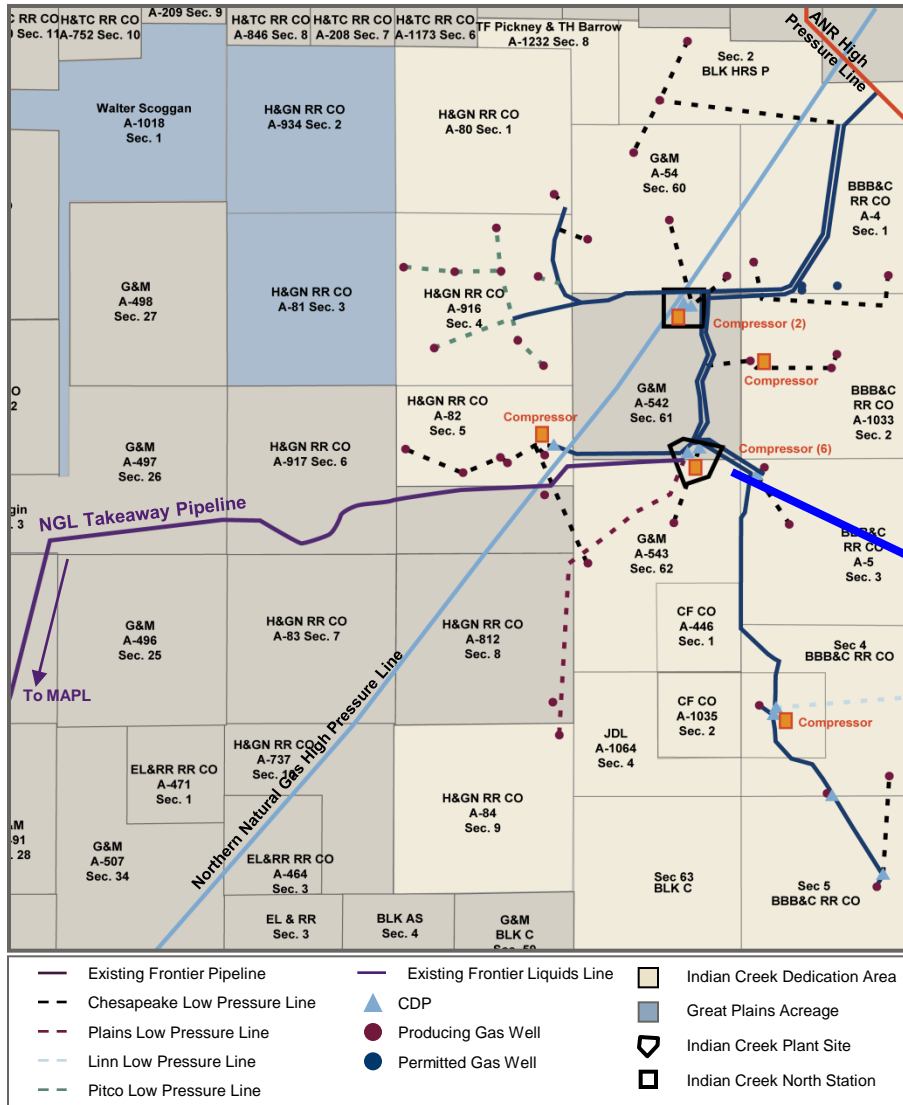
- Largest third party gatherer in the Fayetteville Shale
- Producers include BHP Billiton, BP America and ExxonMobil's XTO subsidiary
- Five separate gathering systems which in aggregate include:
 - 127 miles of gathering lines
 - 35,070 HP of compression
 - Gathering capacity to downstream pipeline of 510 MMcf/d
 - Treating capacity of 165 MMcf/d
- 100% fixed fee based contracts (sliding scale incentivizes producers for volume growth)
- Producer builds from wellhead to central delivery point
- Downstream interconnects with Ozark, Boardwalk and Fayetteville Express pipelines



Granite Wash Assets

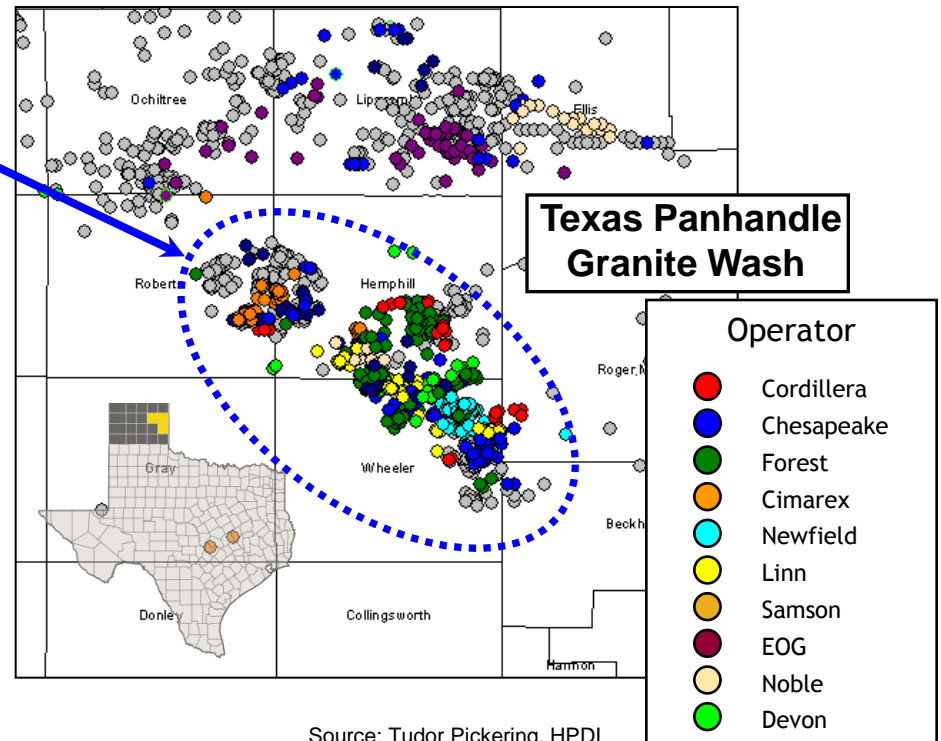
Systems positioned for long-term growth in liquids-rich area

Indian Creek System



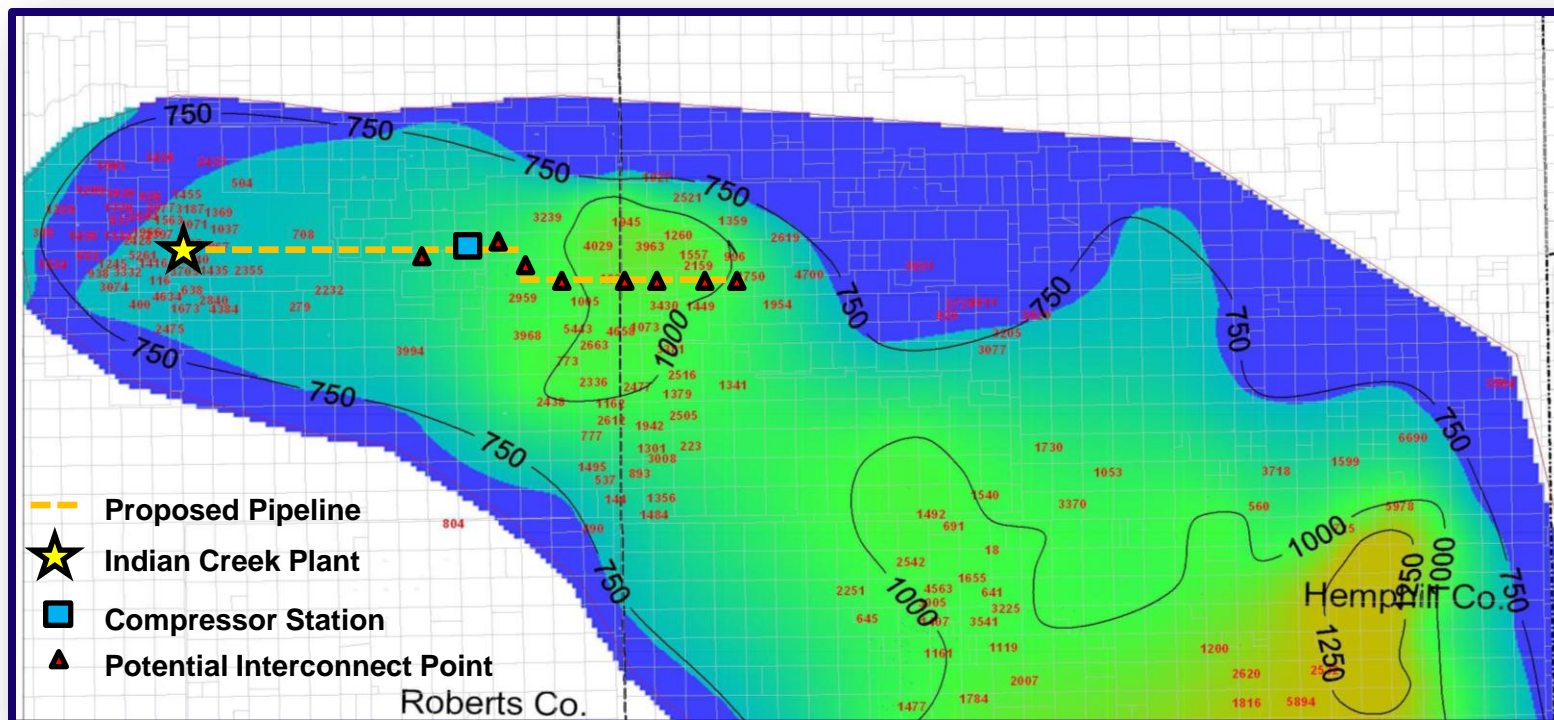
Overview

- Gas gathering system and 36 MMcf/d cryogenic processing plant in Roberts County, Texas
- Significant capital expansion project opportunity including 20 mile pipeline extension and 60 MMcf/d processing plant expansion
- Premium downstream markets
 - NGL takeaway pipeline to Mid-America Pipeline (MAPL) which allows premium Mt. Belvieu pricing on liquids
 - Interconnects with ANR and Northern Natural
- 13,000+ acres currently dedicated by Chesapeake, Linn, Great Plains, et al

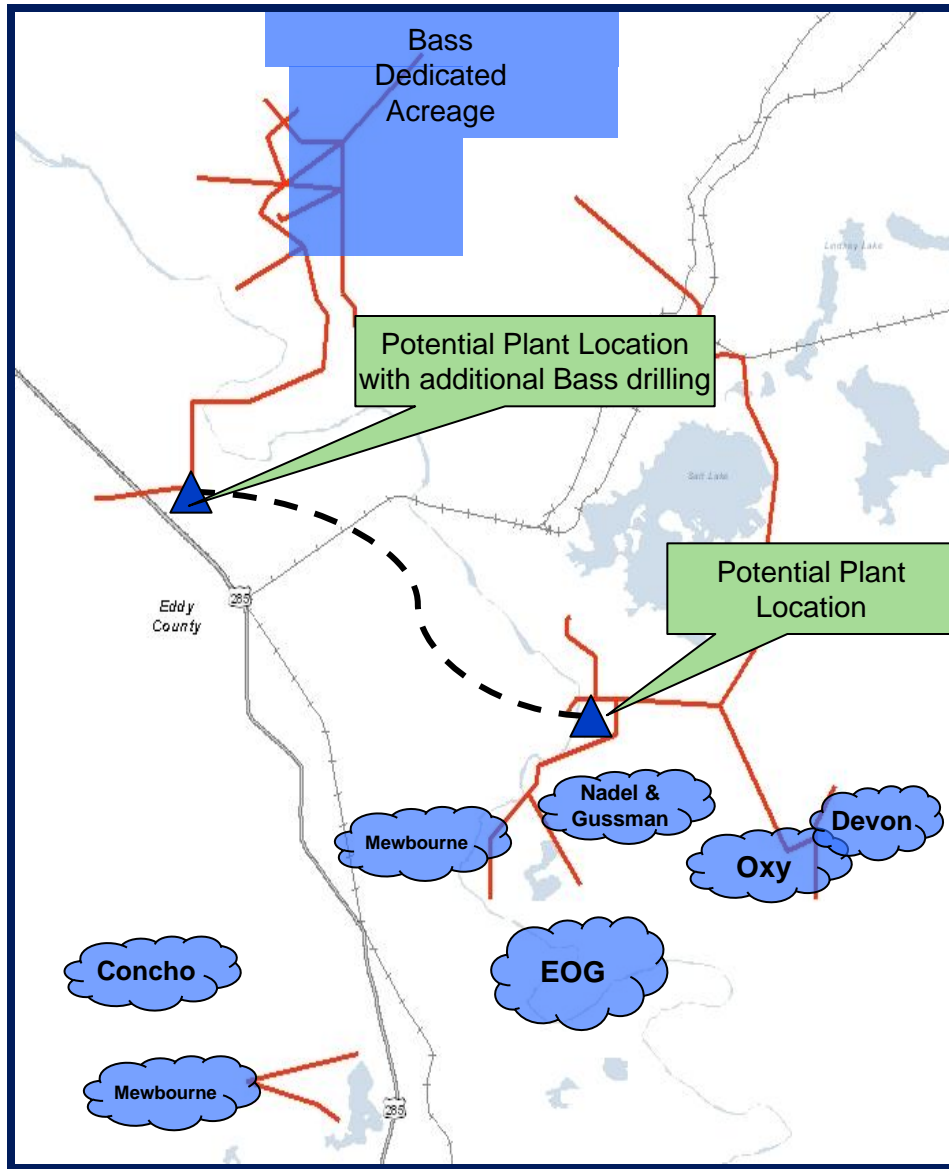


Granite Wash Expansion Project

- Development project acquired from Frontier
- \$30 MM capital expenditure to expand gathering system and processing plant
- 20-mile (12"-16") pipeline extension into eastern Roberts/western Hemphill Counties, Texas
- 60 MMcf/d cryogenic processing plant expansion at existing 36 MMcf/d Indian Creek Plant
- Significant new gas supplies from emerging Granite Wash tight sands play due to high NGL content (5+ GPM gas)
- Potential suppliers include: Chesapeake, Linn, Great Plains, Plains Exp., BP, Mewbourne, Forest, Texakoma plus offloads from competitor pipelines
- New pipeline system expected to be in service by 4Q 2011
- New processing plant expected to be in service by 1Q 2012



Avalon Shale Assets



- **Avalon Shale, located in the western Permian Basin area, is an emerging rich gas and oil play**
- **Assets include 46 miles of dry gas pipelines gathering conventional Morrow Atoka gas to El Paso and Southern Union**
- **Supported by long term dedications from Bass, Devon and Unit**
- **Devon recently connected first Avalon Shale well to our Laguna System with 1,000 Mcf/d IP**
- **Majors looking to accumulate acreage in the area**
- **Potential to convert dry gas system to rich gas service as Avalon Shale development continues**

Operating and Financial Overview

Strong First Quarter 2011 Results



- **50% increase in adjusted distributable cash flow driven by strong volume growth in the Barnett Shale (Frontier assets not included)**
- **13% increase in distributions with increased retained cash flow**

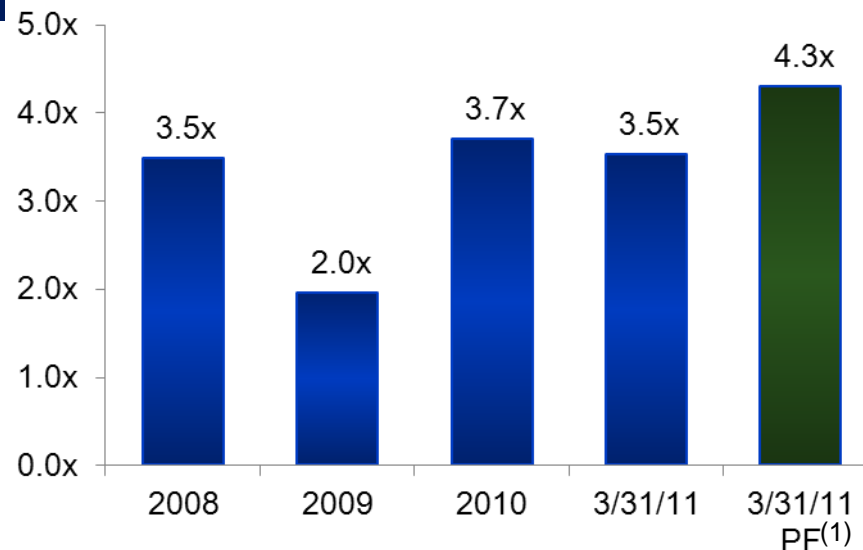
	Three Months Ended March 31,		% Change
	2011	2010	
Volumes Gathered (Bcf)	39.4	25.7	53%
Volumes Processed (Bcf)	11.0	11.2	
(\$MM)			
Revenues	\$ 32.4	\$ 24.8	
Operations and maintenance expense	(7.4)	(7.4)	
General and administrative expense	(6.4)	(3.1)	
Non-recurring transaction related expenses	2.0	-	
Adjusted EBITDA	20.6	14.3	44%
Less: Cash interest expense	(2.3)	(1.2)	
Less: Maintenance capital	(0.4)	(1.7)	
Add: Non-cash equity compensation	0.2	0.7	
Adjusted distributable cash flow	\$ 18.1	\$ 12.1	50%
Total Distributions paid for the period	\$ 14.8	\$ 11.6	
Retained cash flow	\$ 3.3	\$ 0.5	
Distributions per Unit	\$ 0.44	\$ 0.39	13%

Crestwood Financial Strategy

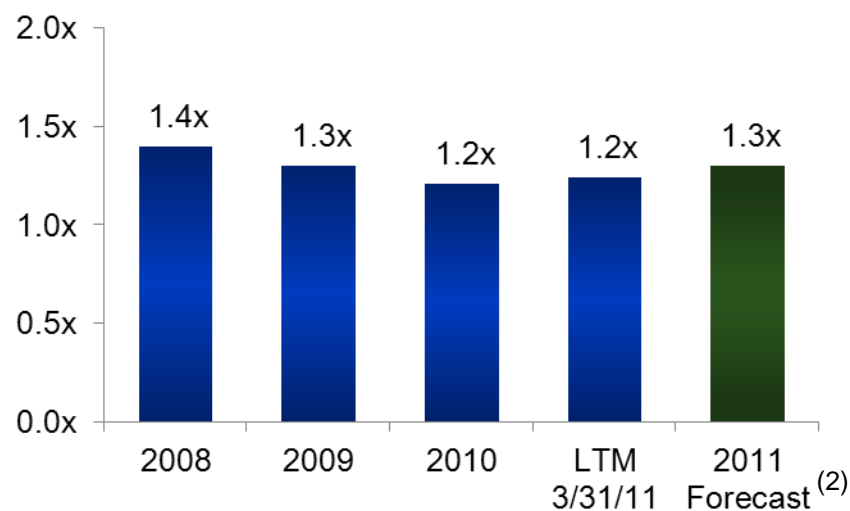


- **Target long-term leverage ratio below 4.0x**
 - B/B2 (S&P/Moody’s) corporate family rating as a first time issuer
 - Improving credit metrics are important
- **Disciplined financial policy as we grow the Partnership**
 - Ample liquidity available to complete 2011 organic growth capital program
 - No near term debt maturities
- **Goal to maintain a balance between leverage and distribution growth/coverage ratio**

Debt / Adjusted EBITDA



Distribution Coverage



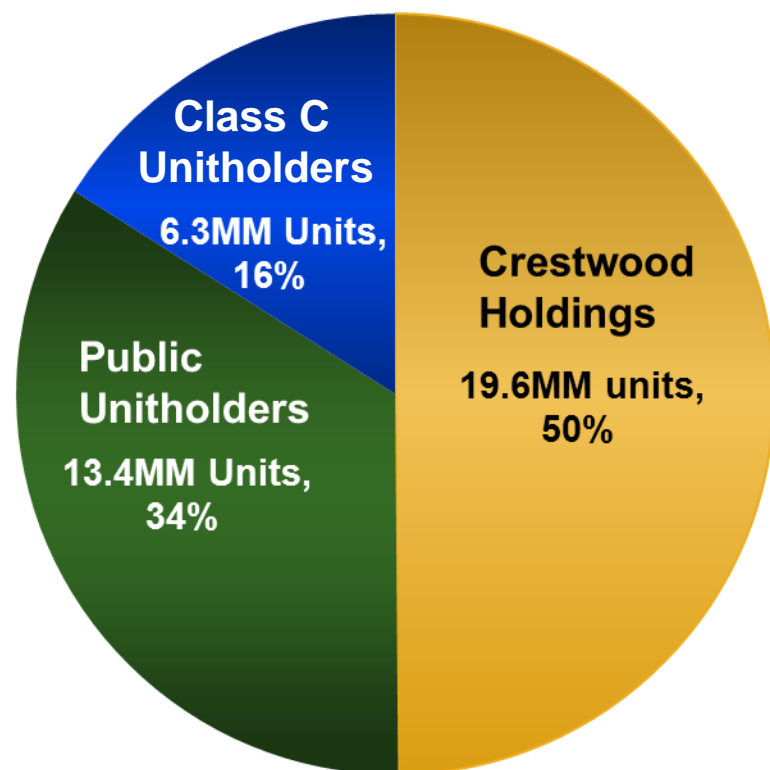
(1) Pro forma for Frontier Asset acquisition and capital market financings in April and May 2011. See Appendix for detail calculation.

(2) Based on financial guidance provided by CMLP on May 10, 2011, First Call consensus distribution estimate of \$1.81/Unit and estimated cash interest expense of \$22 million. Assumes distribution to Class C unitholders are paid-in-kind with additional Class C units. See Appendix for CMLP guidance.

Equity Ownership drives Long Term Growth



Limited Partner Owners by Category



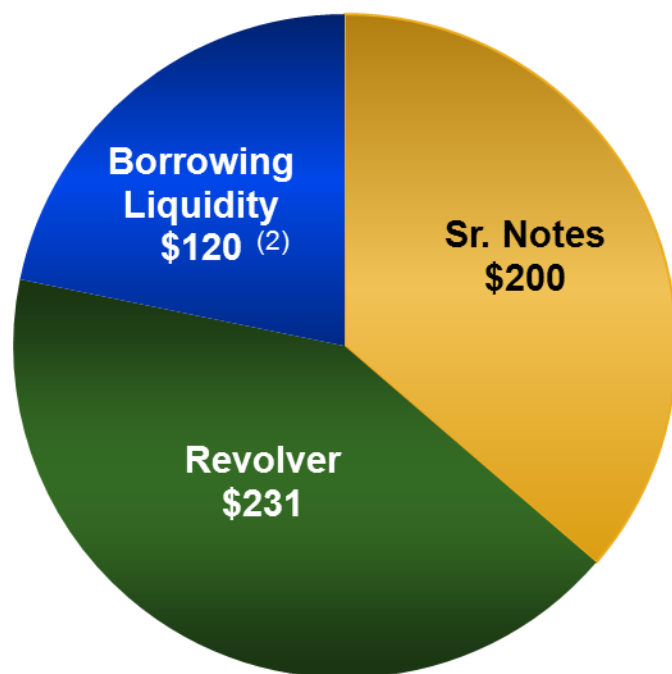
39.3 million units outstanding
as of May 19, 2011

- Strong alignment of interest between GP and LP's due to significant LP ownership stake in CMLP by Crestwood Holdings
- GP sponsorship by First Reserve and Crestwood Management creates incentive for growth in distributions
 - \$535 MM initial equity contribution to Crestwood Holdings to acquire 100% of GP and approximately 2/3^{rds} of common units in the Quicksilver transaction
 - Current LP ownership of approximately 50%
 - 1Q 2011 GP distribution (6.3% of total distribution)
 - Distributions from CMLP drive debt coverage for Crestwood Holdings' \$180 MM Term Loan B note used to finance Quicksilver acquisition
- Management's long term incentive compensation based on value appreciation of LP and GP stake owned by Crestwood Holdings

Pro Forma Debt and Liquidity – March 31, 2011

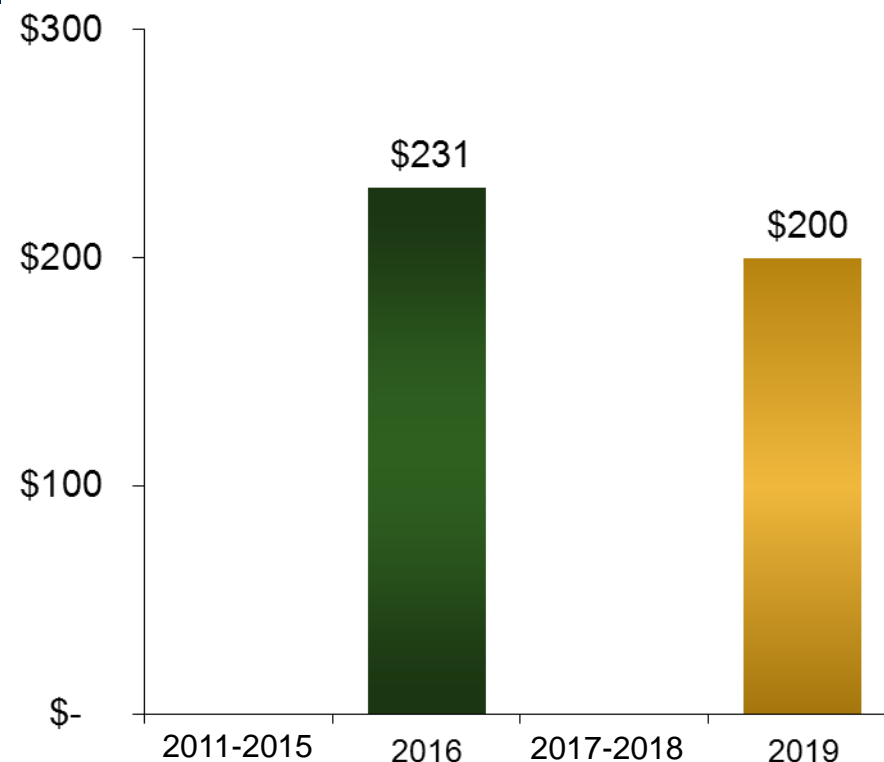


Total Debt and Liquidity (\$ MM) ⁽¹⁾



\$431 MM Pro Forma debt outstanding at March 31, 2011

Debt Maturities (\$ MM)



- (1) See Appendix for detail calculation of pro forma debt balances as of March 31, 2011.
- (2) Borrowing liquidity is calculated based on an allowed increase in the ratio of debt to EBITDA (as defined in the CMLP revolving credit agreement) from 5.0 to 5.5 for 270 days following an acquisition.

Key Investment Considerations

1: Long-term, Fee Based Contracts

2: Proven Core Acreage Dedications/
Credit Worthy Producers

3: High Quality Assets Requiring Low Maintenance

4: Business Diversification With Visible Low Risk Projects

5: Consistent Distribution Growth

6: Experienced Management Team and Strong Sponsor Support



Appendix

Non-GAAP Financial Measures



The following slide of this presentation provides reconciliations of the non-GAAP financial measures adjusted EBITDA and adjusted distributable cash flow to their most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Our non-GAAP financial measures should not be considered as alternatives to GAAP measures such as net income or operating income or any other GAAP measure of liquidity or financial performance.

We define adjusted EBITDA as net income from continuing operations plus, interest expense, provision for income taxes, depreciation and accretion expense and non-recurring transaction related expenses. Adjusted EBITDA is commonly used as a supplemental financial measure by senior management and by external users of our financial statements, such as investors, research analysts and rating agencies, to assess the financial performance of our assets without regard to financing methods, capital structures or historical cost basis. We define adjusted distributable cash flow as net income from continuing operations adjusted for: (i) the addition of depreciation and accretion expense; (ii) the addition of income taxes; (iii) the addition of non-cash interest expense; (iv) the subtraction of maintenance capital expenditures and (v) the addition of cash paid for non-recurring transaction related expenses. The GAAP measure most directly comparable to adjusted distributable cash flow is net income from continuing operations.

Non-GAAP Reconciliations



	Year Ended December 31,				Three Months Ended		Last Twelve
	2007	2008	2009	2010	March 31,		Months Ended
					March 31,		March 31,
					2010	2011	2011
	(\$ in thousands)						
Total revenues	\$ 35,695	\$ 76,084	\$ 95,881	\$ 113,590	\$ 24,739	\$ 32,380	\$ 121,231
Operations and maintenance expense	11,432	19,395	21,968	25,702	7,393	7,381	25,690
General and administrative expense	3,379	6,407	9,676	17,657	3,061	6,370	20,966
Other income	236	11	1	-	-	-	-
EBITDA	21,120	50,293	64,238	70,231	14,285	18,629	74,575
Non-recurring transaction related expenses	-	-	-	6,318	-	1,965	8,283
Adjusted EBITDA	21,120	50,293	64,238	76,549	14,285	20,594	82,858
Less:							
Depreciation and accretion expense	7,702	13,131	20,829	22,359	5,365	6,025	23,019
Interest expense	4,257	8,437	8,519	13,550	2,678	3,006	13,878
Income tax provision (benefit)	313	253	399	(550)	53	222	(381)
Non-recurring transaction related expenses	-	-	-	6,318	-	1,965	8,283
Net income from continuing operations	<u>\$ 8,848</u>	<u>\$ 28,472</u>	<u>\$ 34,491</u>	<u>\$ 34,872</u>	<u>\$ 6,189</u>	<u>\$ 9,376</u>	<u>\$ 38,059</u>
Net income from continuing operations	\$ 8,848	\$ 28,472	\$ 34,491	\$ 34,872	\$ 6,189	\$ 9,376	\$ 38,059
Depreciation and accretion expense	7,702	13,131	20,829	22,359	5,365	6,025	23,019
Income tax provision (benefit)	313	253	399	(550)	53	222	(381)
Non-cash interest expense, net of capitalized interest cost paid	3,904	6,096	3,836	4,961	1,464	678	4,175
Non-cash equity compensation	130	1,017	1,705	5,522	667	283	5,138
Maintenance capital expenditures	(1,250)	(1,890)	(10,000)	(6,600)	(1,650)	(423)	(5,373)
Distributable cash flow	19,647	47,079	51,260	60,564	12,088	16,161	64,637
Add: Non-recurring transaction related expenses	-	-	-	2,737	-	1,965	4,702
Adjusted distributable cash flow	<u>\$ 19,647</u>	<u>\$ 47,079</u>	<u>\$ 51,260</u>	<u>\$ 63,301</u>	<u>\$ 12,088</u>	<u>\$ 18,126</u>	<u>\$ 69,339</u>
Distributions declared for respective period	11,337	33,736	39,428	52,423	11,564	14,842	55,701
Distribution coverage	1.7x	1.4x	1.3x	1.2x	1.0x	1.2x	1.2x

Non-GAAP Reconciliation: 2011 Forecast



	Forecast Year Ended December 31, 2011 ⁽¹⁾
Adjusted EBITDA	\$110 million to \$120 million
Depreciation and accretion expense	\$32 million
Interest expense, net	\$27 million
Income tax provision	\$1 million
Net income	\$50 million to \$60 million

⁽¹⁾ Represents guidance provided on May 10, 2011, and includes the contribution of the acquisition of assets from Frontier Gas Services on April 1, 2011

Pro Forma Capitalization



(\$mm)	Actual 3/31/2011	Adjustments	Pro Forma 3/31/2011
Indebtedness:			
Revolving Credit Facility ¹	\$ 292.8	\$ (61.8)	\$ 231.0
Senior Notes due 2019 ²	-	200.0	200.0
Total indebtedness	292.8	138.2	431.0
Total partners' capital ³	254.1	205.4	459.5
Total capitalization	\$ 546.9	\$ 343.6	\$ 890.5
Credit Statistics:			
Total debt / Adjusted EBITDA ⁴	3.5x		4.3x
Debt / Total capitalization (%)	53.5%		48.4%

Notes:

- 1 Pro forma revolving credit facility balance reflects \$8.7 million of equity contribution received from the General Partner on April 1, 2011, and \$53.1 million of net proceeds received on May 4, 2011 from the public offering of 1.8 million common units; both of which were used to reduce indebtedness under the revolving credit facility.
- 2 Represents the private offering of \$200 million principal amount of 7.75% Senior Notes issued on April 1, 2011 used to fund a portion of the acquisition of assets from Frontier Gas Services LLC (the "Frontier Asset acquisition").
- 3 Includes \$153.0 million of proceeds from the issuance of Class C units used to fund a portion of the Frontier Asset acquisition, \$8.7 million received from the General Partner, and \$53.1 million of net proceeds from the public offering of 1.8 million common units on May 4, 2011; offset by \$9.4 million of estimated expenses related to the Frontier Asset acquisition.
- 4 Includes \$82.9 million of Adjusted EBITDA of Crestwood for the twelve months ended March 31, 2011, and \$18.0 million of Adjusted EBITDA from the Frontier Asset acquisition for the year ended December 31, 2010 as provided in Form 8-K filed by Crestwood on March 21, 2011 (calculated as \$9.4 million of operating income, plus \$8.6 million of depreciation, amortization and accretion expense).