

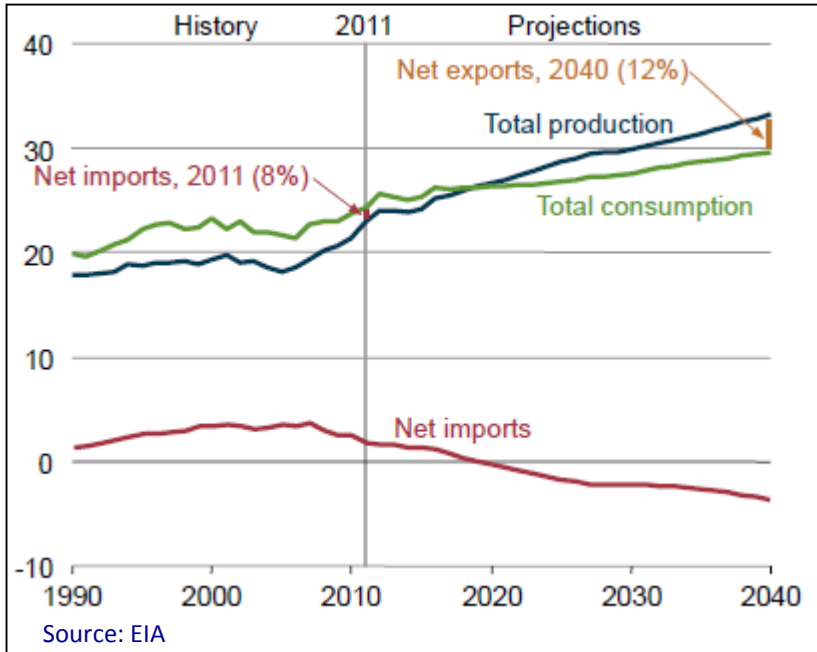


MLP Flash Report

May 2013

BEYOND THE SHALE REVOLUTION MLP Growth Prospects

US Natural Gas Production versus Consumption 1990 - 2040



Demand Growth Sources

- Shale production has been so successful that supply has temporarily over run demand for both natural gas and NGLs in the US.
- Demand growth has come from capturing market share including:
 - Exports
 - Feedstock alternatives
 - Crude import displacement
 - Gas vs. Coal power generation

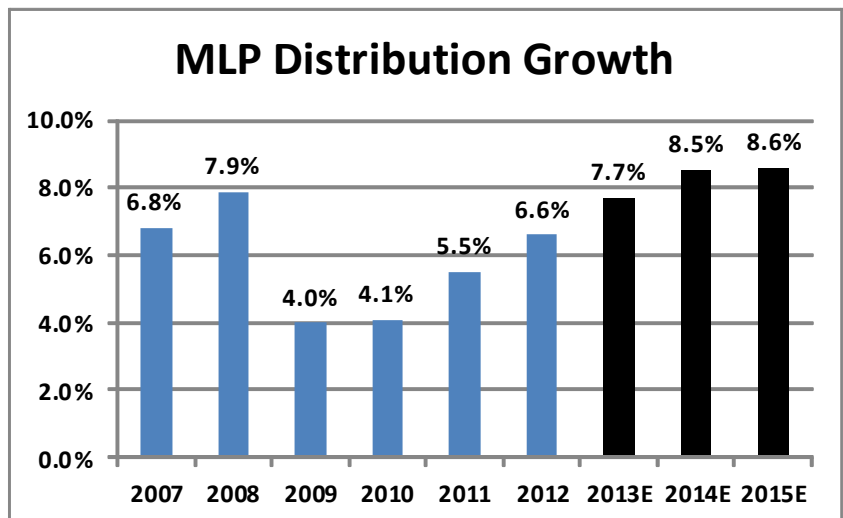
Opportunities

- Exports appear to have the most dramatic potential to increase prices or induce new infrastructure on the gas horizon.
- Greater demand for natural gas as coal's electricity generation market share falls due policies aimed at reducing greenhouse gas emissions.

Capital investment opportunities position MLPs well for sustainable distribution growth

- Strong capital market access and acute midstream infrastructure bottlenecks in emerging domestic unconventional shale plays have allowed MLPs to invest in projects whose benefits will materialize over several of years.
- Acquisitions continue to compliment and advance organic growth strategies for multiple MLPs.
- MLPs will be the primary beneficiary of the vast majority of the new infrastructure build-out.

MLP Distribution Growth



Source: Company Data, Morgan Stanley Research estimates