



FOR IMMEDIATE RELEASE

Contact:

William A. Lang
Merchant Energy Holdings, LLC
10370 Richmond Avenue Suite 510
Houston, Texas 77042
713-403-6464
alang@mehllc.com

EAST CHEYENNE GAS STORAGE, LLC COMMENCES SERVICE

First Independent Storage Project in the Rockies will begin Limited Services

Houston, Texas December 6, 2011 – East Cheyenne Gas Storage (ECGS), a natural gas storage project being developed by Merchant Energy Holdings, LLC in northeast Colorado (Logan County), has received FERC approval to place certain facilities into service and commenced service on those facilities on December 6, 2011. ECGS is the first operational independent natural gas storage facility in the Rocky Mountain region, and is certificated for approximately 18.9 BCF of working gas capacity. ECGS began base gas injections in early November and is expected to have withdrawal facilities in place during the first quarter of 2012.

“We are pleased with the results that have been achieved so far in our project development. Additional injection/withdrawal wells are being brought on-line to support the development of the working gas capacity in line with our certificated authority,” commented Andy Lang, President of East Cheyenne Gas Storage.

ECGS is interconnected with Kinder Morgan’s Trailblazer Pipeline in Logan County and is authorized to connect with the Rockies Express pipeline at the same location. In addition to serving customers in Colorado’s Front Range as well as shippers moving gas to markets off Natural Gas Pipeline Company’s and Northern Natural Gas Company’s systems, ECGS will provide storage and hub service options to shippers utilizing the Cheyenne Hub.

ECGS represents a critical infrastructure addition for growing gas demand for power generation and seasonal load growth along Colorado’s Front Range. New gas-fired generation capacity is being developed in the area to support compliance with Colorado’s Clean Air and Clean Jobs Act passed in 2010.

About Merchant Energy Holdings, LLC

Merchant Energy Holdings, LLC is headquartered in Houston and maintains an office in Littleton, Co. The company is focused on developing, operating and acquiring high-deliverability, multi-cycle natural gas storage capacity in the United States. The company was formed following the combination of Quantum NGS Holdings' (a portfolio company of Houston based Quantum Energy Partners) two storage development entities - Icon NGS, LLC and Merchant Energy Partners, LLC.