

**Quicksilver Gas Services LP**  
**Reconciliation of Net Income to**  
**Adjusted Gross Margin and EBITDA**

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(In thousands)		(In thousands)	
Total revenues	\$ 25,365	\$ 13,170	\$ 78,058	\$ 35,941
Operations and maintenance expense	5,216	3,449	20,250	11,512
General and administrative expense	1,695	1,026	6,407	3,379
Adjusted gross margin	18,454	8,695	51,401	21,050
Other income	1	87	11	236
EBITDA	18,455	8,782	51,412	21,286
Depreciation and accretion expense	4,137	2,763	14,566	8,070
Interest expense	2,635	2,707	10,177	4,647
Income tax provision	145	124	253	313
Net income	\$ 11,538	\$ 3,188	\$ 26,416	\$ 8,256

As required by Regulation G promulgated by the Securities and Exchange Commission, the above schedule is a reconciliation of our unaudited earnings before interest, taxes and depreciation (EBITDA), a non-GAAP financial measure, for the quarter and nine months ended December 30 for the 2007 and 2008 periods, to net income for these periods determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Our management believes that EBITDA is a widely accepted financial indicator of a company's operational performance and its ability to incur and service debt, fund capital expenditures and make distributions. EBITDA is not a measure calculated in accordance with GAAP, as it does not include deductions for items such as interest and capital expenditures which are necessary to maintain our business. EBITDA should not be considered as an alternative to results of operations, operating cash flow or any other measure of financial performance presented in accordance with GAAP. EBITDA calculations may vary among entities, so our computation of EBITDA may not be comparable to EBITDA or similar measures of other entities. In evaluating EBITDA, we believe that investors should consider, among other things, the amount by which EBITDA exceeds interest costs, how EBITDA compares to principal payments on debt and how EBITDA compares to capital expenditures for each period.

Our management believes that presenting EBITDA as supplemental information will enhance investors' understanding of our cash flows for the periods presented. EBITDA is also used as a supplemental performance measure by our management and by external users of our financial statements such as investors, commercial banks, research analysts and others, to assess:

- financial performance of our assets without regard to financing methods, capital structure or historical cost basis;
- our operating performance as compared to those of other companies in the midstream energy industry without regard to financing methods, capital structure or historical cost basis; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities.