

QUICKSILVER GAS SERVICES LP
RECONCILIATION OF NET INCOME TO
DISTRIBUTABLE CASH FLOW
In thousands - Unaudited

	Three Months Ended		Year Ended December 31,	
	December 31,			
	2009	2008	2009	2008
Net income from continuing operations	\$ 7,878	\$ 11,930	\$ 35,179	\$ 28,746
Depreciation and accretion expense	4,881	3,571	19,324	12,968
Income tax provision/(payments)	(47)	145	399	(79)
Non-cash interest expense, net of capitalized interest cost paid	1,320	1,181	3,837	6,096
Maintenance capital expenditures	(2,500)	(473)	(10,000)	(1,890)
Distributable cash flow	<u>\$ 11,532</u>	<u>\$ 16,354</u>	<u>\$ 48,739</u>	<u>\$ 45,841</u>

As required by Regulation G promulgated by the Securities and Exchange Commission, the above schedule is a reconciliation of our unaudited distributable cash flow, a non-GAAP financial measure, for the three months ended December 31 and twelve months ended December 31 of 2009 and 2008, 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 distributable cash flow provides investors with information that is useful to an assessment of our operating performance and the cash flow generated by our operations. Other companies may calculate their distributable cash flow differently than we calculate our distributable cash flow and, accordingly, our distributable cash flow may not be comparable to similar measures disclosed by other companies.

**RECONCILIATION OF NET INCOME TO
ADJUSTED GROSS MARGIN and EBITDA**
In thousands - Unaudited

	Three Months Ended		Year Ended December 31,	
	December 31,		2009	2008
	2009	2008	2009	2008
Total revenues	\$ 21,670	\$ 24,385	\$ 91,706	\$ 76,084
Operations and maintenance expense	4,509	4,989	20,677	19,284
General and administrative expense	2,146	1,695	7,609	6,407
Adjusted gross margin	15,015	17,701	63,420	50,393
Other income	-	1	1	11
EBITDA	15,015	17,702	63,421	50,404
Depreciation and accretion expense	4,881	3,571	19,324	12,968
Interest expense	2,303	2,057	8,519	8,437
Income tax provision (benefit)	(47)	144	399	253
Net income from continuing operations	7,878	11,930	35,179	28,746
Loss from discontinued operations	(190)	(392)	(1,992)	(2,330)
Net income	\$ 7,688	\$ 11,538	\$ 33,187	\$ 26,416

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 three months ended December 31 and the twelve months ended December 31 for the 2009 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 depreciation, interest and income taxes, which are necessary to maintain our business. EBITDA should not be considered as an alternative to net income, operating cash flow or any other measure of financial performance presented in accordance with GAAP. EBITDA calculations may vary among entities, so our computation may not be comparable to EBITDA 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.

Our management believes that adjusted gross margin provides investors with information that is useful to an assessment of our operating performance and the profitability of our operations. Other companies may calculate their adjusted gross margin differently than we calculate our adjusted gross margin and, accordingly, our adjusted gross margin may not be comparable to similar measures disclosed by other companies.