

**QUICKSILVER RESOURCES AND KKR ANNOUNCE THE CLOSING
OF A HORN RIVER MIDSTREAM PARTNERSHIP**

FORT WORTH, TEXAS (December 27, 2011) – Quicksilver Resources Inc. (NYSE: KWK), through wholly-owned subsidiaries, and Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”) announced today the formation of a new midstream partnership dedicated to the construction and operation of natural gas midstream services to support producer customers in British Columbia and the Northwest Territories of Canada.

Transaction Highlights:

- Quicksilver contributed its existing 20-mile, 20-inch gathering line and compression facilities and 10-year contracts for gas deliveries into those facilities to create the partnership
- KKR paid \$125 million to Quicksilver in exchange for a 50% interest in the partnership
- KKR will carry Quicksilver on its portion of future development costs on the initial treating facility in exchange for preferential distributions to KKR
- It is anticipated that the planned treating facility will lower Quicksilver’s cost to get its produced natural gas to market by roughly \$0.80 per Mcf compared to its current alternative
- Quicksilver will be the operator of the partnership
- The companies will jointly build and operate natural gas gathering, transportation and processing infrastructure to maximize the value of the production stream from Quicksilver’s development in the Horn River Basin
- Quicksilver dedicates current and future production from its Horn River acreage to the partnership
- The agreement establishes an Area of Mutual Interest (AMI) for the midstream business covering approximately 30 million potential acres in the Horn River, Liard and Cordova basins, which would include third-party transportation and processing infrastructure and agreements
- KKR’s investment in the joint venture was sourced from KKR Financial and other KKR Asset Management pools of capital

Strategic Relationship

The creation of this midstream partnership is strategic to the continued development of the Horn River Asset for Quicksilver as it allows for an economic path to market. This is the second step in ensuring the lowest cost solution relative to current options to move Quicksilver’s gas to market. The first step was TCPL’s extension of their Alberta system to Quicksilver lands. The treating facility that KKR will fund will be at the terminus of this pipeline. This alternative enhances the return on Horn River gas by reducing the cost of processing and transporting our gas to AECO.

“With its well-established and versatile energy business, KKR is an ideal partner in creating a low-cost and reliable solution for processing and transporting natural gas produced from the Horn River Basin for Quicksilver and other producers. It will facilitate the sale of natural gas to multiple markets in North America and ultimately to export markets in Asia,” said Toby Darden, Chairman of the Board of



Quicksilver. “Moreover, the partnership structure will further strengthen our financial flexibility while reducing our expected capital requirements over the next several years.”

“KKR is excited to partner with Quicksilver to provide the capital needed to bring the substantial resources in the Horn River to market,” said Fred Goltz, a Member at KKR. “We look forward to growing our commitment to this partnership over time as the company accelerates its activity in the play.”

The wells in the Horn River Basin of British Columbia are among the most prolific of shale plays in North America. We believe recoverable reserves from Quicksilver’s acreage alone could exceed 10 trillion cubic feet (Tcf) of natural gas. According to a recent Canadian National Energy Board study, Horn River Basin reserves could exceed 75 Tcf.

Conference Call

Quicksilver will host a conference call on January 5, 2012, at 9:00 a.m. eastern time to discuss this transaction and other pending business. Quicksilver invites interested parties to participate in the call via the company’s website at <http://www.qrinc.com> or by calling 1-877-313-7932, using the conference ID number 39808704, prior to 8:55 a.m. eastern time. A digital replay of the conference call will be available at 3:00 p.m. eastern time January 5, 2012, and will remain available for 30 days. The replay can be accessed at 1-855-859-2056 and enter the conference ID number 39808704. The replay will also be archived for 30 days on the company’s website.

About Quicksilver Resources

Fort Worth, Texas-based Quicksilver Resources is a natural gas and crude oil exploration and production company engaged in the development and acquisition of long-lived reserves from unconventional reservoirs, including coalbed methane, shale gas, and tight sands in North America. The company has U.S. offices in Fort Worth, Texas; Glen Rose, Texas; Steamboat, Colorado and Cut Bank, Montana. Quicksilver’s Canadian subsidiary, Quicksilver Resources Canada Inc., is headquartered in Calgary, Alberta. For more information about Quicksilver Resources, visit www.qrinc.com.

About KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with \$58.7 billion in assets under management as of September 30, 2011. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platform. KKR is publicly traded on the New York Stock Exchange (NYSE: KKR). For additional information, please visit KKR's website at www.kkr.com.

About KKR Financial Holdings LLC

KKR Financial Holdings LLC is a specialty finance company with expertise in a range of asset classes. KFN’s core business strategy is to leverage the proprietary resources of its manager with the objective of generating both current income and capital appreciation. KFN executes its core business strategy



through its majority-owned subsidiaries. KFN is externally managed by KKR Financial Advisors LLC, a wholly-owned subsidiary of KKR Asset Management LLC, which is a wholly-owned subsidiary of Kohlberg Kravis Roberts & Co. L.P. Additional information regarding KFN is available at www.kkr.com.

Quicksilver Forward-Looking Statements

The statements in this news release regarding future events, occurrences, circumstances, activities, performance, outcomes and results are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although these statements reflect the current views, assumptions and expectations of Quicksilver Resources' 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. Among those is the risk that conditions to closing the transaction are not met or that the anticipated benefits from the proposed transaction cannot be fully realized. An extensive list of factors that can affect future activities, performance, outcomes and results is disclosed in Quicksilver Resources' filings with the Securities and Exchange Commission. The forward-looking statements included in this news release are made only as of the date of this news release, and we undertake no obligation to update any of these forward-looking statements to reflect subsequent events or circumstances except to the extent required by applicable law.

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