



GKH TO DISTRIBUTE A PORTION OF ITS SHARE OWNERSHIP IN HANOVER COMPRESSOR

December 4, 2002

HOUSTON, December 4, 2002 – Hanover Compressor Company (NYSE: HC), the leading provider of outsourced natural gas compression services, today reported it received notification from the general partner of GKH Investments, L.P., GKH Private Limited, and GKH Partners, L.P. (collectively "GKH"), of their decision to distribute to the limited partners and general partners 10,000,000 shares of the 18,274,795 shares GKH owns of Hanover's common stock. At November 30, 2002, Hanover Compressor had approximately 80,500,000 shares outstanding.

Hanover has filed on Form 8-K with the Securities and Exchange Commission a copy of the notification letter it received from GKH Partners, L.P.

About Hanover Compressor

Hanover Compressor Company (www.hanover-co.com) is the global market leader in full service natural gas compression and a leading provider of service, financing, fabrication and equipment for contract natural gas handling applications. Hanover provides this equipment on a rental, contract compression, maintenance and acquisition leaseback basis to natural gas production, processing and transportation companies that are increasingly seeking outsourcing solutions. Founded in 1990 and a public company since 1997, Hanovers customers include premier independent and major producers and distributors throughout the Western Hemisphere.

Certain matters discussed in this press release are "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because of the context of the statement and will include words such as "believes," "anticipates," "expects," "estimates," or words of similar import. Similarly, statements that describe Hanovers future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those anticipated as of the date of this press release. These risks and uncertainties include: the loss of market share through competition; the introduction of competing technologies by other companies; a prolonged, substantial reduction in oil and gas prices which could cause a decline in the demand for Hanovers compression and oil and gas production equipment; new governmental safety, health and environmental regulations which could require Hanover to make significant capital expenditures; inability to successfully integrate acquired businesses; currency fluctuations; changes in economic or political conditions in the countries in which Hanover operates; adverse results of regulatory inquiries or shareholder litigation; and legislative changes in the various countries in which Hanover does business. The forward-looking statements included in this press release are only made as of the date of this press release, and Hanover undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances. A discussion of these factors is included in the Companys periodic reports filed with the Securities and Exchange Commission.