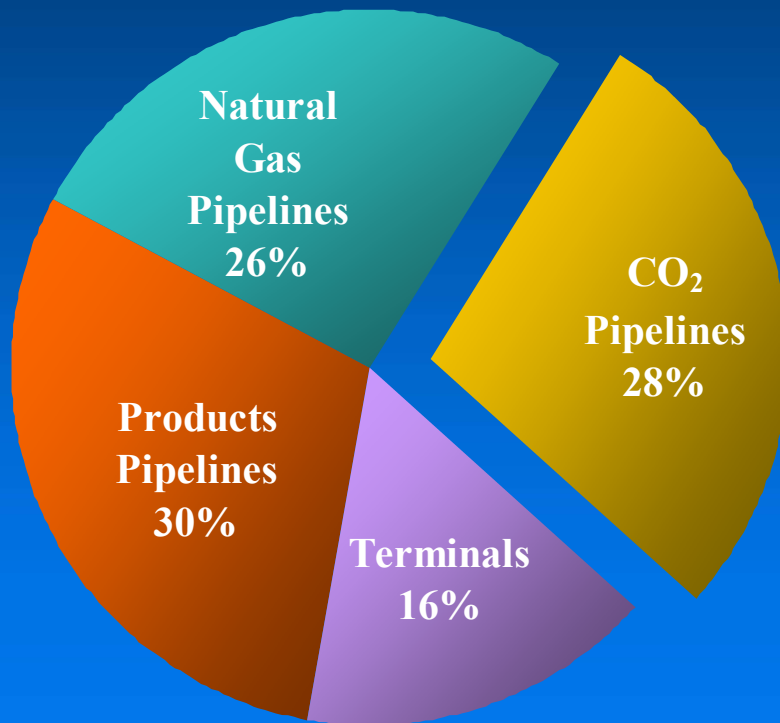


KINDER MORGAN

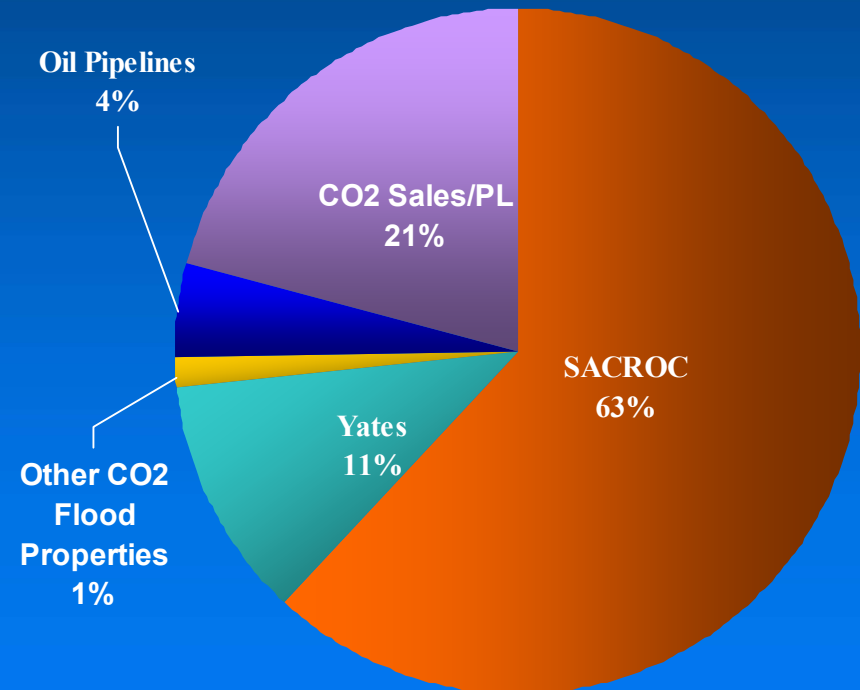
CO_2
Tim Bradley

CO₂ Pipelines Segment Overview (a)

CO₂ Contribution to 2005 KMP Segment DCF (a)



Estimated breakout of CO₂ DCF (b)



(a) 2005 budgeted distributable cash flow before G&A and interest.
 (b) Own use CO₂ margin has not been eliminated

Kinder Morgan CO₂ Operations



<u>CO₂ Reserves</u>	<u>Company Ownership</u>	<u>Location</u>	<u>Remaining Deliverability</u>	<u>Operator</u>
McElmo Dome	45%	SW Colorado	35+ years	KM
Bravo Dome	11%	NE New Mexico	14 years	Oxy

<u>Pipelines</u>	<u>Company Ownership</u>	<u>Location</u>	<u>Capacity (MMcf/d)</u>	<u>Operator</u>
Cortez	50%	McElmo Dome to Denver City	1,150	KM
Bravo	13%	Bravo Dome to Denver City	375	BP Amoco
Central Basin	100%	Denver City to McCamey	600	KM
CRC	98%	McCamey to Snyder	275	KM
CLPL	100%	Denver City to Snyder	300	KM
Wink	100%	McCamey & Snyder to El Paso	459	KM

<u>Oil Reserves</u>	<u>Company Ownership</u>	<u>Location</u>	<u>Remaining Life</u>	<u>Operator</u>
SACROC	97%	W Texas	20+ years	KM
Yates	49.5%	W Texas	30+ years	KM

CO2 Business – View from the top

Excited about this business!

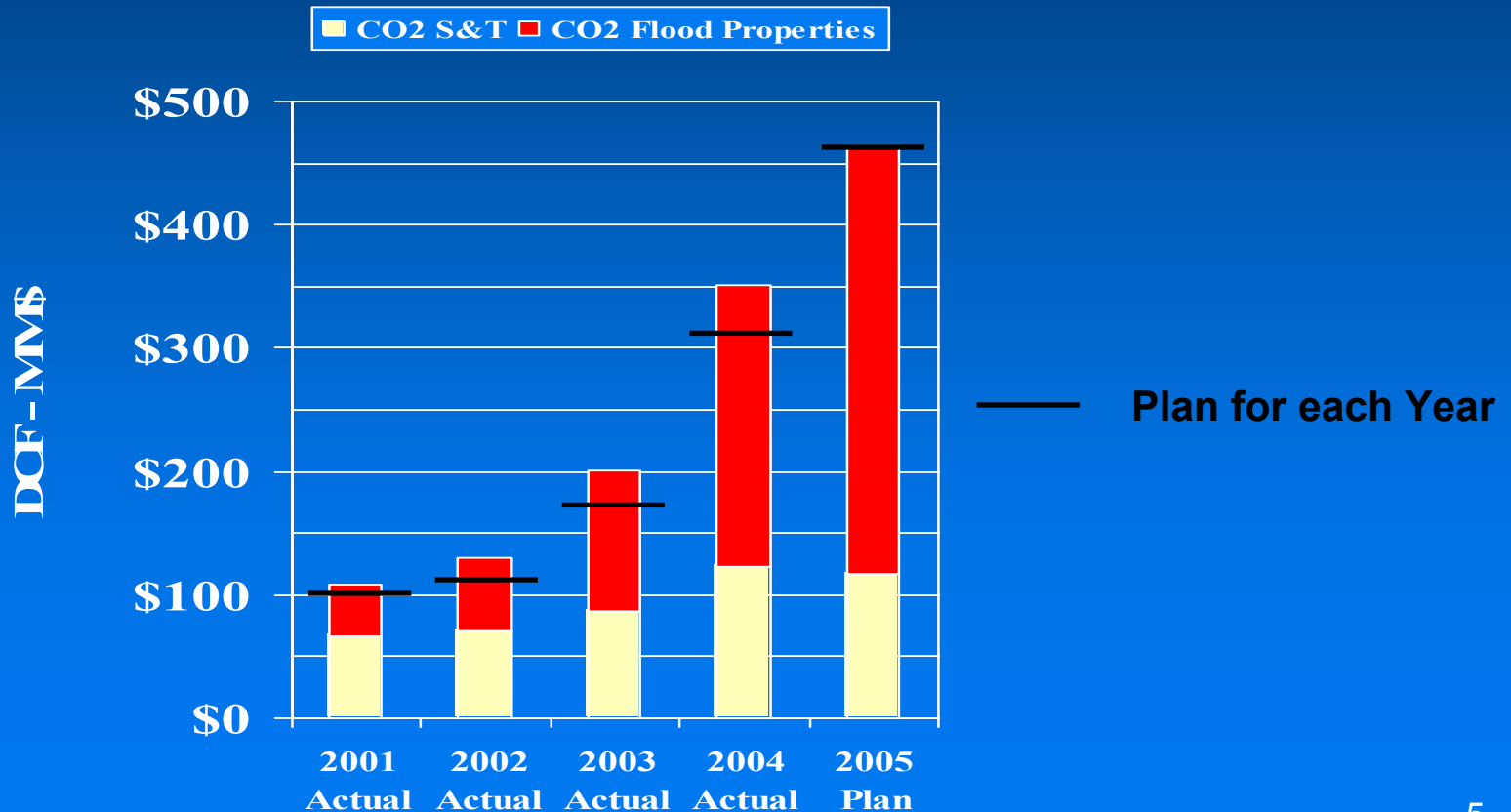
- We operate and own significant interests in two oil fields with over 5 Billion barrels remaining in place
- We operate the premier CO2 Source and Transportation assets in the industry
- We have the capability and resources to develop and produce over 300 million barrels based on existing technologies.
 - SACROC ~10+% of 1.9 Billion barrels target oil in place
 - Yates ~ 2+% of 5.0 Billion barrels target oil in place

Challenges

- Expediently execute development projects at SACROC to facilitate oil production and cash flow growth
- Work with Yates field co-owners to fully exploit its potential
- Pursue new CO2 acquisition opportunities and EOR customers in existing and new markets

Comparison of 2001, 2002, 2003, 2004, 2005 – Distributable Cash

CO₂ Sales and Transportation - steady historical growth
CO₂ Flood Development Opportunities - growing faster



Note: CO₂ Sales and Transportation includes YOGS, CO₂ Sales profit on own use has not been eliminated.

2004 High Level Results

Target:

Total Distributable Cash: \$317 MM

S&T : \$ 88

O&G: \$229

CO2 Sales/Transport business flat

Oil Production

■ SACROC 30,000 BOPD

■ Yates 20,000 BOPD

■ Oil & Gas OPEX*4.71 \$/Boe

Result:

2004 Actual: \$350 MM

\$122 MM

\$228

2003 Deliveries: 192 BCF

2004 Deliveries: 215 BCF

2004 average: 28,300 BOPD

2004 average: 19,500 BOPD

2004 average: \$ 5.76/Boe

CO2 Development Opportunities continue to grow

SACROC DCF MM\$

Yates** DCF MM\$

2003

69.4

12.2

2004

111.0

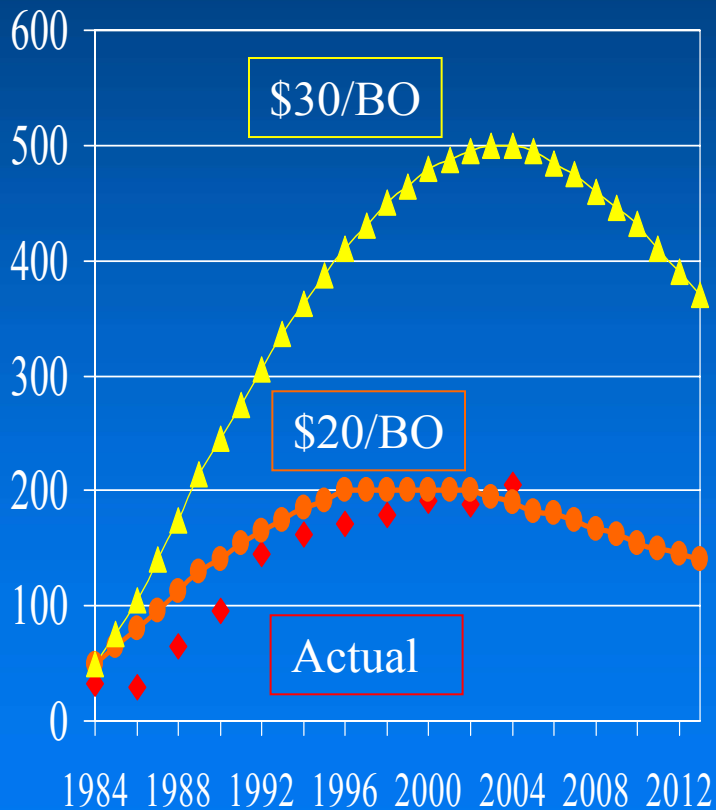
70.8

* Opex excludes Expensed CO2 and Toti, HC Gas 6 MCF/Boe

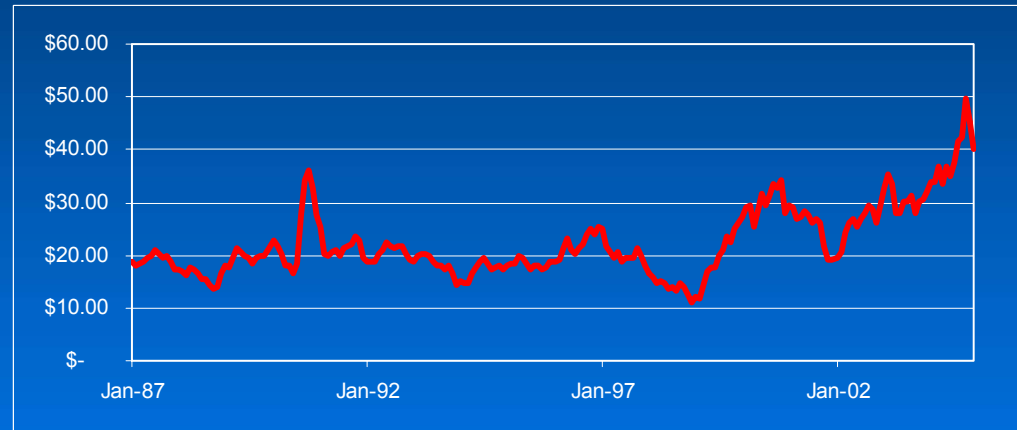
** Post MKM Dissolution

U.S. CO₂ Enhanced Oil Recovery Actual vs Prediction

Actual CO₂ Flood Oil Production
vs. 1984 NPC Study MBbl/d



NYMEX WTI Midland Oil Prices, \$/Bbl

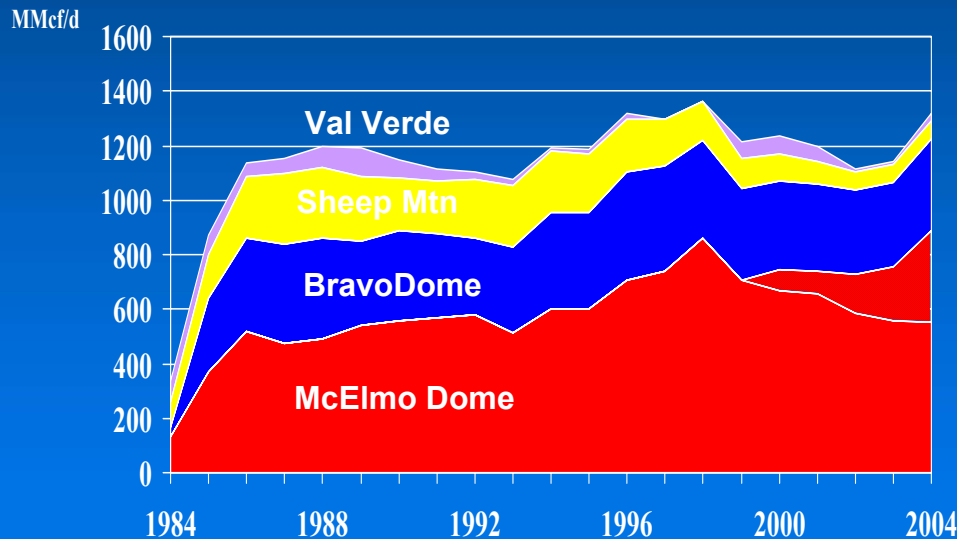


Average \$/BBL 1987 – 2000: \$19.28

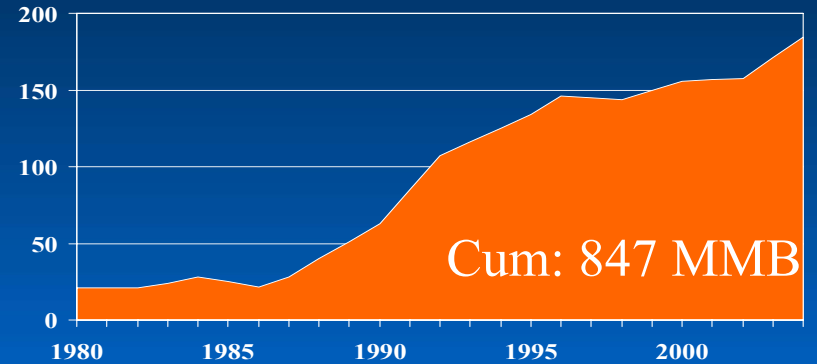
Average \$/BBL 2000 – 2004: \$28.50

Permian Basin CO₂ Purchases and Oil Production

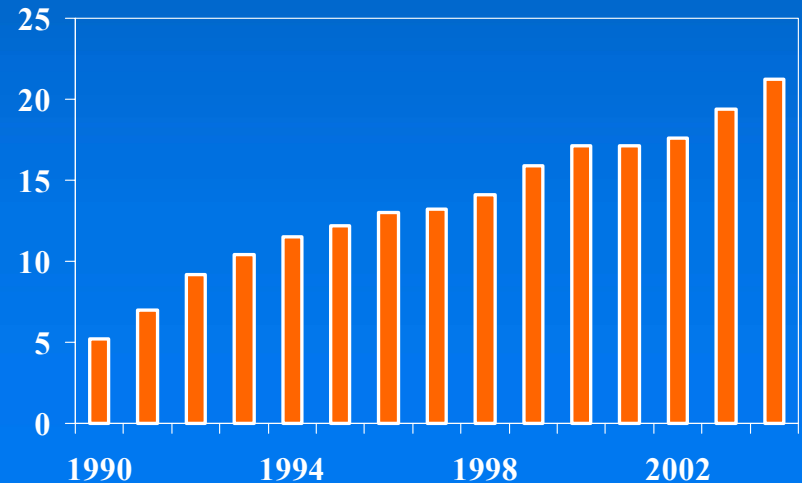
CO₂ Deliveries – BCFD



Oil Production - MBOPD



CO₂ Flood Production % of Permian

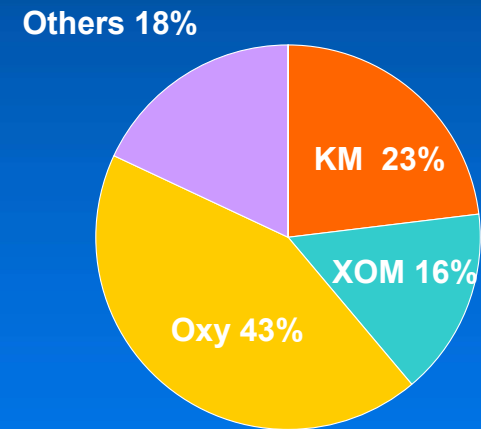
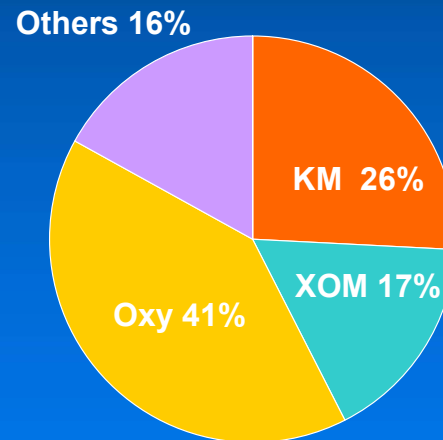
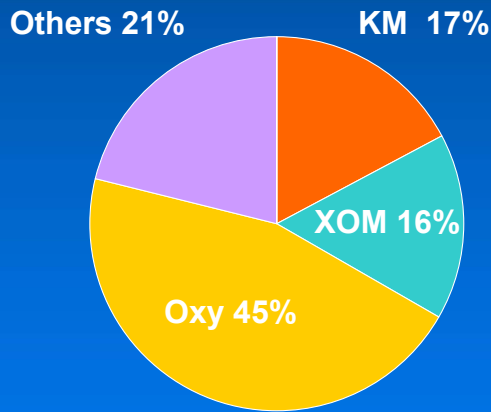


Permian Basin '03, '04, '05 CO₂ Consumption

2003

2004

2005



Total 2003 Supply:
1,142 MMcf/d

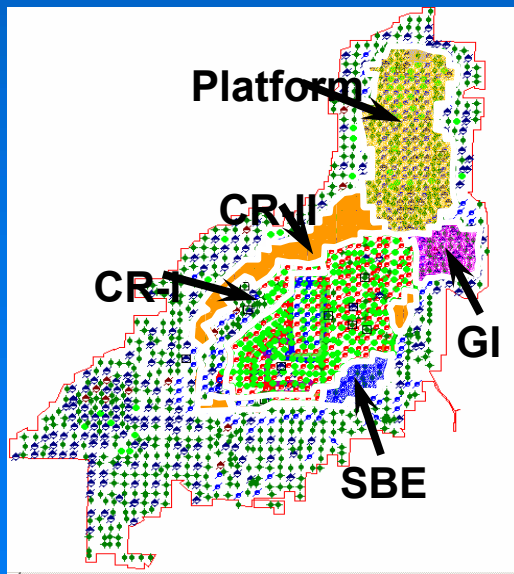
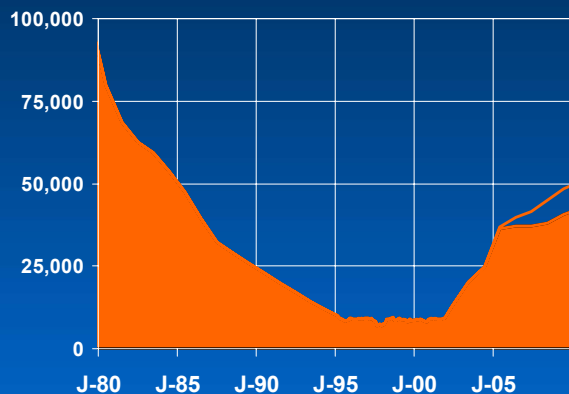
Total 2004 Supply:
1,309 MMcf/d

Total 2005 Supply:
1,164 MMcf/d

Estimates by Kinder Morgan CO₂ Company based on deliveries made from McElmo Dome and entitled production from other sources

SACROC Long Term Potential

Daily Oil Production 1980-2010



Pre-2000 - Cumulative oil production 1.25 Billion barrels, 44.5 % OOIP, Production 8500 BOPD

2002 - Average oil production 13,052 BOPD
 - Average CO2 injection 212 MMCF/D
 - SACROC EBITDA* 31.3 MM\$ (EOR Operations)

2003 - Average oil production 20,056 BOPD
 - Average CO2 Injection 395 MMCF/D
 - SACROC EBITDA* 73 MM\$

2004 - Average oil production 28,340 BOPD
 - Average CO2 Injection 681 MMCF/D
 - SACROC EBITDA* 112 MM\$

2005 - Average oil production 36,500 BOPD
 - Average CO2 Injection 611 MMCF/D
 - SACROC EBITDA* 253 MM\$

2005-2010+- Depending upon pace & extent of development: Oil Rate may increase to 36 - 50 MBOPD, EBITDA \$250-300 MM at \$30/B unhedged oil price

* Note: CO2 Margin has not been eliminated

SACROC Injection and Production Performance

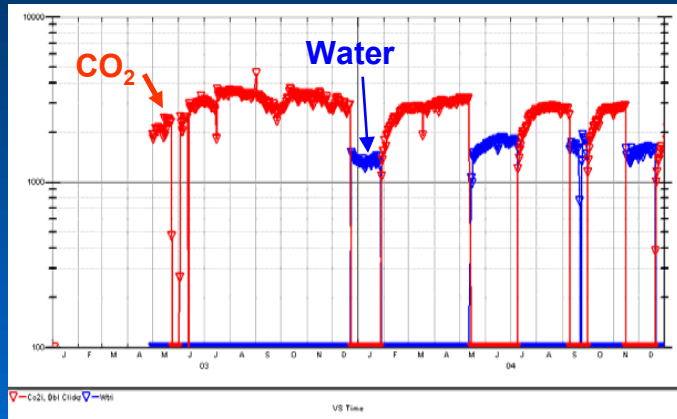
Injectivity: water lower than CO2 in certain areas

2004 – Recap

The Challenge: injection rates in mature patterns exceeded expectations.

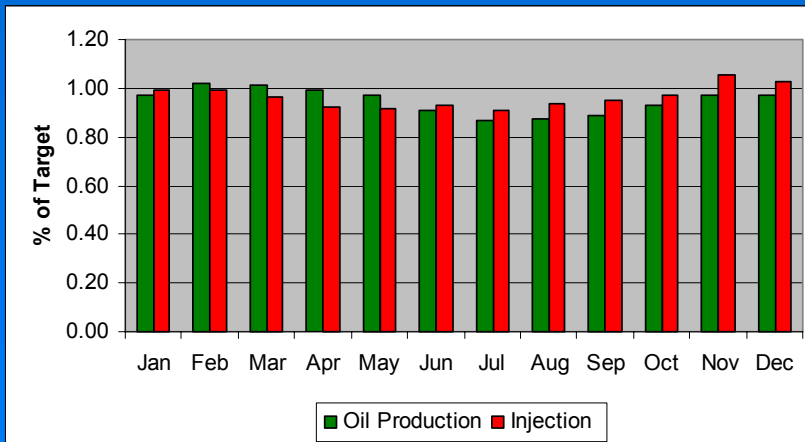
- Positive: Results in accelerated cash flows
- Negative: Production outruns facilities capacities

Our Reaction: delay pattern activations until planned capacity is on line.



Injection volumes dropped below target, oil followed

Some new well completions in Bulls eye and water injectivity in ~15% of patterns were surprisingly low.

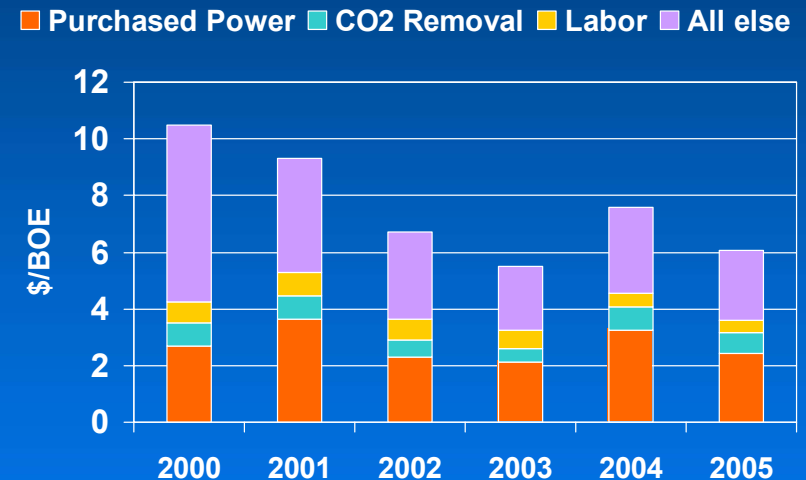


Result: Oil production stalled until injection volumes increased.

Injection well stimulations and re-starting pattern activations brought injection and production back on plan.

SACROC CO₂ Flood – Opex Cost Performance

Unit Operating Costs up in '04 due to higher power costs (volumes, \$/kw), and reducing repair well backlog from 2003. Expect improvement in both categories in 2005.



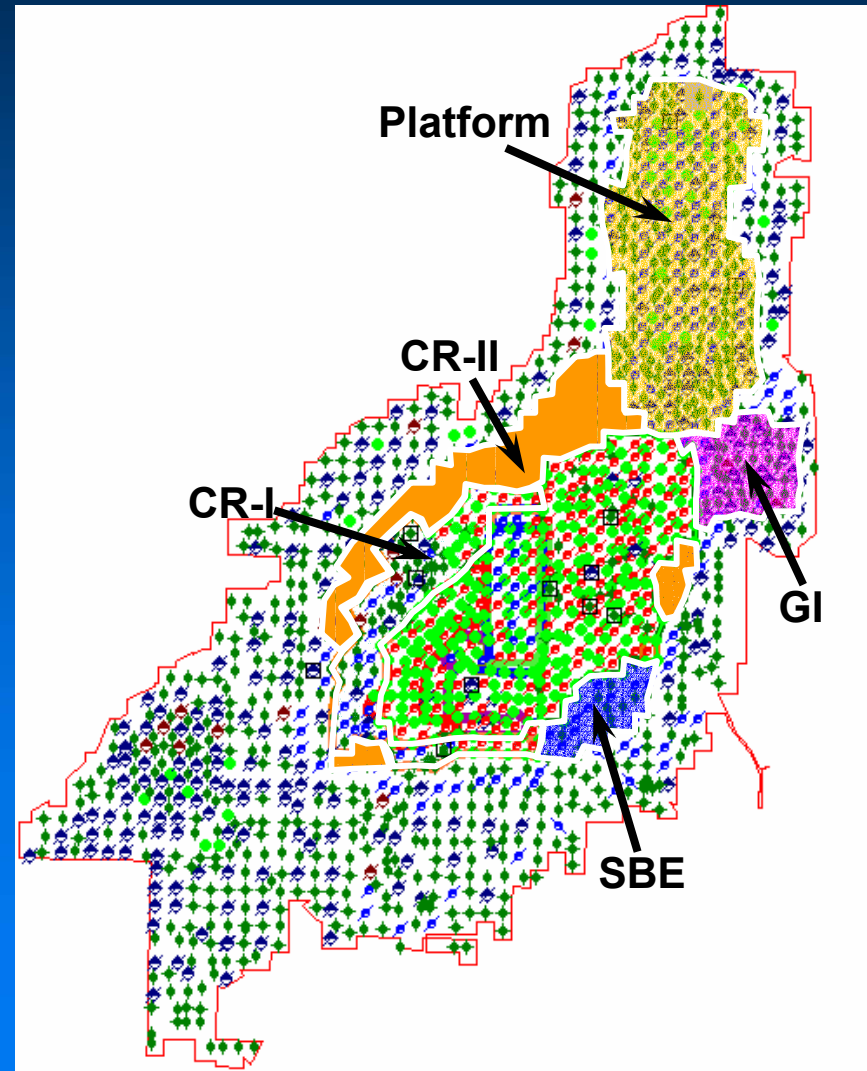
SACROC Development Activities

2004 Accomplishments

1. Added 225 MMCF/D Gas Handling Capacity
2. Drilled/re-activated 84 wells
3. Added 23 patterns in the Bullseye project and 38 patterns in CR I Project

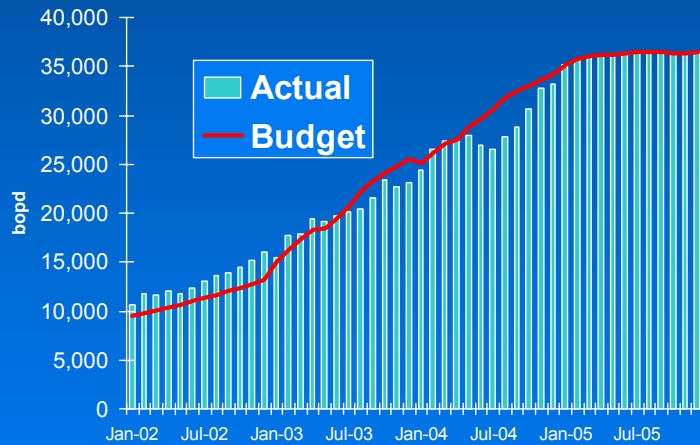
2005 Plans

1. Add 225 MMCF/D Gas Handling Capacity
2. Activate 42 patterns in Center Ring I & II projects
3. Start Power Plant in June
4. Prepare definitive plans for next expansion project (SBE, GI)
5. Prepare formative plans for Platform development

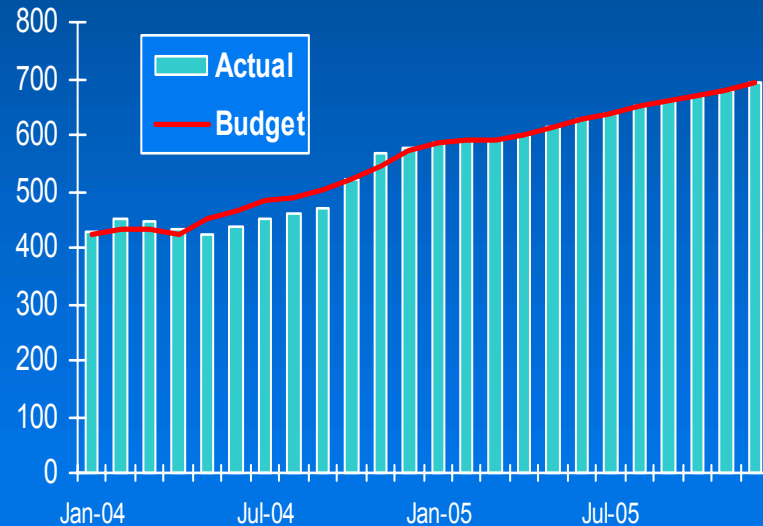


SACROC CO2 Project Oil Production and Injection

Oil Production 2002-2005

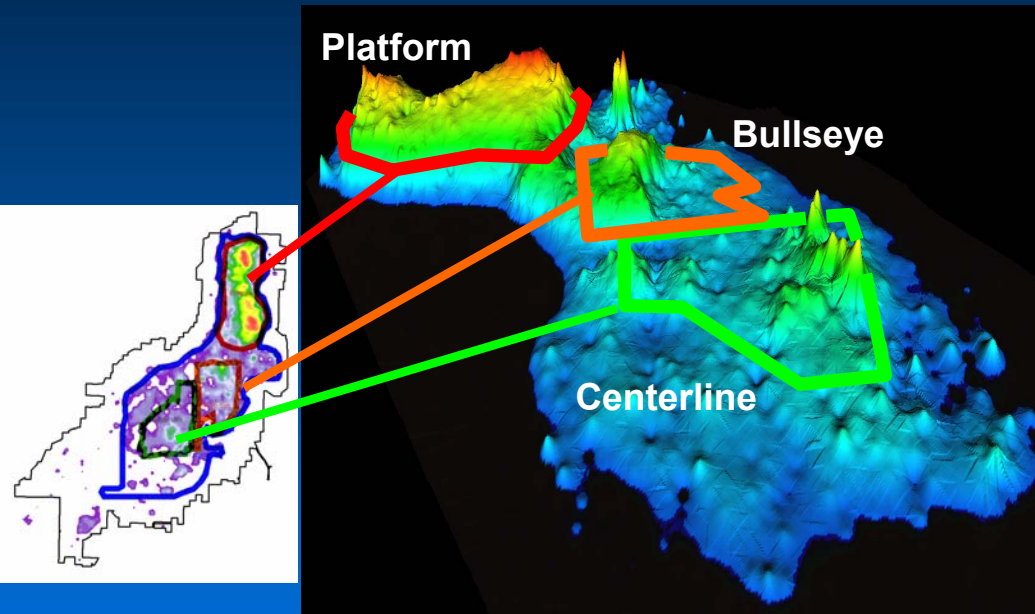


Total Injection 2004-2005

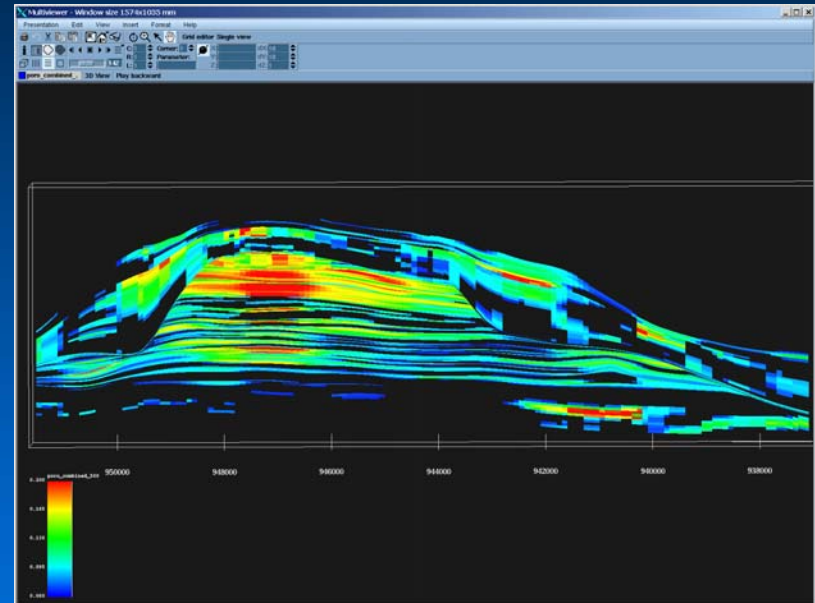


Water injection increases from 34% of total injection in 2004 to 54% in 2005

Future Development Planning



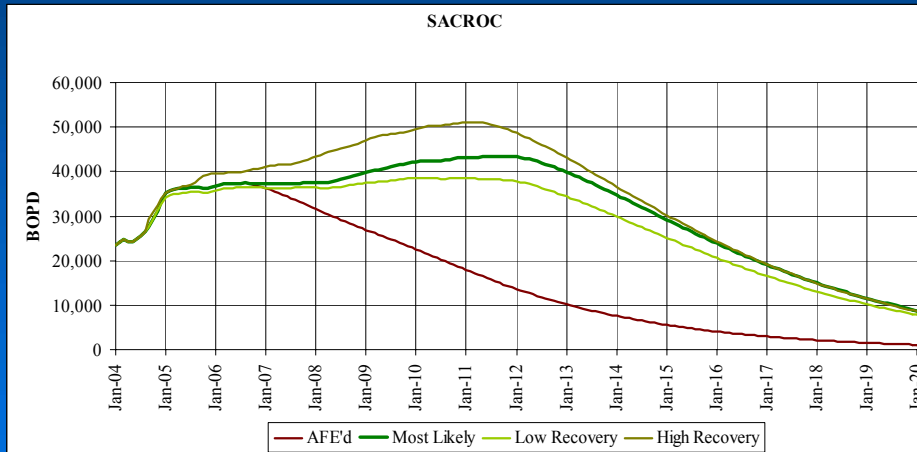
Net Pay Thickness



Platform area 3D Seismic Cross Section

North Platform reservoir is substantially thicker and more prolific than the Centerline area. Oil recoveries may be a lower % of targeted oil in place due to geologic complexity.

SACROC CO₂ Flood – Long Term outlook



Platform Development Planning

2002-2003 3D Seismic, Geologic Modeling

2004-2005 Core analysis, evaluate smart well technology, initiate reservoir simulation of various development schemes. Re-pressure with water injection.

2006 Finalize Development Plans, initiate field work

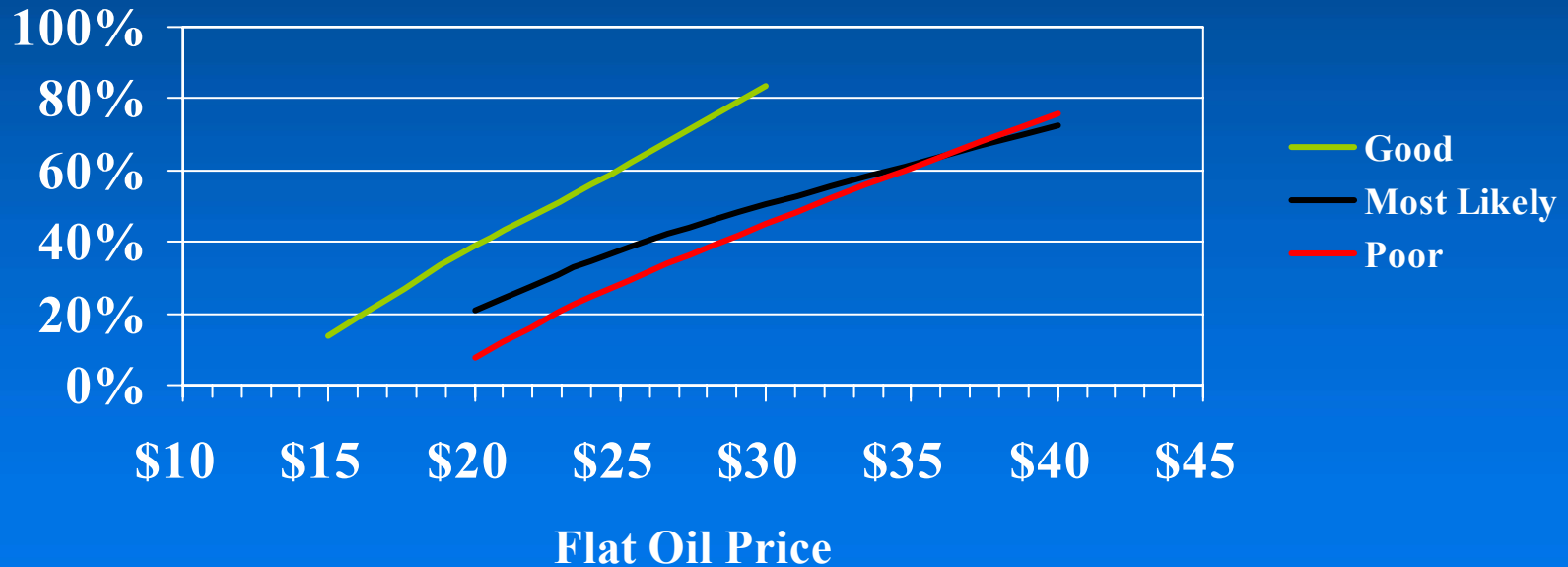
2007 Commence CO₂ Injection

2008 Initial oil response

Future SACROC Development Economics

Projects following Center Ring II are resilient to much lower oil prices and diverse Geologic settings

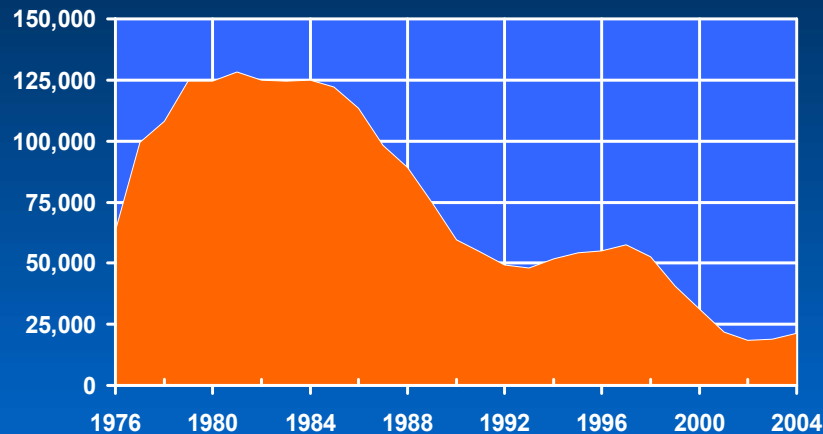
Unlevered IRR %



Note: Good = Low Gas, High Oil, 1.00 Inj, Most Likely = Mid Gas, Mid Oil, 0.97 Inj, Poor = High Gas, Low Oil, 0.97 Inj
CO2 cost @ Contract Prices

Yates Field Historical Overview

Daily Oil Production 1976 to Present (BOPD)



Pre-2000

- Field discovery 1926; unitized 1976
- CO2 injection 1988-93; N2 injection 1993-2004

2001

- Kinder Morgan acquires 7.49% interest
- Cum. oil production 1.4 billion barrels, 27.4% of OOIP

2002

- Average oil production 18,296 BOPD
- HDH program initiated

2003

- Average oil production 18,943 BOPD
- Kinder Morgan increases ownership to 49.9% and becomes Unit Operator

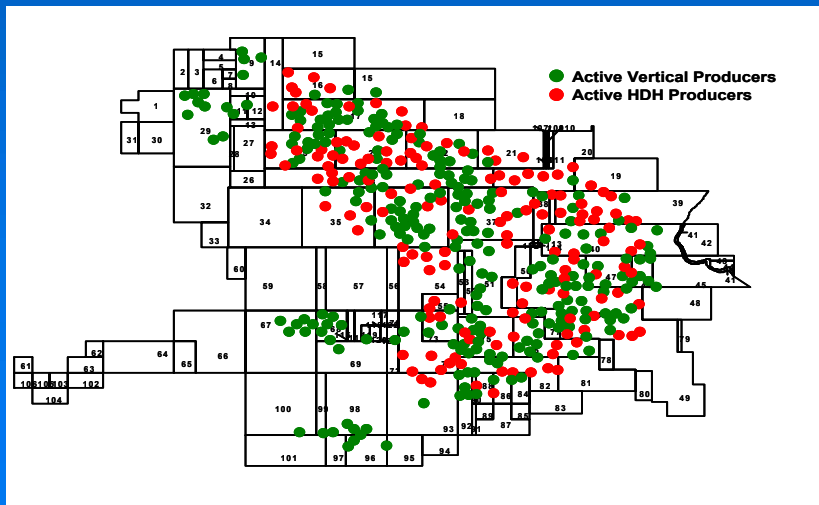
2004

- Average oil production 19,489 BOPD
- Commenced CO2 injection on March 1st
- Commenced first gas sales in 4th qtr
- Yates EBITDA 71.5 MM\$

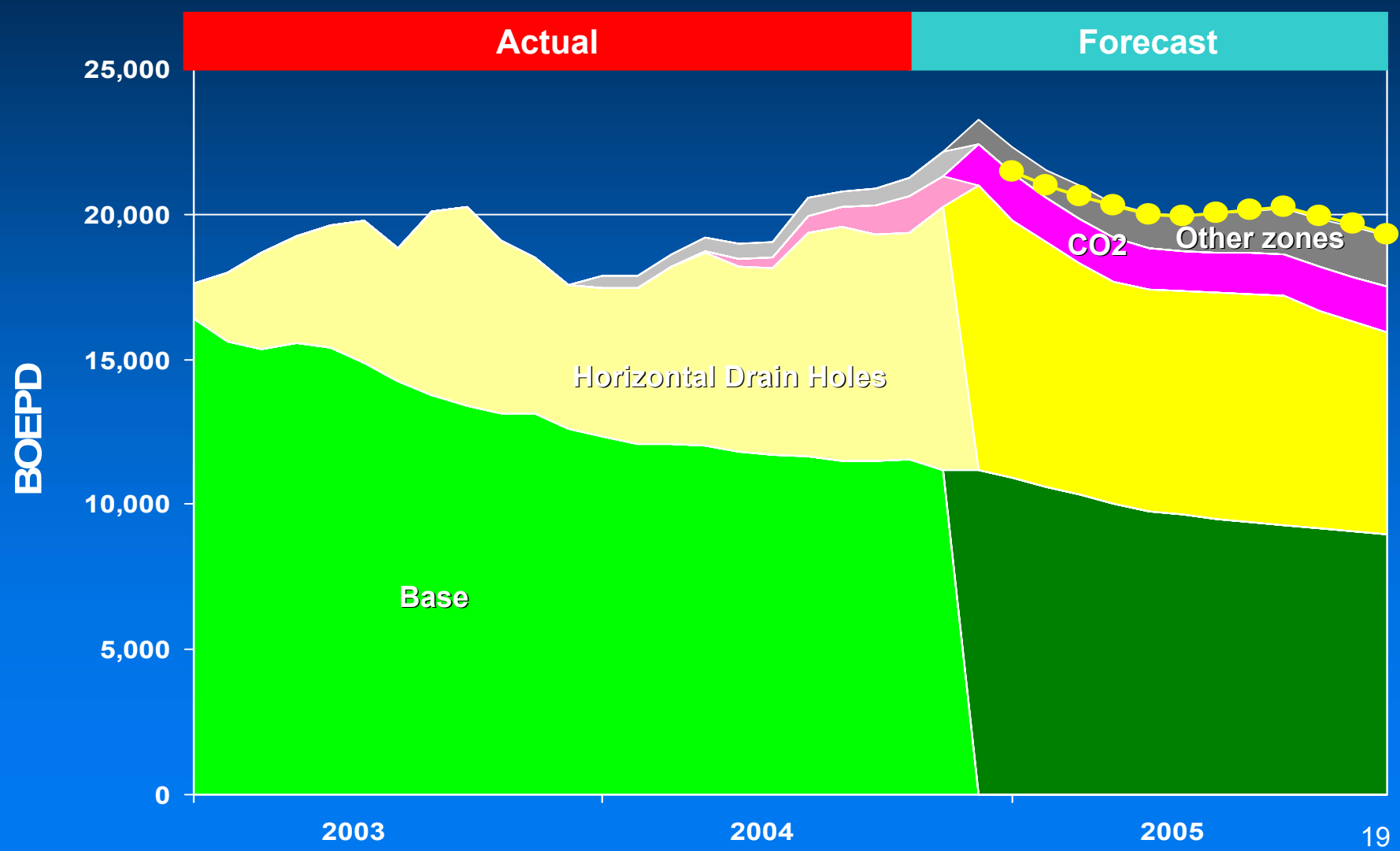
2005

- Average Oil production 19,100 BOPD
- Commence N2 rejection April
- Drill 97 HDH wells
- Increase gas sales to 3.7 MMCF/D
- Yates EBITDA 53.3 MM\$

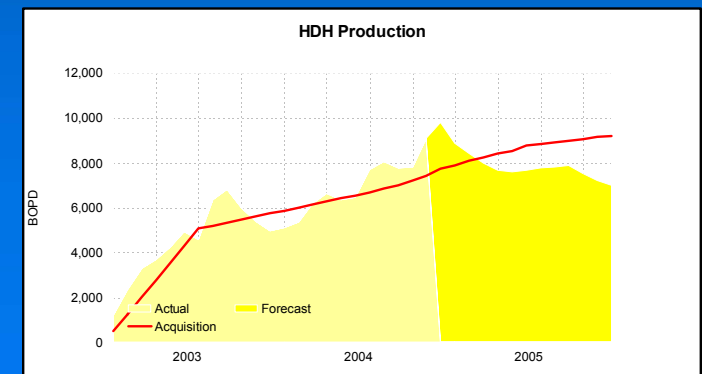
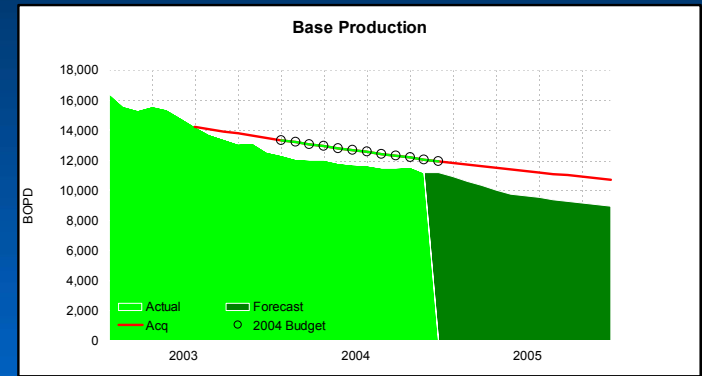
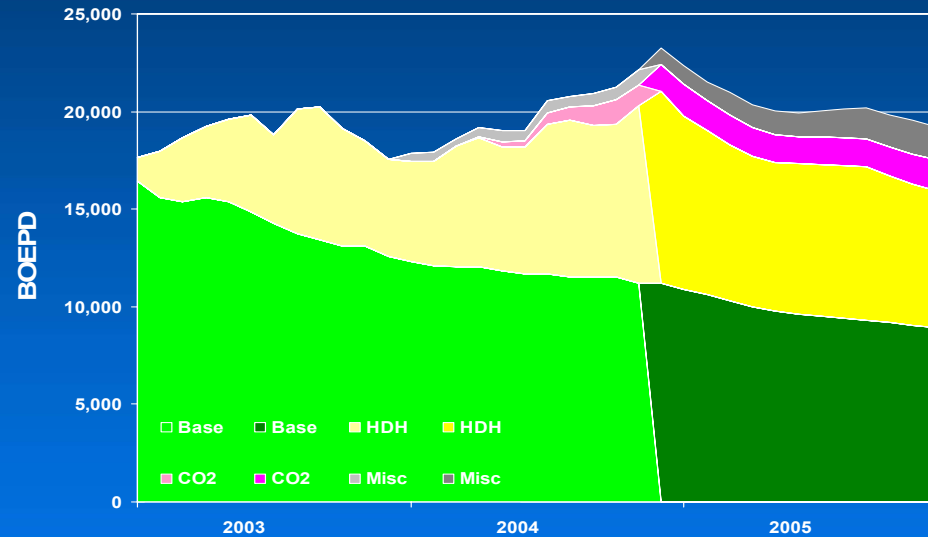
2005-2010+ - Oil rate should remain flat or even increase slightly for many years dependent on impact of CO2 on gravity drainage, and timing of N2 rejection



Yates Field - 2005 Production Forecast

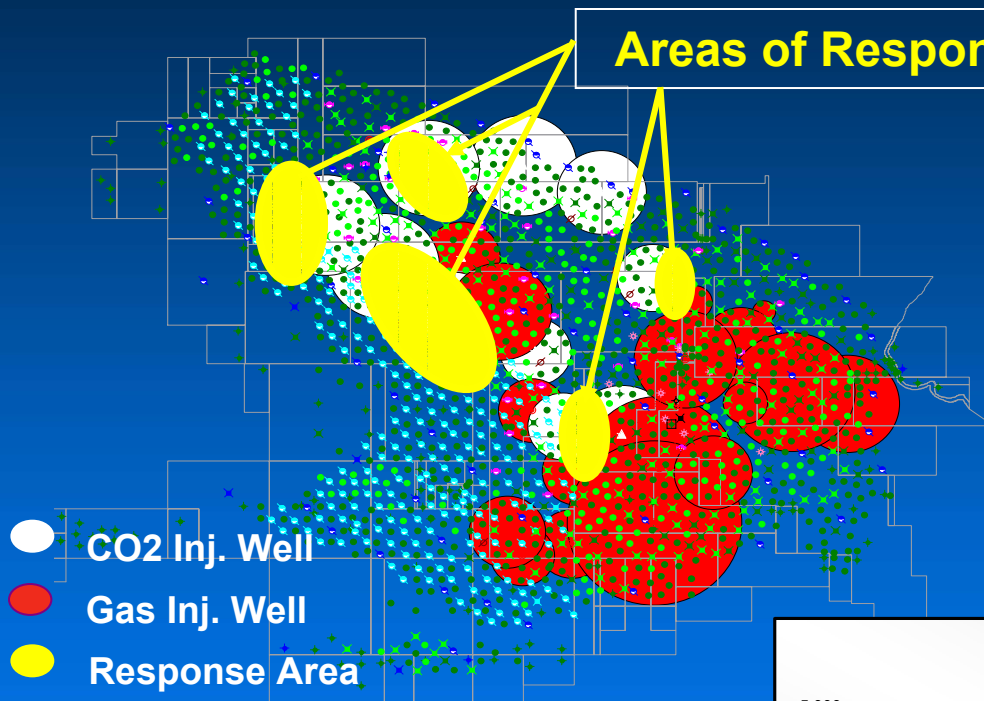


Yates Field - Base + HDH Production

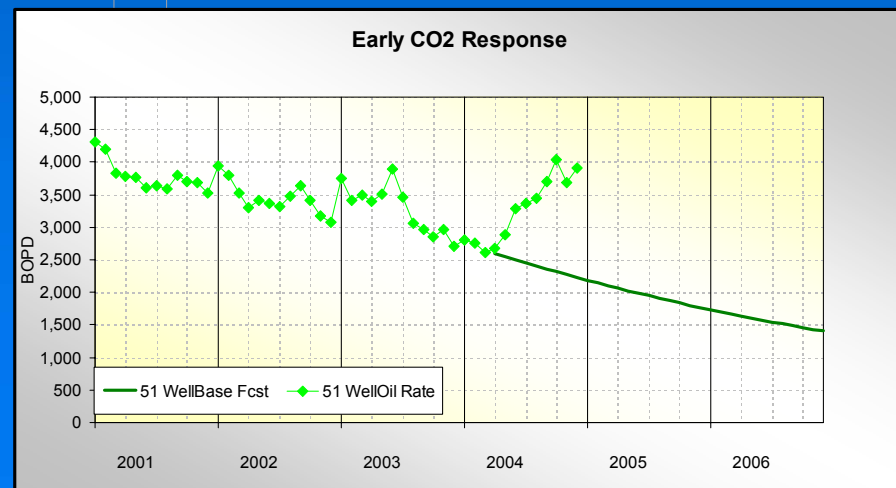


- Base Production Lower, HDH Interference ~15%
- HDH Program on Track

Yates Field - CO2 Injection Results



- Started CO2 Injection March 2004
- Responding Well Count Continues to Increase
- Oil Rate Increase appears Sustainable, originally expected response in 2006
- Oil Column not yet Thickening



Yates Field - Feeling After 1 Year

All Indications Point to a Very Successful Acquisition:

Production

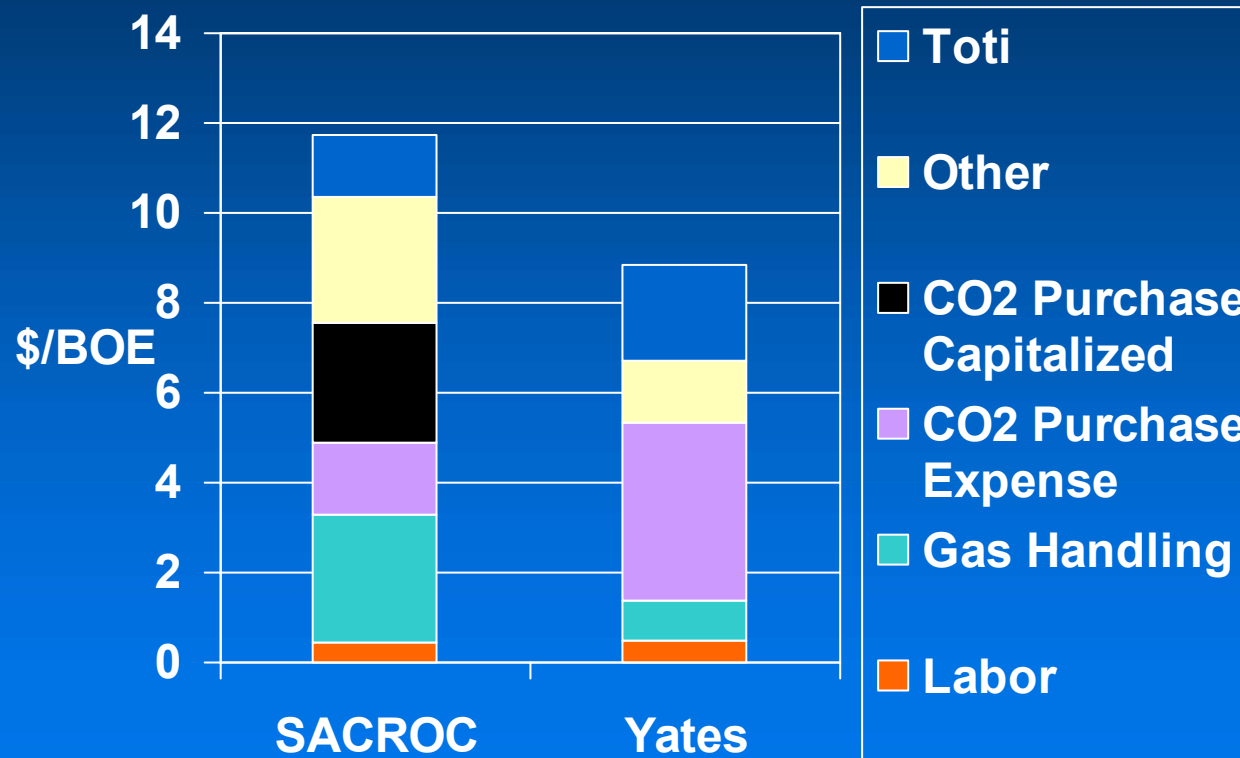
- 2004 Oil Production Within 2.6% of Forecast Despite Slow Start (HDH Interference)
- Experiencing CO2 Response Earlier Than Forecasted
- Identified and Implementing Numerous Un-Forecasted Opportunities

Costs - Financials

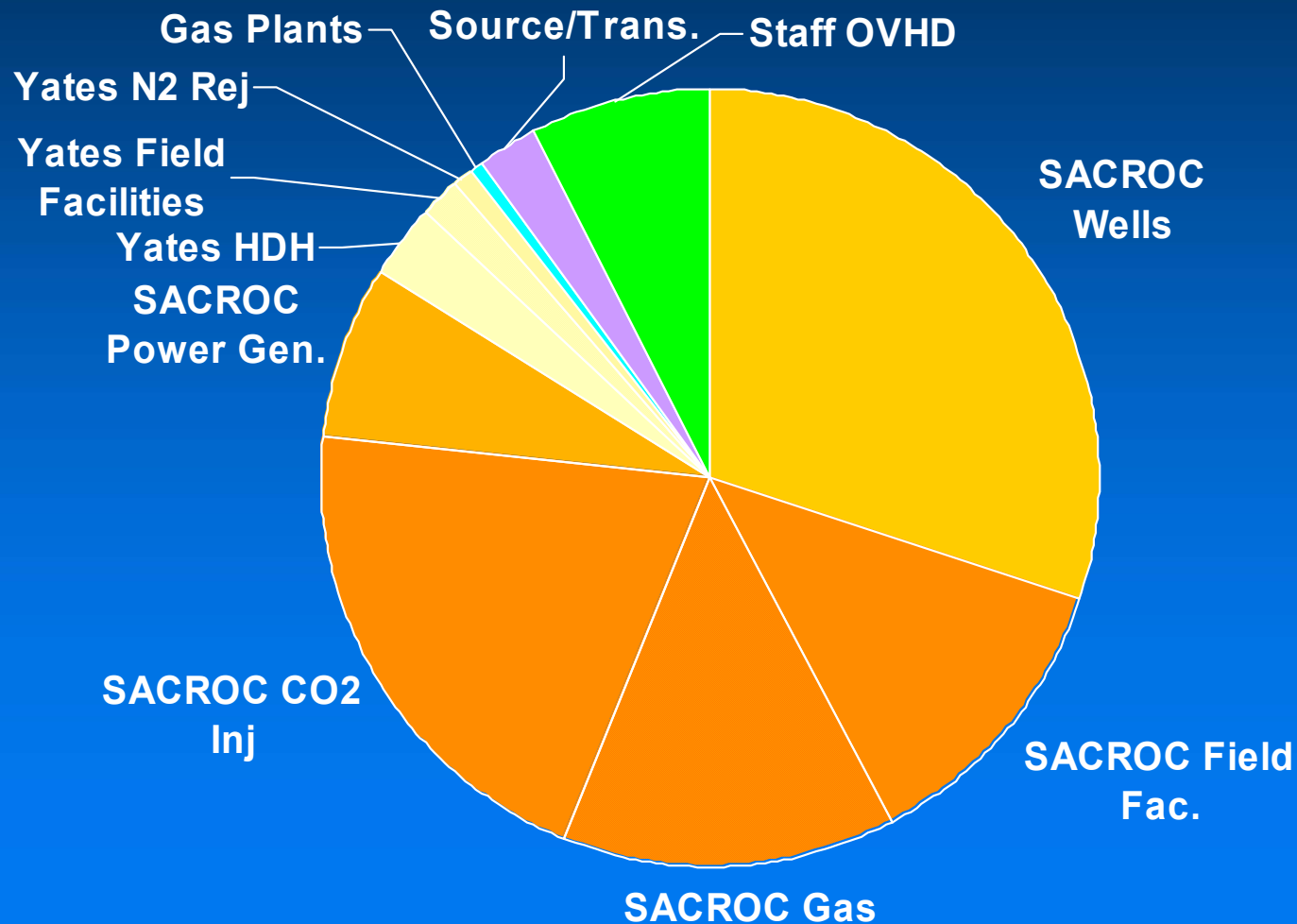
- Base OPEX Running Lower Than Acquisition Forecast
- Projected CAPEX Less Than Acquisition Forecast
- All Acquisition Financial Expectations for 2004 Were Exceeded

Safety and Environmental Performance is meeting expectations

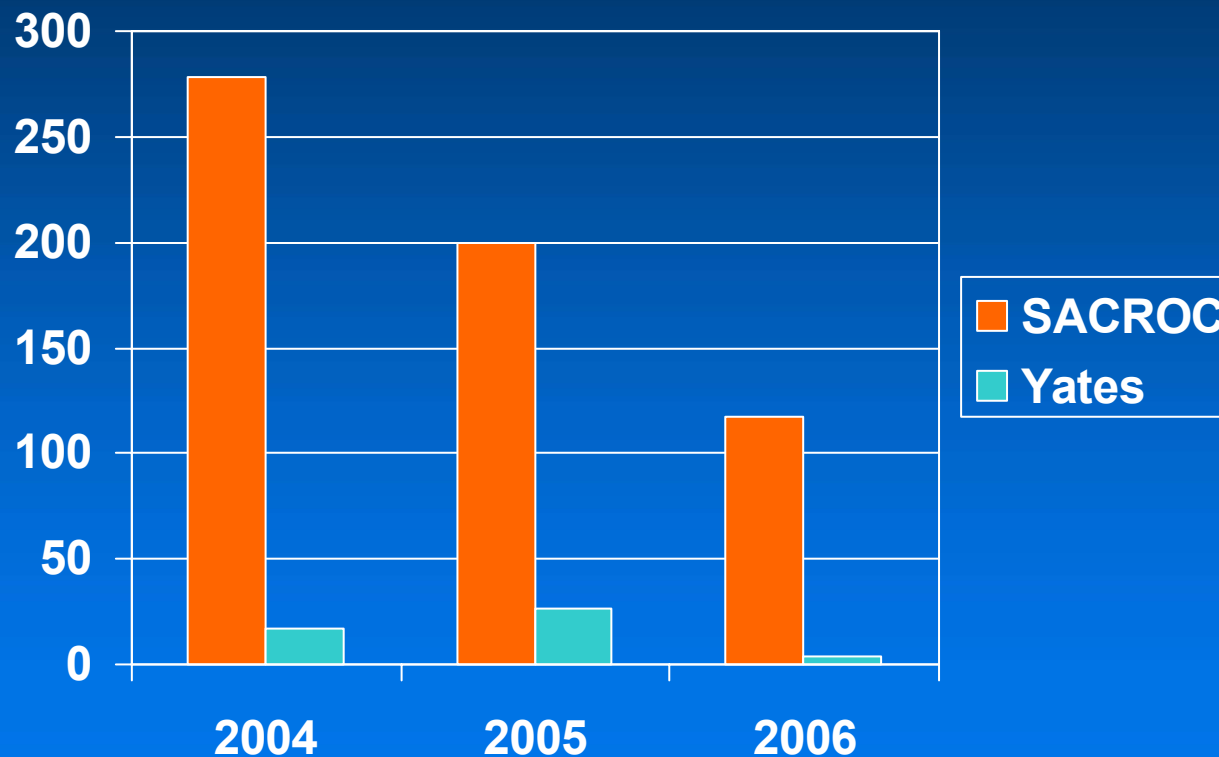
Comparison of SACROC and Yates Operating Cost Structure 2005 Plan



2005 Expansion Capital Budget – 232 MM\$



Comparison of SACROC and Yates Gross CAPEX*



*Note: Represents 8/8, Yates CO2 injection expensed, excl cap staff

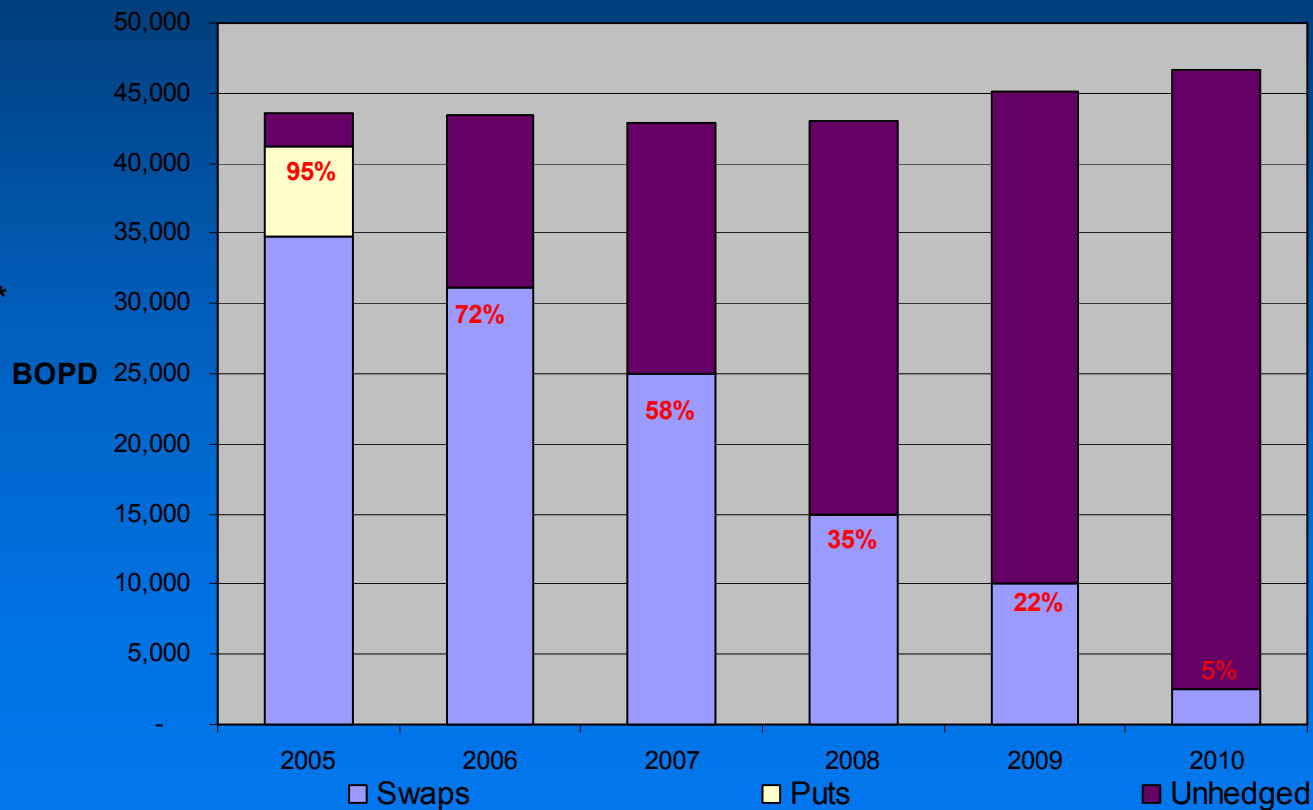
SACROC and Yates – Hedge Position

Approved Plus Identified Potential Projects

Average Hedge Price

WTI&WTS \$28.11 \$27.77 \$27.75 \$28.89 \$32.36 \$34.61

Net Equity Production* (BOPD)



¹ Incorporates swaps and puts-at strike price net of put premium, WTI/WTS spread @ \$5/bbl

² Includes Heavier NGL Components

Impact of Oil Price/Volume Variance on 2005 DCF

2005 Budget:	464.0 MM\$
+/- 1000 BOPD	
SACROC	12.8 MM\$
Yates	6.1 MM\$
+/- 1 \$/B WTI	4.8 MM\$
3rd Party CO2 Deliveries	
+ 50 MMCF/D	2.4 MM\$

Unhedged WTI price presumed to average \$43.15/b, WTI-WTS spread = \$5

SACROC plus Yates Long Term Potential

Current Status

SACROC Producing ~34,000 BOPD

Yates Producing ~23,000 BOPD

Development Plans

1. SACROC Full Field, Most Likely Development

- 237 MMBOE Gross*, ~20,200 Acres, 592 MM\$*

*2005 forward, gross capital required includes 211 MM\$ cap. CO2

2. Yates CO2 injection – With N2 Rejection

- 129 MMBOE Gross, 248 MM\$ Gross Capex*

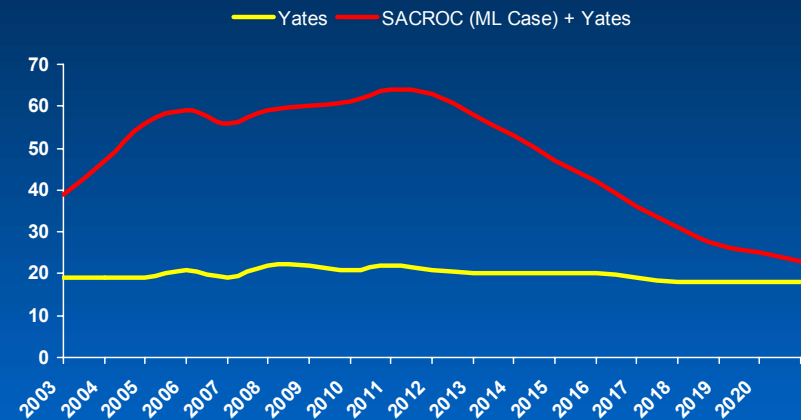
*2005 -2021 period only, assuming CO2 purchases capitalized 2006+

Further work:

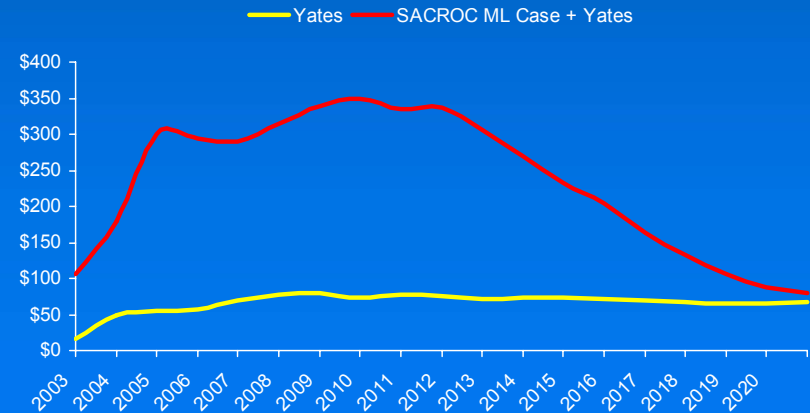
SACROC: Reservoir Modeling of Platform, Surveillance of Recent Bullseye and Center Ring projects, Field Test Alternate Development Strategies

Yates: Monitor performance of HDH program; Evaluate Nitrogen Rejection Opportunity

Oil Production, B/D



DCF, MM\$/Yr



Unhedged WTI oil price - \$30/b

2004 Achievements, 2005 Goals

2004

Exceeded plan

- CO2 Volumes up, Oil Volumes just under, costs mixed, price helped

Continued aggressive development plans

- SACROC reservoir performance tracks close to expectations
- Yates – CO2 injection response and HDH programs performing well

Closed Kaston (Wink PL) Acquisition

2005

SACROC Development program – Stay the course

Commence N2 rejection at Yates, Continue HDH Program

Continue aggressive CO2 Marketing

Long-Term Outlook / Goals

Domestic oil reserve replacement costs are increasing

- CO₂ flooding provides an attractive cost structure and a proven track record to add new reserves

Kinder Morgan will leverage infrastructure in Permian Basin

- Lowest cost CO₂ supply combined with largest reserves, infrastructure
- Own significant interest in and operate two world class reservoirs
- Remain patient and poised to selectively acquire strategic EOR target fields – and only at the right price

Use CO₂ assets and technology to maintain leadership in emerging U.S. CO₂ market

- Monitor emerging U.S. interest in CO₂ sequestration