KINDER MORGAN

Deutsche Bank Conference
Real Assets, Real Earnings, Real Cash
June 2003

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Forward Looking Statements

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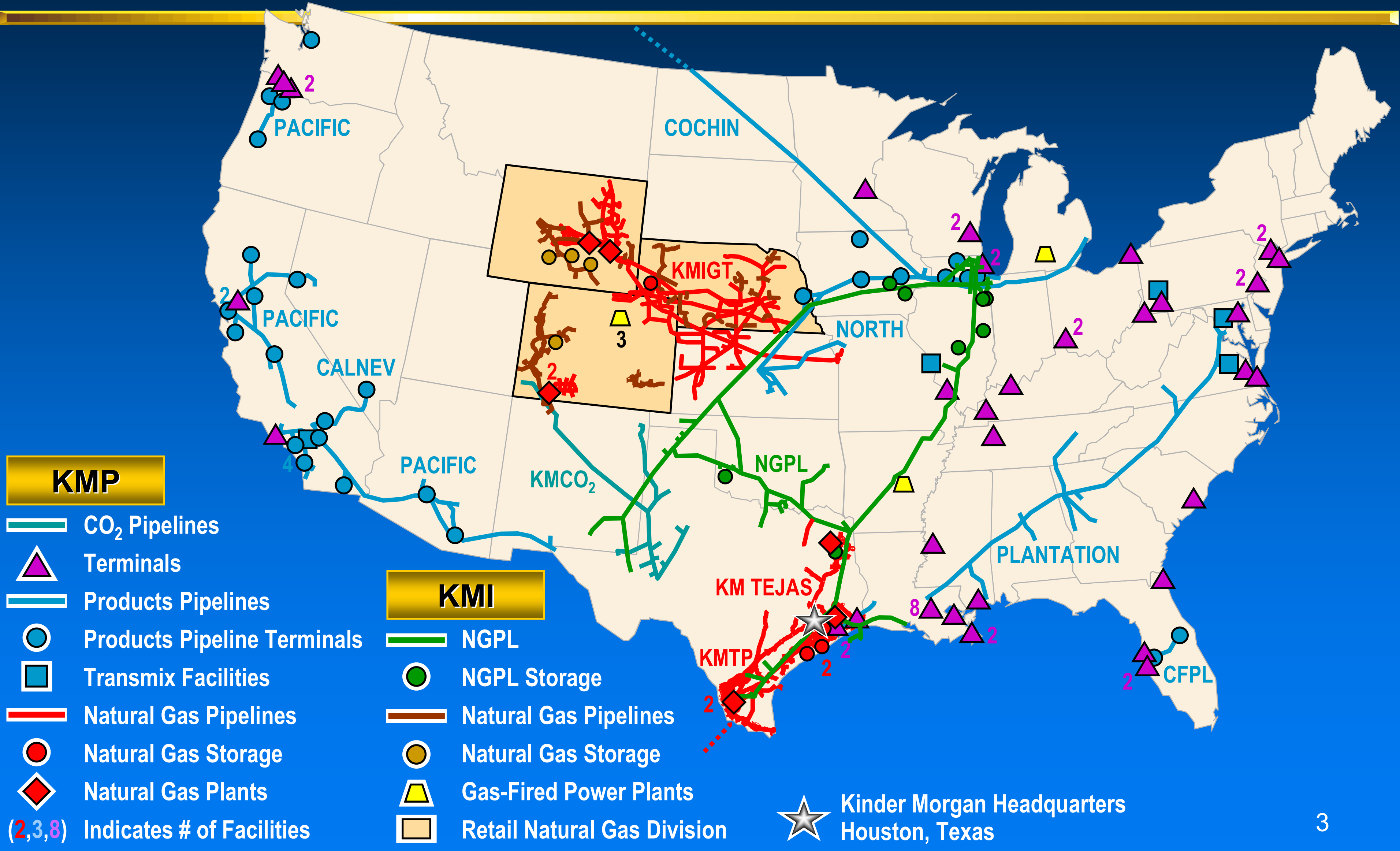
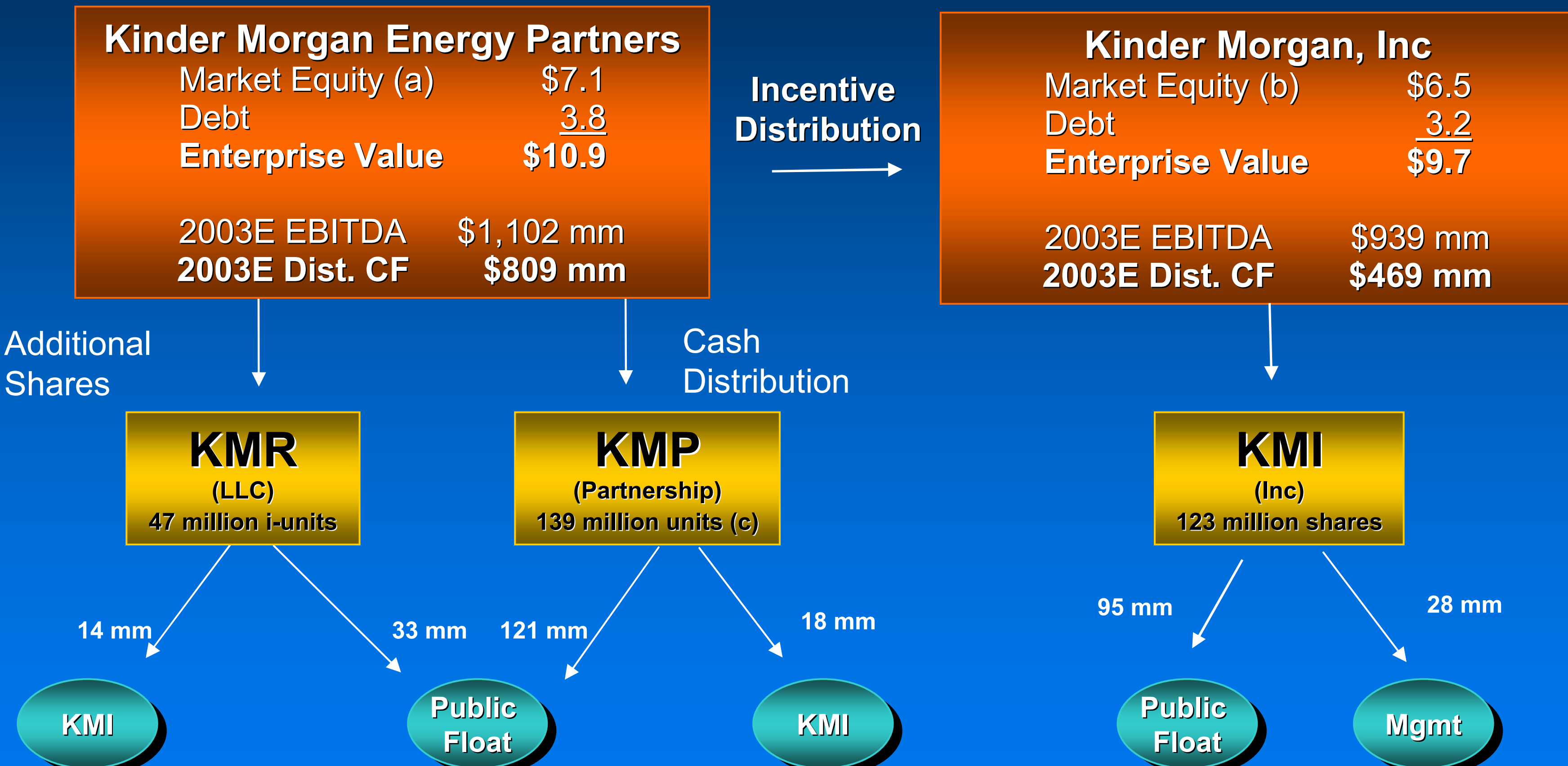
Kinder Morgan System Map



Kinder Morgan: Two Companies, Three Securities



(a) KMEP market cap based on 139 million common units at a price of $38.96, and 47 million KMR i-units at a price of $36.03 as of June 6, 2003. Debt balance as of March 31, 2003, excluding the fair value of interest rate swaps, net of cash.

(b) KMI market cap based on 123 million shares at $53.06 as of June 6, 2003. Debt balance as of March 31, 2003, excluding the fair value of interest rate swaps, net of cash.

(c) Includes 5 million Class B units owned by KMI. Class B units are unlisted KMP common units.

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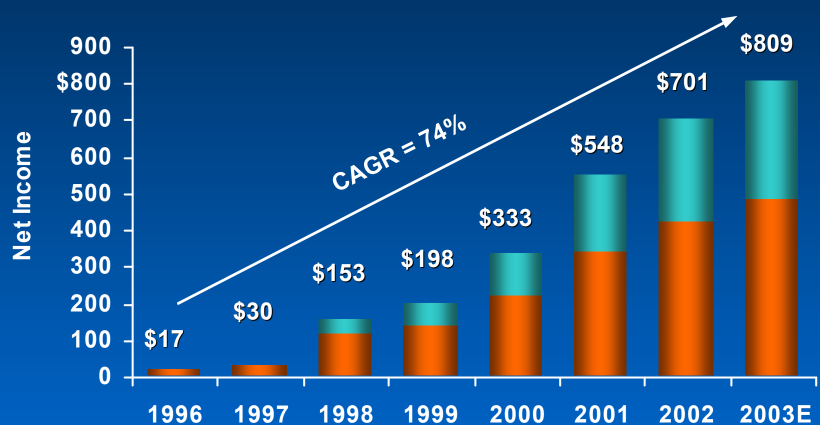
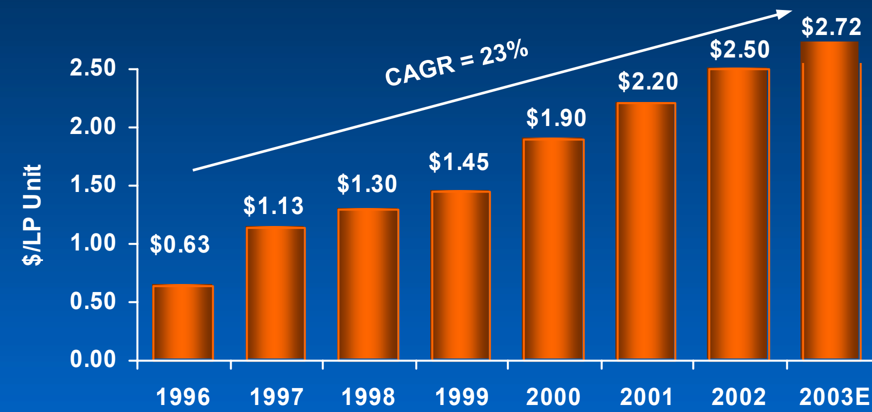
Consistent Track Record

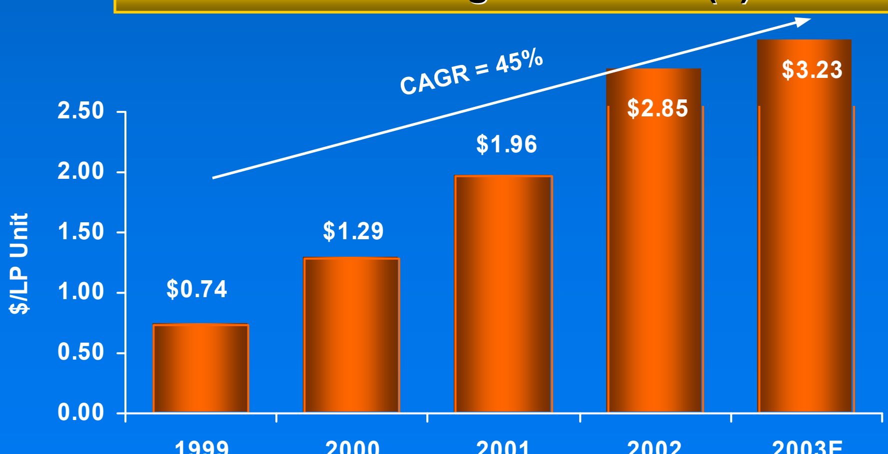
Total Distributions (GP + LP) ($mm)



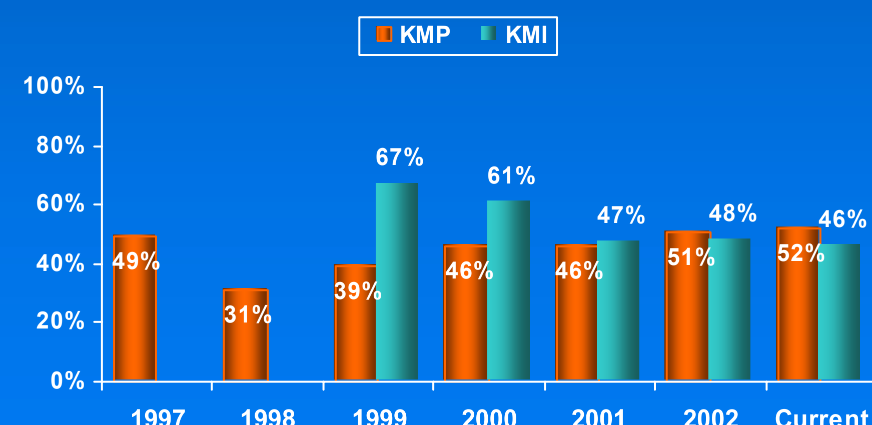
KMP Distribution / Unit (a)



KMI Earnings Per Share (b)



Debt to Total Capital



(a) Declared 4Q distribution annualized (i.e. multiplied by four).
(b) Excluding special items.

Attractive Value Proposition

	KMP/KMR (a)	KMI (a)
Stable Cash Flow	6.5% / 7.0% yield	1.3% yield Excess cash used for share buyback, dividends and debt repayment
Add: Internal Growth	8-10%	15%+
Internal Growth - Total Return Potential	15-17%	16%+
Acquisition Upside - Total Return Potential	>15-17%	>16+%

(a) Returns calculated from 2002 to 2007.

Structure offers Two Risk Reward Profiles

	Limited Partner KMP/KMR	General Partner KMI
Yield	6.5% - 7.0%	Approx. 1.3%
Distributions	Share in all distributions from Available Cash	Only entitled to incentive distribution on Cash from Operations
Current Split of Cash Distributions	59%	41%
Upside/Downside at Current Split	50% upside / 50% downside	50% upside / 50% downside
Split from Interim Capital Transactions	98%	2%
Results (a)	40% annual return	43% annual return

(a) Annual returns calculated on weekly period for : (i) KMI: July 1999 through June 6, 2003 and (ii) KMP: January 1997 through June 6, 2003 assuming dividends reinvested.

The Kinder Morgan Strategy

Same Strategy Since Inception

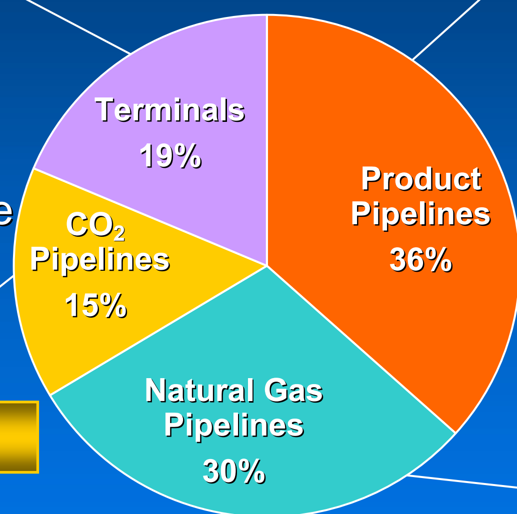
- **Focus on stable, fee-based assets which are core to the energy infrastructure of growing markets**
- **Increase utilization of assets while controlling costs**
  - Classic fixed cost businesses with little variable costs
  - Improve productivity to drop all top-line growth to bottom line
- **Leverage economies of scale from incremental acquisitions and expansions**
  - Reduce needless overhead
  - Apply best practices to core operations
- **Maximize benefit of a unique financial structure which fits with strategy**
  - MLP avoids double taxation, increasing distributions from high cash flow businesses
  - Strong balance sheet allows flexibility when raising capital for acquisitions / expansions

Management Philosophy

- **Low Cost Asset Operator**
  - Senior management limited to $200,000 per year in base salary
  - No planes, sports tickets, etc.
- **Attention to Detail**
  - Weekly operations and financial assessment
  - Monthly earnings and accounts receivable review
  - Quarterly strategic review
- **Risk Management**
  - Avoid businesses with direct commodity price exposure wherever possible
  - Hedge incidental commodity price risk
- **Alignment of Incentives**
  - Bonus targets are tied to published budget – KMP DCF of $2.63 and KMI EPS of $3.18 for 2003
  - All employees have KMI stock options
  - Rich Kinder has the largest equity stake in the energy industry — 20% in KMI
  - He receives $1 per year in salary, no bonus, no options

Solid Asset Base Generates Stable Fee Income

KMP 2003 DCF (a)



Terminals

- Largest independent terminal operator in U.S.
- 65% Liquids, 35% Bulk
- Geographic and product diversity
- 3-4 year average contract life

Products Pipelines

- Largest independent refined products pipeline system in U.S.
- Refinery hub to population center strategy
- 47% FERC regulated (b)
- 19% CPUC regulated (b)
- No commodity price risk

CO_2

- Leading provider of CO_2 in U.S.; long-term contracts
- 37% CO_2 transport and sales
- 63% oil production related
- Oil price hedged out to 3 years

Natural Gas Pipelines

- 38% FERC regulated with 7-8 year average contract life
- 51% Texas Railroad Commission regulated
- Little incidental commodity risk

(a) Budgeted 2003 distributable cash flow before allocation of G&A and interest.
(b) Based on 2002 earnings.

Targeted KMP Internal Segment Growth

Business Segments	DCF 2002 Actual	DCF 2003 Budget	Change	Growth Drivers
Products Pipelines	$399.1	$418.7	$19.6	Demographics in West and Southeast U.S.
Natural Gas Pipelines	307.6	341.1	33.5	Expansions and extensions
CO_2 Pipelines	128.6	171.9	43.3	SACROC growth
Terminals	187.9	211.7	23.8	Expansions, new contracts
Total (a)	**$1,023.2**	**$1,143.4**	**$120.2**	

Consistent with 8% Internal Growth to LP Units

(a) Total segment distributable cash before G&A and interest.

Modest Top Line Growth Leads to Significant Bottom Line Growth

Illustrative

	Year 1	Year 2	Growth	Comments
Gross Margin	$100	$104	4%	Price and volume
Operating Expenses	50	50		Efficiency savings compensate for small increase in variable cost
Operating Income	**$50**	**$54**	**8%**	
G&A	6	6		No increase associated with internal growth
Net Before Debt	**$44**	**$48**	**9%**	
Interest Expense (a)	11	11		No increase associated with internal growth
Net After Debt	**$33**	**$37**	**12%**	
LP Share	20	2	10%	LP receives 59% of total and 50% of upside
GP Share	13	2	15%	GP receives 41% of total and 50% of upside

(a) Based on enterprise value equal to $450 million, 40% leverage and 6% interest rate.

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High Return Internal Expansions Add Growth

KMP 2003 Expansion Capital Budget

Business Segment	2003 Budget	Major Projects	Cost – Major Projects	Completion Date
Product Pipelines	$66	Sacramento, Ethanol	$88	2003-2005
Natural Gas Pipelines	$67	Cheyenne, Monterrey	$118	2003-2004
CO2 Pipelines	$233	SACROC/Centerline	$236	2003
Terminals	$58	Northeast, Houston	$44	2003
Total	**$424**		**$486**	

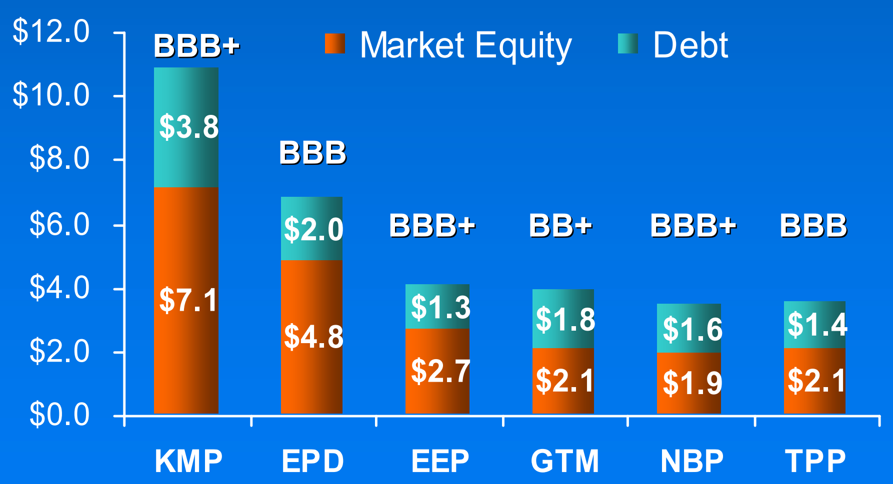
KMP is conservatively capitalized

Rating	Baa1/BBB+
Current Net Debt / Total Capital	52%
<u>2003 Budget Estimates:</u>	
Debt / EBITDA	3.6x
EBITDA / Interest	6.0x

CP Capacity:

Total Revolver	$1,050
Outstanding CP (3/31/03)	362
Excess Capacity	$688

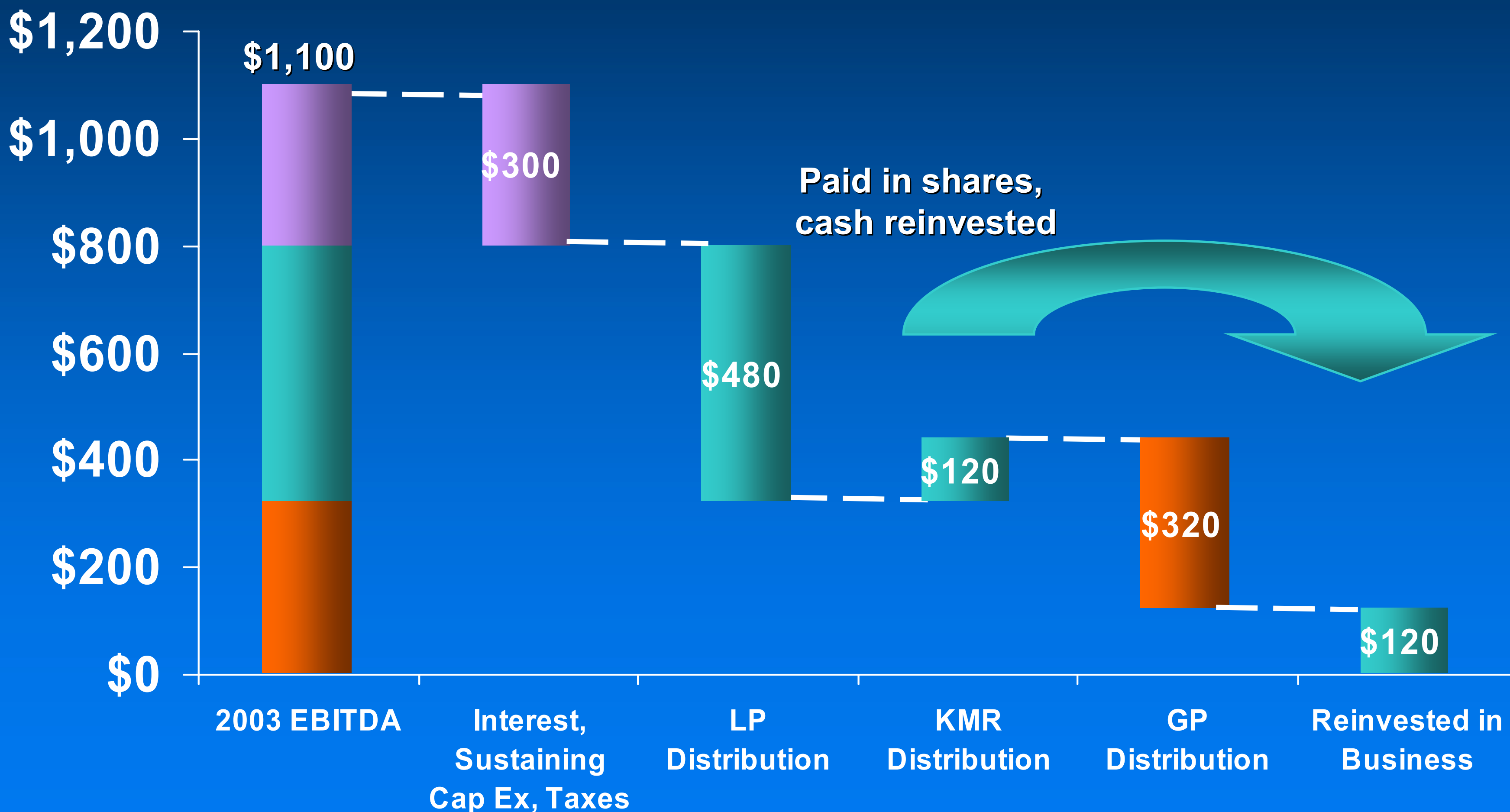
Market Capitalization and Credit Ratings (a):



Maturities:	**<u>$ (in millions)</u>**
2003 - Remaining	45
2004	5
2005	205
2006	45
2007	255

(a) Prices as of June 6, 2003. Shares outstanding from Bloomberg. Debt balances and credit ratings based on Wall Street research.

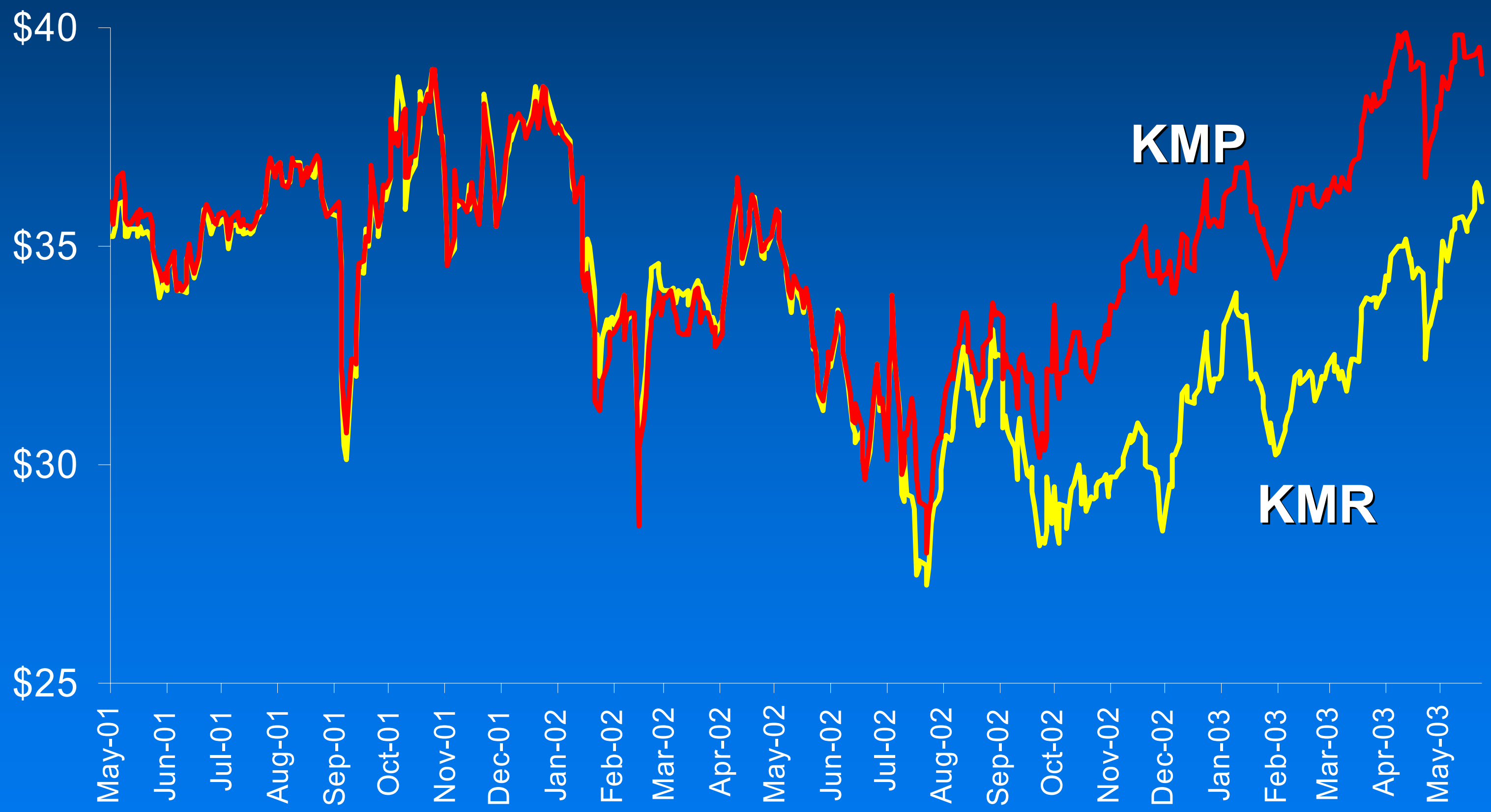
KMR Reduces KMP's Need to Access Market



KMR is a Tax Efficient Way to Own KMP

- Higher Current Yield When KMR Trades at a Discount
  - KMP Cash Distribution / KMR Price (10 days prior to ex-dividend)
- Same or Better Terminal Value
  - guarantee upon mandatory purchase events of higher of KMP or KMR value
- Same Voting Rights as KMP
- Taxes
  - Share distributions are not taxed and reduce per share basis
  - One year after purchase, all gains (including most recent share distribution) are long term capital gains
- KMI BOD has authorized KMI to act opportunistically to repurchase KMR shares

KMP, KMR Price Differential Presents Opportunity



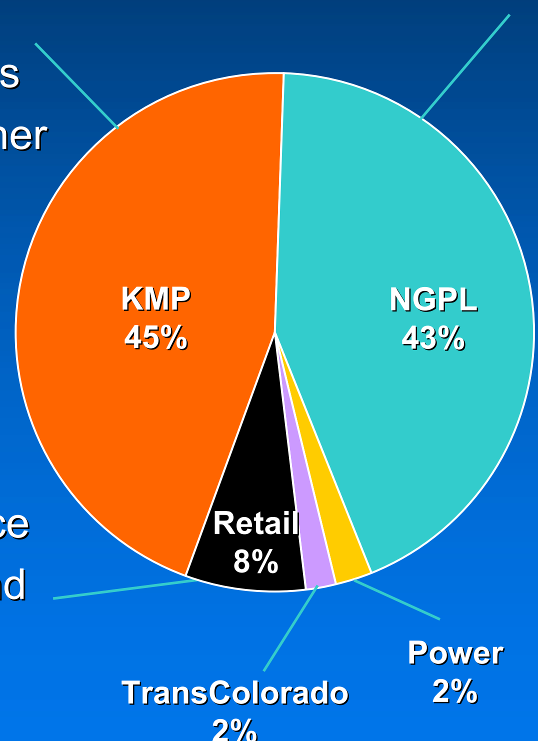
Solid Asset Base Generates Stable Fee Income

KMP (a)

- General partner interest provides incentive distributions
- Own 18% of total limited partner units

KMI

2003 Segment Income (b)



NGPL

- FERC regulated with 3 year average contract life
- Primary customers are Chicago local distribution companies
- Little incidental commodity risk

Retail

- Natural gas distribution service
- Serve Colorado, Wyoming and Nebraska
- 240,000 customers

Power

- Equity interest in five plants

TransColorado

- Transports natural gas from Rockies to northern New Mexico

(a) Includes: (i) general partner interest, (ii) earnings from 18 million KMP units and (iii) earnings from 14 million KMR units. On a comparable basis 2002 numbers were KMP 42%, NGPL 43%, Retail 8%, Power 5% and TransColorado 2%.

(b) Budgeted 2003 segment earnings before allocation of G&A and interest.

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Targeted KMI Internal Growth

Three Assumptions:

1. KMP	8 - 10% LP distribution growth plus resulting GP incentive
2. NGPL / Other Assets	3 - 5% segment earnings growth
3. Cash Available after sustaining and modest expansion CAPEX	50% Dividends/ Repurchase Shares 50% Reduce Debt

Consistent with 15%+ Internal Growth

KMI - Impact of Recent Dividend Tax Cut

- KMI has substantial cash flow available to return to equity
  - Approx. $200mm in 2003 budget
  - Expected to grow significantly in 2004 as earnings increase and debt reduction targets are reduced
- Historical bias for share repurchases (over $400mm in last 2 years)
  - Double taxation of dividends at high ordinary income rates
  - Capital gains rate roughly half of ordinary income rates
- New tax legislation has significantly changed the environment
  - 15% dividend tax rate significantly reduces double taxation
  - Equalization of dividend and capital gains rates
- Last January, KMI announced it would consider a significant increase in its dividend if tax law were changed

Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC case
  - Trailblazer rate case
  - Affiliate rule change
  - Unexpected FERC policy changes
- **Environmental**
- **Terrorism**
- **Interest Rates**
  - 50% of debt is floating rate
  - Budget assumes approximately 100 bps increase in floating rates over the year
  - A full year of a 100 basis point increase in rates equals $18 million increase in expense at KMP and $17 million at KMI

Stable Platform, Attractive Growth

- Stable cash flow from essential infrastructure
- Low cost discipline
- Conservative capital structure
- Management team with significant equity stake
- Outstanding track record
- Attractive internal growth from favorable demographics and expansion opportunities
- Acquisition upside potential