

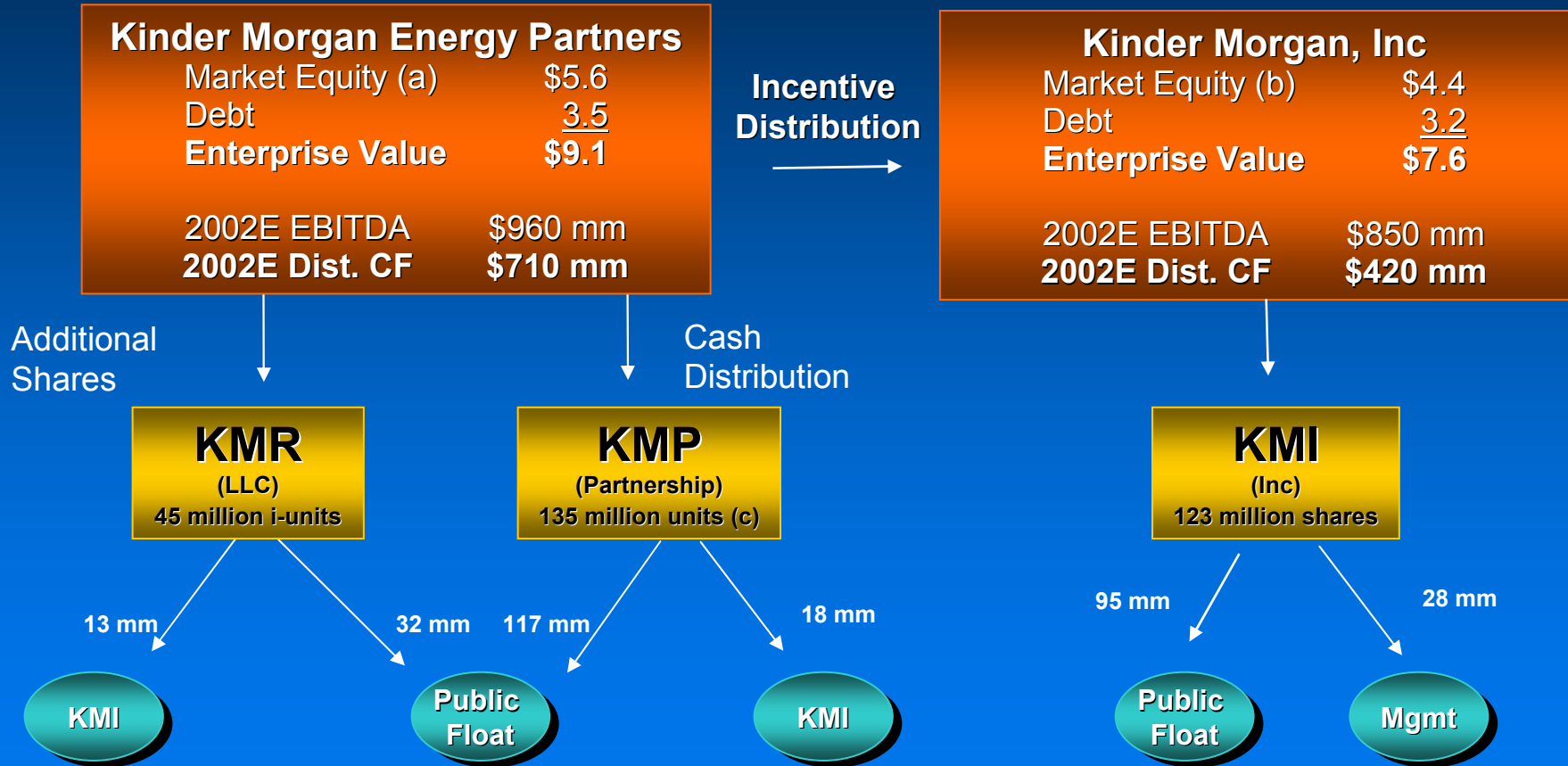


Real Assets, Real Earnings, Real Cash
October 2002

Forward Looking Statements

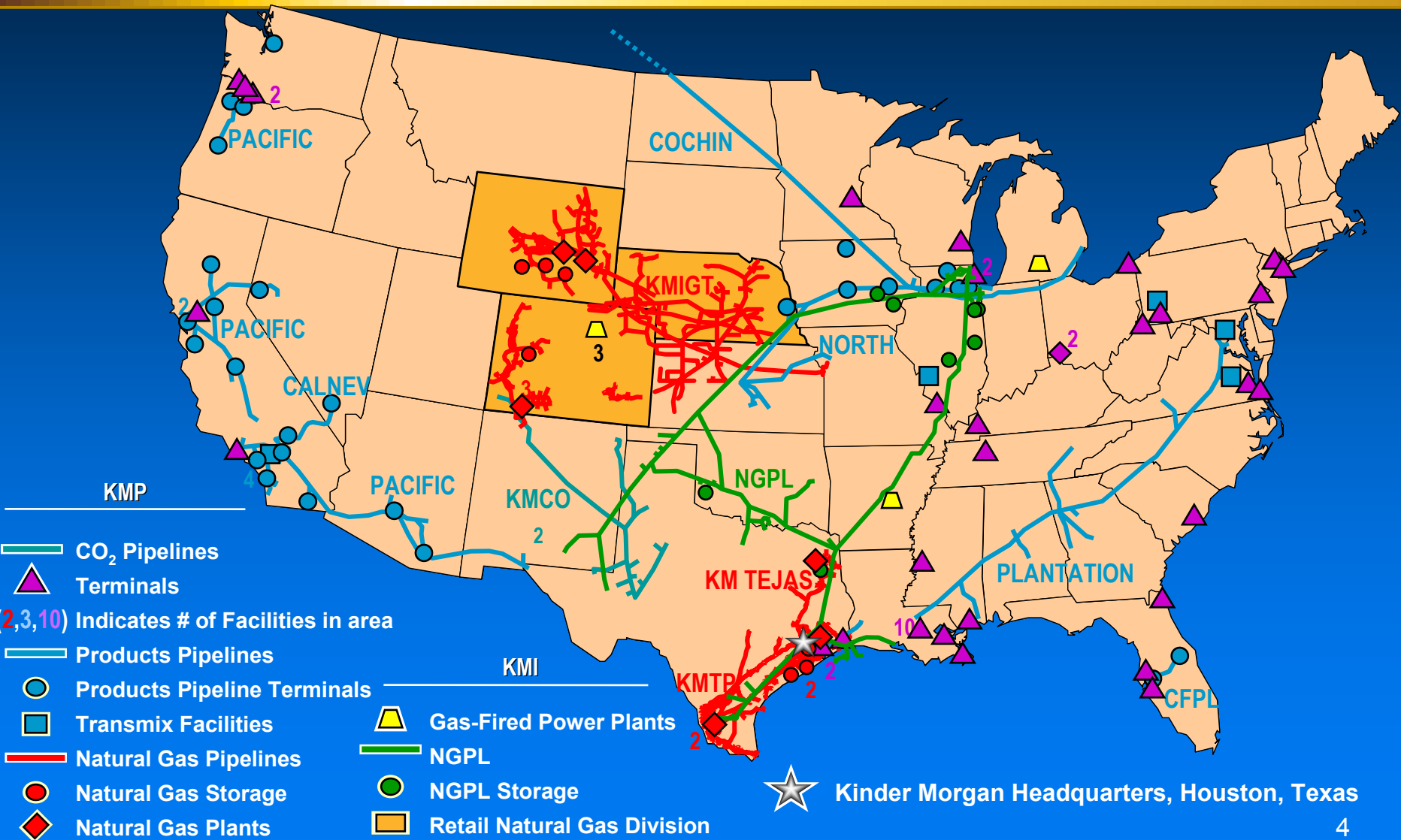
Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and securities values of Kinder Morgan Inc., Kinder Morgan Energy Partners, L.P. and Kinder Morgan Management, LLC (collectively known as “Kinder Morgan”) may differ materially from those expressed in the forward-looking statements contained throughout this presentation and in documents filed with the SEC. Many of the factors that will determine these results and values are beyond Kinder Morgan's ability to control or predict. These statements are necessarily based upon various assumptions involving judgments with respect to the future, including, among others, the ability to achieve synergies and revenue growth; national, international, regional and local economic, competitive and regulatory conditions and developments; technological developments; capital markets conditions; inflation rates; interest rates; the political and economic stability of oil producing nations; energy markets; weather conditions; business and regulatory or legal decisions; the pace of deregulation of retail natural gas and electricity and certain agricultural products; the timing and success of business development efforts; and other uncertainties. You are cautioned not to put undue reliance on any forward-looking statement.

Kinder Morgan: Two Companies, Three Securities

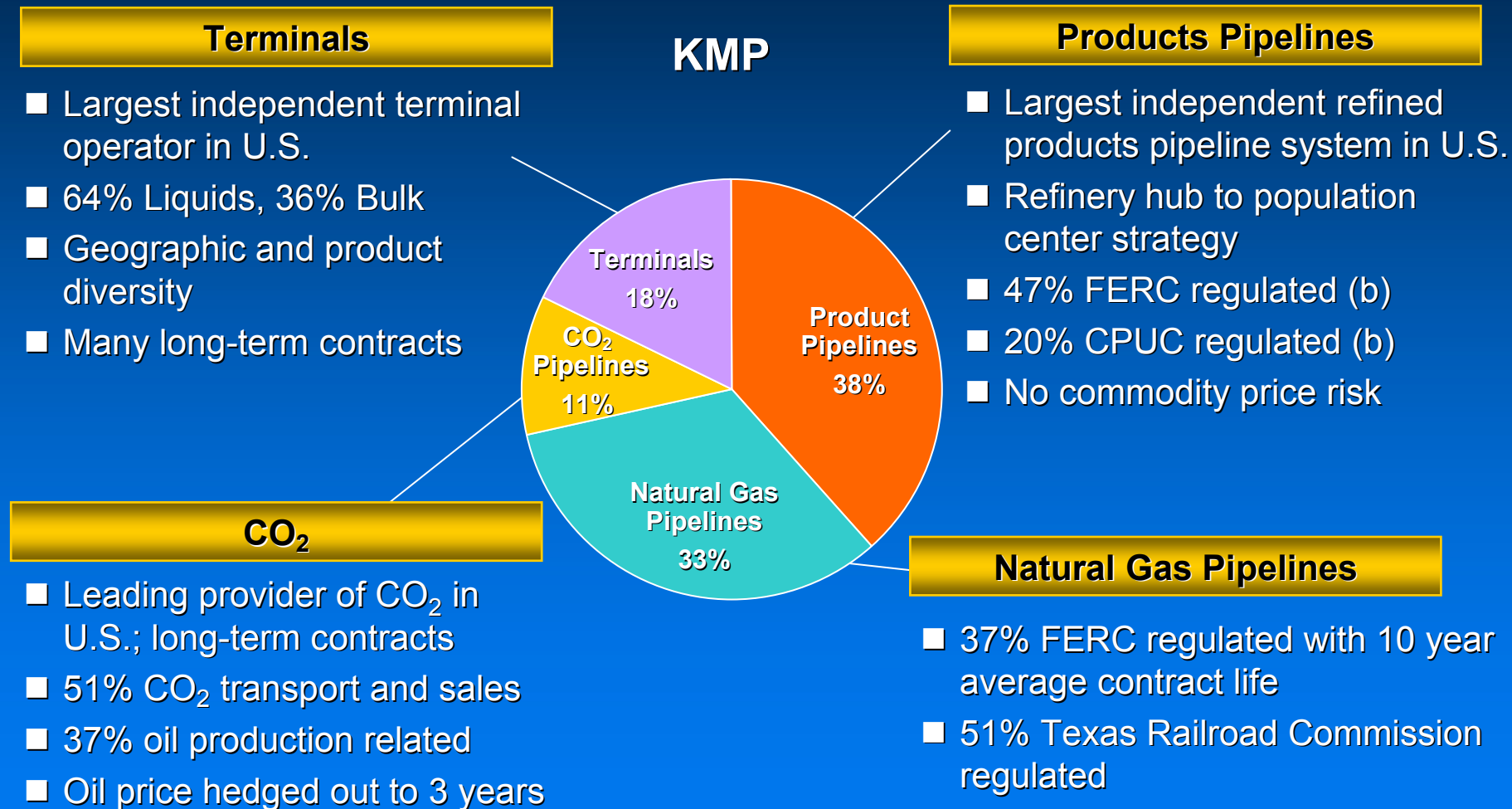


- (a) KMEP market cap based on 180 million units, a common unit price of \$31.93, and a KMR price of \$29.75 as of September 30, 2002. Debt balance as of September 30, 2002.
- (b) KMI market cap based on 123 million shares at \$35.45 as of September 30, 2002. Debt balance as of September 30, 2002.
- (c) Includes 5 million Class B units owned by KMI. Class B units are unlisted KMP common units.

Kinder Morgan System Map

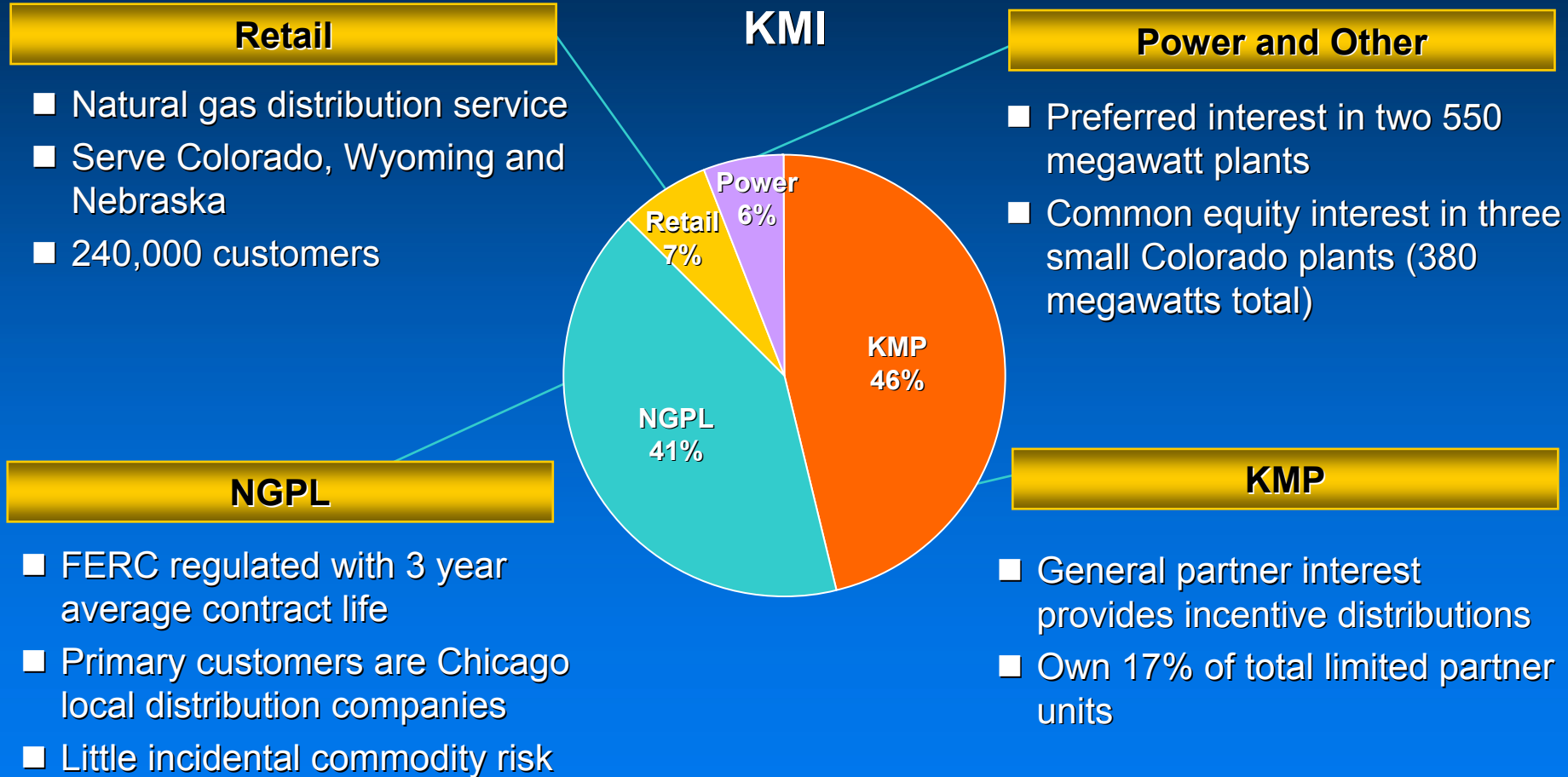


Solid Asset Base Generates Stable Cash Flows^(a)



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

Solid Asset Base Generates Stable Earnings (a)



(a) Budgeted 2002 segment earnings before allocation of G&A and Interest.

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 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

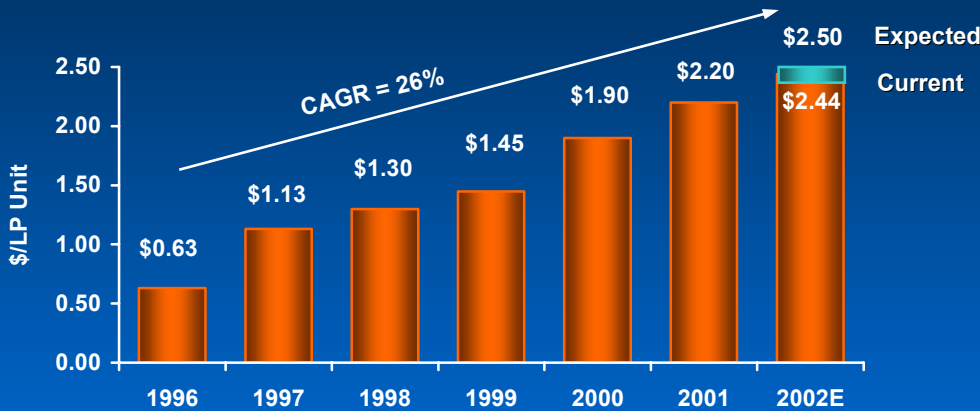
- Avoid businesses with direct commodity price exposure wherever possible
- Hedge incidental commodity price risk

■ Alignment of Incentives

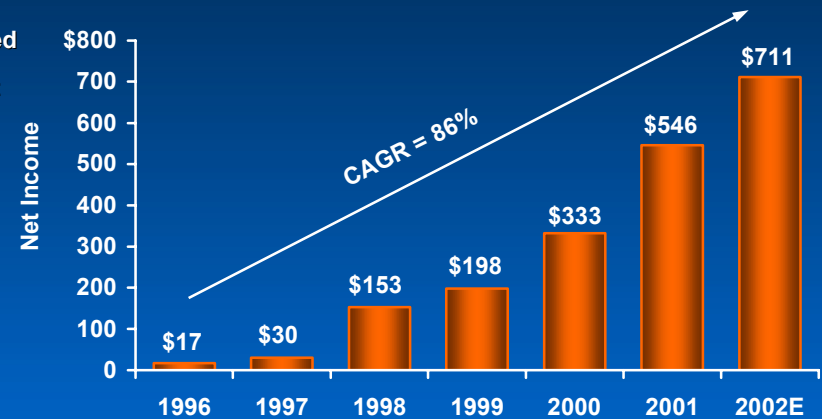
- Bonus targets are tied to published budget – KMP DCF of \$2.40 and KMI EPS of \$2.58 for 2002
- All employees have KMI stock options
- Rich Kinder and William Morgan have the largest equity stake in the energy industry — 23% in KMI
- They receive \$1 per year in salary, no bonus, no options

Consistent Track Record

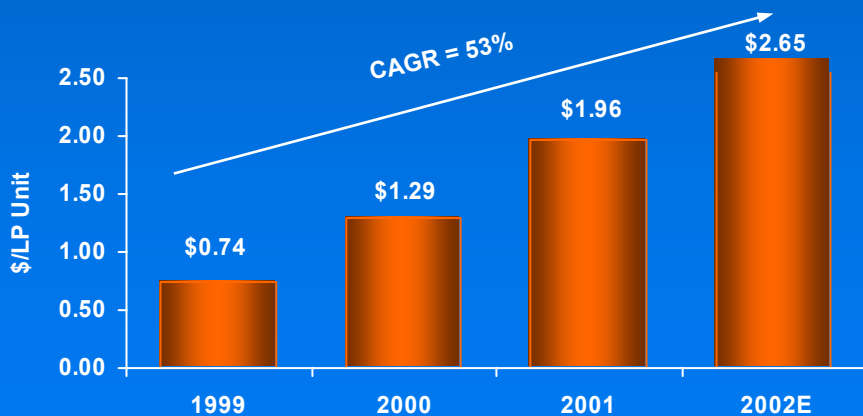
KMP Distribution / Unit (a)



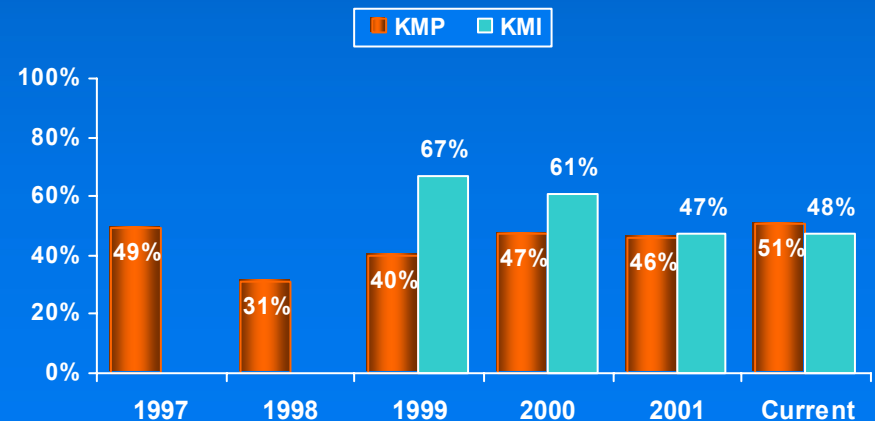
Total Distributions (GP + LP) (\$mm)



KMI Earnings Per Share

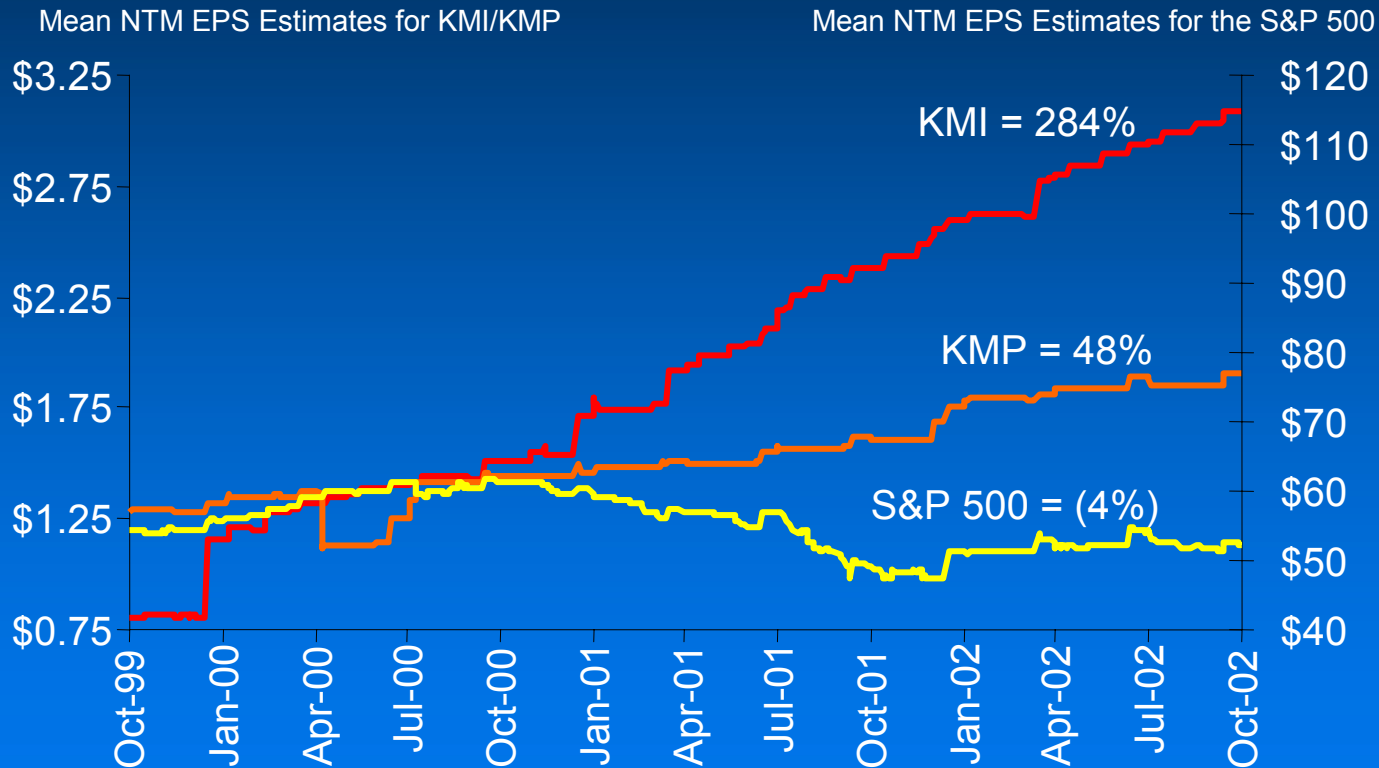


Debt to Total Capital



(a) Annualized expected 4Q distribution.

Earnings Growth Significantly Exceeds S&P



Earnings Exceed 2001 Results and 2002 Expectations

KMI Earnings / Share



Full year earnings of at least \$2.65, exceeding January budget of \$2.58 and 2001 earnings of \$1.96

KMP Earnings / Unit



Full year earnings of at least \$1.85, exceeding January budget of \$1.83 and 2001 earnings of \$1.56

KMP 3Q Results Driven by Internal Growth

	Three Months Ended, Sept 30			YTD % of Budget	Comments
	2002	2001	% Change		
Products Pipelines	\$108.6	\$98.1	11%	77%	Volumes; Cochin - \$1.1M
Natural Gas Pipelines	83.0	55.4	50%	68%	Tejas and Trialblazer
CO ₂ Pipelines	34.0	26.4	29%	82%	Volumes
Terminals	52.8	43.1	23%	77%	Liquids Expansions
D&A	(43.9)	(39.0)	(13%)	74%	
G&A	(27.5)	(24.8)	(11%)	87%	
Net Debt Costs	(46.4)	(41.0)	(13%)	72%	
Minority Interest	(2.4)	(2.4)	(3%)	66%	
Net Income	\$158.2	\$115.8	37%	74%	
Per Unit	\$.50	\$.37	35%	80%	

KMI 3Q Results Driven by KMP

Three Months Ended, Sept 30

	2002	2001	% Change	YTD % of Budget	Comments
KMP	\$101.5	\$70.3	44%	71%	Internal growth
NGPL	88.7	83.6	6%	75%	Expansions, power load
Retail	7.6	5.7	33%	64%	Acquisitions, irrigation
Power	7.0	21.2	(67%)	45%	Development fees
G&A	(16.7)	(16.6)	(.5%)	77%	
Net Debt Costs	(40.9)	(53.2)	23%	67%	
Other	(8.2)	(8.0)	(3%)		
Income Tax	(58.2)	(43.4)	(34%)		
Net Income	80.8	59.7	36%		
Extraordinary Item	(.4)	(1.5)	70%		
Net Income	\$80.4	\$58.2	38%		
Per Share	\$.66	\$.48	38%		

Other Operational Accomplishments

KMI

■ NGPL

- Re-contracted all 1.0 Bcf in 2002 expirations; Renewed 900 mmcf of 1.7 Bcf expiring in 2003
- Completed St. Louis expansion project

■ Power

- Restructured Colorado plants to eliminate commodity price risk
- Completed both power plants under construction

KMP

■ Texas Intra-states

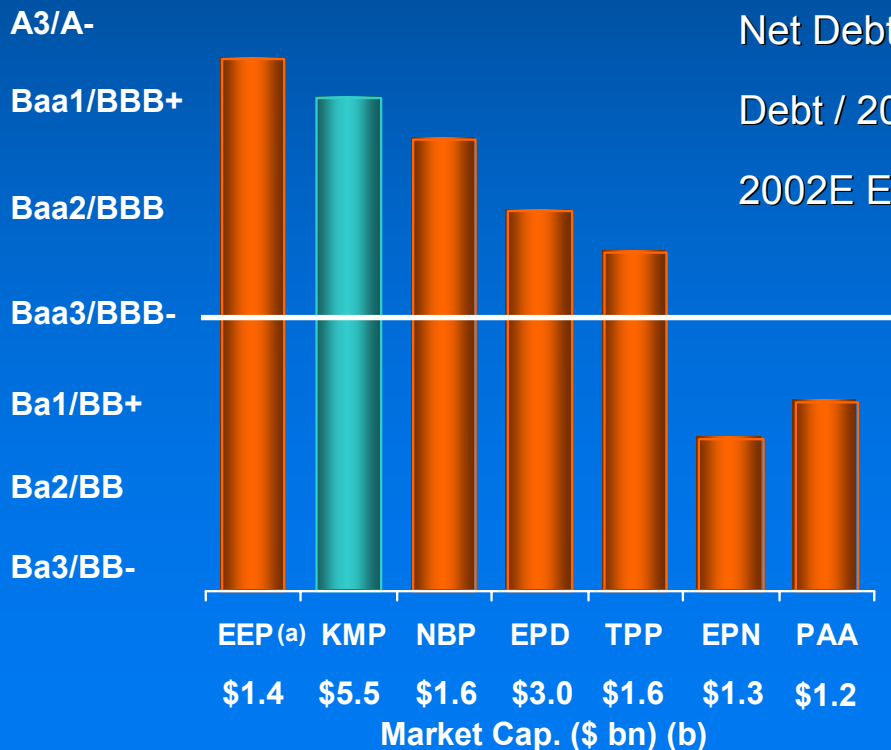
- Completed \$70 million North Texas extension
- Signed three year BP contract, 1 Bcf/day and 19 Bcf in storage

■ Bulk Terminals

- Extended largest customer, TVA, for five years

Stability Results in Strong Credit and Liquidity

Seven Largest MLPs	Credit Statistics:	<u>KMP</u>	<u>KMI</u>	<u>Consolidated</u> <u>(c)</u>
		Ratings:	BBB+ Baa1	BBB Baa2



Net Debt / Total Capital	51%	48%	54%
Debt / 2002E EBITDA	3.7x	3.8X	4.6X
2002E EBITDA / Interest	5.4x	5.2X	4.3X

- (a) EEP rating based on secured debt.
- (b) Based on closing prices as of October 18, 2002.
- (c) Consolidation is not permitted under GAAP. Company has provided an estimate for illustrative purposes only.

Good Market Access and Strong Liquidity

- **\$343 million in KMR equity in July**

- Completed in very difficult market
- Roughly 15% return since pricing

- **\$1.5 billion in long term debt in August**

- KMP \$500 million, 31 year @ 7.3%
- KMP \$250 million, 5 year @ 5.4%
- KMI \$750 million, 10 year @ 6.5%

- **\$1.7 billion in credit facilities renewed in October**

- KMP \$906 million
- KMI \$758 million
- Similar credit spreads and fees as previous
- Looser KMP covenants

	<u>KMP</u>	<u>KMI</u>
CP Capacity:		
Total Revolver	\$906	\$758
Outstanding CP	110	250 ^(a)
Excess Capacity	\$796	\$508

	<u>KMP</u>	<u>KMI</u>
Maturities:		
2002	43	0
2003	37	501
2004	0	1
2005	200	501
2006	40	6

(a) After purchase of other 50% of Transcolorado.

Stable Platform, Exceptional Growth Potential

	KMP/KMR (a)	KMI (a)
Stable Cash Flow Strong Balance Sheet	7.5% yield 40% debt/cap target	1% yield Excess cash used for share buyback, dividends and debt repayment 50% debt/cap target
↓		
Add: Internal Growth	8-10%	18-20%
- Organic growth on existing assets		
- Approximately \$500 million in expansions currently underway		
↓		
Acquisition Upside	15%+	25%+
- \$6.2 billion over last five years		

(a) Returns calculated from 2001 to 2005.

Targeted KMP Internal Growth

Business Segments	2001 Actual	Budgeted Change in 2002	2003-2005 Annual Target	Growth Drivers
Products Pipelines	\$347.8	\$39.6	\$30-35	Demographics in West and Southeast U.S.
Natural Gas Pipelines	218.4	113.4	20-25	Expansions and extensions
CO ₂ Pipelines	108.4	1.9	20-25	SACROC growth starting in 2003
Terminals	144.6	33.3	10-15	Gasoline, low sulfur coal, petcoke
G&A, Interest and Other			(5-10)	Interest for expansion projects

Total	\$75-90
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Approximately 8-10% Internal Growth to LP Units

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 60% of total and 50% of upside
GP Share	13	2	15%	GP receives 40% of total and 50% of upside

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

Excess Capacity Allows Growth

Business Segments	Pipeline Systems	Utilization Rates (Approximate)
Products Pipelines	Pacific System	70%
	Plantation Pipeline	80%
	Central Florida Pipeline	65%
Natural Gas Pipelines	Texas - Intrastate	80%
	Rocky Mountain – Interstate	100%
CO ₂ Pipelines	Cortez Pipeline	80%
	Central Basin	50%
Terminals	Liquids	97%
	Bulk	Varies

Internal Expansions Add Additional Growth

Business Segments	Number of Projects	Capital Committed	Completion Date	Expansion Projects
Product Pipelines	1	\$58	2004	Knoxville
Natural Gas Pipelines	2	\$118	2003-2004	Cheyenne, Monterrey
CO ₂ Pipelines	1	\$160	2003	SACROC
Terminals	5	\$55	2002-2003	Houston, Carteret, Perth Amboy
Total	9	\$391		
2001 Cont. Construction	2	\$45	2003	Delta, Dakota
Total Expansions	11	\$436		
Completed During 2002	7	\$197	2002	Trailblazer, North Texas

Structure offers Two Risk Reward Profiles

	Limited Partner KMP/KMR	General Partner KMI
Yield	Approx. 7.5%	Approx. 1.0%
Distributions	Share in all distributions from Available Cash	Only entitled to incentive distribution on Cash from Operations
Current Split of Cash Distributions	60%	40%
Upside/Downside	50% upside / 50% downside	50% upside / 50% downside
Split from Interim Capital Transactions	98%	2%
Results (a)	30% price appreciation 39% total return	36% total return

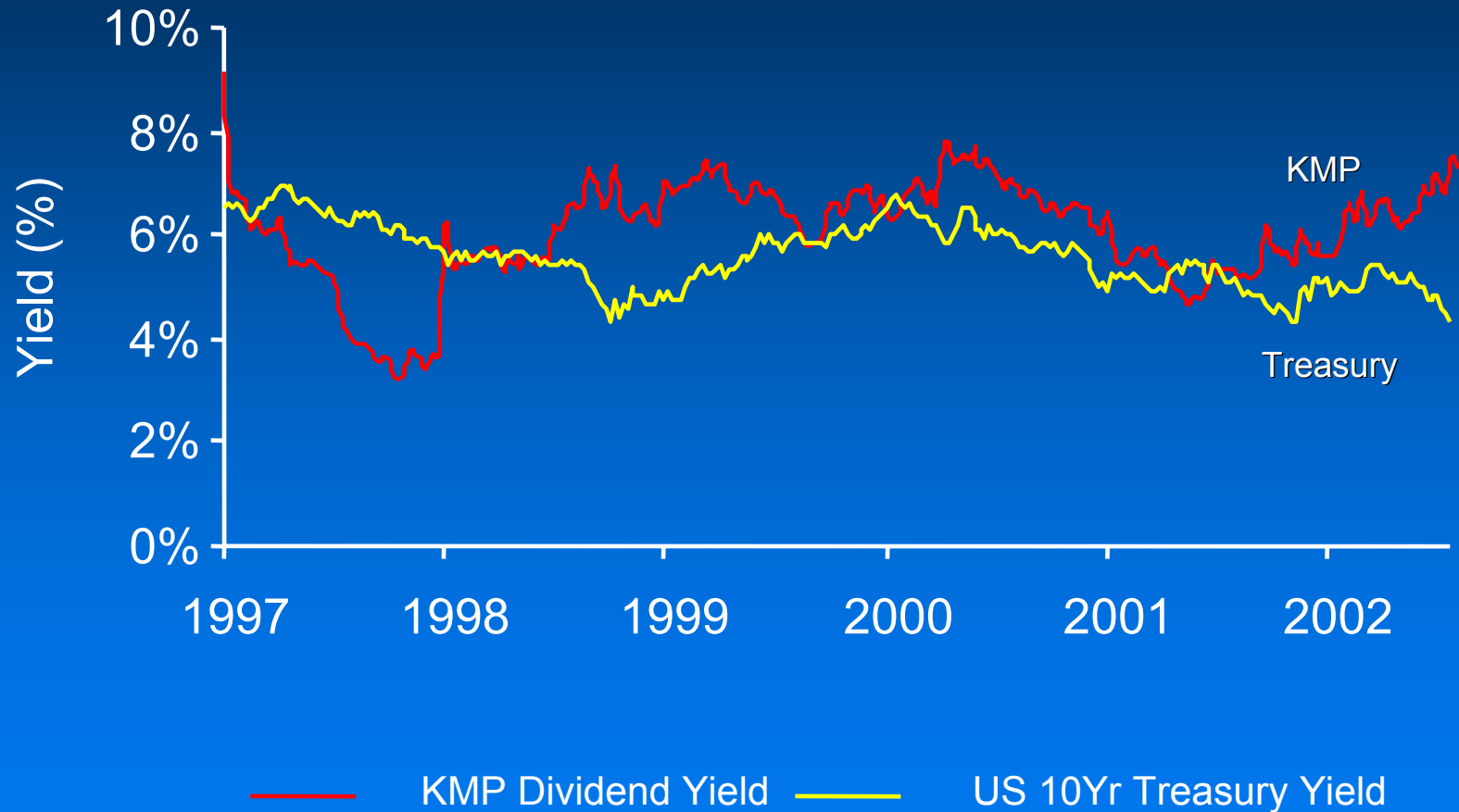
(a) Weekly returns for : (i) KMI: July 1999 through October 18, 2002 and (ii) KMP: January 1997 through October 18, 2002.

KMR is Economically Equivalent to KMP

	KMR	KMP
Distributions	Shares	Cash
Yield	8.2%	7.5%
Voting Rights	In Parity with KMP	Limited
Mandatory Purchase	Assures value in liquidation (a)	No
Optional Purchase	Yes	Yes
<u>Tax Considerations</u>		
Allocated Taxable Income	No	Yes
Non-Qualifying Income	No	Yes
UBTI	No	Yes
K-1s	No	Yes
State Filing Obligations	No	Yes

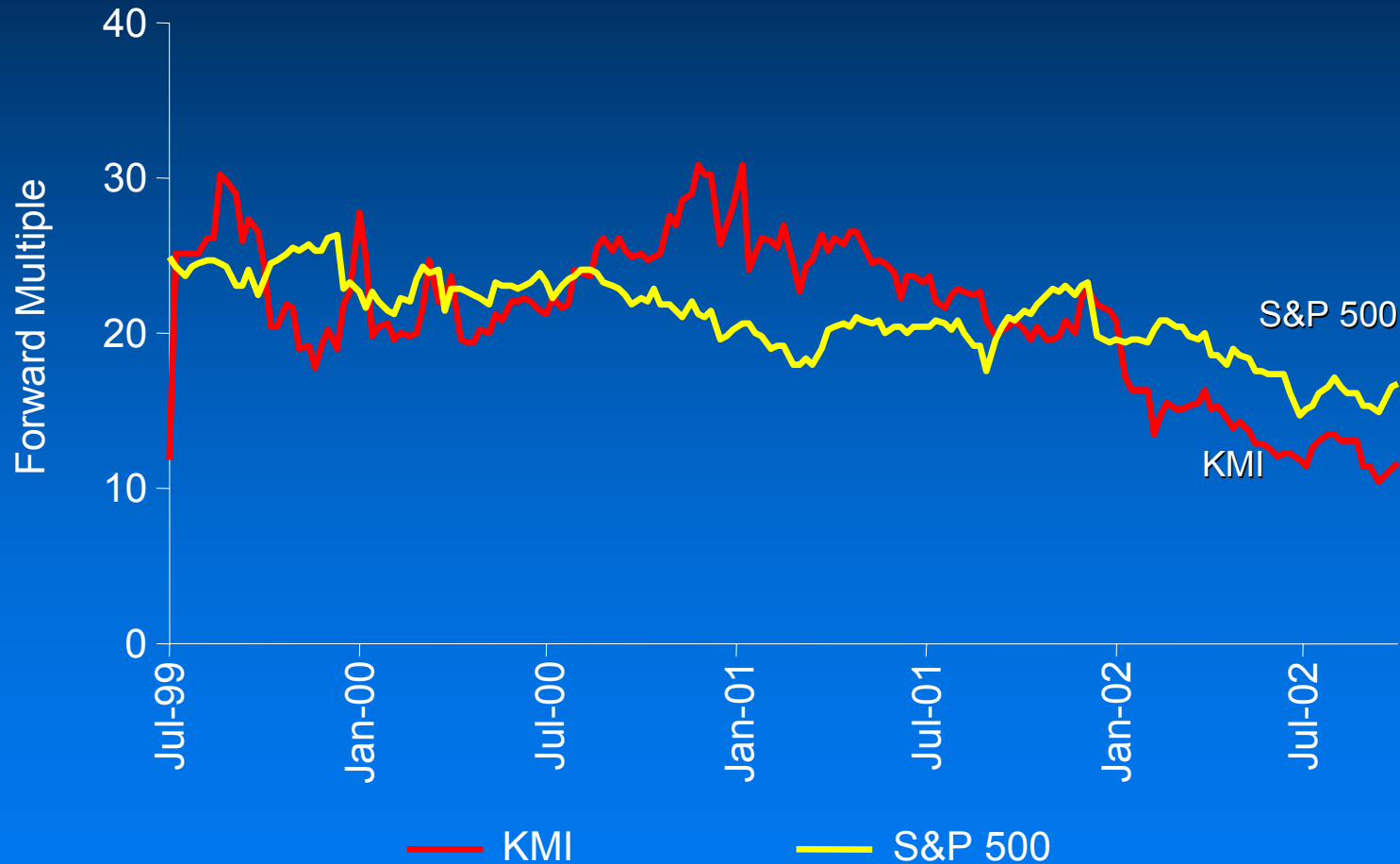
(a) and in certain other events.

KMP is Attractive Compared to 10-yr UST ^(a)



Source: Goldman Sachs
 (a) From January 3, 1997 to October 18, 2002.

KMI Multiple at a Discount to the S&P 500 ^(a)



Source: Goldman Sachs
 (a) From July 23, 1999 to October 23, 2002.



Real Assets, Real Earnings, Real Cash