KINDER MORGAN

Second Quarter Results
August 2004

Forward Looking Statements

This presentation contains forward looking statements, including these, within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Exchange Act of 1934, as amended. 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; environmental 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; terrorism; and other uncertainties. You are cautioned not to put undue reliance on any forward-looking statement.

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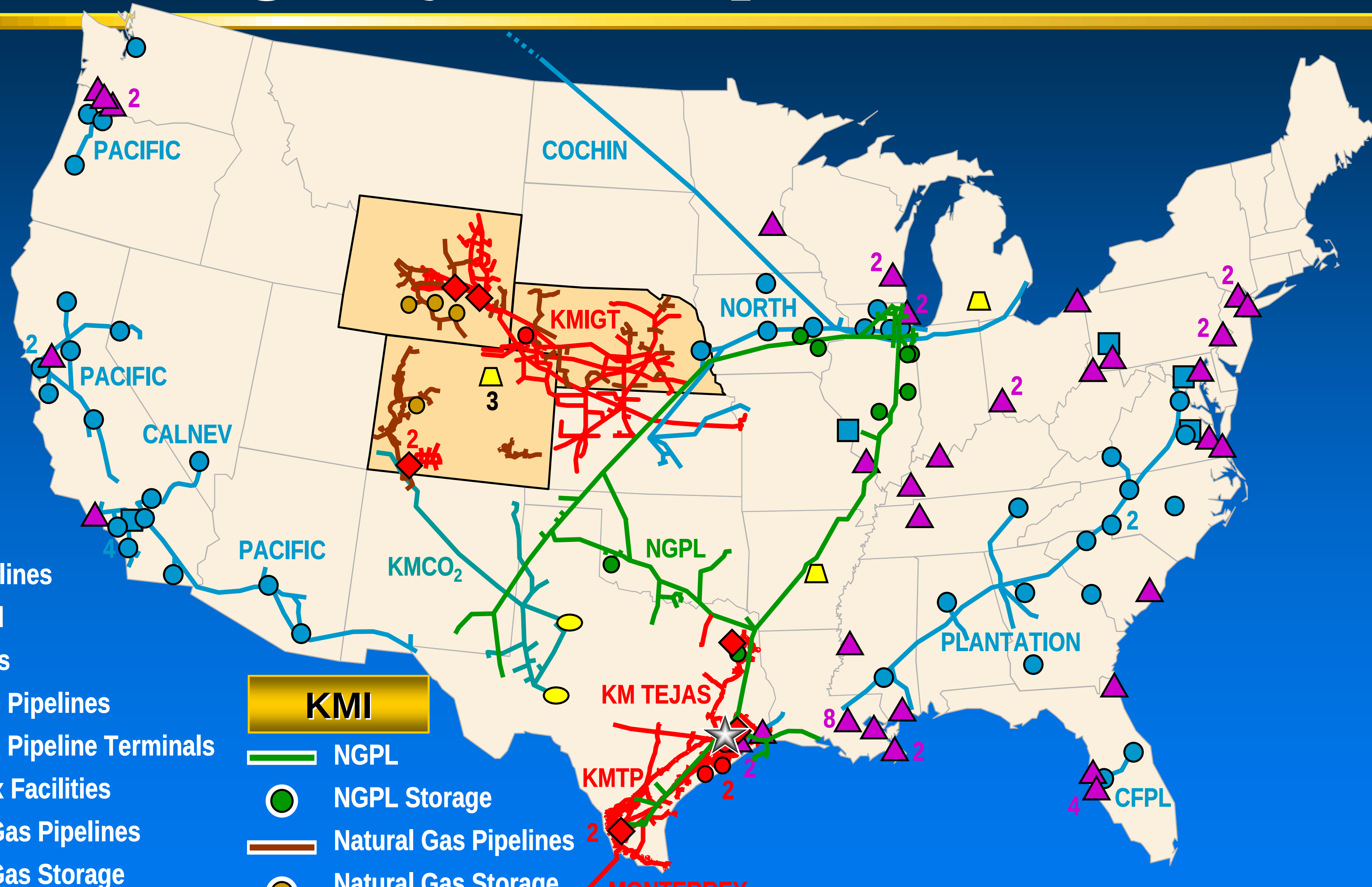
Kinder Morgan System Map



KMP

- CO_2 Pipelines
- CO_2 Field
- Terminals
- Products Pipelines
- Products Pipeline Terminals
- Transmix Facilities
- Natural Gas Pipelines
- Natural Gas Storage
- Natural Gas Plants
- (2,3,8) Indicates # of Facilities

KMI

- NGPL
- NGPL Storage
- Natural Gas Pipelines
- Natural Gas Storage
- Gas-Fired Power Plants
- Retail Natural Gas Division

Kinder Morgan Headquarters
Houston, Texas

Kinder Morgan: Three Securities

Kinder Morgan Energy Partners

Market Equity (a)	$7.8
Debt	4.3
Enterprise Value	**$12.1**
2004E EBITDA	$1,307 mm
2004E Dist. CF	**$968 mm**

Incentive Distribution

Kinder Morgan, Inc

Market Equity (b)	$7.6
Debt	2.9
Enterprise Value	**$10.5**
2004E EBITDA	$1,033 mm
2004E Dist. CF	**$578 mm**

Additional Shares

Cash Distribution

KMR
(LLC)
51 million i-units

15 mm — **KMI**

36 mm — **Public Float**

KMP
(Partnership)
145 million units (c)

127 mm — **Public Float**

18 mm — **KMI**

KMI
(Inc)
124 million shares

96 mm — **Public Float**

28 mm — **Mgmt**

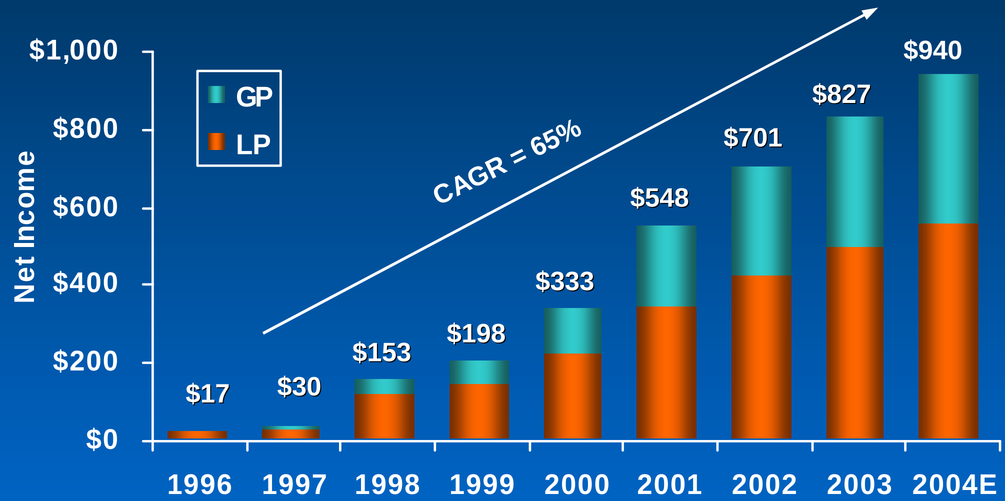
(a) KMEP market cap based on 145 million common units at a price of $40.69 and 51 million KMR i-units at a price of $36.77 as of June 30, 2004. Debt balance as of June 30, 2004, excluding the fair value of interest rate swaps, net of cash.

(b) KMI market cap based on 124 million shares at $59.29 as of June 30, 2004. Market equity also includes $284 million of capital trust securities (TRUPS). Debt balance as of June 30, 2004, excluding fair value of interest rate swaps, net of cash.

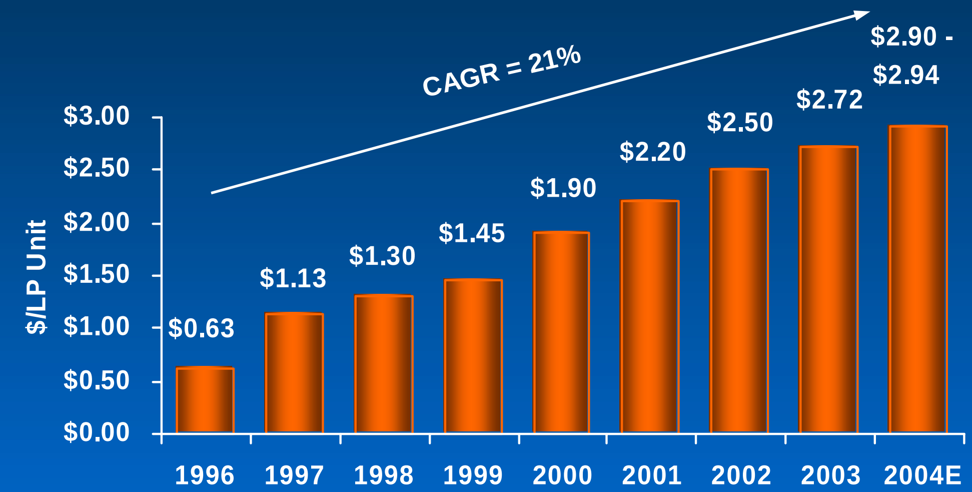
(c) Includes 5 million Class B units owned by KMI. Class B units are unlisted KMP common units.

Consistent Track Record

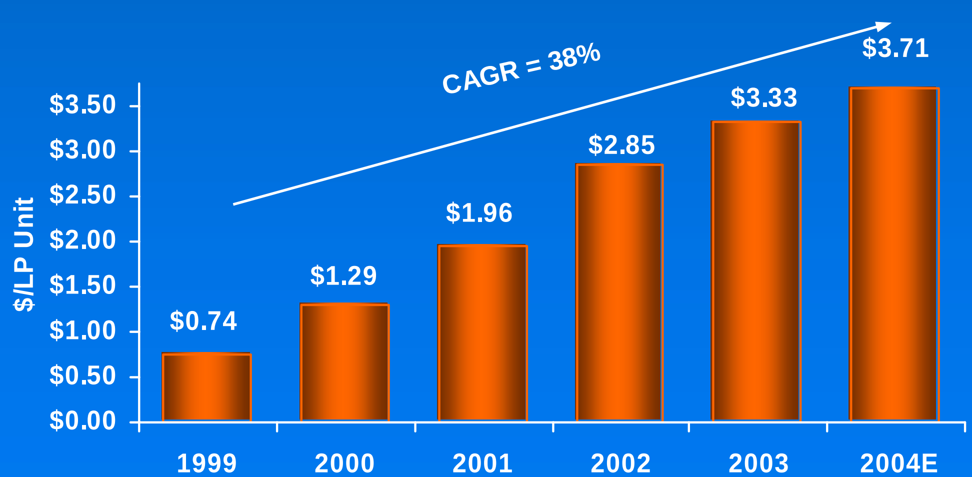
Total Distributions (GP + LP) ($mm)



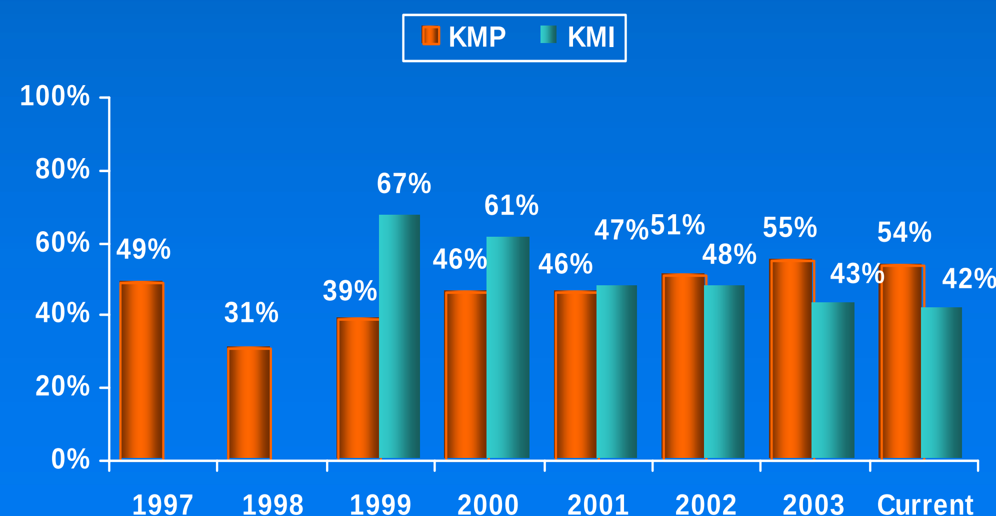
KMP Distribution / Unit (a)



KMI Earnings Per Share (b)



Debt to Total Capital



(a) Declared 4Q distribution annualized (i.e. multiplied by four).
(b) Excluding special items and loss from early extinguishment of debt.

KMP Q2 Results Driven by Internal Growth

	Three Months Ended, Jun 30		% Change	YTD – % of Budget	Comments
	2004	2003			
Products Pipelines	119.3	$110.5	8%	48%	Products demand & terminals
Natural Gas Pipelines	95.4	88.9	7%	52%	Texas Intra-states
CO_2 Pipelines	76.0	47.2	61%	48%	SACROC, Yates & CO_2 vol
Terminals	65.7	60.1	9%	50%	Expansions, volumes
DD&A	(71.3)	(55.0)	30%	49%	CO_2
G&A	(39.5)	(35.7)	11%	58%	Benefits, insurance
Net Debt Costs	(46.6)	(44.9)	4%	47%	
Minority Interest	(2.5)	(2.1)	16%	52%	
Early Debt Extinguish	(1.4)	-			
Net Income	**$195.2**	**$169.0**	**16%**	**48%**	
General Partner	(95.9)	(80.5)	19%	49%	
LP Net Income	**$99.4**	**$88.4**	**12%**	**48%**	
Per Unit	**$.51**	**$.48**	**5%**	**48%**	

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KMI Q2 Driven by KMP, NGPL

	Three Months Ended, Jun 30		%	YTD – % of	
	2004	2003	Change	Budget	Comments
KMP	$132.8	$113.7	17%	49%	Internal growth
NGPL	93.4	84.3	11%	51%	Re-contracting
TransColorado	5.4	5.3	2%	42%	Long-term contracts
Retail	5.0	6.3	(21%)	56%	Choice Gas / irrigation load
Power and Other	3.9	10.8	(64%)	57%	Consistent with budget
G&A	(19.9)	(18.8)	6%	56%	Benefits, legal
Net Debt Costs	(32.4)	(31.3)	3%	48%	(a)
Other	(16.2)	(16.3)	(1%)	47%	(a)
Income Tax	(67.6)	(59.8)	13%	50%	
Net Income	**$104.4**	**$94.2**	**11%**	**50%**	
Per Share	***$0.84***	***$0.76***	***10%***	***50%***	

(a) For purposes of this presentation, expense associated with our capital trust securities has been included in “Other”.

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 $2.84 and KMI EPS of $3.71 for 2004
  - Senior management has KMI restricted stock. All other employees have 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

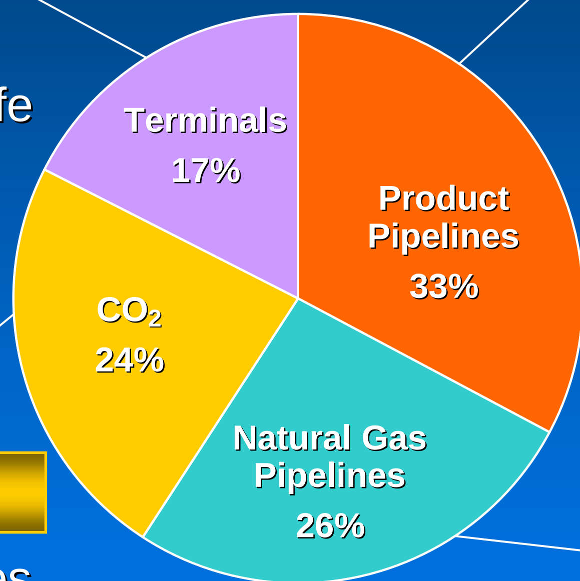
Kinder Morgan Energy Partners
KMP and KMR

Solid Asset Base Generates Stable Fee Income

Terminals

- 59% Liquids, 41% Bulk
- Geographic and product diversity
- 3-4 year average contract life

KMP
2004 DCF (a)



Products Pipelines

- Refinery hub to population center strategy
- 74% Pipelines (b)
- 22% Associated Terminals (b)
- 4% Transmix (b)
- No commodity price risk

CO_2

- 28% CO_2 transport and sales
- 72% oil production related
- 85% of '04 oil production hedged, 75% in '05 & 63% in '06 (c)

Natural Gas Pipelines

- 53% Texas Intrastate
- 47% Rockies
- Little incidental commodity risk

(a) Budgeted 2004 distributable cash flow before allocation of G&A and interest.
(b) Based on 2004 budgeted revenues.
(c) Approved production including NGLs.

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KMP is Conservatively Capitalized

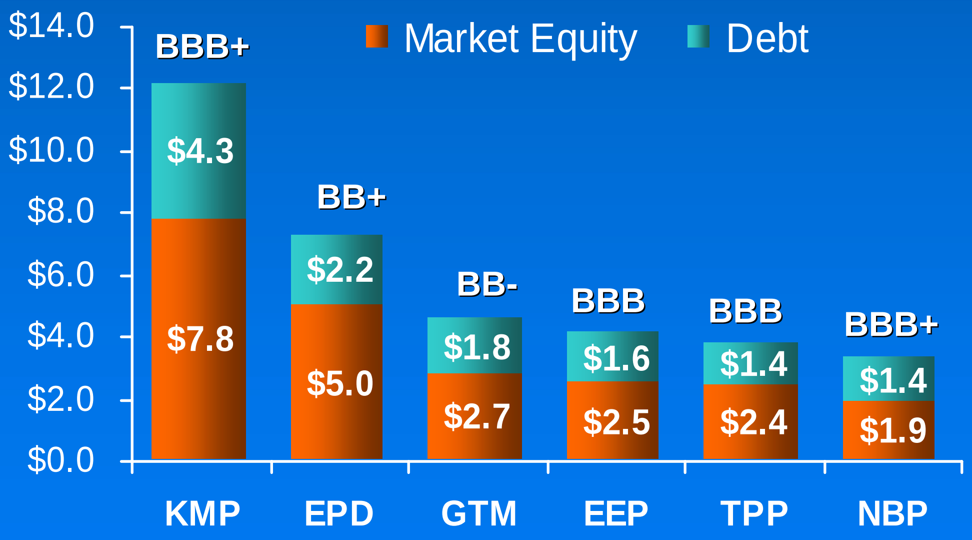
Credit Summary

Rating	Baa1/BBB+
Current Net Debt / Total Capital	54%
<u>2004 Budget Estimates:</u>	
Debt / EBITDA	3.5x
EBITDA / Interest	6.5x

CP Capacity

Total Revolver (a)	$1,050
Outstanding CP	488
Excess Capacity	$562

Comparative Credit Ratings (b)



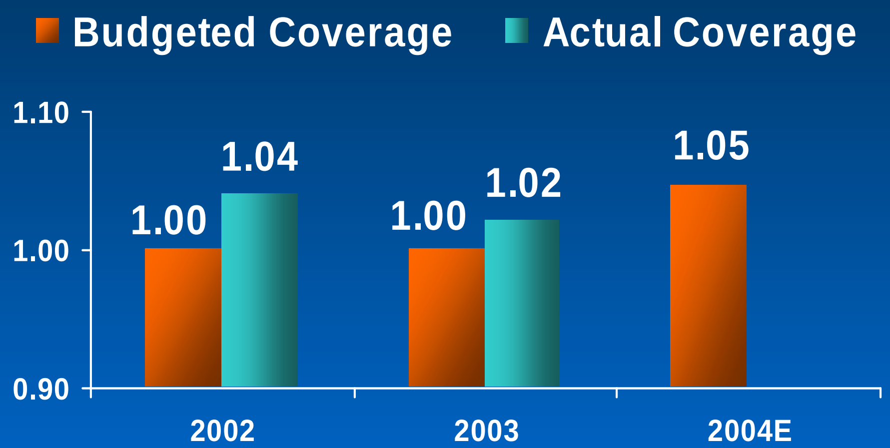
Long-Term Debt Maturities

	$ (in millions)
2004 (c)	0
2005	206
2006	45
2007	255
2008	5

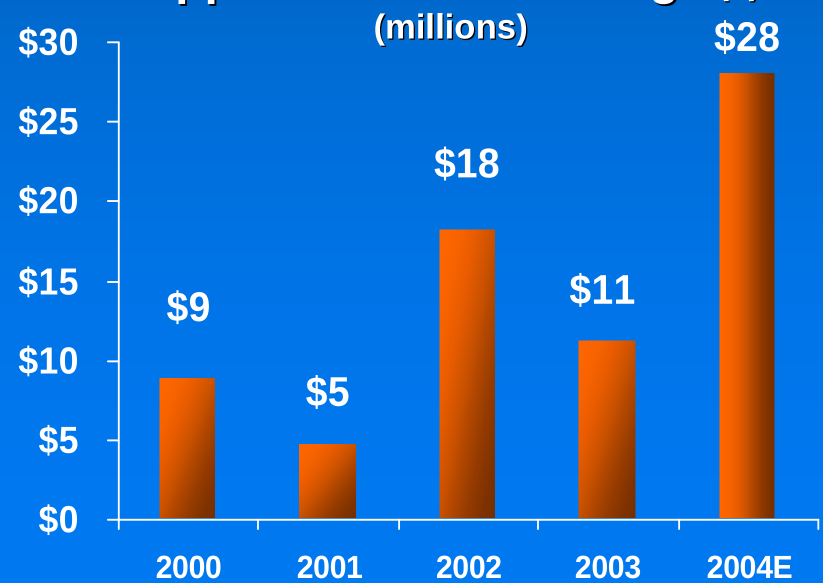
(a) Existing facility. Renewal to increase capacity to $1.25 billion.
(b) Priced as of Jun 30, '04. Source for units outstanding and pricing is Bloomberg. KMP debt balance as of Jun 30 '04. All other debt balances from Lehman MLP Quarterly Monitor dated Jul 8, '04 . Credit ratings are from Citigroup Monthly Update dated Jul 15, '04.
(c) Through remainder of year (3Q and 4Q'04).

Growing KMP/KMR Distribution Coverage

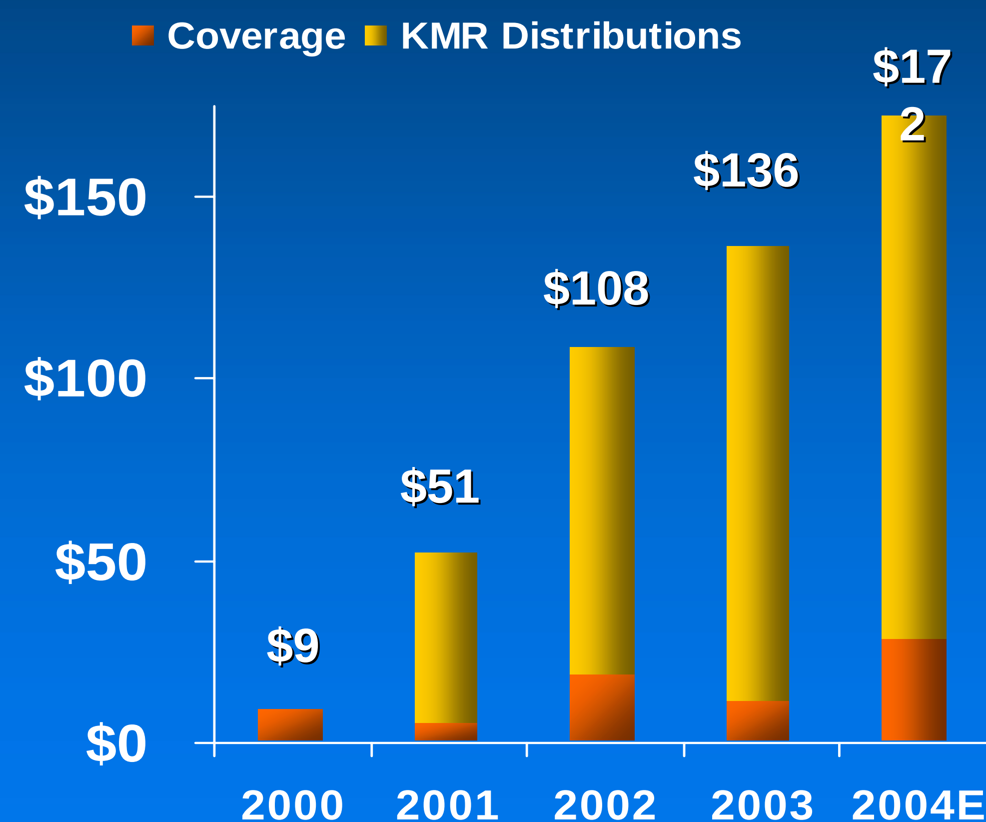
Published Budget vs. Actual Coverage



Approximate $ Coverage (a)



Internally Generated Cash Flow Available for Reinvestment
($ millions)



a) Approximate coverage is the actual net income before DD&A less sustaining cap ex, the cash required to pay the declared distribution to the LPs and the incentive distribution to the GP.

KMP 2004 Segment Goals

Business Segment	Growth in Earnings before DD&A ($millions / %)	Top Strategic Priority
Products Pipelines	$41 / 9%	SFPP rate case East Line expansion
Natural Gas Pipelines	$10 / 3%	Expand: i) Takeaway capacity from Rockies ii) Texas footprint
CO_2	$119 / 58%	Deliver infrastructure on time and on budget
Terminals	$16 / 7%	Integration of liquid and bulk terminals

Consistent with 8% Internal Growth to LP Units

KMP: Leading Position in Each Major Business

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Products Pipelines (based on barrels per day) (a)

1. **Kinder Morgan** (1.9 million bpd)
2. **Buckeye Pipeline** (1.5 million bpd)
3. **Magellan Midstream** (.6 million bpd)
4. **TEPPCO** (.6 million bpd)
5. **Kaneb** (.2 million bpd)

Natural Gas Pipelines (based on pipeline miles)

1. **El Paso** (54,900 miles)
2. **Kinder Morgan** (25,600 miles)
3. **MidAmerican** (17,600 miles)
4. **NiSource** (17,200 miles)
5. **Southern Union** (16,400 miles)

CO_2 (based on pipeline miles operated)

1. **Kinder Morgan** (1,050 miles)
2. **BP** (425 miles)
3. **Oxy** (259 miles)
4. **Exxon Mobil** (217 miles)
5. **Dakota Gas** (202 miles)

Liquids Terminals (based on capacity in barrels)

1. **Kinder Morgan** (52.3MM) (b)
2. **ST Services** (32.8MM)
3. **IMTT** (32.3MM)
4. **Magellan Midstream** (25.6MM)
5. **TransMontaigne** (20.9MM)

(a) Independent products pipelines, excluding NGL, crude and gathering lines
(b) Includes liquids terminals associated with products pipelines

High Return Internal Expansions Add Growth

KMP 2004 Expansion Capital Budget

Business Segment	2004 Budget	Major Projects	Completion Date
Product Pipelines	$159	North and East Line, Carson	2004-2006
Natural Gas Pipelines	$76	CMC, Austin	2004
CO_2	$310	SACROC/Yates	2004
Terminals	$64	Carteret, Delta	2004
Total	**$609**		

Kinder Morgan Inc.

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Solid Asset Base Generates Stable Fee Income

Investment in KMP (a)

- General partner interest earns incentive distributions
- Owns 17% of total limited partner units

Power

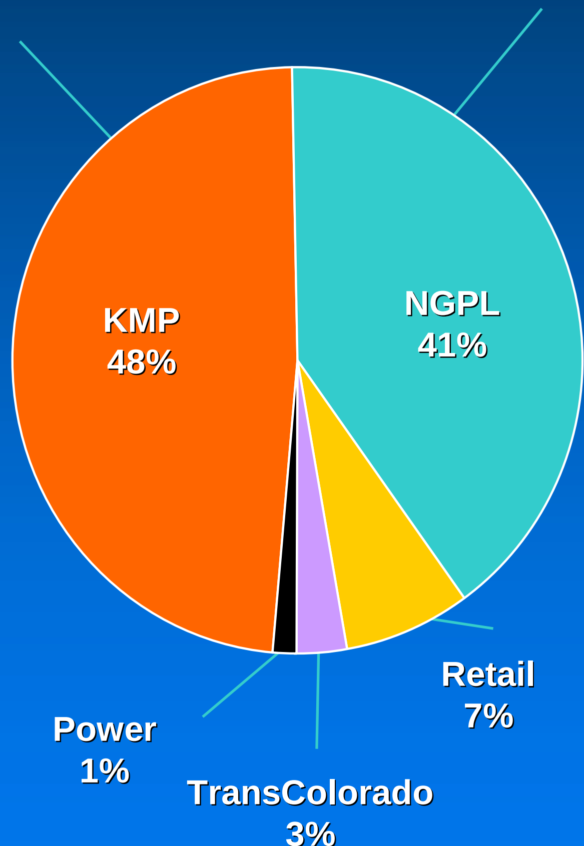
- Equity interest in five plants

TransColorado

- Transports natural gas from Rockies to northern New Mexico

KMI

2004 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

(a) Includes: (i) general partner interest, (ii) earnings from 18 million KMP units and (iii) earnings from 15 million KMR units.
(b) Budgeted 2004 segment earnings before allocation of G&A and interest.

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KMI is Conservatively Capitalized

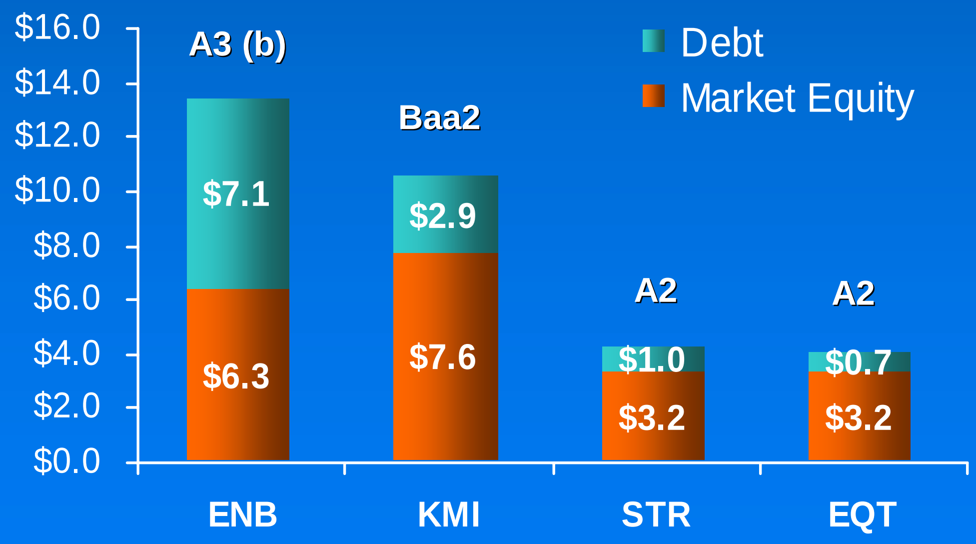
Credit Summary

Rating Baa2/BBB	
Current Net Debt / Total Capital	42%
<u>2004 Budget Estimates:</u>	
Debt / EBITDA	2.8x
EBITDA / Interest	7.7x

CP Capacity

Total Revolver	$800
Outstanding CP	66
Excess Capacity	$734

Comparative Credit Ratings (a)



Long-Term Debt Maturities

	$ (in millions)
2004	5
2005	500
2006	0
2007	0
2008	300

(a) Priced as of Jun 30, '04. Source for shares outstanding and pricing is Bloomberg. KMI debt balance as of Jun 30, '04. All other debt balances from Lehman comp sheet dated Jul 20, '04. Source for credit ratings is UBS and Bloomberg.

(b) Moody's equivalent to Standard & Poor's rating of A-

Targeted KMI Internal Growth

Assumptions:

1. Investment in KMP	15% results from 8-10% LP distribution growth
2. NGPL / Other Assets	3 - 5% segment earnings growth
3. Use of Free Cash Flow	$100 million in debt reduction $60 million in share repurchase

Consistent with 10-12% earnings growth

4. Use of Free Cash Flow	$2.25/share in dividends

Approximately 3.7% yield

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Over $2 billion Returned to Investors 2000-2004

Dividends	23	23	37	135	280	497
Share Repurchase	0	266	149	38	60	513
Change in Net Debt	488	348	(311)	383	100	1,009

Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC case
  - Periodic rate reviews
  - 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 $21 million increase in expense at KMP and $15 million at KMI

Future Opportunities Beyond 2004

- **Natural Gas Pipeline Expansions**
  - TransColorado
  - Advantage
  - Greasewood to Cheyenne
  - West Texas
  - Silver Canyon
- **Natural Gas Storage Opportunities**
- **LNG**
  - Interconnect Services
  - Facilities
- **Refined Products Pipeline & Terminal Expansions**
  - East Line
  - New York Harbor
  - Houston
  - Los Angeles
- **SACROC/Yates**
- **Acquisitions**

Unique Structure, Stable Assets and Attractive Growth

Unique Structure

- KMP
  - Tax efficient entity
  - Pay-out 100% of available cash
  - Structure creates discipline
- KMR
  - Dividend reinvestment funds capital expenditures
- KMI
  - Minimal capital required
  - Growth from GP incentive fee
  - Significant excess cash returned to debt and equity holders

Stable Assets, 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

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