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Morgan Stanley
Houston Energy Theme Days

May 12, 2005

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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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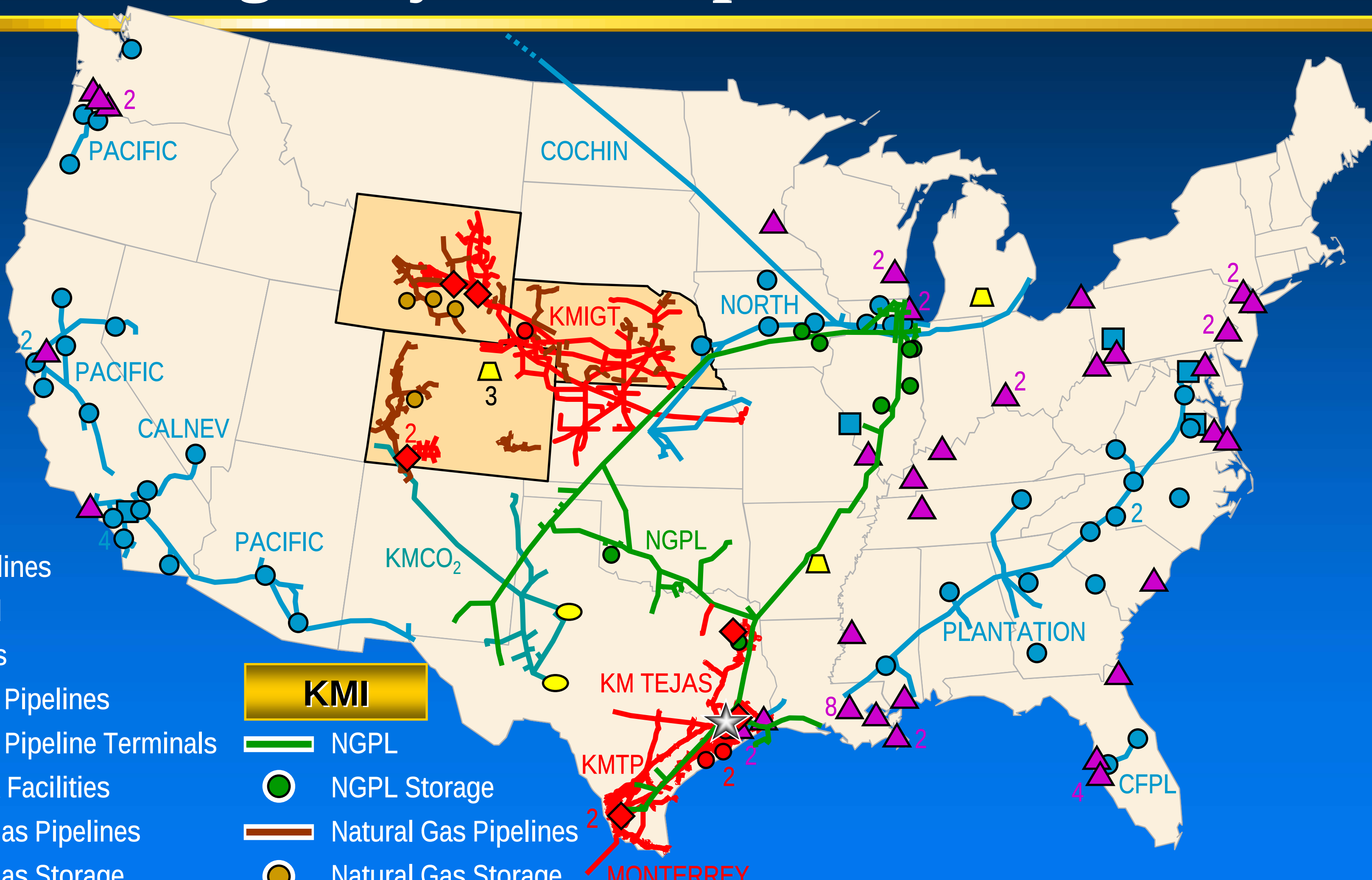
Kinder Morgan System Map



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

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Kinder Morgan: Three Securities

Kinder Morgan Energy Partners

Market Equity (a)	$9.7
Debt (a)	4.9
Enterprise Value	**$14.6**
2005E EBITDA	$1,581 mm
2005E Dist. CF	**$1,178 mm**

Incentive Distribution

Kinder Morgan, Inc

Market Equity (b)	$9.6
Debt (b)	2.7
Enterprise Value	**$12.3**
2005E EBITDA	$1,142 mm
2005E Dist. CF	**$623 mm**

Additional Shares

Cash Distribution

KMR
(LLC)
56 million i-units (a)

15 mm — KMI
41 mm — Public Float

KMP
(Partnership)
153 million units (a,c)

133 mm — Public Float
20 mm — KMI

KMI
(Inc)
123 million shares

95 mm — Public Float
28 mm — Mgmt

(a) KMEP market cap based on 153 million common units at a price of $47.06 and 56 million KMR i-units at a price of $43.81 as of May 6, 2005. Debt balance, as of March 31, 2005, excluding the fair value of interest rate swaps, net of cash.

(b) KMI market cap based on 123 million shares at a price of $75.83 as of May 6, 2005. Market equity also includes $284 million of capital trust securities (TRUPS). Debt balance as of March 31, 2005, excluding fair value of interest rate swaps.

(c) Includes 5.3 million Class B units owned by KMI. Class B units are unlisted KMP common units.

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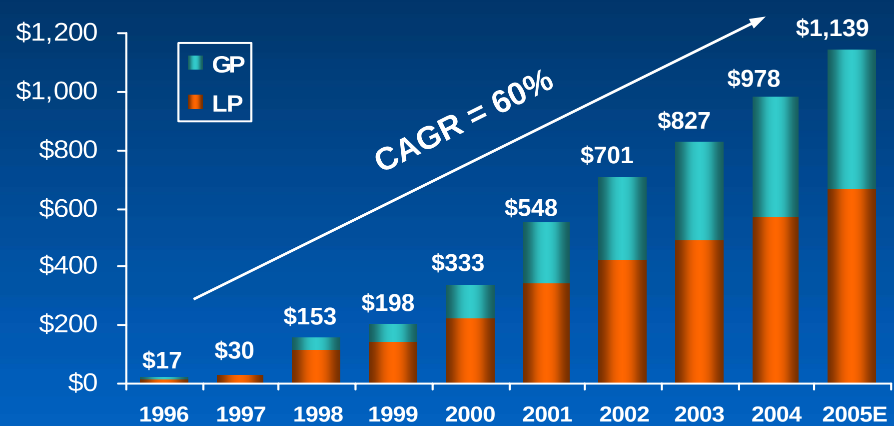
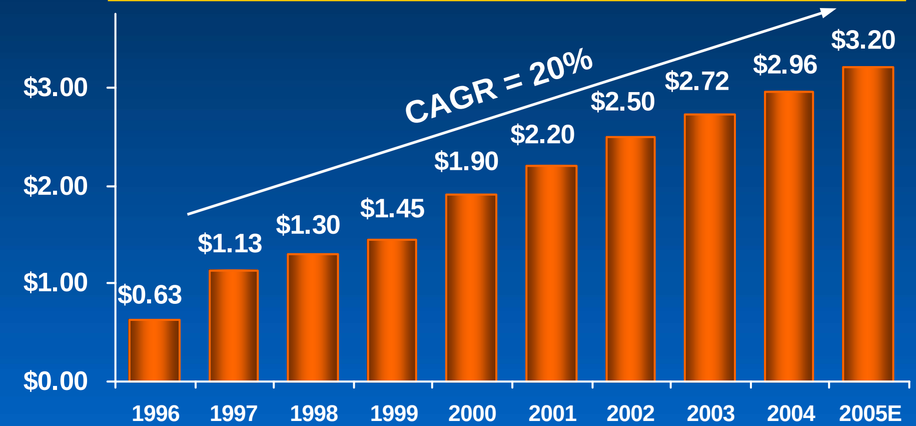
Consistent Track Record

Total Distributions (GP + LP) ($mm)

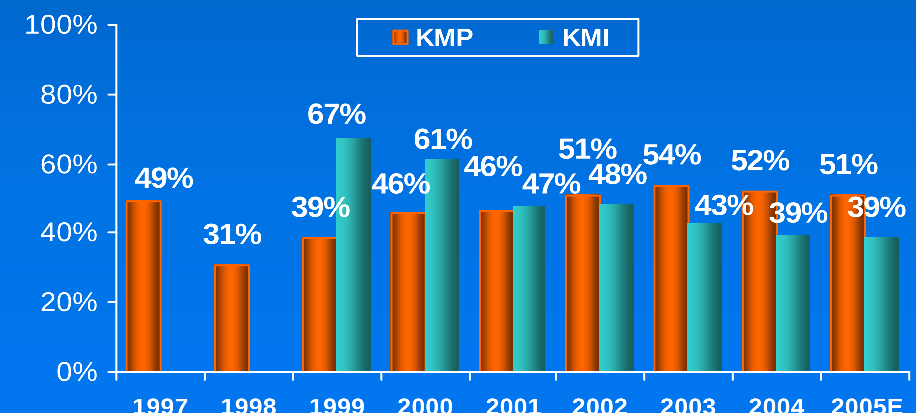


KMP Distribution / Unit (a)



KMI Earnings Per Share

Debt to Total Capital (b)



(a) Declared 4Q distribution annualized (i.e. multiplied by four)

(b) Excludes loss/gains in Other Comprehensive Income related to hedges; KMI 2004 excludes cash on hand from TransColorado sale

Overview

- **Vision**
  - Find tsunamis
  - Create opportunities
- **Operational Excellence**
  - Safety
  - Environmental
  - Efficiency
- **Financial Excellence**
  - Cost control
  - Disciplined capital allocation
  - Bottom line performance
  - Transparency

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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

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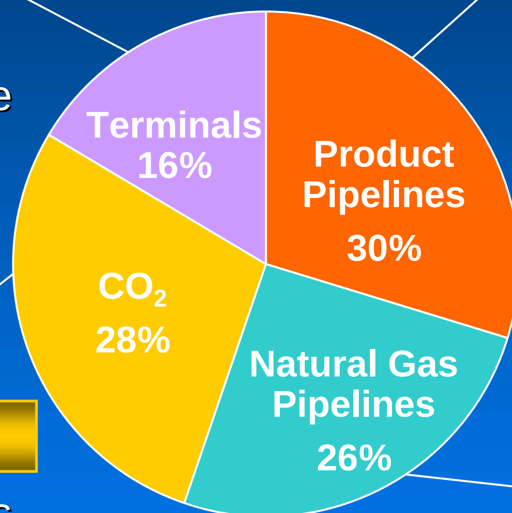
Solid Asset Base Generates Stable Fee Income

KMP 2005 DCF (a)



Terminals

- 55% Liquids, 45% Bulk
- Geographic and product diversity
- 3-4 year average contract life

Products Pipelines

- Refinery hub to population center strategy
- 64% Pipelines
- 31% Associated Terminals (b)
- 5% Transmix
- No commodity price risk

CO_2

- 25% CO_2 transport and sales
- 75% oil production related
- Expected production hedged: 2005=95%; 2006=72%; 2007=58%

Natural Gas Pipelines

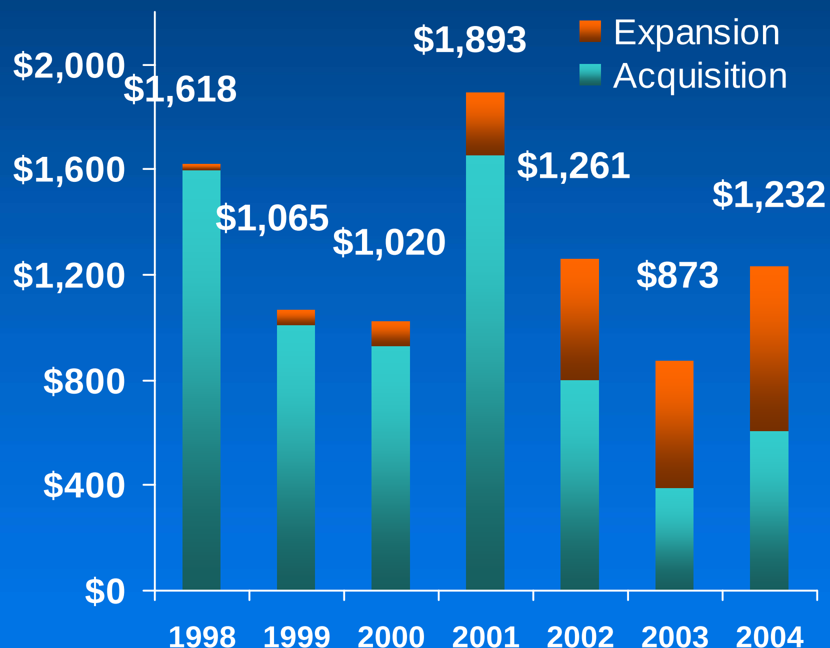
- 51% Texas Intrastate
- 49% Rockies
- Little incidental commodity risk

(a) Budgeted 2005 distributable cash flow before G&A and interest
(b) Terminals are not FERC regulated except portion of CALNEV

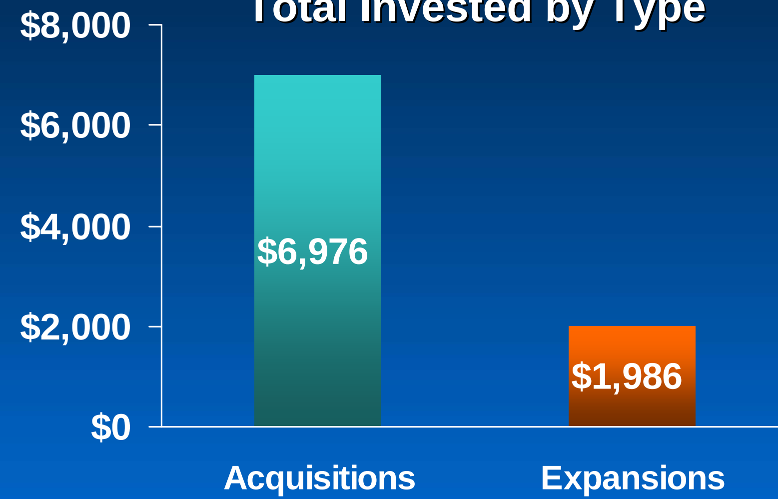
Approximately $9 Billion in Capital Invested at KMP

($ millions)

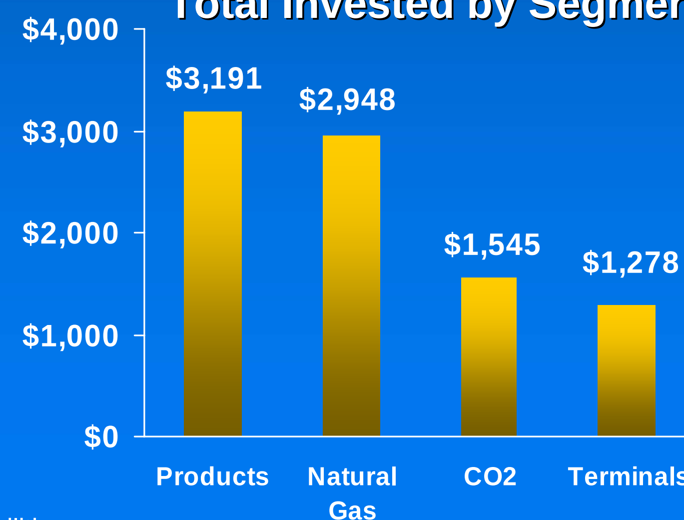
Total Invested by Year



Total Invested by Type



Total Invested by Segment



Note: Investment is defined as Gross PP&E plus Investments and Intangibles, less cumulative sustaining capex, minority interest (KMI), deferred taxes and assumed liabilities

Solid Asset Base Generates Stable Fee Income

Investment in KMP (a)

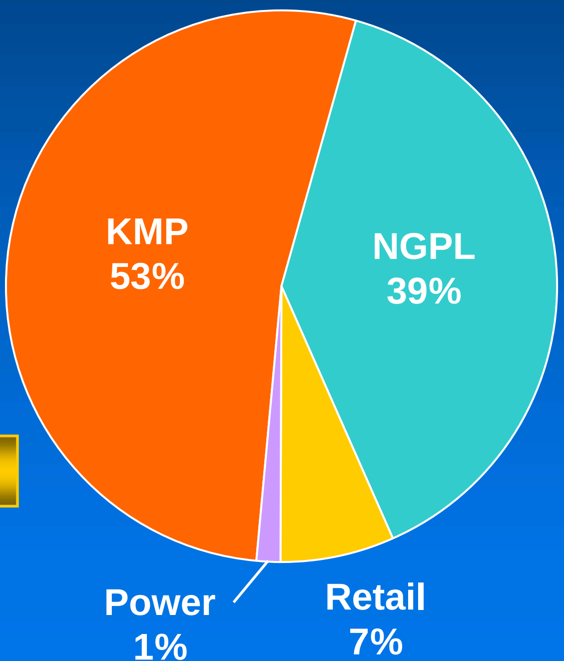
- General partner interest earns incentive distributions
- Owns 17% of total limited partner units

Power

- Equity interest in five plants

KMI

2005 Segment Income (b)



NGPL

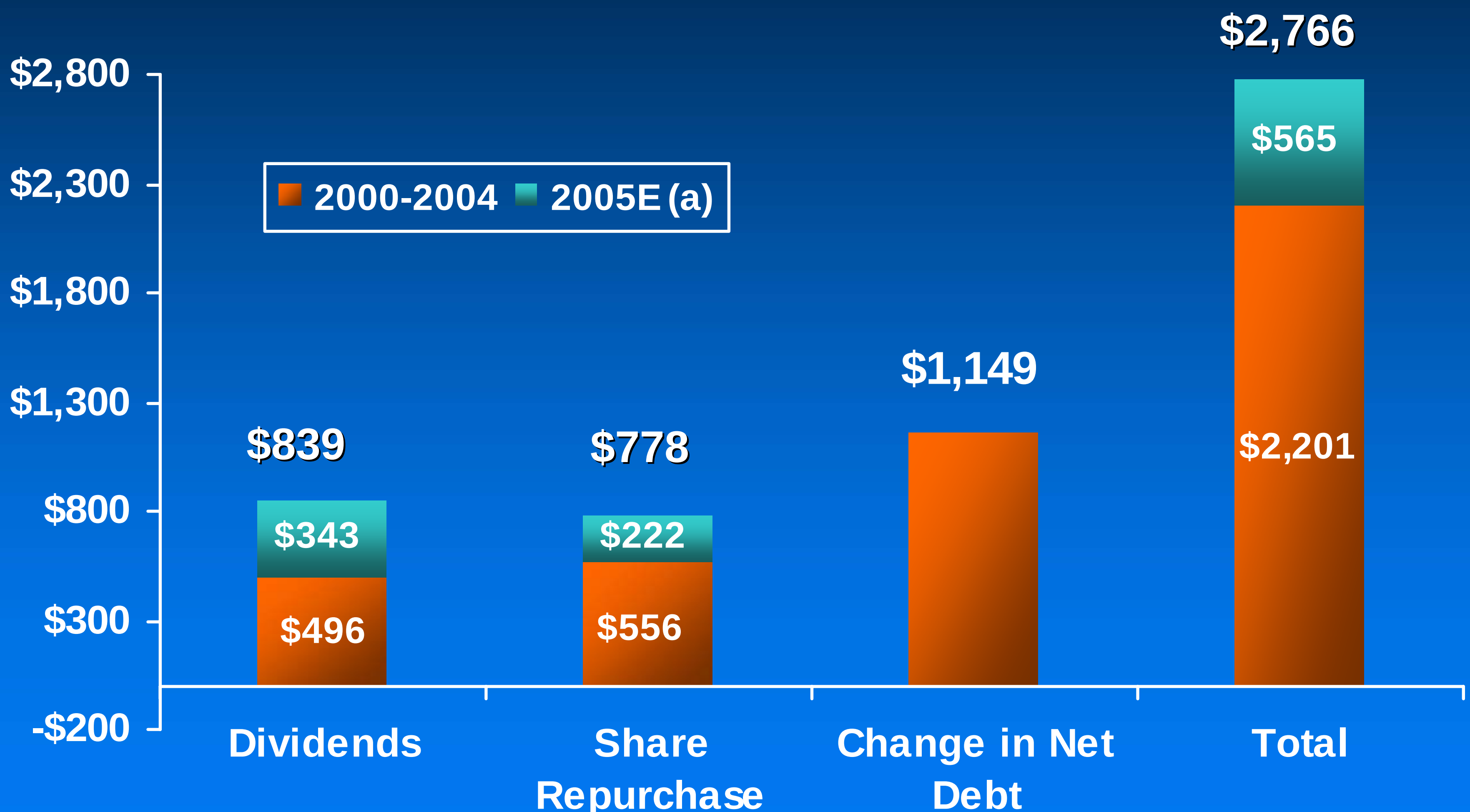
- FERC regulated with 3 year average contract life
- Primary customers are Chicago local distribution companies
- Little incidental commodity risk

Retail

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

(a) Includes: (i) general partner interest, (ii) earnings from 20 million KMP units and (iii) earnings from 15 million KMR shares.
(b) Budgeted 2005 segment earnings before G&A and interest.

Over $2.7 billion returned to investors 2000-2005



(a) 2005E numbers include $118 million in share repurchase from TransColorado sale.

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
  - The full-year impact of a 100-bp increase in rates equates to an approximate $24 million increase in expense at KMP and $15 million at KMI

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Long-Term Growth Drivers

Business Segment	Growth Drivers
Products Pipelines	▪ Gasoline demand tracks demographic growth ▪ Serve 8 of 10 fastest growing metropolitan areas ▪ Price escalator = PPI ▪ Advantage to existing assets
Natural Gas Pipelines	▪ Natural gas demand growth = 1.5%/year (a) ▪ US is infrastructure constrained ▪ LNG requires new infrastructure ▪ Advantage to existing assets
CO_2	▪ Production at SACROC and Yates ▪ Additional Permian Basin Opportunities ▪ Opportunities in new basins ▪ CO_2 Expertise
Terminals	▪ Increasing product specifications ▪ Changing regulations ▪ Advantage to existing assets

(a) Source: Energy Information Administration (EIA) 2005 Annual Energy Outlook

Natural Gas Pipelines

Rocky Mountain Natural Gas

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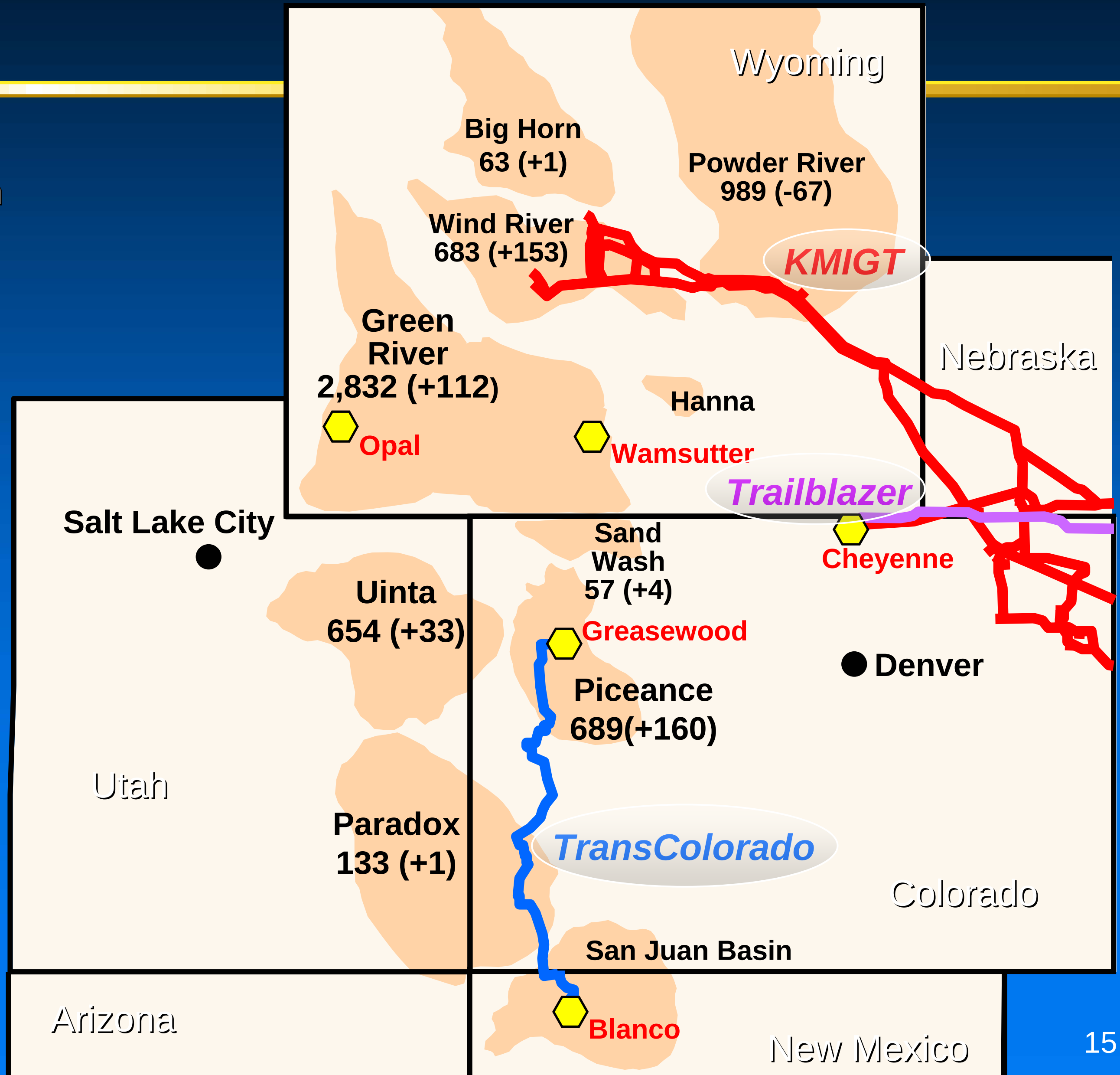
**Natural Gas Production
3Q 2004 vs. 3Q 2003
MMcf/d**



Source: Lippman Consulting, Inc.

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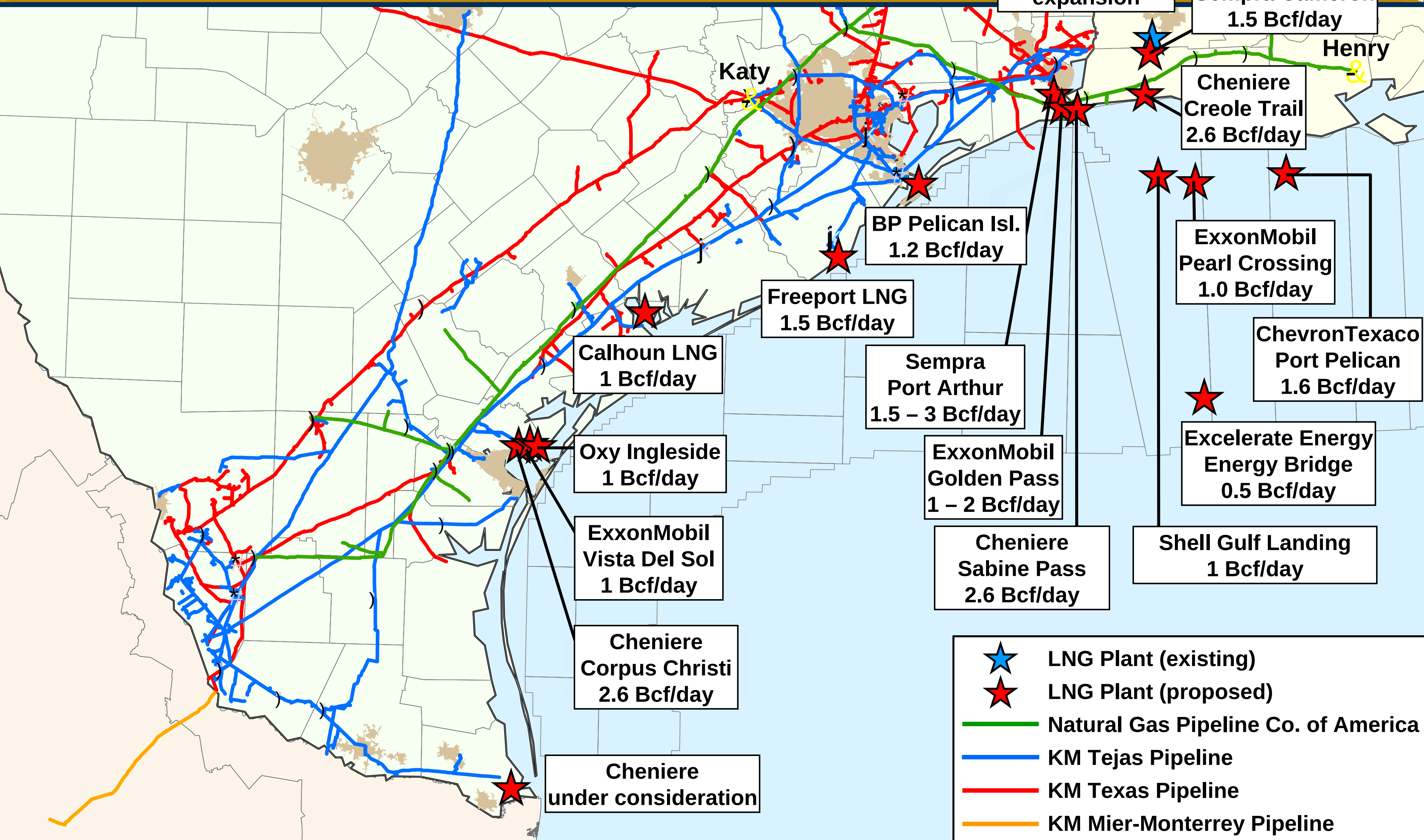
Rockies – Continued Growth Expected

	2004	Projected 2008	
Rockies Production (MMcf/d)	6,754	8,541	*(a)*
(includes: Colorado, Montana, Utah & Wyoming)			

- **Rocky mountain natural gas production is projected to grow more than 25% (1,787 MMcf/d) in the next 4 years**
- **Estimated expansion capability of existing Rockies infrastructure is ~1,400 MMcf/d (b)**
- **Need other outlets besides Mid-continent**

Sources: Platt's (a), KM estimates (b)

LNG on the Gulf Coast

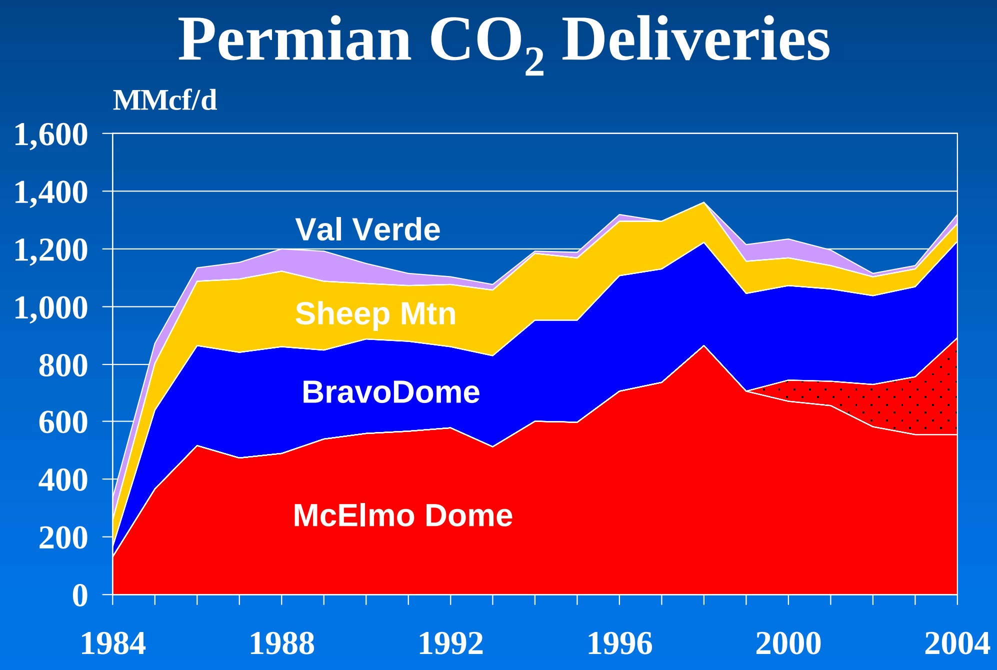


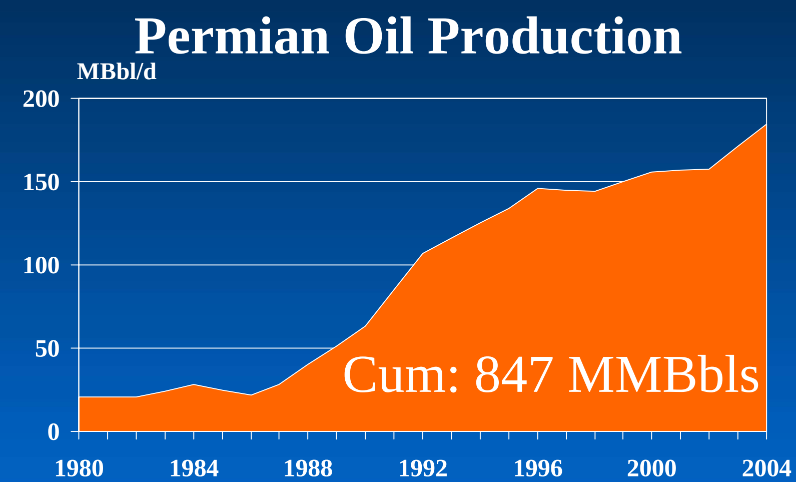
Perspective on LNG

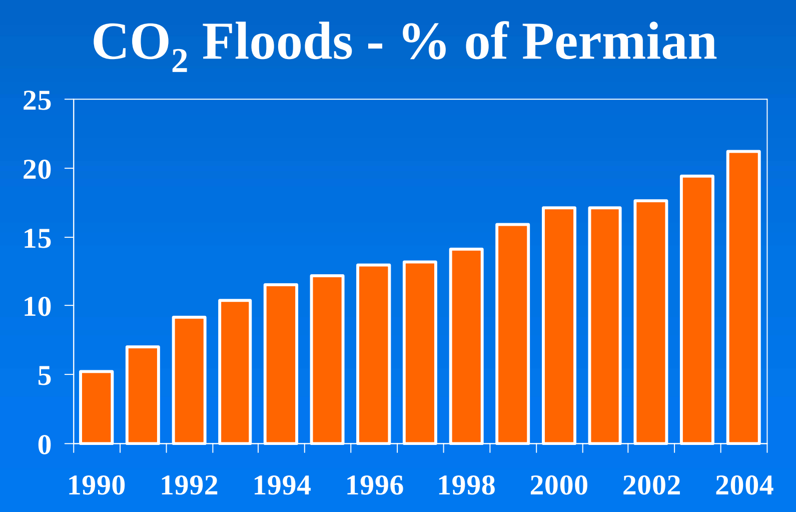
- **LNG on the Texas Gulf Coast**
- **KM Texas well positioned to provide services**
  - header system (intrastate)
  - downstream services: swing management (storage)
- **LNG terminals will be controlled by the majors**
- **But …. downstream services (e.g. to smooth out deliveries) have potential**

CO_2

Permian Basin CO_2 Purch. & Oil Production







Sources: KM estimates, Oil and Gas Journal, EIA

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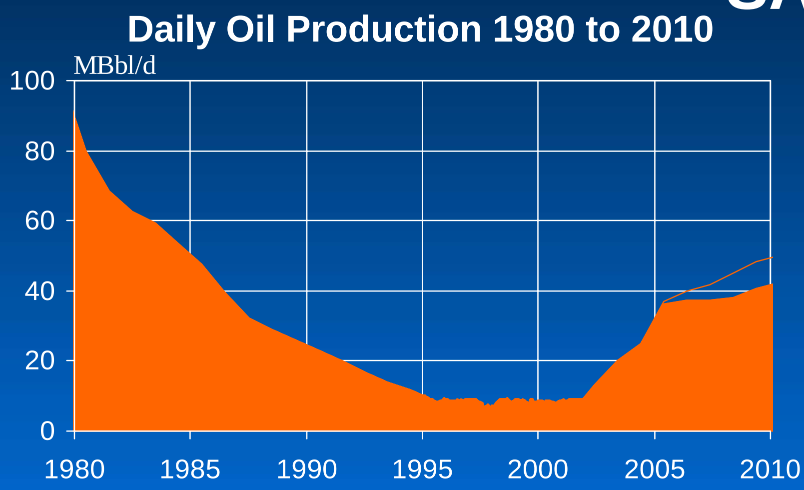
Kinder Morgan Crude Oil Production

SACROC



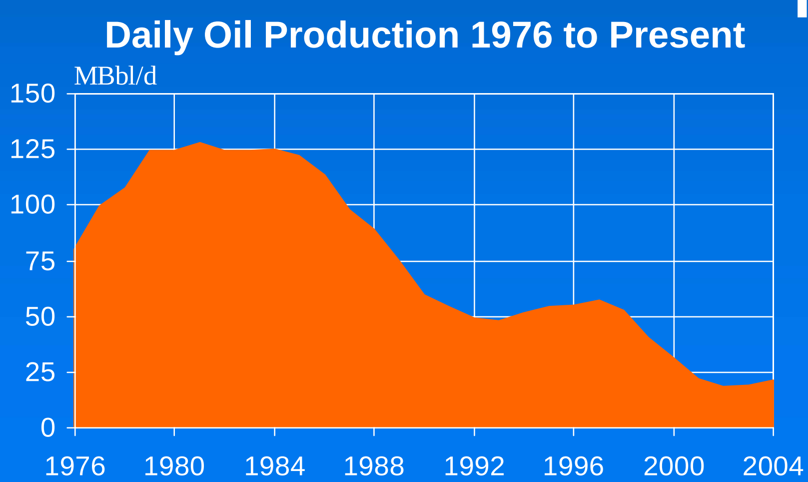
Pre-2002 - Cumulative oil prod. 1.25B Bbls, 44.5% OOIP, Production ~8,500 Bbl/d (time of purchase)

2005
- Average oil production 34 – 35,000 Bbl/d
- Average CO_2 injection 611 MMcf/d
- SACROC EBITDA* $253 MM

2005-2010 - Depending upon pace & extent of development:
- Oil Rate may increase to 36 – 50,000 Bbl/d
- EBITDA $250-300 MM
- at $30/Bbl unhedged oil price

*CO_2 Margin has not been eliminated

Yates



Pre-2002 - Cumulative oil prod. 1.4B Bbls, 27.4% of OOIP, Production ~18,000 Bbl/d (time of purchase)

2005
- Average Oil production 22 - 23,000 Bbl/d
- Commence N_2 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 CO_2 on gravity drainage, and timing of N_2 rejection

CO_2 Long-Term Outlook / Goals

- **Domestic oil reserve replacement costs are increasing**
  - CO_2 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 CO_2 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 CO_2 assets and technology to maintain leadership in emerging U.S. CO_2 market**
  - Lowest cost CO_2 supply combined with largest reserves, infrastructure

Terminals

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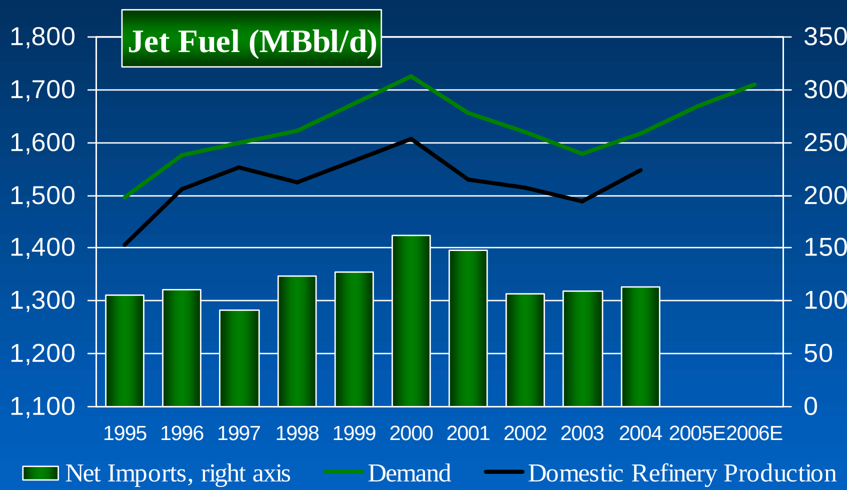
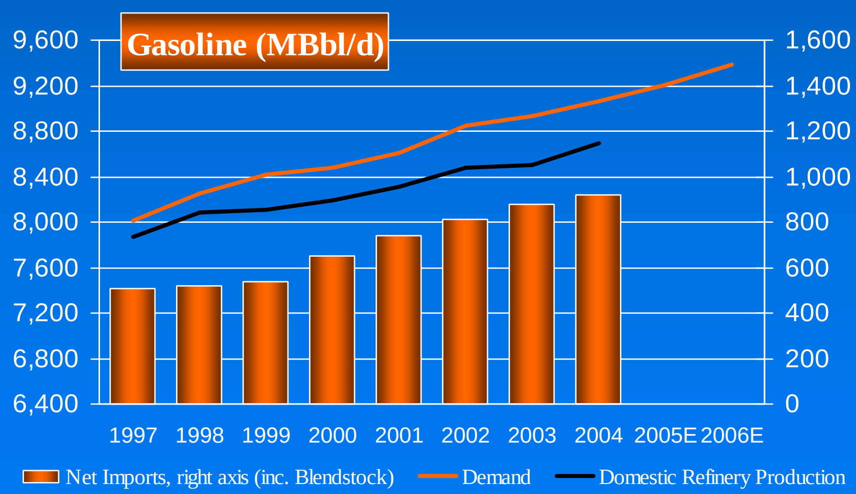
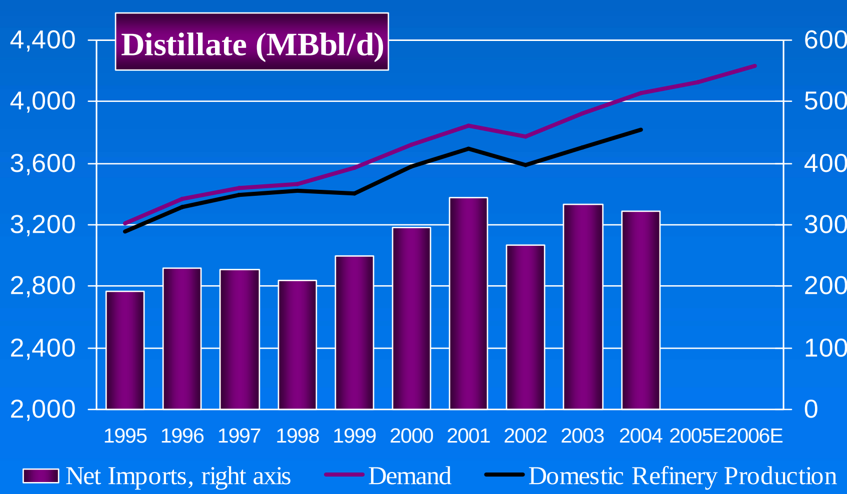
Petroleum Products – Imports are Increasing

Imports as Percent of Demand

	2002	2003	2004
Gasoline	9.1%	9.8%	10.2%
Distillate	7.1%	8.5%	7.9%
Jet	6.6%	6.9%	7.0%



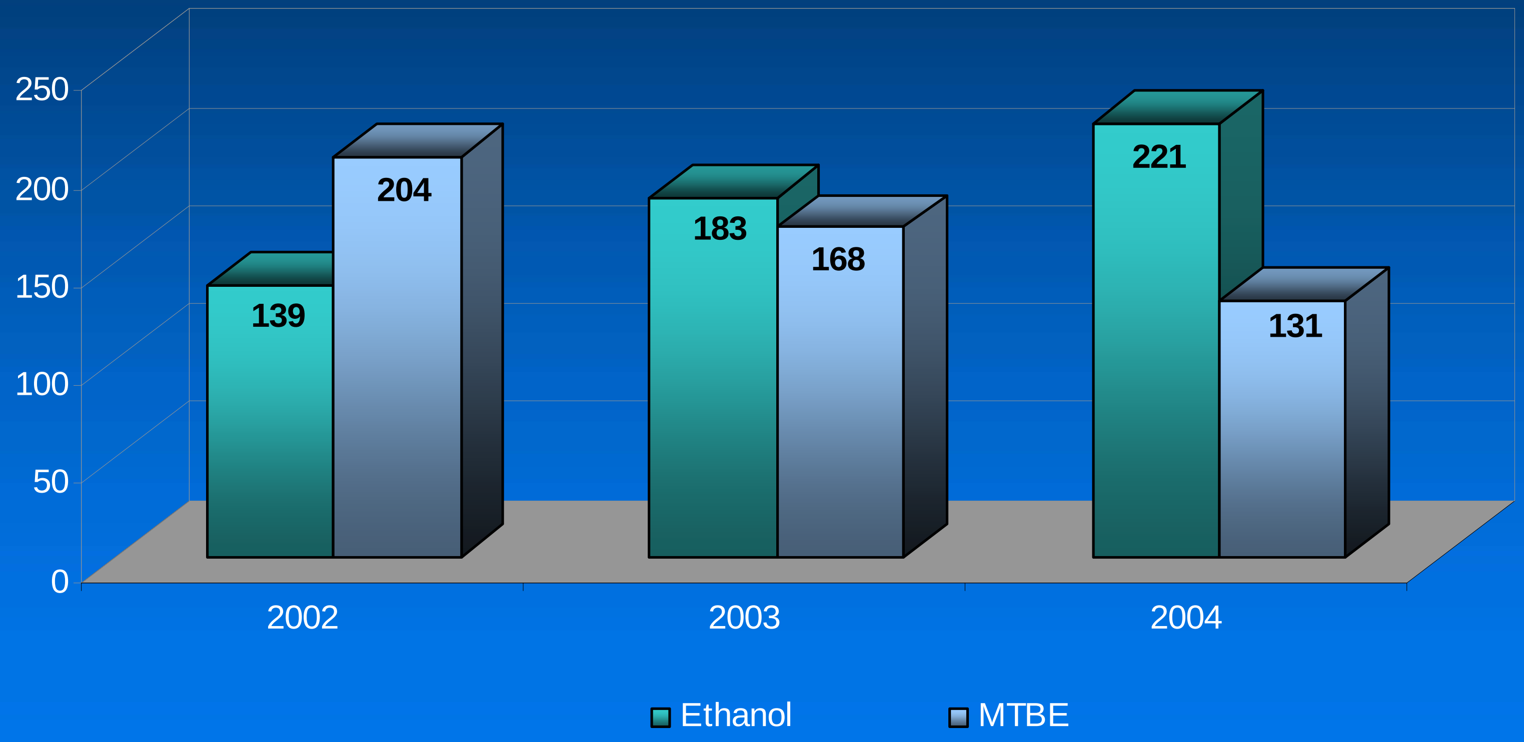




Source: EIA

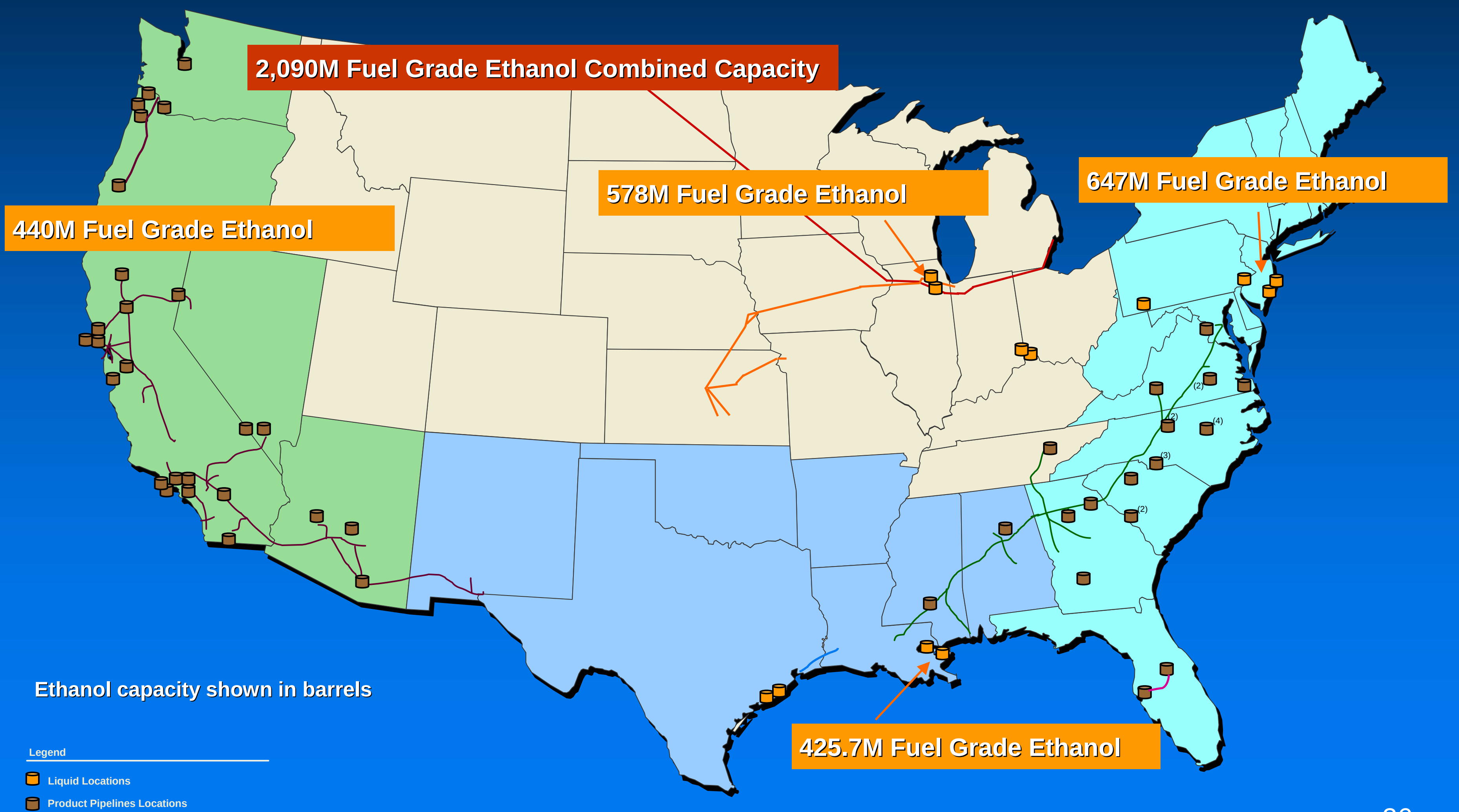
Additives: Ethanol Increasing, MTBE Decreasing

U.S. Average Daily Production, MBbl/d

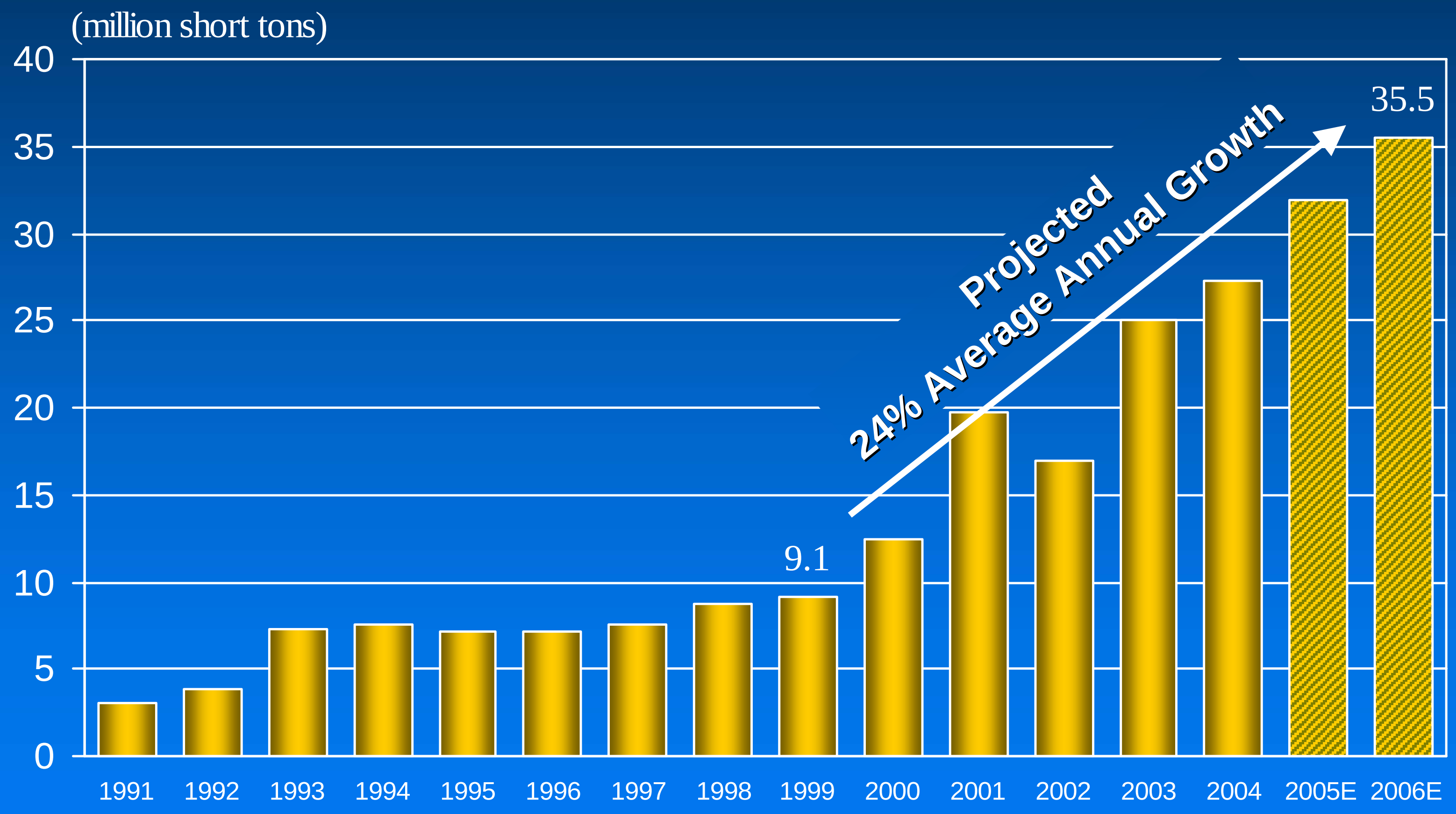


Source: EIA

KM Ethanol Terminals



Increasing Coal Imports

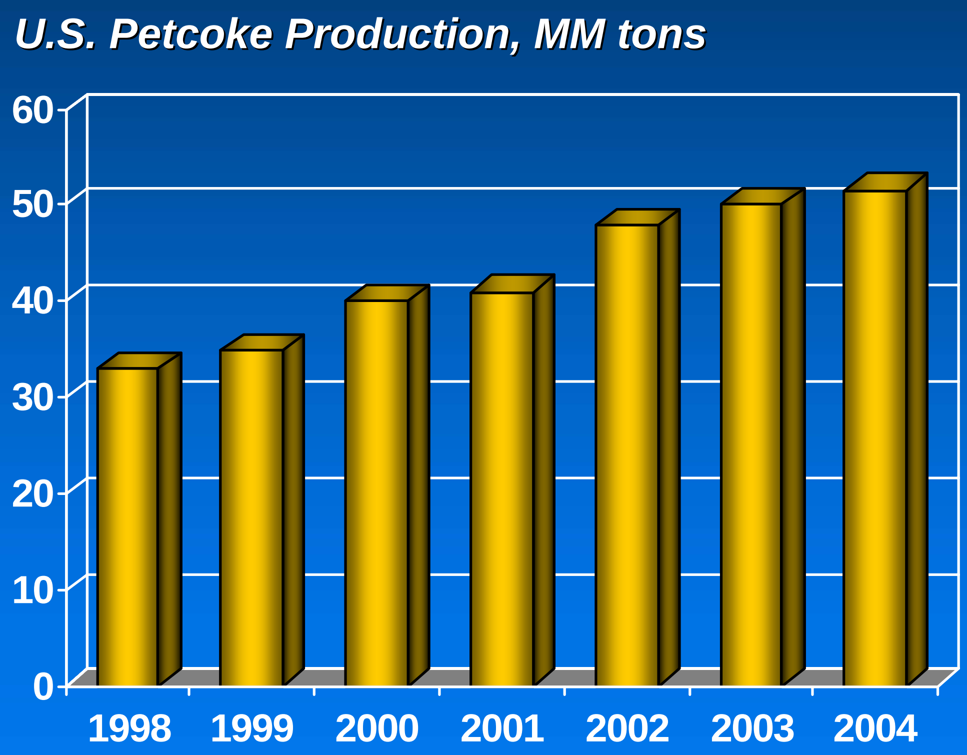


Source: EIA

KM Potential Coal Import Locations

- 11 million tpy currently received by water served utilities
- Rapid Rail turnaround required
- Import potential as high as 43 million tons
- Some infrastructure upgrade required
- Over 234 million tons of coal consumed by Electric Utilities in East Coast States in 2003
- Over 60 power plant locations to service

Growing Petcoke Supply



Source: EIA

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Summary

- **Stable company**
- **Disciplined capital allocation**
- **Focused on growth opportunities**
  - **Natural Gas**
    - Rockies
    - LNG
  - **CO_2**
    - Yates and SACROC
    - Other Permian basin
  - **Terminals**
    - Imported petroleum products
    - Coal imports
    - Petcoke

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