Forward Looking Statements

This presentation contains forward looking statements 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; 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.
Agenda – Rich Kinder

- Overview
- 2002 Results
- Strategic Position
- 2003 Goals
- Long-term Growth
- Risks
- Summary
### Kinder Morgan: Two Companies, Three Securities

#### Kinder Morgan Energy Partners
- **Market Equity (a):** $6.2
- **Debt:** 3.6
- **Enterprise Value:** $9.8
- **2003E EBITDA:** $1,102 mm
- **2003E Dist. CF:** $809 mm

#### Kinder Morgan, Inc
- **Market Equity (b):** $5.2
- **Debt:** 3.3
- **Enterprise Value:** $8.5
- **2003E EBITDA:** $939 mm
- **2003E Dist. CF:** $469 mm

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#### Additional Shares

**KMR (LLC)**
- 46 million i-units
- 14 mm

**KMP (Partnership)**
- 135 million units (c)
- 95 mm

**KMI (Inc)**
- 123 million shares
- 28 mm

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(a) KMEP market cap based on 181 million units, a common unit price of $35.00, and a KMR price of $31.59 as of December 31, 2002. Debt balance as of December 31, 2002, net of cash.

(b) KMI market cap based on 123 million shares at $42.27 as of December 31, 2003. Debt balance as of December 31, 2002, 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)

CAGR = 23%

KMI Earnings Per Share (b)

CAGR = 44%

Debt to Total Capital

KMP

KMI

(a) Annualized expected 4Q distribution.
(b) Excluding special items.
## Attractive Value Proposition

<table>
<thead>
<tr>
<th></th>
<th>KMP/KMR (a)</th>
<th>KMI (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stable Cash Flow</strong></td>
<td>7.0% / 7.5% yield</td>
<td>1.3% yield</td>
</tr>
<tr>
<td><strong>Add: Internal Growth</strong></td>
<td>8-10%</td>
<td>15-20%</td>
</tr>
<tr>
<td>Internal Growth - Total Return Potential</td>
<td>15-17%</td>
<td>15-20%</td>
</tr>
<tr>
<td>Acquisition Upside - Total Return Potential</td>
<td>18-20%</td>
<td>20-25%</td>
</tr>
</tbody>
</table>

(a) Returns calculated from 2002 to 2007.

Excess cash used for share buyback, dividends and debt repayment.
## Structure offers Two Risk Reward Profiles

<table>
<thead>
<tr>
<th></th>
<th>Limited Partner KMP/KMR</th>
<th>General Partner KMI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yield</strong></td>
<td>7.0% - 7.5%</td>
<td>Approx. 1.3%</td>
</tr>
<tr>
<td><strong>Distributions</strong></td>
<td>Share in all distributions from Available Cash</td>
<td>Only entitled to incentive distribution on Cash from Operations</td>
</tr>
<tr>
<td><strong>Current Split of Cash Distributions</strong></td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td><strong>Upside/Downside at Current Split</strong></td>
<td>50% upside / 50% downside</td>
<td>50% upside / 50% downside</td>
</tr>
<tr>
<td><strong>Split from Interim Capital Transactions</strong></td>
<td>98%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Results (a)</strong></td>
<td>40% annual return</td>
<td>40% annual return</td>
</tr>
</tbody>
</table>

(a) Annual returns calculated on weekly period for: (i) KMI: July 1999 through December 2002 and (ii) KMP: January 1997 through December 2002 assuming dividends reinvested.
## Company Delivers on its Promises

### Promises Made

<table>
<thead>
<tr>
<th></th>
<th>KMP/KMR</th>
<th>KMI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distribution per unit:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000:</td>
<td>$1.60</td>
<td>$1.10</td>
</tr>
<tr>
<td>2001:</td>
<td>$1.95</td>
<td>$1.66-$1.79</td>
</tr>
<tr>
<td>2002:</td>
<td>$2.40</td>
<td>$2.55 - $2.65</td>
</tr>
</tbody>
</table>

### Promises Kept

<table>
<thead>
<tr>
<th></th>
<th>KMP/KMR</th>
<th>KMI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distribution per unit:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000:</td>
<td>$1.72</td>
<td>$1.28</td>
</tr>
<tr>
<td>2001:</td>
<td>$2.15</td>
<td>$1.96</td>
</tr>
<tr>
<td>2002:</td>
<td>$2.435</td>
<td>$2.85</td>
</tr>
</tbody>
</table>

(a) Excluding special items
### KMP 2002 Results Driven by Internal Growth

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products Pipelines</td>
<td>$427.3</td>
<td>$383.9</td>
<td>11%</td>
<td>Gasoline Volumes</td>
</tr>
<tr>
<td>Natural Gas Pipelines</td>
<td>325.5</td>
<td>226.8</td>
<td>44%</td>
<td>Tejas and Trailblazer</td>
</tr>
<tr>
<td>CO₂ Pipelines</td>
<td>132.2</td>
<td>111.7</td>
<td>18%</td>
<td>CO₂ and SACROC Volumes</td>
</tr>
<tr>
<td>Terminals</td>
<td>205.6</td>
<td>163.3</td>
<td>26%</td>
<td>Liquids Expansions</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>(177.6)</td>
<td>(151.1)</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>G&amp;A (a)</td>
<td>(118.6)</td>
<td>(109.3)</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Net Debt Costs</td>
<td>(176.5)</td>
<td>(171.5)</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Minority Interest</td>
<td>(9.6)</td>
<td>(11.4)</td>
<td>(16%)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$608.4</td>
<td>$442.3</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>General Partner</td>
<td>(270.8)</td>
<td>(202.1)</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td><strong>LP Net Income</strong></td>
<td>337.6</td>
<td>240.2</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td><strong>Per Unit</strong></td>
<td>$1.96</td>
<td>$1.56</td>
<td>26%</td>
<td></td>
</tr>
</tbody>
</table>

(a) Includes $.3 million reduction in environmental reserves
### KMI 2002 Results Driven by KMP

#### Twelve Months Ended, Dec 31

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>KMP</td>
<td>$392.1</td>
<td>$251.9</td>
<td>56%</td>
<td>Internal growth</td>
</tr>
<tr>
<td>NGPL</td>
<td>359.9</td>
<td>346.6</td>
<td>4%</td>
<td>Expansions, power load</td>
</tr>
<tr>
<td>TransColorado</td>
<td>12.6</td>
<td>(5.3)</td>
<td>NA</td>
<td>Volumes, basis differential</td>
</tr>
<tr>
<td>Retail</td>
<td>64.1</td>
<td>56.7</td>
<td>13%</td>
<td>Acquisitions, irrigation</td>
</tr>
<tr>
<td>Power and Other</td>
<td>36.7</td>
<td>66.0</td>
<td>(44%)</td>
<td>Development fees</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(73.5)</td>
<td>(68.5)</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Net Debt Costs</td>
<td>(161.9)</td>
<td>(216.2)</td>
<td>(25%)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(48.6)</td>
<td>(26.4)</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Income Tax</td>
<td>(230.3)</td>
<td>(167.6)</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>351.1</td>
<td>237.1</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Per Share</td>
<td>$2.85</td>
<td>$1.96</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>Special Items</td>
<td>(41.9)</td>
<td>1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from Cont. Ops</td>
<td>$309.2</td>
<td>$238.6</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Per Share</td>
<td>$2.50</td>
<td>$1.97</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>
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
KMP and KMI Boards are Majority Independent

- KMI Board of Directors
  - 10 directors
  - 7 independent (a)
  - 2 insiders (Rich Kinder, Mike Morgan)

- KMP Board of Directors
  - 5 directors
  - 3 independent
  - 2 insiders (Rich Kinder, Park Shaper)

(a) One director, who is not considered independent under current rules, would be independent under the proposed NYSE rules, taking total independent directors to 8.
Solid Asset Base Generates Stable Fee Income

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

**CO₂**
- Leading provider of CO₂ in U.S.; long-term contracts
- 37% CO₂ transport and sales
- 63% oil production related
- Oil price hedged out to 3 years

KMP 2003 DCF (a)

**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

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

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(a) Budgeted 2003 distributable cash flow before allocation of G&A and interest.
(b) Based on 2002E earnings.
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)**
- KMP 45%
- NGPL 43%
- Retail 8%
- Power 2%

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

**Power**
- Equity interest in five plants

**TransColorado**
- Transports natural gas from Rockies to northern New Mexico

**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 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.
KMP is largest MLP and conservatively capitalized

Enterprise Value (a)

- KMP: $9.8, $3.6, $6.2
- EPD: $5.9, $2.3, $3.6
- EEP: $3.3, $1.5, $1.8
- NBP: $3.1, $1.4, $1.7
- EPN: $3.1, $1.8, $1.2
- TPP: $3.1, $1.4, $1.6

Credit Rating

- A2/A
- A3/A-
- Baa1/BBB+
- Baa2/BBB
- Baa3/BBB-
- Ba1/BB+
- Ba2/BB

Credit Statistics

- Current Net Debt / Total Capital: 51%
- 2003 Budget Estimates:
  - Debt / EBITDA: 3.6x
  - EBITDA / Interest: 6.0x

Notes:
(a) Equity price and shares outstanding from Bloomberg as of 12/31/02.
(b) Debt balances as of 9/30/02, except KMP as of 12/31/02.
(b) Salomon Smith Barney Monthly Update, December 2002.
KMI is Strong Credit with Significant Free Cash

Credit Statistics

Rating BBB/Baa2
Current Net Debt / Total Capital 48%

2003 Budget Estimates:
Debt / EBITDA 3.4x
EBITDA / Interest 5.8x

Debt to Total Capital

Free Cash Flow (a)


(a) Free cash flow is defined as pretax income before DD&A, less cash taxes and sustaining cap ex
Good Access to Public Markets

$3.8 billion in debt and equity raised and credit facilities renewed

- **$343 million in KMR equity in July**
  - Completed in very difficult market
  - Roughly 17% return since pricing (a)

- **$1.75 billion in long term debt in August, December**
  - KMP $500 million, 31 year @ 7.3%
  - KMP $250 million, 5 year @ 5.4%
  - KMI $1.0 billion, 10 year @ 6.5%

- **$1.75 billion in credit facilities renewed in October**
  - KMP $975 million; KMI $775 million
  - Similar credit spreads and fees as previous
  - Looser KMP covenants

(a) Through December 31, 2002
Little Need to Access Markets in the Future

<table>
<thead>
<tr>
<th>CP Capacity:</th>
<th>KMP</th>
<th>KMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revolver</td>
<td>$975</td>
<td>$775</td>
</tr>
<tr>
<td>Outstanding CP</td>
<td>220</td>
<td>0</td>
</tr>
<tr>
<td>Excess Capacity</td>
<td>$755</td>
<td>$775</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maturities:</th>
<th>KMP</th>
<th>KMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>45</td>
<td>501</td>
</tr>
<tr>
<td>2004</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>2005</td>
<td>205</td>
<td>501</td>
</tr>
<tr>
<td>2006</td>
<td>45</td>
<td>7</td>
</tr>
<tr>
<td>2007</td>
<td>255</td>
<td>0</td>
</tr>
</tbody>
</table>
KMR Reduces KMP’s Need to Access Market

- 2003 EBITDA: $1,100
- Interest, Sustaining Cap Ex, Taxes: $480
- LP Distribution: $300
- KMR Distribution: $120
- GP Distribution: $320
- Reinvested in Business: $120

Paid in shares, cash reinvested
Potential to Access Private Capital for Acquisitions

- **Alternatives:**
  - Private Market Offering of KMP or KMR
  - Private Placement of a Preferred Security
  - Joint Venture with Financial Investor to Purchase Asset
    - Investor receives attractive, low risk return and operational expertise
    - KMP gets access to capital and opportunity to own 100% of asset in the future
2003 Goals

**KMP/KMR**
- Distribution Target (without acquisitions)
  - $2.63 per unit (8% growth)
  - $2.72 per unit year end run rate
- Move toward 40% debt to total capital with new acquisitions

**KMI**
- EPS Target (without acquisitions)
  - $3.18 per share (12% growth)
- Maintain strong balance sheet
  - Free cash flow used to pay down debt and return to equity
## Targeted KMP Internal Segment Growth

<table>
<thead>
<tr>
<th>Business Segments</th>
<th>DCF 2002 Actual</th>
<th>DCF 2003 Budget</th>
<th>Change</th>
<th>Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products Pipelines</td>
<td>$399.1</td>
<td>$418.7</td>
<td>$19.6</td>
<td>Demographics in West and Southeast U.S.</td>
</tr>
<tr>
<td>Natural Gas Pipelines</td>
<td>307.6</td>
<td>341.1</td>
<td>33.5</td>
<td>Expansions and extensions</td>
</tr>
<tr>
<td>CO₂ Pipelines</td>
<td>128.6</td>
<td>171.9</td>
<td>43.3</td>
<td>SACROC growth</td>
</tr>
<tr>
<td>Terminals</td>
<td>187.9</td>
<td>211.7</td>
<td>23.8</td>
<td>Expansions, new contracts</td>
</tr>
<tr>
<td><strong>Total (a)</strong></td>
<td><strong>$1,023.2</strong></td>
<td><strong>$1,143.4</strong></td>
<td><strong>$120.2</strong></td>
<td></td>
</tr>
</tbody>
</table>

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**

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

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

<table>
<thead>
<tr>
<th>Business Segments</th>
<th>Pipeline Systems</th>
<th>Utilization Rates (Approximate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products Pipelines</td>
<td>Pacific System</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>Plantation Pipeline</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Central Florida Pipeline</td>
<td>65%</td>
</tr>
<tr>
<td>Natural Gas Pipelines</td>
<td>Texas - Intrastate</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Rocky Mountain – Interstate</td>
<td>100%</td>
</tr>
<tr>
<td>CO₂ Pipelines</td>
<td>Cortez Pipeline</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Central Basin</td>
<td>50%</td>
</tr>
<tr>
<td>Terminals</td>
<td>Liquids</td>
<td>97%</td>
</tr>
<tr>
<td></td>
<td>Bulk</td>
<td>Varies</td>
</tr>
</tbody>
</table>
**KMP 2003 Expansion Capital Budget**

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