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.
Kinder Morgan: Three Securities

Kinder Morgan Energy Partners
- Market Equity (a) $8.9
- Debt (a) 4.5
- Enterprise Value (a) $13.4

2004E EBITDA $1,307 mm
2004E Dist. CF $968 mm

Kinder Morgan, Inc
- Market Equity (b) $8.7
- Debt 2.9
- Enterprise Value $11.6

2004E EBITDA $1,033 mm
2004E Dist. CF $578 mm

(a) KMEP market cap based on 151 million common units at a price of $44.57 and 53 million KMR i-units at a price of $40.51 as of December 1, 2004. Debt balance, as of September 30, 2004, excluding the fair value of interest rate swaps, net of cash. Both equity and debt adjusted for KMP offerings and acquisitions that have been completed since the end of the September quarter.

(b) KMI market cap based on 124 million shares at $68.31 as of December 1, 2004. Market equity also includes $284 million of capital trust securities (TRUPS). Debt balance as of September 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)**

- **GP**
- **LP**
- CAGR = 65%

**KMI Earnings Per Share**

- **CAGR = 38%**

**Debt to Total Capital**

- **KMP**
- **KMI**
- (b) Excludes $386 million loss in Other Comprehensive Income account related to oil hedges and adjusted for equity/debt offerings and acquisitions completed since the end of the September quarter.

(a) Declared 4Q distribution annualized (i.e. multiplied by four).
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
  - All employees have equity-based incentives.
  - 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

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

**CO₂**
- 28% CO₂ transport and sales
- 72% oil production related
- 88% of '04 oil production hedged, 88% in '05 & 66% in '06

**KMP 2004 DCF (a)**
- Terminals 17%
- Product Pipelines 33%
- CO₂ 24%
- Natural Gas Pipelines 26%

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

**Natural Gas Pipelines**
- 53% Texas Intrastate
- 47% Rockies
- Little incidental commodity risk

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(a) Budgeted 2004 distributable cash flow before allocation of G&A and interest.
(b) Based on 2004 budgeted revenues.
KMP is Conservatively Capitalized

Credit Summary

Rating
Baa1/BBB+

Current Net Debt / Total Capital (a,b)
52%

2004 Budget Estimates:
Debt / EBITDA
3.5x
EBITDA / Interest
6.5x

Outstanding CP (b)
167
Excess Capacity
$1,083

Total Revolver
$1,250

Comparative Credit Ratings (b,c)

BBB+
$4.5
BB+
$4.1
BB
$8.9
$1.4
$3.4
$1.4
$2.5
$1.3

KMP EPD EEP TPP NBP

Debt
Market Equity

Long-Term Debt Maturities

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

(a) Excludes $386 million loss in Other Comprehensive Income account related to oil hedges.
(b) KMP financials as of September 30, 2004, adjusted for equity/debt offerings and acquisitions completed after the end of 3Q'04.
(c) Priced as of December 1, 2004, source Bloomberg. Source for all other debt, units outstanding and credit ratings is Lehman.
(d) Through remainder of year (4Q'04).
Growing KMP/KMR Distribution Coverage

Published Budget vs. Actual Coverage

- Budgeted Coverage
- Actual Coverage

Internally Generated Cash Flow Available for Reinvestment ($ mm)

Approximate $ Coverage (a)

- (millions)

$28+ (b)

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.

Original budgeted coverage = $28mm. Through 9 months, coverage = $31.6mm. Adjusting internally generated cash flow for actual results = $176mm.
## KMP 2004 Segment Goals

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Growth in Earnings before DD&amp;A ($millions / %)</th>
<th>Top Strategic Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products Pipelines</td>
<td>$41 / 9%</td>
<td>SFPP rate case East Line expansion</td>
</tr>
<tr>
<td>Natural Gas Pipelines</td>
<td>$10 / 3%</td>
<td>Expand: i) Takeaway capacity from Rockies ii) Texas footprint</td>
</tr>
<tr>
<td>CO₂</td>
<td>$119 / 58%</td>
<td>Deliver infrastructure on time and on budget</td>
</tr>
<tr>
<td>Terminals</td>
<td>$16 / 7%</td>
<td>Integration of liquid and bulk terminals</td>
</tr>
</tbody>
</table>

Consistent with 8% Internal Growth to LP Units
**KMP: Leading Position in Each Major Business**

<table>
<thead>
<tr>
<th>Products Pipelines (based on barrels per day) (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Kinder Morgan</strong> (1.9 million bpd)</td>
</tr>
<tr>
<td><strong>2. Buckeye Pipeline</strong> (1.5 million bpd)</td>
</tr>
<tr>
<td><strong>3. Magellan Midstream</strong> (.6 million bpd)</td>
</tr>
<tr>
<td><strong>4. TEPPCO</strong> (.6 million bpd)</td>
</tr>
<tr>
<td><strong>5. Kaneb</strong> (.2 million bpd)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Natural Gas Pipelines (based on pipeline miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. El Paso</strong> (54,900 miles)</td>
</tr>
<tr>
<td><strong>2. Kinder Morgan</strong> (25,600 miles)</td>
</tr>
<tr>
<td><strong>3. MidAmerican</strong> (17,600 miles)</td>
</tr>
<tr>
<td><strong>4. NiSource</strong> (17,200 miles)</td>
</tr>
<tr>
<td><strong>5. Southern Union</strong> (16,400 miles)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CO₂ (based on pipeline miles operated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Kinder Morgan</strong> (1,050 miles)</td>
</tr>
<tr>
<td><strong>2. BP</strong> (425 miles)</td>
</tr>
<tr>
<td><strong>3. Oxy</strong> (259 miles)</td>
</tr>
<tr>
<td><strong>4. Exxon Mobil</strong> (217 miles)</td>
</tr>
<tr>
<td><strong>5. Dakota Gas</strong> (202 miles)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liquids Terminals (based on capacity in barrels)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Kinder Morgan</strong> (65MM) (b)</td>
</tr>
<tr>
<td><strong>2. ST Services</strong> (32.8MM)</td>
</tr>
<tr>
<td><strong>3. IMTT</strong> (32.3MM)</td>
</tr>
<tr>
<td><strong>4. Magellan Midstream</strong> (25.6MM)</td>
</tr>
<tr>
<td><strong>5. TransMontaigne</strong> (20.9MM)</td>
</tr>
</tbody>
</table>

(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**

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>2004 Budget</th>
<th>Major Projects</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Pipelines</td>
<td>$159</td>
<td>North and East Line, Carson</td>
<td>2004-2006</td>
</tr>
<tr>
<td>Natural Gas Pipelines</td>
<td>$76</td>
<td>CMC, Austin</td>
<td>2004</td>
</tr>
<tr>
<td>CO₂</td>
<td>$310</td>
<td>SACROC/Yates</td>
<td>2004</td>
</tr>
<tr>
<td>Terminals</td>
<td>$64</td>
<td>Carteret, Delta</td>
<td>2004</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$609</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Kinder Morgan Inc.
Solid Asset Base Generates Stable Fee Income

**KMI 2004 Segment Income (b)**

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

**Investment in KMP (a)**

- Includes: (i) general partner interest, (ii) earnings from 18 million KMP units and (iii) earnings from 15 million KMR units.

**Power**

- Equity interest in five plants

**TransColorado**

- Transports natural gas from Rockies to northern New Mexico

**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

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(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.
KMI is Conservatively Capitalized

Credit Summary

Rating
Baa2/BBB

Current Net Debt / Total Capital (a) 41%

2004 Budget Estimates:
Debt / EBITDA 2.8x
EBITDA / Interest 7.7x

Comparative Credit Ratings (c)

CP Capacity

Total Revolver $800

Outstanding CP (a,b) 113

Excess Capacity $762

Long-Term Debt Maturities

$ (in millions)
2004 (b,d) 0
2005 505
2006 0
2007 0
2008 300

(a) KMI September 30, 2004 financials
(b) Adjusted for recent redemption of $75 million in senior notes.
(c) Market equity priced as of December 1, 2004, includes preferred, source Bloomberg. Source for all other debt, units outstanding and credit ratings is Lehman.
(d) Through remainder of year (4Q'04).
# 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
Over $2 billion Returned to Investors 2000-2004

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends</th>
<th>Share Repurchase</th>
<th>Change in Net Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$511</td>
<td>0</td>
<td>488</td>
</tr>
<tr>
<td>2001</td>
<td>$637</td>
<td>266</td>
<td>348</td>
</tr>
<tr>
<td>2002</td>
<td>($125)</td>
<td>149</td>
<td>(311)</td>
</tr>
<tr>
<td>2003</td>
<td>$556</td>
<td>38</td>
<td>383</td>
</tr>
<tr>
<td>2004E</td>
<td>$440</td>
<td>60</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>$2,019</td>
<td></td>
<td>1,009</td>
</tr>
</tbody>
</table>

2000-2004 Total:
- Dividends: $497
- Share Repurchase: $513
- Change in Net Debt: $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 $22 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

- Refined Products Pipeline & Terminal Expansions
  - East Line
  - New York Harbor
  - Houston
  - Los Angeles

- Natural Gas Storage Opportunities

- LNG
  - Interconnect Services
  - Facilities

- 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