Companies Run By Shareholders, For Shareholders

August 14-15, 2007
Forward Looking Statements

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Capital Structure

Kinder Morgan Energy Partners

- Market Equity (a) $12.0B
- Debt (a) $6.6B
- Enterprise Value $18.6B

- 2007E EBITDA (b) $2.0B
- 2007E DCF (b) $1.4B

(a) KMP market cap based on 168 million common units (includes 5.3 million Class B units owned by KMI; Class B units are unlisted KMP common units) at a price of $51.10 and 70 million KMR i-units at a price of $48.97 as of 8-Aug-2007. Debt balance as of 30-Jun-2007, excludes the fair value of interest rate swaps, net of cash.

(b) EBITDA defined as pre-tax income plus DD&A and interest expense, DCF (distributable cash flow) is net income plus DD&A less sustaining capex.
Solid Asset Base Generates Stable Fee Income

- 28% CO₂ transport and sales
- 72% oil production related
- Production hedged (a):
  - 2007=85% ($35/Bbl)
  - 2008=83% ($44)
  - 2009=71% ($49)
  - 2010=72% ($56)

- 49% Liquids, 51% Bulk
- Geographic and product diversity
- 3-4 year average contract life

2007 DCF Profile (b)

- CO₂ 28%
- Products Pipelines 27%
- Terminals 20%
- Natural Gas Pipelines 25%

Products Pipelines
- Refinery hub to population center strategy
- 68% Pipelines
- 27% Associated Terminals (c)
- 5% Transmix
- No commodity price risk

Natural Gas Pipelines
- 55% Texas Intrastate
- 45% Rockies
- Little incidental commodity risk

(a) 2007 production based on Kinder Morgan budget; 2008-2011 based on Netherland, Sewell reserve report. Includes heavier NGL components (C4+). Incorporates swaps and puts at strike price net of premium, WTI/WTS spread @ $6-7.00/Bbl.
(b) Budgeted 2007 distributable cash flow before G&A and interest.
(c) Terminals are not FERC regulated except portion of CALNEV.
Consistent Track Record

(a) Includes 2% GP interest.
(b) Declared 4Q distribution annualized (i.e. multiplied by four)
(c) Debt is net of cash and excludes fair value of interest rate swaps. Total capital excludes accumulated other comprehensive loss related to hedges.
Significant Historical Returns

Total Returns, Dec-1996 to Aug-2007 (a)

KMP has returned 1,381% since 31-Dec-1996, compared to 489% and 140% for the Alerian MLP and S&P 500 indices, respectively.

KMP 29% annual return

Alerian 18% annual return

S&P 500 9% annual return

Source: Bloomberg

(a) Total returns calculated on a daily basis through 8-Aug-2007 assuming dividends/distributions reinvested in index/unit.
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
**Growth Opportunities**

- **Shifting Natural Gas Supply Sources**
  - Rockies
  - LNG
  - Barnett Shale

- **Demographic Growth**

- **Growing Production from Canadian Oilsands**

- **High Crude Oil Prices**

- **Increased Use of Heavy Crude**
  - Petcoke Handling
  - Sulfur Handling

- **Growing Coal Imports**

- **Growing Petroleum Product Imports**

- **Increased Use of Renewable Fuels**
  - Biodiesel
  - Ethanol

### Current Projects (2007-2010)

- Rockies Express pipeline
- KM Louisiana pipeline
- Midcontinent Express pipeline
- CALNEV and East Line products pipeline projects
- Trans Mountain pipeline dropdown, Edmonton terminal project
- McElmo Dome, Cortez expansions, SACROC, Yates

### Additional Opportunities

- Storage, further pipeline expansions, extensions, incremental shipper services (backhaul, hub, etc.)
- Additional pipeline and terminal expansions
- TMX2, TMX3, TMX North, terminals, CO₂ capture and transport
- Future CO₂ sales & transport expansion, incremental production from EOR
- Increased handling of petcoke, application of prilling technology at terminal facilities – U.S. & Canada
- Additional terminal expansions
- Additional terminal expansions
- Additional ethanol/biodiesel storage and blending at terminal facilities
Shifting Natural Gas Supply Sources

**Production Volumes**

<table>
<thead>
<tr>
<th>Natural Gas Supply</th>
<th>2006</th>
<th>2010</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockies Natural Gas</td>
<td>7.7</td>
<td>9.6</td>
<td>1.9</td>
<td>25%</td>
</tr>
<tr>
<td>Barnett Shale Natural Gas</td>
<td>1.5</td>
<td>2.0</td>
<td>0.5</td>
<td>33%</td>
</tr>
<tr>
<td>Gulf Coast LNG Imports</td>
<td>0.3</td>
<td>3.1</td>
<td>2.8</td>
<td>933%</td>
</tr>
</tbody>
</table>

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(a) Source: Wood Mackenzie
(b) Source: FERC

**Rockies production expected to increase 25% 2006-2010**

**Barnett Shale production expected to increase 33% 2006-2010**

**7.6 Bcf/d of LNG import capacity currently under construction on Gulf Coast**

**Newbuild Natural Gas Pipelines**

<table>
<thead>
<tr>
<th></th>
<th>Rockies Express Pipeline</th>
<th>Midcontinent Express Pipeline</th>
<th>KM Louisiana Pipeline</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>KM Cost ($mm)</td>
<td>$2,200</td>
<td>$625</td>
<td>$500</td>
<td>$3,325</td>
</tr>
<tr>
<td>Capacity (Bcf/d)</td>
<td>1.8</td>
<td>1.4</td>
<td>2.1</td>
<td>5.3</td>
</tr>
<tr>
<td>In-service</td>
<td>2007-2009</td>
<td>2009</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>Term of Contracts</td>
<td>10 yrs</td>
<td>10 yrs</td>
<td>20 yrs</td>
<td></td>
</tr>
<tr>
<td>Ownership</td>
<td>KMP 50% (a)</td>
<td>KMP 50%</td>
<td>KMP 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SRE 25%</td>
<td>ETC 50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>COP 25%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Upon completion of construction.
Growing Crude Production from Canadian Oilsands

WCSB Crude Production by Type (a)

- Oilsands ~11% CAGR ‘06-’15
- Condensate
- Conventional Heavy
- Conventional Light
- Oilsands - LC
- Oilsands Low Case ~5% CAGR
- 1.2 MMBbl/d Oilsands-only
- 3 MMBbl/d

Heavy/Light Crude Differential (b)

- Washington State Refinery Capacity (c)
  - Washington state refiners only use ~100,000 Bbl/d of Canadian crude
  - Announced upgrade: COP – Coker Ferndale, WA 2012-2015

- Canadian crude through Trans Mountain 16% (~100 MBbl/d)
- Other 84% (515 MBbl/d)

ANS Production in Decline (d)

- Sources: National Energy Board
- Source: Dominion Bond Rating Service, Company reports
- Sources: Bloomberg
- Sources: EIA, CIBC
Increased Use of Heavy Crude

- Crude supply is heavier, more sour
- Heavier, sour crude produces more residue
  - Pet coke
  - Sulfur

North American Pet coke Production (a)

Canadian Sulfur Production (b)

(a) Source: Jacobs Consultancy
(b) Source: PentaSul
# Current Projects

## $6.5 Billion In Projects Over Next 4 Years

<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Project Cost ($mm)</th>
<th>Expected Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockies Express</td>
<td>$2,200 (a)</td>
<td>2007-2009</td>
</tr>
<tr>
<td>Midcontinent Express</td>
<td>625 (a)</td>
<td>2009</td>
</tr>
<tr>
<td>KM Louisiana Pipeline</td>
<td>500</td>
<td>2009</td>
</tr>
<tr>
<td>CALNEV expansion</td>
<td>388</td>
<td>2010</td>
</tr>
<tr>
<td>East Line expansion</td>
<td>145</td>
<td>2007</td>
</tr>
<tr>
<td>Trans Mountain dropdown</td>
<td>550 (b)</td>
<td>2007</td>
</tr>
<tr>
<td>Trans Mountain – TMX1</td>
<td>470 (c)</td>
<td>2008</td>
</tr>
<tr>
<td>CO₂ – SACROC and Yates</td>
<td>962</td>
<td>2007-2010</td>
</tr>
<tr>
<td>CO₂ – source and transport</td>
<td>120 (a)</td>
<td>2008</td>
</tr>
<tr>
<td>Other identified projects</td>
<td>501 (d)</td>
<td>2007-2009</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,461</strong></td>
<td></td>
</tr>
</tbody>
</table>

(a) Pro rata expenditures for KMP’s ownership interest.
(b) Completed sale of Trans Mountain by KMI to KMP on 30-Apr-2007.
(c) Remaining expenditures.
(d) Edmonton, Houston, Pier IX, TransColorado, Dayton.
Future Opportunities

- Natural Gas: Shifting Supply Basins and Gas Price Volatility
  - Storage, Extensions, Expansions, Incremental Services

- Canadian Oilsands
  - TMX2, TMX3, TMX North, CO$_2$, Terminals

- Increased Use of Heavy Crude and Increased Coal Imports, Renewable Fuels, Imported Gasoline
  - Terminal Expansions/Newbuild

- High Oil Prices
  - Opportunities in CO$_2$ Sales, Transport and Crude Oil Production

- Opportunistic Acquisitions
$11 Billion in Capital Invested

Total Invested by Year

- **1998**: $1.6 billion
- **1999**: $1.1 billion
- **2000**: $0.8 billion
- **2001**: $1.9 billion
- **2002**: $1.3 billion
- **2003**: $1.3 billion
- **2004**: $1.2 billion
- **2005**: $0.9 billion
- **2006**: $0.9 billion

Total Invested by Type

- **Acquisitions**: $7.5 billion
- **Expansions**: $3.5 billion

Total Invested by Segment

- **Products Pipelines**: $3.7 billion
- **Natural Gas Pipelines**: $3.0 billion
- **CO2**: $2.2 billion
- **Terminals**: $2.1 billion

Note: See Appendix to 2007 Analyst Conference presentation for details on calculations.
# Attractive Returns on Capital

<table>
<thead>
<tr>
<th>Segment ROI (a):</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products Pipelines</td>
<td>11.9%</td>
<td>11.8%</td>
<td>12.8%</td>
<td>12.9%</td>
<td>12.4%</td>
<td>11.6%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Natural Gas Pipelines</td>
<td>13.3</td>
<td>15.5</td>
<td>12.9</td>
<td>13.5</td>
<td>14.0</td>
<td>15.5</td>
<td>16.5</td>
</tr>
<tr>
<td>CO₂</td>
<td>27.5</td>
<td>24.6</td>
<td>22.0</td>
<td>21.9</td>
<td>23.8</td>
<td>25.7</td>
<td>23.1</td>
</tr>
<tr>
<td>Terminals</td>
<td>19.1</td>
<td>18.2</td>
<td>17.7</td>
<td>18.4</td>
<td>17.8</td>
<td>16.9</td>
<td>17.1</td>
</tr>
<tr>
<td>KMP ROI</td>
<td>12.3%</td>
<td>12.7%</td>
<td>12.6%</td>
<td>13.1%</td>
<td>13.6%</td>
<td>14.3%</td>
<td>14.4%</td>
</tr>
</tbody>
</table>

| KMP Return on Equity | 17.4% | 19.0% | 21.9% | 23.2% | 25.2% | 26.6% | 26.7% |

Note: See Appendix to 2007 Analyst Conference presentation for details on calculations.

(a) Return on investment. G&A is deducted in calculating the return on investment for KMP, but is not allocated to the segments and therefore not deducted in calculating the segment information.
Solid Balance Sheet

($ millions)

Credit Summary

L-T Debt Rating
Baa2/BBB

Current Net Debt / Total Capital (a,b)
54.3%

2007 Budget Estimates:

Debt / EBITDA
3.6x

EBITDA / Interest
5.1x

CP Capacity (b)

Total Bank Credit
$1,850

Less:

Outstanding CP
396

Letters of Credit
504

Excess Capacity
$950

Long-term Debt Maturities (b)

2007
$255

2008
$5

2009
$250

2010
$250

2011
$700

(a) Debt balance excludes fair value of interest rate swaps and is net of cash. Capital excludes loss/gain from other comprehensive income.
(b) At 30-Jun-2007.
Risks

- Regulatory
  - Pacific Products Pipeline FERC/CPUC case
  - Periodic rate reviews
  - Unexpected policy changes
- $CO_2$ Crude Oil Production Volumes
- Construction Cost Overruns
- Environmental
- Terrorism
- Interest Rates
  - Approximately 50% floating rate debt
  - Budget assumes flat rates at a level above the current forward curve
  - The full-year impact of a 100-bp increase in rates equates to an approximate $30 million increase in interest expense
Summary

- **Stable Cash Flow**
  - Own assets core to energy infrastructure

- **Internal Growth Opportunities**
  - Critical Mass
  - Well-located assets/favorable demographics

- **Fixed Cost Business**
  - Drop growth to bottom line

- **Unique Structure**
  - Tax Efficient
  - Incentive Fee

- **Management Philosophy**
  - Low-Cost Operator
  - Focused on cash
  - Disciplined Investment

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KMP/KMR:
6-7% Yield
and
8%
Long-Term Growth