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 Energy Partners, L.P. and Kinder Morgan Management, LLC (collectively known as “KMP”) 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.
Use of Non-GAAP Financial Measures

This presentation utilizes the non-generally accepted accounting principles financial measures of segment distributable cash flow, KMP distributable cash flow, and earnings before interest, taxes and DD&A (“EBITDA”).

For KMP overall, we define distributable cash flow to be limited partners’ pretax income before DD&A less cash taxes paid and sustaining capital expenditures for KMP, plus DD&A less sustaining capital expenditures for Rockies Express, our equity method investee. For our segments we define distributable cash flow as segment net income (which is before corporate costs of G&A and interest) plus DD&A less sustaining capital expenditures. The components of the difference between overall KMP distributable cash flow and segment distributable cash flow are cash versus book taxes, DD&A and sustaining capital expenditures on Rockies Express, G&A, interest, minority interest and the general partner’s interest. We define EBITDA as pre-tax income plus interest expense and DD&A. All measures certain certain items. The amounts included in the calculation of these measures are computed in accordance with generally accepted accounting principles (GAAP), with the exception of certain items, which are separately identified in our quarterly earnings press releases, 10-Qs and 10-Ks, and "sustaining capital expenditures," which is not a defined term under GAAP. Consistent with the partnership agreement of Kinder Morgan Energy Partners, L.P., sustaining or maintenance capital expenditures are defined as capital expenditures (as defined by GAAP) which do not increase the capacity of an asset.

We routinely calculate and communicate these measures to investors. We believe that continuing to provide this information results in consistency in our financial reporting. In addition, we believe that these measures are useful to investors because they enhance the investors’ overall understanding of our current financial performance and our prospects for future performance. Specifically, we believe that these measures provide investors an enhanced perspective on the operating performance of our assets and the cash that our businesses are generating. Notwithstanding, these non-GAAP financial measures are not a replacement for the financial statements included in our Exchange Act Filings.

A reconciliation of these measures to the most comparable GAAP measures is provided on our website at: http://www.kindermorgan.com/investor/presentations/.
### Capital Structure

**Kinder Morgan Energy Partners, L.P.**

- **Market Equity (a)**: $14.8B
- **Debt (b)**: 7.6B
- **Enterprise Value**: $22.4B
- **2008E EBITDA (c)**: $2.5B
- **2008E DCF (d)**: $1.8B

---

#### General Partner

- **KMR (LLC)**
  - 75 million i-units (a)
- **KMP (Partnership)**
  - 182 million units (a)

---

#### Cash Distribution

- **Public Float**
  - 10M
- **Additional Shares**
  - 65M
- **162M**
- **20M**

---

#### Incentive Distribution

- **General Partner**

---

(a) KMP market equity based on 182 million common units currently outstanding (includes 5.3 million Class B units owned by Knight Inc.; Class B units are unlisted KMP common units) at a price of $58.45 and 75 million KMR i-shares currently outstanding at a price of $55.49, as of 10-Jun-2008.

(b) Debt balance as of 31-Mar-2008. Debt balance excludes the fair value of interest rate swaps, net of cash.

(c) A definition of this measure is outlined on the Non-GAAP Financial Measures slide.

(d) KMP Distributable Cash Flow. A definition of this measure is outlined on the Non-GAAP Financial Measures slide.
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
Unmatched Footprint

- Largest independent transporter of petroleum products in the U.S.  
  Transport more than 2 million barrels per day (Bbl/d)

- 2nd largest transporter of natural gas in U.S. (a)  
  Approximately 22,000 miles of interstate / intrastate pipeline

- Largest transporter of CO₂ in U.S.  
  Transport over 1 Bcf/d of CO₂

- 2nd largest oil producer in Texas  
  Produce ~55,000 Bbl/d of crude

- Largest independent terminal operator in the U.S.  
  ~103 million barrels of liquids capacity  
  Handle 87 million tons of dry bulk products
  - Largest handler of petcoke in U.S.

(a) Includes NGPL.
Well-diversified Asset Base

- **CO₂**
  - 32% CO₂ transport and sales
  - 68% oil production related
  - Production hedged (a):
    2008=83% ($44/Bbl)
    2009=73% ($49)
    2010=71% ($56)
    2011=69% ($63)
    2012=22% ($75)

- **Terminals**
  - 52% Liquids, 48% Bulk
  - Geographic and product diversity
  - 3-4 year average contract life

- **KMP 2008 DCF Profile (b)**
  - CO₂ 28%
  - Natural Gas Pipelines 27%
  - Terminals 19%
  - Products Pipelines 21%
  - Trans Mountain 5%

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

- **Products Pipelines**
  - Refinery hub to population center strategy
  - 65% Pipelines
  - 29% Associated Terminals (c)
  - 6% Transmix
  - No commodity price risk

(a) 2008 production based on Kinder Morgan budget; 2009-2012 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 2008 segment distributable cash flow, as defined on the Non-GAAP Financial Measures slide, plus our share of REX DD&A and sustaining capital expenditures.
(c) Terminals are not FERC regulated except portion of CALNEV.
Eleven Years of Consistent Growth

Total Distributions (GP + LP) ($mm)

- **GP (a)**
- **LP**

<table>
<thead>
<tr>
<th>Year</th>
<th>GP</th>
<th>LP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>$17</td>
<td>$0.30</td>
</tr>
<tr>
<td>1997</td>
<td>$30</td>
<td>$1.53</td>
</tr>
<tr>
<td>1998</td>
<td>$198</td>
<td>$3.33</td>
</tr>
<tr>
<td>1999</td>
<td>$333</td>
<td>$5.48</td>
</tr>
<tr>
<td>2000</td>
<td>$548</td>
<td>$7.01</td>
</tr>
<tr>
<td>2001</td>
<td>$701</td>
<td>$8.27</td>
</tr>
<tr>
<td>2002</td>
<td>$827</td>
<td>$9.78</td>
</tr>
<tr>
<td>2003</td>
<td>$978</td>
<td>$1.162</td>
</tr>
<tr>
<td>2004</td>
<td>$1,088</td>
<td>$1.265</td>
</tr>
<tr>
<td>2005</td>
<td>$1,256</td>
<td>$1,469</td>
</tr>
<tr>
<td>2006</td>
<td>$1,432</td>
<td>$1,843</td>
</tr>
</tbody>
</table>

CAGR = 48%

LP Distribution Per Unit (b)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Per Unit (b)</td>
<td>$0.63</td>
<td>$1.13</td>
<td>$1.30</td>
<td>$1.45</td>
<td>$1.90</td>
<td>$2.20</td>
<td>$2.50</td>
<td>$2.72</td>
<td>$2.96</td>
<td>$3.20</td>
<td>$3.32</td>
<td>$3.68</td>
<td>$4.24-$4.32</td>
</tr>
</tbody>
</table>

CAGR = 17%

Net Debt to EBITDA (c)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Debt to EBITDA (c)</td>
<td>3.5x</td>
<td>3.2x</td>
<td>3.9x</td>
<td>3.9x</td>
<td>3.5x</td>
<td>3.7x</td>
<td>3.8x</td>
<td>3.5x</td>
<td>3.2x</td>
<td>3.3x</td>
<td>3.4x</td>
<td>3.3x</td>
</tr>
</tbody>
</table>

(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.
Significant Historical Returns (a)

**KMP: 29% CAGR (b)**

**KMR: 14% CAGR (c)**

*KMP 2007 Total Return = 20%
KMP 2008 YTD Total Return = 12%

*KMR 2007 Total Return = 24%
KMR 2008 YTD Total Return = 9%

Source: Bloomberg
(a) Total returns calculated on a daily basis through 10-Jun-2008 assuming dividends/distributions reinvested in index/stock/unit.
(b) Start date 31-Dec-1996
(c) Start date 14-May-2001; KMR Initial public offering
## Promises Made, Promises Kept

<table>
<thead>
<tr>
<th>Year</th>
<th>Budgeted Distribution per unit</th>
<th>Actual Distribution per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$1.60</td>
<td>$1.71</td>
</tr>
<tr>
<td>2001</td>
<td>$1.95</td>
<td>$2.15</td>
</tr>
<tr>
<td>2002</td>
<td>$2.40</td>
<td>$2.435</td>
</tr>
<tr>
<td>2003</td>
<td>$2.63</td>
<td>$2.63</td>
</tr>
<tr>
<td>2004</td>
<td>$2.84</td>
<td>$2.87</td>
</tr>
<tr>
<td>2005</td>
<td>$3.13</td>
<td>$3.13</td>
</tr>
<tr>
<td>2006</td>
<td>$3.28</td>
<td>$3.26</td>
</tr>
<tr>
<td>2007</td>
<td>$3.44</td>
<td>$3.48</td>
</tr>
</tbody>
</table>
2008 Partnership Goals

- **Distribution Target**
  - $4.02 per unit (16% growth)
  - Excess coverage of ~$12 million

- **Maintain Solid Balance Sheet**
  - Expansions / acquisitions financed 50% equity, 50% debt

- **Deliver Projects on Time and on Budget**
KMP CO₂ Operations

CO₂ 2008 Budget

<table>
<thead>
<tr>
<th>Segment DCF (a)</th>
<th>2008B</th>
<th>2007</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source &amp; Transport ($M)</td>
<td>$233</td>
<td>$172</td>
<td>36%</td>
</tr>
<tr>
<td>Oil Production ($M)</td>
<td>$503</td>
<td>$357</td>
<td>41%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Crude Production Volumes</th>
<th>SACROC (MBbl/d)</th>
<th>Yates (MBbl/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SACROC</td>
<td>27.7</td>
<td>27.6</td>
</tr>
<tr>
<td>Yates</td>
<td>27.5</td>
<td>27.0</td>
</tr>
</tbody>
</table>

(a) Budgeted 2008 segment distributable cash flow, as defined on the Non-GAAP Financial Measures slide.
(b) MBbl/d.
CO₂: How It Works

- CO₂ mixes with oil much like turpentine cleans paint from a brush
- Inter-phase mass transfer typically yields NGL rich gas production
- Chase water injection helps control mobility and gas recycle
CO₂: How it Fits in the MLP

- CO₂ Transport – typical MLP pipeline business
- CO₂ Sales – long-term contracts
- CO₂ Flooding
  
  **Investment Characteristics:**
  
  Asset Heavy - Pipelines, Compression Equipment, Wells

  **Operating Cost Structure:**
  
  Predictable – Driven by fluid handling, purchased power

  **Revenue Stream:**
  
  CO₂ Floods are typically very long-term projects
  Production is usually stable and predictable
  Hedging mitigates price uncertainty
## Growth Opportunities

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shifting Natural Gas Supply Sources</strong></td>
<td>REX Northeast Express extension, REX/NGPL Chicago Express project, MEP expansion, KMLP expansion, storage, incremental shipper services (backhaul, hub, etc.)</td>
</tr>
<tr>
<td>— Rockies</td>
<td>Rockies Express pipeline</td>
</tr>
<tr>
<td>— LNG</td>
<td>KM Louisiana pipeline</td>
</tr>
<tr>
<td>— Barnett Shale</td>
<td>Midcontinent Express pipeline</td>
</tr>
</tbody>
</table>

| **Increased Use of Renewable Fuels** | Supply nat. gas to ethanol facilities – KMIGT |
|   — Biodiesel | Store and blend at terminals – Tampa, Southeast Terminals, West Coast |
|   — Ethanol | Additional ethanol/biodiesel storage and blending at terminal facilities, batched and dedicated ethanol pipelines |

| **Growing Production from Canadian Oilsands** | TMX2, TMX3, Vancouver Wharves expansions, other terminals, CO₂ capture and transport |
|   | Trans Mountain Anchor Loop expansion |
|   | Edmonton terminal project |

| **High Crude Oil Prices** | Further CO₂ sales and transport expansion, incremental production from enhanced oil recovery (EOR) |
|   | McElmo Dome expansion, Cortez expansion, SACROC, Yates |

| **Increased Use of Heavy Crude** | Increased handling of petcoke, application of prilling technology at terminal facilities – U.S. & Canada, Vancouver Wharves |
|   — Petcoke Handling | Increased volume at petcoke terminals |
|   — Sulfur Handling | New petcoke location: BP Whiting |

| **Demographic Growth** | Additional pipeline and terminal expansions |
|   | CALNEV products pipeline project |
|   | Carson terminal expansion |

| **Coal Imports/Exports** | Expansions at coastal terminals |
|   | Pier X, SRT |
### Current Projects

**Over $7.0 Billion In Current Projects**

<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>$2,445 (a)</td>
<td>2007-2009</td>
</tr>
<tr>
<td>Midcontinent Express</td>
<td>660 (a)</td>
<td>2009</td>
</tr>
<tr>
<td>KM Louisiana Pipeline</td>
<td>550</td>
<td>2009</td>
</tr>
<tr>
<td>CALNEV expansion</td>
<td>425</td>
<td>2011</td>
</tr>
<tr>
<td>Trans Mountain – Anchor Loop expansion</td>
<td>485</td>
<td>2008</td>
</tr>
<tr>
<td>CO₂ – SACROC and Yates</td>
<td>1,370</td>
<td>2008-2011</td>
</tr>
<tr>
<td>CO₂ – Source and Transport</td>
<td>160 (a)</td>
<td>2008</td>
</tr>
<tr>
<td>Other identified projects</td>
<td>1,195 (b)</td>
<td>2008-2012</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,290</strong></td>
<td></td>
</tr>
</tbody>
</table>

(a) Pro rata expenditures for KMP’s ownership interest.
(b) Edmonton, Houston, Pier X, Perth Amboy, BP Whiting, Rubicon, Dayton, Colorado lateral, Goodrich, Markham, Carson, Miramar, Tampa and Travis AFB.
Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC case
  - Periodic rate reviews
  - Unexpected policy changes

- **CO₂ Crude Oil Production Volumes**
  - Commodity price risk largely hedged

- **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 $32 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

---

**KMP/KMR:**

6-7% Yield and 8%

Long-Term Growth