KINDER MORGAN

Same Song, 15th Verse

March 24, 2011

Forward-Looking Statements

This presentation contains forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. In particular, statements, express or implied, concerning future actions, conditions or events, future operating results or the ability to generate revenues, income or cash flow or to make distributions or pay dividends are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations of Kinder Morgan Energy Partners, L.P., Kinder Morgan Management, LLC and Kinder Morgan, Inc. may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results 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 and credit 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. There is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, what impact they will have on our results of operations or financial condition. Because of these uncertainties, you are cautioned not to put undue reliance on any forward-looking statement.

Use of Non-GAAP Financial Measures

The non-generally accepted accounting principles ("non-GAAP") financial measures of distributable cash flow before certain items (both in the aggregate and per unit), segment earnings before depreciation, depletion, amortization and amortization of excess cost of equity investments ("DD&A") and certain items, segment distributable cash flow before certain items, and earnings before interest, taxes and DD&A ("EBITDA") before certain items are included in this presentation. Our non-GAAP financial measures should not be considered as alternatives to GAAP measures such as net income or any other GAAP measure of liquidity or financial performance.

Distributable cash flow before certain items and EBITDA before certain items are significant metrics used by us and by external users of our financial statements, such as investors, research analysts, commercial banks and others, to compare basic cash flows generated by us to the cash distributions we expect to pay our unitholders on an ongoing basis. Management uses these metrics to evaluate our overall performance. Distributable cash flow before certain items also allows management to simply calculate the coverage ratio of estimated ongoing cash flows to expected cash distributions. Distributable cash flow before certain items and EBITDA before certain items are also important non-GAAP financial measures for our unitholders because they serve as indicators of our success in providing a cash return on investment. These financial measures indicate to investors whether or not we typically are generating cash flow at a level that can sustain or support an increase in the quarterly distributions we are paying pursuant to our partnership agreement. Our partnership agreement requires us to distribute all available cash. Distributable cash flow before certain items, EBITDA before certain items and similar measures used by other publicly traded partnerships are also quantitative measures used in the investment community because the value of a unit of such an entity is generally determined by the unit's yield (which in turn is based on the amount of cash distributions the entity pays to a unitholder). The economic substance behind our use of distributable cash flow before certain items and EBITDA before certain items is to measure and estimate the ability of our assets to generate cash flows sufficient to make distributions to our investors.

We define distributable cash flow before certain items to be limited partners' pretax income before certain items and DD&A, less cash taxes paid and sustaining capital expenditures for KMP, plus DD&A less sustaining capital expenditures for Rockies Express, Midcontinent Express, Fayetteville Express, KinderHawk and Cypress, our equity method investees, less equity earnings plus cash distributions received for Express and Endeavor, two additional equity investees. Distributable cash flow before certain items per unit is distributable cash flow before certain items divided by average outstanding units. Segment distributable cash flow before certain items is segment earnings before certain items and DD&A less sustaining capital expenditures. In certain instances to calculate segment distributable cash flow, we also add DD&A less sustaining capital expenditures for Rockies Express, Midcontinent Express, Fayetteville Express, KinderHawk and Cypress, our equity method investees. We define EBITDA before certain items as pretax income before certain items, plus interest expense and DD&A, including the DD&A of REX, MEP, FEP, KinderHawk and Cypress, our equity method investees.

Use of Non-GAAP Financial Measures – Cont'd

"Certain items" are items that are required by GAAP to be reflected in net income, but typically either (1) do not have a cash impact, for example, goodwill impairments, allocated compensation for which we will never be responsible, and results from assets prior to our ownership that are required to be reflected in our results due to accounting rules regarding entities under common control, or (2) by their nature are separately identifiable from our normal business operations and in our view are likely to occur only sporadically, for example legal settlements, hurricane impacts and casualty losses. Management uses this measure and believes it is important to users of our financial statements because it believes the measure more effectively reflects our business' ongoing cash generation capacity than a similar measure with the certain items included. For similar reasons, management uses segment earnings before DD&A and certain items and segment distributable cash flow before certain items in its analysis of segment performance and managing our business. We believe segment earnings before DD&A and certain items and segment distributable cash flow before certain items are significant performance metrics because they enable us and external users of our financial statements to better understand the ability of our segments to generate cash on an ongoing basis. We believe they are useful metrics to investors because they are measures that management believes are important and that our chief operating decision makers use for purposes of making decisions about allocating resources to our segments and assessing the segments' respective performance.

We believe the GAAP measure most directly comparable to distributable cash flow before certain items and to EBITDA before certain items is net income. Segment earnings before DD&A is the GAAP measure most directly comparable to segment earnings before DD&A and certain items and segment distributable cash flow before certain items.

Our non-GAAP measures described above should not be considered as an alternative to GAAP net income, segment earnings before DD&A or any other GAAP measure. Distributable cash flow before certain items, segment earnings before DD&A and certain items, segment distributable cash flow before certain items and EBITDA before certain items are not financial measures in accordance with GAAP and have important limitations as analytical tools. You should not consider any of these non-GAAP measures in isolation or as a substitute for an analysis of our results as reported under GAAP. Because distributable cash flow before certain items and EBITDA before certain items exclude some but not all items that affect net income and because these measures are defined differently by different companies in our industry, our distributable cash flow before certain items and EBITDA before certain items may not be comparable to similarly titled measures of other companies. Segment earnings before DD&A and certain items and segment distributable cash flow have similar limitations. Management compensates for the limitations of these non-GAAP measures by reviewing our comparable GAAP measures, understanding the differences between the measures and taking this information into account in its analysis and its decision making processes.

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

Kinder Morgan 2011 Investor Conference

Agenda

8:00	–	8:45	Corporate Overview: Vision – Rich Kinder
8:45	–	9:00	Corporate Overview: Financial Excellence – Park Shaper
9:00	–	9:30	Corporate Overview: Operational Excellence – Steve Kean
9:30	–	9:45	Break
9:45	–	10:30	Natural Gas Pipelines – Tom Martin
10:30	–	11:00	Products Pipelines – Tom Bannigan
11:00	–	11:30	Terminals – Jeff Armstrong
11:30	–	11:45	Kinder Morgan Canada – Ian Anderson
11:45	–	12:30	Lunch
12:30	–	1:00	CO_2 – Tim Bradley
1:00	–	1:30	Financial Review – Kimberly Dang
1:30	–	2:00	Q & A

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Vision

Rich Kinder

Chief Executive Officer

Stayed the Course

- **Focus on stable fee-based assets that are core to North American energy infrastructure**
  - Market leader in each of our business segments
- **Control costs**
  - It's the investors' money, not management's – treat it that way
- **Leverage asset footprint to seek attractive capital investment opportunities, both expansion and acquisition**
  - Since 1997, KMP has completed $10.4 billion in acquisitions and $12.0 billion in greenfield / expansion projects
- **Maintaining a strong balance sheet is paramount**
  - Enables continued access to capital markets to grow the business
  - KMP accessed capital markets for over $22.5 billion since inception
- **Keep it simple**

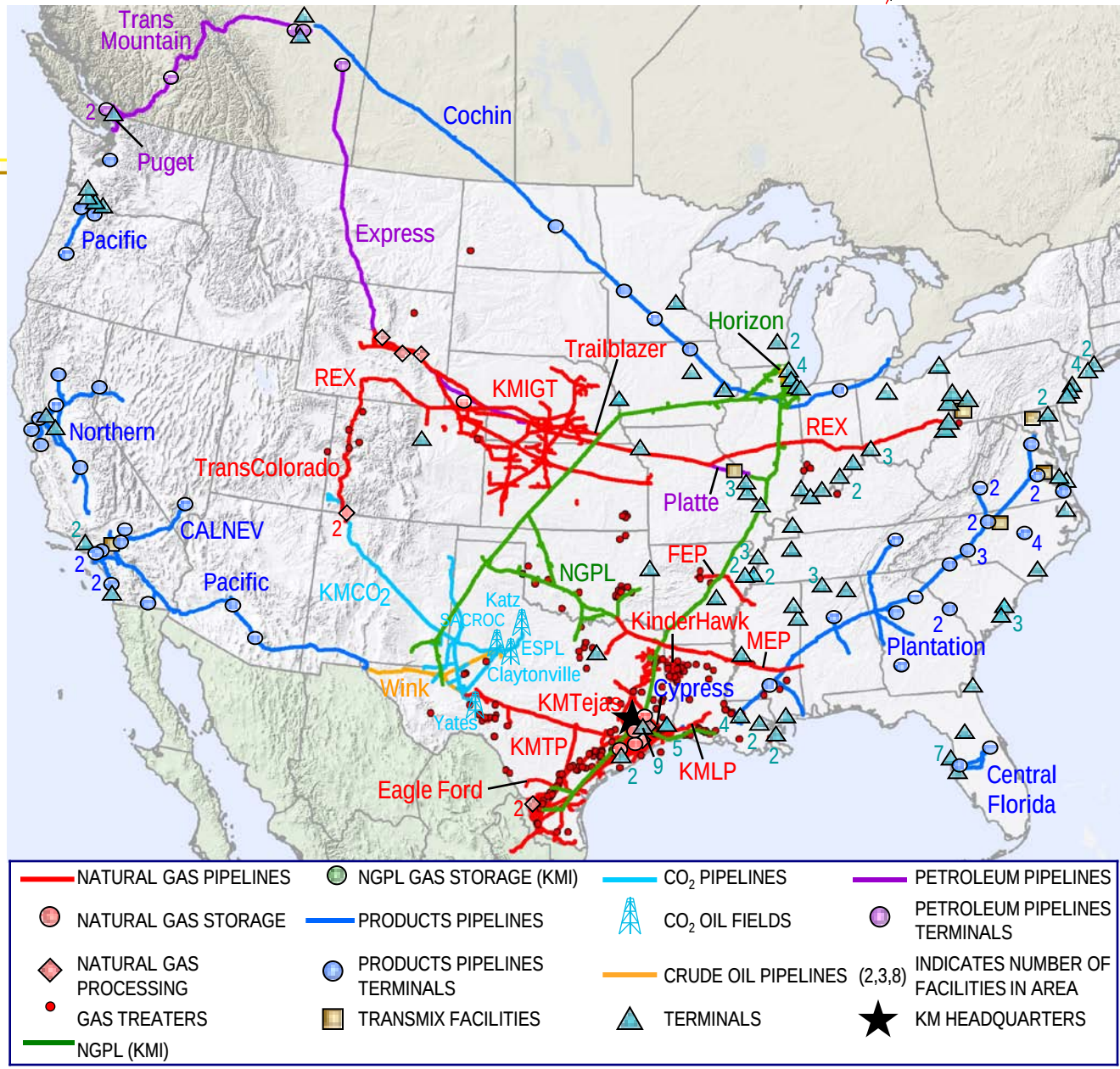
Kinder Morgan Past and Present

	Inception [a]	Present
Market Capitalization [b]	$202MM [c]	$41.8B [d]
Enterprise Value [b]	$349MM [c]	$56.4B [d]
Segment EBDA [e]	$36MM	$3.8B [f]
Total Distributions from KMP	$17MM	$2.6B [f]
KMP Distribution per Unit	$0.63	$4.60 [f]
# of Business Segments	3	5
Total Assets	$304MM	$28.9B [g]
Employees	176	8,142 [g]

(a) As of / for year-ended 12/31/1996
(b) KMP / KMI combined
(c) Includes the GP valued at 2/14/1997 purchase price of $21.7 million
(d) As of 2/28/2011
(e) Segment earnings before DD&A excluding certain items; "Present", which represents the 2011 budget, includes $176.9 million of JV depreciation for REX, MEP, FEP, KinderHawk and Cypress
(f) 2011 budget
(g) As of / for year-ended 12/31/2010

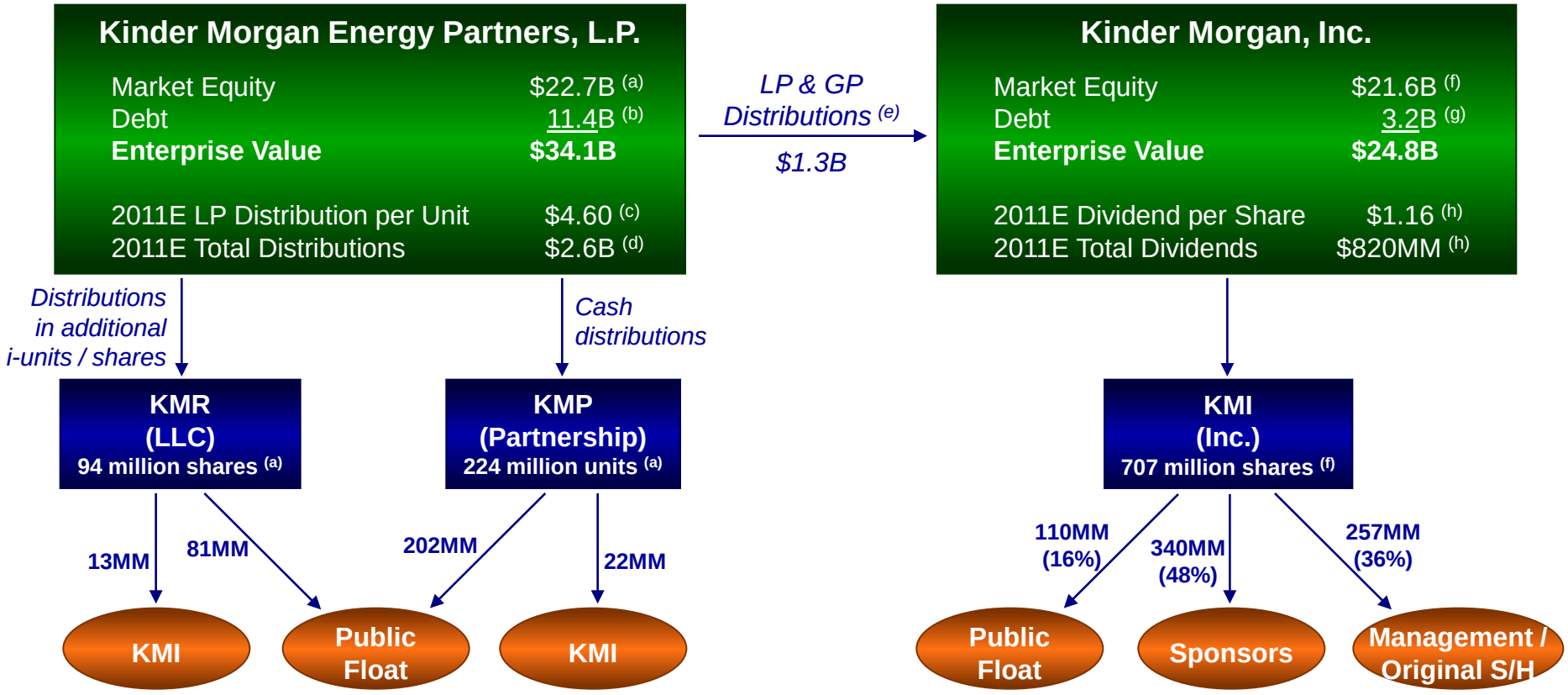
Kinder Morgan Asset Footprint

- **Largest independent transporter of petroleum products in the U.S.**
  - Transport ~1.9 MMBbl/d [(a)]
- **2nd largest transporter of natural gas in the U.S.**
  - Own an interest in / operate over 24,000 miles of interstate / intrastate pipeline
  - Connected to many important natural gas shale plays including Eagle Ford, Haynesville, Fayetteville and Barnett
  - Largest provider of contracted natural gas treating services in U.S.
- **Largest transporter of CO_2 in the U.S.**
  - Transport ~1.3 Bcf/d of CO_2 [(a)]
- **2nd largest oil producer in Texas**
  - Produce ~54 MBbl/d of crude oil gross (~36 MBbl/d net) [(a)]
- **Largest independent terminal operator in the U.S.**
  - Own an interest in or operate over 180 liquids / dry bulk terminals [(b)]
  - 107 MMBbls domestic liquids capacity [(c)]
  - Expect to handle over 100 MMtons of dry bulk products in 2011
  - Largest handler of petcoke in U.S.
- **Only oilsands pipeline serving the West Coast**
  - TMPL transports ~300 MBbl/d to Vancouver / Washington State



(a) 2011 budget
(b) Excludes 33 transload facilities
(c) Includes leased capacity

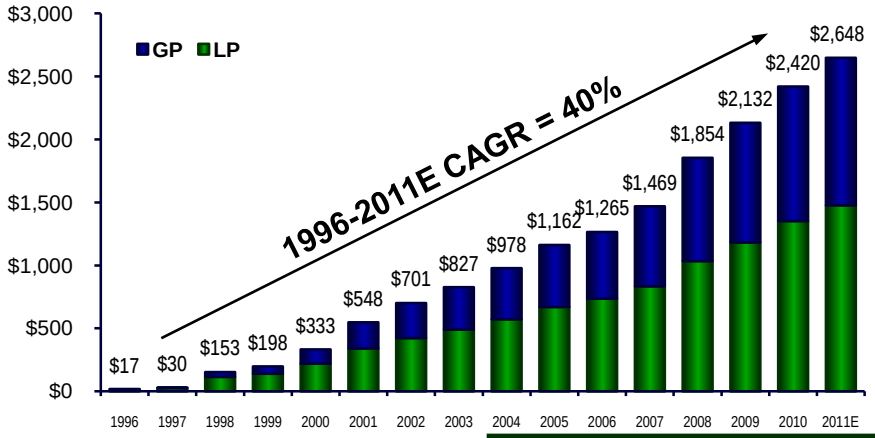
Kinder Morgan: Three Choices at the Buffet



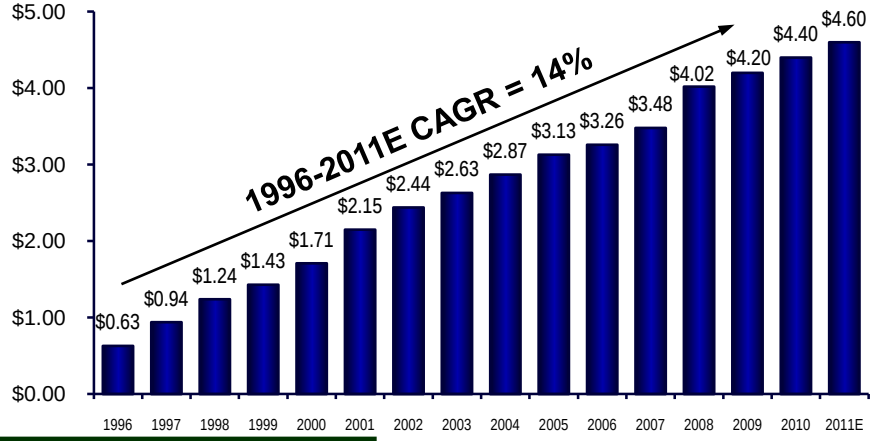
(a) As of 2/28/2011; KMP market equity based on ~224 million common units (includes 5.3 million Class B units owned by Kinder Morgan, Inc.; Class B units are unlisted KMP common units) at a price of $73.65, and ~94 million KMR shares at a price of $65.61
(b) Debt balance as of 12/31/2010, excludes the fair value of interest rate swaps, net of cash
(c) The estimate of limited partner cash distributions per unit declared by KMP for 2011
(d) The estimate of total distributions paid by KMP to the LPs and GP for 2011
(e) The estimate of total cash distributions received by KMI from KMP for 2011
(f) As of 2/28/2011; KMI market equity based on 707 million shares at a price of $30.50
(g) Debt of KMI and its subsidiaries, excluding KMP and its subsidiaries as of 12/31/2010; excludes the fair value of interest rate swaps, purchase accounting and Kinder Morgan G.P., Inc.'s $100 million of Series A Fixed-to-Floating Rate Term Cumulative Preferred Stock due 2057, net of cash
(h) The estimated dividend per share and in total paid by KMI in 2011

Delivering 15 Years of Consistent Growth

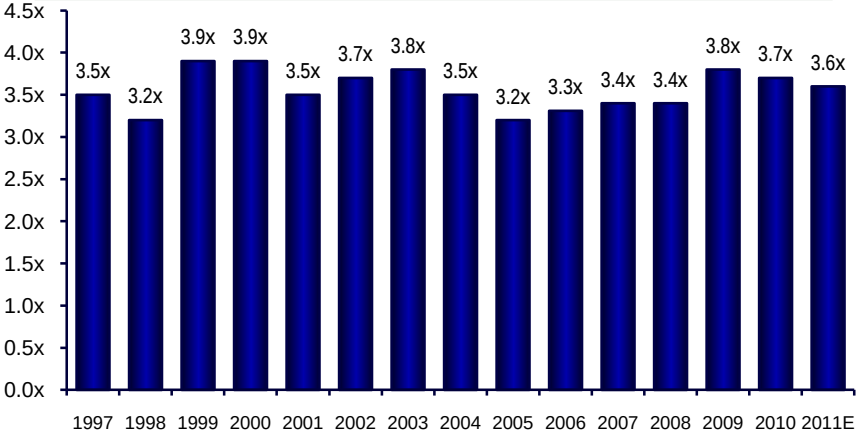
KMP Total Distributions (GP + LP) ($MM) (a)



KMP Annual LP Distribution Per Unit (b)



KMP Net Debt to EBITDA (c)



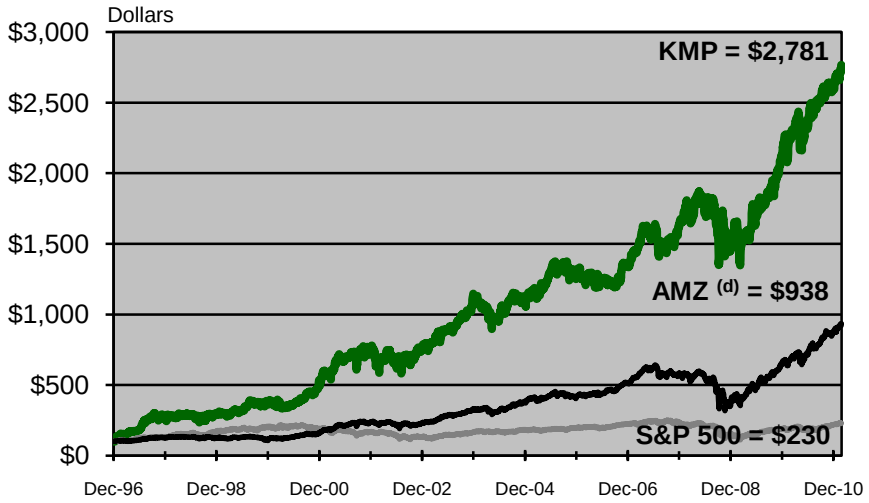
(a) In 2010, total distributions paid were $2,250 million. These distributions would have been $2,420 million ($170 million greater) if all distributions paid in August 2010 had been cash from operations, rather than a portion being a distribution to the LPs of cash from interim capital transactions; the GP receives only 2% of distributions of cash from interim capital transactions

(b) Annual LP distribution, rounded to 2 decimals where applicable

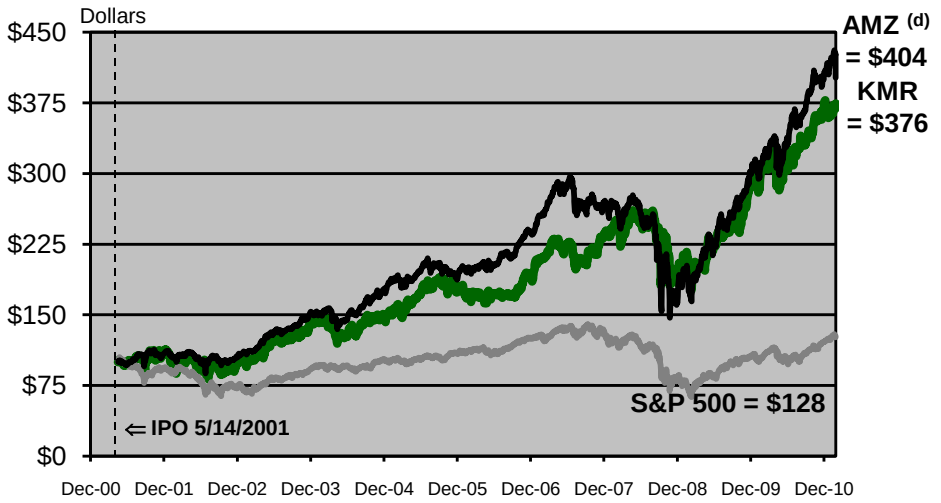
(c) Debt is net of cash and excludes fair value of interest rate swaps

Significant Historical Returns [a]

KMP: 26% CAGR Since '96 [b]



KMR: 14% CAGR Since '01 [c]



Total Return	2010	2-year [e]	3-year [e]	5-year [e]
KMP	**23%**	**78%**	**61%**	**108%**
KMR	**32%**	**97%**	**60%**	**114%**
S&P 500 Index	15%	46%	-8%	12%
Alerian MLP Index	36%	140%	52%	115%
MSCI REIT Index	28%	64%	2%	16%
Philadelphia UTY Index	6%	16%	-15%	21%

Source: Bloomberg

(a) Total returns calculated on daily basis through 2/28/2011, except where noted; assume dividends / distributions reinvested in index / stock / unit

(b) Start date 12/31/1996

(c) Start date 5/14/2001; KMR initial public offering; KMP CAGR over same period is 15%

(d) Alerian MLP index

(e) Calculated through 12/31/2010, start dates for 2-year, 3-year and 5-year return calculations are 12/31/2008, 12/29/2007 and 12/31/2005, respectively

Promises Made, Promises Kept

Promises Made		Promises Kept	
KMP Budgeted		**KMP Actual**	
Distribution per unit:		**Distribution per unit:**	
2000:	$1.60	2000:	$1.71
2001:	$1.95	2001:	$2.15
2002:	$2.40	2002:	$2.435
2003:	$2.63	2003:	$2.63
2004:	$2.84	2004:	$2.87
2005:	$3.13	2005:	$3.13
2006:	$3.28	2006:	$3.26
2007:	$3.44	2007:	$3.48
2008:	$4.02	2008:	$4.02
2009:	$4.20	2009:	$4.20
2010:	$4.40	2010:	$4.40

Achieved LP distribution target in 10 out of 11 years

Kinder Morgan 2011 Goals

KMP

- **Distribution Target**
  - $4.60 per unit (4.5% growth)
  - Excess coverage of ~$37MM
- **Maintain Solid Balance Sheet**
  - Yr-end 2011 debt / EBITDA = 3.6x
  - Expansions / acquisitions financed 50% equity, 50% debt
- **Operate all of our assets in a safe, compliant and environmentally sound manner**

KMI

- **Dividend Target**
  - $1.16 per share [(a)]
  - $820MM in total 2011 dividends
- **Maintain Solid Balance Sheet**
  - Yr-end 2011 debt / distributions received less G&A = 2.3x

(a) KMI expects to pay an initial quarterly dividend of $0.29 per share of common stock, which equates to $1.16 per share on an annual basis, and anticipates that the first dividend will be paid in May 2011 − that dividend will be prorated for the portion of 1Q 2011 that KMI is public

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KMP

Well-Diversified Cash Flow

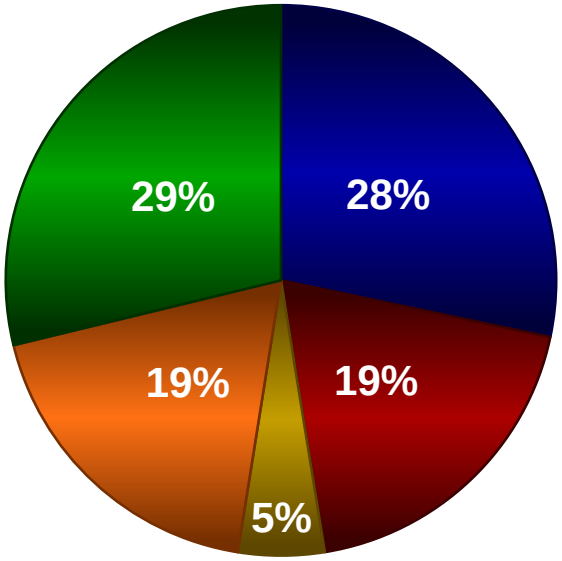
CO_2

- $1,098MM segment EBDA [a]
  - 28% CO_2 transport and sales
  - 72% oil production related
  - Production hedged [b]:
    - 2011=82% ($70/Bbl) [c]
    - 2012=56% ($88)
    - 2013=37% ($93)
    - 2014=18% ($93)
    - 2015=5% ($98)

Terminals

- $713MM segment EBDA [a]
  - 56% Liquids
  - 44% Bulk

KMP Segment Earnings before DD&A 2011E = $3.8 billion [a,d]



Kinder Morgan Canada

- $193MM segment EBDA [a]

Natural Gas Pipelines

- $1,079MM segment EBDA [a,d]
  - 50% Interstate
  - 50% Intrastate [e]

Products Pipelines

- $730MM segment EBDA [a]
  - 56% Pipelines
  - 39% Associated Terminals
  - 5% Transmix

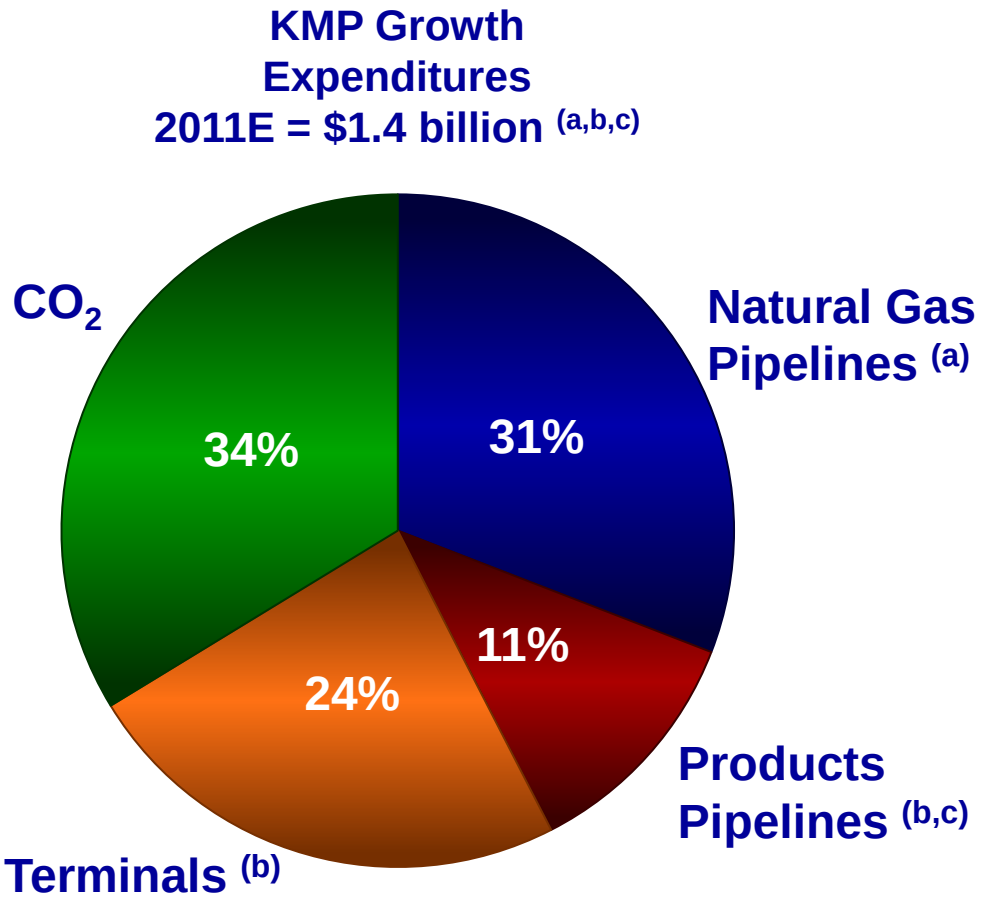
(a) Budgeted 2011 segment earnings before DD&A excluding certain items
(b) Percent of estimated net crude oil and heavy natural gas liquids production; see footnotes on slide 29 for further detail
(c) 2011 budget assumes an $89/Bbl price on unhedged barrels
(d) Includes $176.9 million of JV depreciation for REX, MEP, FEP, KinderHawk and Cypress
(e) Includes upstream segment

Stable Asset Base

	Natural Gas Pipelines	Products Pipelines	CO_2	Terminals	Kinder Morgan Canada
Volume Security	– Interstate: virtually all take or pay – Intrastate: ~75% take or pay (a)	– Volume based	– S&T: primarily minimum volume guarantee	– Liquids: take or pay – Bulk: minimum volume guarantee, requirements	– No volume risk
Remaining Contract Life	– Transportation: 9.0 yrs	– Not applicable	– S&T: 4.7 yrs	– Liquids: 4.3 yrs – Bulk: 3.2 yrs	– 1.4 yrs (b)
Pricing Security	– Interstate: primarily fixed based on contract – Intrastate: primarily fixed margin	– PPI + 2.65%	– S&T: 76% fixed – O&G: volumes 82% hedged (c)	– Based on contract; typically fixed or tied to PPI	– Fixed based on toll settlement
Regulatory Security	– Interstate: regulatory return mitigates downside; may receive higher recourse rates for increased costs – Intrastate: essentially market-based	– Pipeline: regulatory return mitigates downside – Terminals & transmix: not price regulated (d)	– Primarily unregulated	– Not price regulated	– Regulatory return mitigates downside
Commodity Price Exposure	– Interstate: no direct – Intrastate: limited	– No direct	– S&T: 24% tied to oil price – O&G: volumes 18% unhedged (c)	– No direct	– No direct
Barriers to Entry	– High	– High	– High	– High	– High

(a) Transportation for intrastate pipelines includes term purchase and sale portfolio
(b) Assumes 1-year rate settlement on Trans Mountain
(c) Percent of 2011 expected production, includes heavier NGL components (C4+)
(d) Terminals are not FERC regulated, except portion of CALNEV

$1.4 Billion 2011 Growth Expenditures Budgeted



(a) Includes equity contributions to joint ventures
(b) Includes acquisitions; $174 million for Terminals and $50 million for Products Pipelines
(c) Includes growth capital expenditures for Kinder Morgan Canada of $3.0 million

Natural Gas Pipelines Growth Drivers

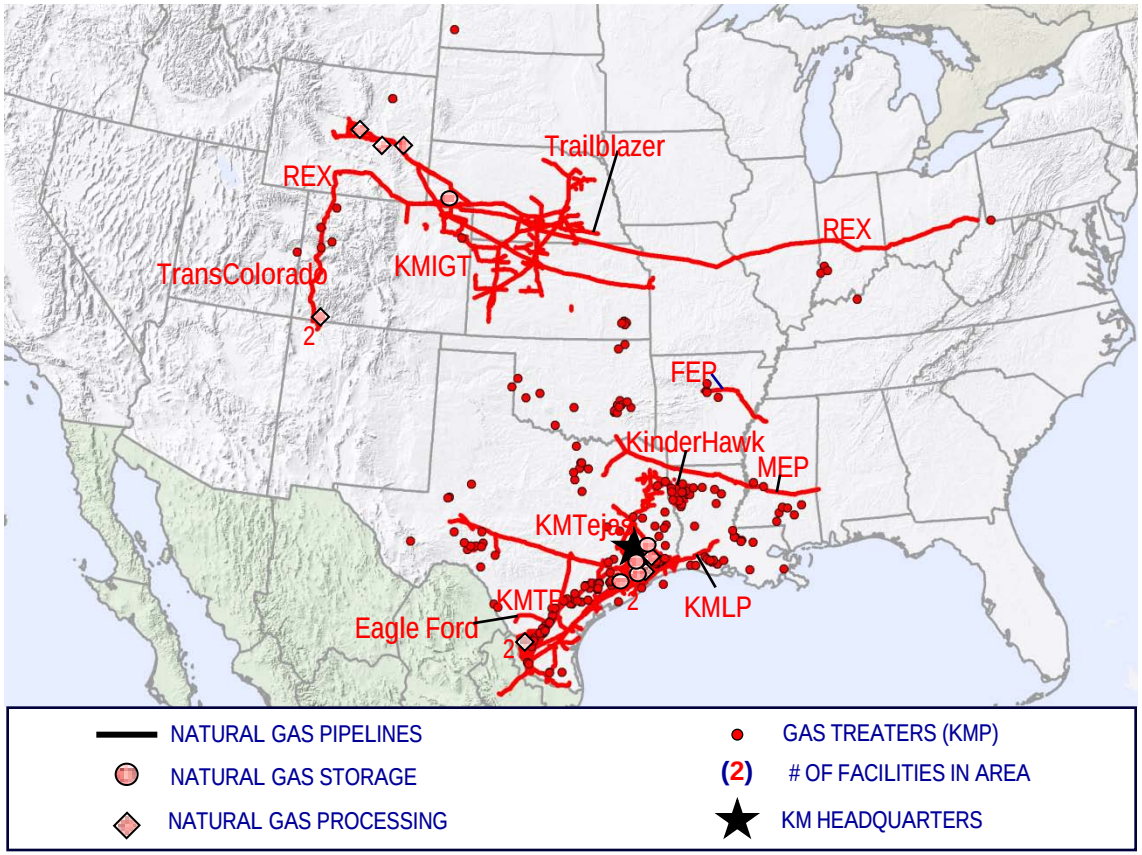
Well-positioned in the Rockies, shales and in Texas

2011 Growth Drivers:

- Fayetteville Express (FEP) pipeline in-service
- Eagle Ford shale development (under JV with Copano, and on standalone basis)
- KinderHawk full year plus volume growth
- Storage expansions
- Full year of MEP expansions

Longer-term Growth Drivers:

- Natural gas is the logical fuel of choice
  - Cheap, abundant, domestic and clean
- Demand growth and shifting supply from multiple basins lead to:
  - Pipeline / storage expansions and extensions (e.g. Eagle Ford)
  - Greenfield development (e.g. FEP)
  - Integrated solutions (gas service, NGL lines / rail options)
- Optionality of deploying portions of existing footprint in different product uses
- Expand service offerings to customers (e.g. treating and G&P)
- Acquisitions



Products Pipelines Growth Drivers

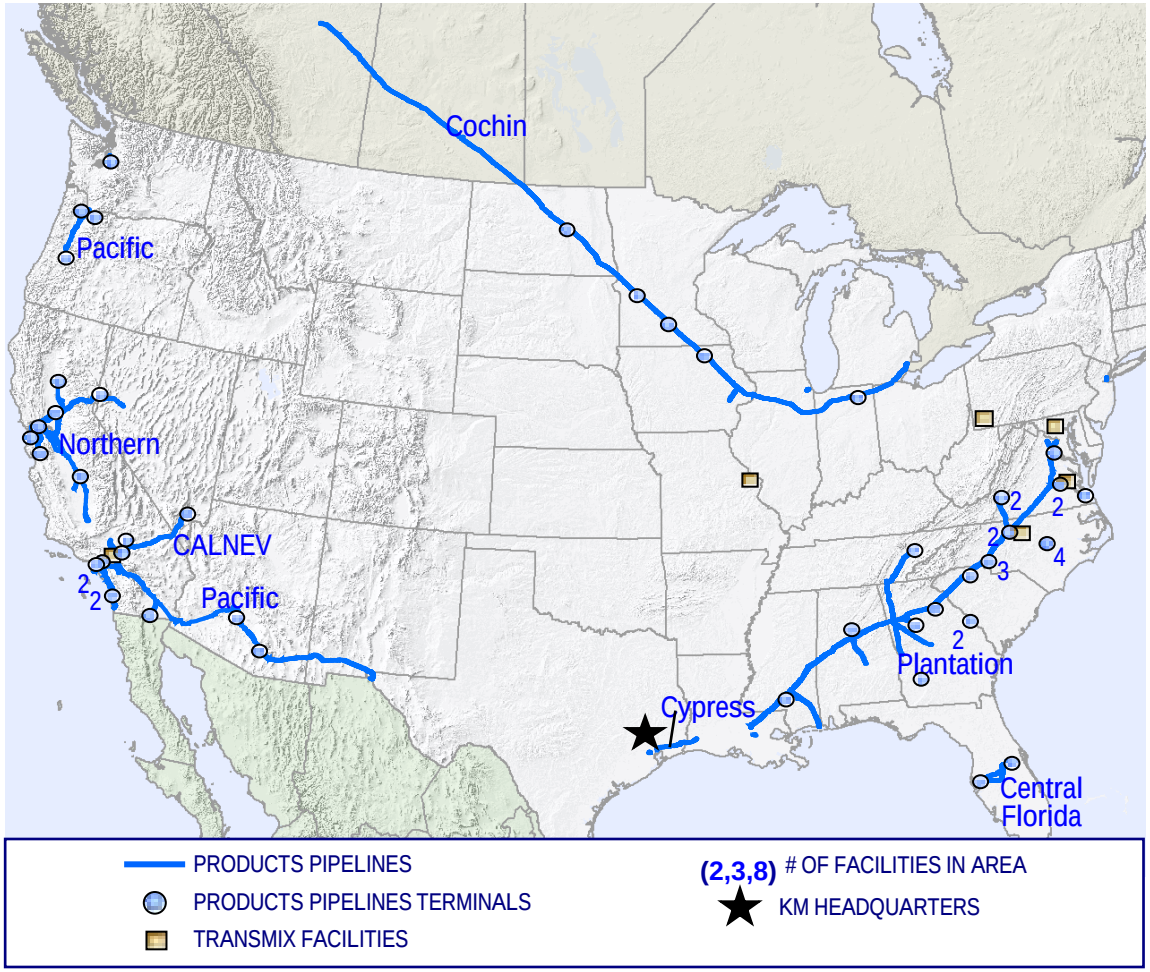
Well-located with origin in refinery / port hubs and terminus in population centers

2011 Growth Drivers:

- PPI tariff escalator (PPI + 2.65 = ~6.8% [a])
- Organic volume growth
- Full year of 2010 acquisitions (Chevron, Shell, High Sierra) and expansion projects (Carson, Colton, KMST)

Longer-term Growth Drivers:

- RFS [b] and proliferation of product specs increase demand for storage and ancillary services
  - Ethanol and biodiesel growth including terminals and pipeline expansions
- Development of shale play liquids infrastructure
  - Condensate transportation and storage services from Eagle Ford
  - Bakken crude service on Cochin
  - Marcellus pipeline connection to Cochin
- Tariff index adjustments / organic volume growth
- Increased outsourcing of military fuel logistics
- Acquisitions



(a) Starting 7/1/2011

(b) RFS (U.S. Renewable Fuels Standard) requires a two-fold increase in use of renewable fuels through 2022, from 13 Bgal/yr in 2010 to 36 Bgal/yr in 2022

Terminals Growth Drivers

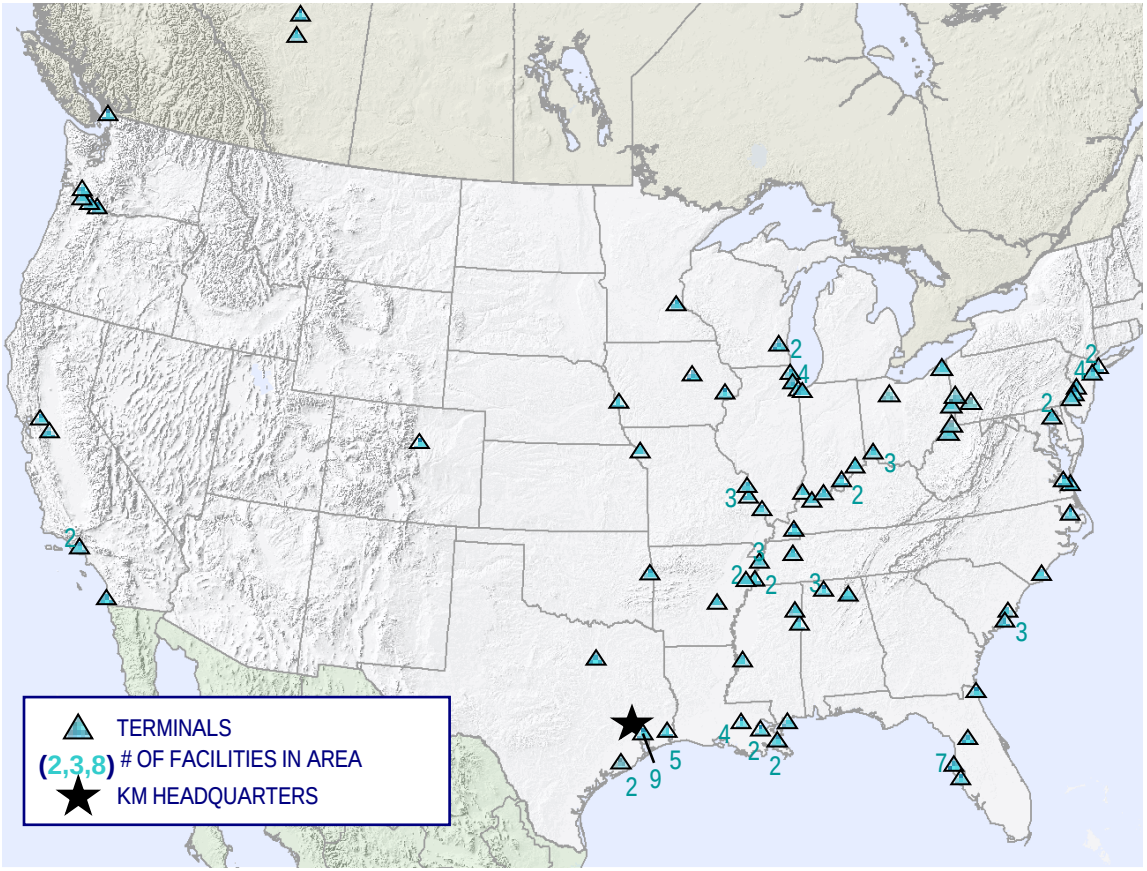
Well-located in refinery / port hubs and inland waterways

2011 Growth Drivers:

- Increase in rates on existing contracts
- Higher coal and ethanol throughput
- Full year of 2010 acquisitions (Slay, USD, Watco) and expansion projects (Carteret and Pier IX)
- Partial benefit from $174 million in expected 2011 acquisitions

Longer-term Growth Drivers:

- Diversity of product specs and customer desire for optionality lead to:
  - Expansions and higher rates at well-located, high-connectivity terminals
- Two-fold increase in use of renewable fuels through 2022 [(a)] leads to:
  - Ethanol / biofuel expansion
- Newbuild and expansion of petcoke and export coal terminals (IMT and Houston)
- Expansion of rail business
- Acquisition of terminals from "mom and pop" owners and from majors



(a) RFS (U.S. Renewable Fuels Standard) requires a two-fold increase in use of renewable fuels through 2022, from 13 Bgal/yr in 2010 to 36 Bgal/yr in 2022

CO_2 Growth Drivers

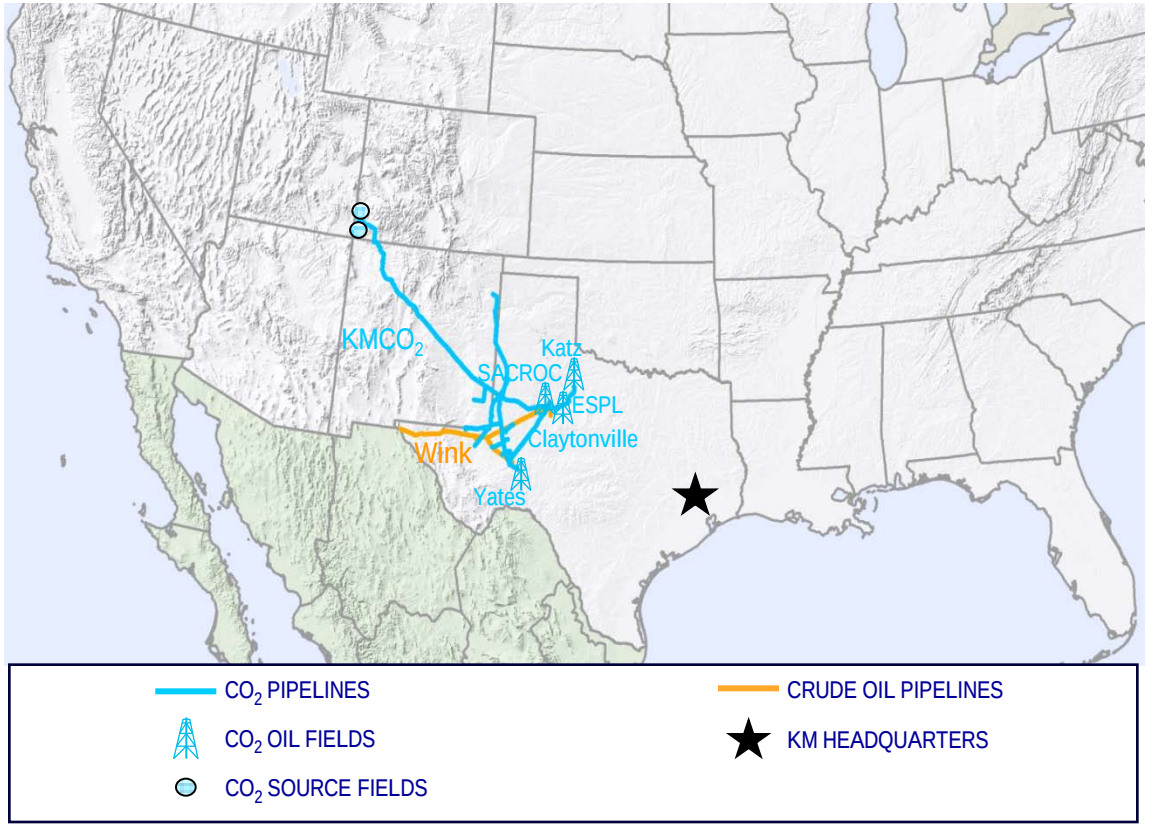
Own and operate best source of CO_2 for EOR

2011 Growth Drivers:

- Over 1,000 Bbl/d production increase at Katz
- Higher overall oil / NGL prices
- CO_2 S&T price increases
- Relatively flat production at SACROC and Yates

Longer-term Growth Drivers:

- Billions of barrels of domestic oil still in place
- Strong demand for CO_2
  - Higher rates and better terms on new CO_2 S&T contracts
  - Potential expansion of CO_2 source fields / pipelines
- Continue buildout of SACROC / Yates / Katz
  - Continuing technology improvements



Kinder Morgan Canada Growth Drivers

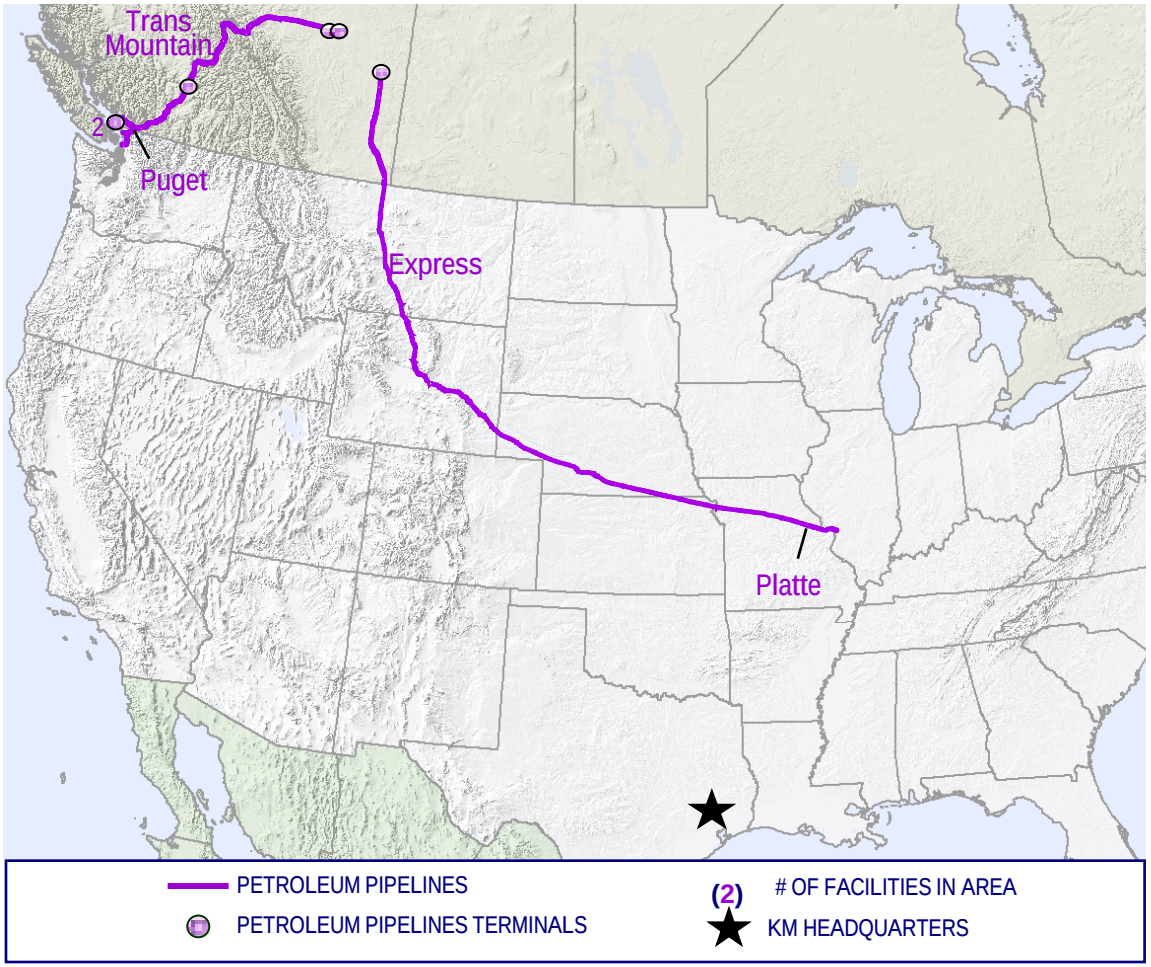
Sole oil pipeline from oilsands to West Coast / export markets

2011 Growth Drivers:

- New toll settlement pending on Trans Mountain pipeline (TMPL)

Longer-term Growth Drivers:

- Expand oilsands export capacity to West Coast and China
  - TMPL is lowest-cost option with ability to do staged expansions, or one large expansion
- Expanded dock capabilities (Vancouver)
- Merchant terminal opportunities on West Coast
- Bakken opportunities on Platte pipeline



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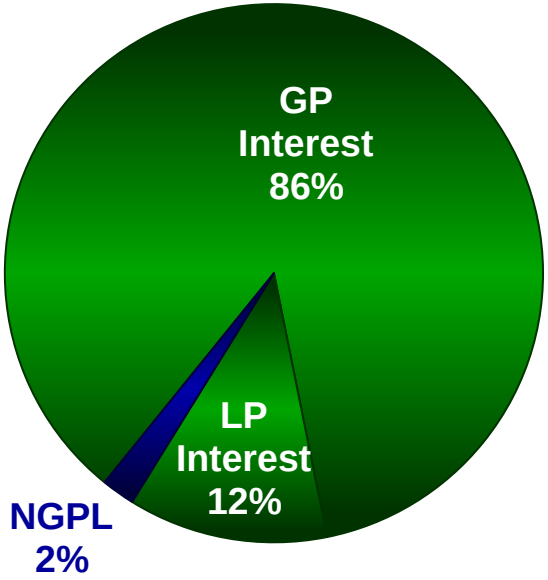
KMI

Overview

Interests in KMP [b]

- General Partner interest receives incentive distributions from KMP
- KMI owns ~11% of total limited partner interests

KMI Total Cash Receipts 2011E = $1.36 billion [a]



NGPL

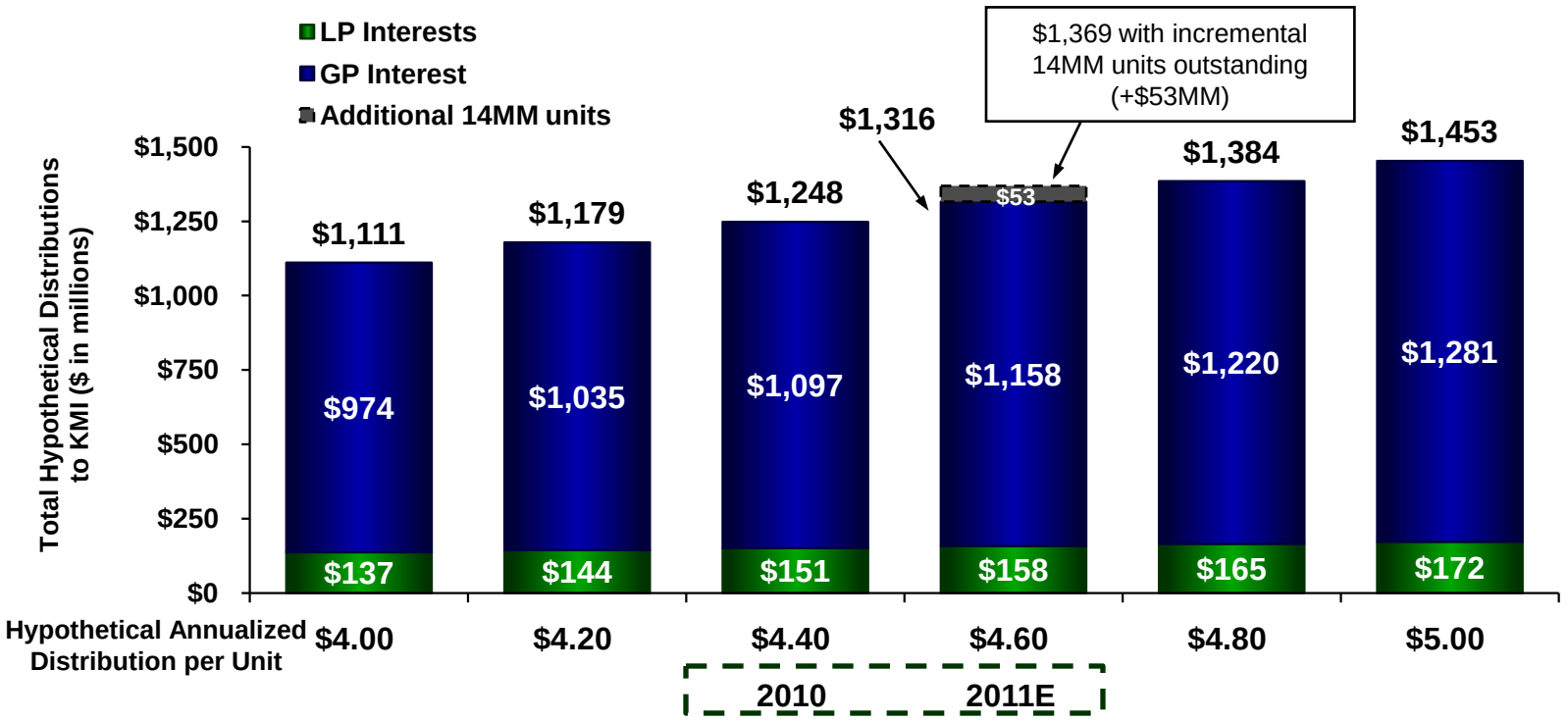
- A major interstate natural gas pipeline and one of the largest natural gas storage operators in the U.S.
- KMI owns a 20% equity interest and operates the pipeline
- FERC-regulated
- Primary customers are in Chicago

- Limited capital expenditures above KMP level
- Post the IPO, new public stockholders own ~16% of KMI, the sponsors own ~48%, and Rich Kinder, other management and original stockholders own ~36%
- In 2011, KMI is budgeted to receive $1.36 billion in distributions, and after paying cash taxes, cash interest and G&A, is budgeted to have $820 million to distribute

(a) 2011 budget
(b) Includes: (i) general partner interest, (ii) 21.7 million KMP units and (iii) 13.1 million KMR shares

Growth in KMP Distributions Leads to KMI Growth

Hypothetical KMP Distributions of Cash from Operations Received



A 4.5% increase in the annualized LP distribution per unit from $4.40 to $4.60 with the budgeted 14MM unit increase in KMP units outstanding results in an increase of 9.7%, or $121MM, in total distributions to KMI in 2011

KMI, KMP & KMR: Attractive Value Proposition

- Unparalleled asset footprint
- Established track record
- Industry leader in all business segments
- Experienced management team
- Supportive general partner
- Transparency to investors
- Attractive returns driven by combination of yield plus growth

KINDER MORGAN

Financial Excellence

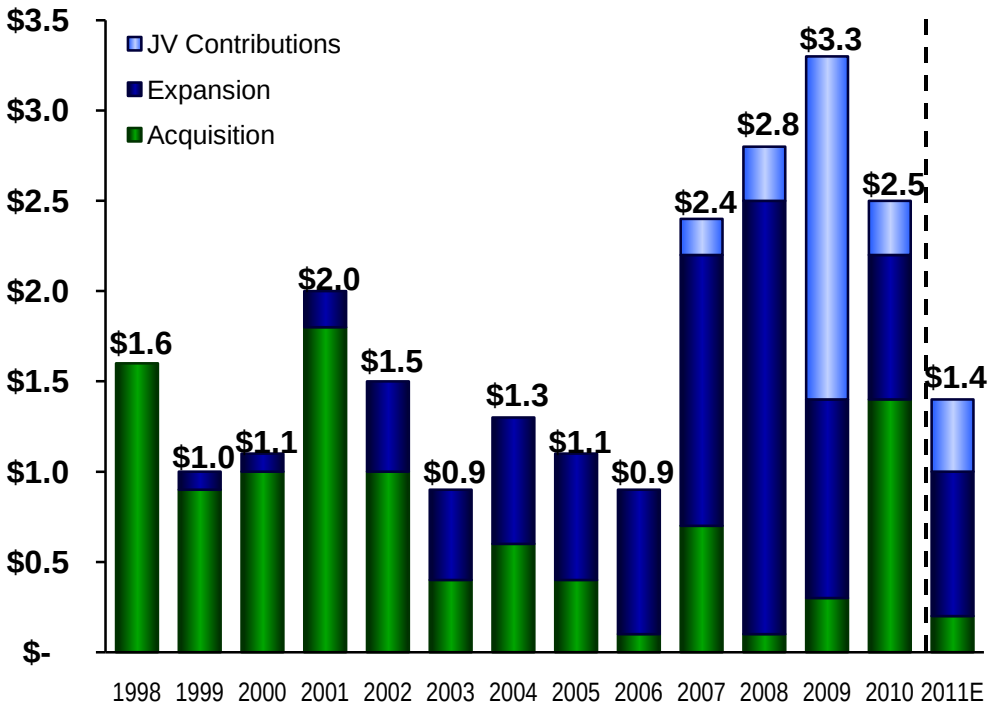
Park Shaper

President

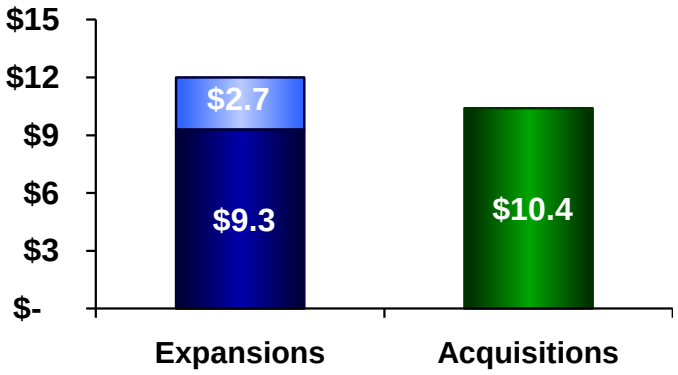
Over $22B of Growth Capital Invested at KMP (a,b)

($ in billions)

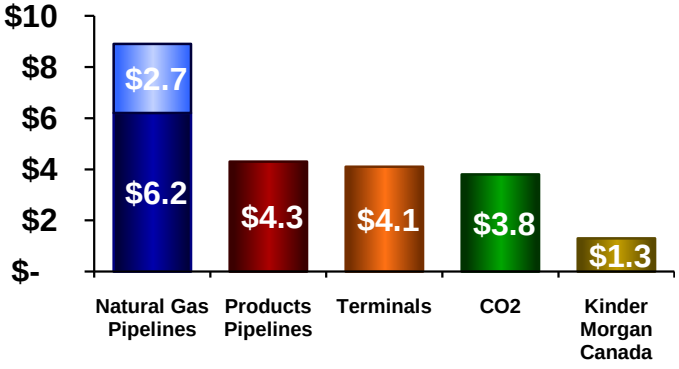
Total Invested by Year (a,b)



Total Invested by Type (a,b)



Total Invested by Segment (a,b)



(a) Includes equity contributions to joint ventures
(b) 1998 – 2010, does not include 2011 budget

How We Have Done: KMP Returns on Capital

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Segment ROI [a]:											
Products Pipelines	11.9%	11.8%	12.8%	12.9%	12.4%	11.6%	11.8%	13.2%	12.5%	13.4%	13.7%
Natural Gas Pipelines	13.3	15.5	12.9	13.5	14.0	15.5	16.7	17.5	16.9	14.0	11.9
CO_2	27.5	24.6	22.0	21.9	23.8	25.7	23.1	21.8	25.9	23.5	25.7
Terminals	19.1	18.2	17.7	18.4	17.8	16.9	17.1	15.8	15.5	15.1	14.6
Kinder Morgan Canada	--	--	--	--	--	--	--	11.0	12.1	12.8	13.7
KMP ROI	12.3%	12.7%	12.6%	13.1%	13.6%	14.3%	14.4%	14.1%	14.9%	13.9%	13.5%
KMP Return on Equity	17.2%	19.4%	20.9%	21.7%	23.4%	23.9%	22.6%	22.9%	25.2%	25.2%	24.3%

Note: a definition of this measure may be found in the appendix to this presentation

(a) G&A is deducted to calculate the KMP ROI, but is not allocated to the segments and therefore not deducted to calculate the individual Segment ROI

KMP Cost of Capital

- **Operated in "50/50 splits" since 1997**
- **Cost of capital varies over time:**
  - Current ~8.0% [(a)]
  - 2010 analyst conf 8.8%
  - 2009 analyst conf 9.8%
  - 2008 analyst conf 9.0%
  - 2004 analyst conf 8.3%
  - 2003 analyst conf 9.1%
  - 2002 analyst conf 8.2%
- **Long-term cost of capital ~9%**
- **Targeted unlevered returns typically 12-15% for pipelines (higher for terminals, CO_2)**
  - well in excess of long-term cost of capital
- **Delivered attractive returns to LP investors with supportive GP**
  - If we get to a point where we can not deliver attractive returns to LP investors, we would consider other options

(a) As of 2/28/2011; calculation of current cost of capital may be found in the appendix to this presentation

KMP Access to Capital

- **Issued ~$22.5 billion of capital at KMP in the public markets since inception [(a)]**
  - ~$10.5 billion in equity raised [(a)]
  - ~$12.1 billion in KMP long-term debt (~$10.9B net of refinancing)
- **Accessed in difficult markets**
  - Sep'01 to Sep'02 ~$430 million in equity issued [(a)]
    ~$1.5 billion in KMP long-term debt ($1.3B net)
  - Aug'07 to Dec'09 ~$3.0 billion in equity [(a)]
    ~$4.6 billion in KMP long-term debt ($4.1B net)
- **Limited equity issuance needed in 2011**
  - KMR dividend = ~$430 million in 2011
  - KMP $270 million public secondary offering(s) / ATM

Note: all figures as of 12/31/2010
(a) Includes KMR share dividends

KMR 101 [a]

KMR *is* KMP

- KMR shares are pari passu with KMP units
- KMR dividend equal to KMP cash distribution, but paid in additional shares; effectively a dividend reinvestment program [b]
- Like KMP units, KMR shares are tax efficient — but with simplified tax reporting (no K-1s, UBTI)

KMR is a significant entity

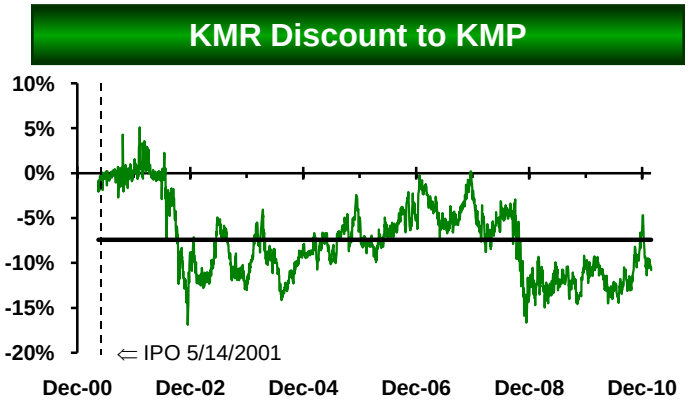
- KMR market cap = $6.1 billion, >25% of total KMP capitalization [c]
- ~$20 million in daily liquidity

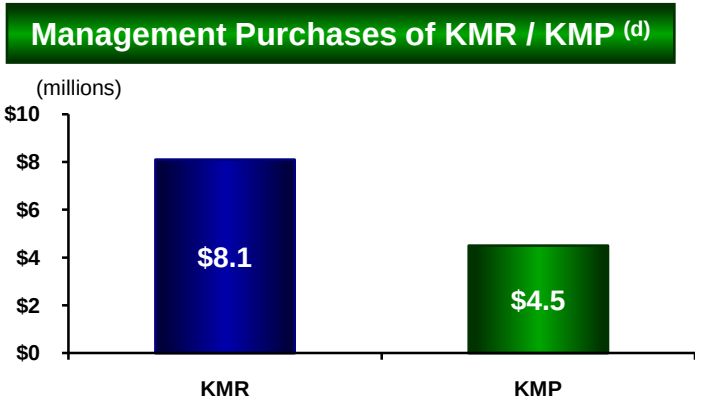
KMR has generated strong returns for investors and trades at an unjustified discount to KMP

- 14% compound annual total return since '01 IPO vs. 15% for KMP
- Current 11% discount compared to historical 7% discount since IPO

Insiders prefer KMR

- Management has purchased KMR at a rate of over 2:1 vs KMP, or almost 7:1 excluding one transaction [d]



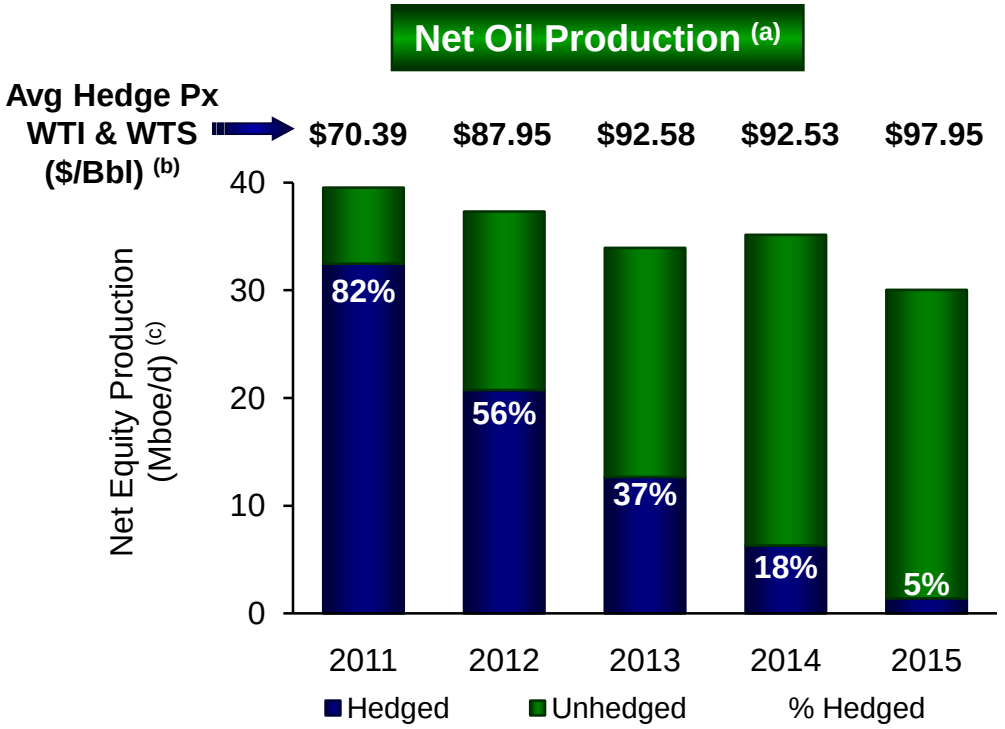


(a) All figures through / as of 2/28/2011; see footnotes on slide 7 for explanation of total return calculations
(b) Calculation of share dividend: KMP quarterly cash distribution per unit KMR 10-day avg price prior to x-date = fractional share paid for every KMR share owned, e.g. $1.13 $64.969 = 0.017393 share; example reflects actual KMR share dividend calculated for 4Q 2010, paid on 2/14/2011; refer to KMP 2010 10-K for more information
(c) KMR market equity based on 94 million KMR shares outstanding (includes 2/14/2011 KMR share dividend)
(d) Purchase of KMR shares and KMP units by directors and officers of KMR/KMP since the KMR IPO in 2001, as reported in SEC Form 4 filings; 7:1 ratio excludes one open market purchase of KMP units relating to an arrangement requiring cash distributions for payment of interest

KMP CO_2 Oil Production Hedge Profile

- **Avoid businesses with direct commodity exposure**
- **Hedge CO_2 BOE equivalent**
  - Targeted minimum hedge amounts:

    Current Year: 75%
    Yr-2: 50%
    Yr-3: 30%
    Yr-4: 10%
    Yr-5: 0%



(a) Reflects current hedge position as of 3/7/2011
(b) Where collars are used, pricing incorporated into average hedge price is the collar floor; for swaps and puts, strike price net of premium is used
(c) Net equity production: 2011 = budget; 2012-2015 = based on Netherland, Sewell reserve report plus Katz project barrels; includes heavier NGL components (C4+)

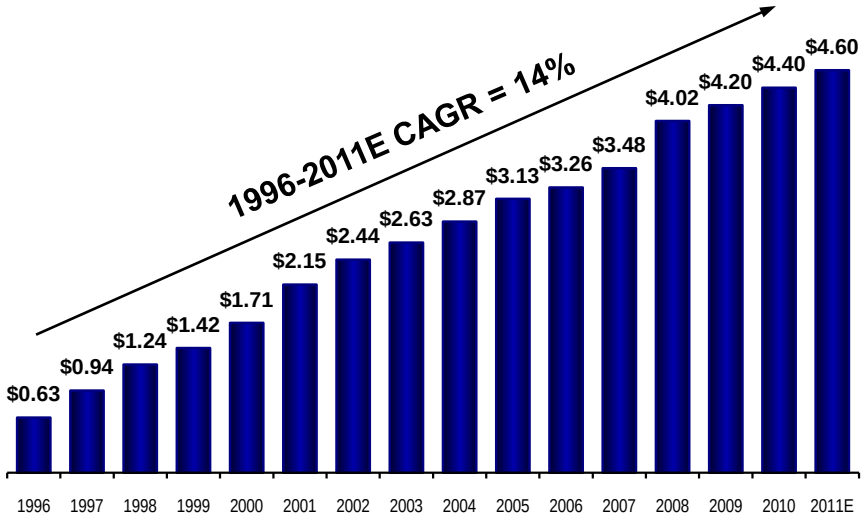
KMP Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC cases
  - Periodic rate reviews
  - Unexpected policy changes
- **Crude Oil Production Volumes**
- **Crude Oil Prices**
  - 2011 budget assumes $89/Bbl realized price on unhedged barrels
  - 2011 sensitivity is ~$5.0 million DCF per $1/Bbl change in crude oil prices
- **Economically Sensitive Businesses (e.g., steel terminals)**
- **Environmental**
- **Terrorism**
- **Interest Rates**
  - ~50% floating rate debt
  - The full-year impact of a 100-bp increase in rates equates to an approximate $60 million increase in interest expense

KMP Focused on Distribution Growth

- **History of Delivering Distribution Growth [(a)]:**
  - 1-year growth = 4.8%
  - 3-year growth = 8.1%
  - 5-year growth = 7.0%

Annual LP Distribution Per Unit [(b)]



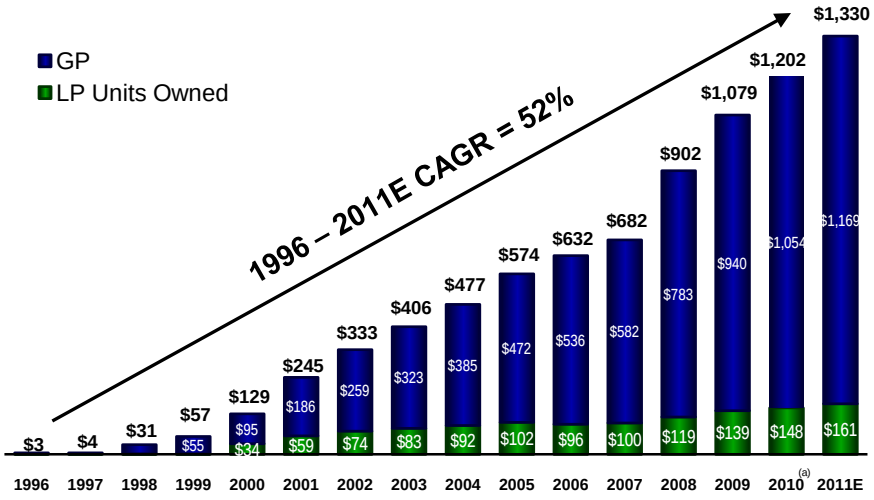
Target 5% LP distribution growth going forward

(a) Compound annual growth in KMP LP distributions per unit for the 1-year, 3-year and 5-year periods ending 12/31/2010
(b) Annual LP distribution, rounded to 2 decimals where applicable

KMP Drives KMI Growth

- Substantial cash flow
- Minimal capital expenditures at KMI level
- Strong balance sheet
- Growing distributions and investment at KMP drive KMI dividend growth

KMP Cash Distributions Received by KMI



5% LP distribution growth generates 10-11% growth at KMI

(a) In 2010, total distributions paid to KMI (GP + LP) were $1,032 million. These distributions to KMI would have been $1,202 million ($170 million greater) if all distributions paid in August 2010 had been cash from operations, rather than a portion being a distribution to the LPs of cash from interim capital transactions; the GP receives only 2% of distributions of cash from interim capital transactions

Operational Excellence

Steve Kean

Chief Operating Officer

Operations Goals – Safe, Reliable, Efficient Operations

- Continuous reduction in risk to the public, employees, contractors, assets and the environment
- Continuous improvement in the efficiency and productivity of existing operations
- Well-executed expansions and effective integration of acquired operations
- Establish culture of excellence in operations

Efficiency

- **Part of weekly asset review**
  - Throughput
  - Operating costs (including energy use and L&U)
  - Sustaining capex updates
- **Detailed, “bottoms up” budget process for operating expenses and sustaining capex**
  - Separately identify safety and compliance needs; separately track spending on those items
- **Shared best practices on common activities**
  - Working groups
  - Quarterly KM operations meeting

Sustaining Capex

- **From 2008-2011:**
  - Annual sustaining capital expenditures increased by 24% (25% YOY 2010-2011B)
- **Increases in sustaining capex due to:**
  - Asset additions (expansions and acquisitions)
  - Increased environmental and compliance spending – remediation, tank integrity program
  - Compressor turbine overhauls on new projects (due to high utilization)
  - Pipeline relocation expenses
- **Partial offsets from regulatory or contractual recovery**
- **Sustaining capex budgets designed to achieve safety, compliance and reliability**

Risk Reduction - Overview

- **Focus on immediate risk reduction opportunities**
- **Build the systems to make compliance routine**
- **Discussion of pipeline risks**
  - Pipeline integrity
  - Damage prevention
- **Incident rates**

Implementation Plan

Immediate Risk Reduction

- ROW protection programs
- Liquids pipeline O&M re-write
- EHS (environmental, health and safety) "boot camps" in Terminals
- Audits and assessments (annual program)
- Acceleration of certain pipeline integrity work
- PSM/RMP compliance
- Tank and in-facility pipe integrity program
- Terminals SQE (safety, quality and environmental) ongoing

Systems-making Compliance Routine

- Addressing operations performance in our existing processes — Operations Management System
  - Annual budget
  - Compensation
  - QBR's
  - Operations quarterly meetings
  - Monthly business unit meetings
  - Monthly major projects review
  - Weekly asset meetings
- Compliance systems
  - OpsInfo extension (2008 – 11)
  - Datastream
  - Petris
  - Audit tracking system
  - Exceptions reported to business unit management
- Incident and near miss reporting systems
  - ERL
  - STARS
  - Incident Review Committee

Continuous Improvement

- Systems Improvement and extension
- Measuring, meeting, adjusting
- Training
- Auditing
- Working Groups – share best practices across Kinder Morgan

Compliance Summary

- **Key elements:**
  1. Clear statement of requirement, assignment of responsibility and deadline for completion, and
  2. Exception reporting to management
- **Performance:**
  - OpsInfo expanded to nearly 90,000 compliance actions per year
    - Timely compliance: 99.5% in 2010
- **Other items tracked: regulatory changes, audit exceptions tracked and closed**

Compliance Summary – Cont'd

Business Unit	Env. Permits Hazardous Waste / Transport SPCC [a]	Safety	PSM / RMP [b]	DOT and DOT Maintenance	Security	Contractors	Damage Prevention
Natural Gas Pipelines	OpsInfo	INFOR EAM	OpsInfo & AAT	INFOR EAM	OpsInfo	ISNetworld	Petris
Products Pipelines	OpsInfo	OpsInfo	OpsInfo & AAT	OpsInfo	OpsInfo	ISNetworld	Petris
Terminals	OpsInfo	OpsInfo	OPSInfo & AAT	OpsInfo	OpsInfo	ISNetworld	Petris
Kinder Morgan Canada	OpsInfo	OpsInfo for Trans Mountain & IVARA for Platte & Express	*Regulations are Not Applicable*	OpsInfo	IVARA	ISNetworld	Petris
CO_2	OpsInfo	OpsInfo	OpsInfo & AAT	OpsInfo	OpsInfo	ISNetworld	Petris

(a) "SPCC" = Spill Prevention Control and Countermeasures
(b) "PSM" = Process Safety Management
"RMP" = Risk Management Plan

Pipeline Risks

- Pipeline integrity
- Excavation/construction damage

Pipeline Integrity Summary – Pipeline ROW

Business Segment	% of HCA [(a)] miles assessed	% of HCA using direct assessment (DA)
Natural Gas Pipelines	90% (100% by 12/31/12)	< 0.1%
Products Pipelines & Terminals	100%	0%
CO_2 – S&T	100%	Relies on DA
– Oil	100%	0%
Kinder Morgan Canada	100%	0%

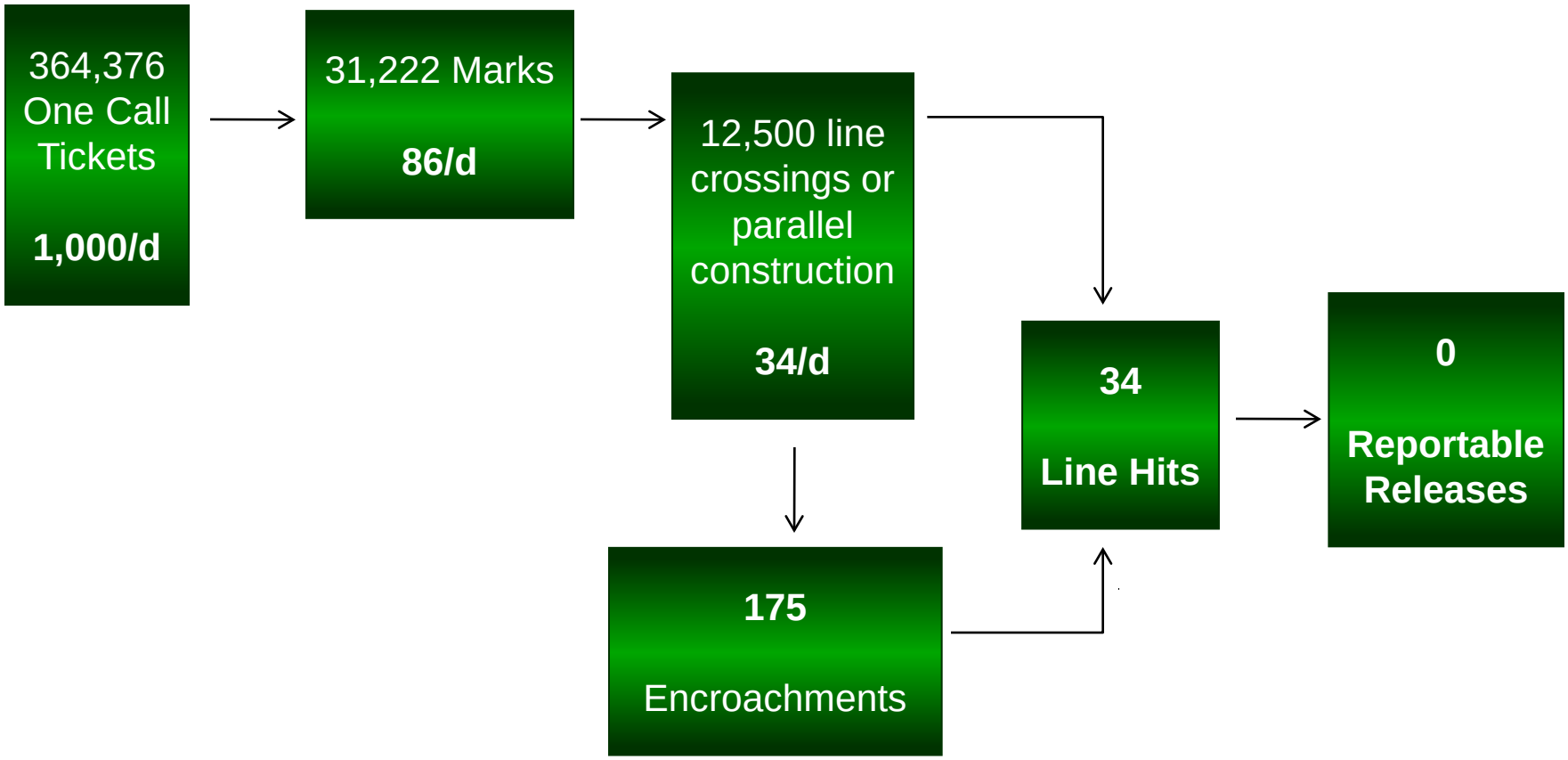
- **Kinder Morgan does not have cast iron, plastic, or mechanically coupled pipe on ROW**
- **CO_2 – there is no 30” in-line inspection (ILI) tool for liquid-phase CO_2; Kinder Morgan is using ILI for gas-phase CO_2 lines**

(a) High consequence area

Excavation / Construction Damage

- **“One call” statutes, pipeline markers and public communication / education programs**
- **Additional KM protections**
  - Increased ROW protection force (added 158 positions 2004–08); total pool of 950 qualified personnel; 519 actually performing ROW protection tasks in 2010
    - Special training program (“ROW college”)
    - Added supervisors and subject matter experts
  - Revised O&M procedures
    - Marking intervals
    - Presence/monitoring by KM personnel
    - Line sweeps (metal detectors)
    - Calibrated to best industry practice
    - Advanced electronic documentation
  - More frequent aerial/ground patrols
  - Detailed tracking and reporting to identify higher risk activities
  - Daily exception reports to damage prevention management

2010 ROW Data




SNIPER
ON DUTY
CALL
BEFORE
DIGGING
325-573-2422
02/29/2008

Remaining Risks / Mitigation

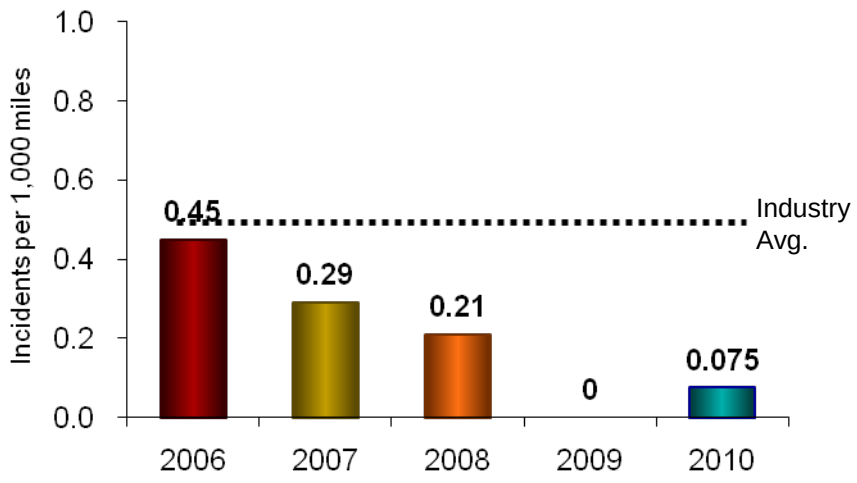
Risks	Mitigation
Undetectable / difficult-to-detect flaws	• Working on advanced technology/techniques
One call gaps / non compliance	• Tighter monitoring rules • More frequent patrols

Various Legislative Proposals - Impact

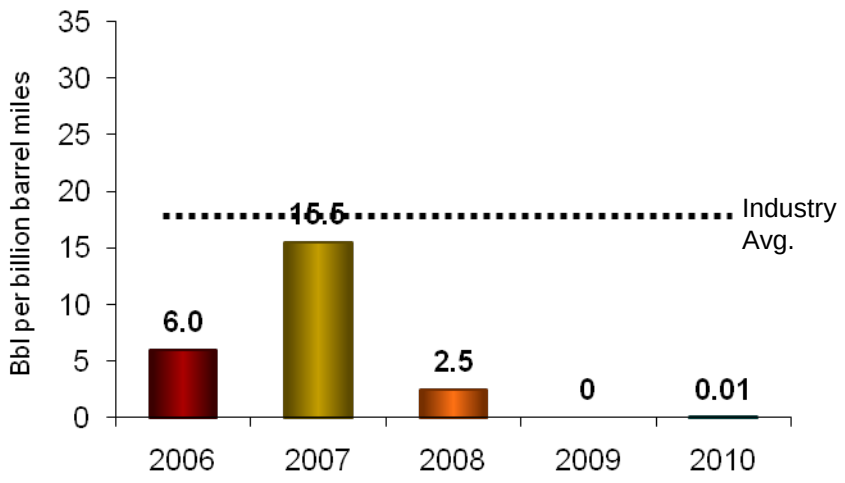
- **Do not expect material impact from final legislation**
- **Extending HCA Requirements to non-HCAs**
  - Not expected to extend much beyond what Kinder Morgan already does in non-HCAs
- **Remote controlled or automatic shut off values**
  - Already in widespread use
  - Potential additional investment may be required in Kinder Morgan Canada and CO_2
  - Not expected to extend much beyond what Kinder Morgan already does
- **Leak detection**
  - Limited efficacy beyond our existing systems; could be costly to deploy

Incidents & Releases: Liquids Pipeline ROW

Liquids Pipeline Incidents per 1,000 Miles [(a)]



Liquids Pipeline Release Rate [(a)]



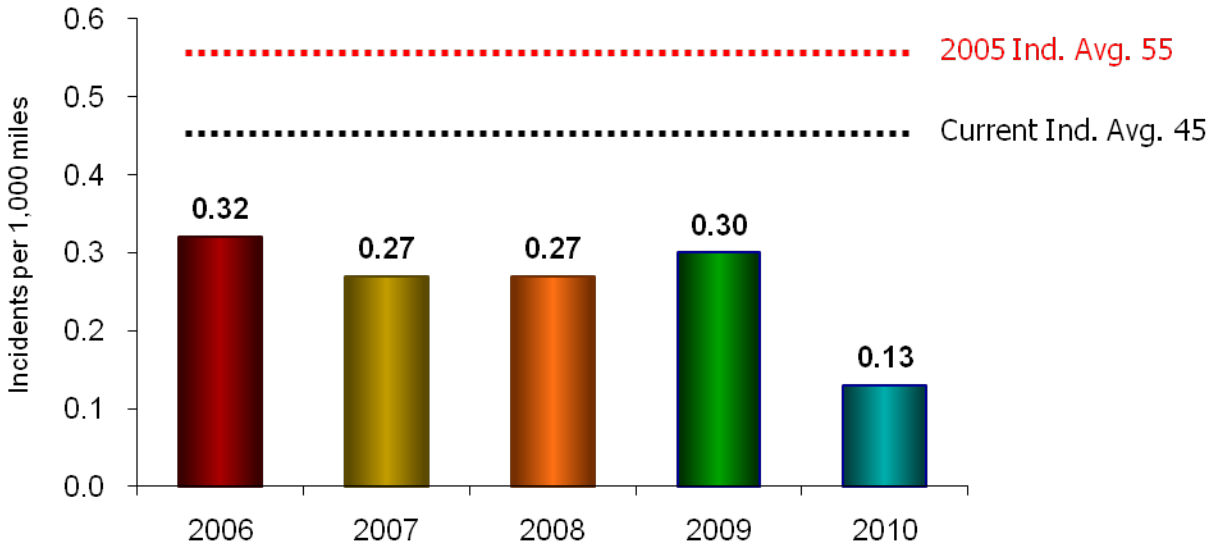
Note: KM totals exclude non-DOT jurisdictional CO2 Gathering and Crude Gathering for compatibility with industry comparisons.

(a) Failures involving onshore pipelines that occurred on the ROW, including valve sites, in which there is a release of the liquid or carbon dioxide transported resulting in any of the following:

(1) Explosion or fire not intentionally set by the operator
(2) Release 5 barrels or greater. (NOTE: PHMSA does not record system location for releases less than 5 barrels)
(3) Death of any person;
(4) Personal injury necessitating hospitalization;
(5) Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding $50,000. Not included: natural gas transportation assets.

Incidents & Releases: Natural Gas Pipeline ROW

Natural Gas Pipeline Incidents Rate [(a)]



Note: KM totals exclude non-DOT jurisdictional CO_2 Gathering and Crude Gathering for compatibility with industry comparisons.

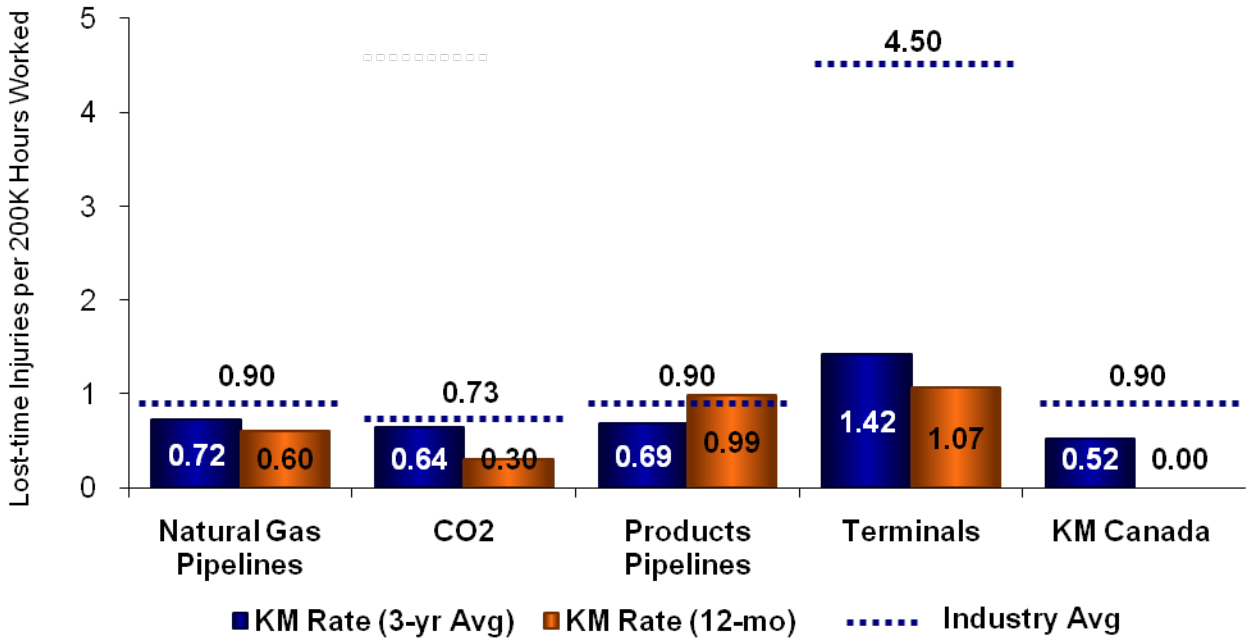
(a) An Incident means any of the following events:

(1) An event that involves a release of gas from a pipeline or of a liquefied natural gas or gas from an LNG Facility and
  (i) A death, or personal injury necessitating in-patient hospitalization; or
  (ii) Estimated property damage, including cost of gas lost, of the operator or others, or both, of $50,000 or more.

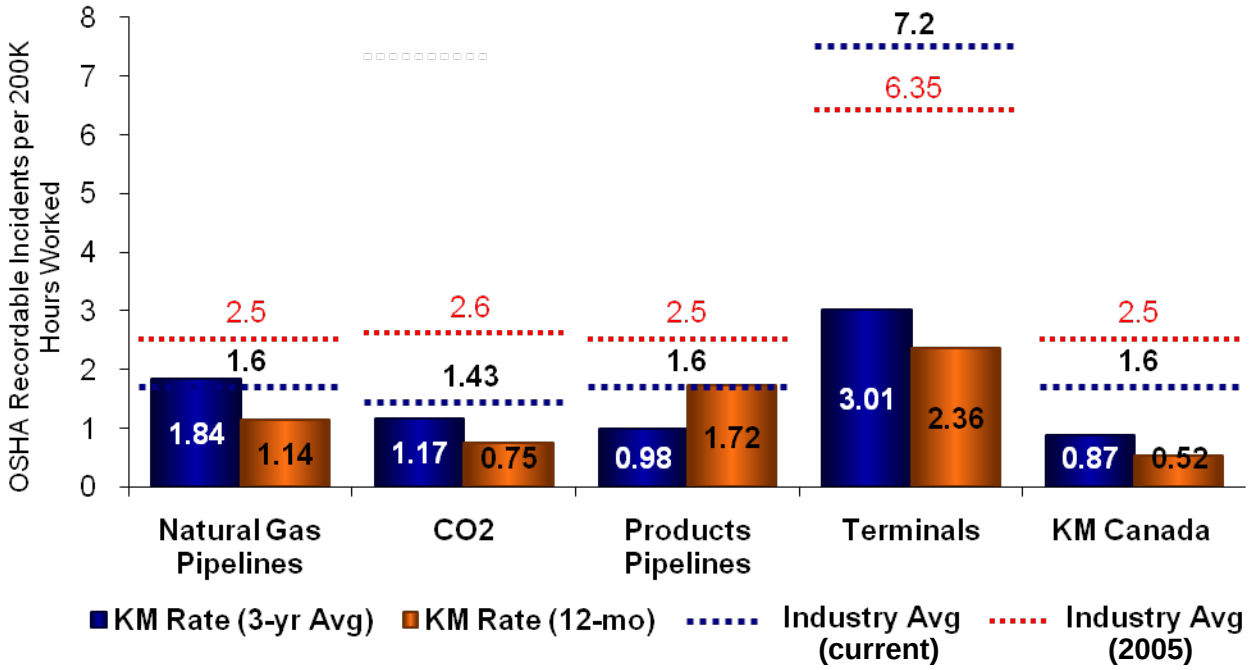
(2) An event that results in an emergency shutdown of an LNG facility.

(3) An event that is significant, in the judgment of the operator, even though it did not meet the criteria of paragraphs (1) or (2).

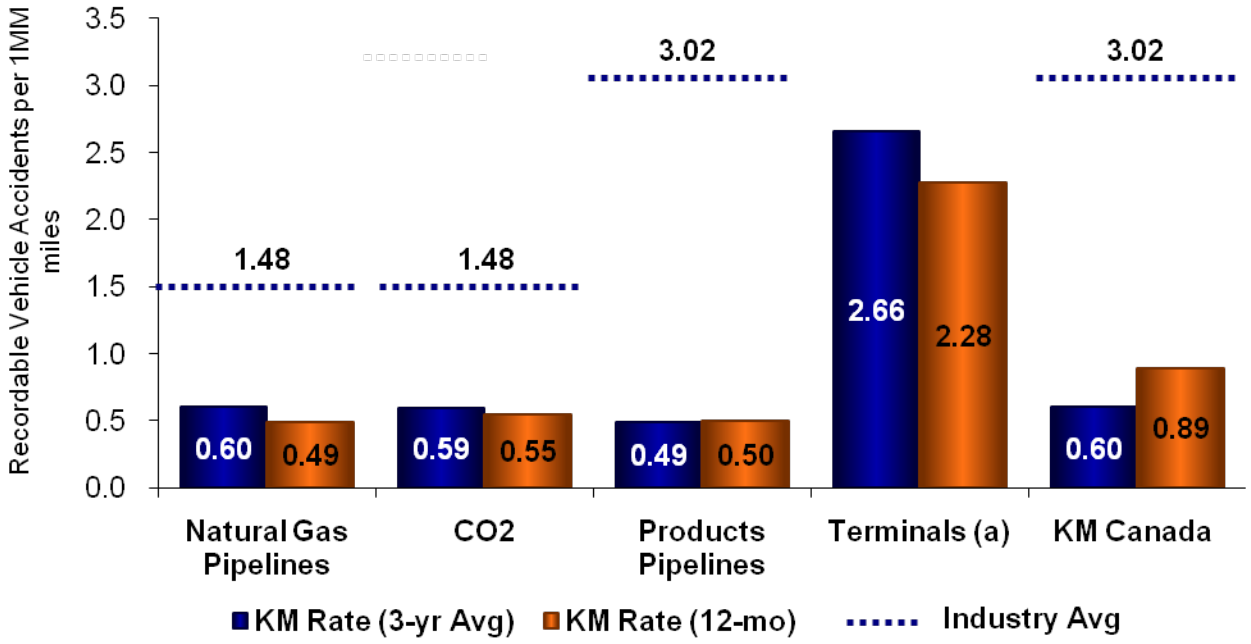
Lost-time Incident Rate (DART)



OSHA Recordable Incident Rate



Vehicle Incident Rate



(a) Industry average not available for Terminals

2011 Objectives

- Incident rates: better than industry average and better than the Kinder Morgan 3-year average; zero significant incidents
- Extension of compliance systems to additional requirements
- Terminals SQE program
- Continued special emphasis on high consequence assets and operations
- Efficiency gains on common operations / activities


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