KINDER MORGAN INC.

Run By Shareholders, For Shareholders

Kimberly Dang
Chief Financial Officer

February 25, 2015

Forward-Looking Statements / Non-GAAP Financial Measures

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 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, 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. Please read "Risk Factors" and "Information Regarding Forward-Looking Statements" in our most recent Annual Report on Form 10-K and our subsequently filed Exchange Act reports, which are available through the SEC's EDGAR system at www.sec.gov and on our website at www.kindermorgan.com.

We use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Our reconciliation of non-GAAP financial measures to comparable GAAP measures can be found in the Appendix to our Analyst Day presentation, dated 1/28/2015, on our website at www.kindermorgan.com. These non-GAAP measures should not be considered an alternative to GAAP financial measures.

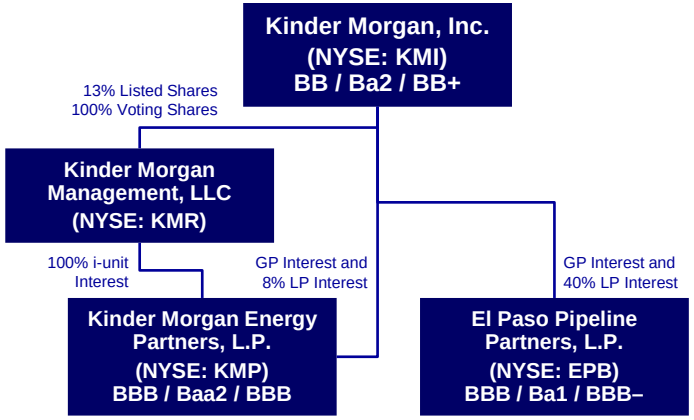
KMI Acquisition of KMP, KMR & EPB

Simplicity is Bliss

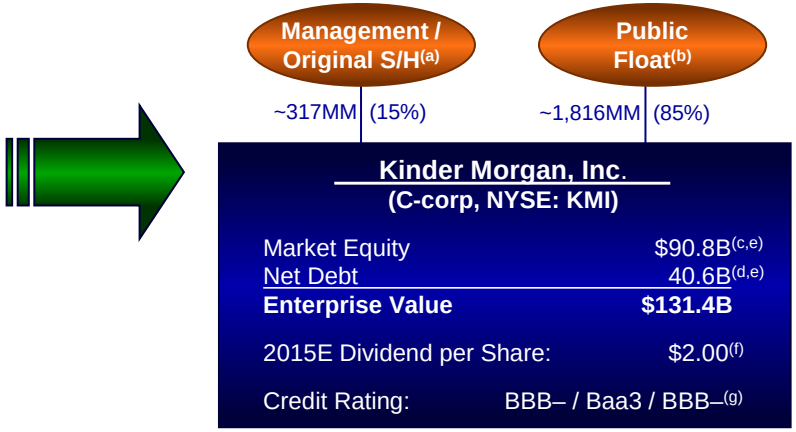
Value enhancing combination paves way for significant growth, simplifies structure

- **$77 billion transaction closed 11/26/2014**
- **Greater dividend growth and visibility**
  - 2015 budgeted dividend of $2.00 (15% growth over 2014)
  - 10% annual growth expected through 2020
  - Expect substantial dividend coverage, even in lower commodity price environment
- **Significantly lower cost of capital to pursue expansion and acquisition opportunities**
- **New, simplified, investment grade public c-corp structure**

Prior Public Structure



Simplified Public Structure



Greatly simplified structure:

- One equity base
- One dividend policy
- One debt rating
- No structural subordination
- No incentive distribution rights

(a) Includes Form-4 filers and unvested restricted shares.
(b) Includes ~69MM share stake held by sponsor Highstar Capital.
(c) Market prices as of 2/19/2015; KMI market equity based on ~2,133 million shares outstanding (including restricted shares) at a price of $42.01 and ~298 million warrants at a price of $4.13.
(d) Debt of KMI and its consolidated subsidiaries as of 12/31/2014, net of cash and excluding fair value adjustments and Kinder Morgan G.P., Inc.'s $100 million preferred stock due 2057.
(e) Figures not adjusted for 2/13/2015 acquisition of Hiland Partners.
(f) Declared dividend per share per 2015 budget.
(g) KMI corporate credit ratings with Stable outlook from S&P, Moody's and Fitch, respectively.

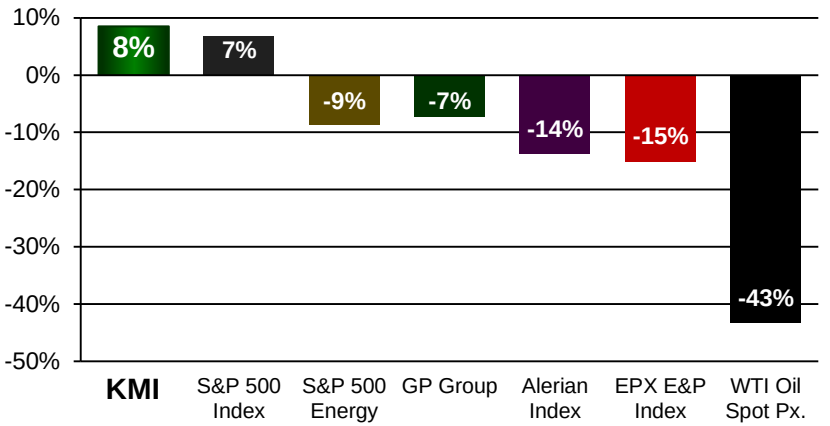
Set to Weather the Storm

- **Low commodity price sensitivity**
  - 2015 budgeted EBDA is ~85% fee-based, ~94% fee-based or hedged
  - $1/Bbl change in oil price = $10 million DCF impact; 10¢/MMBtu change in natural gas price = $3 million DCF impact
- **Existing backlog largely insulated from oil price fluctuation due to long-term customer contracts and association with high-demand, multi-year projects**
  - In sustained low price environment, the rate at which we add to our backlog may slow
  - Capital cost savings are possible
- **Significant demand creation expected with lower-priced petroleum feedstocks**
- **Acquisition opportunities**

Weathering the High Seas[(a)]

- **Oil last closed above $90/Bbl on 10/6/2014**
- **Oil prices significantly lower today, down nearly 50%**
- **Safe harbor: KMI has demonstrated strong relative stock performance since 10/6/2014**

Stock Price Since Oil was last $90[(a)]



(a) Source: Bloomberg. Prices as of 2/19/2015; price performance from 10/6/2014 through 2/19/2015.
(b) GP Group comprised of: Energy Transfer Equity, L.P., Enlink Midstream, LLC, ONEOK, Inc., Plains GP Holdings, L.P., Spectra Energy Corp., Targa Resources Corp., Williams Companies, Inc.

Our Strategy

Stay the Course

Same Strategy Since Inception

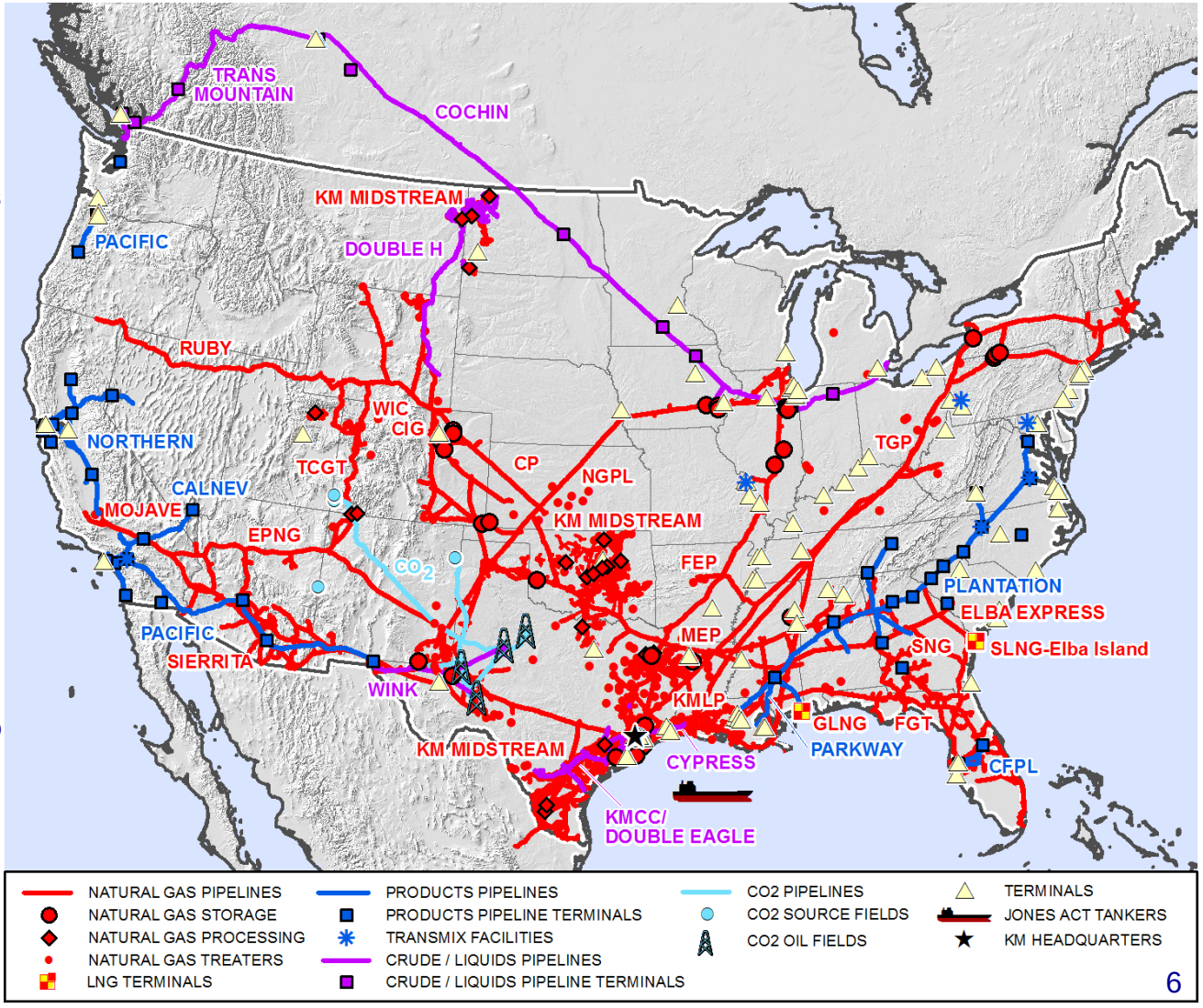
- **Focus on stable fee-based assets that are core to North American energy infrastructure**
  - Market leader in each of our business segments
- **Control costs**
  - It's investors' money, not management's – treat it that way
- **Leverage asset footprint to seek attractive capital investment opportunities, both expansion and acquisition**
  - Since 1997, Kinder Morgan has completed approximately $26 billion in acquisitions and invested approximately $22 billion in greenfield / expansion projects[(a)]
  - We believe our new lower cost of capital at investing entity will increase our investment opportunity set
- **Maintaining strong balance sheet is paramount**
  - Accessed capital markets for approximately $46 billion since inception[(b)]
  - Investing entity investment grade since inception
- **Transparency to investors**
- **Keep it simple**
  - Now one publicly traded company instead of four

(a) From 1997 inception through 2014; represents combined investment of KMP (1997-2014) and EPB (2013-2014).
(b) From 1997 inception through 2014; represents combined gross capital raised of KMP (1997-2014) and EPB (2013-2014). Net of refinancing, approximately $42 billion of capital raised.

Unparalleled Asset Footprint

Largest Energy Infrastructure Company in North America

- **3rd largest energy company in N. America with an enterprise value of ~$130 billion**
- **Nearly $18 billion of currently identified organic growth projects**
- **Largest natural gas network in N. America**
  - Own an interest in / operate ~67,000 miles of natural gas pipeline
  - Connected to every important U.S. natural gas resource play, including: Eagle Ford, Marcellus, Utica, Bakken, Uinta, Haynesville, Fayetteville and Barnett
- **Largest independent transporter of petroleum products in N. America**
  - Transport ~2.4 MMBbl/d[(a)]
- **Largest transporter of CO_2 in N. America**
  - Transport ~1.4 Bcf/d of CO_2[(a)]
- **Largest independent terminal operator in N. America[(b)]**
  - Own an interest in or operate ~180 liquids / dry bulk terminals[(b)]
  - ~136 MMBbls domestic liquids capacity
  - Handle ~83 MMtons of dry bulk products[(a)]
  - Strong Jones Act shipping position
- **Only Oilsands pipe serving West Coast**
  - Transports ~300 MBbl/d to Vancouver / Washington State; proposed expansion takes capacity to 890 MBbl/d

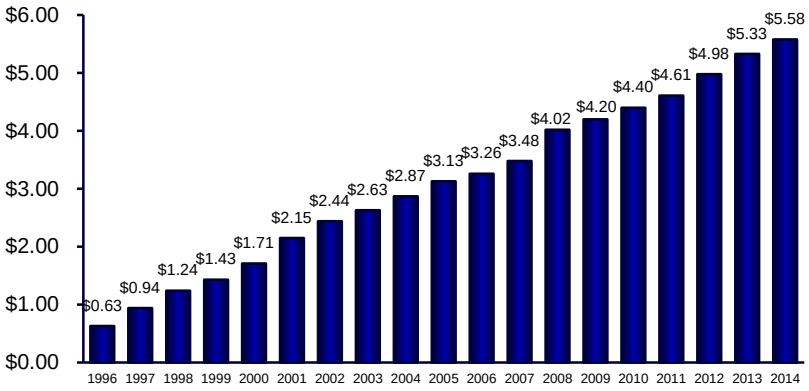


(a) 2015 budgeted volumes.
(b) Includes 31 terminals to be contributed to Watco.

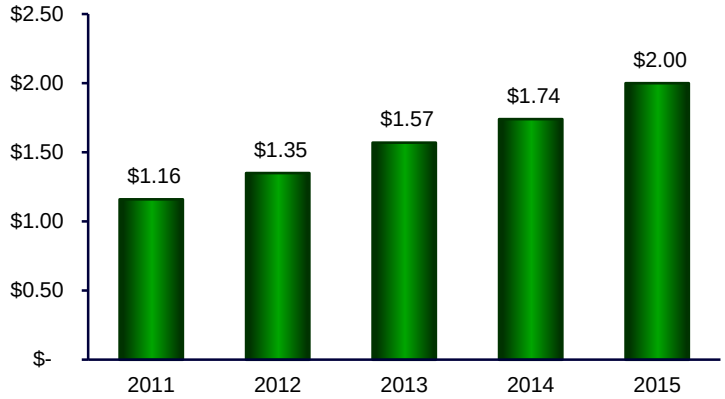
18 Years of Growth

Strategy Has Led to Consistent, Growing Results

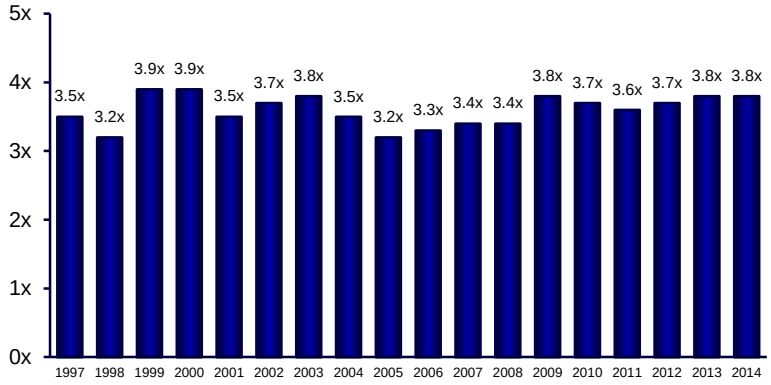
KMP Annual LP Distribution per Unit[(a)]



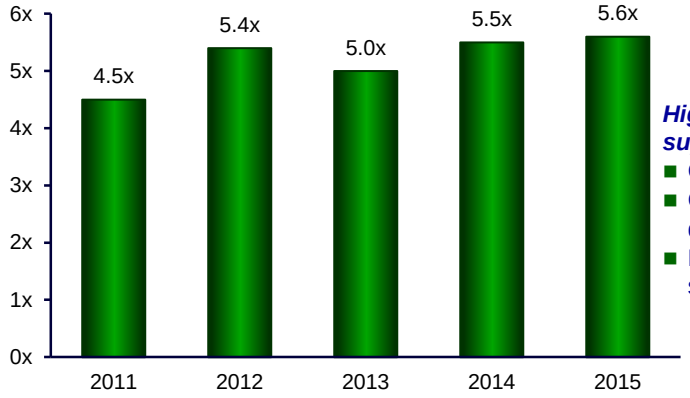
KMI Annual Dividend per Share[(c)]



KMP Net Debt to EBITDA[(b)]



KMI Net Debt to EBITDA[(b)]



Higher leverage supported by:

- Greater scale
- Greater business diversification
- No structural subordination

Note: KMP was Kinder Morgan's primary investment vehicle and held the majority of operating assets from 1996 to 2014.

(a) KMP annual LP declared distributions, rounded to 2 decimals where applicable. 2014 data per budget as KMP was acquired by KMI prior to declaring a 4Q 2014 distribution.

(b) Debt is net of cash and excludes fair value adjustments. KMP 2014 as of 9/30/2014. KMI 2015 per budget.

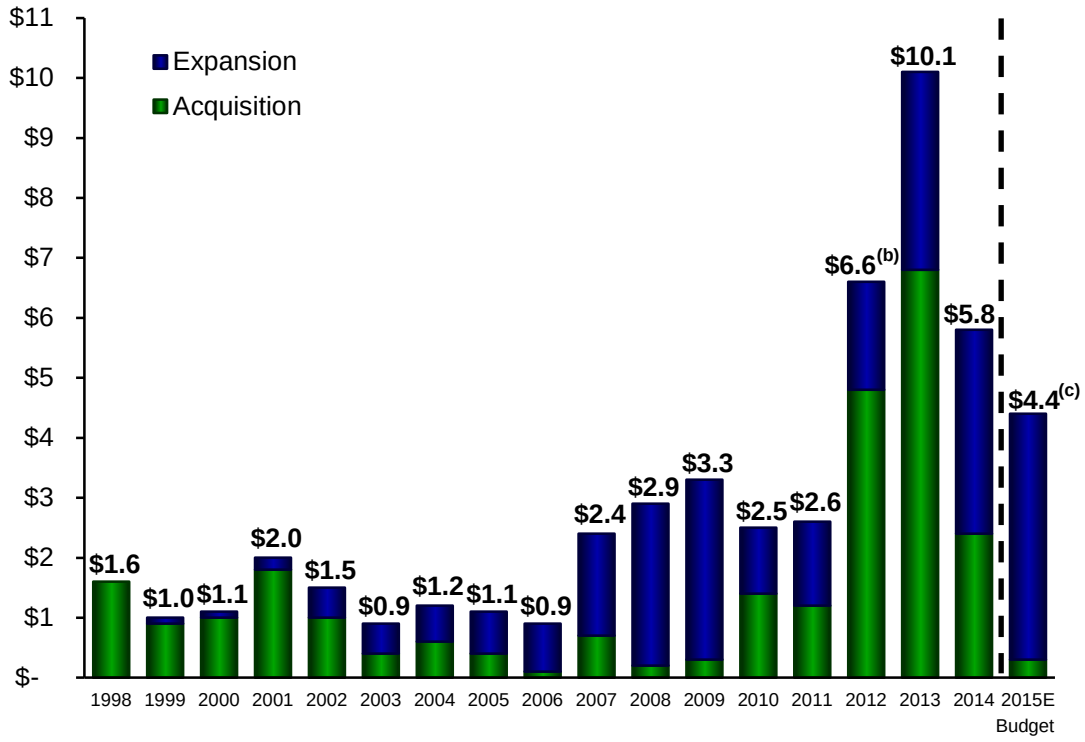
(c) KMI annual declared dividend. 2015 per budget.

Capital Invested

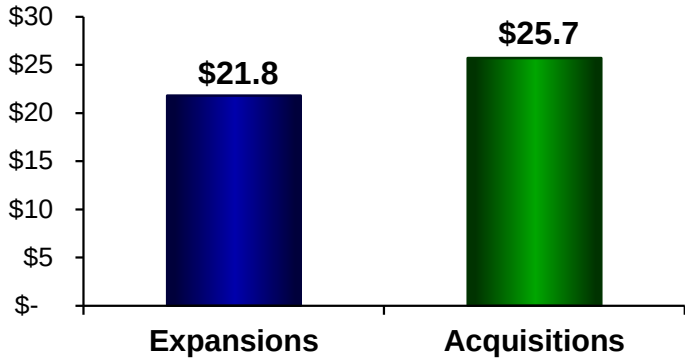
~$48 Billion of Asset Investment & Acquisitions Since Inception[a,b]

($ in billions)

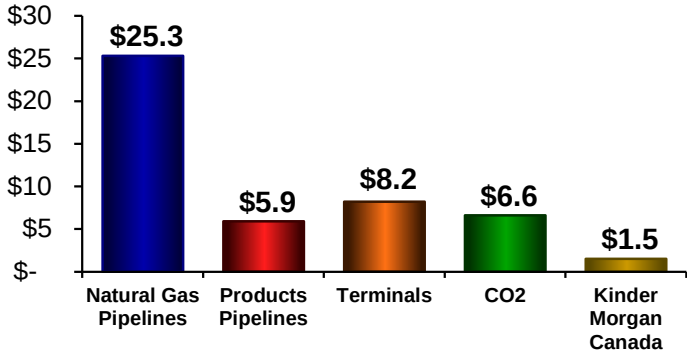
Total Invested by Year



Total Invested by Type



Total Invested by Segment



Note: includes equity contributions to joint ventures.

(a) From 1997 inception through 2014; represents combined investment of KMP (1997-2014) and EPB (2013-2014).

(b) 2012 net of proceeds from FTC Rockies divestiture.

(c) 2015 budget; does not incorporate ~$3.0 billion Hiland acquisition, which closed 2/13/2015.

Returns on Invested Capital

Consistent Returns Demonstrate Asset Performance, Management Discipline

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Segment ROI[a]:															
Natural Gas Pipes–KMP	13.3%	15.5%	12.9%	13.5%	14.0%	15.5%	16.7%	17.5%	16.9%	14.0%	11.9%	11.9%	11.9%	11.6%[b]	11.5%[b]
Natural Gas Pipes–EPB														9.5	9.7
Products Pipelines	11.9	11.8	12.8	12.9	12.4	11.6	11.8	13.2	12.5	13.4	13.7	12.9	12.1	12.4	12.3
Terminals	19.1	18.2	17.7	18.4	17.8	16.9	17.1	15.8	15.5	15.1	14.6	14.3	13.5	12.1	11.2
CO_2	27.5	24.6	22.0	21.9	23.8	25.7	23.1	21.8	25.9	23.5	25.7	26.2	28.7	26.6	23.3
KM Canada	--	--	--	--	--	--	--	11.0	12.1	12.8	13.7	14.1	16.3	14.8	11.5
Return on Investment	12.3%	12.7%	12.6%	13.1%	13.6%	14.3%	14.4%	14.1%	14.9%	13.9%	13.5%	13.5%	13.6%	11.9%[c]	11.5%[c]
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%	24.0%	24.0%	21.7%[c]	20.2%[c]

Notes: A definition of these measures may be found in the Appendix to our Analyst Day presentation, dated 1/28/2015, on our website at www.kindermorgan.com.
Analysis excludes NGPL and Citrus.

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

(b) The denominator includes approximately $1.1 billion in REX capital not recovered in Nov-2013 sale price (i.e., leave behind). Excluding the leave behind increases the Natural Gas Pipes-KMP ROI to 12.3% and 12.0% in 2013 and 2014, respectively.

(c) Includes EPB in 2013 and 2014. ROI without EPB was 12.6% and 11.9% in 2013 and 2014, respectively, and KMP ROE without EPB was 21.7% and 19.8% in 2013 and 2014, respectively.

Financial Rigor

Promises Made, Promises Kept

Promises Made		Promises Kept	
KMI Budgeted Dividend:		**KMI Actual Dividend:**	
2011: $1.16[(a)]		2011: $1.20[(a)]	***KMI has exceeded its dividend target in each of past 4 yrs.***
2012: $1.35		2012: $1.40	
2013: $1.57		2013: $1.60	
2014: $1.72		2014: $1.74	
KMP Budgeted LP Distribution:		**KMP Actual LP Distribution:**	
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	***KMP achieved or exceeded LP distribution target in 14 out of 15 years***
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	
2011: $4.60		2011: $4.61	
2012: $4.98		2012: $4.98	
2013: $5.28		2013: $5.33	
2014: $4.17[(b)]		2014: $4.17[(b)]	

(a) Presented as if KMI were publicly traded for all of 2011.
(b) First three quarters only as KMP was acquired prior to declaring 4Q 2014 distribution.

2015 Budget Guidance

Supported by Diversified, Fee-based Cash Flow

2015 Budget

- **KMI 2015 budgeted dividend of $2.00 per share**
  - 15% growth over 2014
  - Excess coverage of ~$654 million
- **Growth capex of ~$4.4 billion in expansions (including JV contributions) and small acquisitions**
- **Year-end 2015 debt to EBITDA ratio of 5.6x**
- **2015 budget assumes WTI oil price of $70/Bbl and natural gas price of $3.80/MMBtu**
  - $1/Bbl change in oil price = $10 million DCF impact
  - 10¢/MMBtu change in natural gas price = $3 million DCF impact
- **Segment EBDA[(a)] of ~$8.2 billion**

Commodity Price Sensitivity

- 2015 budgeted coverage over declared dividend of $654 million (assumes $70/Bbl oil price and $3.80/MMBtu natural gas price)
- Expected 2015 coverage under various commodity price scenarios:

		WTI Oil Price ($/Bbl)					
		$ 80	**$ 70**	$ 60	$ 50	$ 40
Natural Gas Price ($/MMBtu)	$ 4.50	$ 775	$ 675	$ 575	$ 475	$ 375
	$ 4.00	$ 760	$ 660	$ 560	$ 460	$ 360
	$ 3.80	$ 754	**$ 654**	$ 554	$ 454	$ 354
	$ 3.50	$ 745	$ 645	$ 545	$ 445	$ 345
	$ 3.00	$ 730	$ 630	$ 530	$ 430	$ 330
	$ 2.50	$ 715	$ 615	$ 515	$ 415	$ 315

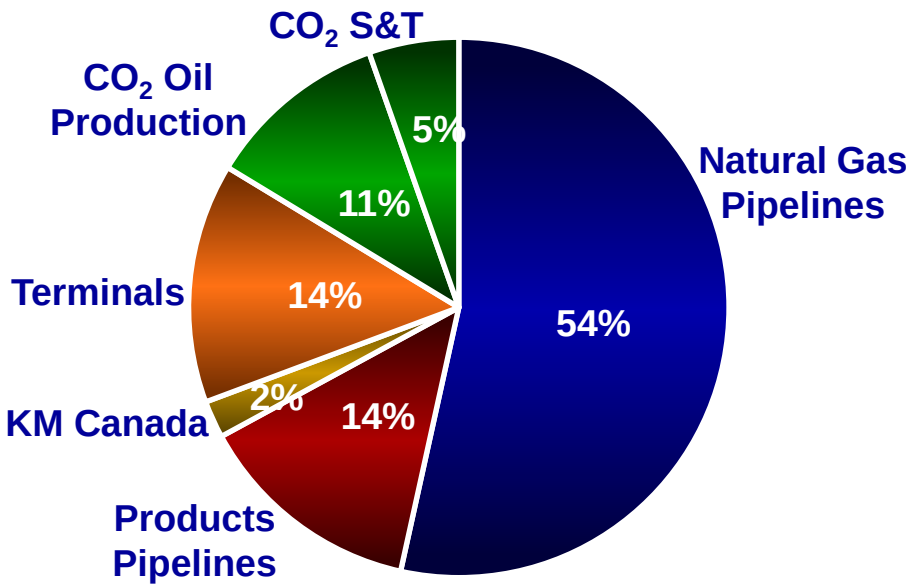
- Sensitivities based on **full-year** average price changes from budget
- Sensitivities intended to be an approximation only and assume no additional hedges are added throughout the year
- Does not take into account potential cost savings in lower price environment

(a) Segment earnings before DD&A including proportionate amount of JV DD&A and excluding certain items.

2015 Budgeted Segment Profile

Driven by Natural Gas

2015 Budgeted Segment EBDA = $8.2 billion[a]



~85% of cash flows fee-based for 2015; ~94% fee-based or hedged

Natural Gas Pipelines

- 71% interstate pipelines
- 21% gathering, processing & treating
- 8% intrastate pipelines & storage

Products Pipelines

- 61% pipelines
- 39% associated terminals & transmix

Terminals

- 66% liquids
- 34% bulk

CO_2

- 33% CO_2 transport and sales
- 67% oil production-related
  - Production hedged[b]:
    2015=79% ($80)
    2016=50% ($79)
    2017=32% ($79)
    2018=20% ($81)

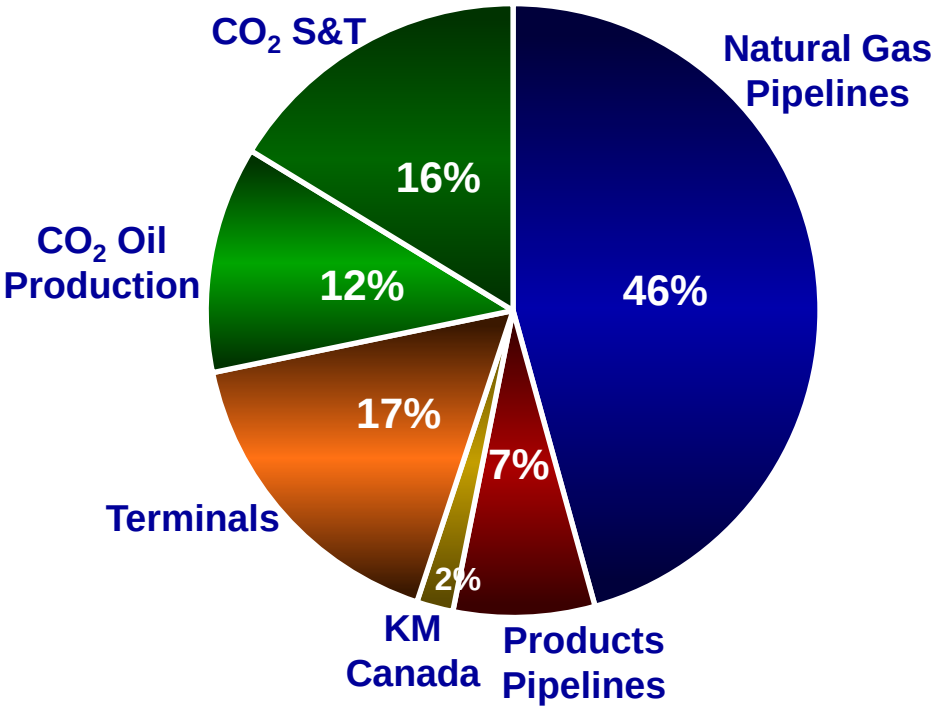
Kinder Morgan Canada

- 100% petroleum pipelines

(a) 2015 budgeted segment earnings before DD&A including proportionate amount of JV DD&A and excluding certain items.
(b) Percent of estimated net crude oil and heavy natural gas liquids production (C4+).

2015 Growth Expenditure Budget

2015 Growth Capital Budget
= $4.4 billion



Notes: Includes equity contributions to joint ventures of $251 million and acquisitions of $340 million.
Does not incorporate ~$3.0 billion Hiland acquisition, which closed 2/13/2015.

5-year Project Backlog[(a)]

Nearly $18 Billion of Currently Identified Organic Growth Projects

Tremendous footprint provides $17.6B of currently identified growth projects over next 5 years

5-year Growth Capex Backlog ($B)

	2015	2016	2017	2017+	Total
Natural Gas Pipelines	$0.6	$0.5	$1.9	$1.6	$4.6
Products Pipelines	0.6		0.8	0.5	1.9
Terminals	0.5	0.3	1.2	0.1	2.1
CO_2 – S&T[(b)]	0.5	0.2	0.2	0.9	1.8
CO_2 – EOR[(b)] Oil Production	0.4	0.4	0.3	0.7	1.8
Kinder Morgan Canada				5.4	5.4
Total	$2.6	$1.4	$4.4	$9.2	$17.6

~90% of backlog is for fee-based pipelines, terminals and associated facilities

Not included in backlog:

- **Marcellus / Utica liquids pipeline solution (UMTP)**
- **Further LNG export opportunities**
- **Large TGP Northeast expansion (NED)**
- **Potential acquisitions**

(a) Highly-visible backlog consists of current projects for which commercial contracts have been either secured, or are at an advanced stage of negotiation. Total capital expenditures for each project, shown in year of expected in-service; projects in-service prior to 12/31/2014 excluded. Includes KM's proportionate share of non-wholly owned projects. Excludes estimated capitalized corporate overhead of $860 million.
Does not incorporate backlog attributable to Hiland acquisition, which closed 2/13/2015.

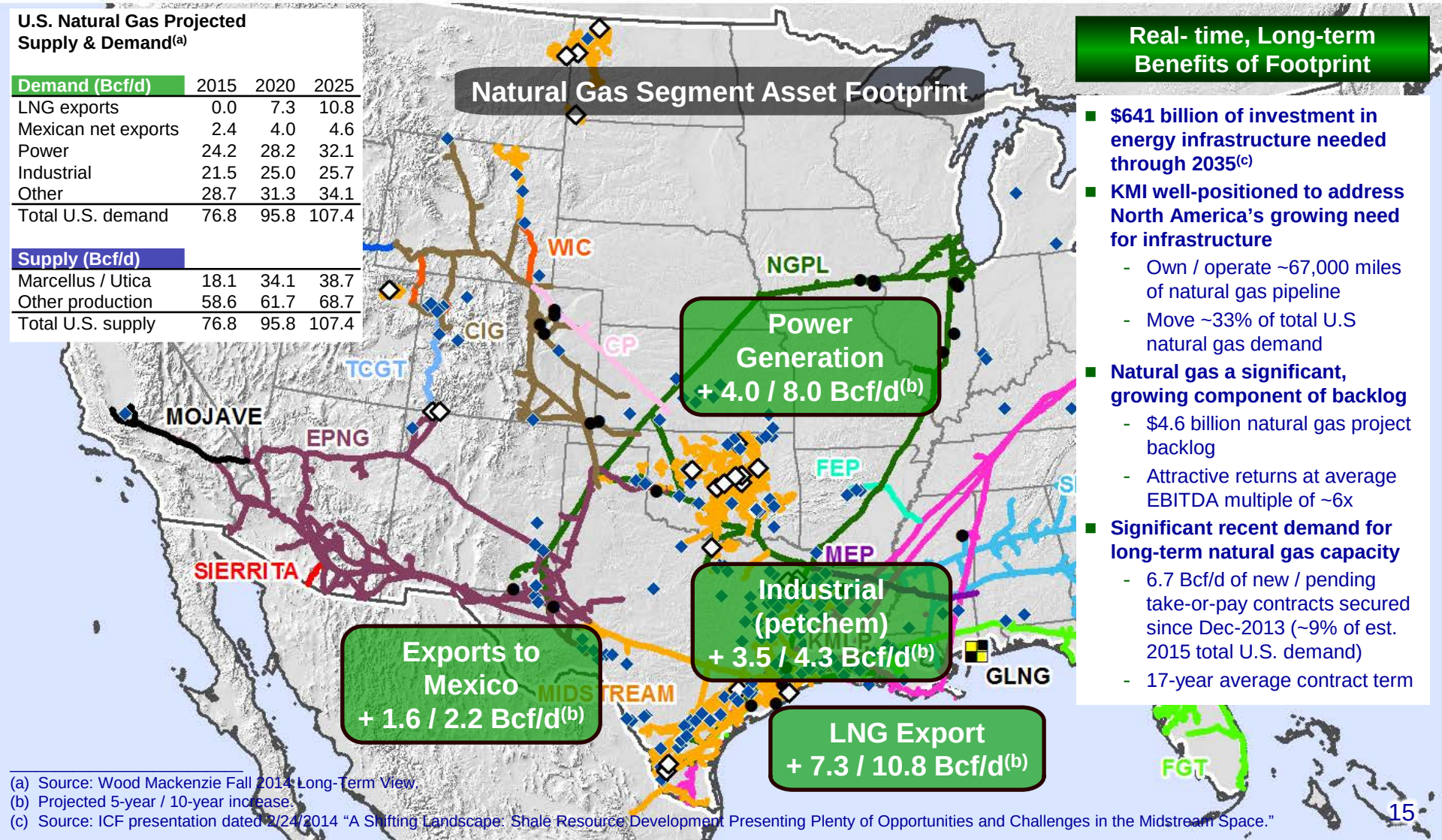
(b) S&T = CO_2 Sales & Transportation. EOR = Enhanced Oil Recovery.

Natural Gas Megatrend

Strong Natural Gas Footprint & Market Opportunity Set

U.S. Natural Gas Projected Supply & Demand[a]

Demand (Bcf/d)	2015	2020	2025
LNG exports	0.0	7.3	10.8
Mexican net exports	2.4	4.0	4.6
Power	24.2	28.2	32.1
Industrial	21.5	25.0	25.7
Other	28.7	31.3	34.1
Total U.S. demand	76.8	95.8	107.4
Supply (Bcf/d)			
Marcellus / Utica	18.1	34.1	38.7
Other production	58.6	61.7	68.7
Total U.S. supply	76.8	95.8	107.4



Real- time, Long-term Benefits of Footprint

- **$641 billion of investment in energy infrastructure needed through 2035[c]**
- **KMI well-positioned to address North America's growing need for infrastructure**
  - Own / operate ~67,000 miles of natural gas pipeline
  - Move ~33% of total U.S natural gas demand
- **Natural gas a significant, growing component of backlog**
  - $4.6 billion natural gas project backlog
  - Attractive returns at average EBITDA multiple of ~6x
- **Significant recent demand for long-term natural gas capacity**
  - 6.7 Bcf/d of new / pending take-or-pay contracts secured since Dec-2013 (~9% of est. 2015 total U.S. demand)
  - 17-year average contract term

(a) Source: Wood Mackenzie Fall 2014 Long-Term View.
(b) Projected 5-year / 10-year increase.
(c) Source: ICF presentation dated 2/24/2014 "A Shifting Landscape: Shale Resource Development Presenting Plenty of Opportunities and Challenges in the Midstream Space."

Business Risks

- **Regulatory**
  - Products Pipeline FERC rate cases
  - Natural Gas FERC rate cases
  - Legislative and regulatory changes
- **Crude oil production volumes**
- **Commodity prices**
- **Project cost overruns / in-service delays**
- **Economically sensitive businesses (e.g., steel terminals)**
- **Environmental (e.g., pipeline / asset failures)**
- **Terrorism**
- **Interest rates**
  - FULL-YEAR impact of 100-bp increase in floating rates equates to a pre-tax ~$103 million increase in interest expense[(a)]

(a) As of 12/31/2014 approximately $10.3 billion of KMI's total $40.7 billion in debt was floating rate (net of cash).

KMI: Attractive Value Proposition

- Unparalleled asset footprint
- Diversified energy infrastructure platform with stable, fee-based cash flow
- Industry leader in all business segments
- Highly visible, attractive growth project backlog
- Continued focus on strong balance sheet
- Established track record
- Experienced management team
- Transparency to investors
- Investor-friendly, simple corporate structure

Appendix

Energy Toll Road

Diversified, Fee-based Business Model

	Natural Gas Pipelines	Products Pipelines	Terminals	CO_2	Kinder Morgan Canada
Volume Security	– Interstate & LNG: take or pay – Intrastate: ~75% take or pay[a] – G&P: ~77% fee-based with minimum volume requirements / acreage dedications	– Volume based	– Take or pay, minimum volume guarantees, or requirements	– S&T: primarily minimum volume guarantee – O&G: volume-based	– Essentially no volume risk
Avg. Remaining Contract Life	– Interstate: 6.7 years – Intrastate: 5.4 years[a] – G&P: 6.3 years – LNG: 17.4 years	– Not applicable	– Liquids: 4.0 yrs – Bulk: 3.9 yrs – J.A. vessels: 3.6 yrs[b]	– S&T: 9.0 yrs	– 1.0 yr
Pricing Security	– Interstate: primarily fixed based on contract – Intrastate: primarily fixed margin – G&P: primarily fixed price	– PPI + 2.65%	– Based on contract; typically fixed or tied to PPI	– S&T: 86% of revenue protected by floors – O&G: volumes 79% hedged[c]	– Fixed based on toll settlement
Regulatory Security	– Interstate: regulatory return mitigates downside; may receive higher recourse rates for increased costs – Intrastate: essentially market-based – G&P: market-based	– Pipeline: regulatory return mitigates downside – Terminals & transmix: not price regulated[d]	– Not price regulated[d]	– Primarily unregulated	– Regulated return mitigates downside
Commodity Price Exposure	– Interstate: no direct exposure – Intrastate: limited exposure – G&P: limited exposure	– Limited to transmix business	– No direct exposure	– Full-yr impact ~$7MM in DCF per $1/Bbl change in oil price	– No direct exposure

All figures as of 1/1/2015 except where noted, and exclude any potential changes from the Hiland Partners acquisition which closed on 2/13/2015.

(a) Transportation for intrastate pipelines includes term purchase and sale portfolio.

(b) Average remaining contract term for operating tankers (7) and tankers under construction (5) is 3.6 years, or 5.8 years including options to extend. Average remaining contract term for operating tankers-only is 2.6 years, or 4.3 years including options to extend.

(c) Percent of 2015 budgeted net crude oil and heavier natural gas liquids (C4+) production.

(d) Terminals not FERC regulated, except portion of CALNEV.

Natural Gas Pipelines

Segment Outlook

Well-positioned connecting key natural gas resource plays with major demand centers

Project Backlog:

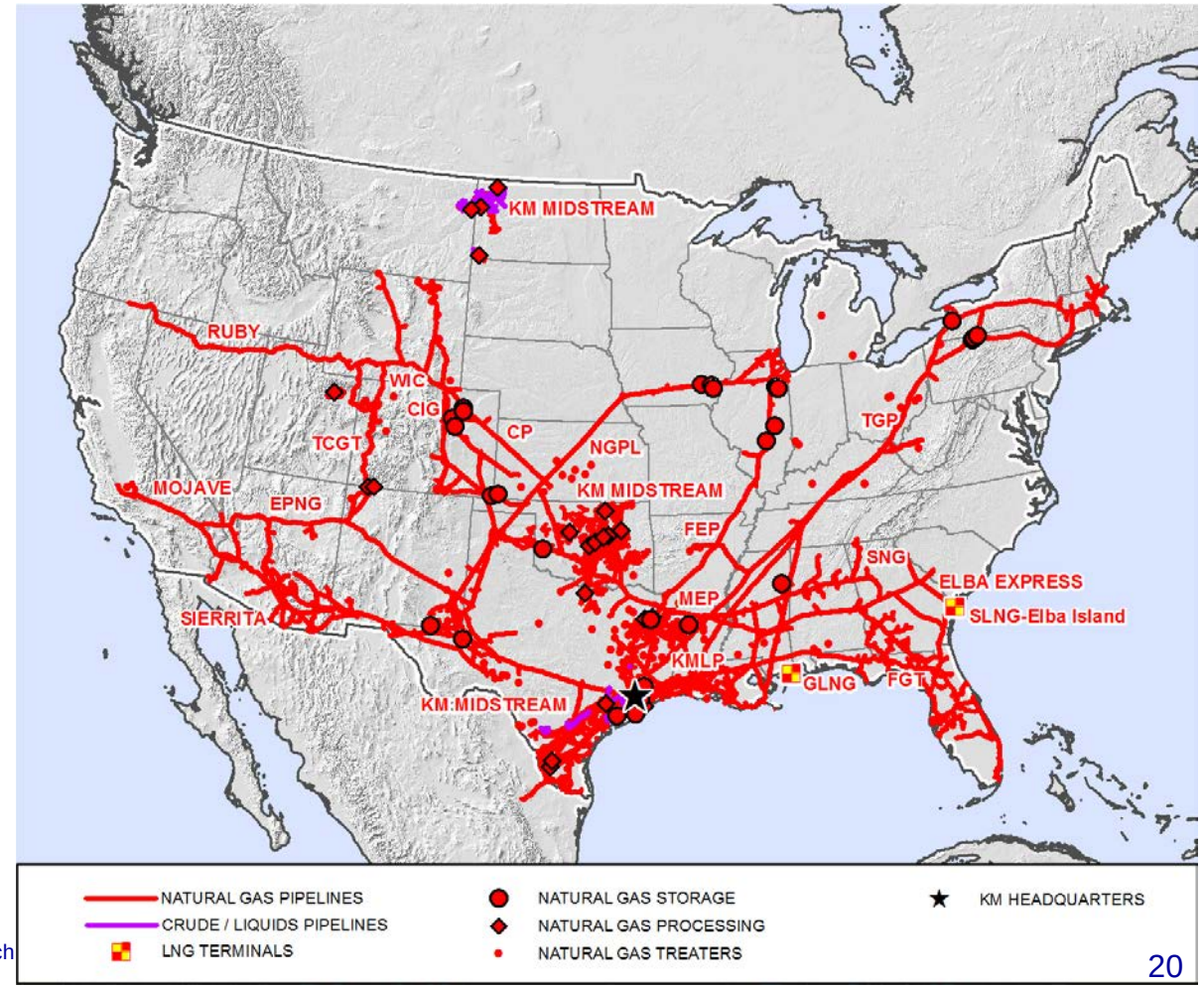
- $4.6 billion of identified growth projects over next seven years[(a)], including:
  - LNG liquefaction (Elba Island)
  - Pipe projects supporting LNG liquefaction projects
  - TGP north-to-south projects
  - SNG / Elba Express expansions
  - Expansion to Mexico border

Long-term Growth Drivers:

- Shale-driven expansions / extensions
- LNG exports
  - Liquefaction facilities
  - Pipeline infrastructure
- Gas demand for power generation
  - Coal plant retirements
  - Regional demand growth
- Industrial demand growth
- Exports to Mexico
- Repurposing opportunities
- Acquisitions

Operations:

- Very good project development performance: on a net basis within 1% of approved costs on major projects
- Better than industry average performance on all release and safety measures
- On-time compliance with EHS requirements: 99.8%



(a) Excludes acquisitions, includes KM share of non-wholly owned projects. Includes projects currently under construction. Does not incorporate backlog attributable to Hiland acquisition, which closed 2/13/2015.

Products Pipelines

Segment Outlook

Opportunities for growth from increased liquids production

Project Backlog:

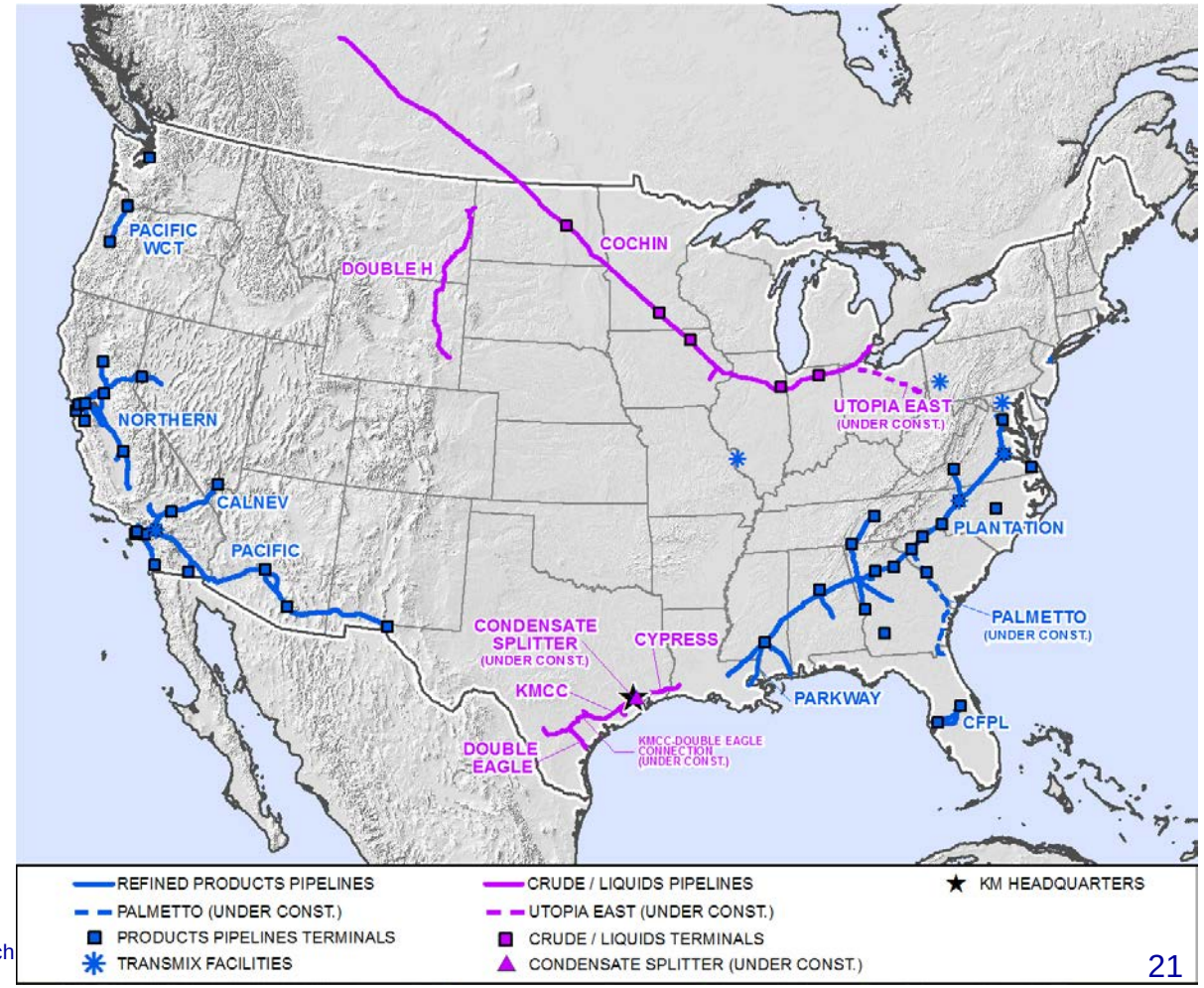
- $1.9 billion of identified growth projects over next two years[(a)], including:
  - UTOPIA
  - Eagle Ford condensate processing
  - KMCC extensions
  - KMCC-Double Eagle interconnect
  - Palmetto

Long-term Growth Drivers:

- Extension of refined products pipeline system into Southeast U.S. (e.g. Palmetto Pipeline)
- Development of shale play liquids transportation and processing (e.g. UTOPIA and KMCC / splitter)
- Repurposing portions of existing footprint in different product uses (e.g. UMTP)
- Tariff index adjustments
- Tuck-in acquisitions
- Increased demand for refined product volumes

Operations:

- Very good project development performance: on a net basis within 0.5% of approved costs on major projects
- Better than industry average performance on most safety and release measures
- On-time compliance with EHS requirements: 99.9%



(a) Excludes acquisitions, includes KM share of non-wholly owned projects. Includes projects currently under construction. Does not incorporate backlog attributable to Hiland acquisition, which closed 2/13/2015.

Terminals

Segment Outlook

Well-located in refinery / port hubs and inland waterways

Project Backlog:

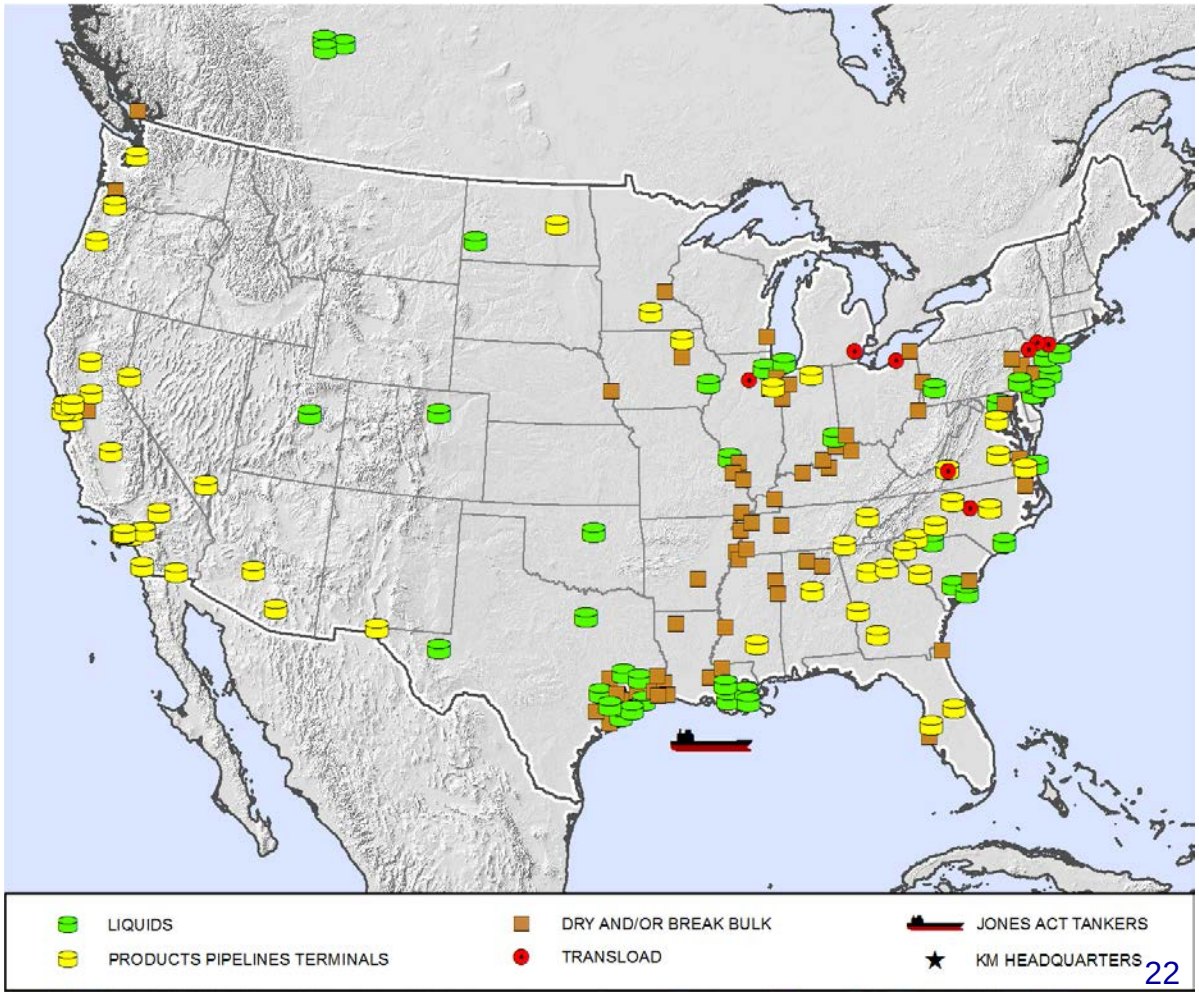
- $2.1 billion of identified growth projects over next five years[(a)], including:
  - BOSTCO Phase 3
  - Alberta crude by rail projects
  - Chemical terminal development
  - Jones Act tanker builds
  - Houston terminals network expansion
  - Edmonton Phase 2 expansion
  - Fairless Hills LPG

Long-term Growth Drivers:

- Gulf Coast liquids exports
- Crude oil merchant tankage (e.g. Edmonton)
- Crude by rail
- Chemical infrastructure and base business growth built on production increases
- Increased Jones Act tanker fleet
- Tuck-in acquisitions
- Potential investment in coal reserves and other natural resources

Operations:

- Project development performance: 6.8% overrun on a net basis across major projects
- Better than industry average performance on all safety measures – continuous improvement over several years
- On-time compliance with EHS requirements: 99.5%



(a) Excludes acquisitions, includes KM share of non-wholly owned projects. Includes projects currently under construction. Includes 31 terminals to be contributed to Watco.

CO_2
Segment Outlook

Own and operate best source of CO_2 for EOR[(a)]

Project Backlog:

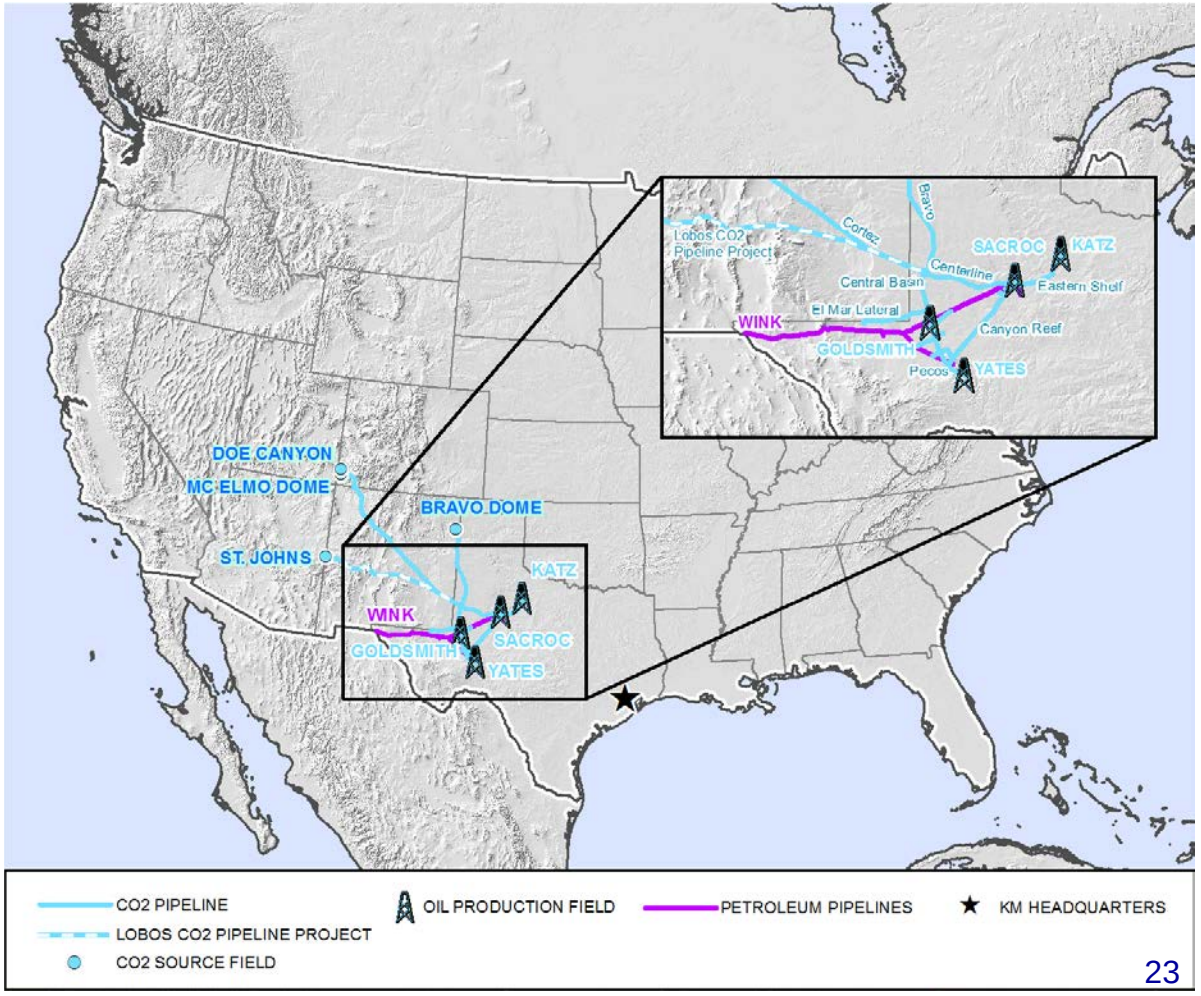
- Identified growth projects totaling $1.8 billion and $1.8 billion in S&T and EOR, respectively, over next five years[(b)], including:
  - S&T
    - Southwest Colorado CO_2 production
    - St. Johns build-out
    - Cortez and Lobos pipelines
  - EOR
    - SACROC / Yates / Katz / Goldsmith / Residual Oil Zone (ROZ)

Long-term Growth Drivers:

- Demand for and scarce supply of CO_2 drives volume and price
- Billions of barrels of domestic oil still in place to be recovered at SACROC, Yates, Katz and Goldsmith, as well as ROZ opportunities

Operations:

- Project development performance: within 2% on a net basis across major projects (overrun)
- Better than industry average on all safety measures
- On-time compliance with EHS requirements: 99.95%



(a) EOR = Enhanced Oil Recovery.
(b) Excludes acquisitions, includes KM share of non-wholly owned projects. Includes projects currently under construction.

Kinder Morgan Canada

Segment Outlook

Sole oil pipeline from Oilsands to West Coast / export markets

Project Backlog:

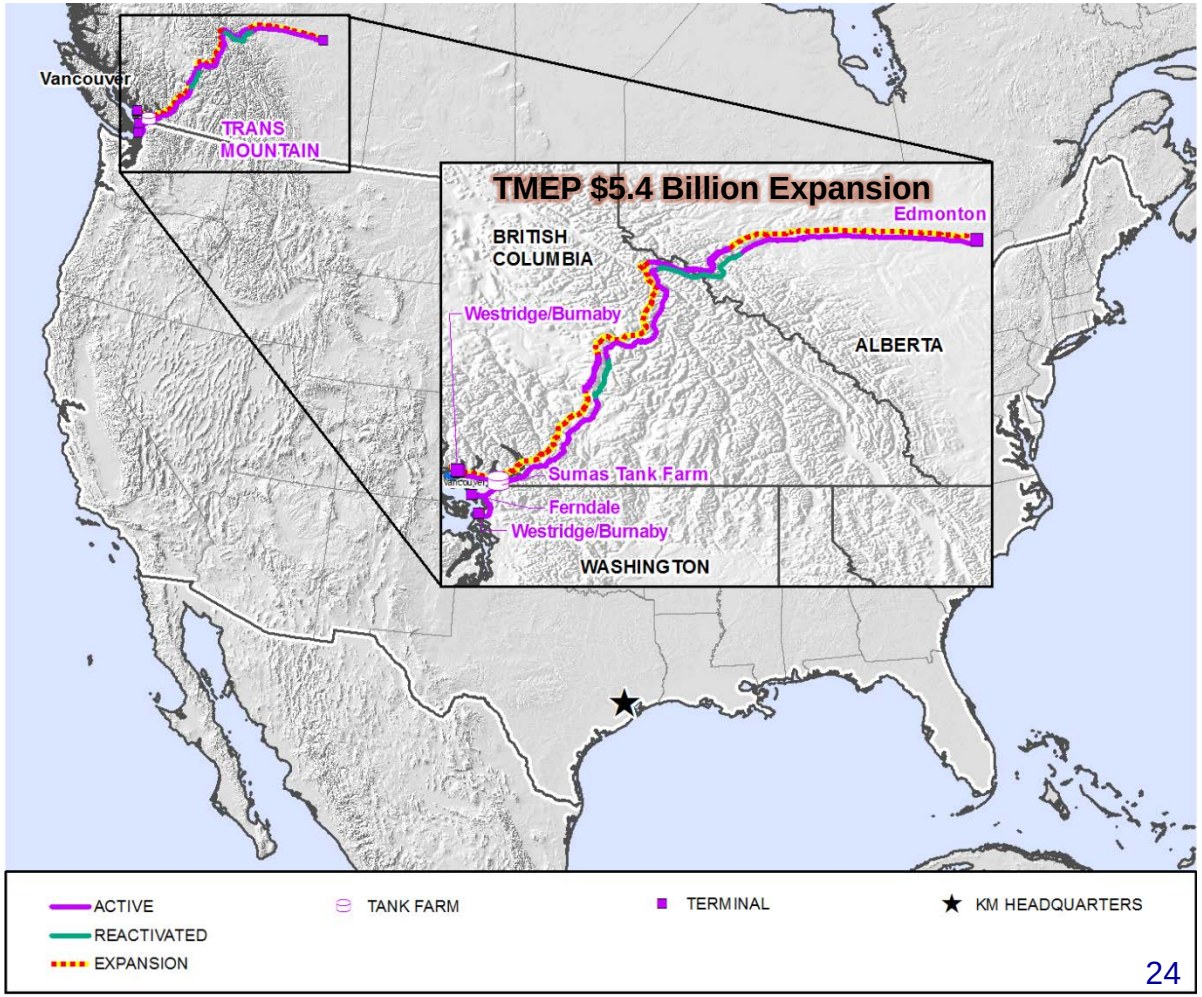
- $5.4 billion expansion of Trans Mountain Pipeline (TMEP)

Long-term Growth Drivers:

- Expand Oilsands export capacity to West Coast and Asia
  - Following successful open season, major expansion plans under way
  - The Trans Mountain Pipeline Expansion Project (TMEP) more than doubles capacity, from 300 MBbl/d currently to approximately 890 MBbl/d
  - Strong commercial support from shippers with binding long-term contracts (~93% 20-yr, ~7% 15-yr) for 708 MBbl/d of firm transport capacity
  - Expected in-service end of 3Q 2018
- Expanded dock capabilities (Vancouver)
  - TMPL expansion will increase dock capacity to over 600 MBbl/d
  - Access to global markets

Operations:

- Project development performance: in early stages on TMEP, but commercial terms include good cost protection on development costs and "uncontrollable" costs
- Better than industry average on all safety measures
- On-time compliance with EHS requirements: 99.6%



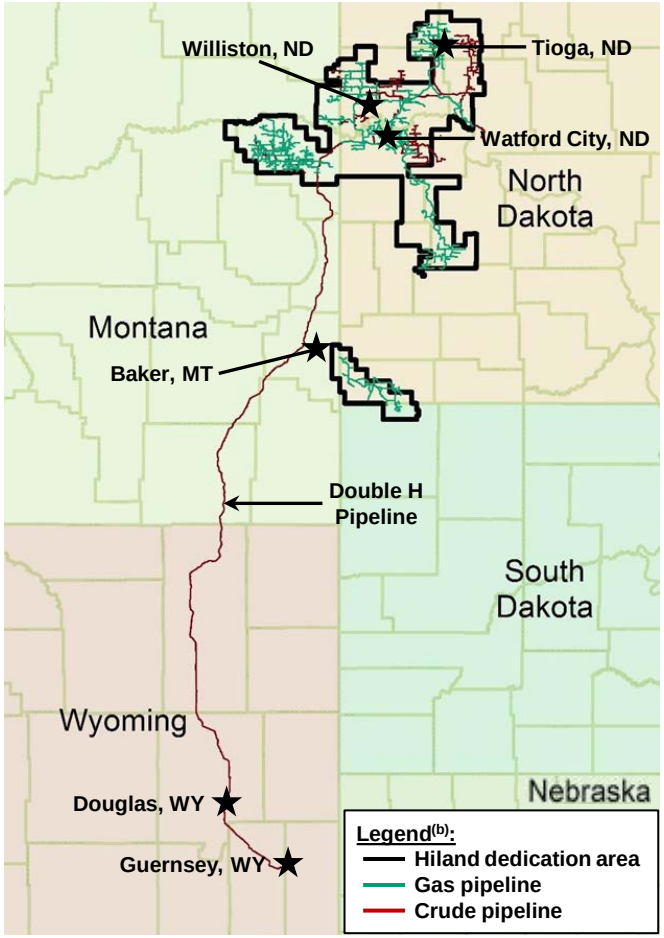
Hiland Acquisition

Establishes Pipeline and Gathering Position in Bakken

- **KMI acquisition of Hiland Partners closed**
  - KMI acquired Hiland from its founder, Harold Hamm and certain Hamm family trusts
  - Transaction closed on 2/13/2015
  - ~$3 billion purchase price, including assumption of ~$975 million of Hiland debt
  - Funding mix to maintain 5.0-5.5x debt to EBITDA
- **Immediate and long-term accretion to distributable cash flow**
  - Modest accretion to KMI in 2015 and 2016; ~6-7¢ per share accretion in 2017 and thereafter
- **Retaining nearly all of Hiland's 430 employees**

Hiland Acquisition:

Strategic Acquisition of Premier Midstream Position in the Bakken



Strategic Acquisition: ***Establishes premier midstream platform in the core of the Bakken, one of the most prolific oil producing basins in North America***

- Systems overlay some of the most attractive and economically viable "tier-one" areas of the Bakken, including McKenzie, Williams and Mountrail counties
- Double H crude oil pipeline provides key takeaway capacity with take-or-pay contracts
- Long-term acreage dedications with some of the Bakken's largest, most successful producers (CLR, OAS, XTO, WPC, HES)
  - Crude oil gathering systems have 1.8 million acres dedicated under long-term, fee-based contracts
  - 3.7 million acres dedicated to gas gathering and processing systems
- Scale and footprint well-positioned to support additional infrastructure opportunities in and around the Bakken

Hiland Asset Overview: ***86%(a) fee-based, crude oil gathering and transportation and gas gathering and processing***

- Crude oil gathering ~59%(a)
  - 1,225 miles of pipelines in North Dakota and Montana
  - Deliver crude oil to the basin's major takeaway pipelines and rail
- Double H Pipeline crude oil transportation ~27%(a)
  - 485-mile pipeline to transport crude oil from ND to Guernsey, WY
  - Interconnects with Pony Express for further transportation to Cushing, Oklahoma
- Gas gathering and processing ~14%(a)
  - 1,800 miles of gathering pipelines in North Dakota and Montana
  - 240 MMcf/d of processing capacity and 30 MBbl/d of fractionation capacity, upon completion of 2015 expansion

(a) Percentage of estimated 2015 Hiland EBITDA.
(b) Many gas and crude pipes overlap as they share right of way. Map excludes smaller Mid-con gas gathering assets.

Credit Ratios and Liquidity[a]

($ in millions)

Credit Ratios

	2011	2012	2013	2014	2015 Budget
Net debt[b] to EBITDA	4.5x	5.4x	5.0x	5.5x	5.6x
EBITDA to interest	5.0x	4.0x	3.9x	4.1x	3.6x

Revolver Capacity[c]

Committed revolving credit facility	$ 4,000
Less:	
CP / Revolver borrowing	(1,236)
Letters of credit	(229)
Excess capacity	$ 2,535

Long-term Debt Maturities[d]

2015	$ 1,316
2016	$ 1,677
2017	$ 3,051
2018	$ 2,321
2019	$ 2,812

Note: As of 12/31/2014. Excludes certain items.

(a) Debt of KMI and its consolidated subsidiaries excluding fair value adjustments.

(b) Debt as defined in footnote above, net of cash and excluding Kinder Morgan G.P. Inc.'s $100 million preferred stock due 2057.

(c) KMI corporate revolver (maturity in November 2019).

(d) 5-year maturity schedule of annual aggregate long-term debt principal. Excludes corporate revolver.

Cost of Capital

A whole new ballgame

- **No more incentive distribution rights**
- **Prior long-term hurdle rate for accretion (at KMP) = ~9% pre-tax**
- **New long-term hurdle rate for accretion = ~4% after-tax**
  - Analyst Day Hurdle Rate:

50% equity[(a)]	x 4.1% yield[(b)]	
+ 50% debt[(a)]	x 2.4%[(c)]	cost of debt
	= 3.3% hurdle rate	

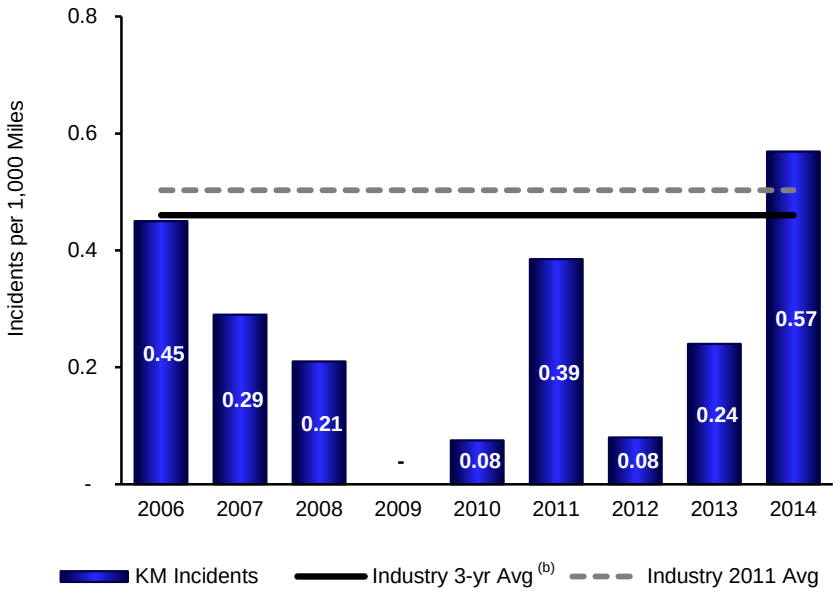
- **Target minimum after-tax, unlevered project returns of 8-12% for pipelines and terminals (higher for CO_2)**
  - Well in excess of long-term hurdle rate
  - Will continue to seek highest available return

(a) Actual debt / equity funding mix will be determined by targeting 5.0-5.5x debt / EBITDA ratio.
(b) Yield as of 12/31/2014 based on KMI annualized dividend declared for 4Q 2014.
(c) Assumes 5% interest rate for long-term, fixed-rate debt and 2.5% interest rate on floating-rate debt. Assumes new debt is funded with 50% fixed, 50% floating debt. Tax shield of 36.5% also applied.

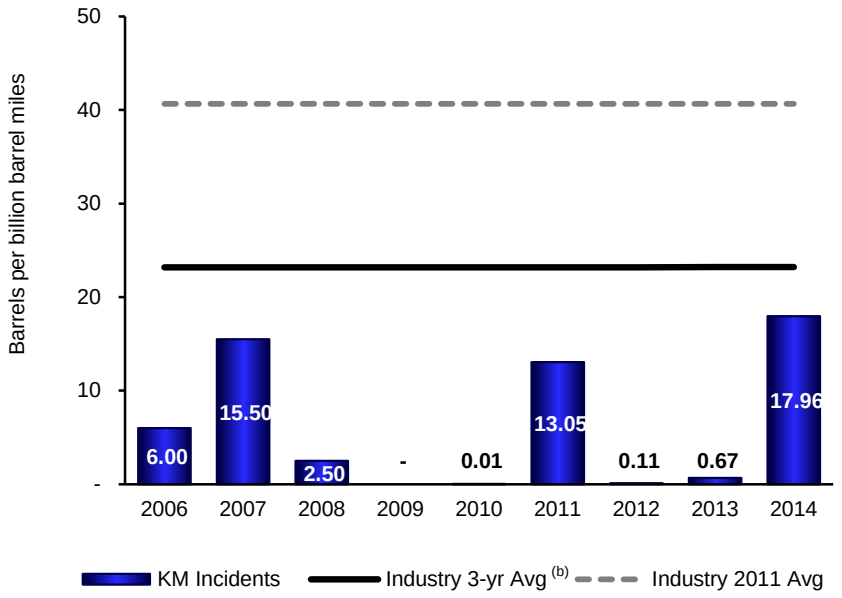
Incidents & Releases

Liquids Pipeline Right-of-way

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



Liquids Pipeline Release Rate[(a)]



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

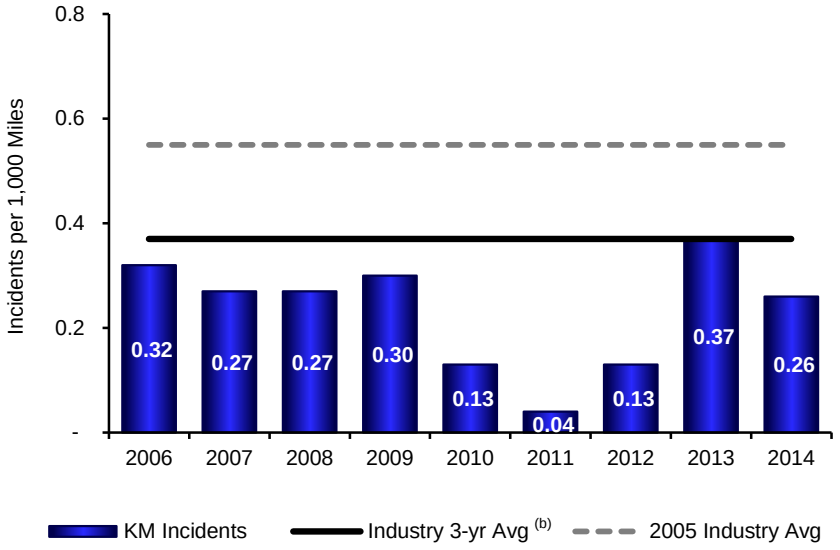
(a) Failures involving onshore pipelines that occurred on the ROW, including valve sites, in which there is a release of the liquid or carbon dioxide transported resulting in any of the following:
- (1) Explosion or fire not intentionally set by the operator.
- (2) Release 5 barrels or greater. (NOTE: 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.

(b) 2011–2013 most recent PHMSA 3-yr average available.

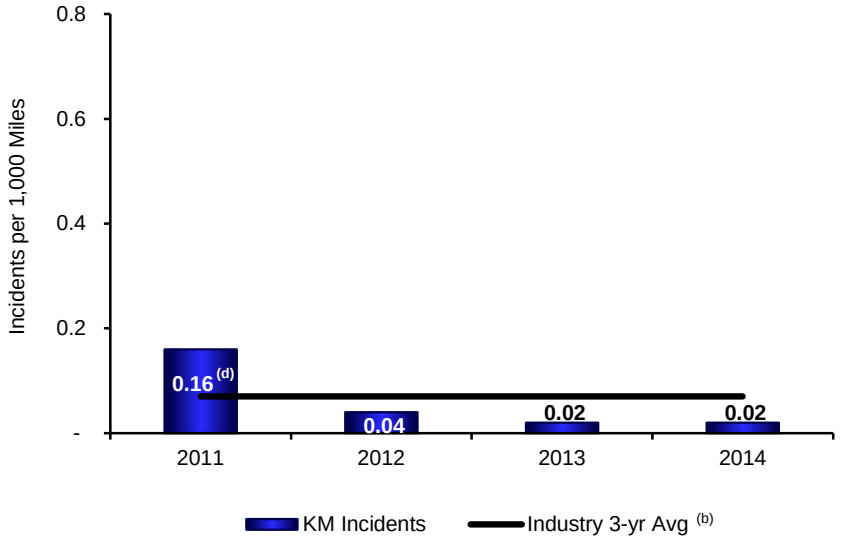
Incidents & Releases

Natural Gas Pipeline Right-of-way

Natural Gas Pipeline Incidents Rate All Reportable Incidents[a]



Natural Gas Pipeline Incidents Rate Onshore Ruptures-only[c]



(a) Excludes El Paso and Copano assets in periods prior to acquisition (El Paso 5/25/2012, Copano 5/1/2013). An Incident means any of the following events:
- (1) An event that involves a release of gas from a pipeline, or of 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; or
  - iii. Unintentional estimated gas loss of 3,000 Mcf 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) above.

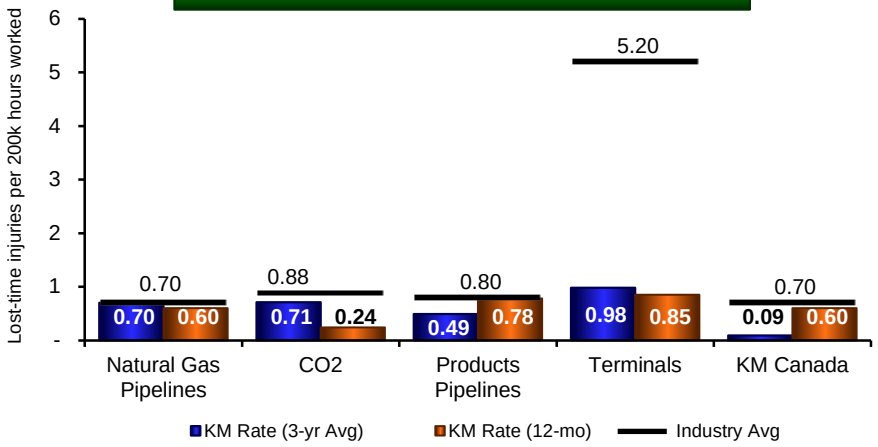
(b) 2011–2013 most recent PHMSA 3-yr average available.

(c) Rupture defined as a break, burst, or failure that exposes a visible pipeline fracture surface.
- (1) Kinder Morgan rupture rates calculated using 2014 pipeline mileage.
- (2) Industry rate excludes Kinder Morgan data.

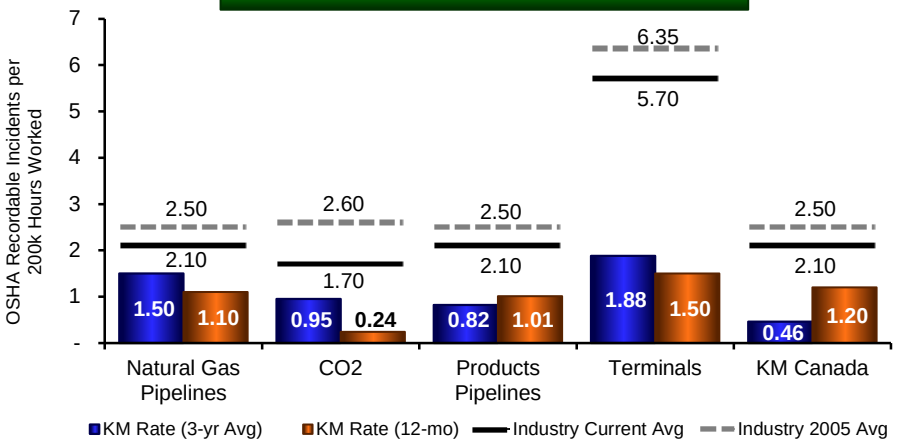
(d) All Kinder Morgan ruptures occurred on legacy El Paso facilities prior to the Kinder Morgan acquisition.

Employee Safety Statistics[a]

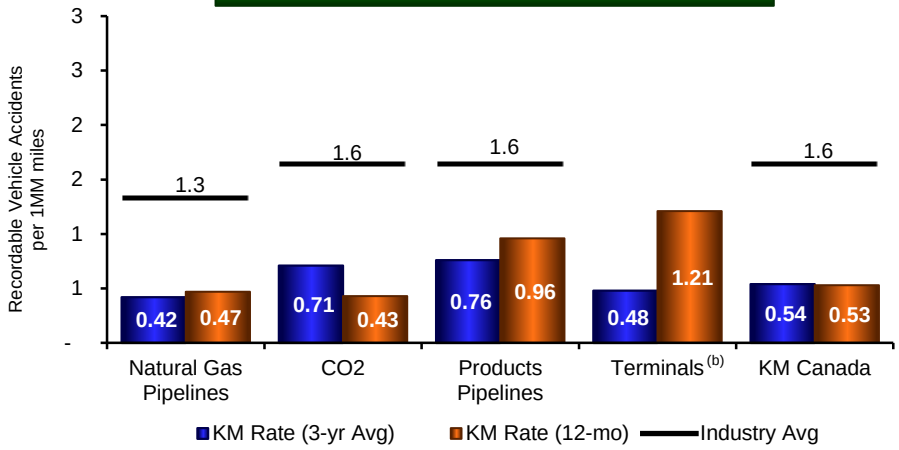
KM Lost-time Incident Rate (DART)



OSHA Recordable Incident Rate



Vehicle Incident Rate



(a) 12-month safety performance summary as of 12/31/2014.
(b) Industry average not available for Terminals.


KINDER MORGAN
INC.