KINDER MORGAN

Barclays 2011 Investment Grade Energy & Pipeline Conference

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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 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 and Midcontinent Express, 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 and Midcontinent Express, 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 and MEP, our equity method investees.

Use of Non-GAAP Financial Measures – Cont'd

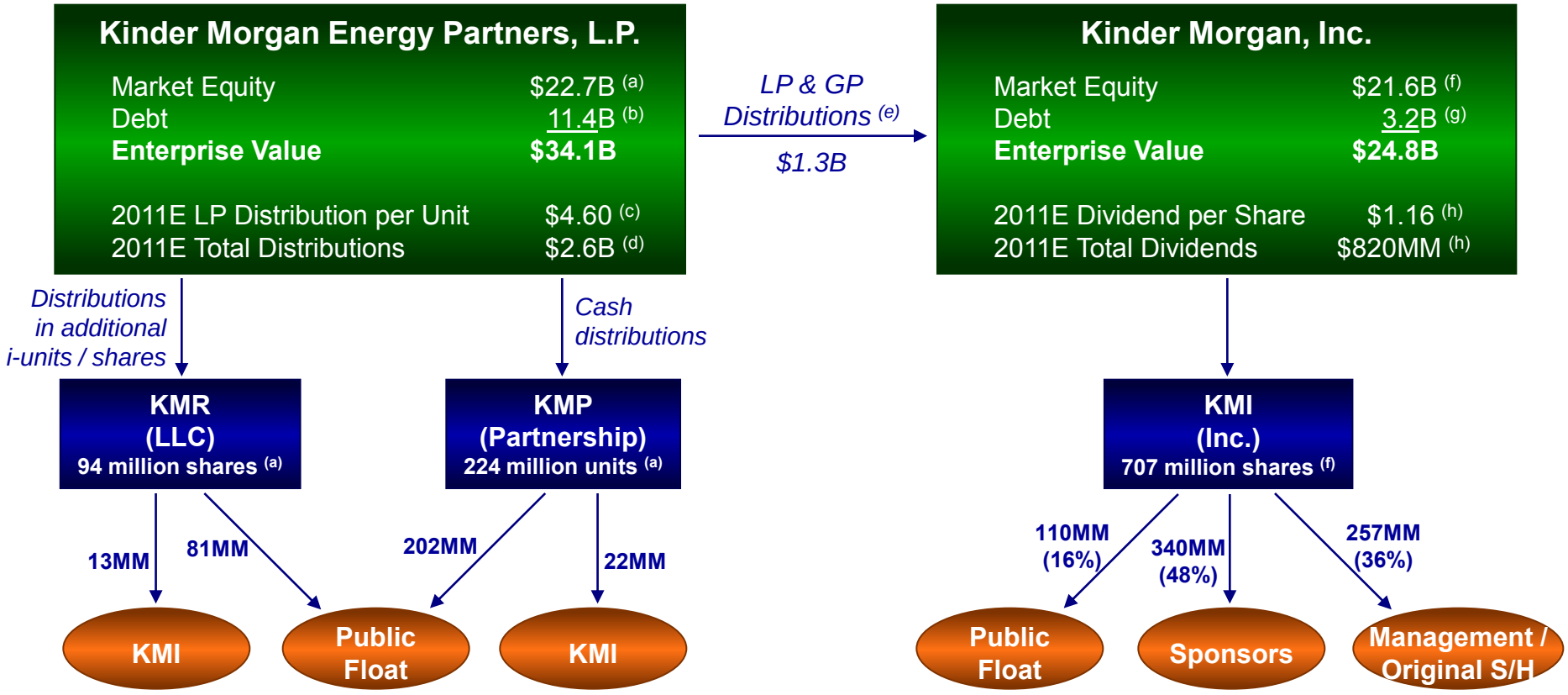
"Certain items" are items that are required by GAAP to be reflected in net income, but typically either (1) do not have a cash impact, for example, goodwill impairments, allocated compensation for which we will never be responsible, and results from assets prior to our ownership that are required to 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: Three Securities



(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

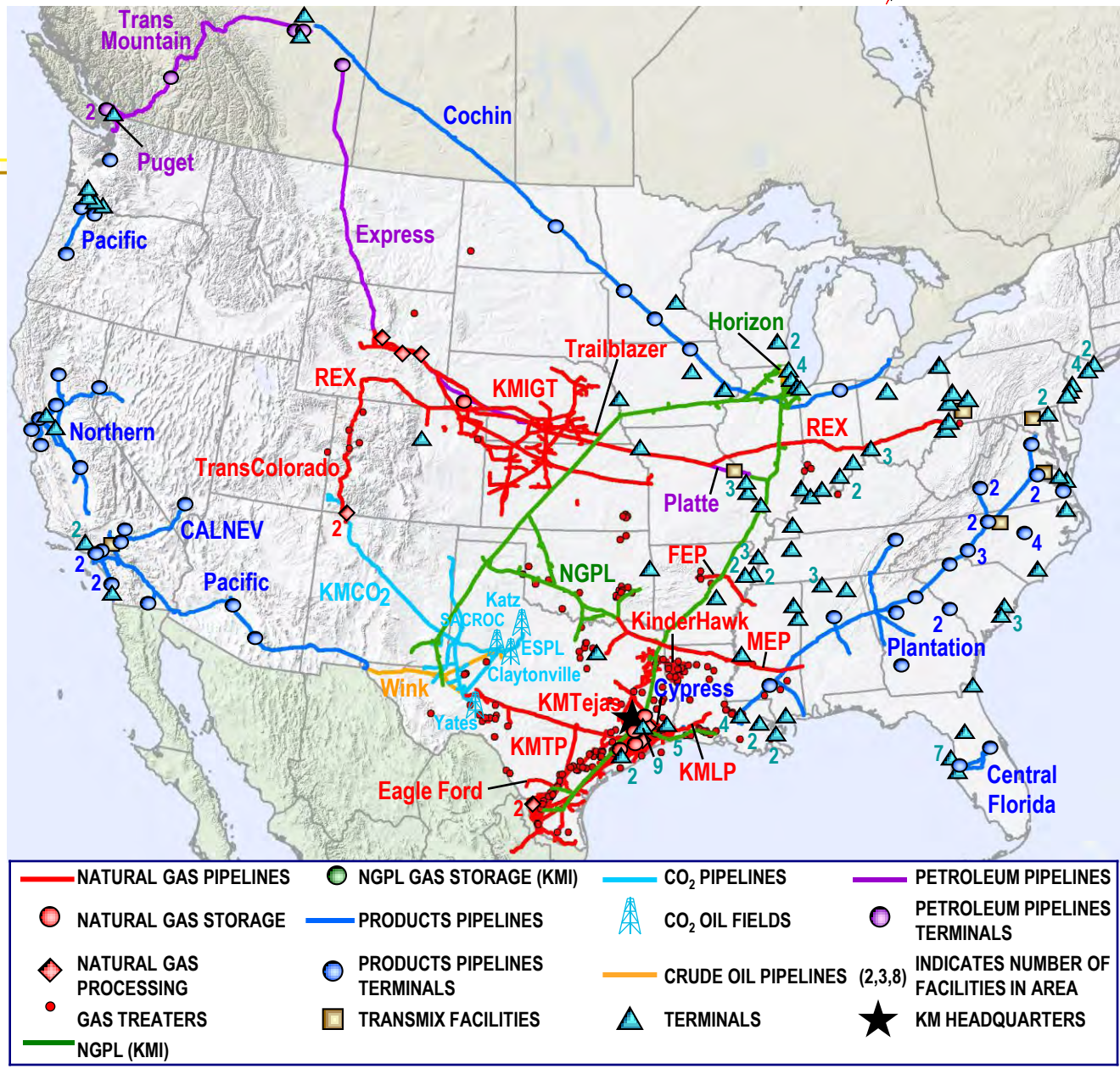
The Kinder Morgan Strategy

Same Strategy Since Inception

- **Focus on stable fee-based assets that are core to North American energy infrastructure**
  - Market leader in each of our businesses
- **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 Asset Footprint

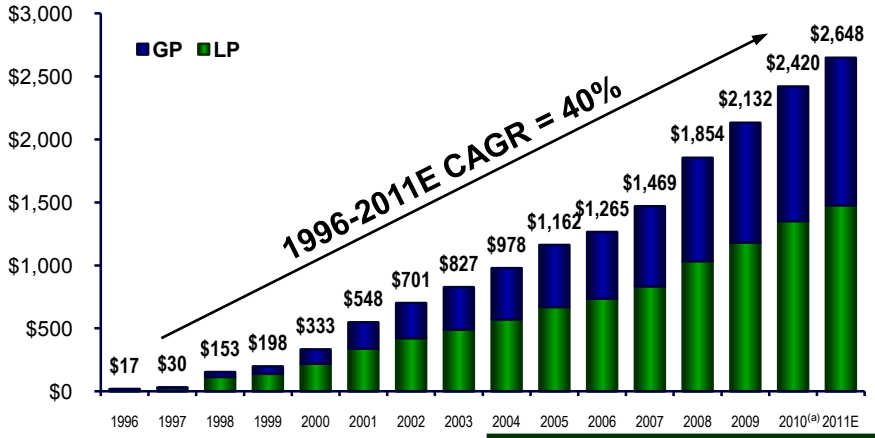
- **Largest independent transporter of petroleum products in the U.S.**
  - Transport ~1.9MMBbl/d [a]
- **2nd largest transporter of natural gas in the U.S.**
  - Own an interest in / operate over 24,000 miles of interstate / intrastate pipeline
  - Connected to many important natural gas shale plays 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
- **2nd largest oil producer in Texas**
  - Produce ~54 MBbl/d of crude oil gross (~36 MBbl/d net)
- **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]
  - Handled ~92 million tons of dry bulk products in 2010
  - Largest handler of petcoke in U.S.
- **Only Oilsands pipeline serving the West Coast**
  - TMPL transports ~300 MBbl/d to Vancouver / Washington state



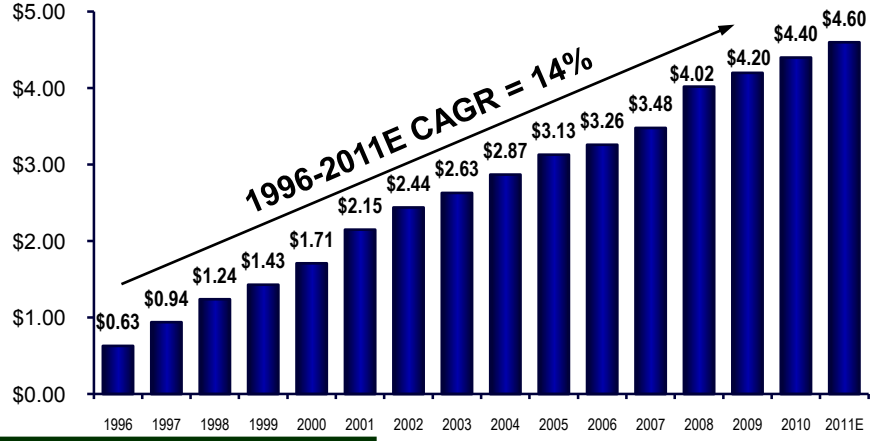
(a) 2011 budget
(b) Excludes 33 transload facilities
(c) Includes leased capacity

Delivering 14 Years of Consistent Growth

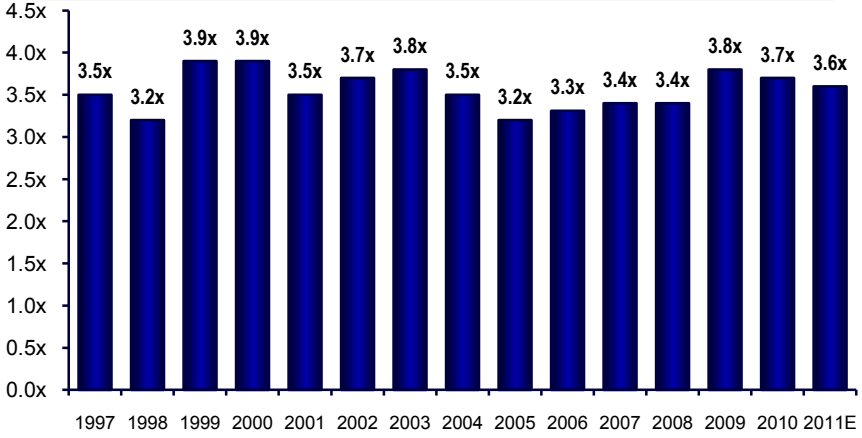
KMP Total Distributions (GP + LP) ($MM)



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

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

Missed LP distribution target 1 time in past 11 years

Kinder Morgan 2011 Goals

KMP

- **Distribution Target**
  - $4.60 per unit (4.5% growth)
  - Excess coverage of ~$37 million
- **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

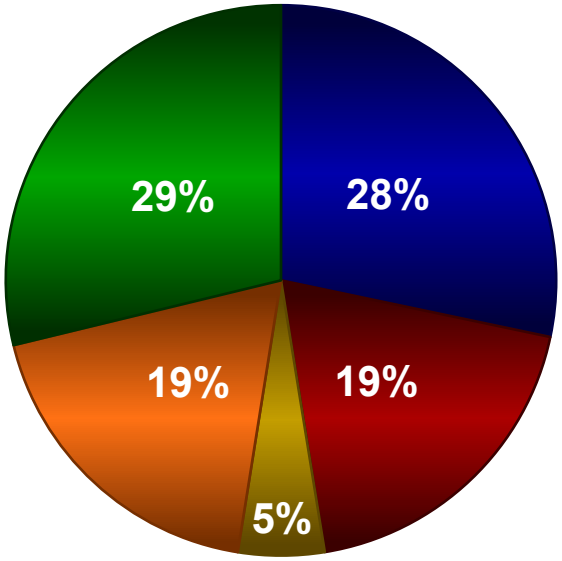
CO_2

- $1,098MM segment EBDA [a]
  - 28% CO_2 transport and sales
  - 72% oil production related
  - Production hedged [b]:
    - 2011=79% ($69/Bbl) [c]
    - 2012=53% ($87)
    - 2013=34% ($92)
    - 2014=16% ($91)
    - 2015=2% ($94)

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

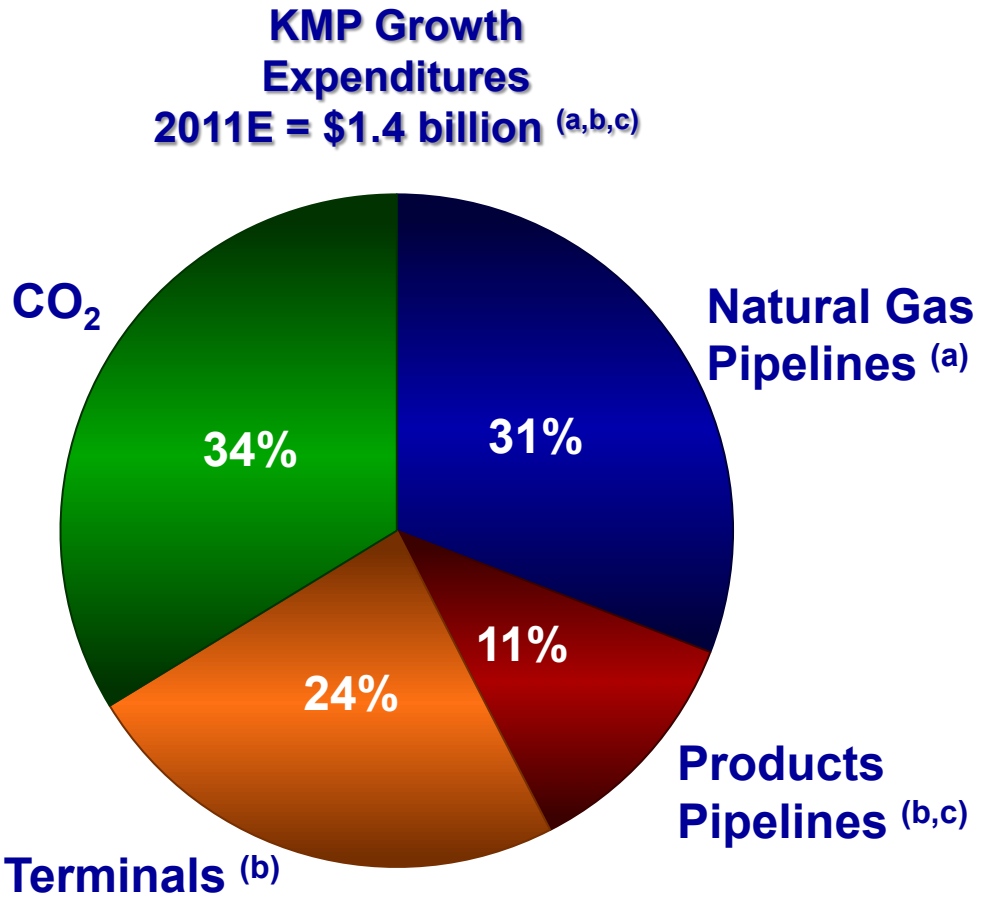
(a) Budgeted 2011 segment earnings before DD&A excluding certain items
(b) Percent of estimated net crude oil and heavy natural gas liquids production
(c) 2011 budget assumes an $89/Bbl price on unhedged barrels
(d) Includes JV depreciation for REX, MEP, FEP and KinderHawk
(e) Includes upstream segment

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 79% 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 21% 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 Planned



(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

2011 Financing Plans

($ in millions)

	2011 Budget
Equity	
Secondary offerings / ATM	$270
KMR	432
Total equity	**$702**
Debt	
Long-term debt issuance	$1,700
Decrease in revolver [(a)]	(325)
Debt maturity	(700)
Incremental debt	**$675**

(a) Excludes any changes in working capital

Sources Of Future Growth

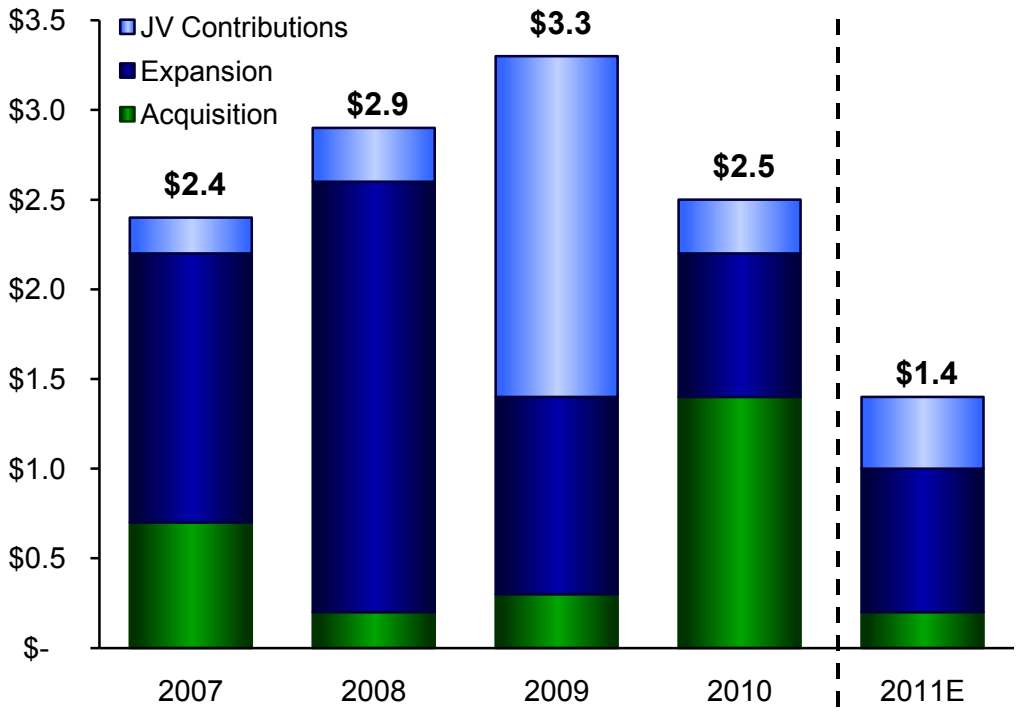
	Growth Drivers	KM Opportunity – Leverage Footprint
■ **Natural Gas**	– Cheap, abundant, domestic and clean – natural gas is the logical fuel of choice – Shifting supply from multiple basins	– Pipeline / storage expansions and extensions (e.g. Eagle Ford) – Acquisitions (e.g. KinderHawk) – Greenfield development (e.g. FEP)
■ **Products Pipelines / Terminals**	– Diversity of product specs – Two-fold increase in use of renewable fuels through 2022 (a) – Customers' desire for optionality at terminal	– Expansions and higher rates at well-located, high-connectivity terminals – Ethanol / biofuel expansion – Buy terminals from "mom and pop" owners and from majors
■ **CO_2**	– Billions of barrels of domestic oil still in place – Continuing technology improvements – Demand for CO_2	– Continue buildout of SACROC / Yates / Katz – New CO_2 S&T contracts; potential expansions – Potential oilfield acquisitions
■ **Kinder Morgan Canada**	– Move Canadian crude and refined products to West Coast	– Flexibility for staged expansions

(a) RFS (U.S. Renewable Fuels Standard) requires increase from 13 Bgal/yr in 2010 to 36 Bgal/yr in 2022

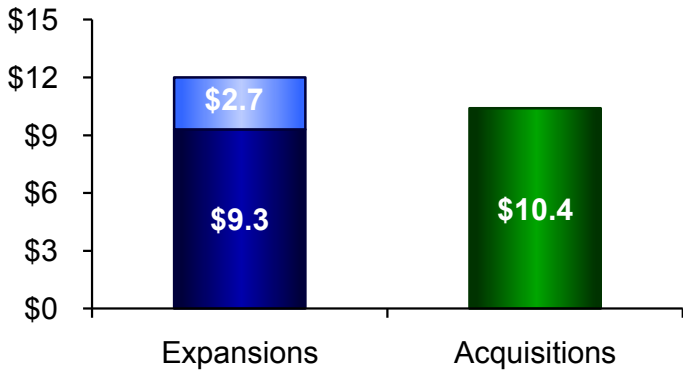
Over $22B Of Growth Capital Invested (a,b)

($ in billions)

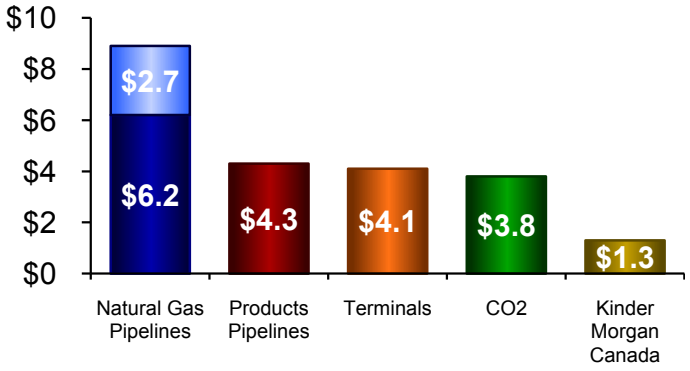
Over $11 Billion Invested in Last 4 Years (a)



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

Balance Sheet Remains Solid [a]

($ in millions)

Credit Summary

Debt / EBITDA [b,c]	3.7x [d]
EBITDA / Interest [c]	6.1x
L-T Debt Rating	Baa2 / BBB / BBB [e]

Revolver Capacity

Total Bank Credit	$2,000
Less:	
Borrowings Outstanding	(522)
Letters of Credit	(237)
Excess Capacity	**$1,241**

Long-Term Debt Maturities [f]

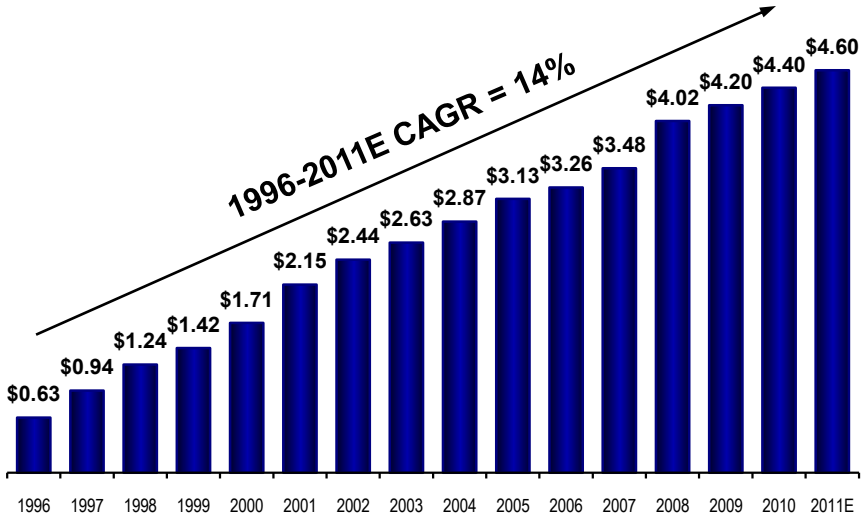
2011	$707
2012	$957[g]
2013	$507
2014	$501
2015	$300

(a) All figures as of 12/31/2010
(b) Debt balance excludes fair value of interest rate swaps and is net of cash
(c) EBITDA and interest are trailing 12 months, includes our proportionate share of REX, MEP and KinderHawk DD&A
(d) Debt/EBITDA at 12/31/2010 reflects a partial contribution from the 5/21/2010 acquisition of a 50% interest in the KinderHawk Haynesville JV
(e) As rated by Moody's, S&P and Fitch, respectively
(f) Maturities of long-term debt; excludes commercial paper
(g) Excludes 10-yr bond with optional put in 2012 (stated maturity 2019)

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

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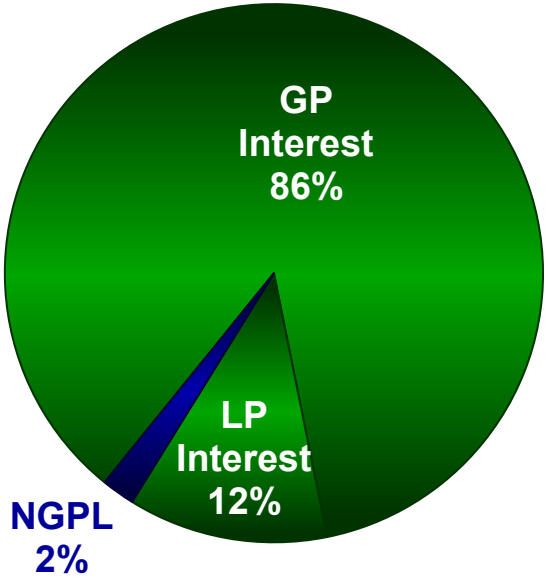
KMI

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 projected to receive $1.36 billion in distributions, and after paying cash taxes, cash interest and G&A, is projected 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

Liquidity Summary [a]

($ in millions)

Credit Summary

Net Debt	$3,195 [a]
Net Debt / Distributions Received Less G&A	2.4x [b]
L-T Debt Rating	Ba1 / BB / BB+ [c]

Revolver Capacity

Total Bank Credit	$1,000
Less:	
Revolver Drawn	(377) [d]
Letters of Credit	(41)
Excess Capacity	**$582**

Long-Term Debt Maturities [a]

2011	--- [e]
2012	$839
2013	---
2014	---
2015	$250

(a) As of 12/31/2010; represents debt of KMI's subsidiary, Kinder Morgan Kansas, Inc. excluding 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

(b) Calculation: net debt (as of and as calculated in footnote (a) above) 2011 estimate of distributions received less G&A

(c) Kinder Morgan Kansas, Inc. as rated by Moody's, S&P and Fitch, respectively

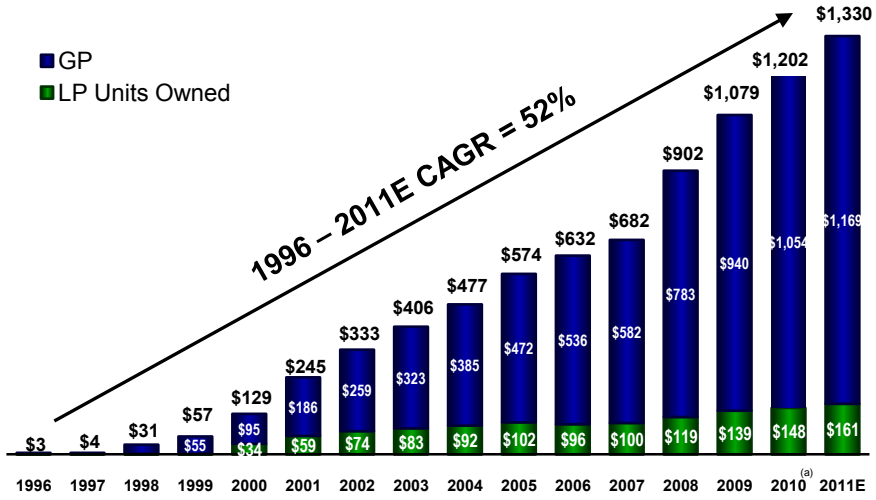
(d) 12/31/10, adjusted for repayment of $750MM 1/5/2011 maturity referred to below

(e) Remaining 2011 maturities; $750MM maturity was refinanced 1/5/2011 with proceeds from 12/20/2010 $750MM bond offering

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

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 ~$5.5 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 $54 million increase in interest expense [(a)]

(a) As of 12/31/2010

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


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