







KINDER MORGAN
CANADA

Canoe Financial

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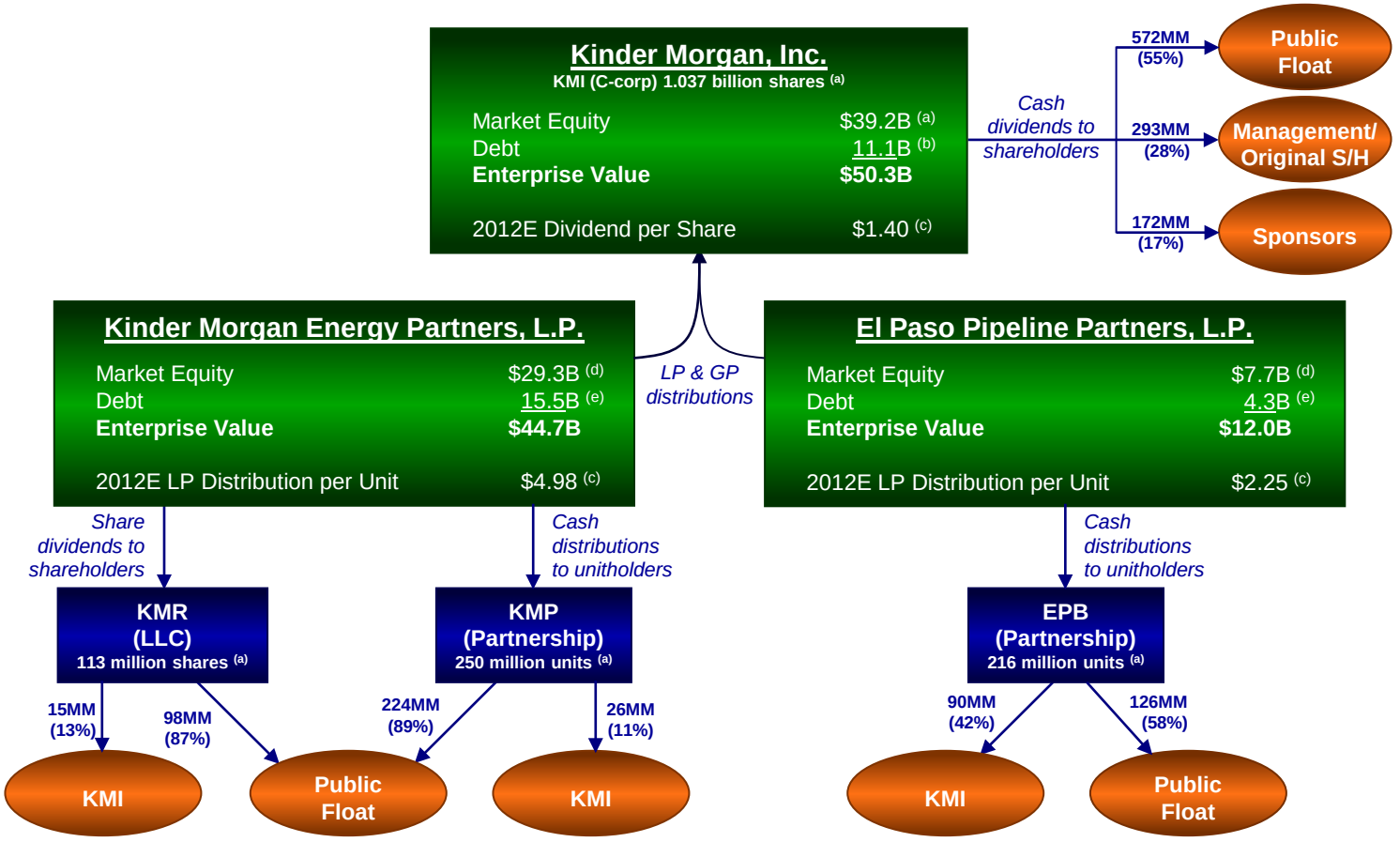
Forward-Looking Statements / Non-GAAP Financial Measures

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 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, El Paso Pipeline Partners, L.P., 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. Please read "Risk Factors" and "Information Regarding Forward-Looking Statements" in our most recent Annual Reports 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, and our reconciliations of non-GAAP financial measures to our GAAP financial statements are on our website, at www.kindermorgan.com. These non-GAAP measures should not be considered an alternative to GAAP financial measures.

Kinder Morgan – Four Ways to Invest: KMP, KMR, EPB & KMI



(a) Market prices as of 9/14/2012; KMI market equity based on ~1,037 million shares (assumes full conversion of Class A, B and C shares in to Class P shares) at a price of $36.23 and ~454 million warrants at a price of $3.55; figures reflect KMI share follow-on offering (including greenshoe) by sponsors settled on 8/15/2012.

(b) Debt of KMI and its subsidiaries as of 6/30/2012, pro forma for KMI dropdown of TGP / 50% EPNG to KMP; excludes debt of KMP and its subsidiaries and EPB and its subsidiaries; 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, pro forma for TGP / EPNG dropdown to KMP.

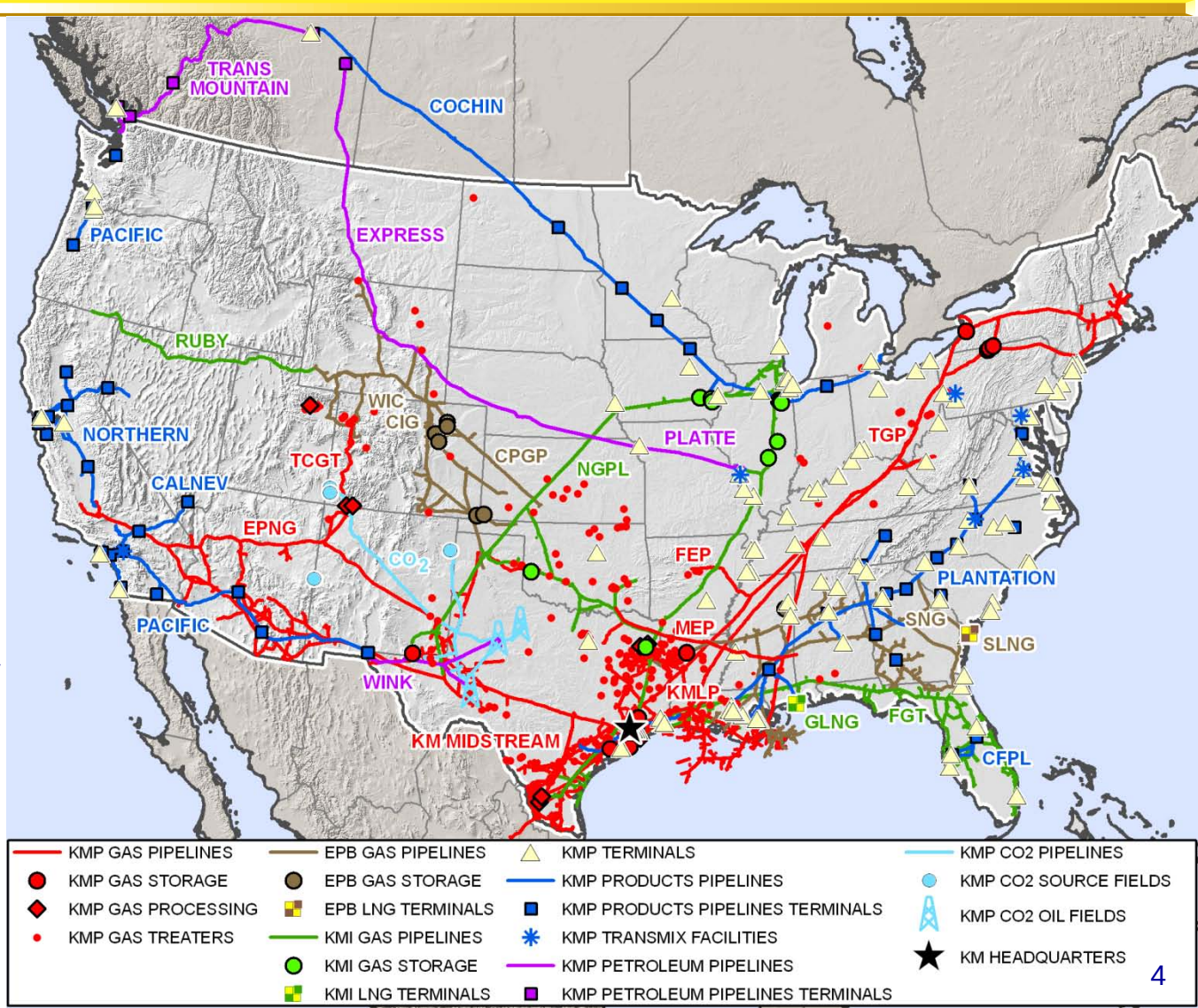
(c) 2012 forecast.

(d) Market prices as of 9/14/2012; KMP market equity based on ~250 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 $82.96, ~113 million KMR shares at a price of $75.22, and ~216 million EPB units at a price of $35.87; figures reflect KMR follow-on offering (including greenshoe) settled on 8/13/2012, KMR share dividend paid on 8/14/2012, issuance of KMP units to KMI as partial consideration for TGP / 50% EPNG dropdown, and EPB follow-on offering (including greenshoe) settled on 9/14/2012

(e) Debt balances of KMP and EPB as of 6/30/2012; KMP pro forma for KMI dropdown of TGP / 50% EPNG, net of expected proceeds from FTC divestiture, and EPB pro forma for follow-on offering; exclude the fair value of interest rate swaps, net of cash.

Tremendous Asset Footprint

- **3rd largest energy company in North America with combined enterprise value of approximately $100 billion [(a)]**
- **Largest natural gas network in U.S.**
  - Own an interest in / operate over 62,000 [(b)] miles of natural gas pipeline
  - Connected to every important U.S. natural gas resource play, including: Eagle Ford, Marcellus, Utica, Haynesville, Fayetteville and Barnett
- **Largest independent transporter of petroleum products in U.S.**
  - Transport ~1.9 MMBbl/d [(c)]
- **Largest transporter of CO_2 in U.S.**
  - Transport ~1.3 Bcf/d of CO_2 [(c)]
- **2nd largest oil producer in Texas**
  - Produce ~51 MBbl/d of crude oil gross (~34 MBbl/d net) [(c)]
- **Largest independent terminal operator in U.S.**
  - Own an interest in or operate ~180 liquids / dry bulk terminals
  - ~111 MMBbls domestic liquids capacity
  - Handle ~108 MMtons of dry bulk products [(c)]
- **Only Oilsands pipe serving West Coast**
  - TMPL transports ~300 MBbl/d to Vancouver / Washington State



(a) Combined EV of KMI, KMP & EPB as of 9/14/2012; adjusted for KMP / KMR / EPB units/shares owned by KMI, see footnotes on slide 3 for further information regarding certain pro forma adjustments made.
(b) Excludes Rockies assets to be divested.
(c) 2012 budgeted volumes.

Our Strategy – Stay the Course

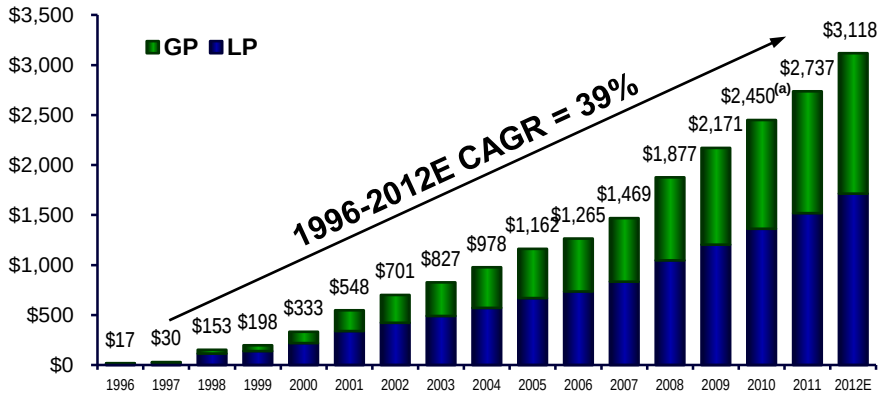
Same Strategy Since Inception

- **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 the investors' money, not management's – treat it that way
- **Leverage asset footprint to seek attractive capital investment opportunities, both expansion and acquisition**
  - KMP has completed $15 billion in acquisitions and $15 billion of expected greenfield / expansion projects since inception [(a)]
  - KMI acquisition of El Paso for $38 billion
- **Maintaining a strong balance sheet is paramount**
  - Enables continued access to capital markets to grow the business
  - KMP accessed capital markets for $30 billion since inception [(b)]

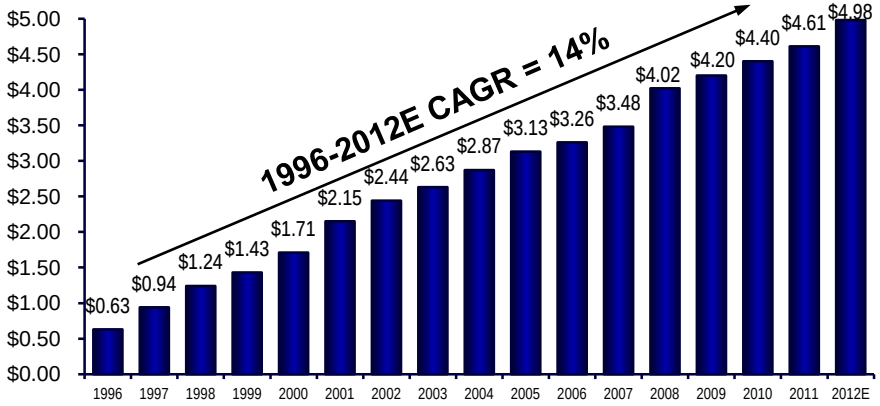
(a) From 1997 through full-year 2012 (forecast), including dropdown and funding of TGP and 50% EPNG from KMI (net of expected proceeds from FTC divestiture)
(b) Gross capital issued through mid-year 2012, including dropdown and funding of TGP and 50% EPNG from KMI (net of expected proceeds from FTC divestiture), $27 billion net of refinancing.

16 Years of Consistent Growth

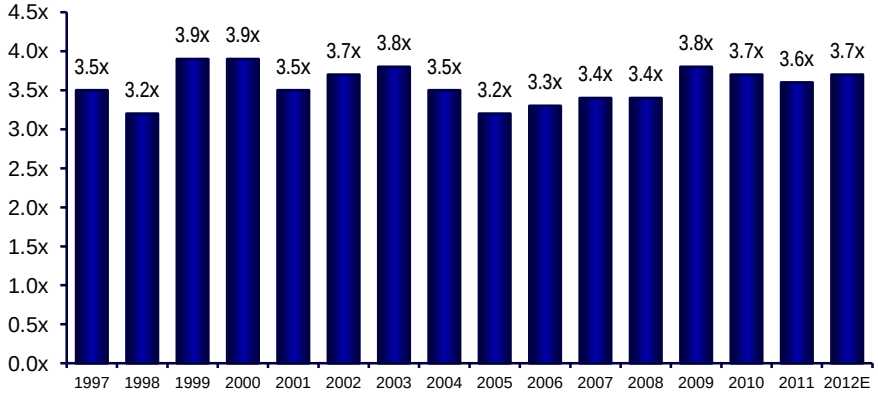
Total Distributions (GP + LP) ($MM)



KMP Annual LP Distribution per Unit (b)



KMP Net Debt to EBITDA (c)



Note: excludes any impact from the proposed acquisition of El Paso by KMI, except as noted in footnote (c) below.

(a) In 2010, total distributions paid were $2,280 million. These distributions would have been $2,450 million ($170 million greater) if all distributions paid in August 2010 had been cash from operations, rather than a portion being a distribution of cash from interim capital transactions; the GP receives only 2% of distributions of cash from interim capital transactions; 2012 budget.

(b) Annual LP declared distributions, rounded to 2 decimals where applicable; 2012 forecast.

(c) Debt is net of cash and excluding fair value of interest rate swaps; 2012E assumes full year contribution from 100% of TGP and 50% of EPNG.

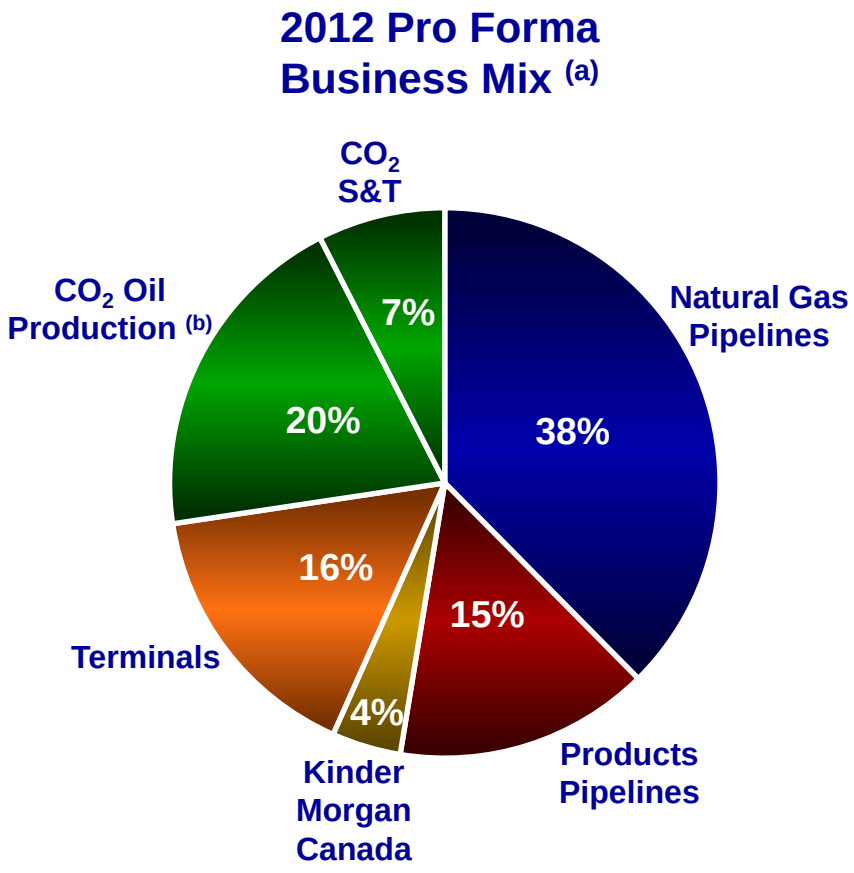
Promises Made, Promises Kept

Promises Made		Promises Kept	
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
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 (a)		
KMI Budgeted Dividend:		**KMI Actual Dividend:**	
2011:	$1.16 (b)	2011:	$1.20 (b)
2012:	$1.35 (c)		
EPB Forecast Dividend:		**EPB Actual Dividend:**	
2012:	$2.25 (a)		

KMP achieved LP distribution target in 11 out of 12 years

(a) Original 2012 budget / current target.
(b) Presented as if KMI were publically traded for all of 2011.
(c) Original 2012 budget excluding EP was $1.35, current target is $1.40 including EP.

KMP's Diversified Cash Flow



Natural Gas Pipelines

- ~60% interstate
- ~40% intrastate (c)

Products Pipelines

- ~55% pipelines
- ~45% associated terminals / transmix

CO_2

- ~27% CO_2 transport and sales
- ~73% oil production-related
  - Production hedged (b):
    2012=80% ($91)
    2013=65% ($95)
    2014=41% ($95)
    2015=21% ($96)

Terminals

- ~55% liquids
- ~45% bulk

Kinder Morgan Canada

- 100% petroleum pipelines

(a) Forecast segment earnings before DD&A including proportionate amount of JV DD&A and excluding certain items; pro forma for dropdown of TGP / 50% EPNG and FTC divestiture as if occurring on 1/1/2012.
(b) Percent of estimated net crude oil and heavy natural gas liquids production; 2012 = July through December.
(c) Includes upstream assets

How We Have Done: KMP Returns on Capital

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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%	12.9%
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	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	26.2
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
Kinder Morgan Canada	--	--	--	--	--	--	--	11.0	12.1	12.8	13.7	14.1
KMP ROI	12.3%	12.7%	12.6%	13.1%	13.6%	14.3%	14.4%	14.1%	14.9%	13.9%	13.5%	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%	24.0%

(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

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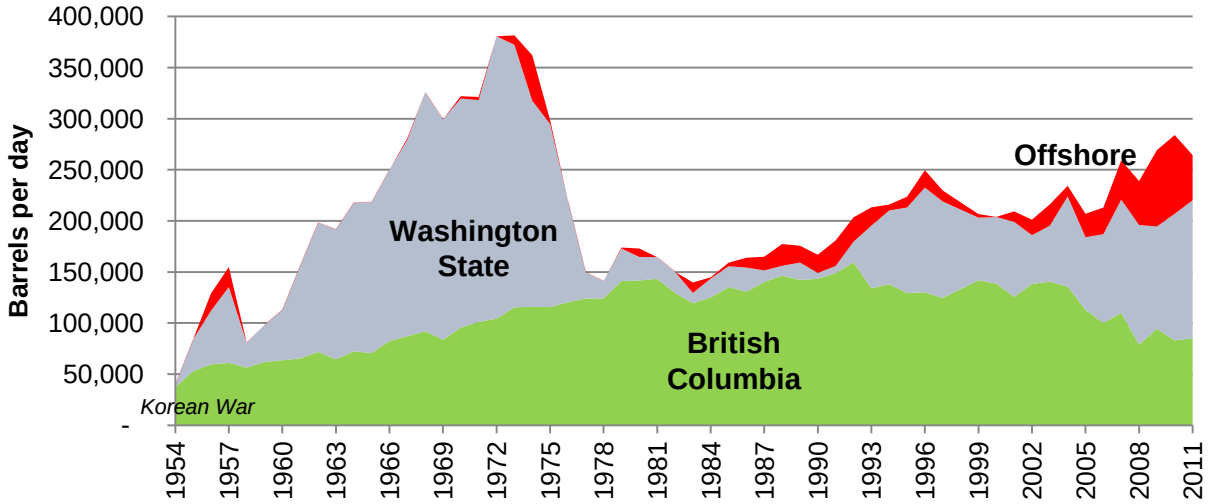
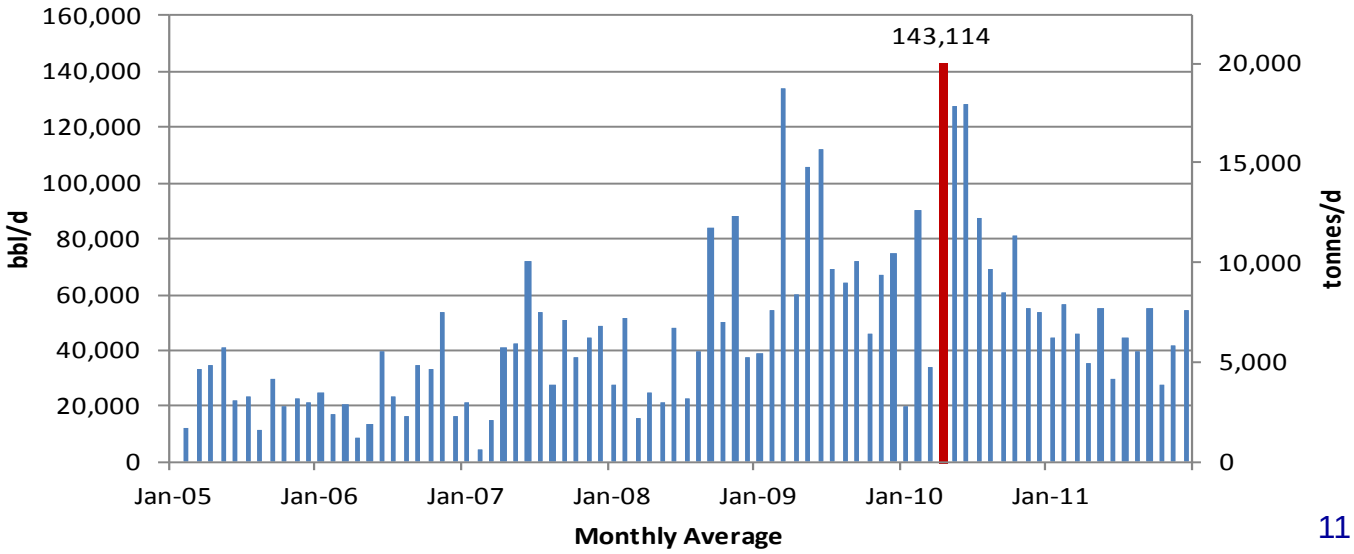
Trans Mountain Expansion

Trans Mountain – West Coast Connected



Trans Mountain History

Tanker Volumes



1.0 barrels = ~0.14 tonnes

Trans Mountain Expansion Project

- Open Season results announced April 12, 2012
- *Current* Capacity: 300,000 Bpd
- Expansion up to 750,000 Bpd
- Approx. 510,000 Bpd Binding 20 yr contracts
- Scheduled In-service 2017

Twin Pipelines

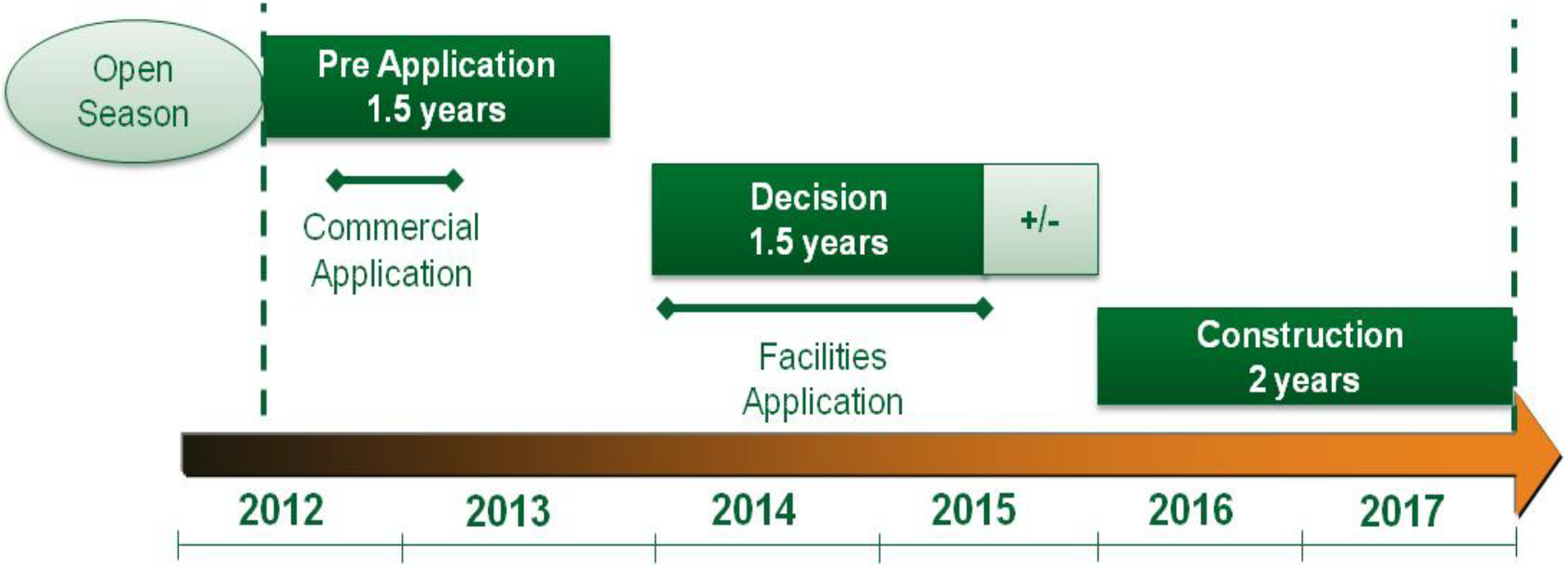
- Existing Pipeline 265,000 Bpd
- Proposed New Line 490,000 Bpd
- Approx. 900 kms added pipe
- 18 New tanks, 4.8 MBbls
- 2 New Docks
- Estimated Cost $4.1B



New Infrastructure Challenges

- Firstly → pipeline safety
- Commercial support
- Emergency response capabilities
- Environmental concerns → current, future
- First Nations engagement
- Local interests → risk vs. benefits
- Upstream/downstream concerns

Trans Mountain Expansion Schedule



TMEP Economic Benefits

- Project construction expenditures: Approximately $4 billion – 99 percent of this amount will be spent in Canada on goods and services
- Expenditure estimated to lead to increased Gross Domestic Product (GDP) in Canada of approximately $3.5 billion, labour income of approximately $2.3 billion and approximately 37,000 person-years of employment
- Annual project operation expenditures are estimated to total $77 million per year (excluding municipal taxes)
- Expenditure estimated to lead, over the 30 year life of the project, to increased GDP of approximately $2.2 billion, labour income of approximately $650 million and approximately 10,000 person-years of employment

TMEP Listening

- Initial meetings held with federal, provincial and municipal governments and First Nations to introduce the proposed expansion project and listen to feedback
- Strategic meetings with ENGOs who are influencers in different sectors: clean technology, research and conservation, climate research and biodiversity
- Community engagement is underway identifying areas of concern: risk and safety, particularly marine safety, are the primary concerns about the proposed expansion
- Next steps: provide information through various channels, including a new and much more expansive website, meetings and various engagement events

Kinder Morgan Terminals - Canada

Vancouver Wharves Terminals - Vancouver

- Acquired by KM in 2007 under 40 year lease from BC Government
- Handles copper, lead, & zinc concentrates; sulphur, agricultural products; diesel/jet fuel.
- Four ship docks and 500 rail car spots
- Connectivity to CNR, CPR and BNSF railways
- Facility recently completed $165 MM in capital upgrades primarily related to environmental and efficiency improvements
- Strategically located to facilitate Canadian exports via Canada's Pacific Gateway



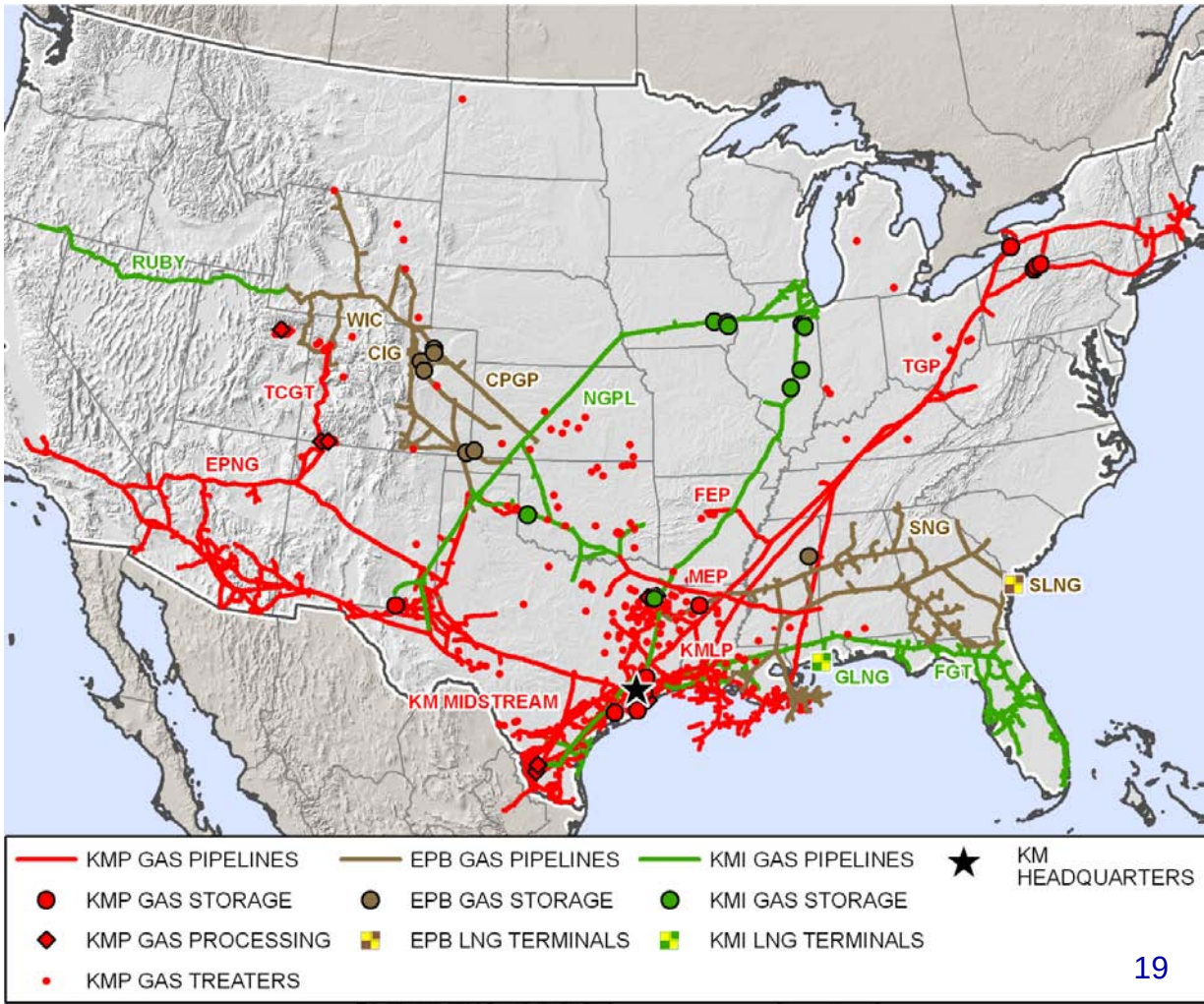
Appendix

Natural Gas Pipelines Segment

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

Long-term Growth Drivers:

- **Highly visible, attractive dropdown inventory at KMI via El Paso pipeline assets**
- **Natural gas the logical fuel of choice**
  - **Cheap, abundant, domestic and clean**
- **Unparalleled natural gas network**
  - **Sources natural gas from every important natural gas resource play in the U.S.**
    - Eagle Ford, Marcellus, Utica, Haynesville, Fayetteville and Barnett
  - **Connected to every major demand center in the U.S.**
- **Demand growth and shifting supply from multiple basins lead to:**
  - **Pipeline / storage expansions and extensions**
  - **Greenfield development**
  - **Optionality of deploying portions of existing footprint in different product uses**
- **Expand service offerings to customers (e.g. treating and G&P)**
- **LNG exports**
- **Acquisitions**



Note: reflects KMP divestiture of Rockies assets.

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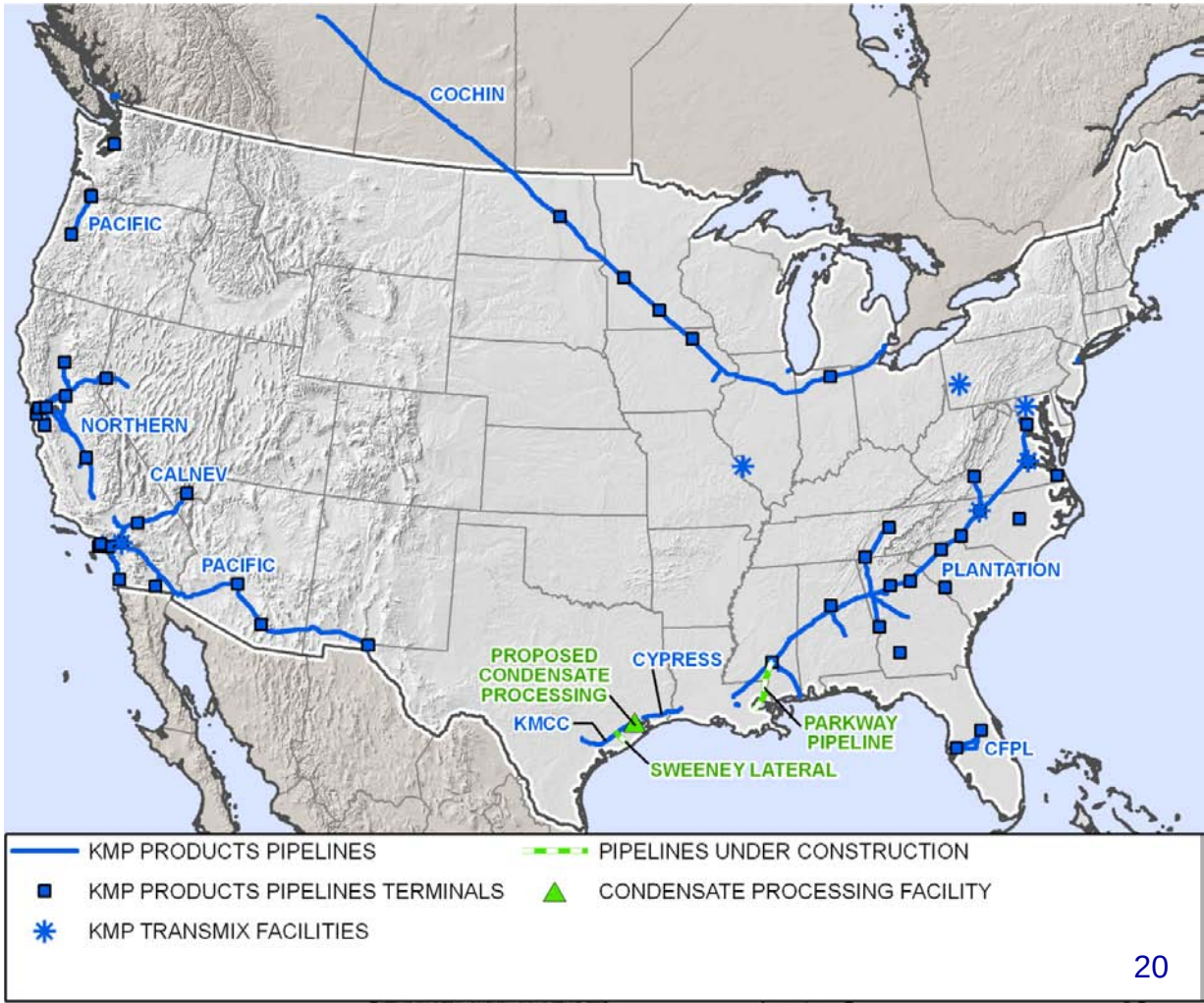
Products Pipelines Segment

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

Long-term Growth Drivers:

- **Development of shale play liquids infrastructure**
  - **Condensate transportation, processing and storage services from Eagle Ford**
    - Condensate processing facility located in Houston Ship Channel, in-service Jan-2014
  - **Crude / condensate service on Cochin, target in-service 2014**
- **Parkway Pipeline in-service 2013**
- **Increased fuel export opportunities**
- **RFS [(a)] increases demand for storage and ancillary services**
  - **Ethanol and biodiesel growth including terminals and pipeline expansions**
- **Tariff index adjustments / organic volume growth**
- **Tuck-in acquisitions**



(a) RFS (U.S. Renewable Fuels Standard) requires an increase in use of renewable fuels, from 15 Bgal/yr in 2012 to 36 Bgal/yr in 2022.

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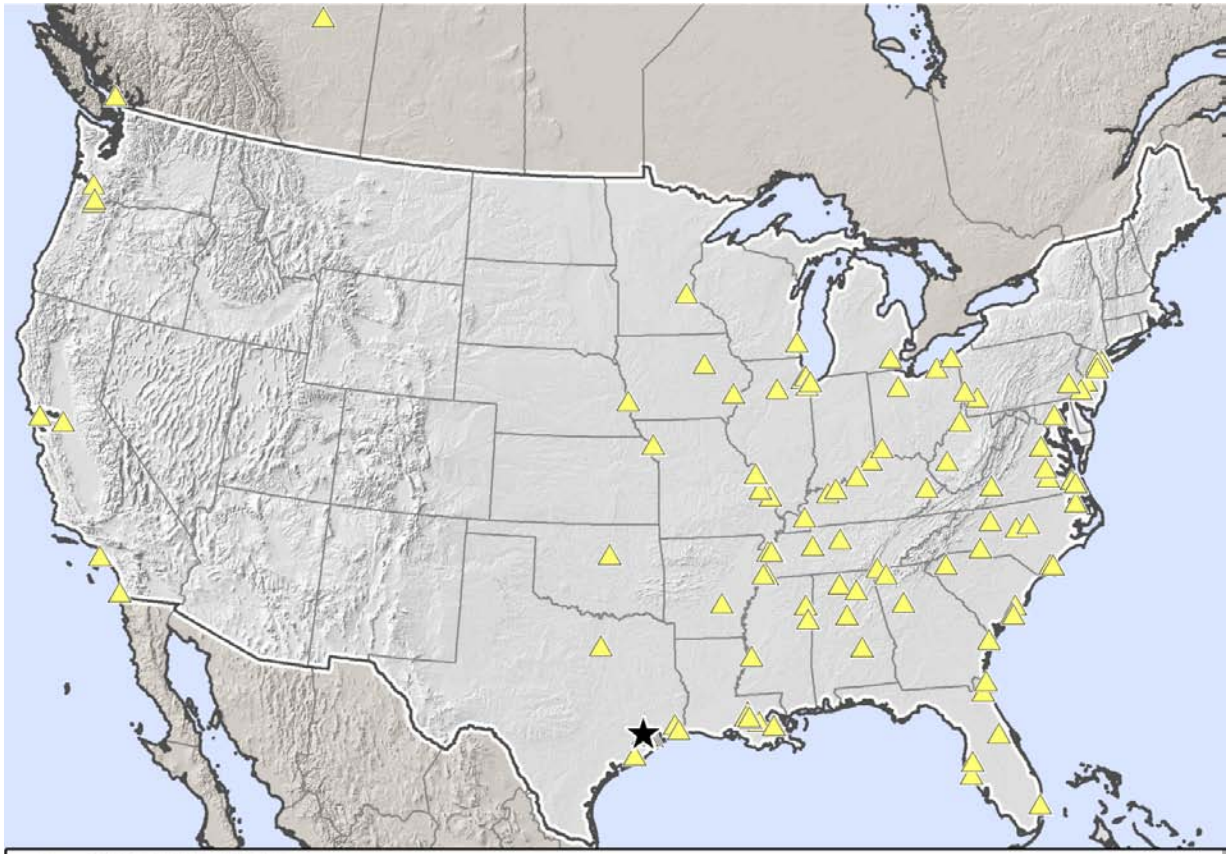
Terminals Segment

Well-located in refinery / port hubs and inland waterways

Long-term Growth Drivers:

- **$1.6 billion of identified major projects**
- **Newbuild and expansion of export coal and petcoke terminals (IMT, Houston, Whiting)**
- **Expansions and higher rates at well-located, high-connectivity terminals**
- **Petroleum exports**
- **Canadian crude oil merchant tankage**
- **Increase in use of renewable fuels [(a)] leads to ethanol / biofuel expansion**
- **Acquisition of terminals from "mom and pop" owners and from majors**



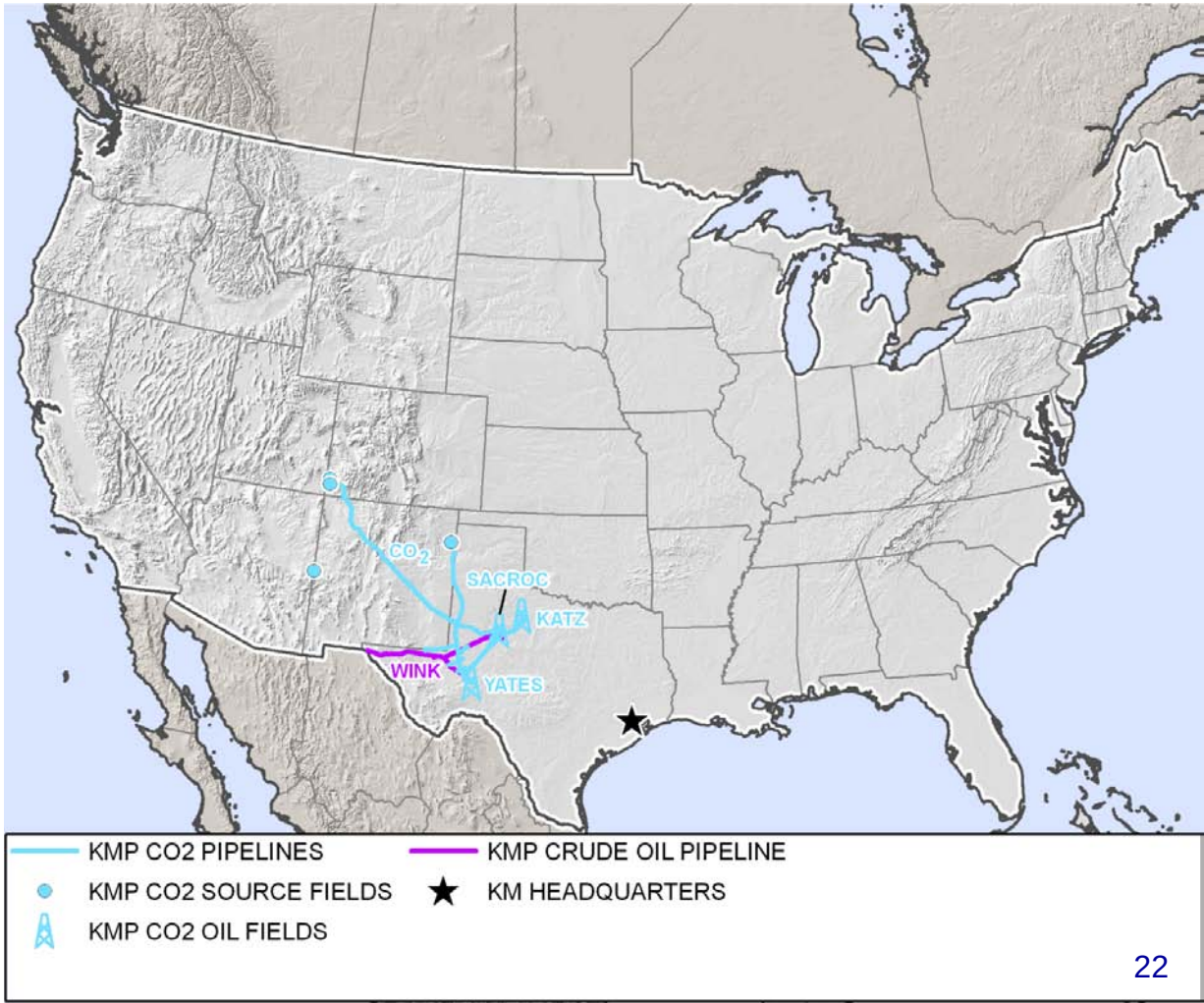
(a) RFS (U.S. Renewable Fuels Standard) requires an increase in use of renewable fuels, from 15 Bgal/yr in 2012 to 36 Bgal/yr in 2022.

CO_2 Segment

Own and operate best source of CO_2 for EOR

Long-term Growth Drivers:

- **Strong demand for CO_2**
  - **Expansion of CO_2 source fields and pipelines**
    - Several large, long-term CO_2 S&T contracts executed
  - **Higher rates and better terms on new/renewed CO_2 S&T contracts**
  - **St. Johns CO_2 field acquisition**
- **Billions of barrels of domestic oil still in place to be recovered at SACROC, Yates and Katz**



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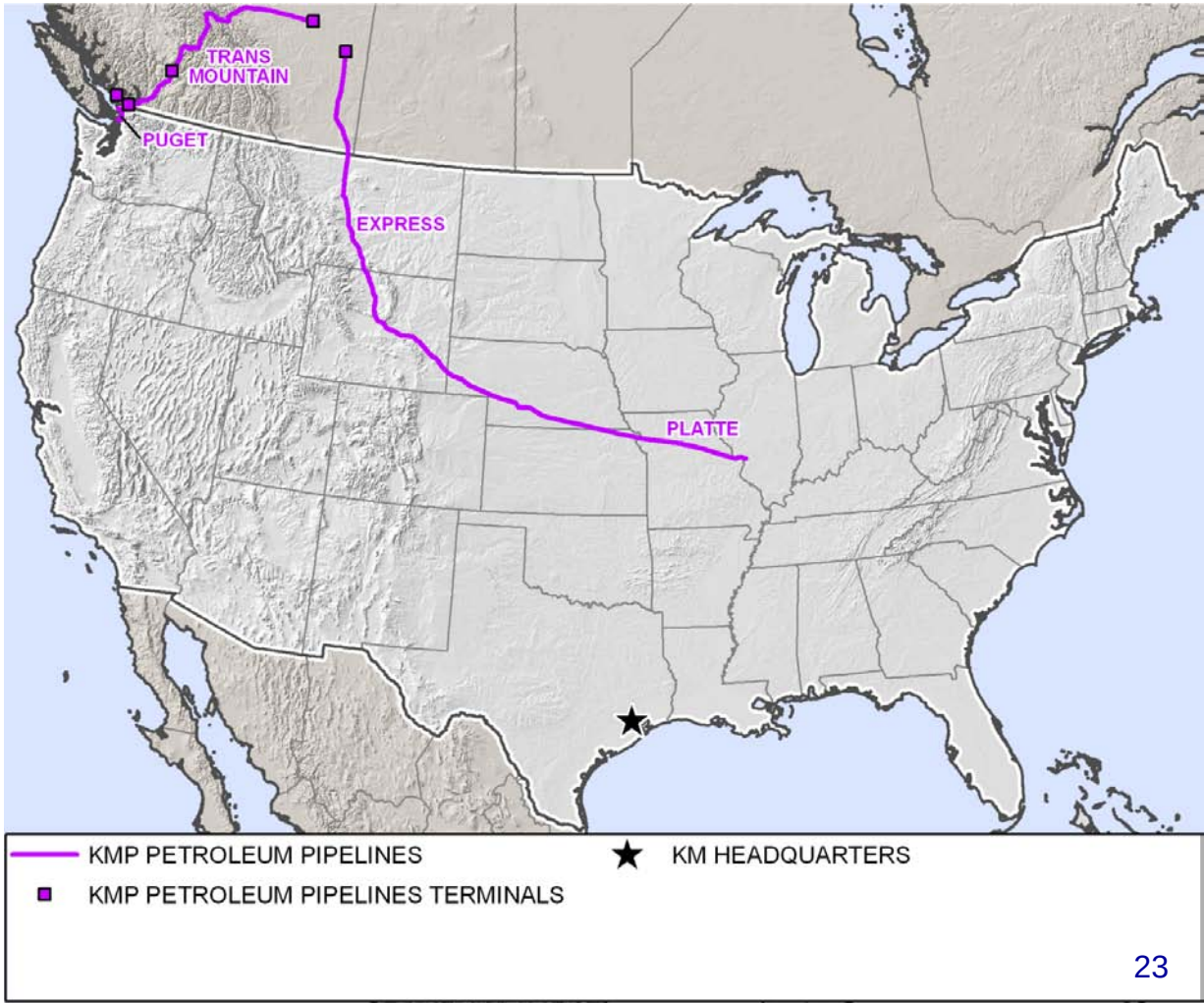
Kinder Morgan Canada Segment

Sole oil pipeline from Oilsands to West Coast / export markets

Long-term Growth Drivers:

- **Expand Oilsands export capacity to West Coast and Asia**
  - **TMPL is lowest-cost option for expansion to West Coast**
  - **Following successful open season, major expansion under way**
    - More than doubling capacity from 300 MBbl/d currently to approximately 750 MBbl/d
    - Strong commercial support from shippers with binding 20-year contracts for 510 MBbl/d of firm transport capacity
    - Projected cost of $4.1 billion
    - Proceeding with initial project design and planning
    - Expected in-service 2017
- **Expanded dock capabilities (Vancouver)**

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