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Wachovia LNG Conference

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Overview

- Who is Kinder Morgan?
- Infrastructure Opportunities in North America
- Kinder Morgan Response

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Who is Kinder Morgan?

- **Largest independent transporter of petroleum products in the U.S.**
  - transport more than 2 million barrels per day (Bbl/d)
- **2nd largest transporter of crude oil and petroleum products in Canada**
  - transport more than 950,000 Bbl/d of crude oil and petroleum products
- **2nd largest transporter of natural gas in U.S.**
  - approximately 24,000 miles of interstate / intrastate pipeline

  2nd largest natural gas storage operator in U.S.
  - over 300 Bcf of working gas storage capacity
- **Largest transporter of CO_2 in the U.S.**
  - transport more than 1 Bcf/d of CO_2
- **Largest independent terminal operator in U.S.**
  - ~96 million barrels of liquids capacity
  - handle over 80 million tons of dry bulk products
- **3rd largest LDC in Canada (largest in B.C.)**
  - 892,000 customers

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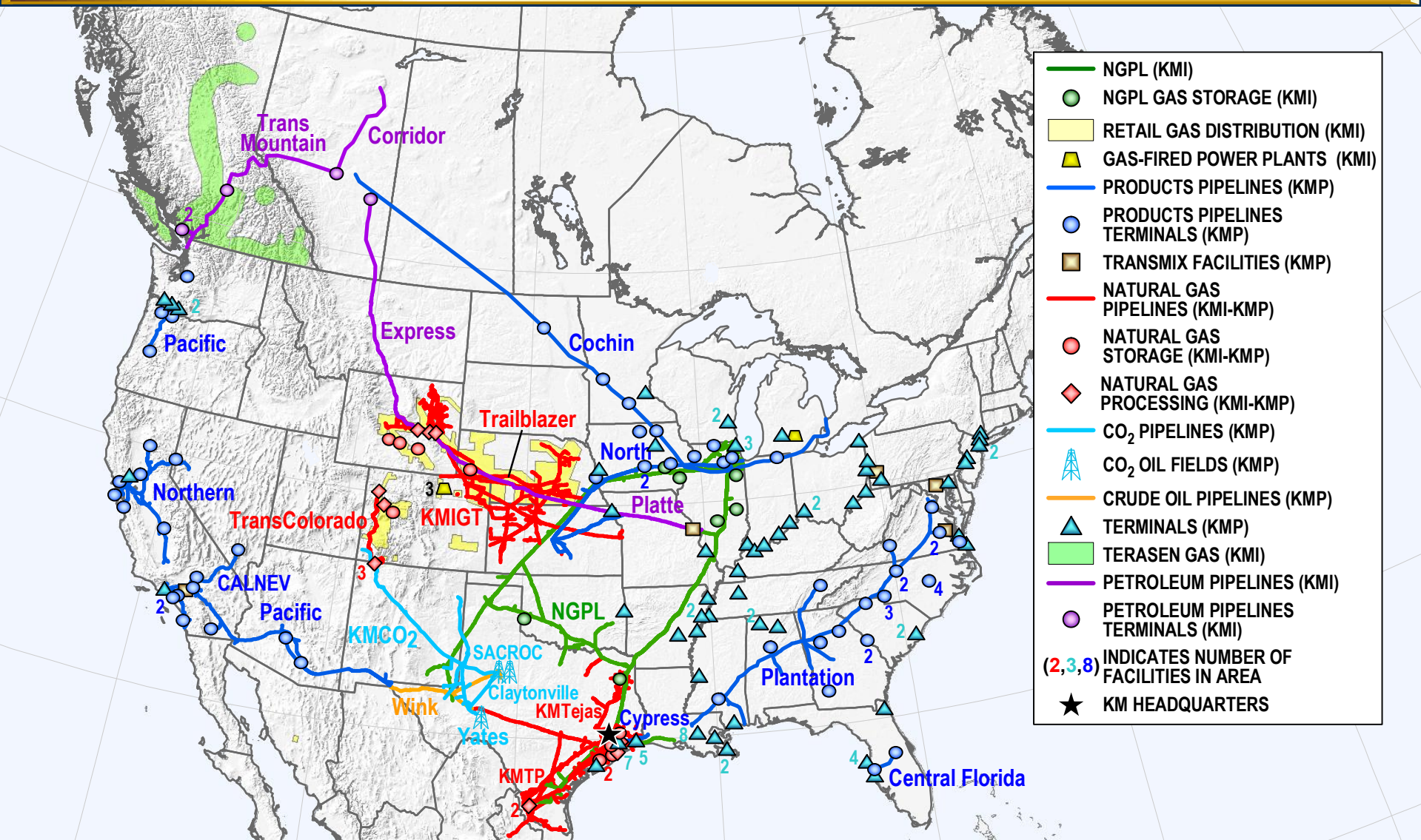
Kinder Morgan Assets



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North American Energy Trends

- Expanding Canadian Oilsands Production
- Growing Rockies Natural Gas Production
- Increased Supply of LNG on Gulf Coast

KM LNG Response

Trend		KM Opportunity
■ **Increased Supply of LNG on Gulf Coast**		*PIPELINE:* *KM Louisiana Pipeline* *STORAGE:* *Dayton, Sayre, N. Lansing, additional opportunities…*

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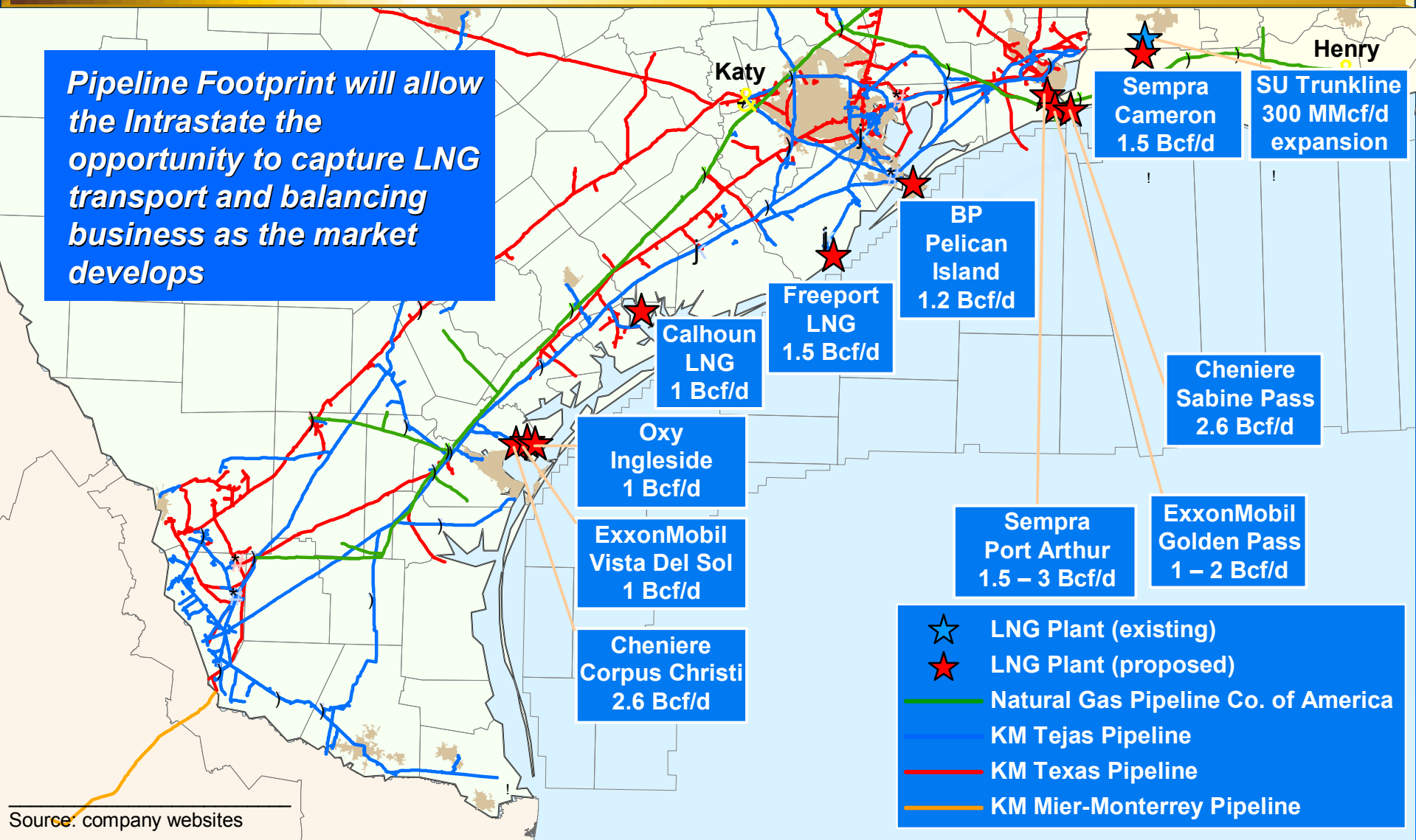
LNG: Increased Supply on Gulf Coast



Source: company websites

Elements of Single LNG Value Chain
Range of Investments by Component





Market Value Range of Delivered LNG Cargoes = $3.6 – $7.2 Billion per year (a)

From industry sources

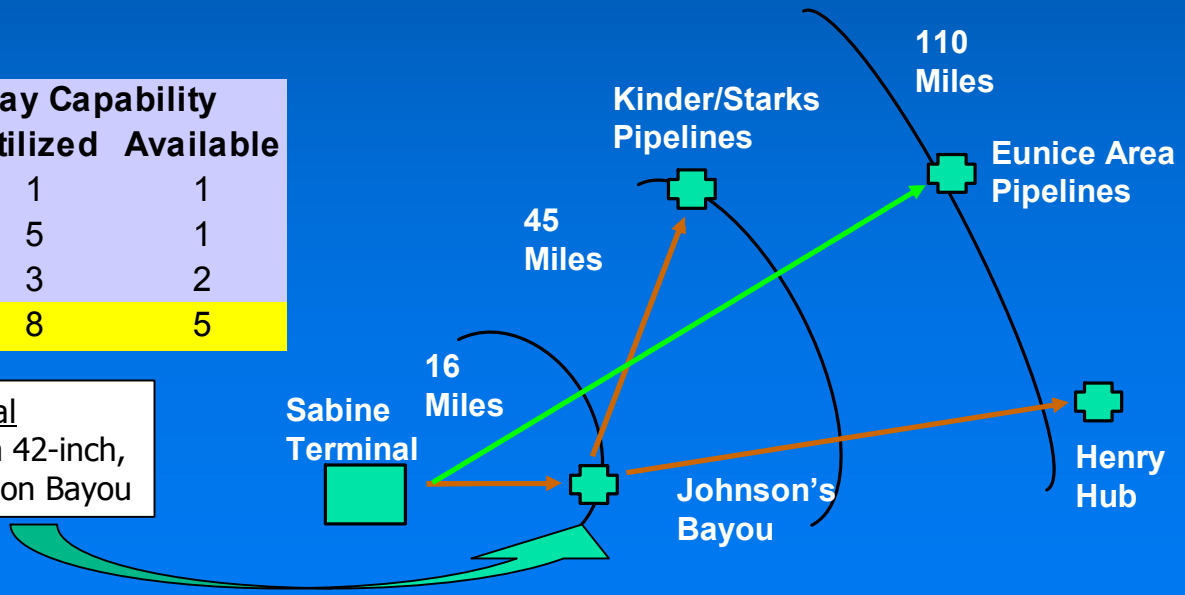
(a) Based upon 2.0 Bcf/d of LNG receipts and $5-$10/MMBtu gas prices

Regional Markets

- TOTAL and Chevron each concluded, based on their take-away capacity analysis in the Sabine Pass area, that a new header is necessary.
- After a thorough screening process of alternatives, TOTAL and Chevron decided that the best proposal is Kinder Morgan's.
- The new header will provide a highly reliable transportation solution by connecting the Sabine Pass Terminal to key interstate pipelines in the Eunice area where their capacity is the highest.

	Take Away Capability		
BCFD	Capacity	Utilized	Available
Johnson's Bayou	2	1	1
Kinder/ Starks	6	5	1
Henry Hub	5	3	2
Eunice Area	13	8	5

Sabine Pass LNG Terminal
FERC approval includes a 42-inch, 16-mile pipeline to Johnson Bayou



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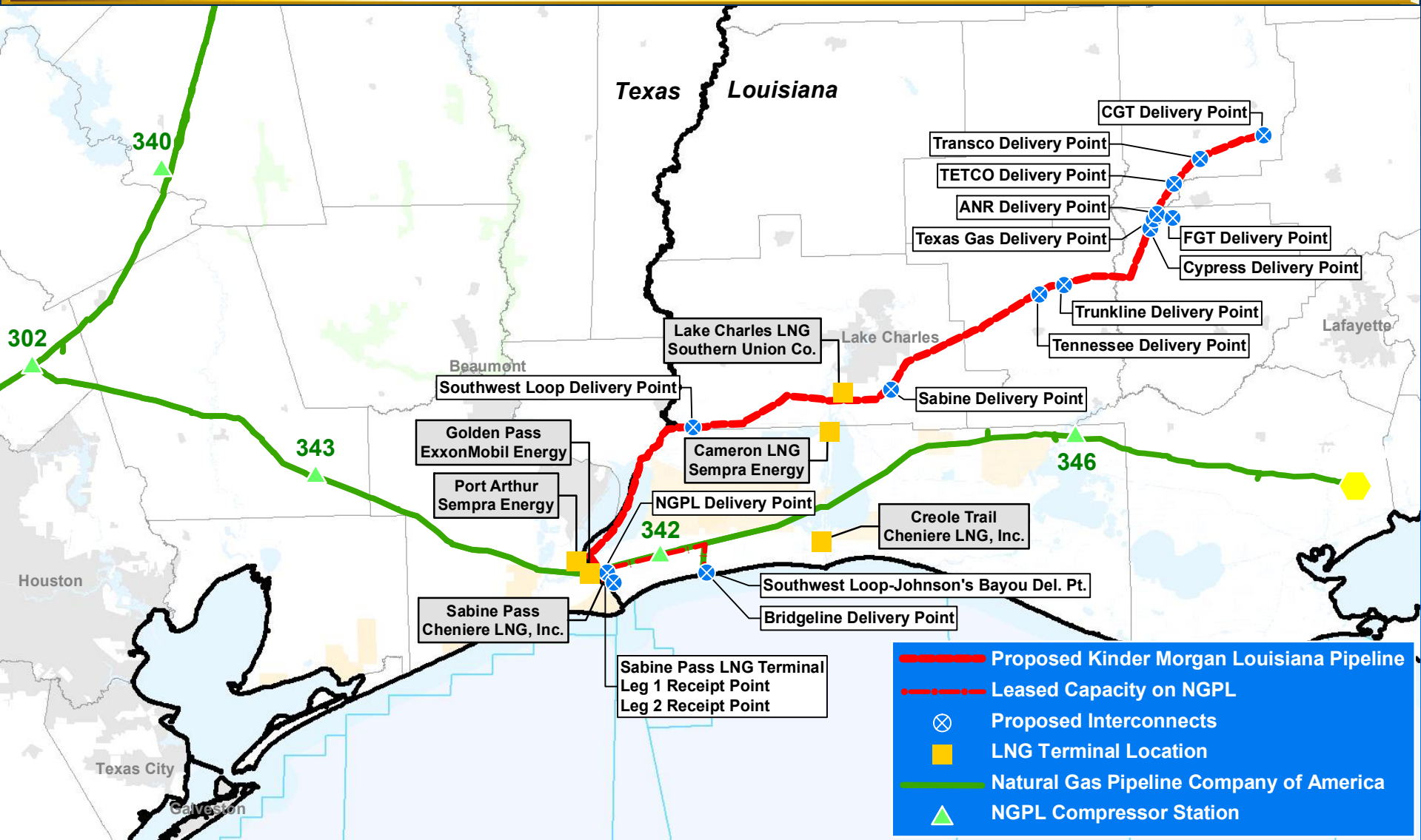
Kinder Morgan Louisiana Pipeline

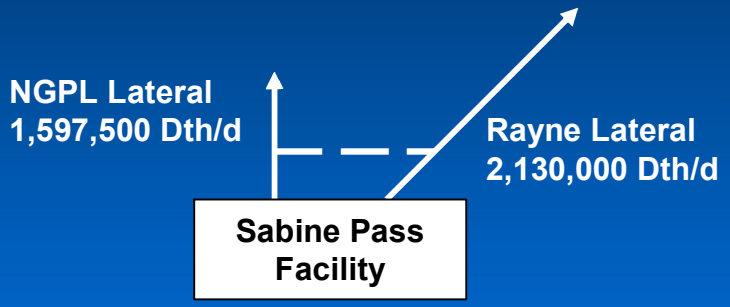


Kinder Morgan Louisiana Pipeline- Description

Capital - $484 MM

Project Description

- **Rayne Lateral (Leg 1)**
  - 137 miles 42”
  - 2,130,000 Dth/d
  - In-service by April 1st, 2009
- **NGPL Lateral (Leg 2)**
  - 1 mile 36”
  - 1,597,500 Dth/d
  - Includes 200,000 Dth/d of lease capacity on NGPL to Johnson’s Bayou Southwest Loop area
  - In-service by October 1st, 2008
- **Tie-in Facilities between Rayne and NGPL Laterals, 1,065,000 Dth/d**



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Initial Project Capacity is Sold Out…

Executed Precedent Agreement with Chevron USA

- MDQ: 1,697,500 Dth/d
- Negotiated Rate: Fixed for term of contract
- Term: 20 years

Executed Precedent Agreement with Total Gas & Power North America, Inc

- MDQ: 1,697,500 Dth/d
- Negotiated Rate: Fixed for term of contract
- Term: 20 years

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Kinder Morgan Louisiana Pipeline LLC

Beyond the Initial Project… Real Future Growth Potential:

- **Currently in discussions to connect additional LNG Plants to the Pipeline**
  - ExxonMobil Golden Pass LNG Terminal
  - Sempra Cameron LNG Terminal
  - Southern Union Lake Charles LNG Terminal
- **Potential for expansion of project**
  - Increase of 0.3 to 1.5 Bcf/d in capacity
  - Capex ranging from an additional $110 - $305 million
- **Greenfield storage development adjacent to the project**
- **Future expansion or extensions of the pipeline**
- **Smaller Opportunities Include:**
  - Synergies with NGPL
  - Early In-service opportunities
  - Short-haul, IT and PALs services


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