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ENERGY PARTNERS, L.P.

Deloitte 2007 Oil & Gas Conference

December 12, 2007

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Forward Looking Statements

This presentation contains forward looking statements, including these, within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Exchange Act of 1934, as amended. Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and securities values of Kinder Morgan Energy Partners, L.P. and Kinder Morgan Management, LLC (collectively known as "KMP") may differ materially from those expressed in the forward-looking statements contained throughout this presentation and in documents filed with the SEC. Many of the factors that will determine these results and values 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 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. You are cautioned not to put undue reliance on any forward-looking statement.

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Use of Non-GAAP Financial Measures

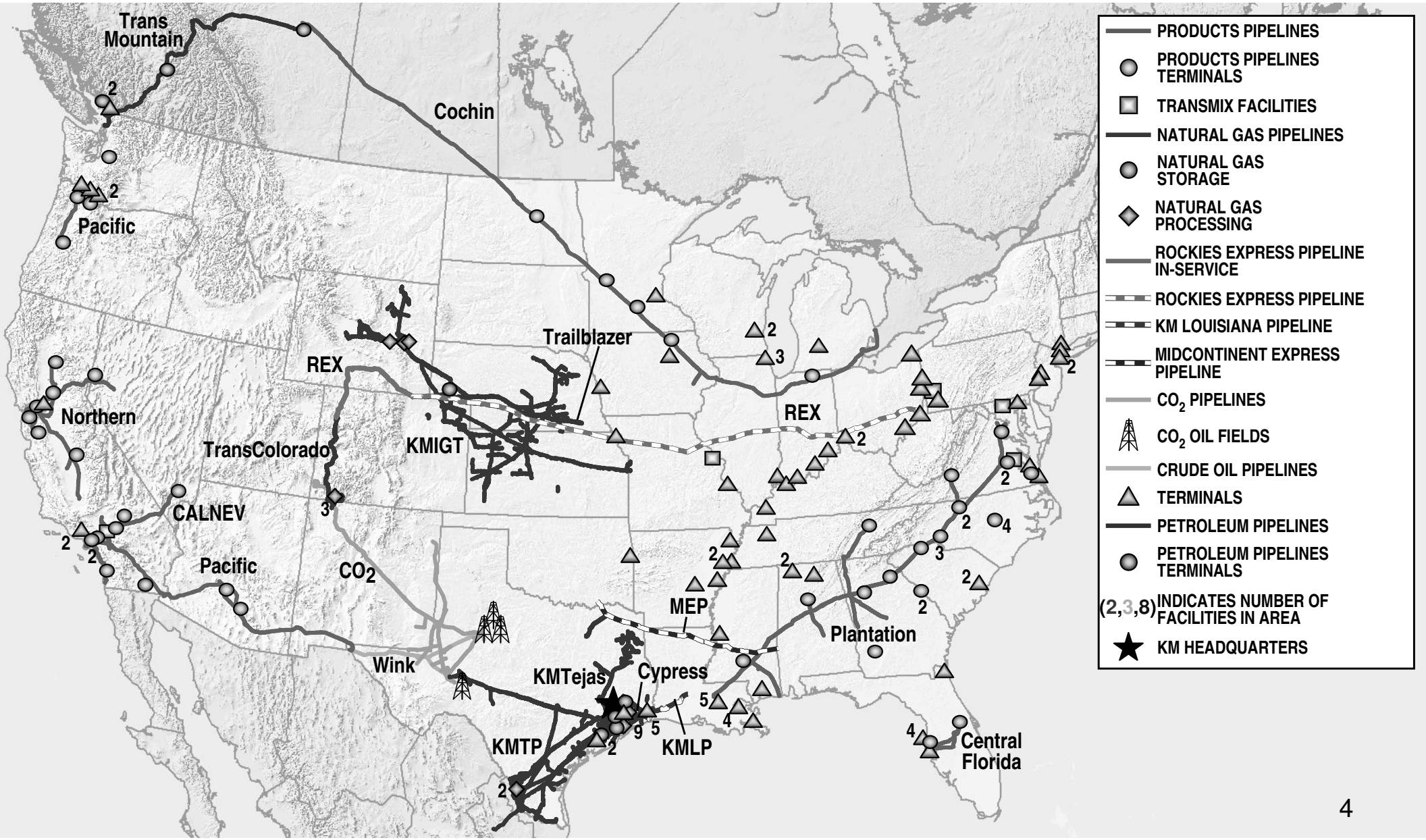
This presentation utilizes the non-generally accepted accounting principles (non-GAAP) financial measures of distributable cash flow (DCF), EBITDA, and segment earnings before depletion, depreciation and amortization (DD&A).

For KMP overall, we define distributable cash flow (DCF) to be pretax income plus DD&A less cash taxes paid and sustaining capital expenditures (capex) for KMP, plus KMP's portion of the DD&A less sustaining capex of Rockies Express, our equity method investee. For our segments we define DCF as segment net income (which is before corporate costs of G&A and interest) plus DD&A less sustaining capex. The components of the difference between overall KMP DCF and segment DCF are cash versus book taxes, DD&A and sustaining capex on Rockies Express, G&A, interest, minority interest and the general partner's interest. We define EBITDA as pre-tax income plus DD&A and interest expense. We define segment earnings before DD&A as segment earnings plus DD&A and amortization of excess cost of equity investments. The amounts included in the calculation of these measures are computed in accordance with generally accepted accounting principles (GAAP), with the exception of "sustaining capital expenditures" (as it relates DCF) which is not a defined term under GAAP. Consistent with the partnership agreement of Kinder Morgan Energy Partners, L.P., sustaining or maintenance capex are defined as capital expenditures (as defined by GAAP) which do not increase the capacity of an asset.

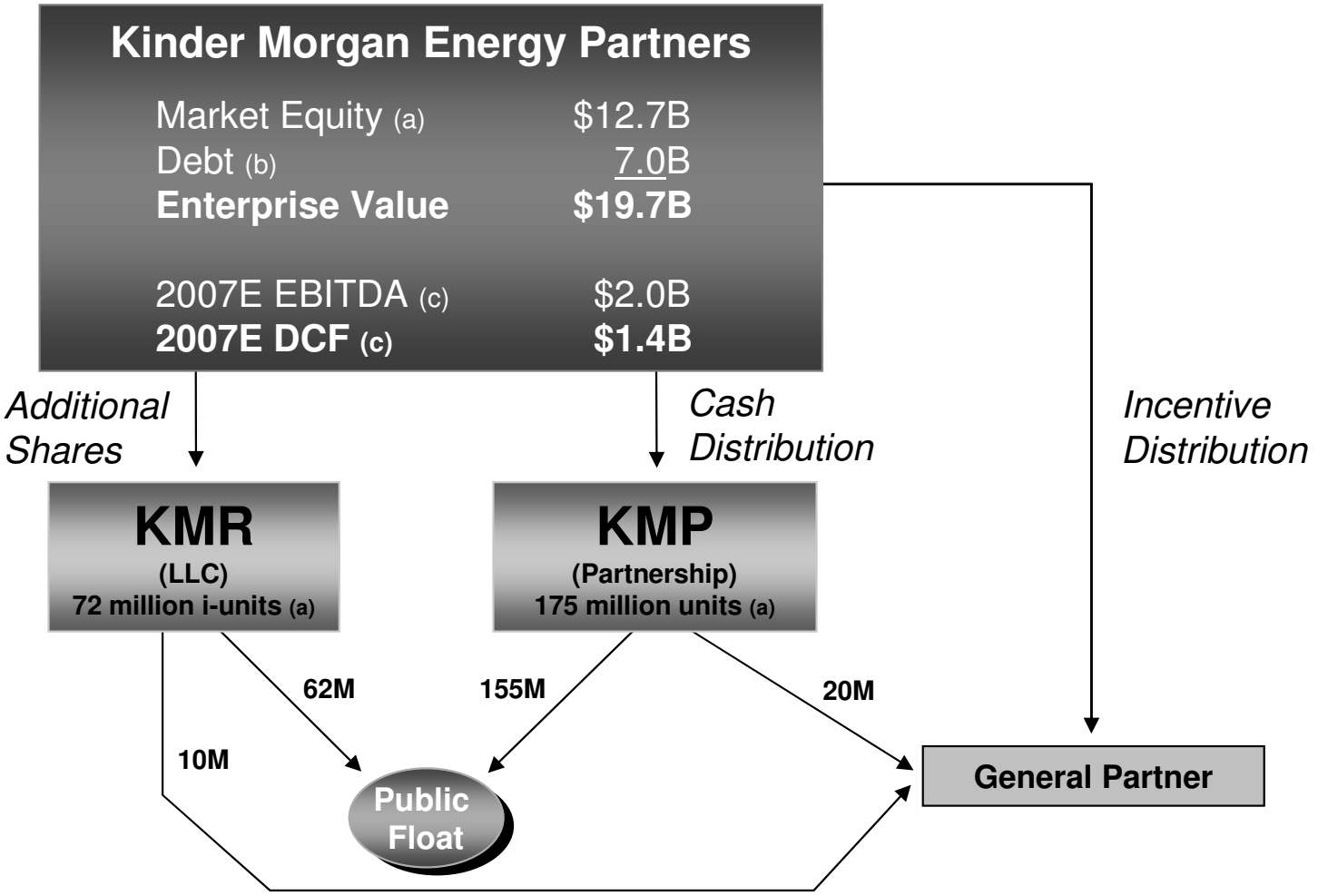
We routinely calculate and communicate these measures to investors. We believe that continuing to provide this information results in consistency in our financial reporting. In addition, we believe that these measures are useful to investors because they enhance the investors' overall understanding of our current financial performance and our prospects for future performance. Specifically, we believe that these measures provide investors an enhanced perspective on the operating performance of our assets and the cash that our businesses are generating. Notwithstanding, these non-GAAP financial measures are not a replacement for the financial statements included in our Exchange Act Filings.

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System Map



Capital Structure



(a) KMP market cap based on 175 million common units (includes 5.3 million Class B units owned by KMI; Class B units are unlisted KMP common units) at a price of $51.23 and 72 million KMR i-shares at a price of $50.65, as of 3-Dec-2007. KMR shares adjusted for 14-Nov-2007 in-kind dividend. KMP units adjusted for recent public offering of approximately 7.1 million common units (includes exercise of the greenshoe).
(b) Debt balance as of 30-Sep-2007, excludes the fair value of interest rate swaps, net of cash.
(c) Original 2007 budget. EBITDA and DCF as defined on slide 3.

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Solid Asset Base Generates Stable Fee Income

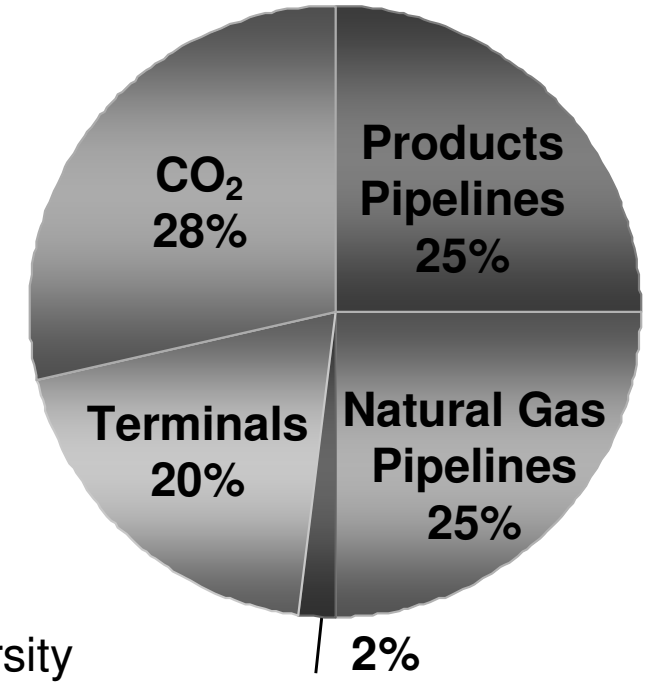
CO_2

- 28% CO_2 transport and sales
- 72% oil production related
- Production hedged (a):
  - 2007=85% ($35/Bbl)
  - 2008=83% ($44)
  - 2009=71% ($49)
  - 2010=72% ($56)

Terminals

- 49% Liquids, 51% Bulk
- Geographic and product diversity
- 3-4 year average contract life

KMP 2007 DCF Profile (b)



Trans Mountain

Products Pipelines

- Refinery hub to population center strategy
- 68% Pipelines
- 27% Associated Terminals (c)
- 5% Transmix
- No commodity price risk

Natural Gas Pipelines

- 55% Texas Intrastate
- 45% Rockies
- Little incidental commodity risk

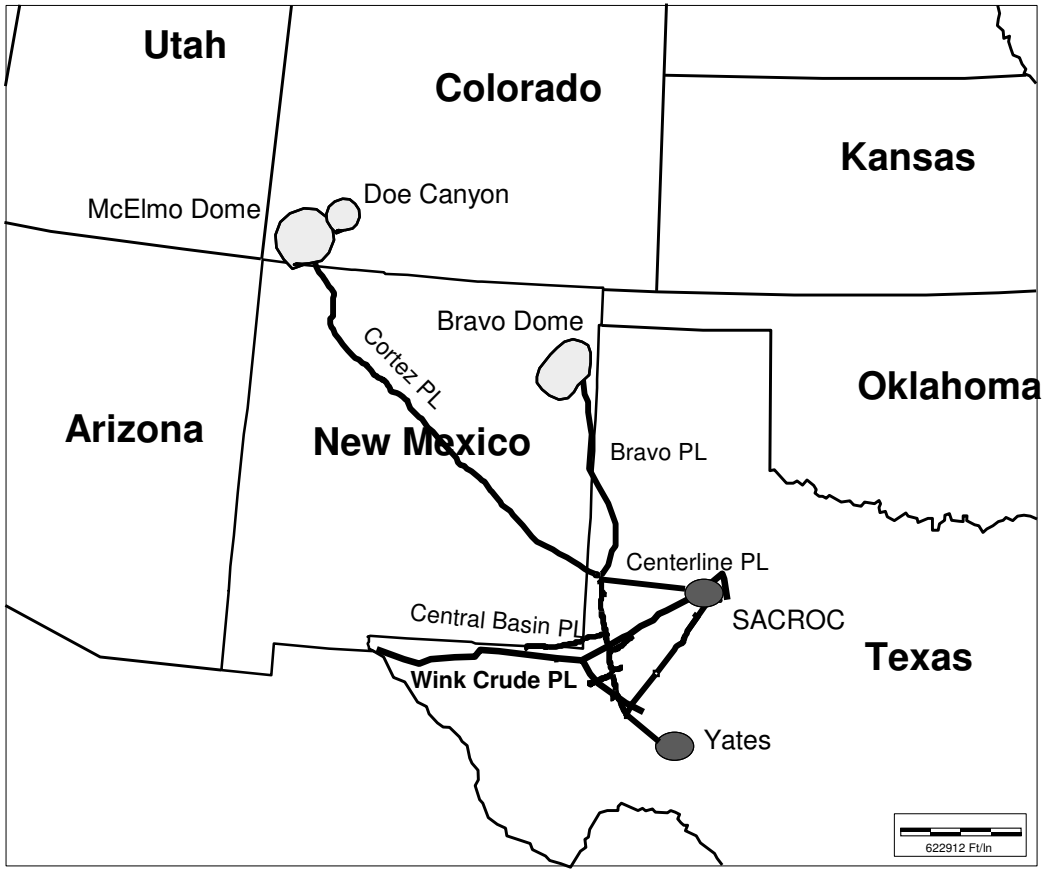
(a) 2007 production based on Kinder Morgan budget; 2008-2011 based on Netherland, Sewell reserve report. Includes heavier NGL components (C4+). Incorporates swaps and puts at strike price net of premium, WTI/WTS spread @ $6-7.00/Bbl.
(b) Original 2007 budget. Segment DCF as defined on slide 3.
(c) Terminals are not FERC regulated except portion of CALNEV.

The Kinder Morgan Strategy

Same Strategy Since Inception

- **Focus on stable, fee-based assets which are core to the energy infrastructure of growing markets**
- **Increase utilization of assets while controlling costs**
  - Classic fixed cost businesses with little variable costs
  - Improve productivity to drop all top-line growth to bottom line
- **Leverage economies of scale from incremental acquisitions and expansions**
  - Reduce needless overhead
  - Apply best practices to core operations
- **Maximize benefit of a unique financial structure which fits with strategy**
  - MLP avoids double taxation, increasing distributions from high cash flow businesses
  - Strong balance sheet allows flexibility when raising capital for acquisitions / expansions

CO_2: KMP Operations



CO_2 Reserves	Company Ownership	Location	Remaining Deliverability	Operator
McElmo Dome	45%	SW Colorado	35+ yrs	KMP
Doe Canyon	88%	SW Colorado	evaluating	KMP
Bravo Dome	11%	NE New Mexico	10+ yrs	Oxy

Pipelines	Company Ownership	Location	Capacity (MMcf/d)	Operator
Cortez	50%	McElmo Dome to Denver City	1,050 (a)	KMP
Bravo	13%	Bravo Dome to Denver City	375	BP
Central Basin	100%	Denver City to McCamey	600	KMP
CRC	99%	McCamey to Snyder	200	KMP
CLPL	100%	Denver City to Snyder	240	KMP
Pecos	~70	McCamey to Iraan	120	KMP
Wink (crude)	100%	McCamey & Snyder to El Paso	135 (b)	KMP

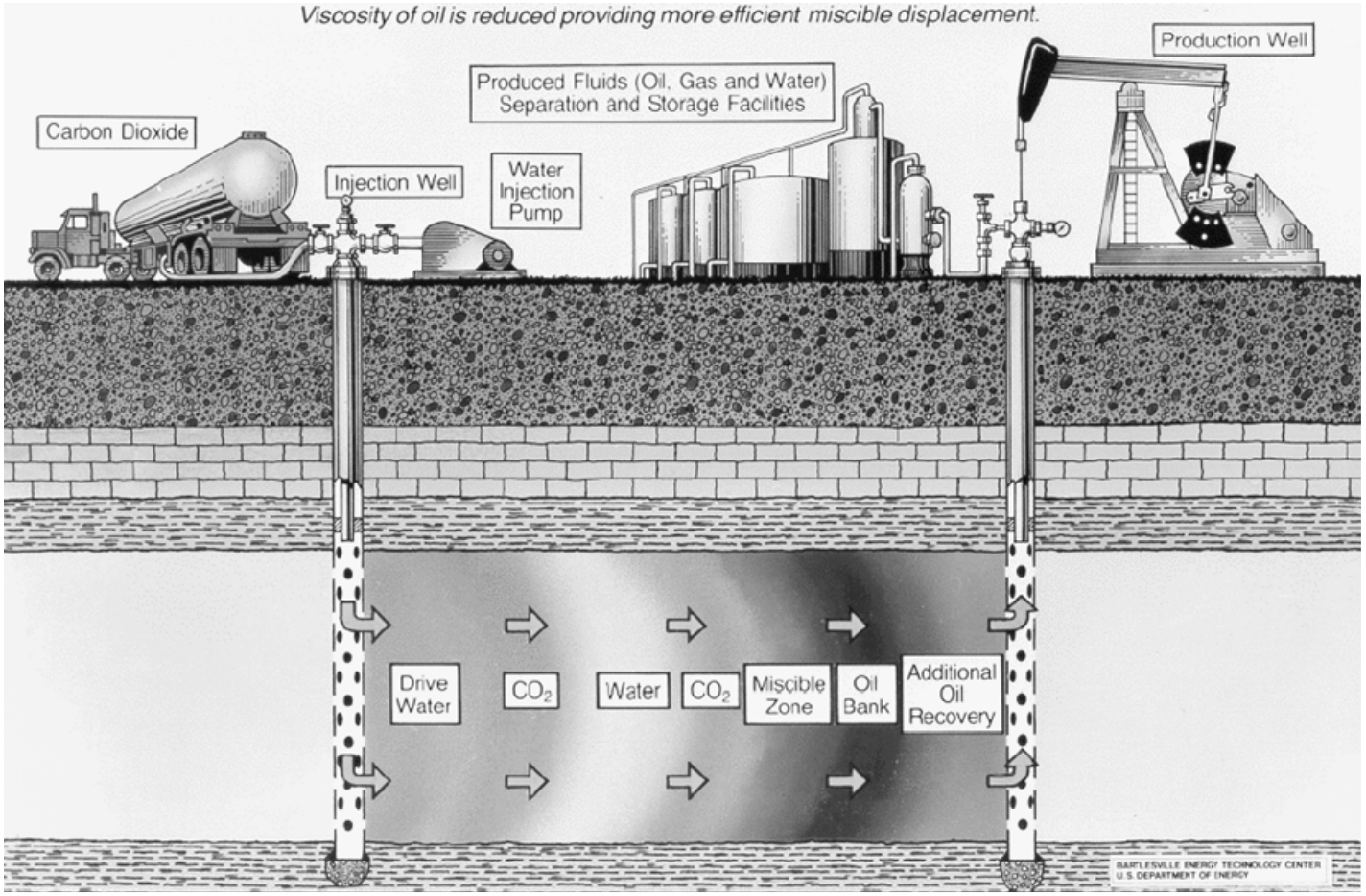
Crude Reserves	Company Ownership	Location	Remaining Life	Operator
SACROC	97%	W. Texas	20+ yrs	KMP
Yates	50%	W. Texas	30+ yrs	Marathon

(a) Cortez pipeline and CO_2 source fields currently being expanded for a total of approximately $200 million (8/8ths); capacity on Cortez pipeline to increase to approximately 1,250 MMcf/d.
(b) MBbl/d.

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CO_2: How it Works

- CO_2 mixes with oil much like turpentine cleans paint from a brush
- Inter-phase mass transfer typically yields NGL rich gas production
- Chase water injection helps control mobility and gas recycle



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CO_2: How it Fits in the MLP

- **CO_2 Transport – typical MLP pipeline business**
- **CO_2 Sales – long-term contracts**
- **CO_2 Flooding**

  Investment Characteristics:
  Asset Heavy - Pipelines, Compression Equipment, Wells

  Operating Cost Structure:
  Predictable – Driven by fluid handling, purchased power

  Revenue Stream:
  CO_2 Floods are typically very long-term projects
  Production is usually stable and predictable
  Hedging mitigates price uncertainty

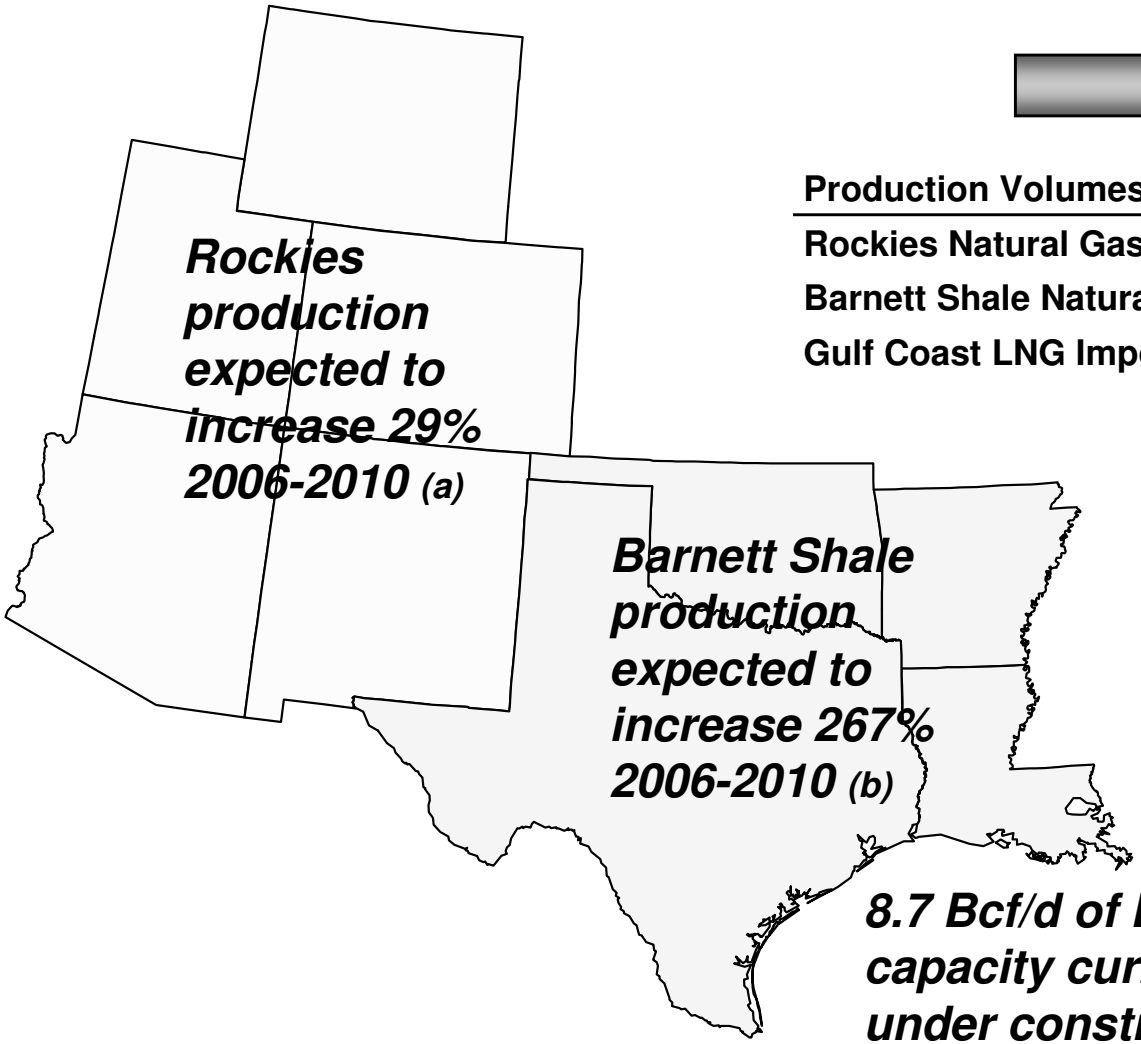
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Growth Opportunities

	Current Projects (2007-2010)	Additional Opportunities
■ **Shifting Natural Gas Supply Sources** — Rockies — LNG — Barnett Shale	Rockies Express pipeline KM Louisiana pipeline Midcontinent Express pipeline	*Storage, further pipeline expansions, extensions, incremental shipper services (backhaul, hub, etc.)*
■ **Demographic Growth**	CALNEV and East Line products pipeline projects	*Additional pipeline and terminal expansions*
■ **Growing Production from Canadian Oilsands**	Trans Mountain pipeline dropdown, TMX1, Edmonton terminal project	*TMX2, TMX3, TMX North, terminals, CO_2 capture and transport*
■ **High Crude Oil Prices**	McElmo Dome, Cortez expansions, SACROC, Yates	*Future CO_2 sales & transport expansion, incremental production from EOR*
■ **Increased Use of Heavy Crude** — Petcoke Handling — Sulfur Handling	Increased volume at petcoke terminals Acquisition of prilling technology	*Increased handling of petcoke, application of prilling technology at terminal facilities – U.S. & Canada*
■ **Growing Coal Imports**	Shipyard River, Pier IX terminal expansions	*Additional terminal expansions*
■ **Growing Petroleum Product Imports**	New York, Houston terminal expansions	*Additional terminal expansions*
■ **Increased Use of Renewable Fuels** — Biodiesel — Ethanol	Houston biodiesel facility project Houston, Philadelphia terminal expansions, sales of natural gas transport capacity to ethanol producers	*Additional ethanol/biodiesel storage and blending at terminal facilities*

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Growth Opportunities: Shifting Natural Gas Supply Sources



Rockies production expected to increase 29% 2006-2010 (a)

Barnett Shale production expected to increase 267% 2006-2010 (b)

8.7 Bcf/d of LNG import capacity currently under construction on Gulf Coast (c)

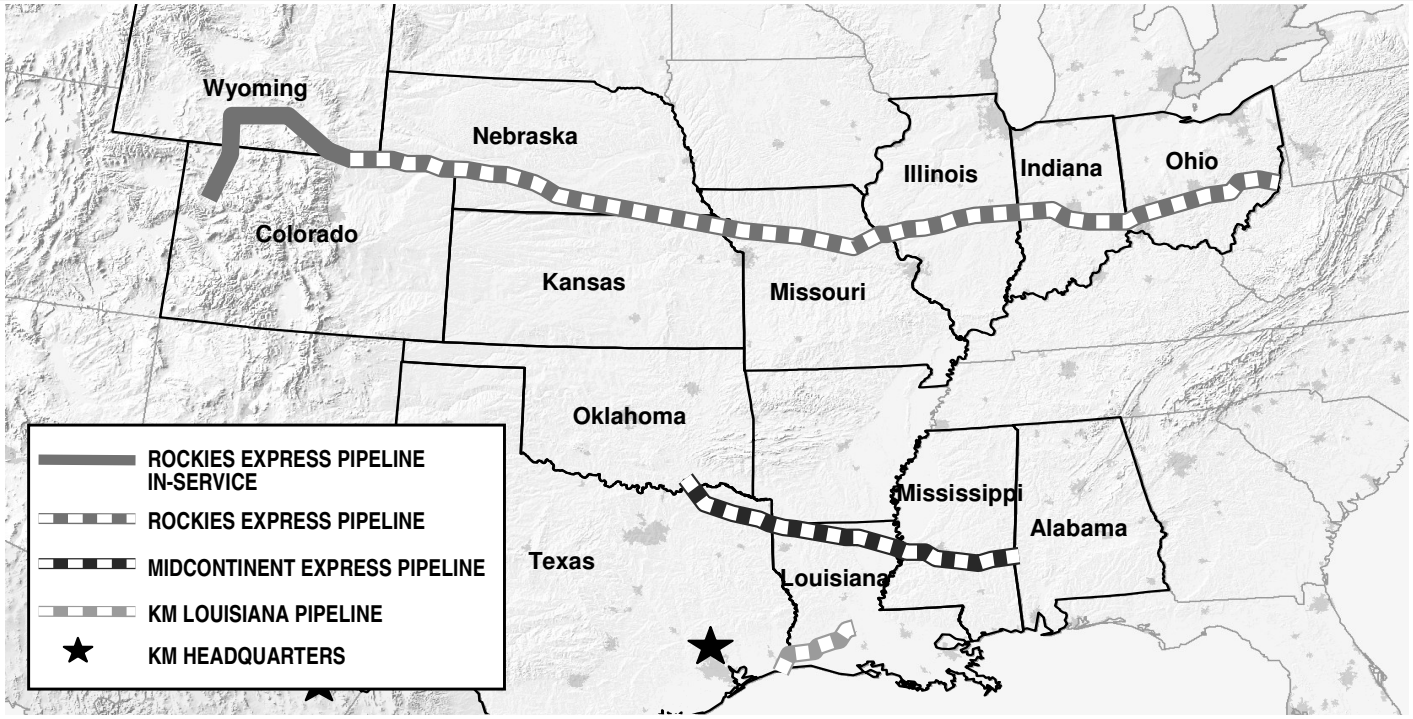
Natural Gas Supply

Production Volumes (Bcf/d)	2006	2010	Change	% Change
Rockies Natural Gas (a)	8.2	10.6	2.4	29%
Barnett Shale Natural Gas (b)	1.5	5.5	4.0	267%
Gulf Coast LNG Imports (a)	0.4	2.7	2.3	575%

(a) Source: Wood Mackenzie
(b) Source: Citigroup
(c) Source: FERC

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Newbuild Natural Gas Pipelines



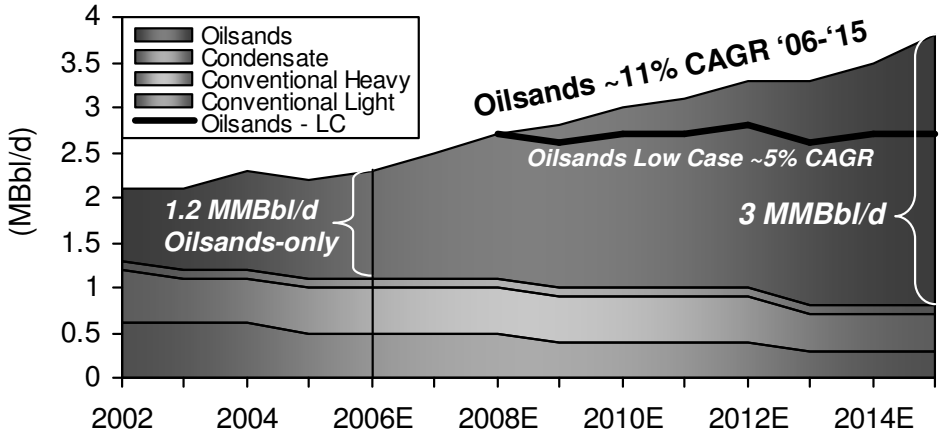
	Rockies Express Pipeline	Midcontinent Express Pipeline	KM Louisiana Pipeline		Total
KM Cost ($mm)	$2,200	$625	$517	=	$3,342
Capacity (Bcf/d)	1.8	1.4	2.1	=	5.3
In-service	2007-2009	2009	2009		
Term of Contracts	10 yrs	10 yrs	20 yrs		
Ownership	KMP 50% (a) SRE 25% COP 25% (a)	KMP 50% ETP 50%	KMP 100%		

(a) Upon completion of construction.

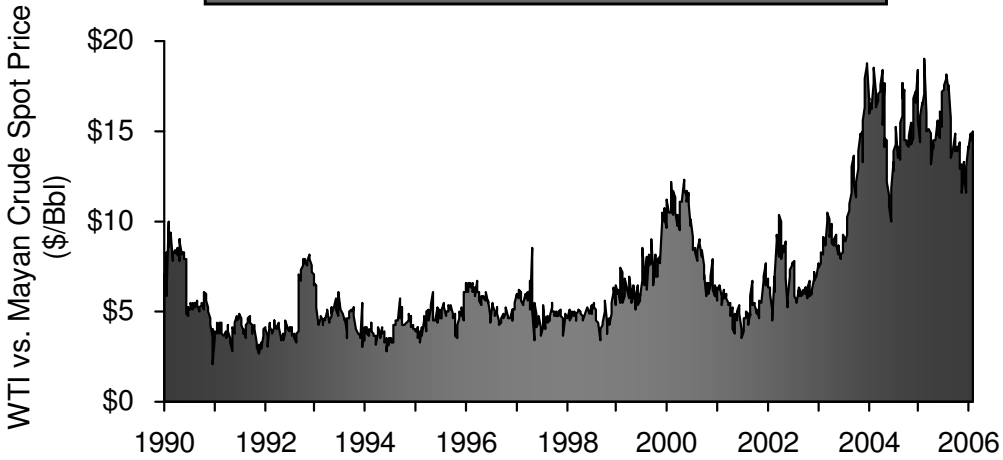
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Growth Opportunities: Growing Crude Production from Canadian Oilsands

WCSB Crude Production by Type (a)

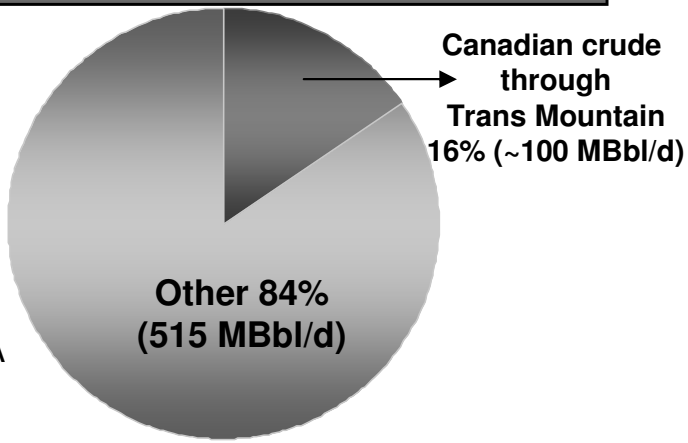


Heavy/Light Crude Differential (b)

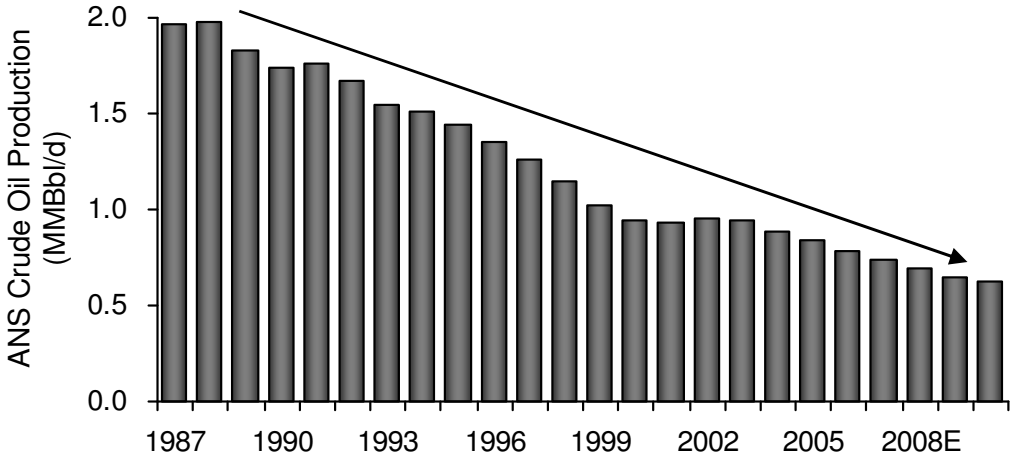


Washington State Refinery Capacity (c)

- **Washington state refiners only use ~100,000 Bbl/d of Canadian crude**
- **Announced upgrade:**
  - COP – Coker Ferndale, WA 2012-2015



ANS Production in Decline (d)

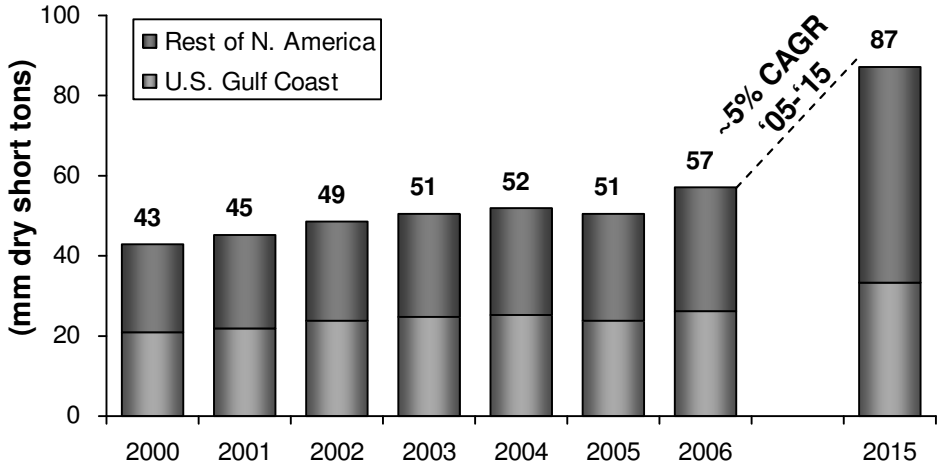


(a) Source: National Energy Board
(b) Sources: Bloomberg
(c) Sources: Dominion Bond Rating Service, Company reports
(d) Sources: EIA, CIBC

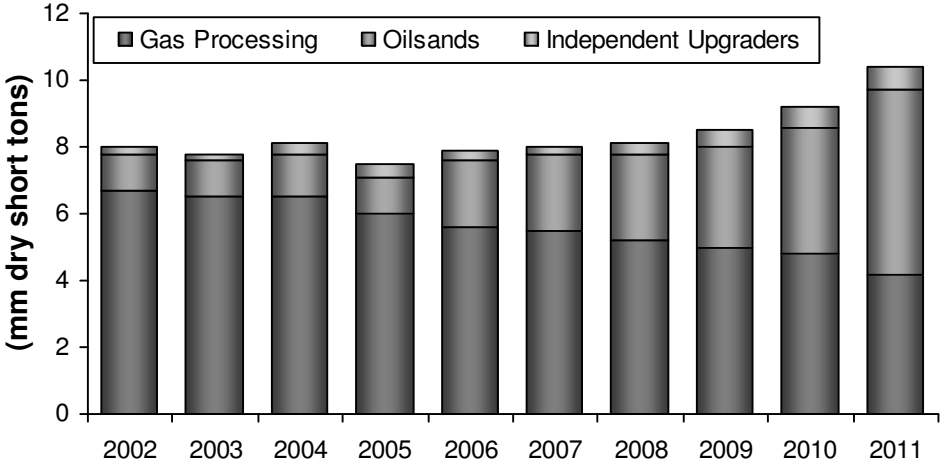
Growth Opportunities: Increased Use of Heavy Crude

- **Crude supply is heavier, more sour**
- **Heavier, sour crude produces more residue**
  - Petcoke
  - Sulfur

North American Petcoke Production (a)



Canadian Sulfur Production (b)



(a) Source: Jacobs Consultancy
(b) Source: PentaSul

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Current Projects

$6.5 Billion In Projects Over Next 4 Years

Project	Estimated Project Cost ($mm)	Expected Completion
Rockies Express	$2,200 (a)	2007-2009
Midcontinent Express	625 (a)	2009
KM Louisiana Pipeline	517	2009
CALNEV expansion	425	2010
East Line expansion	155	2007
Trans Mountain dropdown	550 (b)	2007
Trans Mountain – TMX1	470 (c)	2008
CO_2 – SACROC and Yates	950	2007-2010
CO_2 – source and transport	120 (a)	2008
Other identified projects	500 (d)	2007-2009
Total	**$6,512**	

(a) Pro rata expenditures for KMP's ownership interest.
(b) Completed sale of Trans Mountain by Knight to KMP on 30-Apr-2007.
(c) Remaining expenditures.
(d) Edmonton, Houston, Pier IX, TransColorado, Dayton.

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Summary

- **Stable Cash Flow**
  - Own assets core to energy infrastructure
- **Internal Growth Opportunities**
  - Critical Mass
  - Well-located assets/favorable demographics
- **Fixed Cost Business**
  - Drop growth to bottom line
- **Unique Structure**
  - Tax Efficient
  - Incentive Fee
- **Management Philosophy**
  - Low-Cost Operator
  - Focused on cash
  - Disciplined Investment

KMP/KMR:
6-7% Yield
and
8%
Long-Term
Growth


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