Kinder Morgan Coal Terminal Exports and Expansion Projects

Will Browning
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Kinder Morgan Terminals
Forward Looking Statements
Forward/Non GAPP Financial Measures

Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and securities values of Kinder Morgan Inc. and Kinder Morgan Energy Partners, L.P. (collectively known as "Kinder Morgan") may differ materially from those expressed in the forward-looking statements contained throughout this presentation. 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; 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; and other uncertainties. You are cautioned not to put undue reliance on any forward-looking statement.
Largest Midstream Energy Company in North America
Kinder Morgan Terminal Network - 2013

- Approximately 180 terminals in 32 states and in Canada
- Largest Terminal Operating Company in North America
- 2 Terminals: Cora Terminal; Grand Rivers Terminal
- 1998 Acquisition of Hall-Buck Marine added 20+ locations
- 2001 Acquisition of GATX added 12 liquid locations
- Over 50 individual acquisitions executed since 1998

Legend:
- Dry and/or Break Bulk Locations
- Liquid Locations
- Product Pipelines Locations
- Transload Operations

- Serving all major cities and ports
- Wide scope of commodity expertise
- Strong alignment with transportation operators and ports
Budgeted 2013 Revenue and Tonnage:

- Total overall revenue = $1,462 MM (Liquid and Dry Bulk Revenues)
- Total dry bulk tonnage = 106 MM tons
- Total coal tonnage = 44 MM tons
- Coal makes up @ 24% of budgeted 2013 Dry Bulk Revenue
- Coal makes up @ 42% of budgeted 2013 Dry Bulk Tonnage
Domestic Coal Market

U.S. Coal Plant Retirements

Historic and planned retirements of coal-fired generators

capacity (gigawatts)

number of units

historic

planned


U.S. Electricity Generation by Fuel, All Sectors

(thousand megawatthours per day)

Source: EIA, IEA
International Markets - Metallurgical

Short Term Demand Forecast for U.S. Met Coal Exports

Long Term Demand Forecast for Global Met Coal Exports

Source: U.S. EIA, IEA
International Markets - Thermal

Short Term Demand Forecast for U.S. Thermal Coal Exports

Long Term Demand Forecast for Global Thermal Coal Exports

Source: U.S. EIA, Wood Mackenzie
Fairless Hills Terminal

- Kinder Morgan Fairless Hills Terminal
  Fairless Hills, Pennsylvania
  - Owned by Kinder Morgan
  - Served by Norfolk Southern and CSX Railroads
  - 600k tons exported in 2012
  - 2 MM tons est nameplate capacity
  - No expansion planned
Pier IX Terminal

- Kinder Morgan Pier IX Terminal
  Newport News, Virginia
  - Served by CSX Railroad
  - 14.77 MM tons exported in 2012
  - 16.0 MM tons nameplate capacity
  - 17.0 MM tons est capacity with current expansion

KMs expansion is on track for completion and operation by April 1, 2014
International Marine Terminal (IMT)

- International Marine Terminal
  Myrtle Grove, Louisiana
  - Owned by Kinder Morgan and AEP
  - 3.8 MM tons exported in 2012
  - 10 MM tons nameplate capacity
  - Expansion underway for 20 mm tons ttl capacity

KMs expansion is on track for completion and operation by April 1, 2014
Houston Bulk Terminal

- Kinder Morgan Houston Bulk Terminal
  - Houston, TX
  - Owned by Kinder Morgan
  - Served by Union Pacific and BNSF Railroads
  - 1.7 MM tons exported in 2012
  - 2.7 MM tons coal export capacity
  - No expansion planned
Deepwater Terminal

- Kinder Morgan Deepwater Terminal
  - Houston, TX
  - Owned by Kinder Morgan
  - Served by Union Pacific and BNSF Railroads
  - 643k tons exported in 2012
  - Expansion underway for 10 mm tons ttl capacity

KMs expansion is on track for completion and operation by April 1, 2014
Future Projects
Charleston SC - Kinder Morgan Shipyard River Terminal Expansion

Kinder Morgan Investment: $230 mm
Expected Coal export throughput: 10 mm tons per year
West Coast Coal Terminal

Port Westward Terminal - KM not continuing site due diligence;
Site determined not viable for design of a coal export terminal

KM looking at other West Coast locations for designing a coal export terminal project for customers
What is next for Kinder Morgan?
## KM Coal Terminal Project Summary

<table>
<thead>
<tr>
<th>APPROVED DEALS</th>
<th>MODELED NEW CAPACITY</th>
<th>CAPITAL</th>
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</thead>
<tbody>
<tr>
<td><strong>MNTPY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMT - PHASE 1</td>
<td>4.0</td>
<td>$ 49.1</td>
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<tr>
<td>IMT- PHASE 2</td>
<td>2.5</td>
<td>$ 30.6</td>
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<tr>
<td>IMT - PHASE 3</td>
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<td>$70.8</td>
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<td>DEEPWATER</td>
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<tr>
<td>HOUSTON BULK TERMINAL – PHASE 1 &amp; 2</td>
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<tr>
<td>PIER IX – SYNFUEL YARD</td>
<td>1.0</td>
<td>$ 29.3</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19.8</strong></td>
<td><strong>$439.20</strong></td>
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<thead>
<tr>
<th>DEALS IN PRELIMINARY REVIEW</th>
<th>MODELED NEW CAPACITY</th>
<th>CAPITAL</th>
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<tbody>
<tr>
<td><strong>MNTPY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHIPYARD RIVER</td>
<td>10.0</td>
<td>EST $230 +</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>10.0</strong></td>
<td>EST $230 +</td>
</tr>
</tbody>
</table>

**COMBINED TOTAL**: 29.8 $669.2 (+)
Kinder Morgan Resources LLC

• Owns, manages & leases natural resource properties in North America

• Does NOT operate mines

• Key Commercial Structures
   Sale – Leaseback Reserves
   Jointly Acquire New Reserves
   Sale – Leaseback/Operate Infrastructure
   Acquisitions

• Target Commodities:
   Coal
   Petroleum
   Natural Gas
   Aggregates (Limestone, Granite, Clay, Sand, and Gravel)
   Ores/metals (Copper, Silver, Iron, Lead, Zinc and Mercury)
   Timber
   Soda Ash
   Salt

• Rick Whiting : newly announced President, KM Resources Division
Conclusion

U.S. Supply and Demand Contraction

International Demand Expansion
THANK YOU