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Interstate Pipelines | Exploration & Production | Midstream

Deutsche Bank Leveraged Finance Conference

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October 12, 2011



D E P E N D A B L E N A T U R A L G A S

Cautionary Statement Regarding Forward-Looking Statements

This presentation includes certain forward-looking statements and projections. The company has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this presentation, including, without limitation, our ability to execute our strategy of selling assets to El Paso Pipeline Partners, L.P.; our ability to pay dividends declared; changes in unaudited and/or unreviewed financial information; volatility in, and access to, the capital markets; our ability to implement and achieve objectives in our 2011 plan and guidance, including achieving our earnings and cash flow targets; our ability to complete the announced tax-free spinoff of our E&P business; the effects of any changes in accounting rules and guidance; our ability to meet production volume targets in our Exploration and Production segment; the uncertainty of estimating proved reserves and ultimate recoverable reserves, the future level of service and capital costs, the availability and cost of financing to fund our future exploration and production operations; the success of our drilling programs with regard to proved undeveloped reserves and unproved resources; our ability to successfully identify new midstream opportunities; our ability to comply with the covenants in our various financing documents; our ability to obtain necessary governmental approvals for proposed pipeline and E&P projects and our ability to successfully construct and operate such projects; the risks associated with recontracting of transportation commitments by our pipelines; regulatory uncertainties associated with pipeline rate cases; actions by the credit rating agencies; the successful close of our financing transactions; our ability to successfully execute our liability management programs at desired prices; credit and performance risk of our lenders, trading counterparties, customers, vendors and suppliers; changes in commodity prices and basis differentials for oil, natural gas, and power; general economic and weather conditions in geographic regions or markets served by the company and its affiliates, or where operations of the company and its affiliates are located, including the risk of a global recession and negative impact on natural gas demand; the uncertainties associated with governmental regulation; political and currency risks associated with international operations of the company and its affiliates; competition; and other factors described in the company's (and its affiliates') Securities and Exchange Commission filings. While the company makes these statements and projections in good faith, neither the company nor its management can guarantee that anticipated future results will be achieved. Reference must be made to those filings for additional important factors that may affect actual results. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

Certain of the production information in this presentation includes the production attributable to El Paso's 48.8 percent interest in Four Star Oil & Gas Company ("Four Star"). El Paso's Supplemental Oil and Gas disclosures, which are included in its Annual Report on Form 10-K, reflect its interest in the proved reserves of Four Star separate from its consolidated proved reserves. In addition, the proved reserves attributable to its interest in Four Star represent estimates prepared by El Paso and not those of Four Star.

Cautionary Note to U.S. Investors—Investors are urged to closely consider the disclosures and risk factors in our Forms 10-K and 10-Q, available from our offices or from our website at <http://www.elpaso.com>, including the inherent uncertainties in estimating quantities of proved reserves.

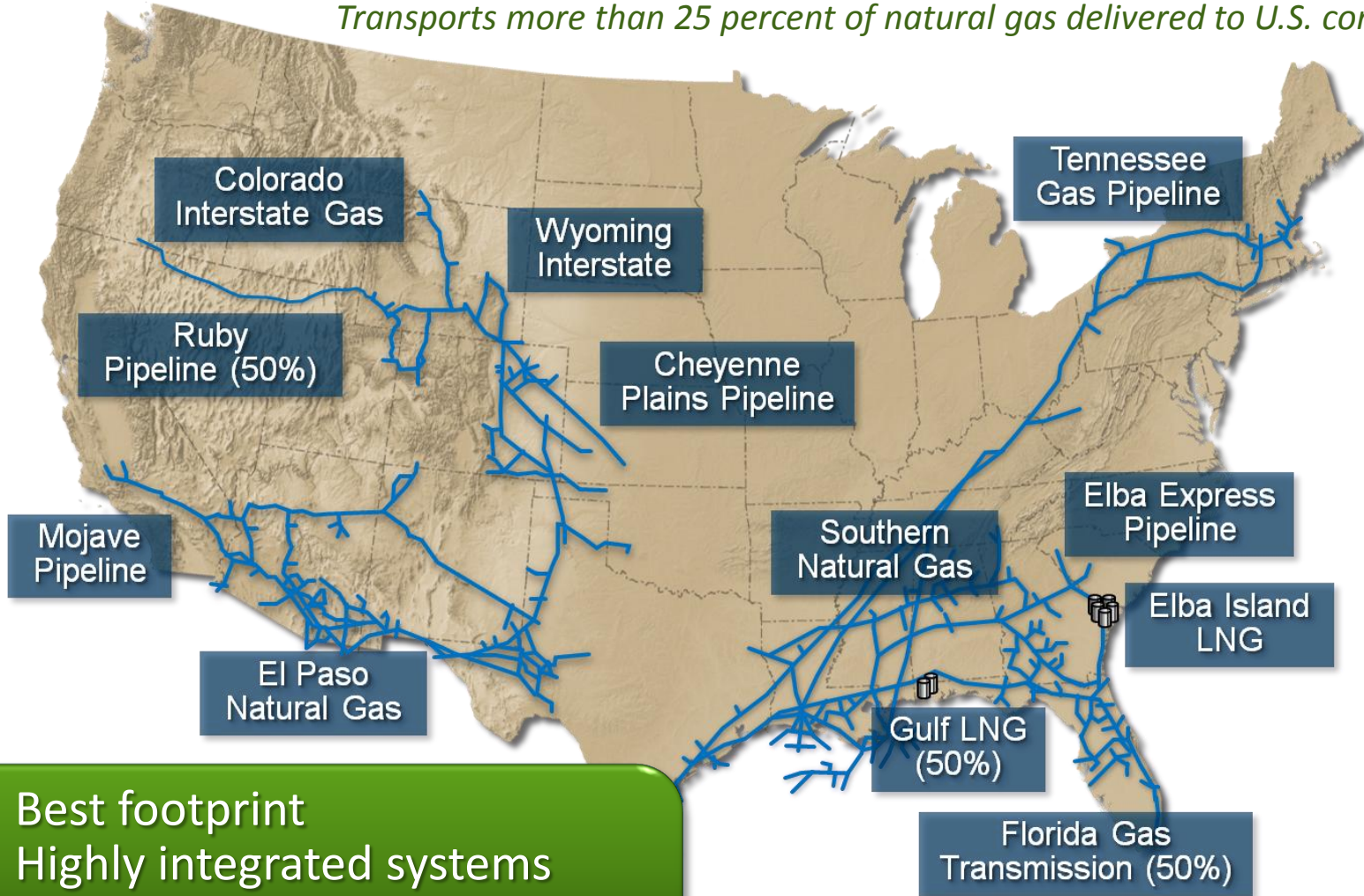
One Great Company Becomes Two



**Working to create value
for shareholders**

Premier Natural Gas Pipeline Network

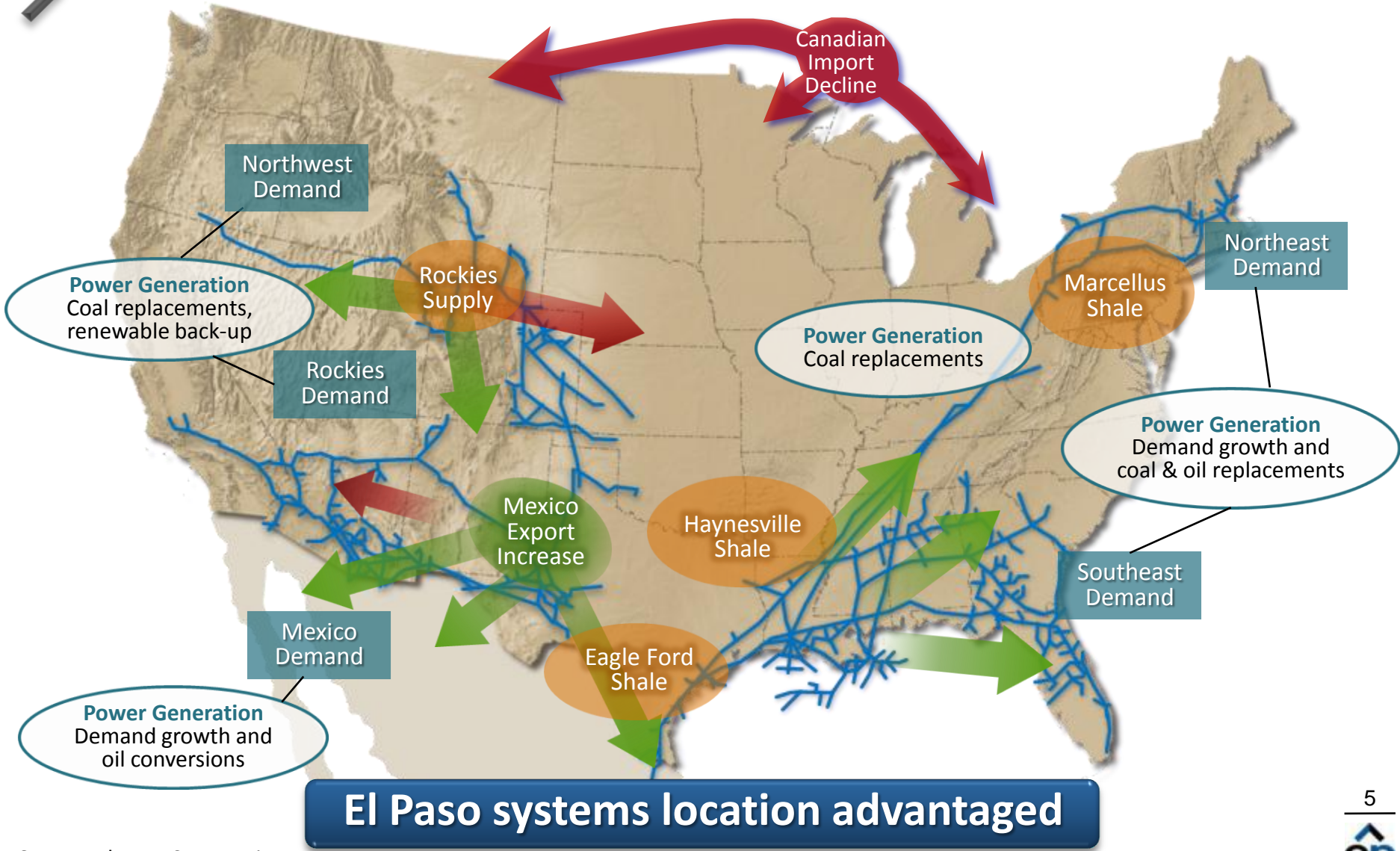
Transports more than 25 percent of natural gas delivered to U.S. consumers¹



- Best footprint
- Highly integrated systems
- Superior project execution

¹As of December 31, 2010

Located In the Right Places With Highly Integrated Systems



2011 Expansion Projects

**FGT
PHASE VIII**

In Service



**SNG SOUTH
SYSTEM III¹**

In Service



RUBY

In Service



GULF LNG

October



**TGP
300 LINE**

November

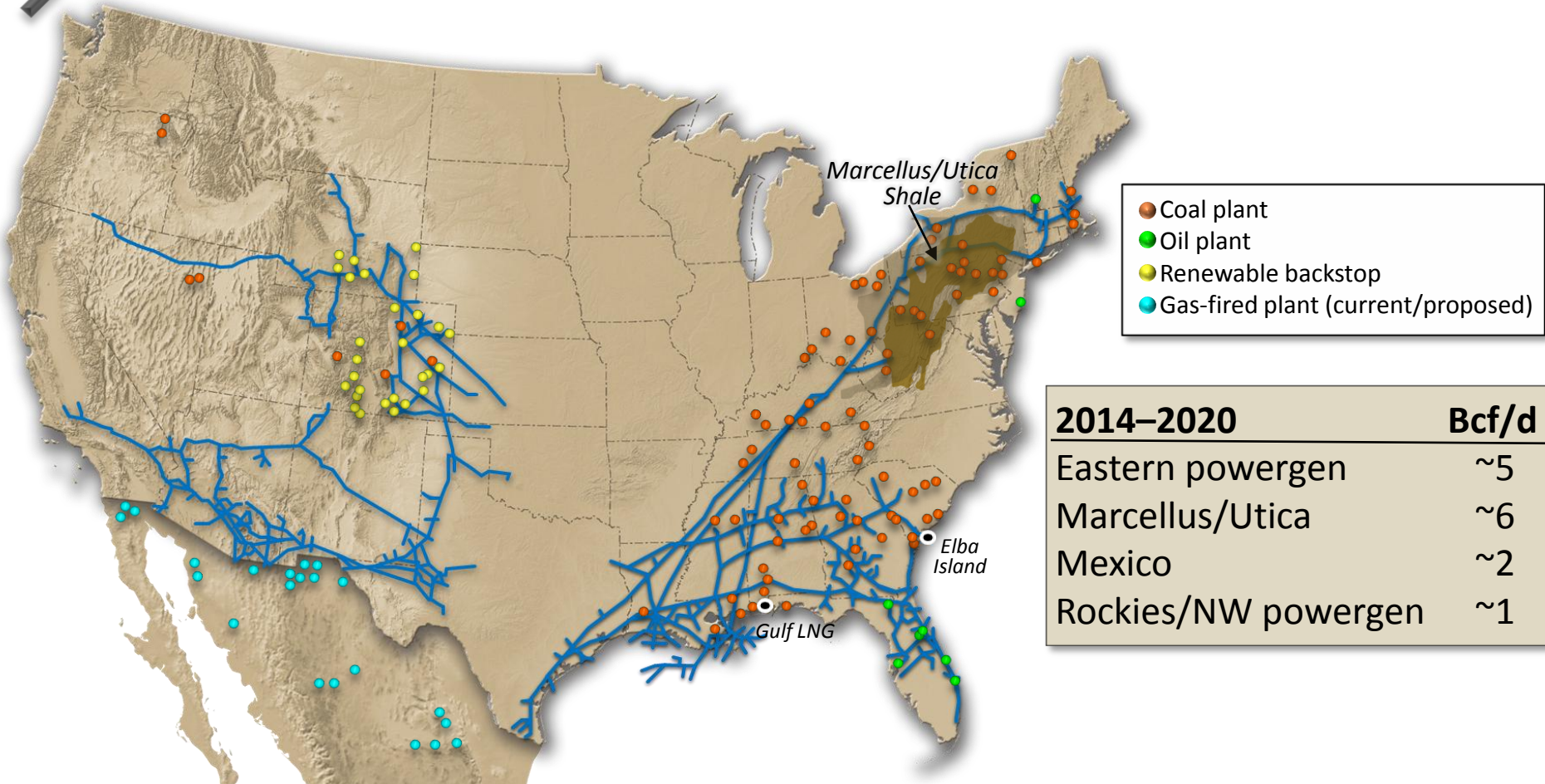


**Nearing the finish line
with original \$8B backlog**

**Expect to complete backlog within
7%–8% of budget**

¹Phase two of three-phase project, includes SESH II

Well Positioned for Continued Future Growth



**Estimated \$8 billion¹ annual total industry spend
Expect to capture our share**

¹ 10-year period; INGAA Foundation, June 2011. Transmission mainline and laterals, compression, storage

MLP Drop Down Strategy— Win/Win for EP & EPB Stakeholders

- Powerful deleveraging tool & efficient source of capital for EP
- EPB distribution growth—15% CAGR since IPO
- El Paso committed to continue dropdowns
 - Grow GP distributions (via IDR)
- Large inventory of suitable assets
 - Only ~40% of proportional Pipeline EBITDA in EPB
- ~ \$3 billion NOL provides significant flexibility

EPB: Growth Through Acquisitions and Organic Expansions

\$4.8 Billion Acquisitions Since IPO

- Largest MLP IPO
- \$541 MM
 - 100% interest in WIC
 - 10% interest in SNG
 - 10% interest in CIG

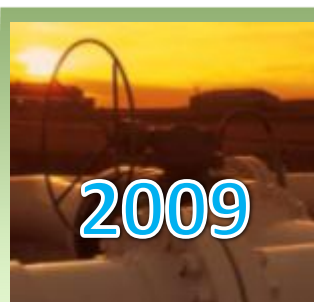


- \$736 MM
 - 30% interest in CIG
 - 15% interest in SNG



- WIC Kanda Lateral
- SNG Cypress II
- SESH I
- WIC Medicine Bow
- CIG High Plains

- \$215 MM
 - 18% interest in CIG



- CIG Totem Storage
- WIC Piceance Lateral

- \$810 MM
 - 51% of SLNG
 - 51% Elba Express
- \$492 MM
 - 20% interest in SNG
- \$1,133 MM
 - 49% of SLNG
 - 49% Elba Express
 - 15% interest in SNG



- SLNG Elba IIIA
- Elba Express
- WIC System Exp.
- CIG Raton 2010 Exp.

- \$667 MM
 - 25% interest in SNG
- \$745 MM
 - 28% interest in CIG
 - 15% interest in SNG



- SNG SSIII Phases I & II
- SESH Phase II

14 projects with balance of market and supply support

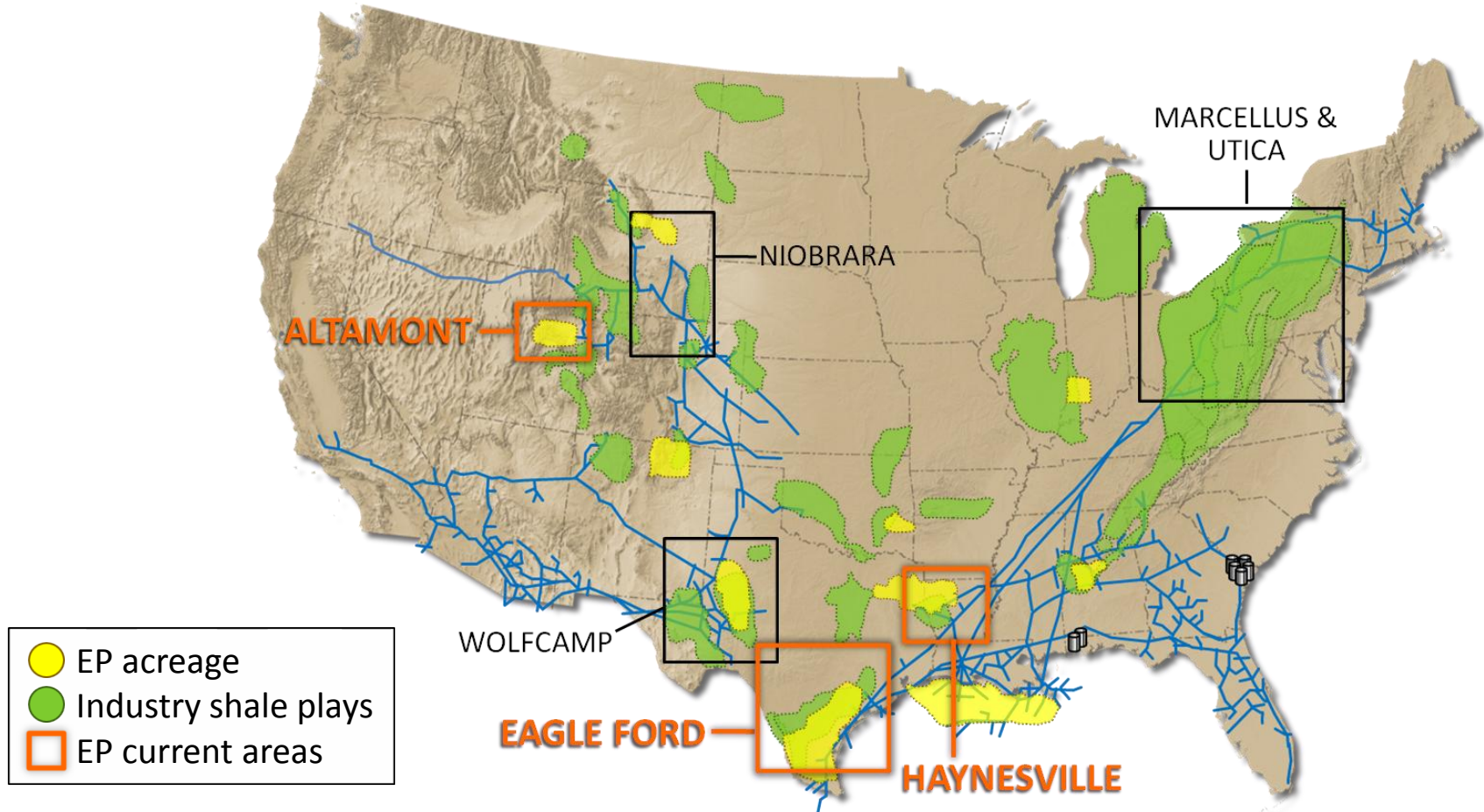
\$1.9 Billion of Expansion Projects

EPB: Well Capitalized to Fund Growth

- ~\$1 billion equity raised year-to-date
- Successful \$500MM 5% Senior Notes offering in September
- New larger \$1 billion revolving credit facility
 - Upsized from \$750MM
 - 5-year term

Ample financial flexibility for another drop-down *without* accessing equity markets

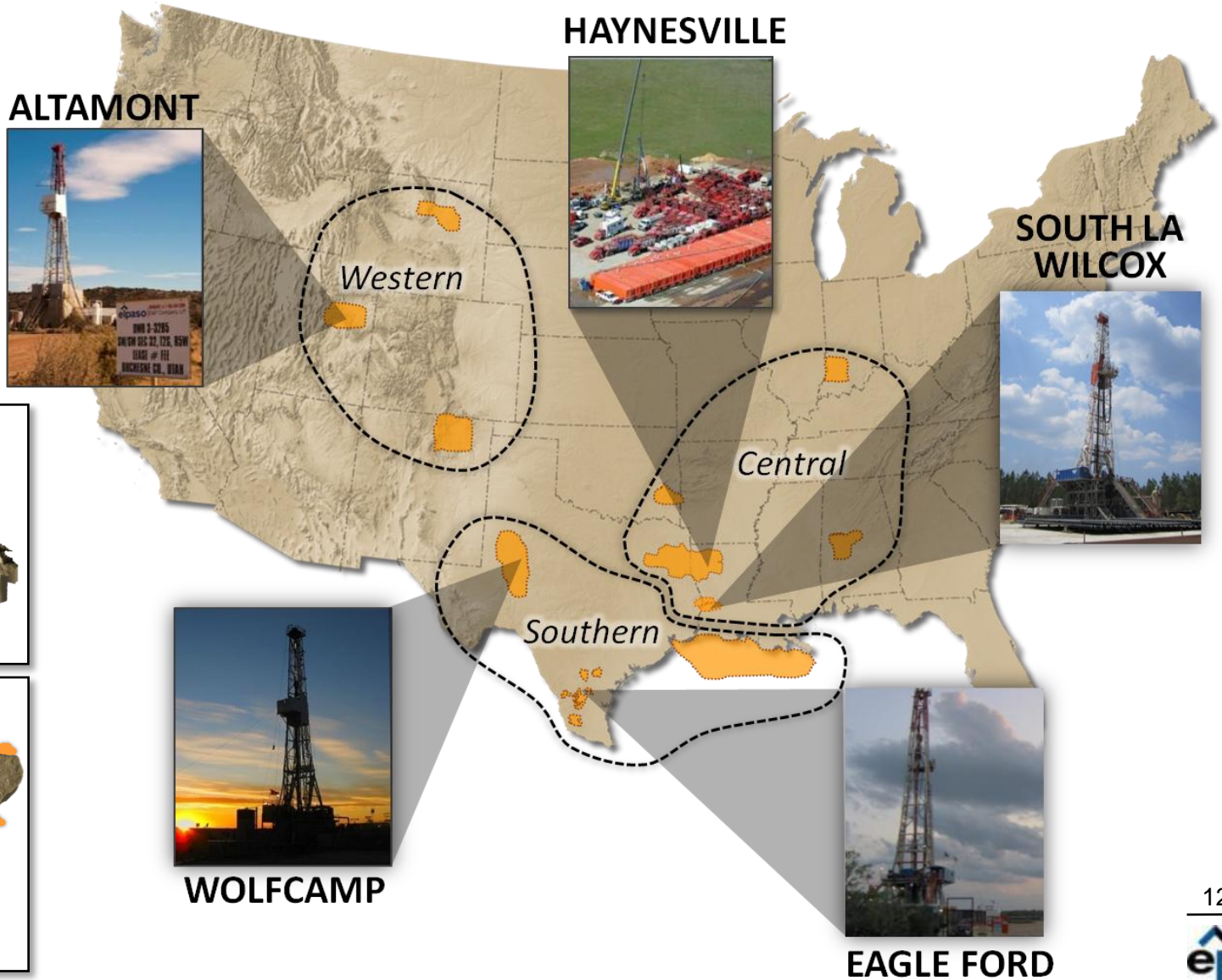
Midstream: Focus Areas Driven by Asset Synergies



\$30 B of gathering and processing infrastructure to be added in North America by 2020¹

¹10-year period; INGAA Foundation, June 2011. Gathering and processing assets

El Paso E&P Asset Overview



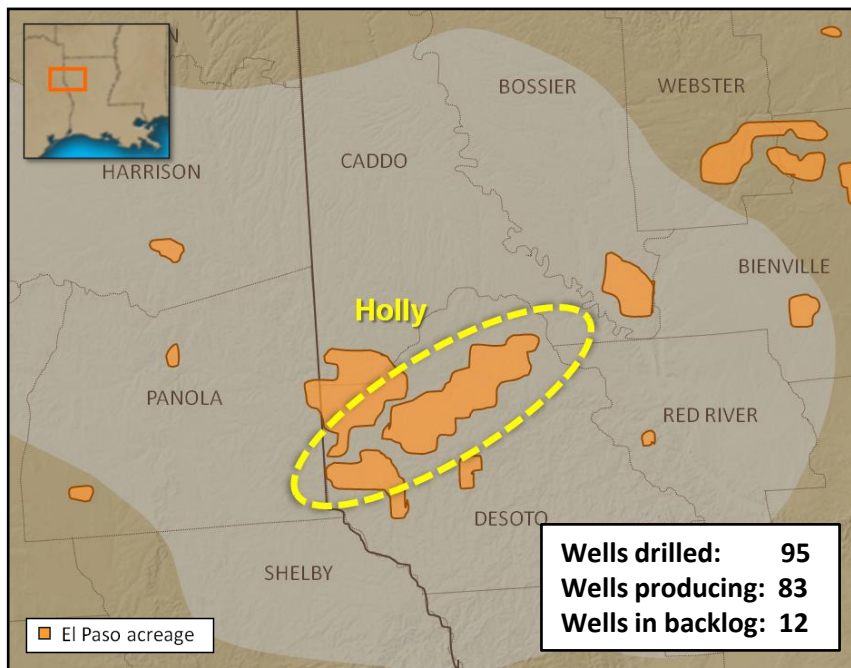
Oil Impact is Growing Rapidly



- Oil is 48% of future drilling inventory
 - But >2/3 of future value
- Oil volumes growing 35%–45% in 2011
- Oil expected to be ~45% of 2012 revenues

**Tremendous growth
in inventory
plus shift in capital**

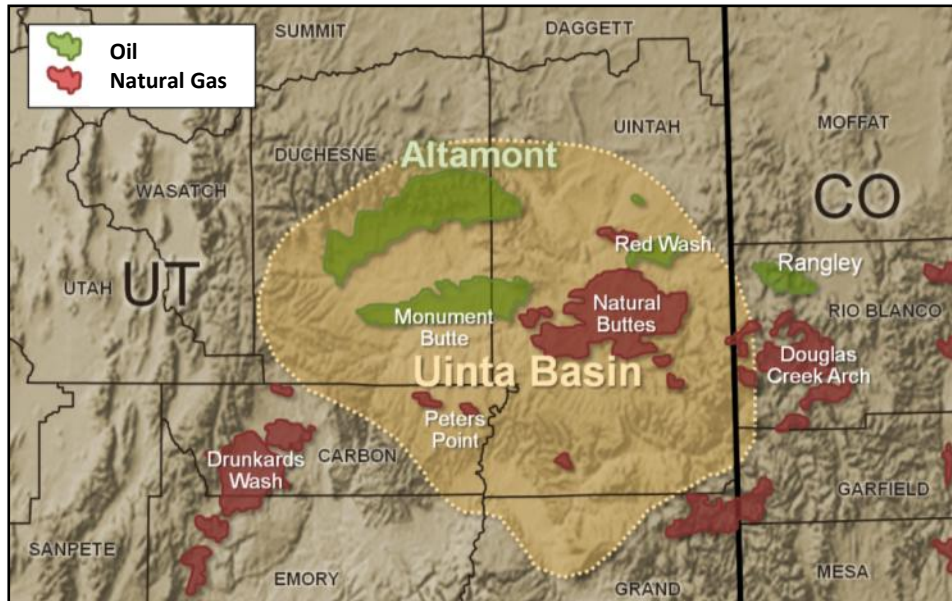
Haynesville Shale— Premier Industry Program



- Rapid production growth
- Top- or top-quartile program by any measure
- Holly area economic at sub \$4 gas price
- Continue to drive efficiencies
- 4–5 year remaining inventory

Excellent position in the heart of the play

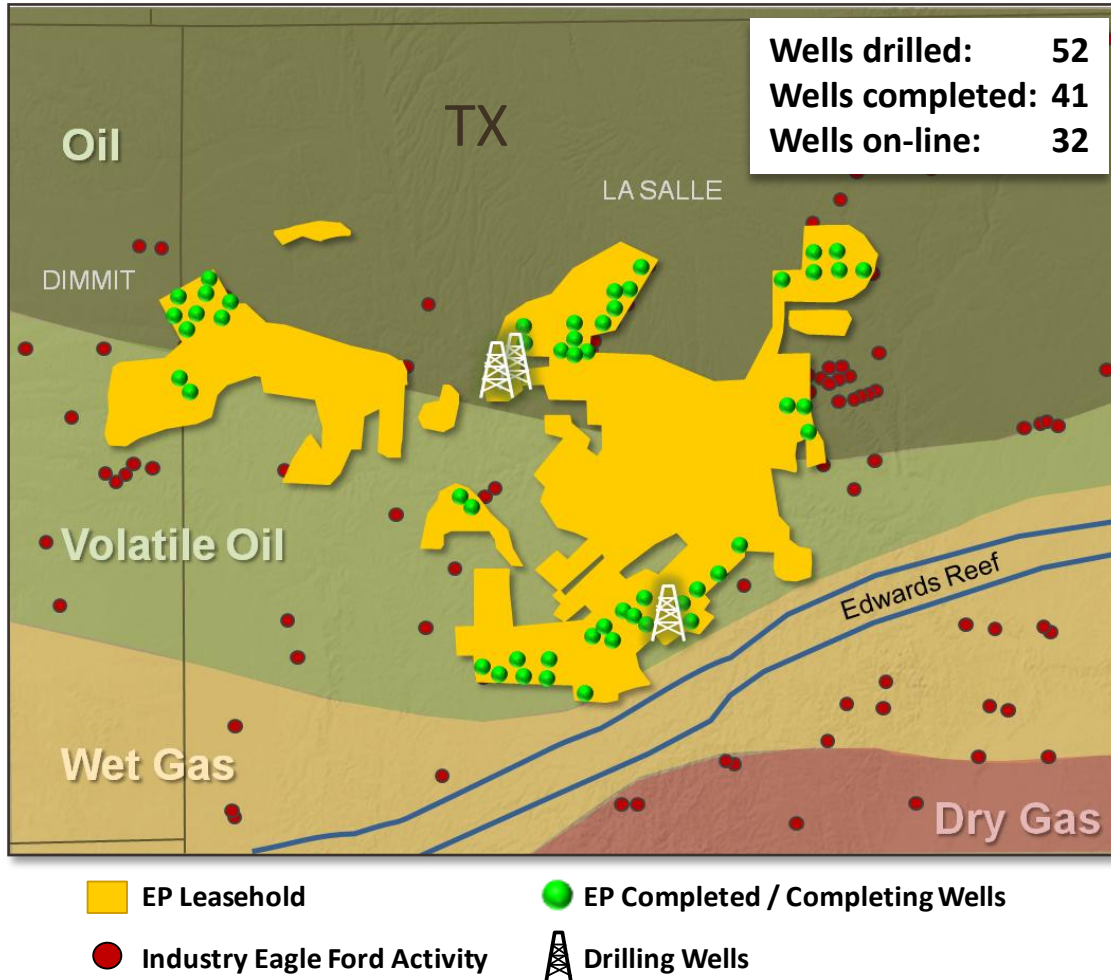
Altamont—Significant Oil Resource



**Applying new technologies
to 3 billion barrel field**

- Large oil inventory
 - >800 future locations
 - 125 MMMBoe resource¹
- Substantial production growth potential
- Improved well productivity
- Continuous operational improvement

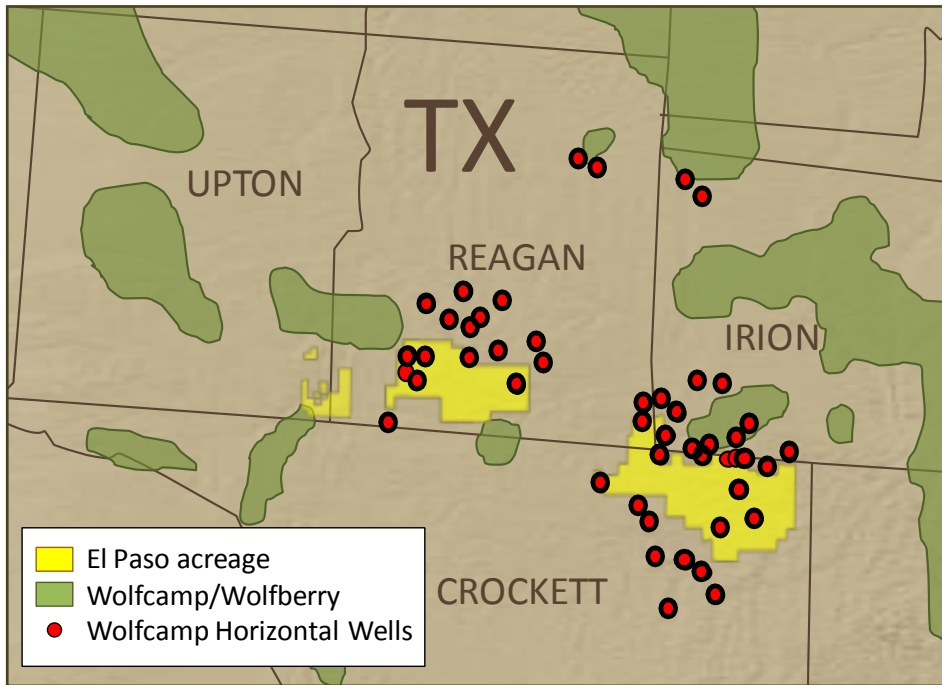
Eagle Ford Central Activity



- Central area remains focus of Eagle Ford program
- 75,000 net acre position delineated
- 3 rigs running
- Infrastructure build on track

On track for sharp increase in 2H 2011 production

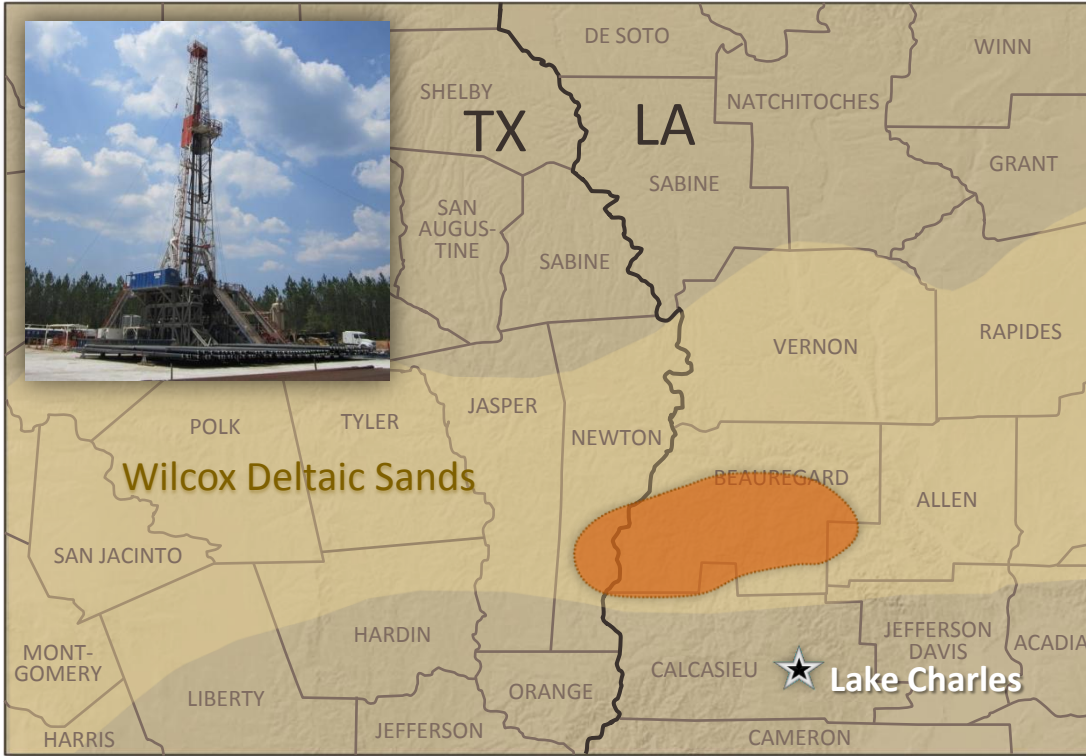
Wolfcamp Overview



Early mover with excellent position in emerging oil play

- Very good initial results
- Delineating acreage
- >800 locations—Upper Wolfcamp only
- Current leasehold of 138,000 acreages
- Continuing to optimize
 - Lateral length, frac stages, flow back rates, artificial lift

New Oil Program—South Louisiana Wilcox



- 140,000 net acre position
- Early, low-cost entry into repeatable program
- Leverages South Texas expertise
- 3D seismic supported
- Vertical wells
 - 13,500'–15,000'
 - \$7.5 MM–\$8.0 MM
- Premium pricing
 - LA light sweet
 - Gas currently ~\$3.00 above Henry Hub

Now 4 of 5 active programs focused on oil

Hedge Positions

Natural Gas Production Hedges				
Year	Volume (Bcf)	% of U.S. Gas Production	EP Avg. Hedge Price ¹ (\$/MMBtu)	Current Market Prices (NYMEX)
2011	96	80%	\$5.89	\$3.85
2012	105	40%	\$6.01	\$4.31

Oil Production Hedges				
Year	Volume (MMBbl)	% of Total Oil Production	EP Avg. Floor/Ceiling (\$/Bbl)	Current Market Prices (WTI)
2011	2.9	85%	\$85.99 – \$91.88	\$80.83
2012 ²	6.4	90%	\$93.30 – \$112.76	\$82.86

Excellent price protection in place

¹Represents the average floor price for 2011 and the average fixed price for 2012

²Excludes 1.46 MMBbl of \$95 call options

Note: NYMEX & WTI pricing is as of September 23, 2011, and hedge positions are as of June 30, 2011. Natural gas production with floors reflects domestic production. 2011 percentages based on second half 2011E production. 2012 percentages based on FY 2011E production. Expected production includes the company's interest in Four Star

A detailed schedule of El Paso's hedge positions is available in the Second Quarter 2011 Financial and Operational Reporting Package, available at [ww.elpaso.com](http://www.elpaso.com)

Recent Financing Success

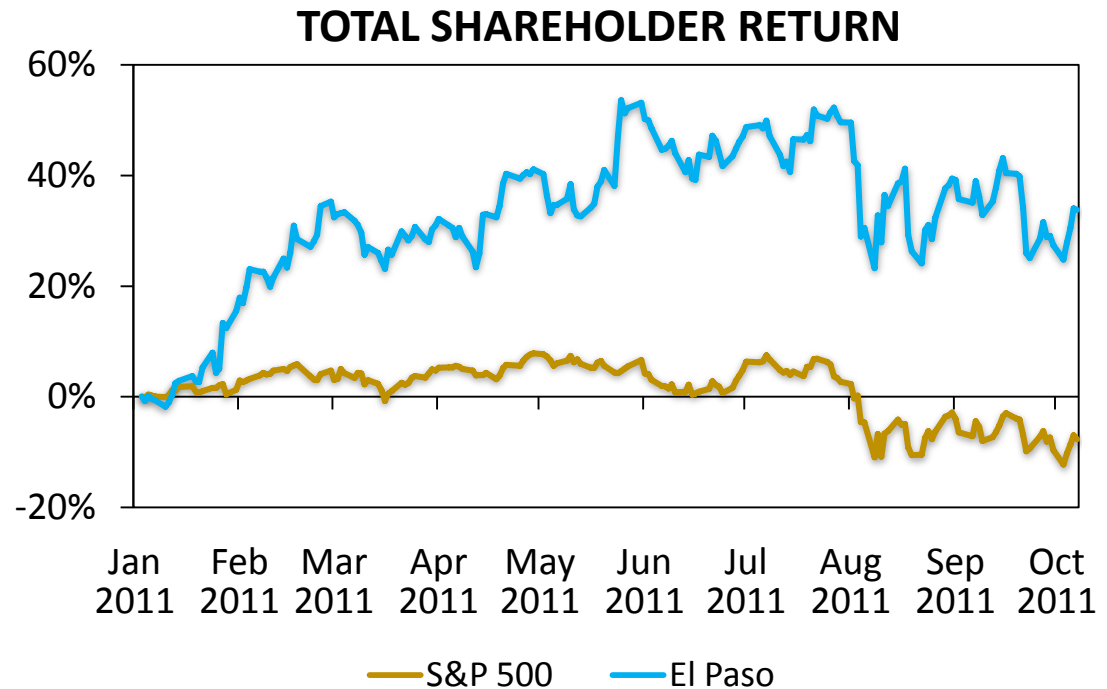
- Extended \$3.25 B credit facilities to 2016 in 2Q'11
 - EP—\$1.25 B; EPB—\$1.0 B, E&P—\$1.0 B
 - EP & EPB—ample liquidity
 - E&P—flexibility to fund future growth
- Very successful debt offerings
 - SNG \$300 MM 4.4% 10-year Senior Notes
 - EPB \$500 MM 5% 10-year Senior Notes

Financing results better than expected



EP Should Continue to Outperform

- Pipelines nearing completion of backlog
 - Will shift to cash flow generator
- Great execution of MLP strategy
- E&P oil production will accelerate
- Committed to delivering value for shareholders



**EP up 34% YTD
#11 in S&P 500¹**

¹As of 10/7/2011



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