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Financial and Operational Reporting Package

Third Quarter 2011



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

EL PASO CORPORATION
Financial and Operational Reporting Package
Third Quarter 2011

Table of Contents

	Page
Notes to Investors	3
Operating Results	
Consolidated Statements of Income	5
Segment Information	6
Pipelines Financial and Operational Highlights	7
Exploration and Production (E&P)	
Financial Highlights	8
Average Daily Volumes, Realized Prices and Costs Per-Unit	9
Reconciliation of Cash Operating Costs	10
Production Related Derivative Schedule	11
Cash Flow Highlights	12
Non-GAAP Reconciliations	
Adjusted Earnings Per Share (EPS)	14
Adjusted Segment EBIT and Adjusted Segment EBITDA	15
Pipelines and E&P Adjusted Proportional Segment EBITDA	16
Reconciliation of Adjusted Segment EBITDA to Net Income (Loss)	17
Schedules of Debt Maturities	
Debt by Issuer	19
Debt Maturity Schedule through 2013	21
Glossary	22

NOTES TO INVESTORS

Cautionary Statement

This Financial and Operational Reporting Package (Package) includes summarized financial and other information about El Paso Corporation (the Company). The information in this Package is intended to provide highlights and should not be used as a substitute for financial information in El Paso's filings with the Securities and Exchange Commission (SEC). Readers should refer to those filings. In addition, the glossary contains certain definitions of measures used in this Package and in other of our presentations. These definitions may not be the same as definitions used by other companies. This Package may contain information that is based on estimates. The Company has made every reasonable effort to ensure that the information and assumptions on which these estimates are based are current, reasonable, and complete. Factors that could cause actual results to differ materially from the estimates in this Package are changes in unaudited and/or unreviewed financial information and the effects of any changes in accounting rules and guidance, as well as other factors discussed in El Paso's filings with the SEC. The consolidated financial data and statistics in this Package for Third Quarter 2011 and its individual components reflect the operating results of El Paso and its operating segments through September 30, 2011. Independent auditors have not audited any of the financials and operating statements. The Company assumes no obligation to publicly update or revise any information contained herein as a result of new information, future events, or otherwise.

Certain of the production information in this Package include 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 our 2010 Annual Report on Form 10-K, reflect its proportionate share of the proved reserves of Four Star separate from its consolidated proved reserves. In addition, the proved reserves attributable to its proportionate share of Four Star represent estimates prepared by El Paso and not those of Four Star.

Non-GAAP Financial Measures

The SEC's Regulation G applies to any public disclosure or release of material information that includes a non-GAAP financial measure. In the event of such a disclosure or release, Regulation G requires (i) the presentation of the most directly comparable financial measure calculated and presented in accordance with GAAP and (ii) a reconciliation of the differences between the non-GAAP financial measure presented and the most directly comparable financial measure calculated and presented in accordance with GAAP. The required presentations and reconciliations are included in the body of this Package.

El Paso believes that the non-GAAP financial measures described in the glossary are useful to investors because these measurements are used by many companies in the industry as a measure of operating and financial performance and are commonly employed by financial analysts and others to evaluate the operating and financial performance of the Company and its business segments and to compare it with the performance of other companies within the industry. These non-GAAP financial measures may not be comparable to similarly titled measures used by other companies and should not be used as a substitute for net income (loss), earnings (loss) per share, operating cash flows or other measures of financial performance presented in accordance with GAAP.

Debt Schedules

This Package contains schedules with details to the interest rates, maturity dates and principal amounts outstanding under El Paso's and its subsidiaries debt obligations by issuance and that mature through December 31, 2013. These schedules do not contain all the information about our outstanding debt that may be important to you. Additional information about our outstanding debt obligations is disclosed in El Paso's 2010 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the nine months ended September 30, 2011, as filed with the SEC. The information in the Debt by Issuer Schedule and Debt Maturity Schedule are accurate as of September 30, 2011. Although we may periodically update the information posted to our website, we undertake no obligation to do so.

El Paso Corporation provides natural gas and related energy products in a safe, efficient, and dependable manner. El Paso owns North America's largest interstate natural gas pipeline system and one of North America's largest independent oil and natural gas producers and an emerging midstream business. For more information, visit www.elpaso.com.

Operating Results



EL PASO CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(\$ in millions, except per common share amounts)
(unaudited)

	2011			2010				Year-to-Date	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	2011	2010
Operating revenues	\$ 989	\$ 1,236	\$ 1,403	\$ 1,401	\$ 1,018	\$ 1,213	\$ 984	\$ 3,628	\$ 3,632
Operating expenses									
Cost of products and services	47	44	44	53	53	57	55	135	163
Operation and maintenance	307	323	361	290	288	306	351	991	884
Loss on deconsolidation of subsidiary	-	-	600	-	-	-	-	600	-
(Gain) loss on long-lived assets	(2)	-	5	9	(3)	21	(110)	3	27
Ceiling test charges	-	-	152	2	-	14	9	152	16
Depreciation, depletion and amortization	254	262	299	218	242	239	243	815	699
Taxes, other than income taxes	76	78	63	69	54	58	55	217	181
Total operating expenses	682	707	1,524	641	634	695	603	2,913	1,970
Operating income (loss)	307	529	(121)	760	384	518	381	715	1,662
Earnings from unconsolidated affiliates	30	32	36	28	111	28	21	98	167
Loss on debt extinguishment	(41)	(27)	(101)	-	-	(104)	(113)	(169)	(104)
Other income, net	99	82	5	60	57	71	139	186	188
Interest and debt expense	(240)	(239)	(242)	(243)	(284)	(255)	(249)	(721)	(782)
Income (loss) before income taxes	155	377	(423)	605	268	258	179	109	1,131
Income tax expense (benefit)	19	38	(130)	186	82	75	43	(73)	343
Net income (loss)	136	339	(293)	419	186	183	136	182	788
Net income attributable to noncontrolling interests	(74)	(77)	(75)	(31)	(29)	(41)	(65)	(226)	(101)
Net income (loss) attributable to El Paso Corporation (EPC)	62	262	(368)	388	157	142	71	(44)	687
Preferred stock dividends of EPC	-	-	-	9	10	9	9	-	28
Net income (loss) attributable to EPC's common stockholders	\$ 62	\$ 262	\$ (368)	\$ 379	\$ 147	\$ 133	\$ 62	\$ (44)	\$ 659
Basic earnings (loss) attributable to EPC's common share	\$ 0.09	\$ 0.34	\$ (0.48)	\$ 0.54	\$ 0.21	\$ 0.19	\$ 0.09	\$ (0.06)	\$ 0.95
Diluted earnings (loss) attributable to EPC's common share	\$ 0.08	\$ 0.34	\$ (0.48)	\$ 0.51	\$ 0.21	\$ 0.19	\$ 0.09	\$ (0.06)	\$ 0.90
Basic weighted average common shares outstanding	714	763	764	696	698	699	699	747	698
Diluted weighted average common shares outstanding	768	782	764	768	761	762	706	747	761
Dividends declared per EPC's common share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.03

EL PASO CORPORATION
SEGMENT INFORMATION
(\$ in millions)
(unaudited)

	2011			2010				Year-to-Date	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	2011	2010
Operating revenues									
Pipelines	\$ 753	\$ 722	\$ 760	\$ 737	\$ 680	\$ 692	\$ 711	\$ 2,235	\$ 2,109
Exploration and Production	250	535	653	647	369	519	254	1,438	1,535
Marketing	(12)	(20)	(9)	19	(48)	(16)	(4)	(41)	(45)
Other, including eliminations ⁽¹⁾	(2)	(1)	(1)	(2)	17	18	23	(4)	33
Consolidated total	<u>\$ 989</u>	<u>\$ 1,236</u>	<u>\$ 1,403</u>	<u>\$ 1,401</u>	<u>\$ 1,018</u>	<u>\$ 1,213</u>	<u>\$ 984</u>	<u>\$ 3,628</u>	<u>\$ 3,632</u>
Depreciation, depletion and amortization									
Pipelines	\$ 114	\$ 110	\$ 136	\$ 106	\$ 110	\$ 111	\$ 113	\$ 360	\$ 327
Exploration and Production	134	146	157	107	128	117	125	437	352
Marketing	-	-	-	-	-	-	-	-	-
Other ⁽¹⁾	6	6	6	5	4	11	5	18	20
Consolidated total	<u>\$ 254</u>	<u>\$ 262</u>	<u>\$ 299</u>	<u>\$ 218</u>	<u>\$ 242</u>	<u>\$ 239</u>	<u>\$ 243</u>	<u>\$ 815</u>	<u>\$ 699</u>
Operating income (loss)									
Pipelines	\$ 375	\$ 325	\$ (254)	\$ 381	\$ 310	\$ 290	\$ 322	\$ 446	\$ 981
Exploration and Production	(30)	250	190	388	102	265	(24)	410	755
Marketing	(14)	(22)	(9)	17	(50)	(12)	(6)	(45)	(45)
Other ⁽¹⁾	(24)	(24)	(48)	(26)	22	(25)	89	(96)	(29)
Consolidated total	<u>\$ 307</u>	<u>\$ 529</u>	<u>\$ (121)</u>	<u>\$ 760</u>	<u>\$ 384</u>	<u>\$ 518</u>	<u>\$ 381</u>	<u>\$ 715</u>	<u>\$ 1,662</u>
Segment EBIT									
Pipelines	\$ 499	\$ 428	\$ (209)	\$ 452	\$ 472	\$ 375	\$ 439	\$ 718	\$ 1,299
Exploration and Production	(31)	250	183	390	103	261	(27)	402	754
Marketing	(14)	(21)	(10)	17	(49)	(12)	(6)	(45)	(44)
Other ⁽¹⁾	(59)	(41)	(145)	(11)	26	(111)	22	(245)	(96)
Consolidated total	<u>\$ 395</u>	<u>\$ 616</u>	<u>\$ (181)</u>	<u>\$ 848</u>	<u>\$ 552</u>	<u>\$ 513</u>	<u>\$ 428</u>	<u>\$ 830</u>	<u>\$ 1,913</u>

⁽¹⁾ Includes our corporate general and administrative functions, midstream operations and other miscellaneous businesses.

PIPELINES
FINANCIAL AND OPERATIONAL HIGHLIGHTS
(\$ in millions)
(Excludes Intra-segment Transactions)

	2011			2010				Year-to-Date	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	2011	2010
Segment EBIT									
Operating revenues	\$ 753	\$ 722	\$ 760	\$ 737	\$ 680	\$ 692	\$ 711	\$ 2,235	\$ 2,109
Operating expenses									
Operation and maintenance	190	211	213	175	195	199	216	614	569
Cost of products and services	29	29	28	27	25	29	24	86	81
(Gain) loss on long-lived assets	-	-	600	9	-	21	-	600	30
Depreciation, depletion and amortization	114	110	136	106	110	111	113	360	327
Taxes, other than income taxes	45	47	37	39	40	42	36	129	121
Total operating expenses	378	397	1,014	356	370	402	389	1,789	1,128
Operating income (loss)	375	325	(254)	381	310	290	322	446	981
Other income, net	124	103	45	71	162	85	117	272	318
Segment EBIT	<u>\$ 499</u>	<u>\$ 428</u>	<u>\$ (209)</u>	<u>\$ 452</u>	<u>\$ 472</u>	<u>\$ 375</u>	<u>\$ 439</u>	<u>\$ 718</u>	<u>\$ 1,299</u>

Throughput volumes (BBtu/d)

Tennessee Gas Pipeline	6,424	5,722	6,083	5,491	4,572	4,807	5,493	6,076	4,950
El Paso Natural Gas ⁽¹⁾	3,054	3,071	3,257	3,340	3,293	3,445	3,499	3,129	3,360
Colorado Interstate Gas ⁽²⁾	2,738	2,605	2,670	2,960	2,854	2,938	2,778	2,670	2,917
Wyoming Interstate Co, LTD	2,205	2,077	2,363	2,324	2,332	2,329	1,891	2,216	2,329
Southern Natural Gas	2,632	2,277	2,420	2,899	2,175	2,408	2,542	2,442	2,492
El Paso Gas Transmission Mexico, S. de R.L. ⁽³⁾	-	-	-	50	50	-	-	-	50
Total	17,053	15,752	16,793	17,064	15,276	15,927	16,203	16,533	16,098
Equity Investments (our proportional share)									
Ruby (50%) ⁽⁴⁾	-	-	320	-	-	-	-	320	-
Citrus (50%)	1,009	1,290	1,398	1,049	1,178	1,308	1,039	1,233	1,179
Samalayuca & Gloria a Dios (50%) ⁽³⁾	-	-	-	223	221	-	-	-	219
San Fernando (50%) ⁽³⁾	-	-	-	475	475	-	-	-	475
Total	1,009	1,290	1,718	1,747	1,874	1,308	1,039	1,553	1,873
Total throughput	<u>18,062</u>	<u>17,042</u>	<u>18,511</u>	<u>18,811</u>	<u>17,150</u>	<u>17,235</u>	<u>17,242</u>	<u>18,086</u>	<u>17,971</u>

⁽¹⁾ Includes Mojave Pipeline Company (MPC)

⁽²⁾ Includes Cheyenne Plains Gas Pipeline (CPG)

⁽³⁾ During the second quarter of 2010, we completed the sale of our interest in these pipelines.

⁽⁴⁾ Ruby was placed in-service during the third quarter of 2011

**EXPLORATION AND PRODUCTION
FINANCIAL HIGHLIGHTS
(\$ in millions)
(Excludes Intra-segment Transactions)**

	2011			2010				Year-to-Date	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	2011	2010
Segment EBIT									
Operating revenues									
Physical sales									
Natural gas	\$ 240	\$ 257	\$ 256	\$ 288	\$ 228	\$ 239	\$ 219	\$ 753	\$ 755
Oil and condensate	103	133	131	75	89	83	99	367	247
Natural gas liquids (NGL)	15	13	15	18	16	12	14	43	46
Total physical sales	358	403	402	381	333	334	332	1,163	1,048
Realized and unrealized (losses) gains on financial derivatives	(109)	132	251	253	31	184	(78)	274	468
Other revenues	1	-	-	13	5	1	-	1	19
Total operating revenues	250	535	653	647	369	519	254	1,438	1,535
Operating expenses									
Cost of products	-	-	-	10	5	-	-	-	15
Transportation costs	20	18	20	18	18	18	19	58	54
Production costs	73	70	80	69	64	61	70	223	194
Depreciation, depletion and amortization	134	146	157	107	128	117	125	437	352
General and administrative expenses	50	48	46	49	47	41	53	144	137
Ceiling test charges	-	-	152	2	-	14	9	152	16
Other	3	3	8	4	5	3	2	14	12
Total operating expenses	280	285	463	259	267	254	278	1,028	780
Operating income (loss)	(30)	250	190	388	102	265	(24)	410	755
Equity earnings and other income (expense), net	(1)	-	(7)	2	1	(4)	(3)	(8)	(1)
Segment EBIT	\$ (31)	\$ 250	\$ 183	\$ 390	\$ 103	\$ 261	\$ (27)	\$ 402	\$ 754

EXPLORATION AND PRODUCTION
AVERAGE DAILY VOLUMES, REALIZED PRICES AND COSTS PER UNIT

	2011			2010				Year-to-Date	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	2011	2010
Natural Gas Sales Volumes (MMcf/d)									
Central	402	419	407	324	322	320	360	409	322
Western	107	107	109	111	113	113	112	108	113
Southern	121	103	106	169	155	138	128	110	154
International	29	28	30	20	29	30	28	29	26
Total Consolidated	659	657	652	624	619	601	628	656	615
Unconsolidated Affiliate (Four Star)	47	47	45	47	46	47	48	46	47
Total Combined	706	704	697	671	665	648	676	702	662
Oil and Condensate Sales Volumes (MBbls/d)									
Central	0.7	0.8	1.0	0.9	0.8	0.9	0.9	0.8	0.9
Western	8.0	7.8	7.8	6.6	7.8	8.7	8.6	7.9	7.7
Southern	4.3	4.7	7.4	3.4	3.0	3.0	3.4	5.5	3.1
International	0.2	1.5	0.2	0.2	2.1	0.9	1.1	0.7	1.0
Total Consolidated	13.2	14.8	16.4	11.1	13.7	13.5	14.0	14.9	12.7
Unconsolidated Affiliate (Four Star)	0.9	0.8	0.8	1.0	1.2	1.0	0.9	0.8	1.0
Total Combined	14.1	15.6	17.2	12.1	14.9	14.5	14.9	15.7	13.7
NGL Sales Volumes (MBbls/d)									
Central	0.1	0.1	0.1	0.5	0.2	-	0.1	0.1	0.2
Southern	3.2	2.6	2.8	4.3	4.1	3.4	3.3	2.9	3.9
Total Consolidated	3.3	2.7	2.9	4.8	4.3	3.4	3.4	3.0	4.1
Unconsolidated Affiliate (Four Star)	1.7	1.4	1.5	1.7	1.4	1.6	1.6	1.5	1.5
Total Combined	5.0	4.1	4.4	6.5	5.7	5.0	5.0	4.5	5.6
Equivalent Sales Volumes (MMcfe/d)									
Central	406	424	413	331	329	326	366	414	328
Western	155	154	156	151	160	165	163	155	159
Southern	166	147	167	214	197	176	169	160	196
International	31	37	31	21	41	35	34	33	32
Total Consolidated	758	762	767	717	727	702	732	762	715
Unconsolidated Affiliate (Four Star)	63	61	60	64	61	62	63	61	62
Total Combined	821	823	827	781	788	764	795	823	777
Consolidated average realized prices									
Natural gas price on physical sales (\$/Mcf)	\$ 4.06	\$ 4.29	\$ 4.27	\$ 5.13	\$ 4.05	\$ 4.31	\$ 3.79	\$ 4.21	\$ 4.50
Natural gas, including financial derivative cash settlements (\$/Mcf) ⁽¹⁾⁽²⁾	\$ 5.44	\$ 5.44	\$ 5.60	\$ 6.04	\$ 5.86	\$ 5.93	\$ 4.88	\$ 5.49	\$ 5.95
Oil and condensate price on physical sales (\$/Bbl)	\$ 86.27	\$ 98.46	\$ 86.73	\$ 75.00	\$ 71.54	\$ 68.00	\$ 77.01	\$ 90.50	\$ 71.28
Oil and condensate, including financial derivative cash settlements (\$/Bbl) ⁽¹⁾	\$ 85.69	\$ 91.30	\$ 88.95	\$ 73.26	\$ 71.04	\$ 68.51	\$ 72.07	\$ 88.77	\$ 70.79
NGL price on physical sales (\$/Bbl)	\$ 50.37	\$ 54.85	\$ 56.03	\$ 44.67	\$ 40.10	\$ 39.21	\$ 45.43	\$ 53.59	\$ 41.51
Consolidated average transportation costs									
Natural gas (\$/Mcf)	\$ 0.31	\$ 0.28	\$ 0.32	\$ 0.29	\$ 0.31	\$ 0.30	\$ 0.31	\$ 0.30	\$ 0.30
Oil and condensate (\$/Bbl)	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.05	\$ 0.06	\$ 0.10	\$ 0.11	\$ 0.06	\$ 0.07
NGL (\$/Bbl)	\$ 5.01	\$ 4.73	\$ 3.04	\$ 2.79	\$ 2.57	\$ 3.56	\$ 3.95	\$ 4.28	\$ 2.93
Consolidated average cash operating costs (\$/Mcf)									
Lease operating expenses	\$ 0.74	\$ 0.71	\$ 0.87	\$ 0.75	\$ 0.67	\$ 0.70	\$ 0.82	\$ 0.77	\$ 0.71
Production taxes	0.32	0.31	0.27	0.31	0.30	0.24	0.21	0.30	0.29
General and administrative expenses	0.74	0.69	0.65	0.76	0.72	0.63	0.78	0.69	0.70
Taxes other than production and income taxes	0.05	0.04	0.03	0.06	0.08	0.05	0.03	0.04	0.06
Total cash operating costs	\$ 1.85	\$ 1.75	\$ 1.82	\$ 1.88	\$ 1.77	\$ 1.62	\$ 1.84	\$ 1.80	\$ 1.76
Consolidated depreciation, depletion and amortization (\$/Mcf)	\$ 1.96	\$ 2.11	\$ 2.22	\$ 1.67	\$ 1.92	\$ 1.81	\$ 1.86	\$ 2.10	\$ 1.80

⁽¹⁾ Amounts in the first, second and third quarters of 2011 include approximately \$82 million, \$68 million and \$80 million for cash settlements related to natural gas contracts and approximately \$(1) million, \$(9) million and \$3 million for cash settlements related to crude oil contracts. Amounts in the first, second, third and fourth quarters of 2010 include approximately \$51 million, \$102 million, \$90 million and \$63 million for cash settlements related to natural gas contracts and approximately \$(1) million for cash settlements in both first and second quarters, less than \$1 million of cash settlements in the third quarter and \$(6) million of cash settlements in the fourth quarter related to crude oil contracts.

⁽²⁾ Cash proceeds on settlements do not reflect \$52 million, \$48 million, \$48 million, and \$9 million or \$0.04, \$0.04, \$0.04 and \$0.01 per share for each period presented of cash option premiums paid in 2009 for financial derivatives settled in first, second, third and fourth quarters of 2010.

**EXPLORATION & PRODUCTION
RECONCILIATION OF CASH OPERATING COSTS
(unaudited)**

	Q1		Q2		Q3		Q4		Nine Months Ended	
	Total (\$ MM)	Per-Unit (\$/Mcf)	Total (\$ MM)	Per-Unit (\$/Mcf)	Total (\$ MM)	Per-Unit (\$/Mcf)	Total (\$ MM)	Per-Unit (\$/Mcf)	Total (\$ MM)	Per-Unit (\$/Mcf)
2011										
Total operating expenses	\$ 280	\$ 4.11	\$ 285	\$ 4.12	\$ 463	\$ 6.56			\$ 1,028	\$ 4.94
Depreciation, depletion and amortization	(134)	(1.96)	(146)	(2.11)	(157)	(2.22)			(437)	(2.10)
Transportation costs	(20)	(0.30)	(18)	(0.26)	(20)	(0.28)			(58)	(0.28)
Ceiling test charges	-	-	-	-	(152)	(2.15)			(152)	(0.73)
Other	-	-	-	-	(6)	(0.09)			(6)	(0.03)
Total cash operating costs and per-unit cash costs⁽¹⁾	\$ 126	\$ 1.85	\$ 121	\$ 1.75	\$ 128	\$ 1.82			\$ 375	\$ 1.80
Total equivalent volumes (MMcfe) ⁽¹⁾	<u>68,187</u>		<u>69,356</u>		<u>70,598</u>				<u>208,141</u>	
2010										
Total operating expenses	\$ 259	\$ 4.01	\$ 267	\$ 4.04	\$ 254	\$ 3.93	\$ 278	\$ 4.12	\$ 780	\$ 3.99
Depreciation, depletion and amortization	(107)	(1.67)	(128)	(1.92)	(117)	(1.81)	(125)	(1.86)	(352)	(1.80)
Transportation costs	(18)	(0.28)	(18)	(0.27)	(18)	(0.28)	(19)	(0.28)	(54)	(0.27)
Cost of products	(10)	(0.15)	(5)	(0.08)	-	-	-	-	(15)	(0.08)
Ceiling test charges	(2)	(0.03)	-	-	(14)	(0.22)	(9)	(0.14)	(16)	(0.08)
Total cash operating costs and per-unit cash costs⁽¹⁾	\$ 122	\$ 1.88	\$ 116	\$ 1.77	\$ 105	\$ 1.62	\$ 125	\$ 1.84	\$ 343	\$ 1.76
Total equivalent volumes (MMcfe) ⁽¹⁾	<u>64,557</u>		<u>66,154</u>		<u>64,575</u>		<u>67,345</u>		<u>195,286</u>	

⁽¹⁾ Excludes volumes and costs associated with equity investment in Four Star

**EXPLORATION & PRODUCTION
PRODUCTION RELATED DERIVATIVE SCHEDULE**

Natural Gas	2011		2012	
	Notional Volume (TBtu)	Average Hedge Price	Notional Volume (TBtu)	Average Hedge Price
Economic				
Fixed Price - Legacy	1.2	\$3.93	2.3	\$3.93
Fixed Price	38.1	\$6.13	102.2	\$6.06
Collars - Ceiling	4.6	\$7.29		
Collars - Floor	4.6	\$6.00		
Avg Ceiling	43.9	\$6.19	104.5	\$6.01
Avg Floor	43.9	\$6.06	104.5	\$6.01

Crude Oil	2011		2012		2013		2014		2015	
	Notional Volume (MMBbls)	Average Hedge Price	Notional Volume (MMBbls)	Average Hedge Price	Notional Volume (MMBbls)	Average Hedge Price	Notional Volume (MMBbls)	Average Hedge Price	Notional Volume (MMBbls)	Average Hedge Price
Economic										
Fixed Price	0.51	\$87.54	0.64	\$100.13						
Collars - Ceiling			1.46	\$95.00	2.92	\$96.88	1.10	\$100.00	1.10	\$100.00
Three-Way Collars - Ceiling	0.92	\$94.27	5.76	\$114.16	1.55	\$128.34				
Three-Way Collars - Floor ⁽¹⁾	0.92	\$85.14	5.76	\$92.54	1.55	\$100.00				
Three-Way Collars - Floor	0.92	\$65.00	5.76	\$67.54	1.55	\$75.00				
Avg Ceiling	1.43	\$91.88	7.86	\$109.46	4.47	\$107.79	1.10	\$100.00	1.10	\$100.00
Avg Floor	1.43	\$85.99	6.40	\$93.30	1.55	\$100.00				

Note: US Domestic positions are as of September 30, 2011 (Contract Months: October 2011 - Forward).

⁽¹⁾ If market prices settle at or below \$65.00, \$67.54 and \$75.00 for the years 2011, 2012 and 2013, respectively, our three ways collars-floors effectively "lock-in" a cash settlement of \$20.14 per Bbl for 2011 and \$25.00 per Bbl for 2012 and 2013 above that market price.

EL PASO CORPORATION
CASH FLOW HIGHLIGHTS
(\$ in millions)
(unaudited)

	Year-to-Date September 30,	
	2011	2010
Cash flow from operations		
Net income	\$ 182	\$ 788
Non-cash adjustments	1,586	1,009
Subtotal	<u>1,768</u>	<u>1,797</u>
Changes in price risk management activities, net	(133)	(286)
Other	(18)	(99)
Total working capital changes & other	<u>(151)</u>	<u>(385)</u>
Cash flow from operations	<u><u>\$ 1,617</u></u>	<u><u>\$ 1,412</u></u>

	Quarters Ended September 30,		Year-to-Date September 30,	
	2011	2010	2011	2010
Cash capital expenditures				
Pipelines	\$ 508	\$ 665	\$ 1,784	\$ 1,566
E&P	422	453	1,097	1,002
Other	43	21	108	73
Total	<u><u>\$ 973</u></u>	<u><u>\$ 1,139</u></u>	<u><u>\$ 2,989</u></u>	<u><u>\$ 2,641</u></u>
Cash paid for acquisitions	\$ -	\$ 15	\$ 2	\$ 25
Divestiture proceeds	\$ 563	\$ 39	\$ 592	\$ 332
Dividends paid	\$ 8	\$ 16	\$ 31	\$ 49

Non-GAAP Reconciliations



EL PASO CORPORATION
ADJUSTED EARNINGS PER SHARE
(\$ in millions, except earnings per share)
(unaudited)

	Quarter Ended September 30, 2011			Year-to-Date September 30, 2011		
	Pre-tax	After-tax	Diluted EPS	Pre-tax	After-tax	Diluted EPS
	Reported net income (loss) attributable to EPC common stockholders	\$	(368)	\$ (0.48)	\$	(44)
Adjustments ⁽¹⁾						
Impact of E&P financial derivatives ⁽²⁾	\$ (168)	\$ (107)	\$ (0.14)	\$ (51)	\$ (32)	\$ (0.04)
Ceiling test charges - Brazil	152	152	0.20	152	152	0.20
Change in fair value of legacy indemnification and other legacy items ⁽⁴⁾	22	14	0.02	33	21	0.03
Loss on debt extinguishment	101	64	0.08	169	108	0.14
Deconsolidation of Ruby						
Loss on Ruby investment ⁽⁵⁾	475	297	0.39	475	297	0.40
Loss on recognition of interest rate swaps ⁽⁶⁾	125	78	0.10	125	78	0.10
Separation costs	7	4	-	7	4	-
Impact of estimated annual effective tax rate ⁽⁷⁾	-	8	0.01	-	(24)	(0.03)
Effect of change in number of diluted shares	-	-	-	-	-	(0.02)
Total adjustments	\$ 714	\$ 510	\$ 0.66	\$ 910	\$ 604	\$ 0.78
Adjusted EPS ⁽⁸⁾			\$ 0.18			\$ 0.72

	Quarter Ended September 30, 2010			Year-to-Date September 30, 2010		
	Pre-tax	After-tax	Diluted EPS	Pre-tax	After-tax	Diluted EPS
	Reported net income attributable to EPC common stockholders	\$	133	\$ 0.19	\$	659
Adjustments ⁽¹⁾						
Impact of E&P financial derivatives ⁽²⁾⁽³⁾	\$ (94)	\$ (61)	\$ (0.08)	\$ (227)	\$ (146)	\$ (0.19)
Ceiling test charges - Egypt	14	14	0.02	16	16	0.02
Change in legacy derivative contracts and other legacy items ⁽⁴⁾	14	10	0.01	25	17	0.02
Gain on sale of Mexican pipeline assets	-	-	-	(80)	(59)	(0.08)
Loss on debt extinguishment	104	66	0.09	104	66	0.09
Impact of health care legislation	-	-	-	-	18	0.02
Tax benefit from liquidation of foreign entities	-	(9)	(0.01)	-	(9)	(0.01)
Impact of estimated annual effective tax rate ⁽⁷⁾	-	2	-	-	(6)	-
Total adjustments	\$ 38	\$ 22	\$ 0.03	\$ (162)	\$ (103)	\$ (0.13)
Adjusted EPS ⁽⁸⁾			\$ 0.22			\$ 0.77

⁽¹⁾ All individual adjustments assume a 36% statutory tax rate, except for the ceiling test charges, gain on the sale of Mexican pipeline assets and the loss on deconsolidation of Ruby. The 2011 quarter ended and year to date assume 764 million and 747 million diluted shares, respectively. The 2010 quarter ended and year to date assume 762 million and 761 million diluted shares, respectively.

⁽²⁾ Quarter ended and year to date 2011 includes gains on financial derivatives of \$251 million and \$274 million, adjusted for \$83 million and \$223 million of cash settlement proceeds, respectively. Quarter ended and year to date 2010 includes gains on financial derivatives of \$184 million and \$468 million, adjusted for \$90 million and \$241 million of cash settlement proceeds, respectively.

⁽³⁾ Cash proceeds on settlements for the quarter ended and year to date 2010 do not reflect \$48 million, or \$0.04 per share, and \$148 million, or \$0.12 per share, of option premiums paid in 2009 for financial derivatives settled during the first nine months of 2010, respectively.

⁽⁴⁾ For 2011, legacy items consist of change in fair value of an indemnification and environmental remediation costs. For 2010, legacy items consist of changes in the value of power contracts, an environmental remediation reserve and resolution of indemnifications.

⁽⁵⁾ Reflects a non-cash loss based on the difference between the net carrying value of Ruby and the estimated fair value of El Paso's net investment.

⁽⁶⁾ Reflects a non-cash loss associated with the recognition of mark-to-market losses related to Ruby's interest rate swaps previously included in other comprehensive loss.

⁽⁷⁾ Reflects the impact on earnings using the company's current estimate of its overall annual effective tax rate including the effects of adjustments.

⁽⁸⁾ Quarter ended and year to date 2011 reflects 775 and 772 million fully diluted shares, respectively. Quarter ended and year to date 2010 reflects 762 million and 761 million fully diluted shares and includes \$9 million and \$28 million income impact from dilutive securities, respectively.

EL PASO CORPORATION
ADJUSTED SEGMENT EBIT AND ADJUSTED SEGMENT EBITDA
(\$ in millions)
(unaudited)

	Quarter Ended September 30, 2011					Year-to-Date September 30, 2011				
	Pipelines	E&P	Marketing	Other	Total	Pipelines	E&P	Marketing	Other	Total
Reported Segment EBIT	\$ (209)	\$ 183	\$ (10)	\$ (145)	\$ (181)	\$ 718	\$ 402	\$ (45)	\$ (245)	\$ 830
Adjustments										
Impact of E&P financial derivatives ⁽¹⁾	-	(168)	-	-	(168)	-	(51)	-	-	(51)
Ceiling test charges - Brazil	-	152	-	-	152	-	152	-	-	152
Change in fair value of legacy indemnification and other	-	-	-	22	22	-	-	-	33	33
Loss on debt extinguishment	-	-	-	101	101	-	-	-	169	169
Deconsolidation of Ruby										
Loss on Ruby investment ⁽³⁾	475	-	-	-	475	475	-	-	-	475
Loss on recognition of interest rate swaps ⁽⁴⁾	125	-	-	-	125	125	-	-	-	125
Separation costs	-	-	-	7	7	-	-	-	7	7
Total adjustments	600	(16)	-	130	714	600	101	-	209	910
Adjusted Segment EBIT	\$ 391	\$ 167	\$ (10)	\$ (15)	\$ 533	\$ 1,318	\$ 503	\$ (45)	\$ (36)	\$ 1,740
DD&A	136	157	-	6	299	360	437	-	18	815
Adjusted Segment EBITDA	\$ 527	\$ 324	\$ (10)	\$ (9)	\$ 832	\$ 1,678	\$ 940	\$ (45)	\$ (18)	\$ 2,555

	Quarter Ended September 30, 2010					Year-to-Date September 30, 2010				
	Pipelines	E&P	Marketing	Other	Total	Pipelines	E&P	Marketing	Other	Total
Reported Segment EBIT	\$ 375	\$ 261	\$ (12)	\$ (111)	\$ 513	\$ 1,299	\$ 754	\$ (44)	\$ (96)	\$ 1,913
Adjustments										
Impact of E&P financial derivatives ⁽¹⁾⁽²⁾	-	(94)	-	-	(94)	-	(227)	-	-	(227)
Ceiling test charges - Egypt	-	14	-	-	14	-	16	-	-	16
Change in fair value of power contracts	-	-	13	-	13	-	-	34	-	34
Change in fair value of legacy indemnification and other	-	-	-	1	1	-	-	-	(9)	(9)
Gain on sale of Mexican pipeline assets	-	-	-	-	-	(80)	-	-	-	(80)
Loss on debt extinguishment	-	-	-	104	104	-	-	-	104	104
Total adjustments	-	(80)	13	105	38	(80)	(211)	34	95	(162)
Adjusted Segment EBIT	\$ 375	\$ 181	\$ 1	\$ (6)	\$ 551	\$ 1,219	\$ 543	\$ (10)	\$ (1)	\$ 1,751
DD&A	111	117	-	11	239	327	352	-	20	699
Adjusted Segment EBITDA	\$ 486	\$ 298	\$ 1	\$ 5	\$ 790	\$ 1,546	\$ 895	\$ (10)	\$ 19	\$ 2,450

(1) Quarter ended and year to date 2011 includes gains on financial derivatives of \$251 million and \$274 million, adjusted for \$83 million and \$223 million of cash settlement proceeds, respectively. Quarter ended and year to date 2010 includes gains on financial derivatives of \$184 million and \$468 million, adjusted for \$90 million and \$241 million of cash settlement proceeds, respectively.

(2) Cash proceeds on settlements for the quarter ended and year to date 2010 do not reflect \$48 million, or \$0.04 per share, and \$148 million, or \$0.12 per share, of option premiums paid in 2009 for financial derivatives settled during the first nine months of 2010, respectively.

(3) Reflects a non-cash loss based on the difference between the net carrying value of Ruby and the estimated fair value of El Paso's net investment.

(4) Reflects a non-cash loss associated with the recognition of mark-to-market losses related to Ruby's interest rate swaps previously included in other comprehensive loss.

EL PASO CORPORATION
PIPELINES AND EXPLORATION & PRODUCTION ADJUSTED PROPORTIONAL SEGMENT EBITDA
(\$ in millions)
(unaudited)

	Quarter Ended		Year-to-Date	
	September 30, 2011		September 30, 2011	
	Pipelines	E&P	Pipelines	E&P
Adjusted Segment EBITDA	\$ 527	\$ 324	\$ 1,678	\$ 940
Less: Equity earnings (loss)	25	(3)	74	(4)
Add: Proportionate share of investee Segment EBITDA ⁽¹⁾	82	15	228	54
Adjusted Proportional Segment EBITDA	\$ 584	\$ 342	\$ 1,832	\$ 998
Calculation of Proportionate Share of Investee Segment EBITDA				
Equity earnings (loss)	\$ 25	\$ (3)	\$ 74	\$ (4)
Proportionate share of investee DD&A	19	7	51	20
Proportionate share of investee interest	22	-	57	-
Proportionate share of investee income taxes	16	3	46	12
Other ⁽²⁾	-	8	-	26
Proportionate share of investee Segment EBITDA ⁽¹⁾	\$ 82	\$ 15	\$ 228	\$ 54
Citrus debt at September 30, 2011 (50%)			\$ 1,408	

	Quarter Ended		Year-to-Date	
	September 30, 2010		September 30, 2010	
	Pipelines	E&P	Pipelines	E&P
Adjusted Segment EBITDA	\$ 486	\$ 298	\$ 1,546	\$ 895
Less: Equity earnings (loss)	27	(2)	67	(3)
Add: Proportionate share of investee Segment EBITDA ⁽¹⁾	74	18	196	60
Adjusted Proportional Segment EBITDA	\$ 533	\$ 318	\$ 1,675	\$ 958
Calculation of Proportionate Share of Investee Segment EBITDA				
Equity earnings (loss)	\$ 27	\$ (2)	\$ 67	\$ (3)
Proportionate share of investee DD&A	15	7	44	21
Proportionate share of investee interest	15	-	45	-
Proportionate share of investee income taxes	17	4	41	14
Other ⁽²⁾	-	9	(1)	28
Proportionate share of investee Segment EBITDA ⁽¹⁾	\$ 74	\$ 18	\$ 196	\$ 60
Citrus debt at September 30, 2010 (50%)			\$ 1,176	

⁽¹⁾ Pipelines and E&P reflect proportionate Segment EBITDA for their interests in Citrus and Four Star, respectively.

⁽²⁾ Other represents the excess purchase price amortization and differences between the estimated and actual equity earnings on our investment.

EL PASO CORPORATION
RECONCILIATION OF ADJUSTED SEGMENT EBITDA TO NET INCOME (LOSS)
(\$ in millions)
(unaudited)

	2011			2010				Year-to-Date	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	2011	2010
Adjusted Segment EBITDA	\$ 880	\$ 843	\$ 832	\$ 851	\$ 809	\$ 790	\$ 798	\$ 2,555	\$ 2,450
Less: DD&A	254	262	299	218	242	239	243	815	699
Adjusted Segment EBIT	626	581	533	633	567	551	555	1,740	1,751
Less: Adjustments ⁽¹⁾	231	(35)	714	(215)	15	38	127	910	(162)
Segment EBIT	395	616	(181)	848	552	513	428	830	1,913
Interest and debt expense	(240)	(239)	(242)	(243)	(284)	(255)	(249)	(721)	(782)
Income tax benefit (expense)	(19)	(38)	130	(186)	(82)	(75)	(43)	73	(343)
Net income (loss)	136	339	(293)	419	186	183	136	182	788
Net income attributable to noncontrolling interests	(74)	(77)	(75)	(31)	(29)	(41)	(65)	(226)	(101)
Net income (loss) attributable to EPC	\$ 62	\$ 262	\$ (368)	\$ 388	\$ 157	\$ 142	\$ 71	\$ (44)	\$ 687

(1) For the components of the adjustments, refer to the Adjusted Earnings Per Share table located within this Package.

Schedules of Debt Maturities



EL PASO CORPORATION
DEBT BY ISSUER
AS OF SEPTEMBER 30, 2011
(\$ in millions)

Description	Interest Rate	Maturity Date	Principal September 30, 2011
El Paso Corporation	9.625%	5/15/2012	12
El Paso Corporation	9.000%	5/30/2012	5
El Paso Corporation	7.875%	6/15/2012	174
El Paso Corporation	7.375%	12/15/2012	98
El Paso Corporation	12.000%	12/12/2013	30
El Paso Corporation	Variable	3/19/2014	98
El Paso Corporation	6.875%	6/15/2014	207
El Paso Corporation	8.250%	2/15/2016	67
El Paso Corporation - Revolver	Variable	5/27/2016	700
El Paso Corporation	7.000%	6/15/2017	786
El Paso Corporation	7.000%	2/1/2018	82
El Paso Corporation	7.250%	6/1/2018	477
El Paso Corporation	6.500%	9/15/2020	349
El Paso Corporation	6.700%	2/15/2027	7
El Paso Corporation	6.950%	6/1/2028	31
El Paso Corporation	8.050%	10/15/2030	234
El Paso Corporation	7.800%	8/1/2031	537
El Paso Corporation	7.750%	1/15/2032	1,005
El Paso Corporation	7.750%	10/15/2035	1
El Paso Corporation	7.420%	2/15/2037	47
Total El Paso Corporation (Holding Company)			\$ 4,947
Colorado Interstate Gas Company	5.950%	3/15/2015	35
Colorado Interstate Gas Company	6.800%	11/15/2015	340
Colorado Interstate Gas Company	6.850%	6/15/2037	100
Total Colorado Interstate Gas Company			\$ 475
El Paso Natural Gas Company	5.950%	4/15/2017	355
El Paso Natural Gas Company	8.625%	1/15/2022	260
El Paso Natural Gas Company	7.500%	11/15/2026	200
El Paso Natural Gas Company	8.375%	6/15/2032	300
Total El Paso Natural Gas Company			\$ 1,115
Southern Natural Gas Company	5.900%	4/1/2017	500
Southern Natural Gas Company	4.400%	6/15/2021	300
Southern Natural Gas Company	7.350%	2/15/2031	153
Southern Natural Gas Company	8.000%	3/1/2032	258
Total Southern Natural Gas Company			\$ 1,211
Southern LNG Inc.	9.500%	2/24/2014	71
Southern LNG Inc.	9.750%	2/24/2016	64
Total Southern LNG Inc.			\$ 135
Tennessee Gas Pipeline Company	6.000%	12/15/2011	86
Tennessee Gas Pipeline Company	8.000%	2/1/2016	250
Tennessee Gas Pipeline Company	7.500%	4/1/2017	300
Tennessee Gas Pipeline Company	7.000%	3/15/2027	300
Tennessee Gas Pipeline Company	7.000%	10/15/2028	400
Tennessee Gas Pipeline Company	8.375%	6/15/2032	240
Tennessee Gas Pipeline Company	7.625%	4/1/2037	300
Total Tennessee Gas Pipeline Company			\$ 1,876

EL PASO CORPORATION
DEBT BY ISSUER
AS OF SEPTEMBER 30, 2011
(\$ in millions)

Description	Interest Rate	Maturity Date	Principal September 30, 2011
EP Energy Corporation	7.750%	6/1/2013	1
EP Energy Corporation - Revolver	Variable	6/2/2016	550
Total EP Energy Corporation			\$ 551
El Paso Tennessee Pipeline Co.	9.000%	11/15/2012	1
Total El Paso Tennessee Pipeline Co.			\$ 1
Cheyenne Plains Gas Pipeline Company, LLC	Variable	3/31/2015 *	184
Total Cheyenne Plains Gas Pipeline Company, LLC			\$ 184
El Paso Pipeline Partners Operating Company, LLC	7.930%	9/30/2012	15
El Paso Pipeline Partners Operating Company, LLC	Variable	9/30/2012	35
El Paso Pipeline Partners Operating Company, LLC	8.000%	9/30/2013	88
El Paso Pipeline Partners Operating Company, LLC	4.100%	11/15/2015	375
El Paso Pipeline Partners Operating Company, LLC - Revolver	Variable	5/27/2016	-
El Paso Pipeline Partners Operating Company, LLC	6.500%	4/1/2020	535
El Paso Pipeline Partners Operating Company, LLC	5.000%	10/1/2021	500
El Paso Pipeline Partners Operating Company, LLC	7.500%	11/15/2040	375
Total El Paso Pipeline Partners Operating Company, LLC			\$ 1,923
Other Financings:			
El Paso Energy Capital Trust I	4.750%	3/31/2028	325
Capital Lease Obligations			183
Other			2
Total Other Financings			\$ 510
Unamortized Discounts/Premiums			(47)
Total			\$ (47)
Total El Paso Corporation Debt			\$ 12,881

Notes:

* Amortizing Debt

EL PASO CORPORATION
DEBT MATURITY SCHEDULE THROUGH 2013
AS OF SEPTEMBER 30, 2011
(\$ in millions)

Description	Interest Rate	Maturity Date	Principal September 30, 2011
4Q11			
Tennessee Gas Pipeline Company	6.000%	12/15/2011	86
Other Financing - Amortizing Debt *	Various		5
			91
Total 2011			\$ 91
2012			
1Q12			
Other Financing - Amortizing Debt *	Various		6
			6
2Q12			
El Paso Corporation	9.625%	5/15/2012	12
El Paso Corporation	9.000%	5/30/2012	5
El Paso Corporation	7.875%	6/15/2012	174
Other Financing - Amortizing Debt *	Various		6
			197
3Q12			
El Paso Pipeline Partners Operating Company, LLC	7.930%	9/30/2012	15
El Paso Pipeline Partners Operating Company, LLC	Variable	9/30/2012	35
Other Financing - Amortizing Debt *	Various		6
			56
4Q12			
El Paso Tennessee Pipeline Co.	9.000%	11/15/2012	1
El Paso Corporation	7.375%	12/15/2012	98
Other Financing - Amortizing Debt *	Various		6
			105
Total 2012			\$ 364
2013			
1Q13			
Other Financing - Amortizing Debt *	Various		6
			6
2Q13			
EP Energy Corporation	7.750%	6/1/2013	1
Other Financing - Amortizing Debt *	Various		6
			7
3Q13			
El Paso Pipeline Partners Operating Company, LLC	8.000%	9/30/2013	88
Other Financing - Amortizing Debt *	Various		6
			94
4Q13			
El Paso Corporation	12.000%	12/12/2013	30
Other Financing - Amortizing Debt *	Various		6
			36
Total 2013			\$ 143

Notes:

* This represents amortizing debt obligations for the quarter.

GLOSSARY

This contains a glossary of terms used in this Package as well as those used in other investor presentations and press releases. They are for reference only and may not be comparable to similarly titled measures used at other companies.

NON-GAAP FINANCIAL MEASURES

Segment earnings before interest expense and income taxes (Segment EBIT)

On January 1, 2011, El Paso began using the non-GAAP financial measure “segment earnings before interest expense and income taxes” or “Segment EBIT” to assess the operating results and effectiveness of the Company and its business segments. The Company believes that Segment EBIT is useful to its investors because it allows them to use the same performance measure analyzed internally by our management to evaluate the performance of our businesses and investments without regard to the manner in which they are financed or our capital structure. The Company defines Segment EBIT as net income (loss) adjusted for interest and debt expense and income taxes. Segment EBIT does not reflect a reduction for any amounts attributable to noncontrolling interests. Our 2010 amounts have been conformed to reflect our current performance measure.

Segment EBIT before depreciation, depletion and amortization (Segment EBITDA)

El Paso uses the non-GAAP financial measure of Segment EBITDA, which is defined as Segment EBIT excluding depreciation, depletion and amortization. The Company believes that Segment EBITDA is useful to investors as many analysts use it as a measure of operating performance. This measure however should not be used as a substitute for operating cash flows.

Adjusted Segment EBIT and Adjusted Segment EBITDA

Adjusted Segment EBIT is defined as Segment EBIT adjusted for certain items we consider to be significant to understanding our underlying performance for a given period. Adjusted Segment EBITDA is defined as adjusted Segment EBIT excluding depreciation, depletion and amortization. The Company believes that adjusted Segment EBIT and adjusted Segment EBITDA are useful to investors because it allows them to evaluate more effectively the performance of our businesses and to allow them to understand certain significant items impacting the comparability of our results.

For 2011, Adjusted Segment EBIT is defined as Segment EBIT adjusted for the impact of E&P financial derivatives, ceiling test charges, changes in fair value of legacy indemnification and other legacy items, loss on debt extinguishment, loss on deconsolidation of Ruby, and separation costs.

For 2010, Adjusted Segment EBIT is defined as Segment EBIT adjusted for the impact of E&P financial derivatives, ceiling test charges, changes in fair value of power contracts, changes in fair value of legacy indemnification and other legacy items, the gain on the sale of our Mexican pipeline assets, the gain on Midstream joint venture and the loss on debt extinguishment.

Adjusted Proportional Segment EBITDA

Adjusted Proportional Segment EBITDA is defined as Adjusted Segment EBITDA including the proportional share of Segment EBITDA from our equity investments in Citrus and Four Star. The Company believes that adjusted proportional Segment EBITDA is useful to investors because it allows them to evaluate more effectively the performance of our Pipelines and Exploration and Production businesses regardless of the type of ownership structure.

Adjusted EPS

Adjusted EPS is defined as diluted earnings per share adjusted for certain items that we consider to be significant to understanding our underlying performance for a given period. Adjusted EPS is useful in analyzing the company's on-going earnings potential and understanding certain significant items impacting the comparability of our results.

For 2011, Adjusted EPS is earnings per share attributable to El Paso Corporation common stockholders adjusting for the impact of E&P financial derivatives, ceiling test charges, changes in fair value of legacy indemnification and other legacy items, a loss on debt extinguishment, loss on deconsolidation of Ruby, separation costs, the impact of the estimated annual effective tax rate and the effect of change in number of diluted shares.

For 2010, Adjusted EPS is earnings per share attributable to El Paso Corporation common stockholders adjusting for the impact of E&P financial derivatives, ceiling test charges, changes in legacy derivative contracts and other legacy items, the gain on sale of our Mexican pipeline assets, the loss on debt extinguishment, impact of health care legislation, the tax benefit from liquidation or foreign entities and the impact of the estimated annual effective tax rate.

Per-unit total cash operating costs

Our Exploration and Production segment uses per-unit total cash operating costs as a non-GAAP measure calculated on a per Mcfe basis equal to total operating expenses less DD&A, transportation costs, cost of products and services, ceiling test charges, and other non-cash charges, divided by total consolidated equivalent production. It is a valuable measure used by oil and gas companies and analysts to evaluate operating performance and efficiency.

Per-unit lease operating expenses

Our Exploration and Production segment uses per-unit lease operating expenses as a non-GAAP measure calculated on a per Mcfe basis equal to lease operating expenses divided by total equivalent production. The sum of lease operating expenses and production taxes equals production costs. The sum of cost of products, transportation costs, production costs, DD&A, G&A, ceiling test and other impairment charges and other operating expenses equals total operating expenses. It is a valuable measure of operating performance and efficiency for our Exploration and Production segment.

OTHER COMMONLY USED TERMS

Compound annual growth rate (CAGR)

El Paso uses the compound annual growth rates or "CAGR", which is the average annual growth rate over a period of years. The Company believes this metric is useful for investors because it displays the historical or projected performance over time. Compounded growth rates are the industry standard of measurement within the investment community and therefore El Paso feels it is preferred to using the simple average of year-to-year growth rates.

Risked unproved resources

Although the SEC now allows companies to report unproved reserves in the form of probable and possible reserves in their SEC filings, we have elected not to report on such basis. In certain of our earnings presentations, we have provided estimates of our "risked" unproved resources, which are different than probable and possible reserves as defined by the SEC. Note that we are not permitted to include or refer to our unproved resources on such a basis in any SEC filings, and these estimates of risked unproved resources should not be construed as comparable to our disclosures of our proved reserves. Risked unproved resources are estimates of potential reserves that are made using accepted geological and engineering analytical techniques. 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.

Unrisked unproved resources

In certain of our presentations, we have provided estimates of our "unrisked" unproved resources, which are different than probable and possible reserves as defined by the SEC. Note that we are not permitted to include or refer to our unproved resources on such a basis in any SEC filings, and these estimates of unrisked unproved resources should not be construed as comparable to our disclosures of our proved reserves. Unrisked unproved resources are estimates of potential reserves that are made using accepted geological and engineering analytical

techniques. Unrisked resources are less certain than risked resources as they do not contemplate the likelihood of a successful outcome. 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.

Reserve replacement costs and Reserve Replacement Ratio

El Paso calculates two primary metrics, (i) a reserve replacement ratio, or “RRR” and (ii) reserve replacement costs, or “RRC”, to measure our ability to establish a long-term trend of adding reserves at a reasonable cost in our core asset areas. The reserve replacement ratio is an indicator of our ability to replenish annual production volumes and grow our reserves. It is important for us to economically find and develop new reserves that will more than offset produced volumes and provide for future production given the inherent decline of hydrocarbon reserves. In addition, we calculate reserve replacement costs to assess the cost of adding reserves which is ultimately included in depreciation, depletion and amortization expense. We believe the ability to develop a competitive advantage over other oil and gas companies is dependent on adding reserves in our core asset areas at lower costs than our competition.

The reserve replacement ratio and reserve replacement costs per unit are statistical indicators that have limitations, including their predictive and comparative value. As an annual measure, the reserve replacement ratio is limited because it typically varies widely based on the extent and timing of new discoveries, project sanctioning and property acquisitions. In addition, since the reserve replacement ratio does not consider the cost or timing of future production of new reserves, it cannot be used as a measure of value creation. We calculate these metrics as follows:

Reserve replacement ratio	$\frac{\text{Sum of reserve additions}^{(1)}}{\text{Actual production for the corresponding period}}$
Reserve replacement costs/Mcfe	$\frac{\text{Total oil and gas capital costs}^{(2)}}{\text{Sum of reserve additions}^{(1)}}$

⁽¹⁾ Reserve additions include proved reserves and reflect reserve revisions for prices and performance, extensions, discoveries and other additions and acquisitions and do not include unproved reserve quantities or proved reserve additions attributable to investments accounted for using the equity method. All amounts are derived directly from the table presented in Item 8, Financial Statements and Supplementary Data, Supplemental Natural Gas and Oil Operations in the Company’s 2010 Annual Report on Form 10-K.

⁽²⁾ Total oil and gas capital costs include the costs of development, exploration and property acquisition activities conducted to add reserves and exclude asset retirement obligations. All amounts are derived directly from the table presented in Item 8, Financial Statements and Supplementary Data, Supplemental Natural Gas and Oil Operations in the Company’s 2010 Annual Report on Form 10-K.

The exploration for and the acquisition and development of natural gas and oil reserves is inherently uncertain as further discussed in the Company’s SEC filings. One of these risks and uncertainties is our ability to spend sufficient capital to increase our reserves. While we currently expect to spend such amounts in the future, there are no assurances as to the timing and magnitude of these expenditures or the classification of the proved reserves as developed or undeveloped.

Reserves to Production Ratio

We calculate the statistical measure “reserves to production ratio” to estimate the life of our proved reserves, which is calculated by dividing end of year proved reserves by “total” production for the year.