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Interstate Pipelines | Exploration & Production | Midstream

Second Quarter 2011 Financial & Operational Update

August 4, 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.

Excellent Progress on Two Fronts

2011 Objectives

- Nearing completion of \$8 B pipeline backlog
- E&P core programs performing very well
- Midstream business progressing
- Excellent progress on MLP drop down strategy
- Continued balance sheet improvement

Separation

- Management teams and BOD in place
- IRS tax ruling filed; Form 10 imminent
- Completing separation agreements
- Finalizing capital structure
- On track for year-end separation

Creating Two Outstanding Boards From One

El Paso Corporation

Doug Foshee¹
Michael Talbert²
Juan Carlos Braniff
Anthony Hall
Thomas Hix
Ferrell McClean
Timothy Probert
Robert Vagt
John Whitmire

¹Chairman
²Lead Director

E&P Spinco

Doug Foshee¹
David Crane
Bob Goldman
Ferrell McClean
Steve Shapiro
Brent Smolik
Robert Vagt

¹Non-executive Chairman

Financial Results



2Q11 Financial Highlights

- Very good financial results
- Another MLP drop completed
 - ~\$750 MM; \$1.4 B YTD
 - Will continue as market conditions permit
- \$3.25 B credit facilities extended to 2016
 - EP—\$1.25 B; EPB—\$1.0 B; E&P—\$1.0 B
 - EP & EPB—ample liquidity
 - E&P—flexibility to fund future growth
- Ruby project financing non-recourse to EP in next 60–90 days

Great progress on financial front

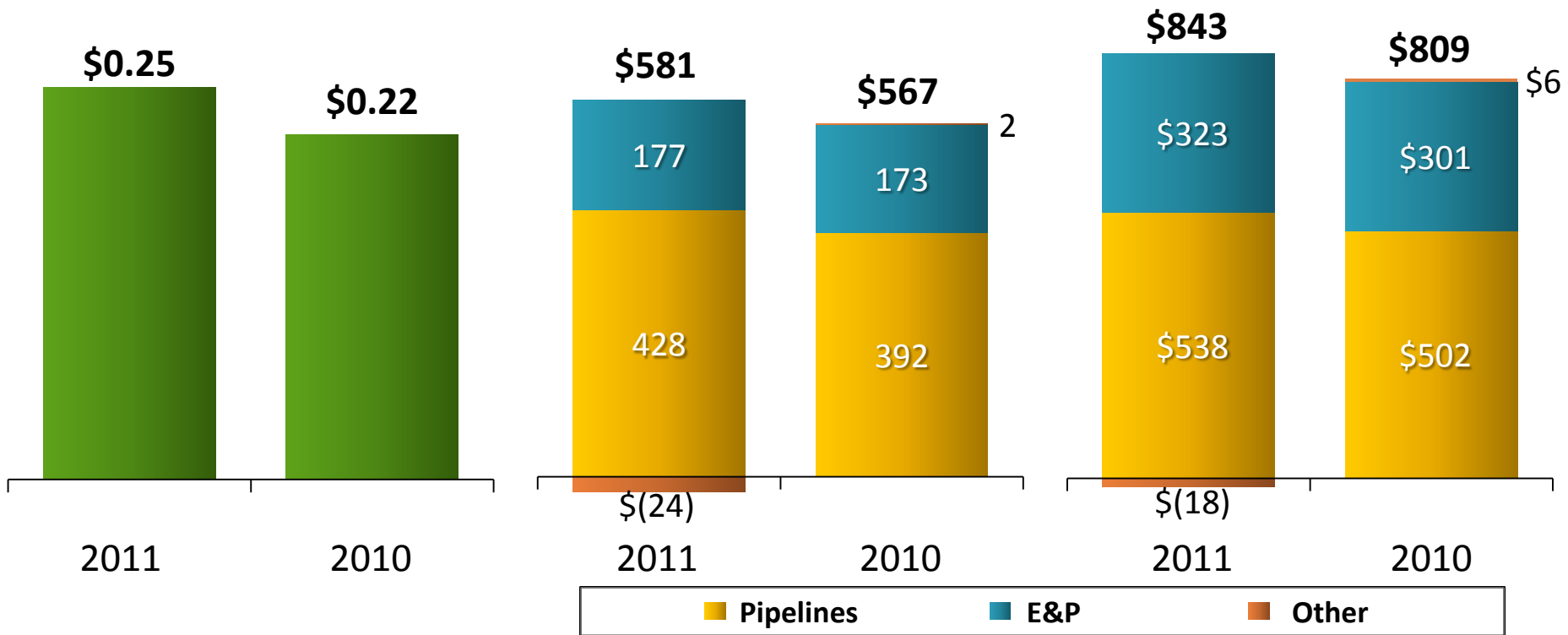
2011 Second Quarter Financial Results

\$ Millions, Except EPS

ADJUSTED DILUTED EPS

ADJUSTED SEGMENT EBIT

ADJUSTED SEGMENT EBITDA

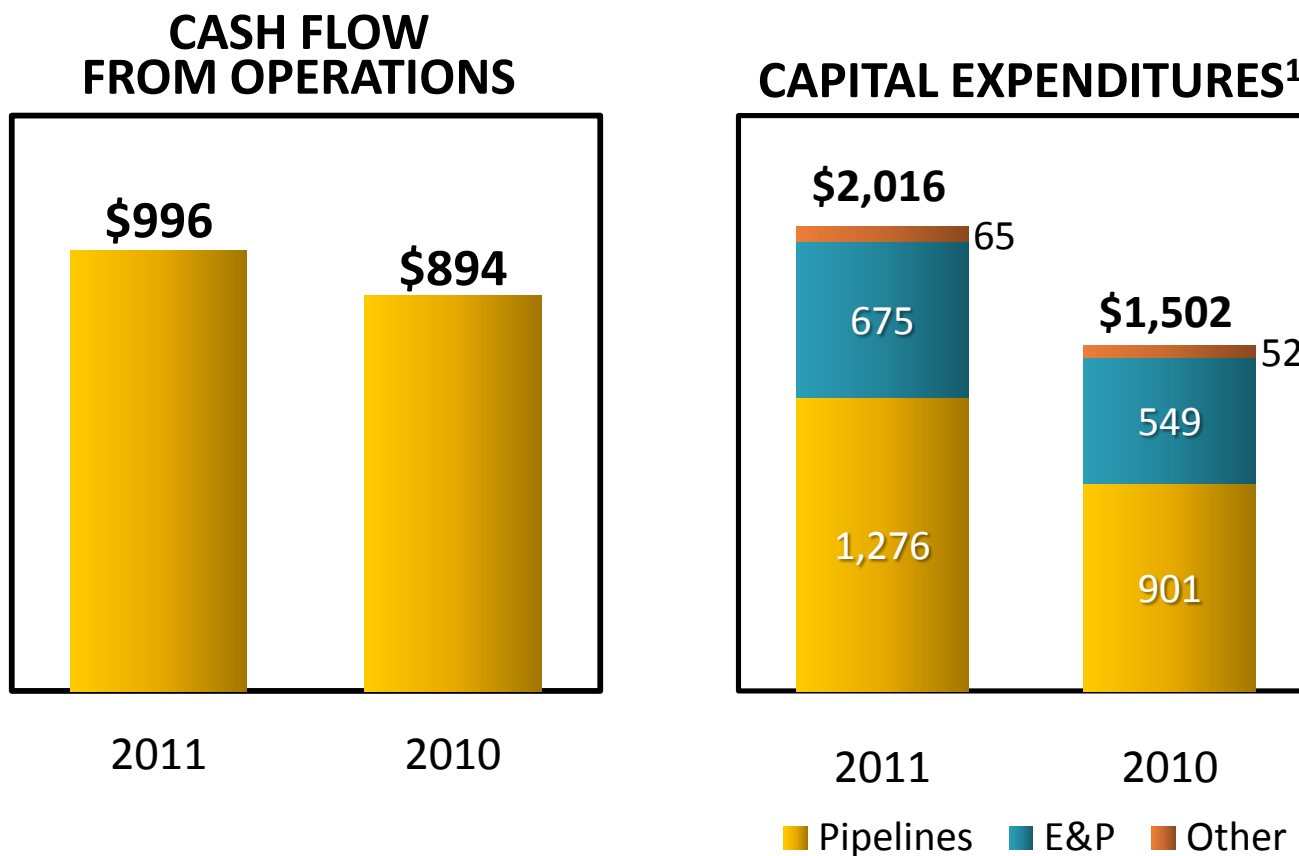


Operational and financial execution drive improved quarterly performance

Note: See the Financial and Operational Reporting Package, available at www.elpaso.com for the company's non-GAAP reconciliations and definitions

YTD Operating Cash Flow & Capex

\$ Millions



Cash flow and capital programs on track

¹ Capital expenditures are presented on a cash basis

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	\$4.25
2012	105	40%	\$6.01	\$4.63

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	\$96.78
2012 ²	6.4	90%	\$93.30 – \$112.76	\$98.08

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 August 2, 2011, and hedge positions are as of June 30, 2011. Natural gas production with floors reflects domestic production. 2011 percentages based on remaining 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

Pipeline Group



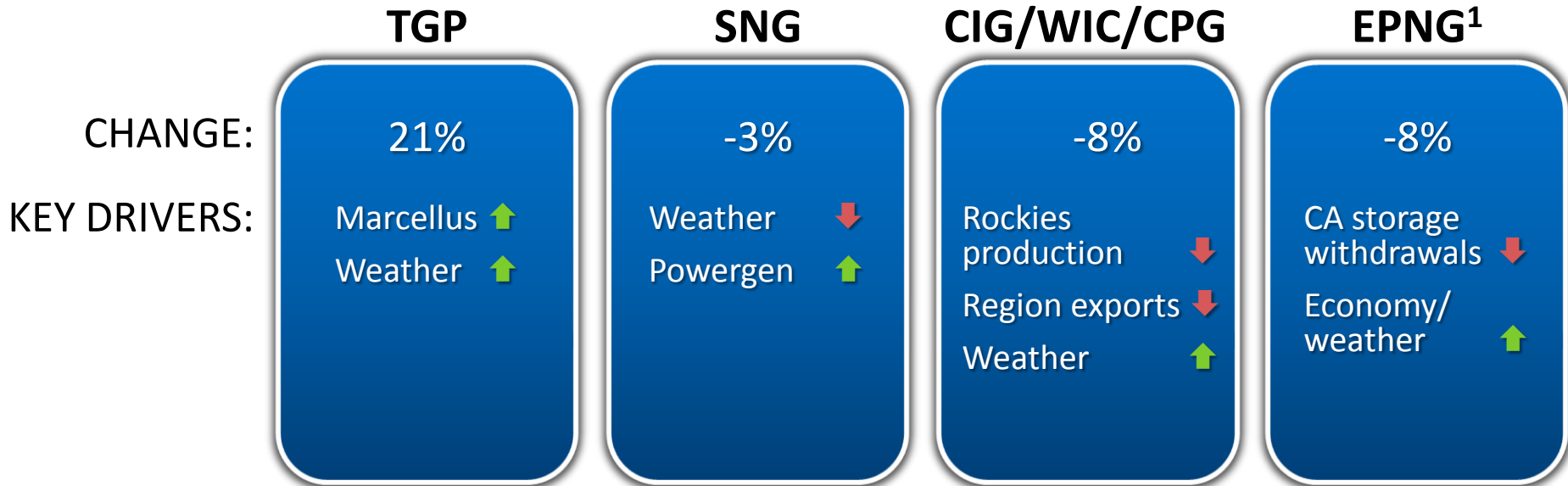
➤ Pipeline Highlights

- Earnings benefiting from expansions
- Ruby in service
- Two more expansions before year-end
- Settled CI&G rate case
- Pursuing new opportunities

Continue to deliver very good results

Pipeline Throughput

Year-to-date 2011 vs. 2010

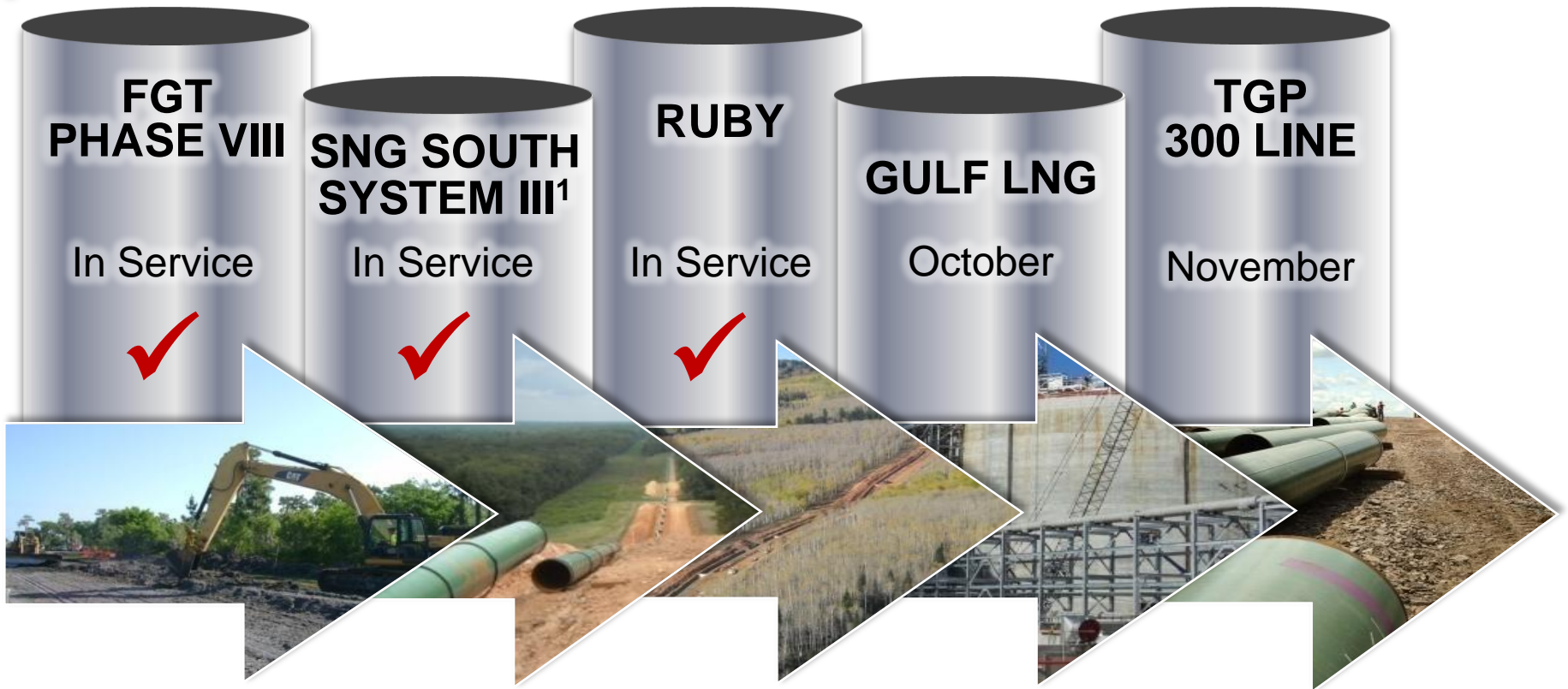


Overall Change²: 2%

¹ EPNG includes El Paso Natural Gas and Mojave

² Includes throughput associated with 50 percent interest in Florida Gas Transmission and excludes volumes related to Mexico pipeline assets sold in April 2010

2011 Expansion Projects



Nearing the finish line with original \$8 B backlog

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

Ruby In-Service

- July completion
- No material change to cost estimate
- Long-term market fundamentals remain positive
 - Large Rockies resource base
 - Canadian exports to U.S. declining
- Slower Rockies production remains a near-term challenge



Valuable long-term asset

Gulf LNG Nearing Completion

- On time—October in-service
- On budget (\$1.1 B—100%)
- Cool-down tankers in June
- Fully subscribed
- 20-year contracts with Angola LNG group and ENI



**Demand charge-driven asset
No price/volume exposure**

TGP Line 300 Expansion in Full Swing

- On time—November in-service
- On budget—\$0.7B
- 127 miles of looping, much through rock
- >1-mile directional drill under wetlands
- Expanding/modifying 9 compressor stations
- Fully subscribed for 15 years



TGP—Leading Marcellus pipeline

➤ Pipeline Outlook

- Nearing completion of \$8 billion backlog
 - Will result in significant free cash flow
- Excellent opportunities for future growth
 - Marcellus/Utica Shale
 - Powergen
 - Mexico export market

Pipelines will drive EP yield story

Exploration & Production

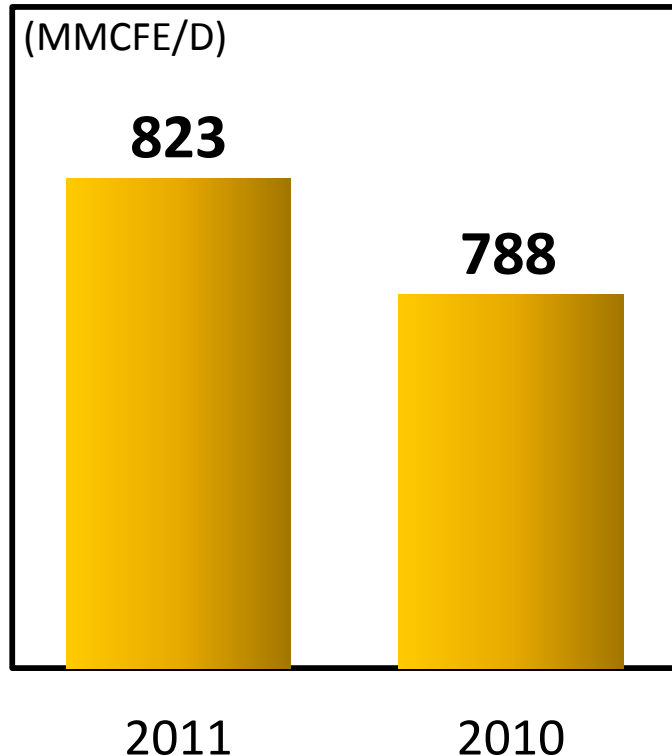


E&P Quarterly Highlights

- Higher production & oil pricing generating Adj. Segment EBITDA increase
- Production up 4% vs. 2Q10; oil volumes ramping up
- Unit cash costs down
- Positive Wolfcamp results
- Eagle Ford advancing as planned
- Capital, drilling efficiencies on track

Continued good results

Quarter-to-Quarter Production



- Up 4% from 2Q10
- Despite 17 MMcfe/d outages
 - GOM—12 MMcfe/d
 - Enbridge pipeline
 - Haynesville—5 MMcfe/d
 - TGGT facility

Increase driven by Eagle Ford & Haynesville programs

E&P Divestiture Update

- Targeting \$400 MM–\$500 MM non-core asset sales
 - 190–200 Bcfe proved reserves
 - 35–40 MMcfe/d current production
 - ~15 MMcfe/d impact on full-year volumes
- \$122 MM closed; two others in progress
- Expect to complete by early 4th quarter

**On track for 830–860 MMcfe/d
full year 2011**

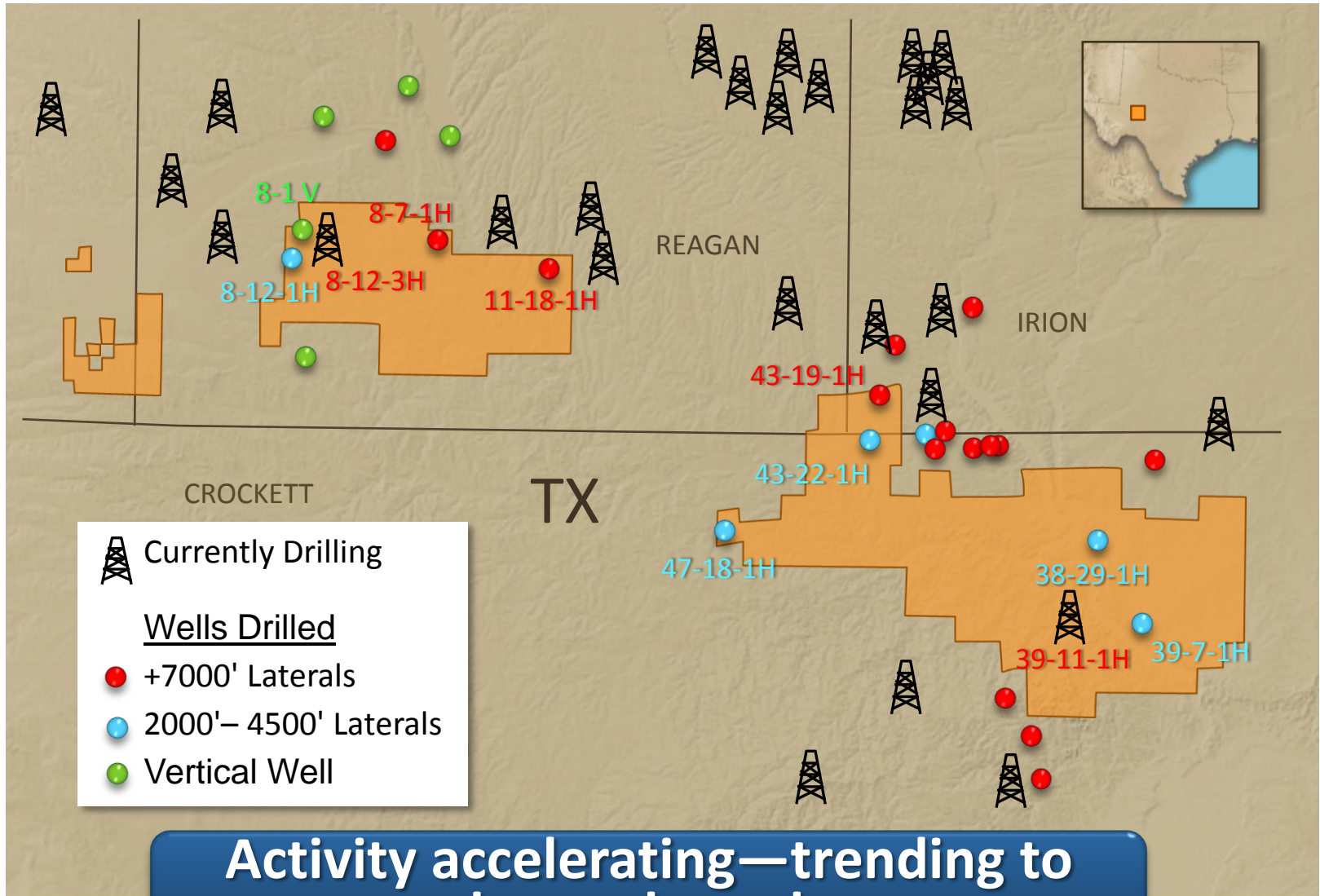
Drilling Activity Overview

- 12–14 rigs for remainder of 2011
- Programs benefiting from efficiency gains
- Drilling more wells with fewer rigs
- Will add more oil rigs in 2012



On track for \$1.6 B capital

Wolfcamp Activity



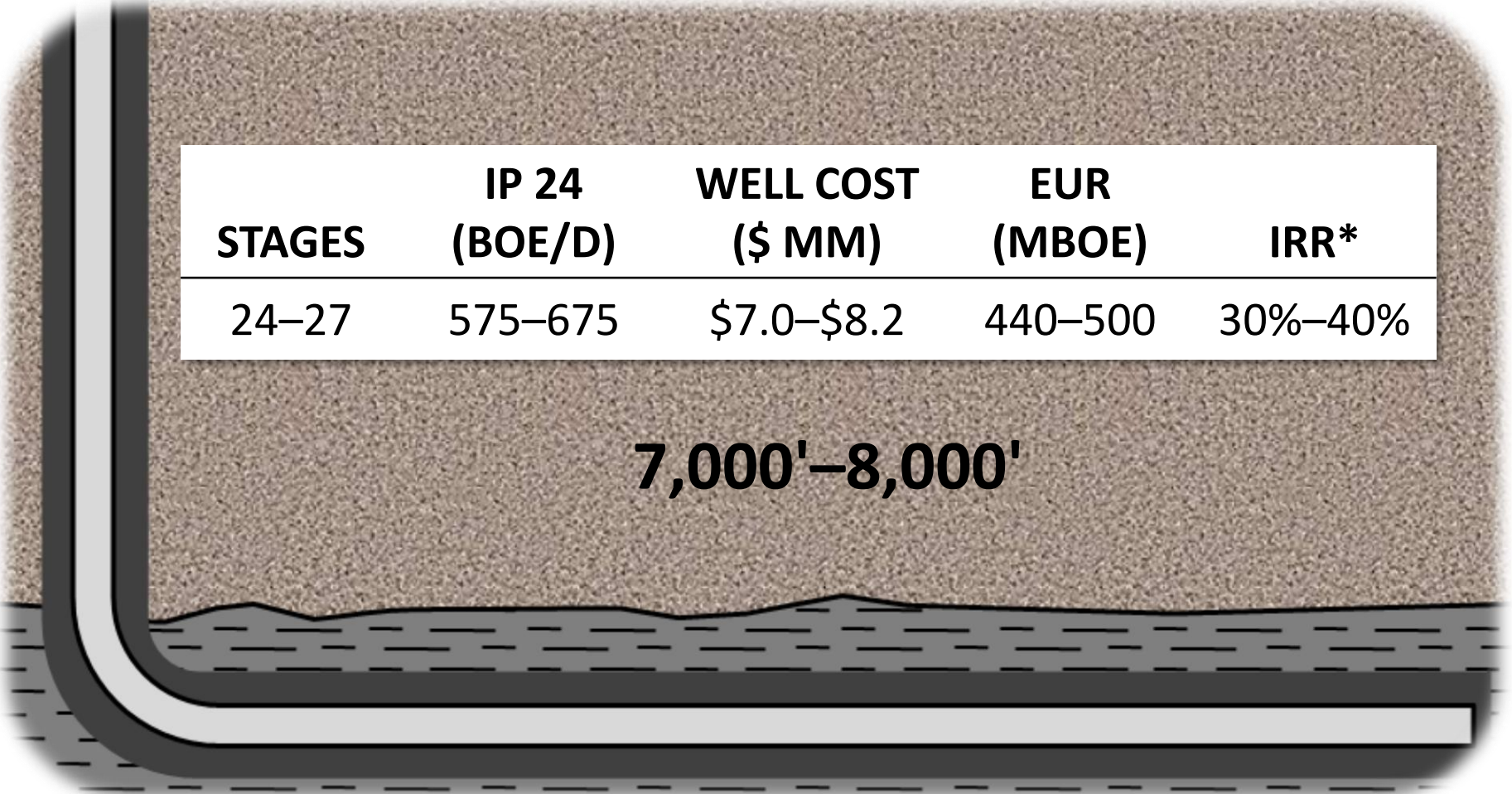
Activity accelerating—trending to longer laterals

Wolfcamp 24-Hour Test Results

COMPLETED WELLS—IP 24 HR

Well	Lateral Length	No. of Stages	Gas (Mcf/d)	Oil (BOPD)	Equivalent (BOEPD)	IP 24 per Stage
SHORT MODEL	4,000–6,000	12–20	250–340	250–340	300–400	22
UL 39-7-1H (east)	4,000	12	275	291	337	28
UL 43-22-1H (central)	3,600	13	341	335	393	30
UL 8-12-1H (west)	4,300	15	185	300	331	22
Average	3,967	13	267	309	354	27
LONG MODEL	7,000–8,000	24–27	450–530	500–585	575–675	24
UL 43 19-1H (central)	7,100	24	500	575	660	28

Wolfcamp: Longer Laterals Provide Improved Economics

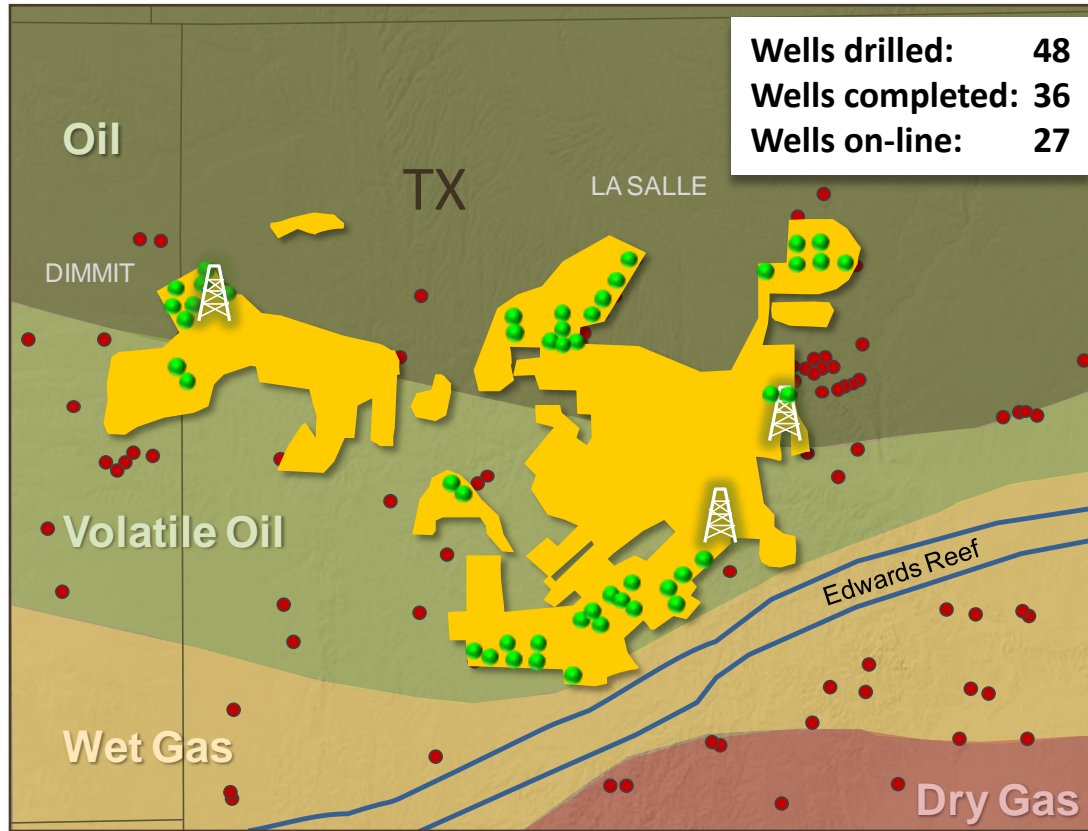


STAGES	IP 24 (BOE/D)	WELL COST (\$ MM)	EUR (MBOE)	IRR*
24–27	575–675	\$7.0–\$8.2	440–500	30%–40%

7,000'–8,000'

*Assumes \$80/Bbl (WTI) oil and \$4.00/MMBtu (Henry Hub) gas

Eagle Ford Central Activity



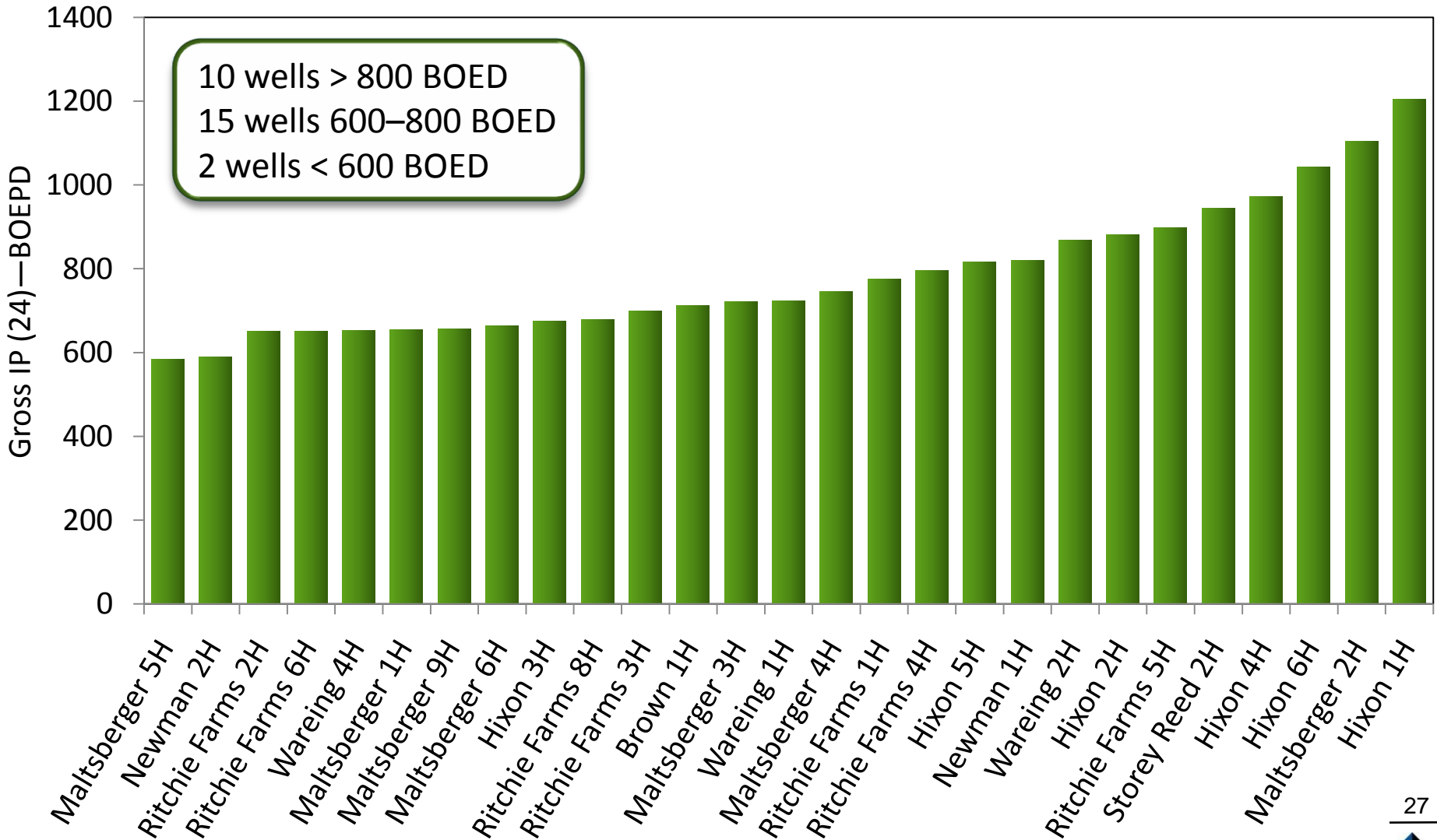
- Central area remains focus of Eagle Ford program
- 3 rigs running
- Accelerating completion backlog
- Infrastructure build on track

■ EP Leasehold
● EP Completed / Completing Wells
● Industry Eagle Ford Activity
🏗️ Drilling Wells

On track for sharp increase in 2H 2011 production

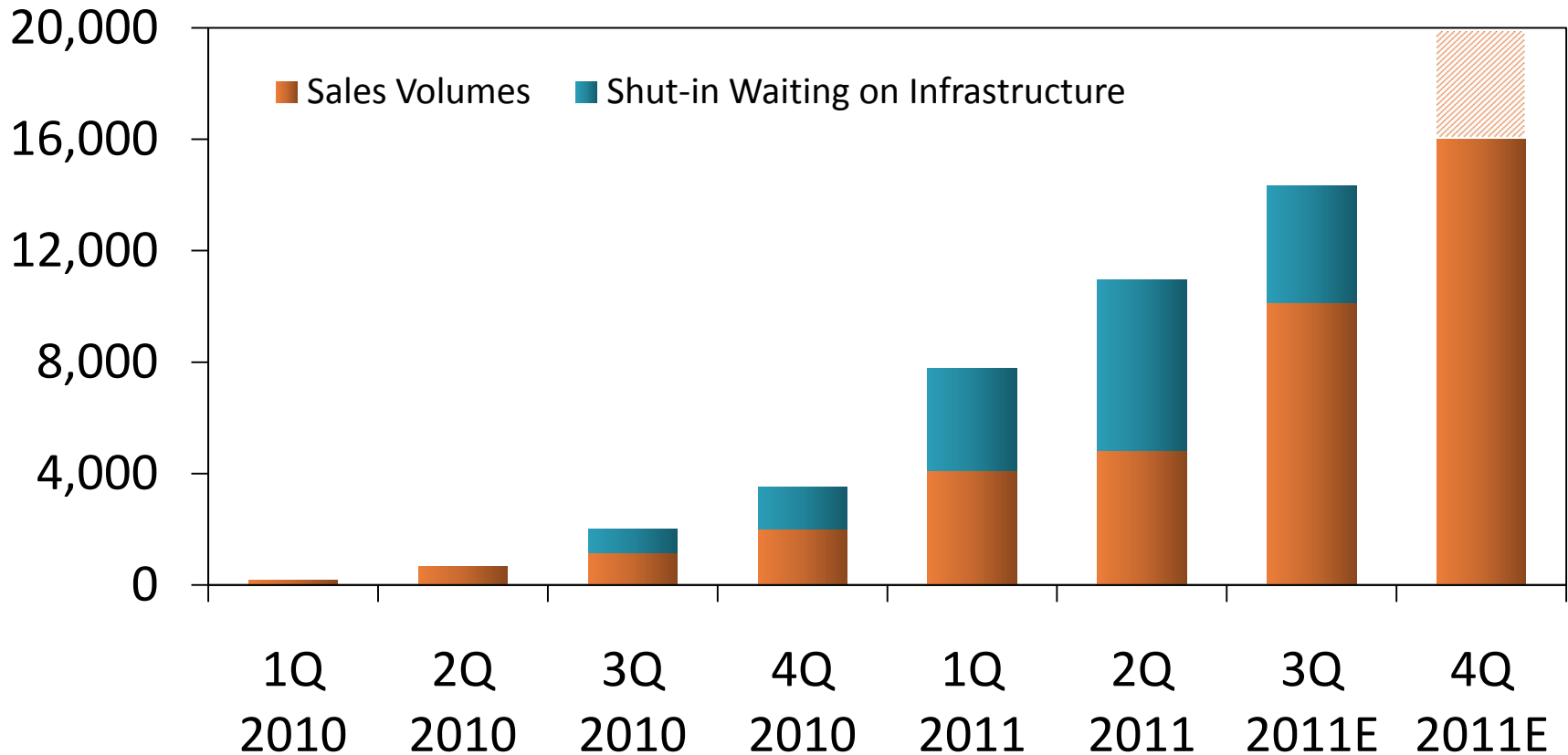


Eagle Ford IP's Continue At or Above Model



Eagle Ford Production

Gross Volumes (BOED)



**Current productive capacity
7,700 Bbl/d and 23 MMcf/d, net**

E&P Outlook

- Very good execution in all phases
- Focused on four core programs
 - 3 of 4 are oil
 - All delivering as planned
- Oil volumes on the rise
- Continue to mitigate inflation with efficiency gains

**10+ year drilling inventory & repeatable results
Will compete well with industry's best**

E&P Investor & Analyst Meeting Nov. 8 (NYC)

Summary

- Excellent progress on all fronts
- Pipelines nearing completion of backlog
 - Will shift to significant cash flow generator
- Continued great execution of MLP strategy
- E&P delivering consistent results
 - Oil production will continue to accelerate
- Separation will create significant value for shareholders

EP on a very good trajectory



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