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Interstate Pipelines | Exploration & Production | Midstream

First Quarter 2011 Financial & Operational Update

May 5, 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; 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 unproved resources, 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; 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.

Beginning of Another Great Year

- Excellent financial and operational results
- Lots of positives at E&P
 - Value of Eagle Ford position on the rise; better to develop ourselves
 - Encouraging Wolfcamp results
- On-going progress in the Pipelines
 - Advancing major projects
 - EPNG expanding facilities for Mexican market
- Very successful EPB drop down
 - Using proceeds to reduce debt

Excellent momentum continues

Financial Results



2011 Financial Highlights

- Strong financial results
- Continued MLP drop-down execution
 - Successfully completed 6th transaction
 - \$667 MM cash proceeds to EP
 - Funding debt reduction
- Additional risk management for 2011

Good progress on all fronts

2011 First Quarter Financial Results

\$ Millions, Except EPS

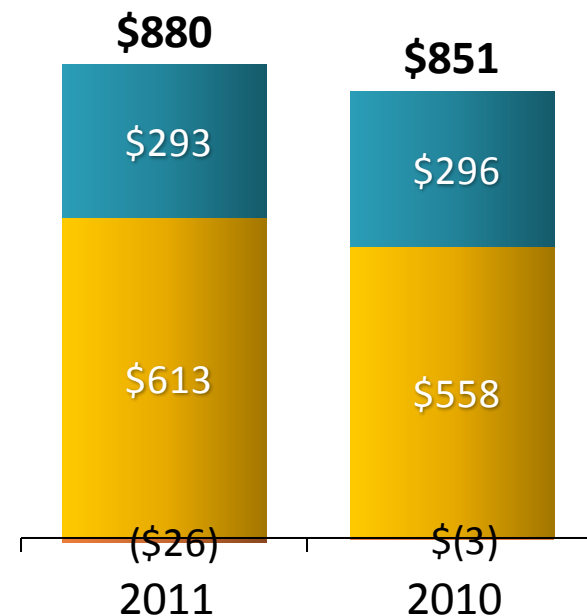
ADJUSTED DILUTED EPS



ADJUSTED SEGMENT EBIT



ADJUSTED SEGMENT EBITDA



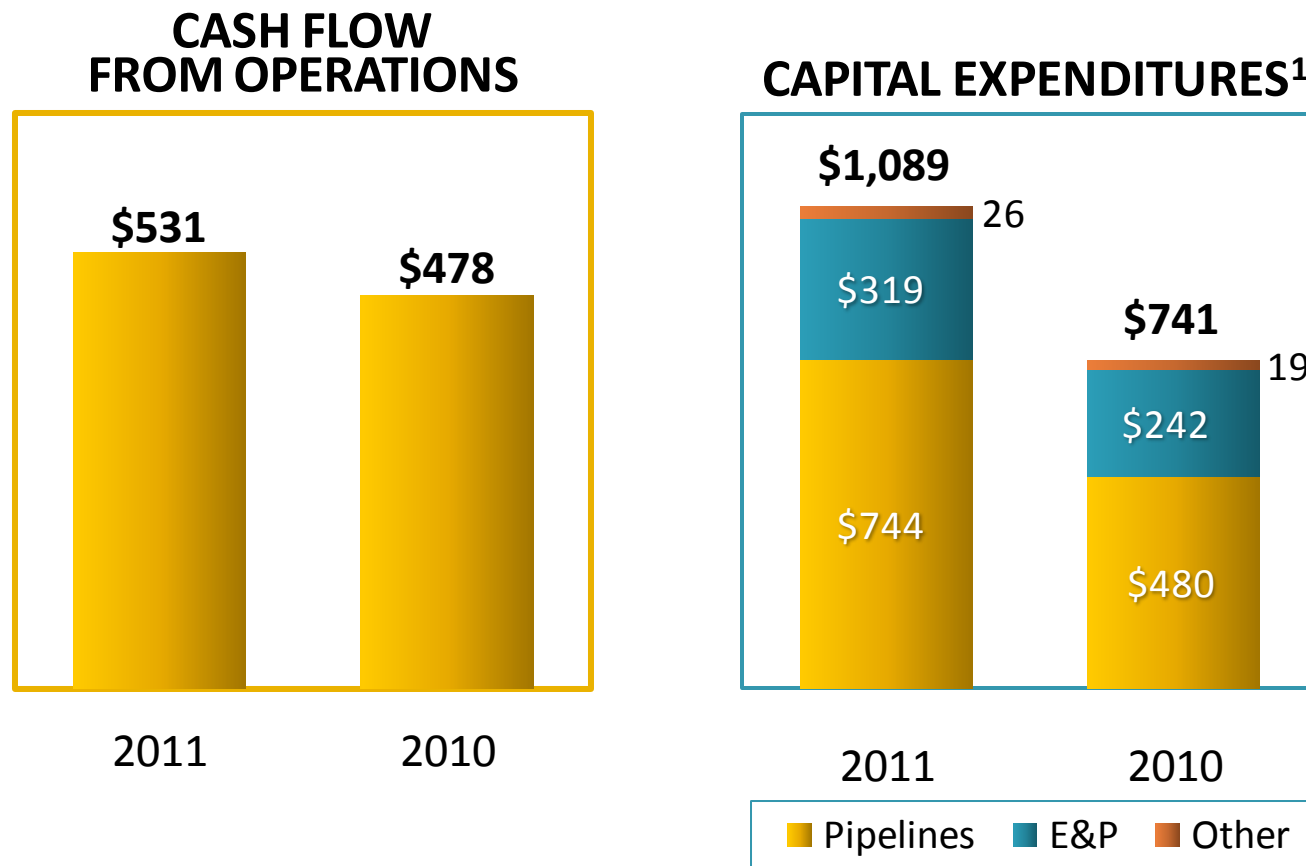
■ Pipelines
 ■ E&P
 ■ Other

Results driven by strong operating performance

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

First Quarter Operating Cash Flow and Capital Investment

\$ Millions



1Q cash flow and capex consistent with guidance

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	148	80%	\$5.78	\$4.56
2012	105	45%	\$6.01	\$5.18

Oil Production Hedges				
Year	Volume (MMBbl)	% of Total Oil Production	EP Avg. Floor/Ceiling (\$/Bbl)	Current Market Prices (WTI)
2011	4.3	85%	\$85.99 – \$91.88	\$105.90
2012	4.9	70% ²	\$91.31 – \$104.71	\$108.55

Very attractive hedge positions

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

²70% of volumes have a floor price; 6.4 MMBbl, or ~95% of volumes are covered by the ceiling price.

Note: NYMEX & WTI pricing is as of May 4, 2011, and hedge positions are as of March 31, 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 First Quarter 2011 Financial and Operational Reporting Package, available at www.elpaso.com.

Pipeline Group



➤ Pipeline Highlights

- Results benefit from expansions
- Continued execution of expansion projects
 - FGT Phase VIII in-service in April - on-time/on-budget
 - Will deliver four more projects this year
- New opportunities in Mexico for EPNG

Off to a good start in 2011



Pipeline Throughput

Year to date 2011 vs. 2010

Pipeline	Percent Change	Key Drivers:
TGP	17%	Weather↑, Marcellus↑
SNG	-9%	Weather↓, power generation↑
CIG/WIC/CPG	-6%	Rockies production↓, region exports↓, weather↑
EPNG ¹	-9%	CA storage withdrawals↓, economy/weather↑
Overall²	-	

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

EPNG Mexico Expansion



- Additional capacity for two new power facilities in Sonora served by:
 - MGI Supply, Ltd (PEMEX)
 - Mexicana de Cobre (Grupo Mexico)
- 185 MMcf/d on EPNG's mainline and Willcox lateral
- \$18 MM capital
- >\$30 MM annual revenues
 - (\$207 MM total 2010 EPNG EBIT)
- In service April 2013

**EPNG uniquely positioned
to serve growing
exports to Mexico**

2011 Expansion Projects

**Completed
on-time/
on-budget**

April
FGT Phase VIII



July
Ruby



June
SNG South System III*



November
TGP 300 Line



October
Gulf LNG

Nearing completion of \$8 billion backlog

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

Exploration & Production

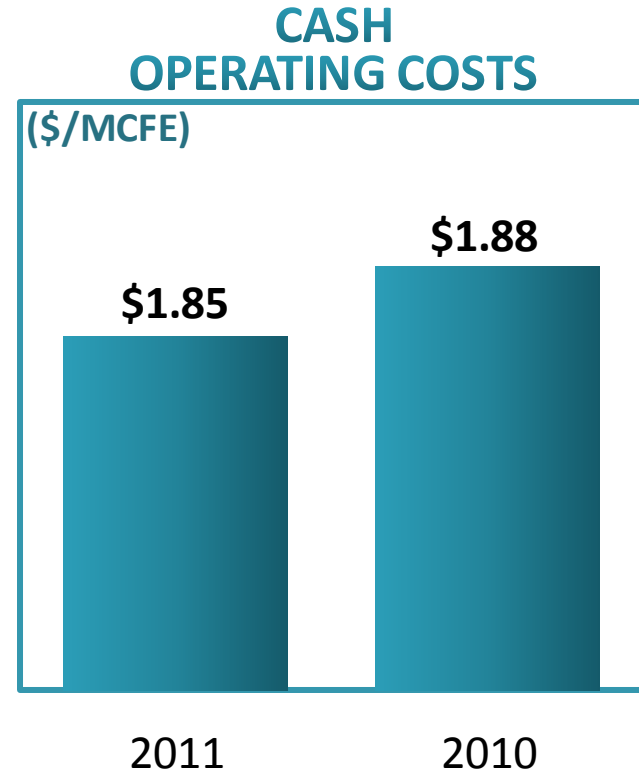
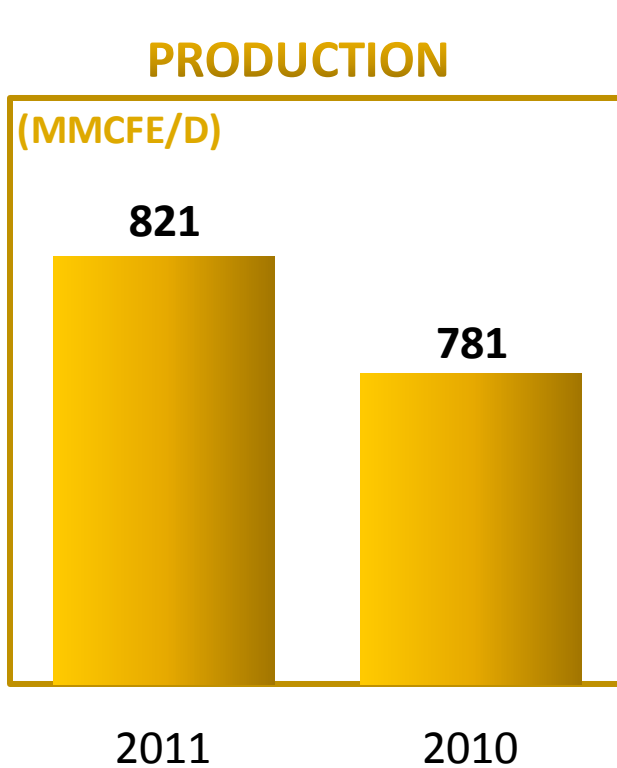


E&P Highlights

- Outstanding start for the year
 - Strong production results
 - Mitigating service cost inflation with efficiency gains
- Growing oil focus
 - Eagle Ford success
 - Encouraging Wolfcamp results

Terrific execution

Excellent First Quarter Performance

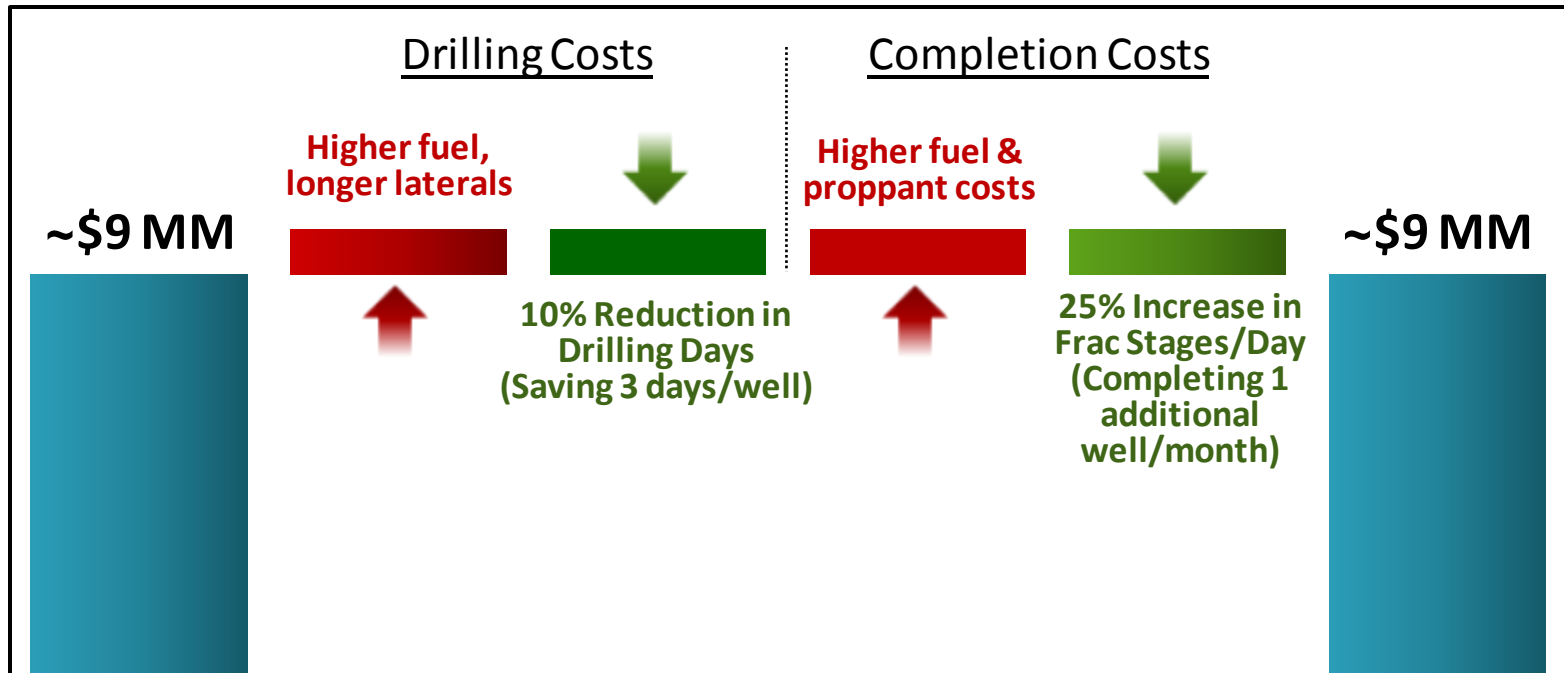


Continuing to build on successful track record

Overcoming Inflation with Operating Efficiencies

\$ Millions

EXAMPLE: HAYNESVILLE WELL

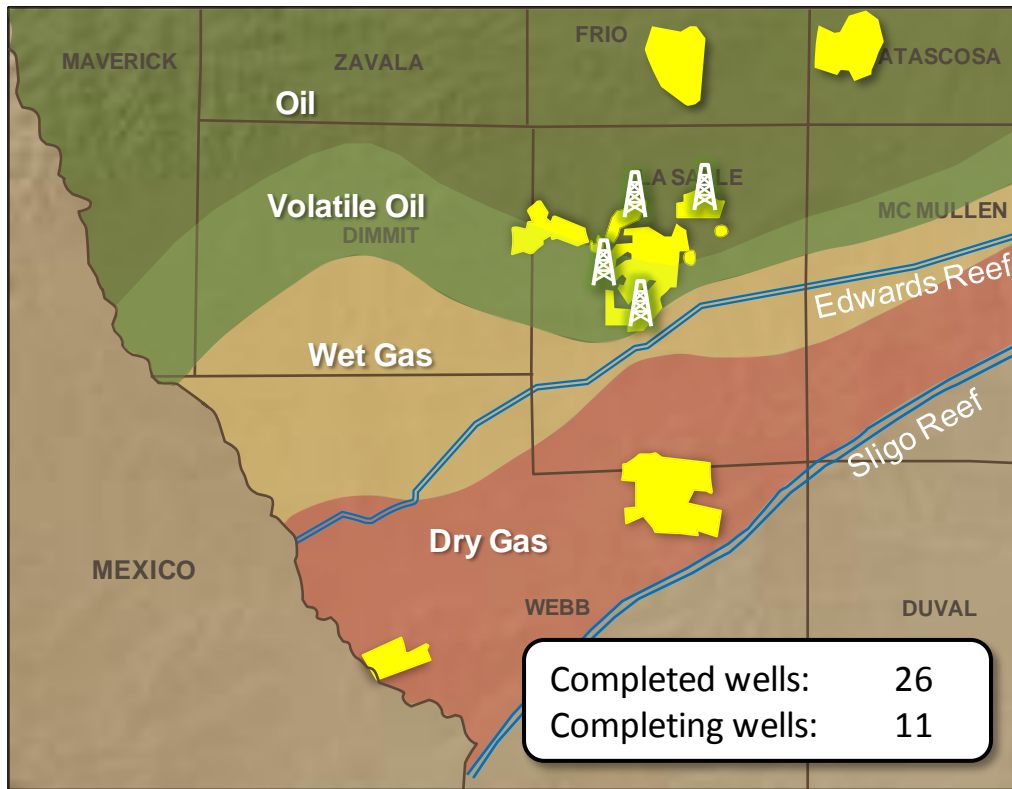


2011 Plan

Current

Continuous improvement efforts keep EP at low end of industry cost curve

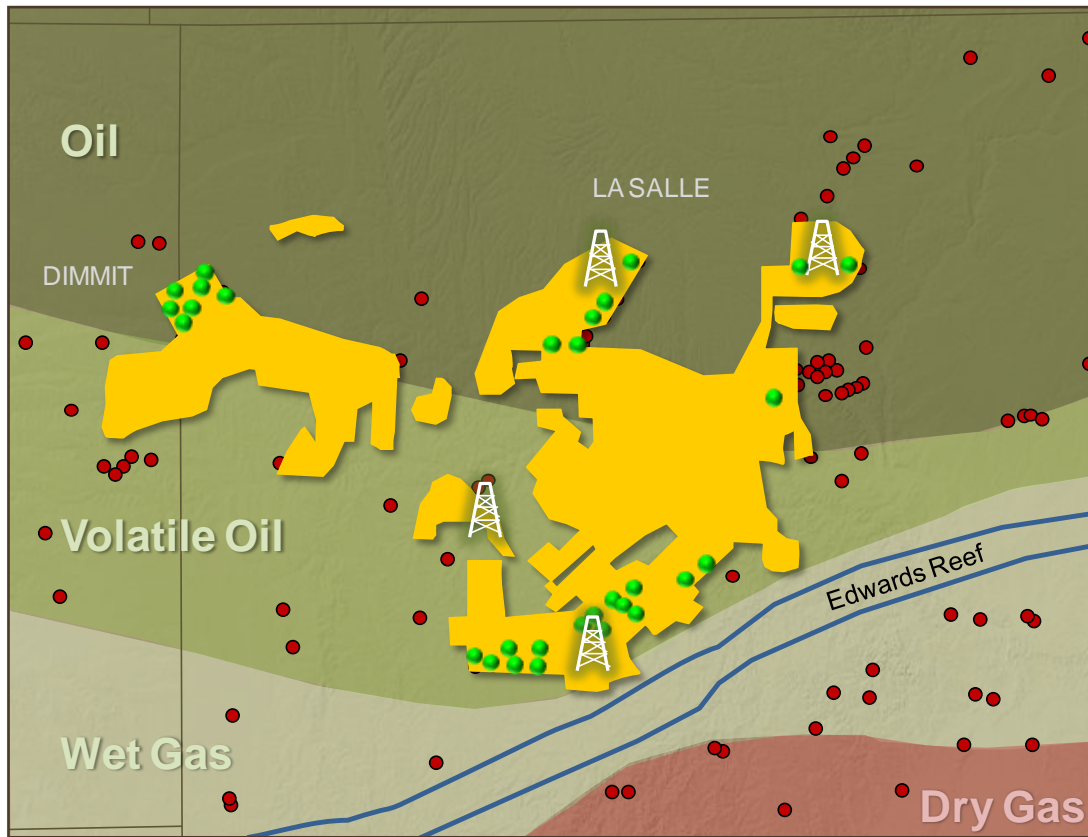
Eagle Ford—Rapidly Developing Program



- Early mover with low acreage costs
- Derisked acreage position in La Salle county
- Oil production poised to grow
- Driving operational efficiencies
- Piloting phase in North
- Holding Southern gas option

Central area in development mode

Delineation Phase Complete in Central Area



EP Leasehold

EP Completed / Completing Wells

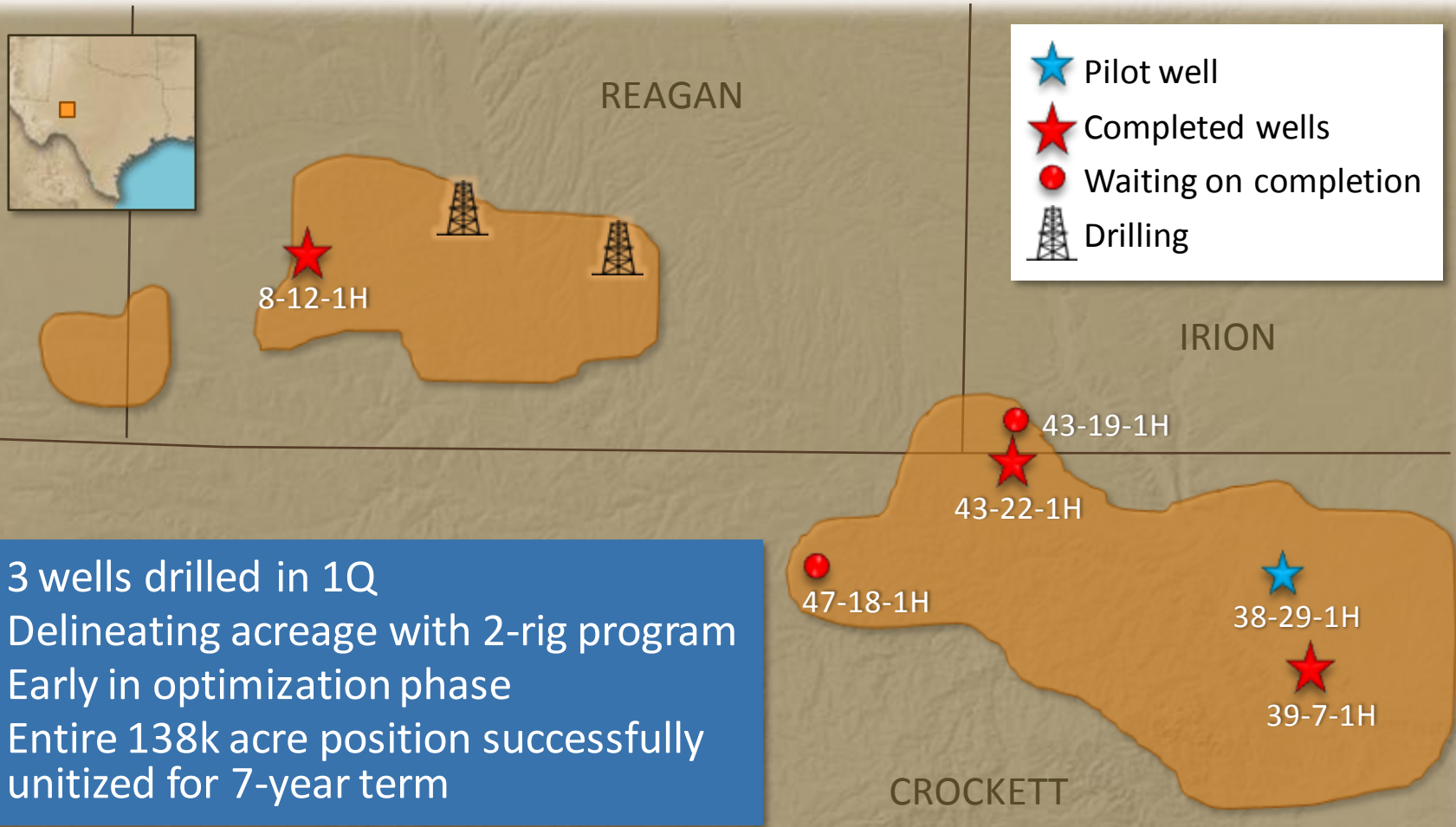
Industry Eagle Ford Activity

Drilling Wells

- 30 wells drilled
- 21 wells completed
- 10 wells on-line
- 4 rigs running
- Infrastructure under construction
- Testing 80–100 acre spacing

Value of position has risen

Wolfcamp—Encouraging Results

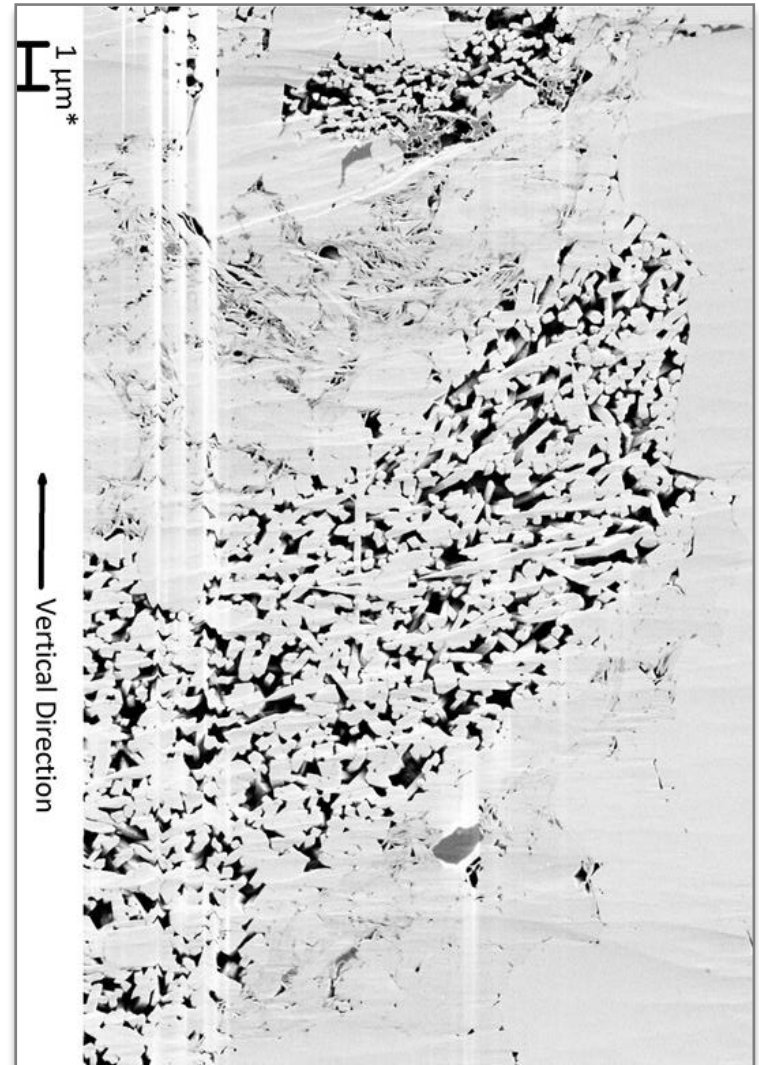


- 3 wells drilled in 1Q
- Delineating acreage with 2-rig program
- Early in optimization phase
- Entire 138k acre position successfully unitized for 7-year term

Encouraged By Favorable Rock Characteristics

PARAMETER	MODEL	RESULTS
Depth Ft.	5,800–7,000	5,880–7,930
Thickness Ft.	400–850	976–1,080
Net Pay Ft.	200–425	544–680
Porosity%	7.0–15.0	9.4–12.0
Organic content	4.0–15.0	4.0–8.2

- Thicker gross section
- More net pay
- Better quality intervals
- Entire Wolfcamp section still prospective



Note: Approximately 53 percent of section is Upper Wolfcamp

Very Good Production Results

COMPLETED WELLS—IP 24 HR

Well	Lateral Length	No. of Stages	Gas (Mcf/d)	Oil (BOPD)	Equivalent (BOEPD)
TYPE MODEL	4,000–6,000	12–20	250–340	250–340	300–400
UL 38-29-1H (east)	2,000	7	115	273	292
UL 39-7-1H (east)	4,000	12	275	291	337
UL 43-22-1H (central)	3,600	13	341	335	393
UL 8-12-1H (west)	4,300	15	185	300	331

TO BE COMPLETED

Well	Lateral Length	Proposed No. of Stages
UL 43-19-1H	7,000	24
UL 47-18-1H	4,000	14

Pushing Forward in Wolfcamp

- Encouraged by early results
- Increased to 2-rig program
- Delineate acreage
- Continuing to optimize development plan
 - Lateral length, frac stages, vertical vs. horizontal, artificial lift



Summary

- Excellent results continue positive momentum
- E&P exceeding expectations
 - More oil development success
- Pipelines executing on growth
- Developing Midstream business
- Advancing successful MLP strategy
- More to come on May 24



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