

GulfTerra

GulfTerra Energy Partners, L.P.

**Fourth Quarter Earnings
Conference Call and Webcast**

February 19, 2004

Agenda

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Strategic Review

Robert G. Phillips

Financial Performance Review

William G. Manias

Commercial Review and Project Update

James H. Lytal

Q&A

Regulatory Statements

Cautionary Statement Regarding Forward Looking Statements

This release includes forward-looking statements and projections. The partnership 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, including the integration of acquired businesses, pending merger with Enterprise Partners, status of the partnership's greenfield projects, successful negotiation of customer contracts, and general economic and weather conditions in markets served by GulfTerra Energy Partners and its affiliates, could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release. While the partnership makes these statements and projections in good faith, neither the partnership nor its management can guarantee that the anticipated future results will be achieved. Reference should be made to the partnership's (and its affiliates') Securities and Exchange Commission filings for additional important factors that may affect actual results.

Non-GAAP Reconciliations

Reconciliations of non-GAAP measures used in this presentation to the most comparable GAAP measures are available on the "Investors" page of our website at www.gulfterra.com, on a tab entitled non-GAAP reconciliations including a reconciliation of consolidated EBITDA to net income.

Strategic Review

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Robert G. Phillips
Chairman and Chief Executive Officer

GTM 2003 Review

- ✦ Digested more than \$1.5 Billion of 2002 acquisitions
- ✦ Achieved record EBITDA of \$435 MM and Net Income of \$163 MM
- ✦ Implemented new governance and independence initiatives
- ✦ Improved balance sheet and lowered cost of capital
- ✦ Increased distribution 5.2% (\$2.84 annual)
- ✦ Announced merger with Enterprise Products Partners

Fourth Quarter Highlights

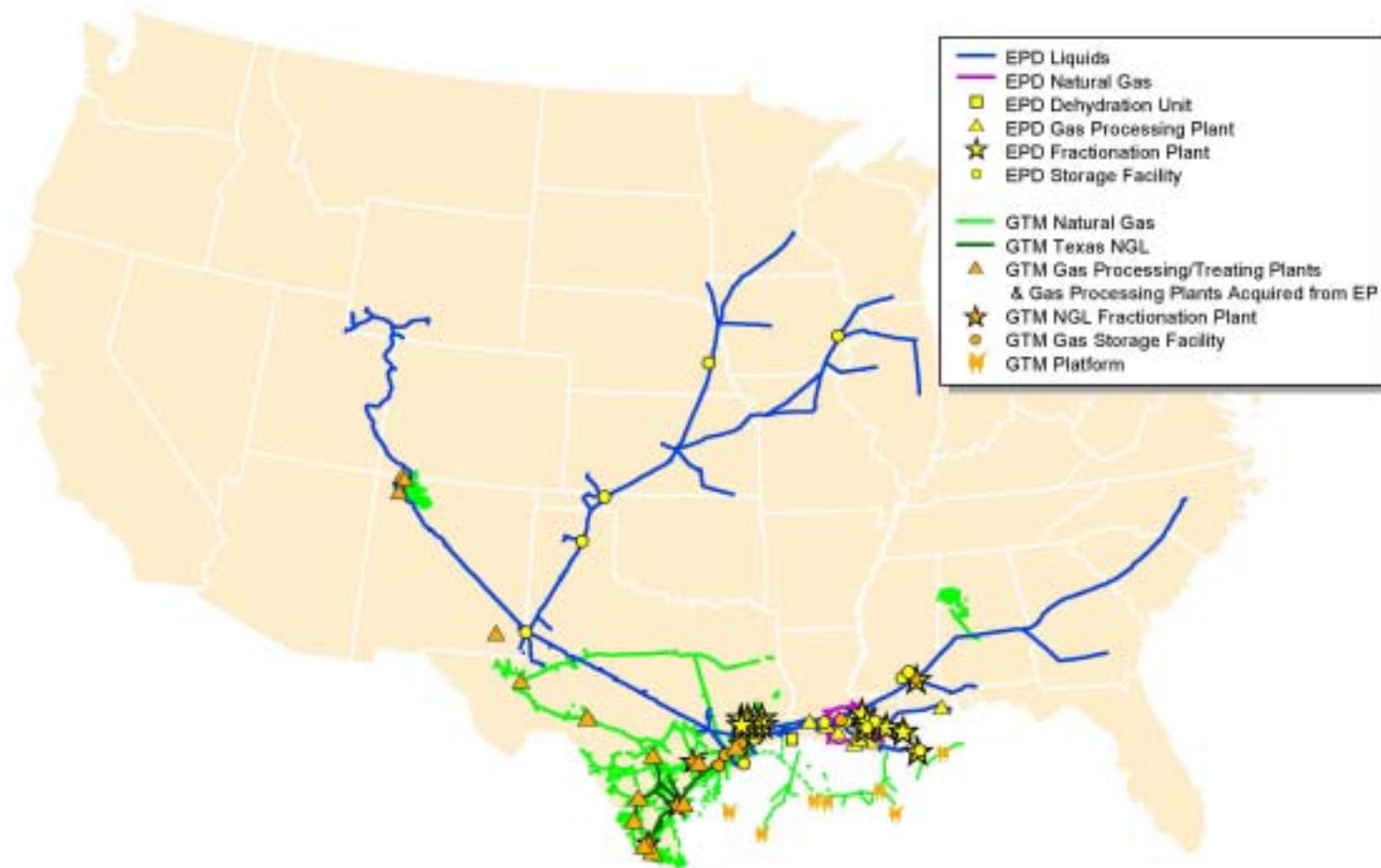
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- ✦ 9.9% GP interest sale to Goldman Sachs and retired Series B Preference units
- ✦ Sold 7.8 million of common units in two offerings to raise net proceeds of \$298 MM
- ✦ Initiated flows on the Matterhorn and Medusa developments
- ✦ Debt management initiatives
 - \$269 MM bond principal reduction
 - \$300 MM Term Loan B facility
- ✦ Cameron Highway financing – Americas Oil and Gas Deal of 2003

Merger of EPD and GTM

- ✦ On December 15, 2003, Enterprise Products Partners, GulfTerra Energy Partners and El Paso Corporation announced a multi-step transaction resulting in the merger of EPD and GTM
- ✦ HSR filed
- ✦ Joint proxy (S-4) to be filed March 2004
- ✦ Created pro forma executive management teams and initiated integration process
- ✦ Debt management measures pursued as appropriate
- ✦ Transaction expected to close second half 2004 following unitholders and FTC approvals

Combined EPD and GTM System Map



- * Complementary assets provide geographic and product diversity and balance
- * Full service franchise serving the largest consuming regions of natural gas, NGLs and crude oil on the U.S. Gulf Coast
- * Complementary business profile generates substantial fee-based, cash flow and provides commodity prices insulation

Financial Performance Review

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William G. Manias
Chief Financial Officer

2003 Earnings Drivers

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- ✦ Full year performance from 2002 acquisitions
 - TX/NM assets
 - San Juan Basin assets
- ✦ Offshore projects contribute growth
 - Falcon Nest platform and pipeline
 - Viosca Knoll / Medusa / Matterhorn
- ✦ Higher prices improve throughput and margins
 - San Juan well connects and fees
 - Texas Pipeline transportation fees
- ✦ Full year contribution from storage expansion

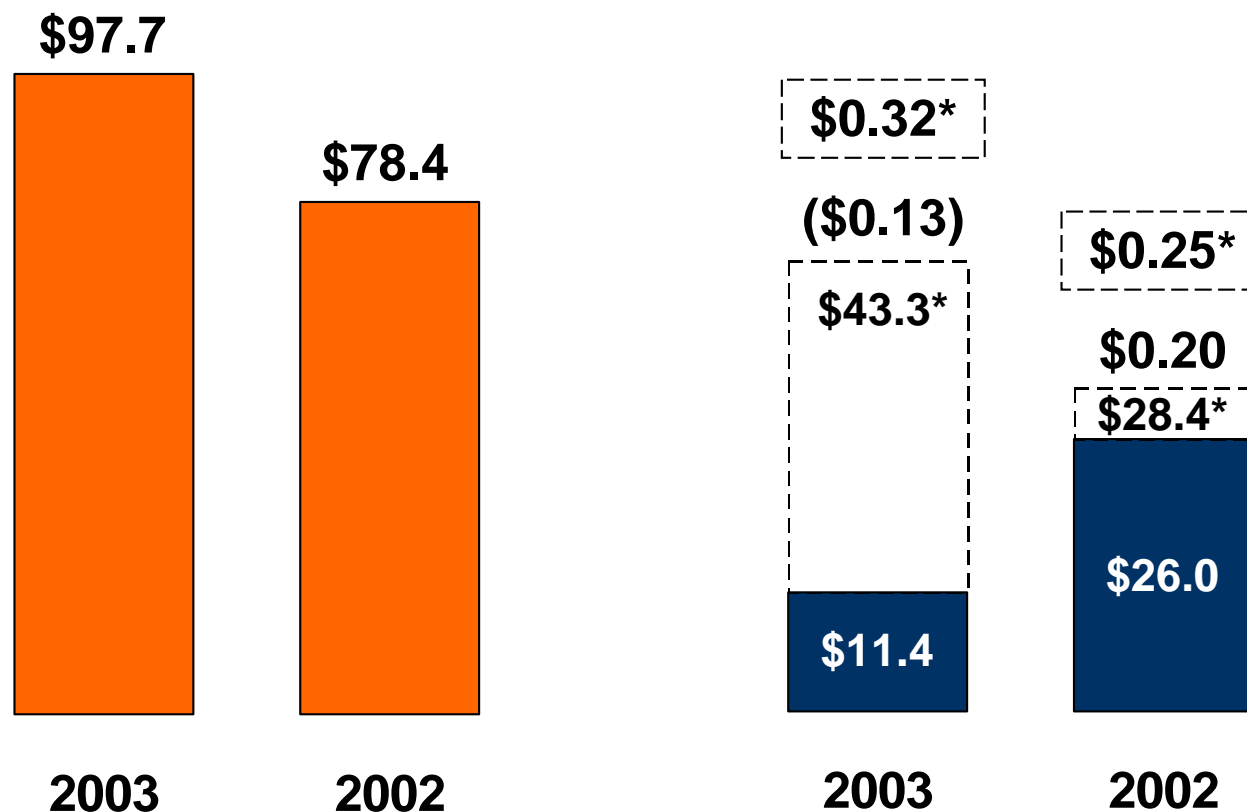
Fourth Quarter Results

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\$ Millions

EBITDA

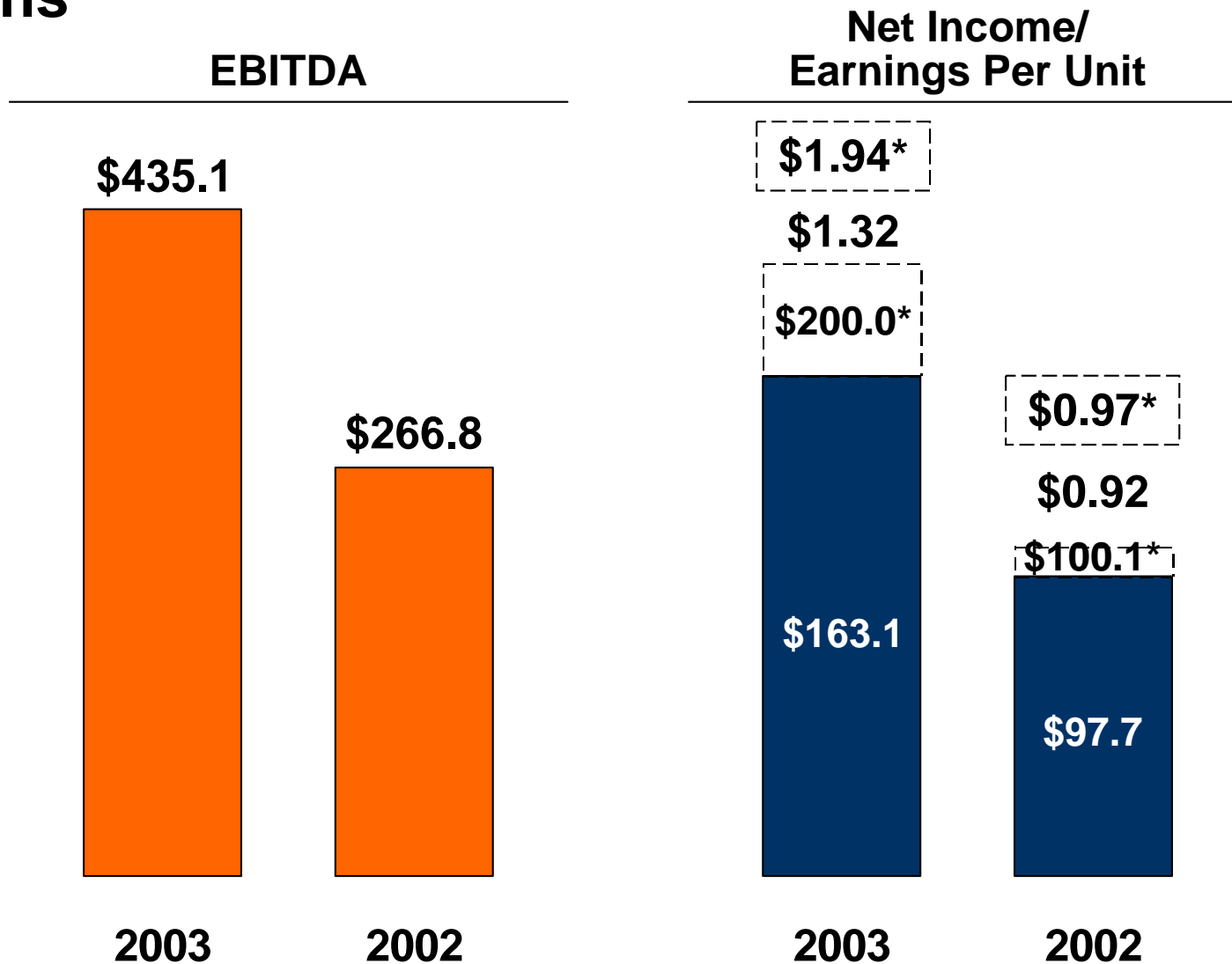
Net Income/
Earnings Per Unit



* Excludes impact of early retirement of debt

2003 Results

\$ Millions



* Excludes impact of early retirement of debt

EBITDA and Net Income

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\$ Millions

	4Q'03	4Q'02	2003	2002
Natural gas pipelines and plants	\$ 75.0	\$ 55.4	\$311.2	\$167.2
Oil and NGL logistics	7.8	9.4	40.1	43.4
Natural gas storage	7.0	6.4	29.6	16.6
Platform services	4.8	4.4	20.2	29.3
Other	3.1	2.8	15.0	10.3
	97.7	78.4	416.1	266.8
Cameron Highway participation fee	—	—	19.0	—
EBITDA	\$ 97.7	\$ 78.4	\$435.1	\$266.8
Net Income	\$ 11.4	\$ 26.0	\$163.1	\$ 97.7

Volumes

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	4Q'03	4Q'02	2003	2002
Natural Gas Pipelines and Plants (MDth/d)				
Pipelines	6,773	5,722	6,891	4,569
Plants	791	779	794	733
	7,564	6,501	7,685	5,302
Oil and NGL Logistics (Bbl/d)				
Oil pipelines	162,727	144,106	172,137	154,433
NGL	85,991	70,202	88,703	71,920
	248,718	214,308	260,840	226,353
Platform services				
Gas processing (MDth/d)	281	138	271	152
Oil processing (Bbl/d)	4,682	3,954	4,601	4,736

Capital Expenditures

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\$ Millions

Major Projects	4Q'03	2003
Growth capital	\$ 65.1	\$278.5
Well ties	3.3	13.5
Pipeline integrity *	(3.0)	6.6
Pipeline and plant maintenance	10.9	32.3
Total	\$ 76.3	\$330.9

* 2003 is net of \$5 MM expected reimbursement from El Paso

New Capital Raised in 2003

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\$ Millions

Issue	Proceeds	Coupon/ Rate %	GTM % Cost
Debt			
Senior subordinated notes	\$ 300	8.5%	8.5%
Senior unsecured notes	250	6.3	6.3
Term B loan	300	3.4	3.4
Revolver renewal (\$382 MM O/S 12/03)	700	3.2	3.2
	1,550	4.3	4.3
Equity			
Common units public offering	103	8.6	12.1
Common units public offering	40	7.7	10.9
Private offering	112	7.5	10.7
Private offering	32	7.6	10.6
Private offering	20	7.1	10.1
Common units public offering	186	6.9	9.8
	493	7.5	10.6
	\$2,043	5.2%	6.1%
Cameron Highway project financing	\$ 325	5.6%	5.6%

2003 Debt Redemption Activities

- * GTM retained the right to “clawback” up to 33% of its outstanding bond debt prior to normal call windows
- * Equity clawback of \$269 MM in December 2003
 - \$66 MM of 10.63% due 2012
 - \$158 MM of 8.5% due 2011
 - \$45 MM of 8.5% due 2010

* 2003 Net Income impact	Amount	2003
• San Juan Acquisition DIC	\$ 4 MM	1 st Qtr
• EPN Holding Term DIC	1	3 rd Qtr
• Clawback premium	24	4 th Qtr
• Unamortized DIC	5	4 th Qtr
• B Loan unamortized DIC	3	4 th Qtr
	\$ 37 MM	

- * Immediate reduction in our cost of capital from the clawbacks
 - \$24 MM gross interest savings and net pro forma interest savings of:
 - * \$6 MM/year assuming sr. unsecured notes issued at 6.25%
 - * \$15 MM/year assuming revolver at 3.2%

Debt Capitalization

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\$ Millions

	12/31/03 Outstanding	Maturity	Spread	Avg. Rate
Senior				
\$700 MM Revolving credit	\$ 382	09/06	L+200	3.17%
Term loan B	300	12/08	L+225	3.42%
Senior unsecured	250	06/10		6.25%
	\$ 932			
Subordinated				
Sr. sub notes	\$ 175	06/09		10.38%
Sr. sub notes	255	06/10		8.50%
Sr. sub notes	72	06/11		8.50%
Sr. sub notes	250	06/11	L+420	5.32%
Sr. sub notes	134	12/12		10.63%
	\$ 886			

Total debt	\$ 1,818
Weighted avg. cost of debt	6.13%

Fixed rate debt	49%
Floating rate debt	51%

GTM Balance Sheet

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\$ Millions

	2002	2003
Revolving credit	\$ 491	\$ 382
Term loans	320	300
Acq. loan	238	-
Senior notes	-	250
Sub notes	855	886
	<u>\$1,904</u>	<u>\$1,818</u>
Partners' capital	\$ 792	\$1,252
Series B	158	-
Total capital	<u>\$2,854</u>	<u>\$3,070</u>
EBITDA	\$ 386	\$ 435
Net Income	\$ 98	\$ 163
Debt / Total Cap	66.7%	59.2%
Debt / EBITDA	4.9x	4.2x
Total weighted avg. cost of capital	9.97%	8.26%

2004 EBITDA and Net Income

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\$ Millions

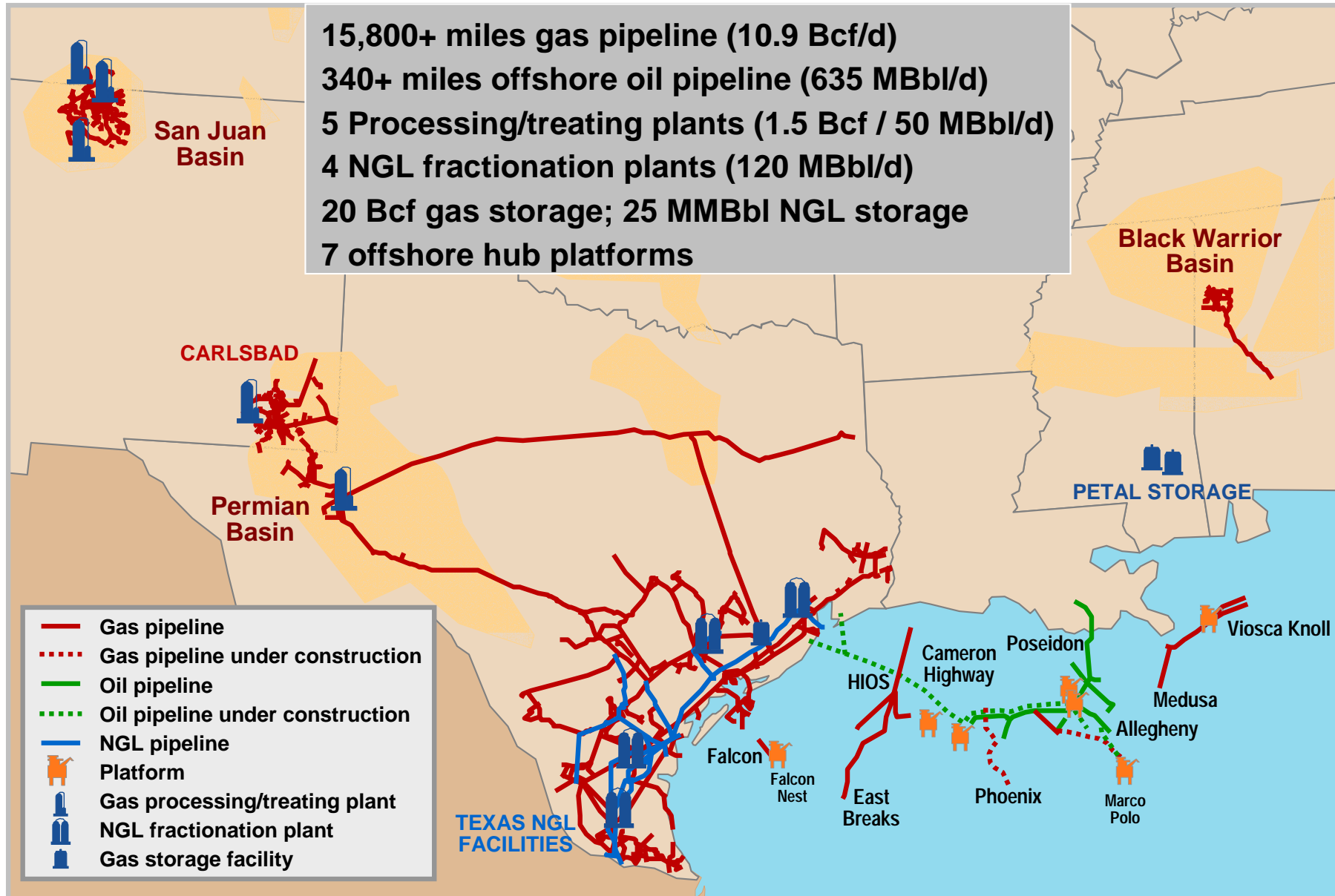
	2004	Drivers
Prior year EBITDA	\$ 435	
Cameron Highway	(19)	
El Paso make-whole payment	(9)	
Base EBITDA	407	
Natural gas pipelines and plants	25-30	Marco Polo, Phoenix
Oil and NGL logistics	16-21	Marco Polo, Front Runner
Natural gas storage	1	—
Platform services	9	Full year Falcon, Marco Polo
Other	2	
Expected EBITDA	<u>\$460-470</u>	Growth rate 13-15% on base business
Expected Net Income	\$230-246	

Commercial Review and Project Update

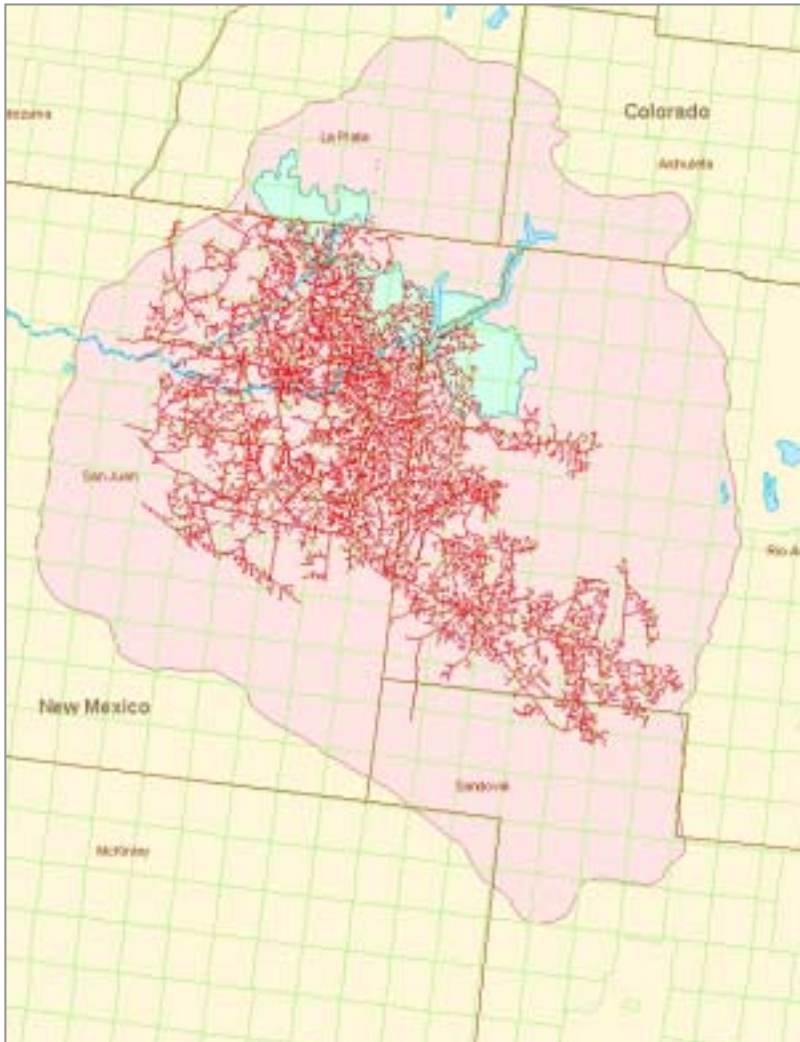
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James H. Lytal
President and Chief Commercial Officer

Leading Midstream Assets



San Juan: Highlights



- ✦ Connected 259 wells
- ✦ 2003 gathered volumes: 1,227 MDth/d
- ✦ Approximately 75% of 2004 gas exposure hedged at \$4.23/Dth
- ✦ 2003 processed volumes: 665 MDth/d
- ✦ Approximately 50% of 2004 NGL exposure hedged for the first three quarters at \$0.45 to \$0.51/gal
- ✦ \$43 MM system expansion project underway

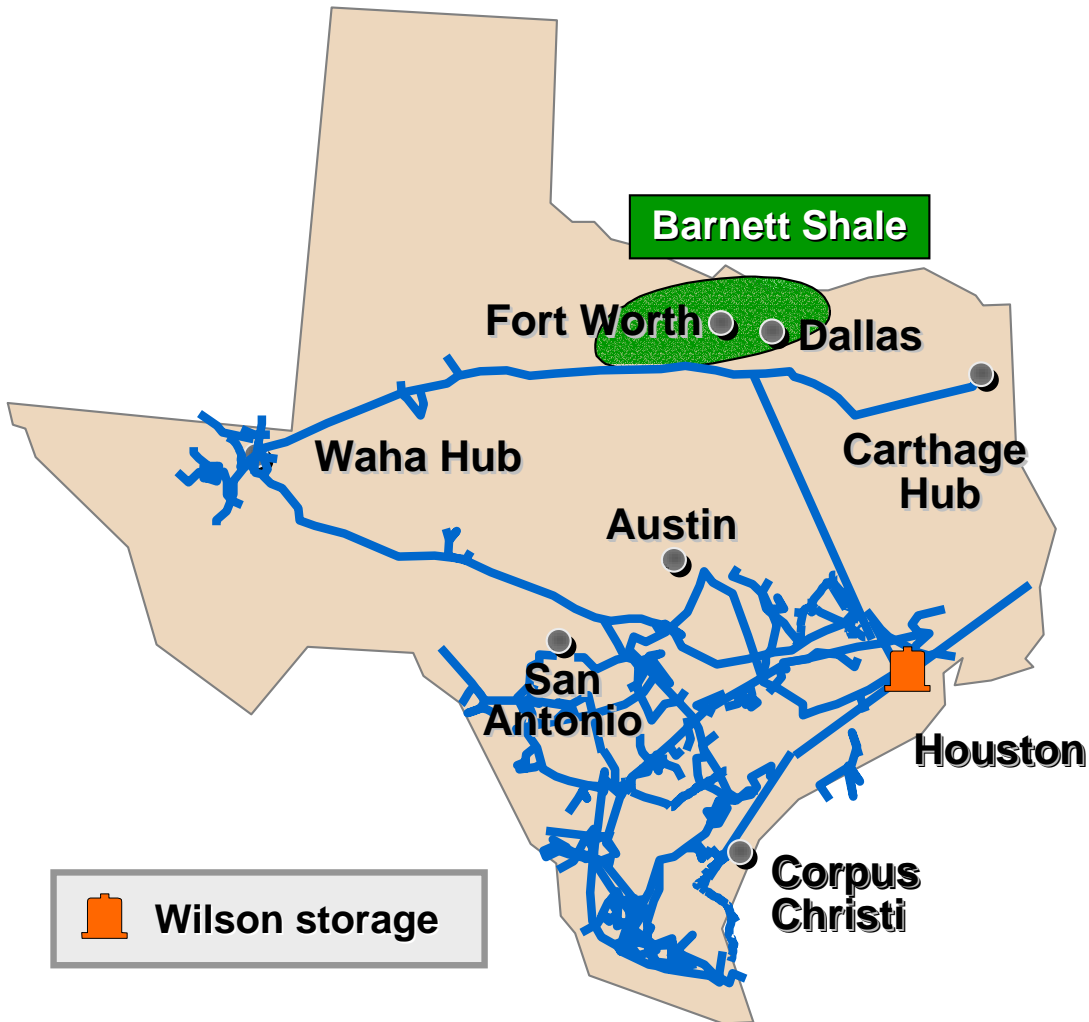
San Juan System Expansion

Project Summary

Year	Cumulative Capacity Increase
2003	20 MMcf/d * Optimization of field compression
2004	40 MMcf/d * Segregate lean fuel system * Install interconnect to Transwestern * Maintenance capital projects
2005	40 MMcf/d * Begin creating high pressure pathways * Relocate compression
2006	130 MMcf/d * Complete high pressure pathways * Raise plant operating pressure * Installation of liquids removal facilities

Texas Pipeline: Highlights

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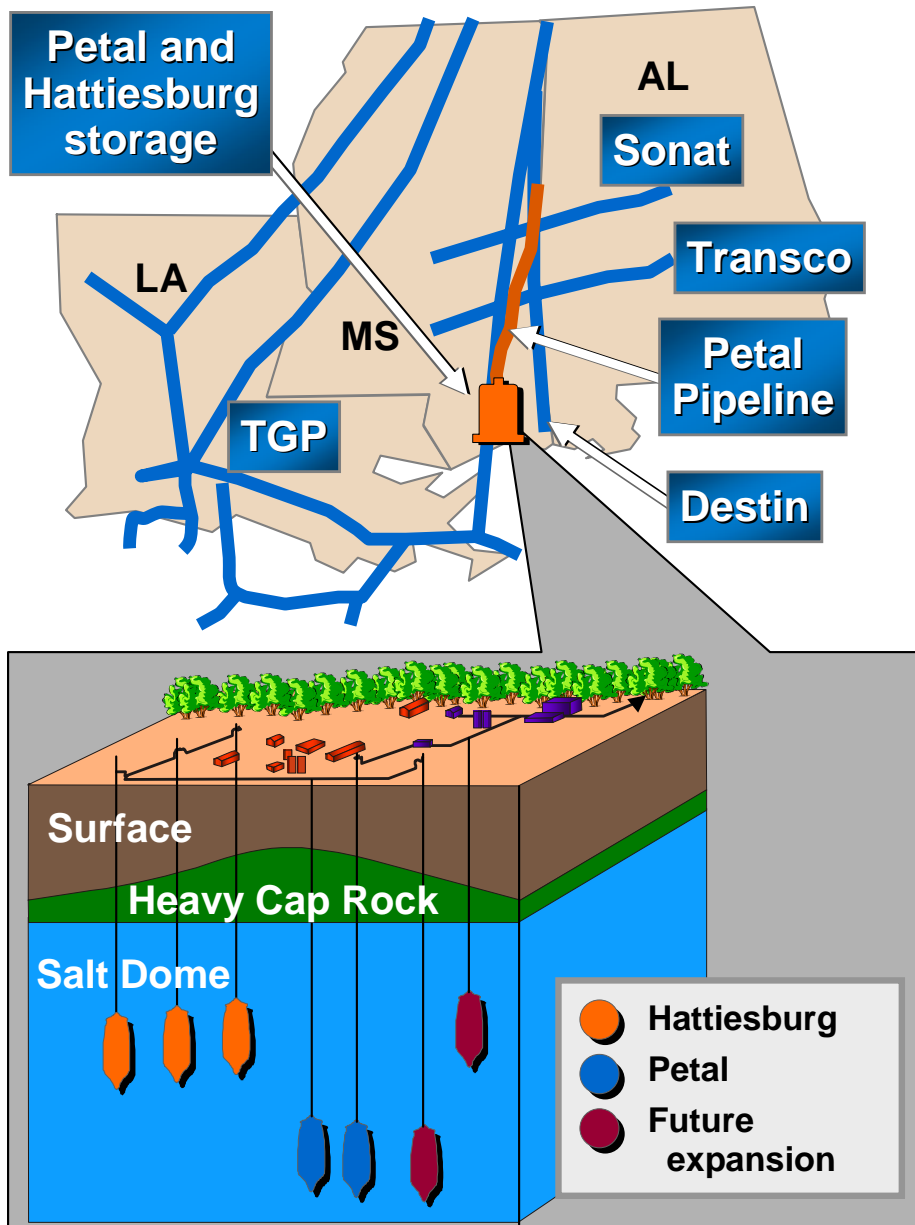
2003

- * Results negatively impacted by lost and unaccounted for gas and imbalance revaluations: \$6 MM and \$12 MM respectively
- * Average volume: 3.3 Bcf/d
- * Transportation revenue increased approximately 6% from 2002
- * Re-contracted 325 MMcf/d, average term of 3 years, 20% increase in fee
- * Barnett Shale: Peak of 400 MMcf/d in 2003

2004

- * Re-contract firm capacity with major customers at increased transport and fuel rates (360 MMcf/d)
- * Pursue expansion opportunities related to Barnett Shale in North Texas and the power generation loads in Mexico

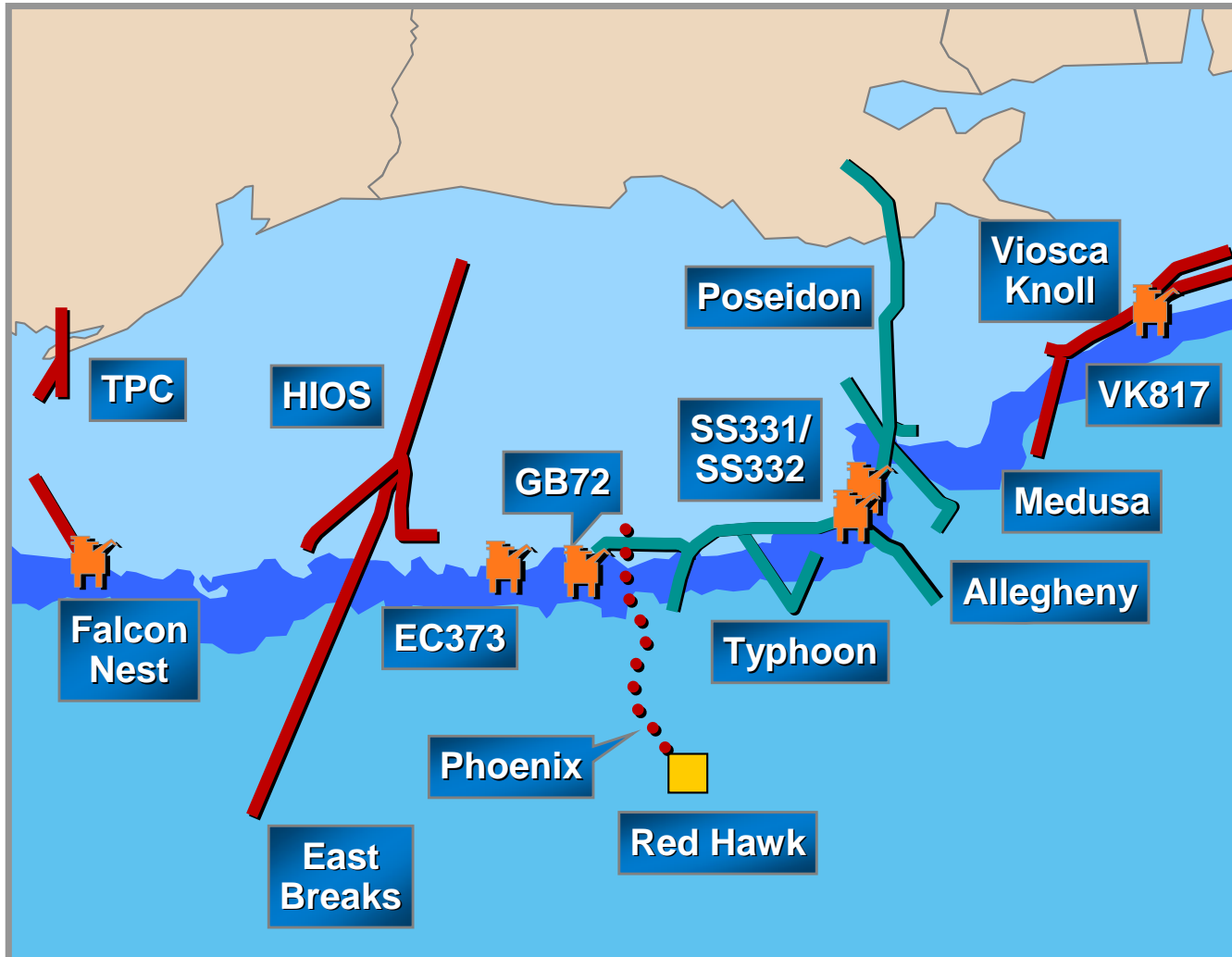
Storage: Highlights



- ✦ Strategically located in Southeast
- ✦ 13.5 Bcf high deliverability salt dome storage facility
 - 2003 interruptible revenues of \$3.5 MM
 - All available capacity is subscribed
 - 52% subscribed beyond 2021
- ✦ FERC authority for 8 Bcf expansion
 - Convert 1.8 Bcf – Commitments on 83%, outstanding proposals on rest
 - Create 5 Bcf – Signed LOI with SNG to build and sell, along with interest in the Petal Pipeline
 - 1.2 Bcf expansion of existing cavern

Offshore Gas Pipelines: Highlights

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HIOS/East Breaks

- * Volumes stable in 2003
- * Deepwater drilling activity in Alaminos Canyon and East Breaks areas should provide future supply opportunities

Viosca Knoll

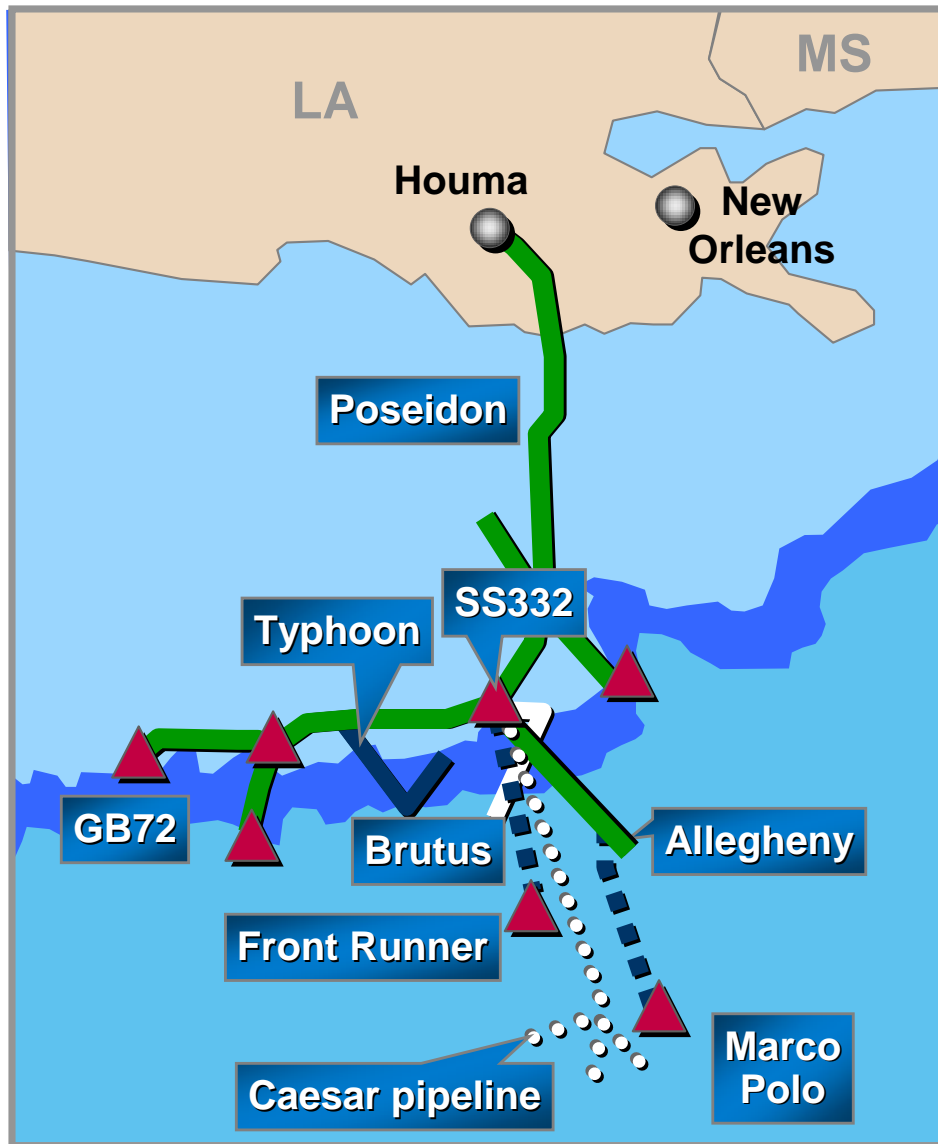
- * Initiated flows from Medusa and Matterhorn fields November 2003
- * Additional development drilling around connected platforms should add volumes in 2004

Phoenix

- * Completed installation of pipeline
- * Spar facility expected to be installed in March 2004
- * First flow in mid-2004

Poseidon Oil Pipeline System: Highlights

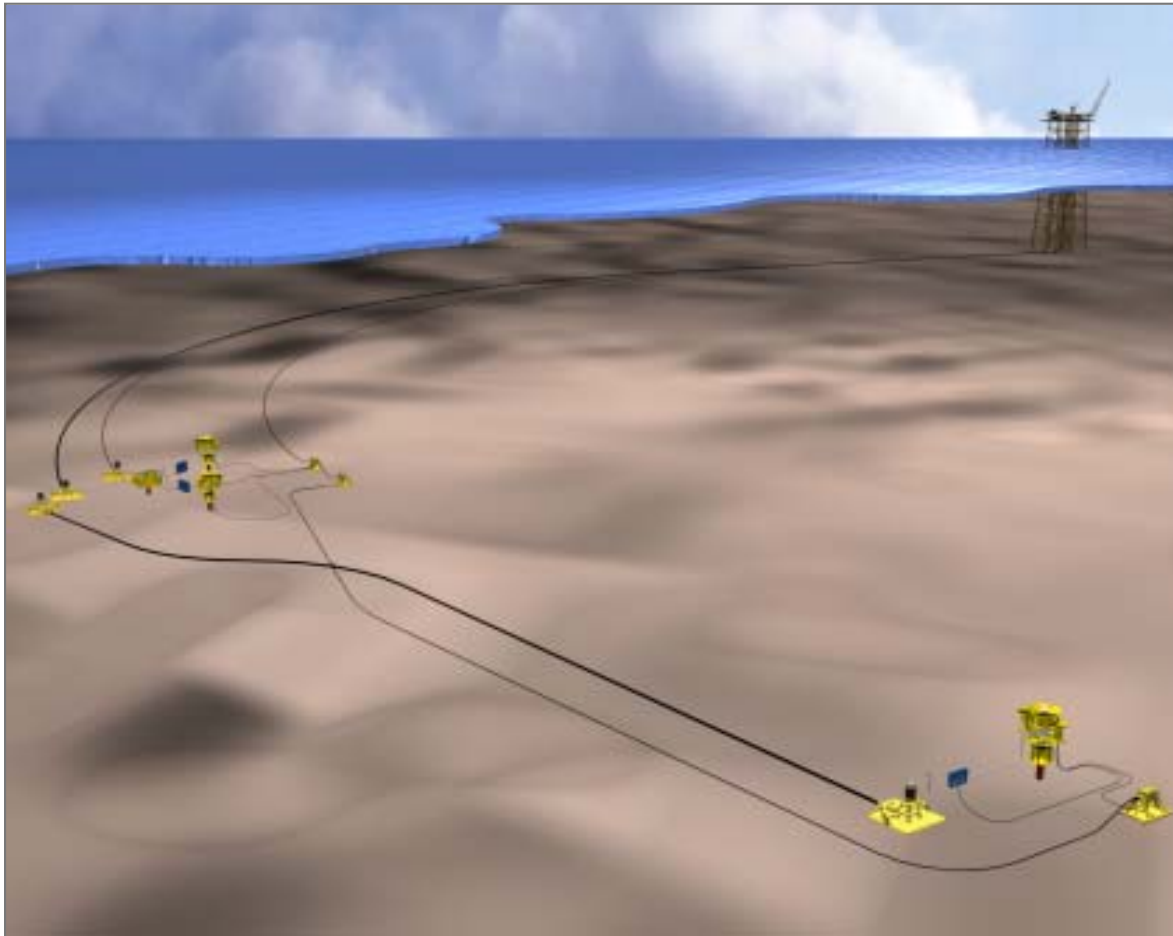
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- ✳ 2003 volumes: 127,214 BOPD
- ✳ Expect Marco Polo deliveries mid-2004 and Front Runner deliveries in 3Q2004
- ✳ Finalizing commitment of shelf based field that should add 15,000 BOPD in 2005
- ✳ Potential volumes from undedicated barrels on Caesar pipeline
- ✳ With new additions, expect 60% increase in 2005 from 2003 volume levels

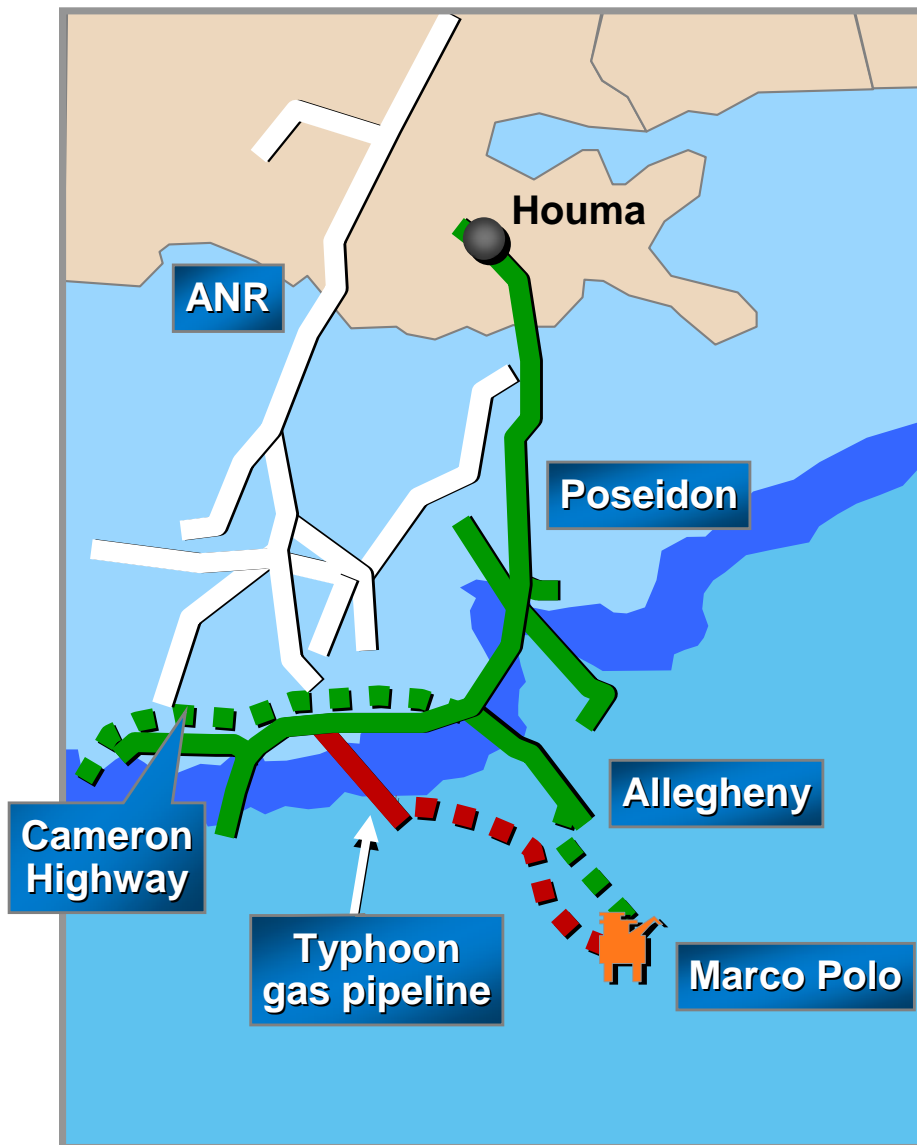
Falcon Project

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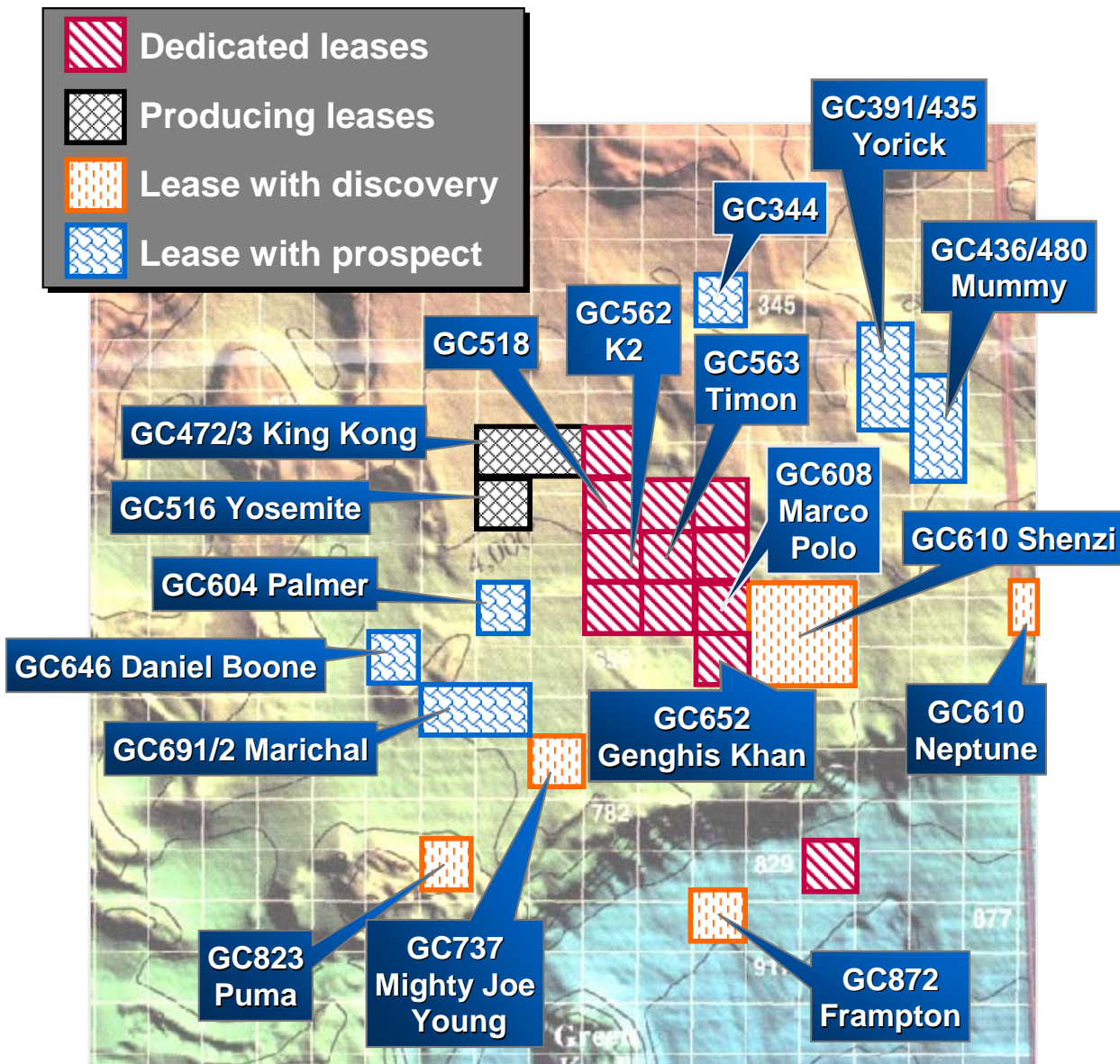
- * Installed platform and pipeline ahead of schedule
- * First production March 2003
- * Added Harrier field in January 2004
- * Current volumes: 270 MMcf/d
- * Raptor and Tomahawk discoveries connected in 3Q2004; platform volumes expected to increase up to 350 MMcf/d
- * Pioneer plans additional exploration on significant acreage position

Marco Polo Status Report



- ✳ Platform installed on January 12, 2004
 - Scheduled to commence late October 2003 (delayed by late arrival of installation contractor and weather conditions)
- ✳ Mechanical completion late 1Q2004
- ✳ Oil and gas export pipelines installed
- ✳ First production Mid-2004

Marco Polo Area Potential



- ✦ Significant activity in the area of the Marco Polo platform
- ✦ K-2 and GC518 are expected to be connected and flowing by mid-year 2005
- ✦ Gas drilling activity planned in the area with connection potential to platform

Marco Polo



Marco Polo

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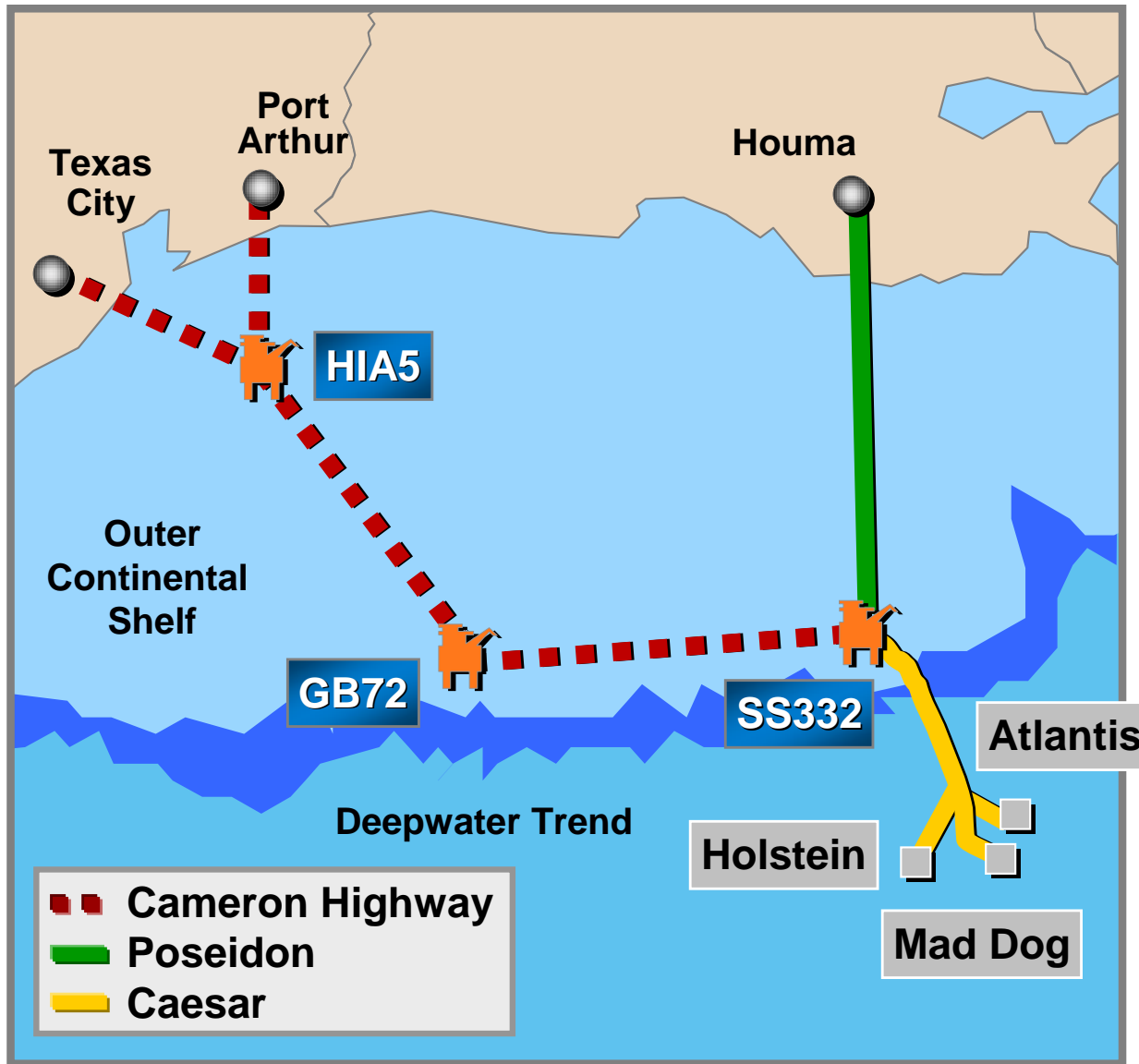


Marco Polo



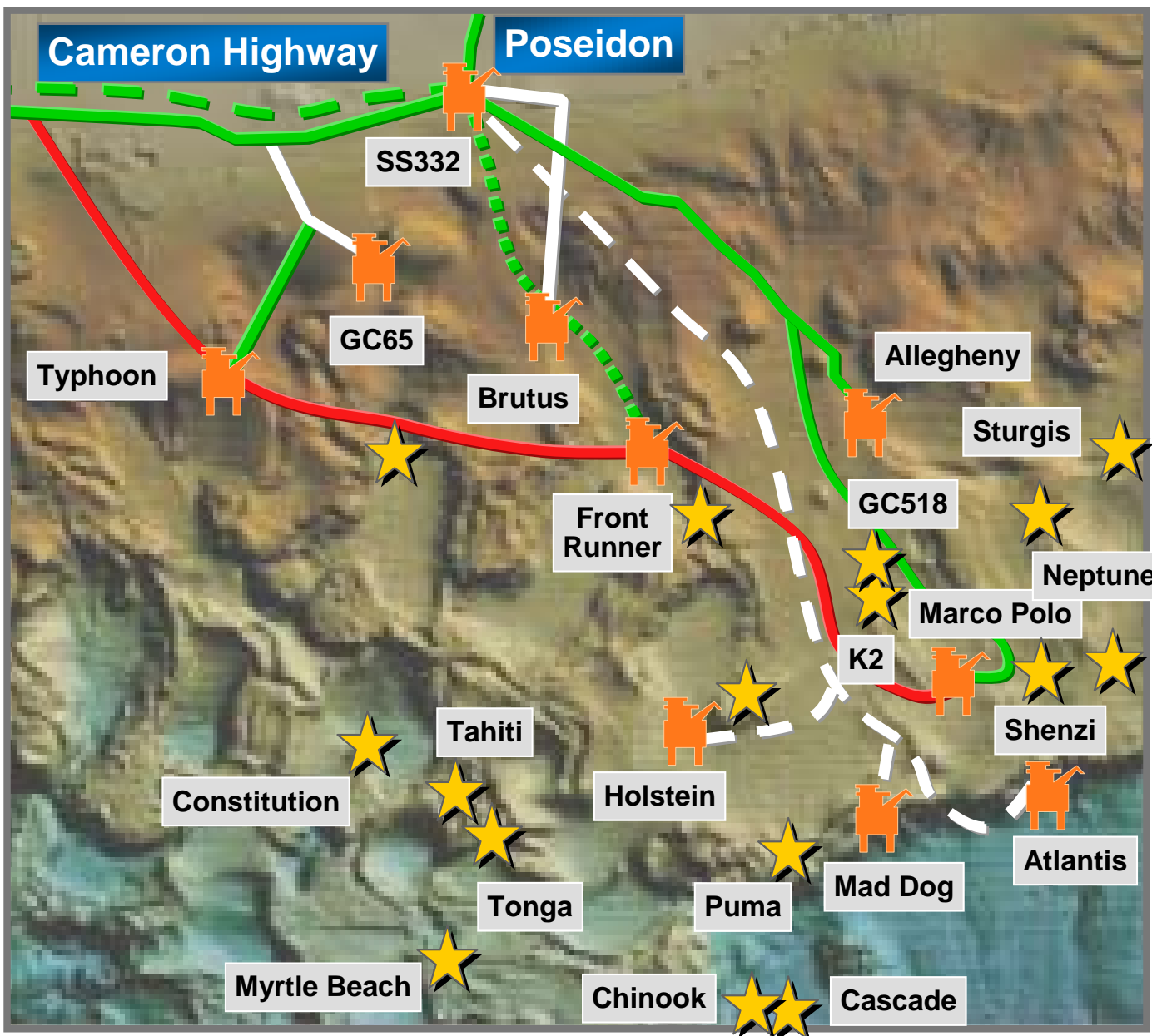
Cameron Highway Status Report

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- ✦ Ship Shoal 332B and High Island platform jackets installed
- ✦ Bifurcated 88-mile segment of 24" offshore pipelines, completed
- ✦ Onshore installation, in progress
- ✦ 239 miles of 30" pipeline, 36% complete
- ✦ Mechanical completion – 3Q2004
- ✦ First production estimated 4Q2004

Cameron Highway Supply Opportunities



- * Life of reserves dedication from Holstein, Mad Dog, Atlantis
- * Significant discoveries at Tahiti, Shenzi and Neptune
- * Pipeline supply capacity of 1 million barrels per day from prolific South Green Canyon area
- * Potential opportunities for new deepwater gathering pipelines

Cameron Highway

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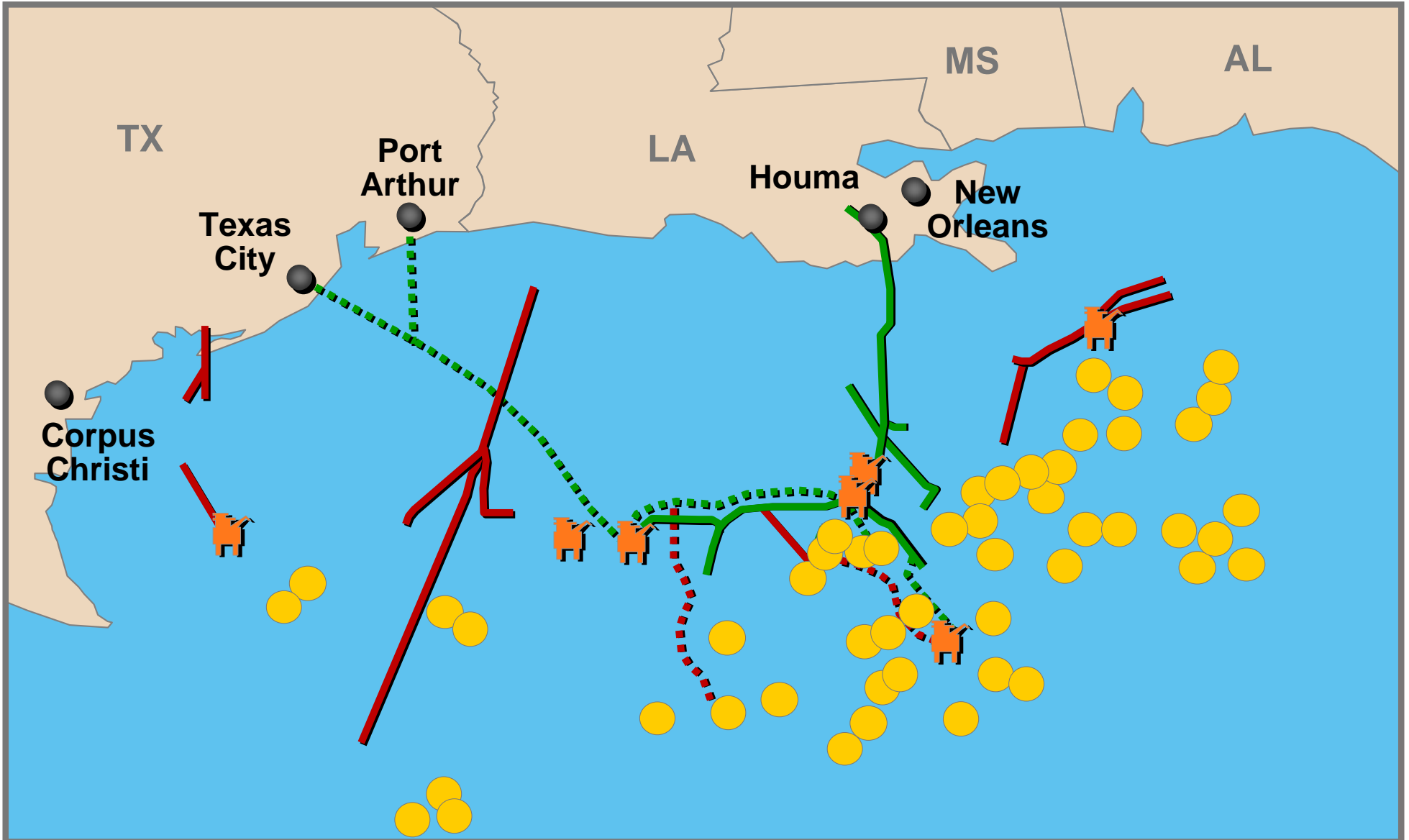
Pipelay vessel 'Solitaire' in the process of laying the 30-inch pipeline

Cameron Highway



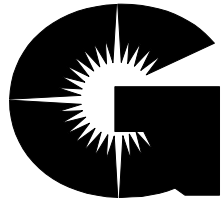
24" Pipeline Horizontal Directional Drill Site on Galveston Bay Water to Water drill under the Texas City Dike & Ship Channel

Deepwater Discoveries Awaiting Development



Q&A

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