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a meaningful company
doing meaningful work
delivering meaningful results

# Credit Suisse Energy Conference

February 5, 2008

# Cautionary Statement Regarding Forward-looking Statements

**This presentation includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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, changes in reserve estimates based upon internal and third party reserve analyses; our ability to meet production volume targets in our Exploration and Production segment; 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 close our announced asset sales on a timely basis; changes in commodity prices and basis differentials for oil, natural gas, and power; inability to realize anticipated synergies and cost savings associated with restructurings and divestitures on a timely basis or at all; 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; 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.**

## Non-GAAP Financial Measures

**This presentation contains non-GAAP financial measures as defined in the SEC's Regulation G. More information on these non-GAAP financial measures, including EBITDA and E&P cash costs, and the required reconciliations under Regulation G are set forth in the Appendix to this presentation.**

# Our Purpose

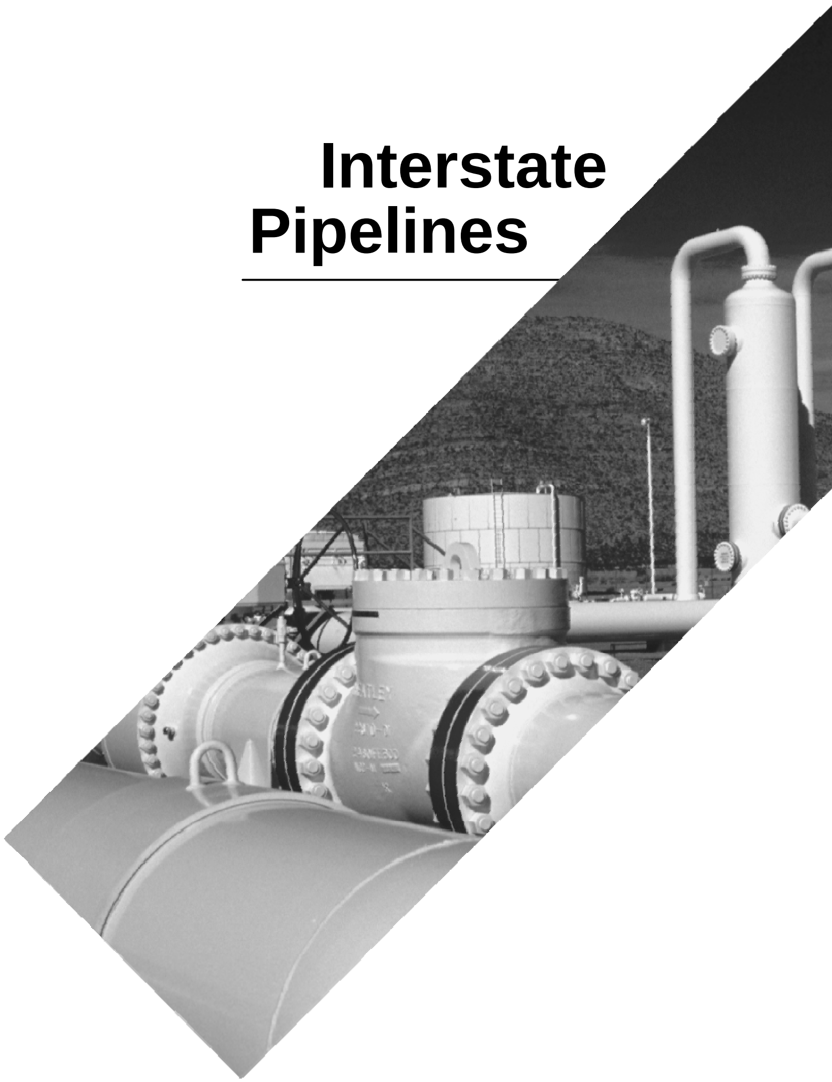
El Paso Corporation provides natural gas and related energy products in a safe, efficient, and dependable manner

# Our Vision & Values

the **place** to work
the **neighbor** to have
the **company** to own

# Leading Positions in Two Core Businesses

**Interstate Pipelines**



**Exploration & Production**

# Compelling Investment Opportunity

- Unprecedented pipeline infrastructure opportunities
  - $3 billion committed project inventory
  - 6% – 8% multi-year EBIT growth
  - Plus additional growth potential
- Consistent E&P domestic programs plus international exploration upside
  - Portfolio high grading improves cost structure, geographic focus
  - 8% – 12% multi-year production growth
  - Exploration success in Brazil

Businesses support long-term value creation

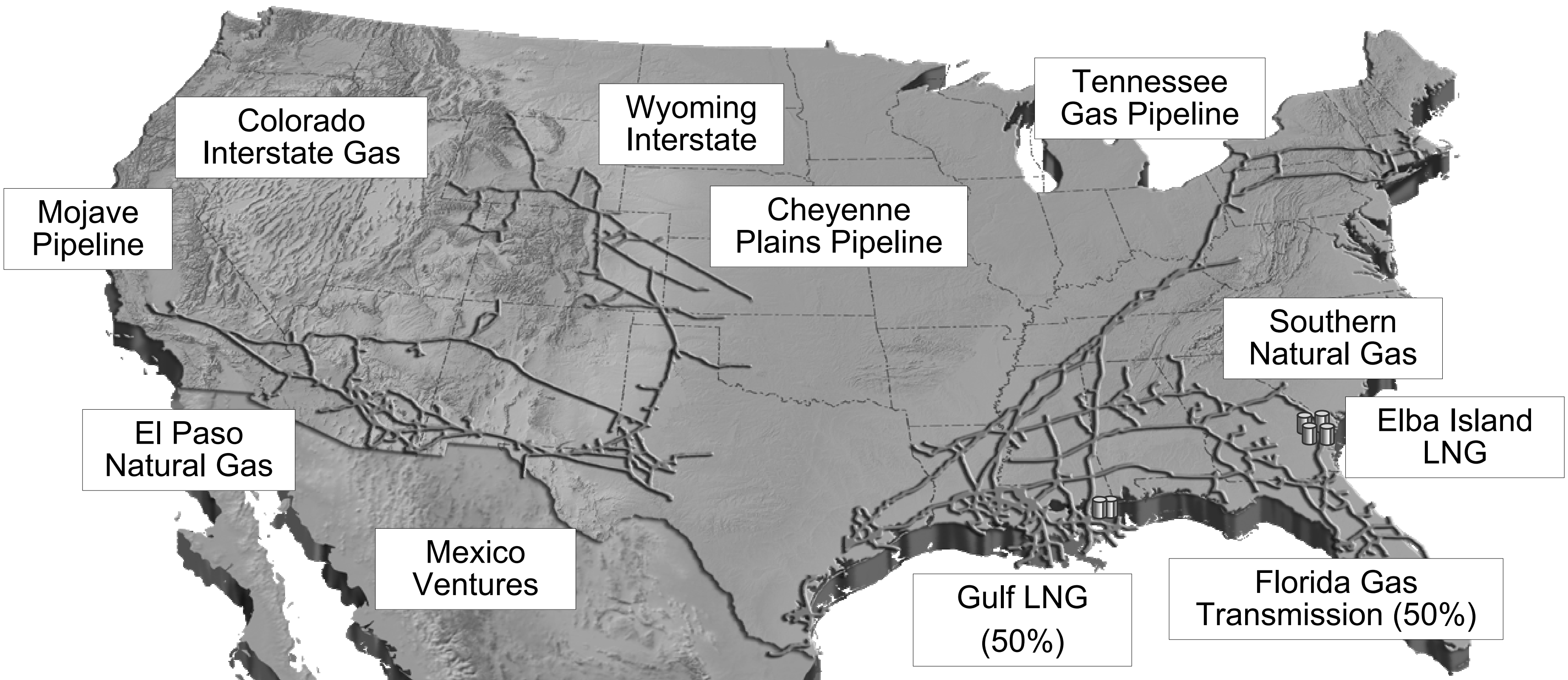
# 2007 Financial Achievements

- Fifth year of improved profitability
- Reduced debt by more than $2.5 billion
- Interest expense down 22%
- Pipelines back to investment grade
  - Very important given expansion profile
- Successful IPO of El Paso Pipeline Partners
- Updated/expanded credit facilities
- Repurchased/refinanced > $5 billion debt

# 2008 Targets

- EPS:  $1.00 - $1.10
- EBITDA: $3.4 billion - $3.5 billion
- Capex:  $3.4 billion
  - 50/50  Growth/ Maintenance
  - Pipelines - $1.6 billion
  - E&P - $1.7 Billion

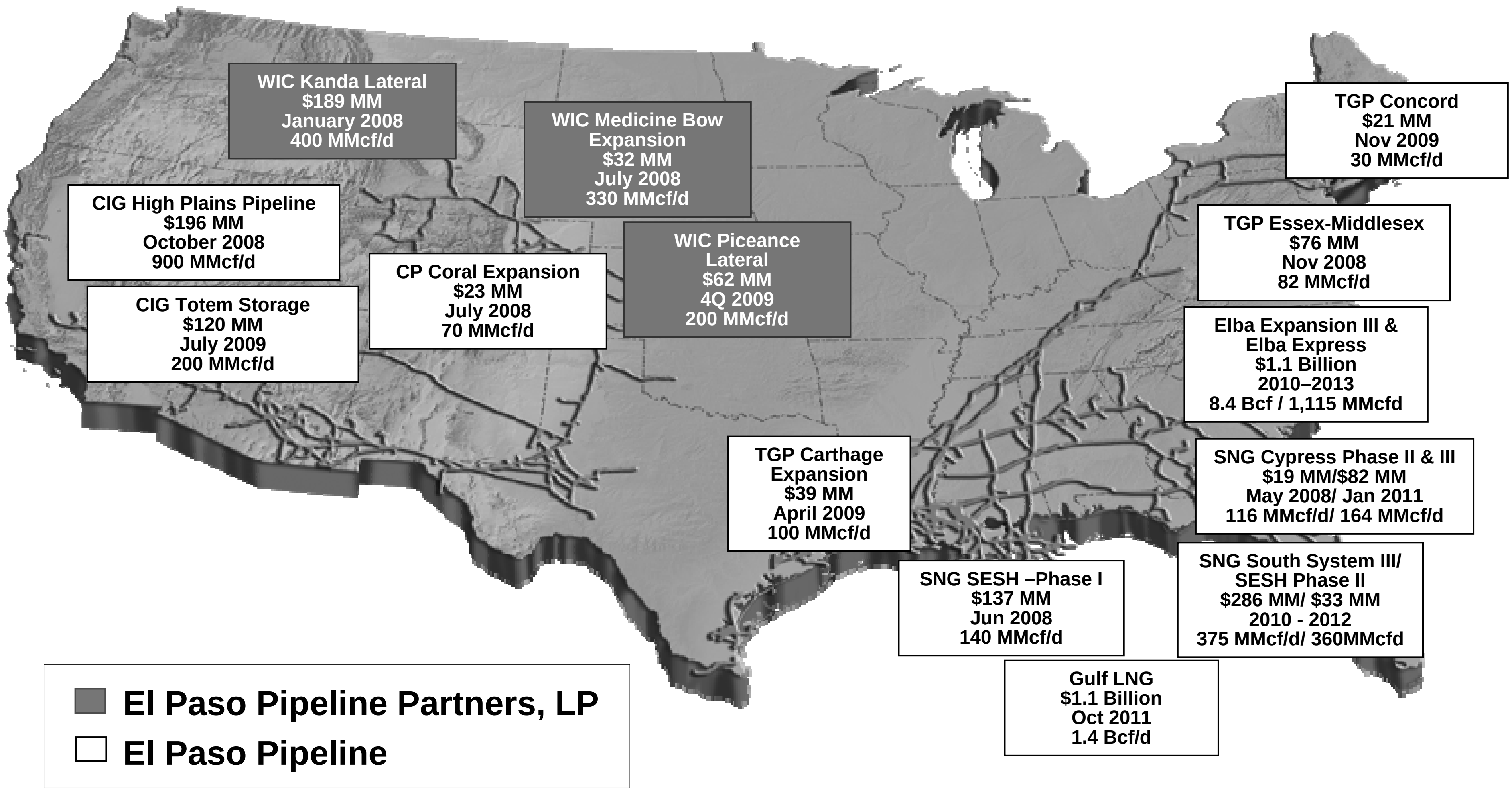
# Premier Pipeline Franchise




- 19% of total U.S. interstate pipeline mileage
- 23 Bcf/d capacity (16% of total U.S.)
- 16 Bcf/d throughput (28% of gas delivered to U.S. consumers)

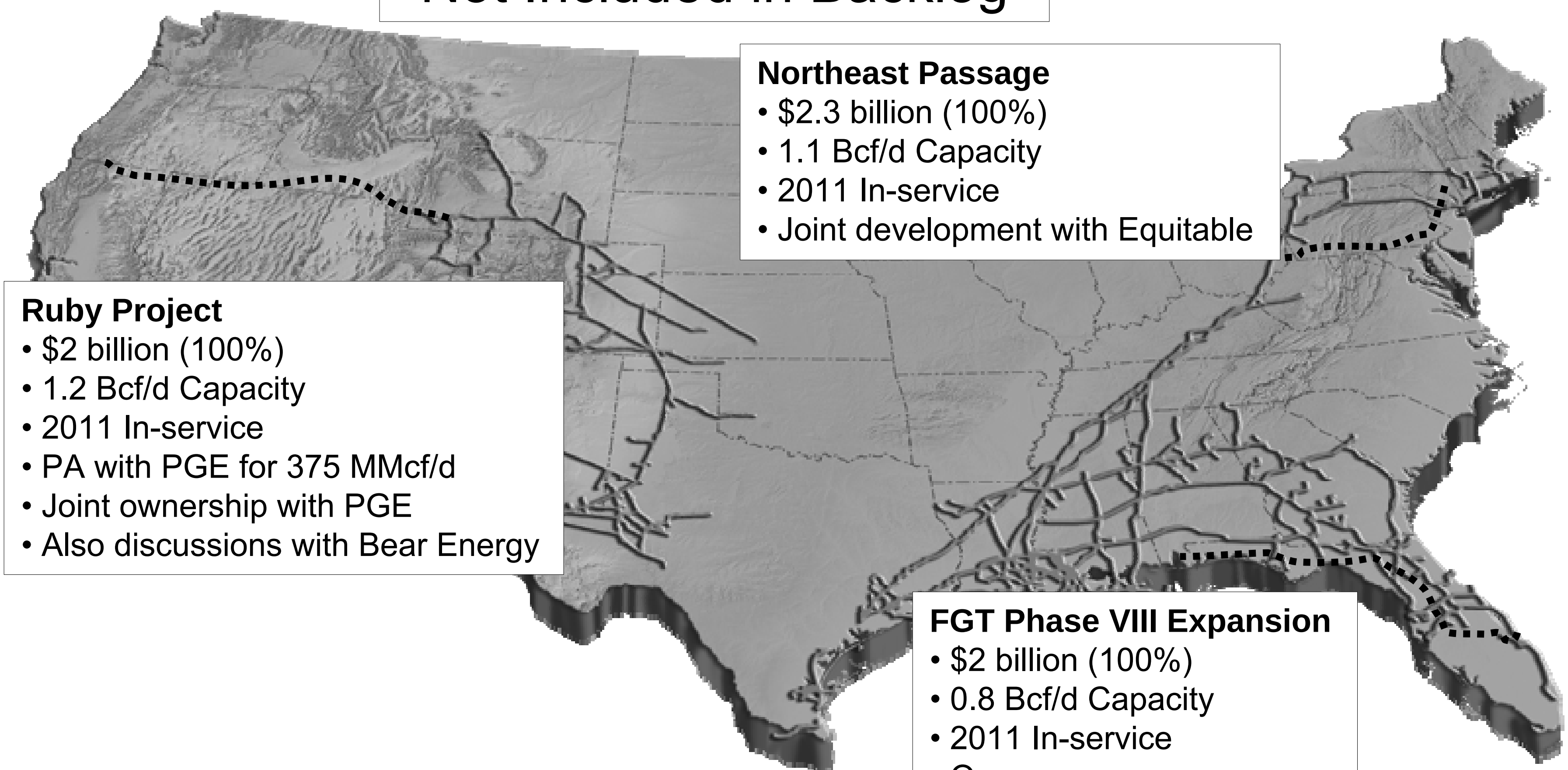
Source: El Paso Corporation
Note: Includes El Paso Corporation and El Paso Pipeline Partners, L.P.

# Growth Backlog now $3 Billion



# Large Projects Under Development

## Not Included in Backlog



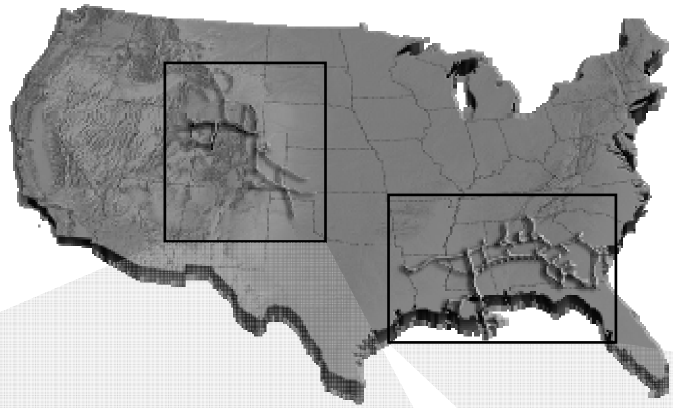
**Northeast Passage**
- $2.3 billion (100%)
- 1.1 Bcf/d Capacity
- 2011 In-service
- Joint development with Equitable

**Ruby Project**
- $2 billion (100%)
- 1.2 Bcf/d Capacity
- 2011 In-service
- PA with PGE for 375 MMcf/d
- Joint ownership with PGE
- Also discussions with Bear Energy

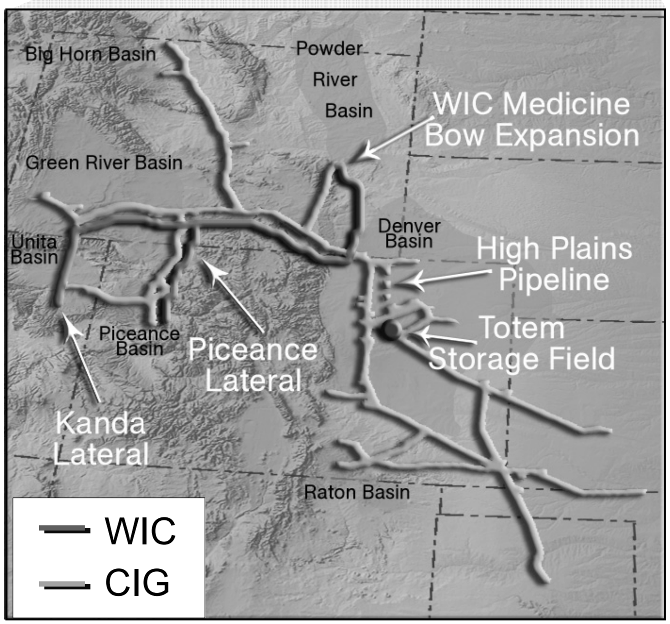
**FGT Phase VIII Expansion**
- $2 billion (100%)
- 0.8 Bcf/d Capacity
- 2011 In-service
- Open season now

Potential \$6 billion - \$7 billion capex (100%)
— Estimate $3[+] billion El Paso's share

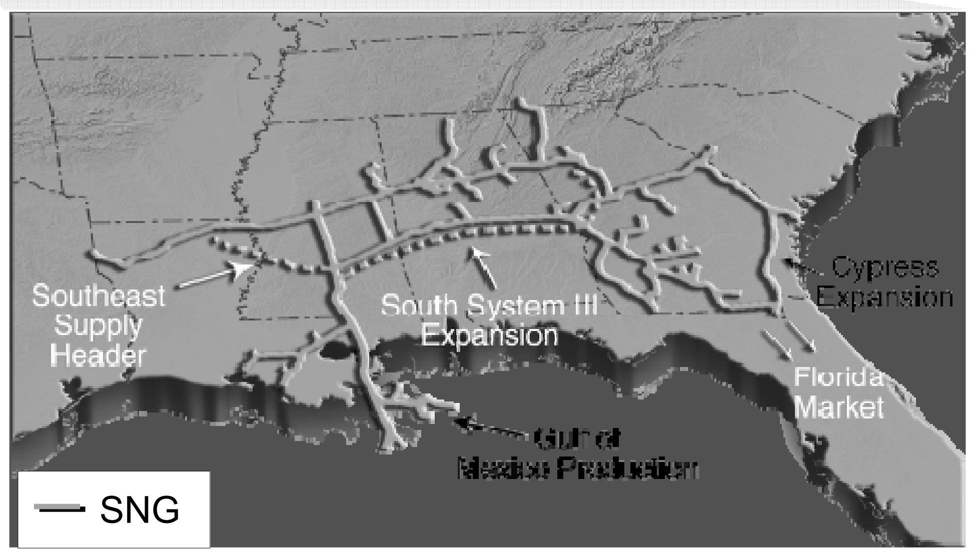
# Overview of El Paso Pipeline Partners



- Primary focus is natural gas transmission and storage assets
- Three FERC regulated interstate pipelines:
  - 100% of WIC: 800 miles, 2.7 Bcf/d
  - 10% of CIG: 4,000 miles, 3.0 Bcf/d
  - 10% of SNG: 7,600 miles, 3.7 Bcf/d
- Demand based revenues from high quality customers with strong credit profiles
- Several organic expansions underway




Diverse, Growing Supply Regions




High Connectivity to Growing Markets

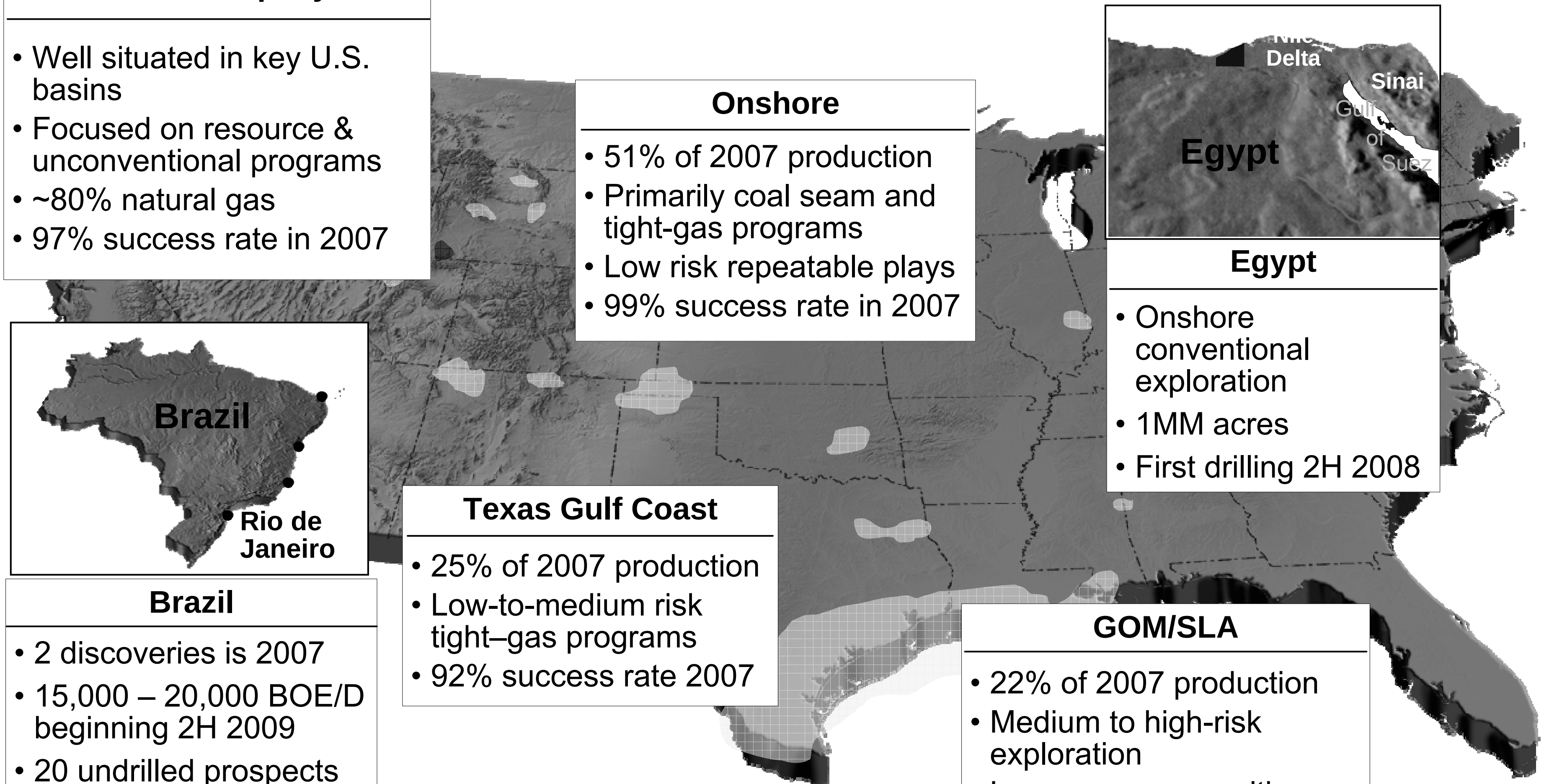
# Pipeline Outlook

- Favorable macro environment supports continued industry growth
- Significant footprint enhances expansion opportunities
- 6% – 8% multi-year EBIT growth
  - Even higher with success on large projects
- Committed to grow El Paso Pipeline Partners
  - $2.4 billion NOL offsets potential gain on drop downs

Best pipeline franchise providing superior growth and returns


# Exploration & Production

# El Paso E&P: Top 10 Independent




**Total Company**

- Well situated in key U.S. basins
- Focused on resource & unconventional programs
- ~80% natural gas
- 97% success rate in 2007

**Onshore**

- 51% of 2007 production
- Primarily coal seam and tight-gas programs
- Low risk repeatable plays
- 99% success rate in 2007

**Egypt**

- Onshore conventional exploration
- 1MM acres
- First drilling 2H 2008

**Brazil**

- 2 discoveries is 2007
- 15,000 – 20,000 BOE/D beginning 2H 2009
- 20 undrilled prospects
- 2% of 2007 production

**Texas Gulf Coast**

- 25% of 2007 production
- Low-to-medium risk tight–gas programs
- 92% success rate 2007

**GOM/SLA**

- 22% of 2007 production
- Medium to high-risk exploration
- Large acreage position
- 46% success rate in 2007

*Note: 2007 percentages include equity in Four Star

# Coming off An Excellent 2007

- Delivered on all goals
  - Production up 8%
  - Unit lifting costs down 7%
  - Meet or exceed 1% - 5% reserve growth target*
- Grew staff by 10%
- Exploration success in Brazil
- Significant progress with portfolio high grading

Entering 2008 with substantial momentum

* Not including Peoples acquisition

# High Grading: What it Means

| | U.S. Asset Sales | Peoples Acquisition | Impact on 2008 |
|---|---|---|---|
| Reserves 1/1/2008 (Bcfe) | ~300 | ~300 | Reserve neutral |
| 2008 production (MMcfe/d) | 85 | 90 | Production improvement |
| Direct Lifting Costs ($/Mcfe) | $1.40 | $0.50 | $0.05–$0.10/Mcfe improvement |

**Other benefits:**

- Geographic concentration
- Resource inventory grows by ~450 locations
- Eliminates > $50 MM plug and abandonment liability

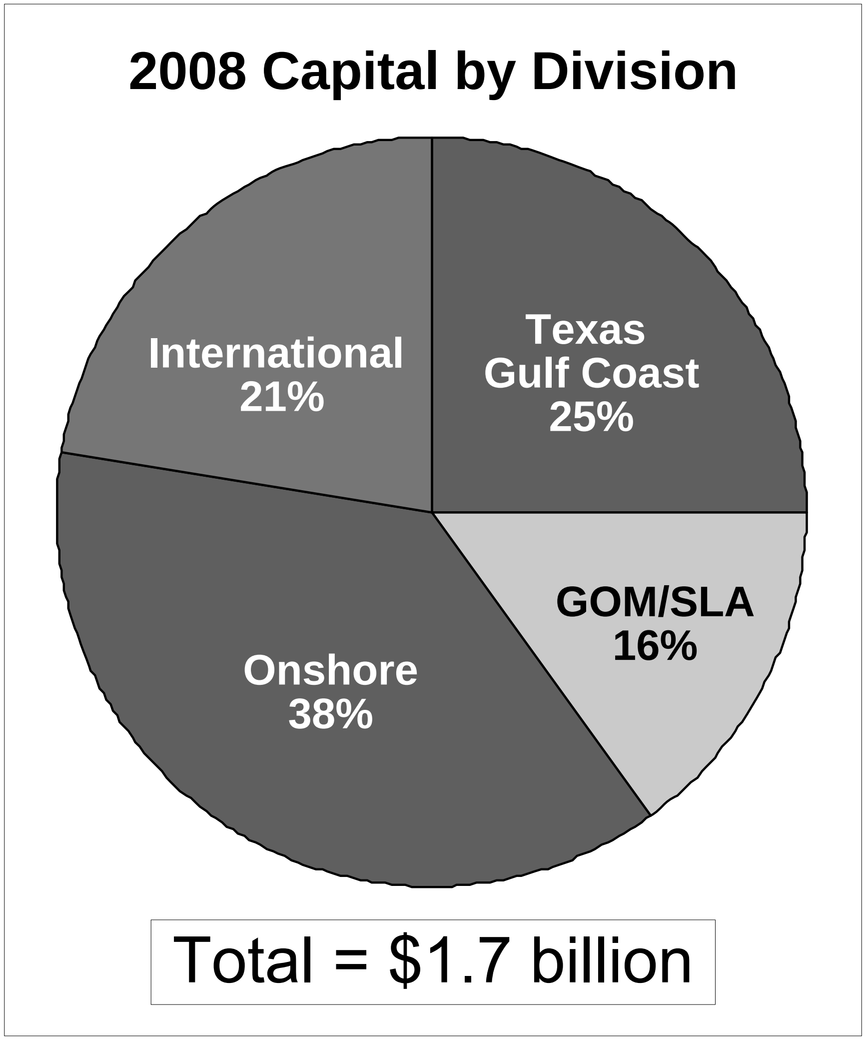
# 2008 Key Metrics

| Metric | Target |
|---|---|
| Production (MMcfe/d) | 870 – 930[1] |
| Cash Costs[2] ($/Mcfe) | $1.75 – $1.90 |
| EBITDA ($MM) | $1,700 – $1,900 |
| DD&A ($/Mcfe) | $2.80 – $3.20 |

[1]Includes our proportionate share of Four Star Oil and Gas volumes
[2]Includes direct lifting costs, production taxes, administrative expenses and other taxes

# $1.7 Billion Capital Program in 2008

- Increased capital development for recent acquisitions
  - Onshore up 15%
  - TGC up 25%
- Decreased capital in GOM/SLA
  - Down 15%
- International up 50%
  - Pinaúna & Bia developments
  - Egypt exploration

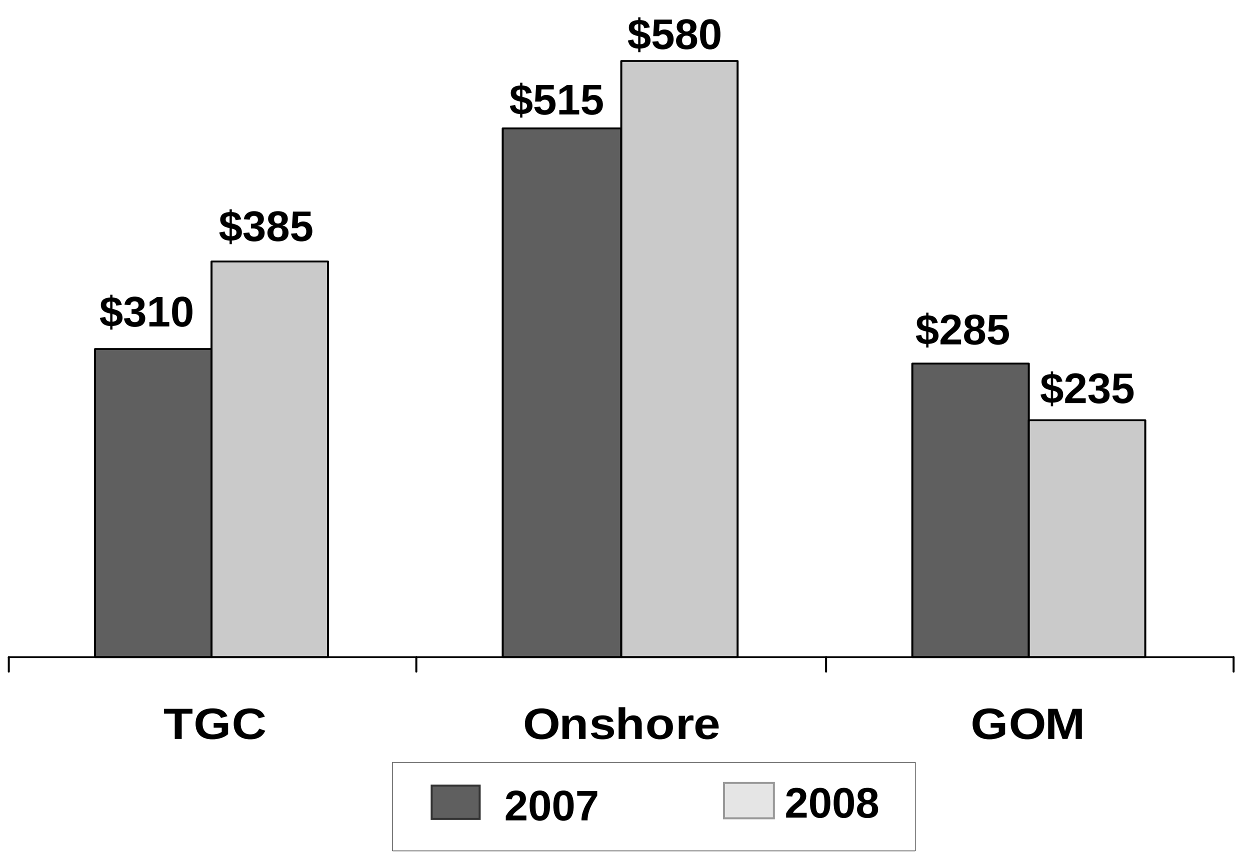



Note: Percent change excludes acquisitions

# 2008 Production Perspective

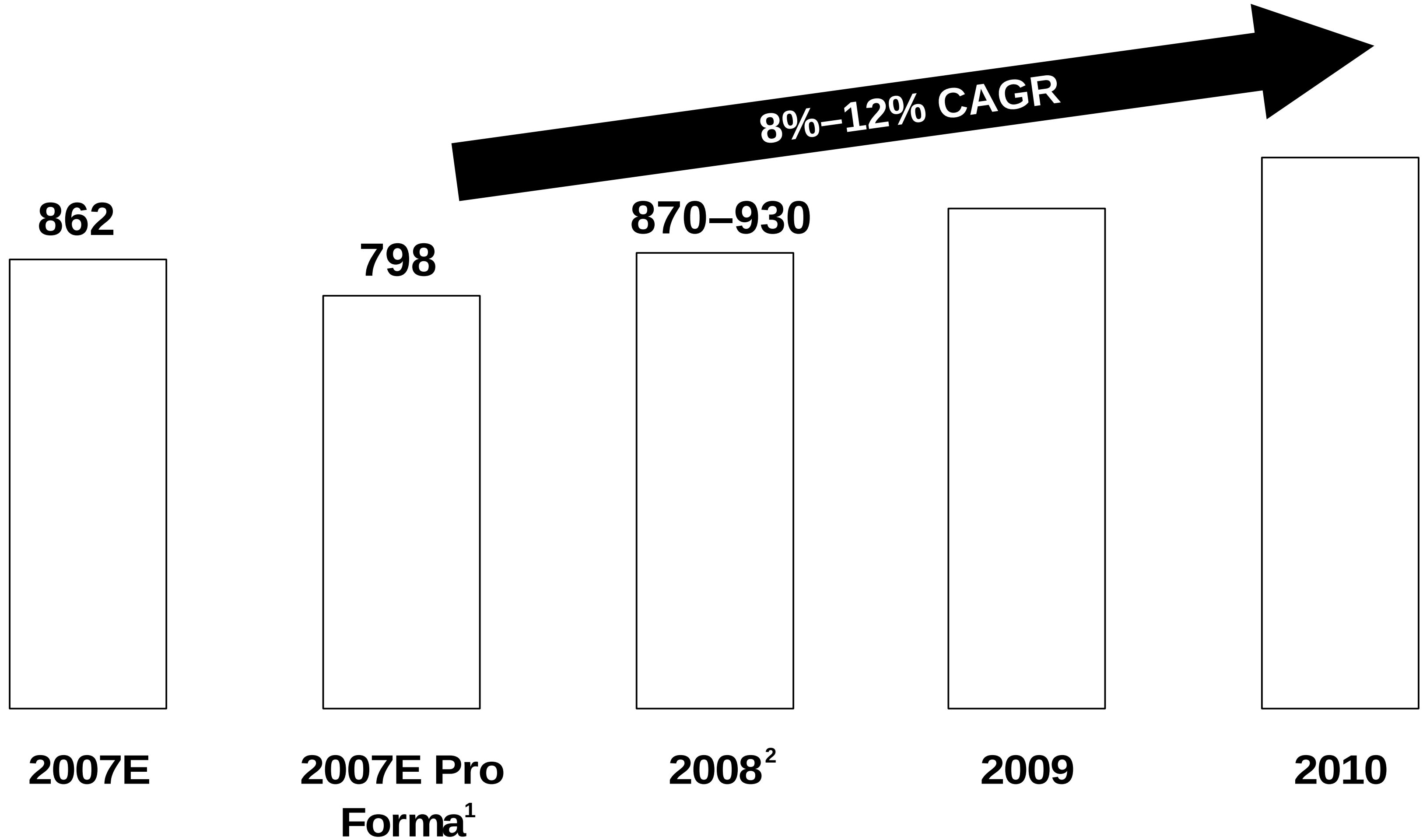
- Base decline improves by 10+ MMcfe/d post high grading
- Additional TGC and Onshore capital (Peoples and Laredo acquisitions)
- Result:  TGC & Onshore production up; GOM stabilizes at lower level

Exploration & Development Capital ($ million)



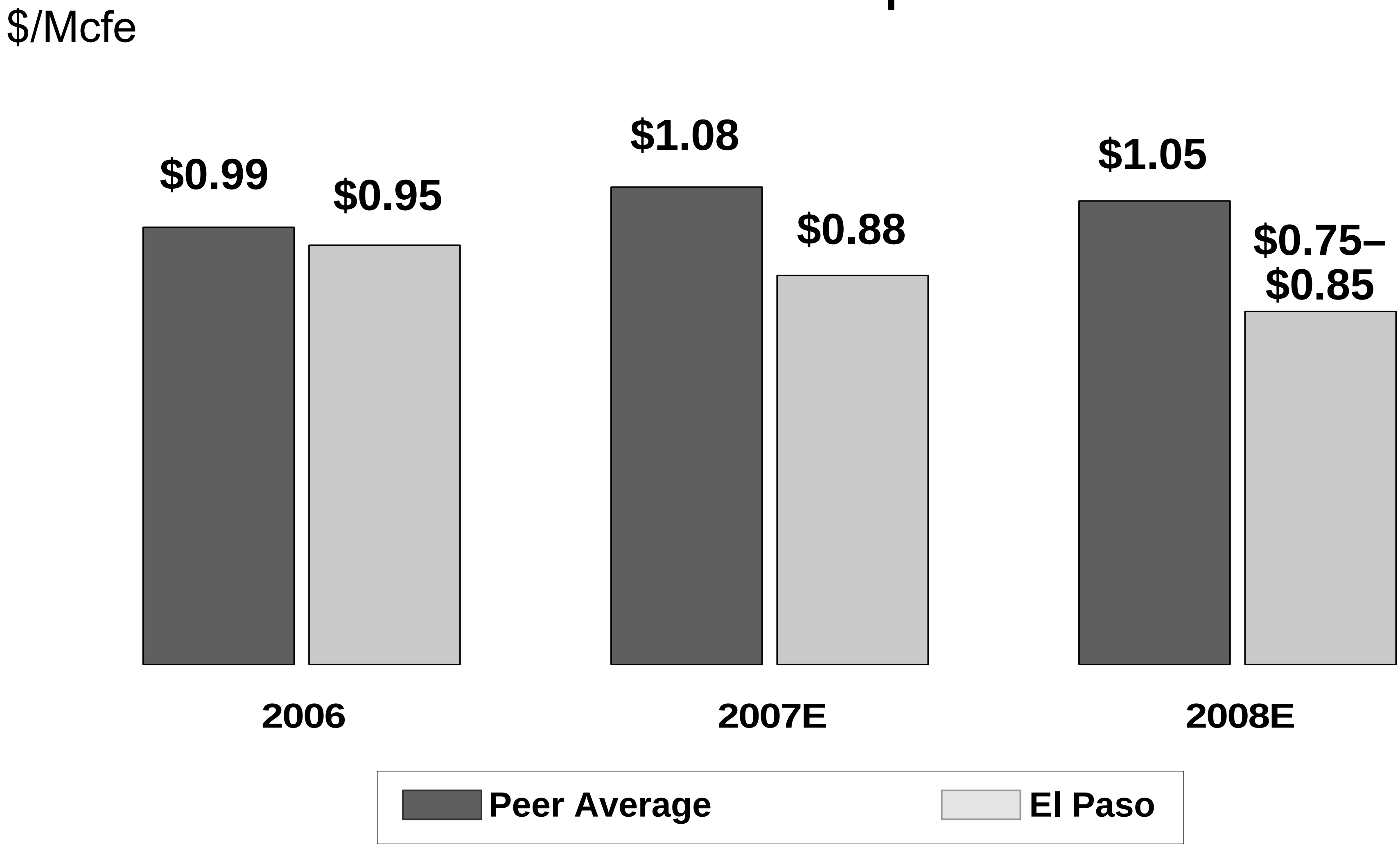
# E&P Production
# Solid Growth Trajectory Through 2010

MMcfe/d




[1] Excludes volumes from domestic assets being sold; assumes full year of Peoples
[2] Assumes 25 MMcfe/d annualized contributed by the divestiture assets prior to closing

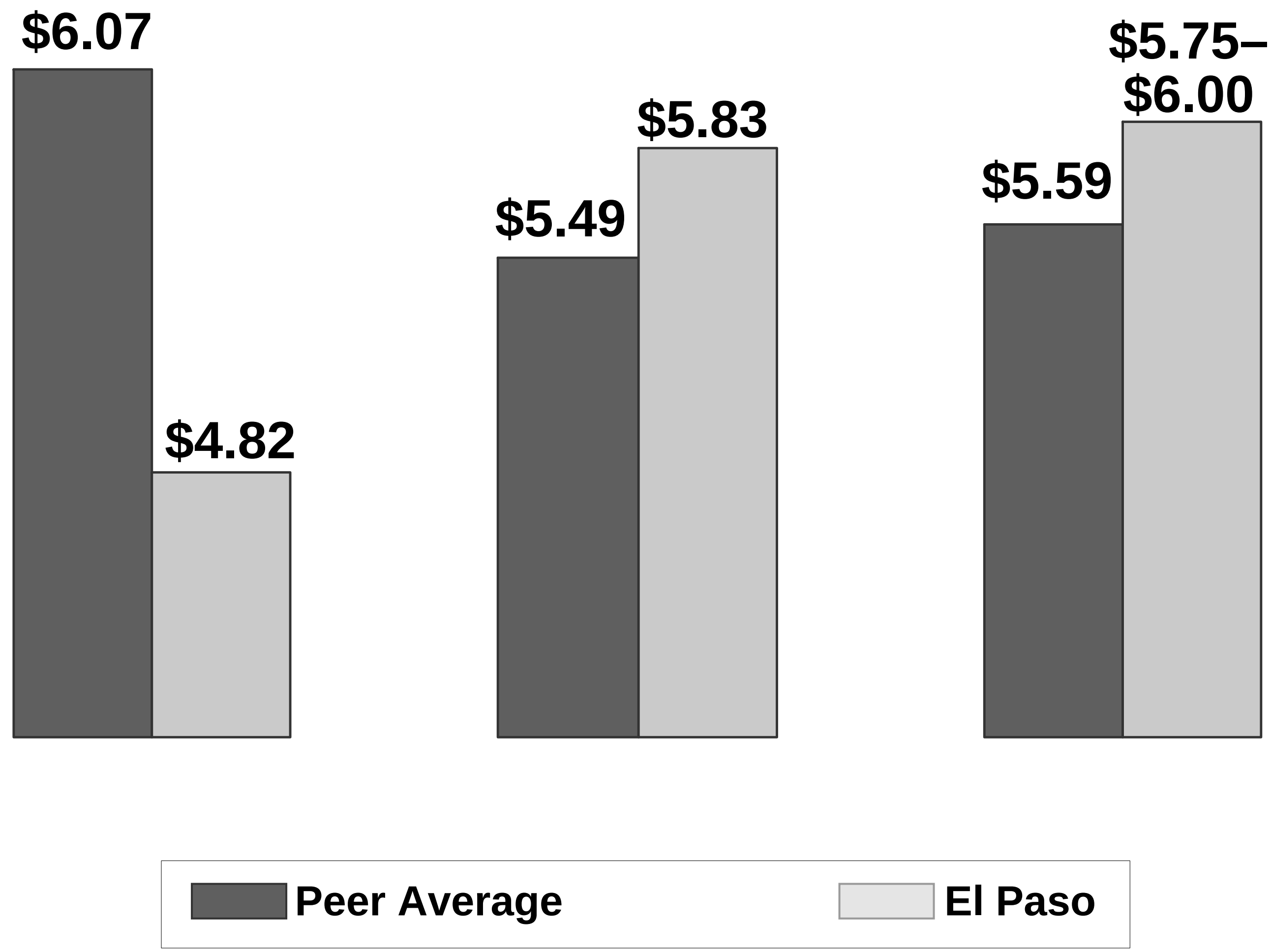
# Unit Lease Operating Expenses
# Top Quartile Performer




Peer group: APA, APC, CHK, DVN, EOG, FST, NBL, NFX, PXD, XEC, XTO
Actual results from Peer company reports for 2006 and thru Q3 2007; Credit Suisse 2008E

# E&P Profitability Has Grown Faster Than Peers

EBITDA*/Mcfe, Including Hedging




Peer group: APA, APC, CHK, DVN, EOG, FST, NBL, NFX, PXD, XEC, XTO
Actual results from Peer company reports for 2006 and thru Q3 2007; Credit Suisse 2008E
*EBITDA excludes exploration and dry hole expense for successful efforts companies

# E&P Summary

- Successfully delivered on 2007 objectives
  - Achieved production growth and cost targets
  - High grading portfolio to improve overall performance
- Established significant capital program in 2008
  - $1.7 billion with majority focused Onshore, low risk programs
  - Brazil capital shifts to two high-impact developments
- Improved visibility to long term growth
  - Expect 8%–12% CAGR of production long term
  - Continued improvement in cost structure

**E&P moving towards top-tier performance**

# Entering 2008 With Solid Hedge Position

Natural Gas and oil hedge positions as of January 15, 2008

**2008 Gas**

Ceiling: **141 TBtu** — **Average cap $10.05/MMBtu**

**108 TBtu**
$8.00 floor/
$10.80 ceiling

**33 TBtu**
$7.65
fixed price

Floors: **141 TBtu** — **Average floor $7.92/MMBtu**

**2008 Oil**

Ceiling: **3.7 MMBbls** — **Average cap $81.44/Bbl**

**2.8 MMBbls**
$89.58
fixed price

**0.9 MMBbls**
$57.03 ceiling/
$55.00 floor

Floors: **3.7 MMBbls** — **Average floor $80.94/Bbl**

**Balance at Market Price**

Note: See full Production-Related Derivative Schedule in Appendix

# Visible Long-Term Growth

- Significant momentum going into 2008
- Pipelines working to expand $3 billion inventory
- E&P faster growing, more profitable, more focused post high grading
- Pipeline MLP offers strategic tool for future growth
- Visible multi-year growth for both businesses
  - Pipelines 6%–8% EBIT growth
  - E&P 8%–12% production growth

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doing meaningful work
delivering meaningful results


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# Appendix

# Disclosure of 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 provided herein.**

**El Paso uses the non-GAAP financial measure "earnings before interest expense and income taxes" or "EBIT" to assess the operating results and effectiveness of the company and its business segments. The company defines EBIT as net income (loss) adjusted for (i) items that do not impact its income (loss) from continuing operations, such as extraordinary items, discontinued operations, and the impact of accounting changes; (ii) income taxes; (iii) interest and debt expense; and (iv) distributions on preferred interests of consolidated subsidiaries. The company excludes interest and debt expense and distributions on preferred interests of consolidated subsidiaries so that investors may evaluate the company's operating results without regard to its financing methods or capital structure. EBITDA is defined as EBIT plus depreciation, depletion, and amortization. El Paso's business operations consist of both consolidated businesses as well as substantial investments in unconsolidated affiliates. As a result, the company believes that EBIT and EBITDA, which include the results of both these consolidated and unconsolidated operations, is useful to its investors because it allows them to evaluate more effectively the performance of all of El Paso's businesses and investments. Per Unit total Cash Expenses, or Cash Cost (per Mcfe) equal total operating expenses less DD&A and other non-cash charges divided by total consolidated production.**

**El Paso believes that the non-GAAP financial measures described above are also useful to investors because these measurements are used by many companies in the industry as a measurement 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 the operating and financial performance of the company and its business segments with the performance of other companies within the industry.**

**These non-GAAP financial measures may not be comparable to similarly titled measurements used by other companies and should not be used as a substitute for net income, earnings per share or other GAAP measurements.**

# Sensitivity Analysis

$ Millions, Except EPS

| | Gas | | Oil | | Total | |
|---|---|---|---|---|---|---|
| **Change** | **– $1** | **+ $1** | **– $10** | **+ $10** | **Low** | **High** |
| EBITDA | $(106) | $160 | $(7) | $9 | $ (113) | $ 169 |
| EPS | $(.09) | $.14 | $(.01) | $.01 | $(0.10) | $0.15 |

# Production-Related Derivative Schedule

| Natural Gas | 2008 Notional Volume (TBtu) | 2008 Average Hedge Price | 2009 Notional Volume (TBtu) | 2009 Average Hedge Price | 2010 Notional Volume (TBtu) | 2010 Average Hedge Price | 2011-2012 Notional Volume (TBtu) | 2011-2012 Average Hedge Price |
|---|---|---|---|---|---|---|---|---|
| **Designated - EPEP** | | | | | | | | |
| Fixed Price - Legacy | 4.6 | $3.42 | 4.6 | $3.56 | 4.6 | $3.70 | 6.8 | $3.88 |
| Fixed Price | 21.0 | $8.37 | | | | | | |
| Ceiling | 93.3 | $10.92 | | | | | | |
| Floor | 93.3 | $8.00 | | | | | | |
| **Economic - EPEP** | | | | | | | | |
| Fixed Price | 7.9 | $8.24 | | | | | | |
| Ceiling | 14.6 | $10.00 | | | | | | |
| Floor | 14.6 | $8.00 | | | | | | |
| **Economic - EPM** | | | | | | | | |
| Ceiling | | | 16.8 | $8.75 | | | | |
| Floor | | | 16.8 | $6.00 | | | | |
| Avg Ceiling | 141.4 | $10.05 | 21.4 | $7.63 | 4.6 | $3.70 | 6.8 | $3.88 |
| Avg Floor | 141.4 | $7.92 | 21.4 | $5.48 | 4.6 | $3.70 | 6.8 | $3.88 |

| Crude Oil | 2008 Notional Volume (MMbbls) | 2008 Average Hedge Price |
|---|---|---|
| **Designated - EPEP** | | |
| Fixed Price | 2.79 | $89.58 |
| **Economic - EPM** | | |
| Ceiling | 0.93 | $57.03 |
| Floor | 0.93 | $55.00 |
| Avg Ceiling | 3.7 | $81.44 |
| Avg Floor | 3.7 | $80.94 |

Note: Positions are as of January 15, 2008 (contract months: January 2008–forward)

# Non – GAAP Reconciliation 2008 EBIT & EBITDA

$ Millions, Except EPS

| | |
|---|---|
| EBITDA | 3,410–3,525 |
| Less: DD&A | 1,320 |
| EBIT | 2,090–2,205 |
| Less: Interest | 930 |
| Less: Taxes | 400–440 |
| Net Income | 760–835 |
| EPS | $1.00–$1.10 |

# 2008 Capital Program

$ Millions

| | Pipelines | E&P | Corporate | Total |
|---|---|---|---|---|
| Maintenance | $ 430 | $1,150 | $100* | $1,680 |
| Growth | 1,180 | 500 | 0 | 1,680 |
| **Total** | **$1,610** | **$1,650** | **$100** | **$3,360** |

Growth capital 50% of total

*****Includes building renovation of $85 million

# Backlog Projects' In-service Schedule

$ Millions

| 2008 | 2009 | 2010 | 2011 | 2012 & Beyond |
|---|---|---|---|---|
| WIC Kanda Lateral<br><br>Cheyenne Plains - Coral<br><br>TGP Essex/ Middlesex<br><br>CIG High Plains (50%)<br><br>WIC Medicine Bow<br><br>SNG Cypress Phase II<br><br>SNG SESH Phase I | TGP Carthage<br><br>TGP Concord Lateral Expansion<br><br>CIG Totem Storage (50%)<br><br>WIC Piceance Lateral Expansion | Elba III & Elba Express -Phase A<br><br>SNG South System 2010<br><br>SNG SESH Phase II | Gulf LNG (50%)<br><br>SNG South System 2011<br><br>SNG Cypress III | Elba III & Elba Express - Phase B<br><br>SNG South System 2012 |
| **$575** | **$185** | **$985** | **$925** | **$340** |

Note: $ in each column represents total costs for each project, shown in the year placed in service. (Actual capital spend over multiple years)

# Majority of Capital Program is Low Risk

| Risk | | 2008P Gross Wells Drilled | % of Drilling Capital |
|---|---|---|---|
| High | **PC < 40%** High Impact Exploration | 20–25 | 14% |
| Med | **PC 40%–80%** Medium Risk Development and Exploration | 25–30 | 17% |
| Low | **PC > 80%** Low Risk Domestic Development and Pinauna & Bia Development | 530–545 | 69% |
| | | **575–600** | |