

# Investor Update

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November 2010



# 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 achieve the targeted costs savings from the reorganization announced in November 2009; change management risk associated with the previously announced reorganization; our ability to pay the 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 2010 plan and updated guidance, including achieving our earnings and cash flow targets, as well as targets for future years; the effects of any changes in accounting rules and guidance; our ability to meet production volume targets in our Exploration and Production (E&P) segment; our ability to successfully identify and finance 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 on time within budget; 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 (SEC) 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 include the production attributable to El Paso's 49 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 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.**

**In this presentation, we have disclosed our proved reserves using the SEC's definition of proved reserves under rules effective December 31, 2009. Proved reserves, including proved undeveloped reserves, are estimated quantities that geological and engineering data demonstrate with reasonable certainty to be recoverable in the future from known reservoirs under assumed economic conditions. 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.**

# Our Purpose

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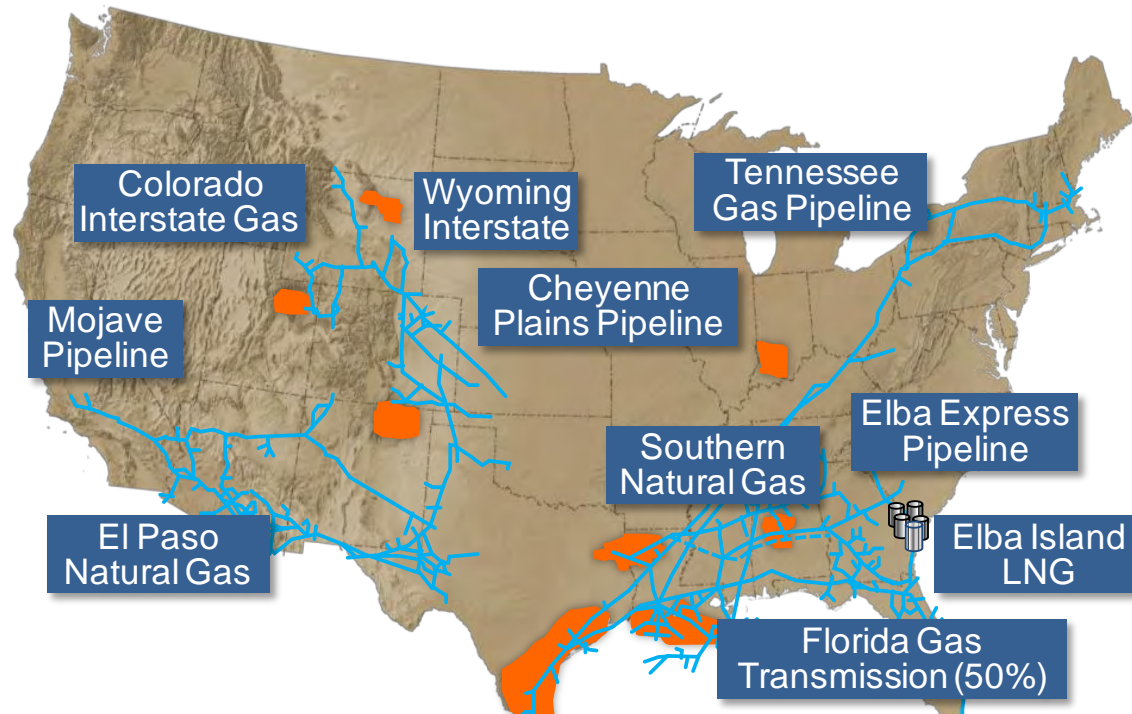
**El Paso Corporation provides natural gas and related energy products in a safe, efficient, and dependable manner**

# Our Vision & Values

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



# Overview of El Paso Corporation



## Premier Pipeline Franchise<sup>1</sup>

- 19% of total U.S. interstate pipeline mileage
- 26 Bcf/d capacity (12% of total U.S.)
- 18 Bcf/d throughput (28% of gas delivered to U.S. consumers)

## Top 10 independent E&P

- 2.75 Tcfe proved reserves<sup>2</sup>
- Top 10 independent domestic gas producer
- Deep inventory of onshore, repeatable programs – more shale/oil oriented

<sup>1</sup>Source: El Paso Corporation 2009 data

<sup>2</sup>As of 12/31/09, includes proportionate share of Four Star

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

# Execution Scorecard YTD



## PIPELINES

- ~\$1B of projects placed in service on-time/on-budget
- Projects for remainder of 2010 \$100 MM under budget
- Ruby under way—10%-15% over budget
- More Marcellus growth opportunities



## E&P

- Increased production/lower cost guidance
- Shifted capital to oil programs
- Expanded inventory of oil opportunities



## FINANCIAL

- Raised EPS guidance
- Quickly exceeded 2010 funding requirements
  - Expect to fund 2011 by year end
- Continued successful MLP growth
- Expanded risk management

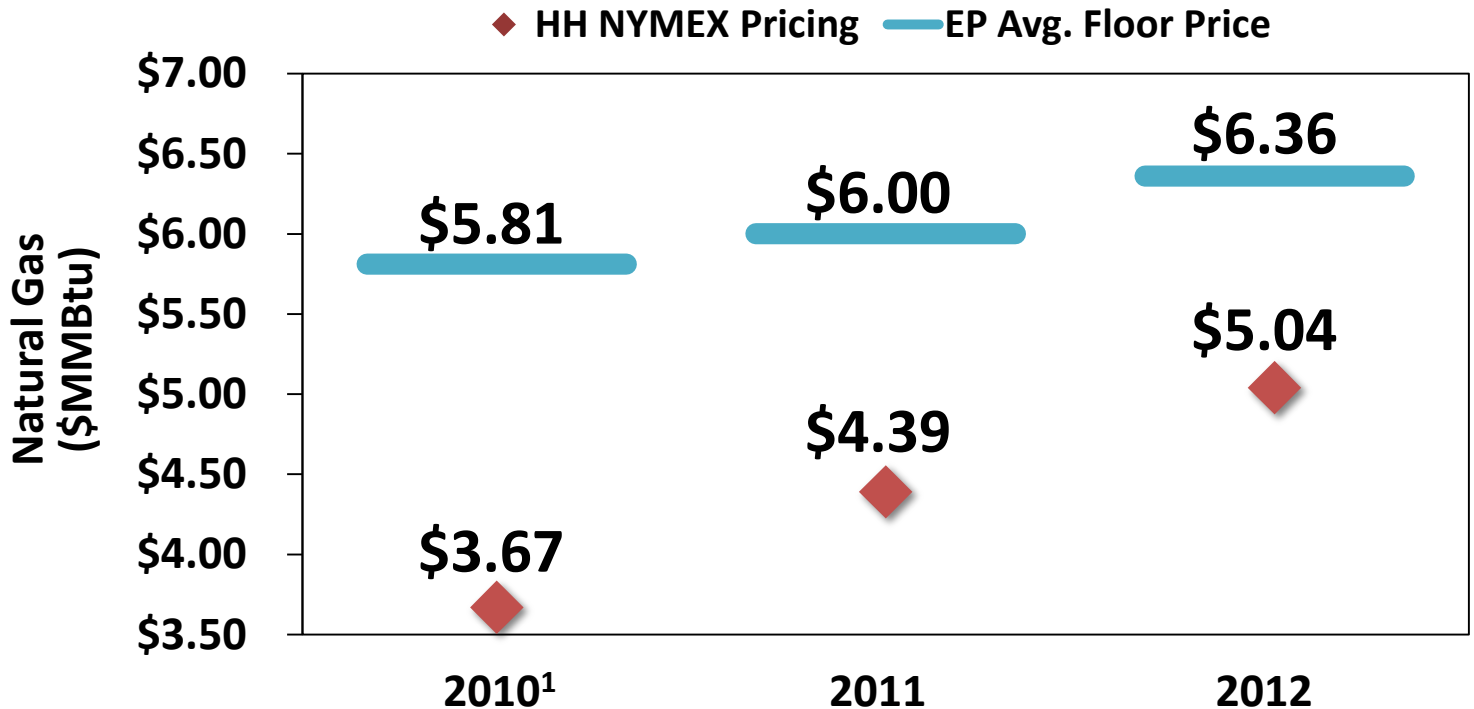
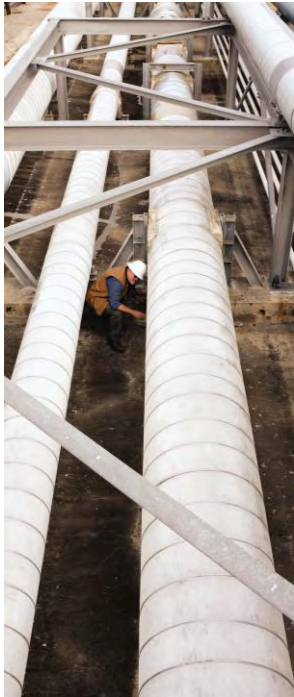
# Successful Risk Management Natural Gas Prices & Service Costs



- Additional price protection for 2011
- New 2012 hedge positions
- Two-year stimulation contracts for Haynesville, Eagle Ford, and Altamont

**Recent steps help ensure profitability  
and cash flow**

# Natural Gas Hedges



EP Percent Hedged

60%

75%

25%

Industry Avg. Percent Hedged<sup>2</sup>

N/A

31%

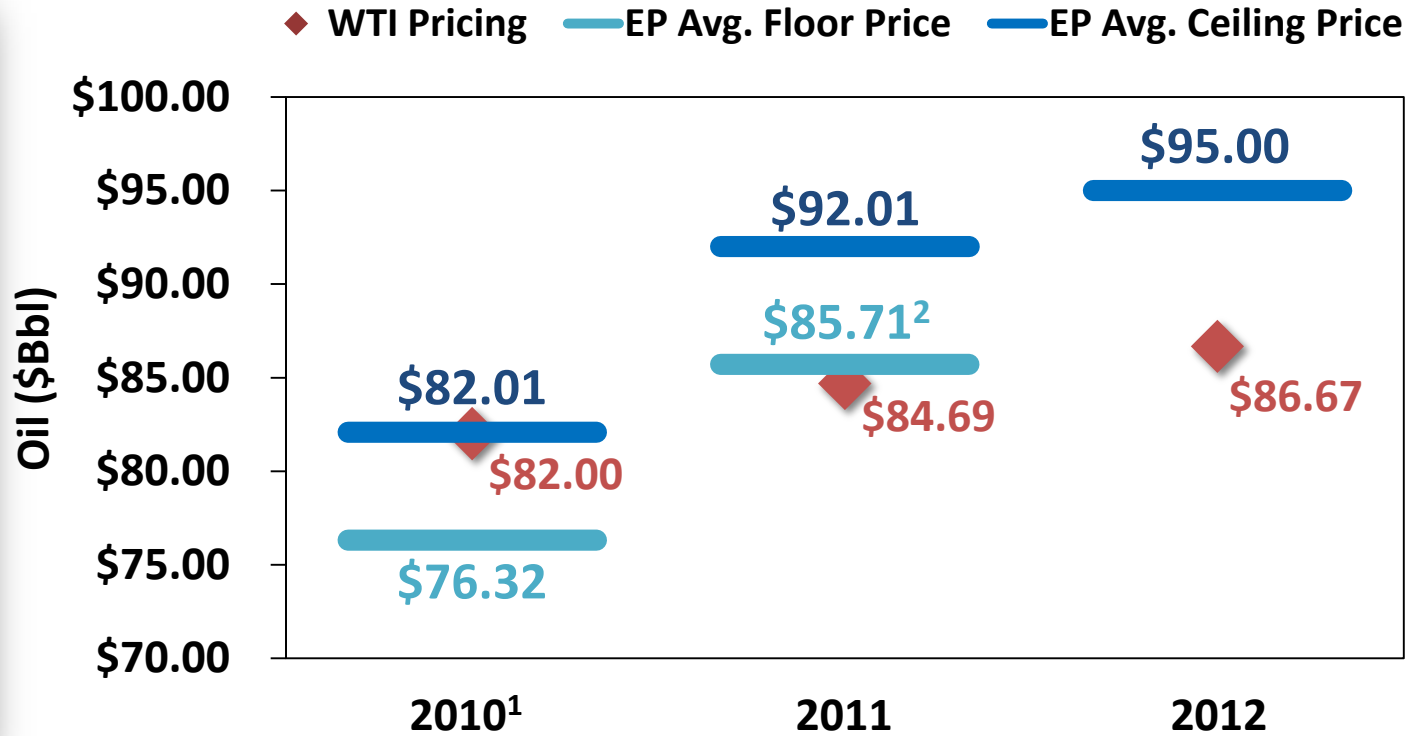
15%

<sup>1</sup>Reflects Nov–Dec 2010

<sup>2</sup>Source: Credit Suisse

Note: NYMEX pricing and hedge positions are as of October 31, 2010. Natural gas production with floors reflects domestic production. 2011 and 2012 percentages based on 2010E production. Natural gas expected domestic production includes the company's proportionate share of Four Star

# Oil Hedges



EP Percent Hedged

85%

95%

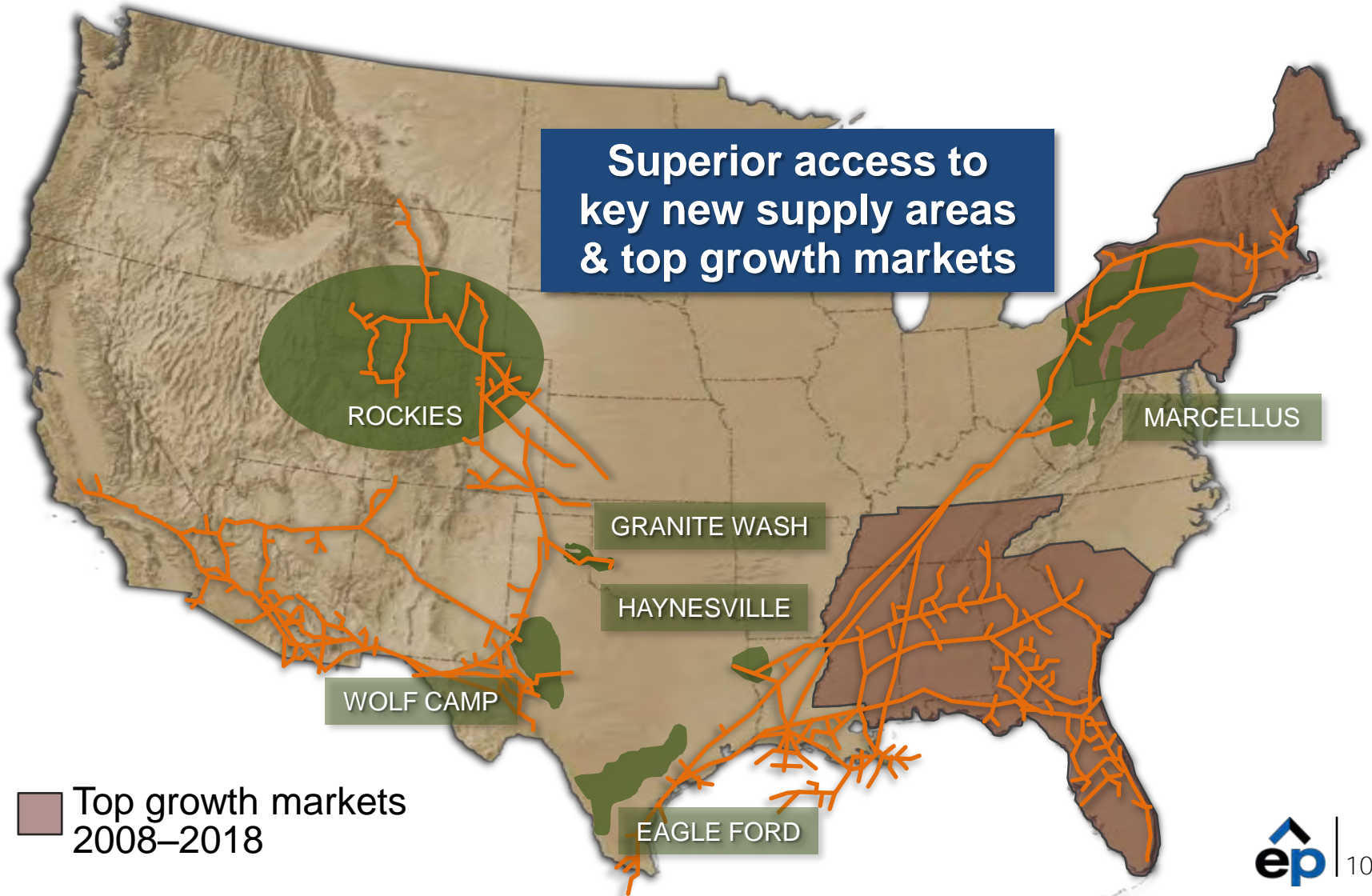
25%

<sup>1</sup>Reflects Nov–Dec 2010

<sup>2</sup>On 3.7 MMBbls of anticipated 2011 oil production if oil prices drop below \$65.00 per barrel, the transactions effectively lock in a cash settlement of the market prices plus \$20.14, which is the difference between the average floor price and \$65.00.

Note: WTI pricing and hedge positions are as of October 31, 2010. 2011 and 2012 percentages based on 2010E domestic crude and NGL production

# El Paso Pipeline Group Premier Pipeline System



# Ruby Construction Underway



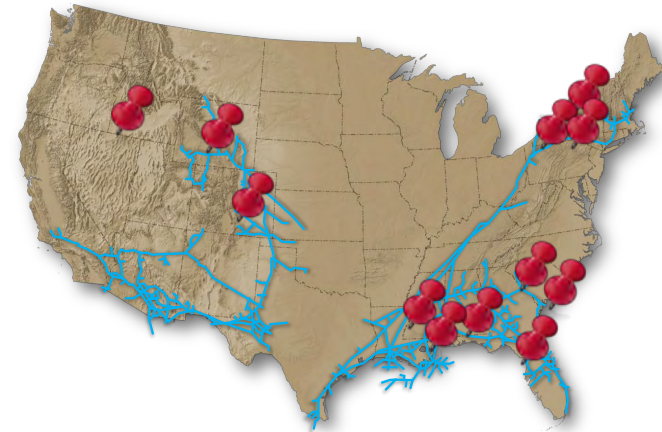
Photo by Braden Wolfe, Herald Journal

- 8 spreads
- Progressing well in the east; slower than expected in the west
  - Regulatory clearance delays in Oregon and Nevada
  - Situation has recently improved
- Expect 10%–15% over budget; in service June 2011
  - Variables: weather, pace of regulatory clearances, fish & game windows

**Significant focus on maximizing productivity**

# Continued Progress on Pipeline Expansions

IN-SERVICE	PROJECT	STATUS	
2010	Elba III A/Elba Express WIC System Expansion	Completed	~\$100MM, under budget; on-time
	CIG Raton 2010	Nearing completion	
	SNG South System III <sup>1</sup>		
2011	Ruby	<ul style="list-style-type: none"> <li>▪ Under construction</li> <li>▪ Construction agreements in place—fixed, unit, incentive</li> <li>▪ All pipe delivered/en route</li> <li>▪ Major equipment installed at Gulf LNG</li> </ul>	
	FGT Phase VIII		
	Gulf LNG		
	TGP 300 Line		
	SESH Phase II		
2012 & BEYOND	TGP NSD	Looping	
	TGP Northeast Upgrade	Looping & compression	
	Elba III B <sup>2</sup> /Elba Express B	Storage tank & compression	



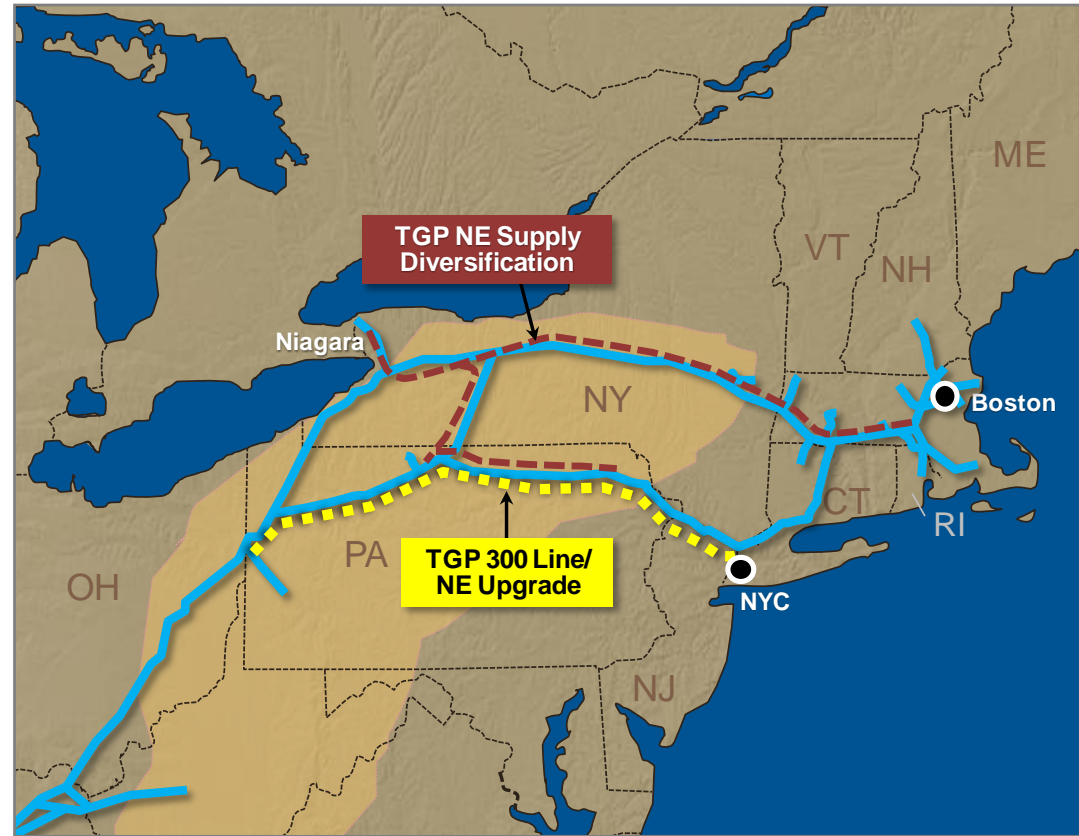
- Multi-year expansion program expected within ~5% of budget
- ~90% subscribed, predominantly investment-grade customers
- 10–30 year contracts

<sup>1</sup>South System III is a three phase expansion, going in-service in January 1, 2011, June 2011, and June 2012, respectively. Construction agreements are finalized for phases I & II.

<sup>2</sup>At BG's option

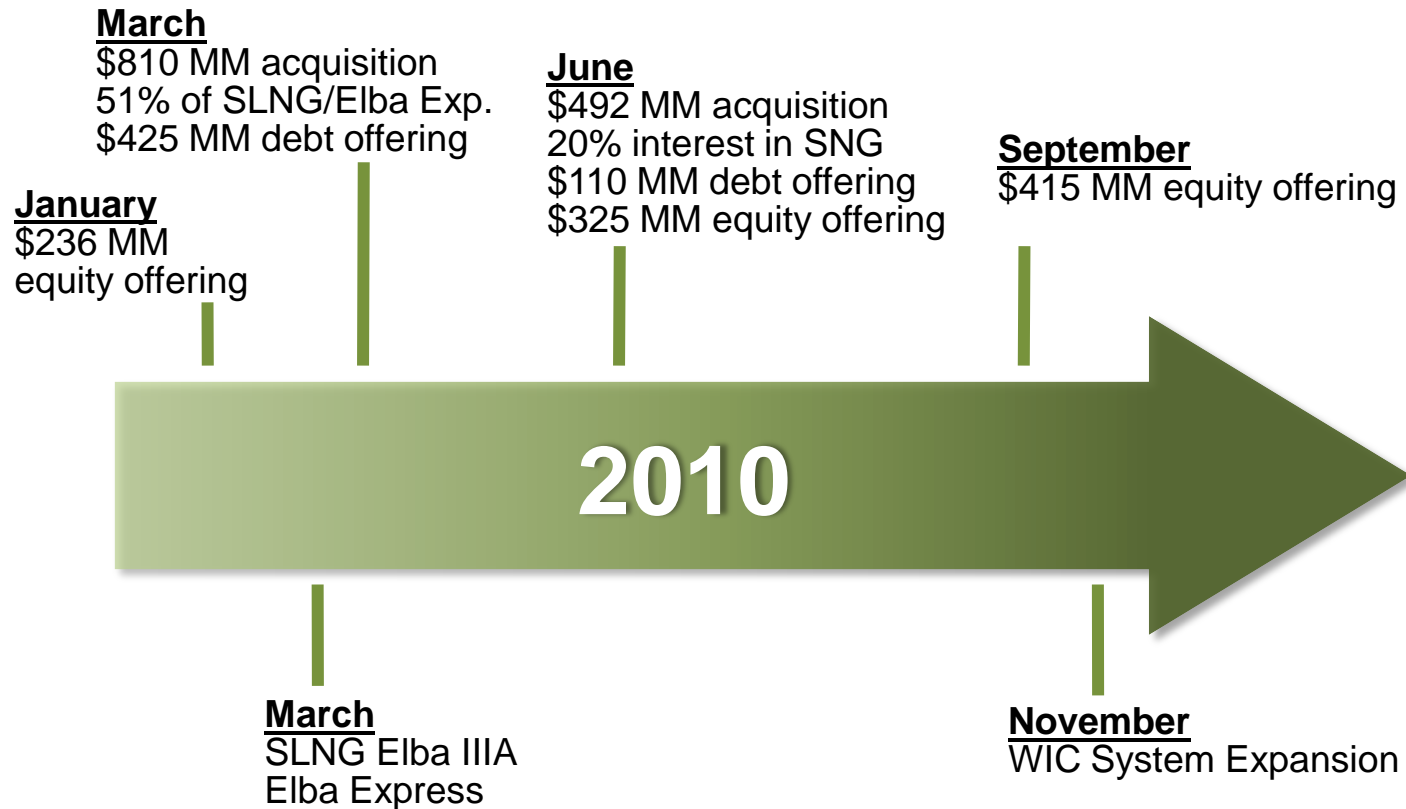
# Marcellus Opportunities— Leveraging Our Existing Footprint

- Northeast Supply Diversification
  - Up to 250 MMcf/d capacity
  - Fully subscribed / 15 years
  - In-service: 2012
  - Capex < \$100 MM
- TGP 300 Line
  - Construction underway
- Northeast Upgrade
  - Initiated FERC pre-filing
- Marcellus area volumes on TGP
  - Increased to >900 MMcf/d
- Backhauls
  - ~\$60 MM revenues by 2012



**TGP growth projects exceed \$1 billion**

# El Paso Pipeline Partners Continued Growth Profile



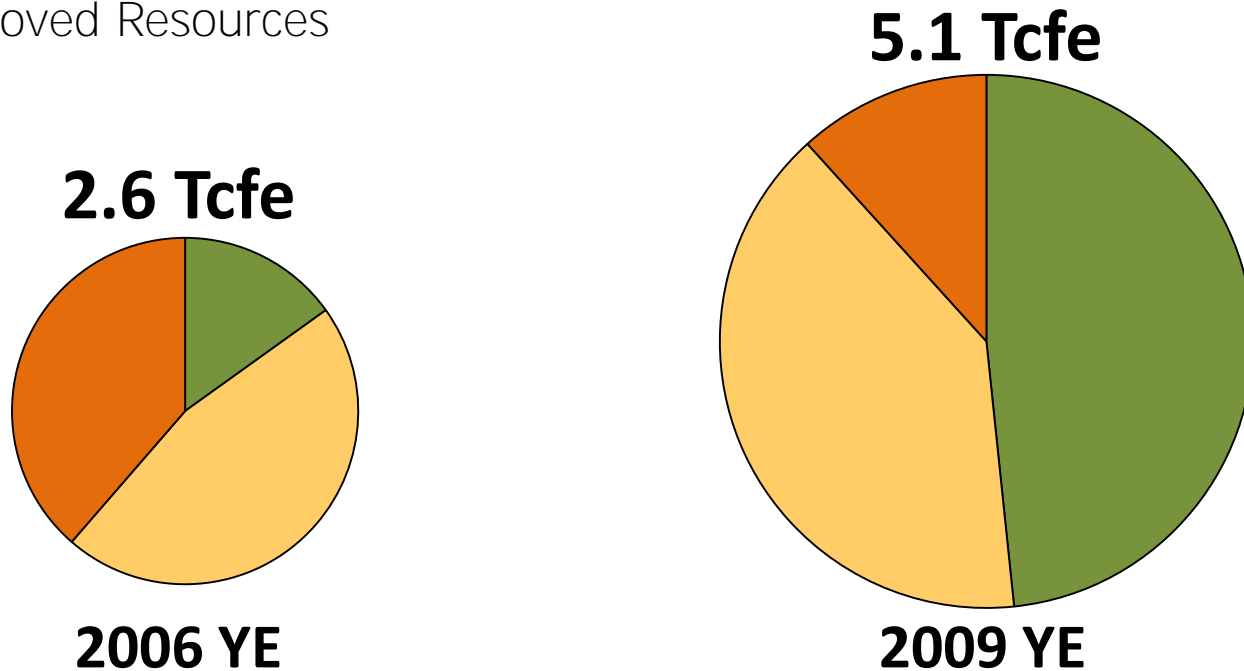
**\$1.3 billion of acquisitions completed this year**

# El Paso Exploration & Production Asset Overview & Core Programs



# Tremendous Growth in Undrilled Resources

Risked Unproved Resources

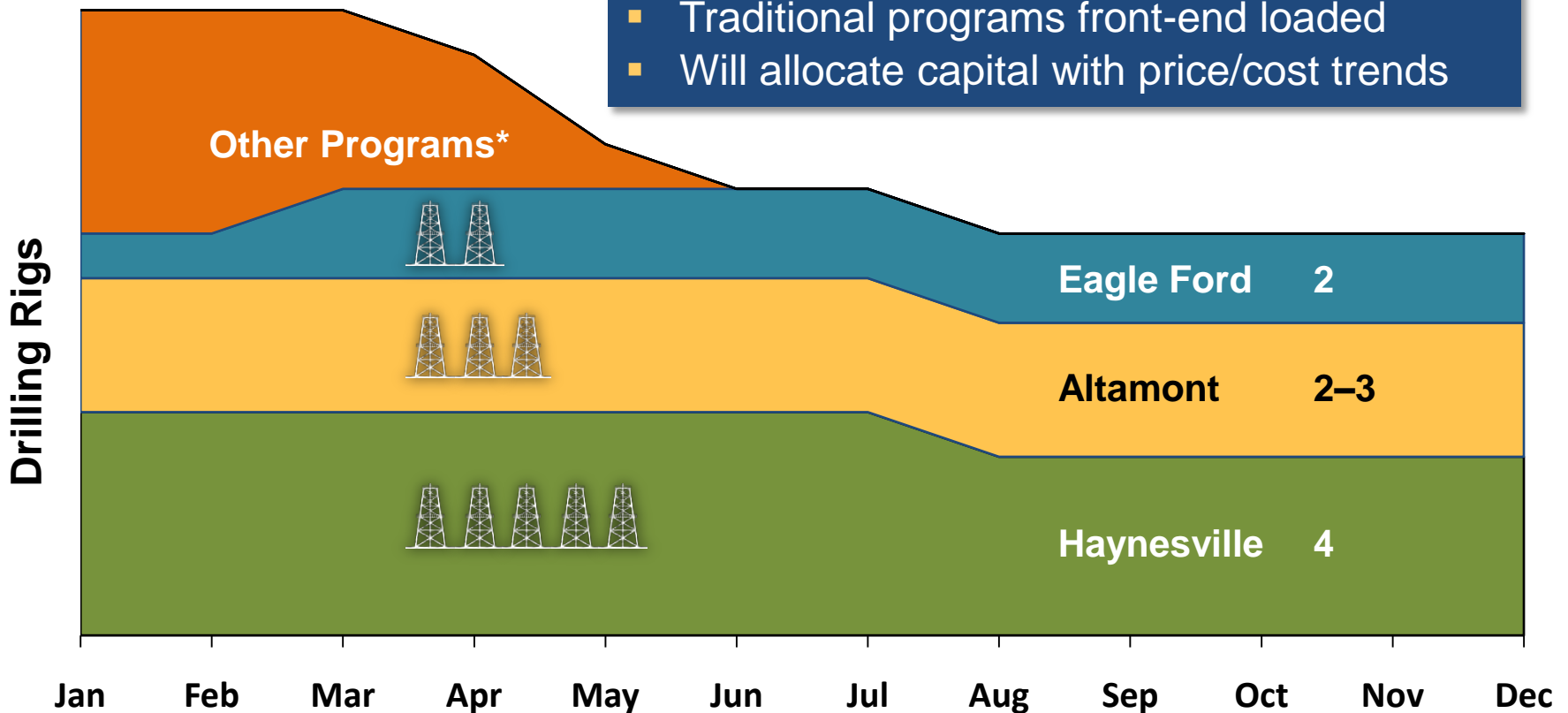


**Expect inventory to grow further with Wolfcamp and additional Eagle Ford**

Note: Resource estimates include our proportionate share of Four Star

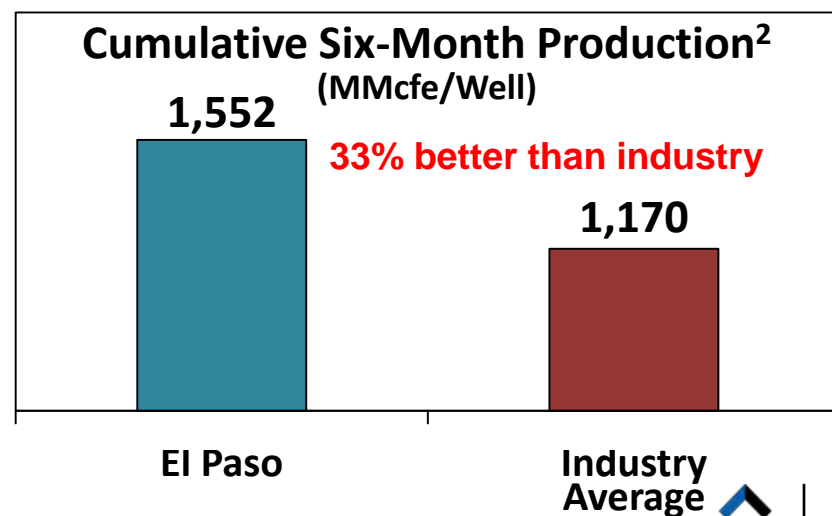
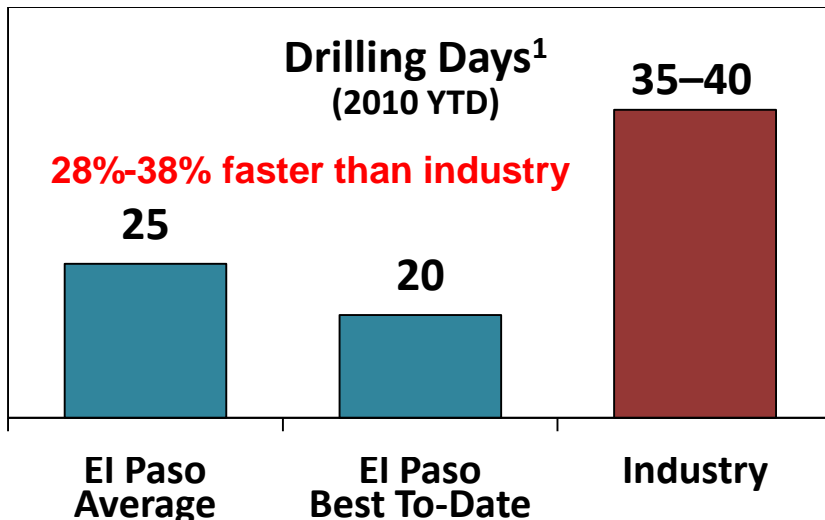
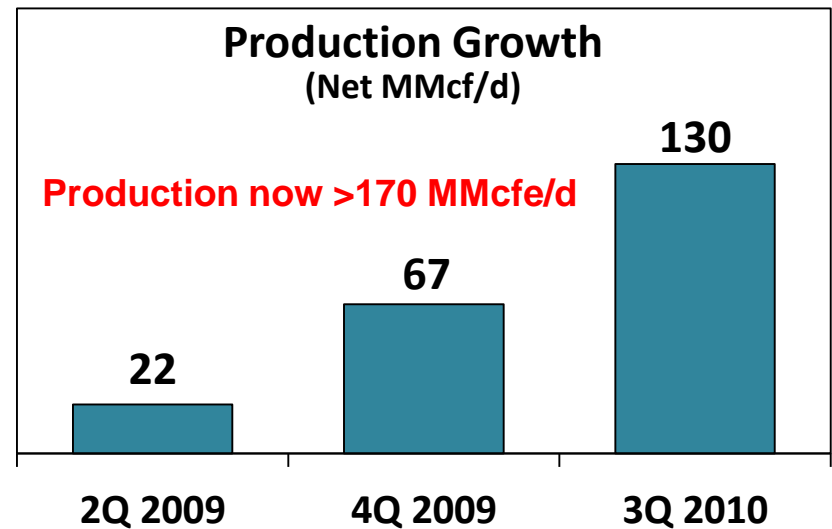
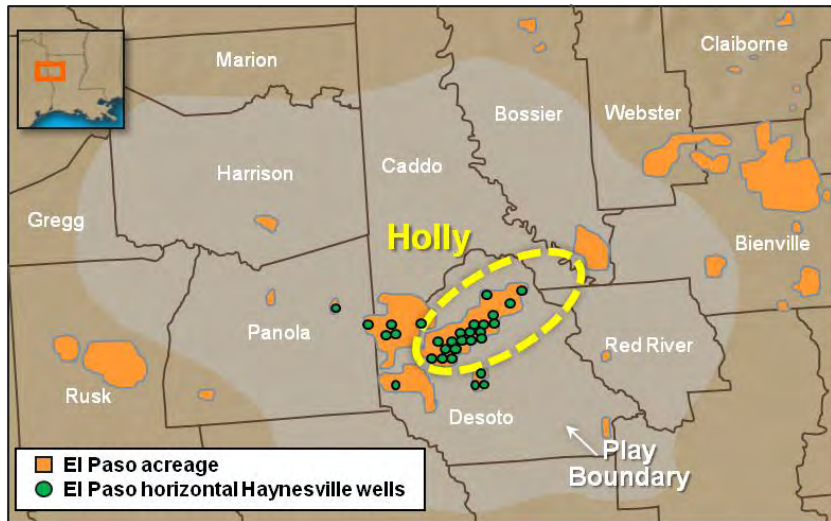
# Maintaining Capital Discipline

- Focused on Haynesville, Altamont and Eagle Ford for remainder of the year
  - Most profitable / most oil
- Traditional programs front-end loaded
- Will allocate capital with price/cost trends



\*Other Programs include Cotton Valley Horizontal & Vertical, GOM (low risk), S. Texas-Wilcox, CBM

# El Paso's Haynesville Program Demonstrates Industry-Leading Performance

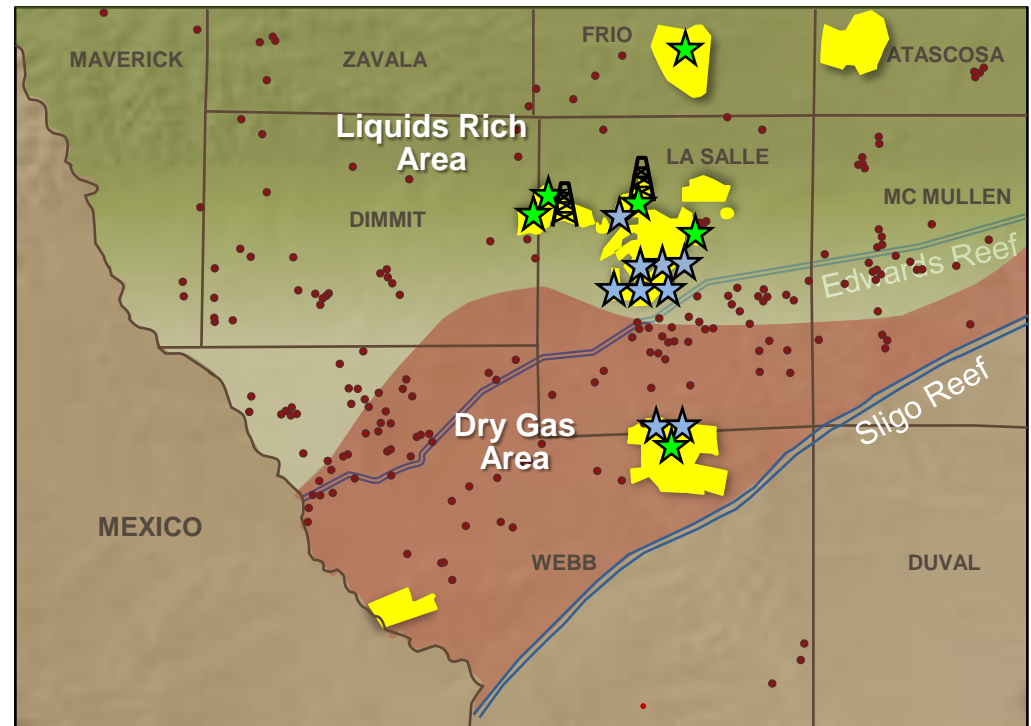


<sup>1</sup>Spud to TD

<sup>2</sup>Average per well, based on state reported production data for all wells targeting the Haynesville shale (deeper than 11,450') as of March 2010

# Eagle Ford Provides Significant Oil Opportunity

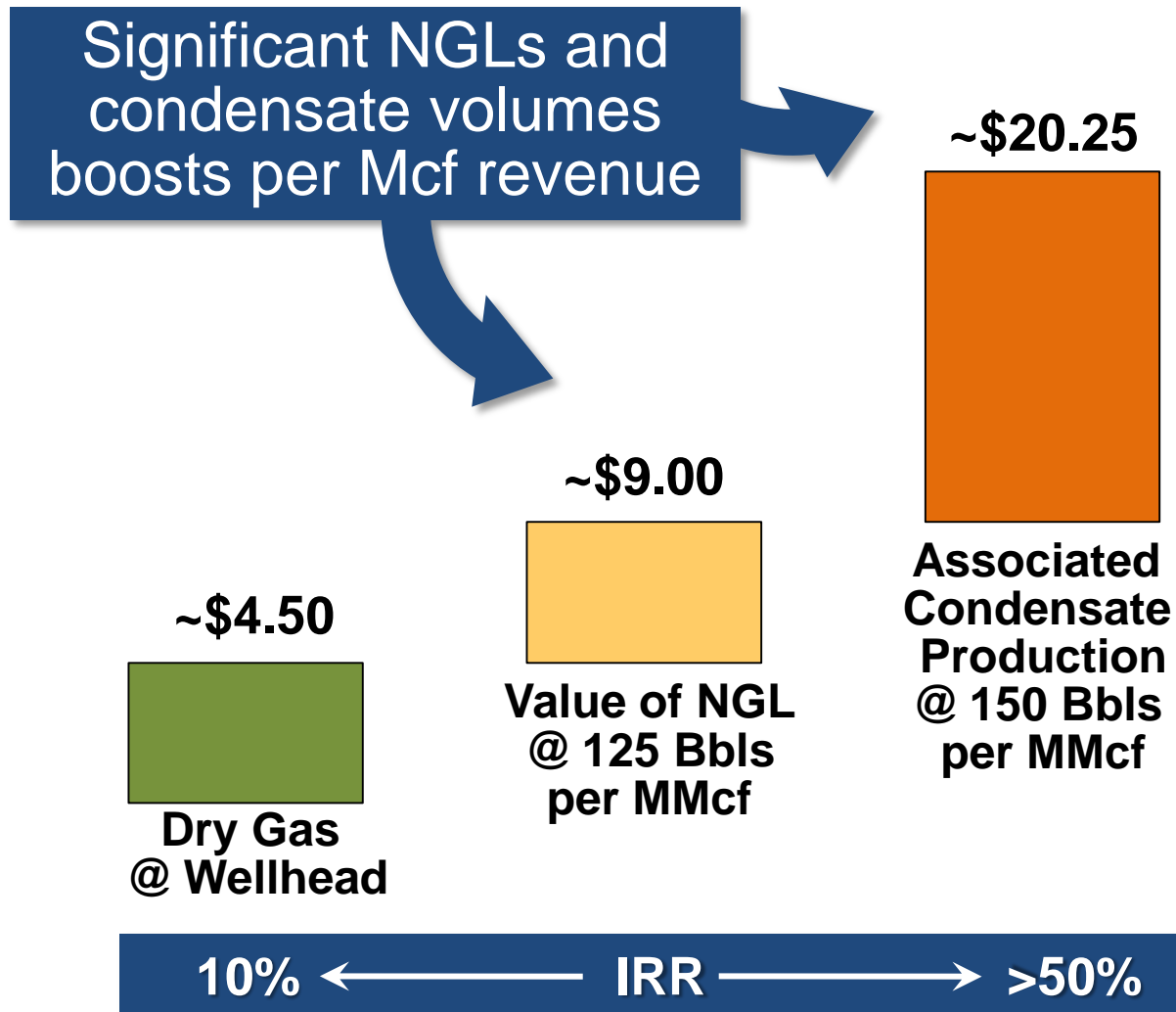
- Results continue to meet or exceed expectations
- 9 wells currently producing
  - 6 waiting on completion
- >1,000 future locations
- Significant net unrisked resource potential:
  - ~250 MMBbl liquids &
  - ~1.8 Tcf gas
- 2 rigs for remainder of 2010 in liquids rich area
- Pursuing potential JV



- EP Leasehold
- EP Completed Wells
- Completing Wells
- Industry Eagle Ford Activity
- Drilling Wells

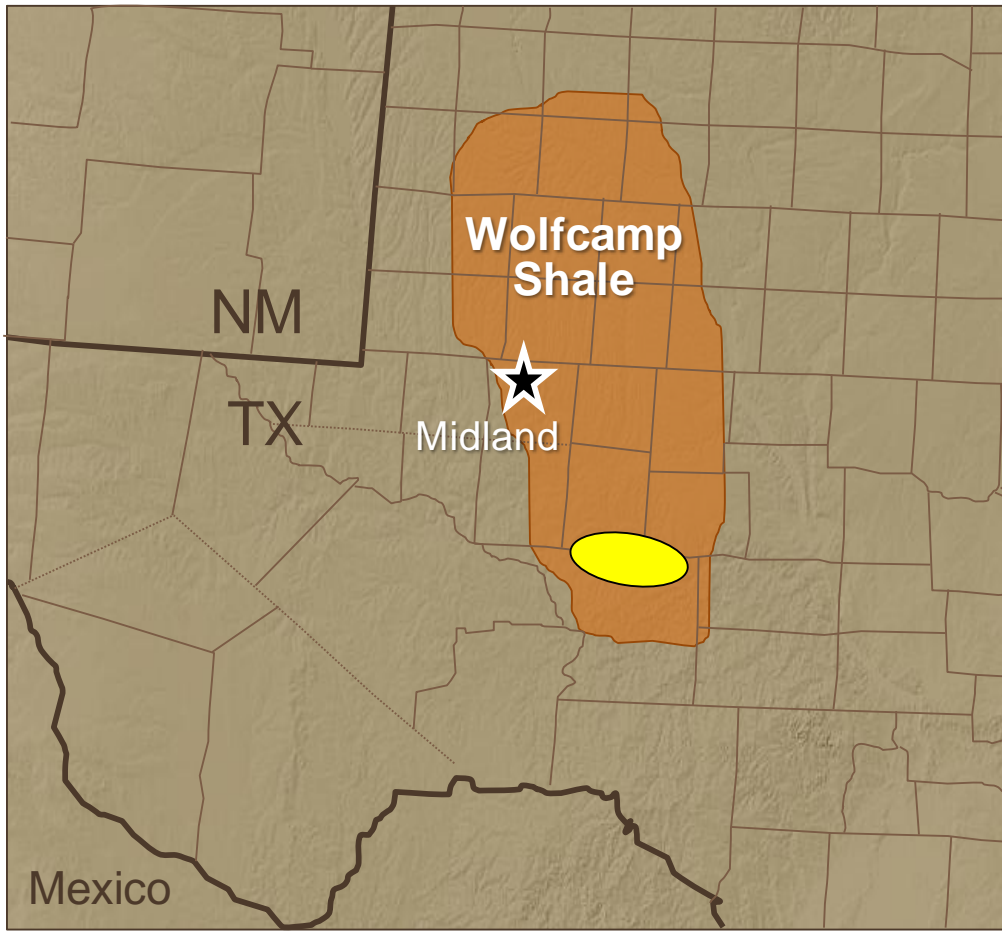
3-6 rig program in 2011

# Economics of Gas Condensate Wells are Outstanding



Note: Assumes \$4.50 realized natural gas price; \$75 condensate; \$45 NGLs

# New Oil Shale Program—Wolfcamp



- ~135,000 net acres
- More than 600 Upper Wolfcamp potential locations (75% utilization)
- >150 MMBbl net unrisks resource potential—Upper Wolfcamp only
- Acreage surrounded by >300 Wolfcamp vertical wells
- Encouraging early Wolfcamp horizontal results
- Multiple secondary objectives
- Infrastructure in place
- Applying Eagle Ford & Haynesville learnings

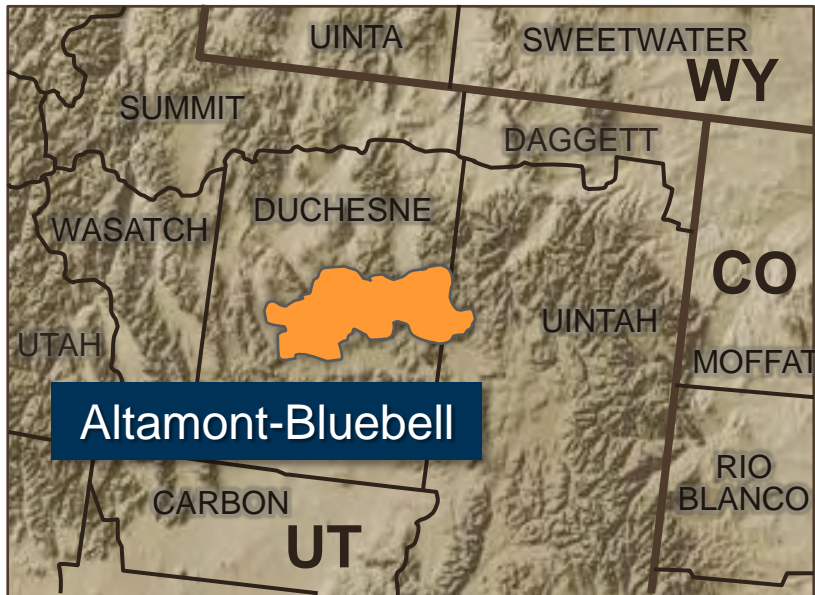
**Expected to be a core program**

# Lots to Like About the Wolfcamp

	WOLFCAMP	EAGLE FORD	BAKKEN	MARCELLUS	HAYNESVILLE
Top of Shale - Depth, ft.	5,800–7,500	7,000–14,000	8,500–10,500	4,000–8,500	10,500–13,500
Net thickness, ft.	400–850	150–300	10–150	50–200	200–300
Total organic carbon, %	4–15	2–6	7–22	3–12	0.5–0.4
Total porosity, %	7–15	6–14	3–8	10	8–9
Quartz, %	42	15	25	35	28
Carbonate, %	28	50	20	14	14
Clay, %	24	18	40	31	39

**Very thick with superior rock characteristics**

# Altamont Program is a Large Resource



- Tight oil sands
  - 4,000 ft. pay interval
- Largest acreage holder in play
- >900 future locations<sup>1</sup>
- Reduced profitability threshold from \$70/Bbl to <\$50/Bbl

**Significant resource potential**

<sup>1</sup> Includes PUD & unproved resources as of 12/31/09

# Summary

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- Execution focus and strategic actions are building value for shareholders
- Multi-year backlog expected to be within ~5% of budget
  - Significant future cash flow generation
- E&P managed for value
  - Drilling most profitable programs
  - Significant expansion of oil opportunities
- Excellent hedge positions

**Excellent multi-year growth outlook**



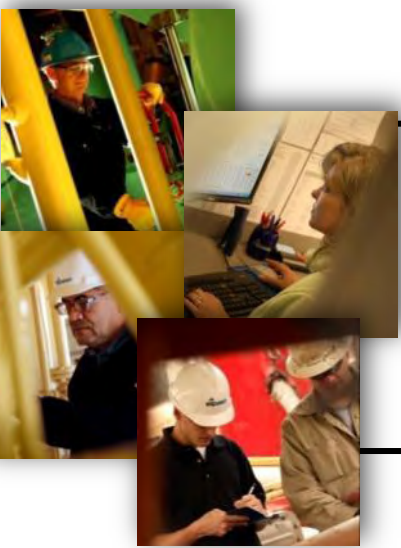
# Investor Update

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November 2010



# Appendix



# Definition of Terms

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El Paso uses the terms Risked Unproved Resources and Unrisked Resource Potential in this presentation. 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 this presentation, 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 and unrisked resource potential 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.