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MEDIA RELEASE

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Watco and Kinder Morgan announce Crude by Rail network

PITTSBURG, KANSAS, March 1, 2011 – Watco Companies, LLC and Kinder Morgan Energy Partners, L.P. (NYSE: KMP) announced an agreement today whereby Kinder Morgan and Watco will construct and operate several rail transload facilities in key markets for loading and unloading crude oil along with many other commodities and products that are tied to the oil and gas industry.

The network will consist of several key markets which include Dore, N.D., Stanley, N.D., Stroud, Okla., Houston, Texas and several strategic loading facilities in the Eagle Ford Shale area in south Texas. Each facility will have the capability of handling large unit train volumes along with manifest commodities such as frac sand, pipe and drilling supplies.

The Dore, N.D., facility will include Pioneer Oil, LLC, headquartered in Billings, Mont., and will have over 10,000 feet of track in Phase I of the project along with warehousing for inside storage. The operational start date is September 1, 2011. Stroud will also house the capabilities of handling unit train volumes with a start date of October 1, 2011 and will provide Customers direct access to Cushing, Okla. The other locations are still in the design phase and will be operational in the first quarter of 2012.

“As companies like Watco and Kinder Morgan continue to invest in expanding transportation services for the oil and gas industry, they are also helping to boost the economies of these key markets,” said Denis Smith, BNSF vice president, industrial products marketing. “We look forward to working with Watco and Kinder Morgan to serve this growing market.”

Kevin Goins, SVP and COO Watco Transload and Intermodal, said, “Our new network of transloads, in partnership with Kinder Morgan, will add significant new services to the changing market dynamics and we believe will provide tremendous value for Customers by improving the way they move energy related commodities. We believe it will give our Customers multiple options to ship by rail and provides them with a seamless solution from key production areas to key destinations.”

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Kinder Morgan Energy Partners, L.P. (NYSE: KMP) is a leading pipeline transportation and energy storage company in North America. KMP owns an interest in or operates more than 28,000 miles of pipelines and 180 terminals. Its pipelines transport natural gas, gasoline, crude oil, CO₂ and other products, and its terminals store petroleum products and chemicals and handle bulk materials like coal and petroleum coke. KMP is also the leading provider of CO₂ for enhanced oil recovery projects in North America. One of the largest publicly traded pipeline limited partnerships in America, KMP has an enterprise value of over \$30 billion. The general partner of KMP is owned by Kinder Morgan, Inc., a private company. For more information please visit www.kindermorgan.com.

This news release includes forward-looking statements. Although Kinder Morgan believes that its expectations are based on reasonable assumptions, it can give no assurance that such assumptions will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Kinder Morgan's Forms 10-K and 10-Q as filed with the Securities and Exchange Commission.

Watco Companies, LLC (Watco) is a Pittsburg, Kan., based transportation company serving transportation, mechanical, and transload/intermodal needs of Customers throughout the nation. Watco is the owner of Watco Transportation Services, LLC (WTS), the largest privately-held short line railroad company in the U.S. operating 22 short line railroads on more than 3,500 miles of track as well as 23 industrial contract switching locations. Watco's Mechanical Services division operates 14 railcar repair shops, 4 locomotive shops and 19 mobile mechanical shops. The Transload/Intermodal Services division currently manages 12 transload facilities, 7 warehouses and 1 intermodal location. More information about Watco and its subsidiaries can be found at www.watcocompanies.com.

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