

Kinder Morgan and Arch Coal Sign Throughput Agreement to Further Expand Coal Terminal Network

January 24, 2012 4:19 PM ET

HOUSTON & ST. LOUIS--Jan. 24, 2012-- Kinder Morgan Energy Partners, L.P. (NYSE: KMP) today announced plans to invest approximately \$140 million to further expand its coal handling facilities along the Gulf Coast. Concurrently, Arch Coal (NYSE: ACI) has signed a long-term throughput agreement with KMP that will help support the expansion of these export facilities. Also, Arch and KMP are in final discussions to include, in the throughput agreement, port space for coal shipments at KMP-owned facilities on the East Coast.

Upon completion of the proposed terminal upgrades and subject to certain rail service agreements, Arch will ship coal at guaranteed minimum volume levels through KMP-owned terminals. The expansion of KMP's export facilities along the Gulf Coast and East Coast will provide incremental port capacity for Arch's growing seaborne coal volumes.

"The demand for export coal continues to grow and we are pleased to offer Arch and other customers options in various markets through our multi-location terminal network," said Jeff Armstrong, president of Kinder Morgan Terminals. "We are also extending existing long-term coal agreements with Arch at our upriver terminals (Cora, Cahokia and Kellogg) in Illinois."

"This strategic partnership with Kinder Morgan, a company with a proven track record of running successful terminal operations, will allow Arch to significantly increase our participation in the global coal market," said John W. Eaves, Arch's president and chief operating officer. "This dedicated capacity directly underpins our long-term strategy to grow Arch's coal exports by fourfold in the next decade, and is consistent with our view that a global coal supply shortfall will persist over that time frame."

Specific to the expansions on the Gulf Coast, KMP will install a new shiploader and a railcar loop track to handle three 135-car unit trains at its Deepwater terminal in Houston. Following completion of the project, the Deepwater terminal will have throughput capacity of 10 million tons of coal per year. The projects are expected to be immediately accretive to cash available to KMP unitholders upon completion, which is anticipated in the second quarter of 2014.

KMP's Deepwater and East Coast facilities offer dual rail access from Class 1 railroads, while International Marine Terminal (IMT) provides barge access to the inland waterway system. The Deepwater terminal will be capable of handling panamax- and post panamax-size vessels, while one East Coast terminal and IMT will be capable of handling cape-size vessels. These multiple transportation options will allow Arch to unlock incremental value for its domestic coal production and coal reserves over the next 10 years. Anticipated throughput volumes will consist of metallurgical and thermal coal from Arch's major coal producing regions, including Appalachia, the Powder River Basin, the Western Bituminous Region and eventually the Illinois Basin.

"Securing additional port capacity further supports the expansion of Arch's international coal platform," said Eaves. "Along with the acquisition of the ICG assets, the opening of new business offices in Singapore and London, and previous equity investments in port terminals on the East Coast and West Coast, this agreement strengthens Arch's position as one of the top U.S. suppliers in the seaborne coal trade."

About Arch Coal

U.S.-based Arch Coal is a top five global coal producer and marketer. Arch is the most diversified American coal company, with mining complexes across every major U.S. coal supply basin. Its core business is supplying cleaner-burning, low-sulfur thermal and metallurgical coal to power generators and steel manufacturers on four continents.

About Kinder Morgan

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 approximately 29,000 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 such products as ethanol, coal, petroleum coke and steel. 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 and Kinder Morgan Management, LLC (NYSE: KMR) have an enterprise value of over \$40 billion. The general partner of KMP is owned by Kinder Morgan, Inc. (NYSE: KMI). Combined, KMI, KMP and KMR constitute the largest midstream energy entity in the United States

with an enterprise value of approximately \$65 billion. For more information please visit <http://www.kindermorgan.com>.

Forward-Looking Statements: This press release contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from changes in the demand for our coal by the domestic electric generation industry; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from operational, geological, permit, labor and weather-related factors; from fluctuations in the amount of cash we generate from operations; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. For a description of some of the risks and uncertainties that may affect our future results, you should see the risk factors described from time to time in the reports Arch files with the Securities and Exchange Commission.

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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.