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## El Paso Corporation Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) We'll pause for just a moment to compile the Q&A roster. Your first question comes from Shneur Gershuni with UBS, your line is open.

#### Shneur Gershuni – UBS

Thank you, good morning. I guess my first question is, with respect to liquidity on – thank you very much for putting up the slides with respect to how your liquidity's going to look throughout the year and so forth. In the scenario where gas prices, oil prices continue at these levels and, let's say, they continue into 2010, how comfortable are you with \$1.2 billion of year-end liquidity to fund 2010? And is there any more flexibility within the E&P program and also the pipeline CapEx program to be able to move out of 2010?

#### Mark Leland

Shunir, this is Mark. We feel pretty comfortable with our liquidity at year-end, though, certainly given a low price environment, we're always going to want to add to liquidity. And we'll be working on building liquidity throughout the rest of this year to prepare for 2010. We've got some flexibility on the E&P side as you've seen, the – the range in CapEx this year, we have probably similar range that we're looking at next year and beyond. But generally, we feel pretty good about where we are today. Our hedges give us a lot of time and cushion to deal with liquidity and what happens in 2010.

#### Doug Foshee

Yes. This is Doug. I think from our perspective, the good news is, we're sitting here in February already focusing on 2010. And that's because we stacked up \$3.3 billion worth of liquidity to put us in a position to be – to really be responsive to things early. So we are planning for what we would do in the event that we had a very protracted low price, low commodity price scenario.

And I think you'll see us respond to that, just like we responded last year to what happened in the fourth quarter. And I have a lot of faith in Mark and his finance team to do that. A couple of things I'd point out, one in particular is we do retain a great deal of flexibility with regard to our capital spending levels and E&P. We're going to spend \$250 million this year internationally. But to a large degree, as we look at 2010, that's discretionary spending on our part.

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