

PROPOSED SETTLEMENT OF SECURITIES ACTION AGAINST EL PASO CORPORATION AND OTHERS

To: Those who acquired securities of El Paso Corporation from February 22, 2000, through February 17, 2004. Your rights may be affected by a lawsuit.

From: Lynn N. Hughes, United States District Judge, Houston.

1. Introduction

A securities case was brought against El Paso Corporation and other defendants by Oscar S. Wyatt, Jr., Jacksonville Police & Fire Pension Fund, and Oklahoma Firefighters Pension and Retirement System for themselves and a class that includes people who acquired the securities of El Paso from February 22, 2000, through February 17, 2004. It alleges violations of the securities laws. The parties have reached a settlement that will resolve all claims.

2. Information

For more information contact:
A.B. Data, Ltd.
(800) 949-0148
www.elpasosecuritiessettlement.com

3. Warning

Your rights are affected even if you do not act. Please read this carefully.

4. Recovery

Under the settlement, defendants will pay \$285 million. Of this, \$273 million will be paid by El Paso and \$12 million will be paid by PricewaterhouseCoopers LLP. After deductions for attorneys' fees and other expenses, the remainder will be distributed to the class members. The allocation has been prepared by plaintiffs with the help of a damages consultant. The plan is available at www.elpasosecuritiessettlement.com or from class counsel.

Defendants deny that they have done anything giving rise to liability.

The average recovery is \$.176 per damaged share, based on the estimated number of damaged shares, and assuming all owners of the damaged shares participate.

Class members may receive more or less, depending on:

- (a) when their securities were purchased or sold;
- (b) the number of class members who file claims;
- (c) the interest accrual at the distribution;
- (d) administrative costs;
- (e) attorneys' fees and expenses; and
- (f) the plan of allocation.

If you want to receive money from this settlement, you must complete and submit a claim form, postmarked by April 18, 2007, to:

El Paso Case
A.B. Data, Ltd.
Post Office Box 170200
Milwaukee, Wisconsin 53217

A claim form is included. You can get extra forms at www.elpasosecuritiessettlement.com or by calling A.B. Data at (800) 949-0148.

If you are a class member and you do nothing, you will not be paid, and you will lose your right to file your own lawsuit about the claims in this case.

5. Outcome of case

The parties disagree on both liability and damages as well as on the average damages per share that would be recoverable if the class were to prevail. The potential damages changes using different assumptions and methodologies.

The parties disagree about:

- (a) whether the statements made or facts omitted were materially false or misleading or otherwise actionable under the federal securities laws;
- (b) the correct economic models or assumptions for determining whether the prices of El Paso securities were artificially changed;
- (c) the extent that external factors and market forces, like general market and industry conditions, influenced the prices of El Paso securities during the class period; and
- (d) the extent that the adverse material facts alleged to be misstated or omitted influenced the prices of El Paso securities.

6. Reasons for settlement

By agreeing to a settlement, the plaintiffs and defendants avoid the costs and risk of further litigation, and the class members are compensated now under the plan of allocation.

7. Attorneys' fees and costs

Lead counsel have not been paid for working on the action for the plaintiffs and the class nor have they been reimbursed their expenses. The attorneys' fees requested will not exceed 15.438% of the settlement fund before deduction of expenses. The fees will earn interest at the same rate as the settlement fund. Lead counsel will also apply for reimbursement of their expenses in total not to exceed \$2.25 million, plus interest.

If approved by the District Court, the requested fees would cost an average of \$.027 per damaged share and the costs and expenses would cost an average of \$.0014 per damaged share. These costs may vary. In addition, lead counsel will apply for the costs of administering the settlement, notifying the class, and evaluating claims and releases. These expenses cannot be reasonably estimated. If costs and expenses are incurred later, lead counsel may apply for reimbursement of them without notice to the class.

8. Hearing

The Court will hold a hearing on

March 6, 2007
at 9:00 a.m.
United States District Court
515 Rusk Avenue
Houston, Texas 77002

to decide whether to approve the settlement, plan of allocation, and request for fees and expenses.

At their own cost, class members may appear through their own counsel. If you are a class member and do not want to be included in the class and the settlement, you must tell A.B. Data in writing, and include what, when, and how many El Paso securities you acquired between February 22, 2000, through February 17, 2004. Your request for exclusion must be postmarked no later than **February 2, 2007**, and addressed to:

El Paso Case
A.B. Data, Ltd.
Exclusions
Post Office Box 170200
Milwaukee, Wisconsin 53217

A judgment in this case on the settlement will bind all class members who do not request exclusion on time.

9. Further information

You may get information on the action and the settlement from A.B. Data:

El Paso Case
A.B. Data, Ltd.
Post Office Box 170200
Milwaukee, Wisconsin 53217
www.elpasosecuritiessettlement.com
(800) 949-0148

You may also contact counsel through:

Jonathan M. Plasse
Labaton Sucharow & Rudoff LLP
100 Park Avenue
New York, New York 10017
(888) 212-5685

10. Objections

If you are a class member, you can object to any part of the settlement that you do not like. To object, your objection must be received by **February 2, 2007**. Written objections and copies of supporting papers (including proof of purchases and sales of El Paso securities) to A.B. Data.