FILED BY ENTERPRISE PRODUCTS PARTNERS L.P.
PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933, AS AMENDED
AND DEEMED FILED PURSUANT TO RULE 14A-12 AND RULE 14D-2(b)
OF THE SECURITIES EXCHANGE ACT OF 1934

SUBJECT COMPANY: GULFTERRA ENERGY PARTNERS, L.P.
COMMISSION FILE NO.: 1-11680

ENTERPRISE PRODUCTS PARTNERS L.P. ("ENTERPRISE") AND GULFTERRA ENERGY PARTNERS, L.P. ("GULFTERRA") WILL FILE A JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS WITH THE SECURITIES AND EXCHANGE COMMISSION. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION REGARDING ENTERPRISE, GULFTERRA AND THE MERGER. A DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WILL BE SENT TO SECURITY HOLDERS OF ENTERPRISE AND GULFTERRA SEEKING THEIR APPROVAL OF THE MERGER TRANSACTIONS. INVESTORS AND SECURITY HOLDERS MAY OBTAIN A FREE COPY OF THE JOINT PROXY STATEMENT/PROSPECTUS (WHEN IT IS AVAILABLE) AND OTHER RELEVANT DOCUMENTS CONTAINING INFORMATION ABOUT ENTERPRISE AND GULFTERRA AT THE SEC'S WEB SITE AT WWW.SEC.GOV. COPIES OF THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND THE SEC FILINGS THAT WILL BE INCORPORATED BY REFERENCE IN THE JOINT PROXY STATEMENT/PROSPECTUS MAY ALSO BE OBTAINED FOR FREE BY DIRECTING A REQUEST TO THE RESPECTIVE PARTNERSHIPS.

ENTERPRISE AND GULFTERRA AND THE OFFICERS AND DIRECTORS OF THEIR RESPECTIVE GENERAL PARTNERS MAY BE DEEMED TO BE PARTICIPANTS IN THE SOLICITATION OF PROXIES FROM THEIR SECURITY HOLDERS. INFORMATION ABOUT THESE PERSONS CAN BE FOUND IN ENTERPRISE'S AND GULFTERRA'S RESPECTIVE ANNUAL REPORTS ON FORM 10-K FILED WITH THE SEC AND IN THE SCHEDULE 13D FILED BY DAN L. DUNCAN WITH THE SEC, AS AMENDED ON DECEMBER 18, 2003, AND ADDITIONAL INFORMATION ABOUT SUCH PERSONS MAY BE OBTAINED FROM THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE.

Enterprise is filing excerpts from its 2003 Annual Report that reference the proposed merger with GulfTerra.

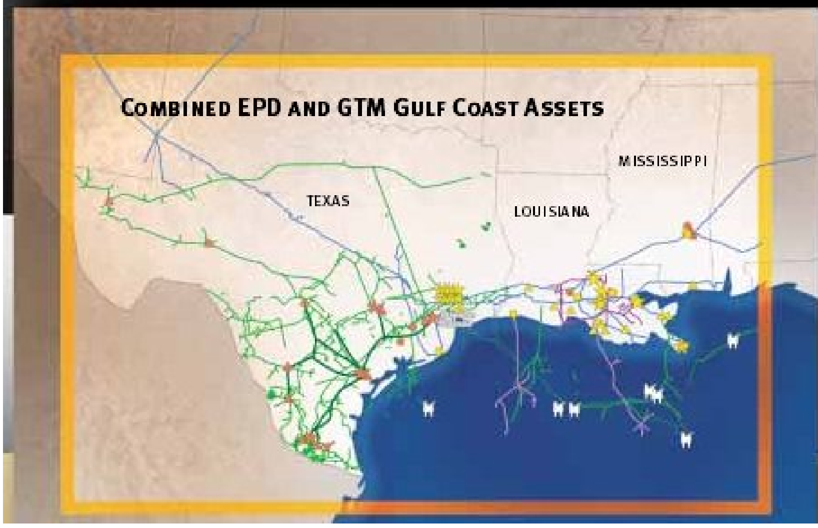
ENTERPRISE AND GULFTERRA TO MERGE FORMING $13 BILLION MIDSTREAM ENERGY PARTNERSHIP

On December 15, 2003, Enterprise Products Partners L.P., GulfTerra Energy Partners, L.P. and El Paso Corporation executed definitive agreements to merge Enterprise and GulfTerra to form the second largest publicly traded energy partnership.

- Combined company will provide a complete menu of services for producers and consumers of natural gas, natural gas liquids and crude oil from the wellhead to the end user in key producing and consuming regions
- Enterprise and GulfTerra's assets include:
  - *Over 17,500 miles of natural gas pipelines*
  - *Over 13,000 miles of NGL and petrochemical pipelines*
  - *340 miles of offshore crude oil pipelines in the Gulf of Mexico*
  - *164 MMBbls of NGL storage capacity; 23 Bcf of natural gas storage capacity*
  - *26 natural gas processing plants*
  - *17 fractionation facilities*
  - *Interests in 7 offshore Gulf of Mexico hub platforms*
  - *NGL import/export terminals located on the Houston Ship Channel*

SIGNIFICANCE OF TRANSACTION

- Combined company will have a premier GP/LP structure with the GP's incentive distribution rights capped at an industry low 25% providing a lower cost of capital and the potential for greater returns for our limited partners
- Combines two great partnerships with a history of superior investor returns, record of operational excellence and commitment to customer service
- Creates full service franchise serving the largest producing basins in the U.S. and Canada and the largest consuming regions of natural gas, NGLs and crude oil on the U.S. Gulf Coast
- Complementary business profile will generate substantial cash flow from fee-based services and provide a partial, natural hedge to changes in commodity prices
- Increased size and scope will enhance growth prospects



To the Partners of Enterprise Products Partners L.P.

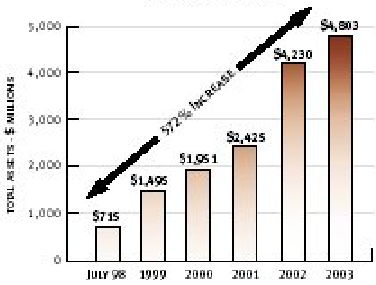
2003 was a remarkable year for Enterprise. First, it marked our fifth anniversary as a public company. The year also presented one of the most challenging business environments that we have faced in the last twenty years. Finally, 2003 will be most remembered for our agreement to merge with GulfTerra Energy Partners, L.P. to form one of the leading midstream energy companies in the U.S. with an enterprise value of $13 billion.

Five Years of Growth & Value Creation

In July 1998, after thirty years as a private company, we took Enterprise public to enable us to better participate in the next wave of growth and consolidation in the midstream energy industry. Our primary goals were to make disciplined investments in the midstream energy sector to complement our existing platform of assets and create long-term value and an attractive total return for our partners. These remain our core goals today. Since our IPO, we have invested approximately $3.1 billion in the growth of our partnership through acquisitions, the construction of new assets and the expansion of existing facilities.

We have grown our partnership from a small Texas-based company with $715 million in assets to the second largest publicly traded energy partnership with assets of over $4.8 billion serving the major producing basins in the United States and Canada. Over this period, our revenues have grown 624% from $739 million to over $5.3 billion, ranking Enterprise 336th on Fortune magazine's list of the largest 500 companies.

Focus on Growing the Partnership
Investing in Hard Assets



We are most proud of delivering on our goal of increasing the value of our partnership and providing our partners with an above average return on their investment. Since the IPO, our growth in cash flow has enabled us to increase the cash distribution rate to our partners nine times from an annual rate of $0.90 to $1.49 per unit, a 10.6% compound annual growth rate. A partner who invested in our partnership units at the time of our IPO and reinvested the cash distributions to buy additional units would have earned a total return of 231% through the end of 2003, a compound annual growth rate of 24.6%.

Our goals today are the same as they were five years ago,

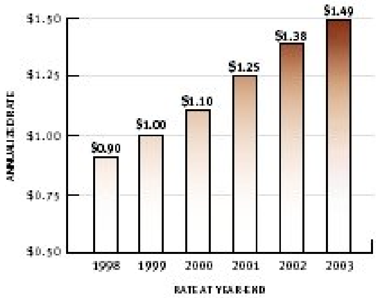
- *to invest prudently to expand our partnership through organic growth, acquisitions and joint ventures with strategic partners;*
- *to maintain a capital structure that is consistent with solid investment-grade debt ratings;*
- *to increase the amount of gross operating margin earned from fee-based businesses; and*
- *to provide our partners with an attractive total return through periodic increases in cash distributions and capital appreciation.*

Challenging Year

The combination of a recession in global manufacturing, weak demand for ethane by the ethylene segment of the petrochemical industry and persistently high natural gas prices relative to other forms of energy coincided to create a very difficult business environment for our partnership during most of 2003. Even though we established records in terms of revenue, gross operating margin and cash flow from operations, our financial performance did not meet our expectations or objectives.

INCREASING CASH DISTRIBUTIONS TO PARTNERS

INCREASED 66% SINCE IPO IN JULY 1998



This operating environment reduced our gross operating margin primarily in three areas – natural gas processing and the fractionation and transportation of NGLs. The weak demand for ethane coupled with high natural gas prices led producers and processors to reduce the amount of ethane that was removed at processing plants because the ethane was more valuable when left in the natural gas stream. In our Processing segment, this reduced the gross operating margin associated with the legacy keepwhole contracts we assumed with the acquisition of Shell's midstream business in 1999. Gross operating margin was lower in our Fractionation and Pipeline segments due to the decrease in ethane volumes extracted.

Business conditions have consistently improved over the past three quarters. Demand for ethane has rebounded from its trough in the middle of 2003 and natural gas prices have moderated compared to the cost of other forms of energy. Processing margins have improved and NGL volumes have increased at our NGL fractionators and pipelines. As the U.S. economy has expanded in recent quarters, our ethylene-producing customers are reporting increased demand for their products and believe this will be sustained throughout 2004.

Globally, energy prices continue to be volatile due to political instability, strong demand from recovering and developing economies and threats of terrorism. Domestically, natural gas prices have been persistently higher than other forms of energy, compared to historical benchmarks, due to supply and demand imbalances in the United States since 2000. We do not believe these imbalances will be corrected until new sources of gas are brought to market later in the decade. As a result, last year, we initiated actions to enhance the earnings power of our partnership during periods of strong natural gas prices.

For example, we recently completed a program to renegotiate our portfolio of natural gas processing contracts to provide our partnership with a more stable base of gross operating margin and a more consistent return on investment regardless of natural gas prices. In our Pipeline segment, we instituted programs that should increase NGL volume flow during periods of high natural gas prices and peak demand for propane. Details of these programs and their benefits to our partnership are included in the discussions of each business segment in this annual report.

THE MERGER

On December 15, 2003, Enterprise, GulfTerra Energy Partners, L.P. and El Paso Corporation executed definitive agreements to merge Enterprise and GulfTerra.

The combined partnership, which will retain the name Enterprise Products Partners L.P., will serve the largest producing basins of natural gas, crude oil and NGLs in the U.S. According to data from the Department of Energy, these basins represent approximately 76%, 56% and 84% of total natural gas, crude oil and NGL reserves, respectively, in the lower forty-eight states. In terms of current production, these regions account for approximately 80%, 62%

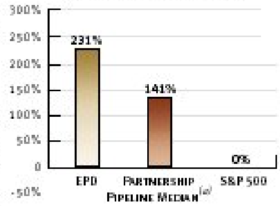
and 88% of total natural gas, crude oil and NGL production, respectively, in the lower forty-eight states. The partnership will also serve the largest consuming regions for natural gas, crude oil and NGLs on the U.S. Gulf Coast.

We believe the combination will be very complementary. It should provide our partnership with organic growth opportunities for the foreseeable future in these prolific producing areas. The merger will also diversify our sources of cash flow and provide a better balance of cash flow contribution from NGL, natural gas and crude oil services. We believe GulfTerra, with its producer-oriented service businesses, will provide a partial, natural hedge to Enterprise's more consumer-oriented service businesses. In periods of high natural gas prices, such as those in the second and third quarters of 2003, we estimate that the potential increase in EBITDA generated by GulfTerra's assets during these periods could offset a substantial amount of the potential decrease in EBITDA for Enterprise.

One of the most important value drivers in the transaction will be the retention of the Enterprise model with respect to incentive distribution rights to our general partner. We were the first growth partnership to eliminate the 50% incentive distribution right and cap the highest level of incentive distribution rights at 25%. Correspondingly, one of the value drivers of this merger will be the elimination of the 50% incentive distribution right associated with GulfTerra's general partner. This will provide our partnership with a lower cost of capital, greater accretion from capital projects and a transfer of economic value from our general partner to our limited partners. We plan to distribute some of the accretion associated with this transaction immediately upon completion of the merger. At that time, we plan to increase our annualized cash distribution rate to partners to at least $1.58 per unit.

Upon completion of the merger, our general partner will be owned 90.1% by affiliates of privately held Enterprise Products Company, which are controlled by Dan Duncan, and 9.9% by El Paso Corp.

TOTAL RETURN SINCE IPO
JULY 28, 1998 - DECEMBER 31, 2003



Note: Assumes quarterly distributions reinvested
(a) Includes BPL, EEP, EPD, KMP, KPP, NBP, PAA, TPP.

We are looking forward to 2004. Business conditions have improved with the improvement in the overall economy. Significant new sources of deepwater and Rocky Mountain NGL and natural gas production are scheduled to enter our midstream systems during 2004 and 2005. We anticipate completing our merger with GulfTerra during the second half of the year. We are excited to begin the work to reap the value creation opportunities we see in this combination.

COMMITMENT TO SUCCESS

We want to recognize the efforts and the dedication of our 1,300 employees and their role in our partnership's success. Our management and employee team's commitment to the success of our partnership is also exemplified by their investment in Enterprise's partnership units.

In the last two years, our senior management team and approximately 36% of our employees have invested approximately $230 million to purchase Enterprise units. Together, this group currently owns approximately 58% of our limited partner units. Our interests continue to be aligned with those of our public partners.

We sincerely appreciate your support during 2003 and as we go forward in 2004.

(LEFT) O.S. ANDRAS
President and Chief Executive Officer

DAN L. DUNCAN
Chairman