



**Montana Petroleum Association
TransCanada Keystone Pipeline**

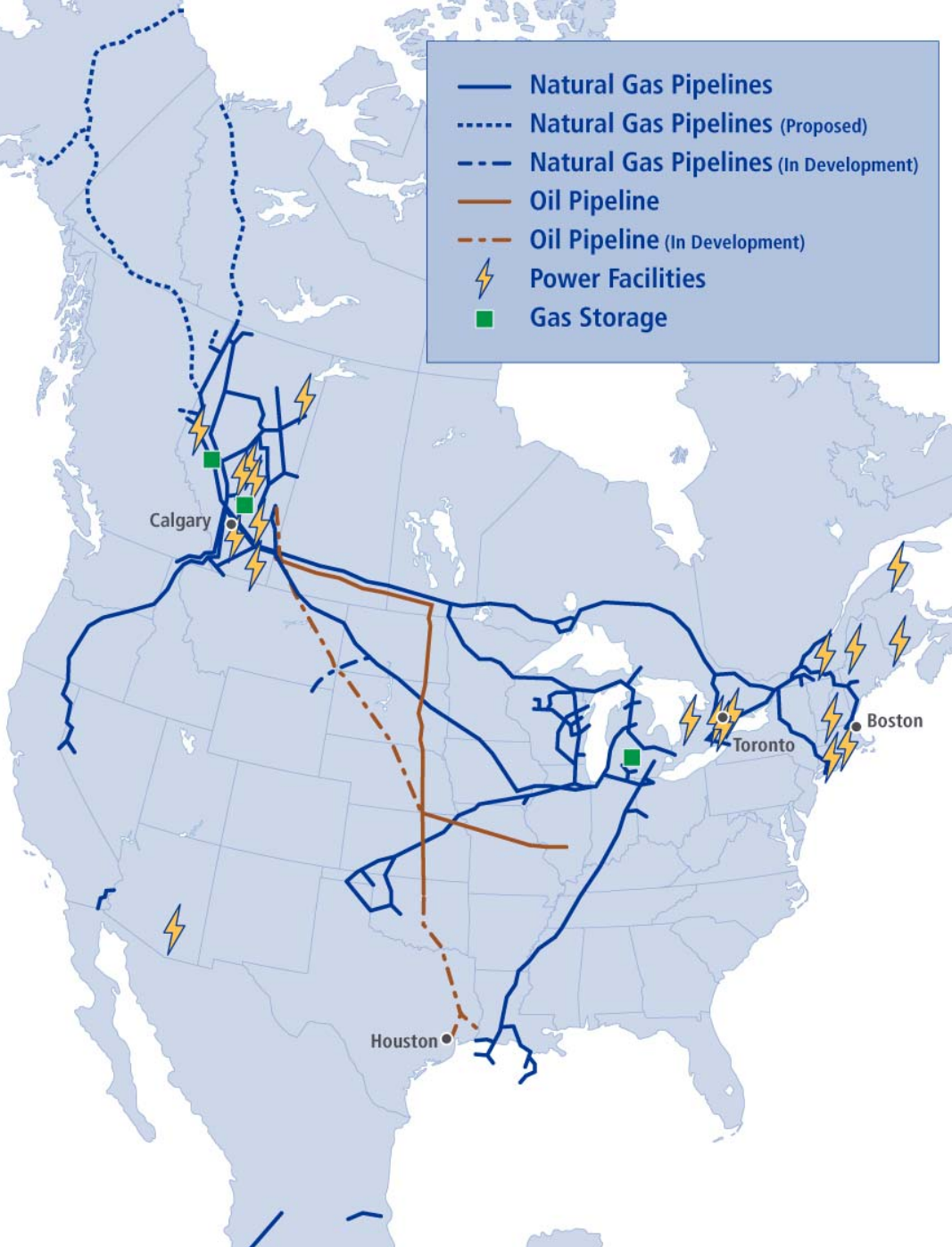
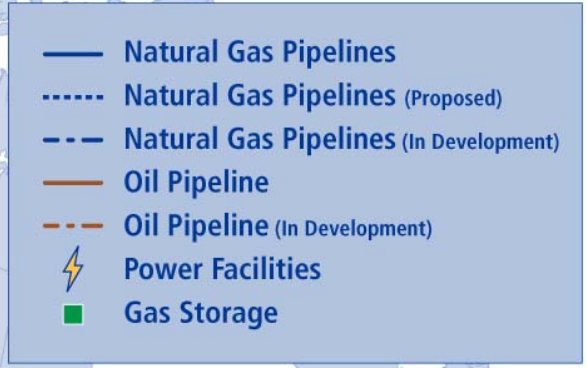
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Our Competitive Position



North America's Largest Natural Gas Pipeline Network

- 60,000 km (37,000 mi) wholly-owned
- 8,800 km (5,500 mi) partially-owned
- Average volume of 14 Bcf/d

North America's 2nd Largest Natural Gas Storage Operator

- 380 Bcf of capacity

Canada's Largest Private Sector Power Generator

- 20 power plants, 11,700 MW

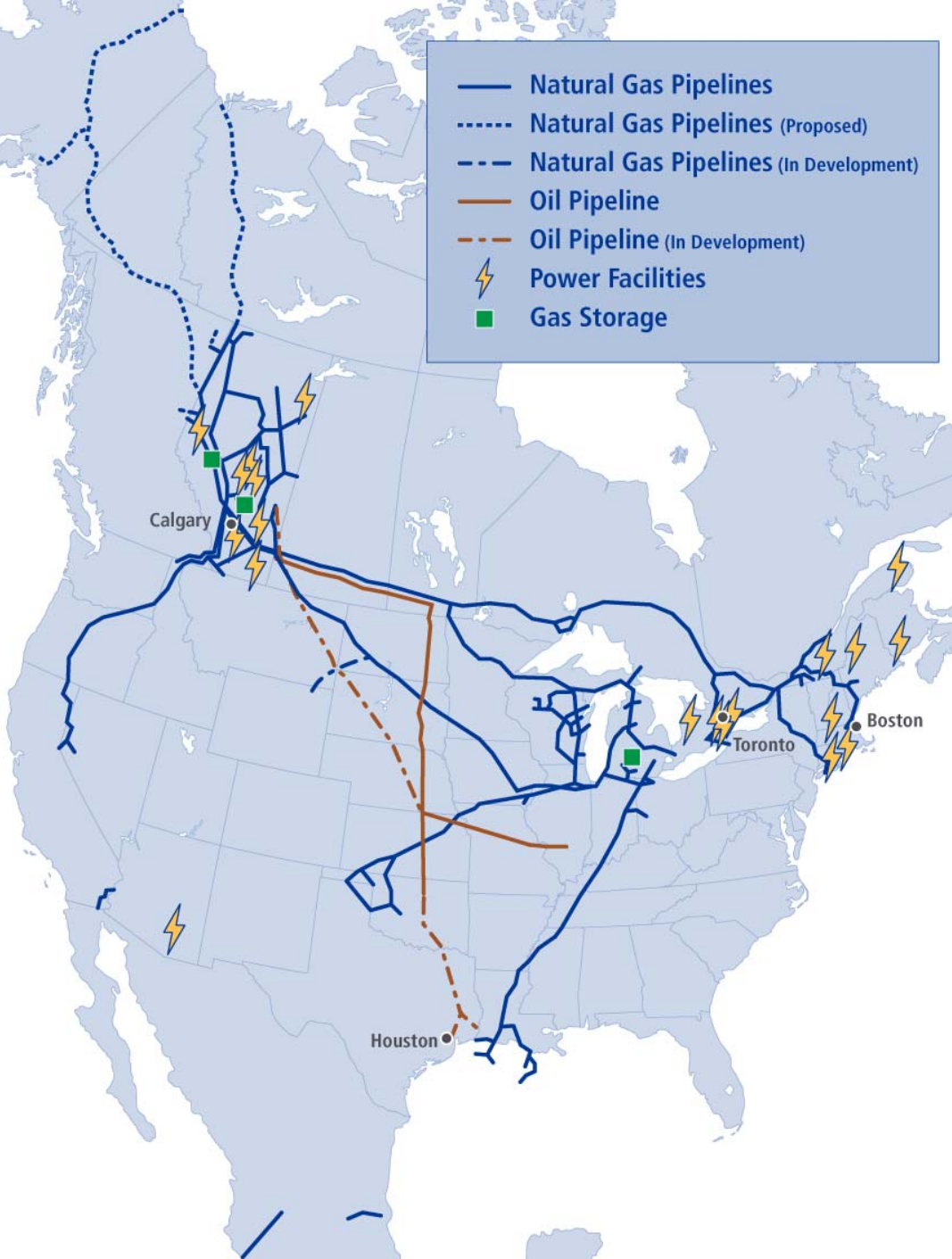
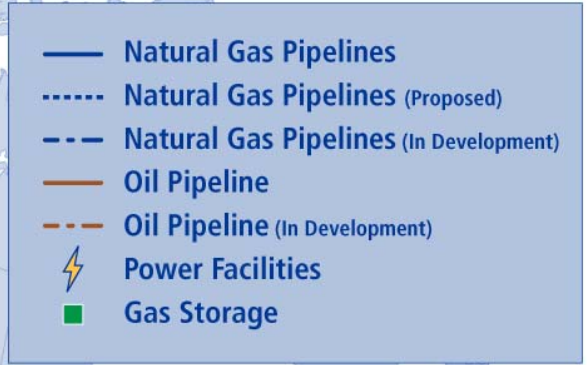
Premier North American Oil Pipeline Under Construction

- 1.1 million Bbl/d

4,000 Talented Employees

- In 7 provinces and 34 states

\$22 Billion Capital Program



- Invested approximately \$12 billion in projects that start contributing to earnings and cash flow in near term
- Approximately \$1 billion in additional EBITDA expected in 2011
- Projects contributing include: Keystone, Groundbirch, Bison, Guadalajara, Halton Hills, Kibby, Coolidge and Bruce re-start

Keystone Construction Update



Cushing Extension:

- Steele City, NE to Cushing, OK
- 100% of all pipeline construction contracts and material supply completed
- All major regulatory permits in place
- Construction has begun
- In-Service Q1 2011

Keystone USGC Expansion:

- Hardisty, AB to Port Arthur, TX
- Canadian regulatory approval received Q1 2010
- US draft EIS received April 2010
- Over 97% land acquisition complete in Canada
- 52% land acquisition complete in US
- 100% line pipe procured
- 90% pump station materials procured
- 2010 pipeline construction bids tendered
- **Shovel-ready project**

Williston Basin Supply Outlook



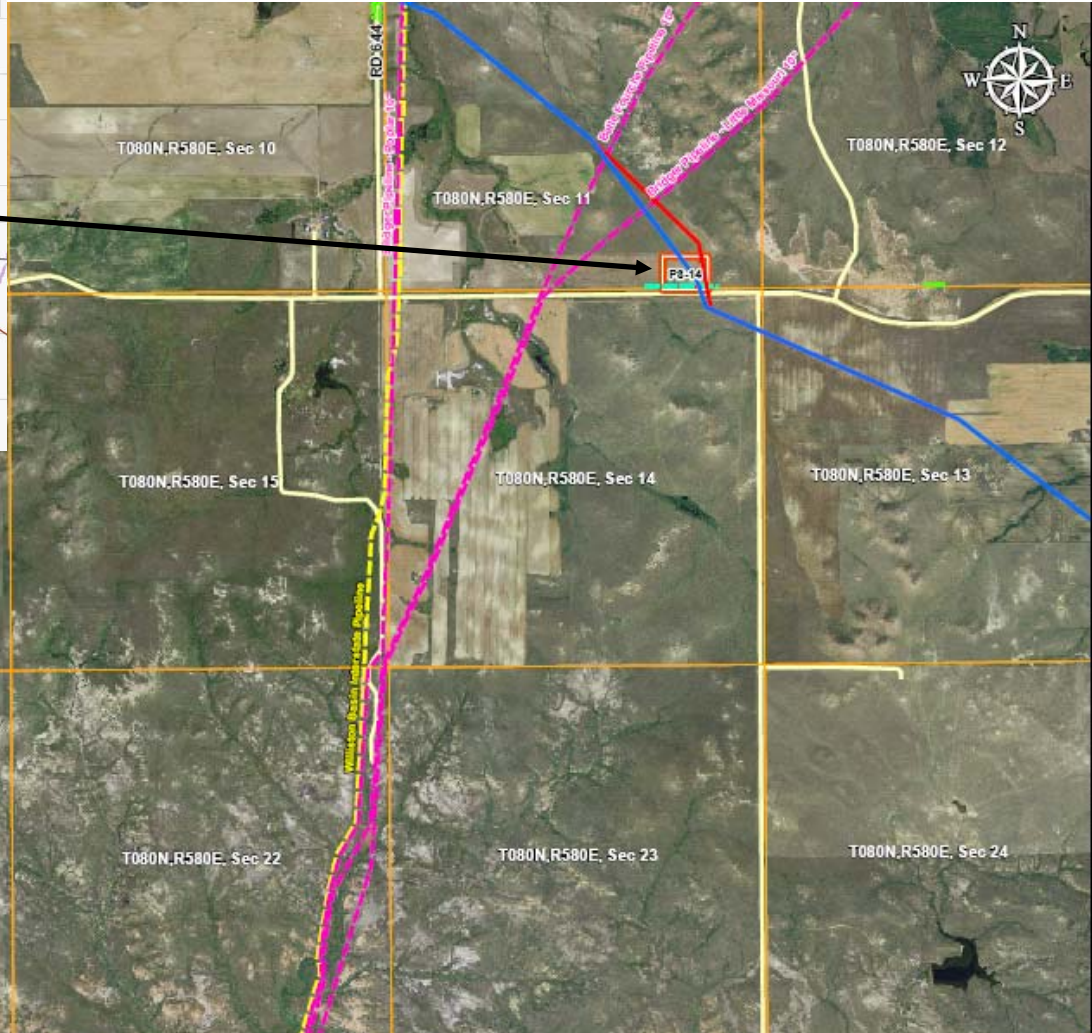
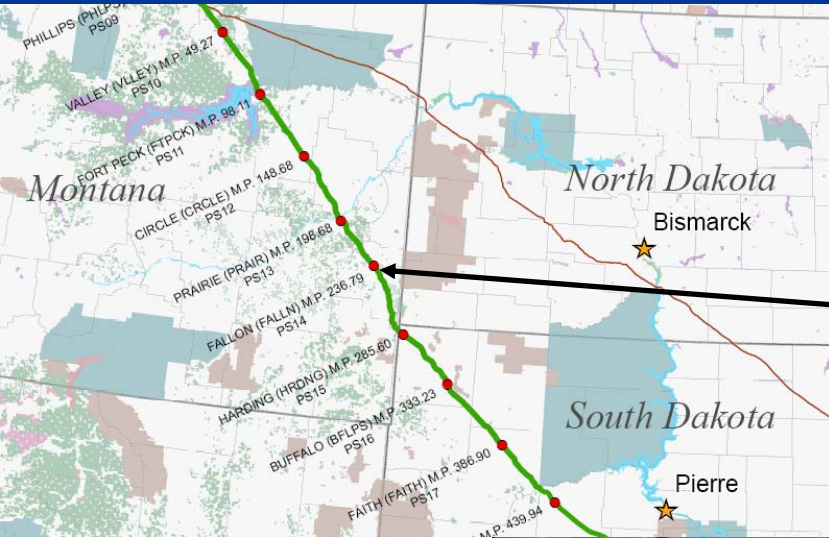
- The Bakken formation in North Dakota and Montana has become the fastest growing domestic US oil play
- 2010 Production in the region is estimated at 310 M bpd
- Production is expected to increase to up to 500 M bpd by 2015 and could be over 700 M bpd by 2020
- North Dakota and Montana production growth has outpaced pipeline infrastructure growth

TransCanada Bakken West Proposal

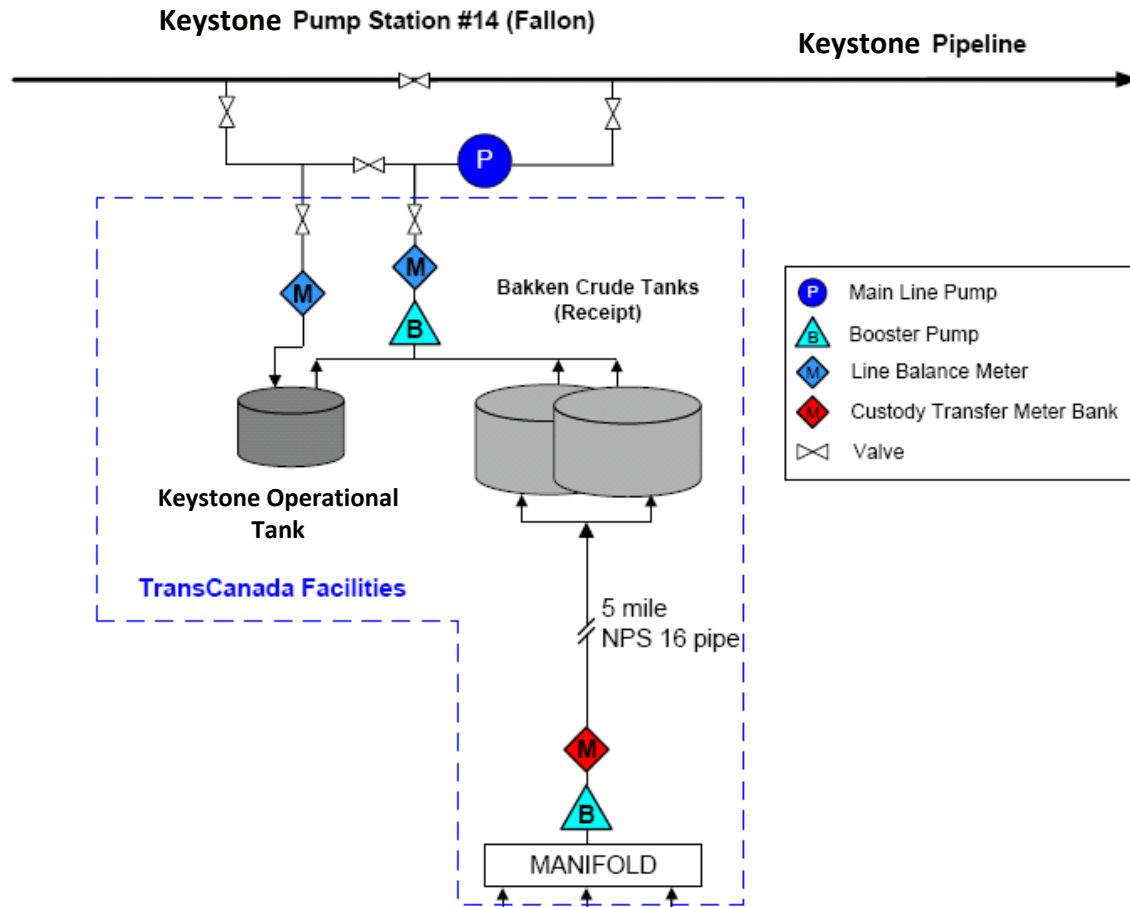


- TransCanada is proposing an access point near Baker, Montana
- Bakken crude will have direct access to Cushing, Oklahoma and the US Gulf Coast
- Infrastructure will include batch accumulation tanks, and delivery tankage at Cushing
- USGC deliveries will terminate at an open access manifold
- Open Season in Q3 2010
- Project engineering and the regulatory process is expected to commence in early 2011
- Construction is expected to commence in 2012
- In-Service expected in Q1 2013

Bakken West Access - Location



Bakken West Access - Facilities



Baker Supply Pipelines



- True Companies
 - Poplar, Belle Fourche, Little Missouri
 - Planned Expansions
- Plains
- Quintana
 - Proposed \$250 MM Feeder Pipeline system with up to 100 M bpd of capacity

Other TransCanada Proposals



- TransCanada is evaluating an opportunity project that will connect the Cushing market to the US Gulf Coast
- An Open Season for this transportation option will commence in Q3 2010 for service starting in Q1 2013
- Crude will be delivered to an open access manifold

Market Access Advantage of the Keystone Pipeline System



- Bakken oil could access more diverse markets such as Cushing and the USGC, which is the largest refining market in North America
- Direct access to these refining hubs may result in stronger producer netbacks
- Bakken crude will no longer be constrained to northern PADD II markets through the incumbent systems
- The Keystone system is expandable as production grows in the Bakken and across other US markets

For More Information



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