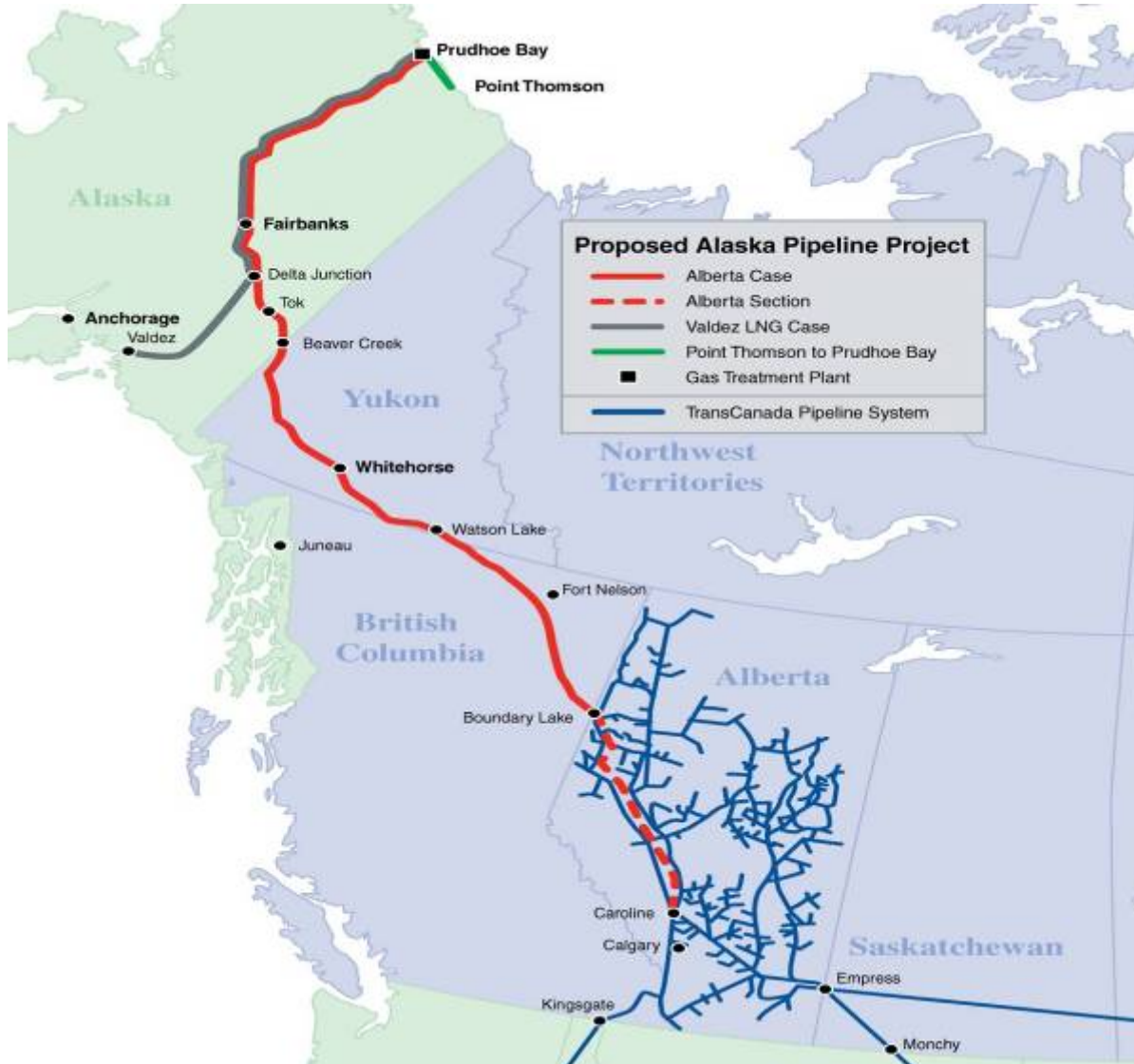
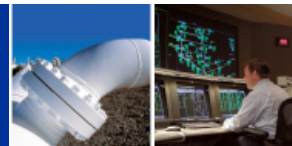




RDC 30th Annual Conference
November 19, 2009

Alaska Pipeline Project



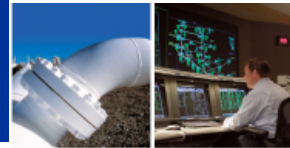


August 2008

Background



- **In August 2008, the Alaska Legislature approved granting the AGIA License to TransCanada**
 - Some parties had questions regarding TransCanada and the project
- **Since then, the world has experienced a number of significant political and economic events**
- **Let's examine the Alaska Pipeline Project (APP) over the past 15 months to assess where things now stand**
 - Response to external political/economic events
 - Resolution of outstanding issues
 - Progress towards initial Open Season



President George W. Bush



Governor Sarah Palin

Economic Scene (Aug. 08)

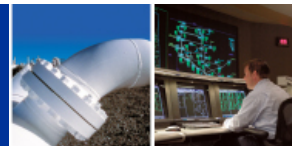


- **Stock Market (S & P 500)** **1270**
- **Interest Rates (U.S. 10-year T-notes)** **4%**
- **Exchange Rates (U.S. \$)**
110 Yen
0.70 Euro
1.05 CDN
- **Oil Price** **\$120/bbl**
- **Natural Gas Price** **\$9/Mbtu**

August 2008 APP Questions



- Shouldn't APP pre-file with FERC?
- Will ANNGTC Withdrawn Partners cause TC to be delayed, fail to attract shippers or partners, and ultimately never go forward?
- Is APP too big for TC to handle?
- Won't Canadian First Nations block the project?
- Will APP meet its proposed Open Season schedule?
- Will TC offer a serious LNG to Valdez alternative?
- Is TC spending enough through the Open Season?
- Will TC's CAPEX estimate be credible with ANS Producers?
- Who will advance the Gas Treatment Plant (GTP)?
- Will ANS Producers commit their gas to TC's AGIA project?



August 2008 – November 2009

Political Scene

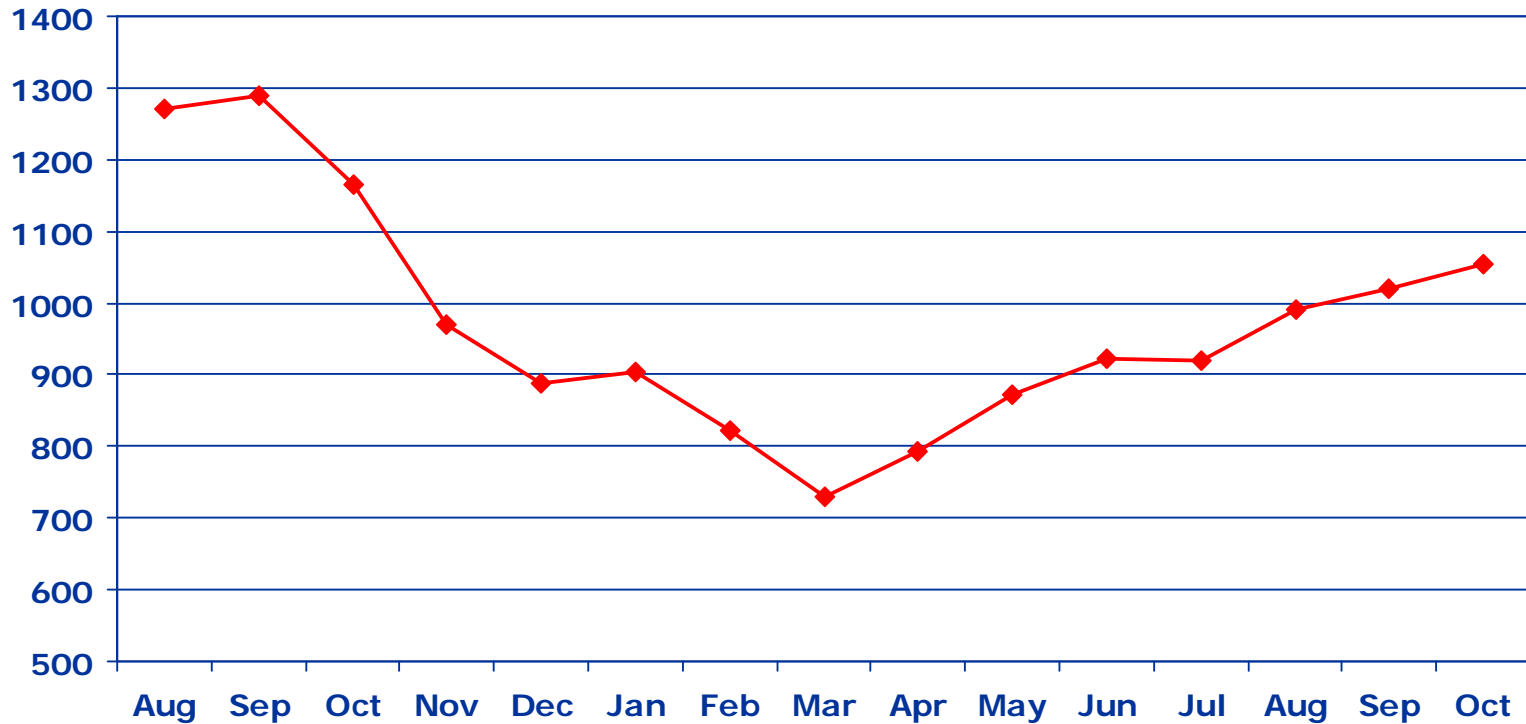
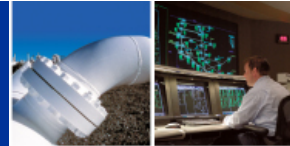


President Barack Obama

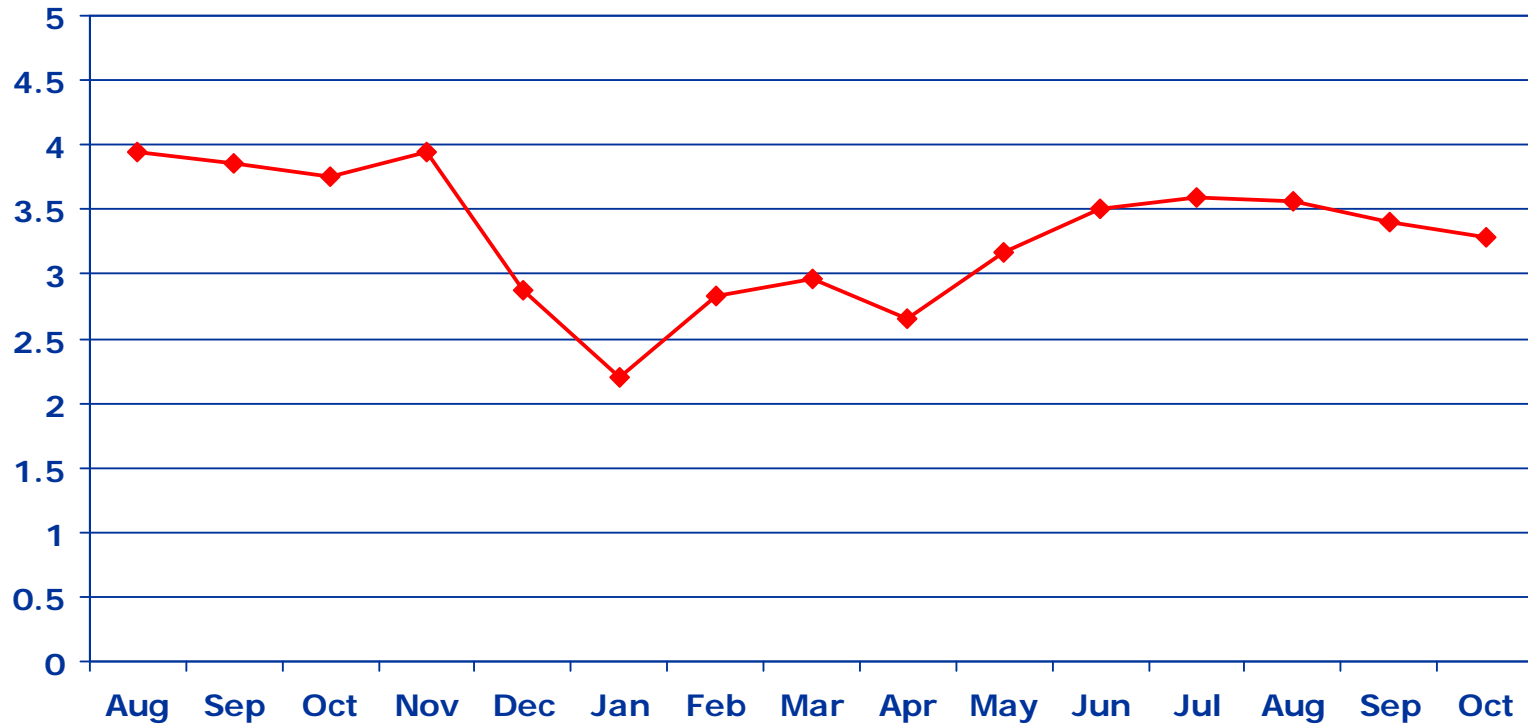
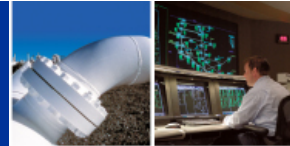


Governor Sean Parnell

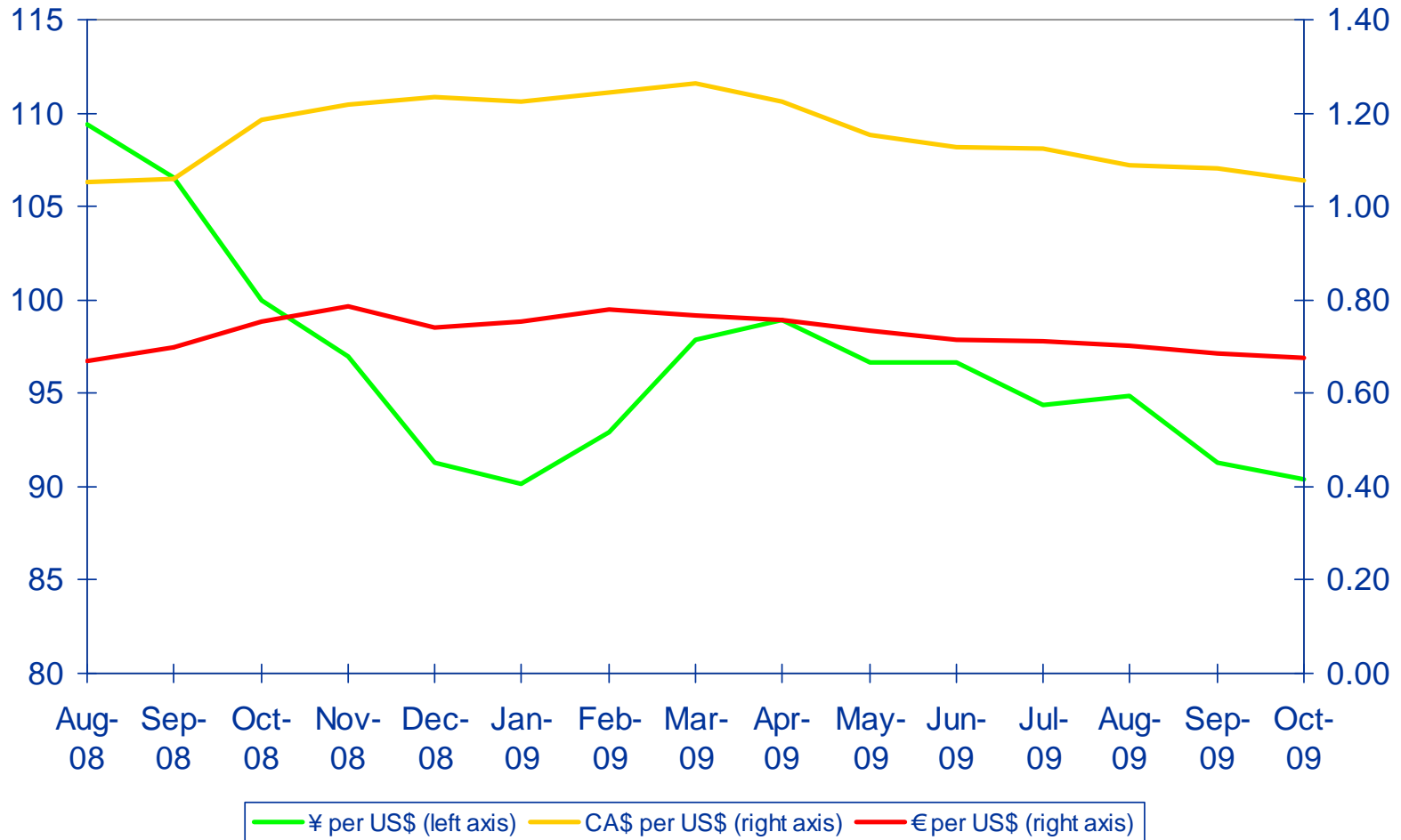
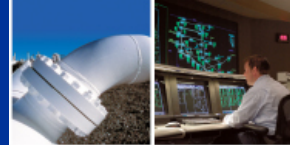
Economic Scene - S & P 500 Index



Economic Scene - U.S. 10-Yr Treasury Note (%)

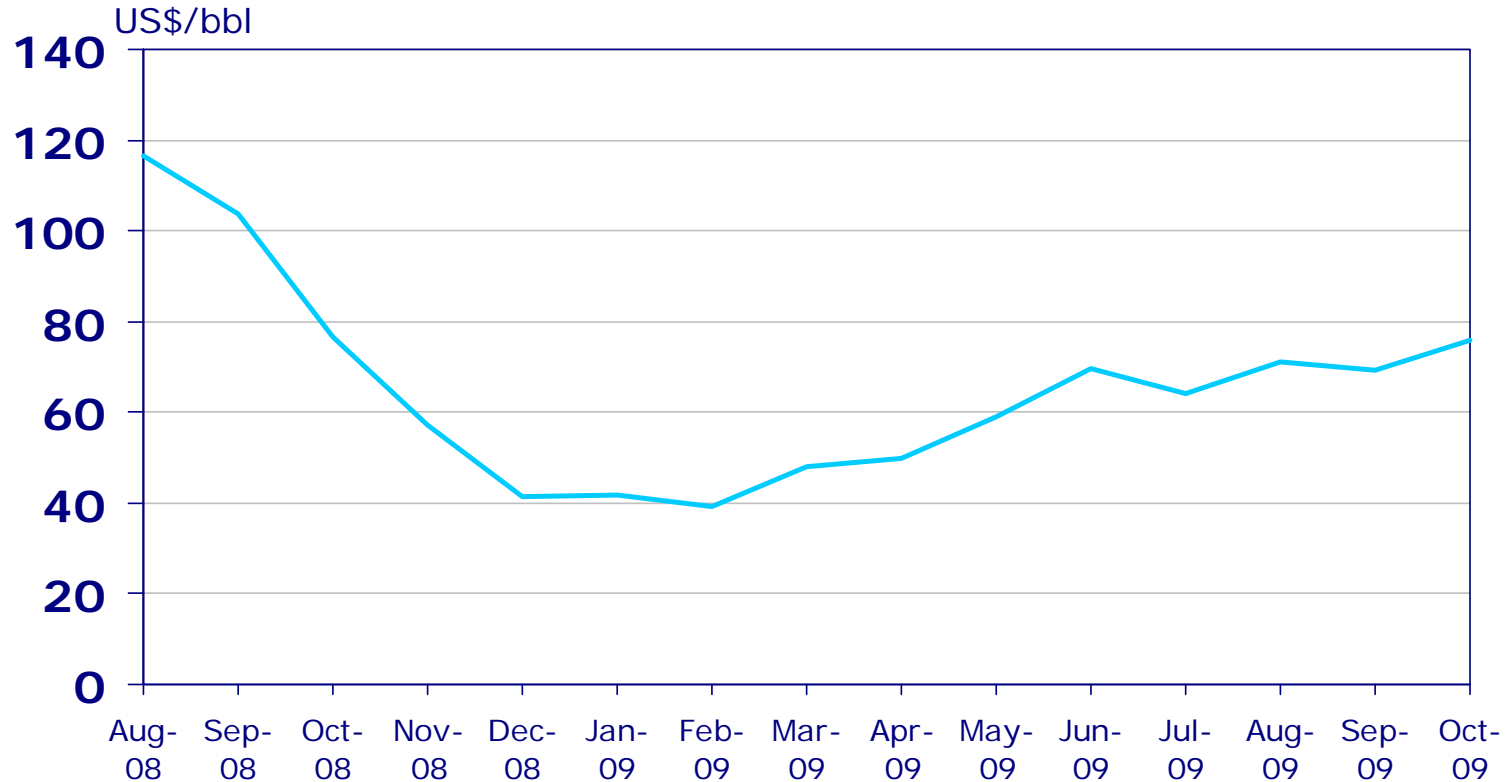


Economic Scene - U.S. Foreign Exchange Rates



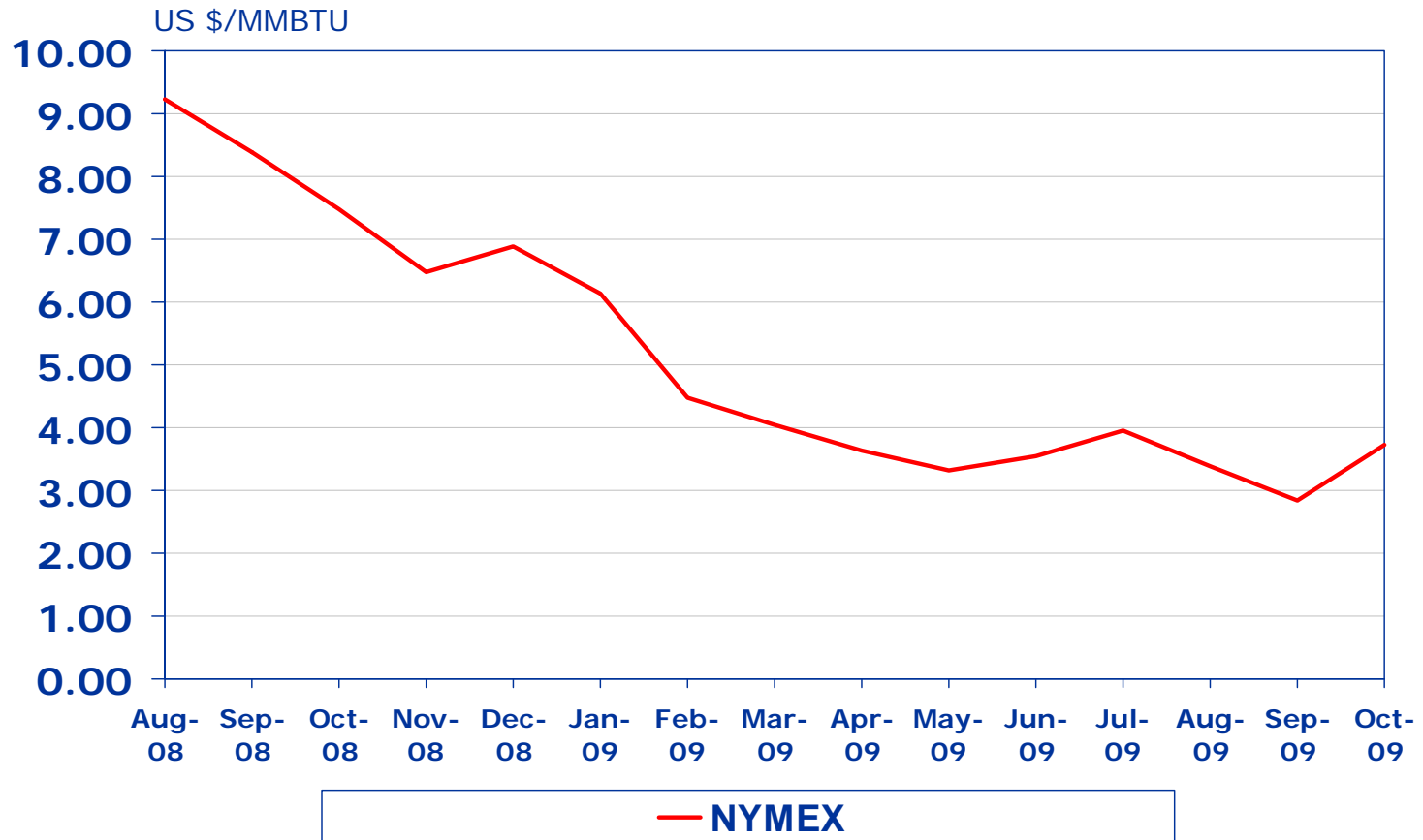
Economic Scene – WTI Spot Oil Price at Cushing

August 2008 – October 2009



Economic Scene – NYMEX Natural Gas Settle Price

August 2008 – October 2009



APP Progress



- **FERC Pre-file?**
 - APP pre-filed with FERC in late April 2009
- **ANNGTC Withdrawn Partners?**
 - TC has secured full mutual releases from all Withdrawn Partners at no cost to TC
- **APP too big for TC?**
 - TC is constructing \$17 billion of gas & oil pipelines in U.S., Canada and Mexico through 2012
 - Includes Keystone Pipeline – two phases
 - 4,000 miles; 13 states and 3 provinces
 - One million bbl/day
 - 100% TC now, vs. originally 50/50 with ConocoPhillips
 - TC has raised \$8 billion in debt and equity in capital markets since August 2008
 - Alignment with ExxonMobil in June 2009 brings world-leading financial strength, project management capability and technical expertise

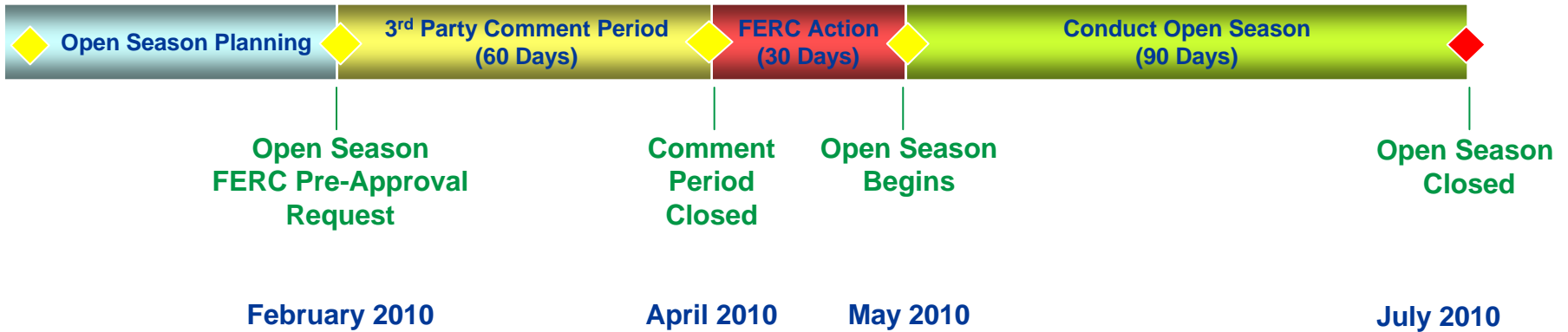




- **Canadian First Nations?**
 - Northern Pipeline Act (NPA) terms and conditions in place providing benefits to First Nations for the Alaska Pipeline Project
 - APP has offered to negotiate with all ROW First Nations
 - Participation Agreement discussions ongoing with those parties ready to proceed



APP Progress





- **LNG Alternative?**

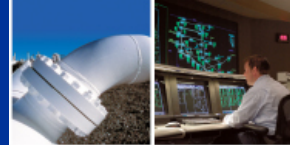
- Preliminary engineering, execution planning, field work underway for both LNG and Alberta options
- GTP designed to meet higher LNG specs for CO2
- Commercial discussions with potential shippers to Valdez
- 3.0 Bcf/d volume and 48-inch pipeline to Valdez as per potential shippers' requests
- Initial Open Season customers will have option to nominate deliveries for In-State consumption, or to ex-Alaska markets via Valdez or Alberta



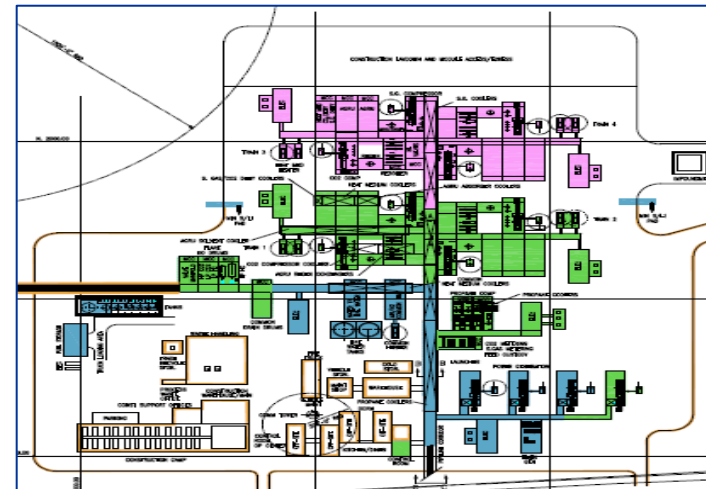


- **Spend through Open Season?**
 - Under TC alignment with ExxonMobil, APP increased overall effort to \$150 million through initial Open Season
- **APP CAPEX Credibility?**
 - EM has global expertise in managing large, complex projects including gas plants
 - TC/EM unparalleled experience and expertise in pipelines
 - Updated CAPEX estimate by Q1 2010

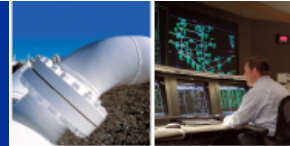
APP Progress



- **GTP?**
 - TC indicated in its AGIA Application that it would advance the GTP if required
 - Alignment with EM has brought their world-leading expertise to the GTP

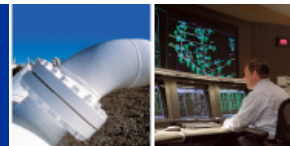


APP Progress



- **ANS Producers Gas Commitment?**
 - 110-person TC/EM team & contractors on-schedule to deliver high-quality commercial offering for potential shippers in initial Open Season in 2010





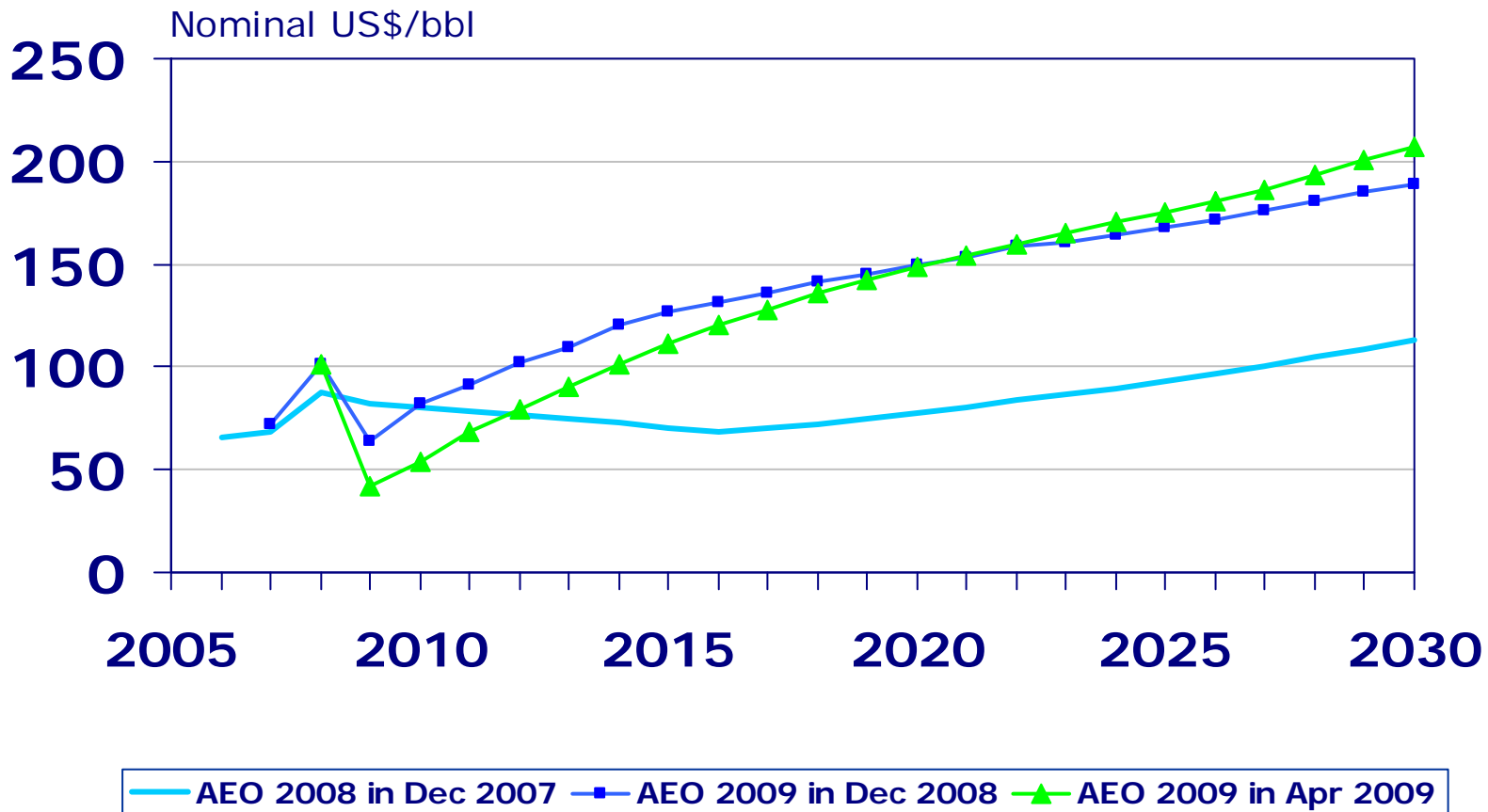
November 2009



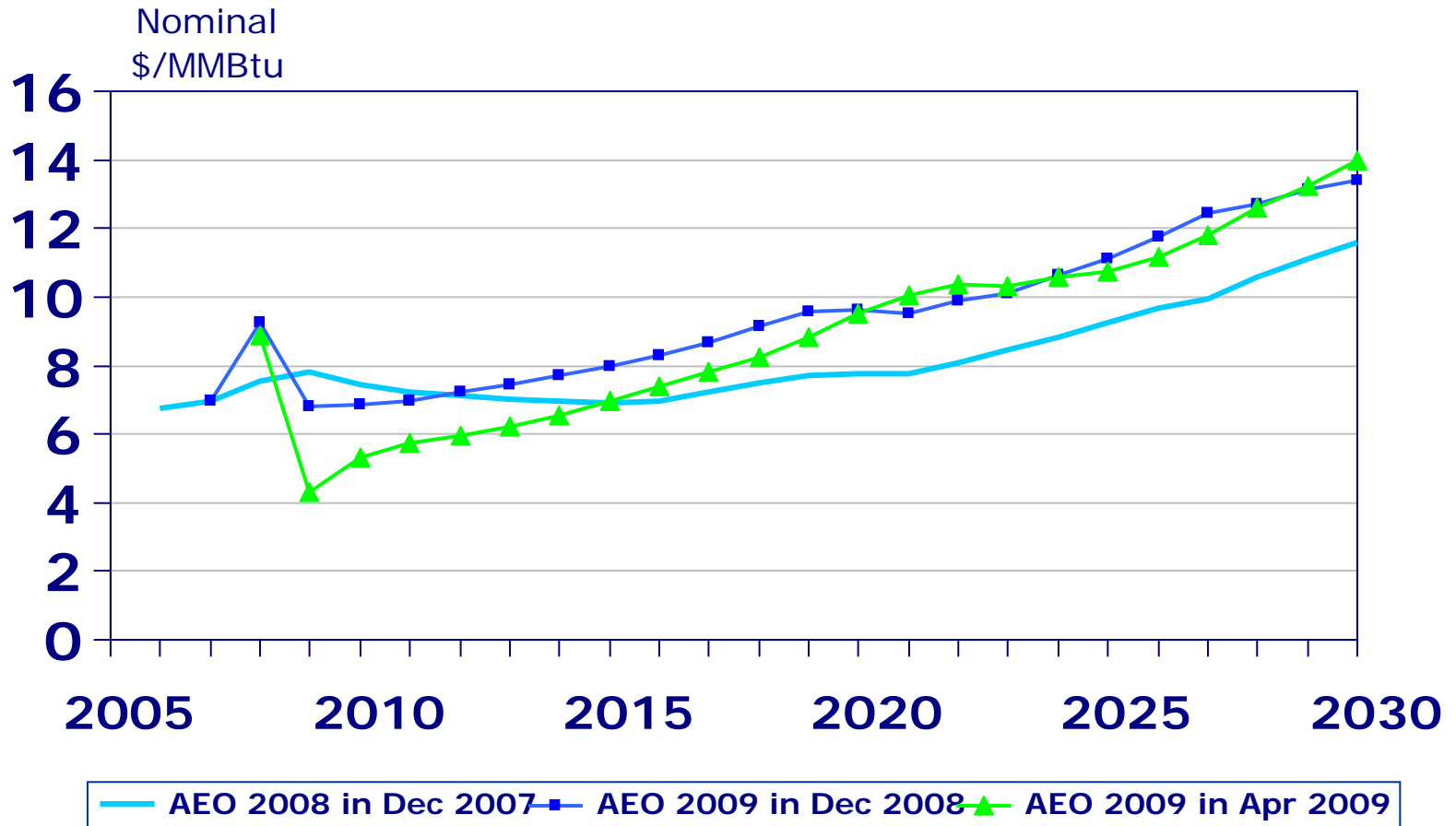
- Will natural gas prices increase again so APP can proceed?
- Why don't the two Alaska pipeline projects align?
- Will ANS Producers commit their gas to the APP?



Oil Price Forecast – US DOE Energy Outlook for Light Sweet Imported Oil



Natural Gas Price Forecast – US DOE Energy Outlook for Henry Hub Natural Gas



APP – through Open Season & beyond



- **Alignment of Alaska projects?**
 - TC has sought alignment with State and all ANS Producers for several years as fastest and most efficient method to advance the APP
 - In its AGIA application, TC openly offered equity opportunity to parties that commit their gas in APP's initial Open Season
 - TC/EM continue to seek broader alignment with other key stakeholders such as BP and ConocoPhillips

APP – through Open Season & beyond



- **ANS Producers Gas Commitment?**

- Issues within APP control will have been advanced on high-quality basis
- Other factors are not within control of APP:
 - Natural gas and oil prices
 - Alternative fuels – availability and prices
 - Global / national natural gas supply & demand
 - Worldwide economic & political events
 - Tax regimes
 - National/international cost trends for oil & gas equipment, materials and labor
- By the end of 2010, TC will have results of initial Open Season. Parameters include:
 - Volumes – by customer with receipt/delivery points
 - Term – initial service and duration
 - Conditions precedent will have been negotiated – those within pipeline/shipper control

APP Next Steps through Open Season



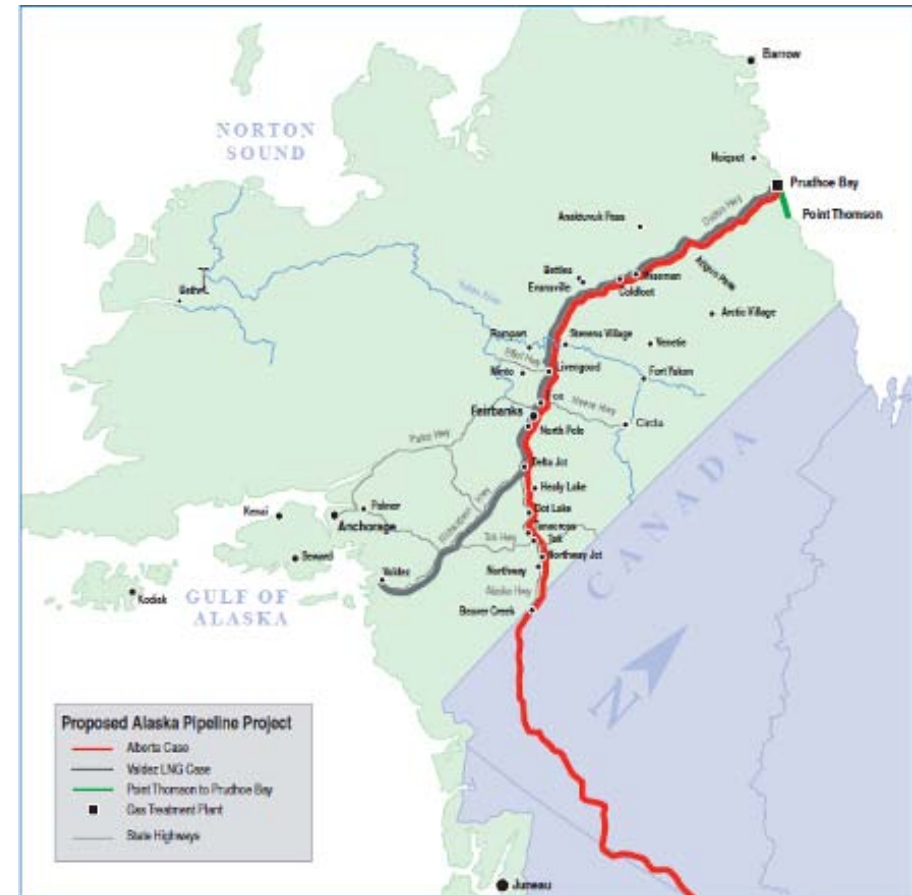
- Progress discussions with potential customers
- Complete In-State Gas Study
- Complete preliminary design & cost estimate
- Finalize commercial terms and Precedent Agreements
- File Open Season package with FERC and obtain approval
- Conduct Open Season
- Advance regulatory/environmental work
 - AGIA requires APP to continue to FERC application in 2012 regardless of outcome of initial Open Season
- Advance stakeholder engagement process



Summary



- APP on schedule to conclude initial Open Season by July 31, 2010
- Shippers can nominate deliveries to In-State markets, or to U.S./Asian markets via Valdez, or to Lower-48 via Alberta
- TC/EM seek broader alignment with other key stakeholders such as BP and ConocoPhillips
- AGIA requires APP to continue to FERC Application in 2012 regardless of Open Season outcome





Thank You