Kinder Morgan Canada

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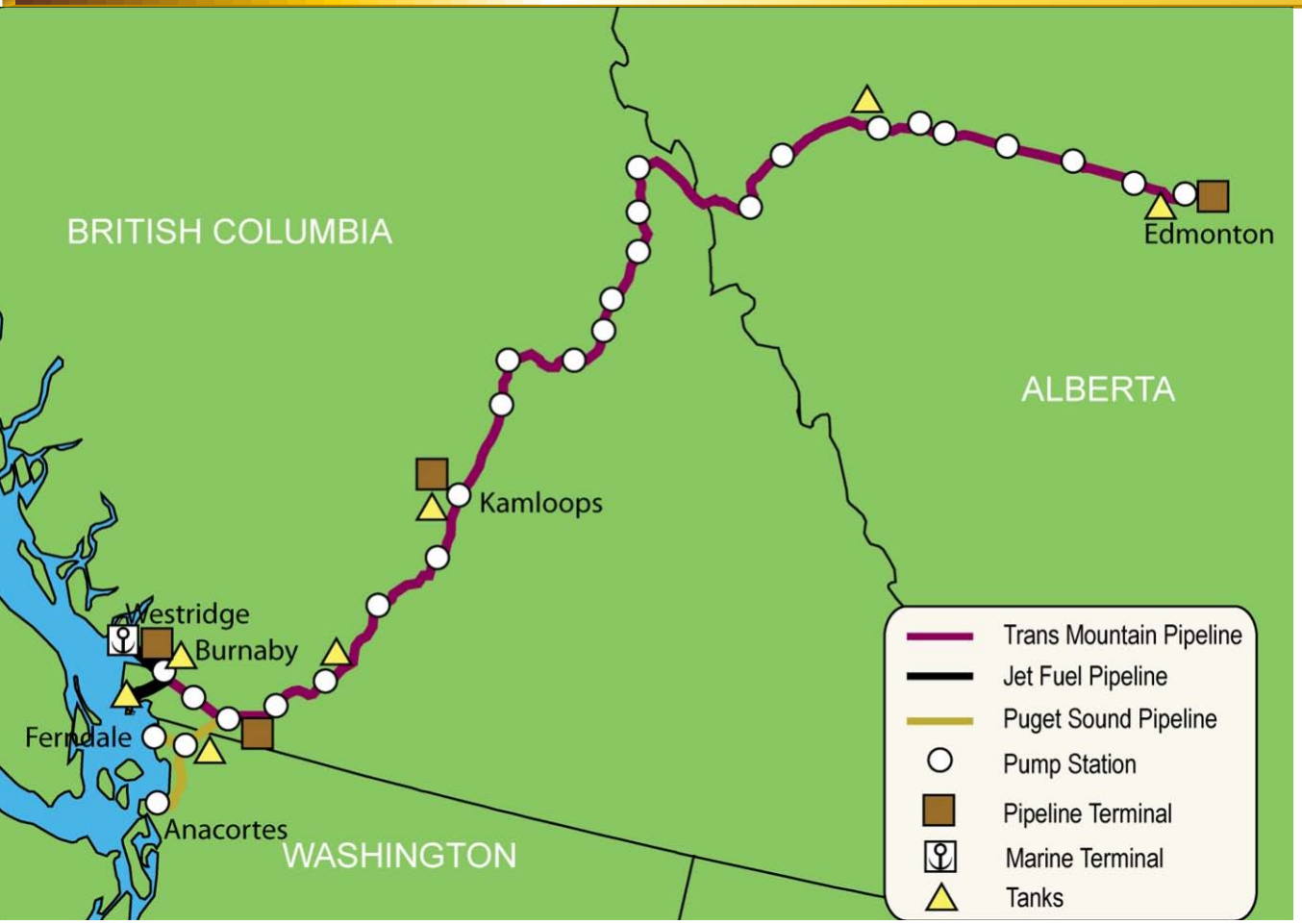
Trans Mountain Pipeline



Capacity

- Currently 300 MBbl/d

Markets

- British Columbia
- Washington State refineries
- Westridge marine terminal – offshore markets in U.S. and Asia

Regulation / Tolls

- National Energy Board regulated
- 2012 Toll Settlement pending NEB approval
- New 54 MBbl/d long-term firm contracts scheduled for February, 2012

Express Platte

Express - 280,000 Bbl/d

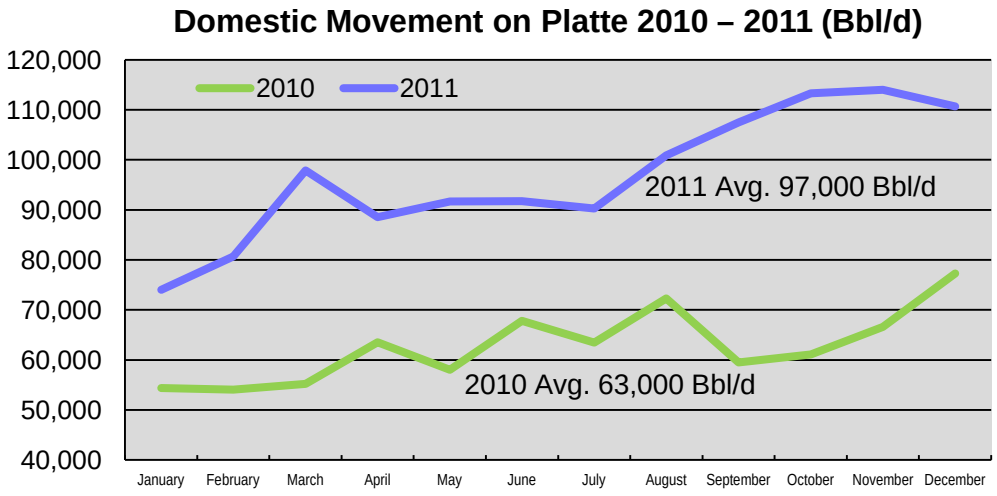
- 231,000 Bbl/d Firm contracts thru 2012-15
- Excess capacity today
- Canadian production will fill space over time
- Primary route for Canadian production to PADD IV refiners

Platte - 143,000 - 165,000 Bbl/d

- Platte is full - Canadian & local US barrels compete for space in Platte
- Lowest cost into Wood River
- Access to Bakken through Guernsey

Opportunities

- Recontracting Express
- Spot Tolls Upside
- Platte continues outlet for Bakken



Kinder Morgan Canada – DCF [a]

(millions $US)

	Actual 2009	Actual 2010	Actual 2011	Budget 2012
Trans Mountain System (distributable cash flow)	$147.4	$156.9	$169.3	$169.4
Express System (cash distributions)	14.6	13.3	13.7	13.6
	$ 162.0	**$ 170.2**	**$ 183.0**	**$ 183.0**

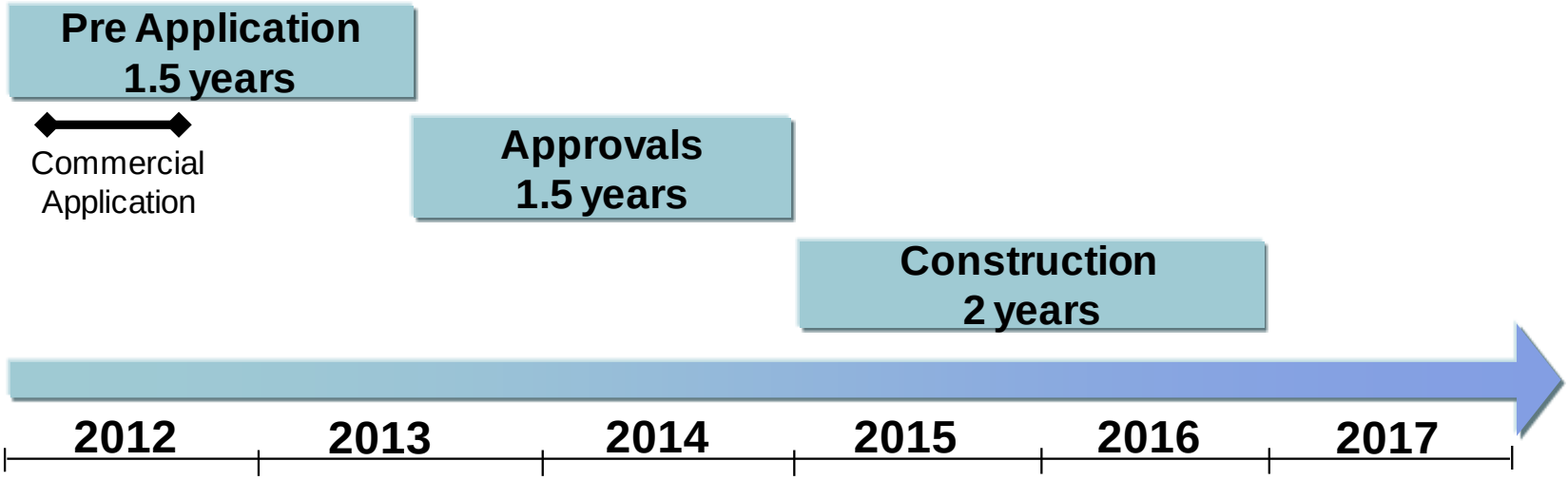
(a) CAD to USD FX Rates
2009: 0.8783
2010: 0.9710
2011: 1.00122
2012: 1.0000

Trans Mountain Expansion (TMX)

Open Season underway - expansion opens new markets and reduces landlocked discounts

- **Potential customers include producers, Westcoast refiners, offshore buyers**
  - Existing capacity: 300,000 Bbl/d
  - Expansion to: 600,000 Bbl/d, seeking 450,000 - 500,000 Bbl/d contracts, 15 & 20 years
  - In-service: late-2016
  - Cost: $3.8B (as spent)
  - Competitive Tolls
- **Open Season ends 2/16/2012; expect to make go/no-go decision by 2Q '12**
- **530 miles new pipe**
- **Pump stations, tanks, 2nd tanker berth**
- **Offshore clearing capacity 400-450k**
- **Adjust expansion scope to meet market demand from open season**

Trans Mountain Expansion (TMX)



Trans Mountain Expansion (TMX)

Opportunities

- Expanding Trans Mountain offers increased capacity offshore and to pipeline connected markets in Washington State
- Lever off of existing infrastructure and right-of-way
- Environmental footprint is manageable
- First Nations relationships in place along ROW route
- Political support in place
- Experienced operator and builder in B.C.

Challenges

- Shippers: significant long-term pipeline commitment
- Resistance to oil sands production links to pipeline permitting
- Concerns about spills in environmentally sensitive habitat including offshore tanker traffic

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