

OUTLOOK

TransCanada's corporate strategy is underpinned by a long-term focus on growing its Pipelines and Energy businesses in a disciplined and measured manner. In 2009 and beyond, TransCanada expects its net earnings and cash flow, combined with a strong balance sheet and proven access to capital markets, to provide the financial strength TransCanada will need to complete its current capital expenditure program and continue to pursue other long-term growth opportunities and create additional value for its shareholders in the same disciplined and measured manner utilized in developing its current capital expenditure program. TransCanada believes this prudence is especially important in the economic environment that currently exists in North America. In 2009, the Company will continue to implement its strategy and grow the Pipelines and Energy businesses as discussed in the "TransCanada's Strategy" section of this MD&A.

The current economic slowdown is not expected to have a significant impact on TransCanada's near-term earnings as the majority of TransCanada's operations are underpinned by either long-term contracts or earn a regulated return. In addition, TransCanada's continued focus on risk management is expected to further lessen the negative impact of the current economic slowdown to TransCanada.

The Company's results in 2009 may be affected positively or negatively by a number of factors and developments as discussed throughout this MD&A, including without limitation, the factors and developments discussed in the "Forward-Looking Information", "Pipelines – Business Risks" and "Energy – Business Risks" sections. Refer to the "Pipelines – Outlook", "Energy – Outlook" and "Corporate – Outlook" sections of this MD&A for further discussion of outlook.