

Scotia Capital Electron Day Conference

November 20, 2008

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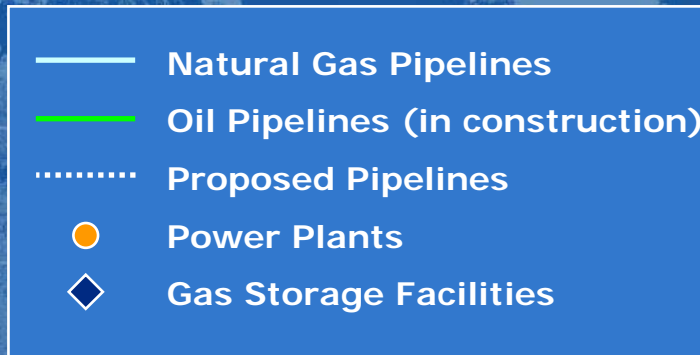


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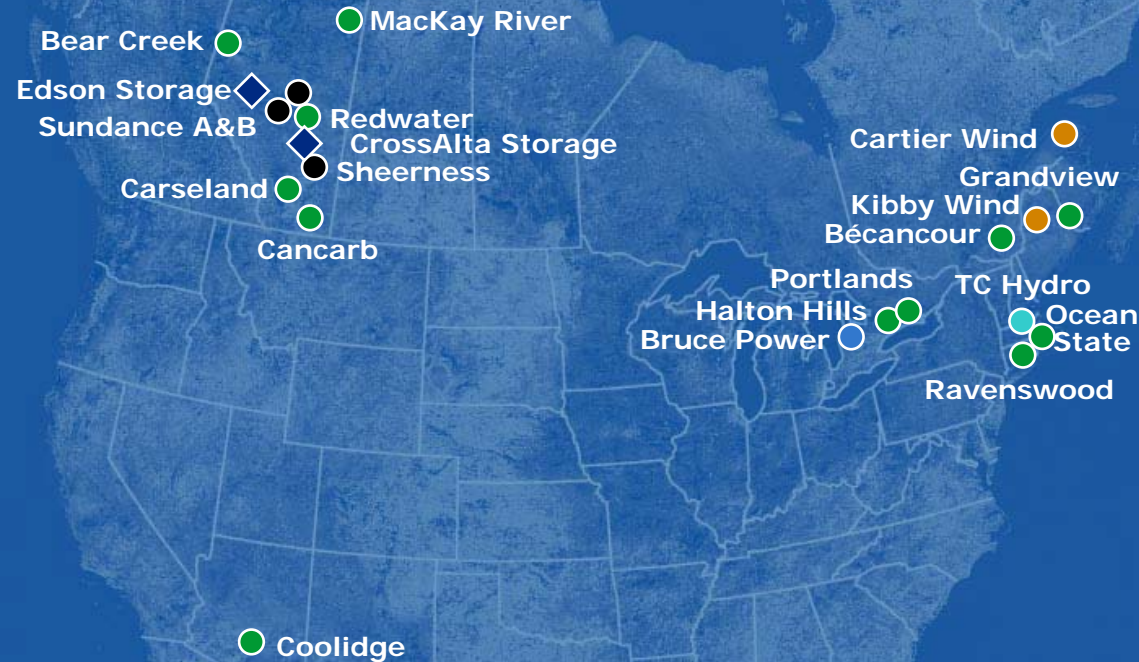


Portfolio of Quality Assets

- 59,000 km (36,500 mi) of wholly owned natural gas pipeline
- Interests in an additional 7,800 km (4,800 mi) of natural gas pipeline
- 15 Bcf/d
- 355 Bcf of natural gas storage capacity
- 19 power plants
- 10,900 megawatts
- Crude oil pipeline under construction
- \$39 Billion enterprise value

Energy Assets

- Power Plants
- ◆ Gas Storage Facilities



- 19 power plants
- 10,900 megawatts
- Diversified portfolio primarily invested in attractive low-risk assets
- Gas (52%)
- Nuclear (23%)
- Coal (15%)
- Hydro (5%)
- Wind (5%)
- 120 Bcf of natural gas storage capacity in Alberta

Energy Opportunities

..... Proposed Transmission
● Power Plants
▲ LNG Facilities



NorthernLights

- High-voltage direct current transmission line proposal

Gasification

- Feasibility studies underway on polygeneration

Slave River

- Run-of-river hydro feasibility study

Saddlebrook

- Combined-cycle natural gas power plant initiative

Ontario Power RFPs

CCS Policy Forces – Past 18 Months

Feds announce \$125mm toward CCS projects that reduce oilsands and coal plant emissions

Alta Climate Change Policy enacted in July 07 sees CCS as mitigating 70% of emissions

Federal Climate Change Plan – new coal power plants and oilsands plants must have CCS by 2018

\$2 Billion CCS fund created by Alberta to accelerated commercial CCS

BC, Ontario move to cap and trade

Federal Climate Change Policy starting 2010

Consistent Industry and Government Messages

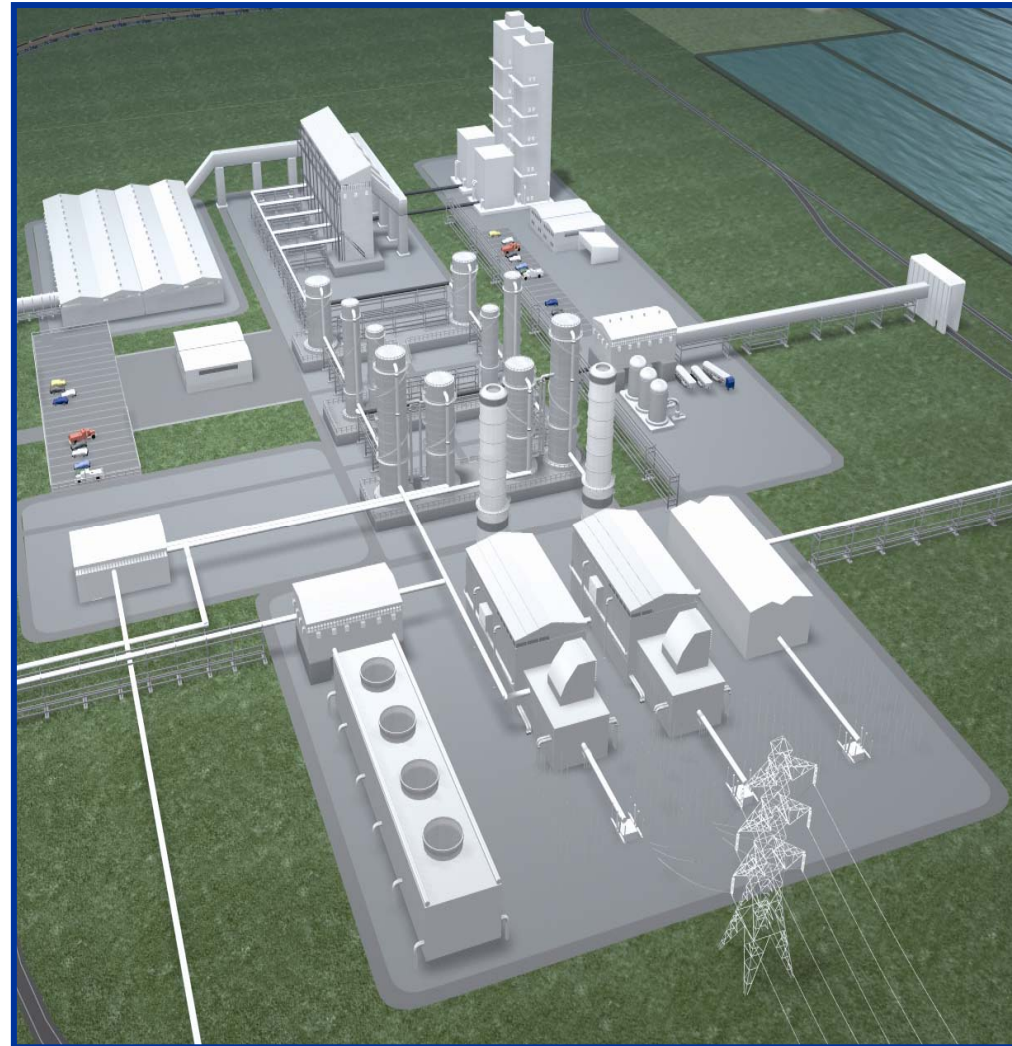
- CCS offers the most significant solution for Alberta and Canada
- CCS is not economic today – subsidy required
- Alberta has world class geological capture potential
- Alberta is uniquely positioned to make it work

Gasification Opportunities for the Future

TransCanada's Carbon Capture & Storage (CCS)

- Belle Plaine & Heartland Polygeneration
- Feasibility studies under way
- Belle - Power, steam, H₂, N₂
- Heartland – Hydrogen, Steam
- In-service potential 2015

Concept for Polygeneration Facility



Polygeneration Facility - Overview

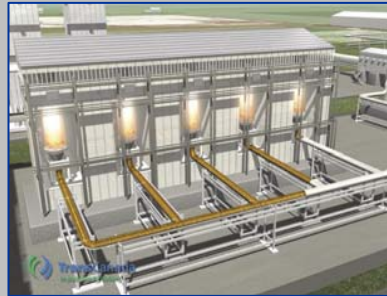
Fuel



Low Value Upgrading Products:

- Petcoke (3,000 T/d)

Gasification and Processing



- Large Commercial Scale
- Pre-combustion Capture
- 80-90% Capture
- Expansion Potential

Products to Market



Fertilizer Plant

- Hydrogen (200 mmscfd)
- CO₂ (2500 T/d)
- Nitrogen
- Sulphur
- Steam

Products to Market



EOR Markets

- CO₂ (7,000 T/d)

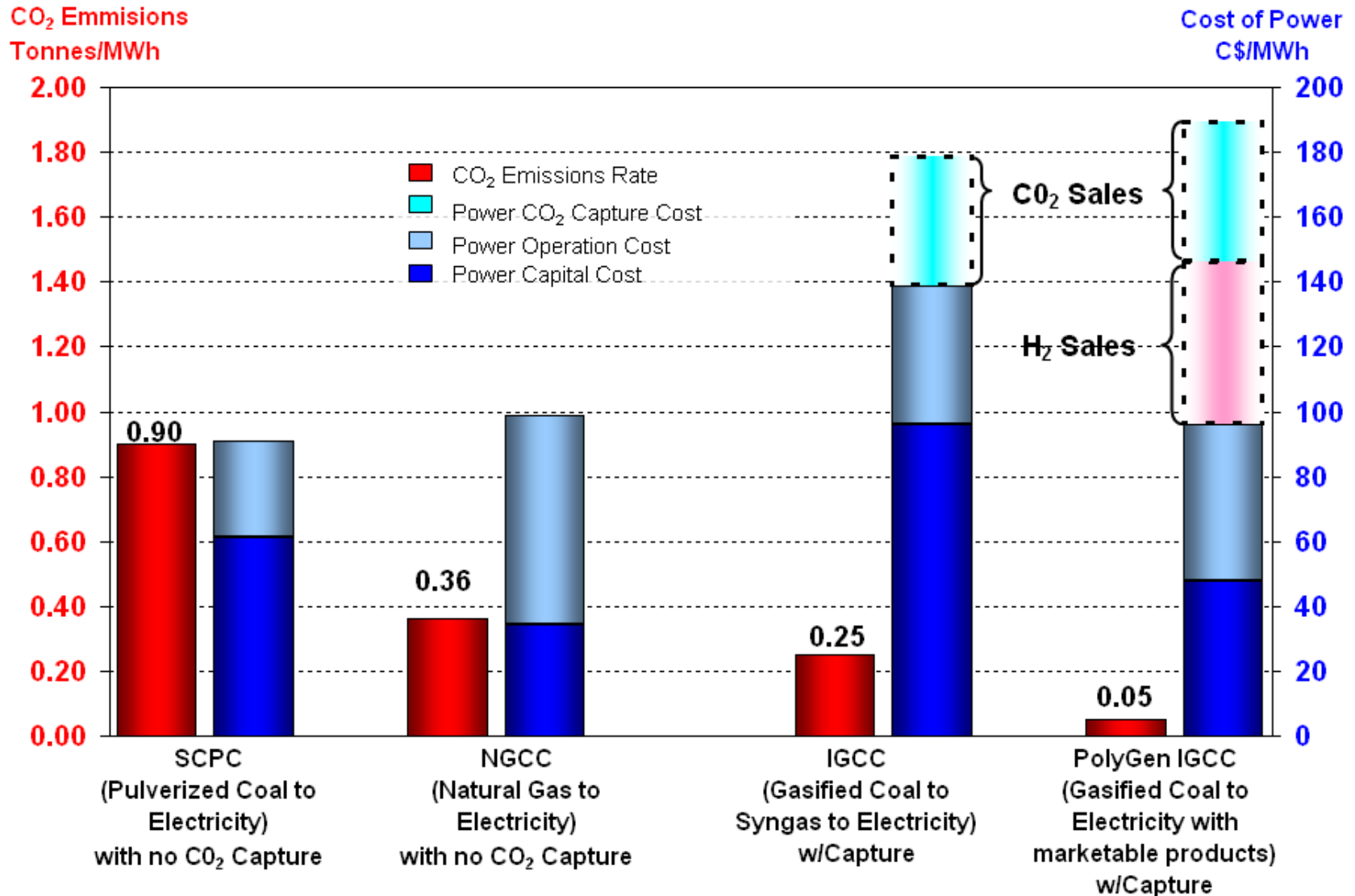
Power Markets

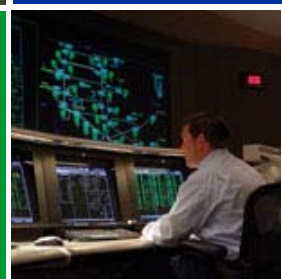
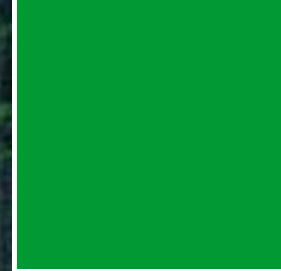
- Potential for 150MWs baseload

Financial Support for Polygeneration

- Belle Plaine
 - Saskatchewan – repayable loan agreement
 - \$26 million in two steps (completed first stage)
- Heartland
 - Short listed on Alberta CCS funding EOI
- Federal Government
 - Applied for Eco-ETI funding (Belle Plaine)
 - Match provincial contribution
- Policy and legislation required to fill the gap between capital cost and revenue for CCS projects
- Must be realistic about capital availability for these projects (these projects need to compete for capital)

Power Generation Alternatives – CCS Gap





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