#### Williston Basin Oil Pipeline Update

March 30, 2011 10:00 am – 11:30 am

#### <u>Agenda</u>

- True Companies
- TransCanada
- Plains All American
- Tesoro
- Enbridge

#### **Tips For Viewers**

-Q&A tab at the top of screen for questions

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#### Williston Basin Oil Pipeline Update

March 30, 2011 10:00 am – 11:30 am

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NORTH DAKOTA PIPELINE AUTHORITY WEBINAR, MARCH 30, 2011 BAKER 300

## AGENDA & INTRODUCTION

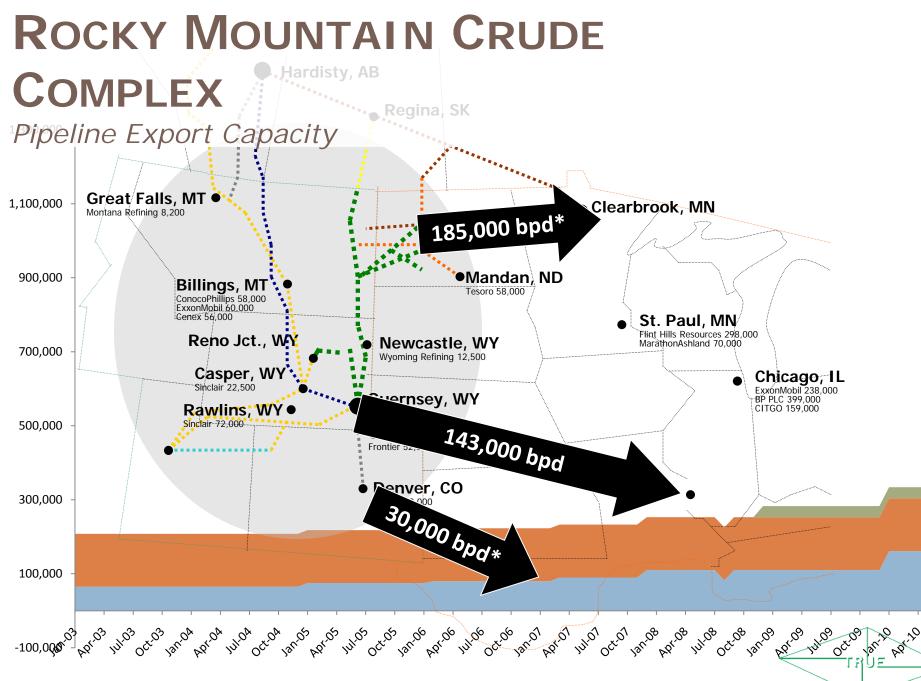
- LOGISTICAL CONSTRAINTS FOR BAKKEN PRODUCTION:
  - Inter-Regional Constraints: Getting Barrels out of the Rockies
  - Intra-Regional Constraints: Getting Barrels out of the Williston Basin
  - Lease Constraints: Getting Barrels off the Lease
- FOUR BEARS
- Baker 300
- CONSTRUCTION REVIEW



### INTER-REGION CONSTRAINTS

Getting Barrels out of the Rockies





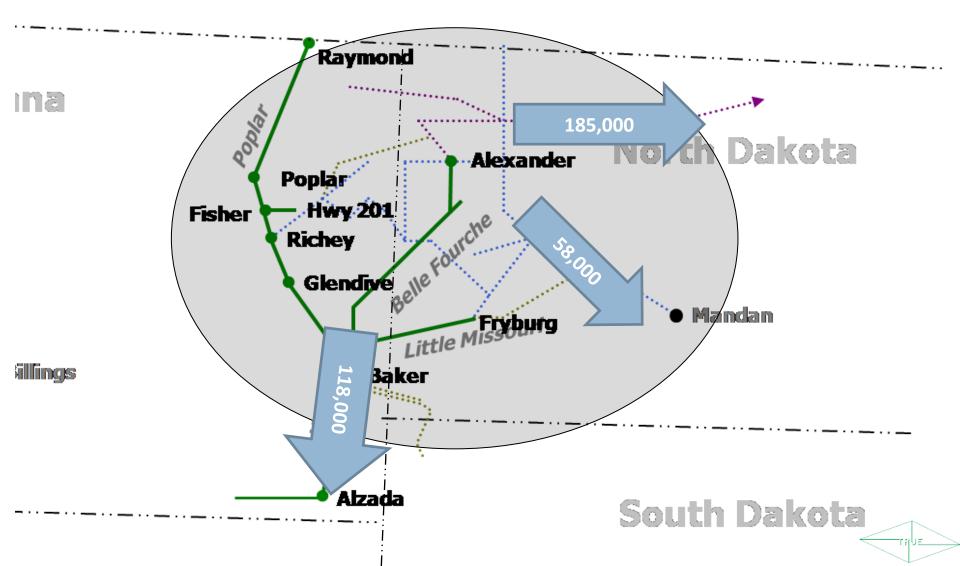
### INTRA-REGIONAL CONSTRAINTS

Moving Barrels Out of the Williston Basin



#### ROCKY MOUNTAIN CRUDE COMPLEX

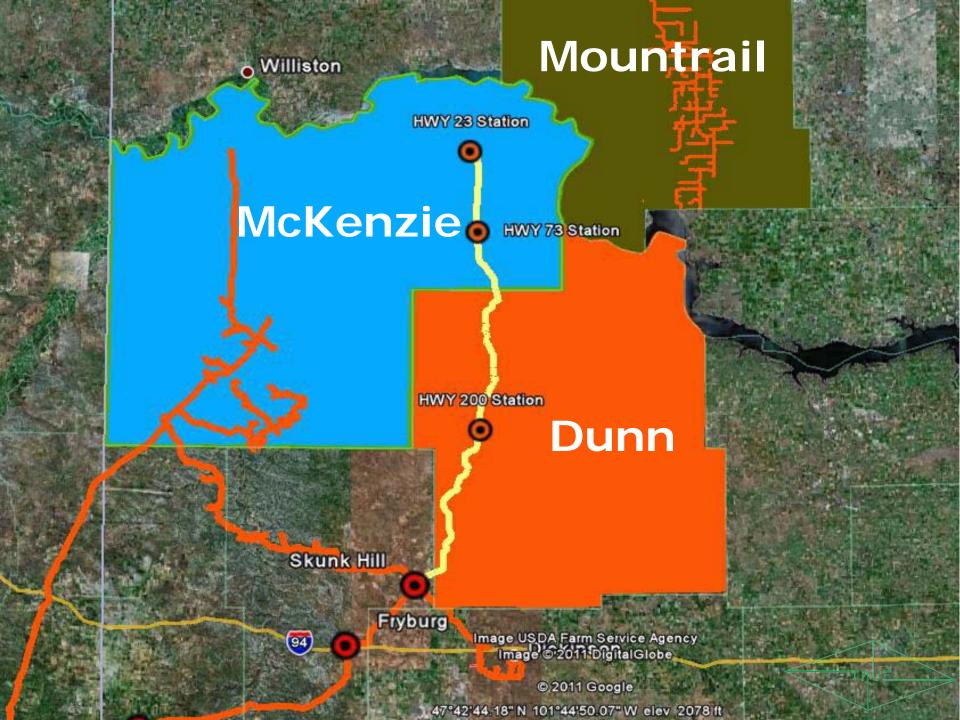
Intra-Regional Constraints



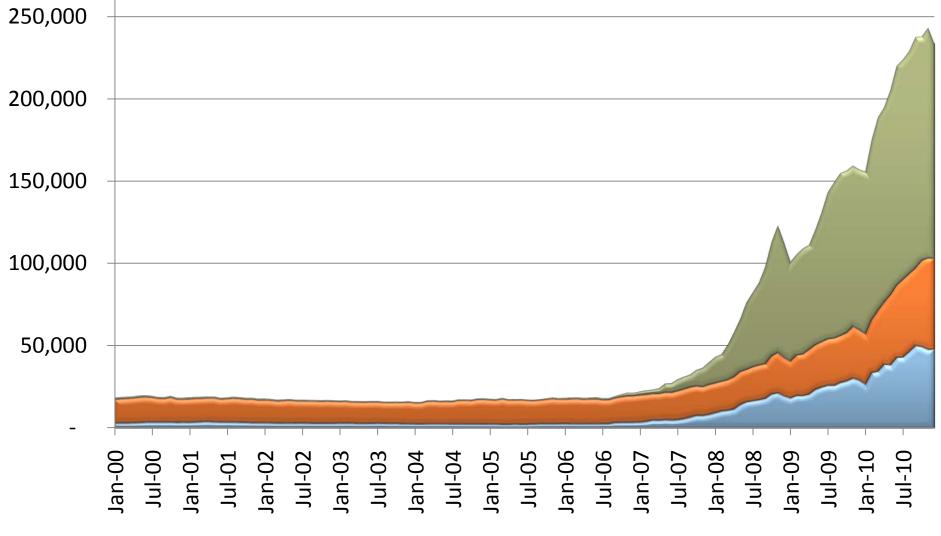
Moving Barrels off the lease

#### LEASE CONSTRAINTS

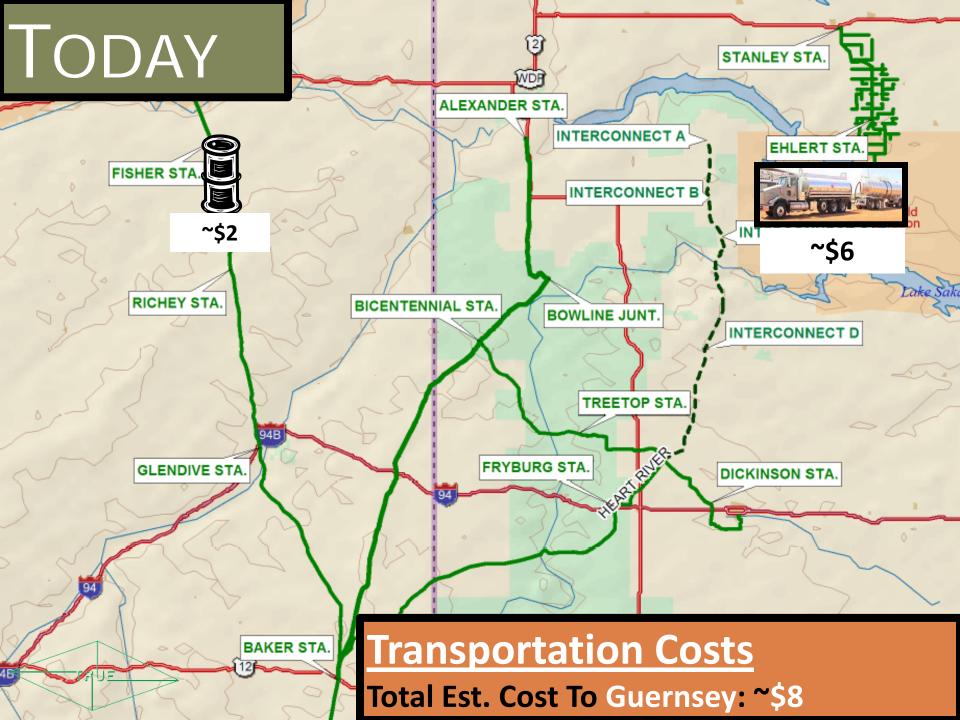


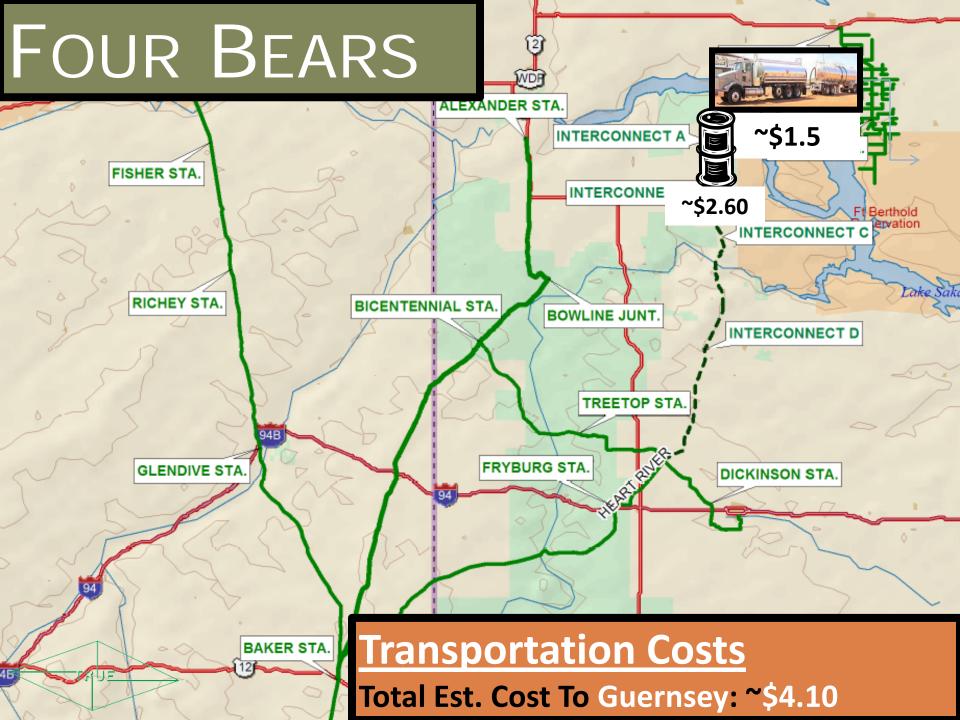


#### MOUNTRAIL, DUNN & MCKENZIE COUNTIES



🖬 Dunn 🛛 📕 McKenzie 🛸 Mountrail





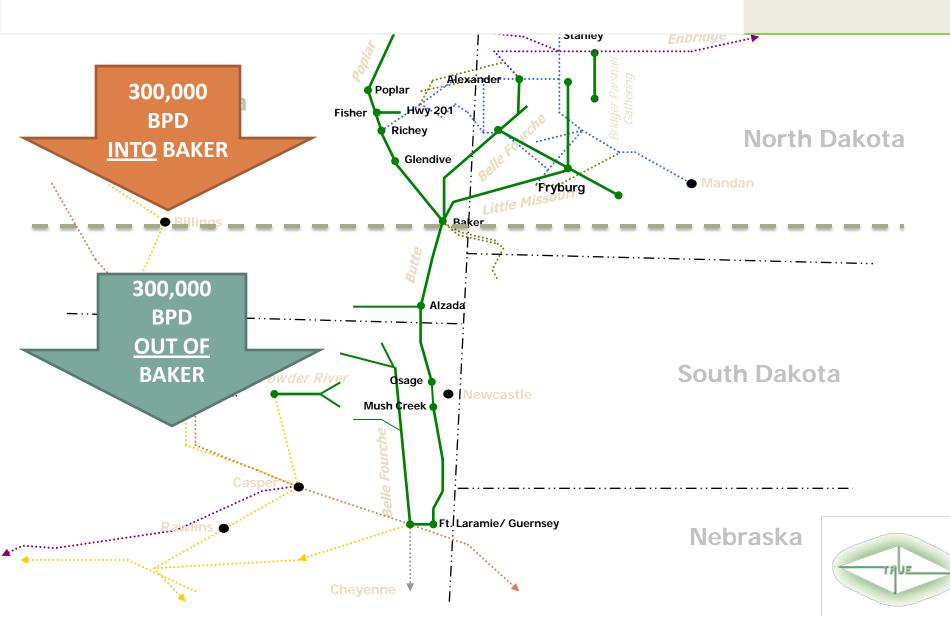
Solutions

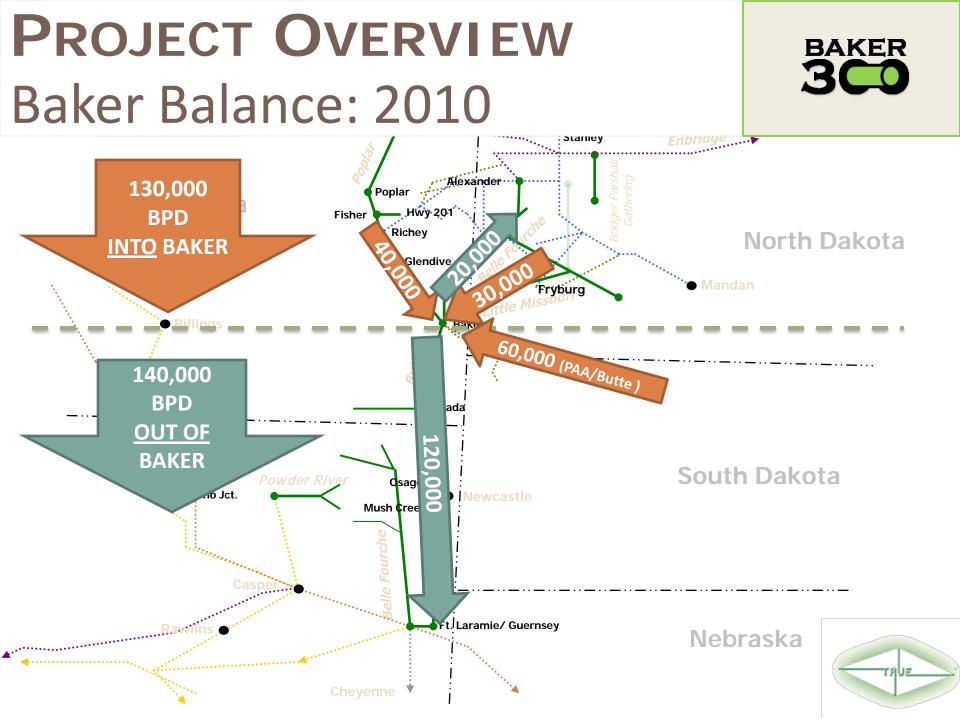
#### BAKER 300

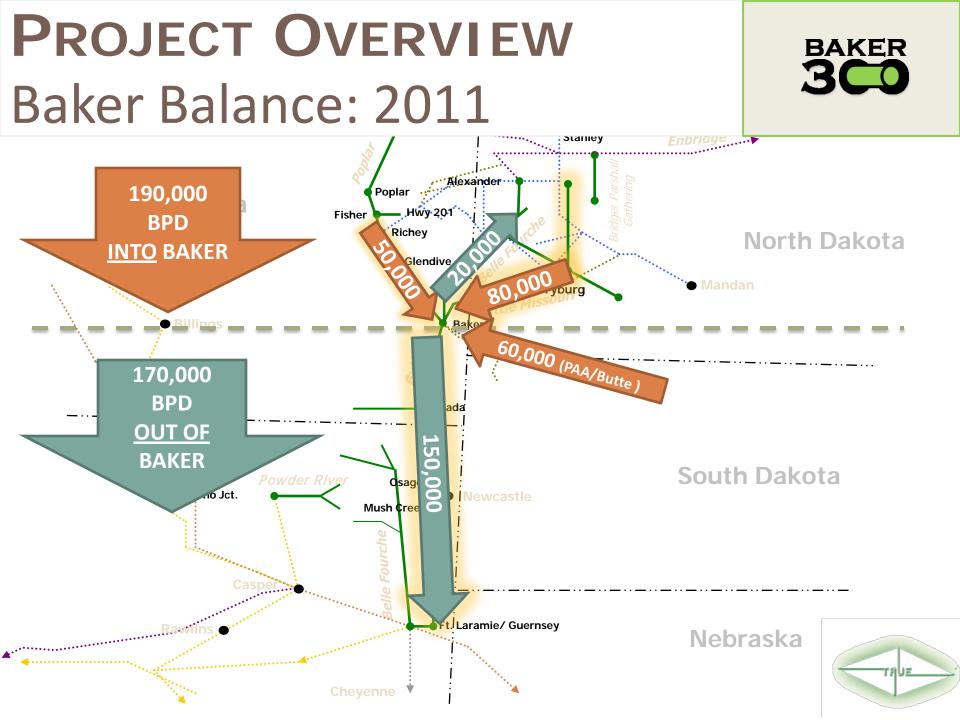
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## **PROJECT OVERVIEW**



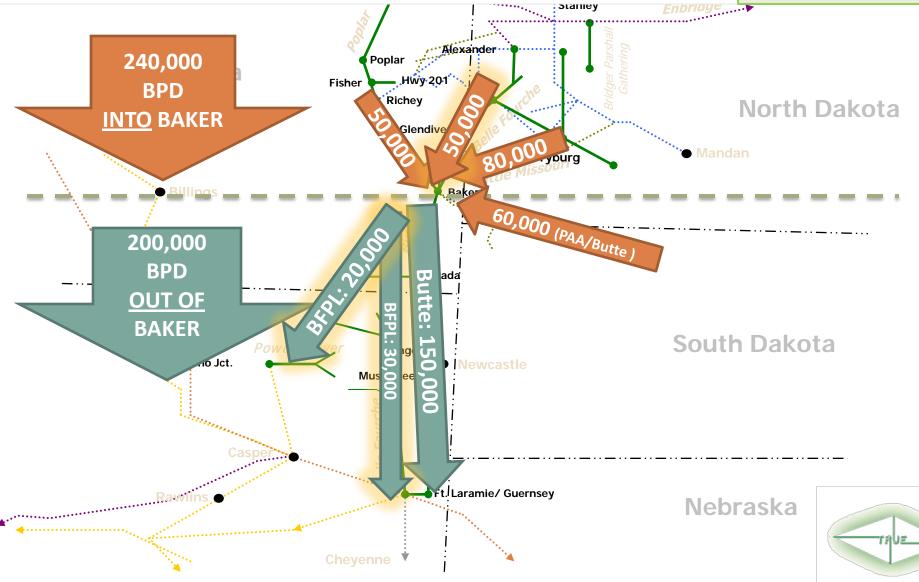


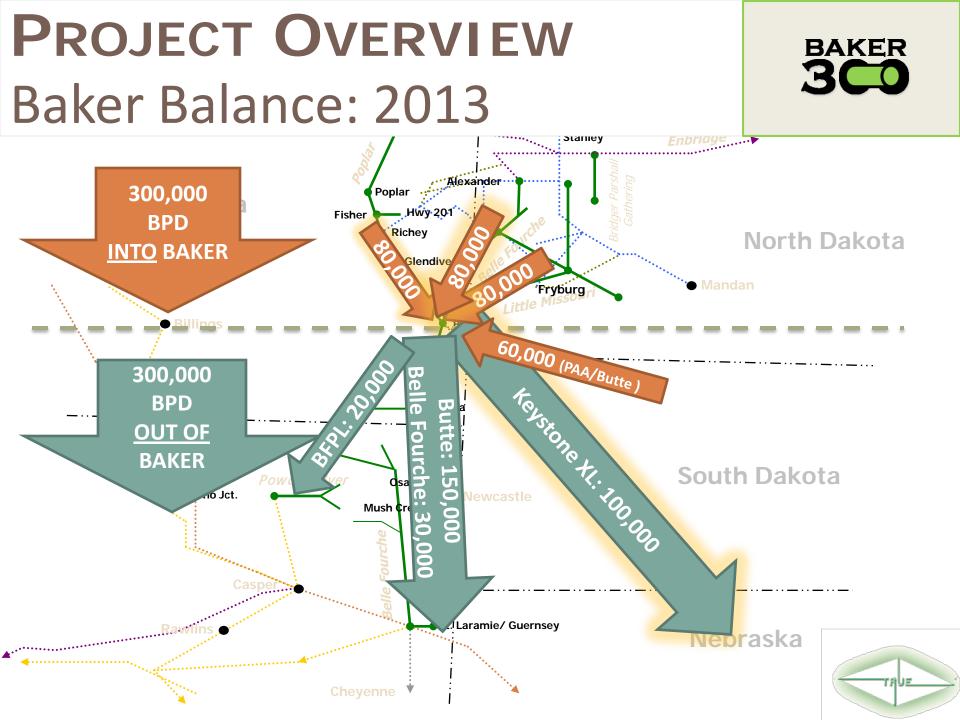




## **PROJECT OVERVIEW** Baker Balance: 2012







#### BAKER 300 Resolving Constraints



- Inter-Regional Constraints: –*Keystone XL Connection*: 100,000
- Intra-Region Constraints:
  - -Butte Expansion: 32,000bpd
  - -Belle Fourche Loop: 50,000bpd
- Lease Constraints:
  - With Poplar, Belle Fourche and Four Bears, most producing wells in western North Dakota and eastern Montana will be no farther than 20 miles from pipeline access.





### FOUR BEARS PIPELINE



## Four Bears Pipeline ROW Clearing



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## Four Bears Pipeline ROW Clearing

# Four Bears Pipeline ROW Clearing

# Four Bears Pipeline Pipe Stringing

# Four Bears Pipeline Pipe Stringing

## Four Bears Pipeline Welding

UF

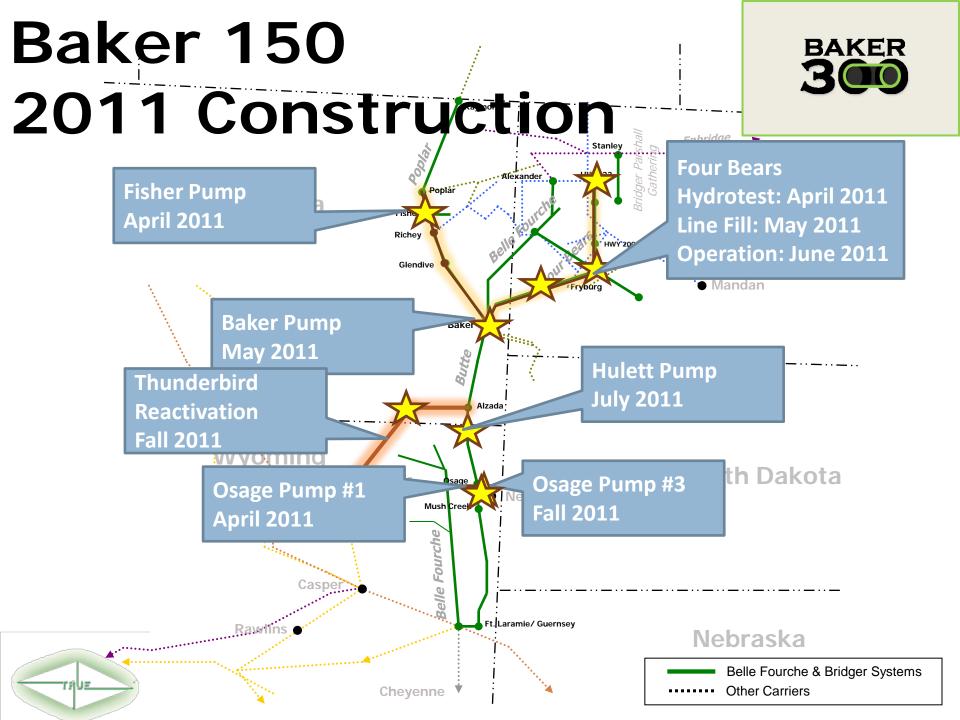
## Four Bears Pipeline Lowering

## Four Bears Pipeline Lowering

## FOUR BEARS PIPELINE Station Construction

UE

# FOUR BEARS PIPELINE Station Construction



NORTH DAKOTA PIPELINE AUTHORITY WEBINAR, MARCH 30, 2011 BAKER 300



#### **Bakken Marketlink Project Update**

North Dakota Pipeline Authority March 30, 2011

David Diakow TransCanada Oil Pipelines



#### **Forward-Looking Information**



This presentation may contain certain information that is forward looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information. Forward-looking statements in this document are intended to provide TransCanada security holders and potential investors with information regarding TransCanada and its subsidiaries, including management's assessment of TransCanada's and its subsidiaries' future financial and operations plans and outlook. Forward-looking statements in this document may include, among others, statements regarding the anticipated business prospects, projects and financial performance of TransCanada and its subsidiaries, expectations or projections about the future, and strategies and goals for growth and expansion. All forward-looking statements reflect TransCanada's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among others, the ability of TransCanada to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of TransCanada's pipeline and energy assets, the availability and price of energy commodities, capacity payments, regulatory processes and decisions, changes in environmental and other laws and regulations, competitive factors in the pipeline and energy sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments and economic conditions in North America. By its nature, forward-looking information is subject to various risks and uncertainties, which could cause TransCanada's actual results and experience to differ materially from the anticipated results or expectations expressed. Additional information on these and other factors is available in the reports filed by TransCanada with Canadian securities regulators and with the U.S. Securities and Exchange Commission (SEC). Readers are cautioned to not place undue reliance on this forward-looking information, which is given as of the date it is expressed in this presentation or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. TransCanada undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

## - Natural Gas Pipeline

- Natural Gas Pipeline (Under Construction)
- Natural Gas Pipeline (In Development)
- Natural Gas Pipeline (Proposed)
  - Oil Pipeline
  - Oil Pipeline (In Development)
  - **Power Facilities**
  - Gas Storage

## About TransCanada

### 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 3rd Largest Natural Gas Storage Operator

• 380 Bcf of capacity

#### Canada's Largest Private Sector Power Generator

• 19 power plants, 10,800 MW

### Premier North American Oil Pipeline

• 1.3 million Bbl/d capacity

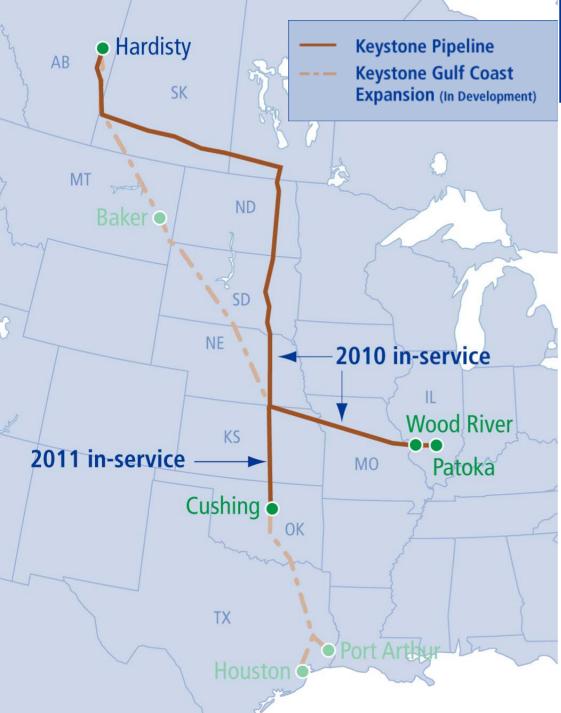
Enterprise Value ~ \$48 billion

## **Keystone Oil Pipeline**





- Significant new long-term growth platform
- 1.3 million Bbl/d capacity
- Close to 1 million Bbl/d contracted
- Significant competitive transportation alternative
- Potential to move 33% of all Canadian exports to U.S.
- Potential to move 250,000
   Bbl/d of U.S. supply to market



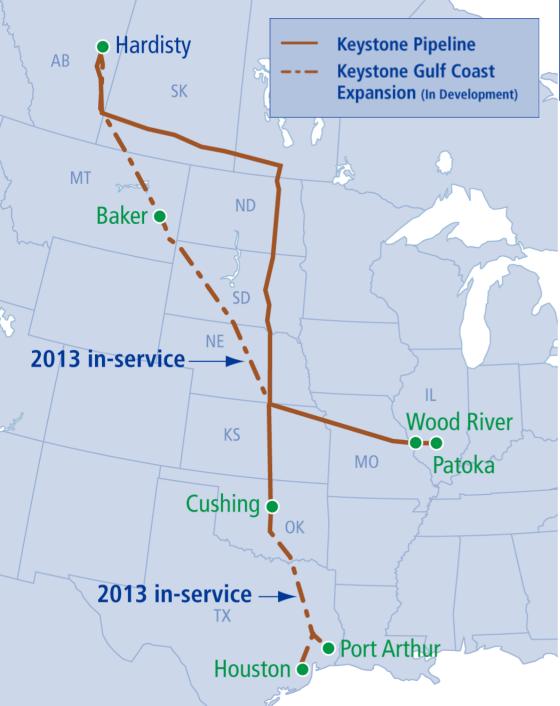
## Keystone - Phase I & II

#### Phase I

- Commercial deliveries to Wood River/Patoka commenced June, 2010
- Nominal capacity of 435,000 Bbl/d

## Phase II - Cushing Extension

- Commercial deliveries to Cushing commenced February, 2011
- Increased nominal capacity to 591,000 BbI/d



## Keystone Gulf Coast Expansion

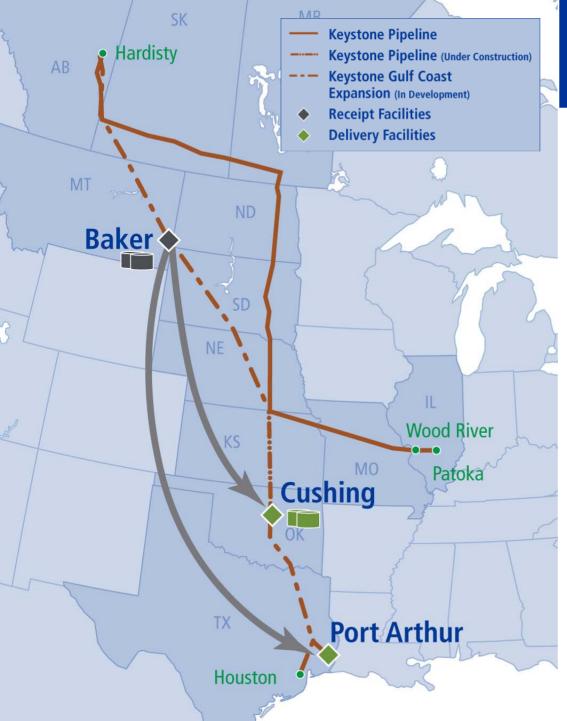
- Hardisty, AB to USGC
- Delivery capacity to USGC of 500,000 Bbl/d
- Canadian regulatory approvals received Q1 2010
- US regulatory approvals expected Q4 2011
- Project ready to proceed following U.S. regulatory approvals
- Shovel ready project
- In-service: 2013

## Keystone XL U.S. Regulatory Update





- April 2010: Received favorable draft environmental impact statement (DEIS)
- March 2011: U.S. Department of State (DOS) announces final stages of review
- DOS expects to reach final decision before end of 2011
- May 2011: Comment period to close for DOS supplemental DEIS
- Final Environmental Impact Statement (FEIS) is anticipated in late summer
- National Interest Determination
- Presidential Permit expected Q4 2011

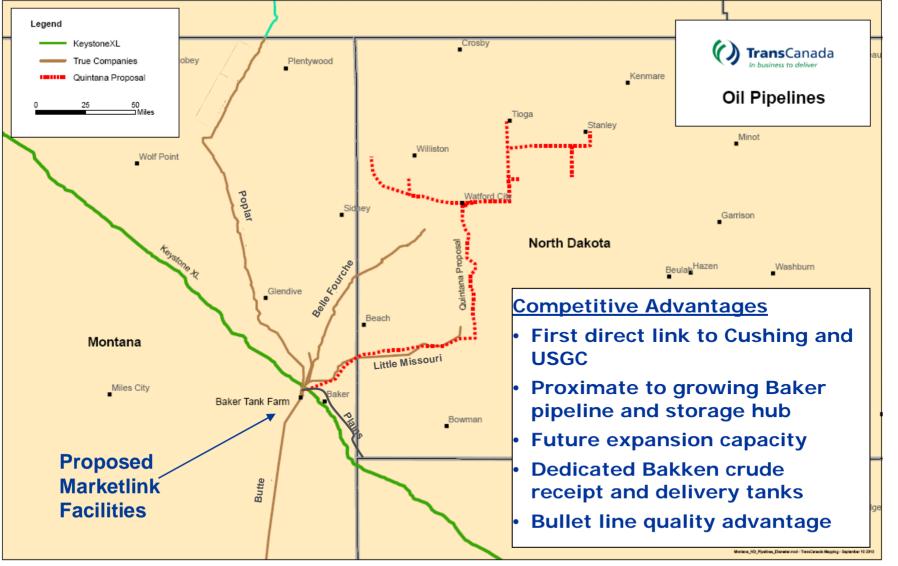


## **Bakken Marketlink**

- Competitive alternative to move Bakken crude directly to major markets
- Receipt capacity up to 100,000 Bbl/d
- Open season concluded
- Contracts secured for 65,000 Bbl/d
- Project proceeding
- In-service expected to align with Keystone XL project
- In-service: 2013

## **Bakken Marketlink**







## **Cushing Marketlink**

#### **Cushing Crude Oil Storage Hub**

- Largest in North America with over 47 million barrels of storage
- Existing exit pipeline capacity is constrained

## **Cushing Marketlink Project**

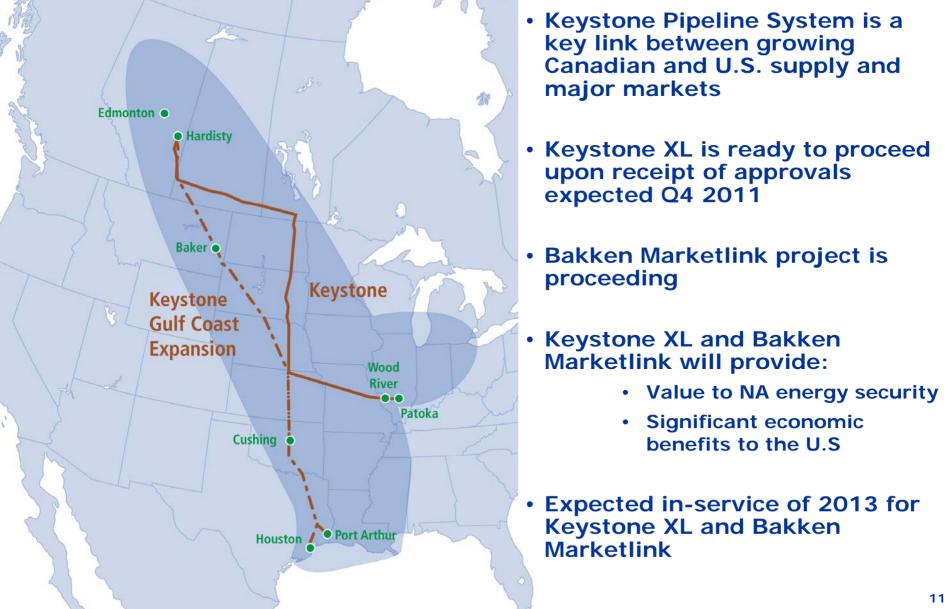
- Receipts of up to 150,000 Bbl/d
- Open Season secured sufficient contracts to proceed
- Available contract capacity
- Transportation service expected to commence in 2013

## **Competitive Advantages**

- Reconnects Cushing with market
- First direct link to USGC
- Future expansion of capacity competitive and economic

## Summary







# Bakken North Pipeline Project Overview

James Pinchback Director, Pipeline Business Development

March 30, 2011

## Forward-Looking Statements & Non-GAAP Financial Measures Disclosure

- This presentation contains forward-looking statements, including, in particular, statements about the plans, strategies and prospects of Plains All American Pipeline, L.P. ("PAA") and PAA Natural Gas Storage, L.P. ("PNG"). These forward-looking statements are based on PAA's and PNG's current assumptions, expectations and projections about future events.
- Although PAA and PNG believe that the expectations reflected in these forward-looking statements are reasonable, PAA and PNG can give no assurance that these expectations will prove to be correct or that synergies or other benefits anticipated in the forward-looking statements will be achieved. Important factors, some of which may be beyond PAA's or PNG's control, that could cause actual results to differ materially from management's expectations are disclosed in PAA's and PNG's respective filings with the Securities and Exchange Commission.
- This presentation also contains non-GAAP financial measures relating to both PAA and PNG. A reconciliation of these measures to the most directly comparable GAAP measures is available in the appendix to this presentation. For additional detail regarding selected items impacting comparability, please visit the Investor Relations section of PAA's website at <u>www.paalp.com</u> and PNG's website at <u>www.pnglp.com</u>.



# A Bit about Plains All American Pipeline

## **Operational Metrics**

+	<u>Assets<sup>(1)</sup>:</u> Pipelines (active miles) Liquids Storage Natural Gas Storage <sup>(2)</sup> LPG Railcars Truck/Trailer Fleet Barge/Tug Fleet	16,000 90 MMBbls ~71 Bcf 1,400 585 / 960 65 / 39
	Crude, Product & LPG Volumes: MMBbl/d	>3.0
	Operational footprint: Domestic Canada Provinces	>40 States 5
	Employees	~3,500

One of the largest crude oil gathering, transportation and storage providers in North America

## Strong track record of investment to meet customer needs

- Invested >\$2.7 Billion in organic growth since 2005;
- 2011 capital plan totals \$550 million <sup>(3)</sup>

## Solid financial positioning

- \$1.4 Billion of committed liquidity at 12/31/2010
- **Investment Grade Credit Rated** (BBB-, Baa3)

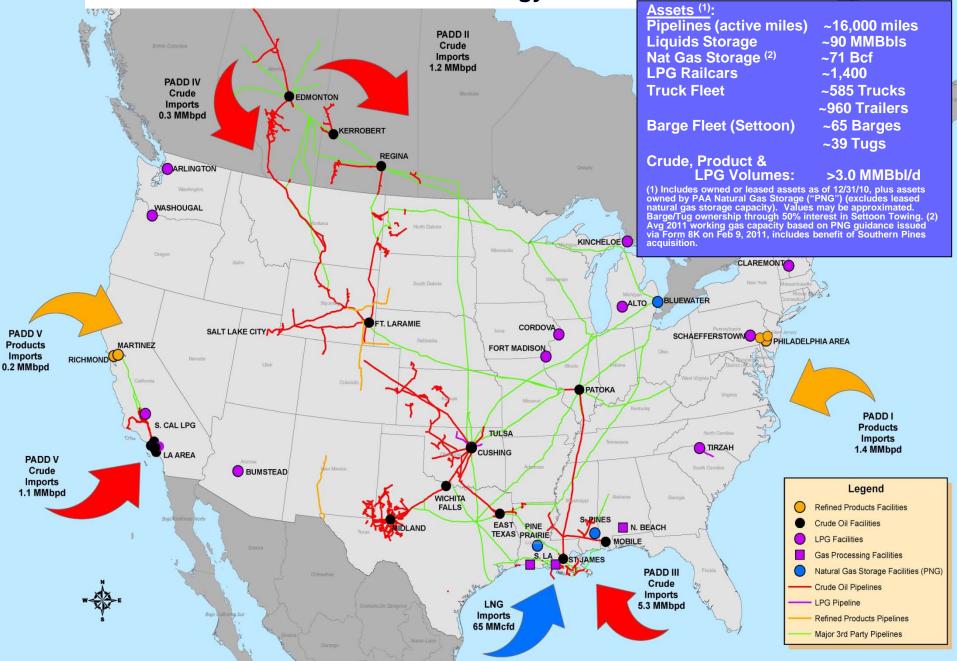
(1) Includes owned or leased assets as of 12/31/10 plus assets owned by PAA Natural Gas Storage ("PNG") (excludes leased natural gas storage capacity). Values may be approximated. Barge/Tug ownership through 50% interest in Settoon Towing.

Avg 2011 working gas capacity based on PNG guidance issued via Form 8K on Feb 9, 2011, includes benefit of Southern Pines acquisition. (2) (3)

Based on guidance on Form 8K issued February 9, 2011.



#### Plains Assets – Well Positioned to Meet the Dynamic Needs of North American Energy Markets



## Plains has a Strong (and growing) Rockies Presence

- Currently own >4,500 miles of pipeline in the US Rockies
  - Strong footprint in both the US and Canada
  - Have owned and operated the Trenton gathering system since 2004
- Handle >400,000 barrels per day of crude oil in the Rockies
- Recently completed \$230 million acquisition of Nexen's Bakken Assets
  - Robinson Lake pipeline
  - Crude oil gathering business

 In November, 2010 announced our proposed Bakken North Project



# **Plains Proposed Bakken North Project**

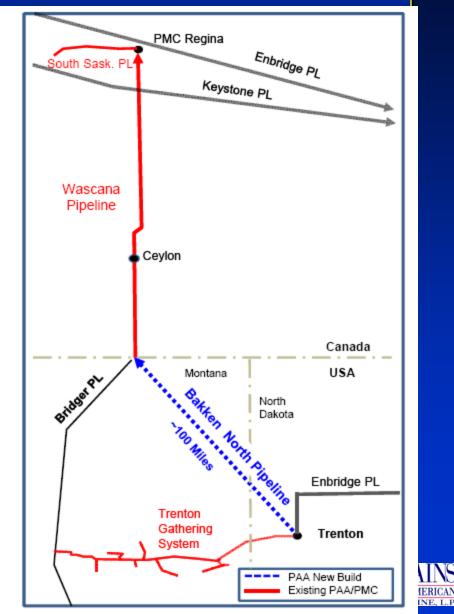
- Would provide up to 75,000 barrels per day of take-away capacity
- Leverages existing asset base for more rapid and economic completion
  - Subject to timely receipt of permits, project to be placed into service in 4Q 2012
- Part I -- Reverse Wascana Pipeline System
  - 107-miles of 12-inch crude oil pipeline extending from U.S./Canada border to Regina, Saskatchewan
  - 212,000 barrels of tankage
  - Designed throughput capacity up to 77K bpd

#### Part II -- Construct Bakken North Pipeline

- A 103-mile, 12-inch crude oil pipeline extending from Trenton to U.S./Canada Border and connect with the southern terminus of the Wascana Pipeline System.
- Initial design capacity of 50K bpd (expandable to 75K bpd with installation of additional pumping capacity)

#### Total Cost: \$160 million to \$200 million

 Final cost driven by pipeline routing, materials and right of way procurement, and terminalling and connection arrangements 6





## **Enbridge Bakken Expansion Projects**



## North Dakota Pipeline Authority Webinar March 30, 2011

Kelly S. Wilkins Manager – Planning and Development Enbridge Pipelines (North Dakota)

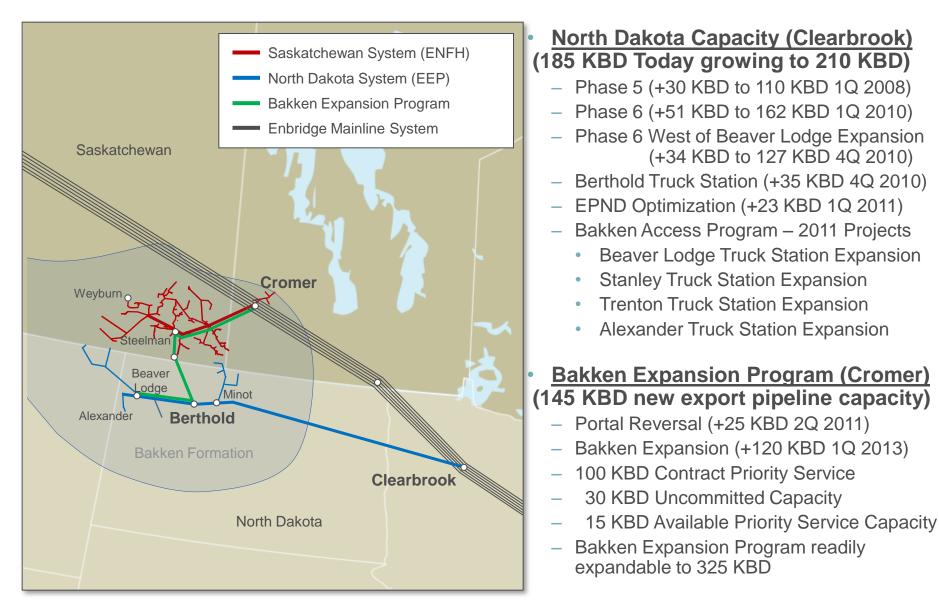




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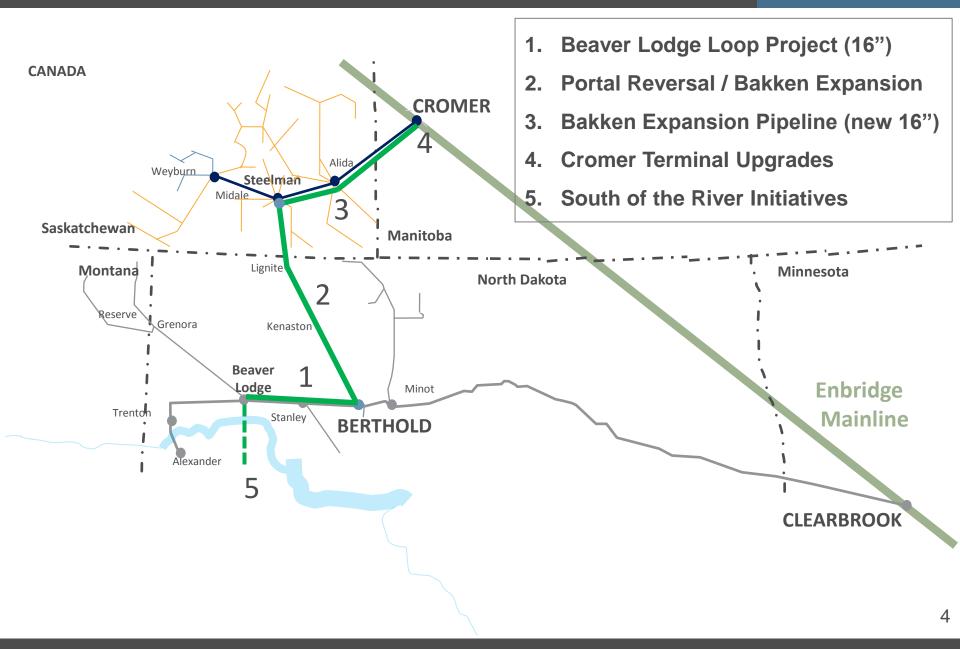
## North Dakota Bakken Pipeline Expansion Projects



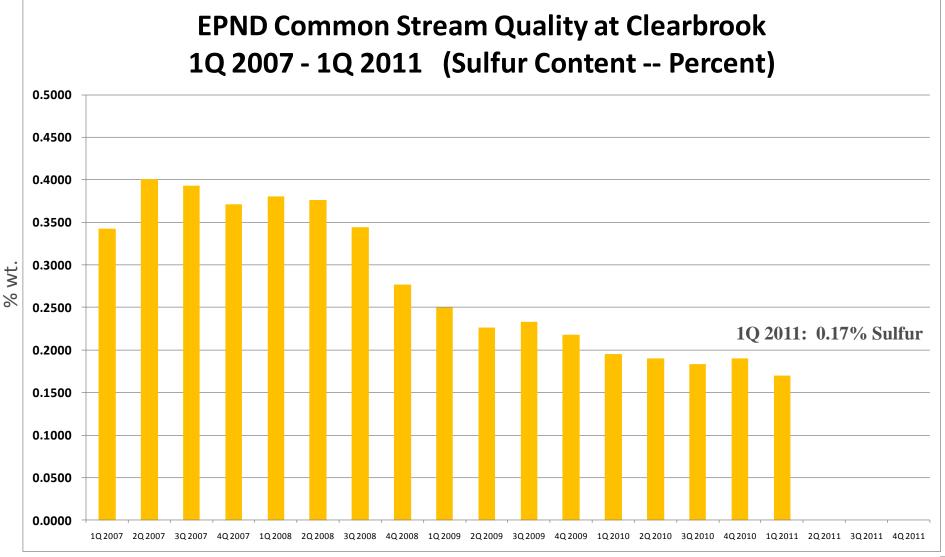


### **Bakken Expansion Program (Cromer)**





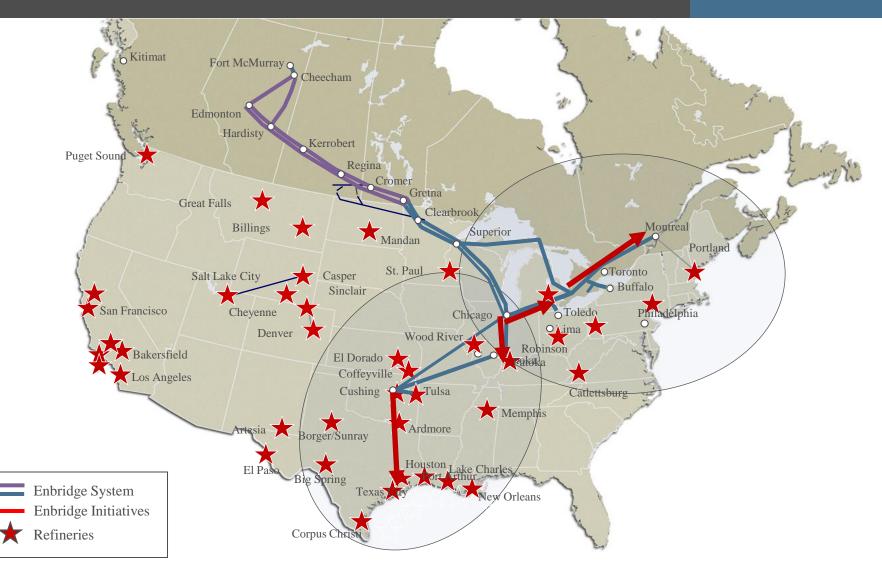




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## **Delivering Bakken Quality into US Markets**





# Questions ?





# Tesoro Mandan Refinery Crude Expansion

- Crude Capacity Increase of 10,000 barrels per day
- Scheduled Project Completion Mid 2012
- Expected Capital Invest of \$38 MM
- Preliminary Engineering and Permitting
   Processes have Commenced

# Tesoro Mandan Refinery Crude Expansion

- Key Supporting Factors of the Project
  - Steady Increase in Bakken Crude Supply
  - Increased Product Demand in the Region
  - Success of 2010 Project Investments (better than anticipated)