

Transporting North Dakota's Natural Gas

May 26, 2011

10:00 am – 11:30 am

Agenda

- BENTEK Energy
- Alliance Pipeline
- Northern Border Pipeline
- Williston Basin Interstate Pipeline

Tips For Viewers

- Q&A tab at the top of screen for questions
- Close all other applications on your computer: Outlook, etc

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North American Natural Gas Market Update

***BENTEK Energy
NDPA
Sean McEwen***

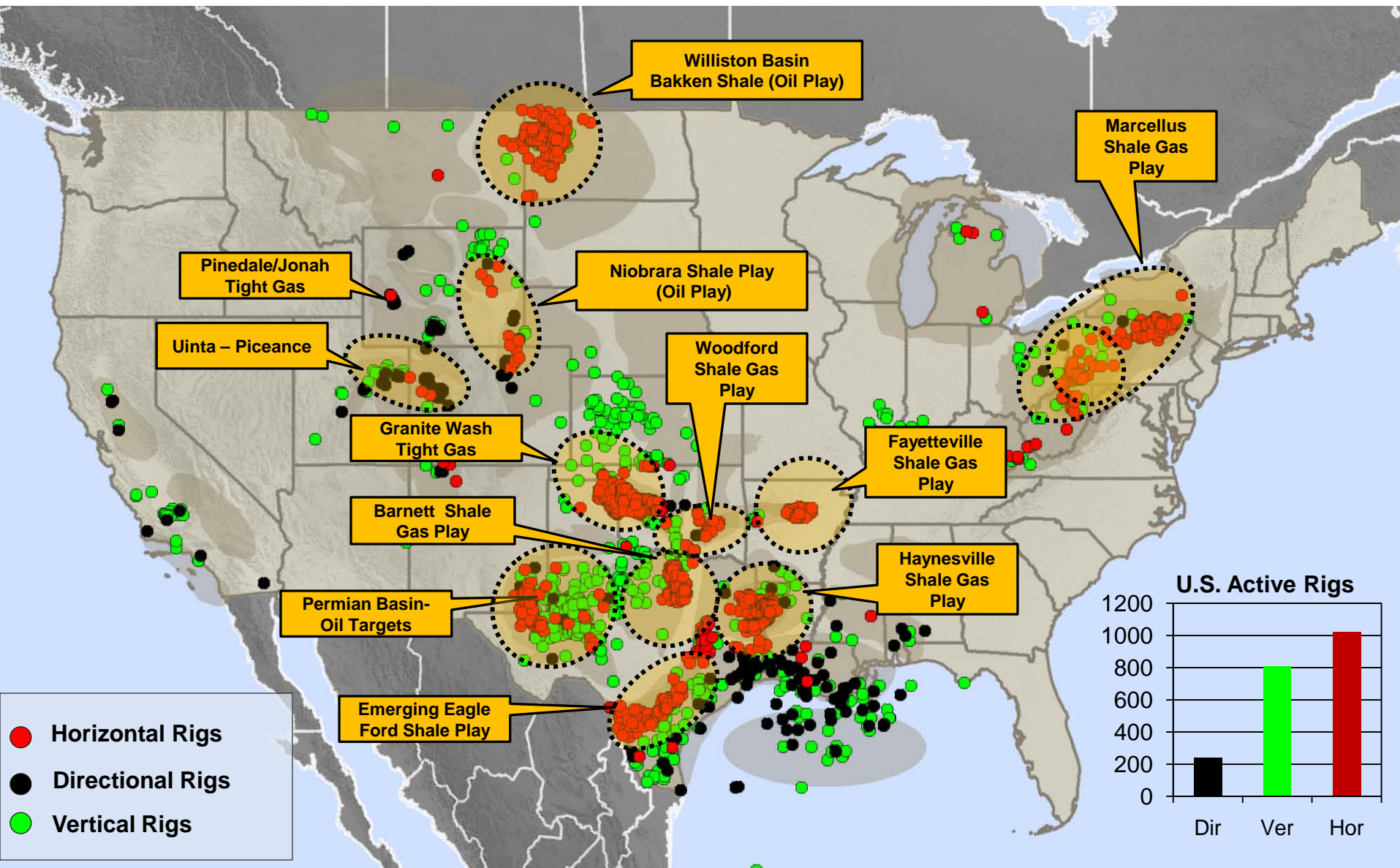
BENTEK Energy, LLC

BENTEK is an energy market analytics company, focused on the natural gas market and related energy sectors.

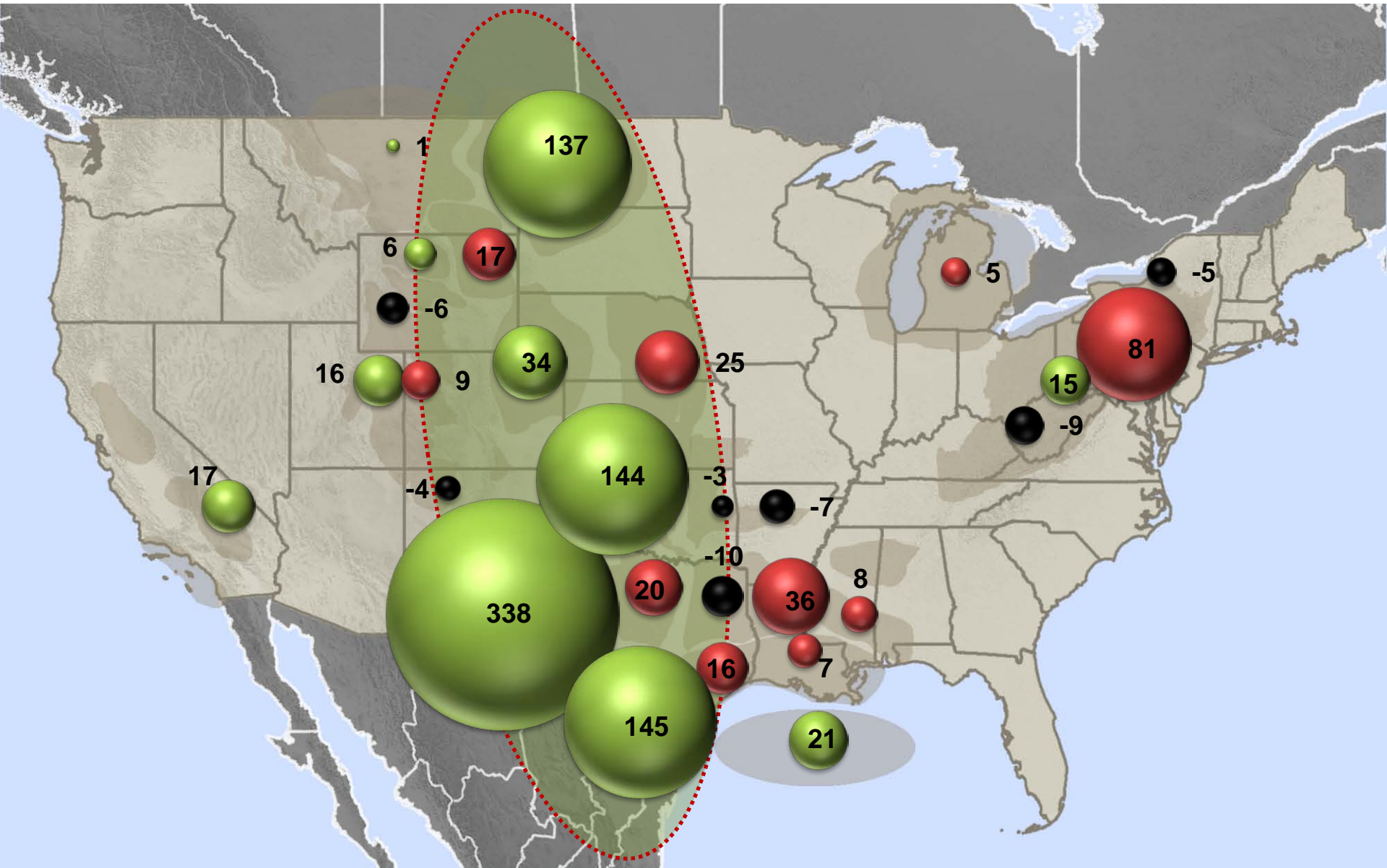


- ❖ **Based in Evergreen, CO**
- ❖ **Founded in 1985**
- ❖ **Over 35 Daily and Weekly Reports covering key aspects of energy markets**
- ❖ **Comprehensive multi-client and private client studies and consultation of energy markets**
- ❖ **102 industry analysts and information technology professionals**

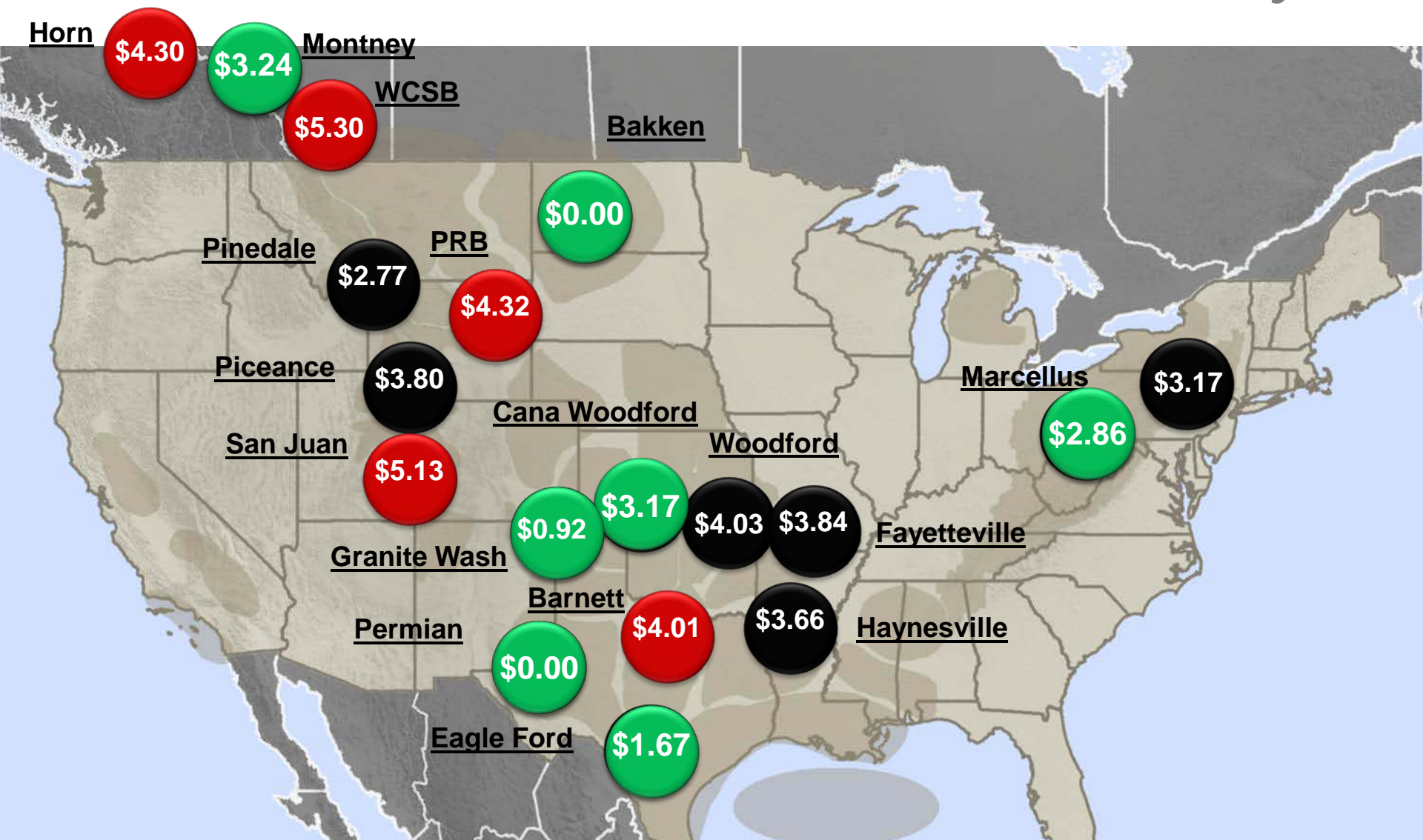
U.S. Active Rig Locations



Active Rig Additions Since Recent Low – May 2009



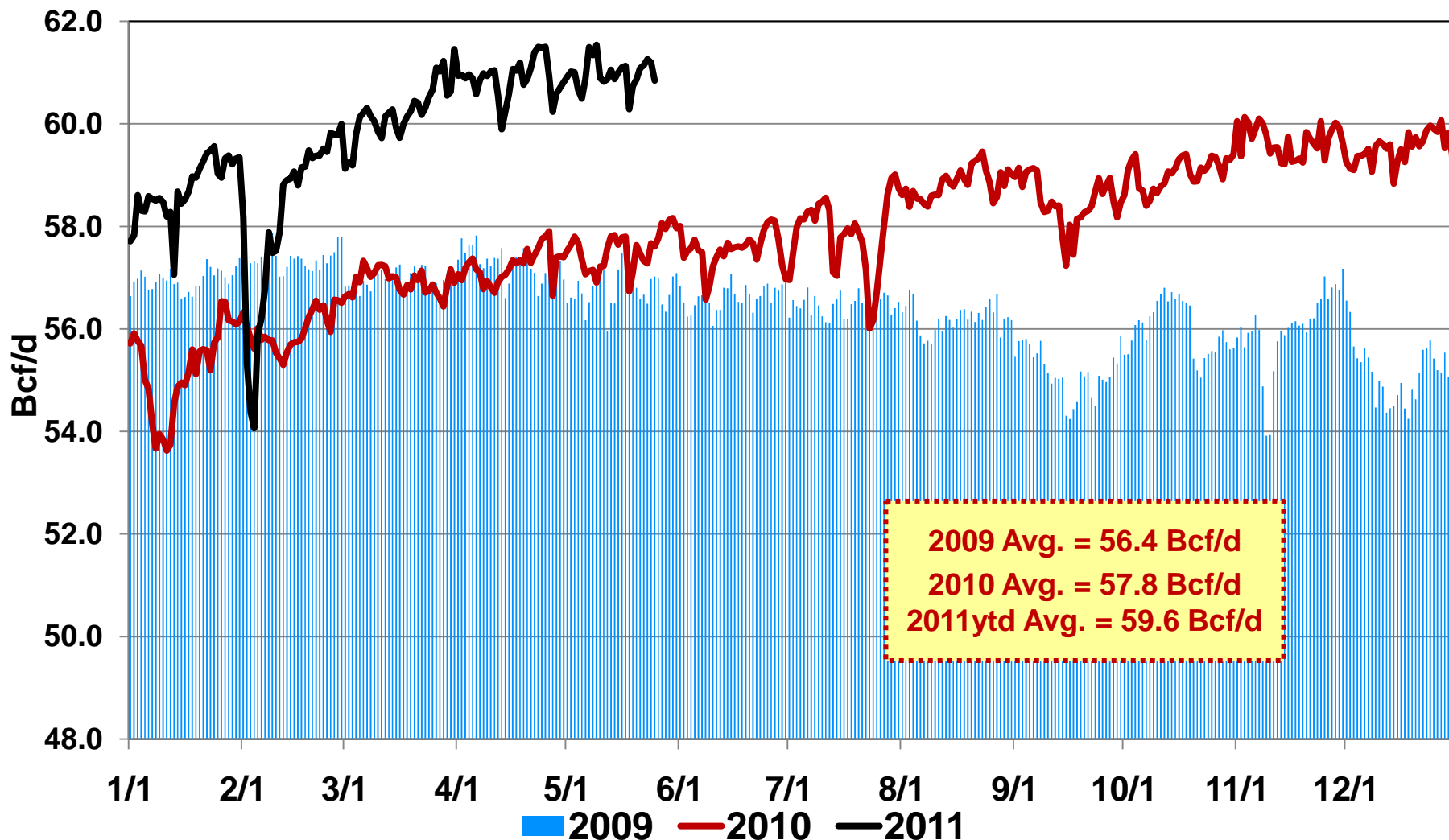
Sub \$4.00 Breakevens Drive Resource Plays



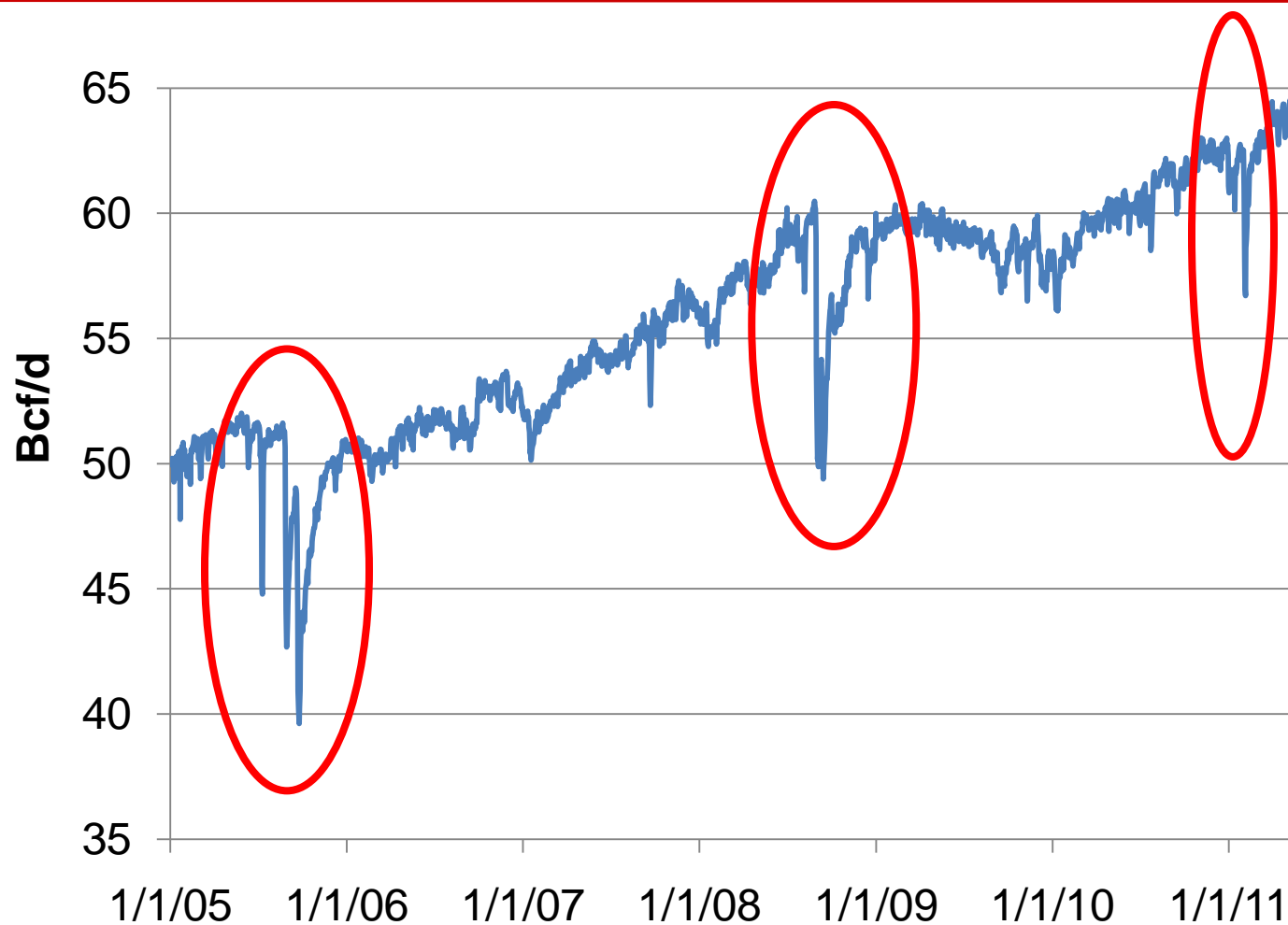
Note: Breakevens computed at 12:1 Crude Ratio and 1:1 NGL Ratio
 Green Circles Breakeven's Computed at \$80 Crude and 1:3 NGL Ratio
 Based on 3Q2010 Financials and State Production Data

Source: BENTEK

U.S. Production at Record Highs

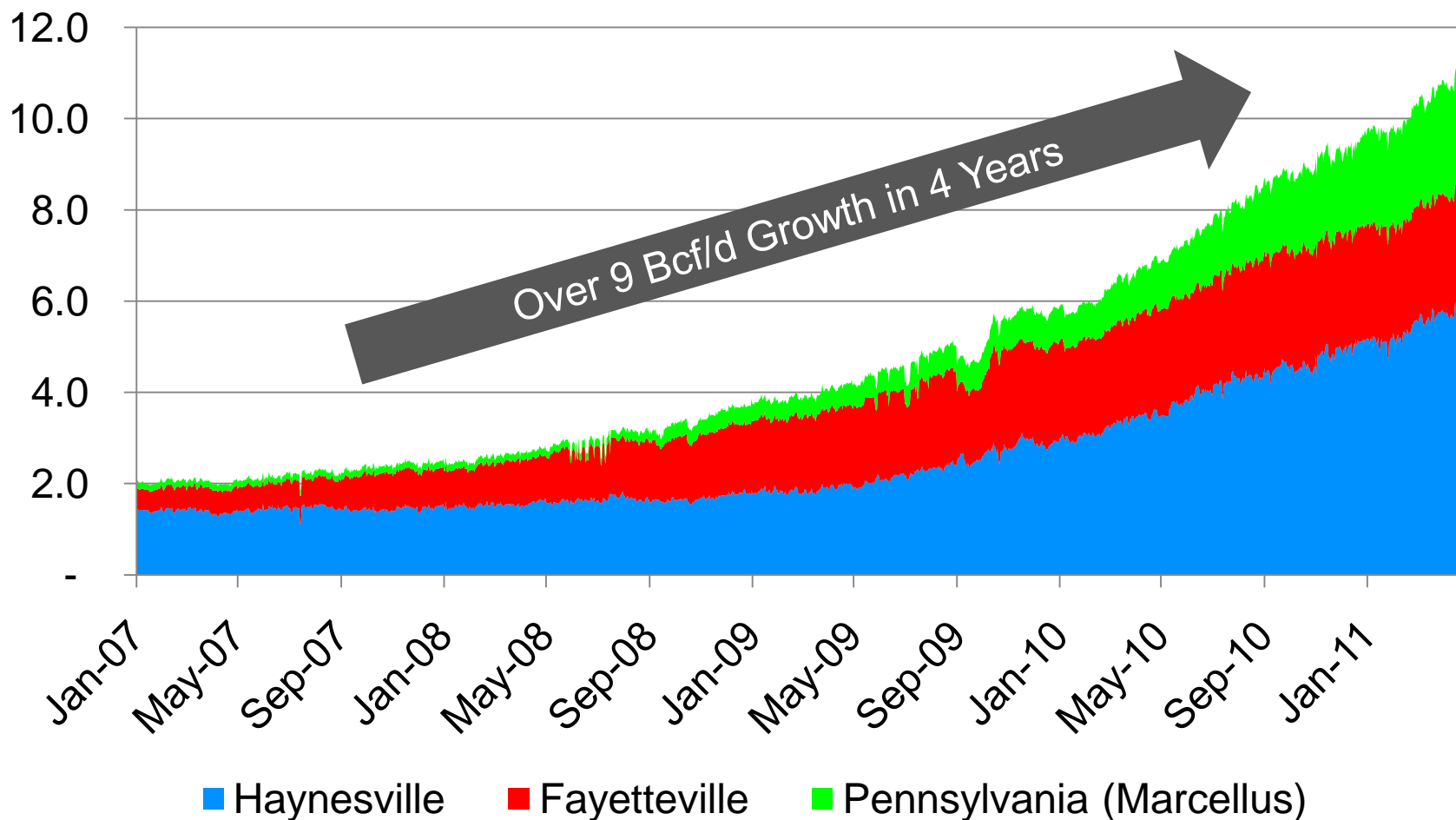


Freeze Offs vs. Hurricanes

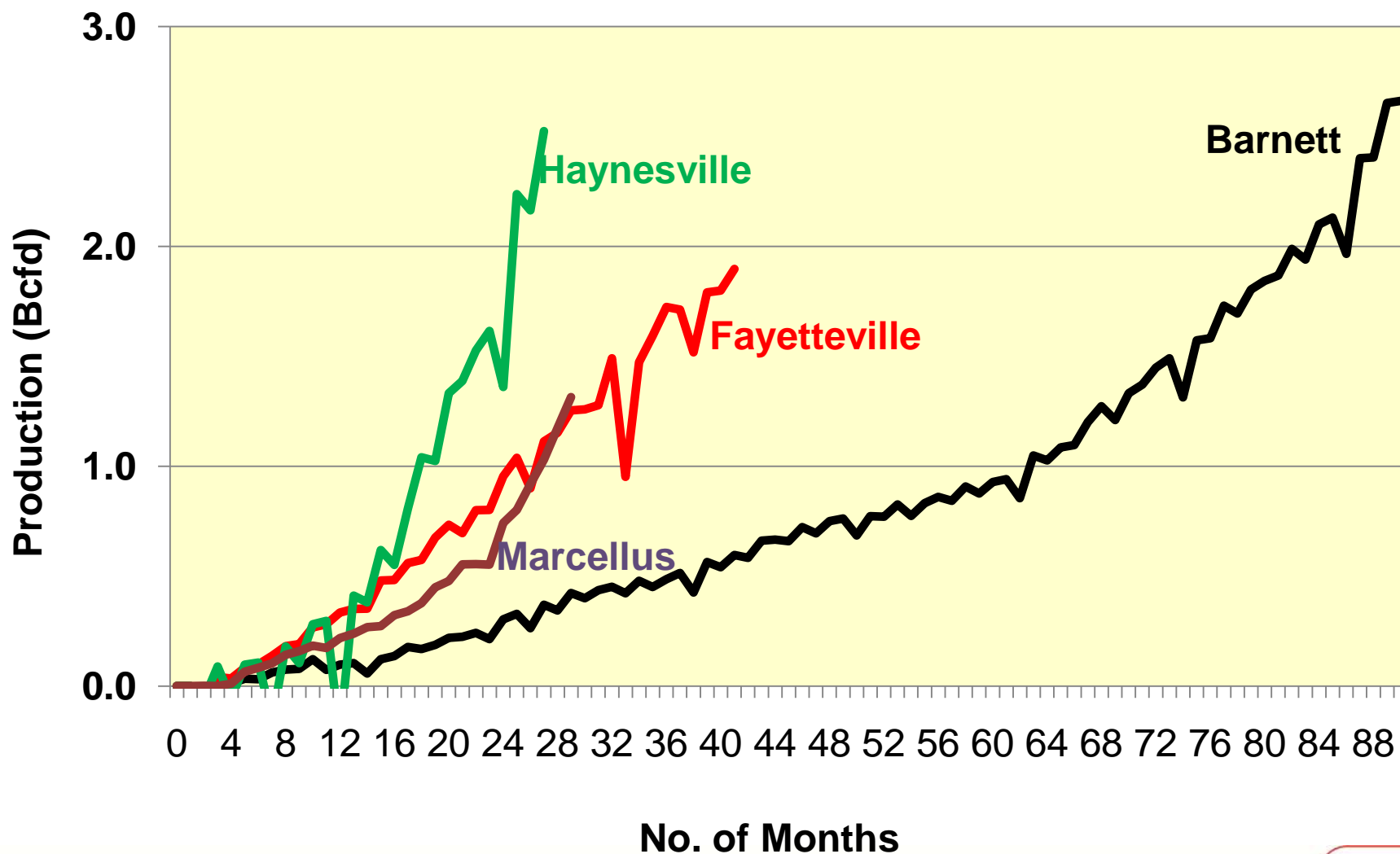


Shale Production Growth

Select Shale Basin Production Growth (Bcf/d)

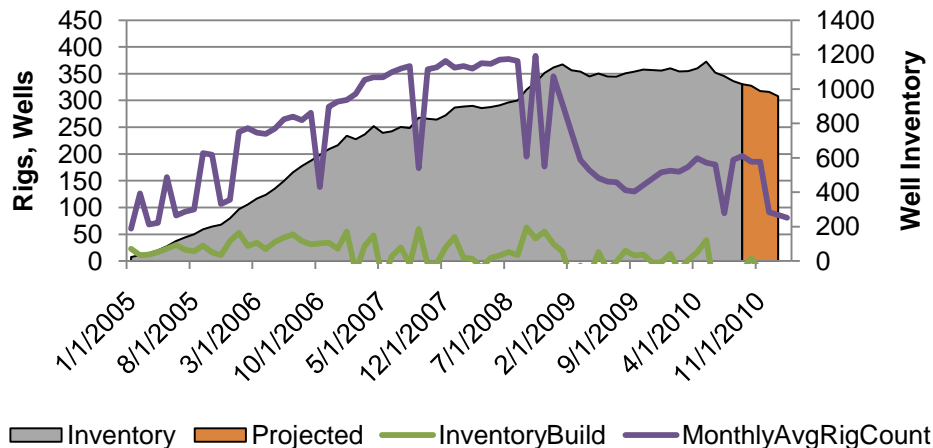


Knowledge Gains Speed Production Growth Rates

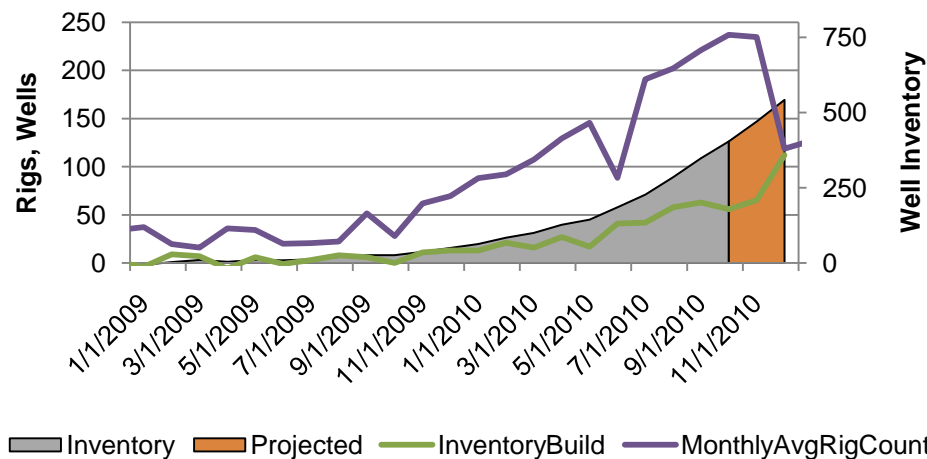


Backlog of Wells Caps Prices

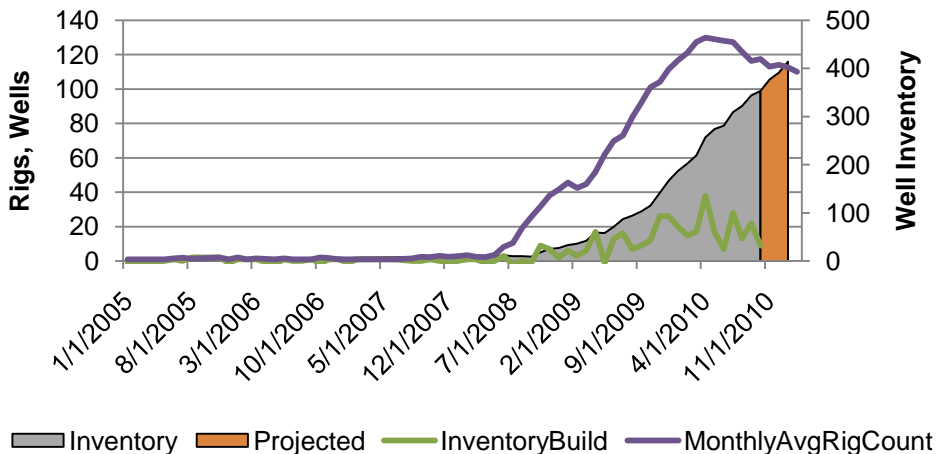
Non-completed Well Inventory Estimates: Barnett



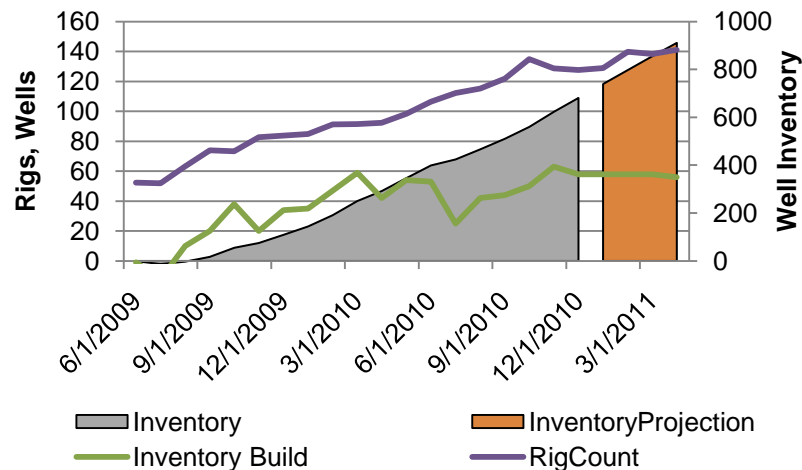
Non-completed Well Inventory Estimates: Eagle Ford



Non-completed Well Inventory Estimates: Haynesville (LA)

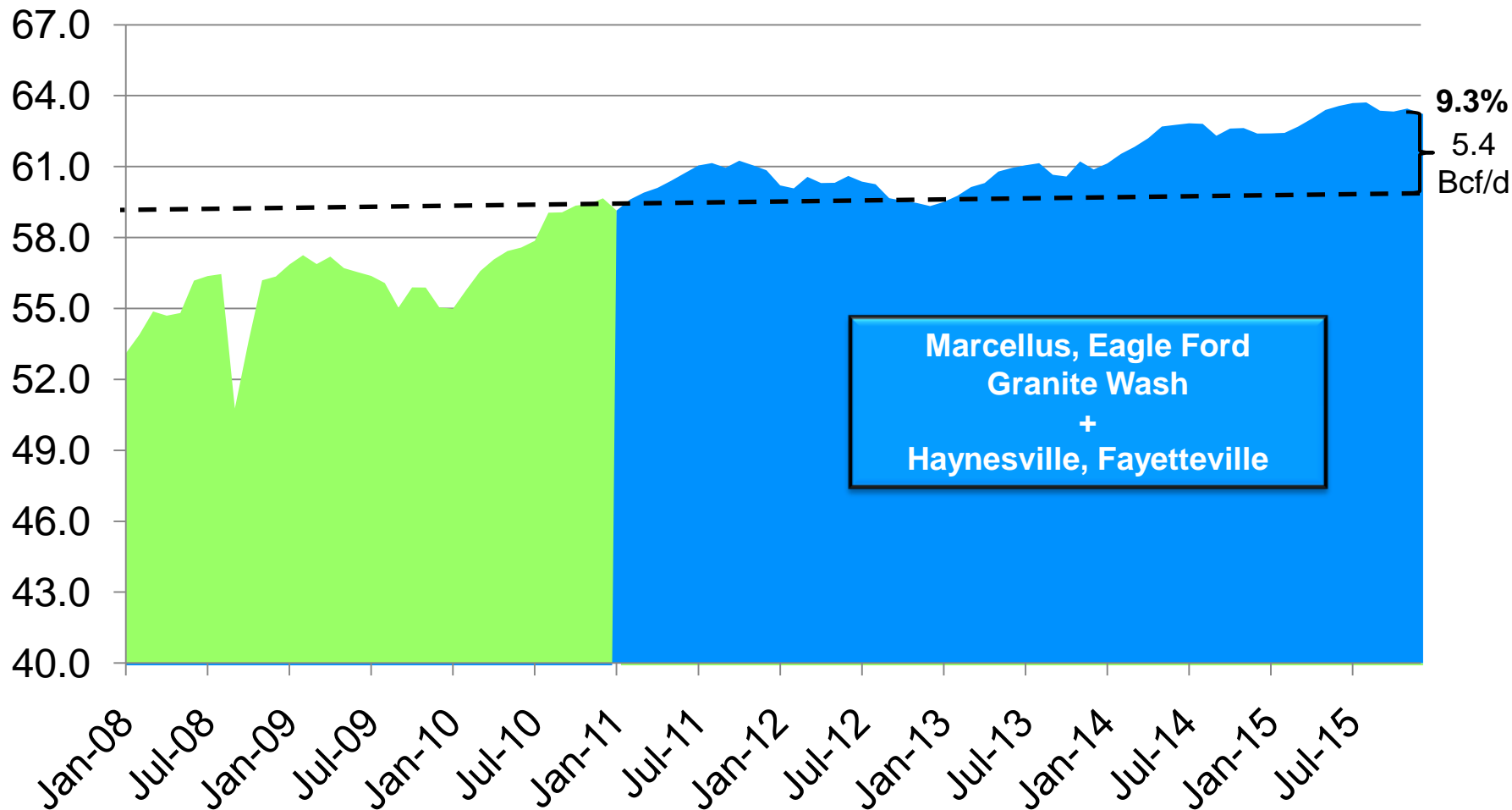


Non-producing Well Inventory Estimates: Marcellus (PA)



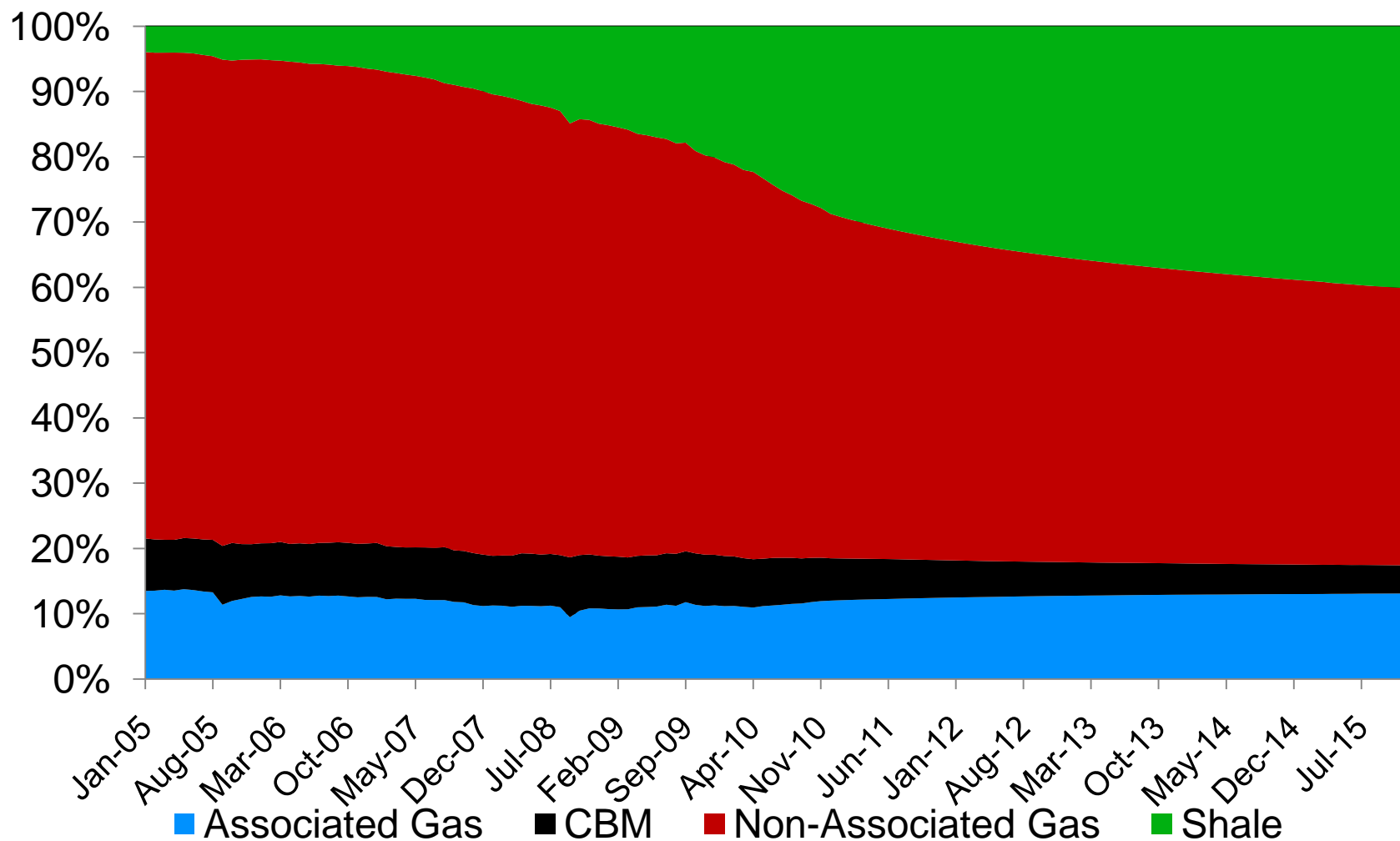
US Supply Long: Lower 48 Production Forecast

Lower 48 Dry Gas Production Forecast (Bcf)

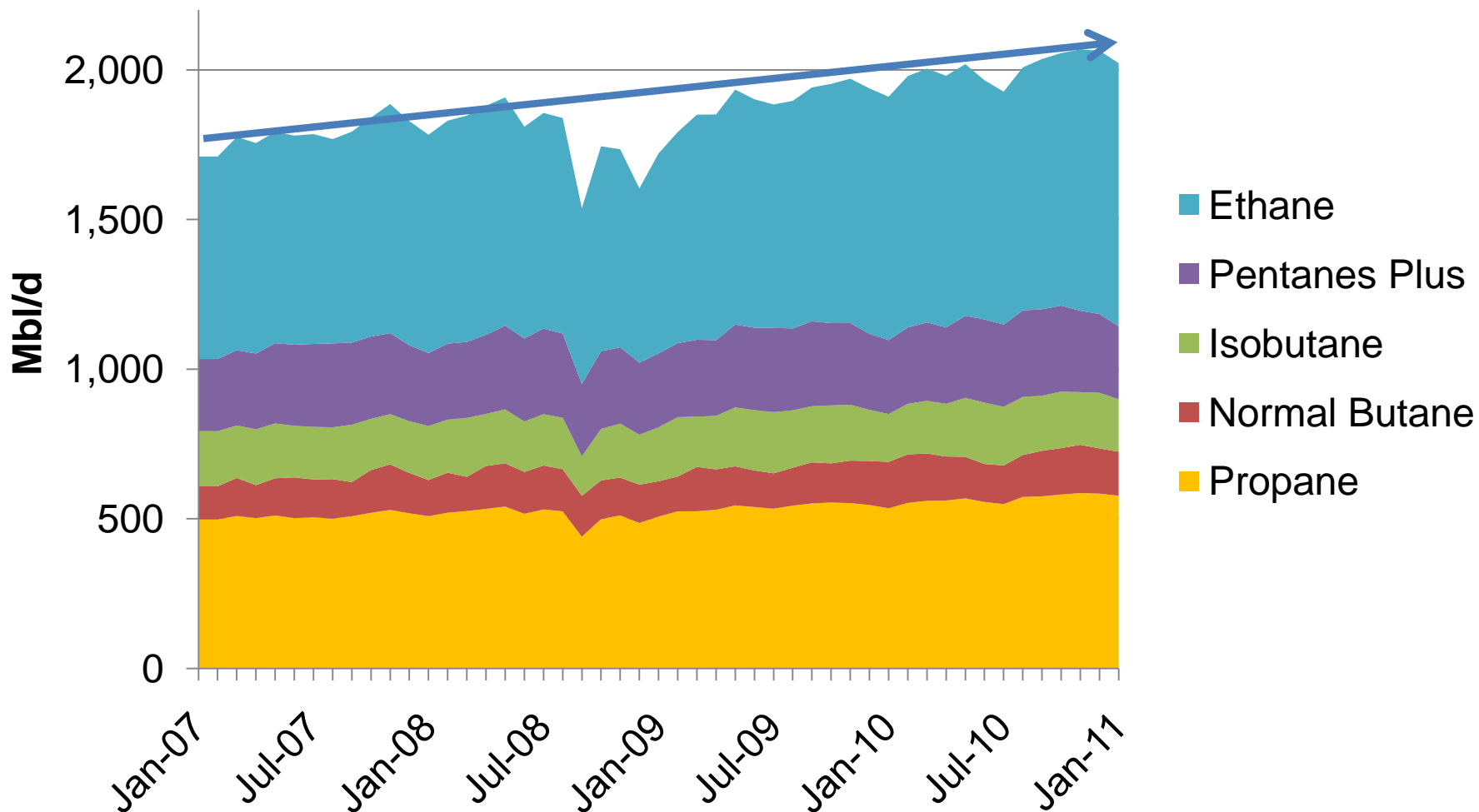


US Supply Long: Lower 48 Production Forecast

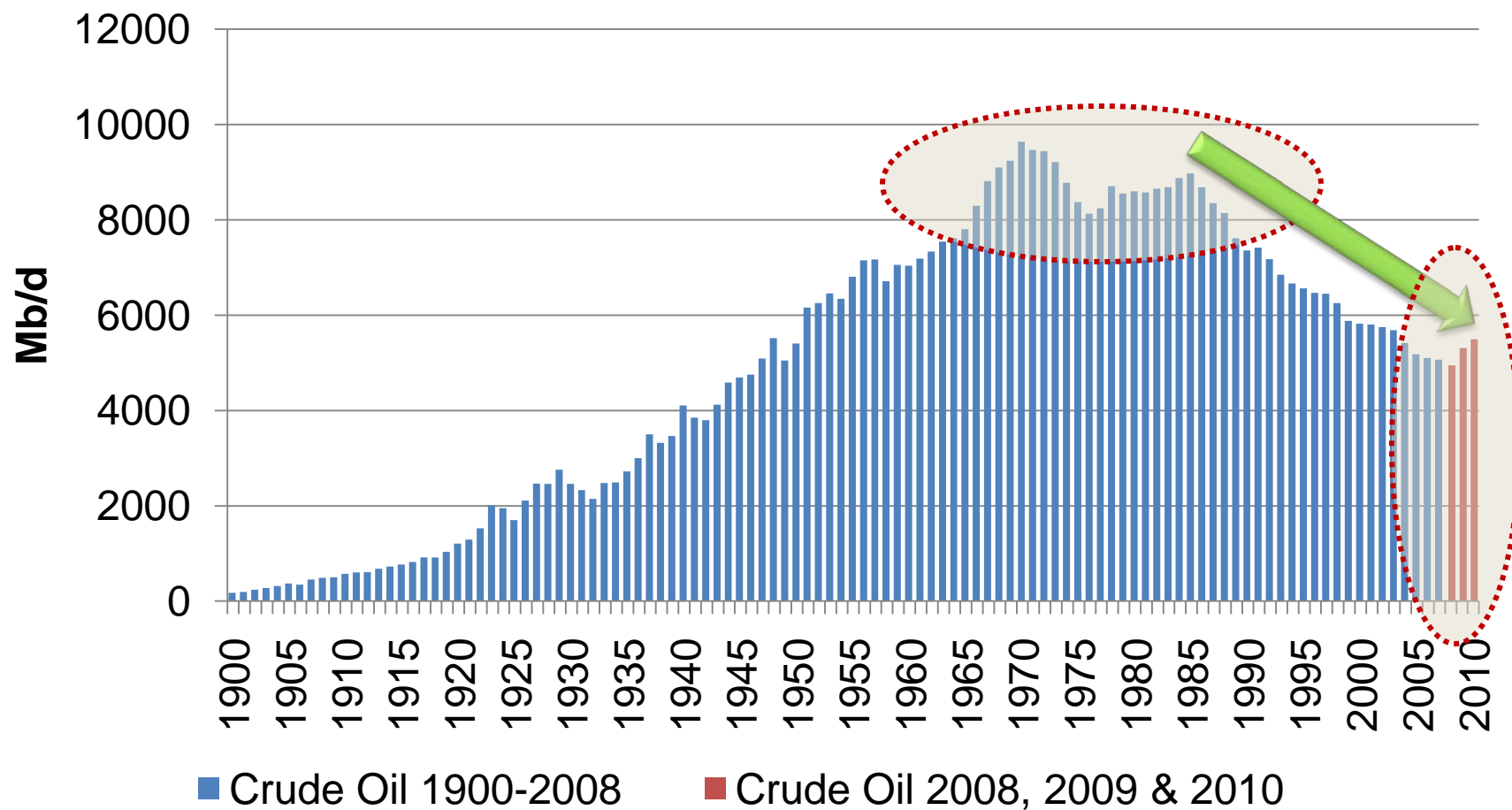
Resource Base: Unconventional vs. Conventional



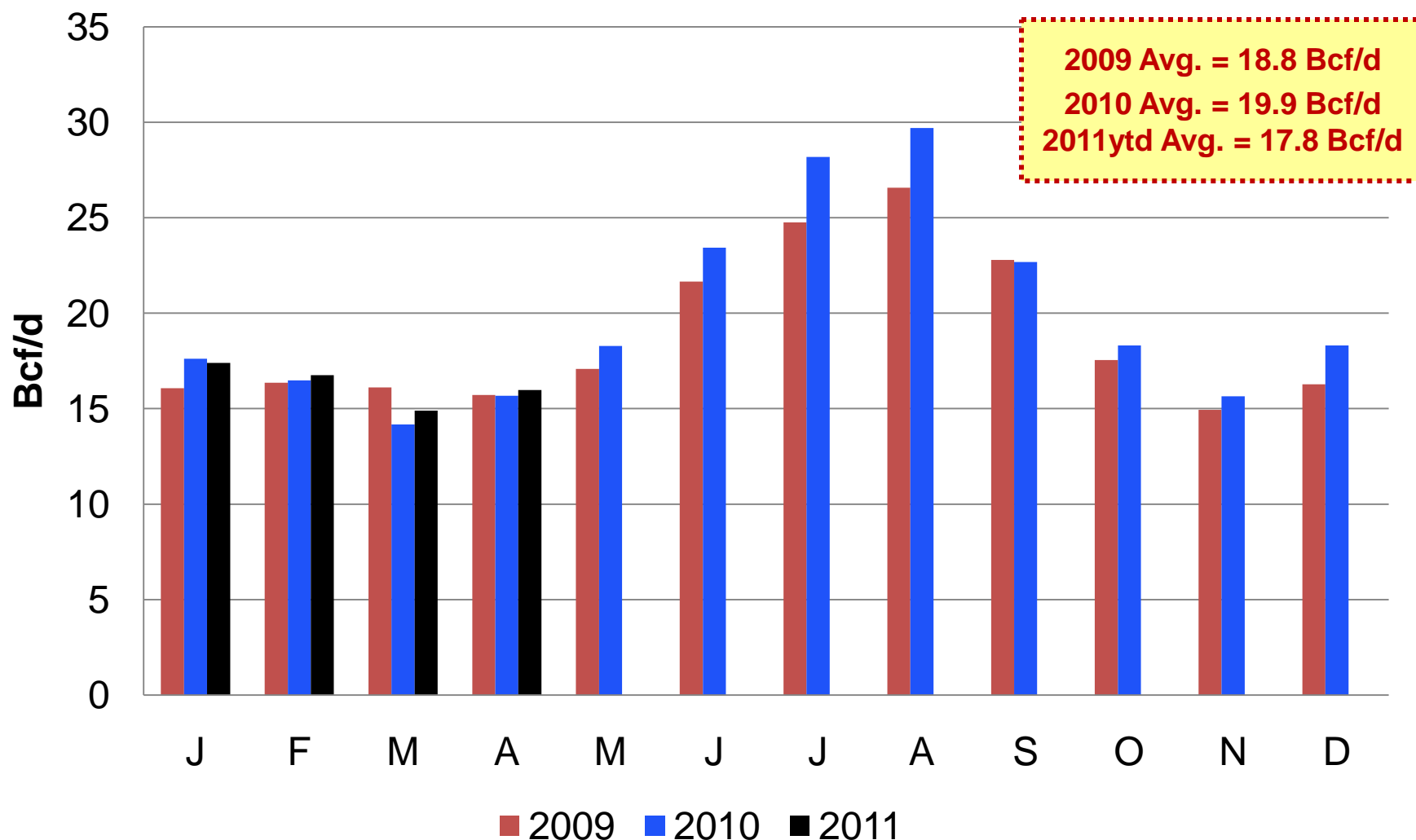
U.S. NGL Production – Gas Plants



Historical U.S. Crude Production

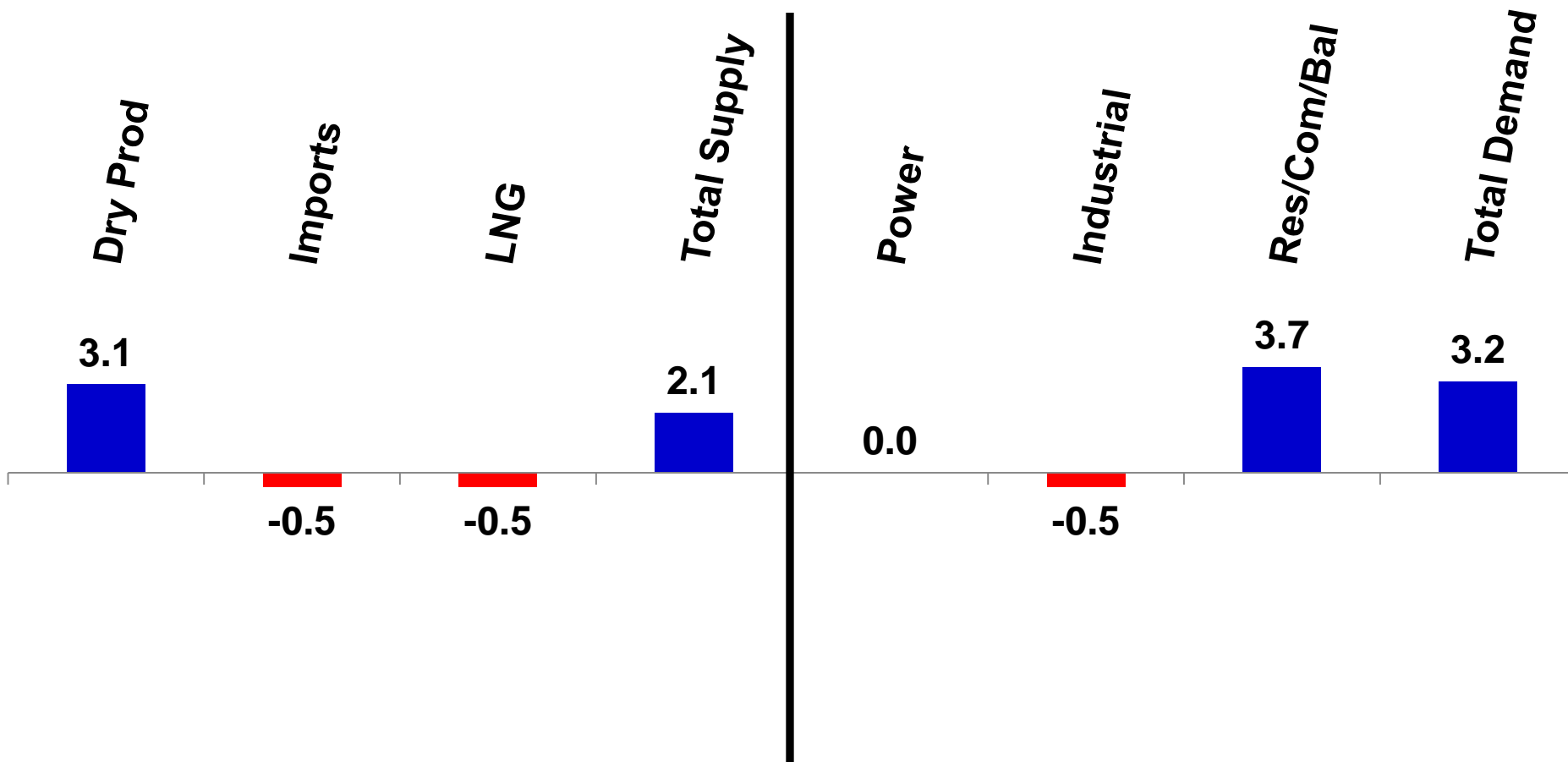


Power Demand by Month



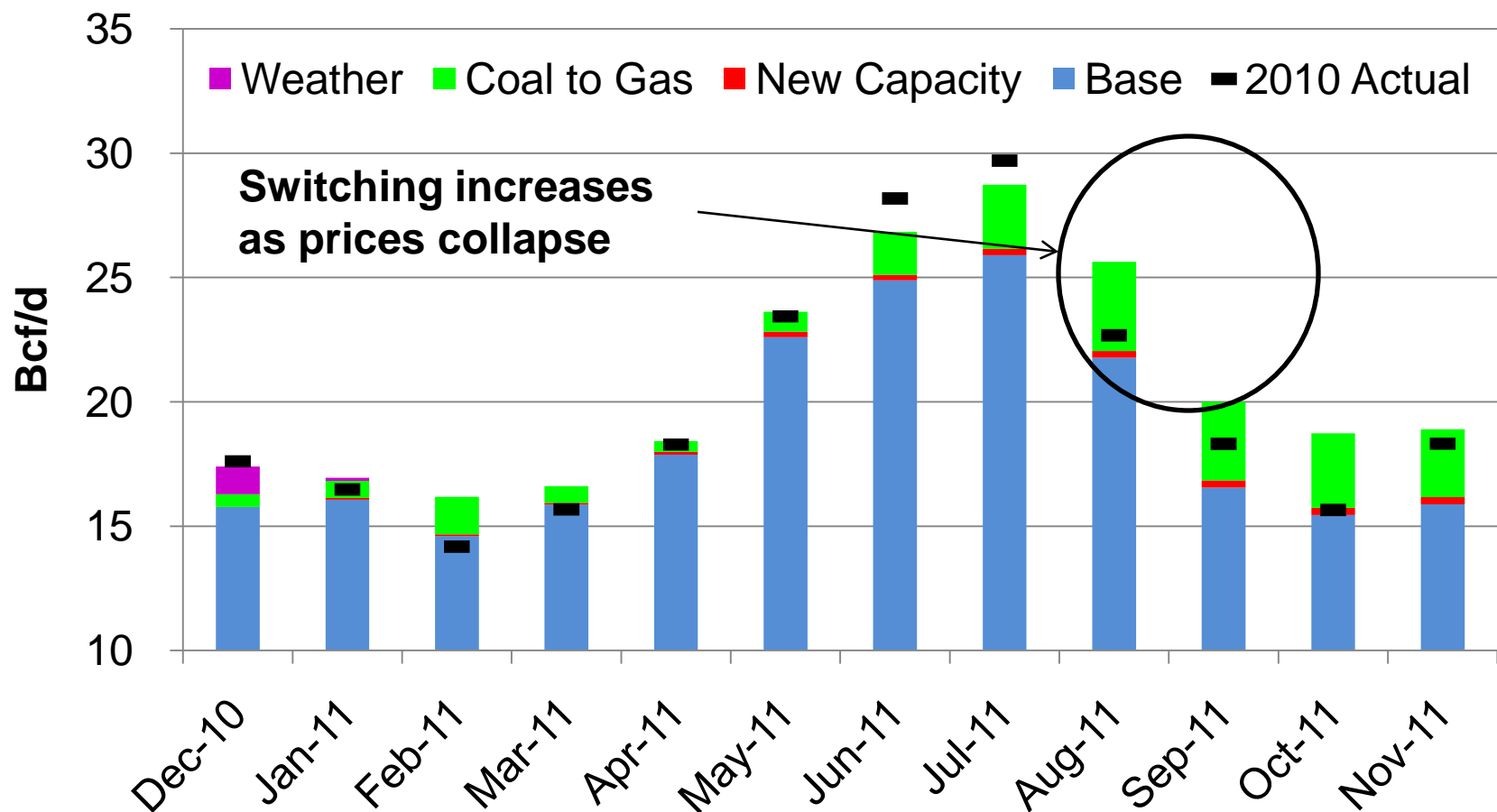
US Short 1.1 Bcf/d in 2011 – Still Room for Producers

2011td versus 2010td Supply and Demand Components

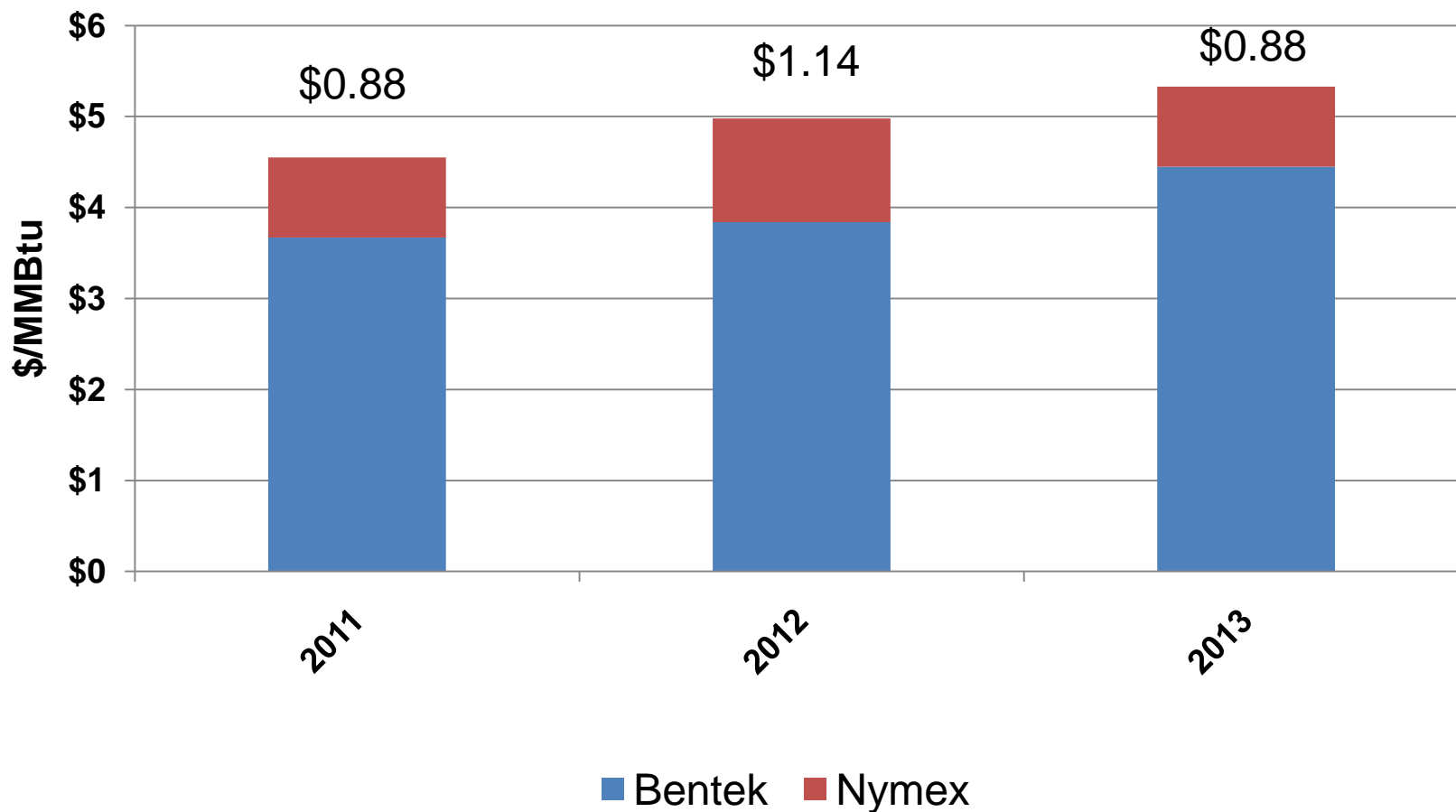


Units = Bcf/d

Power Burn Up 0.8 Bcf/d in 2011



BENTEK vs. NYMEX Forward



Conclusions

- ❖ U.S. will remain well supplied in the near and long term.
- ❖ Producers crack the code on gas and now oil
- ❖ U.S. gas prices can remain range-bound between \$3 and \$5 due to rig efficiencies and drilling inventory levels.

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Transporting North Dakota's Natural Gas Resources

Alliance Pipeline:

Delivering Today / Focused on Tomorrow

Jason Feit
Business Development Manager

May 26, 2011



Forward looking statements and information

Certain information contained in this [presentation], including use of the words “anticipate”, “expects”, and “expected to”, constitute forward looking statements and information. Although Alliance [Canada or US] believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties including, but not limited to, future operating performance, regulation, economic conditions and fundamentals affecting the oil and gas producing and marketing industries. Should one or more of these risks or uncertainties materialize or fail to materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected.

Alliance Pipeline

- Interstate transmission pipeline system transporting 1.6 bcf/d natural gas – enough to meet the energy needs of 7 million homes
- One of the newest and most technologically advanced pipeline systems in North America, which facilitates innovation, efficiency, and cost competitiveness
- System is designed to optimize shipment of NGLs within the gas stream
- Moving in the direction of becoming a multi-service system, offering access from key resource plays to favorable markets



Ownership structure

Strong and stable ownership:

- 50% Enbridge Inc.
 - TSX:ENB / NYSE:ENB



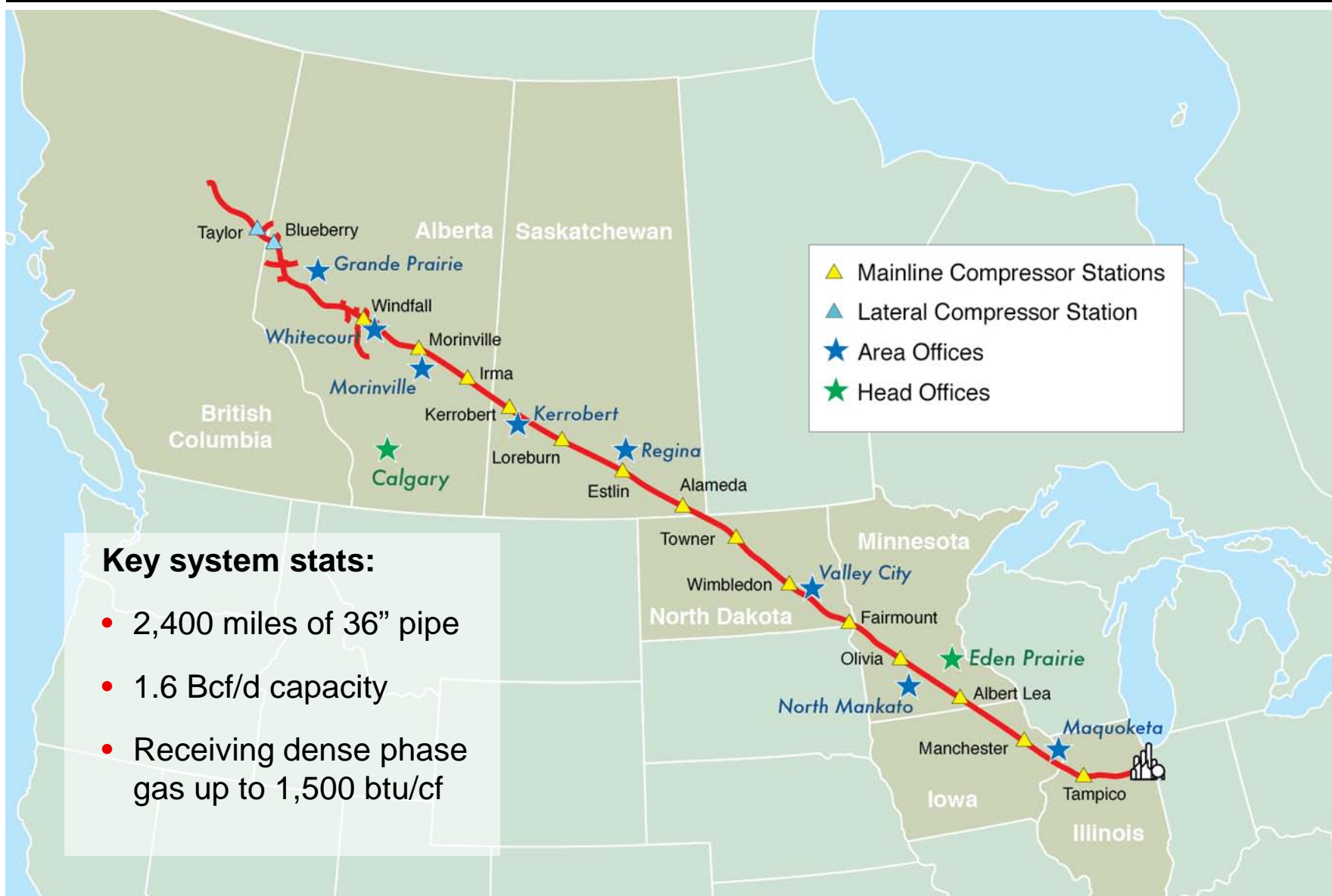
- 50% Veresen
 - TSX:VSN



- Key Locations
 - Alliance Pipeline Ltd. – Calgary, Alberta
 - Alliance Pipeline L.P. – Eden Prairie, Minnesota
 - Joliet, Illinois market deliveries

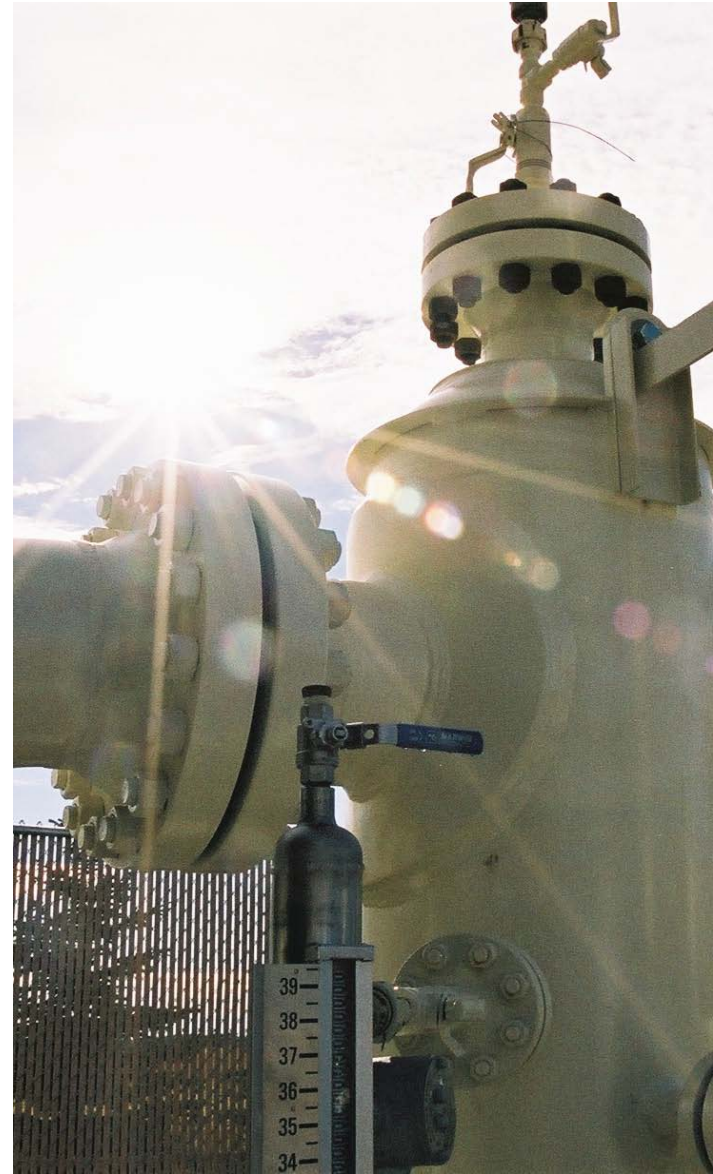


Alliance Pipeline system



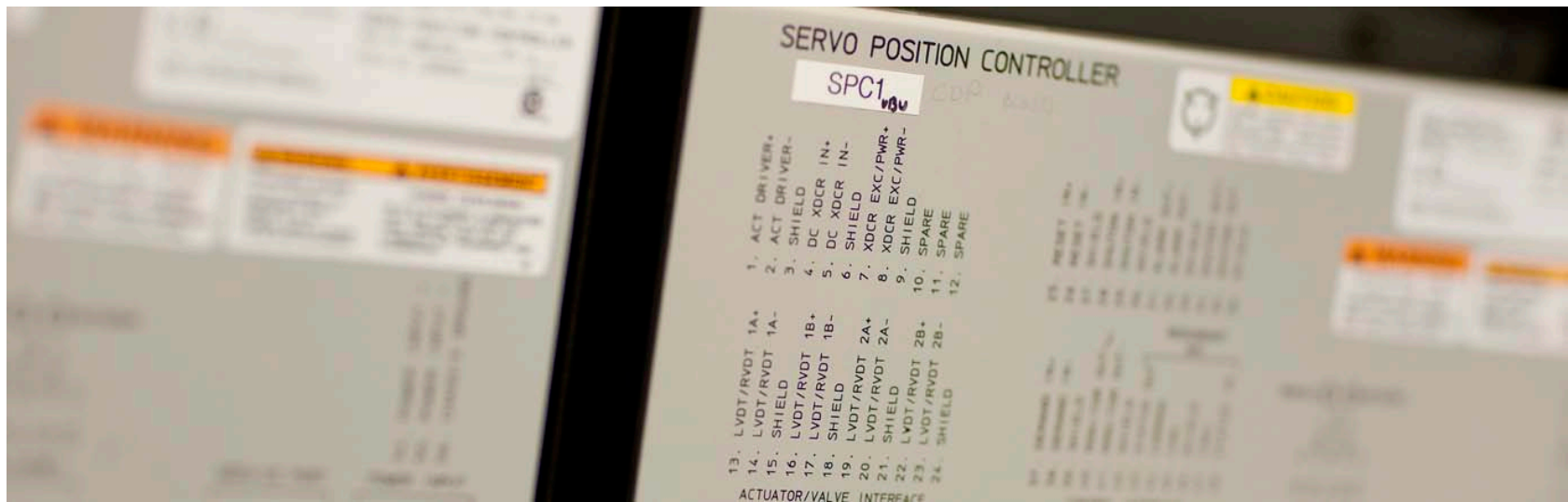
Receipt services

- 53 receipt points
- Over 450 miles of lateral gathering lines
- Ideally situated to key production areas (Montney & Horn River)
- Recently added 1st US receipt point (Bantry, in North Dakota Bakken)
- Growing with customer demand
 - Poised for growth in Northeast BC, Alberta, and North Dakota



Technology

- Alliance is one of the newest and most modern pipeline systems in North America
- Built using the most advanced design and technology available
- Our steel is generally thicker and of a higher yield strength than other pipelines in North America
- 10+ years to prove and perfect our operations



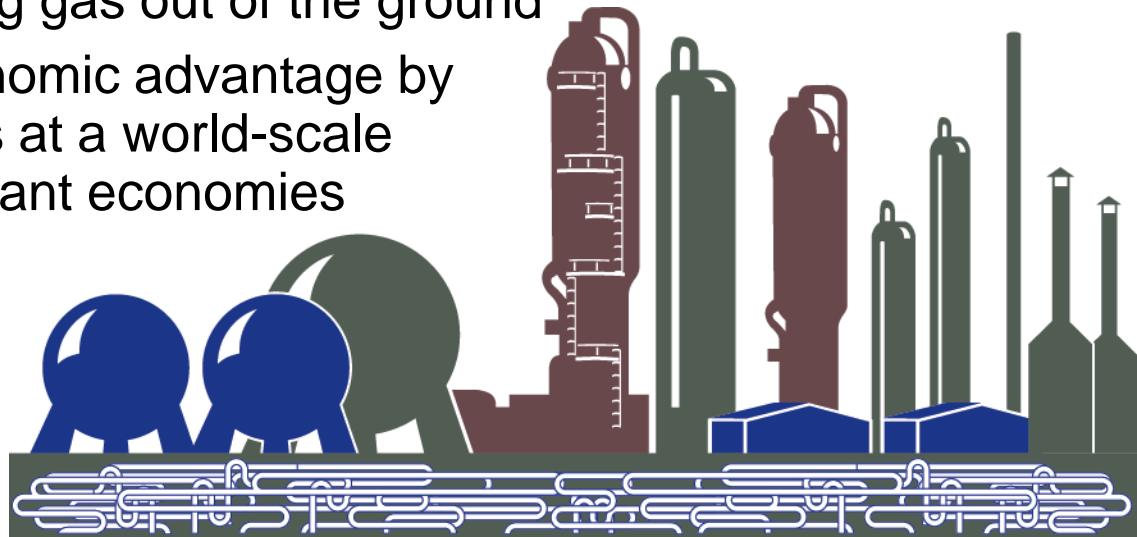
Advanced reliability

- Driven by industry-leading standards and a rigorous integrity management plan, Alliance consistently delivers exceptional reliability
- Alliance's fleet of GE jet turbines leads the industry in providing consistent and reliable service
 - 2010 reliability: 99.69%
 - Unplanned outage hours: 27.4 hours
- Alliance customers can be confident their product is on the move to market as planned



Alliance's NGL advantage

- Alliance is optimized to ship liquids-rich natural gas with NGL processing facilities in place, operated by our affiliate Aux Sable
- Shipping NGLs within the gas stream reduces volumetric cost of transport = a direct economic benefit for shippers
 - Eliminates requirement for customers to invest in costly upstream processing facilities
 - Enables E&P customers to focus assets on their core business – getting gas out of the ground
 - Provides an economic advantage by processing NGLs at a world-scale plant with significant economies of scale



A particular advantage for liquids rich gas

- Gas from the Montney and Bakken are liquids-rich

Gas Quality	Standard Methane	Montney	Bakken
Btu/ft ³	1,010	1,150	1,500
C2 (bbl/d)	0	4,000	12,000
C3+ (bbl/d)	0	3,000	12,000
Approximate values per 100 MMcf/d, excludes injection			

Aux Sable

- Strategically located near the Chicago marketplace NGL extraction facility enables shippers to transport richer gas streams than other transmission lines
- World-scale extraction plant at Alliance terminus provides significant economic advantages for customers
- Capabilities:
 - Processing up to 2.1 bcf/d
 - Extracting and fractionating 87,000 barrels/d of spec NGL products (expandable to 120,000 barrels/d)



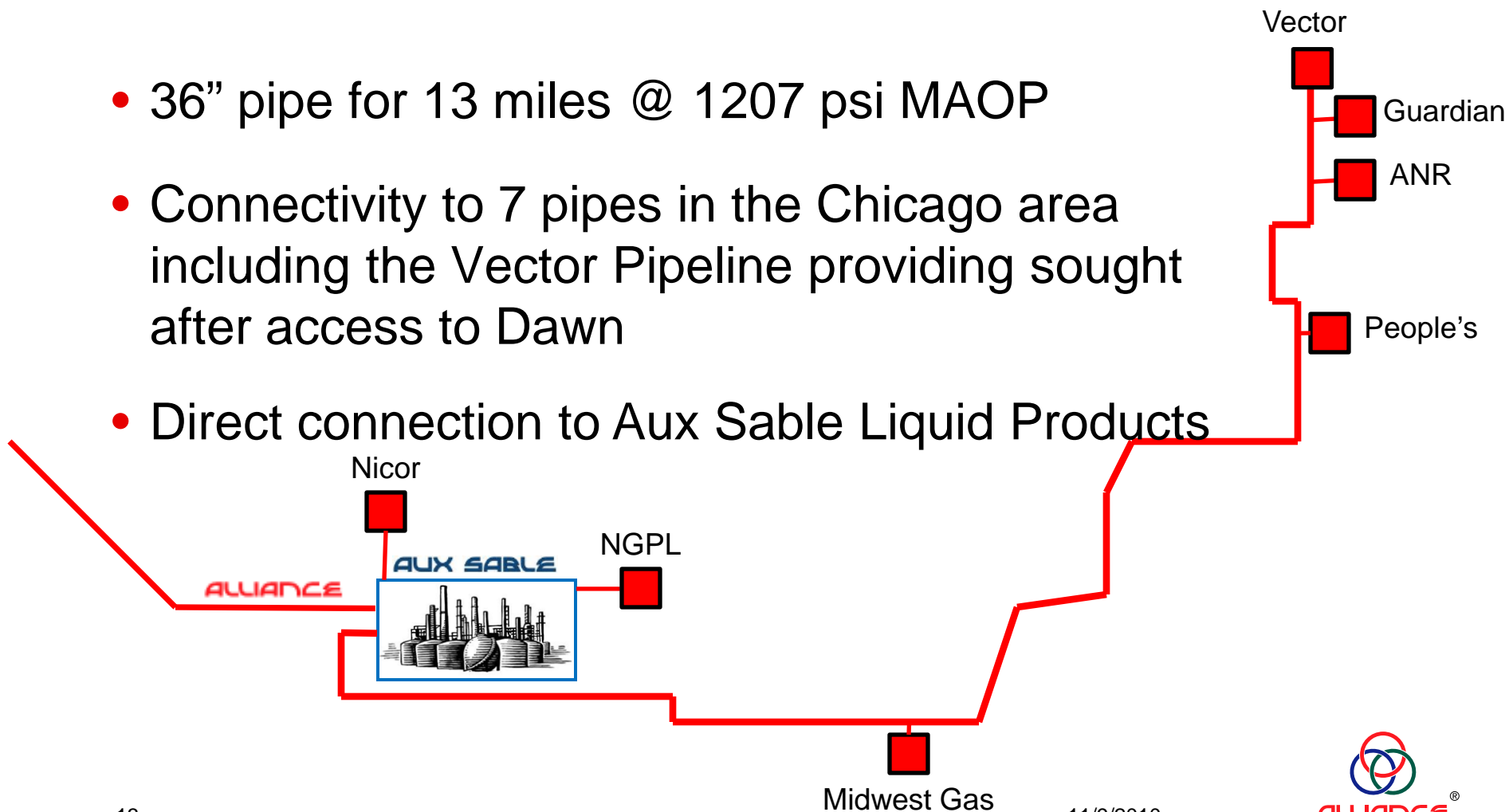
Aux Sable

- Processes ethane, propane, normal butane, iso-butane, and natural gasoline
- Facilities include:
 - Rail and truck loading
 - NGL storage
 - Pipeline connection to refineries, petrochemical facilities and NGL pipeline system
- Better access to NGL markets provides better value



Alliance Pipeline's Joliet Deliver Header

- 36" pipe for 13 miles @ 1207 psi MAOP
- Connectivity to 7 pipes in the Chicago area including the Vector Pipeline providing sought after access to Dawn
- Direct connection to Aux Sable Liquid Products



Hub services

Alliance Chicago Exchange (ACE) Hub

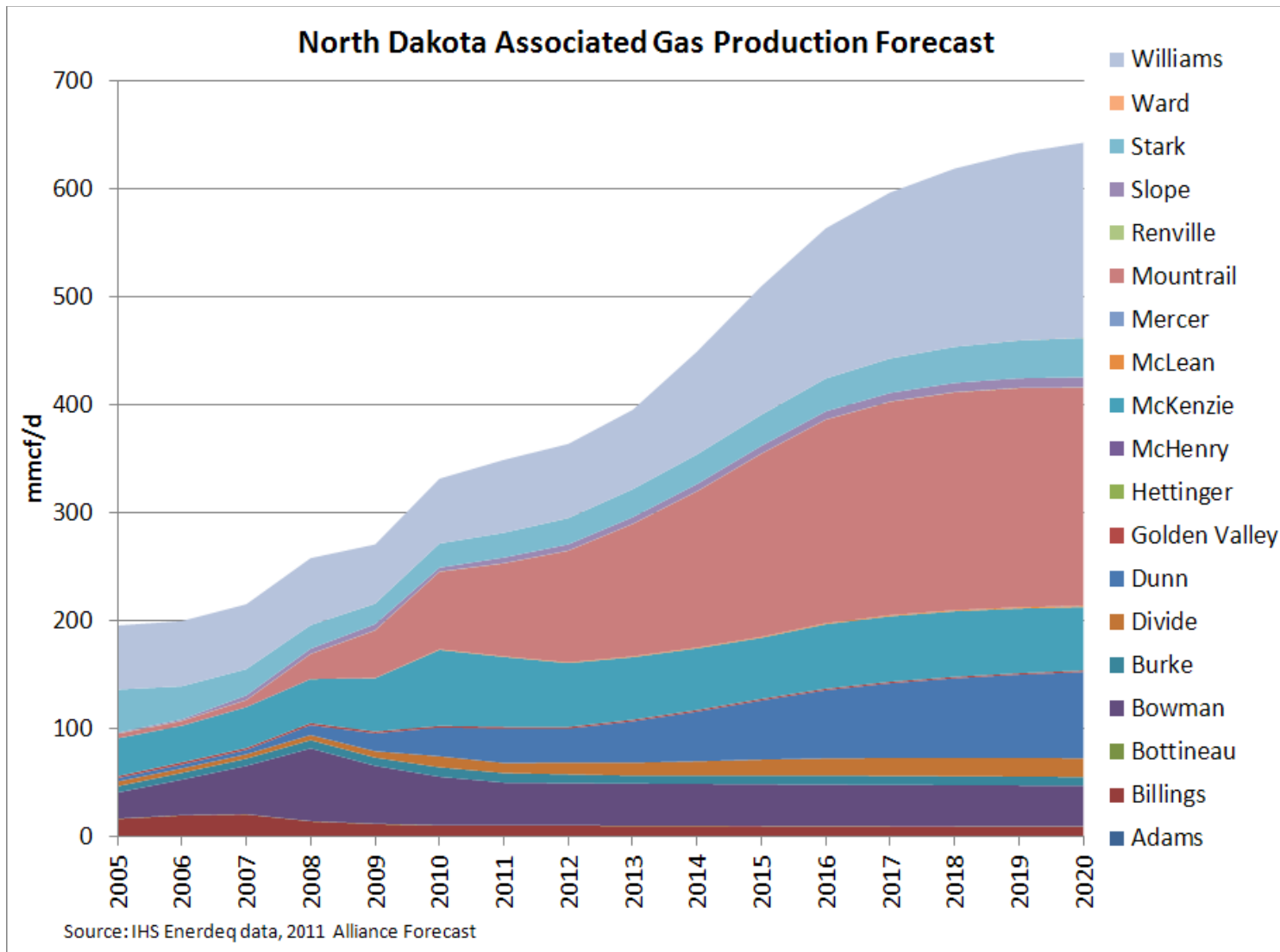
- Chicago is a significant market hub
- With new gas developments, Chicago is becoming an even more strategic trading hub
- New suite of incremental hub services will assist customers in maximizing the value of natural gas shipped on Alliance
 - Park & loan
 - Wheeling
 - Ownership transfer
 - Other services under development
- Enhanced price discovery and liquidity with NGX cleared trading point



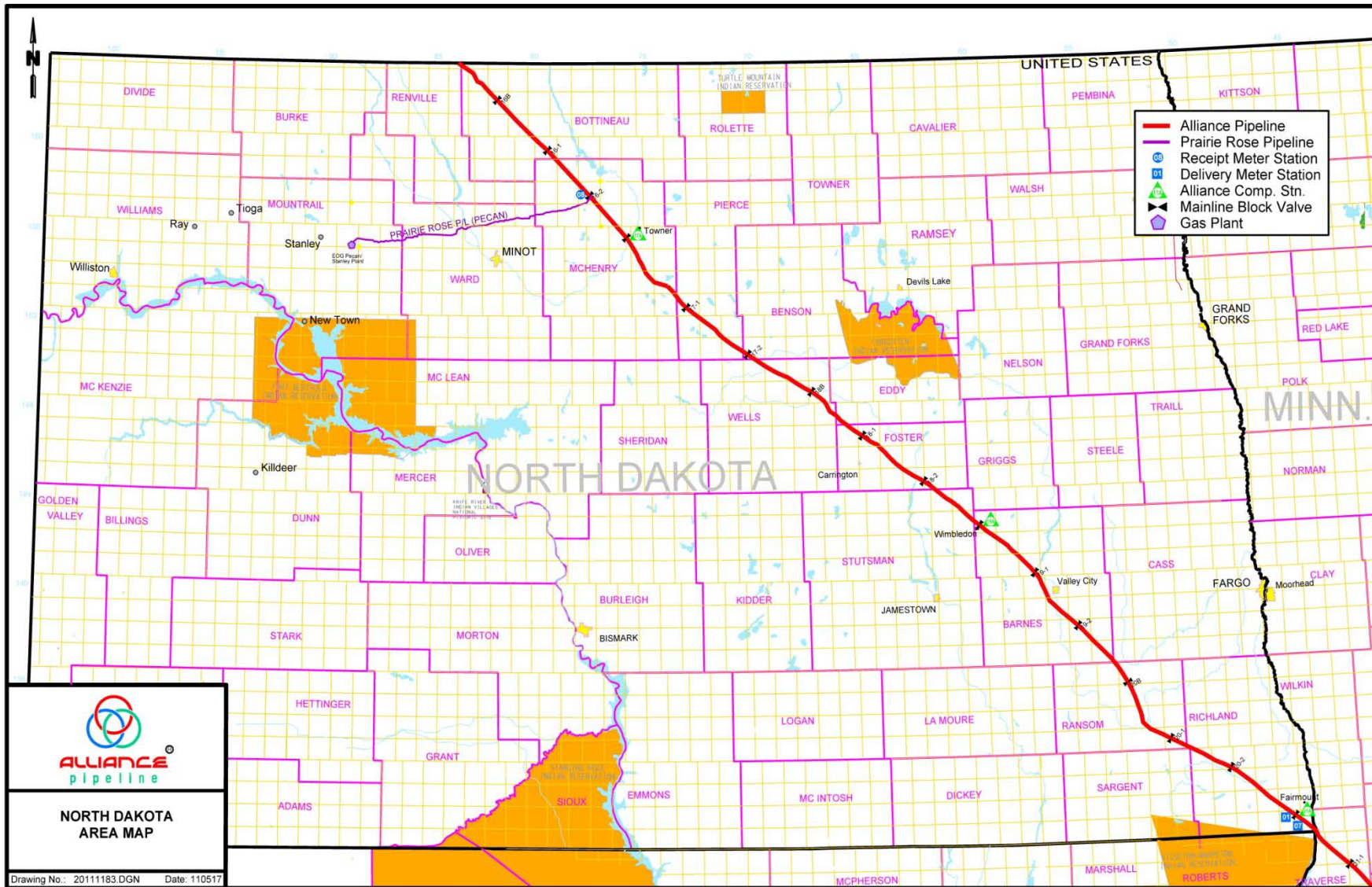
Traversing the prolific Montney and Bakken



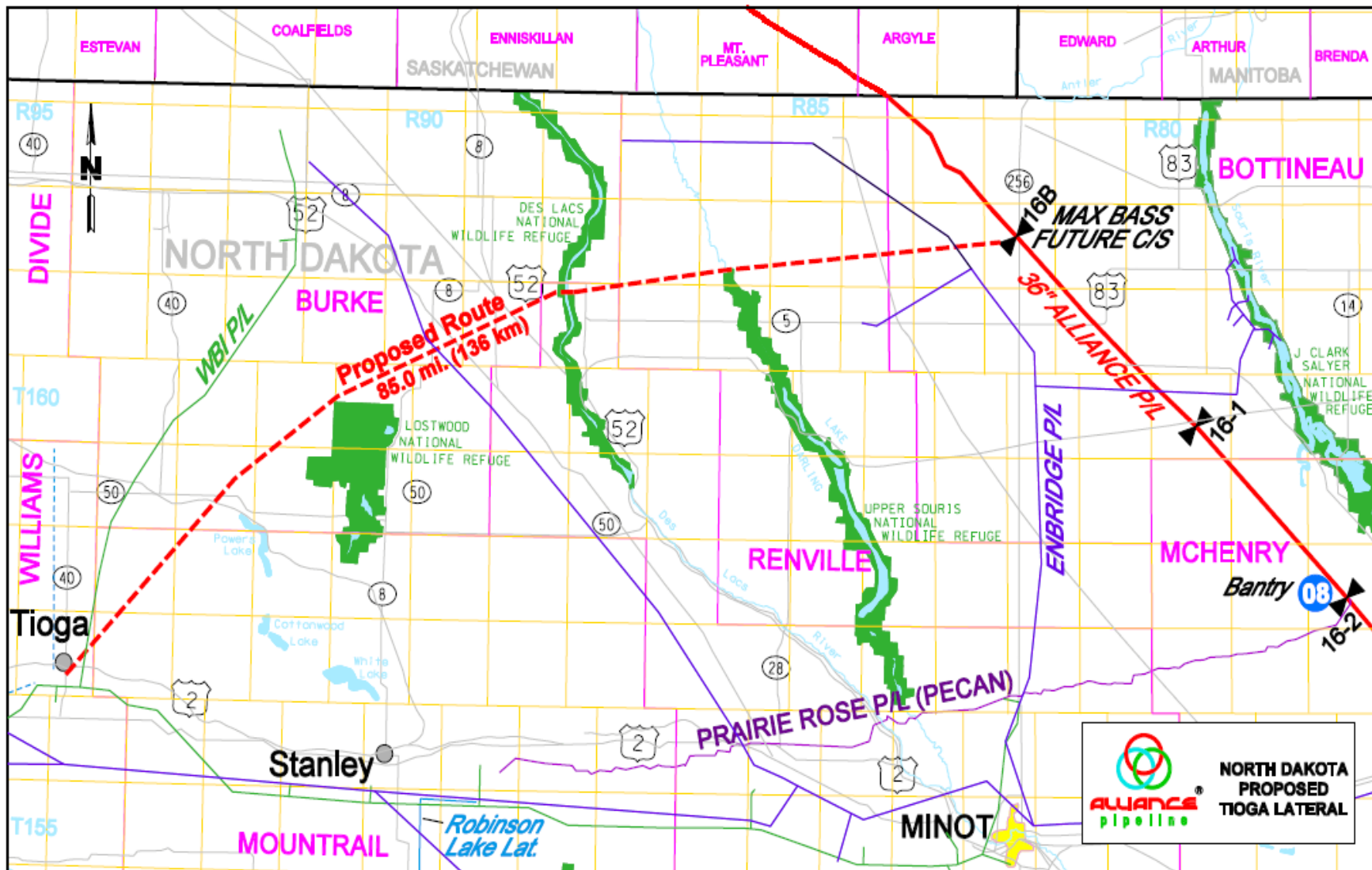
2011 Alliance ND Associated Gas Production Forecast – By County



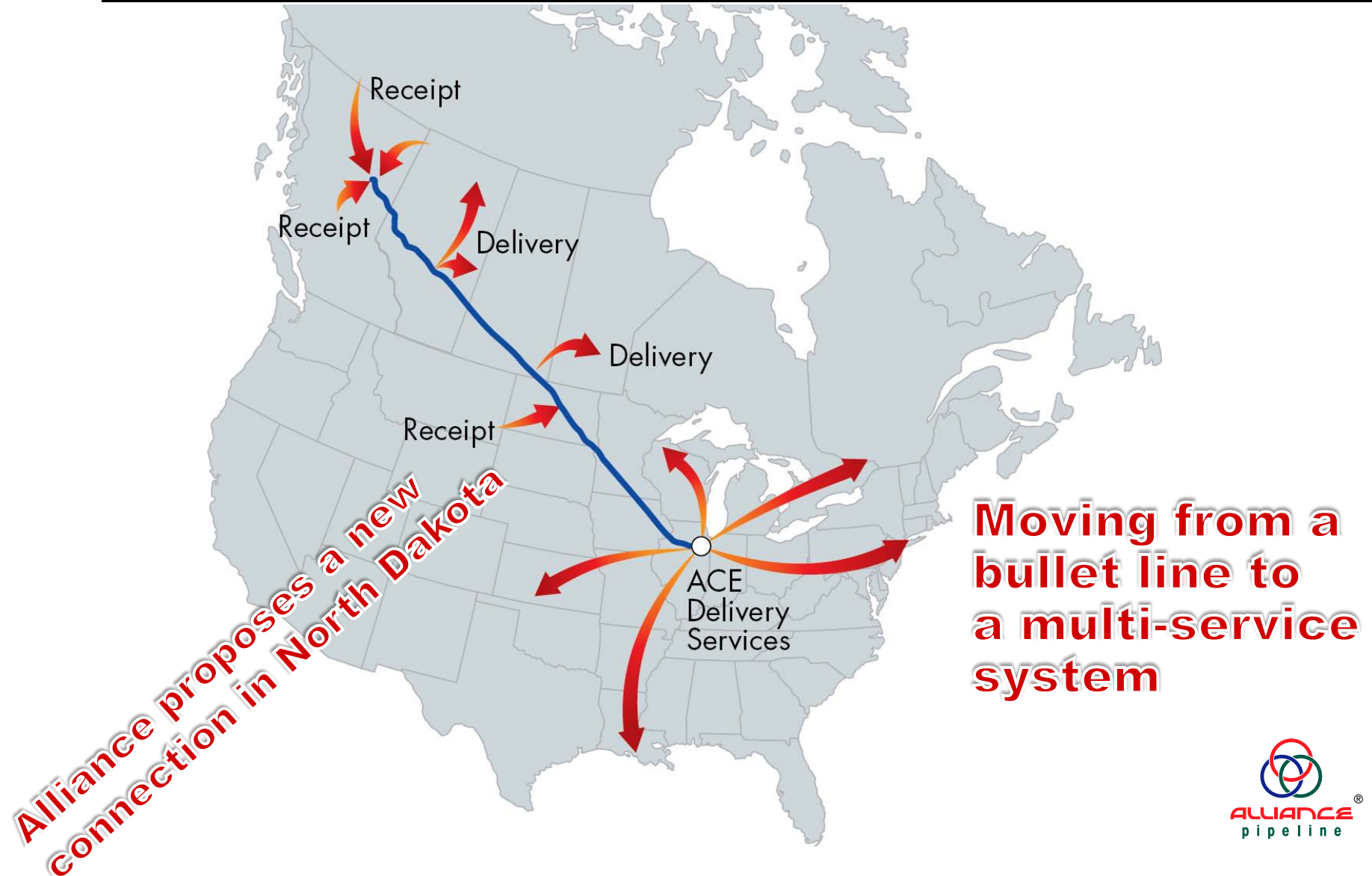
Alliance in North Dakota



Proposed Route for Future Connection



A new era of optionality



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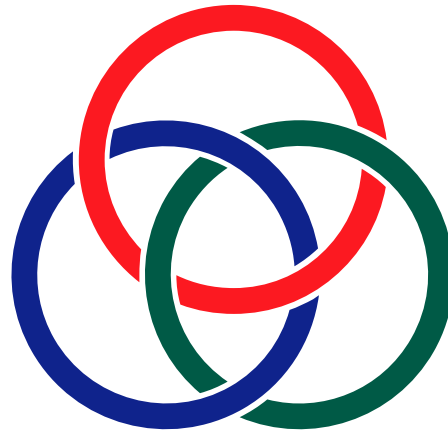
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Email: tony.straquadine@alliancepipeline.com



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Northern Border Pipeline NDPA May 26, 2011



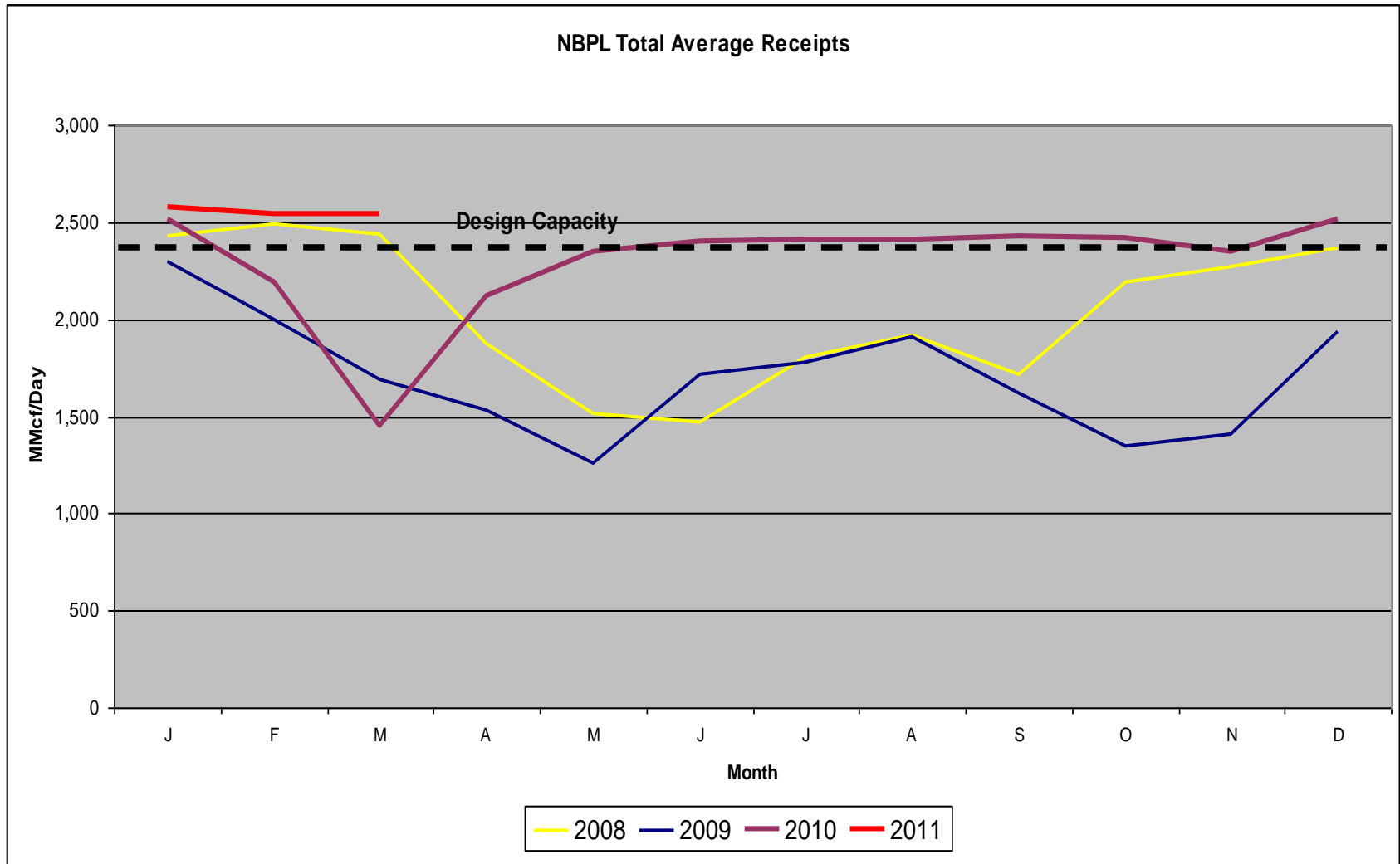
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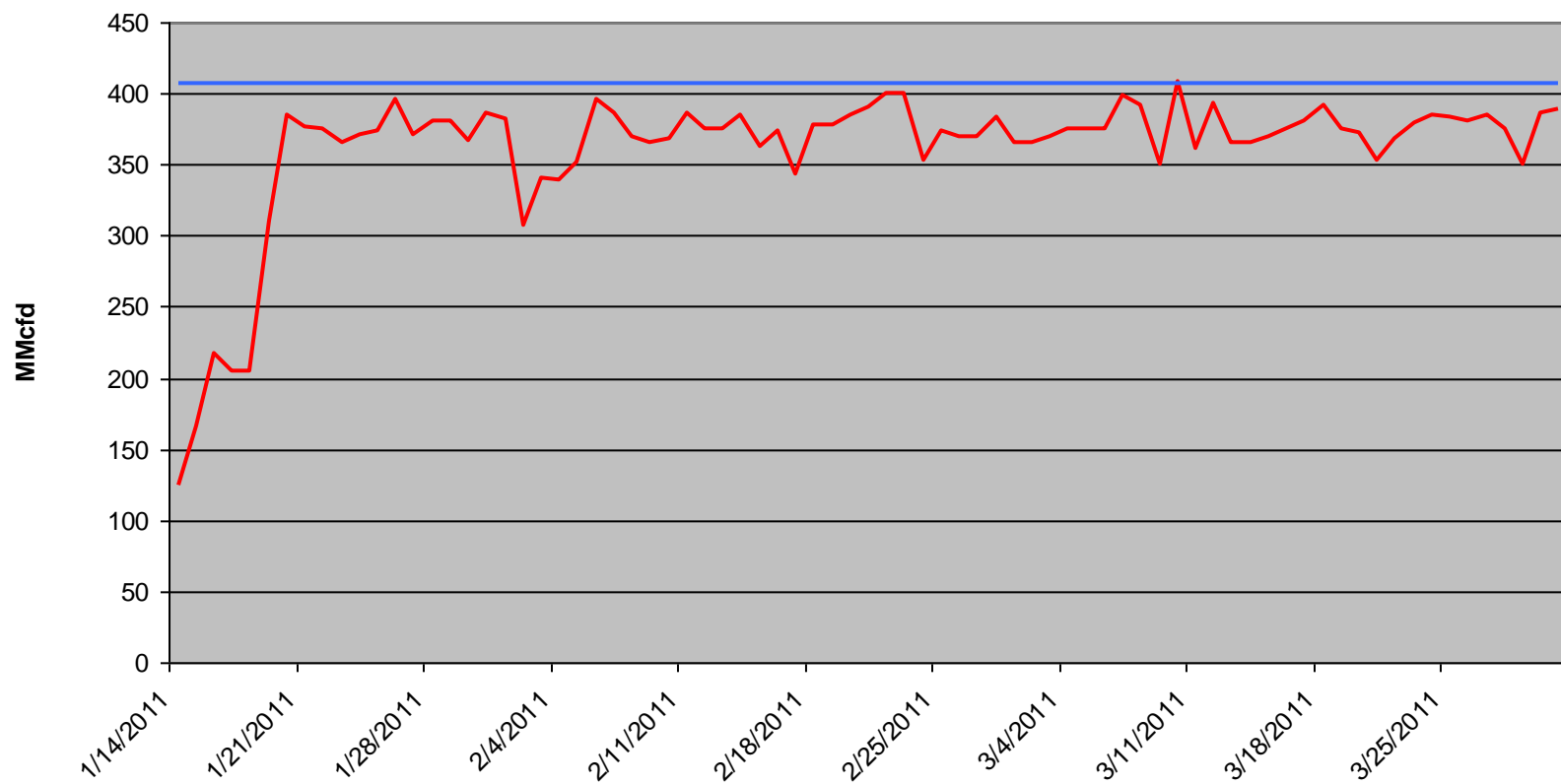
Northern Border Receipts Analysis



Bison Pipeline Flows

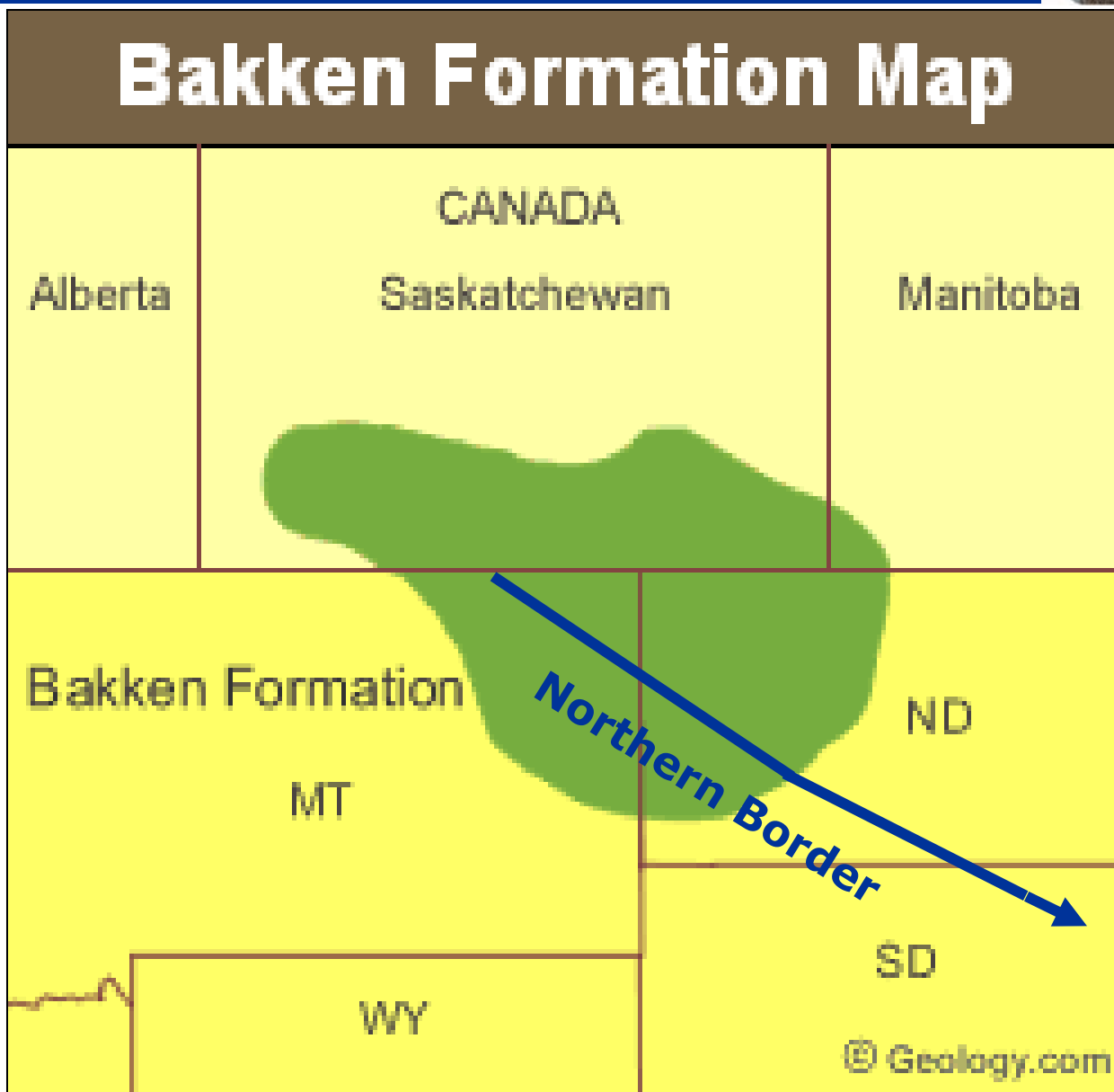


**Bison Daily Receipts
Through 3/31/2011**



Production Outlook

Williston Basin (Bakken) Production Growth

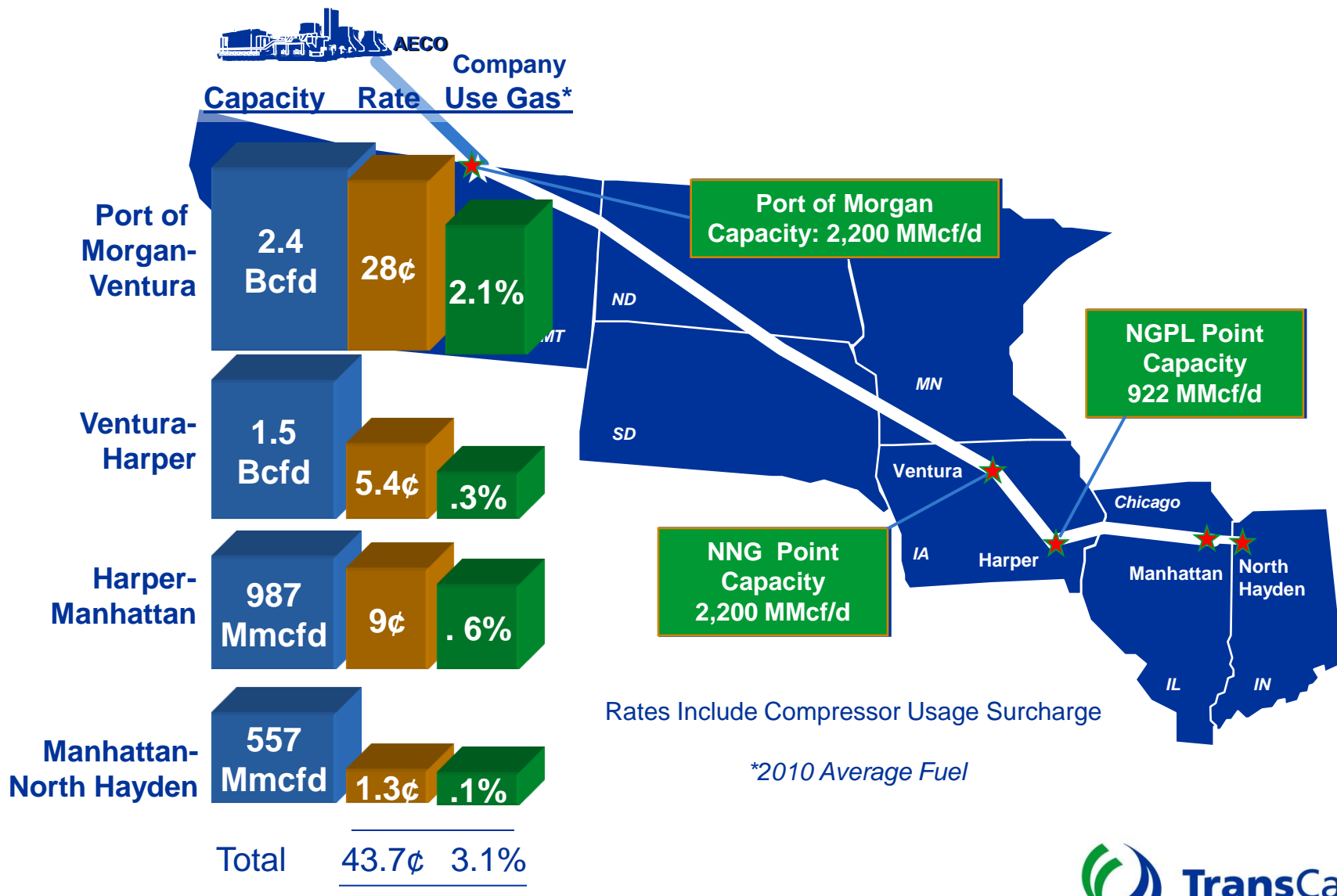


Northern Border Pipeline Overview & Updates Agenda

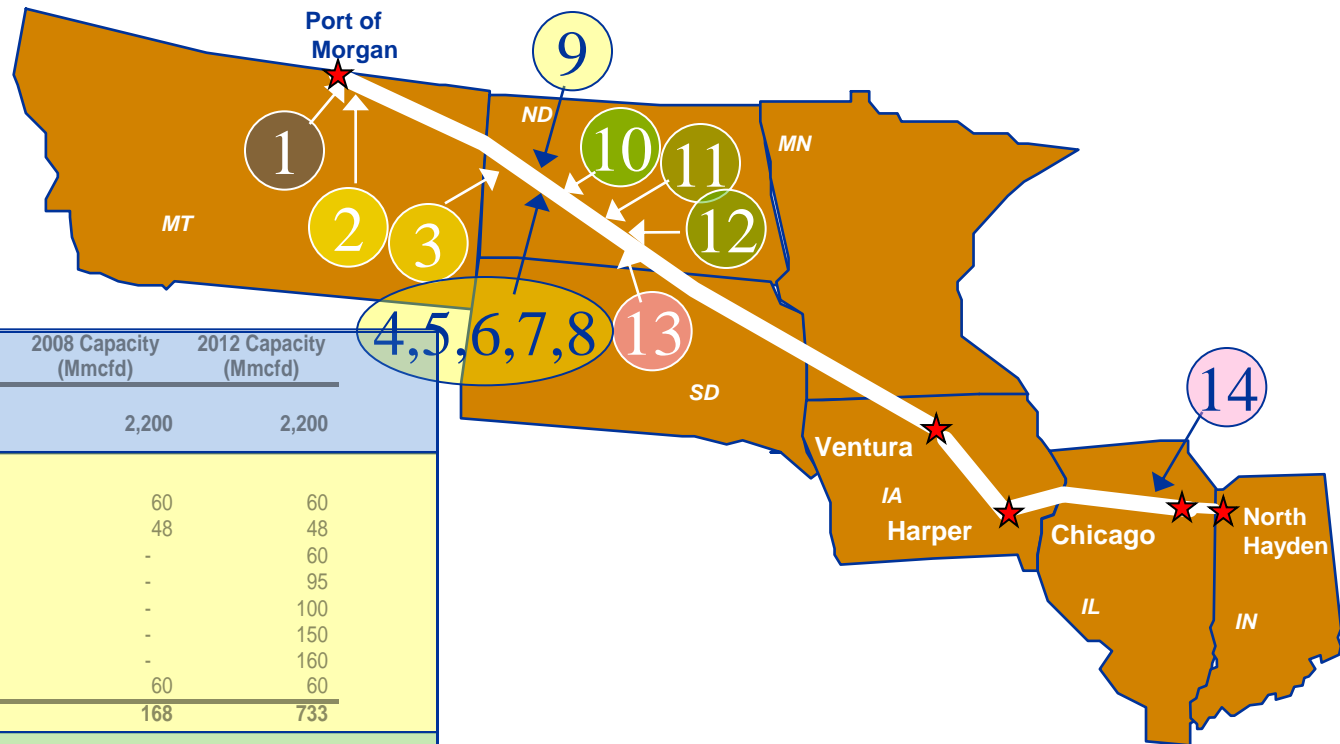


- *Northern Border Overview*
- *Princeton Lateral*
- *Bakken*
- *Bison*
- *Summary*
- *Update*

Northern Border Pipeline Overview

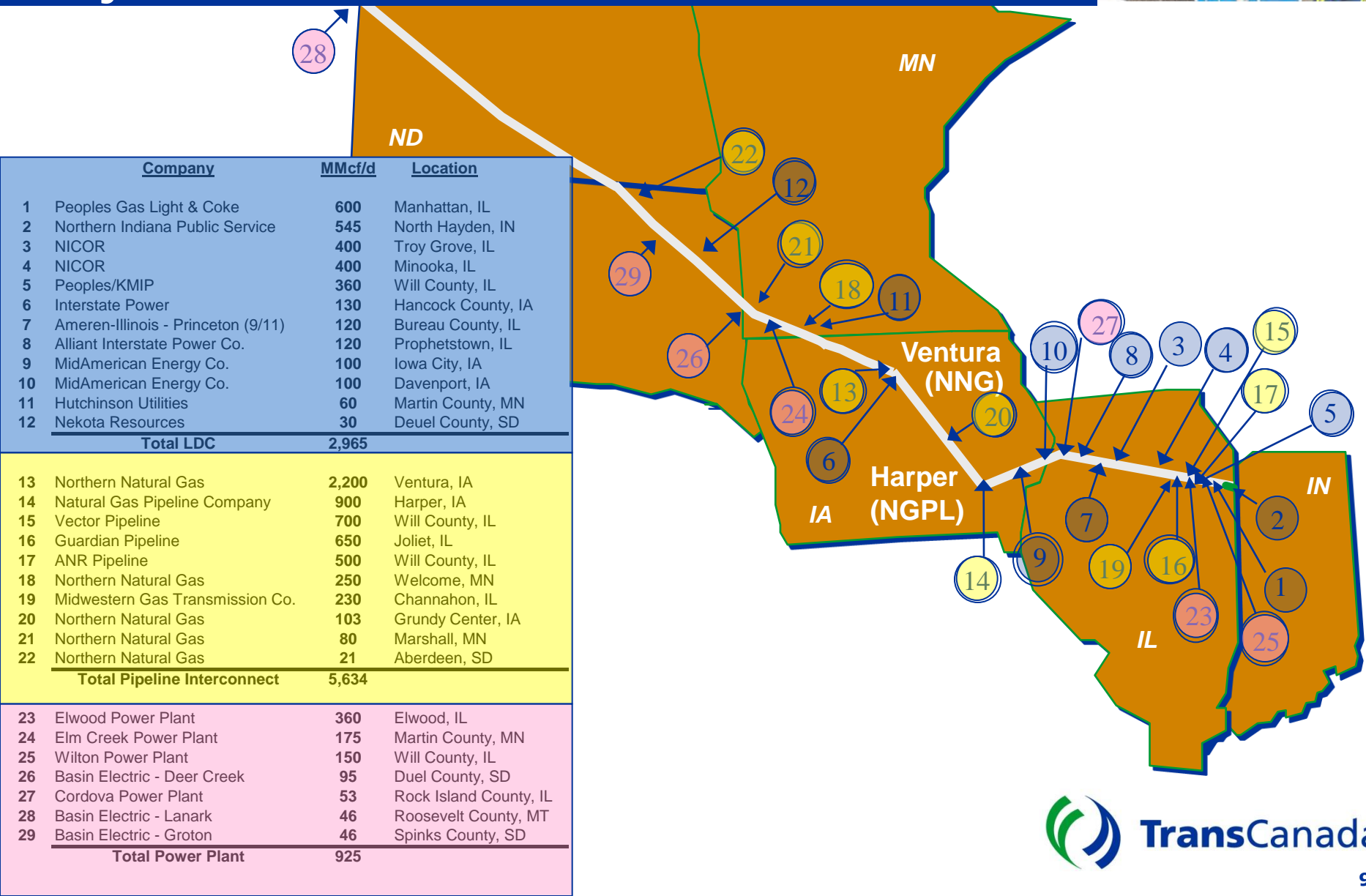


Northern Border Growing U.S. Supply



	Location	2008 Capacity (Mmcfd)	2012 Capacity (Mmcfd)
Canadian			
1	Foothills (Canadian) Port of Morgan, MT	2,200	2,200
Williston Basin/Bakken			
2	Omimex Saskana, MT	60	60
3	Bear Paw/WBI Buford, ND	48	48
4	Charbonneau McKenzie County, ND	-	60
5	Highland Partners McKenzie County, ND	-	95
6	Saddle Butte McKenzie County, ND	-	100
7	Bear Paw/WBI McKenzie County, ND	-	150
8	Bear Paw McKenzie County, ND	-	160
9	Hess Watford, ND	60	60
Total		168	733
Rockies			
10	WBI/Grasslands Dunn County, ND	150	213
11	WBI (Bidirectional) Glen Ullin, ND	100	100
12	NBPL/Bison Glen Ullin, ND	-	407
Total		250	720
Other			
13	Great Plains Hebron, ND	160	160
14	Des Plaines Will County, IL	-	60
Total		160	220
Total U.S. Supply		578	1,673

Northern Border Major Market Points



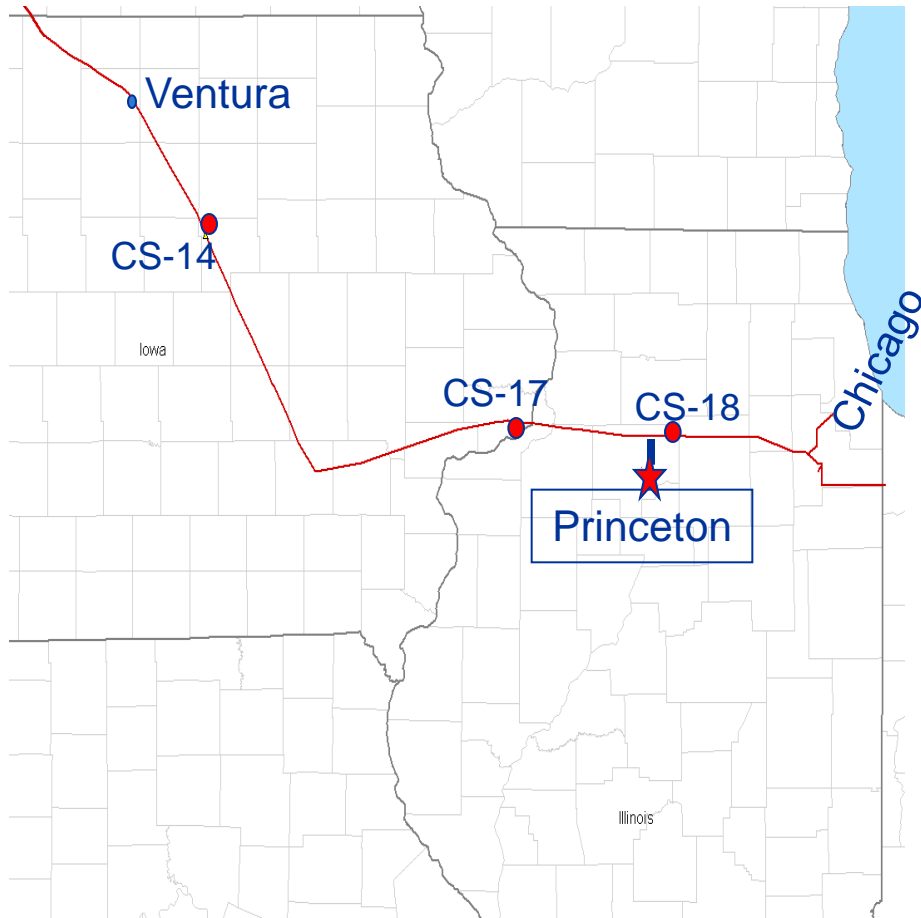


Princeton Lateral



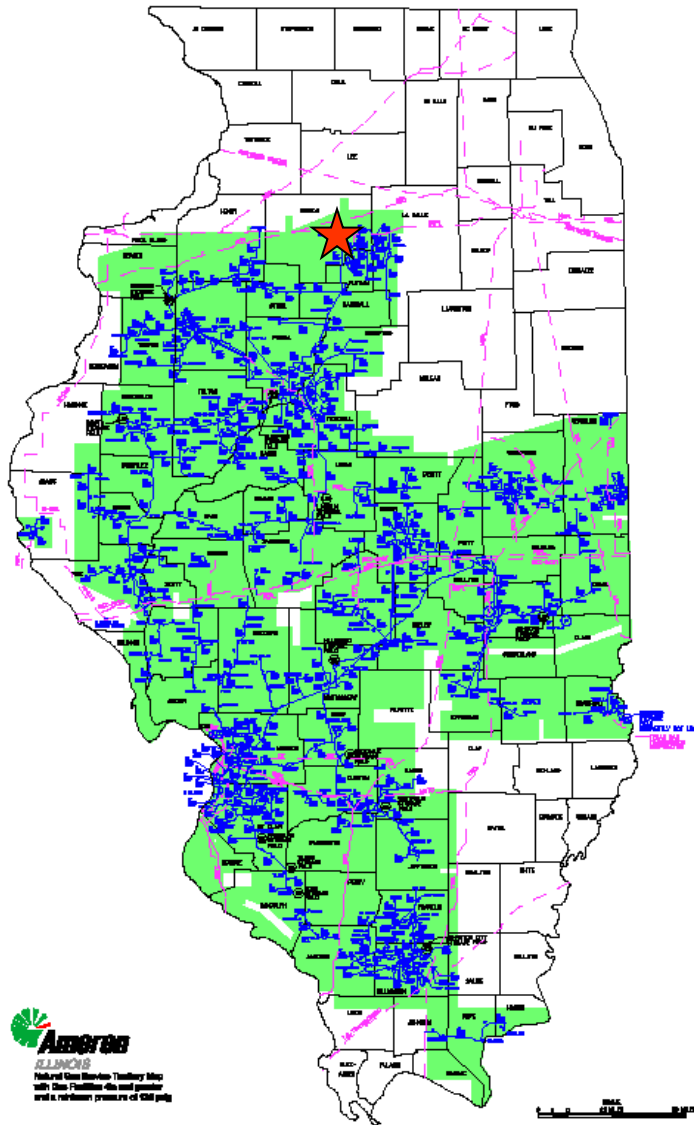
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Princeton Pipeline Ameren Illinois



- New pipeline lateral to Ameren Illinois
- Approximately 8.65 miles
- 16" pipeline
- 120,000 Mcfd capacity
- Filed Certificate Application
 - July 2, 2010
- Received FERC Order
 - November 20, 2010
- Accepted FERC Order
 - December 20, 2010
- Targeted In-Service
 - September, 2011

Ameren Illinois Natural Gas Data



System Sales

Customers	827,000
Peak Day (MMBtu)	1,197,000
2011 Annual Sales (Bcf)	85.8

End User Transport

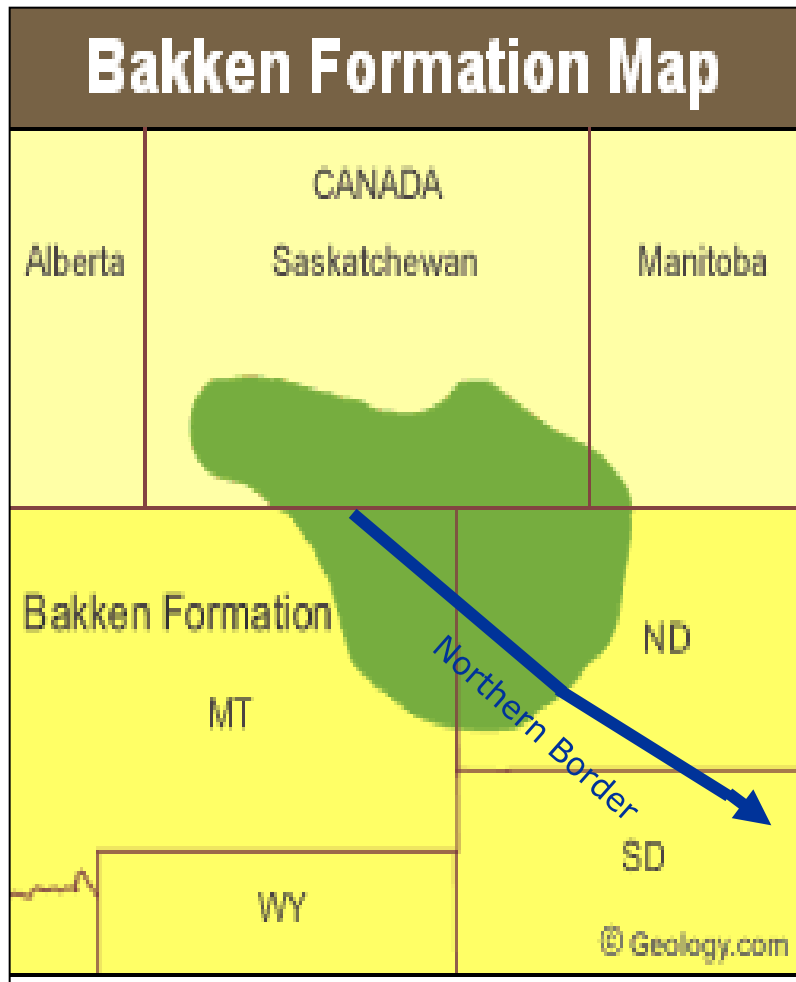
Customers	673
Peak Day (MMBtu)	280,695
2011 Annual Load (Bcf)	67.9



Bakken

Northern Border - Production Outlook

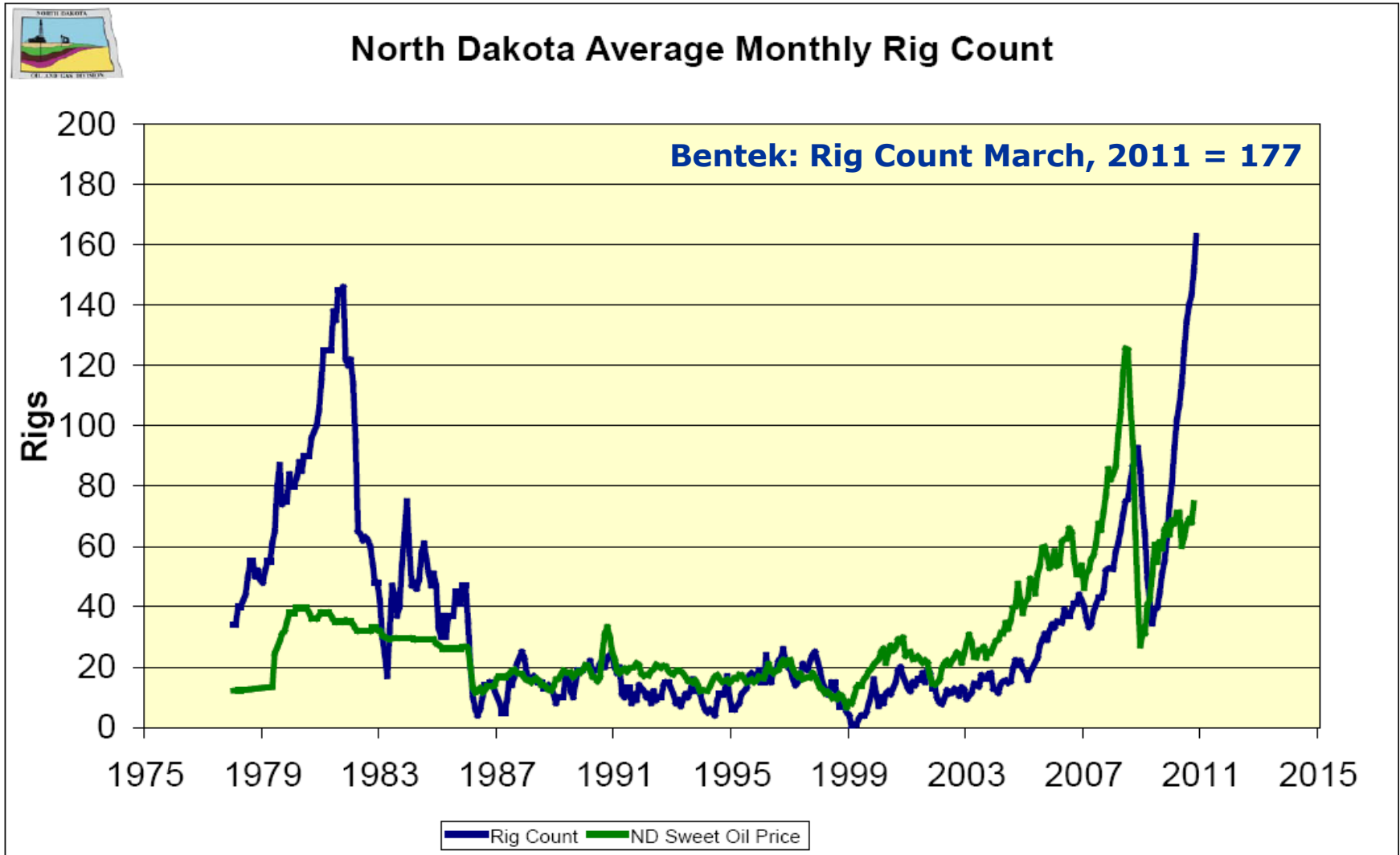
Williston Basin (Bakken) Production Growth



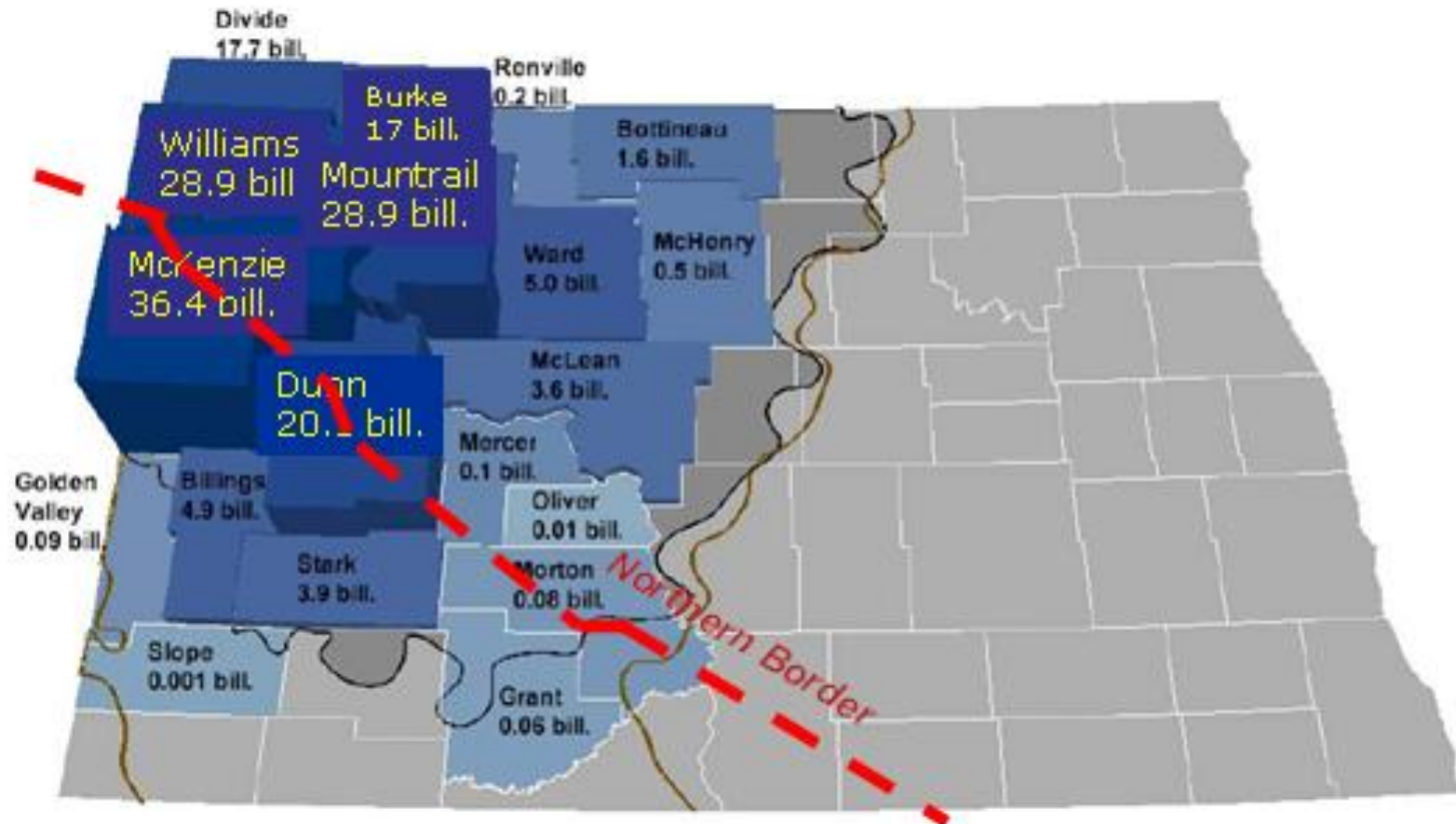
- **Oil play** with associated gas
- Northern Border located in the heart of the Bakken Formation
- Existing processing plants near Northern Border
- New processing plants are scheduled to be built near Northern Border
- Additional midstream infrastructure is required
- Currently 3 Bakken/NB receipt points
- Four new receipt points in 2011/12
- Additional three more possible

Source: US Geological Survey

North Dakota Rig Count

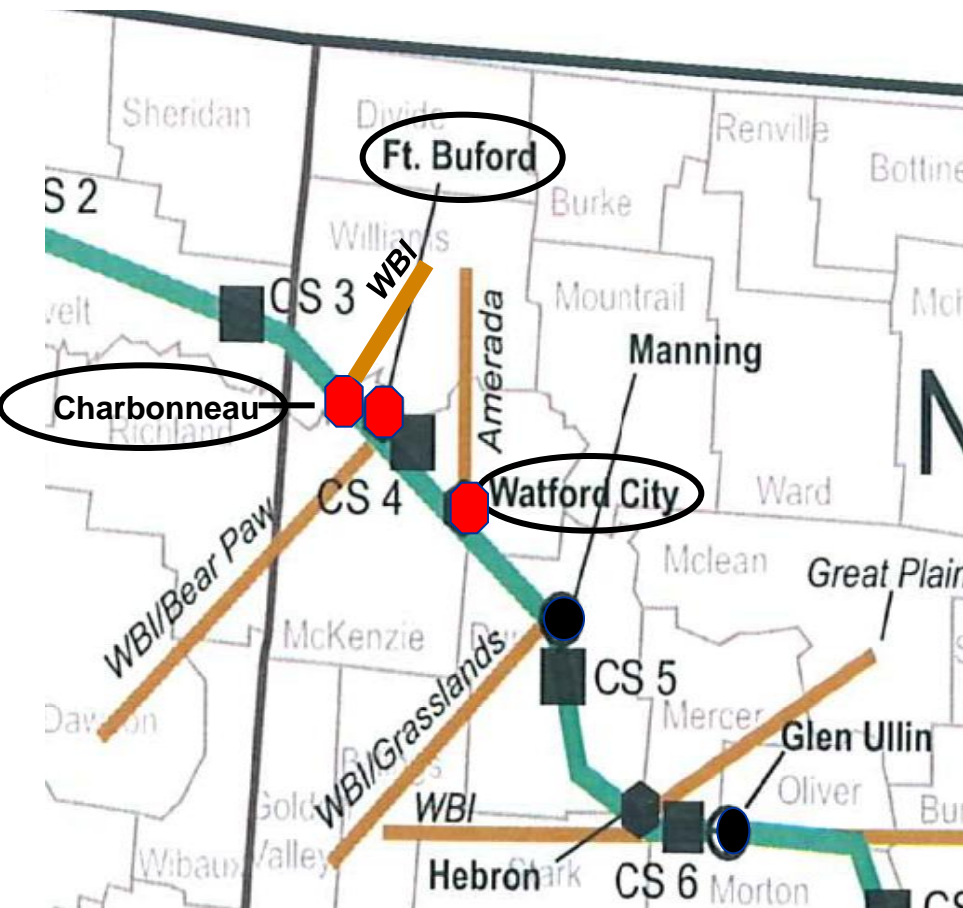


Northern Border's Footprint in the Bakken



- Source: North Dakota Pipeline Authority
- Approximate oil in place
- Includes Three Forks & Bakken formations

Existing Bakken Receipts

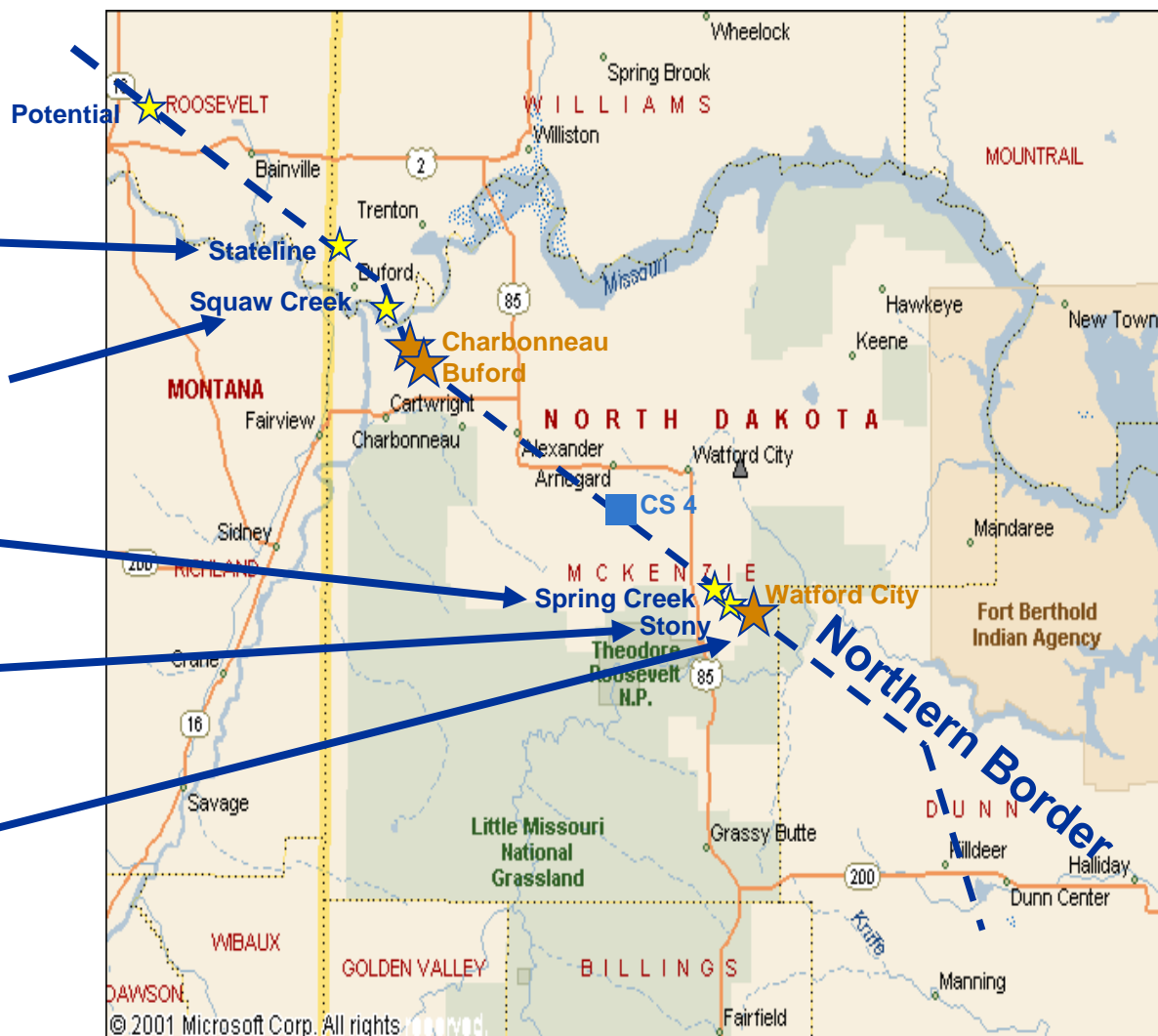


- Charbonneau
 - WBI
 - 15,260 Mcfd '09 Average
 - 18,435 Mcfd '10 Average
 - 25,018 Mcfd Dec '10 Average
- Ft. Buford
 - WBI/Bear Paw
 - 28,840 Mcfd '09 Average
 - 31,365 Mcfd '10 Average
- Watford City
 - Hess
 - 40,550 Mcfd '09 Average
 - 40,112 Mcfd '10 Average

Northern Border Potential & New Interconnects in the Bakken



- Potential
 - 80,000 Mcfd
 - 2011
 - Planning Stage
- Bear Paw (Stateline)
 - 160,000 Mcfd
 - Q3, 2012
- Hiland Partners (Squaw Creek)
 - 95,000 Mcf/d
 - April, 2011
- Bear Paw/WBI (Spring Creek)
 - 150,000 Mcf/d
 - October, 2011
- Saddle Butte (Stony)
 - 100,000 Mcf/d
 - April, 2011
- Hess/Tioga Processing Plant
 - 110 MMcf/d Current
 - 250 MMcf/d Expansion
 - Q4, 2012
 - Watford City



★ New Interconnect

★ Existing Interconnect



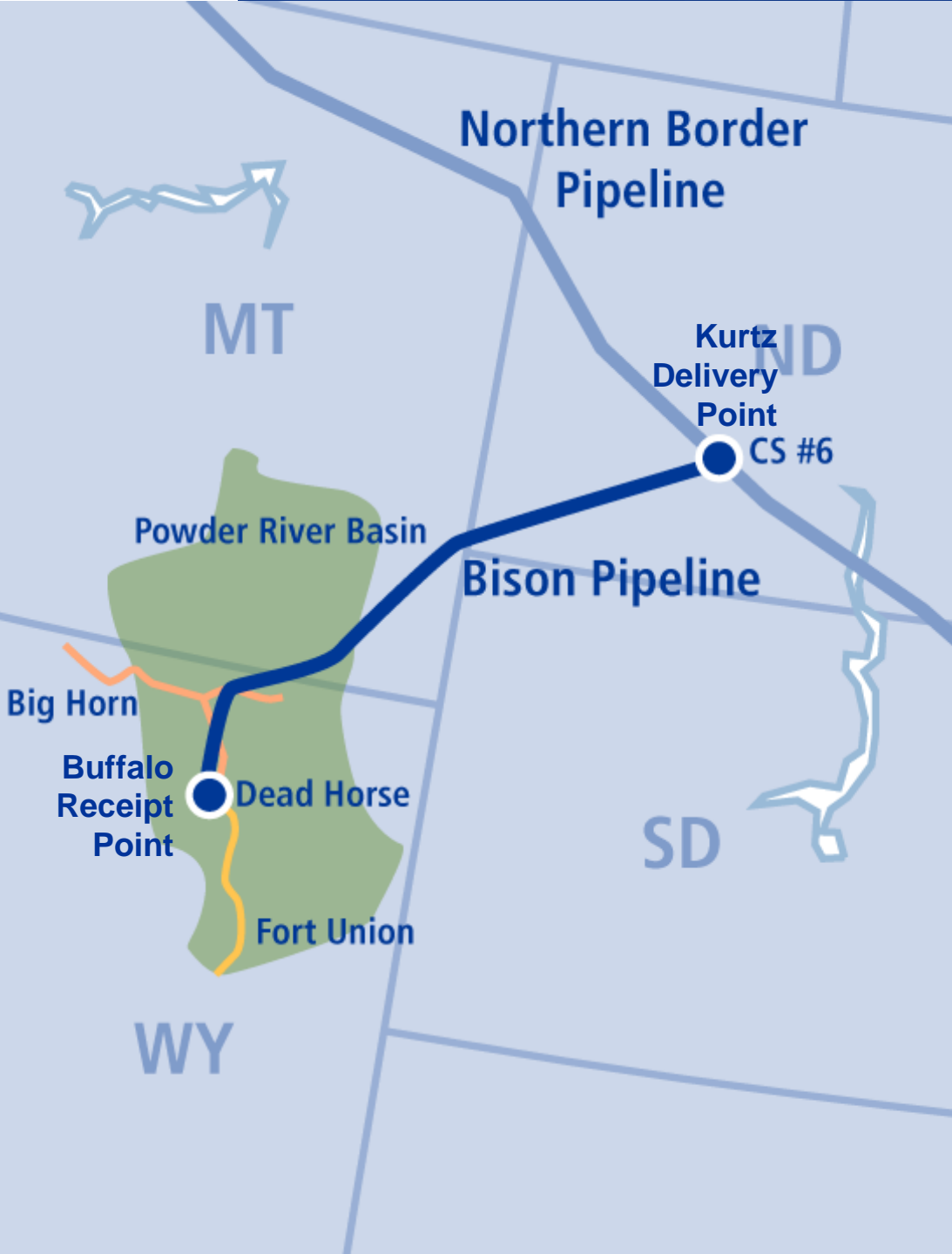


Bison Pipeline



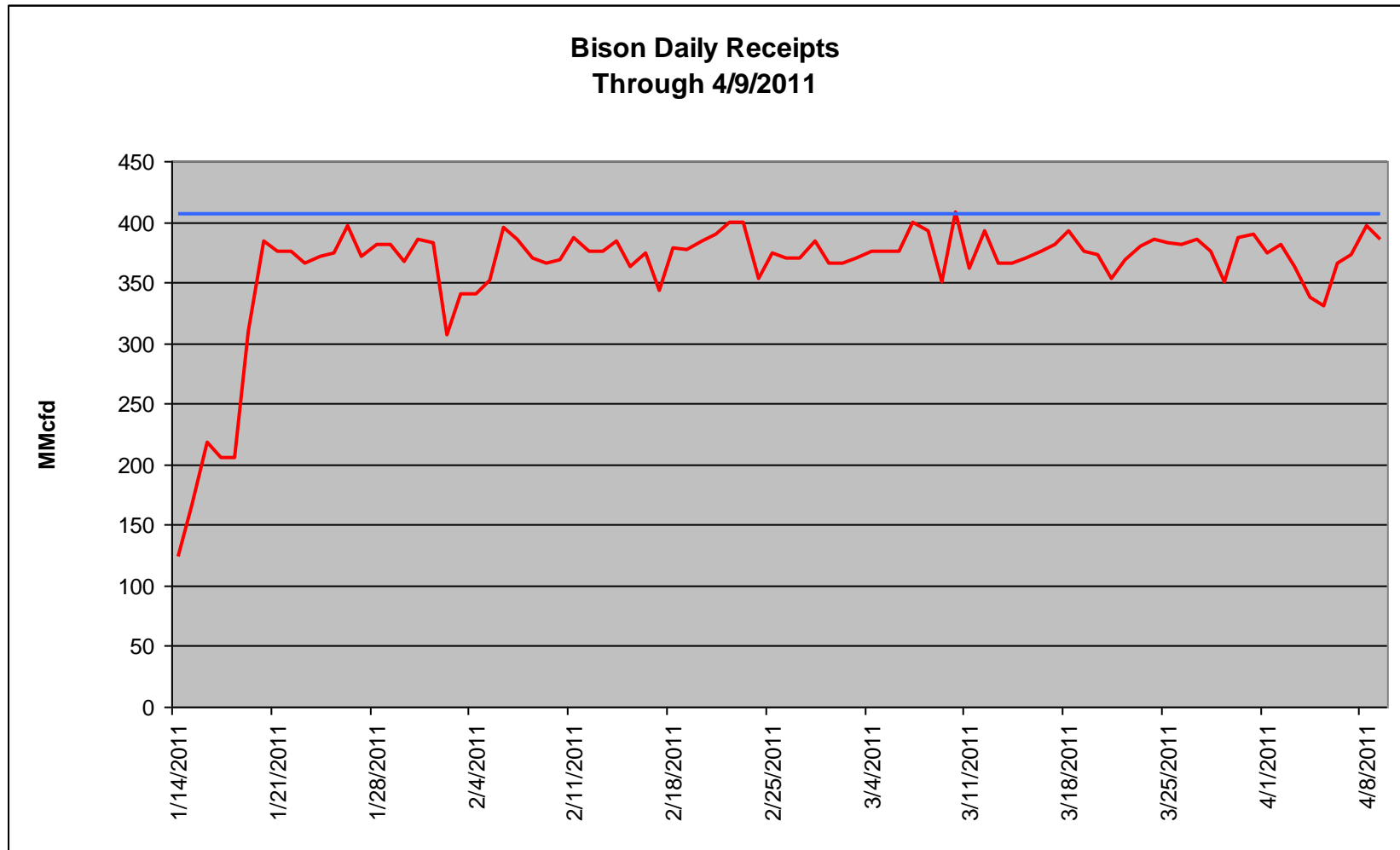
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Bison Pipeline Overview



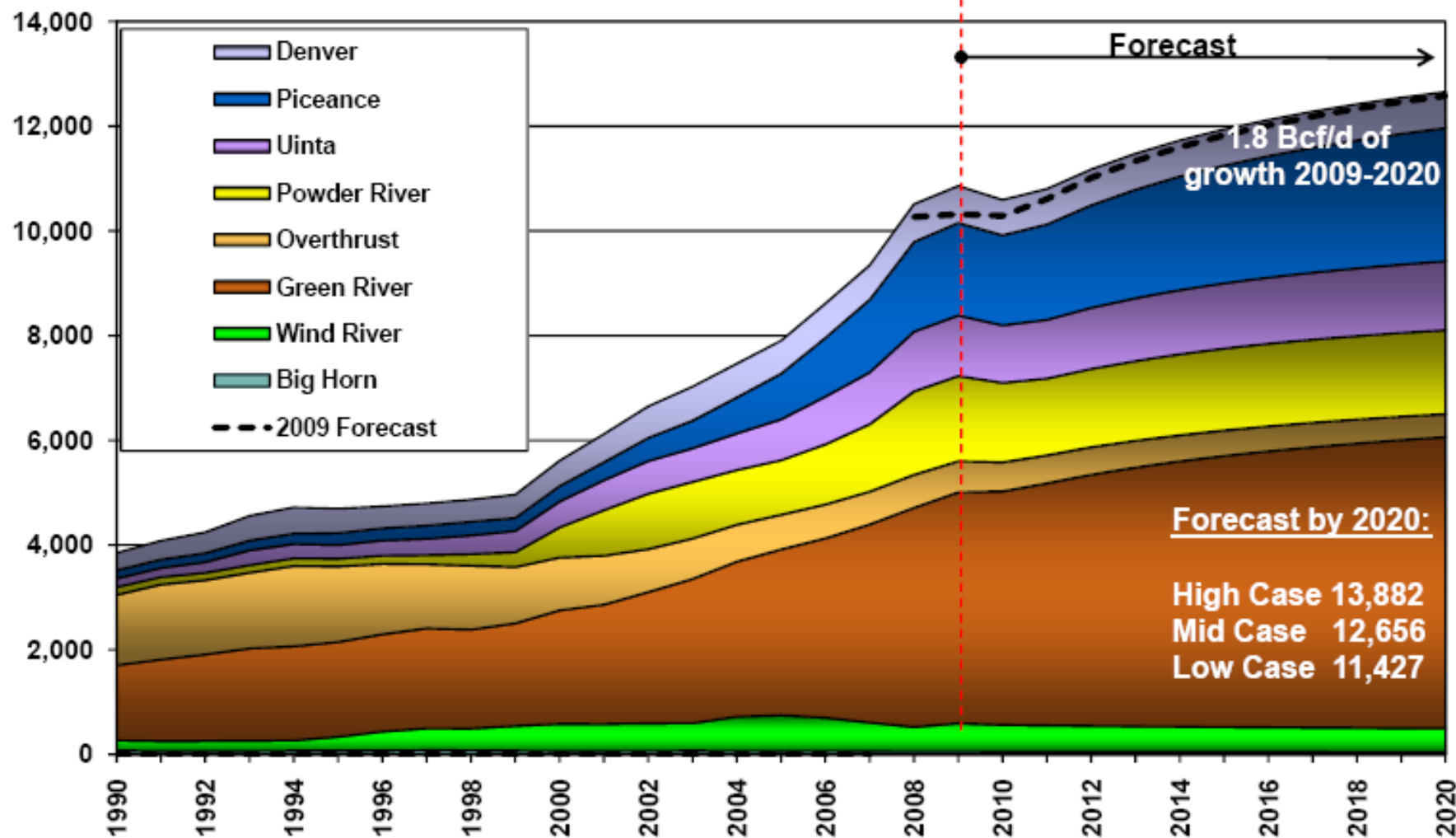
- Connecting Powder River Basin supply to Northern Border Pipeline
- 302 miles, 30-inch diameter natural gas pipeline
- Executed Contracts for 407 MMcfd
 - Anadarko 250 MMcfd
 - Williams 100 MMcfd
 - MERC 52 MMcfd
 - MidAmerican (Non Reg) 5 MMcfd
- 10-Year Term
- Max 1 Bcfd capacity
- 1440 psig MAOP
- **January 14 , 2011 In-service**

Bison Pipeline – Initial Flows



Rocky Mountain Production

(Volumes are Wellhead – Measured in MMcfd)



1990-2008: Wellhead total data from IHS database
2009-2020: El Paso forecast

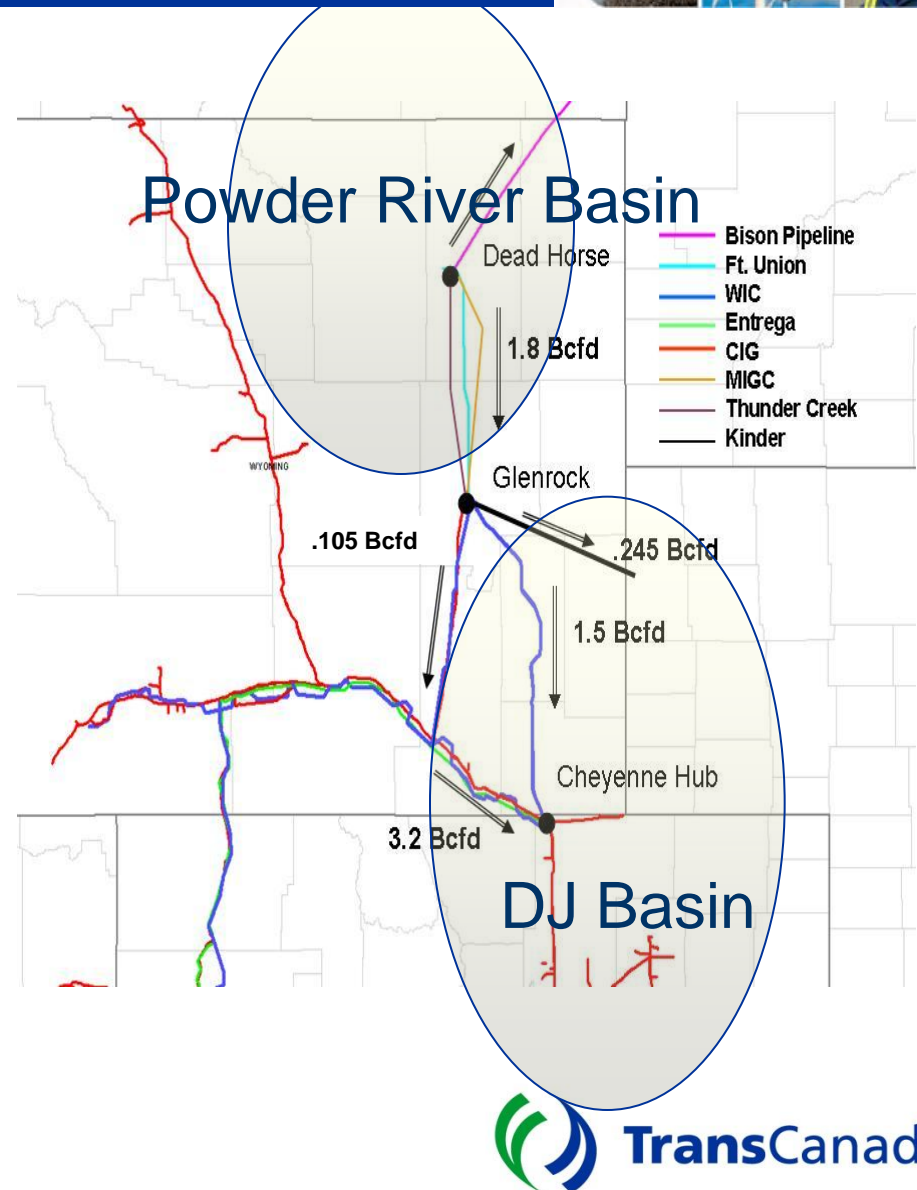
Source: El Paso/Wyoming Gas Fair 09/2010



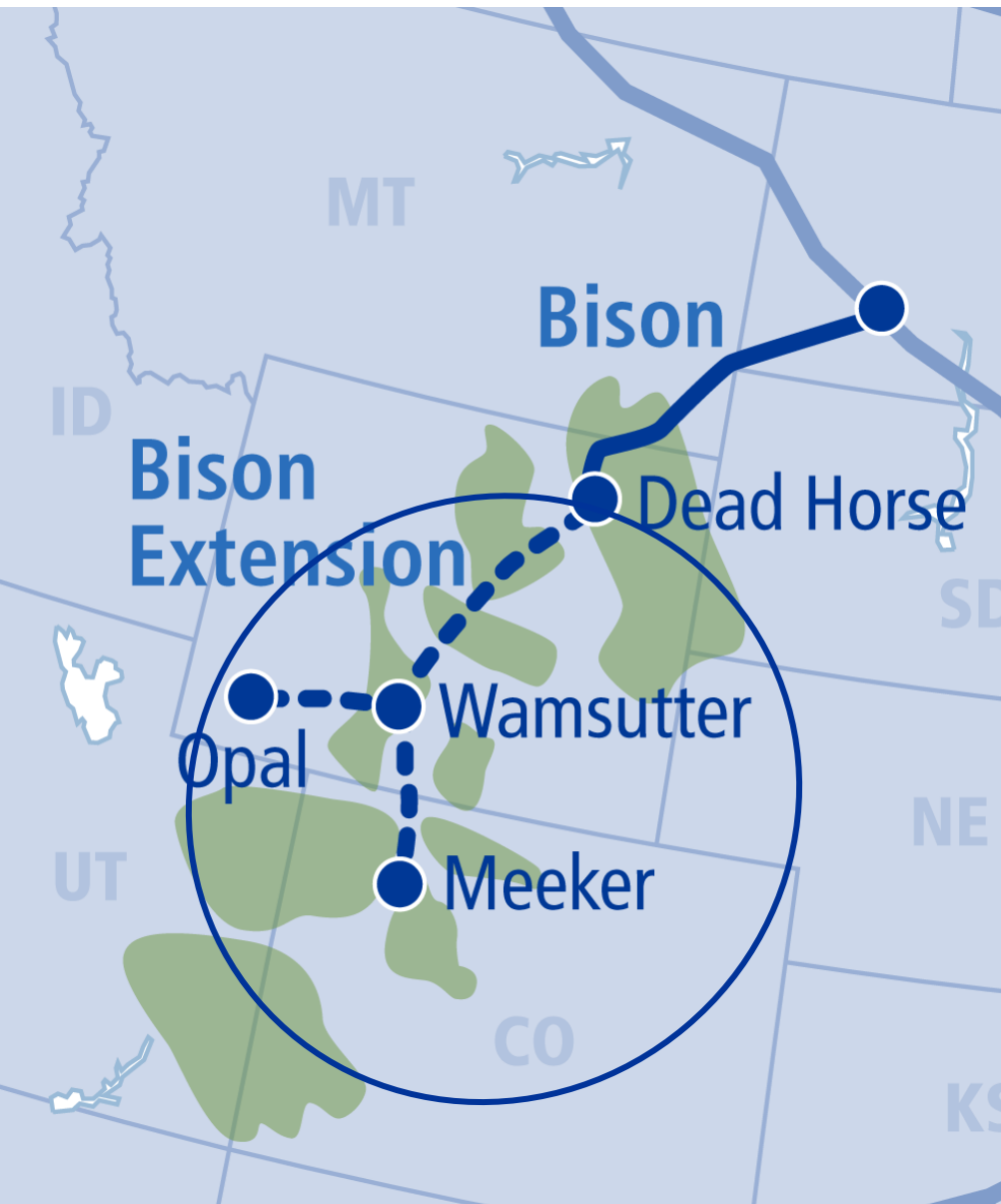
Bison Pipeline Expansion Niobrara Oil Impact



- Follow the Oil
 - Associated Gas
 - Niobrara Shale
 - Both PRB & DJ
 - Formative phase
 - Powder River Basin
 - Several other oil producing formations
- Impact on Cheyenne?
- Rocky Mountain Production Forecast
- Market diversification
- Bison Expansion?



Bison Extension



- 240 miles of 24" pipe to existing pipelines at Wamsutter (or extend further if required)
- Cost approximately \$450 to \$600 million depending on volume
- Extension Capacity
 - 300 to 600 MMcfd
 - Ability to deliver up to 1.1 Bcfd to NBPL

Summary



- Overview of Northern Border
 - Supply
 - Markets
- Princeton Lateral - New lateral line to serve Ameren Illinois
 - 16" Pipeline
 - 120,000 Mcfd
 - Targeted in-service September, 2011
- Bakken
 - Four new receipt points
 - 177 rigs as of March, 2011
- Bison
 - In-Service January 14, 2011
 - Daily receipts averaging 375 MMcfd
 - Oil & associated gas in PRB & DJ
 - Impact on Cheyenne?



WILLISTON BASIN

INTERSTATE PIPELINE COMPANY

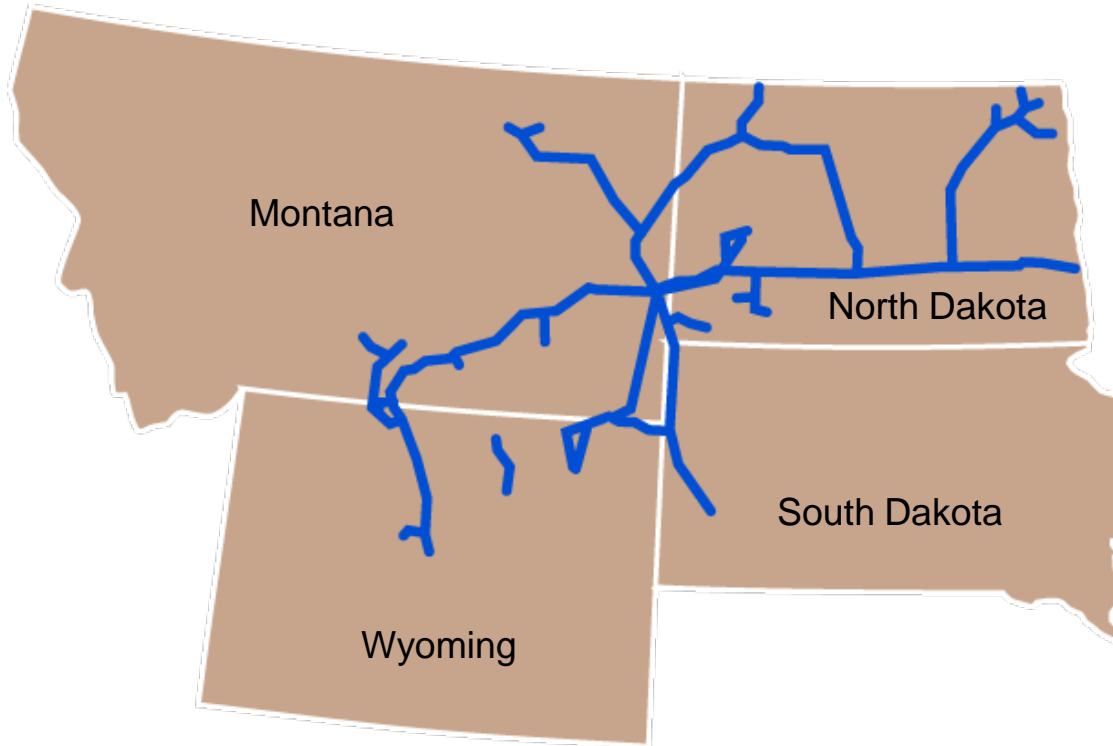
An MDU Resources Group company

Williston Basin Interstate Pipeline Company

North Dakota Pipeline Authority Webinar
May 26, 2011

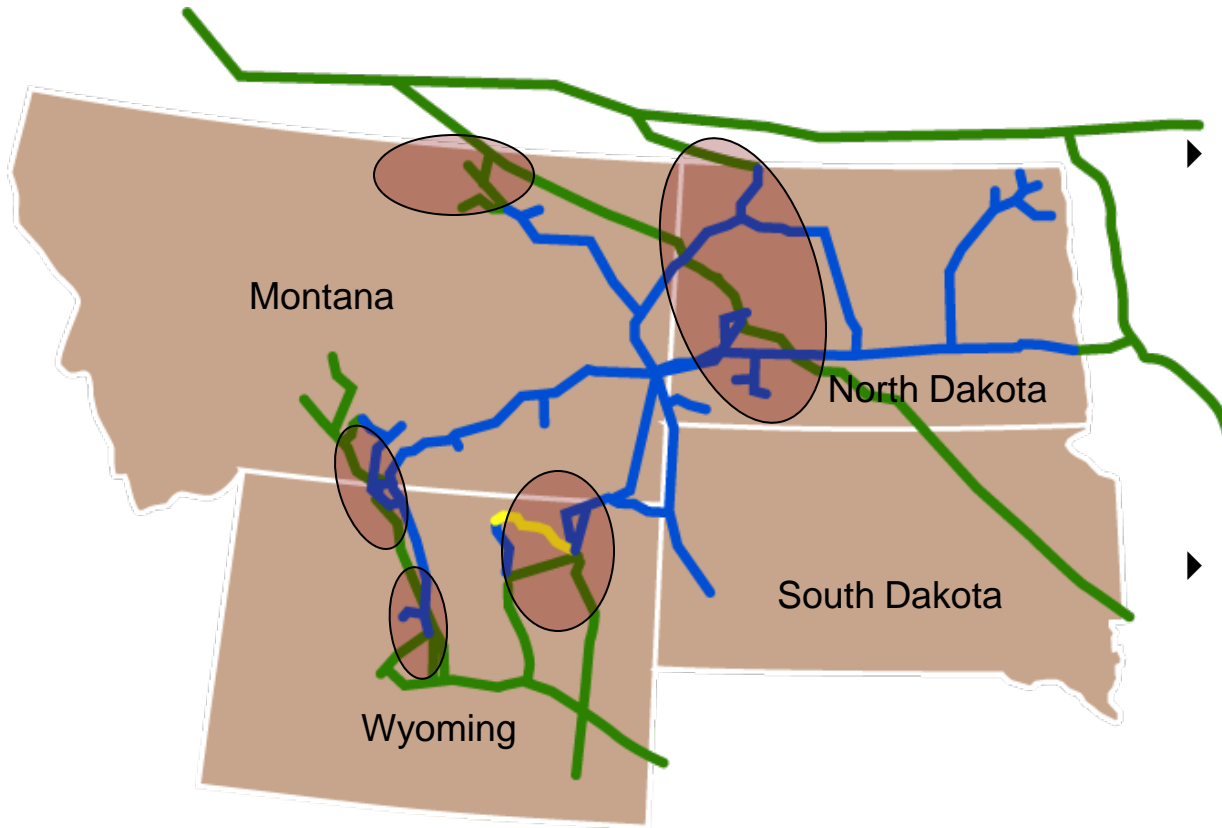


PIPELINE SYSTEM



- ▶ Transportation, gathering and storage services
- ▶ About 3,300 miles of high-pressure transmission pipeline
- ▶ 2010 peak day 666 mmcf/day
- ▶ Capability to move approx. 750 mmcf/day

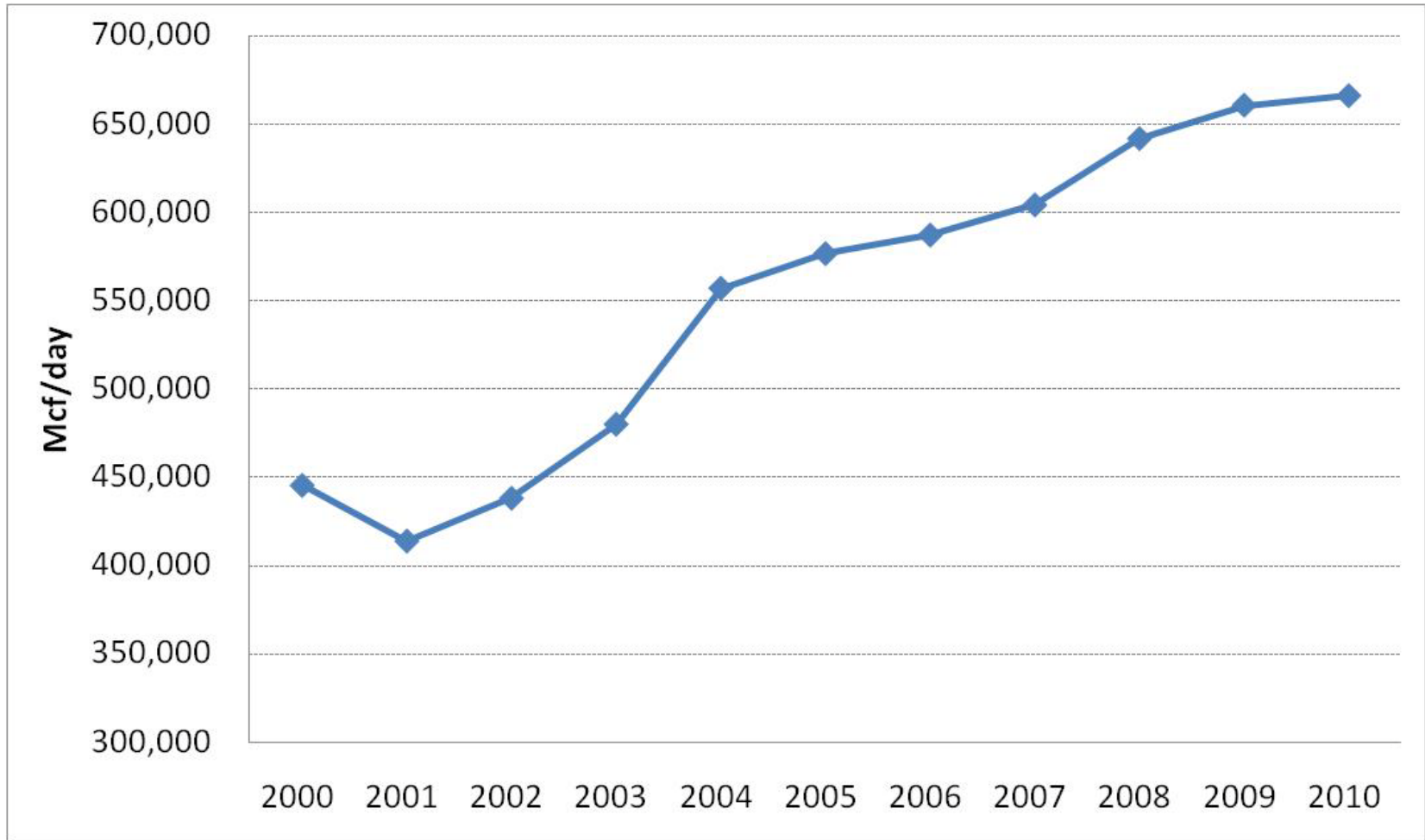
PIPELINE INTERCONNECTIONS



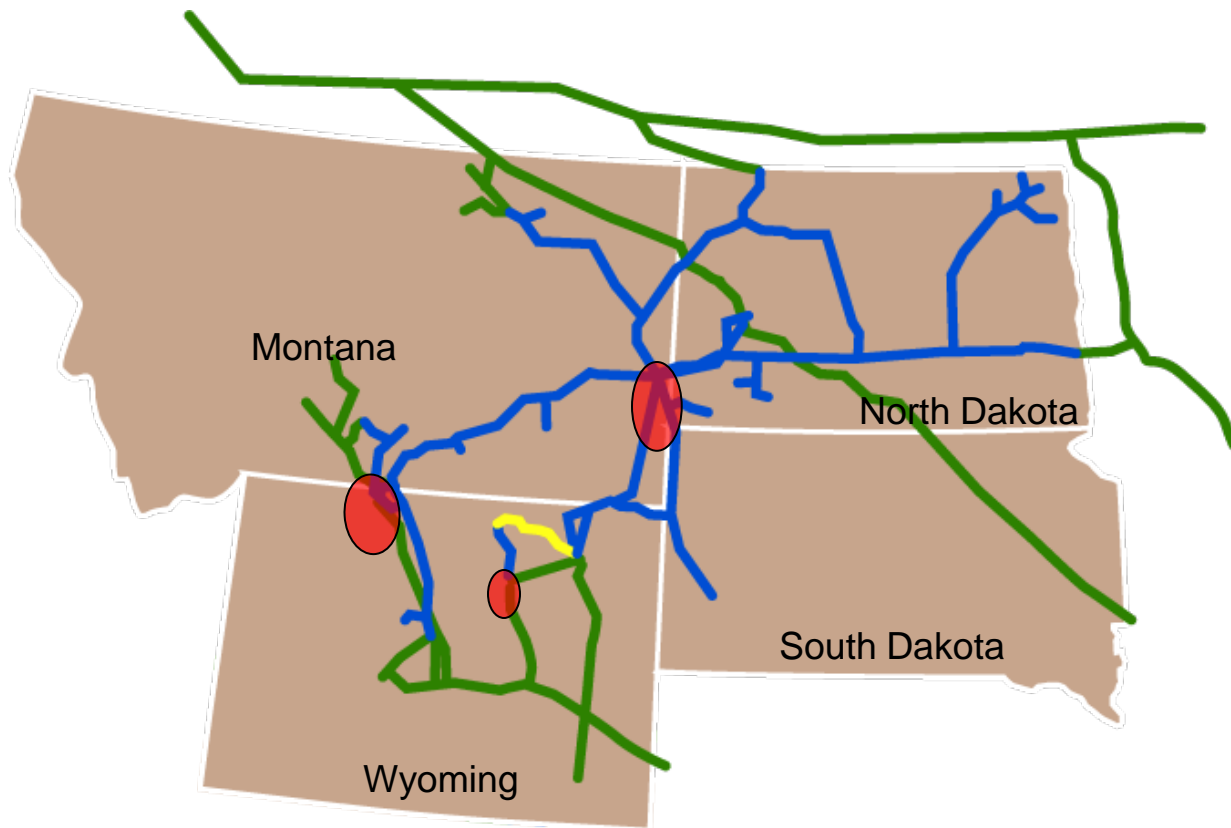
- ▶ Interconnects with eight other interstate/intrastate pipeline systems in the US and Canada.
- ▶ Access to multiple supply basins.

■ Williston Basin Pipeline ■ Interconnecting Pipeline ■ Other WBI Pipeline

Annual Peak Day



Storage



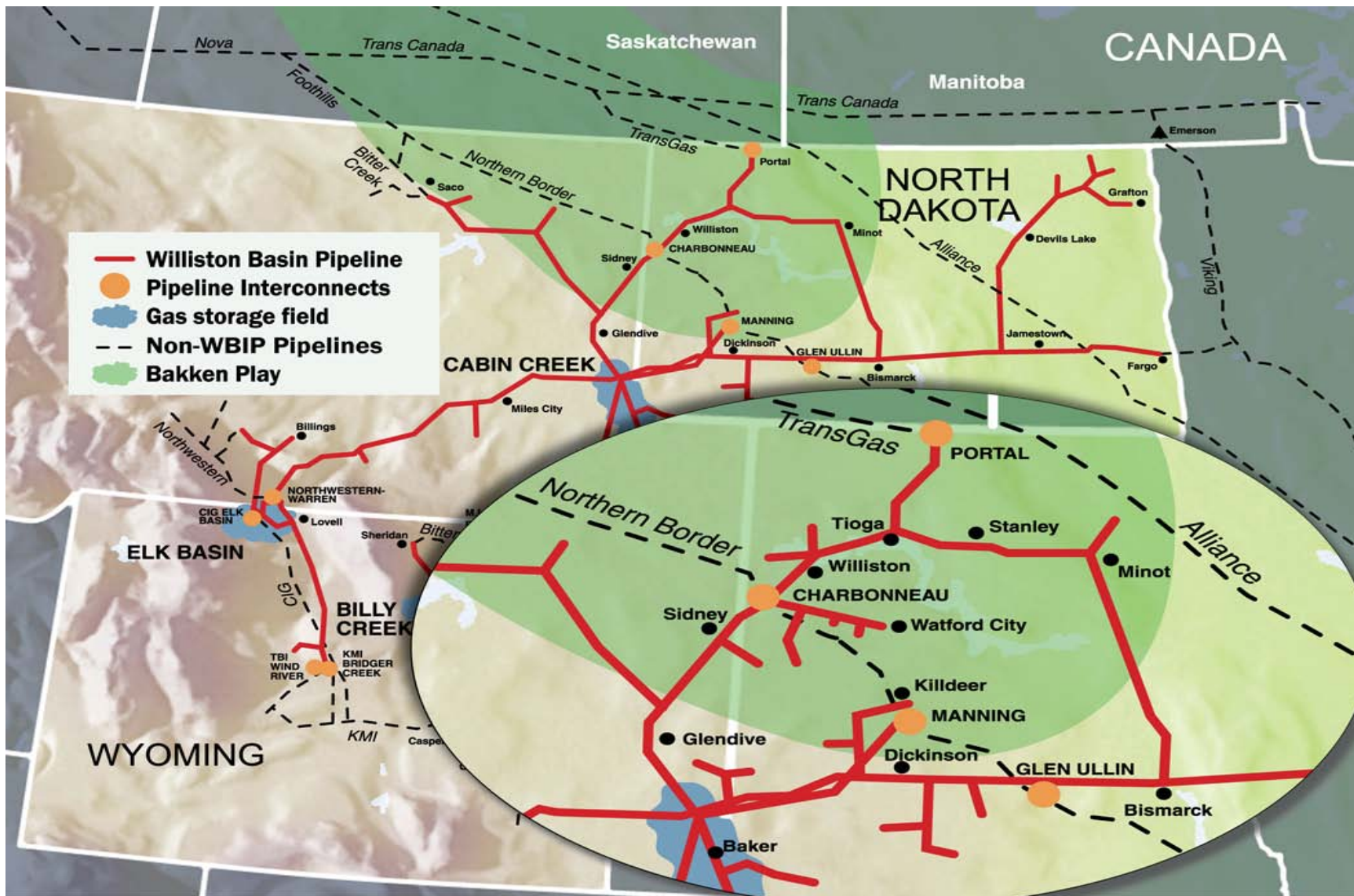
- ▶ 193 Bcf of working gas capacity
- ▶ Over 300 mmcf/day deliverability

 Williston Basin Storage Fields

 Williston Basin Pipeline  Interconnecting Pipeline  Other WBI Pipeline

North Dakota / Eastern Montana Projects

- ▶ Baker Storage Enhancement
- ▶ Interconnects
- ▶ Carbonneau Compression
- ▶ Supply Laterals
- ▶ Portal / Many Islands Pipeline



Questions?

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