

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
- 2013 Toll Settlement pending

Express Platte

Express - 280,000 Bbl/d

- 119,000 Bbl/d Firm contracts thru Q1 2015
- Thruput has increased from <200,000 bpd to over 220,000 bpd
- 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
- High demand from Bakken through Guernsey

Opportunities

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

Sale of Express System

- On December 11, 2012, announced Sale of 100% to Spectra Energy
- Pre-tax proceeds to Kinder Morgan \$380M
- KMP currently receives approximately \$15M of cash flow annually
- Closing targeted for Q2, 2013



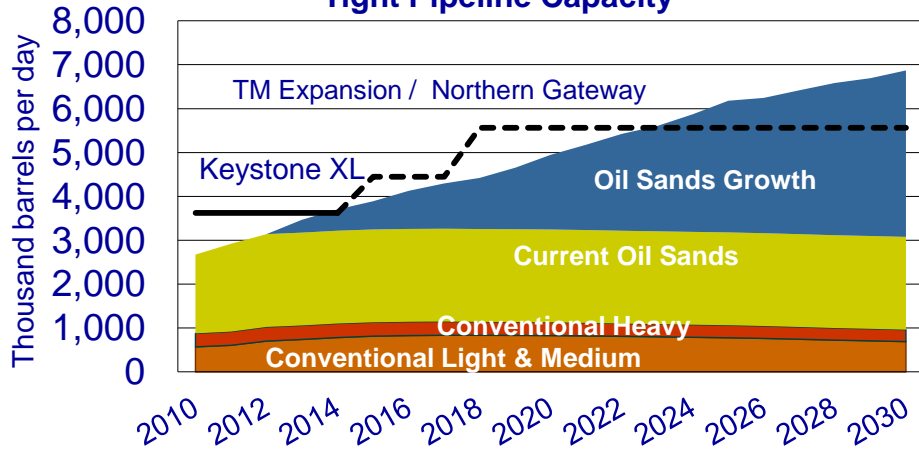
Trans Mountain – DCF

(millions \$US)

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Budget 2013
Trans Mountain System contribution	147.4	156.9	169.3	193.3	168.5
Addback book tax	7.1	12.8	17.4	0.7	16.3
Less cash tax	(3.1)	2.8	1.1	11.1	8.4
Trans Mountain System DCF	157.7	166.9	185.6	182.9	176.4

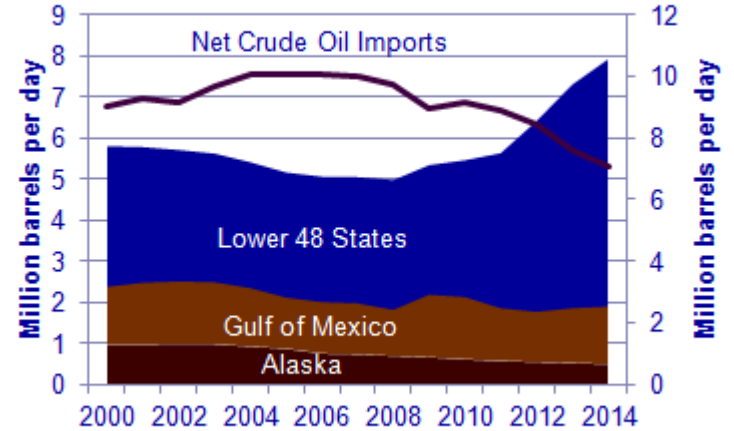
Market Fundamentals Support West Coast Expansion

Tight Pipeline Capacity



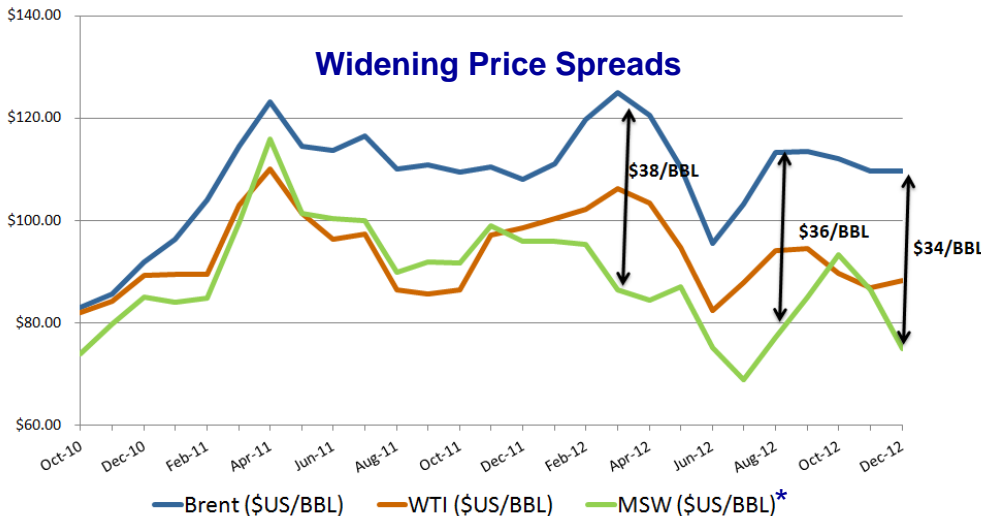
Source: 2012 CAPP Crude Oil Forecast

Increasing US Crude Production – Lower Imports



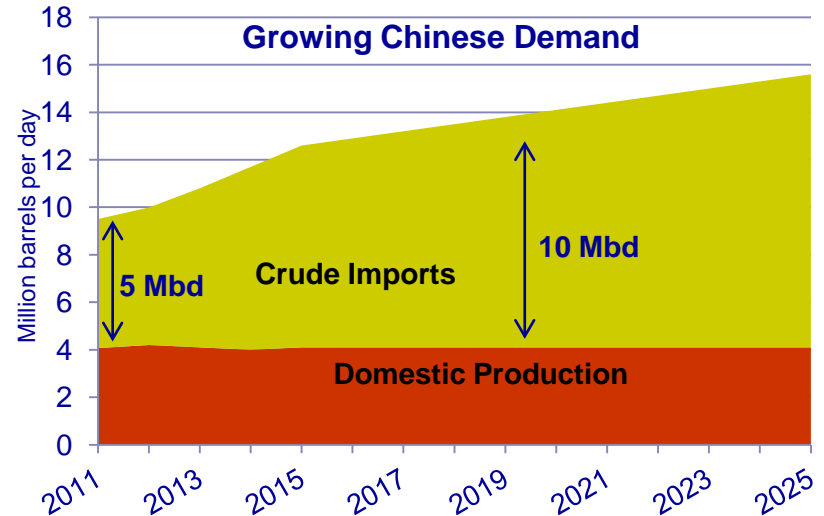
Source: U.S. Energy Information Administration Short-Term Energy Outlook, January 8, 2013

Widening Price Spreads



* Mixed Sweet Blend

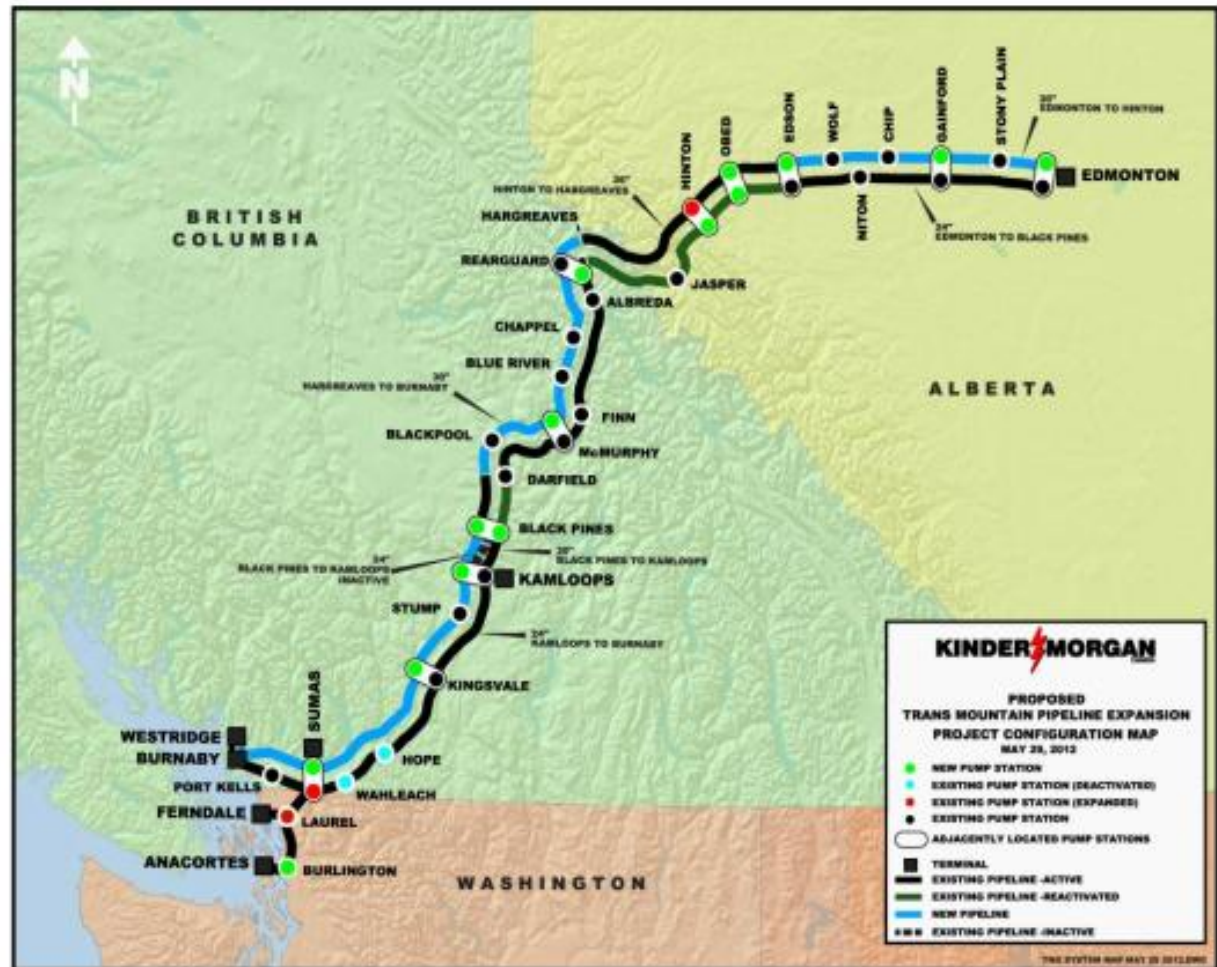
Growing Chinese Demand



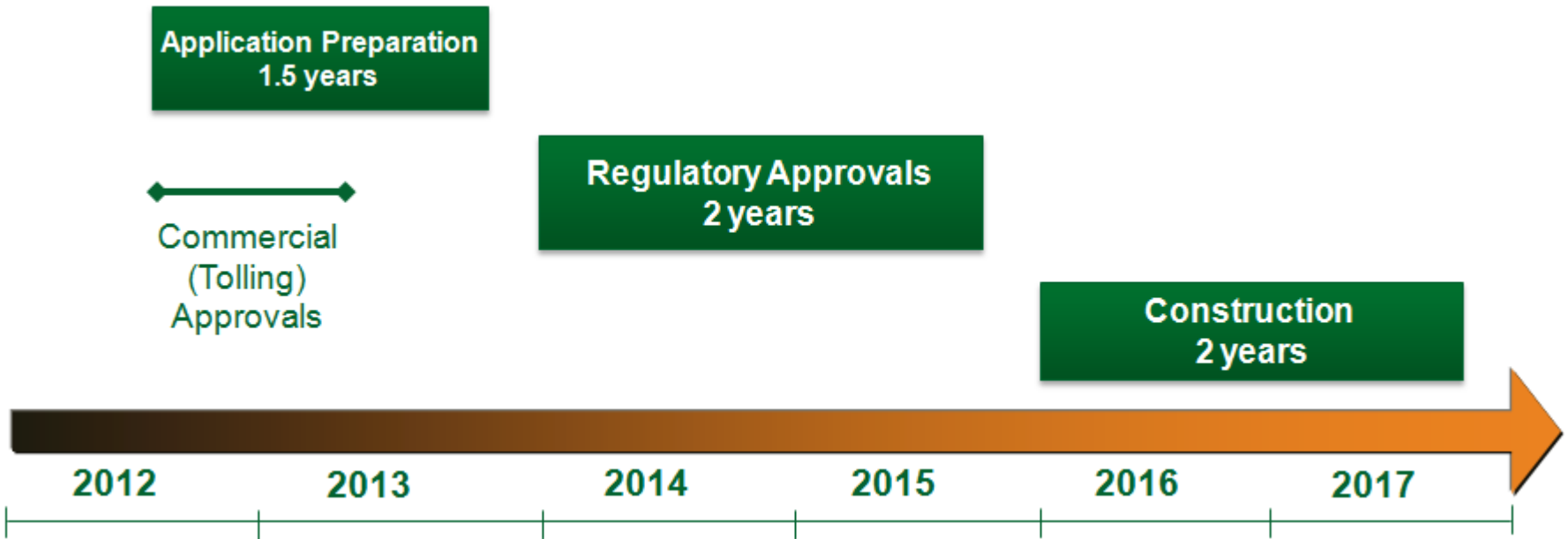
Trans Mountain Expansion (TMX)

Open Season Concluded – Commence Regulatory Steps

- Existing capacity: 300,000 Bbl/d
- Expansion to: 890,000 Bbl/d
- \$5.4B (Projected Cost)
 - Firm Dock fees help fund development costs
 - Some cost overrun protection exists
 - 600 miles new pipe
 - Pump stations, tanks, new tanker berths
 - Offshore clearing capacity 600k
- 13 Companies, 708,000 bbl/d
 - Take or Pay Contracts, 15 & 20 years
 - In-service: late-2017
 - Competitive Tolls
- NEB Hearing for toll principles Q1, 2013
 - Decision Q2, 2013
- Facilities Application
 - Q4, 2013



Trans Mountain Expansion Schedule



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 (non-greenfield expansion)
- Environmental footprint is manageable
- Build upon First Nations relationships in place along route
- Growing political awareness of benefits associated with more pipeline capacity
- Experienced operator and builder in B.C.

Challenges

- Some shippers challenging toll principles
- Resistance to oil sands production links to pipeline permitting
- Concerns about spills in environmentally sensitive habitat including offshore tanker traffic
- First Nations must be meaningfully engaged by government & proponent