

**Information contained in this presentation is dated as of 3/24/2011. For current project scope and information on the Trans Mountain Pipeline expansion project, please see www.transmountain.com*

Kinder Morgan Canada

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March 24, 2011

Trans Mountain Pipeline



Capacity

- Currently 300 MBbl/d, fully-looped potential 700 MBbl/d

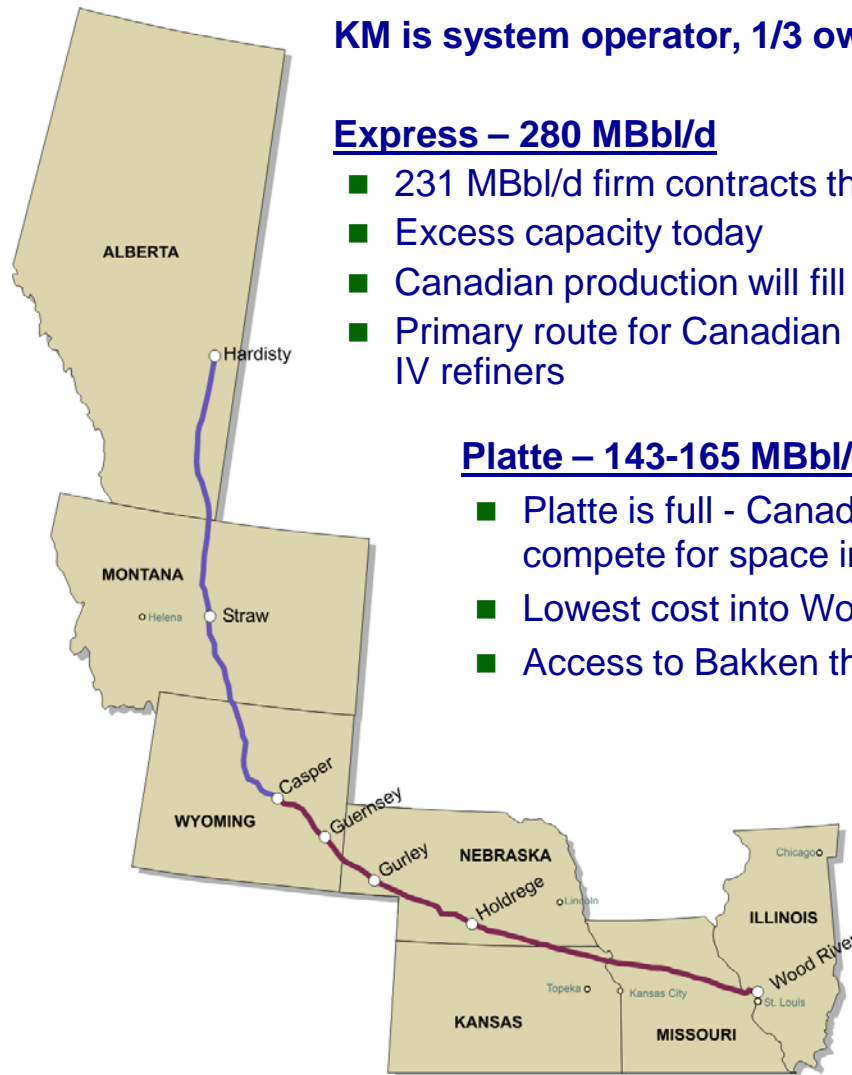
Markets

- British Columbia
- Washington State refineries
- Westridge marine terminal – offshore markets in U.S. and China

Regulation / Tolls

- National Energy Board-regulated
- New 2011 Toll Settlement pending
- Firm contract open season successful at 54 MBbl/d, seeking NEB approval

Express – Platte Pipeline System



KM is system operator, 1/3 owner

Express – 280 MBbl/d

- 231 MBbl/d firm contracts thru 2012-15
- Excess capacity today
- Canadian production will fill space over time
- Primary route for Canadian production to PADD IV refiners

Platte – 143-165 MBbl/d

- Platte is full - Canadian & local U.S. barrels compete for space in Platte
- Lowest cost into Wood River
- Access to Bakken through Guernsey

Opportunities

- Re-contracting Express at higher tolls
- Increasing spot tolls
- Possible Platte conversion to contract carriage – Bakken appeal
- Expansion options to take Platte barrels to Patoka or Cushing

Kinder Morgan Canada – Growth

(millions \$US)

	2009	2010	2011B
Trans Mountain System (distributable cash flow)	\$147.4	\$156.9	\$166.2
Express System (cash distributions)	14.6	13.3	13.5
	\$162.0	\$170.2	\$179.7

Trans Mountain Expansion (TMX)



Current Capacity

■ B.C. & Washington State	<u>300,000</u> Bbl/d
■ Offshore (90% California)	225,000
	75,000

Expansion Alternatives

■ TMX-2 (+\$1.5B)	+80,000 to	380,000 Bbl/d
■ TMX-3 less power (+\$2.0B)	+160,000 to	540,000
■ TMX-3 (+\$0.5B)	+160,000 to	<u>700,000</u>
— B.C. & Washington State		250,000
— Dock capacity		450,000

- Expansion requires binding commercial support
- Plan for Fall 2011 open season

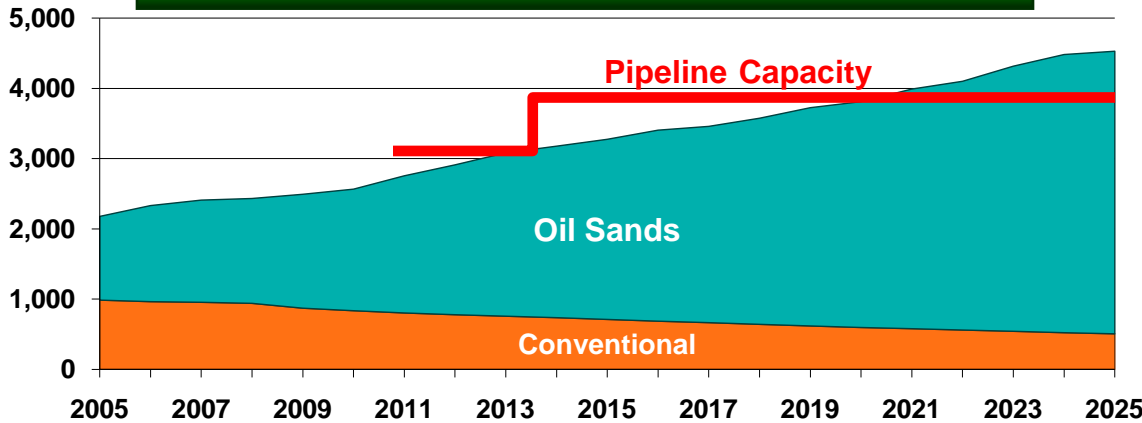
Trans Mountain Pipeline Advantages to Westcoast



- **TMX on existing ROW**
 - Northern Gateway is greenfield
- **TMX is phased to meet demand**
 - Northern Gateway is single project
- **TMX thru existing communities, First Nations and Port**
 - Northern Gateway thru new territory
- **TMX is \$4.0 billion**
 - Northern Gateway is \$5.5 billion
- **TMX is 450 MBbl/d export capacity**
 - Northern Gateway is 550 MBbl/d export capacity
- **TMX maintains Northern option**
 - Northern Gateway single build

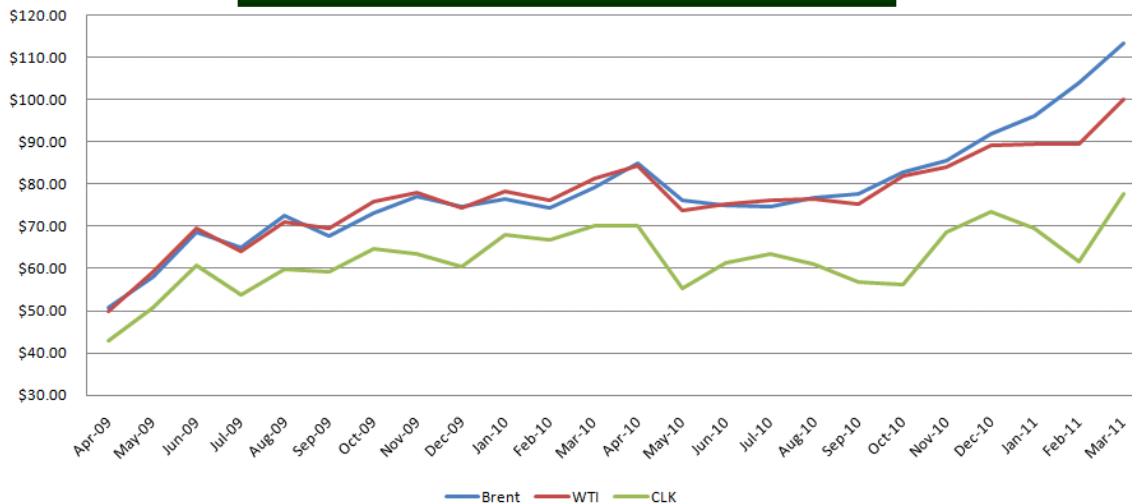
Production – Pipeline Capacity – Spreads

Canadian Crude Production & Capacity (MBbl/d)

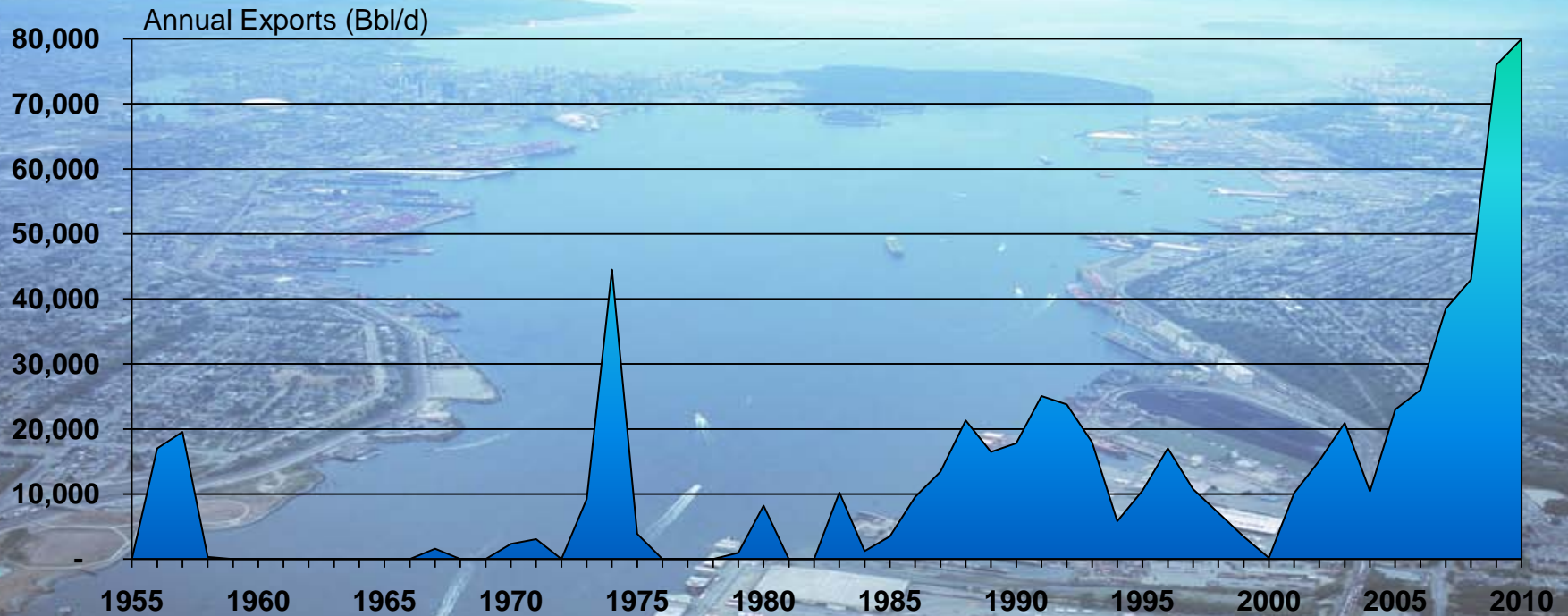


- Canadian producers have excess pipeline capacity to the U.S.
- Trans Mountain can be expanded in stages to access growing demand offshore in China
- Expanded Westcoast capacity opens markets, reduces landlocked discounts

Oil Price Differential (US\$/Bbl)



Port Metro Vancouver Tanker Movements

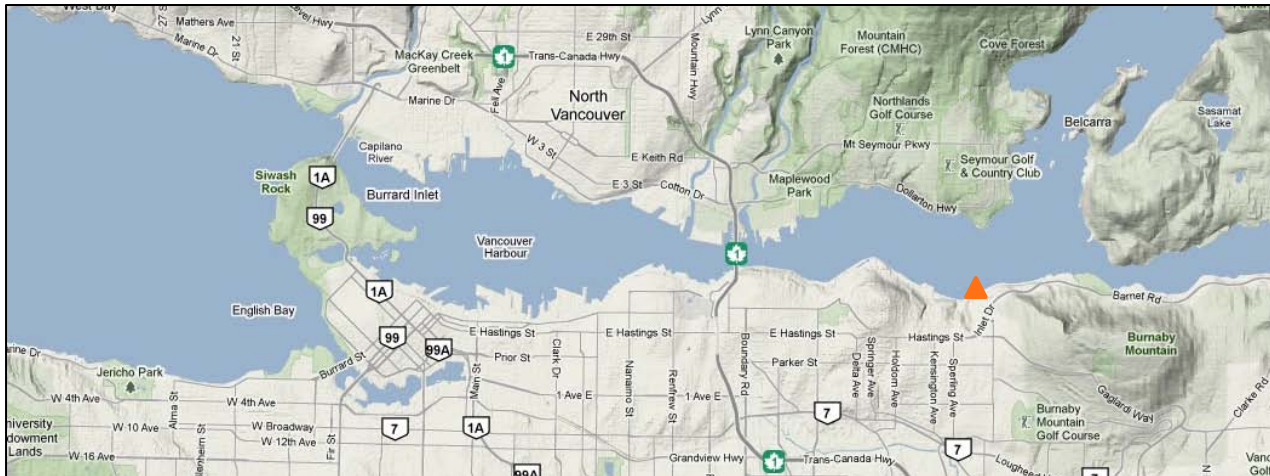


Historical Monthly Record, April 2010: 143,000 Bbl/d

Trans Mountain Westridge Terminal Expansion



- Today: Aframax tanker capacity, 650,000 Bbls
- Future: Suezmax tanker capacity, 1,000,000 Bbls, savings \$1.50/Bbl
- Expand to 450,000 Bbl/d (dock capacity) – 2 berths
- Port Metro Vancouver supportive of expansion



- Widen channel by dredging
- Port Suezmax capable post dredging

Port Metro Vancouver Overall Traffic

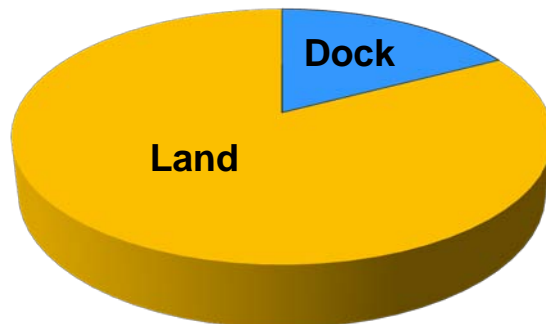
- Established operations support a wide range of ship transport including crude tankers
- Crude represents a small fraction of total port traffic
- Petroleum products also move thru port
- Port has more than enough capacity to handle pipeline expansion

<u>Vessel Traffic</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010E</u>	<u>2016E</u>
Number of Vessel Arrivals	2,698	2,693	2,594	3,004	2,791	2,832	3,500
Number of Crude Tanker Arrivals	22	27	38	40	65	71	288
% Tankers	1%	1%	1%	1%	2%	3%	8%

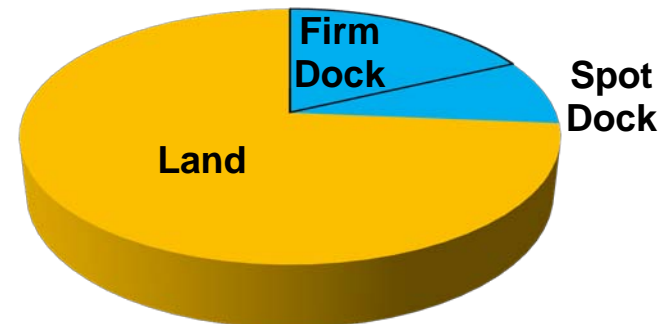
Firm Service Offering to Dock

- **Binding open season held in 2010**
 - Over-subscribed
 - Average dock bid of \$1.49/Bbl
 - 54 MBbl/d contracted for 10 yrs
 - Shippers pay base toll and firm fee as take or pay
- **Firm service application filed with NEB November 2010**
- **Shipments to begin late 2011 pending approval**
- **Firm fee reinvested in system and expansion development**

Current: 300,000 Bbl/d



Proposed: 300,000 Bbl/d



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