Kinder Morgan Canada

Ian Anderson

President Kinder Morgan Canada Group

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Trans Mountain Pipeline

Capacity
- Recently Expanded from 225,000 bpd to 300,000 bpd

Markets
- Lower Mainland BC
- Washington State Refineries
- Westridge Dock to markets in U.S. and Asia

Regulation/Tolls
- National Energy Board Regulated
- Tolling Agreement with shippers thru 2010
- Work underway now on new toll arrangement proposal, extension of existing agreement possible
Express – Platte Pipeline System

Express - 280,000 bpd

- 231,000 bpd Firm contracts thru 2012-15
- Excess capacity today
- Rockies & Canadian production will fill space over time
- Primary route for Canadian production to PADD IV refiners

Platte - 143,000 - 165,000 bpd

- Platte is full - Canadian & local US barrels compete for space in Platte
- Lowest cost into Wood River / Patoka
- Access to Bakken through Guernsey
## Kinder Morgan Canada – Growth

(millions $US)

<table>
<thead>
<tr>
<th></th>
<th>Actual 2006</th>
<th>Actual 2009</th>
<th>Budget 2010</th>
<th>2006-10 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trans Mountain</td>
<td>62.0</td>
<td>147.4</td>
<td>147.7</td>
<td>85.7</td>
</tr>
<tr>
<td>(Distributable Cash Flow)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Express</td>
<td>1.7</td>
<td>14.6</td>
<td>12.9</td>
<td>11.2</td>
</tr>
<tr>
<td>(Cash Distributions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>$63.7</td>
<td>$162.0</td>
<td>$160.6</td>
<td>$96.9</td>
</tr>
</tbody>
</table>

1. Growth Capex $720MM; Capacity 225,000 BPD to 300,000 BPD
2. First Full Year Under Kinder Morgan Ownership
Trans Mountain Expansion Project

<table>
<thead>
<tr>
<th>Phase</th>
<th>Cost (USD$M)</th>
<th>In-Service</th>
<th>Capacity (bpd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase I – Pump Stations</td>
<td>$198</td>
<td>April 2007</td>
<td>225,000</td>
</tr>
<tr>
<td>-11 New Stations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase II - Anchor Loop</td>
<td>$522</td>
<td>May 2008</td>
<td>285,000</td>
</tr>
<tr>
<td>-60 miles Jasper Spread</td>
<td></td>
<td>Nov 2008</td>
<td>300,000</td>
</tr>
<tr>
<td>-38 miles Robson Spread</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-2 New Stations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$720</td>
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</tbody>
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- **In-Service Ahead of Schedule**
- **Capacity Available Immediately**
- **Most Challenging Pipeline Project in Canada in Decades**
Anchor Loop Project – Challenges Overcome

- Extreme Regulatory Oversight
  - Canadian Environmental Assessment Agency Screening
  - Parks Canada
  - National Energy Board
  - Department of Fisheries and Oceans
  - Transport Canada
  - BC Ministry of Environment

- Environmental Sensitivity
  - UNESCO World Heritage Site
  - 110 River / Stream Crossings
  - Heritage / Archaeological Sites
  - Stringent Protection Measures
  - Extensive Restoration Requirements

- Terrain / Topography / Weather
  - Steep Terrain
  - Narrow Right-of-Way
  - Proximity to Utilities / Infrastructure
  - Winter Conditions / Wet Weather

- Heated Construction Market
- Stakeholder and Aboriginal Consultation and Management
- Project Safety
Oil Sands Production – Pipeline Capacity

- Canadian producers will have spare pipeline capacity to the United States for many years.
- Trans Mountain can be expanded in stages to better meet growing demand offshore, including China.

Source: CAPP 2009 Forecast
Trans Mountain Expansion

Phased Expansion

<table>
<thead>
<tr>
<th></th>
<th>Planned Completion</th>
<th>Total Capacity</th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>TMX-1 (75,000)</td>
<td>Nov. 2008</td>
<td>300,000 BPD</td>
<td>$720MM</td>
</tr>
<tr>
<td>TMX-2 (+80,000)*</td>
<td>2013/14</td>
<td>380,000 BPD</td>
<td>$1.4B</td>
</tr>
<tr>
<td>TMX-3 (+320,000)*</td>
<td>2015/16</td>
<td>700,000 BPD</td>
<td>$2.1B</td>
</tr>
<tr>
<td>Northern Leg (+400,000)*</td>
<td>Post TMX-3</td>
<td>1,100,000 BPD</td>
<td>$3.5B</td>
</tr>
</tbody>
</table>

*Pending Shipper support and obtaining necessary permits
Increasing Crude Oil Exports

Port Metro Vancouver Safe, Efficient

Annual Exports (bpd)

- 20,000
- 40,000
- 60,000
- 80,000

2009: 75,000 bpd

Monthly Record in 2009: 134,000 bpd
**Attractive Tanker Rates**

Suezmax: attractive rates to Asia

- **Panamax**, 350k bbl
- **Aframax**, 650k bbl
- **Suezmax**, 1Mbbl
- **VLCC**, 2Mbbl

* KMC estimate of tanker rates, used for evaluating relative costs for tanker shipments
Trans Mountain Expansion Benefits

1. Cheaper
   ✓ 25% of new pipeline already built
   ✓ Lower capital, operating costs / follow existing pipeline
   ✓ Expand for Suezmax tankers
   ✓ Share existing pipe for Northern option

2. Faster
   ✓ Trans Mountain is already operating
   ✓ 50,000 bpd firm capacity available in 2010
   ✓ +80,000 bpd expansion, 2013-14
   ✓ +320,000 bpd by 2015-16
   ✓ +400,000 bpd after 2015

3. Less Risk
   ✓ Incremental capacity
   ✓ Established pipeline route / less environment and aboriginal issues
   ✓ Established tanker traffic

4. More Options
   ✓ Pipeline connected – enhances trading value
   ✓ Two pipes – separate crude types, higher quality