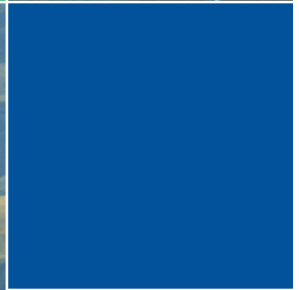


The TransCanada Keystone Oil Pipeline Project



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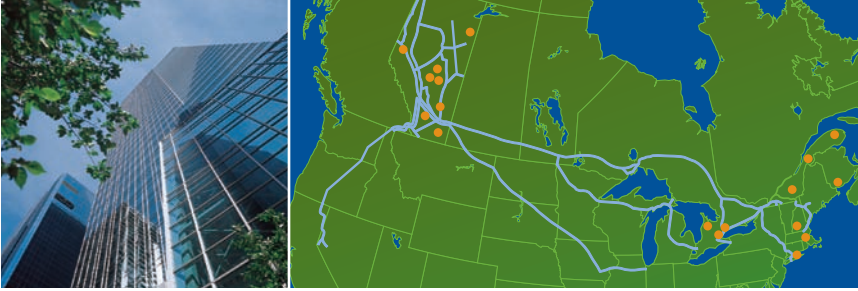


Our company, TransCanada, is proposing to transport approximately 435,000 barrels per day of crude oil from an oil-supply hub near Hardisty, Alberta to Wood River and Patoka, Illinois through an approximate 1,830 mile pipeline system. Nearly 1,070 miles of new pipeline will be constructed in the United States. The pipeline will run on a north-south path through eastern North Dakota, South Dakota and Nebraska. At the Nebraska-Kansas border, the proposed route turns in a south-easterly direction through Kansas, Missouri and Illinois. Approximately 23 new pump stations will also be required in the United States to transport the crude oil.

In addition to the new pipeline construction in the United States, the Canadian portion of the proposed project includes the construction of approximately 230 miles of new pipeline and the conversion of approximately 530 miles of existing TransCanada pipeline facilities from natural gas to crude oil transmission.

In response to interest from customers, TransCanada is also considering the possible extension of the Keystone project south through Kansas to Cushing, Oklahoma.

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Who is TransCanada?

TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure. TransCanada's network of approximately 42,000 kilometres (26,000 miles) of pipeline transports the majority of Western Canada's natural gas production to key Canadian and U.S. markets. A growing independent power producer, TransCanada owns, or has interests in, approximately 7,700 megawatts of power generation in Canada and the United States.

Design and Construction

The proposed pipeline will be 30 inches in diameter except for the 55 miles downstream of the Wood River refinery interconnection heading in an easterly direction to Patoka where the diameter would be 24 inches. The pipeline will be buried, with a minimum depth of cover of four feet in agricultural areas. The permanent right-of-way easements, the strips of land set aside to construct and operate a pipeline, will measure approximately 50 feet in width, although additional temporary workspace will be required during construction of the pipeline. We will use advanced materials, technology, and construction methods to ensure the pipeline is built safely and efficiently, in a way that minimizes its impact on people, land and the environment.

Your Safety, Our Integrity

The safety of the public and our employees is TransCanada's top priority. We have more than 50 years of experience building and operating one of the largest underground pipeline systems in North America. We meet or exceed industry and government standards that have been designed to ensure public safety. Our commitment is reflected in the design and construction of our facilities, as well as in our operating and maintenance practices.

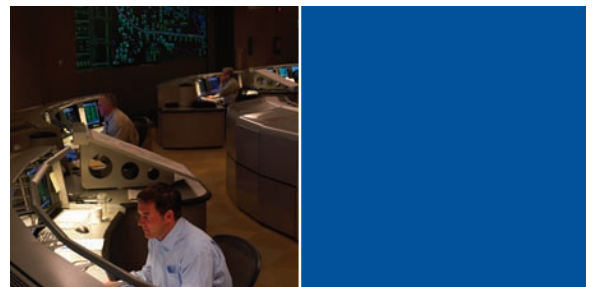
When designing facilities, TransCanada uses high quality steel and specialized welding techniques developed specifically for high pressure pipelines. All pipe is delivered from the manufacturer with a corrosion resistant protective coating. During construction, we use non-destructive examination equipment to inspect all welds, and then apply a coating to the weld to help protect it from corrosion. Additionally, all new pipeline sections are pressure tested with water up to at least 125 percent of the pipeline's maximum allowable operating pressure prior to being placed into operation.

Our pipeline maintenance activities include regular aerial patrols, pipeline leak detection, in-line (internal pipeline) inspection using specialized electronic inspection tools and corrosion protection system monitoring and adjustment.

We maintain an ongoing public awareness program to keep the lines of communication open with our neighbors about our facilities and how to live and work safely around pipelines. As part of this program, we involve local emergency response agencies to ensure there is an understanding about the specifics of our pipeline, which will lead to the safe and effective response in the unlikely event of an incident involving a TransCanada facility.

Commitment to Consultation

We recognize the importance of incorporating public input into our proposed project plans. We believe that through consultation with impacted landowners, communities, and other interested stakeholders, we can ensure that questions and concerns are addressed, and important public input can be integrated into our project plans. We will be sharing project information and gathering input throughout this planning phase and will be incorporating feedback into our project design and implementation as appropriate. Specifically, we will seek to address landowner concerns prior to construction activities and landowners will be compensated for the right-of-way easement, as well as resulting damages associated with construction activities.



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Respecting the Environment

TransCanada conducts its business to meet or exceed all applicable laws and regulations and minimize risks to our employees, the public and the environment. We respect the diverse environments and culture in which we operate. TransCanada goes to great lengths to ensure all our facilities are designed, constructed and operated to minimize impact on the natural environment. Our goal is to conserve environmental resources by avoiding or lessening certain activities and by re-establishing the essential physical, chemical and biological characteristics of the environment. The proposed pipeline route will traverse primarily agricultural lands; therefore, considerable focus will be placed on the handling, conservation and reclamation of the soils and vegetation to ensure the land's equivalent capability is sustained. Great care and planning will be taken to minimize and avoid impacting rare or endangered species, habitat and significant water crossings.

By using existing TransCanada facilities for the majority of the proposed project in Canada, and by utilizing existing corridors as much as possible for new construction sections in the United States, we will strive to minimize impacts to the environment. TransCanada is proud of its environmental performance and leadership in developing new approaches and techniques to conserve the natural resources encountered on more than 26,000 miles of pipeline right-of-way throughout the last 50 years.

Regulatory Requirements

We will be seeking regulatory approvals from a number of regulatory bodies for this proposed project. In the United States, the project will require federal approvals from agencies such as the U.S. Department of State and the Army Corp of Engineers. State approvals will be required in accordance with state siting acts and/or other applicable legislation. In Canada, this project will be subject to approvals from the National Energy Board (NEB). The project may also require various local and regional approvals.

Project Timeline

- **2005**
 - Project announcement.
 - Begin public consultation with stakeholders.
- **2006**
 - Receive commercial commitments.
 - Prepare and submit major regulatory applications.
 - Begin environmental assessments and field studies along with engineering design.
- **2007**
 - Continue engineering design and material procurement.
 - Receive approvals and licences.
- **2008 and 2009**
 - Construction of new facilities and conversion of existing facilities.
 - System in service and operating.

Contact

For more information, please call our toll free project number (1.866.717.7473) or use our project-specific email address keystone@transcanada.com

Alternatively, you can write attention to:
TransCanada Keystone Pipeline Project
7509 NW Tiffany Springs Parkway
Northpointe Circle II, Suite 200
Kansas City, MO 64153

Project web page:
www.transcanada.com/keystone