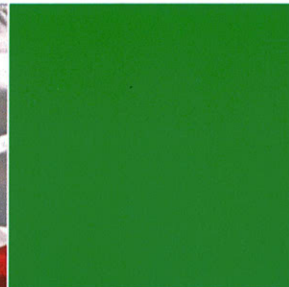


Proposed Keystone XL Pipeline Project



**The proposed Keystone XL Pipeline project is a partnership
between TransCanada and ConocoPhillips.**

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The proposed Keystone XL Pipeline project is a crude oil pipeline originating in Alberta, Canada and extending south to serve markets on the U.S. Gulf Coast in Texas. It would link a growing and reliable supply of Canadian crude oil with a rising North American demand for energy.

The proposed project comprises an approximate 1,980-mile (3,200-kilometre), 36-inch crude oil pipeline starting at Hardisty, Alberta that would extend south to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace. Also proposed is an approximate 50-mile (80-kilometre) pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area. The proposed Keystone XL Pipeline project will also serve markets at Cushing, Oklahoma.

The proposed project will require regulatory approvals from a number of regulatory bodies. In Canada, this project will be subject to approval from the National Energy Board. In the United States, the project will require federal approvals from agencies, including the Bureau of Land Management and the U.S. Army Corps of Engineers. State approvals will be required in accordance with state siting acts and/or other applicable legislation. The project will also require a number of local and regional approvals.

Design and Construction

When designing facilities, we use high-strength steel and specialized welding techniques developed specifically for high pressure pipelines. All pipe is delivered from qualified manufacturers with a corrosion resistant protective coating. During construction, the pipeline will be buried with a minimum depth of cover of four feet (1.2 metres), except in areas of consolidated rock. We use non-destructive examination equipment to inspect all welds and then apply a coating to the weld to protect it from corrosion. Additionally, prior to being placed into operation, all new pipeline sections are pressure tested with water up to at least 125 per cent of the pipeline's maximum allowable operating pressure.

Your Safety, Our Integrity

The safety of the public and our employees is our top priority. We will meet or exceed industry and

More About the Proposed Keystone XL Pipeline Project

Approximately 1,690 miles (2,720 kilometres) of new pipeline construction is proposed as follows:

- The section extending from Cushing, Oklahoma to Port Arthur, Texas is approximately 478 miles (769 km) in length and would also include an approximate 50-mile (80-km) pipeline from Liberty County, Texas to Houston, Texas.
- The section from Hardisty south to Steele City, Nebraska includes the following Canadian and U.S. segments:
 - The Canadian portion from Hardisty, Alberta to Monchy, Saskatchewan, on the Canadian border, is approximately 327 miles (527 km).
 - The U.S. portion starts at Morgan on the Montana border and extends southeast through South Dakota and Nebraska to Steele City for approximately 836 miles (1,345 km). At Steele City, the pipeline connects to the 296-mile (477-km) long, 36-inch extension currently planned as part of the Keystone Pipeline.

Alternative terminal and delivery points are being considered as part of the project's development.

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.

Our pipeline maintenance activities include regular aerial patrols, internal pipeline inspection using specialized electronic inspection tools and cathodic protection systems. The pipeline is continuously monitored using state-of-the-art supervisory control and data acquisition (SCADA) and leak detection systems.

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.

Respecting the Environment

Our facilities are designed, constructed and operated in compliance with all applicable laws and regulations and to minimize risks to our employees, the public and the environment. We respect the diverse environments and cultures in which we operate. We work diligently to minimize negative environmental impacts from our activities, while upholding our responsibility to meet today's strategic energy demands. Our goal is to conserve environmental resources and

re-establish the essential physical, chemical and biological characteristics of the environment.

The proposed Keystone XL Pipeline project will traverse some 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 maintained. Great care and planning will be taken to minimize and avoid impacts to the environment, including rare or endangered species, habitat and significant water crossings.

About the Proponents

The proposed Keystone XL Pipeline project is a partnership between TransCanada and ConocoPhillips. TransCanada affiliates would develop, construct and operate the pipeline.

ConocoPhillips is an international, integrated energy company with interests around the world. Headquartered in Houston, Texas, the company has approximately 32,600 employees and \$178 billion in assets. For more information, go to www.conocophillips.com.

TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas pipelines, power generation, gas storage facilities and LNG projects. TransCanada's network of wholly owned pipelines extends more than 36,500 miles (59,000 kilometres), tapping into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage. TransCanada owns or has interests in approximately 7,700 megawatts of power generation in Canada and the United States. For more information, go to www.transcanada.com.





Project Timeline

2008

- Solicit industry support and conduct binding open season
- Initiate public consultation with stakeholders in the U.S. and Canada
- Initiate environmental field studies along with engineering design
- Host open house events in communities along the proposed route in the U.S. and Canada as part of ongoing public consultation activities
- Prepare and file major U.S. and Canadian regulatory applications
- Initiate easement acquisition

2009

- Prepare and file various environmental and other major permit applications with U.S. and Canadian permitting authorities
- Participate in public hearing processes associated with major regulatory applications
- Ongoing activities with stakeholders
- Regulatory review, approval and permitting

2010

- Begin construction after receiving permits, which are anticipated in the first and second quarters of 2010

2011

- Complete construction
- In-service target date is the fourth quarter of 2011

Contact Us

We recognize the importance of incorporating public input into our project plans. We believe that through consultation with landowners, communities and other interested stakeholders, we can address questions and concerns and integrate important public input into our activities. We share project information and gather input throughout the planning phase and incorporate feedback into our project design and implementation as appropriate.

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

Landowner Inquiries

Canada (toll free) 1.866.412.5263
U.S. (toll free) 1.866.585.7063

Alternatively, you can write attention to:

Keystone XL Pipeline Project

450 – 1st Street S.W.
Calgary, Alberta
Canada T2P 5H1

or

Keystone XL Pipeline Project

7505 NW Tiffany Springs Parkway
Northpointe Circle II, Suite 400
Kansas City, MO 64153

Project web page

www.transcanada.com/keystone/kxl

