IAN ANDERSON

Let me start by reminding you that the NHL is back playing so all is calm in Canada.

Secondly, two assets very quickly, we'll talk about the Trans Mountain system has been talked about a lot already this morning; the only point I think to make on this one is the last bullet on the slide - 2013 toll settlement pending – we are very very close, I expect within days of settling with the shippers on a toll settlement, that by all accounts, appears to be a multi-year deal as opposed to the 1 year deals that we've had the last few years, so stay tuned for that as I expect that will be closed in the next week or so. The other asset that we still operate through to probably sometime in the 2nd quarter, is as you know, the Express Platt System. Its been performing very very well over the course of the past year and into this year, Express as you know is partially contracted about 119,000 bbls/day of firm contracts that go through to 2015. We've seen volumes on Express increase to north of 220,000 bbls/day moving about 70% heavy in recent months, there is still some excess capacity, but it is filling up as we always projected it would to serve those rocky mountain refiners. Platt remains chock block full every month, one of the primary sources out of the Bakken and its space is in high demand, lowest cost in to Wood River refinery, re-contracting on Express, spot toll upside on Express which we're harvesting right now so the difference between the 220 that we're moving and the 119 that is under contract is moving at tolls that are much higher than those contracted tolls and we're taking the upside on that.

As you're also aware we did announce in December that we sold, together with our partners Borealis and Ontario Teachers, 100% of Express Platt to Spectra and we expect that to close sometime in the 2nd quarter. We're just working on transition plans with Spectra and we're well on the way.

Very quickly, the DCF, Park alluded to this, there's been some book tax, cash tax, ups and downs over the last couple of years that have kinda shaded performance somewhat so I have kinda neutralized those out by adding back the book tax and deducting net cash tax to give you Trans Mountain DCF pattern over the course of the last few years; generally up to flat in the most recent couple of years. The drop you see from 2012 to 2013 on DCF is really two drivers. We are investing about $10 - $11 million more in sustaining capital on the system and in counteracting that, we are generating about $6 million of AFUDC on Trans Mountain as it relates to the expansion project that we are undertaking.

Very quickly, John had some of this stuff up there and I think…what we think about one word coming out of Canada these days, and I'm sure you're hearing it loud and clear is access, access, access. Canadian producers are clamoring for market access. What's driving that are a number of factors. On one slide I really tried to put the four main ones, all of which you're well aware of.

Top Left – Canadian oil sands production increasing and continuing to project increases over the next coming of decades; pipeline capacity remaining tight. That pipeline capacity line assumes XL gets approved, cross your fingers, swear to God, we all need that to happen, it also assumes Trans Mountain expands as we have planned and Northern Gateway proceeds. So if all 3 of those pipe projects proceed, we're still looking to be tight on pipeline capacity out of the western Canada sedimentary basin by the middle of the next decade. So, access is critical.

What's driving that, in the bottom left, the only new line I have on that John that wasn't on yours is the Western Canadian sweet/mix blend being the bottom one. So, differentials are costing producers by some estimates up to $2.5 billion per month and it's costing the Canadian economy up to $30 billion/year in lost revenues. So, there is a concerted effort to close that.

Top right, after decades of decline in the US as you well know, there is projected increases out of tight oil plays of Bakken and the like which will increase US domestic production, reducing net crude imports into your grand country. So, another challenge for Canadian producers.

Bottom Right –where's the market, where's the market, where's the market? It's in Asia. Those are the Chinese numbers are going from 5 million bbls/d of imports going up to 10 million bbls/d of imports by the end of the decade, and there is significant sense of urgency throughout Canada to access and tap into this market. We are not the only ones chasing it. The Saudis, the Russians, the North Africans, the Venezuelans are all chasing the Chinese market, everybody is competing for that and we need to get the infrastructure into place so that our resource base in Canada can access those markets.

So what do we have in mind? Well, when we heard you last year at this time, we had just kicked off the open season and Steve alluded to it earlier, that open season was going to close in February. It did close in February, it was a resounding success and we confirmed over 500,000 bbls/d of commitments for which we designed a $4.1 billion project that would increase capacity up to 650,000 bbls/d. We got pulled into another round of open season late last year as a result of some actions by the National Energy Board to introduce, I think, some added openness and ability for parties to participate. We reopened the open season late last year and we got another 200,000 bbls/d of commitment. We redesigned the project up to now 890,000 bbls/d or $5.4 billion and I noted early, Mr. Martin wasn't satisfied with his $2.7 billion project when he saw that I was trumping him from Canada so he trotted out another $10 billion in projects but that's fine…I still feel pretty good about this one.

It will expand our clearing capacity over the dock to something just north of 600,000 bbls/d of clearing capacity that will present one of the challenges that we have got to face with this project. We will be increasing the design capacity of our dock in Vancouver from what is today 5 – 6 tankers per month up to between 30 – 34 tankers per month so that is one of the social and local matters that I'll talk about in a while.

The project has, as defined in the terms of the contracts, many aspects that are very favorable to us; it does have cost overrun protection. We will reset capital costs for the project when we get our Certificate of Public Convenience from the National Energy Board; I'll talk about timing in a minute. So there's a reset right on our capital estimates, there are flow through rights on about 20% of the capital to the shippers and their tolls; we have the protection, you would have heard us talk about it last year, about firm service over our dock. In 2011, we got approval to move 50,000 bbls/d on a firm basis over our dock for which shippers did and they paid an additional premium for. That premium is collected by us to the tune of about $29 million every year. That is being used to offset all of the development costs for us in this project. So, if at some point along the line, either ourselves or our shippers, exercise some of their very limited outs and the project doesn't succeed or we don't get the permits, all of the development costs are being covered by the firm service fees that we are collecting so there is no risk there to us.

We will be adding 600 miles of new pipe, 36 inch pipe, pump stations, tanks, tanks in Edmonton, tanks in Burnaby, tanks in Kamloops. As Rich said earlier, these are take or pay contracts, fully committed for 20 years and only 7% of them or about 50,000 bbls/d are 15 year contracts. Very competitive tolls. Our tolls today are about $2.70 to Burnaby; the first year of the project, they'll be about $4.30 to Burnaby. We're dealing with the hearing process in two phases. The first phase is the commercial phase. That hearing starts the week after next so we have put before the regulatory, the terms and conditions of our contracts that underpin this expansion that have been signed onto by 13 shippers and those 13 shippers, maybe you've seen the names, you'll be familiar with them – BP, Imperial, Nexen, Cenovus, Statoil, Total, Suncor, are all signed up to ship on the expanded system. So that hearing will conclude in the second quarter of this year; we expect full success from that. We're not getting any signals that we're not going to be successful and we really are counting on the contracts that have been signed and committed to in that support and all those shippers, save and except one or two, that will we'll talk about, are fully supporting us through the proceeding. Then we plan to file our facilities application which is the big volumes of binders that will have our engineering design study work, environmental assessment, all the engagement work that we've done, all the marine studies that we've done around marine transportation, that will be filed towards the end of this year and then we'll kick off likely an 18 – 24 month process before the NEB. Just as a point of reference, the EBITDA coming out of Trans Mountain today is in the $130 million range. Upon completion, we would estimate in 2018, after a full year of operation, that EBITDA would go up to $850 million. So, it's a big deal, it's a big project and it's not just big for us, its big for Canada and its big for producers.

Here's a bit of the timeline. As I said, we're in that commercial process right now before the regulator, we're preparing for a filing later this year, then the 18 – 24 months for regulatory approval, then construction 2 years and completion sometime late 2017 is our target. Last year, it was 2016 but the open season process really went about a year longer than we anticipated with the reopening and us resetting our cost estimates, that's what strung it out another year. As you can appreciate with a project like this through the terrain that we're building on in Alberta and British Columbia, we need two full summer seasons to get this build done, so this assumes the summer of 2016 and 2017 for build.

Lastly, I'll conclude that we're really up to the challenges of this project. You will see much about all of these, it's a daily occurrence in the press in Canada, I'm in Vancouver every week meeting with parties, I'm there tomorrow; and I'm meeting with a first nation's chief tomorrow night but there is lots of work being undertaken, we have lots of profile and we're virtually in the media every day.

But, we're up to the challenge and we've got a great team working on it; we've got very committed individuals working at every level. Clearly the opportunity is for increased capacity offshore and accessing those markets that are so richly sought after by Canadian producers. Leveraging off from existing infrastructure isn't lost on anybody, we think that is a core strength and opportunity that we have with the project. We're building largely in existing right of way; with the second line. Where we're not building in the existing right of way it's because it makes sense not to build in that right of way. In other words where urban density or where environmental changes have occurred that might direct us into a new path then that's what we're taking. So we'll move out of the right of way really at the agreement with the local community and the public in the areas that that is making the most sense.

The environmental footprint we believe is well managed and very manageable. This pipeline, the original pipeline Trans Mountain was built in 1953 as an act of parliament in Canada and designed to provide more market access to western Canadian crude development and to provide the west coast of North America with a new crude supply. So, built in 1953, it crosses over 1100 streams and rivers and watercourse crossings, we manage those very carefully and diligently every year. We have all the trust and confidence we'll be able to execute our project in 2015 as well or better than we did in 1953.

First Nations relationships along the route is key. If you read one thing about influences in Canada, you continue to read about First Nation influences and those are driven off the fact that land claims settlements have in large part, never really come to fruition particularly in BC, there's lots of dispute over traditional lands and territories and many of those are occupied by First Nations and their communities. They have a close connection to the land and the water and the air. We respect that and we are working with virtually all of them. We have direct contact with 63 different bands; and I think of those I probably know on a first-name basis, about 2/3 of those Chiefs and we've got good working relationships that define the impact of our project on their land and how we're going to satisfy and accommodate their needs.

There is growing, as you know, political awareness around just the numbers I recited earlier, the effect on producers and the effect on Canada as a nation by some of the lost revenue opportunity by not being able to access market and that is being more and more talked about. We are a very experienced operator and builder in BC and we are recognized for that. We have been there for 60 years, we celebrate our 60th anniversary this October of doing business in BC. I believe we are well respected. Rich talks a lot about transparency and nothing could be more true of the relationship as it relates to this project. We've got a great website with lots of information on it about ourselves, our project and our intentions and objections. As part of that, we clearly lay out over the 60 years all of the incidents that have occurred on the pipeline or at our facilities. How many leaks and releases have we had, how big were they, where were they located and what did we do to mitigate them. That's all there for public digestion and we're not afraid to talk about anything.

Challenges – we've got a lot of them but some of them I think that are most telling, is we've got a couple of parties that are disputing some of the terms and conditions of the contract we have before the regulator; but we feel very confident in our case and its really backed by the signatures on the contracts that we have and we anticipate full success in the toll hearing in a couple of weeks. There is always…you know, the pipeline is in many respects, the lightning rod for debate and you saw that with Keystone XL, you see it with Northern Gateway and you're going to see it somewhat with this pipeline although we believe to a lesser extent, given the existing infrastructure we have. But much of the debate stems from really upstream or downstream issues that are outside of our control. It's about upstream oil sands production and the environmental footprint of the oil sands and beliefs that that should be constrained and that the way to constrain it is to tie up the pipeline space and not give access to markets. So we bring CAPP and our shippers into those conversations, there's always concerns about oil spills particularly on the west coast and tanker traffic that will be increasing. We've got a fantastic stable of partners with the port, the pilots, marine response corporations, chambers shipping, we work very very closely with all of those to get the message out around how safe tanker traffic will be and then there's the ongoing First Nations conversation that the Crown is obligated to have so it's just not us dealing with First Nations communities, the Crown has an obligation to deal with them as well. And we'll be there brokering those conversations as best we can to succeed. So, it's very exciting, it's a great challenge for our team up in Calgary and up in Vancouver. We know we're up to the challenge and stay tuned – its going to be exciting.