AGENDA & INTRODUCTION

• **Four Bears Mainline**: What is it and what problem are we solving?

• **Four Bears Gathering**:
  - Trucks required to service well
  - Sunline
  - Midnight Run

• **Shameless Advertisement**
• **Four Bears Mainline**: What is it and what problem are we solving?

• **Four Bears Gathering**:  
  – Trucks required to service well  
  – Sunline  
  – Midnight Run

• **Shameless Advertisement**
Fact Sheet
Origin: 13 mi W of New Town
Dest.: 12 mi NNE of Belfield
- 77 Miles of 12” Epoxy Coated Steel Pipeline

Oil Receipt Locations
- Keene Truck Terminal
- Killdeer Truck Terminal
- Gathering Systems

Deliveries
- Butte Pipe Line at Baker, MT
- Bakken Oil Express Rail Terminal at Dickinson

Capacity
- To Baker: 80,000
- To BOE: 25,000

Origin: 13 mi W of New Town
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- 77 Miles of 12” Epoxy Coated Steel Pipeline

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Without Four Bears: Reducing Traffic on Major ND Highways

Round Trip: 232 Miles
Bridger Pipeline • North Dakota Governor's Pipeline Summit
June 14, 2012 • Baker 300
Round Trip: 30 Miles

With Four Bears:
Reducing Traffic on Major ND Highways
Bridger Pipeline • North Dakota Governor’s Pipeline Summit
June 14, 2012 • Baker 300

New Four Bears:
Keene Terminal
Killdeer Terminal
Fryburg Terminal

Four Bears: Reducing Traffic on Major ND Highways
As of Today

Assumptions:
- Saved Roundtrip Miles for Keane Area Production: ~200 Miles
- Saved Roundtrip Miles for Killdeer Area Production: ~108 Miles
- Barrels Per Truck: 215 barrels
- No Production included for Fryburg Area Production.

Receipts at 56,500bpd + Fryburg Receipts
- Today’s Keane Area Receipts: 42,000bpd
- Today’s Killdeer Area Receipts: 14,500bpd

Deliveries at 56,500bpd
- To Butte at Baker: 40,500bpd
- To BOE at Dickinson: 16,000bpd

Over 50,000 Truck Miles Per Day off of Highway 22 and 85

At Full Capacity

Assumptions:
- Saved Roundtrip Miles for Keane Area Production: ~200 Miles
- Saved Roundtrip Miles for Killdeer Area Production: ~108 Miles
- Barrels Per Truck: 215 barrels
- No Production Included for Fryburg Area Production.

Receipts at 95,000bpd + Fryburg Receipts
- Gathering Systems are built out
- Expected Keane Area Receipts: 65,000bpd
- Expected Killdeer Area Receipts: 30,000bpd

Deliveries
- We complete ex-Baker expansion to Guernsey.
- We complete “on-ramp” to Keystone XL
- We complete expansion into BOE Rail Facility

Over 75,000 Truck Miles Per Day off of Highway 22 and 85.
Over 25,000,000 Truck Miles Per Year off of Highway 22 and 85.
AGENDA

• **FOUR BEARS MAINLINE: WHAT IS IT AND WHAT PROBLEM ARE WE SOLVING?**

• **FOUR BEARS GATHERING:**
  – TRUCKS REQUIRED TO SERVICE WELL
  – SUNLINE
  – MIDNIGHT RUN

• **SHAMELESS ADVERTISEMENT**
Truck Loads per Well during 1st Year

- Crude Oil: 37%
- Fuel: 1%
- Aggregate: 2%
- Rig Components: 5%
- Water: 9%
- Frac Tanks: 9%
- Frac Water: 37%
- Crude Oil
Truck Loads per Well over 15 Year Life

- Crude Oil: 72%
- Fuel: 16%
- Aggregate: 4%
- Rig Components: 4%
- Water: 2%
- Frac Tanks: 1%
- Frac Water: 1%

June 14, 2012 • Baker 300
Sunline Gathering Lateral

Facts
Miles: 1 Miles
Diameter: 4”
Connected Spacing Units: 2

Tanker Truck Equivalent Over First 15 Years:
• 23,000+ Truck Loads No Longer Required
• 650,000+ Truck Miles off ND Roads

Loads per day during 1st Month: 9 Truck Loads per day
Midnight Run Gathering Lateral

Facts
Miles: 24 Miles
Diameter: 8”, 6” and 4”
Connected Spacing Units: 32

Tanker Truck Equivalent Over First 15 Years:
• 350,000+ Truck Loads No longer Required
• 5,500,000 Truck Miles removed from ND Roads

This gathering system will replace an average of 60+
Truck Trips per day
Finished Right of Way
AGENDA

• **FOUR BEARS MAINLINE: WHAT IS IT AND WHAT PROBLEM ARE WE SOLVING?**

• **FOUR BEARS GATHERING:**
  – TRUCKS REQUIRED TO SERVICE WELL
  – SUNLINE
  – MIDNIGHT RUN

• **SHAMELESS ADVERTISEMENT**
Got Pipelines?
Enbridge in the Bakken

North Dakota Governor’s Pipeline Summit
June 14, 2012

Vern Yu
Vice President
Business Development & Asset Management
Enbridge Pipelines Inc.

Enbridge Pipelines Inc.
Forward Looking Statements

Certain information provided in this presentation constitutes forward-looking statements. The words "anticipate", "expect", "project" and similar expressions are intended to identify such forward looking statements. Although Enbridge believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties pertaining to operating performance, regulatory parameters, economic conditions and commodity prices. You can find a discussion of those risks and uncertainties in our SEC filings. While Enbridge makes these forward-looking statements in good faith, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. Enbridge assumes no obligation to publicly update or revise any forward looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.
The Sandpiper Pipeline Project will provide:

• Low cost transportation solution to market

• Access to premium markets (Eastern PADD II, Eastern Canada & USGC)

• Maximum producer netbacks
Recent Enbridge Bakken Initiatives

BEP – 145 kbpd / ISD January 2013

Berthold Rail Facility – 80 kbpd / ISD January 2013
Next Major Expansion: Project Sandpiper

- **Capacity**: 225 - 325 KBPD
- **Diameter**: 20” or 24”
- **In Service Date**: 2015
- **Commercial Structure**: 100% “Surcharge”

**Cost Estimates:**
- Sandpiper Class V: $1.2 - $1.3 Billion
- Lakehead Expansion: $0.9 Billion

Proposed Sandpiper Pipeline

Proposed Mainline Lakehead Expansion
Enbridge Advantage

**Sandpiper**
- Large capacity
- No commitments required (100% Surcharge)
- Extremely competitive
- Access to multiple end markets

**Enbridge System**
- Common carrier
- Access to multiple premium markets
Enbridge Expanded Market Access

Mainline Optimization
- Expand with Horsepower & Tanks

Eastern Access
- New Line 79 (Twins Line 17)
- Line 6B: Replace Segments
- Full Line 9 Reversal
- Southern Access Extension

Gulf Coast Access
- Flanagan South
- Seaway Reversal
- Seaway Twinning
• Enbridge continues to make significant investments in North Dakota

• Project Sandpiper is our latest Bakken initiative

• Project Sandpiper will allow Bakken shippers to access premium markets
Governor’s Pipeline Summit
James Pinchback

June 2012
Belfield Area Map
Bakken North Pipeline

**Bakken North Pipeline Scope**
- A 12 inch, 79 mile crude oil pipeline from Trenton to Raymond Station close to Outlook, MT
- Initial capacity of 50 MBPD, expandable to 75 MBPD as development progresses
- Connection to PAA 12 inch Wascana Pipeline at Raymond Station

**Wascana Pipeline System**
- An existing 12 inch, 100 mile pipeline from Raymond Station to Regina, Saskatchewan
- Connection to Enbridge Pipeline at Regina, Saskatchewan
- Crude on Enbridge will flow from Regina to Clearbrook, MN
- Potential connection to TransCanada’s Keystone Pipeline flowing to Patoka

**The Bakken North Pipeline system will include the following:**
- Development of a new Trenton station
- Origination tankage of 80 MB tank
- Truck and pipeline receipt facilities at the new Trenton Station
- Opportunity for pipeline/truck receipts along the northwest route of the line

**Current Construction Status**
- Pipeline construction started May 24, 2012 – expected completion December 2012
- Tank construction 57% complete – expected completion August 2012
- All permitting completed
- RoW 98% complete
The Manitou Rail facility will be a multi-product receipt and deliver facility capable of receiving NGL’s, crude oil and natural gas.

The NGL Rail Facility will include the following:
- 8.5 MBD trans-loading capacity
- Storage for 200 cars
- Currently in service moving NGL’s

The Crude Oil Rail Facility will include the following:
- Initially 20 MBPD trans-loading capacity – currently in-service moving crude
- 6 transloaders in operation
- Expansion to 65 MBPD - double loop track/unit train capability by November 2012
- High speed rail loading rack with 14 enclosed spots
- 2- 150 MB crude oil storage tanks

The Manitou Gas Plant will consist of the following:
- 50-100 MMCFD cryogenic plant with C2 recovery/reject capability
- C2 fractionation by year end 2013
- Low pressure full well stream gathering into facility
- Condensate stabilization for the rail facility
- H2S and CO2 treating as required

Current Construction Status
- NGL trans-loading in service
- Rail facility earthwork 50% complete and tank construction 40% complete
- Gas processing facility in design phase
Nelson to Ross Pipeline

Nelson to Ross Pipeline Scope
- A 10 inch, 16.9 mile crude oil pipeline originating at Nelson and terminating at the PAA Manitou Rail Facility northwest of Ross, North Dakota.
- Capacity of the pipeline will be 50 MBPD - displacing current truck delivery service.
- Connection from the 8 inch Robinson Lake Pipeline at Nelson – 65 MBPD Capacity.

The Nelson to Ross Pipeline system will include the following:
- One 10 inch launcher, two 8 inch and one 10 inch motor operated valves at Nelson.
- One 10 inch receiver at the Ross Terminal.
- One motor operated 10 inch mainline block valve and one 10 inch mainline check valve.
- Opportunity for truck unload at Nelson or additional pipeline connections to the Robinson Lake Pipeline.

Current Construction Status
- North Dakota Siting permit approved.
- Pipeline construction to start June 25, 2012 - In service projection – November 2012.
- RoW agreements nearing completion.
- Line pipe ready for site delivery.
Saddle Butte Pipeline

• Privately held midstream company
  - Providing crude oil, gas and produced water gathering solutions
  - Comprised of Saddle Butte Gathering and High Prairie Pipeline

• Experienced organization
  - Create an operationally focused business model that provides “producer friendly wellhead to market” midstream services
  - Senior management team averages 25+ years of industry experience
  - High quality construction, engineering and operations staff
  - Seasoned commercial group with proven success

• Locations
  - Business offices in Durango, Denver and Houston
  - North Dakota field offices near Johnsons Corner and Watford City
Saddle Butte Gathering

• Formed in 2009 to develop gathering and processing in the Bakken
  Ŷ Initial focus was on the Fort Berthold Reservation
  Ŷ As activity grew in McKenzie County, expanded system to the west

• Current assets include:
  Ŷ Little Missouri Processing Plant (near Watford City) – 25 MMcf/d
    ß 25 MMcf/d expansion underway
  Ŷ Crude oil terminals at Alexander and Johnsons Corner
    ß Deliveries into Enbridge and Four Bears (Bridger)
  Ŷ Rail connections under development
  Ŷ Since September 2010, SBP has constructed ~250 miles of crude oil and gas pipelines

• Pipeline gathering provides significant benefits through:
  Ŷ Increased revenue to the state, mineral owners and producers by providing more reliable and cost effective transportation solutions
  Ŷ Increased road safety and less traffic through elimination of hundreds of truck trips per day
High Prairie Pipeline

• High Prairie Pipeline was created to provide constrained Bakken production with a new, efficient and reliable transportation solution out of the basin
  ŷ ~450-mile, 16-inch system
  ŷ Originates near Alexander, ND and terminates near Clearbrook, MN
  ŷ Includes two lateral pipelines and strategic interconnects:
    Ŷ A 17 mile lateral originating at Johnsons Corner
    Ŷ An 8 mile lateral originating near Robinson Lake, in Mountrail County
    Ŷ Truck stations at Alexander, Johnsons Corner and East New Town

• The project also includes the following facilities:
  ŷ ~500k bbl of operational storage
  ŷ A rail loading terminal near Clearbrook (initial capacity of 120k bbls/d)
  ŷ Development of significant long-term storage facilities near Clearbrook
  ŷ Establishment of a backhaul service

• The new pipeline will increase crude oil take-away capacity by 150k bbls/d
  ŷ An anticipated in-service date of 4Q - 2013, subject to regulatory approvals
  ŷ Completed open season on April 5, 2012
    Ŷ Finalizing terms and conditions with prospective shippers
David A. Lytle  
SVP Business Development  
DLytle@sbspipeline.com  
(713) 677-0446
Responsible Oil Pipeline Development
North Dakota Pipeline Summit
June 14, 2012

Alex Pourbaix
President, Energy & Oil Pipelines
TransCanada Corporation
Forward-Looking Information

This presentation may contain certain information that is forward looking and is subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information. Forward-looking statements in this presentation are intended to provide TransCanada security holders and potential investors with information regarding TransCanada and its subsidiaries, including management’s assessment of TransCanada’s and its subsidiaries’ future financial and operational plans and outlook. Forward-looking statements in this presentation may include, among others, statements regarding the anticipated business prospects, and financial performance of TransCanada and its subsidiaries, expectations or projections about the future, strategies and goals for growth and expansion, expected and future cash flows, costs, schedules (including anticipated construction and completion dates), operating and financial results, and expected impact of future commitments and contingent liabilities. All forward-looking statements reflect TransCanada's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among others, the ability of TransCanada to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of the Company's pipeline and energy assets, the availability and price of energy commodities, capacity payments, regulatory processes and decisions, changes in environmental and other laws and regulations, competitive factors in the pipeline and energy sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments and economic conditions in North America. By its nature, forward-looking information is subject to various risks and uncertainties, which could cause TransCanada's actual results and experience to differ materially from the anticipated results or expectations expressed. Additional information on these and other factors is available in the reports filed by TransCanada with Canadian securities regulators and with the U.S. Securities and Exchange Commission (SEC). Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this presentation or otherwise, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. TransCanada undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.
Keystone Context:
North American Refined Products Consumption

Sources: EIA Annual Energy Outlook 2011 (Dec 2010)
EIA International Energy Outlook 2011 (Sept 2011) – Canada Demand
EIA International Energy Outlook 2010 (July 2010) – Mexico Demand
• US$14 billion, including expansion projects
• 1.4 million Bbl/d ultimate capacity
• More than 1.1 million Bbl/d contracted for an average term of 17 years

Keystone Oil Pipeline

WCSB and Bakken Crude Oil Supply Outlook

- WCSB Conventional Heavy
- WCSB Upgraded Light
- WCSB Conventional Light
- Bakken
- WCSB Bitumen Blend

*millions of barrels per day  
Source: 2010 EIA Actuals
Gulf Coast Project

- **US$2.3 billion; US$0.8 billion invested to date**
- **Cushing, OK to Port Arthur and Houston, TX**
- **Initial capacity of up to 700,000 Bbl/d; ultimate capacity of 830,000 Bbl/d**
- **Principal regulatory approvals required are Clean Water Act Section 404 Permits from the Army Corps of Engineers**
- **Pipeline construction to begin summer 2012**
- **Transportation service expected to begin in mid to late 2013**
Keystone XL

- US$5.3 billion; US$1.5 billion invested to date
- Hardisty, AB to Steele City, NE
- 830,000 Bbl/d of capacity
- More than 500,000 Bbl/d contracted for an average term of 18 years
- Nebraska re-route around the Sandhills well underway
- Presidential Permit application submitted May 4, 2012
- Transportation service expected to begin in late 2014/early 2015
Keystone Initiatives

Bakken Marketlink Project

- Competitive alternative to move Bakken crude directly to major markets
- Receipt capacity 100,000 B/d
- Open season concluded, contracts for 65,000 Bbl/d
- Project proceeding, in-service expected to align with KXL project late 2014/early 2015
Keystone - Summary

- **US$14 billion investment**
- **Provides significant platform for long-term growth**
- **Future growth to come from:**
  - Oil sands growth
  - U.S. shale oil growth
  - Connecting to new markets
    - South
    - East
    - West
  - Other transportation services
Accident Rate Per Million Ton Miles of Freight in the US

Source: US Bureau of Transportation Statistics
Pipeline Safety is Improving

Number of Spills per 1,000 Miles*

- 59% reduction

Barrels Released per 1,000 Miles*

- 41% reduction

*3-Year Averages Ending in Year Shown

Source: Association of Oil Pipelines
Keystone XL will be the Safest Pipeline Ever Built in America

- Keystone opponents have been mis-leading the American public on the safety risks of oil pipelines
- Improvements in pipeline technology and safety go unnoticed
- Keystone XL will be the safest pipeline ever built in the U.S.
Supporting Landowner’s Land Use

- **TransCanada** pays landowners to access their land, but does not buy the land
  - Construction usually lasts about one season
  - Normal farming and cultivation practices are not impacted following construction
- **Eminent Domain** allows infrastructure to be built in support of the public interest
- While TransCanada has an excellent track record of limiting its use of the eminent domain process compared to industry, there will always be opposition to development to some extent
- It must be a fair yet predictable and efficient process
Respect for Landowners
Responsible Oil Pipeline Development
North Dakota Pipeline Summit
June 14, 2012

Alex Pourbaix
President, Energy & Oil Pipelines
TransCanada Corporation
Governor Jack Dalrymple:
North Dakota Pipeline Summit

Mike McGonagill,
Sr. Vice President & Chief Operating Officer

Bismarck, North Dakota
June 14, 2012
The Alliance Pipeline System

- 11+ years of incident free operations
- 2,300 miles of 36” and 42” pipe
- Shipping high energy natural gas to the US Midwest
- Transports 1.6 bcf/d of natural gas
- Transports 14% of natural gas imported to the United States from Canada*
- 2% of U.S. natural gas consumption*

*Source: EIA.gov
Bakken Energy Development
Proposed Tioga Lateral Pipeline

- Proposed construction of 80-mile lateral pipeline from Tioga to Alliance mainline near Sherwood
- Initial contracted capacity of 61.5 MMcf/d of natural gas, easily expandable to 110-140 MMcf/d
- Enable transport of “trapped” ND natural gas to market
- Reduce natural gas flaring and venting

**Proposed Tioga Lateral**
- 80 miles of 12” pipeline
- 1 compressor station
- 1 measurement station
A FERC Regulated Project

- Applied to the Federal Energy Regulatory Commission in January 2012
- FERC process ensures rigorous, consultative standards:
  - Environmental review, agency consultation, and public input facilitate effective proposed route development
- Potential regulatory approval – Fall 2012, construction start – Q4 2012, potential in-service – mid 2013
Alliance’s Implicit Promise

• Our Commitment to Safety:
  ⚠ Designed & constructed to rigorous standards
  ⚠ Operated & inspected to ensure ongoing pipeline integrity

• Our Commitment to the Community:
  ⚠ $14 million donated to community causes since start-up
  ⚠ $275,000 donated to ND Future Farmers of America

• Our Commitment to Landowners:
  ⚠ We recognize and work to mitigate impacts that pipelines have on land and people
  ⚠ We work in partnership with landowners to establish long term relationships
Alliance’s Commitment to the Land

• We work with landowners to steward the land through reclamation to protect it for their future generations

• Our pipeline traverses highly productive agricultural land and our reclamation efforts have been very successful

• Our standards will apply to the Tioga Lateral Project
Alliance’s Commitment to the Land – Voluntary Efforts

• Voluntary funding of conservation easements to mitigate construction impacts

• Developing a native prairie reclamation study with NDSU to test and assess reclamation methods

• Multi-year initiative to include:
  ∙ Literature review
  ∙ Effectiveness of different seed mixes and applications
  ∙ Success rates of different plant species
  ∙ Potential evaluation of soil microfauna recovery after construction disturbance

• Study will improve knowledge and ability to manage impacts of energy industry activity
Alliance’s Commitment to North Dakota

Logos of various organizations including U.S. Fish and Wildlife Service, Fire Department, FFA Agricultural Education, National Forest Foundation, North Dakota Farm Bureau, Bismarck State College, North Dakota Sheriff, North Dakota State University, North Dakota Game and Fish Department, and NDPA North Dakota Pipeline Association.
Alliance’s Commitment

• Alliance is a committed, long term player in North Dakota
• Tioga project will benefit the State, environmentally and economically
• Commitment to the Implicit Promise
  - Safety
  - Land
  - Community
ONEOK, Inc.
A Premier Energy Company

- FORTUNE 200 company
- 4,800 employees
- Headquarters - Tulsa, OK
- Three natural gas distribution companies
  - More than 2 million customers
  - Oklahoma, Kansas and Texas
- Energy services company
- Sole general partner and 43.4% owner of ONEOK Partners
ONEOK Partners

Asset Overview

- MLP engaged in natural gas gathering, processing, pipelines and NGLs.
- Owns and operates assets in midstream natural gas and natural gas liquids businesses
- $8.9 billion in total assets
- $4.7 billion to $5.6 billion in growth projects announced
Bakken growth projects
Lack of Infrastructure

Why these growth projects are needed.
Natural Gas Processing

- Raw Natural Gas
- Processing Plant
  - Consumer Quality Natural Gas
  - Methane and Ethane
  - "Y" Grade Natural Gas Liquids
  - Propane
  - Butane
  - Natural Gasoline

Natural Gasoline
Growth Projects

- Gathering and Processing
  - $1.1 to $1.2 billion
  - Construct 3 processing plants
    - Garden Creek
    - Stateline I
    - Stateline II
  - Divide County Gathering System
  - Well-connects, upgrades and expansions
USGS Undiscovered Recoverable Reserves Estimate for Bakken Shale:

1. NW Expulsion 868 MMBO
2. Central Basin 485 MMBO
3. Elm Coulee/Billings 410 MMBO
4. Nesson/Little Knife 909 MMBO
5. Eastern Expulsion 973 MMBO

3.65 BBO

1.85 Tcf gas

(does not include Three Forks Reserves)
Garden Creek Construction
Garden Creek Construction
Garden Creek Construction
Garden Creek Construction
Garden Creek Grand Opening!
Stateline I and II Plants

Operational by 3rd qtr 2012 and 1st half of 2013, respectively
Stateline I and II Plants

Operational by 3rd qtr 2012 and 1st half of 2013, respectively.
Stateline I and II Plants

Operational by 3\textsuperscript{rd} qtr 2012 and 1\textsuperscript{st} half of 2013, respectively
Stateline I and II Plants

Operational by 3rd qtr 2012 and 1st half of 2013, respectively
Growth Projects

- Natural Gas Liquids
  - $595 to $730 million
    - Bakken NGL Pipeline
    - Riverview Rail Facility
    - Overland Pass Pipeline Expansion
    - Bushton fractionation expansion

**Project Areas**

- Niobrara Shale
- Bakken Shale

**Shale Plays**

- Niobrara Shale
- Bakken Shale

**Project Symbols**

- Overland Pass Pipeline
- Bakken NGL Pipeline
- Bushton Fractionator Expansion
- Stateline I and II Plants
- Grasslands Plant
- Garden Creek Plant
- Project Areas
- Shale Plays
- Natural Gas Gathering Pipelines
- Divide County Natural Gas Gathering System
Bakken Pipeline

NGL Pipeline detail

- Approximately 525-mile, 12” diameter NGL pipeline
  - Capacity to transport 60,000 barrels per day of raw, unfractionated NGLs
    - Expandable to 110,000 barrels with additional pump stations
    - $450 to $550 million
- Construction is underway
- Completed in first half of 2013
Riverview Rail Terminal

Expansion In-Service December 2011
Recent announcement.
Bakken Express Crude Pipeline

• Crude Oil pipeline
  – $1.5 to $1.8 billion
  – 1,300-mile crude oil pipeline
  – Initial capacity of 200,000 barrels/day
    S Transport light-sweet crude oil from Bakken Shale to Cushing, Okla.
  – Construction to begin in late 2013 or early 2014
  – Expected to be completed by early 2015
  – Open season to be held late summer/early fall 2012
Total Bakken-related Investment

- Gathering and Processing
  - $1.5 to $1.8 billion
- Natural Gas Liquids
  - $595-$730 million
- Crude Oil Pipeline
  - $1.5 to $1.8 billion

Total of $3.2 to $3.7 billion.
Thank you.
Pipeline Operations

Engaged in gathering, storage, transportation and energy services activities.

Started in the pipeline business in the late 1920’s in Montana and North Dakota.

Now:

• Regulated operations
  – Over 3,700 miles of pipeline
  – 860 MMcf/day system capability
  – 11 interconnecting points
  – 3 storage fields

• Non-regulated operations
  – Over 1,900 miles of pipeline
  – Producer/energy services
    • Cathodic protection

• Natural gas marketing for our own production

• Extensive natural gas transportation system in Bakken Play

• Largest storage field in North America
2011 Project

Garden Creek Project – completed Oct. 2011

- Constructed 12 miles of 12-inch pipeline to connect ONEOK natural gas processing plant to Northern Border
- Near Watford City in western N.D.
2011 Project

Baker storage enhancement – completed Nov. 2011

Drilled more wells and added more horsepower at two existing compressor stations to enhance the ability to move natural gas in and out of storage
2011 Project
Baker storage enhancement – completed Nov. 2011
Increases firm deliverability by 30 percent by adding 35 MMcf/d to existing firm storage deliverability volumes of 115 MMcf/d
2011 Project

Charbonneau expansion – completed Sept. 2011

Added more horsepower at the existing Charbonneau Compressor Station in northwestern N.D.
Doubled Bakken takeaway capacity in 2011. Looking to double it again in 2012.
2012 Project
Stateline Pipeline – in-service June 2012
– 12 miles of 16-inch pipeline
– Connects ONEOK’s natural gas processing plant to Northern Border
2012 Project Bakken Expansion

Further piping work at Charbonneau station to increase capacity to meet increasing demands from Bakken-related residential and commercial growth
2012 Project:
Midstream Assets Expand

Purchased interest in Whiting’s midstream assets near Belfield, ND

– Assets include:
  - Gas processing plant
  - Gas gathering system
  - Gas residue line
  - Oil gathering system
  - Oil storage terminal
  - Oil pipeline
2012 Project: Diesel Topping Plant

- Partner with experienced company to build new facility
  - Calumet Refining, LLC
  - Process Bakken crude
    - Diesel fuel (market locally)
    - Naptha (rail)
    - Heavier crude (rail to refinery)
  - 20,000 barrel/day inlet
  - Study ongoing
    - Site selection (power, gas, rail and oil supply)
    - Plant design
    - Permitting
Exciting Future

Maximize and expand transmission and midstream business lines and products/services in the Bakken.
North Dakota Governor’s Pipeline Summit

Niles Hushka, PE, CEO
Kadrmas, Lee & Jackson
Pipeline Value

- Environment
  - Safest method to handle product

- Producer
  - Reliability

- Mineral Owner
  - More money to local economy

- Local Impact
  - Less traffic = less disruption
Pipeline Value – Local Impact

§ A 6-inch pipeline can move more than 12,000 barrels/day, removing approximately 70 trucks from the road/day.
### 2011 Permitted Pipelines

#### PSC Jurisdictional Pipeline

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NEW PIPELINE SITING PERMITS</th>
<th>PIPELINE MILEAGE</th>
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<tbody>
<tr>
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<td>9</td>
<td>359</td>
</tr>
<tr>
<td>2011</td>
<td>8</td>
<td>202</td>
</tr>
<tr>
<td>2012 (YTD)</td>
<td>3</td>
<td>59</td>
</tr>
</tbody>
</table>
Existing and New Pipelines
Positive Pipeline Opportunities

Safety:
- Built to historically safe standards and code API, ASME
- Low profile, limited visibility
- Functional in all weather conditions
- Decreased truck traffic = less accidents
- Decreased damage to roads = safer vehicles
- Less opportunity for spills
Addressing Landowners

Always address concerns upfront:

- Depreciation of land values
- Perceived impact to personal privacy and access
- Loss of property rights
- Aesthetic impacts
- Compensation
- Location
Landowner Conversations

- Impact to view and surrounding aesthetic
  - Improper restoration
    - Weeds
    - Native species will not grow
    - Berms, subsidence
  - Permanent pipeline scars
- Compensation
  - Negotiations
Utility Corridor Concept

 Clients are obtaining enough space to house:
  - Crude oil
  - Emulsion (crude/water)
  - Sales gas
  - Fuel gas (back to pad)
  - Production water
  - Fresh water (in some cases)
  - Communications (copper/fiber optic)
Utility Corridor
Mature Pipeline Density

Legend
- Interstate Pipelines
- Intra-state Pipelines

Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division, Gas Transportation Information System
Past Installation Methods
Results of Past Methods
Current Installation Methods
Results of Current Methods

Enbridge Alberta Clipper

Courtesy of Wenck Associates, Inc.