

ALIGNMENT SUMMARY

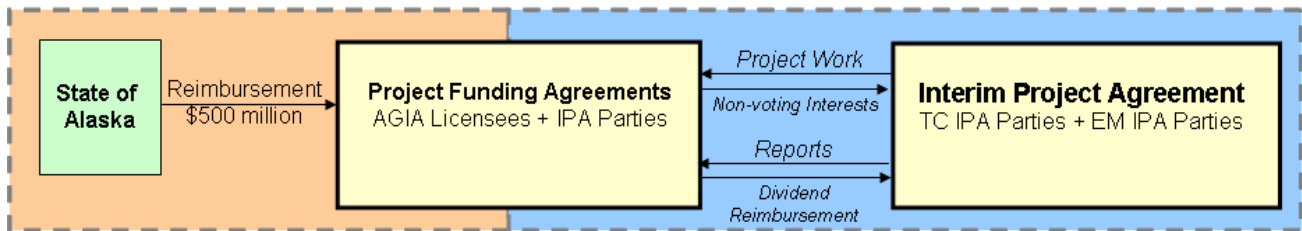
TransCanada's Alaska Pipeline Project – Alignment with ExxonMobil
June 11, 2009

- TransCanada (TC) and ExxonMobil (EM) have reached agreement to work together to progress TransCanada's Alaska Pipeline Project (details on Page 2)
- TC / EM will jointly advance all aspects of the project – technical, commercial, regulatory, financial, etc.
- TC Alaska and Foothills remain the AGIA Licensees; AGIA rights / obligations are unchanged and remain with Licensees; EM is ready to work with the State to enable full participation in the AGIA license
- Project Schedule unchanged – initial Open Season target completion by July 2010
- AGIA Project Scope unchanged – Gas Treating Plant (GTP) and pipeline from Prudhoe Bay to Alaska delivery points, LNG via Valdez, or Lower 48 markets via Alberta Hub
- Current TC / EM alignment not contingent on any commitments by State
- TC can progress project independently if it so elects, using all jointly developed assets / information
- Legislation / Regulatory – utilize ANSPA (Alaska Natural Gas Pipeline Act) in Alaska and NPA (Northern Pipeline Act) in Canada
- Upfront spending increased to \$150 million through Open Season – emphasis on early execution / construction planning, regulatory, environmental, land and GTP
- Development costs will be shared by TC / EM
 - TC retains majority interest
 - No change to State's total reimbursement contribution of \$500 million
- In early May, TC provided State Administration with full disclosure of proposed TC / EM arrangement
 - State has reviewed the TC / EM arrangement and has determined that no action is needed by the State as a result of the arrangement
 - State administration supports TC / EM alignment

Bottom Line Benefits

- Real progress to align all essential parties necessary for successful project
 - Need full support of State of Alaska, US / Canadian governments, North Slope producers, and other interested parties
- Combination of TC and EM brings unrivaled expertise and experience to the project
- TC / EM share a common goal – realization of an Alaska pipeline project

Project Framework



	AGIA Licensees	IPA Parties
US PFA	<ul style="list-style-type: none"> • TransCanada Alaska Company, LLC 	<ul style="list-style-type: none"> • TransCanada Alaska Development Inc. • ExxonMobil Alaska Midstream Gas Investments, LLC
Canada PFA	<ul style="list-style-type: none"> • Foothills Pipe Lines (North B.C.) Ltd. • Foothills Pipe Lines (South Yukon) Ltd. 	<ul style="list-style-type: none"> • TransCanada PipeLines Ltd. • ExxonMobil Canada Resources Company

- Objective is to perform work necessary to facilitate completion by TC Licensees of Open Seasons in US and Canada by target of July 2010 and pursue required regulatory authorizations for pipeline construction
- Interim Project Agreement (IPA) establishes basis under which TC / EM work together
- Project Funding Agreements (PFA) are companion agreements to IPA
 - Executed simultaneously with IPA; a separate PFA for US and Canada
 - Provides “bridge” between TC Licensees and IPA parties
- TC Licensees maintain interface with the State of Alaska and retain AGIA obligations
- TC Licensees maintain sole discretion over request for State reimbursement for qualified expenditures
- TC Licensees have right to all work provided to them by the IPA parties for the purposes of meeting the TC AGIA obligations
- All major project components, including regulatory filings and open season contracts, will be made or entered into in the name of and on behalf of the AGIA Licensees
- TC Licensees have the right, at all times, to progress the project alone, if they so choose
 - If TC Licensees elect to do so, they have the right to all jointly developed work product and both parties will retain rights to project information
 - Parties have agreed to a reasonable transition to sole management by TC in the event of a termination

- During the term of the PFA, the IPA parties will earn non-voting interests in the TC Licensees, upon the transfer of work product
- At the time EM becomes a participant in the TC Licensees, the non-voting interests will convert to voting interests in the AGIA Licensees
- State reimbursements to TC Licensees will be distributed to the IPA parties in proportion to their participating interests in the IPA
- IPA includes typical joint venture terms
- The project is managed by a Management Committee, with TC as chair (Tony Palmer)
- Fully-integrated project team staffed at all levels by personnel of both TC / EM
- EM is IPA lead and TC is the sub-IPA lead for the Canadian portion of the project; through Open Season, TC remains primarily responsible for the overall pipeline / compression work and EM primarily responsible for the GTP work
- Project costs are jointly funded based on the parties' proportionate shares