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# NewsRelease

## **TransCanada License for Alaska Natural Gas Pipeline Approved by Alaska Legislature**

CALGARY, Alberta – [August 1, 2008] – TransCanada Corporation (TSX, NYSE: TRP) (TransCanada) today received the support of the Alaska Legislature to award the company a license for the Alaska Pipeline Project under the Alaska Gasline Inducement Act (AGIA).

“The Legislature’s decision represents a significant milestone in advancing this major natural gas pipeline project to connect stranded U.S. natural gas reserves to Alaskan and Lower 48 consumers. We are pleased to receive this vote of confidence from the representatives of the people of Alaska,” stated Hal Kvisle, TransCanada’s president and chief executive officer. “This ratification of our license under AGIA will facilitate TransCanada’s continuing commercial negotiations with potential shippers, improving the likelihood of a successful open season and the construction of a natural gas delivery system from Prudhoe Bay to Lower 48 markets.”

Today’s positive vote was the conclusion of a special session of the Legislature which reviewed the recommendation of Alaska Governor Sarah Palin and the Commissioners of Natural Resources and Revenue to issue TransCanada the license. Governor Palin, her Administration and a team of expert advisors conducted a comprehensive analysis of TransCanada’s application prior to their recommendation to the Legislature. TransCanada’s application met all the AGIA requirements, which include protecting Alaska’s interests with reasonable commercial terms; the ability to provide in-state gas deliveries; Alaska labour opportunities; and procedural elements that facilitate an expedited path toward state and federal approval and a timely open season to solicit capacity on the line.

TransCanada will now move forward with project development, which will include engineering, environmental reviews, aboriginal relations and commercial work to conclude an initial binding open season by July 2010. During this period, TransCanada will continue its efforts to align with potential shippers. If sufficient firm contracts are secured in the open season, TransCanada would begin construction after regulatory approvals are received. TransCanada is targeting to have the pipeline in service by September 2018.

TransCanada applied under AGIA to build a 4.5 billion cubic feet per day (bcf/d), 48-inch diameter natural gas pipeline running approximately 1,715 miles (2,760 km) from a new natural gas treatment plant at Prudhoe Bay on Alaska’s North Slope to Alberta. Integration of the pipeline with TransCanada’s Alberta System will provide access to diverse, Lower 48 markets across the U.S. The application includes provision for expansions up to 5.9 bcf/d through the addition of compressor stations in Alaska and Canada.

The proposed pipeline would parallel the route of the existing trans-Alaska oil pipeline to a point south of Fairbanks. It would then follow the Alaska Highway, continuing through northern British Columbia to link with the Alberta Hub on TransCanada's pipeline grid in northwestern Alberta. The Alaska section would be approximately 750 miles (1,200 km) in length, with six compressor stations at start-up and at least five natural gas delivery points in Alaska. The Canadian section to Alberta would be approximately 965 miles (1,550 km), with ten compressor stations at start-up and eight intermediate delivery points in the Yukon. Maps and more detailed information about the project, including links to TransCanada's AGIA application, are available at: [www.transcanada.com/company/alaska\\_pipeline\\_project.html](http://www.transcanada.com/company/alaska_pipeline_project.html).

With more than 50 years' experience, 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 projects related to oil pipelines and LNG facilities. TransCanada's network of wholly owned pipelines extends more than 59,000 kilometres (36,500 miles), tapping into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with approximately 355 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns, controls or is developing approximately 8,400 megawatts of power generation. TransCanada's common shares trade on the Toronto and New York stock exchanges under the symbol TRP.

Note: All financial figures are in Canadian dollars unless noted otherwise.

#### **FORWARD-LOOKING INFORMATION**

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