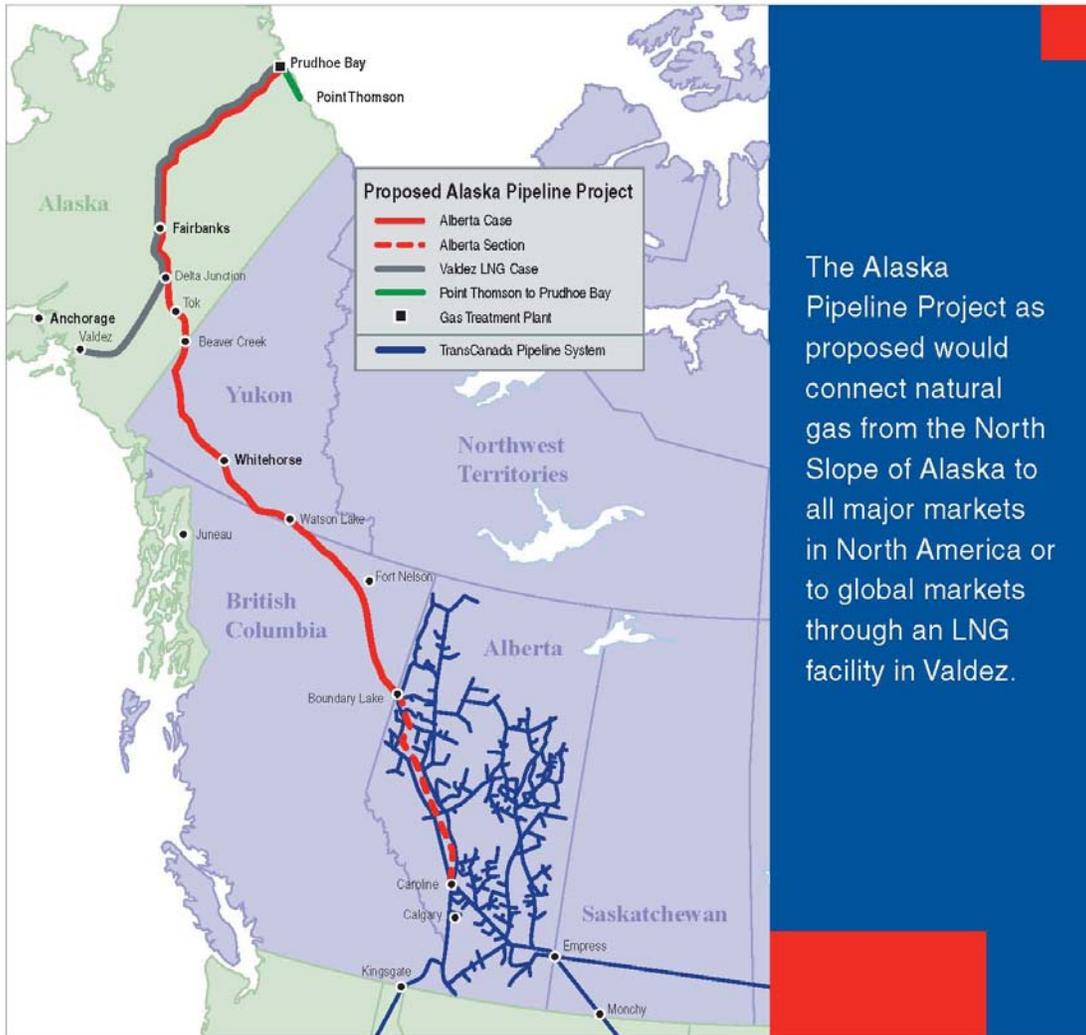


ALASKA PipelineProject



The Alaska Pipeline Project as proposed would connect natural gas from the North Slope of Alaska to all major markets in North America or to global markets through an LNG facility in Valdez.



**Canadian Open Season Notice
April 30, 2010 – July 30, 2010**

THE ALASKA PIPELINE PROJECT CANADIAN OPEN SEASON NOTICE FOR NEW NATURAL GAS PIPELINE CAPACITY

Notice

Foothills Pipe Lines (South Yukon) Ltd. (“**Foothills South Yukon**”) and Foothills Pipe Lines (North B.C.) Ltd. (“**Foothills North B.C.**”) (collectively “**Foothills Companies**”), will conduct a combined binding open season for a new natural gas pipeline system, beginning at 8:00 a.m. CDT on Friday April 30, 2010 and ending on Friday, July 30, 2010 at 5:00 p.m. CDT (the “**Open Season**”).

This Open Season is being held to solicit the submission and execution of binding precedent agreements (the “**Precedent Agreements**”) for firm natural gas transportation service to be provided by the Foothills Companies on the Canadian portion of the Alaska Pipeline Project (“**APP**” or “**Project**”). This Open Season will provide a non-discriminatory means of awarding capacity to bidders, provided APP receives bids that conform to its requirements and APP decides to proceed with the Project, pursuant to the terms of this Open Season.

Background

APP is a world-class undertaking in all of its aspects. Once completed, it will allow for transportation of natural gas from Alaska’s North Slope to markets in Alaska, Canada and the lower 48 States or to global markets via an alternative liquefied natural gas project. Alaska’s North Slope holds approximately 35 trillion cubic feet (“**Tcf**”) of currently proven natural gas reserves, and it is estimated that another 100 to 200 Tcf ultimately could be discovered.

The Project is being advanced on behalf of the Foothills Companies by affiliates of TransCanada Corporation (“**TransCanada**”) and Exxon Mobil Corporation (“**ExxonMobil**”). ExxonMobil and TransCanada are collectively referred to as the “**APP Parties**”. The APP Parties, specifically TransCanada and ExxonMobil, bring substantial financial strength to the Project and are uniquely situated to efficiently and effectively advance APP’s development. TransCanada has extensive North American pipeline construction experience, particularly in cold weather environments, and operates pipeline networks across Canada and in the U.S. TransCanada, through the Foothills Companies, also holds the certificates of public convenience and necessity in Canada for the APP pursuant to the Northern Pipeline Act (R.S. 1985 ch.N-26) as amended from time to time (the “**NPA**”), and an easement in the Yukon Territory and has proven expertise in efficiently advancing pipeline projects through the regulatory process, construction and operation. ExxonMobil has proven global mega-project management experience and a long history of Arctic project successes and technological innovations. TransCanada and ExxonMobil have each repeatedly demonstrated its ability to deliver world-class projects on time and within budget, and has proven expertise in innovative gas treatment, pipeline and compression technologies.

Project Description

APP proposes to design, permit and construct a new international natural gas pipeline system, subject to respective regulation by the Federal Energy Regulatory Commission (“**FERC**”), the Northern Pipeline Agency, and the National Energy Board of Canada (the “**NEB**”), beginning

near Point Thomson and extending through Alaska over one of the following two alternative routes:

1. One route would extend from Point Thomson through points near Prudhoe Bay, Fairbanks, and Delta Junction and then to the Alaska-Canada border in the vicinity of the towns of Border City, Alaska and Boundary, Yukon, near Beaver Creek Yukon ("**Alaska-Canada Pipeline**"), where the pipeline would interconnect to a new pipeline that Foothills South Yukon plans to design, permit, construct and own, which will extend through the Yukon to Whitehorse, Yukon and from Whitehorse to the Yukon-B.C. border near Watson Lake, Yukon (the "**Yukon Pipeline**"). The Yukon Pipeline will interconnect at the Yukon-B.C. border with a new pipeline that Foothills North B.C. plans to design, engineer, permit, construct and own, which will extend from the Yukon-B.C. border through Northern British Columbia to Fort Nelson, B.C. and from Fort Nelson to the Alberta-B.C. border near Boundary Lake, Alberta (the "**B.C. Pipeline**"), where it will interconnect through facilities to be designed, engineered, permitted and constructed by Foothills Pipe Lines (Alta.) Ltd. with delivery points connected to the Alberta pipeline system owned and operated by NOVA Gas Transmission Ltd., a wholly owned subsidiary of TransCanada ("**TC Alberta**"), and other delivery points near the Alberta-B.C. border which interconnect with other existing pipeline capacity and infrastructure at or upstream of the Alberta-B.C. border, existing and in place at the time the Shipper executes the Precedent Agreement. The B.C. Pipeline and the Yukon Pipeline are collectively referred to as the "**Canadian Pipeline.**" The Canadian Pipeline consists of a single 48-inch pipeline, a distance of approximately 1,555 kilometers (966 miles), and eleven compressor stations. The base-case capacity of this segment has been set at 4.5 Bcf/d (expandable to 5.9 Bcf/d with additional compression) with an operating pressure of approximately 2500 psi along the entire route of this segment.
2. The second route would extend from the outlet of the Point Thomson plant through points near Prudhoe Bay, Fairbanks, Delta Junction and then to an interconnection point with a third-party LNG terminal near Valdez, Alaska ("**Valdez Pipeline**").

This Open Season is being conducted as part of a broader open season process under which TC Alaska is also separately soliciting shipper bids for capacity on the Alaska-Canada Pipeline or the Valdez Pipeline. Shippers seeking only capacity on the Valdez Pipeline alternative for Alaska's North Slope gas would not participate in this Open Season. Additionally, it is anticipated that TC Alberta will conduct a solicitation process for gas transportation service on its Alberta pipeline system for transportation to the commercial market that operates within the Alberta Hub and to markets beyond, including the lower 48 States.

Cost Range & Projected Timing

The APP Parties have undertaken an extensive effort to update cost and schedule estimates for the Project. These updated estimates conform to Association for the Advancement of Cost Engineering International ("**AACEI**") Class IV standards.

The cost estimate range in 2009 U.S. dollars is from \$12 billion to \$15 billion for the Canadian portion of the APP. The estimated in-service date is 2020 for initial gas and 2021 for full gas. It is normal practice to quote a range of cost estimates at this early stage of Project development

to reflect inherent uncertainties and risks. The APP Parties are presenting to potential customers a credible estimate that can be used for their assessments and decisions.

As further described in the Precedent Agreement, a shipper executing a Precedent Agreement will bear a portion of project development costs in certain circumstances in which the shipper breaches the Precedent Agreement or exercises certain rights not to enter a firm transportation service agreement, or in which the APP Parties determine not to proceed with the Project.

Rates & Fuel

The principles for calculating the toll are shown in Exhibit A to the Precedent Agreements. The Canadian Precedent Agreements, indicative tariff and indicative tolls are available to parties who execute a confidentiality agreement.

Based on the cost range set forth above, the estimated aggregate rate range for a 25-year term across the Canadian Pipeline is \$1.05 - \$1.35 per GJ in nominal Canadian dollars (\$0.98 - \$1.26 per MMBtu in nominal U.S. dollars).

A shipper will be required to provide its proportionate share of actual fuel and lost and unaccounted for gas ("**Fuel**") at the receipt point where gas enters into the integrated pipeline project. The amount of Fuel will be calculated based on the transmission path of the gas from the receipt point to the ultimate delivery point.

Foundation Shippers

Shippers that make commitments to use capacity of at least 211,000 GJ/day (200,000 MMBtu/day) will be considered "**Foundation Shippers.**" Bids from multiple affiliates will be aggregated in determining whether a bidder will be considered a Foundation Shipper.

Due to the requirements to finance a project of this magnitude, Foundation Shippers will be subject to a more stringent creditworthiness standard as stated in Exhibit B of the Precedent Agreement.

Under the terms of the Precedent Agreement, Foundation Shippers will be provided certain rights including:

- The right to sell to Foothills South Yukon and Foothills North B.C. a pro rata portion of the initial line fill requirements at a mutually agreed price; and
- A one-time termination right exercisable within 30 days after receiving notice that TC Alaska has accepted the final FERC certificate of public convenience and necessity or the Foothills Companies have received and accepted all approvals they determine necessary from the NEB pursuant to the NPA for the Canadian Pipeline. Foundation Shippers exercising this termination right will be required to reimburse the APP Parties for Project development costs, as specified in more detail in the Precedent Agreement.

Creditworthiness Standard

Shippers will be required to meet the creditworthiness standard as stipulated in Exhibit B to the Precedent Agreement.

Conforming Bid Requirements

A conforming bid for this Open Season shall consist of the following:

- A Precedent Agreement executed by an authorized representative of the bidding company with each Foothills Yukon or Foothills North B.C. for firm gas and transportation services on the Yukon Pipeline and the B.C. Pipeline.
- Exhibit A to the Precedent Agreement for each of the Yukon Pipeline and B.C. Pipeline must be completed and must include the following information:
 - Maximum Daily Quantity (“**MDQ**”), exclusive of Fuel, by requested primary receipt and delivery point(s)
 - Primary term of 20-25, 30 or 35 years
- Each bidder must return the completed Precedent Agreements before the end of the Open Season to APP at the address specified in the Precedent Agreement Submittal section of this Open Season notice.

APP reserves the right to reject any bid that does not conform to the requirements stated above.

Additional Guidance

The following additional guidance should be followed by parties submitting bids:

- In addition to paying a toll, shippers will be responsible for providing Fuel, subject to adjustment via an authorized Fuel tariff tracking mechanism.
- There are two Precedent Agreements, one for each of the Yukon Pipeline and the B.C. Pipeline. Shipper must complete both Precedent Agreements for gas delivery at the interconnect between the B.C. Pipeline and the Yukon Pipeline and the Precedent Agreements must have matching term and MDQ. Shipper should also ensure that a bona fide bid is submitted for the Alaska-Canada Pipeline with matching term and MDQ for gas delivery into the Yukon Pipeline.
- The APP Parties understand that TC Alberta is contemplating provision of integrated gas transportation service from the Fort Nelson area or more specifically the interface of Zone 3 and Zone 4 (as defined in the NPA) of the B.C. Pipeline (the “**Zone 3/4 Interface**”). Shipper selecting a B.C. Pipeline delivery point of Boundary Lake, Alberta during the APP Open Season will be allowed to change its delivery point to the Zone 3/4 Interface if Shipper acquires capacity on TC Alberta at the Zone 3/4 Interface and TC Alberta receives regulatory approval on terms and conditions satisfactory to TC Alberta to roll the transportation cost for Zone 4 into its cost-of-service.
- The inclusion of conditions precedent (“**CPs**”) shall not render a bid non-conforming.

Withdrawal of Bids

Bids received in this Open Season may be withdrawn prior to the conclusion of the Open Season upon written notification at the address specified below. Bidders may submit a bid to replace a withdrawn bid at any time prior to the close of the Open Season.

Initial Notification

Within five business days after the close of the Open Season, APP will notify each bidder whether or not they have submitted a conforming bid and will provide a written explanation to those bidders whose bids have been rejected as non-conforming.

Route Selection and Allocation of Capacity

Shippers who submit conforming bids will be notified by September 1, 2010, of the following:

- Whether APP will proceed with the Alaska-Canada Pipeline or the Valdez Pipeline and the total aggregated capacity from conforming bids for the selected route. Upon shippers' receipt of such notification of APP's decision to proceed with:
 - i) the Alaska-Canada Pipeline, all terms of the Precedent Agreement shall be binding with respect to each shipper's elections on Exhibit A to the Precedent Agreement for service on either or both of the Yukon Pipeline and/or the B.C. Pipeline as the case may be; or
 - ii) the Valdez Pipeline, the Precedent Agreement for firm gas transportation service on either or both of the Yukon Pipeline or B.C. Pipeline shall immediately terminate and be of no further force and effect. The APP Parties, including Foothills South Yukon or Foothills North B.C. shall not be liable to shipper for any losses or damages sustained or incurred by shipper (including third party losses or damages) as a result of such termination.

The APP Parties intend to design the Project within certain economic and engineering design increments, to accommodate all capacity requests on a not unduly discriminatory basis from conforming bids received during the Open Season. However, in the event conforming bids received during the Open Season exceed the design capacity determined by APP, APP reserves the right to reduce the bidders' MDQs indicated on Exhibit A to the Precedent Agreements pro rata, based solely on each bidder's proportion of the total quantity of firm transportation capacity reflected in conforming bids received by APP, without regard to whether a shipper would qualify as a Foundation Shipper. In the event that a bidder's transportation MDQ on the Alaska-Canada Pipeline is reduced, in the same manner as stated above, the bidder's MDQ will be reduced by a corresponding amount on the Canadian Pipeline. Bidders will have 30 days to either accept or reject such allocated quantity of capacity. If one or more bidders reject a reduced quantity of capacity, the original capacity requests of the remaining bidders may be restored.

Impact of Capacity Commitments

On or before October 31, 2010, APP will notify conforming bidders of the impact on the Project of the total aggregated capacity from conforming bids for the selected route.

Bidder Conditions Precedent

APP recognizes that bidders may desire to include certain CPs to their bids and bidders will be allowed to negotiate CPs acceptable to the APP Parties prior to, during and after the close of the Open Season. APP reserves the right to reject, on a not unduly discriminatory basis, a conforming bid that includes CPs or modifications to the Precedent Agreement that are unacceptable to the APP Parties. At that time, APP will notify any bidder whose bid is rejected and provide a written explanation for the rejection.

Final Notification

On or before November 30, 2010, APP will provide conforming bidders with the final version of the Precedent Agreement.

Execution and Approval of Precedent Agreement

Following the final notification and following APP Parties approval of each successful bidder's written evidence of creditworthiness, as stipulated in Exhibit B to the Precedent Agreement, each bidder shall execute the final version of the binding Precedent Agreement and secure all board approvals and internal authorizations necessary to undertake the obligations required by the Precedent Agreement by no later than December 31, 2010.

Within 30 days of receiving notification of the last of the board approvals and other necessary internal authorizations, and confirmation of execution of the final version of the Precedent Agreement, from all successful bidders, the APP Parties shall secure all board approvals and internal authorizations necessary to undertake the obligations required by the Precedent Agreements and will execute Precedent Agreements. Precedent Agreements shall not become binding until after the bidder, TC Alaska, and the APP Parties have secured all board approvals and internal authorizations necessary to undertake the obligations required by the Precedent Agreement, and the bidder and TC Alaska have executed the Precedent Agreement.

The Precedent Agreement will bind the bidder to execute a firm transportation service agreement ("**FTSA**") before Project construction commences, and will condition the provision of service on satisfaction or express waiver of the transporter conditions precedent stipulated in the Precedent Agreement.

Reservation of Rights

APP reserves the right, on a not unduly discriminatory basis, to delay any of the foregoing notifications if it determines, in its sole discretion, that commercial circumstances justify a later notification. The APP Parties also reserve the right, on a not unduly discriminatory basis, to reject any bid that does not conform to the requirements for bids in this Open Season. Further, the APP Parties reserve the right to withdraw this solicitation of offers to subscribe for firm service on the pipeline system if the APP Parties determine, in their sole discretion, that providing service as requested in the bids received would render the proposed construction not economically feasible.

This Open Season filing and the Project as described herein, including the cost, schedule and expenditure estimates, is conditioned on the timely execution of Precedent Agreements and the

timely satisfaction of the CPs outside the control of APP, in each case, in a form acceptable to APP.

Precedent Agreement Submittal

Interested bidders should submit two complete originals of Precedent Agreements by registered or certified mail, courier, or hand delivery at any time during the Open Season to:

**Alaska Pipeline Project
Open Season Bid Submittal
Attention: Commercial Manager
16945 Northchase Drive
GP4 – 430
Houston, TX 77060**

All material received will be time and date-stamped and opened at the conclusion of the Open Season.

Please direct any questions or requests you may have concerning this Open Season to:

Mr. Paul Pike, Senior Project Manager, (281) 654-4206, paul.j.pike@exxonmobil.com
Mr. Marty Heeg, Commercial Manager, (281) 654-6232, marty_heeg@transcanada.com
Mr. James Morse, Law Manager, (281) 654-3346, james.morse@exxonmobil.com

Additional Information

Additional information regarding this Open Season may be obtained from the APP website at www.thealaskapipelineproject.com or by visiting an APP data room through the conclusion of the Open Season at the locations listed below:

- Houston, Texas – Main data room containing all required project information in electronic format or hard copy.
- Anchorage, Alaska – Adjunct data room containing all required information available in electronic format.
- Whitehorse, Yukon – Adjunct data room containing all required information available in electronic format.
- Calgary, Alberta – Adjunct data room containing all required information available in electronic format.

Due to the commercially and competitively sensitive nature of the information, all information contained in the data rooms that is not in the public domain will be treated as confidential information. Any person wishing access to such confidential information will be required to sign a confidentiality undertaking and to comply with the data room procedures. The data rooms are set up as follows:

- All information in the public domain is accessible through APP's website, www.thealaskapipelineproject.com, and available for review by anyone interested in accessing that data.

- Data contained in the physical data rooms are classified into three levels of confidentiality.
 - The first level (“**Tier 1**”) contains confidential Project information, not in the public domain, but which is of relatively lower commercial and competitive risk to the Project. All interested stakeholders granted access to the data rooms will have access to Tier 1 data.
 - The second level (“**Tier 2**”) contains high risk, commercially sensitive data, such as Project component cost projections, land access cost projections and the like. Such information will be made available only to potential shippers and regulatory agencies with Project oversight responsibilities.
 - In addition, certain information (“**Tier 3**”) contained in the data rooms is subject to third party confidentiality restrictions. Anyone seeking access to Tier 3 data will need to secure a release from such third parties in order to view such Tier 3 data.

To arrange a visit, please send an email or fax at least seven (7) days prior to the requested visit date to:

The Data Room Coordinator
Email: betty.j.parks@exxonmobil.com
Fax: 262-314-3342

- The request should clearly indicate the following information:
 - Requestor's name and company
 - Requestor's phone number and email address
 - Data Room location(s) access is being requested for
 - Date(s) and time(s) access is needed
 - Contact information for all the visitors the request is being made for (including names, phone numbers and email addresses)
 - Company or Party visitors are representing (if different from Requestor's)

APP reserves the right to allocate data room access on a first-come, first-served basis and further reserves the right to offer priority access to the data rooms to potential shippers.

Disclaimer

These Open Season materials are provided for informational purposes to enable interested parties to express an interest in obtaining firm transportation service on the proposed facilities. However, the information contained herein, and information that is provided in response to questions or requests for information, establishes no contractual or other relationship between the APP Parties and any other party. Any contractual relationship resulting from this Open Season solicitation will be reflected in the Precedent Agreements.