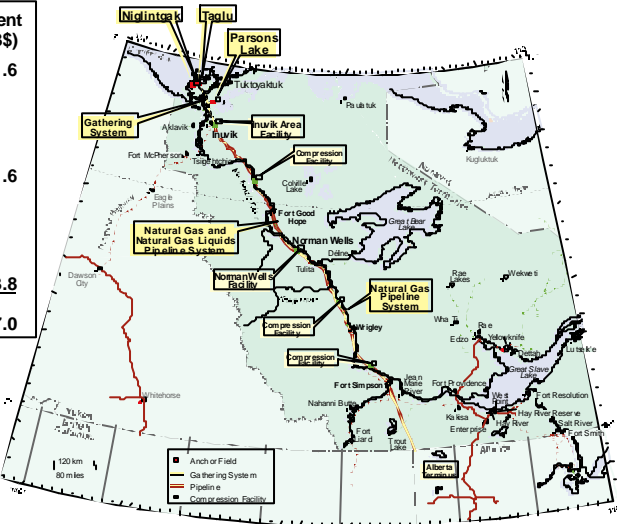


Development Concept Overview

	Initial Investment (billions, 2003\$)
• Three anchor fields - Taglu - Parsons Lake - Niglintgak	1.6
• Gas gathering system - Gathering lines - Inuvik area facility - NGL pipeline	1.6
• Mackenzie Valley pipeline (1.2 BCFD) - Total	3.8
	7.0

- Canadian onshore gas
- APG interest in pipeline will be based on non-anchor field gas
- Proven technology
- Mitigate environmental impact
- Open access pipeline
- Utilizes spare capacity in existing pipelines



2

Key Points

- This chart summarizes the concept being pursued by the project co-venturers -- Imperial, ConocoPhillips, Shell Canada, ExxonMobil Canada and the Aboriginal Pipeline Group. As well, under a funding agreement signed last year, TransCanada Pipelines plays a very important role in funding the Aboriginal Pipeline Group during the permitting phase, and they have an option to obtain an interest in the pipeline. Imperial is the project lead and operator for the gas-gathering system and the Mackenzie Valley Pipeline.
- This project is focused on development of Canadian onshore gas resources discovered in the Mackenzie Delta region of Canada's Far North in the early 1970s. At present, we have no offshore gas as part of the scope of the project. As many of you know, development of this resource has been the subject of much discussion over the past couple of decades.
- The three anchor fields on-shore are Taglu, Parsons Lake and Niglintgak (ni-glin-tak).
 - **Taglu**, with recoverable reserves of 3 TCF (trillion cubic feet), was discovered by Imperial in 1971. Taglu is 100 percent owned and operated by Imperial, and accounts for 50 percent of the onshore discovered gas. For reference, Taglu is also equivalent to twice Imperial's current proved gas reserves.
 - **Parsons Lake** - 2.3 TCF -- discovered by Gulf in 1972. 75 percent owned by ConocoPhillips Canada, and 25 percent by ExxonMobil Canada.
 - **Niglintgak** - 1 TCF -- discovered by Shell in 1973. 100 percent owned by Shell.
- Looking at the map on the right, gas produced will be transported through a gas-gathering system to a common facility located near Inuvik.
- In the common facility, the gas will be separated from the NGLs and compressed before being sent south in a buried pipeline through Imperial's operations at Norman Wells and ultimately connect with existing gas pipeline systems in Alberta. Natural gas liquids will be transported in a separate, buried NGL line to Norman Wells and connect with the existing Enbridge oil pipeline.
- This concept utilizes proven technologies and includes specialized measures to mitigate environmental impacts.
- The pipeline will be open to other potential shippers and takes advantage of spare capacity in existing pipeline systems.
- We don't know how to make it any simpler, or how to make any smaller footprint, but we will