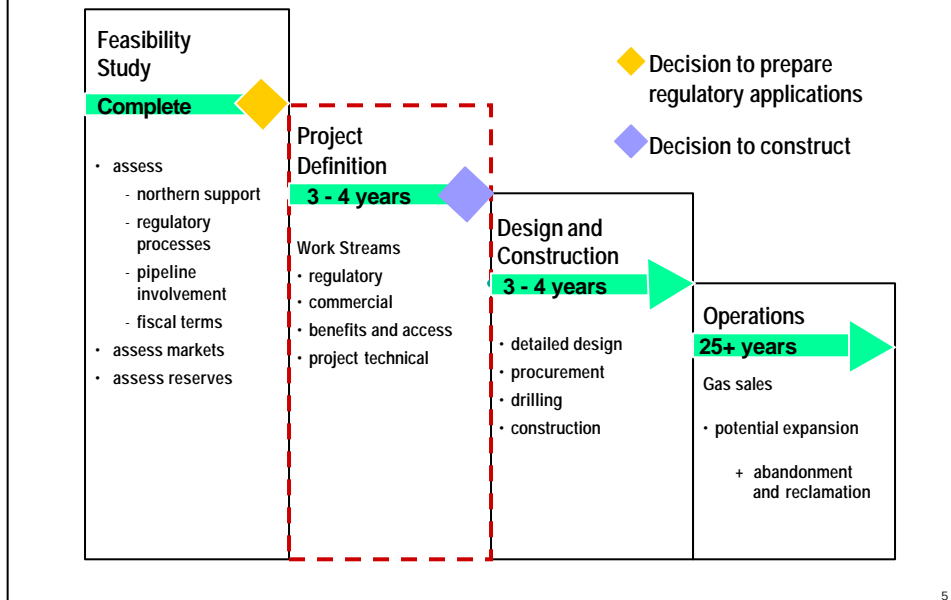


Mackenzie Gas Project - Phased Approach



Key Points

- As many of you know, the process leading to an ultimate development has four major phases, shown here.
- The first phase, the Feasibility Study Phase, included very important work, as listed, and gave us confidence to go forward.
- We concluded the Feasibility Study Phase in January 2002 and we are currently proceeding with the Project Definition Phase.
- The Project Definition Phase includes engineering studies, environmental field work, regulatory review and continued public consultation, including development of Northern benefits plans.
- During this segment, regulatory applications were prepared, and as you're no doubt aware, were filed in early October. These applications are being reviewed by the regulatory agencies and we expect to begin hearings in the spring of next year. I'll talk further about this in a minute.
- We anticipate this Project Definition Phase will take 3-4 years, and last 18-24 months from today.
- Following a decision to construct, which cannot be made until regulatory approval is received, the Design and Construction Phase could begin, and would last another 3-4 years..
- The Operations Phase is where we hope to be at the end of this, and the benefits will then last 25-plus years.
- My next chart will provide more detail on where we are today in the project definition phase, and some significant milestones.