



NEWS RELEASE

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MAJOR PIPELINE COMPANIES REGROUP TO PREPARE ALASKAN GAS PROPOSAL

Calgary, November 15, 2001 -- The Alaska Highway natural gas pipeline project took a giant step forward today with the signing of a memorandum of understanding (MOU) between six major American energy firms and three Canadian firms. The companies are proceeding immediately with development of a proposal for transporting Alaskan natural gas to markets and they expect to present a proposal to the Alaska North Slope producers by year-end. Once agreement is reached with the producers, the companies intend to move forward with the project, with the goal of delivering Alaskan gas to Canada and the Lower 48 states by 2008.

“All the MOU signatories were involved in developing the Alaska Highway project at one point,” says Dennis McConaghy, co-Chief Executive Officer of Foothills Pipe Lines.

“Through this agreement, the companies are demonstrating their intent to renew their commitment to the commercialization of vital natural gas infrastructure from the Alaska North Slope to Canada and the Lower 48 states.”

The six U.S. companies include subsidiaries of Williams, Duke Energy, Sempra Energy International, Enron, PG&E Corporation and El Paso Corporation. The three Canadian companies, TransCanada PipeLines, Westcoast Energy and Foothills Pipe Lines, have remained active partners in the Alaska Natural Gas Transportation System (ANGTS) from its inception.

The parties have executed an MOU establishing key principles for re-enlisting in the Alaskan partnership to construct the Alaskan portion of the Alaska Highway natural gas pipeline project. A key element of the MOU is that the current and re-enlisting parties are committed to eliminating historic and other commercial barriers to construction of the Alaska Highway project.

Foothills Pipe Lines

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“Williams has been actively engaged in developing Alaska’s natural resources for over twenty-five years,” says Cuba Wadlington, Jr., President and CEO of Williams Gas Pipeline. “We now look forward to working with our pipeline industry peers, the North Slope producers and the State of Alaska to build this essential link connecting North Slope gas to North American markets.”

The Alaska Highway project stretches over 1700 miles (2800 kilometres), from the North Slope of Alaska to northwest Alberta, Canada. The gas would then be transported from northwest Alberta to markets throughout Canada and the United States.

The companies signing the MOU are the original partners in the Alaskan Northwest Natural Gas Transportation Company. ANNGTC was designated by the President of the United States and the U.S. Congress to construct and operate the Alaska segment of the ANGTS in 1977. ANNGTC holds a certificate from the Federal Energy Regulatory Commission as well as numerous other federal permits for the construction and operation of the ANGTS. The statutory framework for the ANGTS provides for the expedited approval of the remaining permits necessary to proceed with the construction of the pipeline.

The ANGTS also has the regulatory and diplomatic framework in place to expedite construction of an Alaska gas pipeline. This framework includes U.S. and Canadian legislation and an international treaty between the two countries.

The Canadian and American sponsors of the ANGTS are now turning their collective attention to developing commercial proposals and negotiating with prospective shippers and investors, including the Alaska North Slope producers – Phillips, BP and ExxonMobil – and the State of Alaska.

“The economic benefits of this multi-billion dollar project would impact most regions of the U.S. and Canada,” says Mike Stewart, co-Chief Executive Officer of Foothills. “Our expanded partnership is committed to enhancing these benefits by eliminating commercial barriers and offering a market-responsive proposal to producers and other gas shippers. We know the delivered price of Alaskan gas must compete in the market at the major pricing centers of North America.”

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