

Mackenzie Gas Project



Gathering System

The proposed Mackenzie Gas Project gathering system will collect natural gas and natural gas liquids from the Niglintgak, Taglu and Parsons Lake natural gas fields and other natural gas fields yet to be determined. It will move them to a gas processing facility near Inuvik where the natural gas liquids will be separated from the natural gas.

The gathering system is a network of pipelines and facilities. In most places, the gathering system pipelines will be buried approximately three feet. Buried pipelines will be protected by special coatings on the outside of the pipe, as well as a cathodic protection system. The cathodic protection system consists of a current of electricity applied to the buried pipe to ensure adequate protection in the event of damage to the exterior coating.

The temperature of the natural gas delivered to the pipelines will be controlled to minimize temperature effects on the permafrost and on the pipeline. In wet areas or river crossings, the pipe will be weighted or anchored to prevent it from floating.

Where it is not desirable to bury the pipeline, it will be approximately five to six feet above the ground to allow for wildlife and snowmobile movement. It will be designed to withstand environmental conditions. The section from Niglintgak to Taglu might be above ground.

THE MACKENZIE GAS PROJECT'S GATHERING SYSTEM WILL CONSIST OF:

- Four Sections of Pipeline

| ROUTE | LENGTH | DIAMETER | RIGHT-OF-WAY WIDTH |
|-------------------------------------|--------|-----------|--------------------|
| Niglintgak to Taglu | 15 km | 16 inches | 30 metres |
| Taglu to Storm Hills | 82 km | 26 inches | 40 metres |
| Parsons Lake to Storm Hills | 28 km | 18 inches | 30 metres |
| Storm Hills to Inuvik Area Facility | 51 km | 30 inches | 40 metres |

- Storm Hills Pigging Facility

A pigging facility will be located near Storm Hills, about 50 kilometres north of the Inuvik area facility along the gathering system. It will contain pigging and natural gas liquids handling equipment. Pigs are devices that are placed into a pipeline to perform certain functions such as cleaning the inside or monitoring its condition. The facility will be specially designed to automatically insert, or launch, a pig into the pipeline.

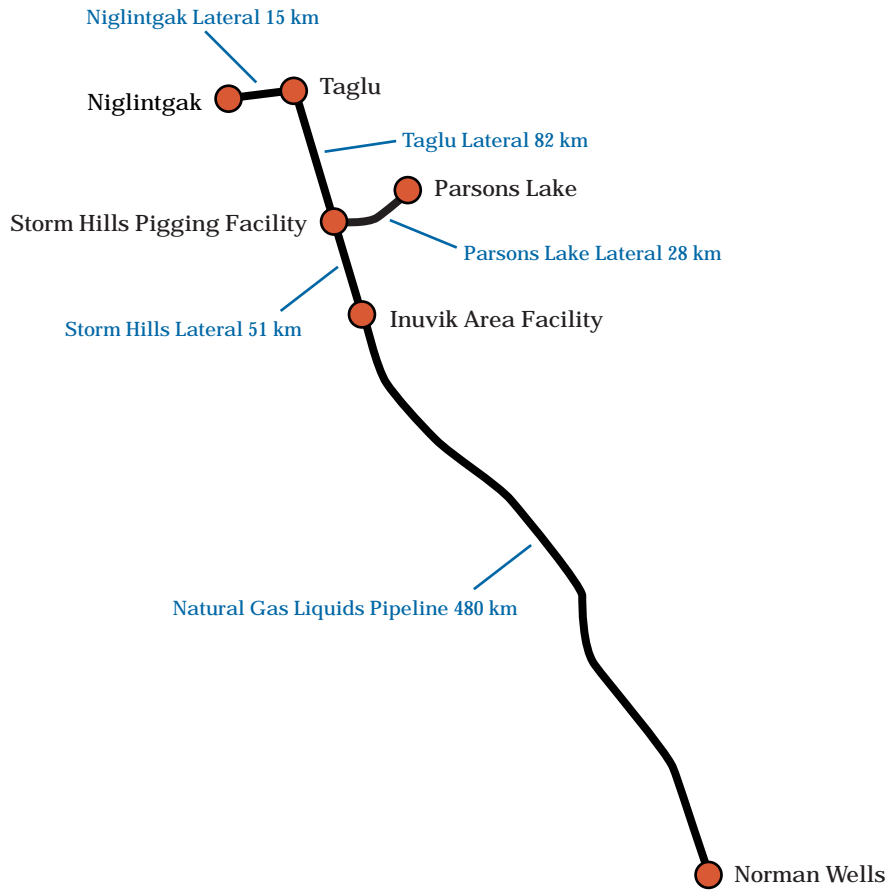
See "Surface Facilities" information sheet.

- Inuvik Area Facility

Natural gas liquids will be separated from the natural gas at the Inuvik area facility. It will include equipment for gas processing, gas chilling and compression, and liquids processing.

See "Inuvik Area Facility" information sheet.

GATHERING SYSTEM



• Natural Gas Liquids Pipeline

The natural gas liquids will be pumped about 480 kilometres from the Inuvik area facility to Norman Wells through a 10-inch diameter pipeline. The right-of-way will be 50 metres wide and will be shared with the natural gas pipeline.

• Pipeline Block Valves

Block valves are valves placed on the pipeline in order to isolate sections of it. Block valves will be strategically located in accordance with code requirements.

See "Surface Facilities" information sheet.

The above-ground facilities and block valves might be fenced. Most of the facilities will be illuminated and clearly visible to avoid running into them.

CONSTRUCTION PLANS

Preparation of access roads, sites to store equipment and pipe, and camps could begin as early as the summer of 2006, assuming the Project proceeds.

Equipment, materials and supplies would be moved by rail, truck, barge and air transportation to staging sites near locations where the facility would be built.



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