

New Customer Whitemud Resources

Meet one of TransGas' new delivery customers, Whitemud Resources Inc. (headquartered in Calgary, Alberta) and another success story coming from Rural Saskatchewan.

They started construction of a 175,000 tonne per year metakaolin processing plant in the fall of 2006, with the aim of supplying metakaolin to the North American concrete industry with production starting in early 2008.

Whitemud was founded in 2002, inspired by the discovery of a unique manufacturing process that would allow for the economic use of metakaolin as an additive to concrete, while utilizing a manufacturing process that would generate 55% fewer green-house gas emissions than the manufacturing of cement. With this in mind, Whitemud secured leases for one of the largest kaolin deposits, a naturally occurring clay, in North America, located south of



Photo Courtesy Whitemud Resources

Assiniboia in southern Saskatchewan, 165 kilometers southwest of Regina and 40 kilometers north of the U.S. border.

Traditionally, metakaolin has been produced for the paper industry and the product was considered too costly for most concrete applications.

That is until now. Whitemud Resources developed an innovative proprietary manufacturing process that will allow them to produce high grade metakaolin at a price they believe will be competitive to cement and other supplemental cementing materials (ie: fly ash, slag, etc).

Thus the intended use of their production is for the partial replacement of cement in a concrete mix.

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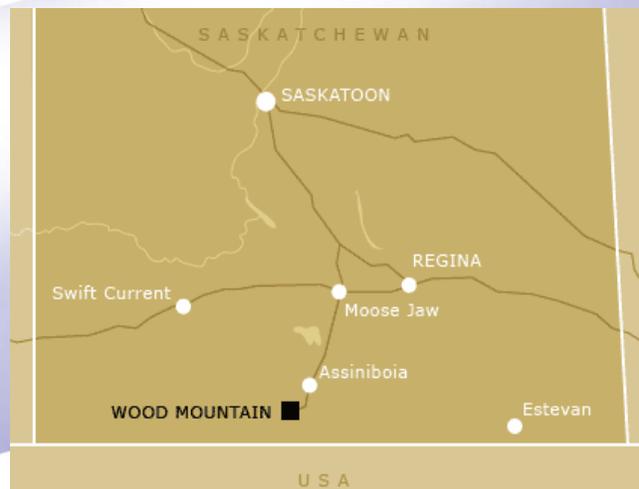
Their process will take kaolin, as the raw mine product, and form it into metakaolin, that will be sold under the name WhitemudMK. Whitemud Resources believes their final product can provide value to customers by being a unique cost-effective additive that can improve concrete workability, enhance strength, durability, and provide resistance to chemical attack, particularly alkali silica reaction. Potential users of metakaolin are manufacturers of ready-mix, structural pre-cast, architectural pre-cast block, oil and gas well cementers, and cement companies developing ternary blends.

With the potential for future facility expansions, and infrastructure upgrades required for a project of this size, Whitemud Resources realized early in the process that they had to strive to make a positive difference in the communities in and around the Wood Mountain area. They conducted open houses and information sessions, all with the purpose of developing and maintaining strong working relationships with local communities and local residents. They visited people in the area to discuss the project and to answer questions, all with the purpose of encouraging the free flow of information. With this in mind, Whitemud assembled a group of individuals to represent the concerns of the communities in the area.

The Community Advisory Group is a cross-section of people from all walks of life who bring valuable knowledge of the matters that affect the surrounding area.

With this kaolin deposit and Whitemud's new mining and production facilities currently under construction, Whitemud is Canada's only major manufacturer and supplier of high quality metakaolin and is well positioned to become a leading manufacturer and supplier of metakaolin to the North American concrete market.

For more information regarding Whitemud Resource Inc and their activities in Southern Saskatchewan, please refer to their website www.whitemudresources.com.



Map Courtesy Whitemud Resources Inc.

DID YOU KNOW?

Effective November 2007, similar to other pipelines, TransGas changed its Fuel and Line Loss gas-in-kind percentage on a monthly basis. A new information section of the TransGas website has been developed where the current and historical percentage assessments will be posted.

Statement & Invoicing Project

On October 27th, 2007 TransGas implemented "SIP", its new electronic web application. The application makes it possible for our customers to directly access their monthly Transportation and Storage Statements and Invoices from a secure application on the TransGas website.

This automation was done in response to requests from our customers to provide their information online in a format that they can print, view and download themselves. Up to now, these documents were faxed to customers and were subject to being lost or misplaced. The new system will provide a history of all these documents that can be accessed quickly and efficiently. This not only provides benefit to the customer, it will be a huge process improvement internally.

Within this application customers will have added features such as printing, and downloading to Excel. This application will provide added mobility to customers, enabling them to have secure information available to them wherever they may be working. SIP can provide the information to multiple authorized users. An email notification feature is also available to advise our customers when a statement or invoice has been posted, as well as to provide immediate access to the information.

The success of this project can be greatly attributed to the outstanding efforts of the Customer Services business group and our Information Technology team. Presently, the application is being used internally, and will be available to all customers by January 1st, 2008.



Core team members from left to right: Cindy Walter, Sean Baisley, Shelley Chadwick, Roger Read, Priscilla Bird, William Crook, Janis Fiedelleck, Darcy Krett, Darlene Exner (missing Frank Verhelst)

Engineering fun for kids— TransGas style

Today’s summer camps aren’t just about roasting marshmallows, hiking and singing songs around the fire. For more than 40 girls from Regina elementary schools, camp was about science, thanks to some university Engineering students and TransGas employees.

During the 2007 EYES (Educating Youth in Engineering and Science) Camp in July, these kids visited TransGas to learn what our company does and how someday they could join our organization. The tour was led by Jill Schmeltzer, Reagan Turnbull and Megan Lyster, young TransGas engineers who

volunteered to help show these students how exciting and challenging a career in engineering can be.

The morning started off in Gas Control with an explanation of our transmission system. Afterwards, participants heard about what Jill, Reagan and Megan do in their daily jobs with the company. The highlight of the event was the special mock safety exercise where the kids had to determine a way to safely remove a hazardous substance from a confined area. This taught the girls the importance of teamwork, creativity and persistence – great qualities to have when you’re an engineer!



(l. to r.) Reagan Turnbull, Jill Schmeltzer and Megan Lyster

Holiday Greetings from Debbie Brown Vice-President Marketing Service & System Management



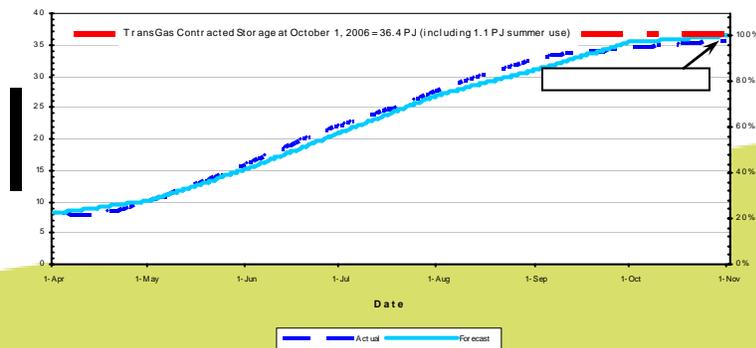
It is at this time of year when, corporately we pause to reflect upon the year's accomplishments and set our objectives for the coming year. At TransGas, while we recognize this year has not been without its challenges for the natural gas industry, we are optimistic for the future. As well, in your personal lives I hope that you can take the time to pause during this holiday season to reflect upon what is important in your life as you make your personal plans for 2008. On behalf of all of TransGas I want to wish you all the very best in 2008 and look forward to a very successful 2008.

TransGas Storage Update

As of November 15 TransGas storage customers have a total inventory in storage of 36.1 PJ, or 99 % of full based on current total contracted storage of 36.4 PJ. All of the TransGas 8 storage locations are full as of November 15, with the exception of Asquith cavern #4 which is projected to be full mid- December. Below is a graph of the inventory in TransGas storage during the past summer.

TransGas successfully completed over 150 outages this year, with the majority related to the TransGas pipeline integrity program. These outages were completed with minimal customer impact. A few planned outages remain to be completed this winter, and will be managed with no customer impact. TransGas storage and transmission facilities are now ready for the 2007/08 winter operation.

TransGas Storage Customer Inventory - Actual and Forecast
At October 31, 2007



Saskatchewan's Hot Economy Keeps TransGas Busy

Saskatchewan's economy is booming and TransGas is feeling the effects of increased activity in the energy, industrial and residential sectors. Drilling for natural gas and oil remains strong in the province, keeping TransGas busy with receipt tie-ins and the construction of new delivery points. We are also pleased to see natural gas exploration companies showing increasing interest in parts of Saskatchewan that are not traditional areas for natural gas production. TransGas has received several requests for quotations to provide pipeline infrastructure in the east and north east areas of the province.

The oil and gas sector is a large part of what is driving Saskatchewan's economy. This results in the creation of more jobs. The high demand for skilled people, combined with Saskatchewan's affordable housing and high quality of life, is attracting increased numbers of people to Saskatchewan and is actually resulting in more people moving to

Saskatchewan from Alberta, than vice versa. Saskatchewan's population grew by more than 2200 people in the first quarter of 2007. This represents the largest growth in one quarter since 1985.

There are 4600 housing starts projected for this year compared to 3700 in 2006. All this activity is keeping SaskEnergy, the province's local distribution company, extremely busy putting in natural gas distribution infrastructure to new communities throughout the province. TransGas, although not directly involved in distribution, is affected by this activity as engineering, and construction resources are in high demand.

There are also exciting opportunities for new industries such as ethanol and bio fuels. Saskatchewan has 3 ethanol plants currently in production and TransGas continues to have discussions with several companies that have expressed interest in having natural gas service brought into as many as 5 additional plants at various locations throughout the province.

Saskatchewan's Hot Economy Keeps TransGas Busy

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Expansions for delivery service are also underway or being considered for various companies involved in manufacturing and mining. One such company is Whitemud Resources Inc., a kaolin manufacturing facility currently being constructed in the south central part of Saskatchewan. The mining and refining of this product is entirely new to our province and shows great potential as a successful new industry for Saskatchewan. TransGas is in the final stages of building a natural gas pipeline to the plant located near the town of Wood Mountain in the south central part of the province (see our article on Whitemud in this issue).

Saskatchewan's future looks very bright and TransGas is looking forward to meeting the demands for natural gas transportation and storage services in a booming economy.

Liquid and Gas Unite to Make Quite a Substance

What does water and natural gas have in common? For TransGas and SaskWater, it's more than you think. In June the two companies announced a new partnership where SaskWater, the provincial water utility, will use TransGas' SCADA (Supervisory Control and Data Acquisition) technology to remotely monitor 33 water facilities in Saskatchewan.

TransGas provides safe and reliable service to its customers by remotely monitoring and controlling more than 500 natural gas facilities across the province through SCADA. SCADA can also process and validate daily measurement data at natural gas receipt and delivery points anywhere on the system, giving TransGas real-time information about its pipeline system's performance.

SCADA technology is a perfect fit with SaskWater's needs, and the expertise of TransGas employees will also bring great benefits. According to TransGas Vice President Debbie Brown, "Considering the importance of this technology and our success in using it to monitor our facilities, we're happy to leverage SCADA with SaskWater and help the company enhance its service."

LEADERSHIP ROLES CHANGE AT TRANSGAS

Daryl Posehn, formerly Senior Vice President of TransGas has taken the opportunity to head up the Gas Supply and Business Development area of our parent company, SaskEnergy. Taking over Daryl's former responsibilities are Phil Sandham and Debbie Brown. Phil is now Vice President Operations and Engineering and Debbie is Vice President Market Services and System Management. Both Phil and Debbie have come into their senior positions after having held positions of increasing responsibility in the company during their lengthy careers at TransGas.

Chris Uhren, has moved into the position of Director, Customer Services and Darlene Exner now assumes Chris' former role as Key Account Manager. Darlene has had a lengthy career with TransGas, most recently she held the position of Manager, Electronic Business Systems. Shelley Chadwick has now assumed the former responsibilities of Darlene and looks forward to serving the e-business needs of our customers.



Debbie Brown, VP Marketing Services and System Management



Phil Sandham, VP TransGas Operations and Engineering



Darlene Exner,
Key Account Manager



Shelley Chadwick, Manager
Electronic Business Systems



Chris Uhren, Director
Customer Services