TransAlta™

Building powerful and sustainable earnings

EEI 42nd Financial Conference

November 6, 2007

Ready

Strong business model.

Diversified generating assets.

Technical and commercial expertise.

Environmental leadership.

Financial discipline.

Brian Burden

Executive Vice President &

Chief Financial Officer

Forward looking statements

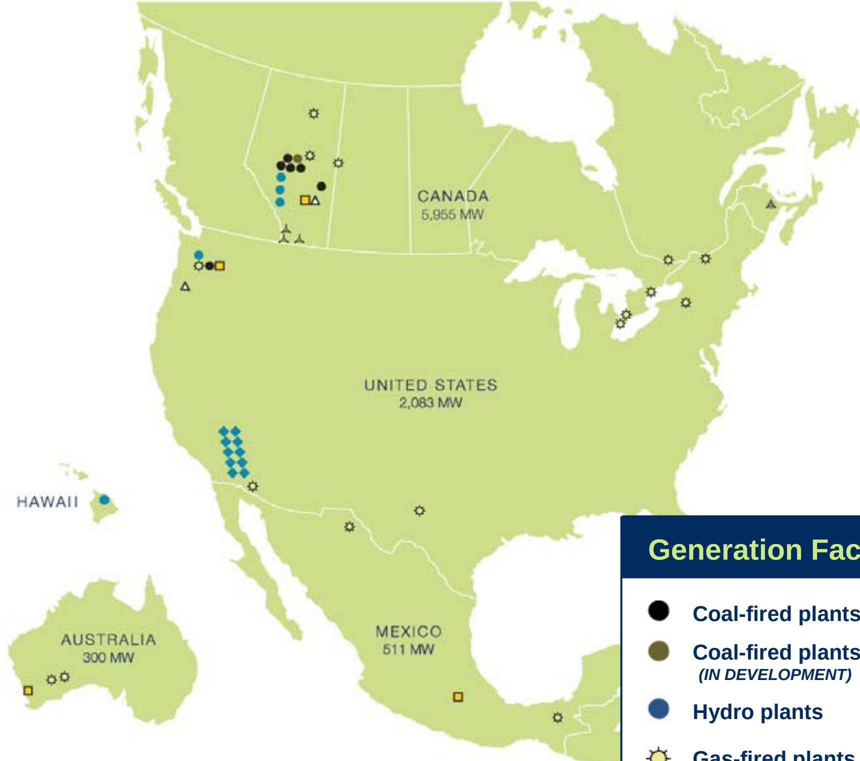
This presentation may contain forward-looking statements, including statements regarding the business and anticipated financial performance of TransAlta Corporation. All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. These statements are not guarantees of our future performance and are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Some of the factors that could cause such differences include cost of fuels to produce electricity, legislative or regulatory developments, competition, global capital markets activity, changes in prevailing interest rates, currency exchange rates, inflation levels, unanticipated accounting or audit issues with respect to our financial statements or our internal control over financial reporting, plant availability, and general economic conditions in geographic areas where TransAlta Corporation operates. Given these uncertainties, the reader should not place undue reliance on this forward-looking information, which is given as of this date. The material assumptions in making these forward-looking statements are disclosed in our 2006 Annual Report to shareholders and other disclosure documents filed with securities regulators.

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

Outline

- TransAlta Overview
- Industry Positives and Challenges
- Our Sustainable Business Model
- Capital Allocation Plans
- Value Proposition

Canada's leading wholesale power generator and marketer



QUICK FACTS

Listed: TSX:TA / NYSE: TAC

Enterprise Value: $9.2 B

Market Cap: $6.7 B

Crediting Rating: BBB/Baa2

Installed Capacity: 8,500 MW

Operating regions: four

Employees: 2,100

History:

1907 - 1999 - integrated utility

2000 - 2003 - unbundling of retail and distribution

2001 - Alberta power industry deregulation

2004 to present - competitive wholesale generator

Generation Facilities	Owned
Coal-fired plants	4,924 MW
Coal-fired plants *(IN DEVELOPMENT)*	225 MW
Hydro plants	807 MW
Gas-fired plants	2,464 MW
Wind-powered plants	152 MW
Wind-powered plants *(IN DEVELOPMENT)*	96 MW
Geothermal plants	163 MW
Corporate offices	
Energy Marketing offices	

Industry outlook: Fundamentals indicate time to build but uncertainty exists

Positives

- Real rising prices – 1st in 10-yrs
  - Supply shortages
  - Transmission constraints
  - Rising replacement costs
  - Environmental compliance
- Capacity growth
  - Greenfield needed
  - Renewable portfolio standards and targets in 10 provinces and 22 states
- Transmission growth – 1st in 10-yrs

Challenges

- Strengthening regulatory oversight
  - Hybrid markets continue
- Environmental uncertainty
  - All fuels but particularly fossil
- Technology uncertainty
  - Which CO_2 tech. is the best
- LNG and natural gas
  - Volatility/security/price
- Asset cycles vs. credit cycle
  - Capital intensive, long-cycle business
  - Shorter credit cycles

Strong Business Model + Operating Excellence + Financial Strength = Success

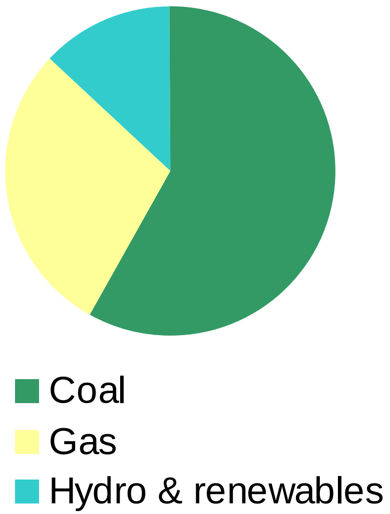
Business model designed to succeed in long-cycle, capital intensive, commodity business

TransAlta™

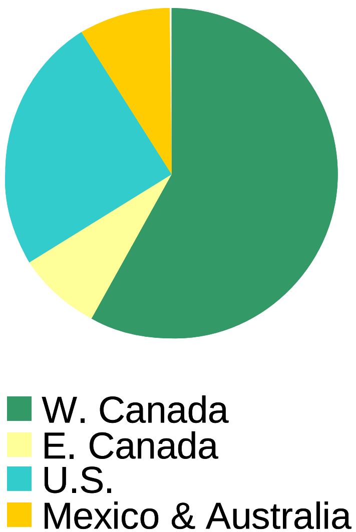
Diversified Assets	Operational & Technical Excellence	Portfolio Management	Environmental Leadership	Financial Strength
• Fuels • Locations • Age • Merchant, long-term contracts, regulated	• Top quartile availability & reliability • Capital efficiency through life-cycle planning • Low cost fuel	• Contracting & optimization • Active management to maximize long-term returns	• Policy development • Technology investment • Offset trading	• Conservative balance sheet • Solid investment grade ratios • Sufficient liquidity to sustain credit & commodity cycles

Unique, diversified, highly contracted portfolio

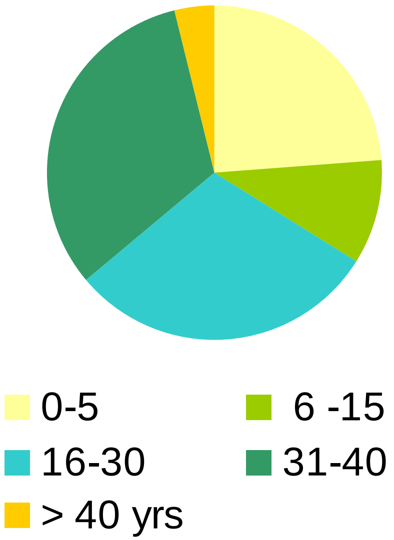
Fuel Type Diversification[1]



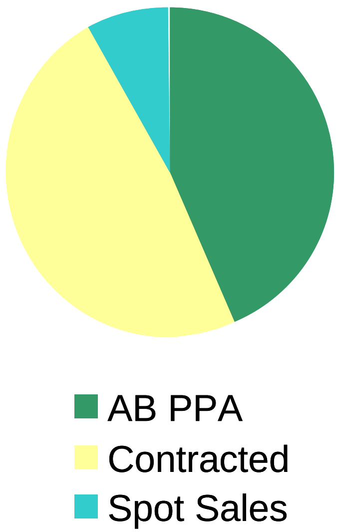
Geographic Diversification[1]



Fleet Age[2]



Contract Cover[3]



1. Calculation based on MW ownership at Sept. 30, 2007. Net capacity equals ~8,500 MW
2. Based on date of commissioning and percentage ownership at Sept. 30, 2007
3. Based on % of MW capability contracted at Sept. 30, 2007

PPA- A long term arrangement established by regulation for the sale of electricity energy from formerly regulated generating units to PPA buyers

Contracted- Any forward sale transacted prior to entering the delivery month

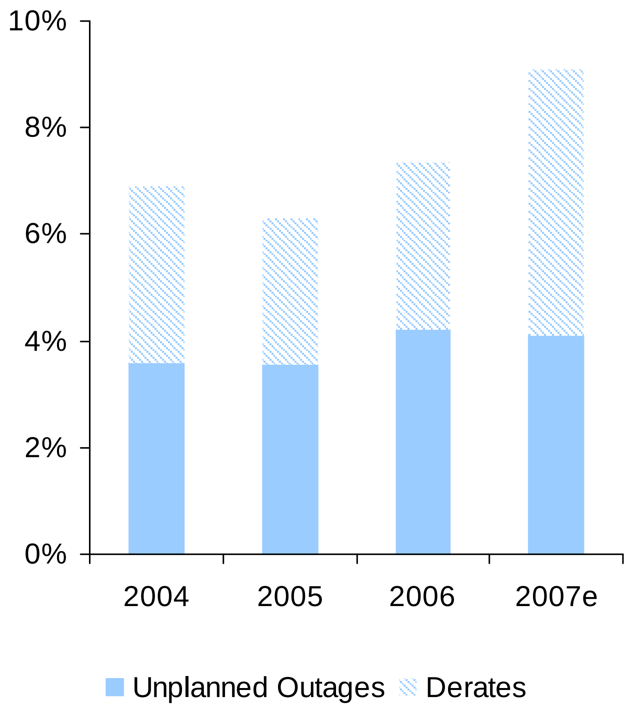
Spot- Un-contracted at this point in time

Operational excellence a key priority

Availability and Major Maintenance

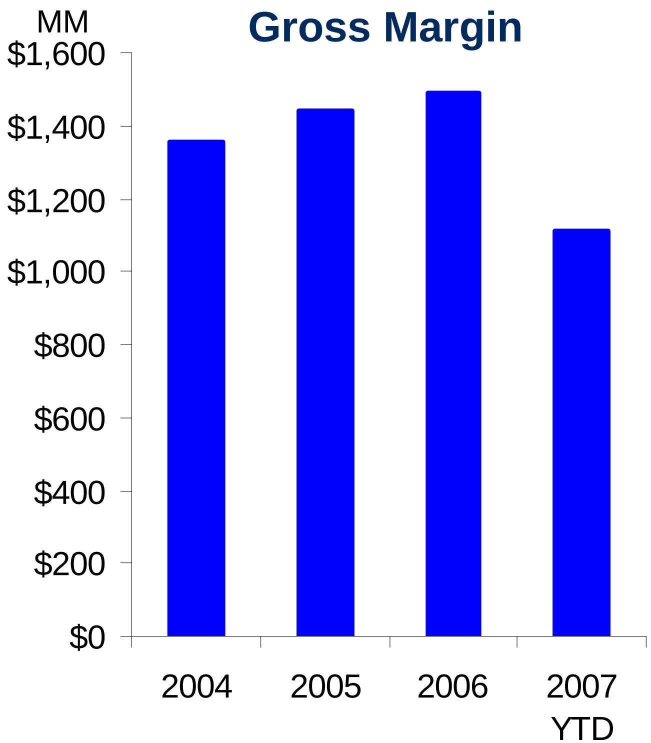
OM&A (Per installed MWh)

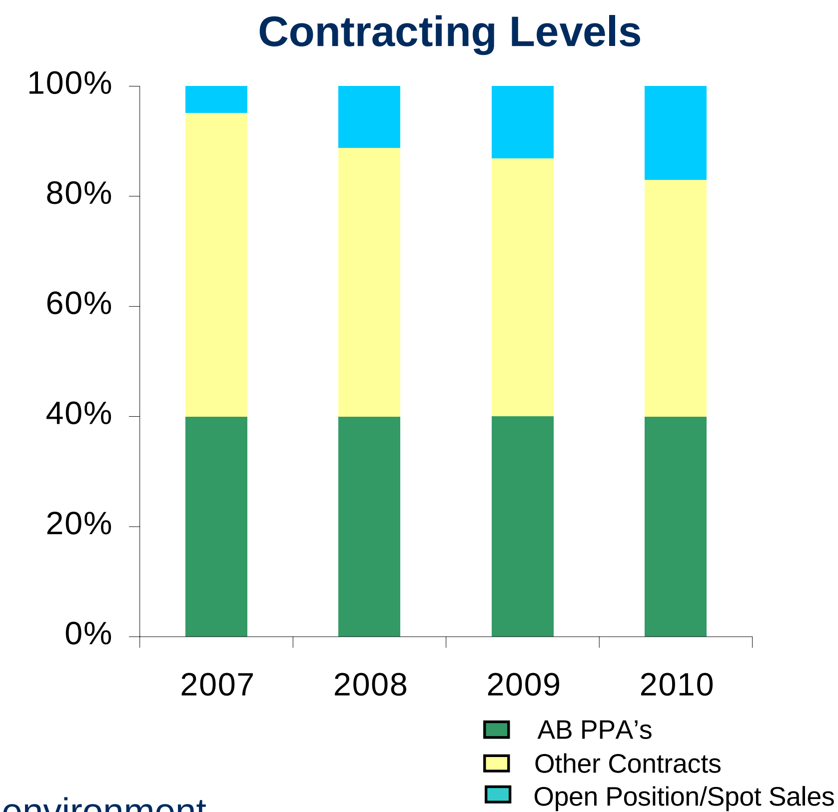
Reliability – Unplanned Outages & Derates



*2007E is based on Sept. 30, 2007 current estimate

Contracting and optimization has enhanced financial stability and increased gross margin





- Increased gross margin driven by favorable contracting environment
- Objective is to contract at least 75% of plant capability for greater than one year
- Current contracting levels:

  ~ 95% in 2007

  ~ 86% in 2008 - 2010
- Recontracting plans have specific regional and asset targets to achieve balance between cash flow stability and capture of near- term market opportunity

Ownership and control of long-term and low-cost coal

Alberta Coal Mines

- Prairie mines - estimated 80 years of coal supply
  - **Highvale mine** - serves Sundance and Keephills plants
  - **Whitewood mine** - serves Wabamun plant
- Fuels 100% of requirements or ~15 MM tons/yr
- No processing required
- Btu content: ~7,500 - 8,500/lb
- Sulphur content: ~0.2 - 0.3%

Powder River Basin Supply Contracts

- Long-term transportation contract w/BNSF Railway
- Coal contracts w/ Rio Tinto Energy America and Peabody Energy
- Fuels Centralia coal-fired asset requirements
- Btu content: ~8,000 - 8,800/lb
- Sulphur content: ~0.2 - 0.6%

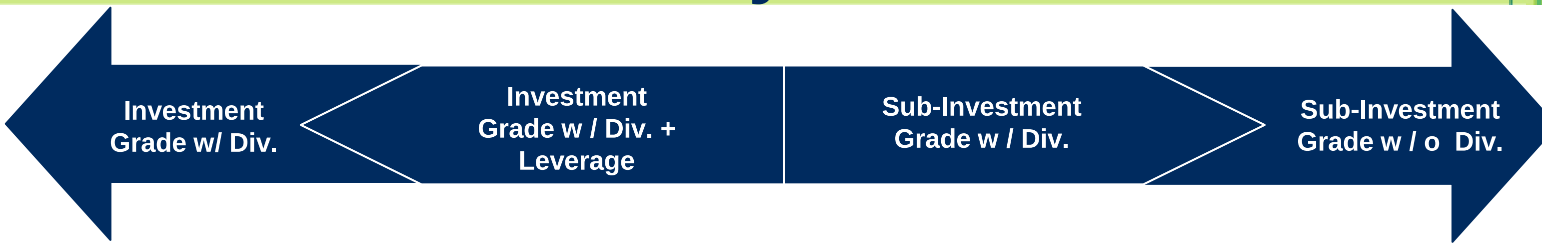
Recognized environmental leader

Multi-pronged approach delivers meaningful emissions reductions over time

Tactic	Action
Policy Work Pro-active issues management	Active at the provincial, state and federal levels Protection under Alberta PPAs
Procurement of Offsets Important bridging measure	Early acquirer of international and domestic instruments
Improvement in Plant Efficiency Opportunistic with plant maintenance	Heat rate improvements achieved
Investment in Renewables Steady growth	• Canada's largest wind generator • Ownership of Salton Sea geo-thermal assets
Adoption of Breakthrough Technology Key to significant emission reductions	• SO2 scrubbers at Centralia • Testing activated carbon mercury control technology • Investigating CO2 capture and sequestration options

Dow Jones Sustainability Indexes
Member 2007/08

Financial flexibility critical to sustainability through market and credit cycles

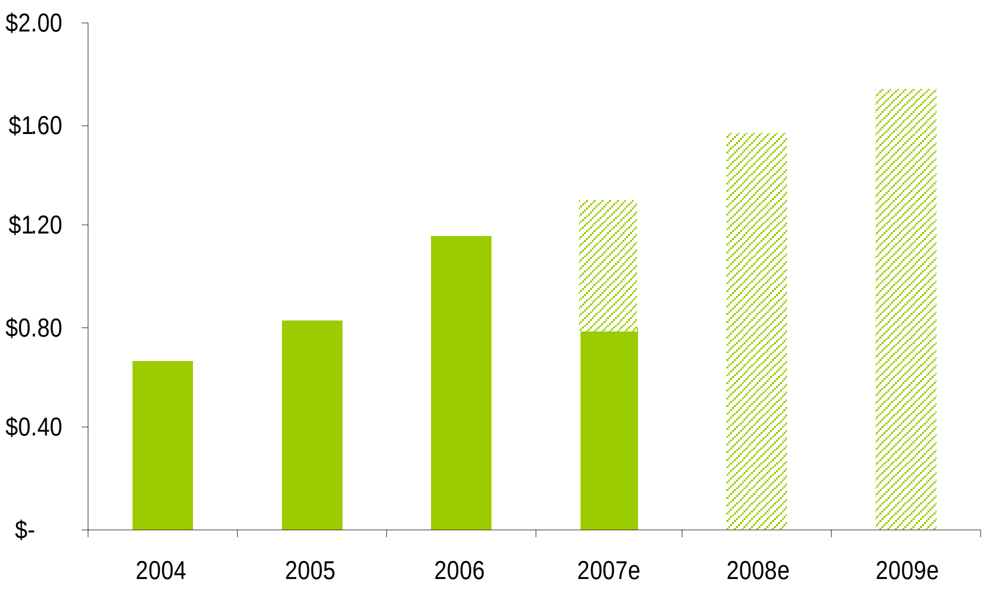


Criteria	BBB/Baa2	BBB-/Baa3	BB+/Ba1	BB/Ba2
Cost of debt	**T+ X**	BBB + 15 bps	BBB + 50 bps	BBB + 65 bps
Collateral requirements	**Minimal**	Minimal	Medium	Medium
Liquidity	**High**	High	Medium	Medium
Leverage	**Conservative**	Balanced	High	Max
Flexibility	**Highest**	Moderate	Minimum	Limited

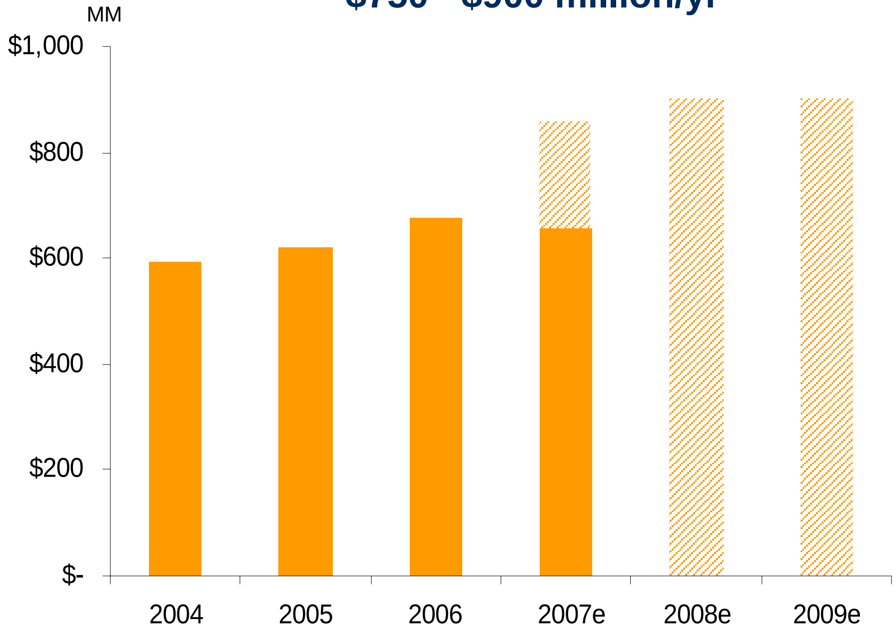
Positioned to deliver double digit EPS and cash flow growth 2007- 09

Expectations of higher prices in Alberta and PNW, and increased production at Centralia drive growth in EPS and cash flow estimates

Consensus comparable EPS growth estimates



Cash flow from operations estimates $750 - $900 million/yr



1. Assumes avg AB prices $65-75/MWh; PNW $55-65/MWh
2. 2006 CF includes $185 million receivable received on Jan. 2, 2007 due to timing of collection of November sales

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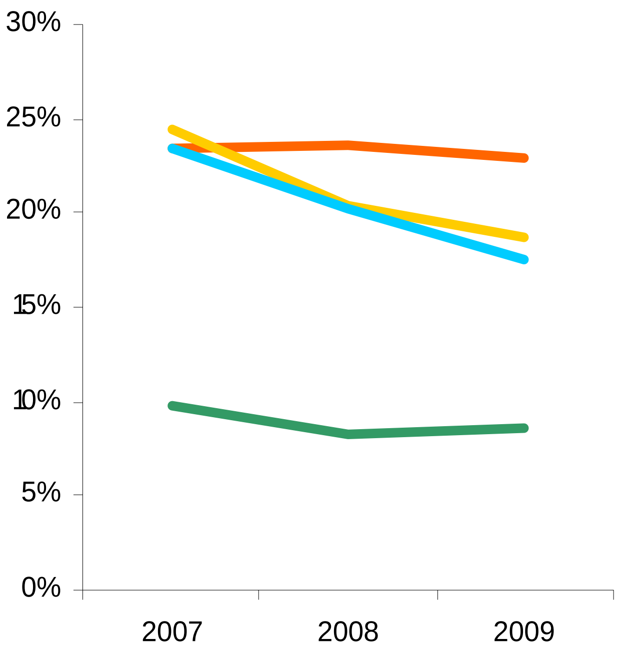
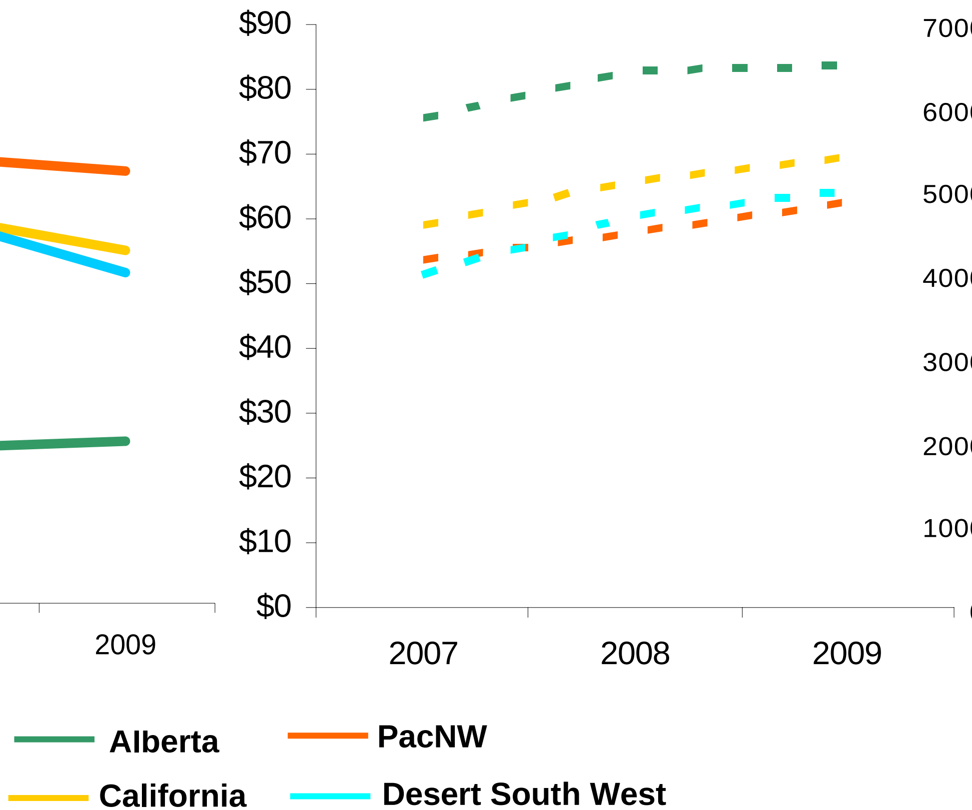
Alberta and PNW fundamentals support financial expectations

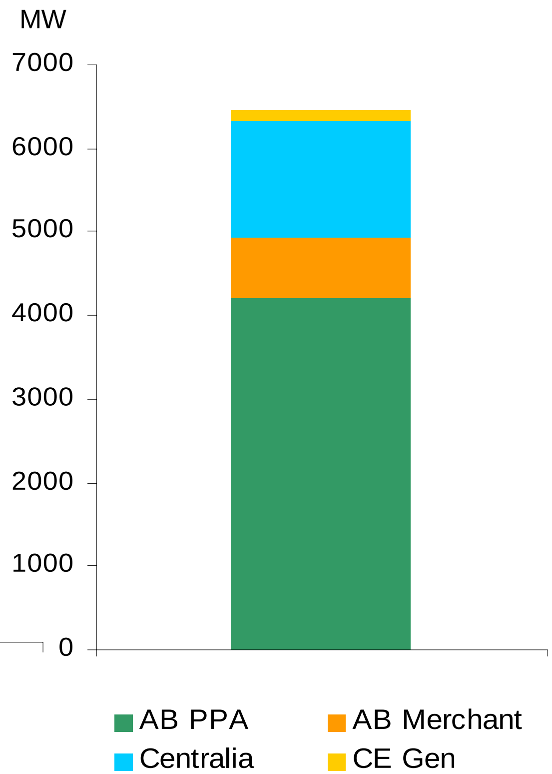
Reserve Margin[1&2]



Average Forward Market Prices[1&3]



Western Market Exposure



1. Based on data from PIRA and CERA
2. Assumes normal hydro
3. Forward prices as of Sept. 30, 2007

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Centralia expected to be among top performing assets by 2010

2007- 2009 Centralia plant transition plan

- **Restores annual production to 10,500 GWh and provides long-term fuel flexibility**
- $45 - $50 MM investment in rail & coal unloading facilities
  - Plan accelerated for completion early 2008
- $140 - $150 MM investment in adaptation of coal plant
  - Plan incorporates seven months of test burn results
  - Scope includes safety and heat transfer equipment
  - Work to be completed first halves of 2008 and 2009
- Expected production
  - 2007 ~ 8,300 GWh
  - 2008 – 2009 ~9,200 – 9,500 GWh
  - 2010 ~10,500 GWh

Capital allocation plan balances near- and long-term shareholder value creation

Growth plans and share buyback guided by commitment to maintain investment grade credit metrics

Alternatives	Direction	Action
Debt repayment	Sustain financial flexibility and solid investment grade ratios	• BBB/Baa2 ratings • Extended $1.5 billion committed bank line for 5 yrs
Reinvest	Target of 5% per year (~400 MW) with mix of:	**Announced $1.0 billion to date**
	Greenfield @ 9 – 15% IRR	• 225 MW Keephills 3 $780 MM[1] • 96 MW Kent Hills $170 MM
	Brownfield @ 15%+ IRR	• 53 MW Sun 4 uprate $ 55 MM
	Acquisition @ 9 – 12% IRR	Targeting W. U.S. and W. Canada
	Divestiture of non-core assets	TBD
Dividend	Provide shareholders yield	Board dividend policy TBD
Share buy-back	Provide shareholders incremental return of capital	• NCIB expanded to 10% • 903,600 purchased YTD at ~$29.65

1. Keephills 3 estimate corrected; $870MM previously printed was due to error in transposed value

Sustainable shareholder returns in a long-cycle, capital intensive, commodity power industry

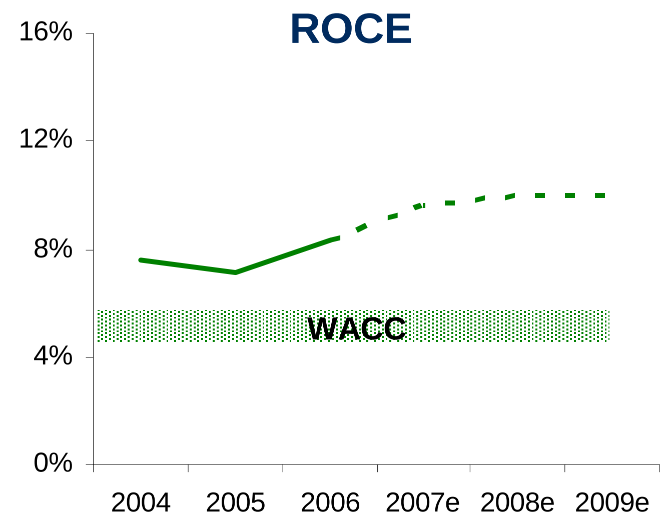
Shareholder Value Proposition

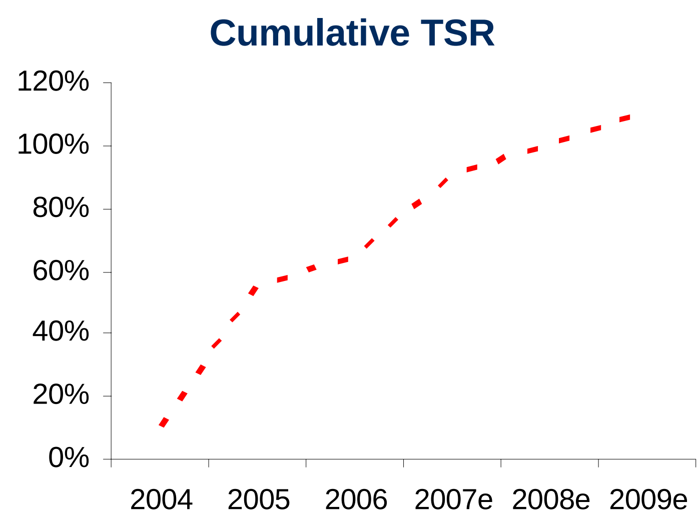
Exposure to Growing Power Markets
Good assets in growing markets

Low to Moderate Risk Business Model
Diversified fleet
Mix of contracts
Operational excellence
Portfolio management
Environmental leadership

Yield & Growth
Dividend + earnings growth

Financial Flexibility
Strong balance sheet
Good liquidity
Solid investment grade credit ratios
Stable investment grade ratings





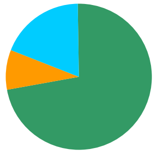
APPENDIX

Regional Portfolio as of Sept. 30, 2007

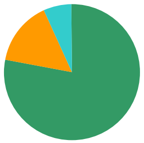
Fuel Diversification | Contract Cover | Market Portfolio

Western Canada

4, 937 MW



Coal
Gas
Hydro & Renewables

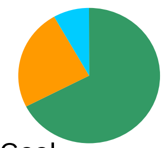


PPA
Merchant
LTC

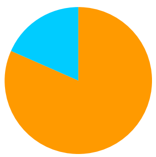
Alberta:
- Small deregulated market, limited transmission access
- Market Size of Supply = 11,600 MW
- Projected demand growth = 2.8%
- Reserve margin = 9.8 % incl. imports & hydro
- Dominate generation type = coal
- Growth drivers: oilsands, regional economic expansion

U.S.

2, 083 MW



Coal
Gas
Hydro & Renewables

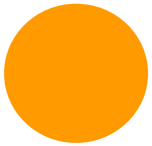


Merchant
LTC

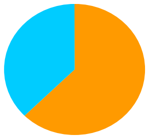
Dominated by Centralia in Pacific Northwest
- Large, hybrid market, linked to Cdn and WECC markets
- Market Size of Supply = 42,300 MW
- Projected demand growth = 1.7%
- Reserve margin = 21.7% (normal hydro)
- Dominate generation type = hydro
- Growth drivers: economic expansion, renewable mandates

Eastern Canada

697 MW



Gas

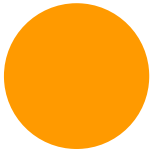


Merchant
LTC

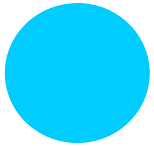
Ontario
- Large, managed market
- Market Size of Supply = 30,600 MW
- Projected demand growth = 1.0%
- Reserve margin = 19.0%
- Dominate generation type = nuclear
- Growth drivers: replacement of coal generation, demand for energy, capacity and ancillary services

International

811 MW



Gas



LTC

Australia:
- Small, regulated market
- Market Size of Supply = 3,800 MW
- Projected demand growth = 2.6%
- Reserve margin = 13.0%
- Dominate generation type = coal
- Growth drivers: Asian industrial growth driving mine expansions

Mexico:
- Large, fully regulated market
- Market Size of Supply = 49, 209 MW
- Projected demand growth = 4.9%
- Reserve margin = 18.0%
- Dominate generation type = natural gas and fuel oil
- Growth drivers: economic expansion

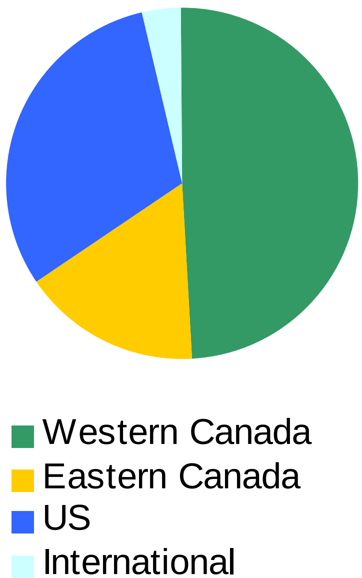
Total 8, 528 MW*

*Based on net ownership interest which includes Sun 4 uprate

Earnings segmentation – Q3 2007 YTD

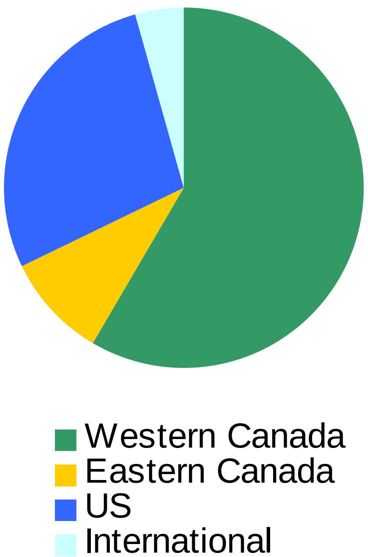
Revenue

$1, 992 million



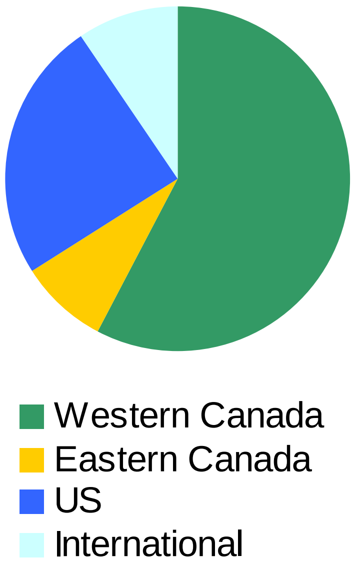
Gross Margin

$1, 109 million



MW

8, 528



- Western Canada and the U.S. generate approximately 75% of revenue and more than 80% of gross margin

Projects announced

Kent Hills Wind Facility, New Brunswick

- Greenfield development
- Announced Jan. 19, 2007, amended July 17
- Awarded 25-year PPA to provide 96 MW of wind power to New Brunswick Power
- TA will construct, own and operate new facility
- Est. $170 MM capital investment
- Construction start: Q1 2008
- Commercial start: Q4 2008

Sundance 4, Alberta

- Brownfield expansion
- 53 MW uprate
- Est. $50 - $55 MM capital investment
- Construction start: Q4 2006
- Commercial start: Q3 2007
- Merchant capacity

Projects announced

Keephills 3, Alberta

- 450 MW Brownfield expansion on TA site
- Supercritical facility utilizing the same technology currently in operation at the Genesee 3 facility – only second plant in Canada
- 50:50 JV with EPCOR
- TransAlta and EPCOR will independently dispatch and market their own share of electrical output
- Est. $1.6 B total capital investment (including $160 MM of mine capital)
- Construction start: Q1 2007
- Commercial start: Q1 2011
- Merchant capacity, replaces production from retiring Wabamun facilities

Advantages of Keephills 3 Technology

- The plant will emit 24% less carbon dioxide (CO2) in producing the same amount of power as the four obsolete Wabamun units being fully retired by 2010
- Emissions of sulphur dioxide (SO2), nitrogen oxides (NOx) and mercury (Hg) will each be reduced by 60 to 80% in comparison to power produced by the four Wabamun units

Financial objectives and measures – updated

Objectives	Measures	2007 Goals	Q3 YTD '07	Q3 YTD '06
Deliver long-term shareholder return	TSR ROCE[1] (annualized)	10% ~10%	36.2% 9.0%	7.3% 9.9%
Increase comparable earnings per share	Comparable EPS	Revised to low double digit[2]	$0.80	$0.71
Increase operating cash flow	Operating cash flow	Revised to $750 - $850 MM[3]	$655 MM	$412 MM
Maintain strong financial ratios	Credit ratios	Investment grade	Investment grade	Investment grade
Improve productivity	OM&A/installed MWh	Offset inflation	$6.20	$6.41
Grow capacity profitably	Installed capacity	Increase ~5%/yr	~4%[4]	Flat

1. Return on capital employed (ROCE) = earnings before non-controlling interests, income taxes and net interest expense/average annual invested capital.
2. Goal increased from original 6% - 10% target
3. Goal increased from original $650 - $750 MM target
4. Based on announced projects

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Operating objectives and measures

Objectives	Measures	2007 Goals	Q3 YTD '07	Q3 YTD '06
Maintain targeted availability	Fleet availability	90%	85.6%	88.6%
Contract plant output	Contracted output > one year	>75%	94% [1]	94%
Increase gross margin	Margin	Increase	$1109.1 MM	$1087.0 MM
Make sustaining capex predictable	Sustaining capex budget	Revised to $350 - $370 MM[2]	$237 MM	$116MM
Improve workplace safety	Target Zero (0 IFR/yr)	1.76 IFR/yr	2.23 IFR/yr	N/A
Reduce environmental footprint	Emissions reductions	< emissions intensity	Compliance in all markets	Compliance in all markets

1. At Sept. 30, 2007, 95% of plant capability in 2007 and 89% in 2008 was contracted through short, medium and long-term arrangements. At YE 2006, ~ 81% of contracts were for terms greater than one year
2. Goal increased from original $320 - $345 MM target to incorporate Centralia Coal transition plan and accelerated construction of rail and coal unloading facilities
3. IFR – Injury Frequency Rate per 200,000 man-hours

Strong credit ratios indicative of commitment to remaining investment grade

Financial ratios[1]	Q3'07	2006	2005	2004
Cash flow to interest (x)	6.0	5.5	4.6	4.1
Cash flow to total debt (%)	28.8	26.1	23.0	18.5
Debt to total capital (%)	47.6	40.9	43.3	47.4

1. Financial ratios presented are annualized

Continued improvements at Centralia increase comparable earnings per share

Results	Q3'07	Q3'06	YTD '07	YTD '06
Comparable earnings (MM)	$63.6[1]	$35.3	$161.7	$141.8
Net earnings (MM)	$65.9	$35.3	$179.3	$190.9
Per share				
Comparable earnings	$0.32	$0.18	$0.80	$0.71
Net earnings	$0.33	$0.18	$0.88	$0.95
Dividends	$0.25	$0.25	$0.75	$0.75
Cash flow from Operations (MM)	$155.3	$144.8	$654.7	$411.9
Free Cash Flow (MM)	$45.7	$10.5	$202.1	$62.3
Availability (%)	85.1[1]	84.1	85.6[1]	88.6
Production (GWh)	12,761	12,420	36,955	34,915

1 Adjusting for derates at Centralia related to the coal transition plan, availability would be 87.3% in Q3 and 89.3% YTD

Generation gross margins increase drives results

Net Earnings	3 mo. Ended Sept. 30	9 mo. Ended Sept. 30
Net Earnings, 2006[1]	$35.3	$190.9
Increase in Generation gross margins (before mark-to-market loss)	19.5	68.0
Decrease in Generation mark-to-market loss	7.1	(32.9)
(Decrease)/Increase in CD&M margins	(5.0)	(13.0)
Decrease/(Increase) in operations, maintenance and administration costs	4.7	(1.4)
Decrease in depreciation expense	4.1	8.5
Gain on sale of Centralia mining equipment	3.4	15.1
Decrease in net interest expense	19.0	24.5
Increase in equity loss	(1.8)	(13.8)
(Increase)/Decrease in non-controlling interest	1.0	2.1
Increased income tax expense	(19.7)	(73.6)
Other	(1.7)	4.9
Net Earnings, 2007	**$65.9**	**$179.3**

1 TransAlta adopted the standard for stripping costs incurred in the production phase of a mining operation on Jan. 1, 2006

Comparable earnings

	3 mo. Ended Sept. 30, 2007	3 mo. Ended Sept. 30, 2006	9 mo. Ended Sept. 30, 2007	9 mo. Ended Sept. 30, 2006
Earnings on a comparable basis	$ 63.6	$35.3	$161.7	$141.8
Sale of assets at Centralia	2.3	-	9.9	-
Tax rate change	-	-	7.7	55.3
Turbine impairment, net of tax	-	-	-	(6.2)
Net (loss) earnings	**$ 65.9**	**$35.3**	**$179.3**	**$ 190.9**
Weighted average common shares outstanding in the period	**202.8**	**201.1**	**202.6**	**200.3**
Earnings on a comparable basis per share	**$ 0.32**	**$0.18**	**$0.80**	**$ 0.71**

Free cash flow

	Q3 ‘07	Q3 ‘06	YTD ‘07	YTD ‘06
Cash flow from operating activities	$155.3	$144.8	$654.7	$411.9
Add/(Deduct):				
Sustaining capital expenditures	(116.2)	(55.3)	(237.4)	(153.2)
Dividends on common shares	(49.6)	(34.1)	(154.3)	(100.1)
Distribution to subsidiaries’ non-controlling interest	(22.6)	(18.0)	(63.1)	(52.1)
Non-recourse debt repayments	(11.2)	(8.2)	(32.5)	(33.7)
Timing of contractually scheduled payments	87.3	-	-	-
Centralia closure costs	-	-	24.2	-
Cash flows from equity investments	2.7	(18.7)	10.5	(10.5)
Free cash flow	**$45.7**	**$10.5**	**$202.1**	**$62.3**

2007 major maintenance plan

Given scope of work on coal plants, opex will be higher in 2007

$ millions	Coal	Gas and Hydro	Total
Capital expenditures	$60 - $65	$15 - $20	**$75 - $85**
Operating expenditures	$50 - $55	$0 - $5	**$50 - $60**
Total	**$110 - $120**	**$15 - $25**	**$125 - $145**
Lost GWhs	1.900 – 1,950	125 - 150	**2,025 – 2,100**

2007 sustaining capex includes revised Centralia transition plan spend

Centralia plan calls for accelerated construction of coal and rail unloading facilities and advances on materials in 2007

$MM	2007E	Q3'07	Q3'06	YTD'07	YTD'06
Sustaining	$350 - $370	$103	$72	$226	$98
Routine capital	$100 - $105	$18	$10	$59	$23
Mine capital	$75 - $80	$11	$18	$18	$20
Corporate	-	$15	$6	$34	$9
Centralia Fuel Blend	$100 - $105	$32	-	$56	-
Major maintenance	$75 - $80	$26	$38	$58	$46
Growth	$210 - $220[1]	$73	-	$145	$3
Mexico	$2 - $5	-	$(2)	$(1)	$8
Total	$562 - $595	$176	$70	$370	$109

[1] Includes approximately ~$32 million for Kent Hills, ~$37 million for Sundance 4, ~$141 million for Keephills 3

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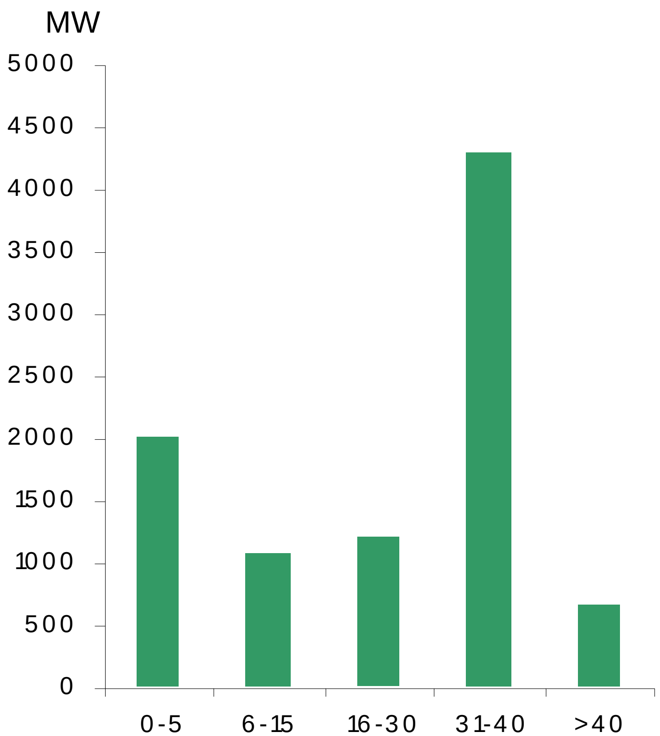
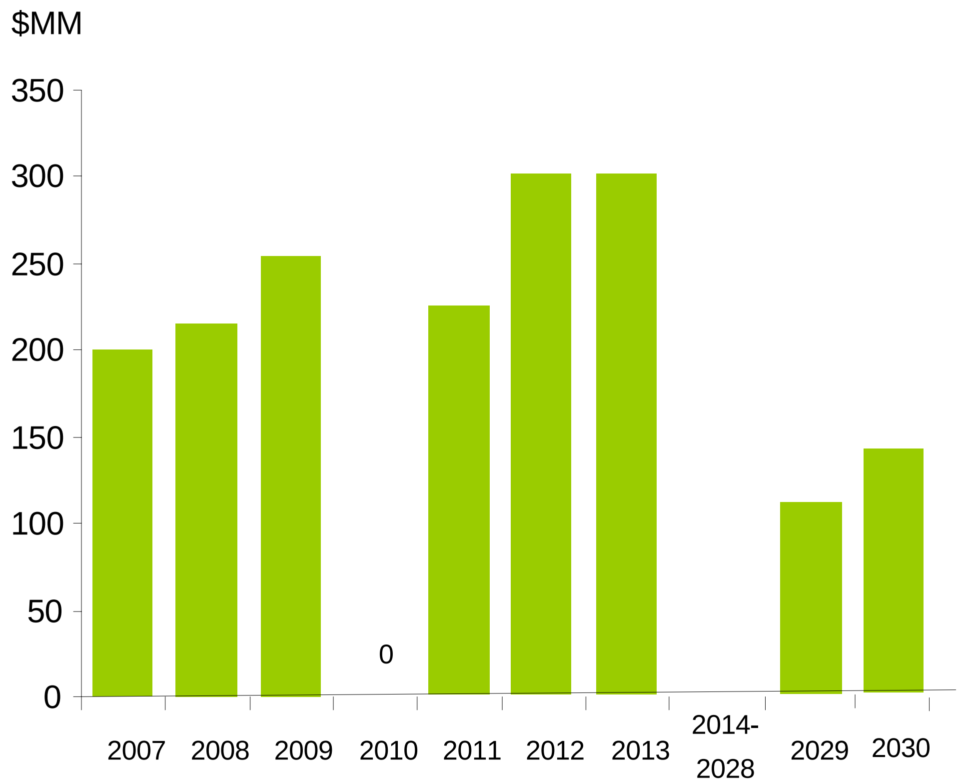
Long-term financing is matched to long-cycle, capital intensive generation investment

Fleet Age[1]

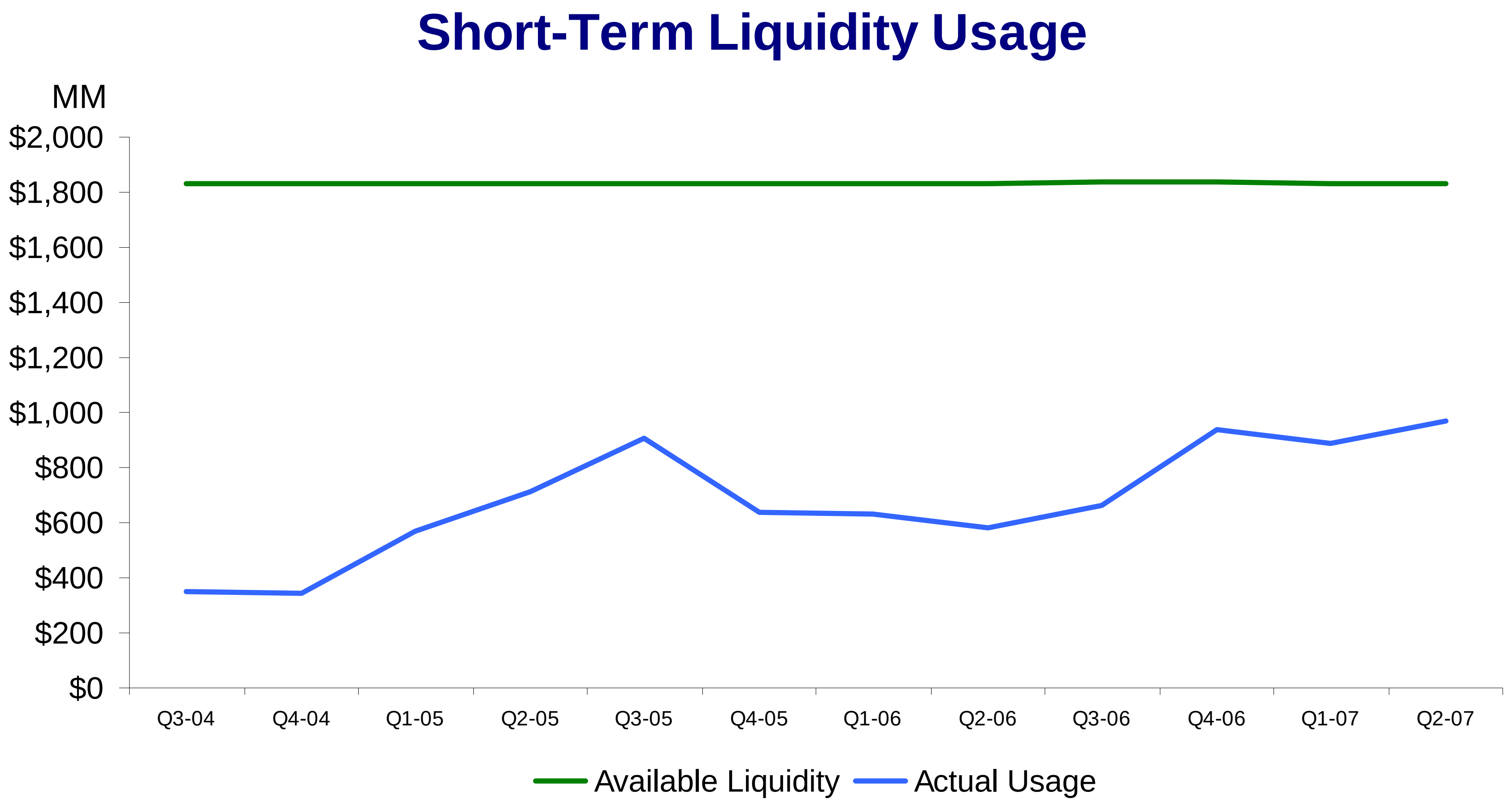


Debt Maturity Schedule[2]



1. Includes K3, Kenthills, and Sundance 4.
2. Excludes non-recourse debt balances of US$332.5MM and CAD$192.1MM with various maturity dates.

Liquidity sufficient to manage through credit and commodity cycles



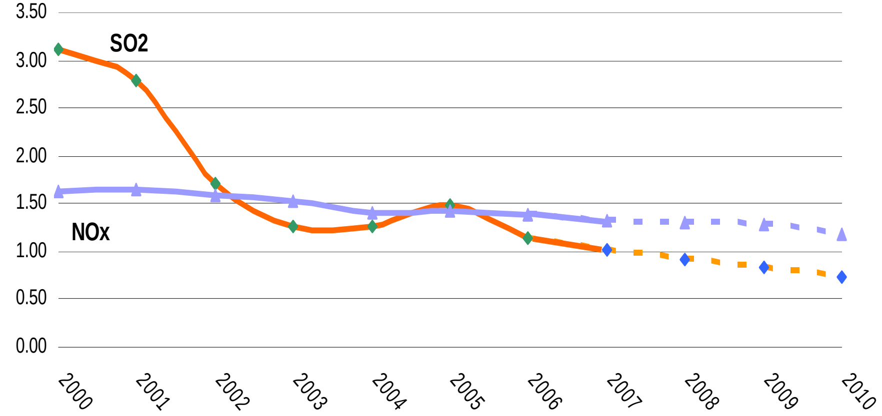
- Available liquidity and demand credit lines total $1.8 billion
- Actual usage is all LCs outstanding plus short term debt, less unrestricted cash

Emissions intensity reductions achieved

- **Policy engagement with government to encourage rational regulations.**
- **Capital planning for the use of technology to meet emission requirements on existing fleet and future fleet design.**
- **Leverage of renewable energy investments to reduce our emissions intensity per MWh.**
- **Applying our energy trading skills to emissions trading in GHG and $S0_2$.**
  - **Leader in carbon trading**
  - **Active in US and Ontario NOx/SO_2 market**

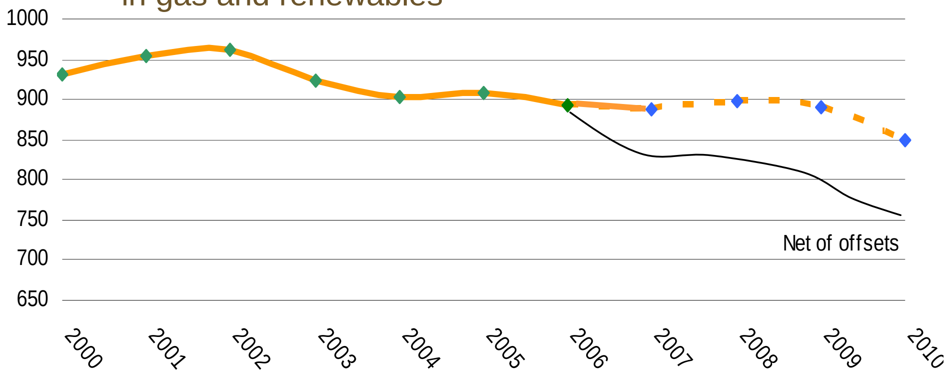
SO2 & NOx EMISSION INTENSITY (kgs/MWh)

- SO2 <42% primarily from Centralia scrubbers
- NOx <21% due to WAB retirement and G3



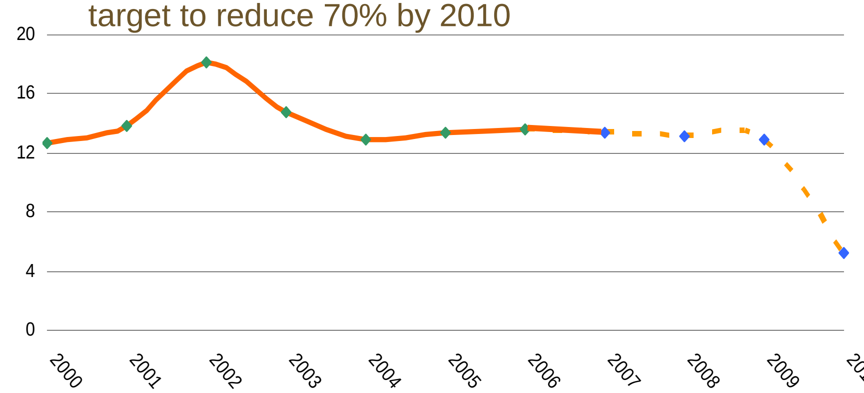
GHG EMISSION INTENSITY (kgs/MWh)

- < 11% since ’90 by retiring WAB 1,2,3 & investment in gas and renewables



MERCURY EMISSION INTENSITY (g/MWh)

- Testing enhanced activated carbon injection, target to reduce 70% by 2010



Alberta Bill 3 effective July 2007

The majority of environmental costs are flowed through to PPA holders under change of law provisions. Alberta consumers' electricity price will reflect higher cost of compliance.

Alberta Climate Change Regulation	Impact on TransAlta
Emissions intensity reduction by 12%; plant-by-plant	Tough standard but achievable over time
Baseline is avg. of emissions from '03 – '05	Nominal value given to early shutdown of Wab 1-3;
Compliance options: • Reductions at the source • Payment into a Technology Fund at a cost of $15/ tonne of emissions over 12% target • Application of emissions offsets from AB market	Annual compliance cost within expectations: • All TA assets before flow thru $45 - 55 MM • TA assets after PPA & contract flow thru $4 - 6 MM
Plants commercially operational after 2000 given an eight-year phase-in period • Three years no reductions • Five years gradual reductions to achieve 12% target	Capital stock turnover will create opportunities Province is the appropriate regulator, well advanced on air pollutant controls Trading expertise could further mitigate costs

Federal proposal requires more expensive compliance options than Alberta plan

Near-term compliance through purchase and trading of offsets and credits. Investment in new technologies key for long-term. Costs increase in 2012 – 2017 period as other pollutant reductions are required.

Compliance Options

2010 - GHG intensity reductions

- Baseline of 2006
- Existing plants: 18% by 2010 +2%/yr 'til 2020
- New plants: 3 yrs at zero, then increasing 2%/yr 'til 2020
- 2020: 20% absolute reduction
- 2050: 70% absolute reduction

2012 – 2015 - Other CDN-wide emission reduction

- SO_2: 55% absolute reduction
- NOx: 40% absolute reduction
- Volatile compounds: 45% absolute reduction
- Particulates: 20% absolute reduction
- Details on regulation have yet to be determined

Preliminary Cost Estimates

Annual Compliance Costs	2007 - 2011	2012 - 2017
All TA assets before PPA and contract pass through	~$65 million	~$270 million
Range	$30 - 100 million	$190 - 355 million
TA assets after PPA and contract pass through	~$7.5 million	~$30 million
Range	$3 - 11 million	$16 - 40 million

1. Annual compliance costs estimates are preliminary and intended to be indicative of future costs. Assumptions used to derive estimates were based upon expected emissions, Alberta GHG legislation, the proposed Federal gov't clean air act targets and compliance costs. GHG compliance options include: capped technology fund, capped int'l offsets, domestic offsets, and credits from industrials below target. SO_2 and NOx compliance options include: cap and trade system and control technology such as scrubbers and SCRs.

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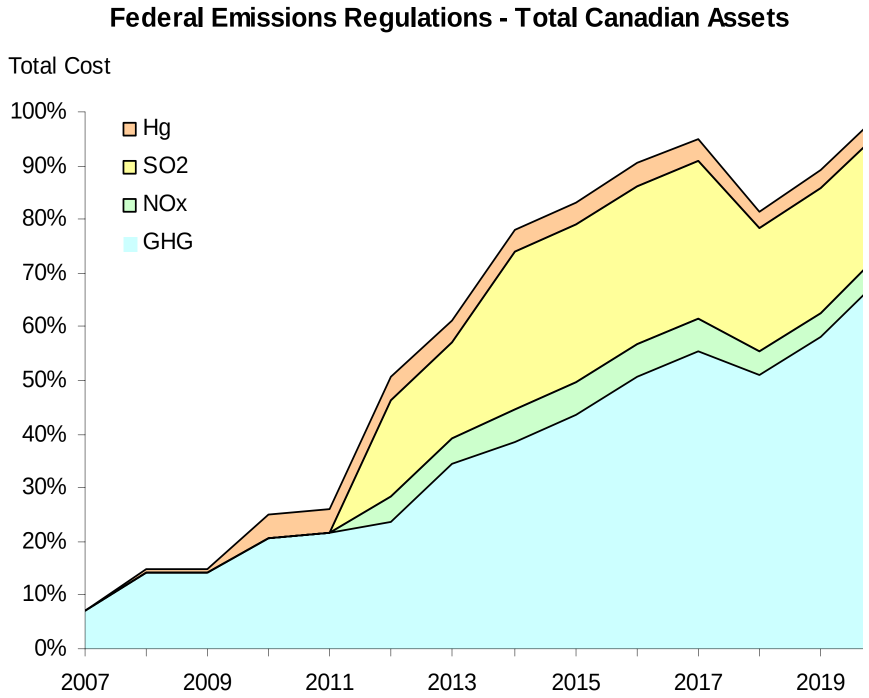
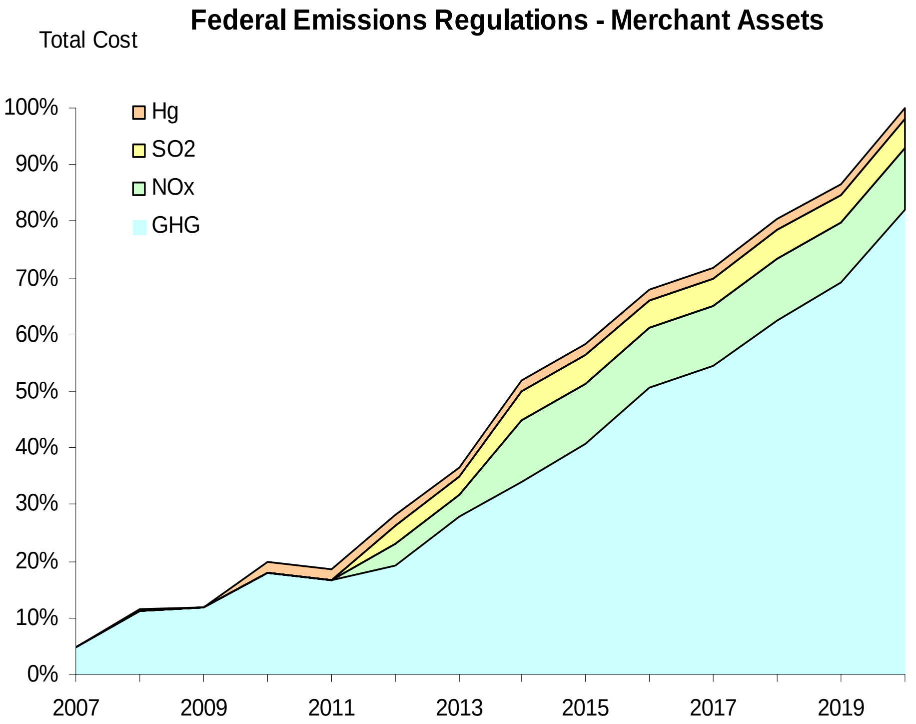
Federal Clean Air Act impact by emission

Annual compliance costs increase rapidly after 2012 when more stringent GHG and air pollutant reductions start. Regulations on air pollutant reductions still to be defined.





1. Compliance costs estimates are preliminary and intended to be indicative of future costs. Assumptions used to derive estimates were based upon expected emissions, Alberta GHG legislation, the proposed Federal gov't clean air act targets and compliance costs.

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