

TransCanada Increases Ownership in Iroquois Gas Transmission  
February 16, 2001

CALGARY, Alberta - February 16, 2001 - (TSE: TRP) (NYSE: TRP) - - TransCanada PipeLines Limited today announced that it has exercised its right of first refusal to acquire an additional 5.96 per cent ownership interest in Iroquois Gas Transmission System L.P. from The Coastal Corporation for US\$14.8 million. The acquisition, which closed today, increases TransCanada's total ownership in Iroquois to 40.96 per cent.

"This acquisition helps strengthen TransCanada's position in the northeastern United States, one of the fastest growing markets in North America," said Doug Baldwin, TransCanada's President and Chief Executive Officer. "And it's an excellent example of the investments we will continue to make to support our existing Canadian infrastructure, participate effectively in the evolution of future North American natural gas pipeline development and assist in growing our earnings."

Iroquois Gas Transmission System is a 600 kilometre (375 mile), 980 million cubic feet per day interstate natural gas pipeline. It extends from TransCanada's Canadian Mainline System at Waddington, New York, through the state of Connecticut to Long Island, New York. Iroquois commenced full operations in January 1992. Directly or indirectly, Iroquois serves various local natural gas distribution companies, electric utilities and electric power generators in New York, New Jersey and New England.

TransCanada is a leading North American energy company. It is focused on natural gas transmission, power, and gas marketing services, complemented by employees who are expert in these businesses. The company's network of approximately 38,000 kilometres of pipeline transports the majority of western Canada's natural gas production to the fastest growing markets in Canada and the United States. TransCanada's common shares trade under the symbol TRP on the Toronto and New York stock exchanges.

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