



For immediate release

April 3, 2007

**Kinder Morgan to operate Vancouver Wharves bulk marine terminal
Long-term lease agreement with British Columbia Railway Company will revitalize
port facility**

North Vancouver, B.C. – The British Columbia Railway Company (BCRC) announced today that it has entered into an agreement with Kinder Morgan Canada Terminals ULC (KMCT) regarding a long-term lease to operate Vancouver Wharves, its bulk marine terminal in North Vancouver and the purchase the terminal assets, which include on site rail infrastructure, dry bulk and liquid storage, and material handling systems.

The 40-year lease agreement will see Kinder Morgan make much needed capital investments to revitalize Vancouver Wharves while retaining ownership of the underlying real estate on which the facility operates.

"This agreement will bring new investment and opportunities to Vancouver Wharves and its customers and will secure its future as an integral port facility for British Columbia", said Kevin Mahoney, BCRC President and CEO. "After a rigorous selection process that included input from many of our customers, employees and other key stakeholders, BCRC has chosen to enter into a long term lease agreement with Kinder Morgan that will bring real benefits to our customers, our employees, our community and our province."

The comprehensive agreement with KMCT covers a number of matters including: a commitment for KMCT to maintain existing contracts with customers, a full transfer of employment for all current employees, and future access to the facility by the mining and sulphur industries that rely on Vancouver Wharves to help transport their products to market.

This agreement will also enable Kinder Morgan to bring its environmental expertise to Vancouver Wharves. "Kinder Morgan's broad experience in environmental management of port facilities and commitment to environmental stewardship were key factors in this agreement", said Mahoney. Mahoney also pointed to the commitments made by Kinder Morgan to establish a strong relationship with the Squamish First Nation.

The agreement announced today is the result of a call for proposals issued by BCRC last May, which led to considerable interest from a number of potential operators. The selection process involved many months of due diligence and negotiation by both parties, through which the company benefited from the professional support and analysis of its legal advisor, Borden Ladner Gervais and its financial advisor, CIBC World Markets.

Kinder Morgan Energy Partners, L.P. is one of the largest publicly traded pipeline limited partnerships in America. KMP owns an interest in or operates approximately 26,000 miles

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of pipelines and approximately 150 terminals. Its pipelines transport more than two million barrels/day of gasoline and other petroleum products and up to seven billion cubic feet/day of natural gas, and its terminals handle over 90 million tons of coal and other bulk materials annually and have a liquids storage capacity of about 70 million barrels for petroleum products and chemicals. KMP is also the leading provider of CO₂ for enhanced oil recovery projects in North America.

The general partner of KMP is owned by Kinder Morgan, Inc., one of the largest energy transportation, storage and distribution companies in North America. Combined, the two companies have an enterprise value of more than \$35 billion.

Vancouver Wharves is located on the north shore of the Burrard Inlet and offers a variety of both in-bound and out-bound services and handles four primary commodity groups: mineral concentrates, pulp, agri-products and sulfur. It is one of two major sulfur export terminals in the Port of Vancouver and is the only facility capable of handling mineral concentrates such as copper, lead and zinc for the Canadian mining industry.

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