NEWS RELEASE

CP Expands Bakken Crude-by-Rail Origination Capability on North Dakota Network

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Canadian Pacific (TSX: CP) (NYSE: CP) today announced that it will be moving additional Bakken crude oil by unit train rail from a planned industry logistics hub served by its North Dakota network.

The Van Hook, North Dakota, facility, to be developed by U.S. Development Group (USD), will handle crude oil and related products from the Bakken formation and will have initial capacity to handle up to 35,000 barrels per day at eight automated truck-unloading positions. Located on CP's Bakken North Dakota network, the hub will efficiently facilitate the loading of product via onsite tankage from truck or pipeline to rail car for movement to markets across North America. This high-capacity facility will become part of the largest crude-by-rail network in the U.S. and will initially allow for the assembly of 15 to 17 crude unit trains per month, numbering up to 104 rail cars, for haulage on CP's extensive network and to all parts of North America. Capacity will expand to accommodate up to 30 unit trains per month once the terminal is fully developed.

"CP's commitment to joint market development, service and infrastructure enhancements in the Bakken region make them an important partner as USD continues to grow our network of crude origins and destinations," said Dan Borgen, USD President and CEO. "We have a strong market opportunity in front of us — by working in close collaboration with CP, our customers and the community, we can safely and rapidly maximize rail shipments of Bakken crude."

"This partnership with USD strengthens our network and advances our strategy to drive volume growth, expand network capacity and achieve targeted improvements in our operating efficiency," said Jane O'Hagan, CP Executive Vice President and Chief Marketing Officer. "This agreement reinforces our railway's established reputation for safely moving energy products and delivering these products to market. We remain committed to continuing to

provide the capacity our customers need to grow and to continue growing alongside them.â€

“We have extended our energy franchise with ongoing capital investments on our U.S. Midwest network and are moving forward with our 2012 accelerated capital plan which includes investments that support our energy growth strategy,” O’Hagan said. “These investments expand network capacity and enhance our proven oil-by-rail service model in order to meet increased traffic demands from the Bakken play and the input growth it will drive for inbound materials such as frac sand and pipe. By taking advantage of our network to the Northeast U.S. and through our Kansas City gateway to the U.S. Gulf Coast, Canadian Pacific is able to partner with the energy industry to facilitate further growth in moving oil and energy-related materials.”

The new Bakken crude origination terminal will join USD’s St. James Rail Terminal (Louisiana), Eagle Ford Crude Terminal (Texas), Niobrara Crude Terminal (Colorado) and Houston Rail Terminal as part of a nationwide network of crude oil and related products terminals. USD, which pioneered the hub concept, is actively developing additional terminal locations for safe and efficient rail movements of oil, condensate, and related products from major production areas to refining and distribution centres across North America.

Canadian Pacific is the only North American railroad to serve the Bakken Formation, the Alberta Industrial Heartland, and the Marcellus Shale. In addition, CP is the only Class I railway to connect the energy hubs of the U.S. Midwest, Alberta and Saskatchewan to the Northeast U.S. Through its network to the Northeast U.S., and through the Kansas City gateway to the U.S. Gulf Coast, CP is able to partner with the energy industry to facilitate growth in moving oil and energy-related materials. Each year, CP moves hundreds of thousands of carloads of energy-related products, including crude oil, sulphur, fuels, diluents and materials key to the energy industry, such as pipe and frac sand.