

**Dennis Dawson**

Good afternoon. I'd like to welcome everybody to the annual and special meeting of AltaGas Income Trust, those here today in person and also those listening on our webcast. My name is Dennis Dawson, AltaGas General Partner Inc., Vice President and General Counsel and Corporate Secretary. And today, Mr. David Cornhill will act as Chairman and Chief Executive Officer of AltaGas General Partner Inc. He'll act as the Chairman of the meeting; he's actually the Chairman of AltaGas General Partner Inc., but he'll act as Chairman of the meeting. And he's requested that I administer the formal part of the proceedings, as well as act as Secretary of the meeting, and then he will make his presentation at the end.

So I will now call the formal part of the annual and special meeting of the unitholders of AltaGas Income Trust to order. And there's our agenda for today. Mr. Connor Doyle and Mr. Bill Brawley of Computershare Trust Company of Canada will act as scrutineers today. And for your information and in order to expedite matters today, I've asked certain unitholders to make certain motions at the appropriate time.

Voting on all motions shall be by a show of hands, where each person present and entitled to vote shall have one vote, unless for any reason the vote, based on the number of votes attached to all outstanding trust units and the special voting unit entitled to be voted at the meeting is requested or required, in which case, a poll will be conducted, individual votes shall be recorded and totals in favour or against will be tallied by the scrutineers. There will be polls for two motions today.

I have before me a true copy of the Notice of the Annual and Special Meeting of the Unitholders of AltaGas Income Trust, together with the statutory declaration of Computershare Trust Company of Canada. As to the mailing of the Notice of the Annual Meeting, together with the Management Information Circular and the form of proxy for the Trust unitholders and the voting instruction form for the exchangeable unitholders. The statutory declaration indicates that all documents were mailed within the time periods required by the declaration of trust and the voting trust agreement regarding the rights of the holders of the exchangeable units to participate in the meeting, as well as with respect to applicable legislation. I will file the statutory declaration with the minutes of the meeting.

I have received the report of the scrutineers with respect to attendance of the meeting, which report states that we have 47.75 percent of all issued and outstanding shares

present or units present. I declare that a quorum is present for the Annual and Special Meeting of the Unitholders of AltaGas Income Trust and that the meeting is duly called and properly constituted for the transaction of business. I direct that the scrutineers report on attendance be annexed to the minutes of the meeting.

The first item of business is the consideration of a special resolution, the full text of which is set forth in Appendix A to the Information Circular of AltaGas Income Trust, dated May 4, 2010, to approve a plan of arrangement under Section 192 of the Canada Business Corporations Act, as more particularly described in the Information Circular. Could I please have a motion for approval of the special resolution approving the plan of arrangement as set forth in Appendix A to the Information Circular?

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**Debbie**

I will make that motion, Mr. Chairman.

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**Dennis Dawson**

And could I have someone second?

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**Jeremy**

I will second that motion.

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**Dennis Dawson**

Thanks, Debbie. Thanks, Jeremy.

You've heard the motion for approval of the special resolution approving the plan of arrangement as set forth in Appendix A to the Information Circular. There will be a ballot taken on this resolution. Each of the registered unitholders and special appointments will have received a green ballot on entering. Each person present at this meeting that is entitled to vote should mark on the ballot whether you are in favour of the resolution, if you did not do so when you entered the meeting. So if you haven't gotten a green ballot yet, could you raise your hand? So if there's no one... is there anyone...? Thanks, Connor.

So, after you've completed your vote, could you please raise your hand and... Once you've completed that green ballot, please raise your hand so it can be picked up by the scrutineer.

**AltaGas Income Trust Conference Call**  
**Thursday, June 3, 2010 – 5:00 PM ET**

Any other ballots to be picked up? Thank you. The scrutineers will tabulate the results of the ballots and we will report the results before the end of the meeting.

The next item of business is the consideration of the approval of a stock option plan for AltaGas Conversion Inc., referred to as New AltaGas in the Information Circular, which stock option plan will be assumed by the Corporation to be formed on the amalgamation of AltaGas Ltd., New AltaGas and AltaGas Conversion No. 2 Inc., pursuant to the arrangement as described in the Information Circular.

Could I please have a motion that the stock option plan of New AltaGas, attached as Appendix B to the Information Circular and proxy statement of the Fund dated May 4, 2010, be and is hereby approved, that any one director or officer of New AltaGas be and is hereby authorized and directed to execute and deliver all such arrangements and documents, to do all such acts and things that, in his or her opinion, may be necessary or desirable in connection with the foregoing; and notwithstanding that this resolution has been duly passed by the securityholders of the Trust, directors of New AltaGas may revoke this resolution before it is acted upon without any further approval of the securityholders of the Trust?

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**Kent Stout**

I will make that motion, Mr. Chairman.

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**Dennis Dawson**

Thank you, Kent.

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**Greg Aarssen**

I will second the motion.

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**Dennis Dawson**

Thanks, Greg. You've heard the motion that the stock option plan for New AltaGas be approved. There will be a ballot taken on this resolution. Registered unitholders and special appointments will have received a yellow ballot on entry. Each person present at the meeting entitled to vote should mark on the ballot whether you're in favour of the resolution approving the plan, if you did not already do so when you entered the meeting. If you are completing a ballot and did not receive it, please raise your hand now. Or if you've received it and have now

marked it, please raise your hand and the scrutineer can pick it up.

Any more ballots to be picked up? Thank you. The scrutineers will tabulate the results of the ballot and we will report the results before the end of the meeting.

The next item of business is the presentation by the Directors of AltaGas General Partner Inc. on behalf of the Trust of their annual report to unitholders, which report consists of the consolidated financial statements of the Trust for the fiscal year ended December 31, 2009, and the auditors report thereon. The consolidated financial statements, the auditors report and management's discussion and analysis with respect thereto are included in the Trust's annual report that has been mailed to the holders of Trust units and exchangeable units of record on May 12, 2010. There are extra copies of the annual report available to holders of Trust units and exchangeable units on request and there's a stack of them at the back on the table.

In addition, a report with respect to the business of the Trust and its affiliates will be provided after the conclusion of the formal part of the meeting. Is there any discussion regarding the Trust's consolidated financial statements? I think I missed a slide here. There we go.

The next item of business is to consider the nominees standing for election as Directors of AltaGas General Partner Inc. and to direct Computershare Trust Company of Canada as trustee of the Trust, to cause the appointment of those nominees as Directors of the General Partner. Could I please have a motion to direct Computershare Trust Company of Canada as trustee of the Trust, to fix the number of Directors of AltaGas General Partner Inc. at nine?

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**Jim Bracken**

I will make that motion.

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**Dennis Dawson**

Thanks, Jim.

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**Randy Toone**

I second the motion.

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**Dennis Dawson**

Thank you, Randy. You've heard the motion. The motion is open for discussion. All those in favour, please raise your hand. Opposed, if any?

I declare the meeting open for nominations for the persons that Computershare Trust Company of Canada as trustee of the Trust will be directed to cause to be appointed as Directors of AltaGas General Partner Inc. and ask Jim Bracken to place the names of the persons nominated by management of the Trust before the meeting.

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**Jim Bracken**

I nominate David Cornhill, Allan Edgeworth, Denis Fonteyne, Hugh Fergusson, Daryl Gilbert, Robert Hodgins, Myron Kanik, David Mackie and Neil McCrank.

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**Dennis Dawson**

Thank you, Jim. All the nominees have filed their contents to act as a Director of AltaGas General Partner Inc. Are there any further nominations?

I declare the nominations closed.

Could I please have a motion that the persons nominated be the Trust's nominees for the Directors of AltaGas General Partner Inc. and that Computershare Trust Company of Canada as trustee of the Trust be directed to cause the appointment of those nominees as the Directors of AltaGas General Partner Inc.?

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**Randy**

I will make that motion.

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**Jim**

I'll second the motion.

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**Dennis Dawson**

Thank you, Randy. Thank you, Jim. You've heard the motion and the motion is now open for discussion. All those in favour of the motion, please raise your hand. And opposed, if any, either to the entire slate of Directors or any particular Director?

I declare the motion carried, and I declare that Computershare Trust Company of Canada as Trustee of the Trust is hereby directed to cause the persons nominated to be appointed as the Directors of AltaGas General Partner Inc.

The next item of business is the consideration of the appointment of auditors of the Trust and the authorization of AltaGas General Partner Inc. to fix the remuneration of the auditors. Could I please have a motion to appoint Ernst & Young, LLP as the auditors of AltaGas Income Trust until the next annual and special meeting of the unitholders of the Trust or until a successor is appointed and that the remuneration of such auditors be fixed by AltaGas General Partner Inc.?

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**Debbie**

I make that motion, Mr. Chairman.

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**Dennis Dawson**

Thanks, Debbie.

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**Brad**

I second the motion.

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**Dennis Dawson**

Thank you, Brad. You've heard the motion and the motion's now open for discussion. All those in favour of the motion, please raise your hand. Opposed, if any? I declare the motion carried.

So now, do we have the results of the ballot?

The results of the ballots have now been tabulated. On the approval of the arrangement resolution, 98.05 percent in favour, 1.95 percent against. As the majority of the votes cast by the persons entitled to vote on the motion are in favour of the arrangement resolution, I declare it to be passed.

With respect to the motion for approval of the stock option plan, 87.89 percent in favour. As a majority of the votes cast by persons entitled to vote on the motion are in favour of the resolution regarding the stock option plan, I declare it to be passed.

Is there any further business to come before the meeting? As there's no further business I'd like to call for a motion terminating the meeting.

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**Kent Stout**

I will make that motion, Mr. Chairman.

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**Greg Aarssen**

I second the motion.

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**Dennis Dawson**

Thanks, Kent. Thanks, Greg. All those in favour of the motion, please raise your hands. Opposed, if any? I declare the motion carried and the formal part of the meeting at an end.

So at this time, I'd like to take an opportunity to introduce the AltaGas Directors who are in attendance this afternoon. If I'd ask that they could stand for just a moment, Mr. Denis Fonteyne, Mr. Daryl Gilbert, Mr. Myron Kanik, Mr. Neil McCrank and Mr. Hugh Fergusson. Thank you and, of course, Mr. David Cornhill, who's Chairman of the Board and the Chief Executive Officer.

And I will now turn it over to him for his presentation.

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**David Cornhill**

Thank you, everyone, and good afternoon. I promised some people the sun will be shining by the time we get out of here, so I got a long time to speak. Sorry about that. Before I begin, I'd like to draw your attention to the required forward-looking statements.

I would like to thank all unitholders for your confidence in AltaGas and voting in favour of our conversion to a corporation. After your vote today, we expect the conversion to be completed on July 1<sup>st</sup>, 2010.

Securityholders will receive one common share of AltaGas for each trust unit or exchangeable units on a tax deferred basis. The June distribution, which is normally paid on July 15<sup>th</sup>, will be paid on June 30<sup>th</sup> for unitholders on the record date of June 25<sup>th</sup>. This will be a last distribution as a Trust. The dividend is initially expected to be set at \$1.32 per share on an annual basis. It will be reaffirmed by the Board once a plan of arrangement has been approved. The next payment will be paid as a

Corporation on August 16<sup>th</sup> at \$0.11 per share on a monthly basis. The dividend level will provide significant increase in internal regenerated funds and provide investors with a stable, sustainable dividend over the long term.

AltaGas is a leading energy infrastructure company with a diverse asset base in gas and power infrastructure. We invest in quality energy infrastructure to meet the energy demand. These long life assets are underpinned by long-term contracts. We have quality growth opportunities throughout our gas and power segments. Later on, I'll briefly discuss a few of these projects. The map shows the areas where we operate or have development opportunities. We currently have operations in British Columbia, Alberta, Saskatchewan, Ontario, the Northwest Territories and Nova Scotia.

In 2009, we successfully executed our growth strategy by adding stable revenue generating assets. The completion and commissioning of two major development projects; the 102 megawatt Bear Mountain Wind Park in Northeast BC and the 5.3 BCF Sarnia Natural Gas Storage Facility in Southern Ontario were completed on time and on budget.

Late in 2009, we welcomed back AltaGas Utility Group and acquired the remaining 75 percent of Heritage Gas Limited. We acquired natural gas distribution assets that serve over 70,000 customers in Alberta, the Northwest Territories and Nova Scotia. The utility business fits our strategy.

Despite the volatile and weak economy in 2009, we had many successes and we managed our assets to insure stable cash flow. On the financial front, AltaGas performed well in 2009, reporting a net income of \$141 million, which is \$1.80 per unit. Probably the last time this presentation will ever say "units". The EBITDA was close to \$0.25 billion at \$248 million and the funds from operations of \$2.202 million was \$2.58 per unit.

I want to spend some time talking about our strategy and macro trends within the energy business. I want to highlight the long-term macro trends we see in the energy sector in North America. These three trends drive our strategy: Growing and sustainable North American natural gas supply, growing demand for electricity and the need to reduce carbon emissions.

North America has an increasing abundant supply of natural gas. A similar change occurred in the 1970s and resulted in growth in gas supply and infrastructure. This chart shows the Energy Information and Administration gas production forward trends. Gas supply in North

America is expected to grow by 15 percent over the next 20 years; I believe this forecast is conservative. The increase in gas supply results from the rapid effects of new technology which improves the economics on conventional gas plays, including shale-type gas, coalbed and methane. We expect stable gas prices in the mid-term.

With the new technologies, such as horizontal drilling and multi-frac stage hydraulic fractionation simulation, gas production is economic at lower prices. Unconventional gas will represent a growing share of North American gas supply. The EIA forecasts that, by 2030, unconventional gas will represent more than half of the United States gas supply. As much as the new gas supply is coming from unconventional sources, the supply is not necessarily connected to the existing infrastructure. As a result, there is a need for significant investment in gas infrastructure. We see a growing demand for natural gas in North America, where used commercial, industrial and power generation. As demand for gas increases more than 20 percent over the next 10 years, the share of gas being used for power generation will also increase substantially.

AltaGas' Field Gathering and Processing business has begun to grow again to meet producers' demand. We have acquired a sour gas plant in the Groundbirch area of British Columbia and expanded gas plants at Ante Creek, Pouce Coupe and Acme in Alberta. AltaGas acquired a 28 million cubic feet Groundbirch sour gas plant in April 2010, which is currently under construction in Northeast BC. AltaGas will commit approximately \$28 million to construct the gas plant and area infrastructure in return for 100 percent ownership in the gas plant in a dedicated take-or-pay processing obligation. The facility will process production from the Montney gas development and expect it to be fully commissioned in the fourth quarter of 2010. We are pleased with our Ante Creek gas plant expansion in the Montney area. The Ante Creek gas plant has been expanded to 20 million cubic feet a day. We are pursuing further growth in our natural gas distribution business. We expect to increase our rate base by 20 percent in 2010. This is part of our Capital Program of investing almost a quarter of a billion dollars over the next five years.

The co-streaming project will use existing capacity at our Harmattan Complex to significantly increase our extraction production. The co-streaming project is expected to increase extraction production by approximately 25 percent. Project promotes responsible competition by adding extraction options on the west leg of the transmission system and is supported by a MOU with Nova Chemical. We are also working on opportunities to consolidate underutilized gas plants in

the area to bring additional gas to Harmattan. Recently, we have seen volume growth from the Spectra South Piece System at the Younger Extraction Facility in Northeast BC. We are also working on opportunities to bring liquids-rich Montney gas directly from the field to Younger.

The other two trends I'd like to address are the growing demand for electricity in North America and the need to reduce carbon emissions. Over the next 20 years, EIA is forecasting over 20 percent growth in electricity generation in North America. Growing demand for electricity results from both economic growth and the expectation to increase reliance on clean sources of power. There is an increased drive to reduce greenhouse gas emissions. Governments and consumers are demanding clean sources of power to meet the energy requirements. As part of the Copenhagen Accord, members pledged by 2020 target reductions. Both Canada and the US pledged 17 percent reductions from 2005 levels by 2020. This creates opportunities for independent power producers, such as AltaGas, to build clean energy infrastructure.

There is increasing demand for electricity in North America. With the drive to curb CO<sub>2</sub> emissions, hydrocarbon fuel sources are constrained. Gas is the carbon fuel of choice and emits 60 percent less CO<sub>2</sub> than coal. As a result, we anticipate increased power generation in gas fired and renewable sources over the next 20 years. Over time, we will supplement our existing generation with clean sources of power, such as wind, run-of-river hydro, geothermal and gas-fired generation. The commissioning of the Bear Mountain Wind Park has brought us one step closer to our goal as we grow our power generation capacity and, at the same time, reduce carbon intensity.

Before I talk about the Northwest Project, I just want to recognize someone that's not here today. Doug Brown, our Vice President of Renewable Hydro took ill recently, and he's quite ill and is in hospital and cannot be here today. But he was a big part of the Northwest Project and I just wanted to recognize him today.

The Northwest Projects are a continuation of our strategy to grow our power business, while reducing carbon intensity. The Northwest Projects consist of three run-of-river power generation projects: the 195 megawatt Forest Kerr, 66 megawatts in McLymont Creek and the 16 megawatt Volcano Creek. The construction site is located in Northwest British Columbia approximately 100 kilometres south of Stewart, BC. The generating capacity of Forrest Kerr is almost two thirds of the Northwest Projects. Forrest Kerr is expected to come on-stream in

2014 and McLymont is expected a year later in 2015 and Volcano one year later in 2016.

I'm extremely pleased that, on May 28<sup>th</sup>, 2010, AltaGas signed a 60-year CPI index electrical purchase agreement with BC Hydro for the Forrest Kerr run-of-river hydro generation project. The Forrest Kerr Project presents an important evolution in AltaGas' power business, as we continue to build long-term contracted generation assets. Not only will Forrest Kerr Project expand our power business and insure long-term sustainability while reducing our emission intensity, it will provide the people of British Columbia with clean and reliable power from a world class asset. Once completed, the Project will provide enough electricity for approximately 70,000 homes in British Columbia and will offset more than 450,000 tonnes of greenhouse gas equivalents annually.

This chart shows over 40 years of hydrology data and analysis, with the average daily flow curve at the intake for the Forrest Kerr Project. This Project has a high capacity factor as the average utilization rate is expected to be 55 percent. From mid-May to mid-October, it will generate at 100 percent capacity. We have a great water resource and studies have demonstrated the reliability of this resource.

Our successful discussion with the government of British Columbia and the Tahltan Nation has resulted in an exciting partnership. The 195 megawatt Forrest Kerr Project is located on Tahltan Nation traditional territory and we look forward to continuing to work together. The construction of Forrest Kerr is anticipated to take 48 months. SNC Lavalin, a world class engineering firm, has been retained to support Forrest Kerr through the next phase of detail engineering, procurement and construction management. Site preparation is already underway as the majority of the permits, permitting work has been completed. The access roads have been constructed and we have designed and tendered the site infrastructure and camp. The construction team will be led by David Harris. Mr. Harris has been hired to serve as General Manager of Forrest Kerr construction team. With over 20 years experience in the energy infrastructuring industry, Mr. Harris is an experienced project manager with a broad base of exposure to power projects in North America and internationally, and Mr. Harris is in attendance today and please feel free to chat with him later after the meeting.

The total cost of the Northwest Projects is expected to be over \$950 million; the bulk of the cost comes from the Forrest Kerr Project which is approximately \$725 million. McLymont Creek is expected to cost \$220 million and

Volcano Creek approximately \$45 million. Approximately 19 percent of the costs for the Forrest Kerr Project have been fixed or spent. Our management team is focused on cost control, while bringing the transformational project in on schedule.

As the projects I have highlighted move forward, the geographic footprint of our business will expand significantly. As well, it shows a significant growth in our gas infrastructure and our renewable energy projects. As AltaGas grows, the business risks decrease. We are adding low-risk, long-life infrastructure including utilities, renewable power, extraction and transmission. These assets are most often underpinned by long-term contracts with creditworthy counterparties. As a result, AltaGas is decreasing its reliance on merchant power and a frac threat exposure. With the announcement of Forrest Kerr, we move significantly towards our goal of doubling EBITDA over the next five years.

AltaGas' business model is owning and operating long-life assets with stable, long-term returns. We currently see many exciting opportunities in our gas business due to the increasing gas production. We also are exploring opportunities to build new infrastructure, as well as redeploying existing infrastructure. We have \$2 billion of organic growth under development and much will be under construction soon. We have only briefly mentioned a few of the opportunities today; these opportunities are most often underpinned by long-term contracts ensuring stable cash flow into the future. The long-term future is bright. We continue to evaluate opportunities to grow our business, and we are excited about the future as we continue to deliver on our commitment to create shareholder value by delivering strong returns in a financially disciplined manner.

Thank you very much and I am open for questions. Questions? There is a mike there to help, if there are any questions.

Guess I put everyone to sleep, so... All right if not, thank you. I think there are chocolates and refreshments in the back and I thank you for coming. It's very nice; the sun isn't shining yet but it will be soon. Thank you very much.