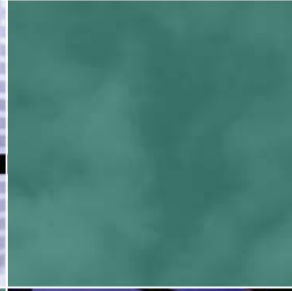


# ***AltaGas***

## **Annual Meeting of Unitholders**

**April 28, 2005**



# Forward-Looking Information



- Certain information in this presentation is forward-looking. Such information is subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in the forward-looking information. These risks and uncertainties include operating performance, regulatory and environmental issues, weather and economic conditions, competition and financing availability.
- For additional information on these and other factors see the reports filed by AltaGas with Canadian securities regulators. AltaGas disclaims any intention or obligation to update or revise any forward looking information whether as result of new information or future events.

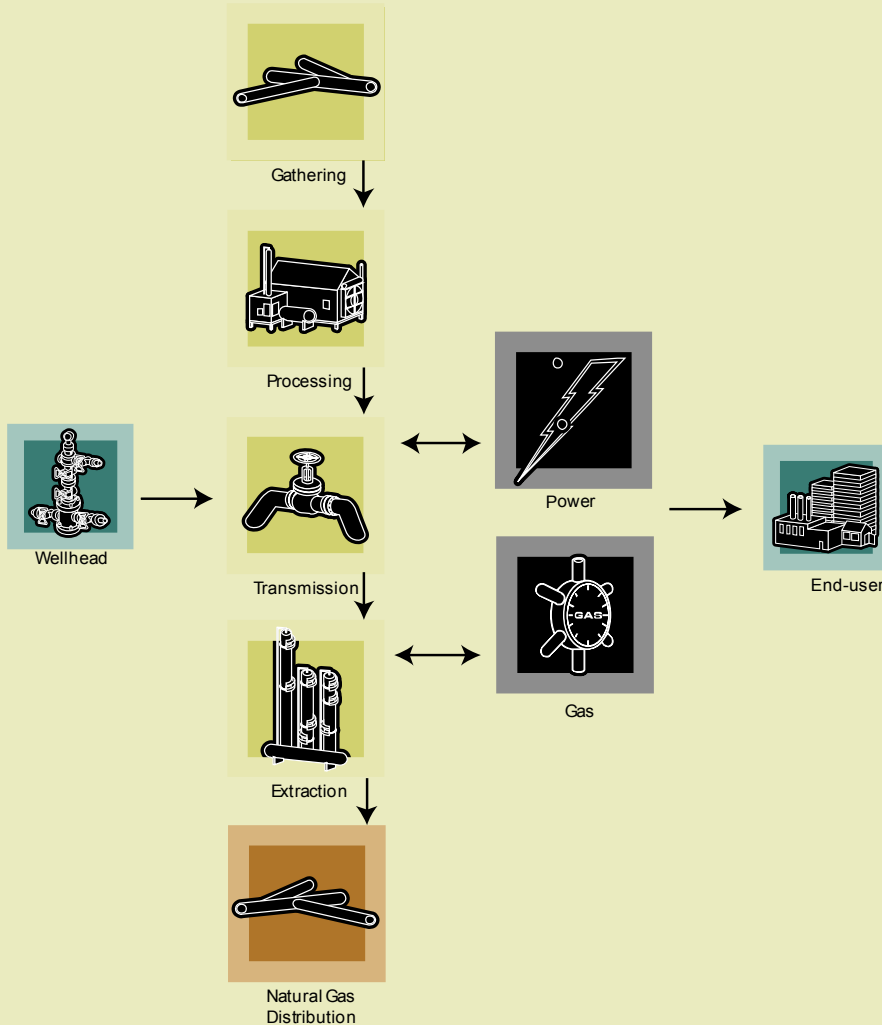
# ***AltaGas***



**Serving North America's energy demand by growing and optimizing our assets along the energy value chain in markets we know, to create long-term value for our unitholders.**

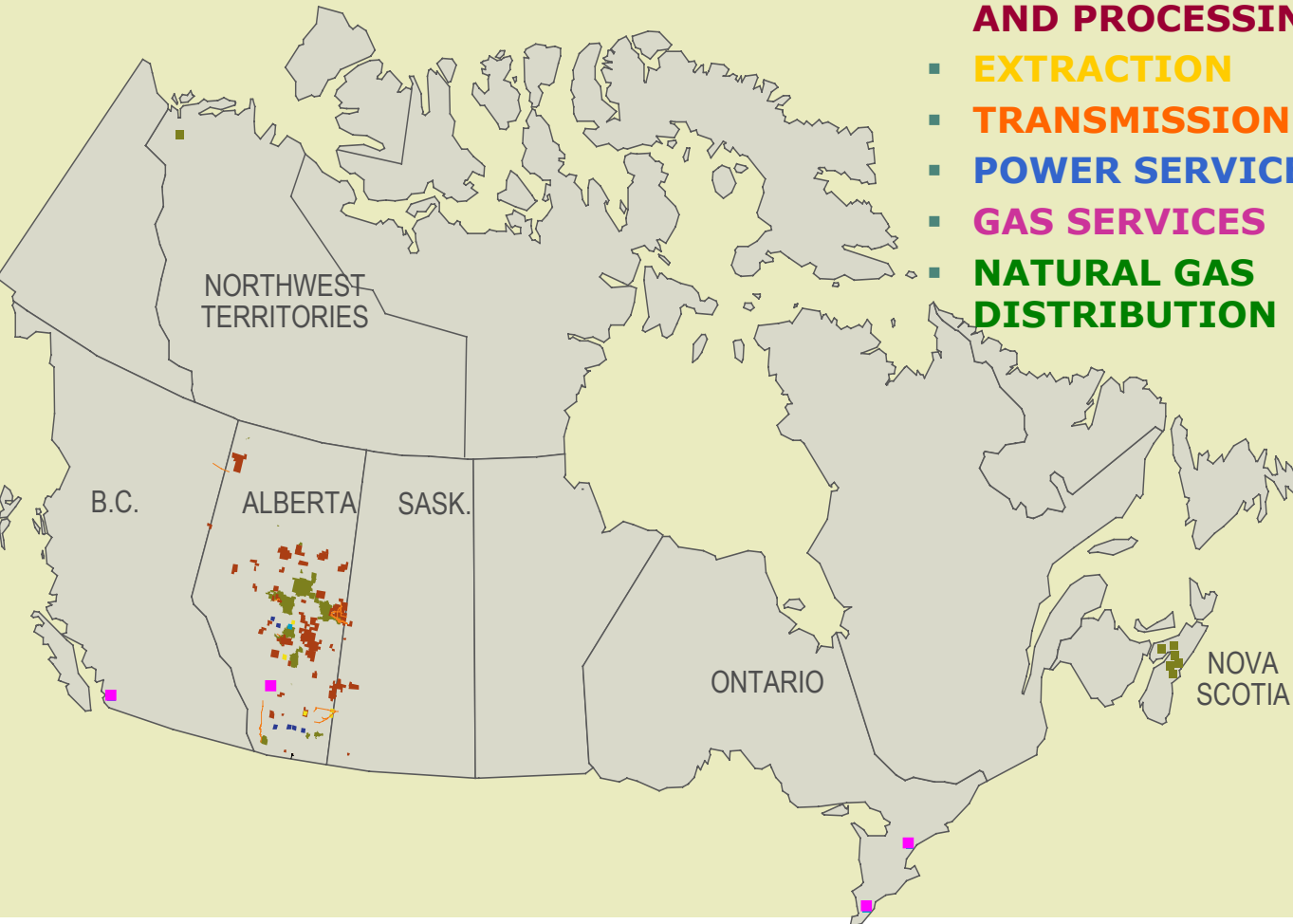
***AltaGas***

# Energy Value Chain



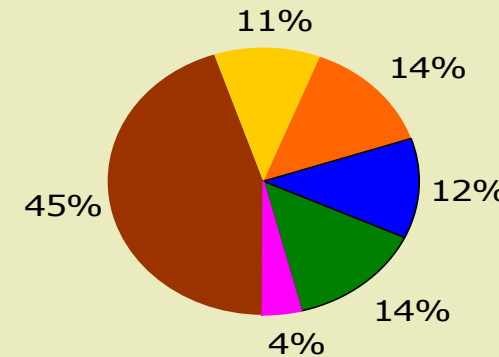
- AltaGas creates value by strategically linking asset and service components of the energy value chain

# Integrated Energy Businesses

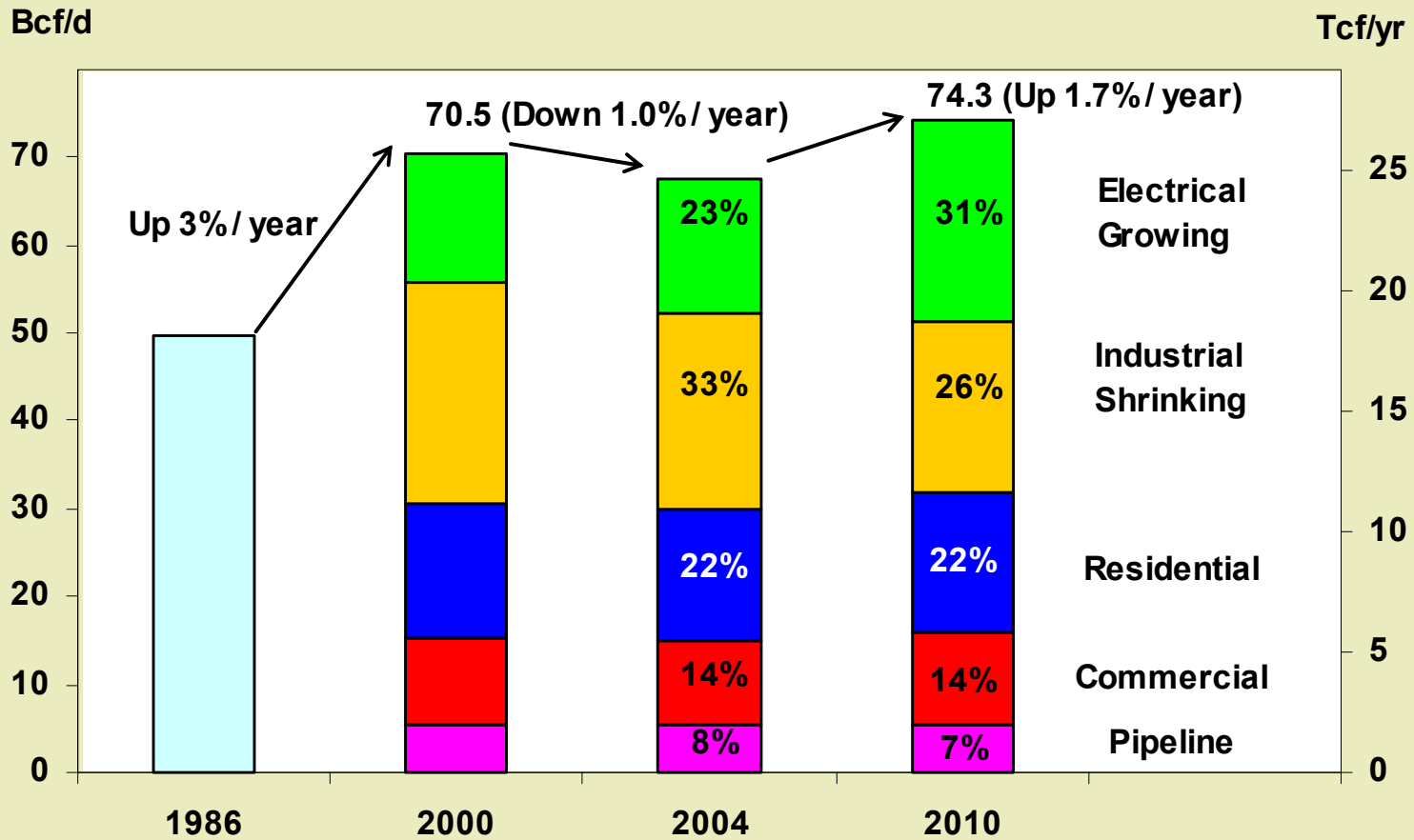


- **FIELD GATHERING AND PROCESSING**
- **EXTRACTION**
- **TRANSMISSION**
- **POWER SERVICES**
- **GAS SERVICES**
- **NATURAL GAS DISTRIBUTION**

**Net Book Value**  
At December 31, 2004  
\$ 890.3 million



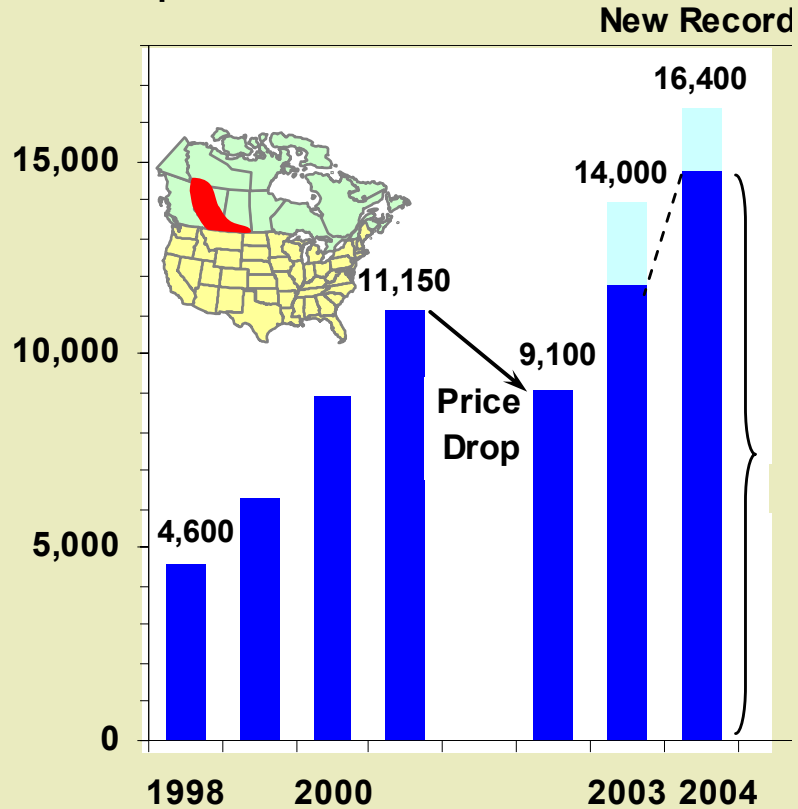
# North American Gas Demand



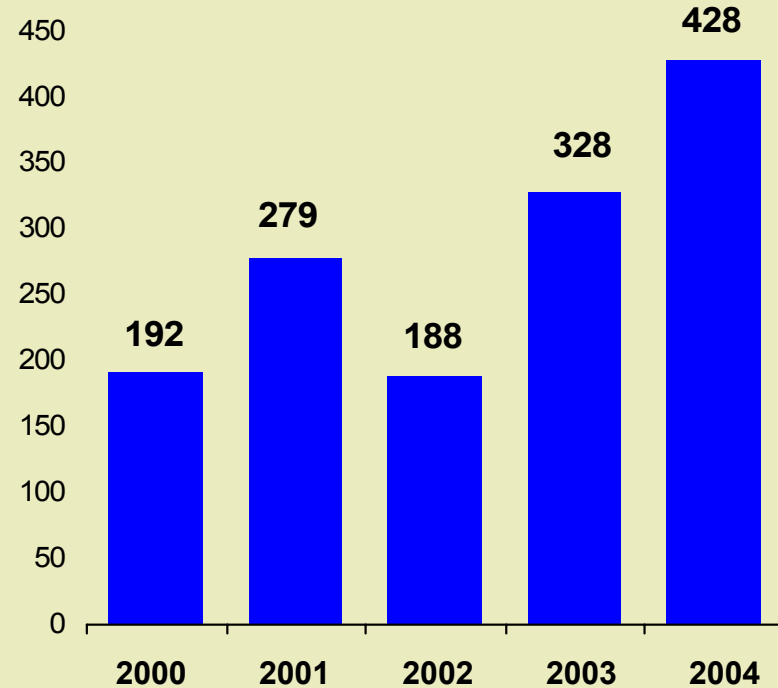
# Western Canada: Gas Completions



Gas Completions \*

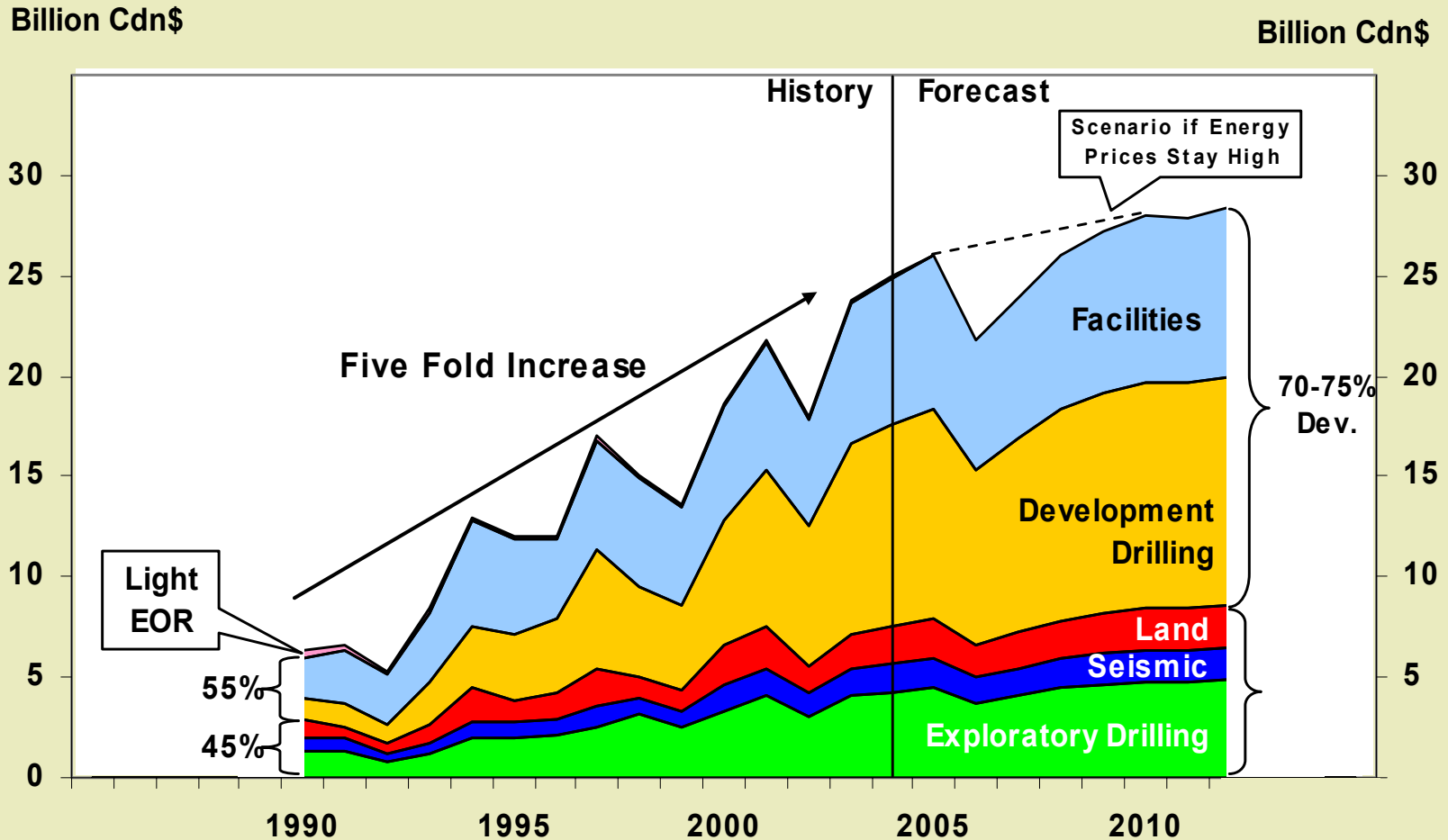


## ALTAGAS WELL TIE-INS



\*Source: Ziff Energy

# Western Canada Spending



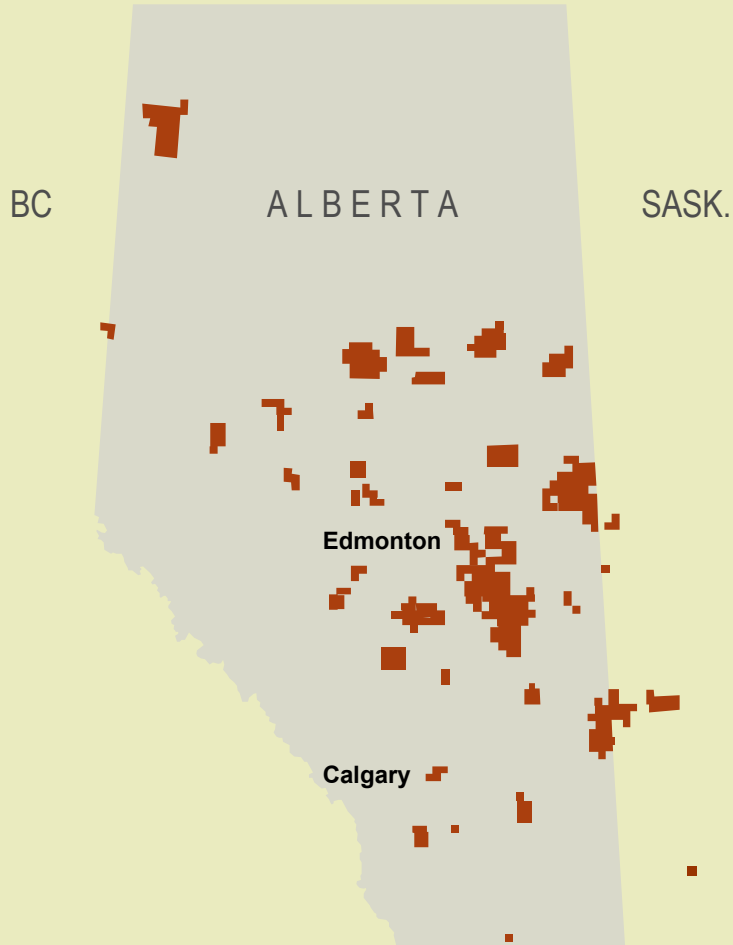
Source: CAPP to 2002 and Ziff Energy

# Serving North America's Natural Gas Demand



- Field Gathering and Processing
- Extraction
- Transmission
- Gas Services
- Distribution

# Field Gathering and Processing



- **69 facilities with 913 mmcf/d of capacity**
- **moveable facilities**
- **6,000 km of gathering lines**

*Sylvan Lake Gas Plant*



# Extraction



- **539 mmcf/d inlet capacity, including Alberta's newest extraction plant**
- **fourth quarter average production of 21,244 Bbls/d**

*Joffre Ethane  
Extraction Plant*

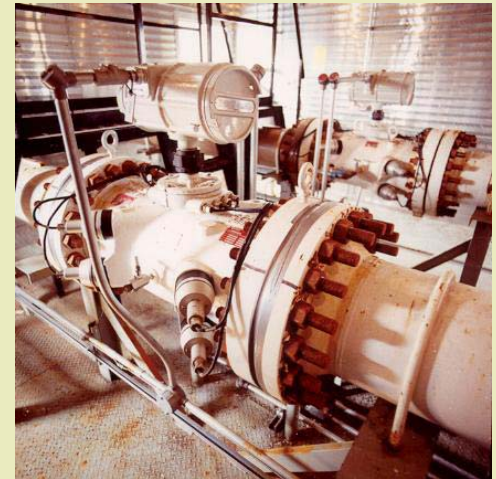


# Transmission

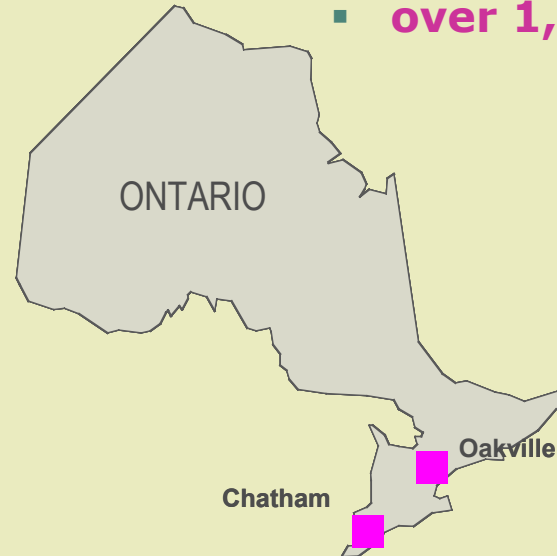
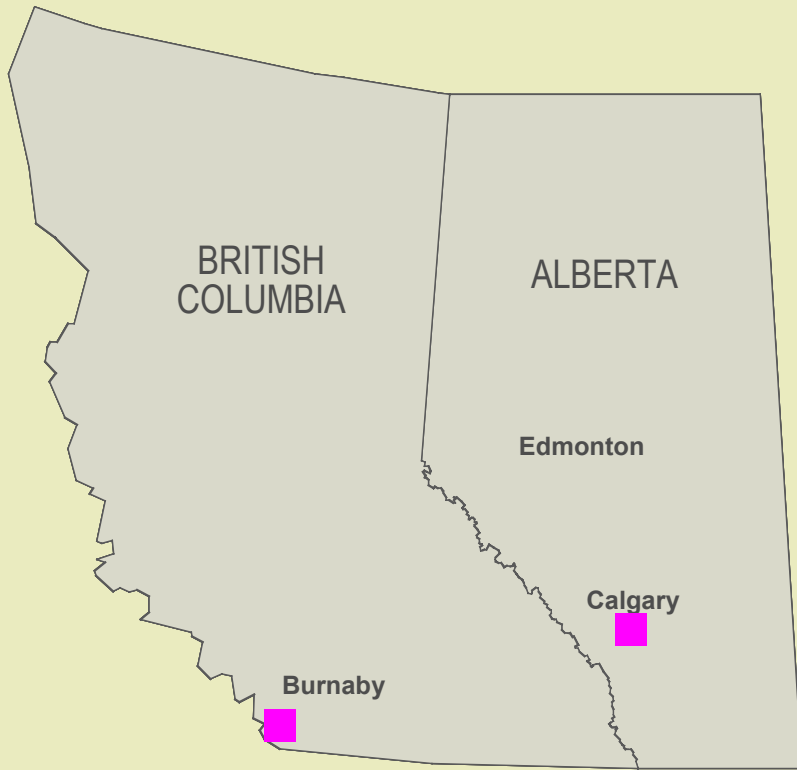


- **6 transmission pipelines totaling 750 km**
- **432 mmcf/d volumes**

*Suffield Transmission  
Meter Station*



# Gas Services



- energy procurement and consulting services, energy supply and natural gas transportation and storage optimization to end use customers
- over 1,000 customers

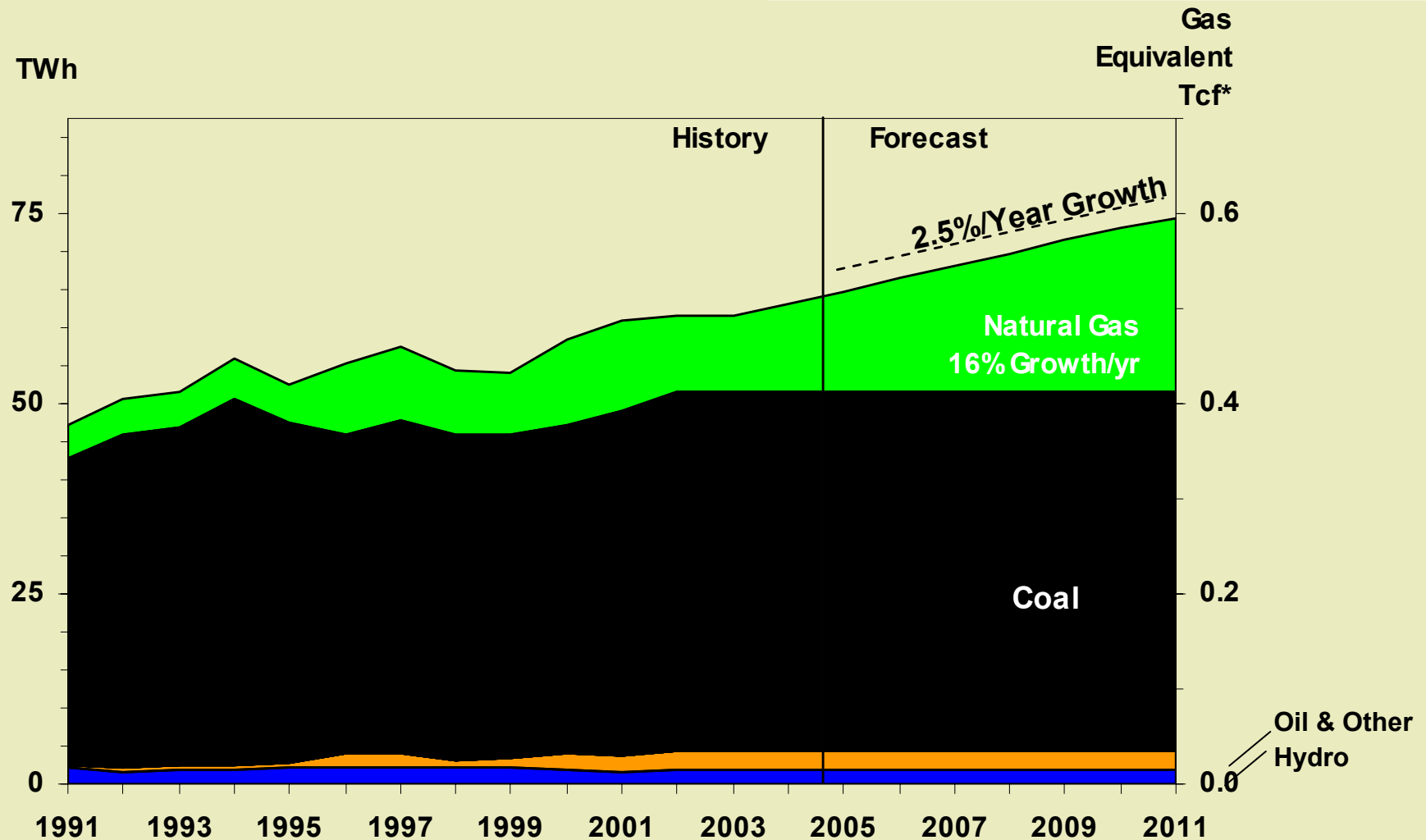
# Natural Gas Distribution



- **AltaGas Utilities**
  - **60,400 customers**
  - **6% of Alberta natural gas distribution market**
- **positioned for Northern development**
- **Nova Scotia greenfield opportunity**



# Alberta Power Generation Outlook



Source: Statistics Canada, Ziff Energy  
 \*Heat Rate 8,000 Btu/KWh, 1MCf=1,000 MMBtu

# Power Services

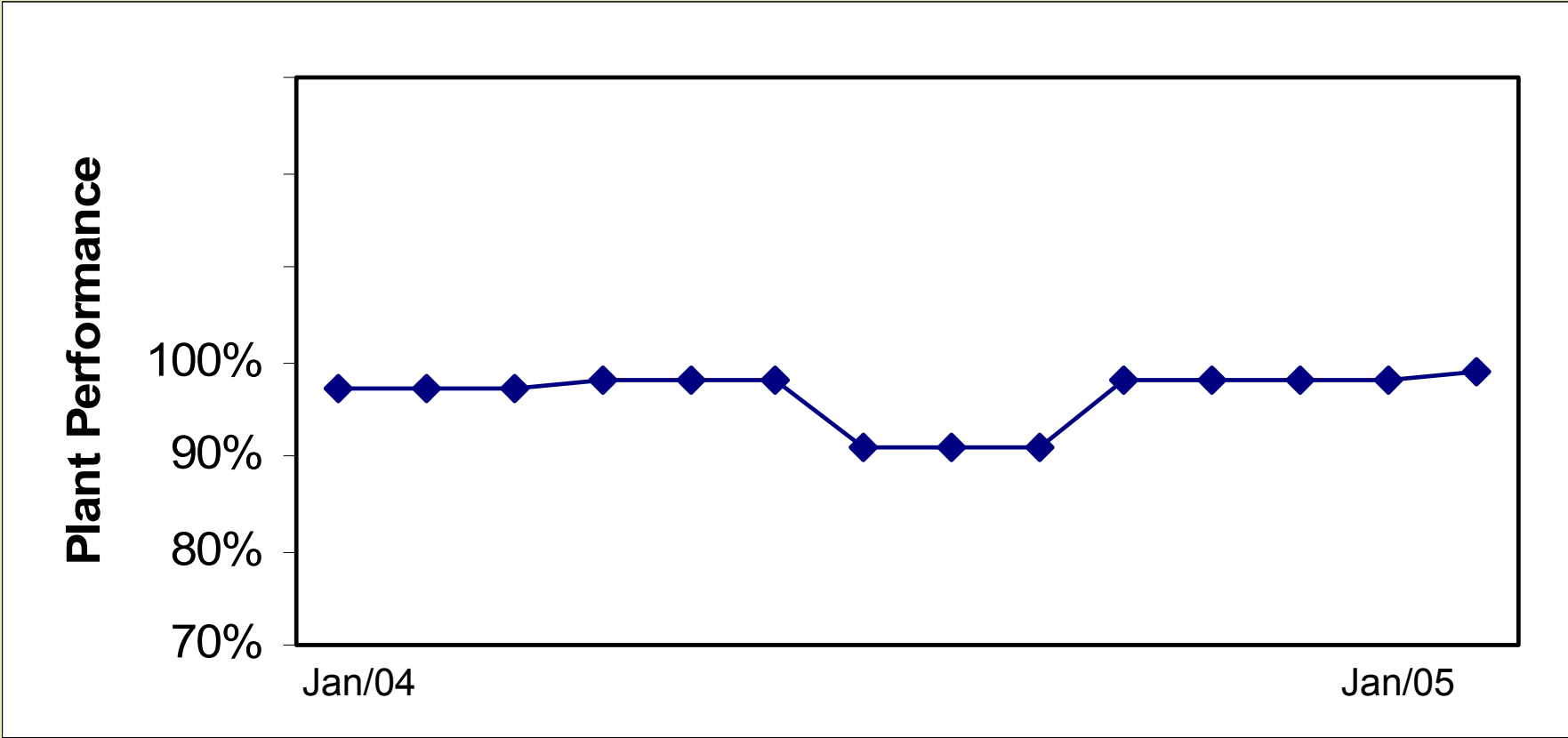


- **6% of Alberta's power capacity**
- **rights to 353 MW until December 31, 2020**
- **25 MW of gas fired peaking capacity**

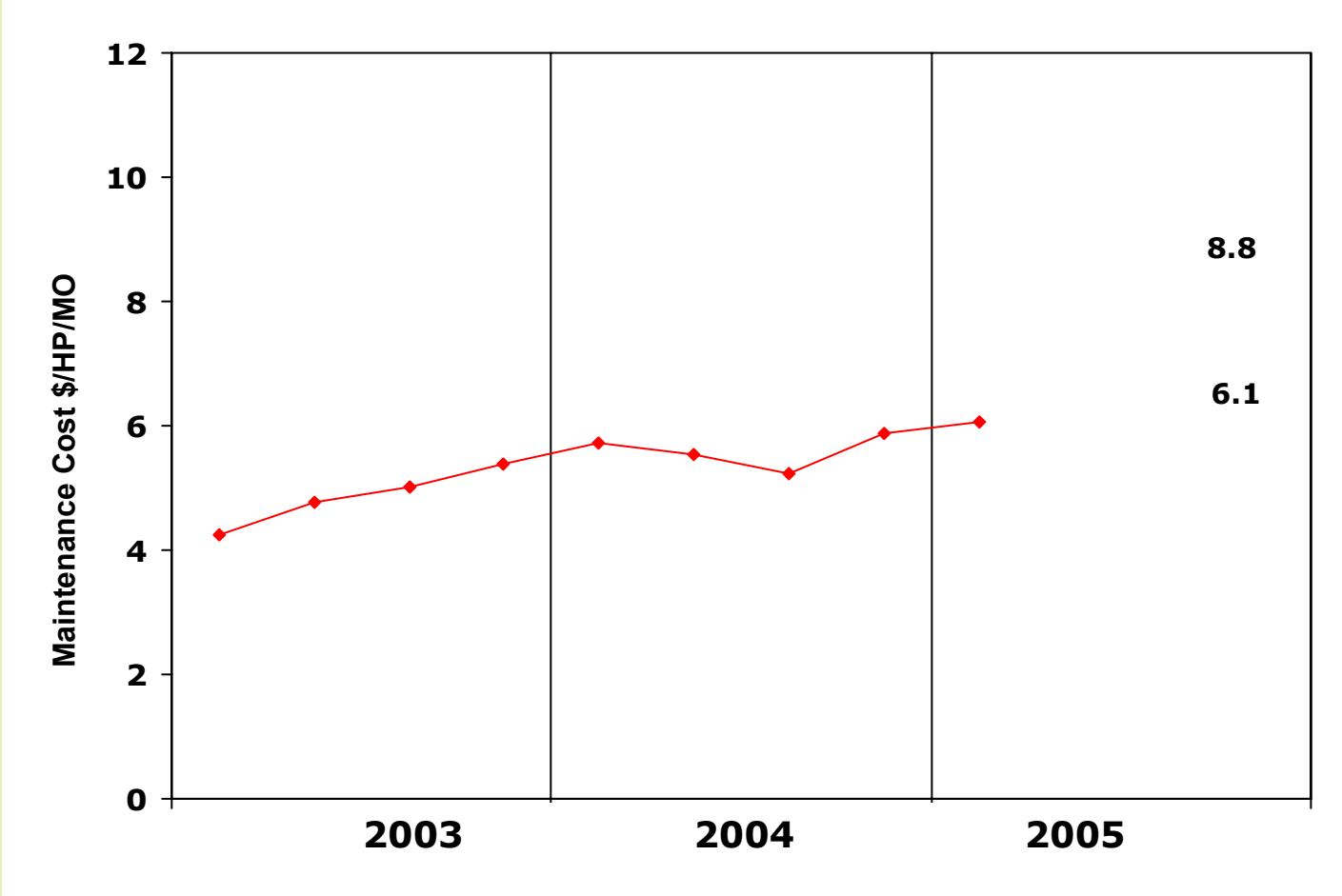
*Sundance B  
Power Plant*



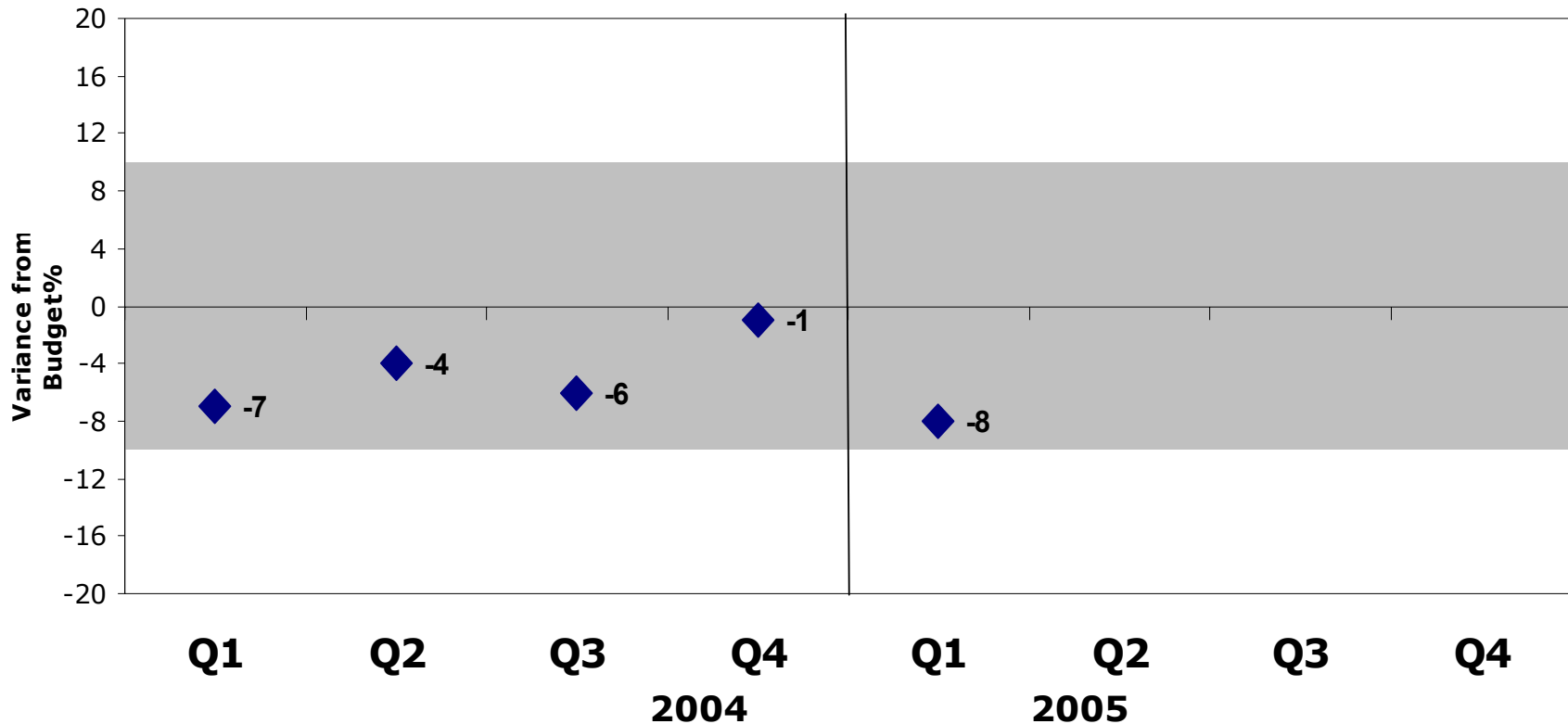
# Operational Excellence - Reliability



# Operational Excellence – Maintenance Costs

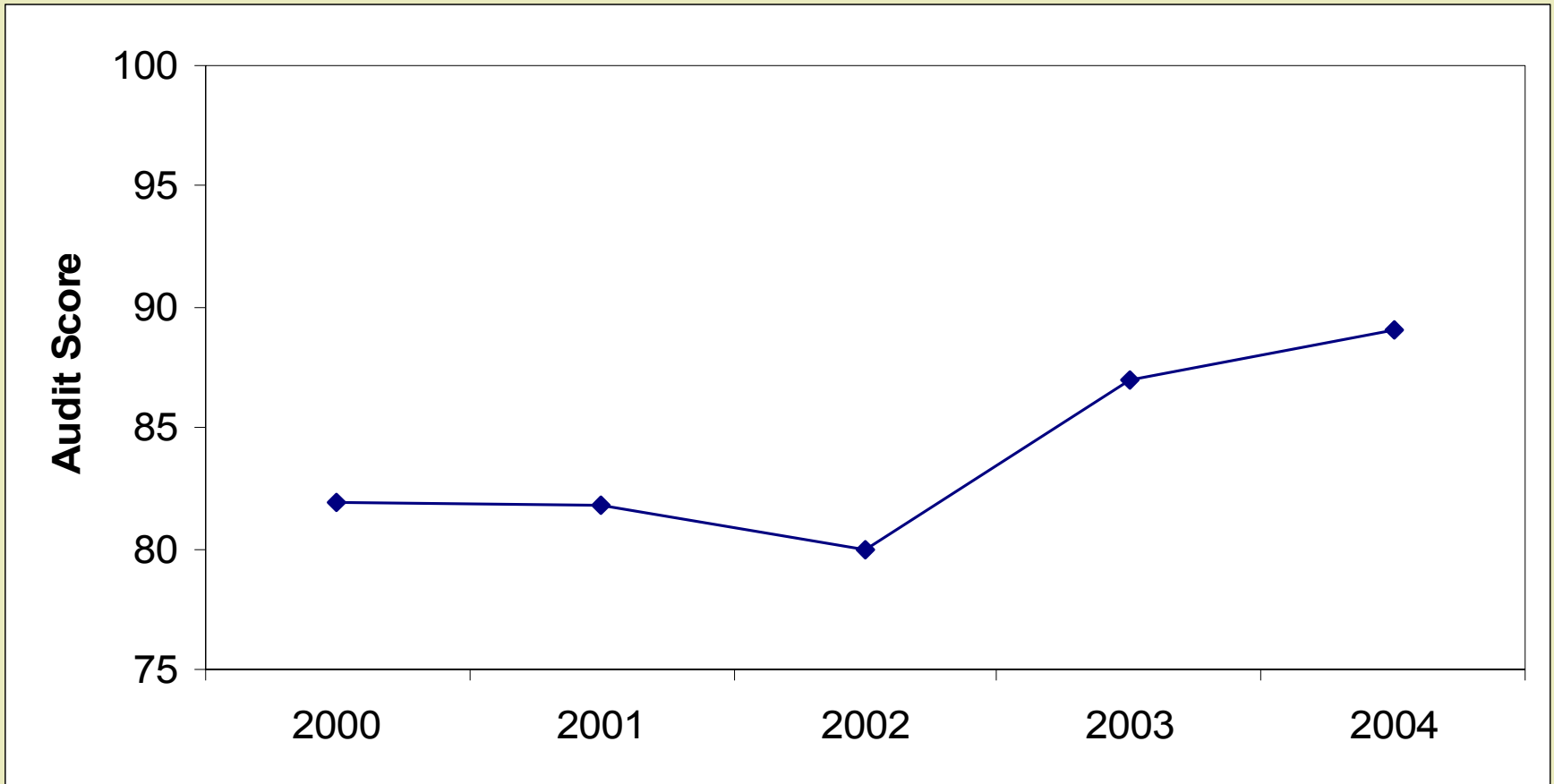


# Operational Excellence – Competitive Capital Cost



**Note:** Based on projects over \$250 K completed in each quarter

# Operational Excellence - Safety Performance

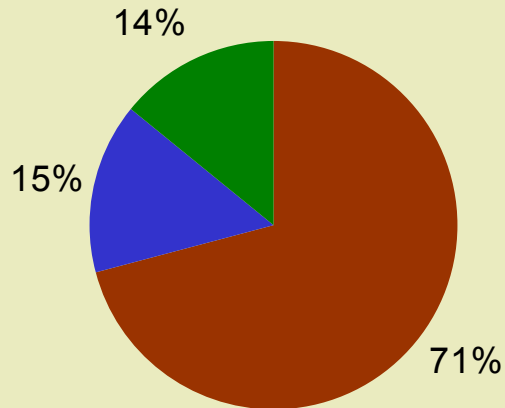


# AltaGas Today: Strong and Diversified



## TOTAL ASSETS

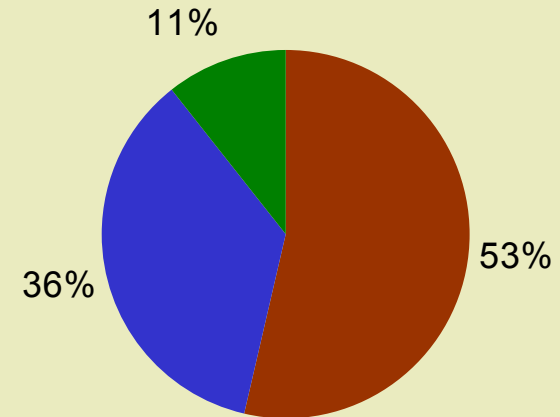
At December 31, 2004  
\$ 1,108.6 million



- Gathering and Processing
- Energy Services
- Natural Gas Distribution

## EBITDA

For the year ended December 31, 2004  
\$ 133.4 million

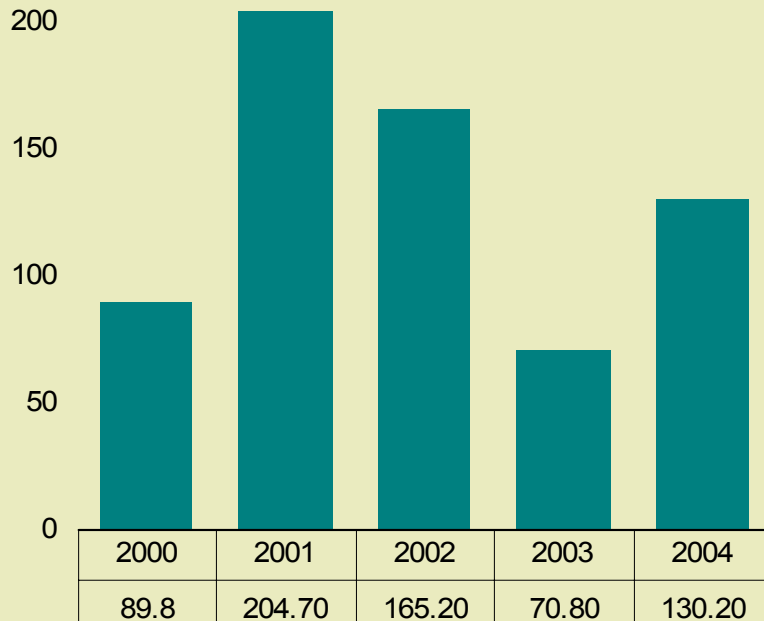


- Gathering and Processing
- Energy Services
- Natural Gas Distribution

# Invested Capital



## INVESTED CAPITAL (\$ Millions)

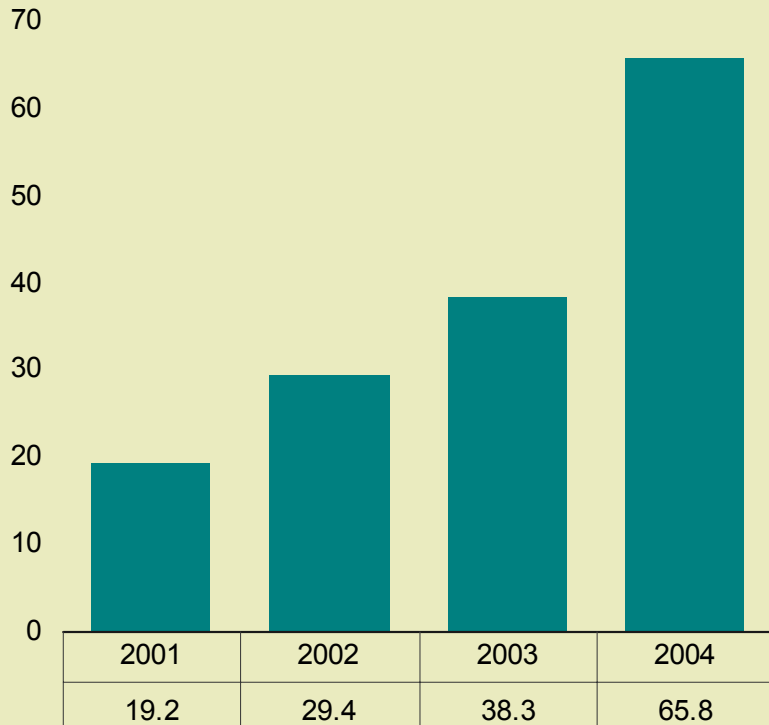


- **\$130 million in invested capital for 2004**
  - \$119 million growth capital
  - \$6 million maintenance capital
  - \$5 million administration capital

# Net Income

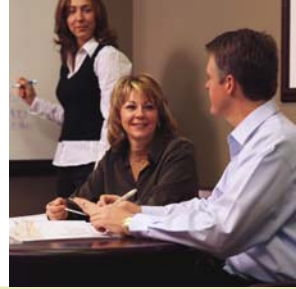


## NET INCOME (\$ Millions)

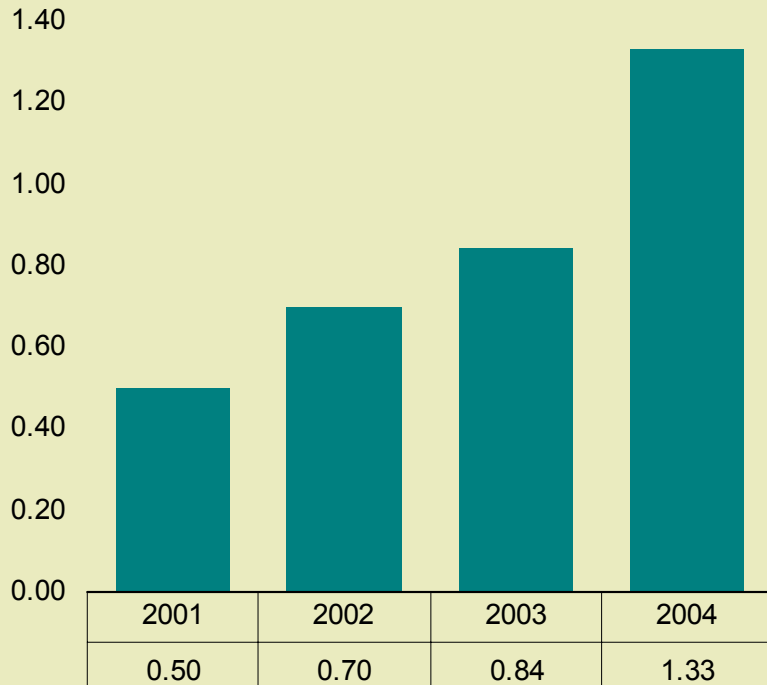


- **2004**
  - \$65.8 million, 72% increase over 2003
  - includes Trust conversion costs and income tax benefit from Trust conversion
- **Strong performance**
  - Gathering and Processing
  - Energy Services
  - Lower income taxes

# Net Income Per Unit



## NET INCOME PER UNIT (\$)

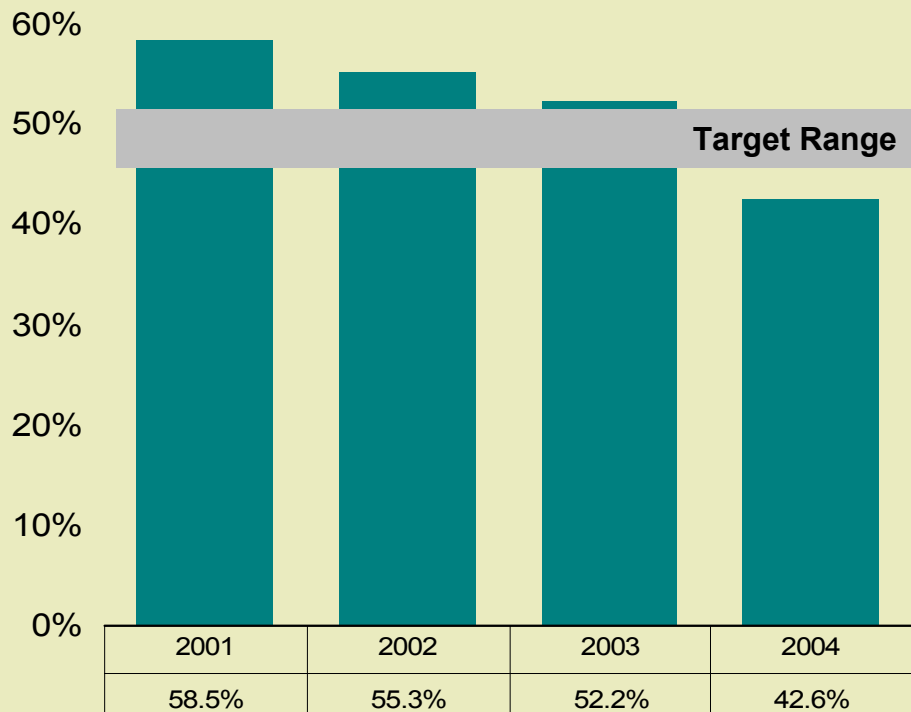


- **2004**
  - \$1.33 58% increase over 2003
  - includes Trust conversion costs and income tax benefit from Trust conversion
- **Basic units outstanding**
  - 49.4 million (45.5 million 2003)
- **Distribution per unit**
  - \$0.15 monthly
- **Total unitholder return in 2004 was 54%**

# Strong Balance Sheet



## DEBT AS A PERCENTAGE OF TOTAL CAPITALIZATION \*



\* As at December 31

- **Committed to investment grade rating**
- **Stability rating**
  - S&P: SR-3
  - DBRS: STA-3 (middle)
- **Medium term notes rating**
  - S&P: BBB-
  - DBRS: BBB (low)
- **Capital structure**
  - December 31, 2004 - 42.6%
  - Trust target 45 - 50%
  - Historical target 50 - 55%

# Strong Competitive Advantages



- **Revenue diversification**

- revenue source
- fuel source
- geography
- commodity
- counterparty

- **Stable cash flow**

- contractual terms
- risk management

- **Strong balance sheet**

- **Financial flexibility**

- **Reliable and cost effective**

- **Experienced management team and dedicated employees**

# Financial Discipline



- **Disciplined approach to acquisitions**
  - earnings accretive
  - return on equity accretive
  - maintain low risk profile
  - maintain financial flexibility
  - enhance unitholder value
  
- **Financial discipline**
  - trust is an efficient tax structure
  - manage as a corporate with a high payout ratio

# ***AltaGas***

## **Annual Meeting of Unitholders**

**April 28, 2005**

