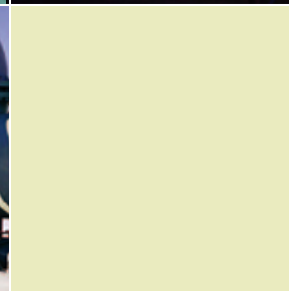
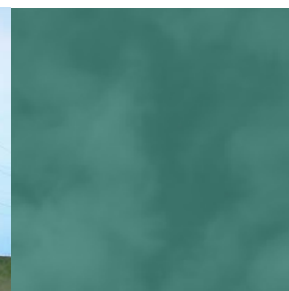
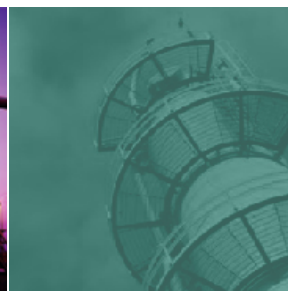
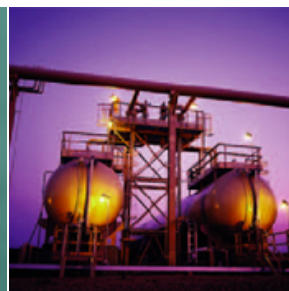


AltaGas

Bank of Montreal
2005 Energy Trust
Conference

June 1, 2005



Forward-Looking Information



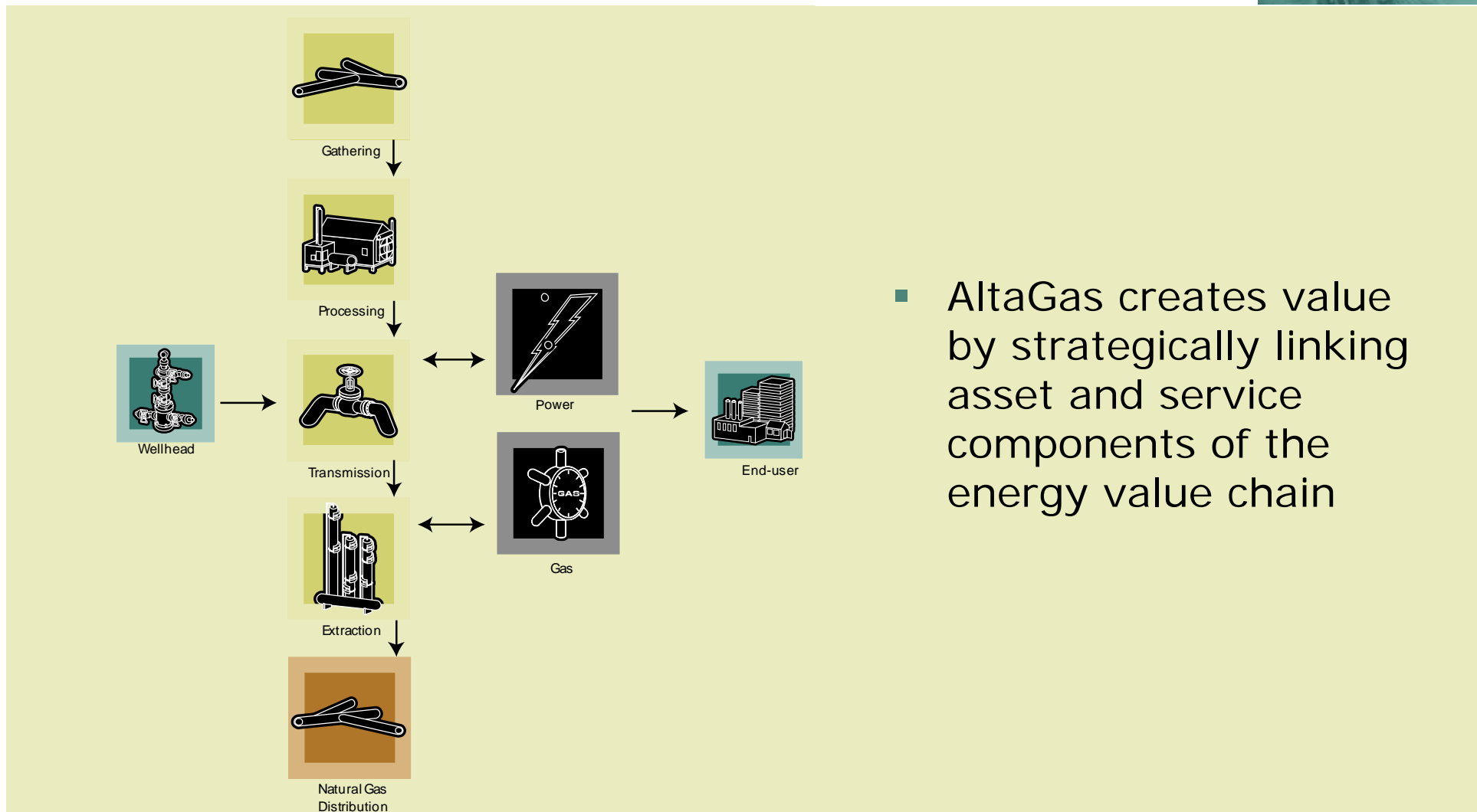
- Certain information in this presentation is forward-looking. Such information is subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in the forward-looking information. These risks and uncertainties include operating performance, 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

The background of the slide is a photograph of an industrial facility, likely a gas processing plant, featuring tall distillation columns and a network of pipes. The image is overlaid with a semi-transparent teal color and a white grid pattern. The grid consists of several rectangular cells of varying sizes, with one cell in the bottom right corner being a solid light yellow color.

Business Overview

Energy Value Chain



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

Our Energy Portfolio



Gathering and Processing

- Field gathering and processing
- Extraction
- Transmission

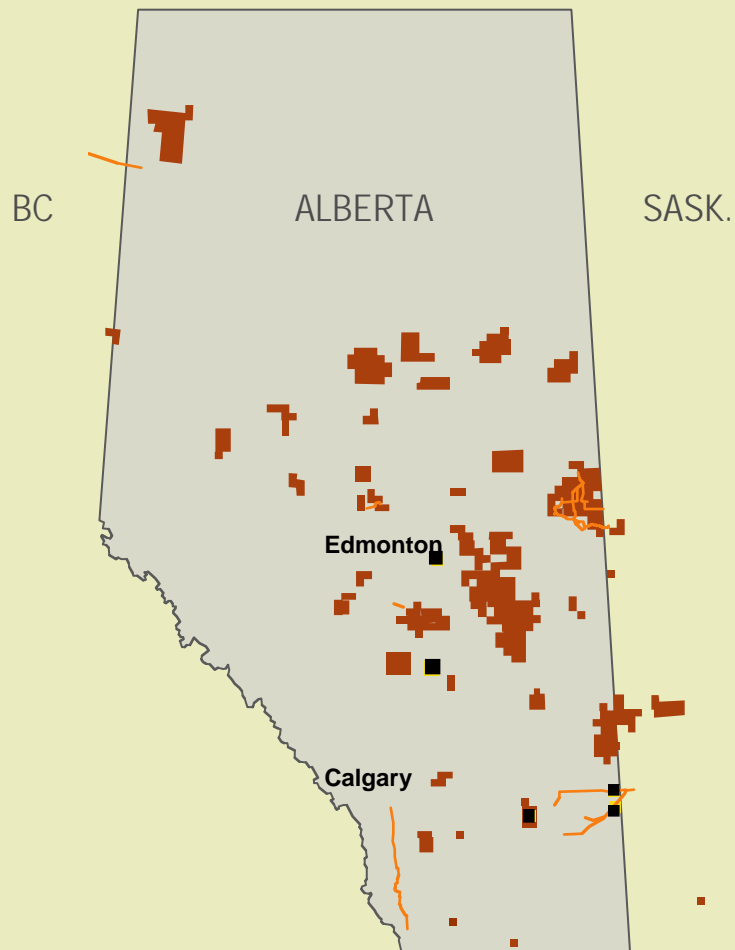
Energy Services

- Power services
- Gas services
- Oil and natural gas production

Natural Gas Distribution

- AltaGas Utilities
- Heritage Gas
- Inuvik Gas

Gathering and Processing



- Net investment of \$608.9 million generated \$20 million of operating income in the first quarter 2005
- 68 field gathering and processing facilities
- 901 Mmcf/d capacity
- 6,000 km of pipelines
- 4 extraction plants
- 1 field fractionation plant
- 6 transmission pipelines totaling 750 km
- 429 Mmcf/d volume transported



Energy Services



- Net investment of \$144.8 million generated \$9.0 million of operating income in the first quarter of 2005
- Energy agency business
- Over 1,000 customers
- 478 MW of generating capacity



Natural Gas Distribution



ALTAGAS UTILITIES INC.

BC ALBERTA SASK.

Edmonton

Calgary

- Net investment of \$122 million generated \$5.2 million of operating income
- 100% ownership of AltaGas Utilities Inc.
- One third interest in Inuvik Gas Ltd.
- 25% interest in Heritage Gas Limited

HERITAGE GAS LIMITED

Nova Scotia

Halifax

INUVIK GAS LTD.

Northwest Territories

Inuvik



Proposed Spin Out of Natural Gas Distribution Segment

- Rationale
 - Enhance unitholder value
 - Enhance tax efficiency
 - Strengthen balance sheet
 - Improved valuations support build out of Heritage Gas



Proposed Spin Out of Natural Gas Distribution Segment

- Impact to AltaGas Income Trust
 - No impact on current level of distributions
 - Improved financial metrics
 - Lower target debt to total capitalization of 40% to 45%
 - No significant change to risk profile of AltaGas Income Trust
 - Minimal impact on net income and distributable cash



Proposed Spin Out of Natural Gas Distribution Segment

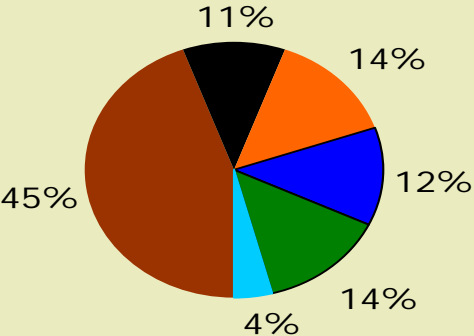
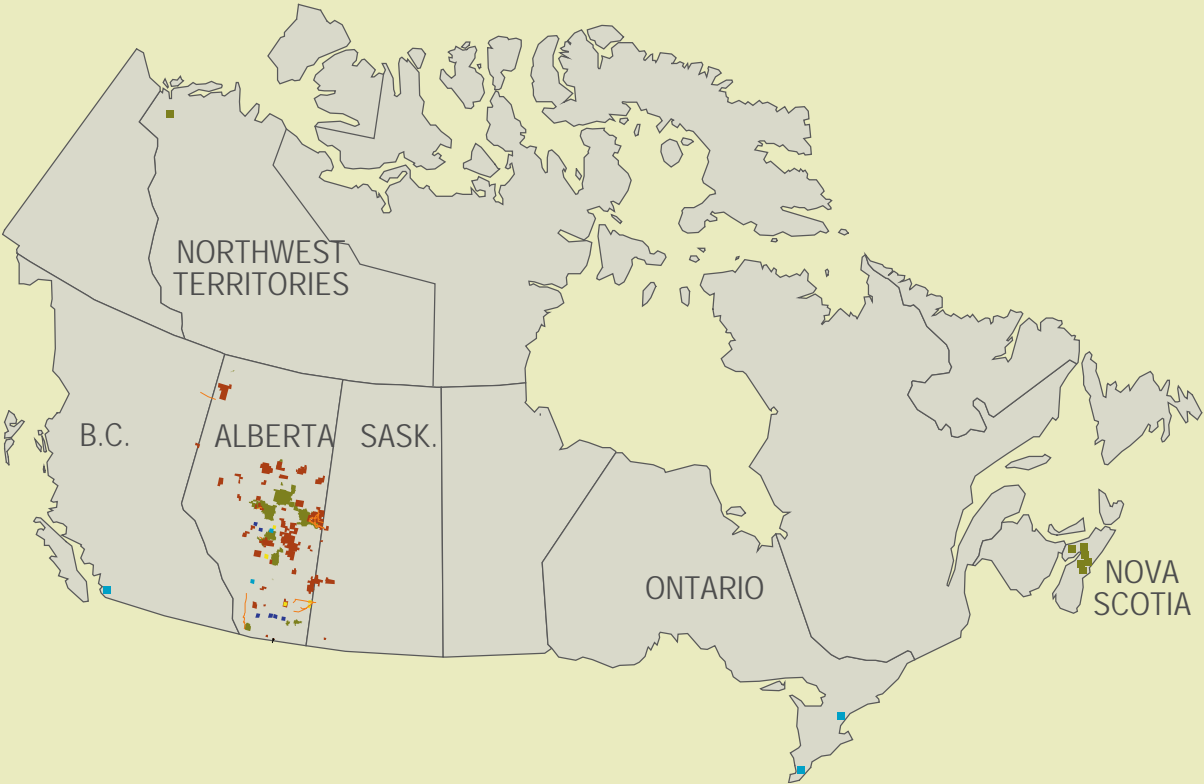
- Transaction Description
 - Spin out of the Trust's ownership of AltaGas Utilities Inc. and interests in Heritage Gas and Inuvik Gas to a new publicly traded corporation
 - Trust unitholders to receive shares in Newco
 - Corporation traded on the TSX
 - Subject to various regulatory approvals
 - Expected implementation in third quarter 2005

Integrated Energy Businesses



Net Book Value

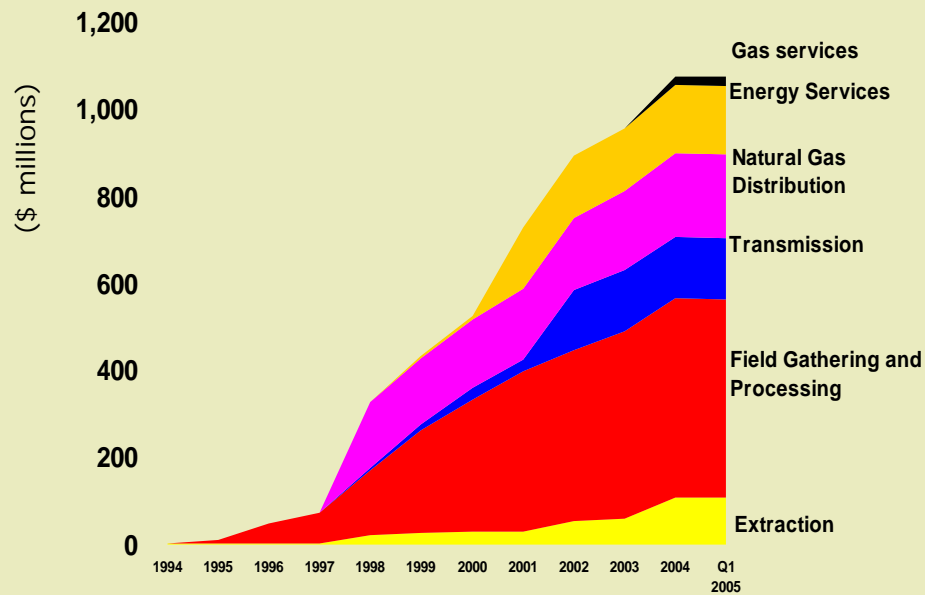
At March 31, 2005
\$ 875.7 million



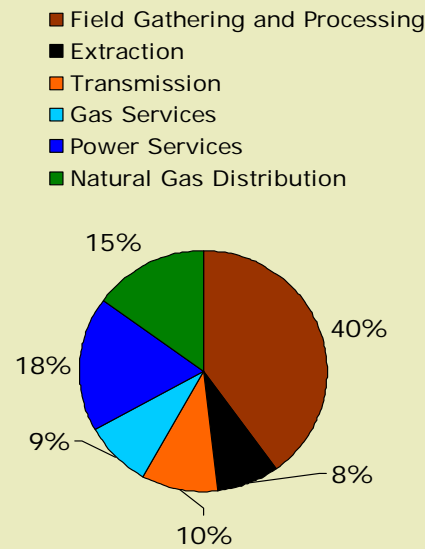
Diversified Asset Focused Business



**Capital Investment by Component
2005**



**Operating Margin by Component
2005**



AltaGas

The background of the slide features a low-angle photograph of an industrial facility, likely a gas processing plant, with tall distillation columns and a network of pipes. The image is overlaid with a semi-transparent teal color and a white grid pattern. The grid consists of several rectangular cells, with the bottom-right cell being a solid light yellow color.

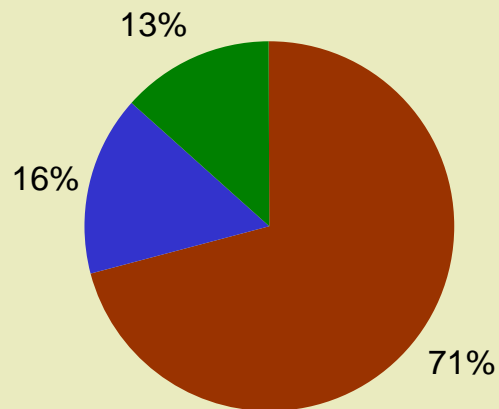
**Financial
Performance**

AltaGas Today: Strong and Diversified



TOTAL ASSETS

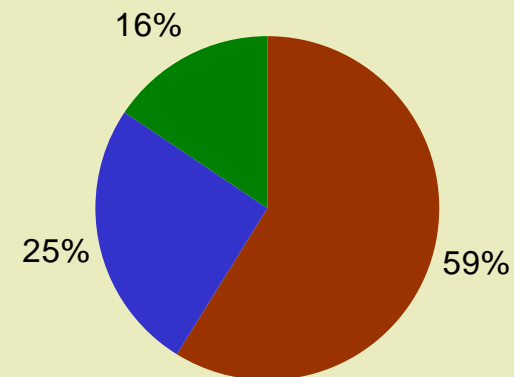
At March 31, 2005
\$ 1,089.3 million



- Gathering and Processing
- Energy Services
- Natural Gas Distribution

EBITDA

Three months ended March 31, 2005
\$ 46.3 million

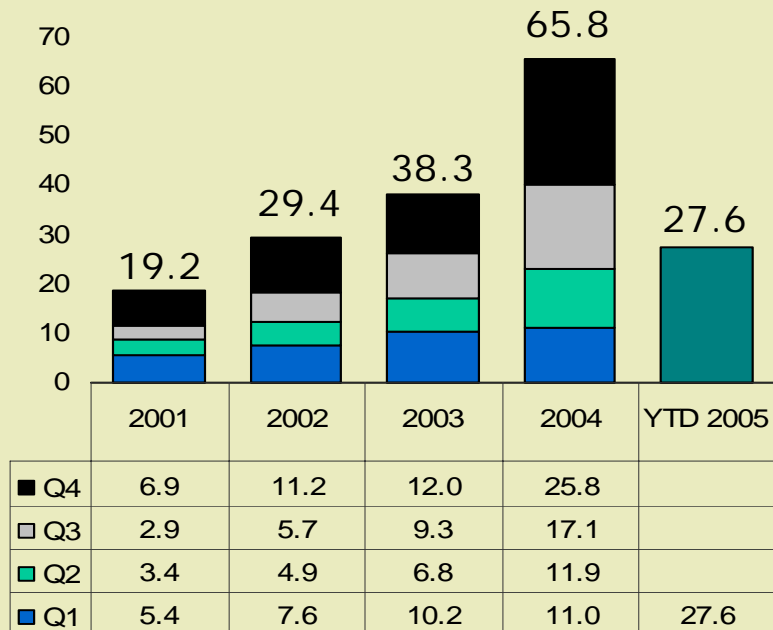


- Gathering and Processing
- Energy Services
- Natural Gas Distribution



Net Income

NET INCOME (\$ Millions)



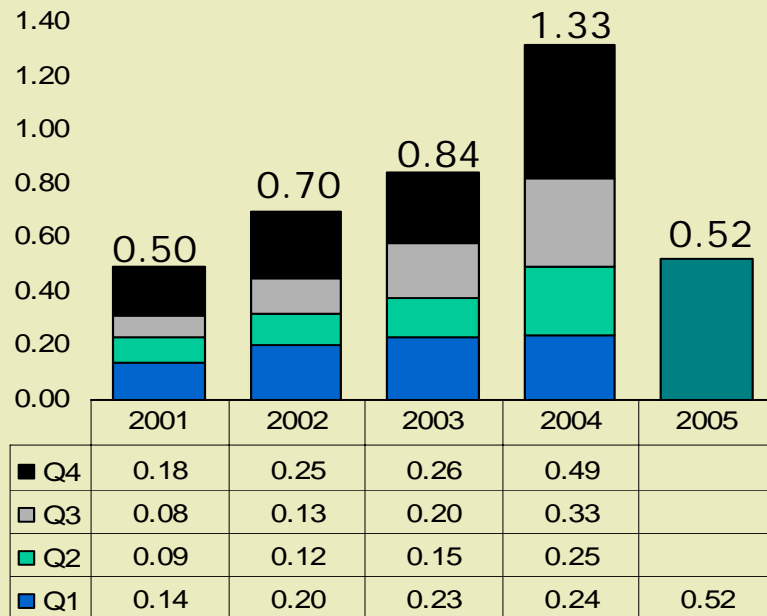
2001 ARO adjustment of 0.6 million
not allocated by quarter

- **First quarter 2005**
 - \$27.6 million or 150% increase over first quarter 2004
 - \$19.7 million or 80% increase over first quarter 2004 - excluding the gains from ownership reduction in Taylor units
 - Impact from PremStar and EEEP acquisitions
 - Strong performance from existing asset base



Net Income Per Unit

NET INCOME PER UNIT (\$)

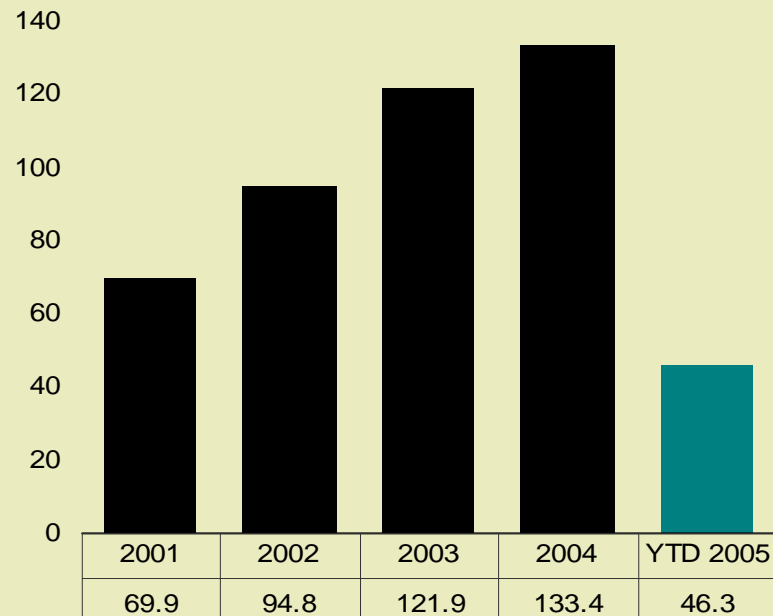


- **First quarter 2005**
 - Increase of 117% over first quarter 2004
 - Excluding the gains from ownership reduction in Taylor, earnings per unit up 54% over first quarter 2004
 - Basic units outstanding 53.4 million compared to 45.9 million in first quarter 2004
 - Monthly distribution of \$0.15 per unit



EBITDA

EBITDA (\$ Millions)

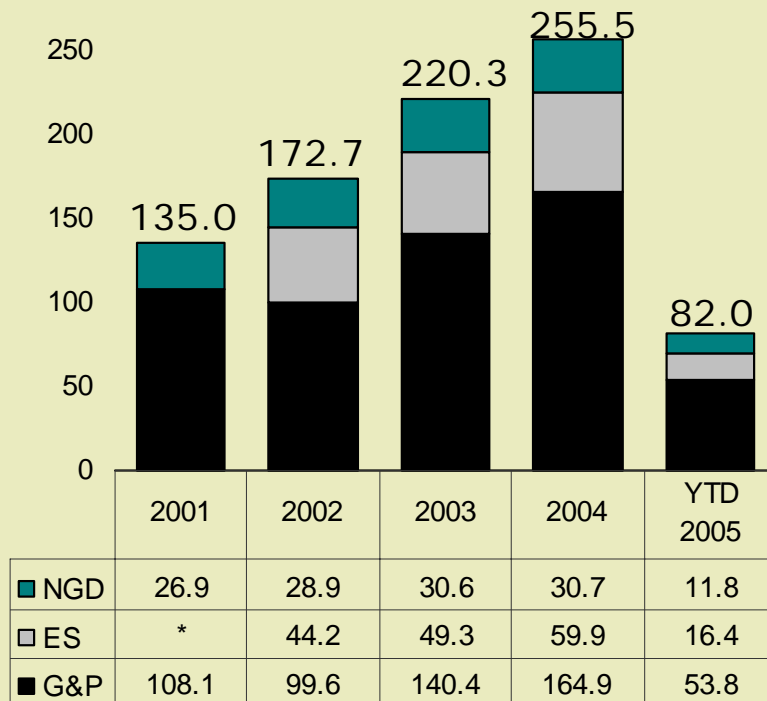


- **First quarter 2005**
 - \$46.3 million or 49% increase over first quarter 2004
 - \$37.1 million or 19% increase over first quarter 2004 - excluding the gains from reduction in ownership of Taylor units



Net Revenue by Segment

**NET REVENUE BY SEGMENT
(\$ Millions)**



•Energy Services results were combined with Gathering and Processing in 2001

• Does not include intersegment eliminations

- **Gathering and Processing**
 - Gains related to Taylor investment
 - Acquisition of EEEP
 - Higher repairs and maintenance costs
- **Energy Services**
 - PremStar acquisition
 - Higher power prices
- **Natural Gas Distribution**
 - Increased customer base
 - Anticipated rate increase
 - Warmer weather in 2005

Capital Expenditures

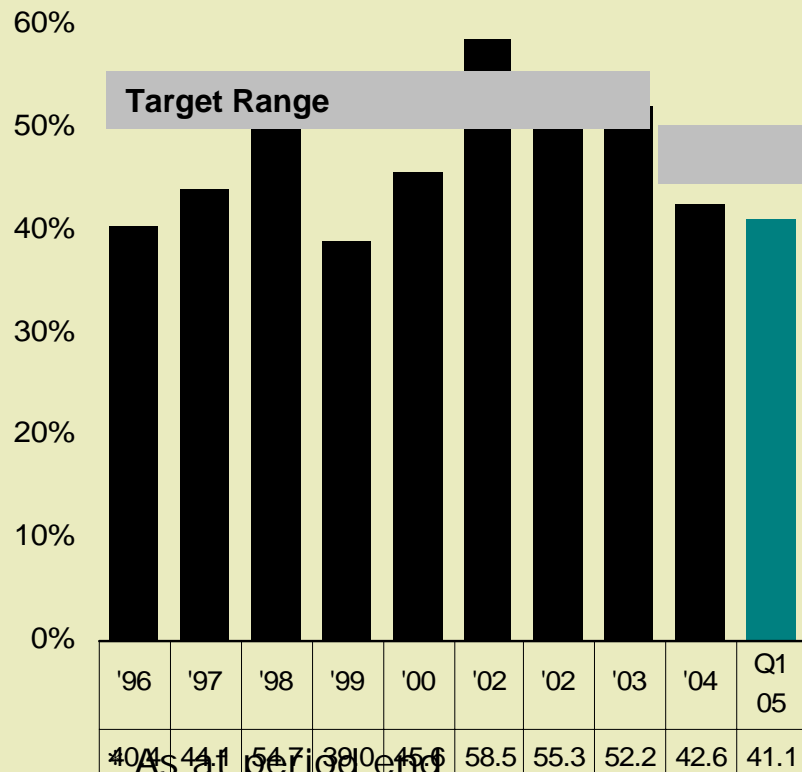


- \$6.0 million in capital expenditures in first three months of 2005
 - \$3.9 million growth
 - \$0.7 million administration
 - \$1.4 million maintenance
- Dispositions
 - \$8.1 million due to reduction of ownership in Taylor
 - \$7.1 million due to disposition of non-core assets
- Financing Options
 - Debt and equity markets
 - Funds from operations
 - DRIP

2005 Financial Structure



DEBT AS A PERCENTAGE OF TOTAL CAPITAL *



- **Committed to investment grade rating**
- **Trust stability rating**
 - S&P: SR-3
 - DBRS: STA-3 (middle)
- **Rating on medium term notes**
 - S&P: BBB-
 - DBRS: BBB (low)
- **Capital structure**
 - March 31, 2005 41.1%
 - Trust target 40 - 45%
 - Historical target 50 - 55%
- **Distribution per unit - \$0.15**

AltaGas

The background of the slide features a low-angle photograph of an industrial gas processing plant. The image shows several tall, cylindrical distillation columns and a complex network of pipes and walkways. The entire image is overlaid with a semi-transparent teal color. A white grid is superimposed on the right side of the image, with one cell in the bottom right corner filled with a solid yellow color.

Growth Strategy

Drivers of 2005 Growth



- **Full year impact of 2004 acquisitions**
 - October 2004 – closed the acquisition of PremStar, a leading Canadian energy agency business
 - August 2004 – acquired 48 2/3% of Edmonton Ethane Extraction Plant
 - August 2004 - leased 25 megawatts gas fired power peaking plant
- **Organic growth – gas gathering and processing**
 - internal expansion projects at Marten Creek, Doris and Namaka
 - invested \$16.4 million and added 40 Mmcf/d in throughput volumes
 - \$5.5 million sour gas processing plant with capacity of approximately 1.0 Mmcf/d and 37 kilometres of pipeline
- **Planned expenditures on internal growth - \$40 million**
 - \$3.9 million spent in first quarter 2005
 - \$7.0 million in commitments to date in field gathering and processing
- **Acquisition opportunities**

Positioned for Growth



- **Strong gas prices fueled by increasing gas demand and maturing basin**
- **Continued growth in power demand**
- **Gathering and Processing**
 - organic growth with low investment
 - increase facility utilization
 - strong E&P activity
 - accretive acquisitions
 - operational reliability
 - cost competitive
- **Energy Services**
 - energy management services
 - in-depth knowledge of energy market in which we operate and strong customer relationships
 - accretive acquisitions
- **Natural Gas Distribution**
 - existing customer base increasing on average by 2% per year
 - additional expansion through Heritage Gas

Acquisition Strategy



- Disciplined approach to acquisitions
 - Net income accretive
 - Return on equity accretive
 - Maintain low risk profile
 - Maintain financial flexibility
 - Enhance unitholder value

AltaGas



Investment Highlights

Premier Energy Trust

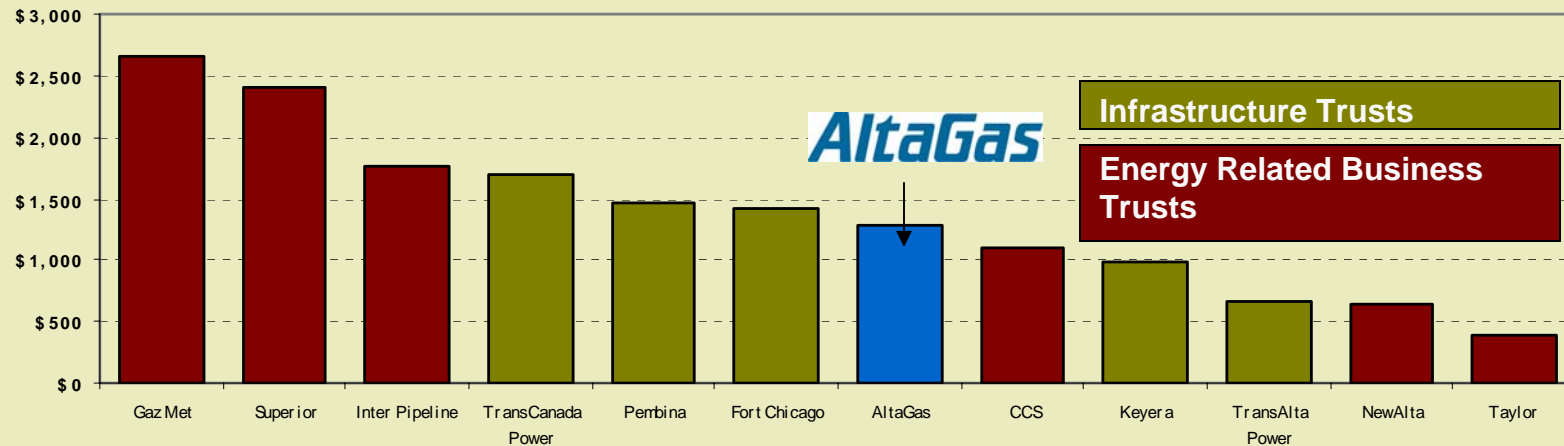


	AltaGas	Enbridge Income Fund	Fort Chicago	Inter Pipeline	Keyera Facilities	Pembina Pipelines	Taylor NGL
Field Gathering and Processing	✓				✓		✓
Extraction	✓		✓	✓			✓
Transmission	✓	✓	✓	✓	✓	✓	✓
Gas Services	✓				✓		
Power Services	✓						
Natural Gas Distribution	✓						

Large Cap Liquid Income Trust

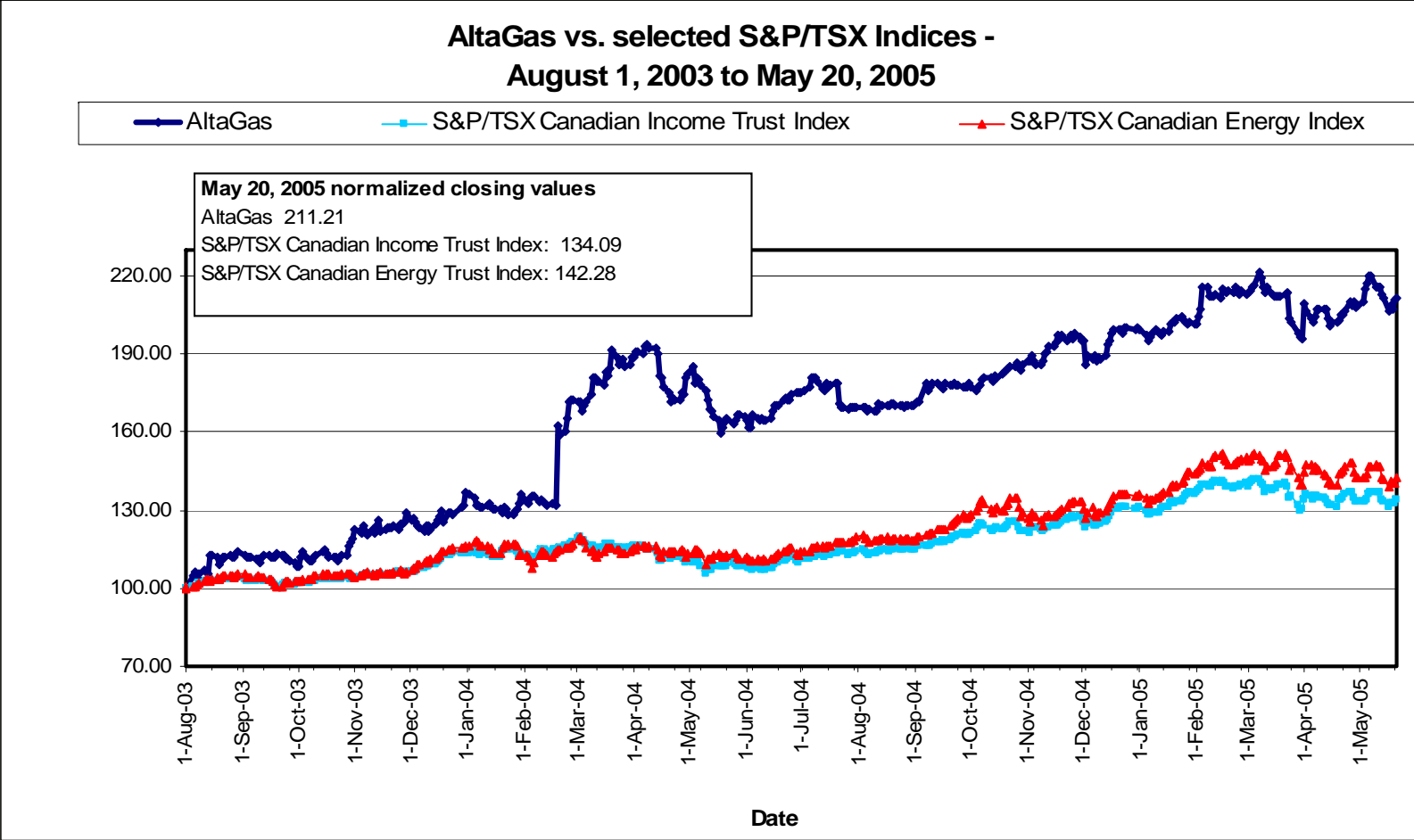


Market Capitalization

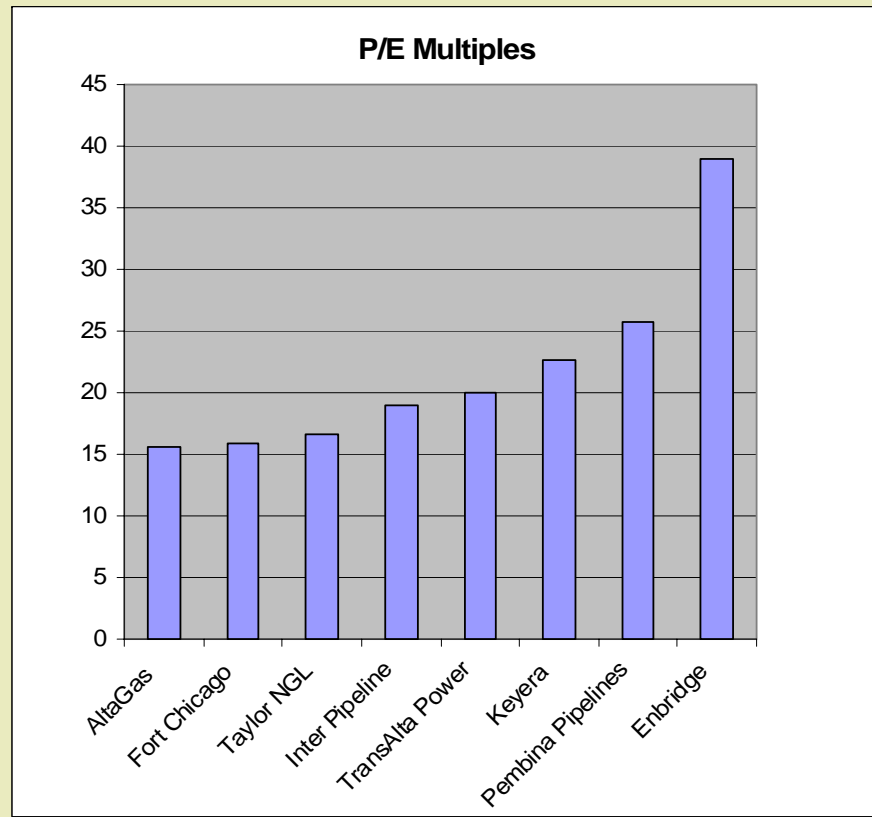
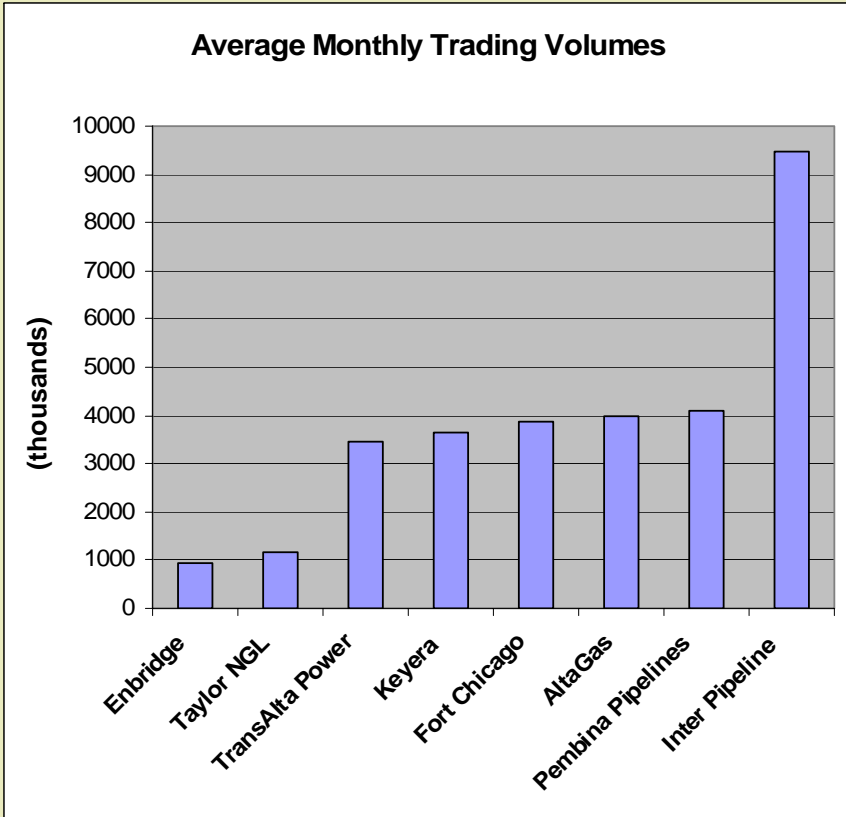


- AltaGas has a market capitalization of over \$1 billion

Industry Relative Performance



Peer Comparisons



Investment Highlights



- Demonstrated track record of growth and value creation
- Strong fundamentals driven by energy demand
- Integrated energy business with a diversified portfolio of assets and services
- Strong contractual underpinning
- Significant organic and acquisition growth opportunities
- Financial strength and flexibility
- Well positioned to create and enhance unitholder value

AltaGas

