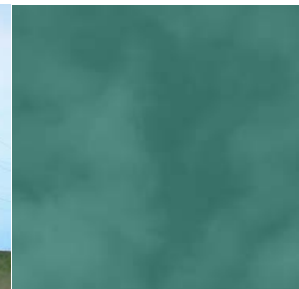
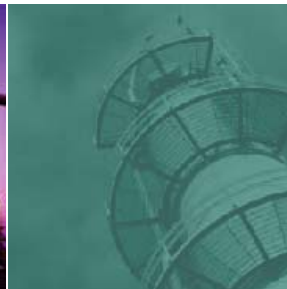


AltaGas

August 2005 MTN Offering



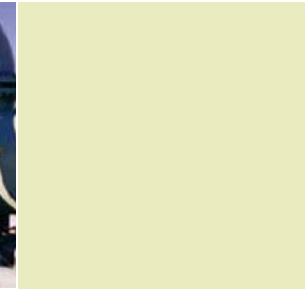
Presentation agenda

- Introduction
- Business overview
- Investment highlights
- Financial review



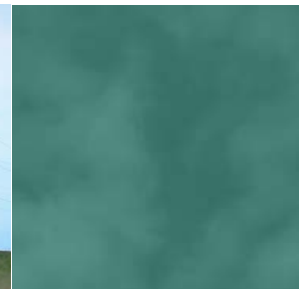
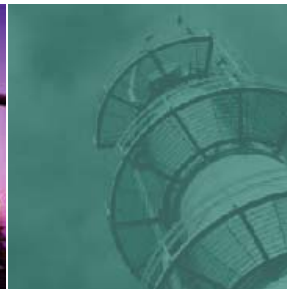
AltaGas

Introduction

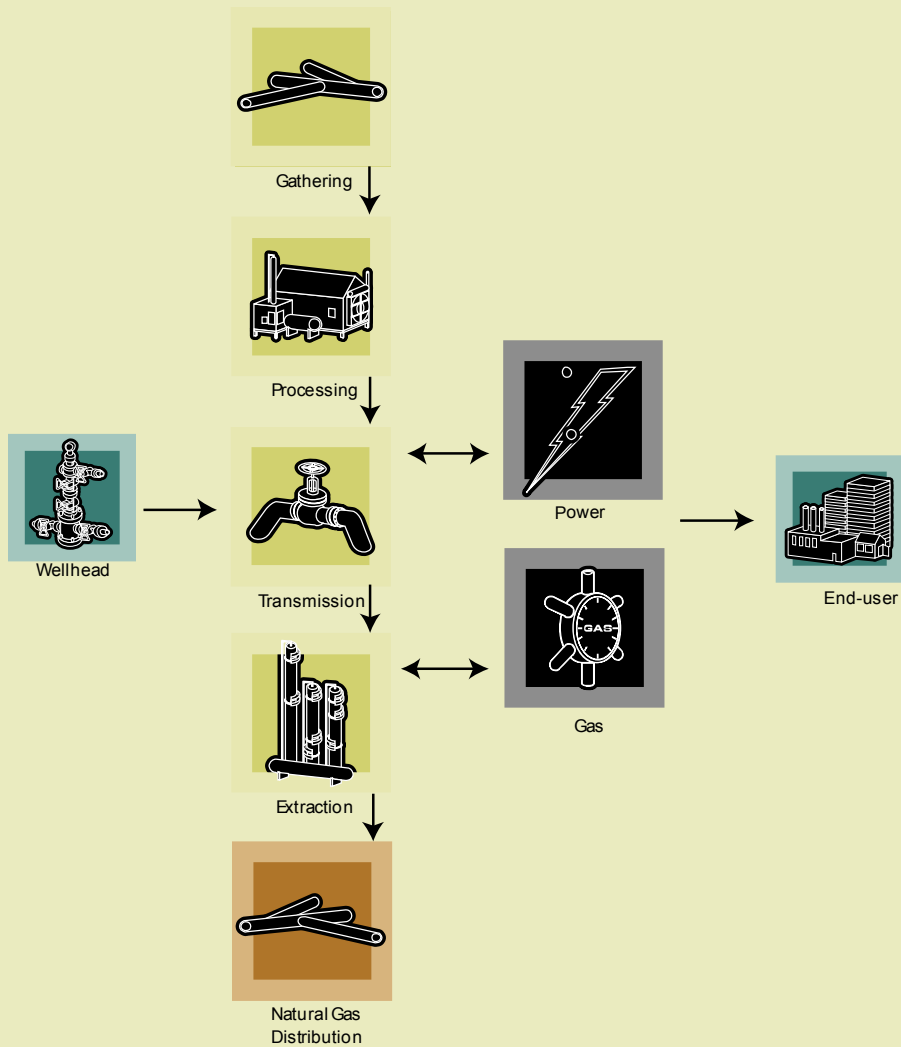


AltaGas

Business Overview



Energy value chain



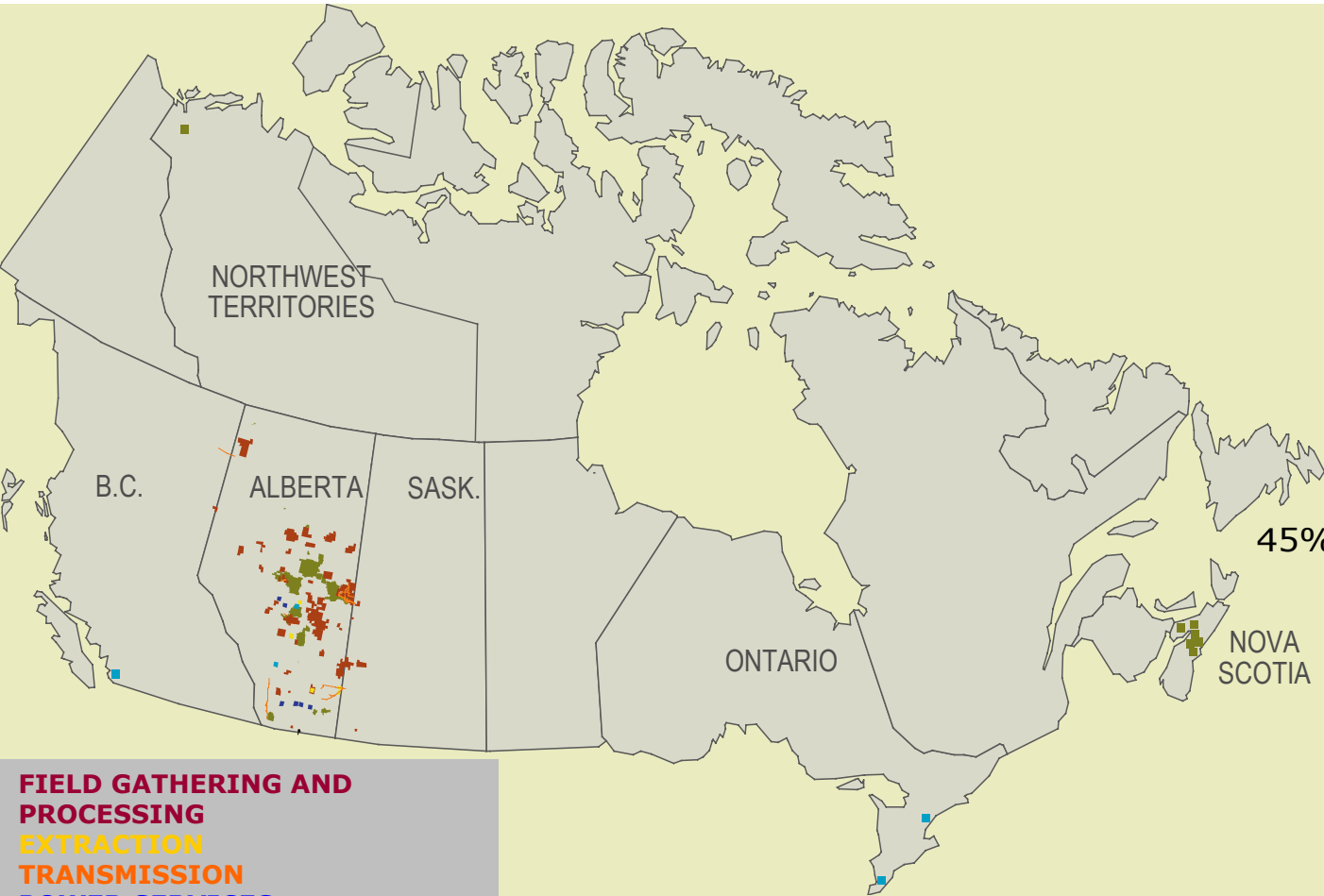
- AltaGas creates value by strategically linking asset and service components of the energy value chain

Integrated energy business

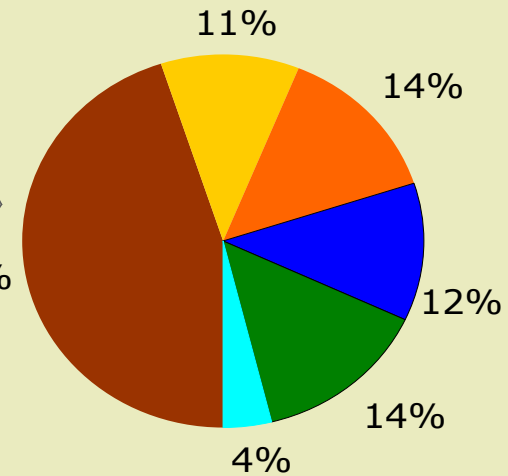


- Diversified portfolio of assets and services provides stability
 - 6 major businesses
 - Underlying commodities – natural gas, natural gas liquids, power
 - Various industry cycles – often offsetting
 - Extensive geographic footprint
 - Broad customer base with multiple revenue sources
 - Comprehensive range of contractual terms to manage commodity price exposure
 - Cost of service and fee based
 - Various tenures
 - Spin out of gas distribution assets expected late Q3/early Q4

Integrated energy businesses

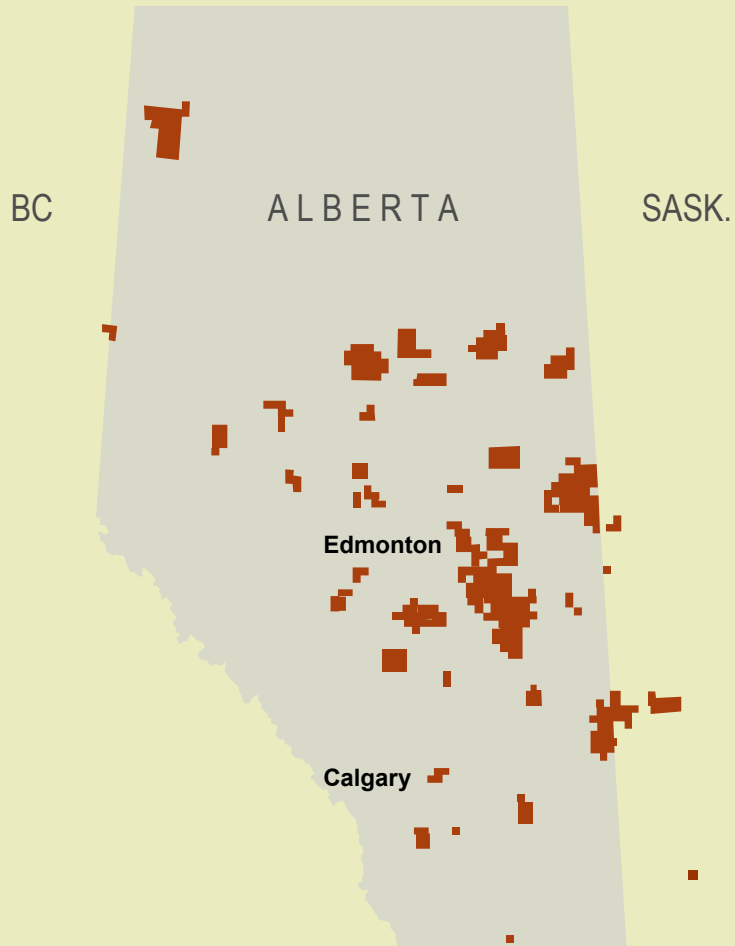


Net book value
At June 30, 2005
\$ 871.6 million



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

Field Gathering and Processing



- 69 facilities with 916 Mmcf/d of capacity
- moveable facilities
- 62% capacity utilization
- 50% of revenue from take-or-pay and capital and operating recovery contracts
- 50% of revenue has volumetric fee with geographic franchise and area of mutual interest contractual support

Sylvan Lake Gas Plant



Extraction



- 4 extraction plants with 539 Mmcf/d inlet capacity, including Alberta's newest plant
- One field fractionation plant
- 19,987 Bbls/d average production in first half 2005
- 75% of operating margin based on cost-of-service or fixed fee arrangements

*Joffre Ethane
Extraction Plant*

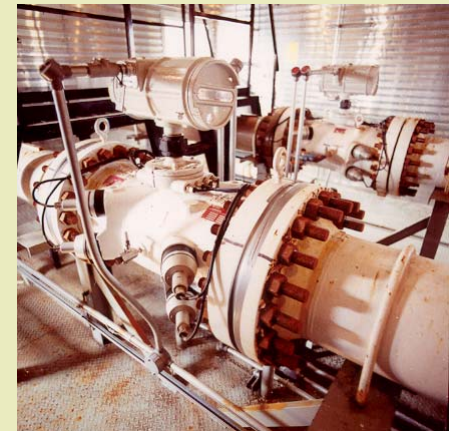


Transmission



- 6 transmission pipelines totaling 750 km
- 432 Mmcf/d average volumes in first half 2005 (excludes condensate transmission volumes)
- Attractive cost-of-service assets
- Suffield pipeline backed by long-term transport-or-pay from EnCana

*Suffield Transmission
Meter Station*



Power Services



- 6% of Alberta's power capacity
- 3,481 MWh sold at \$48.77/MWh in 2004
- Average price for power sold for first half of 2005 \$48.81/MWh
- Rights to 353 MW until December 31, 2020
- 25 MW of gas-fired peaking capacity
- Predictable cash flows supported by active hedging strategies

*Sundance B
Power Plant*



Gas Services

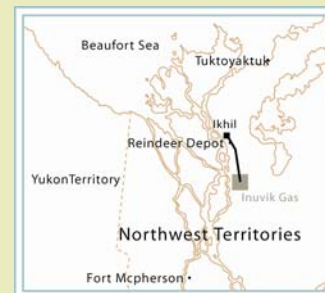


- Energy procurement and consulting services, energy supply and natural gas transportation and storage optimization to end-use customers
- Energy agency business marketed under AltaGas and PremStar and ECNG trade names
- Fee for service revenue
- 446 active retail energy service contracts in Q2-05
- Over 300,000 GJ/d average wholesale volumes marketed in Q2-05

Natural Gas Distribution

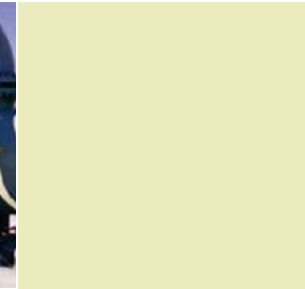


- Regulated cost-of-service returns
- AltaGas Utilities
 - 60,866 customers
 - 6% of Alberta natural gas distribution market
- Positioned for Northern development
- Nova Scotia greenfield opportunity
 - Infrastructure to be built over 10 years
- Spin out of gas distribution assets expected late Q3/early Q4



AltaGas

Investment Highlights



Investment highlights

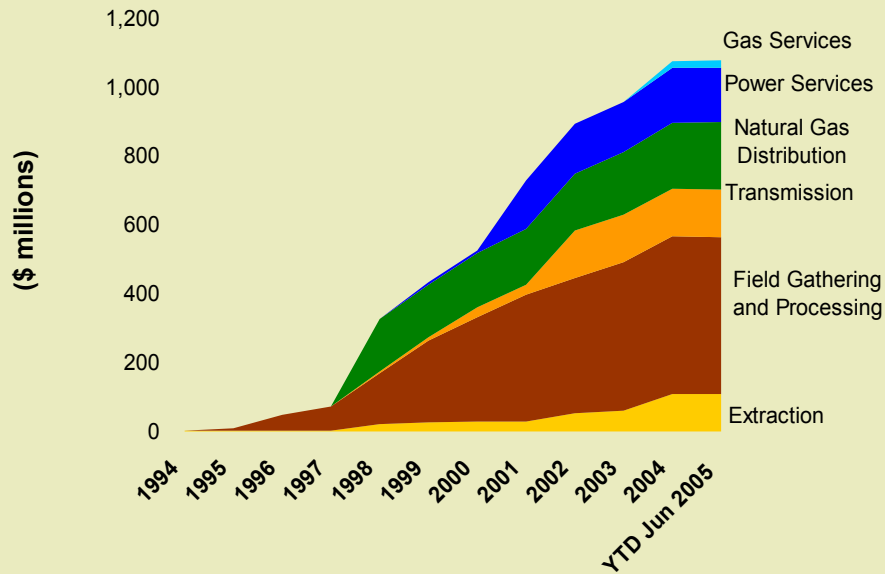


- Diversified asset focused business
- Stable and predictable long-term cash flows
- Risk and return managed through comprehensive range of contracts
- Disciplined financial management
- Conservative maintenance capital requirements
- Strong industry fundamentals provide opportunities for prudent increase in EBITDA

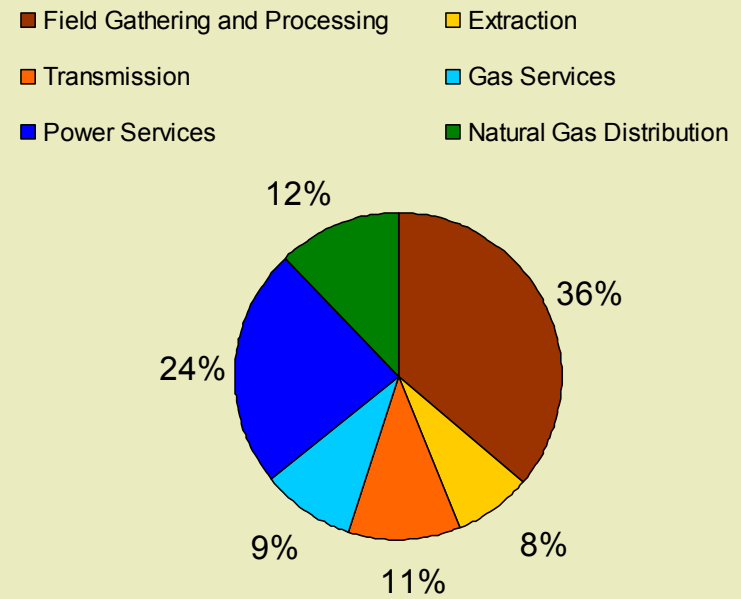
Diversified asset focused business



Capital investment by component



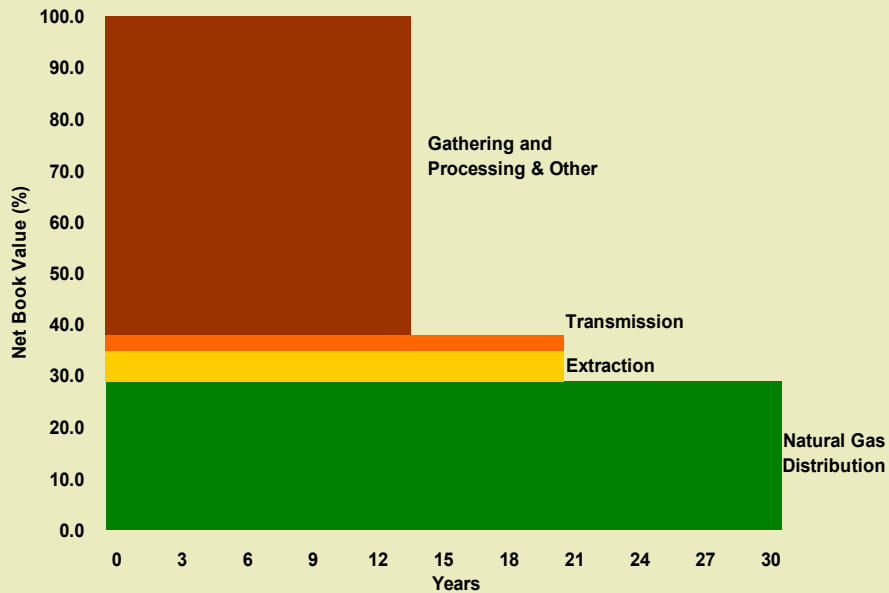
Operating margin by component
(6 months ended June 2005)



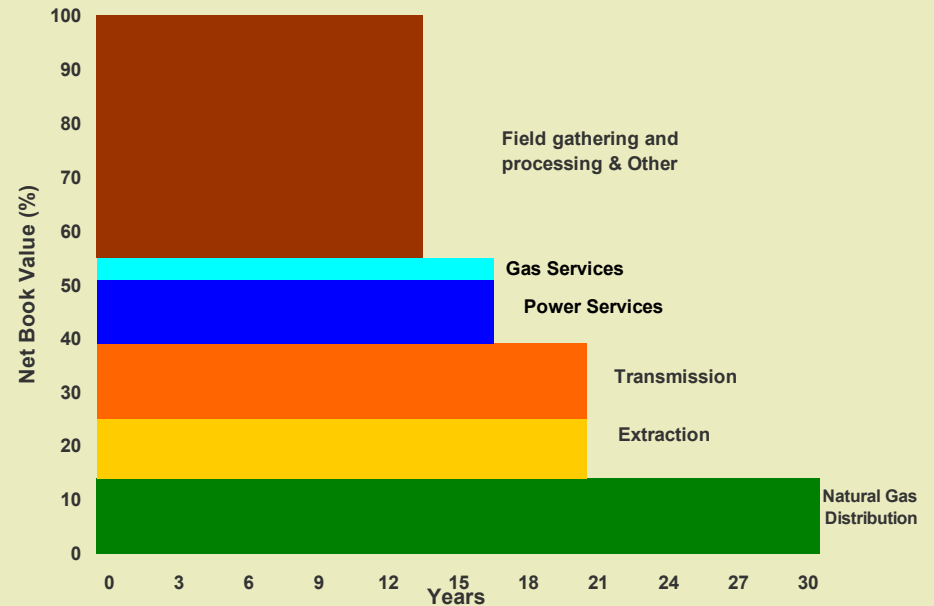
Growing stable and predictable long-term cash flow



Cash flow horizon by component - 1999



Cash flow horizon by component - 2005



Risk and return managed through comprehensive range of contracts



Operating margin by contract type (6 months ended June 30, 2005)

Cost of service

- Provides for recovery of operating and maintenance expenses, amortization, taxes, and the cost of capital

Take or pay

- Capacity fee paid

Spot commodity sales

- PPA power sold at spot
- Frac spread business

Hedged commodity sales

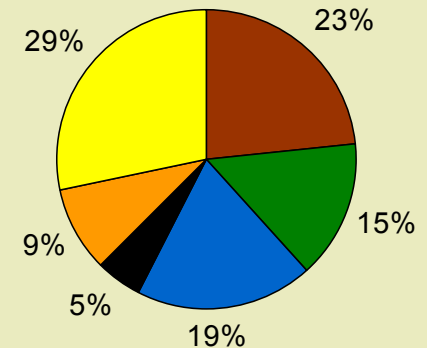
- Fixed commodity price contracts
- Rolling portfolio of contracts

Volumetric fees

- Toll based fee per unit processed

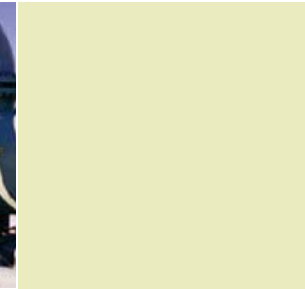
Capital and operating cost recovery

- Operating cost recovery and a return of capital



AltaGas

Financial Review



Conservative financial management

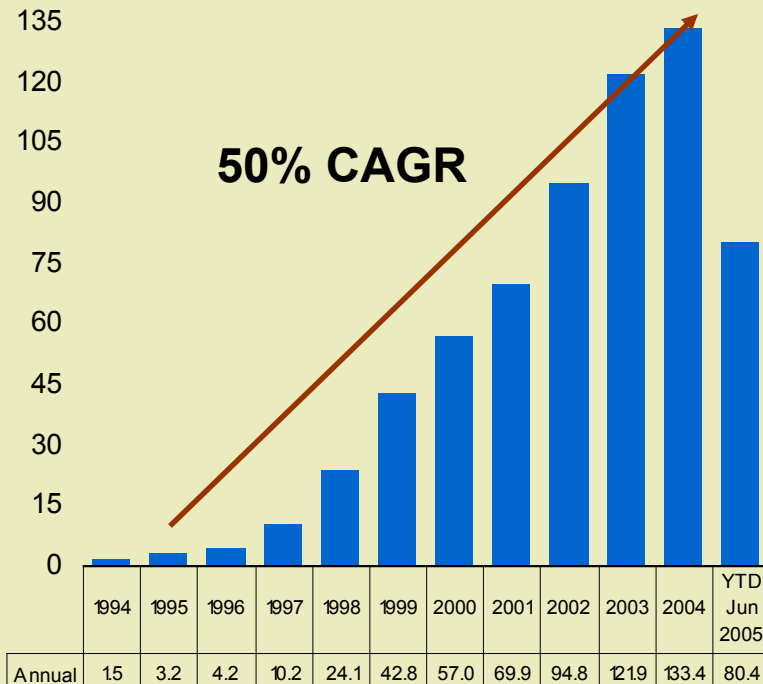


- Strong balance sheet
- Debt as a percentage of total capitalization
 - Targeted range – 40% to 45%
 - As at June 30, 2005 – 40.5%
- Disciplined approach to growth focusing on traditional financial metrics
 - Cash flow accretive
 - Earnings accretive
 - ROE accretive
- Conservative distribution payout ratios

Financial stability and growth



EBITDA
(\$ Millions)



- Exceptional track record of profitable growth
- Annual growth rates since inception to end 2004
 - Assets: 69%
 - Net revenues: 50%
 - Funds from operations: 53%
 - Net income: 51%
- Conservative maintenance capital requirements
 - \$6.4 million 2004
 - \$3.9 million first half 2005

Opportunities to increase EBITDA



Strong industry fundamentals provide opportunities for prudent increases in EBITDA

■ Gathering and Processing

- Strong exploration and production activity in WCSB supports continued internal growth
- Accretive acquisitions at reasonable valuations
- Increased facility utilization with low capital investment

■ Gas Services

- Energy value chain optimization with other components
- Continue to grow customer base

● Power Services

- Transmission opportunities
- Distributed power generation projects at field gathering and processing sites
- Upcoming PPA auctions

Financial highlights



(\$ millions)	<u>1999</u>	<u>2004</u>	<u>6 months June 2005</u>
EBITDA	42.8	133.4	80.4
Funds generated from operations	28.6	108.6	61.5
Net income	11.3	65.8	46.7
Total assets	436.5	1,108.6	1,069.8
Unitholders' equity	230.8	483.5	497.3
Total debt	151.9	359.5	339.2

Comparables



	Rating	EBIT/I	EBITDA/I	FFO/ Total Debt	Total Debt/Capital	Debt/ EBITDA
Pembina Pipeline Income Fund	NR	1.74x	3.53x	17.6%	51.0%	4.14x
Inter Pipeline Fund	BBB	3.83x	6.69x	32.4%	33.2%	2.63x
Enbridge Income Fund	BBBH, Baa2	1.17x	2.43x	7.5%	60.8%	7.10x
FortisAlberta Inc.	AL, Baa1	3.07x	5.48x	25.7%	59.4%	3.34x
Gaz Metro Inc.	A,A	2.74x	4.24x	29.3%	54.4%	3.16x
Average		2.51x	4.47x	22.5%	51.8%	4.07x
AltaGas Income Trust	BBBL, BBB-	4.76x	6.93x	36.5%	41.1%	2.37x

Notes:

All ratios have been adjusted for operating leases where appropriate.

All ratios calculated on an LTM basis as at June 30, 2005.

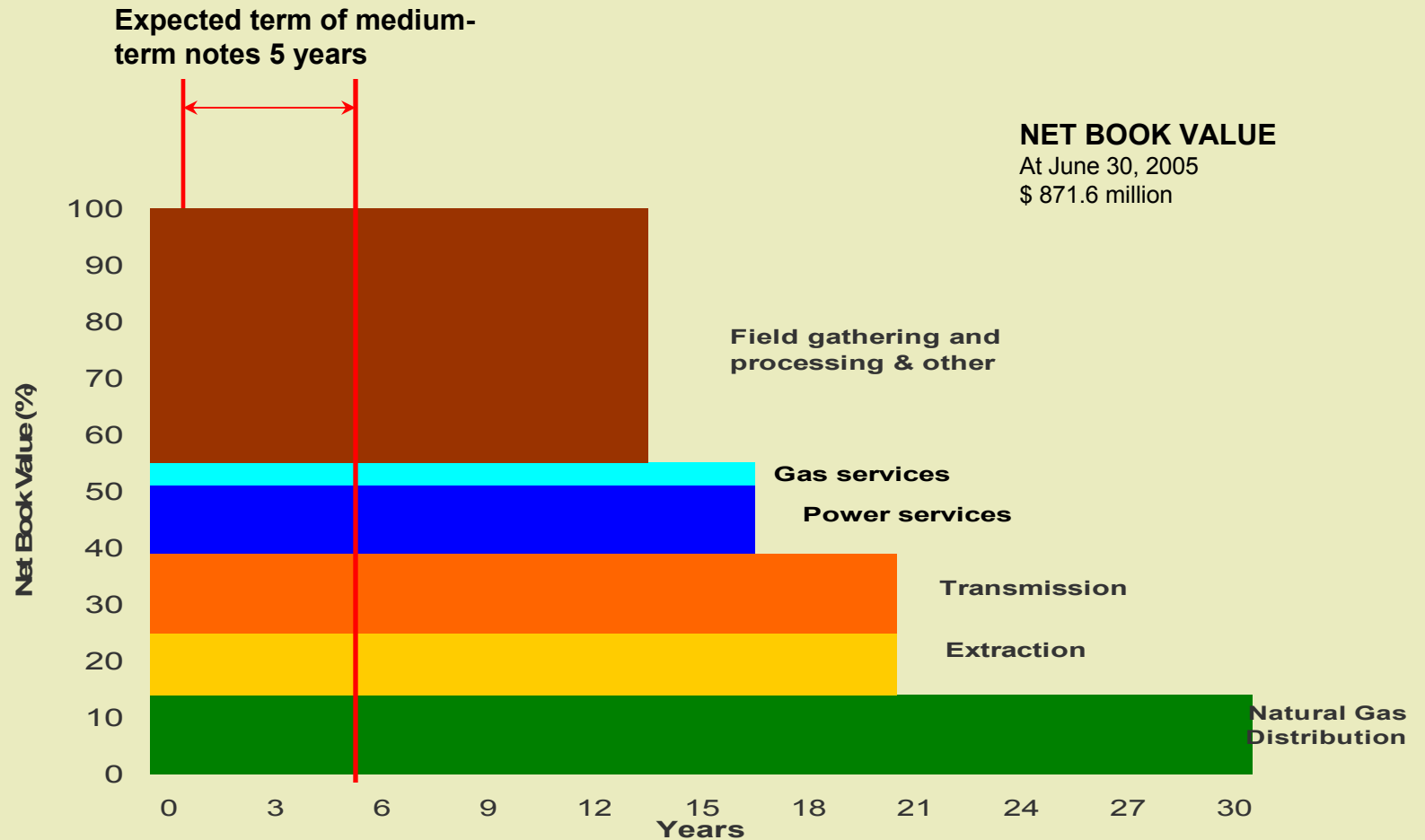
Source: BMO Nesbitt Burns

Ratings



- Ratings
 - S&P: BBB-
 - DBRS: BBB (low)
 - both stable outlook
- Board and management committed to maintaining investment grade ratings

Cash flow horizon



AltaGas

