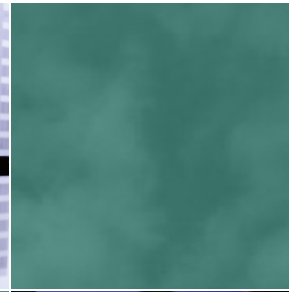
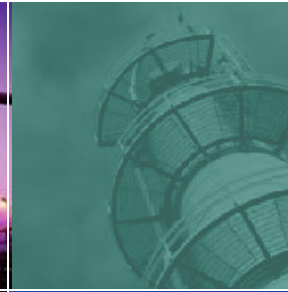


AltaGas

Financial Overview First Quarter 2005

May 11, 2005





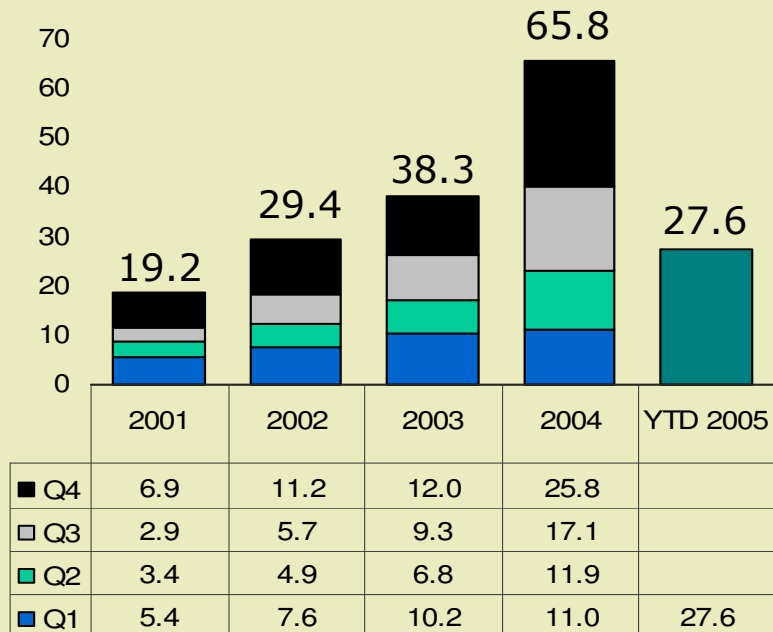
Forward-Looking Information

- 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.



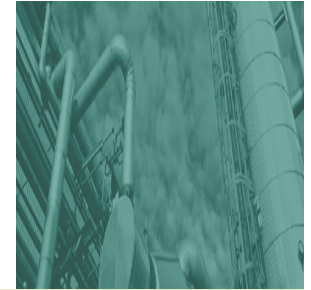
Net Income

NET INCOME (\$ Millions)



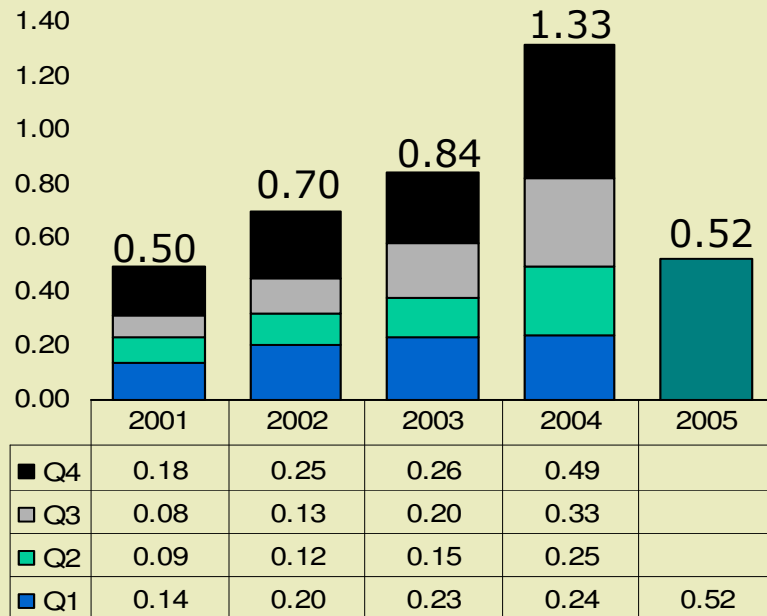
2001 ARO adjustment of 0.6 million
not allocated to each quarter

- **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



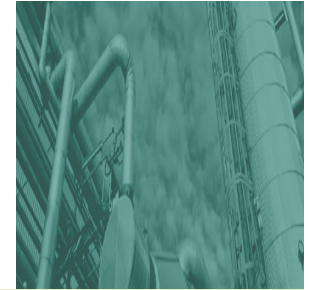
Net Income Per Unit

NET INCOME PER UNIT (\$)



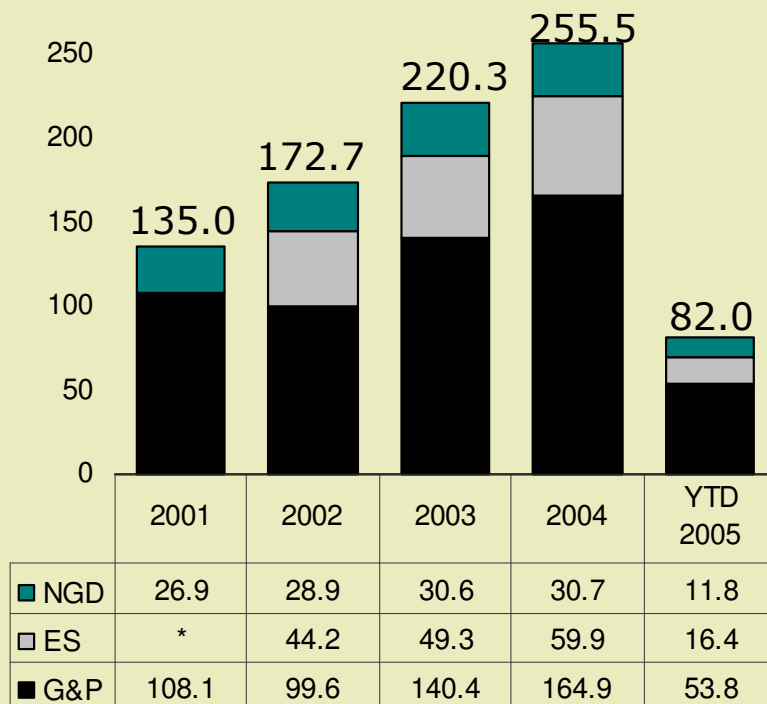
2001 & 2004 - rounding

- **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



Net Revenue by Segment

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



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

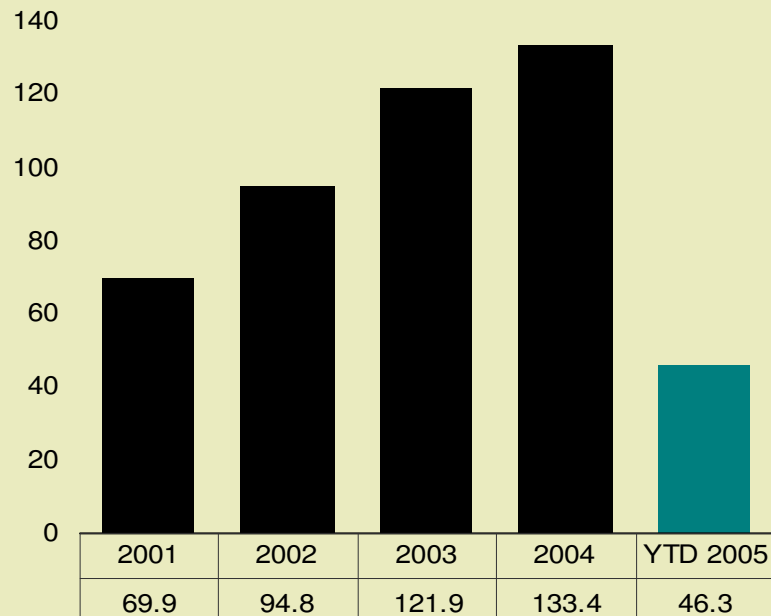
• Does not include intersegment eliminations

- **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



EBITDA

EBITDA (\$ Millions)

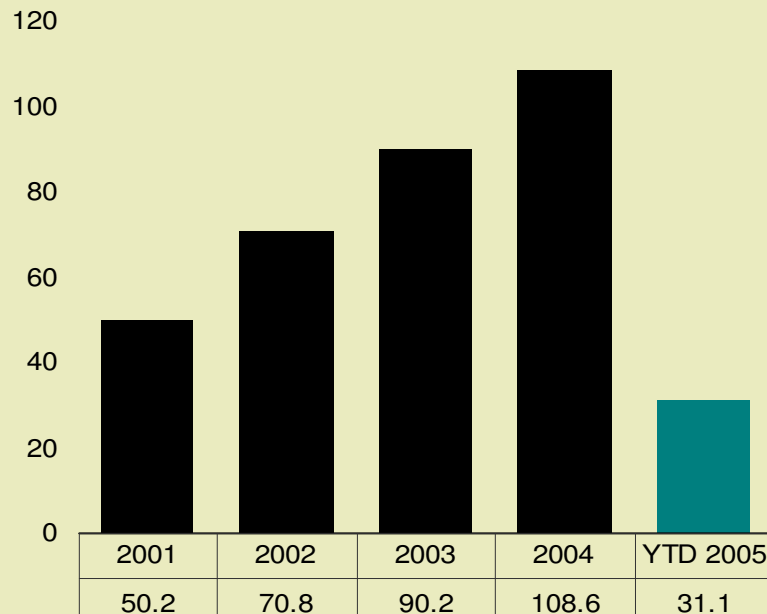


- **First quarter 2005**
 - \$46.3 million or 49% increase over first quarter 2004
 - \$37.1 million or 19% increase over first quarter 2004 - excluding the gains from reduction in ownership of Taylor units



Funds from Operations

FUNDS FROM OPERATIONS (\$ Millions)

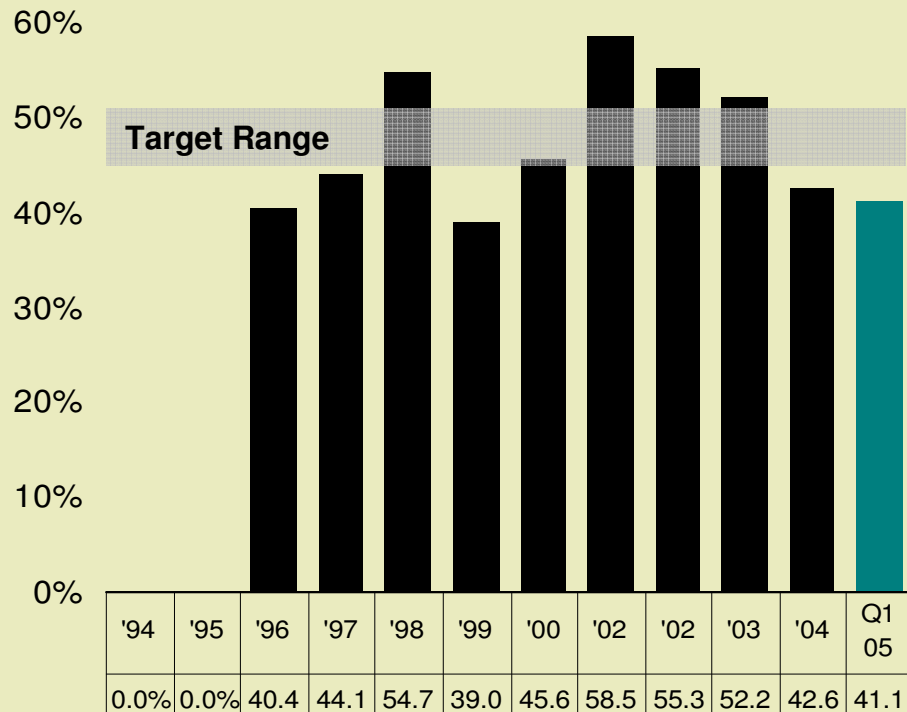


- **First quarter 2005**
 - \$31.1 million, 41% increase over first quarter 2004
 - Excludes proceeds on disposition of Taylor units of \$12.8 million
- Distributable cash for the first quarter was \$29.7 million compared to \$20.8 million for first quarter 2004



2005 Financial Structure

DEBT AS A PERCENTAGE OF TOTAL CAPITAL *



* As at period end

- **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 45 - 50%
 - Historical target 50 - 55%



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



2005 Outlook

- Full year impacts of late 2004 acquisitions
- Internal growth initiatives
- Favorable pricing on hedged power volumes and reduced costs of power
- Continued expansion at Heritage Gas
- Disciplined and focused acquisition strategy

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