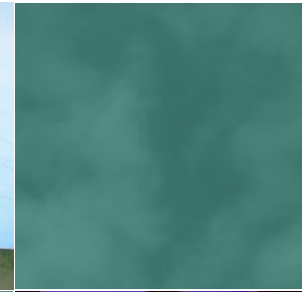


AltaGas

Financial Overview Second Quarter 2005

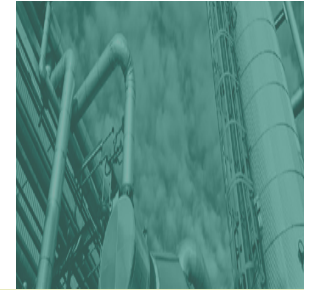
October, 2005





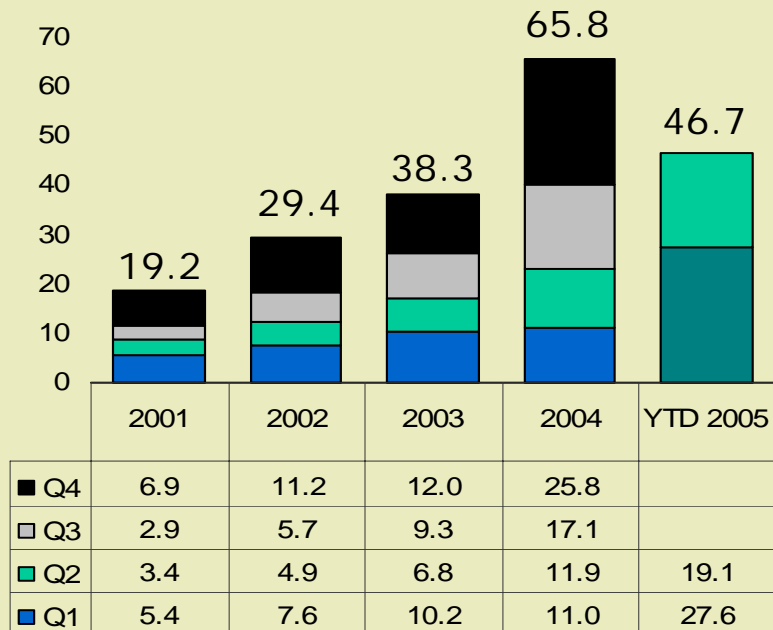
Forward-looking information

- 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

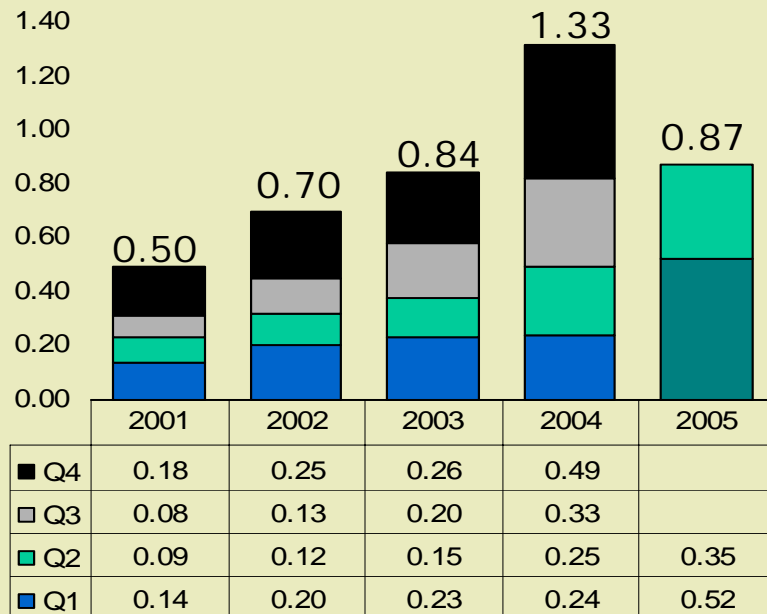
Second quarter 2005

- \$19.1 million or 61% increase over Q2-04
- 35% increase over Q2-04, normalized for one-time conversion costs in Q2-04
- \$46.7 million YTD, or 104% increase over first half 2004
- Impact from PremStar and EEEP acquisitions
- Strong performance from existing asset base



Net income per unit

NET INCOME PER UNIT (\$)



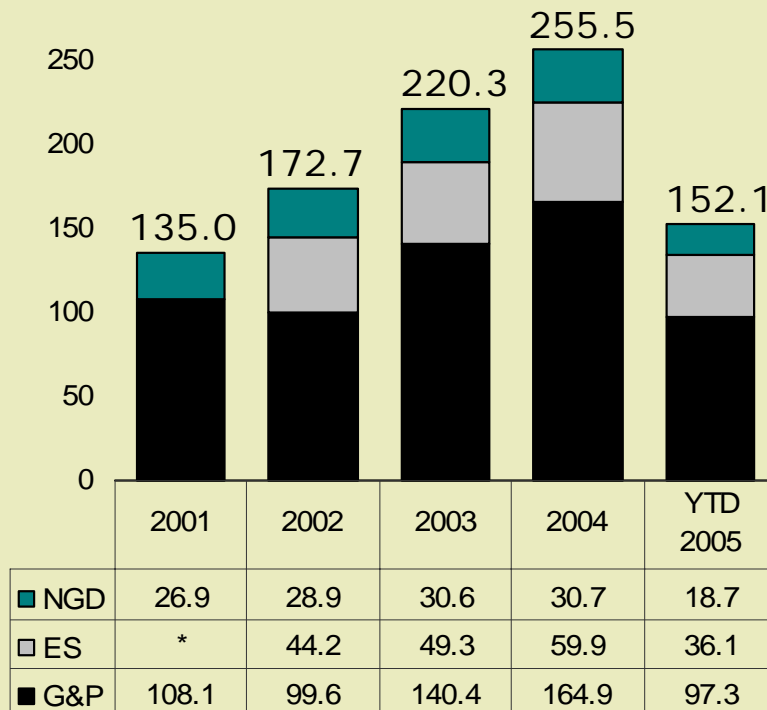
2001 & 2004 - rounding

- Increased monthly distributions from \$0.15 to \$0.16 (from \$1.80 to \$1.92 annualized)
- Second quarter 2005
 - Increase of 40% over Q2-04
 - YTD increase of 78% over first half 2004
 - Basic units outstanding 53.8 million compared to 47.2 million in Q2-04



Net revenue by segment

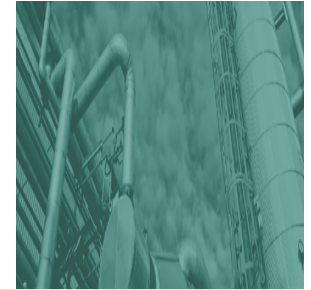
**NET REVENUE BY SEGMENT
(\$ Millions)**



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

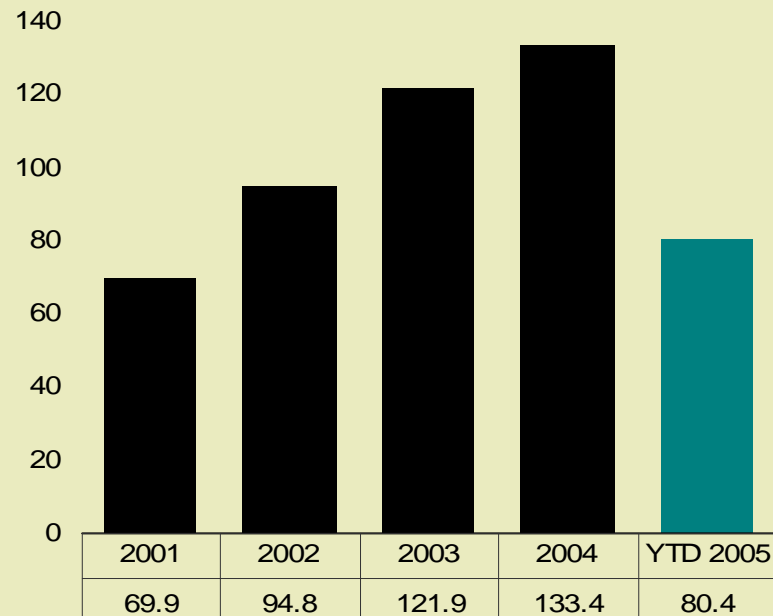
• *Does not include intersegment eliminations*

- **Gathering and Processing**
 - Acquisition of EEEP
 - Gains related to Taylor investment
 - Higher operating and administrative costs due to growth
- **Energy Services**
 - PremStar acquisition
 - Increased margins for power services
- **Natural Gas Distribution**
 - Anticipated rate increase
 - Warmer weather in 2005



EBITDA

EBITDA (\$ Millions)

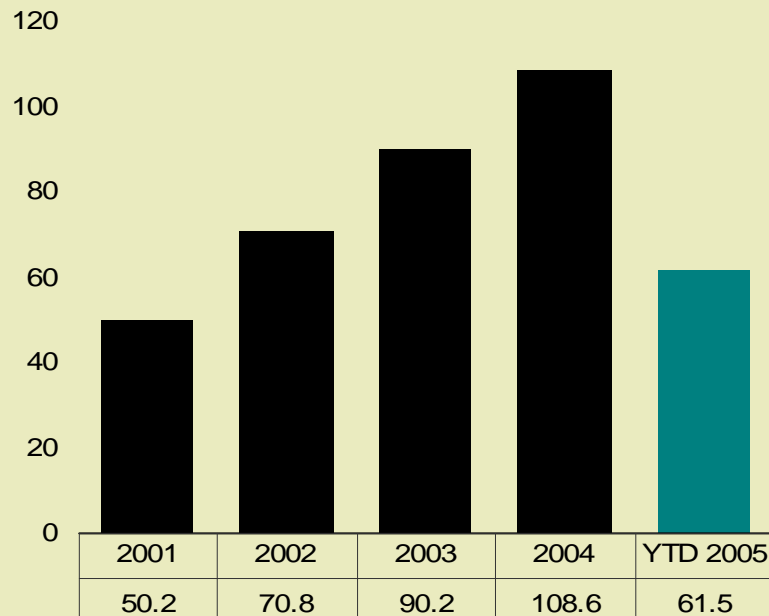


- **Second quarter 2005**
 - \$34.1 million or 23% increase over Q2-04
 - \$80.4 million or 36% increase over first half 2004
 - \$71.2 million or 21% increase over first half 2004 - excluding Q1 gains from reduction in ownership of Taylor

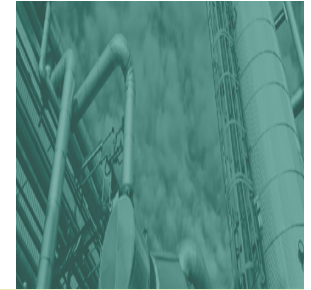


Funds from operations

FUNDS FROM OPERATIONS (\$ Millions)

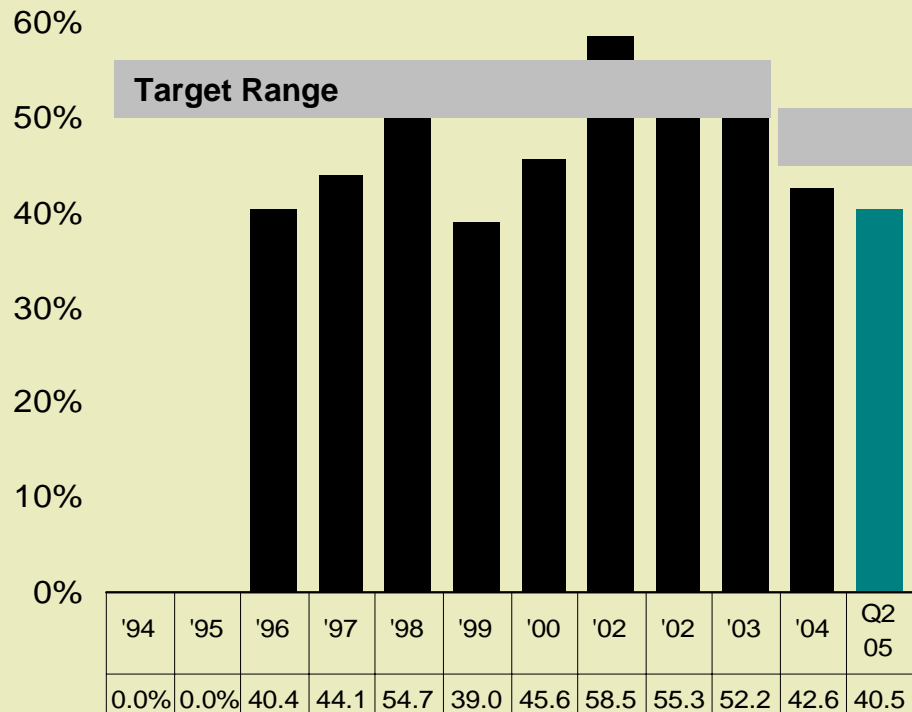


- **Second quarter 2005**
 - \$30.4 million or 27% increase over Q2-04
 - \$61.5 million YTD or 33% increase over first half 2004
 - Excludes proceeds on disposition of Taylor units (\$12.8 million)
 - Distributable cash for Q2-05 \$27.9 million, up from \$23.0 million for Q2-04
 - YTD distributable cash \$57.6 million, up from \$43.8 million in first half 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**
 - June 30, 2005 - 40.5%
 - Trust target 45 - 50%
 - Trust target after spin-out: 40-45%
 - Historical target 50 - 55%
- **\$100 million MTN issue**
 - 4.4% coupon, down from 7.3%
 - September 1, 2010 maturity



Capital expenditures

- \$9.8 million in capital expenditures in Q2-05
 - \$6.4 million growth
 - \$0.9 million administration
 - \$2.5 million maintenance
- \$15.8 million in capital expenditures in first half 2005
 - \$10.3 million growth
 - \$1.6 million administration
 - \$3.9 million maintenance
- Target growth initiatives - \$40 million for 2005
 - \$10.3 million spent in first half of year
 - Expect to meet target in early 4th quarter



2005 outlook

- Full-year impacts of late 2004 acquisitions
- Power pricing:
 - Robust compared to 2004
 - Favourable pricing on hedged power volumes and spot prices higher
 - Forward market prices for 2006 significantly stronger
- Growth initiatives
- Disciplined and focused acquisition strategy
- High rates of customer contract renewals in ECNG retail services business
- Spin out of gas distribution assets in Q4



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

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