



**Business Overview
Third Quarter 2005**

November 2005

AltaGas

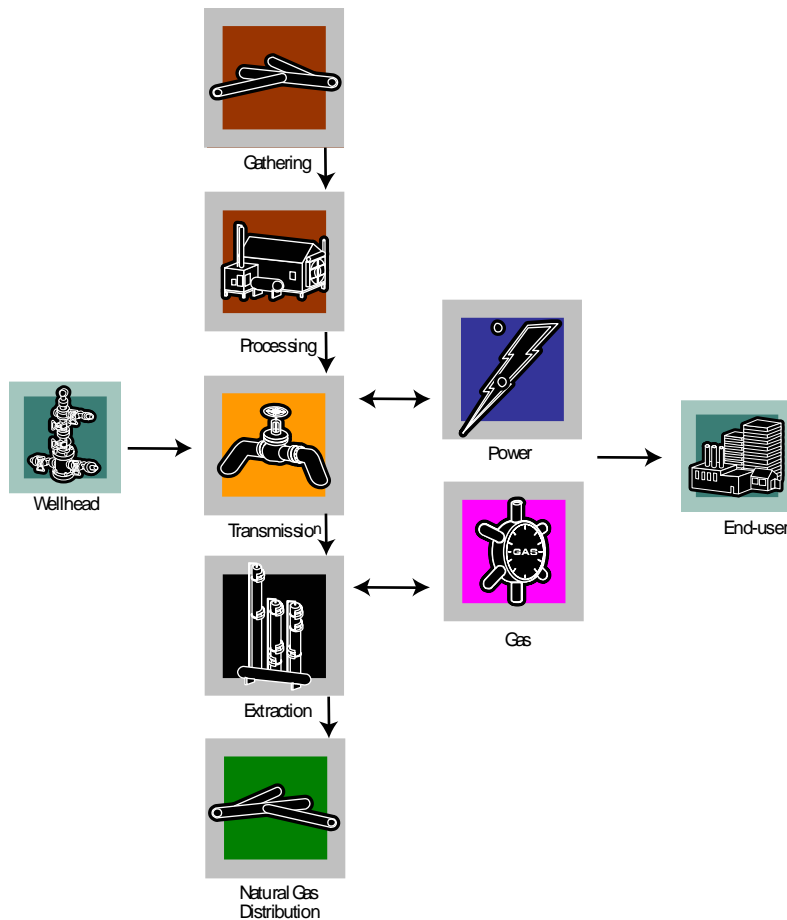
Well connected. ■

Forward-looking information



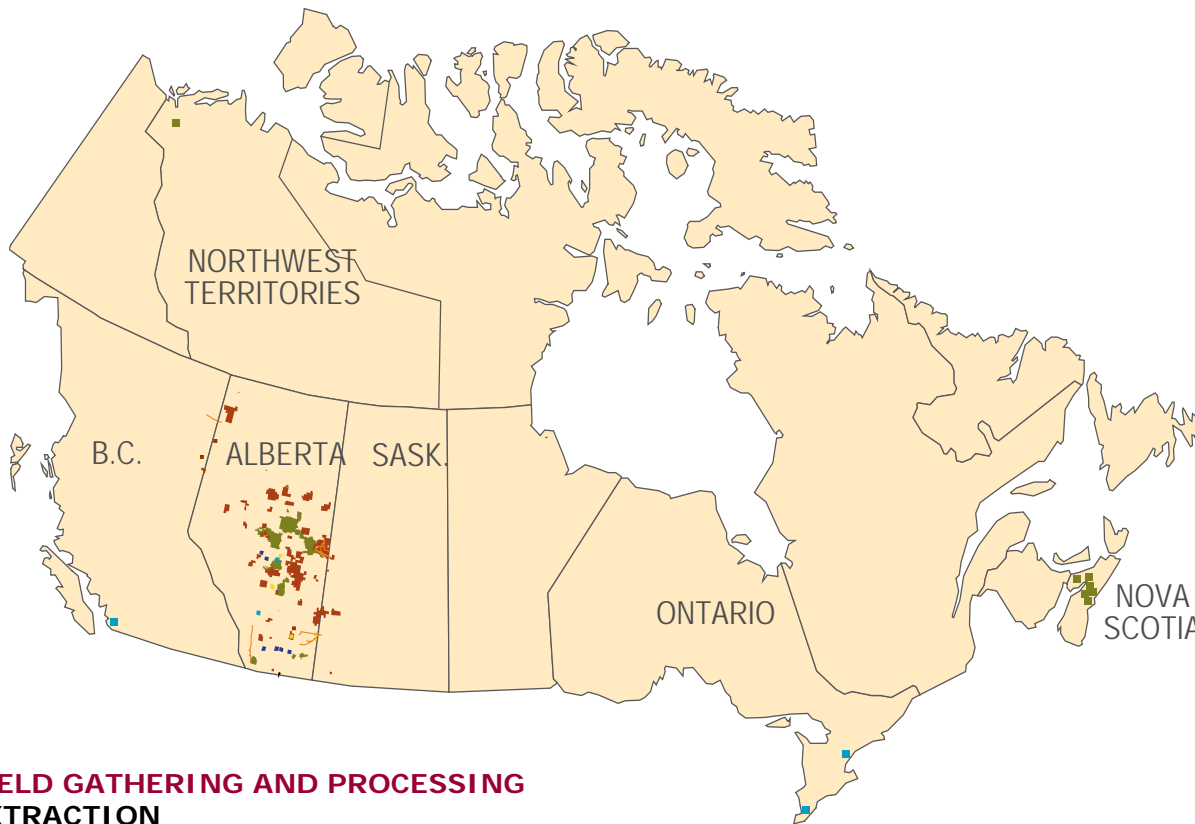
- **Certain information in this presentation is forward-looking. Such information is subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in the forward-looking information. These risks and uncertainties include operating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

Energy value chain



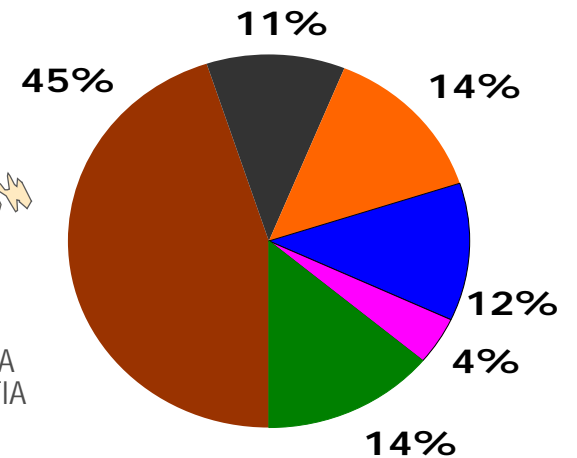
- **AltaGas creates value by strategically linking asset and service components of the energy value chain**

Integrated energy businesses

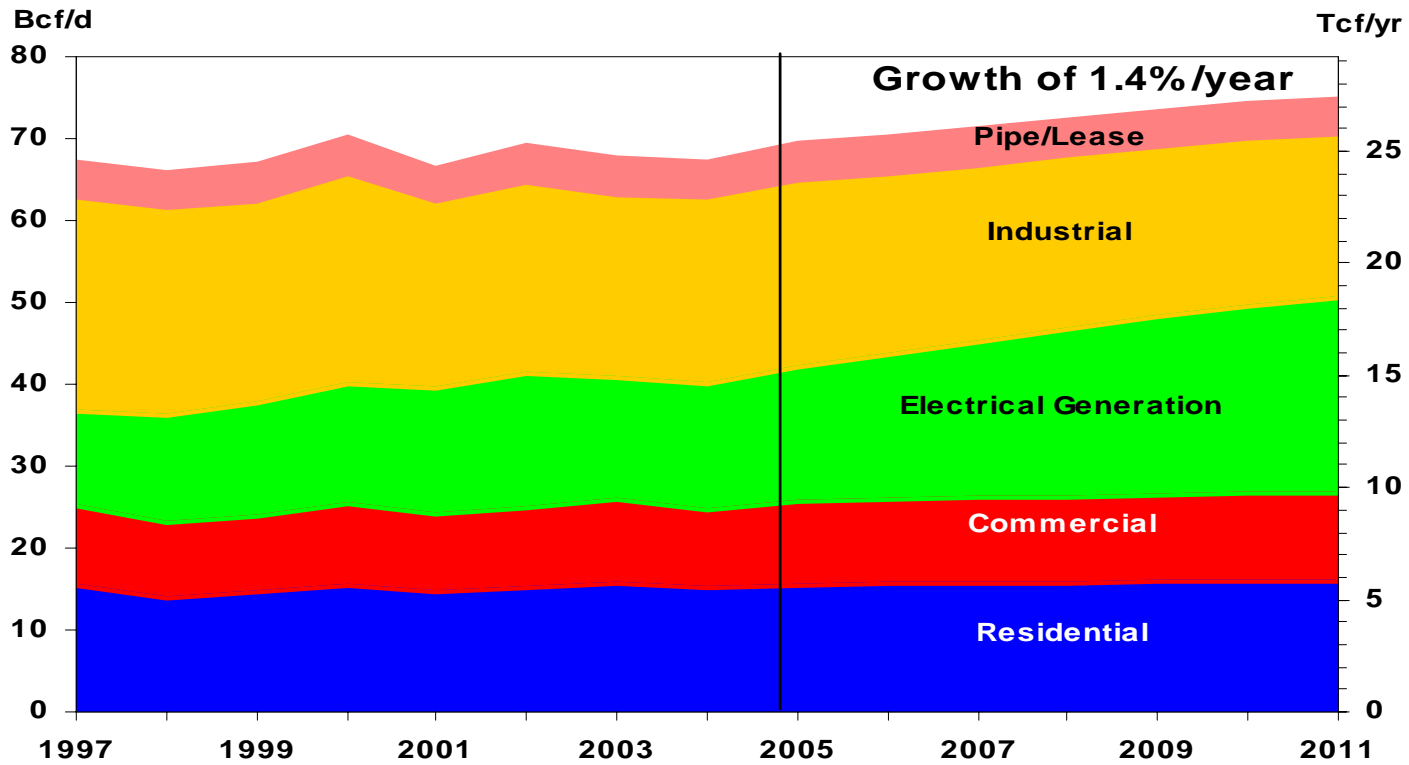


FIELD GATHERING AND PROCESSING
EXTRACTION
TRANSMISSION
POWER SERVICES
GAS SERVICES
NATURAL GAS DISTRIBUTION

Net Book Value
At September 30, 2005
\$ 877.3 million



North American gas demand

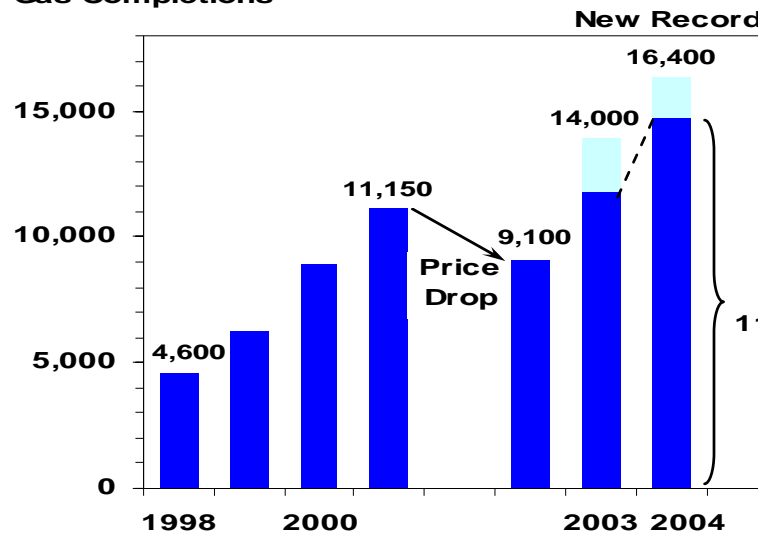


*Source: Ziff Energy Group

Western Canada: gas well completions



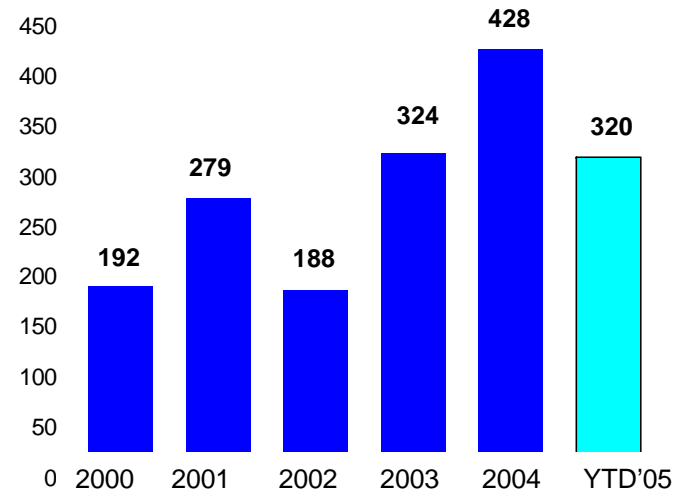
Gas Completions



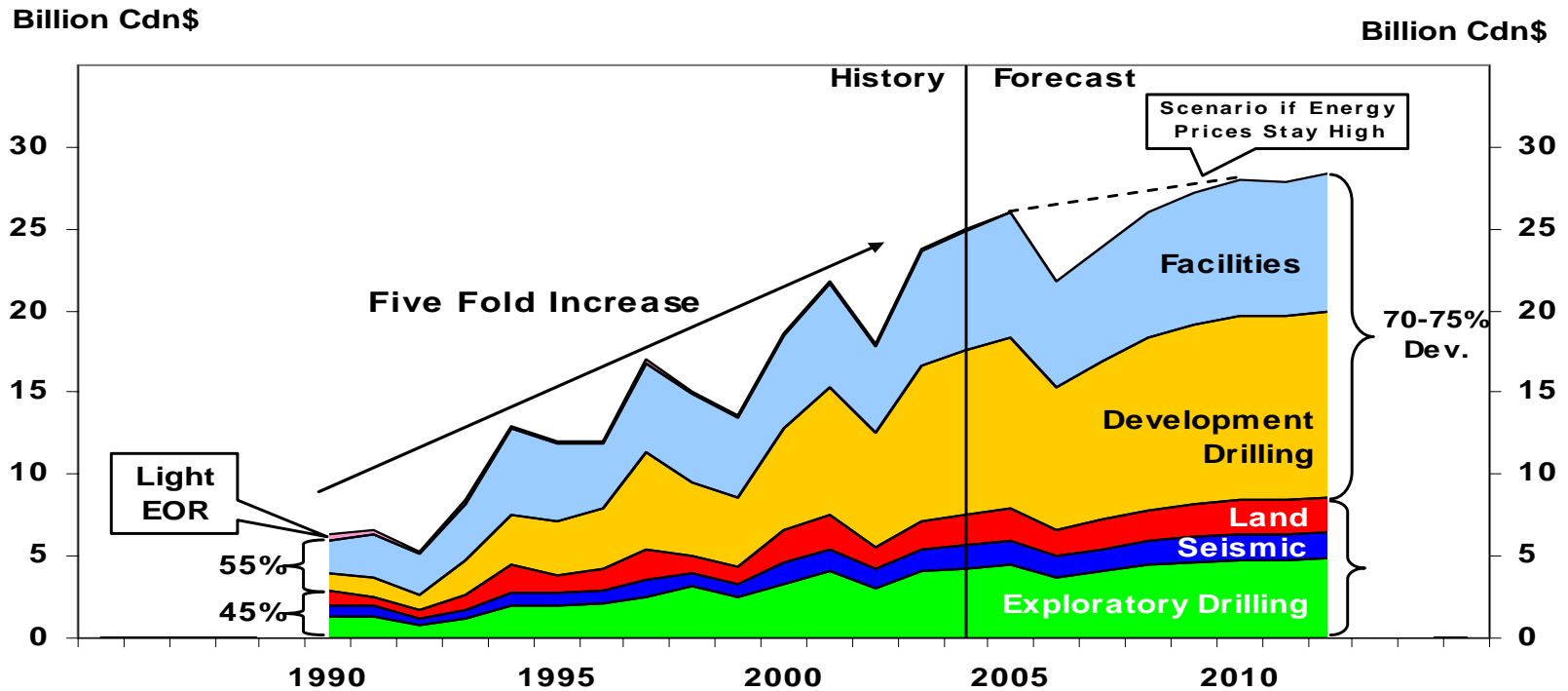
*Source: Ziff Energy Group

AltaGas well tie-ins

Number

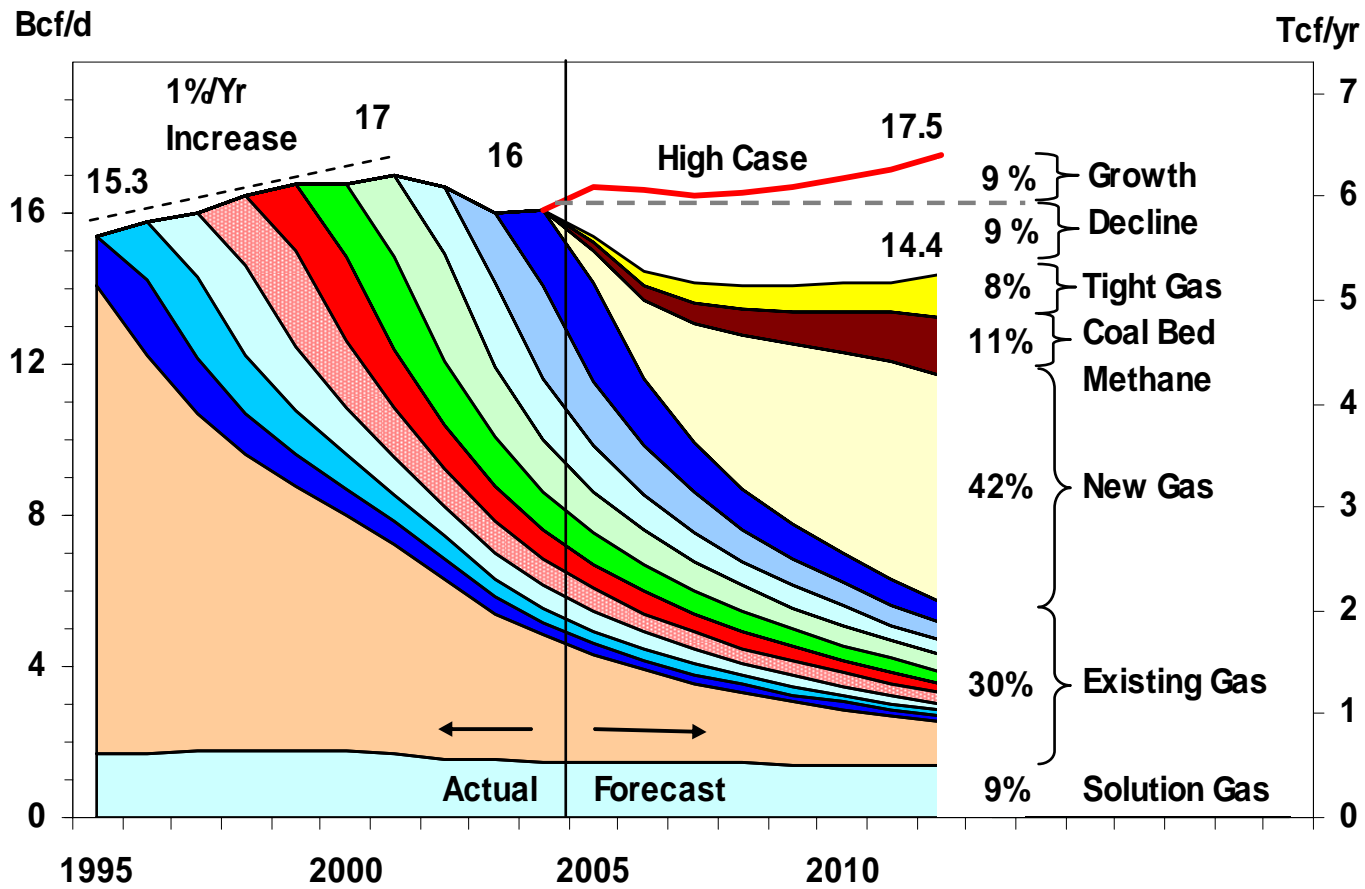


Western Canada spending



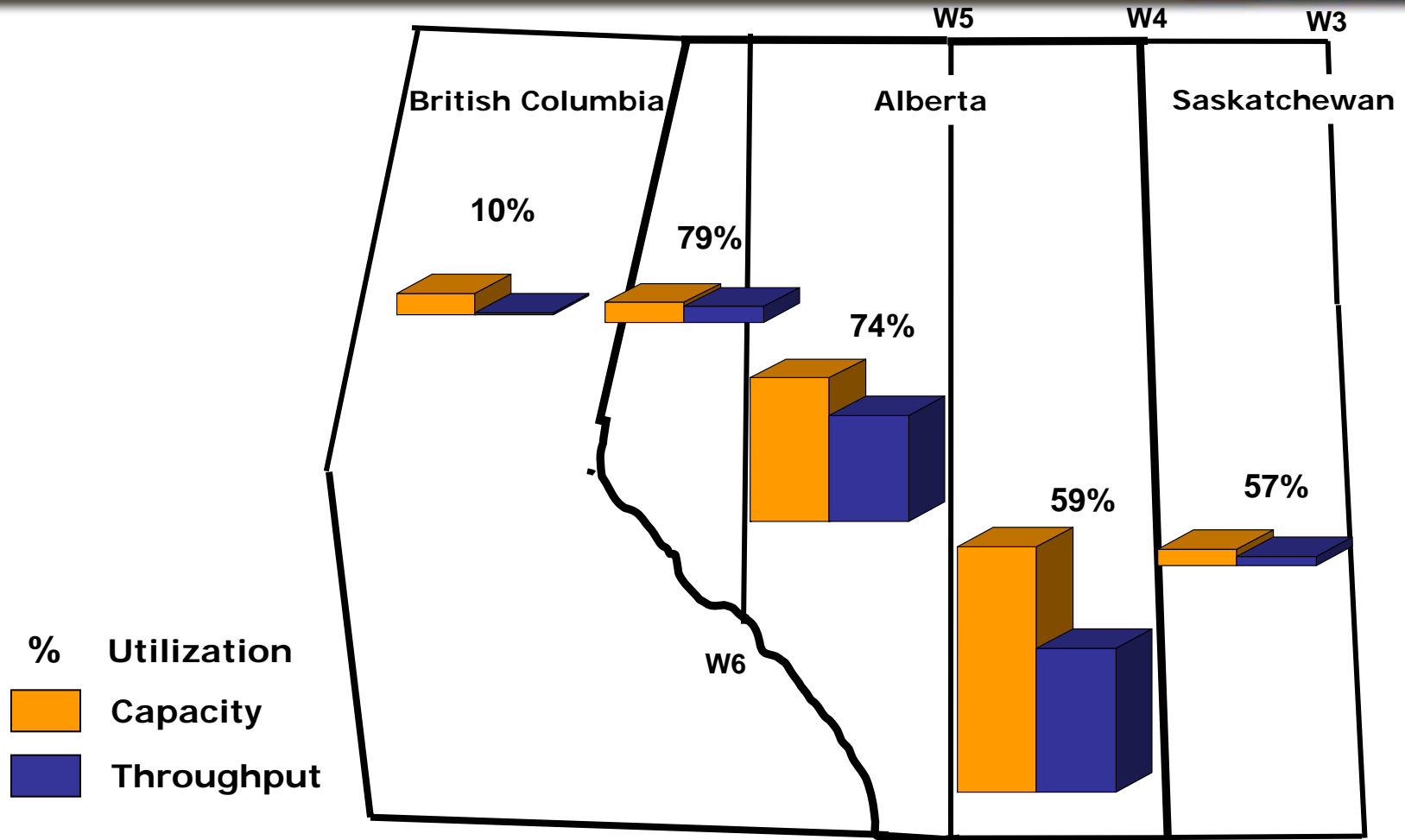
*Source: Ziff Energy Group

Western Canada production



Source: Ziff Energy Group

AltaGas' regional utilization

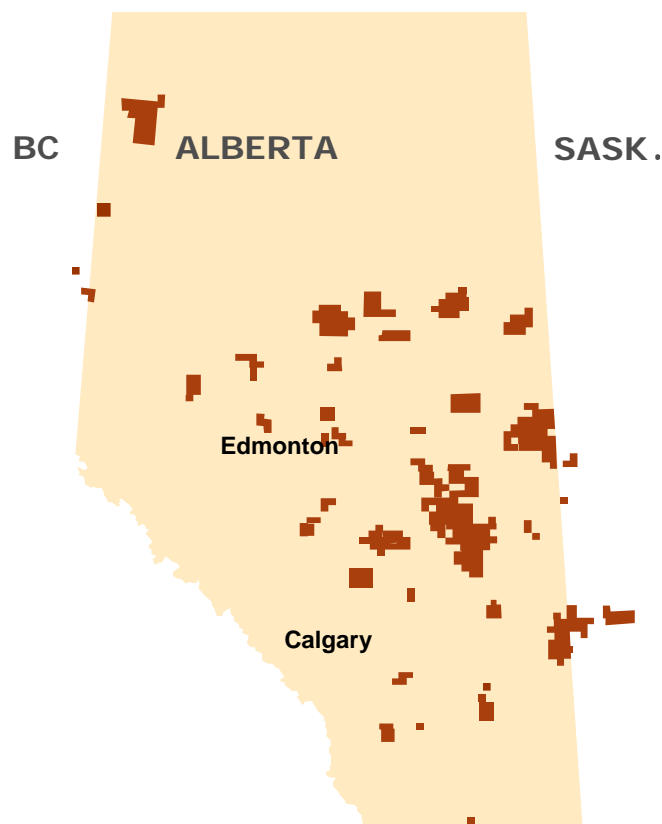


Serving North America's natural gas demand



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

Field Gathering and Processing



- 72 facilities with 980 Mmcf/d of capacity by year-end
- Moveable facilities
- 6,000 km of gathering lines
- \$40 million announced on internal expansions YTD



Sylvan Lake gas plant

Extraction



- 539 Mmcf/d inlet capacity, including Alberta's newest extraction plant
- Third quarter 2005 average production of 18,065 Bbls/d, up from 13,054 Bbls/d last year due to acquisition of EEEP during Q3-04

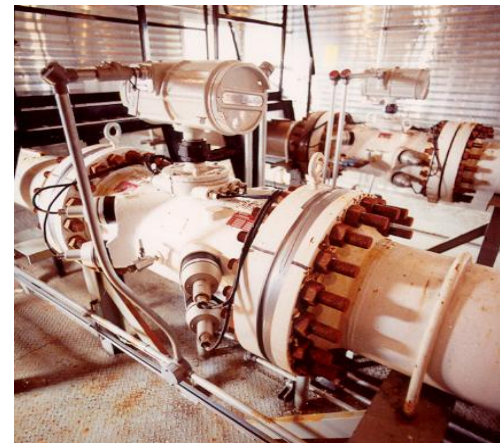
Joffre ethane extraction plant



Transmission

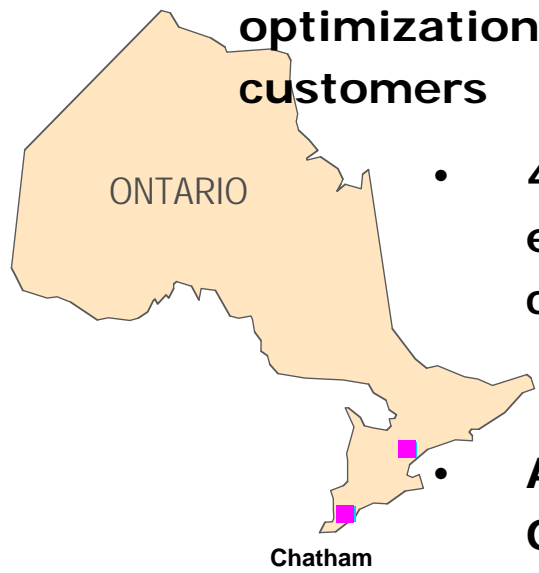


- 6 transmission pipelines totaling 750 km
- Third quarter 2005 throughput volumes - 431 Mmcf/d



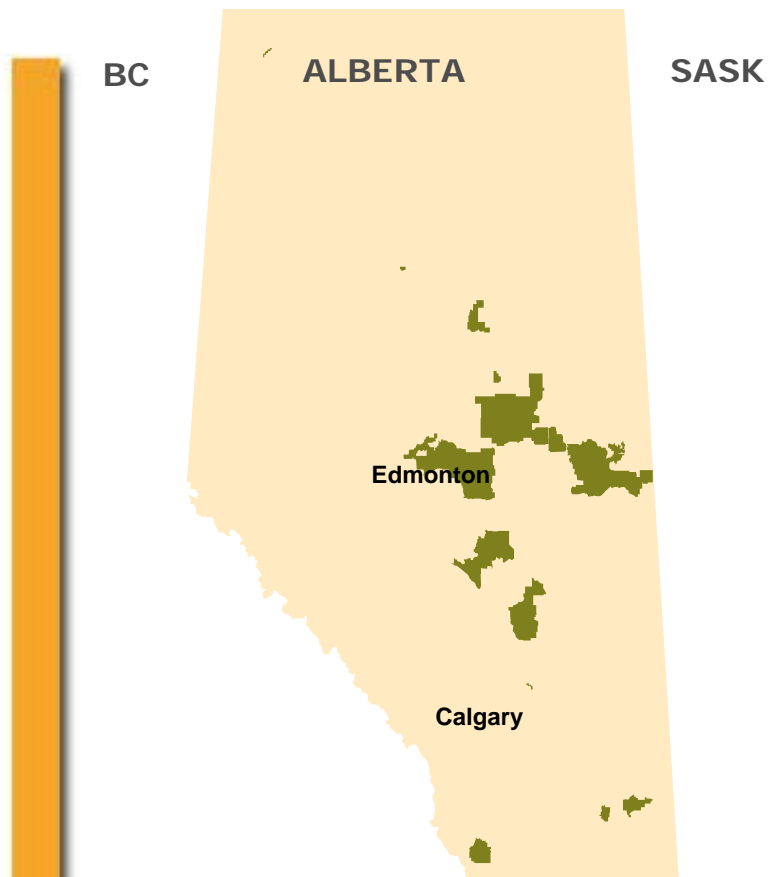
Suffield transmission meter station

Energy Services

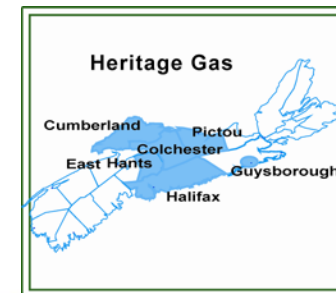
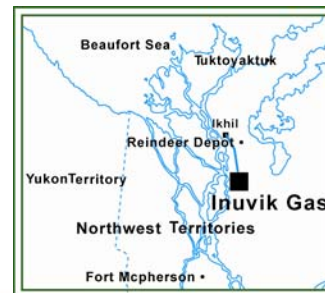


- Energy procurement and consulting services, natural gas transportation and storage optimization to end-use customers
- 408 active retail energy service contracts in Q3-05
- Almost 300,000 GJ/d average wholesale volumes marketed in Q3-05

Natural Gas Distribution



- **AltaGas Utilities**
 - 61,017 customers
 - 6% of Alberta natural gas distribution market
- **Heritage Gas**
 - Nova Scotia greenfield opportunity
- **Inuvik Gas**
 - positioned for Northern development



Spin-out of Natural Gas Distribution segment



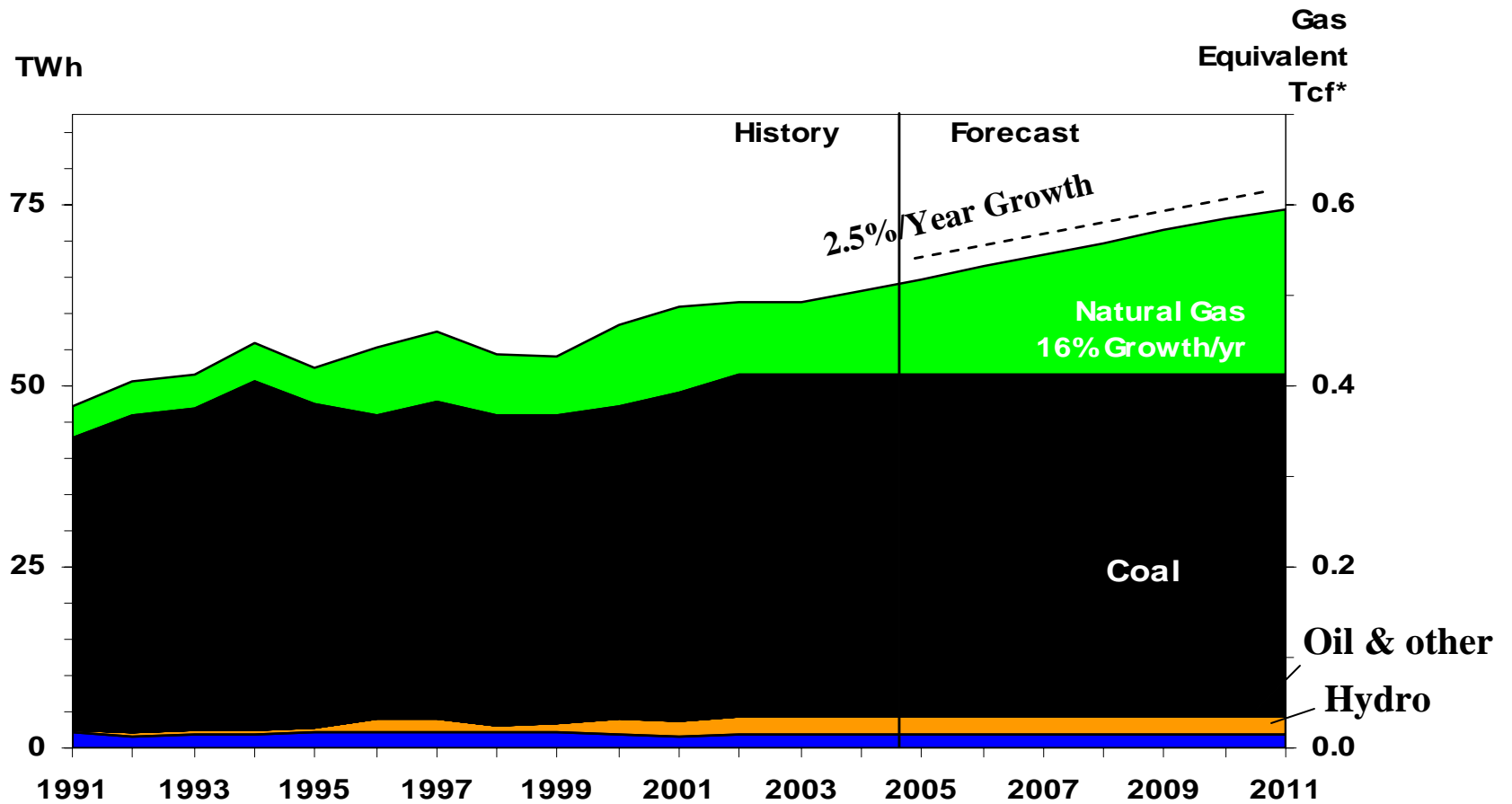
- **Transaction description**
 - **Spin out of natural gas distribution segment to new publicly traded corporation**
 - **Trust to retain 23-27% indirect interest**
 - **Trust unitholders to receive shares in AltaGas Utility Group Inc. – 1 share for ~14 units**
 - **Initial share price \$7.50**
 - **Expected closing November 17**
 - **Will trade as AUI on TSX**

Spin-out of Natural Gas Distribution segment



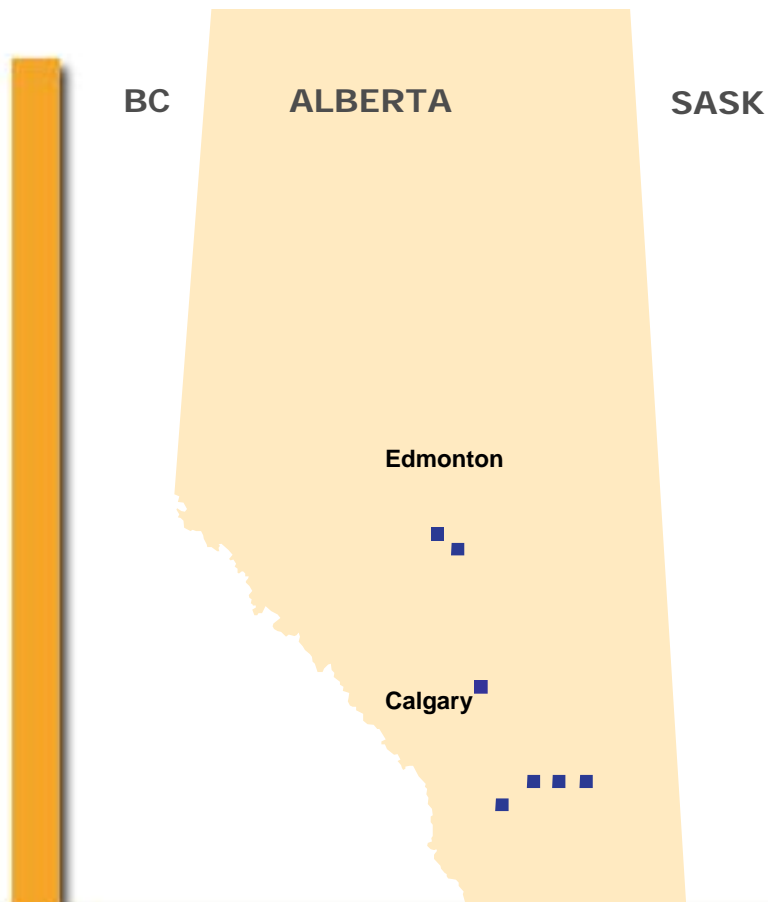
- **Impact to AltaGas Income Trust**
 - No impact on current level of distributions
 - Lower target debt to total capitalization of 40% to 45%
 - No significant change to risk profile of AltaGas Income Trust
 - Minimal impact on net income and distributable cash
 - Tax impact: return of capital in 2005 to unitholders

Alberta power generation outlook



*Source: Ziff Energy Group

Power Services



- 6% of Alberta's power capacity
- Rights to 353 MW coal-fired generation until 2020
- 25 MW of gas-fired peaking capacity
- Acquisition of iQ2 serving over 700 clients with total demand of approximately 60 MW

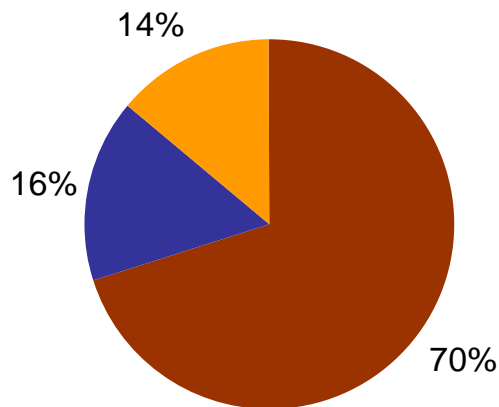
**Sundance B
power plant**



AltaGas today: strong and diversified

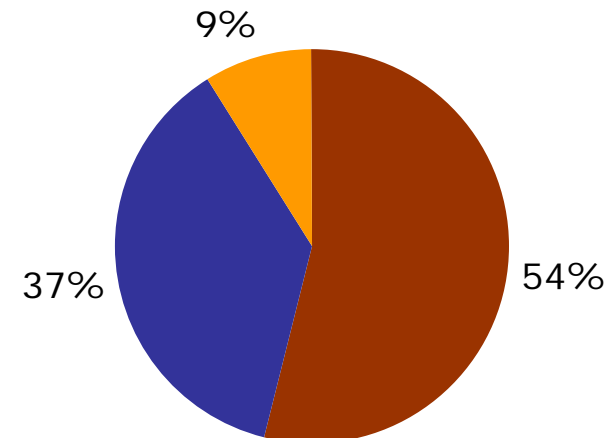


Total Assets
At September 30, 2005
\$ 1,200.2 million



- Gathering and Processing
- Energy Services
- Natural Gas Distribution

EBITDA
Nine months ended September 30, 2005
\$ 115.7 million



- Gathering and Processing
- Energy Services
- Natural Gas Distribution



AltaGas

Well connected. ■