



# AltaGas Income Trust Annual and Special Meeting

April 27, 2006

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# Forward-looking information



• Certain information in this presentation is forward-looking. When used in this presentation the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Trust or an affiliate of the Trust, are intended to identify forward-looking statements. In particular, this presentation contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Trust's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Trust's public disclosure documents. Many factors could cause the Trust's actual results, performance or achievements to vary from those described in this presentation, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this presentation, should not be unduly relied upon. Such statements speak only as of the date of this presentation. The Trust does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.



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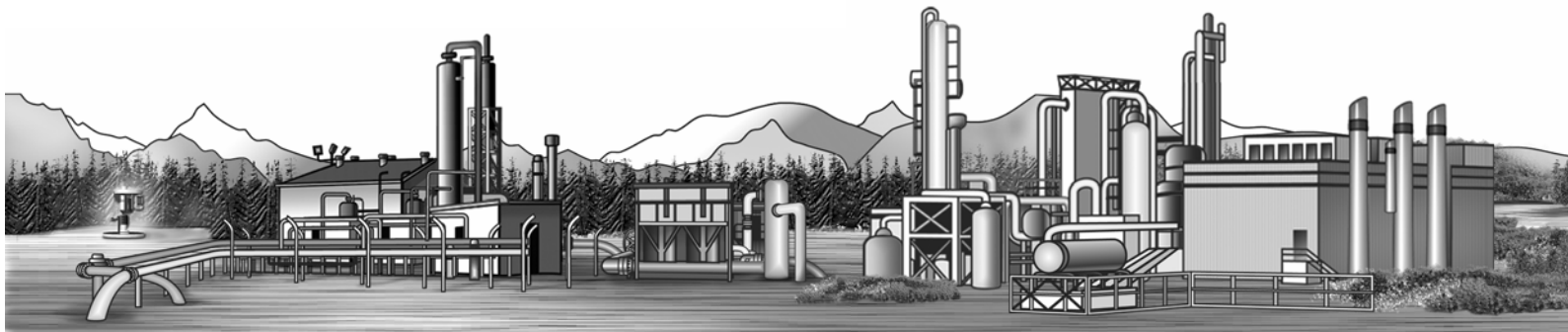
# AltaGas – Today

# Making connections along the energy value chain



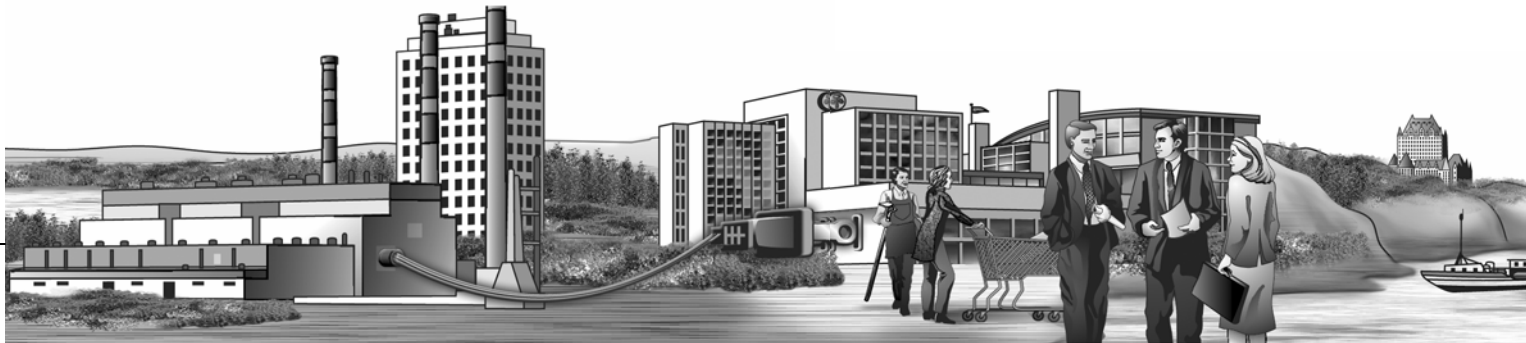
Field Gathering and Processing

Extraction and Transmission



Power Generation

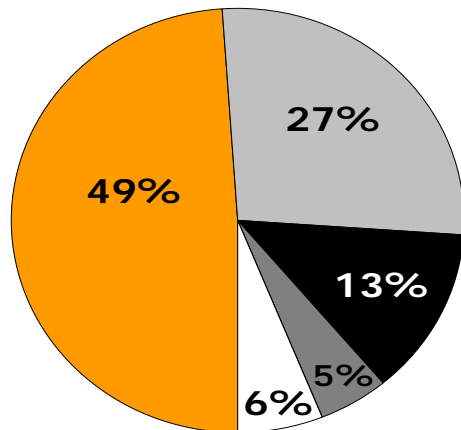
Energy Services



# Diversified integrated energy business

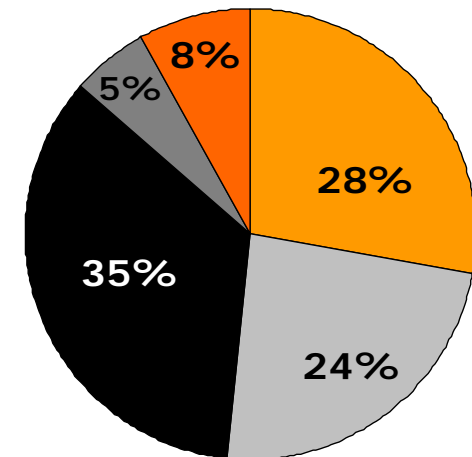


**Net Book Value**  
At December 31, 2005



**\$797.2 million**

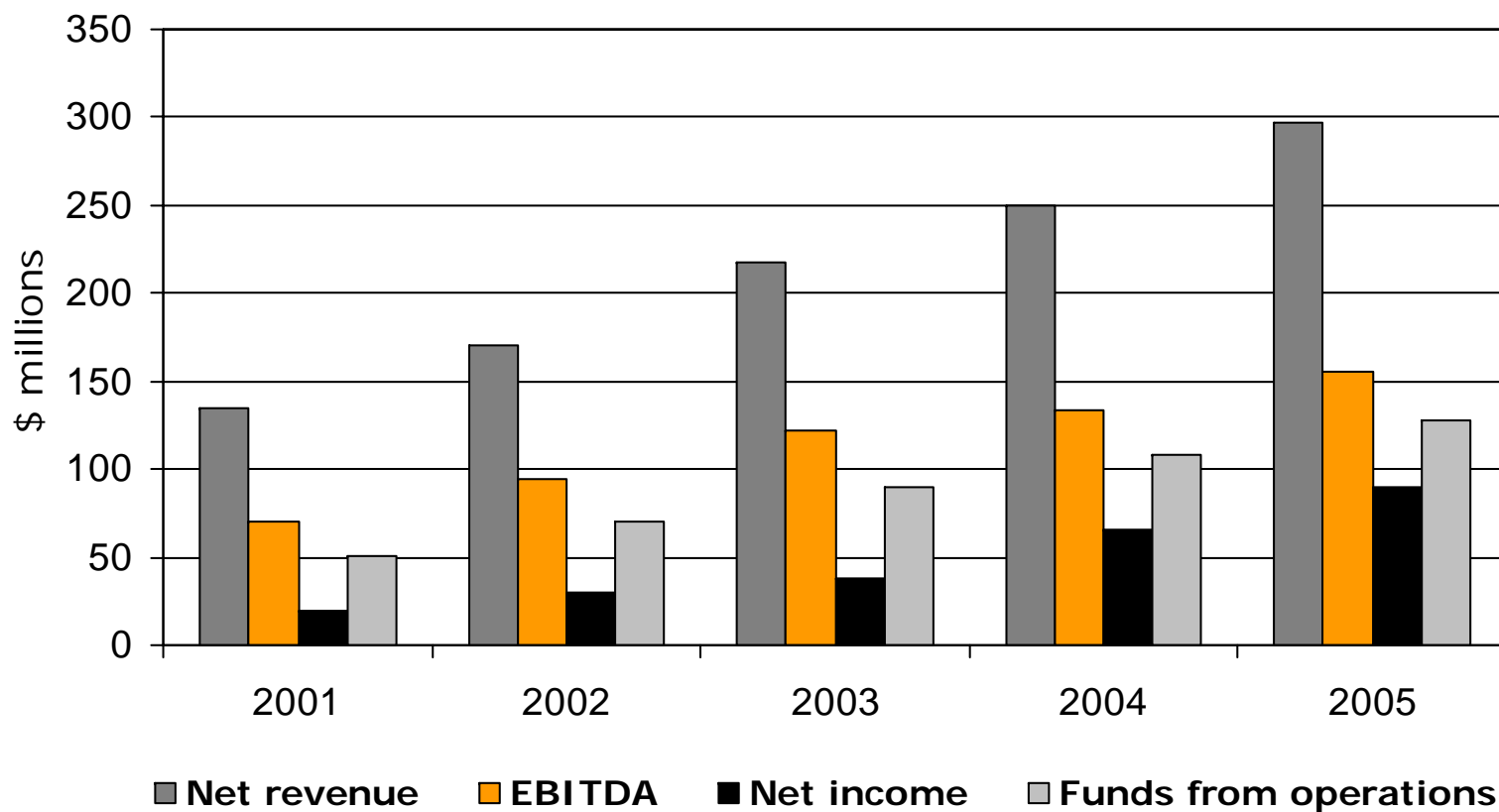
**EBITDA**  
At December 31, 2005



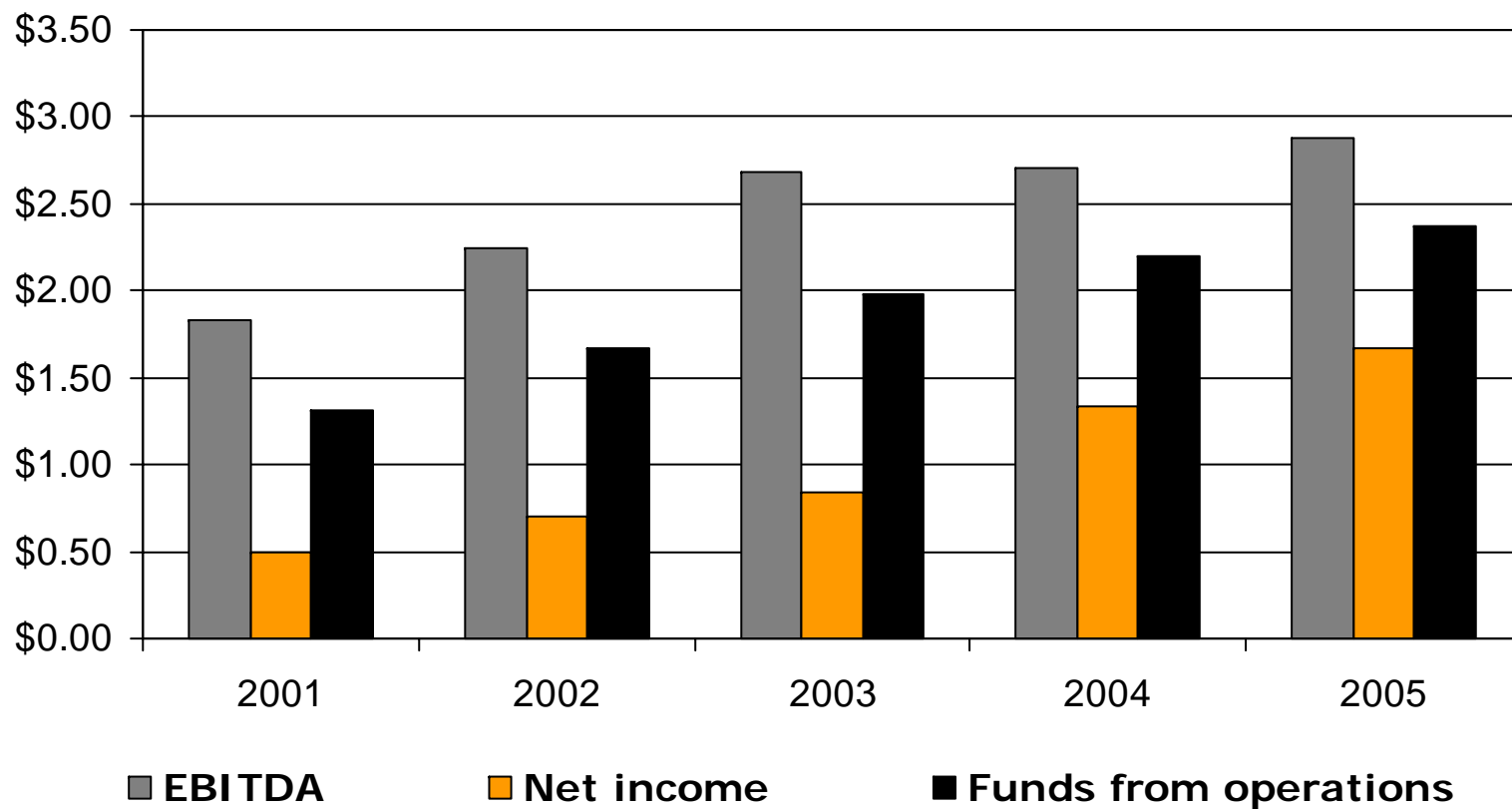
**\$155.5 million**

Note: Pie chart excludes corporate

# Five-year highlights



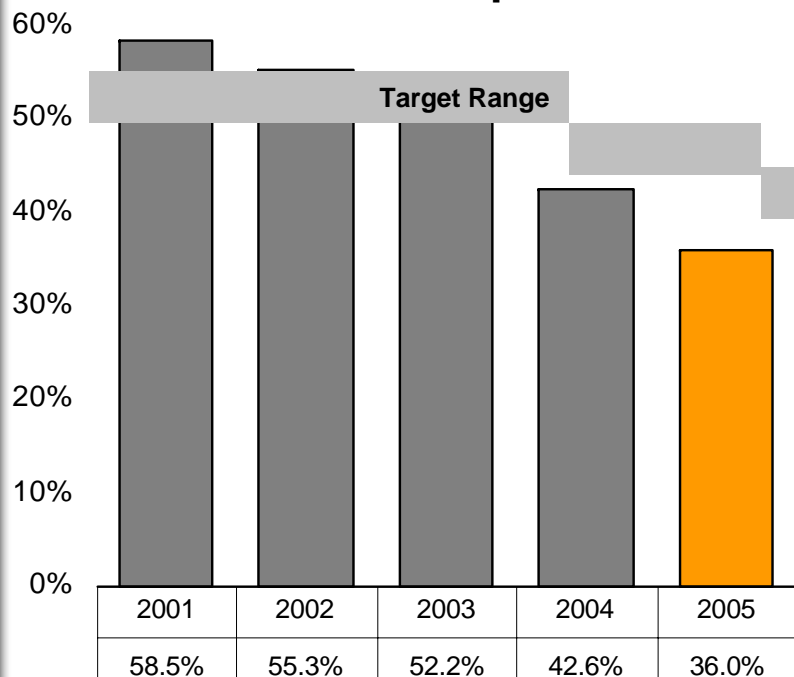
# Five-year highlights per unit



# Financial strength



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
  - December 31, 2005 – 36.0%
  - Trust target: 40 - 45%
- \$100 million MTN issue
  - 4.4% coupon, down from 7.3%
  - September 1, 2010 maturity



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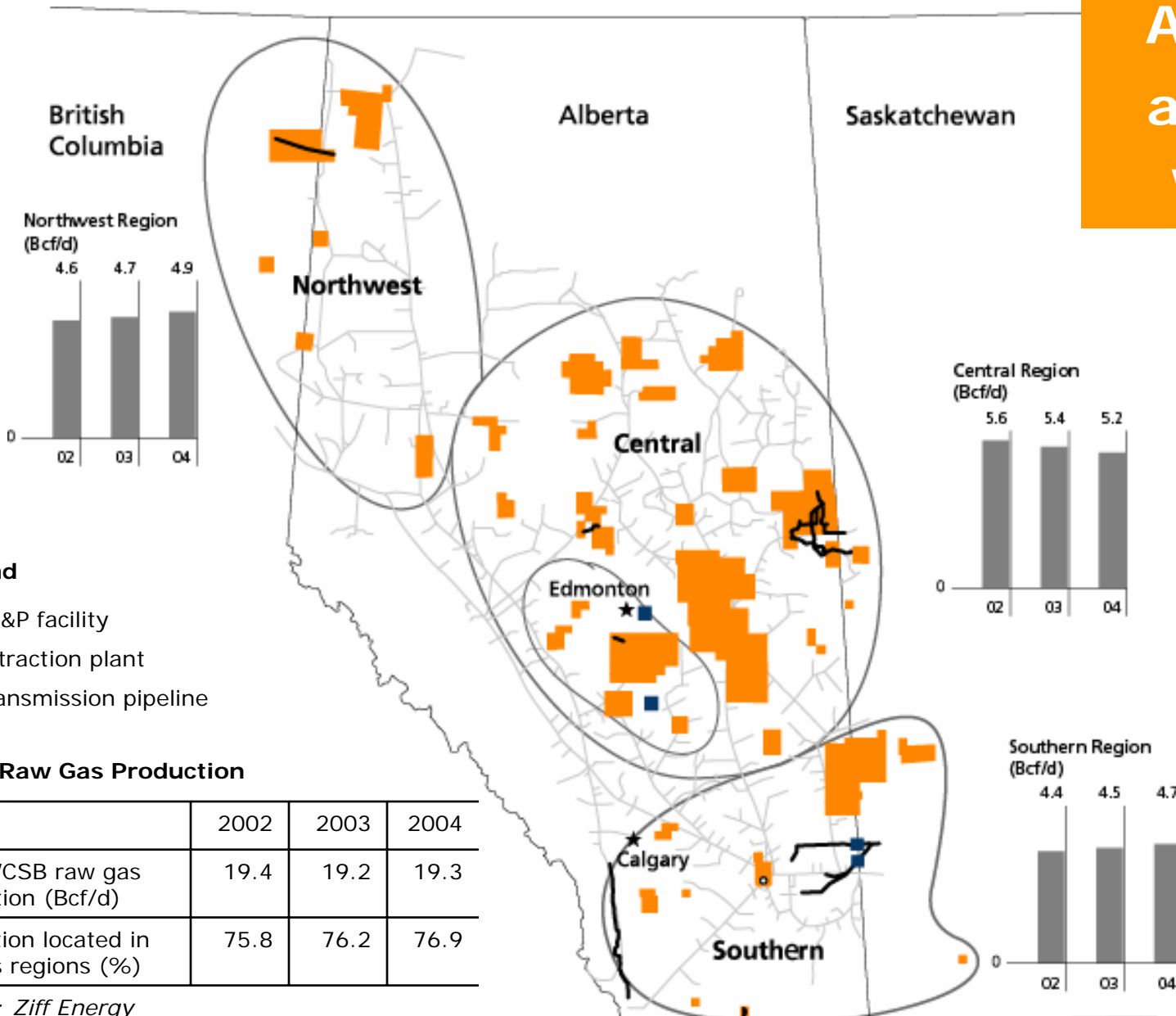
# AltaGas – The Future

# Our vision



- *To be the leading Canadian integrated energy infrastructure organization by capitalizing on our solid underlying business, operational expertise and financial strength*

# AltaGas and the WCSB

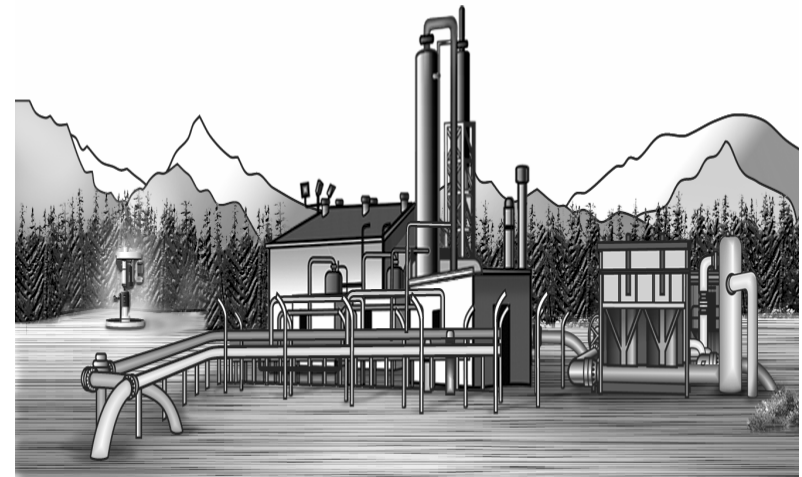


Source: Ziff Energy

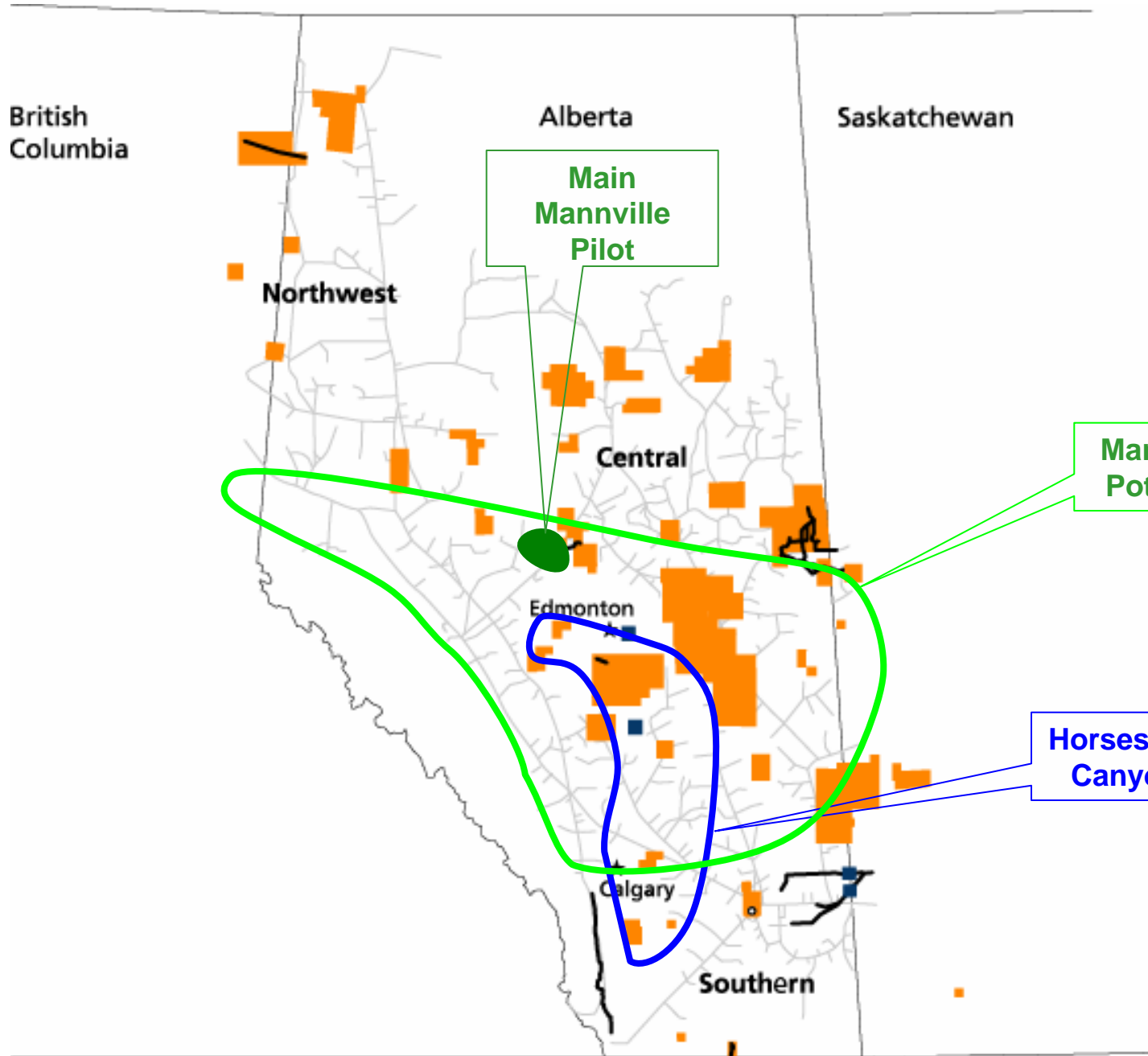
# Growing Field Gathering and Processing



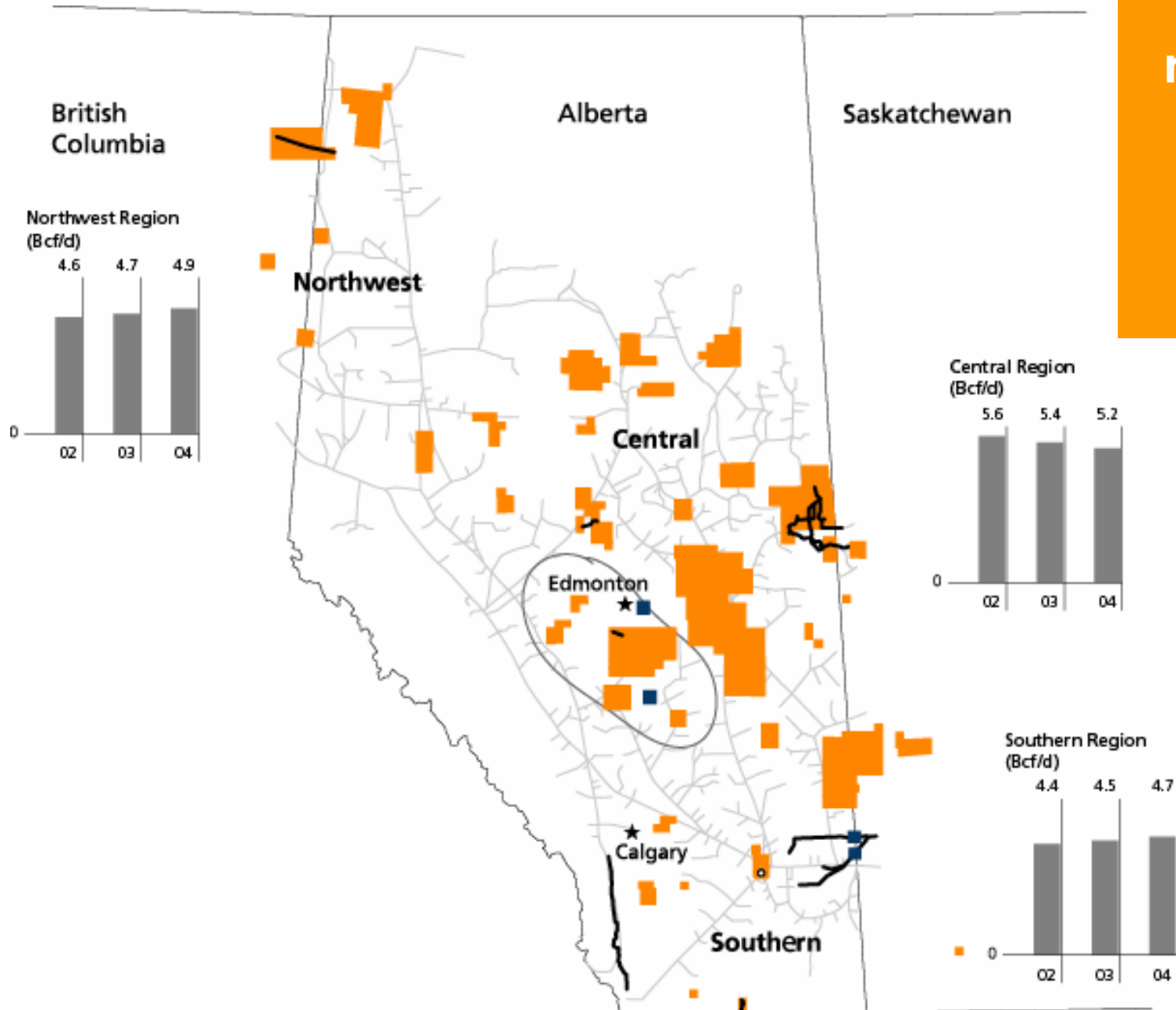
- \$40+ million of organic growth on annual basis
- Optimize assets, gain economies of scale
- Consolidation / expansion / acquisition
- Increase throughput from
  - Continued strong drilling activity
  - Coalbed methane production



**Coalbed  
methane  
in the  
WCSB**



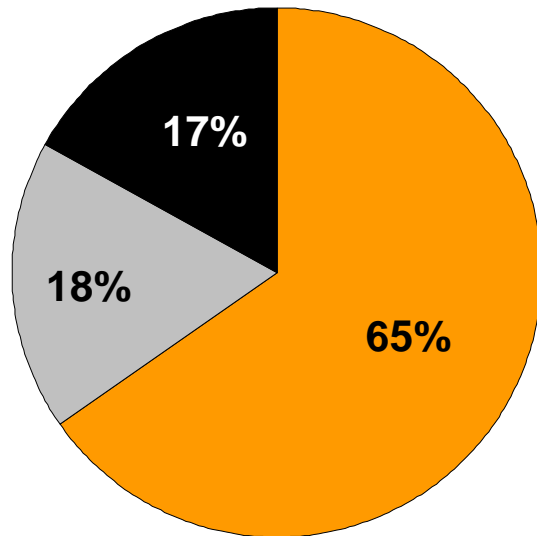
# Coalbed methane in West Central Alberta



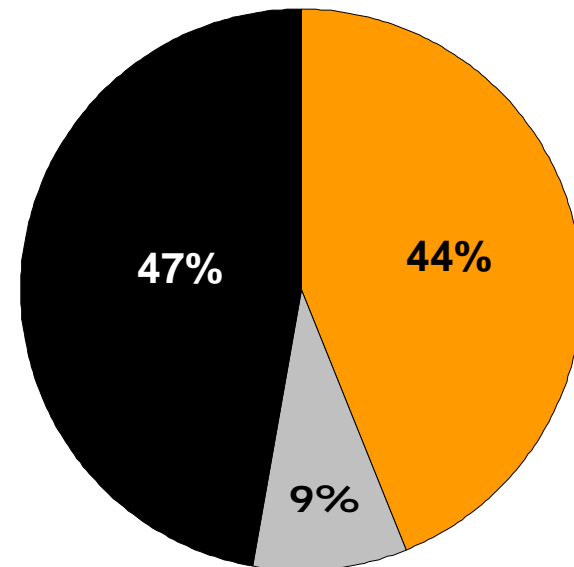
# West Central Alberta production



2005 = 1.2 Bcf/d



2010 = 1.4 Bcf/d



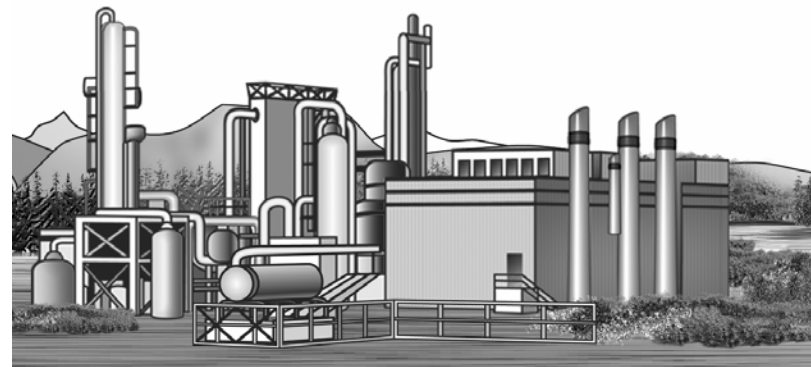
■ Sweet ■ Sour ■ CBM & EDM

Source: AJM Petroleum Consultants

# Growing Extraction and Transmission



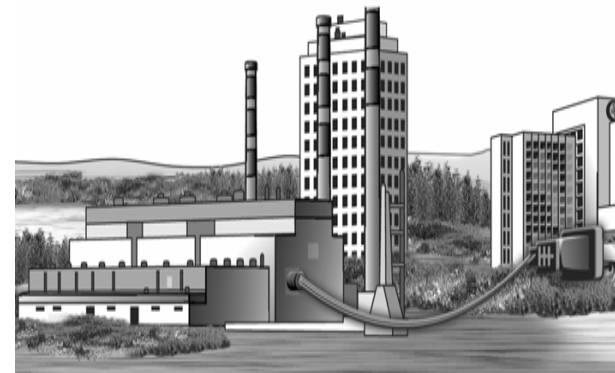
- **Steady operations and cash flow**
- **Strong frac spreads**
- **Consolidation and acquisition**
- **Growth of pipeline capacity**



# Growing Power Generation



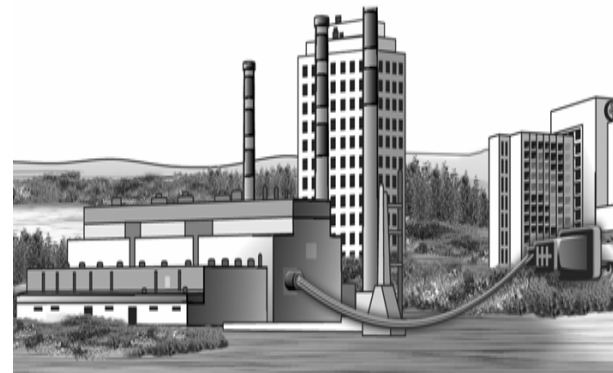
- Continuing growth in demand for power
- Natural gas sets price of power in Alberta
- No significant new capacity in Alberta for several years
- Strong government support for renewables in U.S. and Canada



# Power Generation growth opportunities



- Higher hedged power prices in 2006
- Continued strong prices in 2007
- Acquisition and development of power generation
  - Partnerships with wind power developers
  - Focus on Canada and Northern U.S.
- PPA auctions



# The potential of wind power



- **Opportunity to invest in almost 1000 MW of wind power over the next five years**
  - **Growing demand for renewable generation**
  - **Long-life assets**
  - **Long-term contracts with creditworthy counterparties**
  - **Provides geographic and fuel diversity**
  - **Capitalize on AltaGas' operational expertise**

# Potential wind projects



# Growing Energy Services



- Supported by strong demand for energy and energy management services
- Opportunity to add value along the energy value chain to mid-market energy customers



# Energy Services opportunities



- Increase customer base and product offerings
- Develop opportunities around existing infrastructure
- Expand geographic footprint
- National brand strategy
- Capitalize on gas and power market knowledge



# Securing our future



- **Disciplined approach to growth in all segments**
  - **Net income accretive**
  - **Return on equity accretive**
  - **Maintain low risk profile**
  - **Maintain financial flexibility**
  - **Enhance unitholder value**

The logo for AltaGas, featuring the word "AltaGas" in a bold, blue, italicized sans-serif font.

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