



Investor Presentation

March 2006

AltaGas

Well connected. ■

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.
- Additional information relating to AltaGas can be found on its website at www.altagas.ca. The continuous disclosure materials of the Trust, filed as AltaGas Services Inc. prior to May 1, 2004, including its annual MD&A and audited financial statements, Annual Information Form, Information Circular and Proxy Statement, material change reports and press releases issued by the Trust, are also available through the Trust's website or directly through the SEDAR system at www.sedar.com.

Trust profile



- **54.6 million units¹**
- **ALA.UN on TSX**
- **Current market capitalization \$1.6 billion²**
- **Assets: \$1.1 billion¹**
- **Distributions 16.5 cents/unit/month (\$1.98/year)**
 - **3% increase announced March 1st**
 - **6.7% yield²**
- **Average daily trading volume in 2005: 146,697**

1. December 31, 2005

2. Based on closing market price on March 23, 2005

Strategy



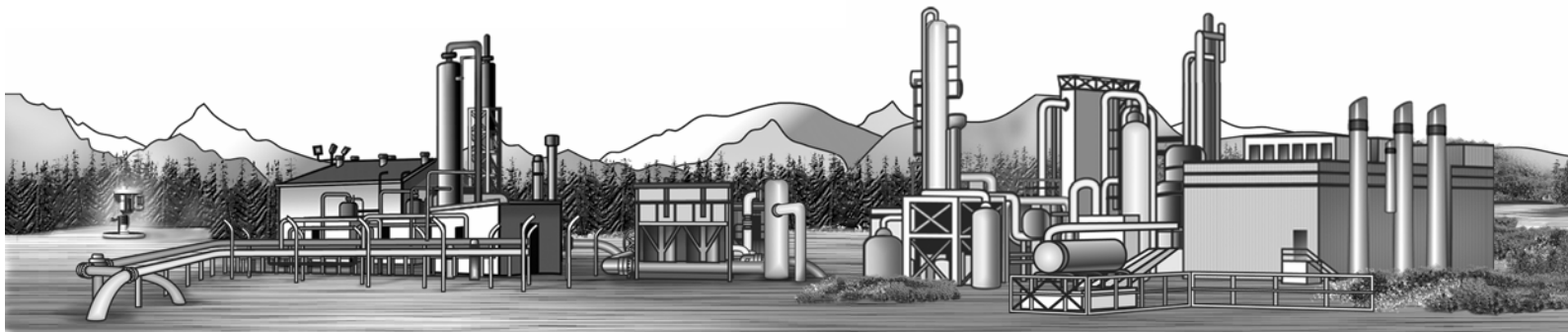
- **Optimize assets and maintain high reliability**
- **Organic growth through expansion and extension of current assets and services**
- **Pursue value-added acquisitions that add to net income, cash flow and return on equity**
- **Maintain financial flexibility through a strong balance sheet**
- **Ensure sustainable distributions**

Making connections along the energy value chain



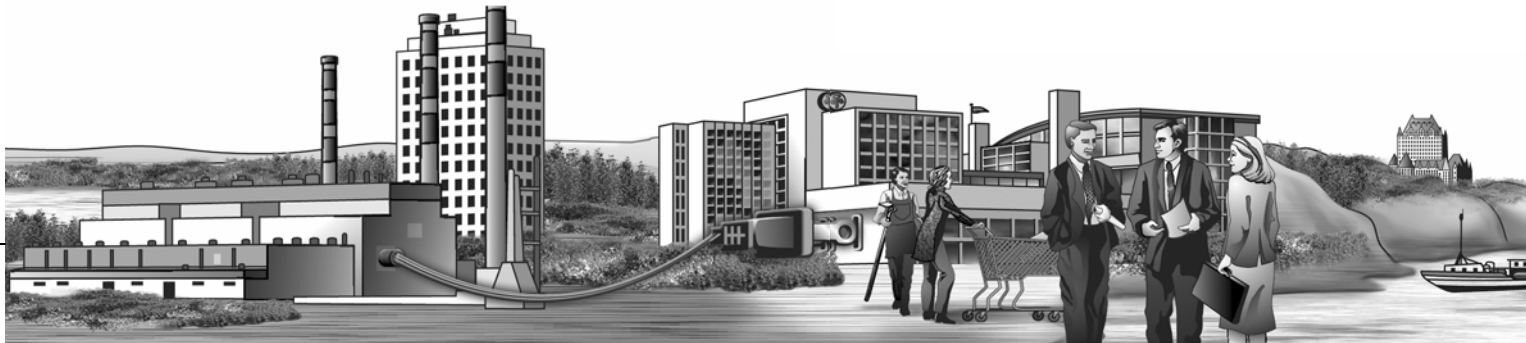
Field Gathering and Processing

Extraction and Transmission



Power Generation

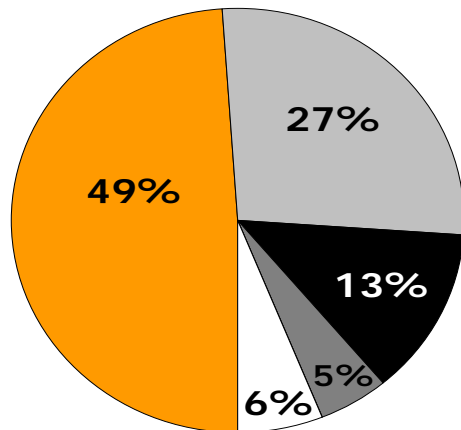
Energy Services



Diversified integrated energy business



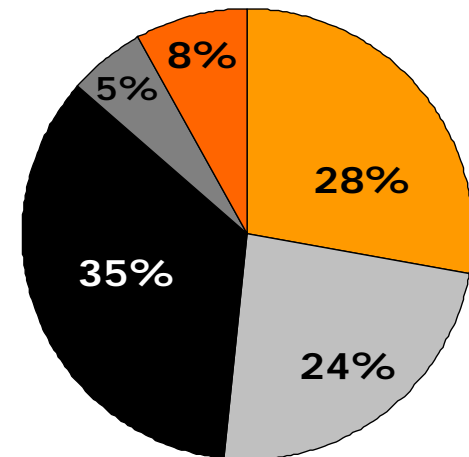
Net Book Value
At December 31, 2005



\$797.2 million

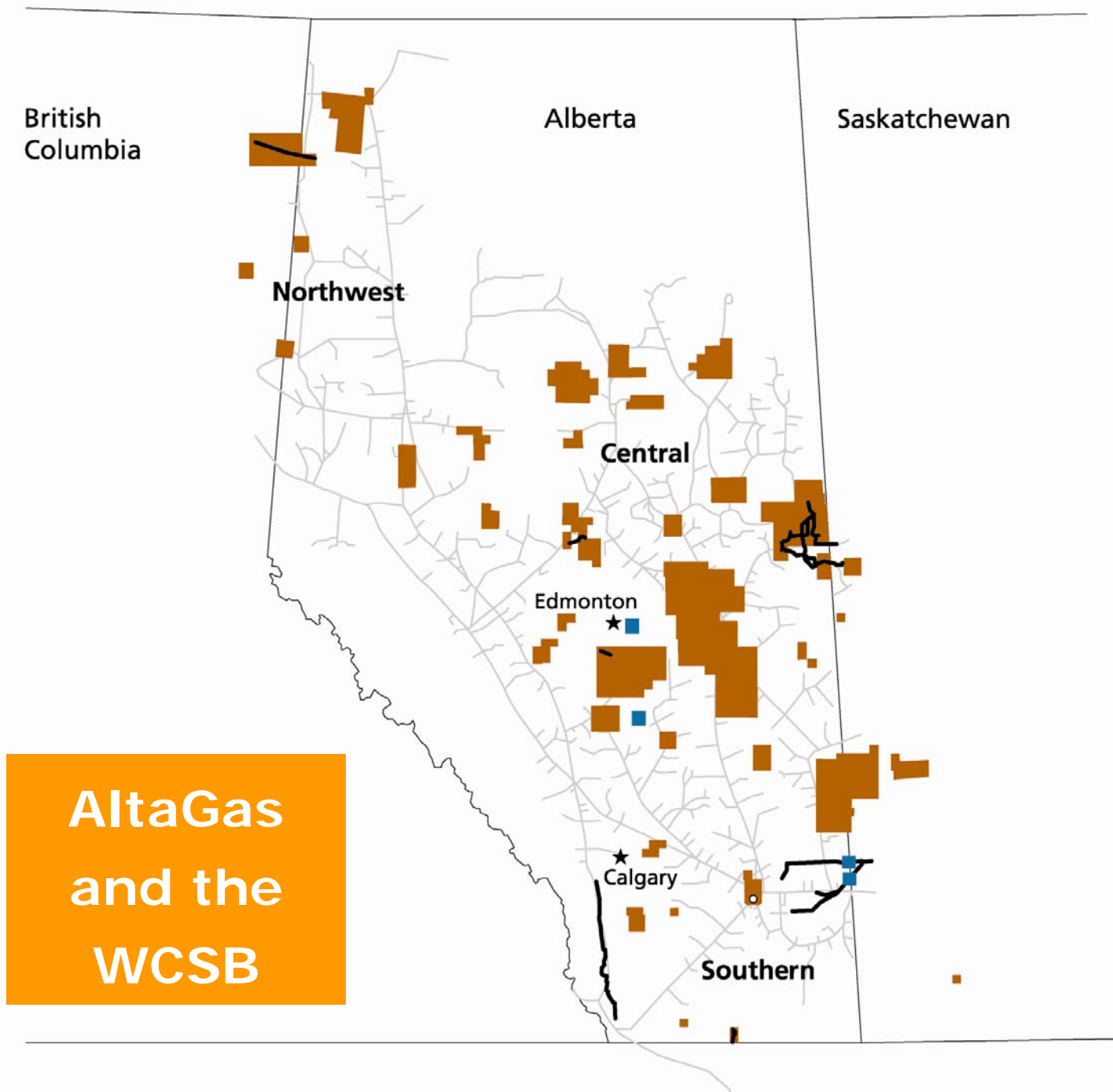
EBITDA
At December 31, 2005

- Field Gathering and Processing
- Extraction and Transmission
- Power Generation
- Energy Services
- Natural Gas Distribution
- Corporate



\$155.5 million

Note: Pie chart excludes corporate



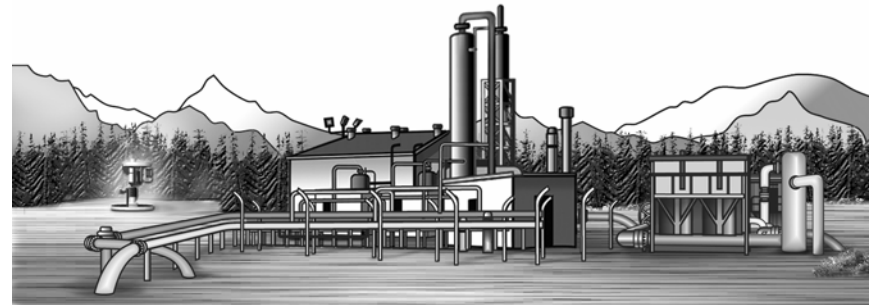
**AltaGas
and the
WCSB**



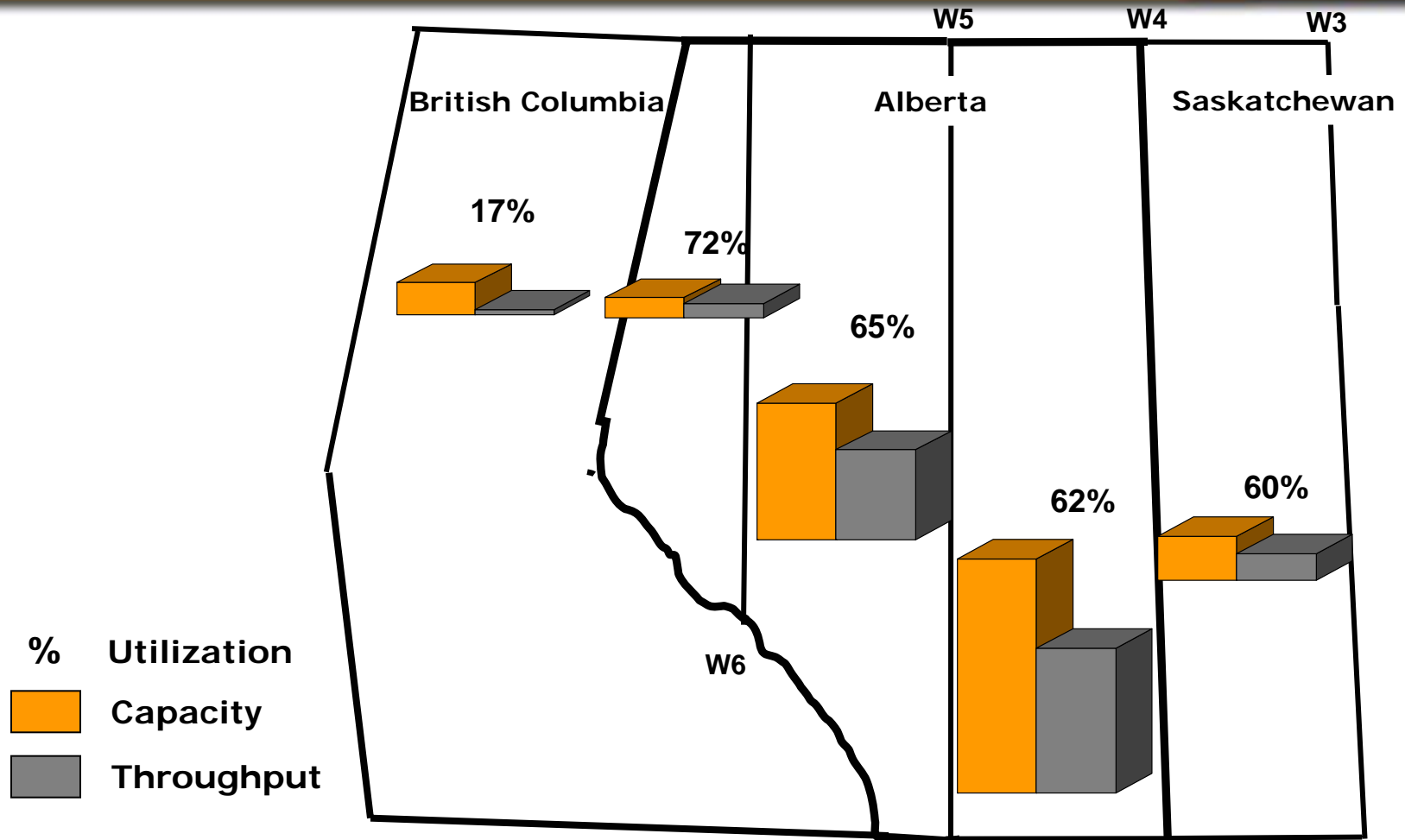
Field gathering and processing



- **73 facilities with 997 Mmcf/d of capacity, including 262 Mmcf/d sour gas capacity**
- **Moveable facilities**
- **6,000 km of gathering lines**
- **Ability to rapidly tie in new wells**
- **Interconnected processing facilities**
- **Flexible contract terms**
- **240+ producer customers**



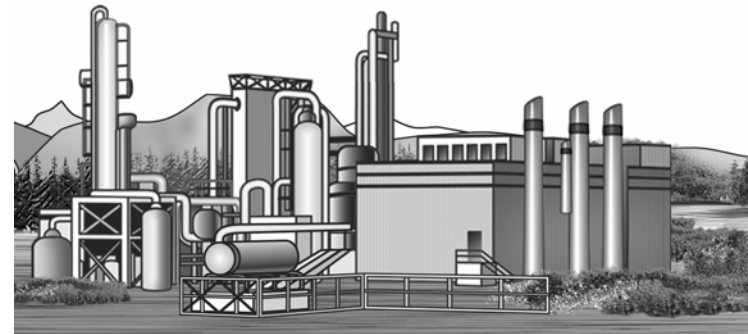
AltaGas' regional utilization Q4-05



Extraction and Transmission



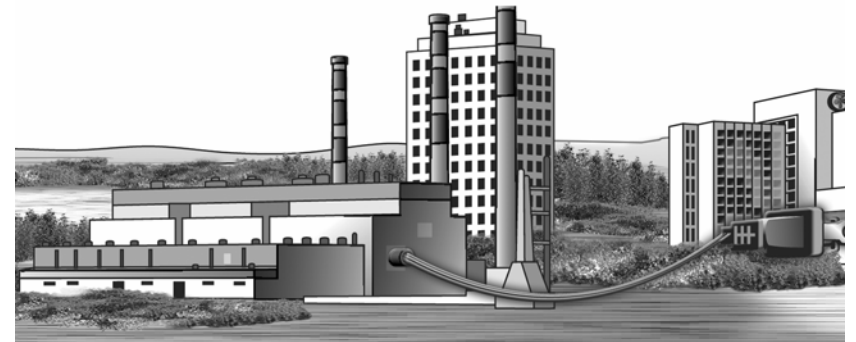
- 539 Mmcf/d extraction inlet capacity, including Alberta's newest extraction plant
- 2005 average production – 13,155 Bbls/d ethane and 6,202 Bbls/d NGLs
- 6 transmission pipelines totalling 750 km
- 2005 transmission throughput volumes - 432 Mmcf/d
- Long-life assets underpinned by long-term contracts and little commodity price risk



Power Generation



- Supplies 6% of Alberta's electricity demand
- Rights to 353 MW coal-fired generation until 2020
- 25 MW of gas-fired peaking capacity
- Sells power and ancillary services in Alberta
- Risk mitigation through power price hedging



Energy Services



- Energy procurement and consulting services, natural gas transportation and storage optimization to end-use customers
- 1,243 energy management contracts in 2005
- 95% contract renewal rate
- 312,272 GJ/d average gas volumes marketed in 2005
- Diverse portfolio of long-term, fixed-margin and fee-for-service contracts

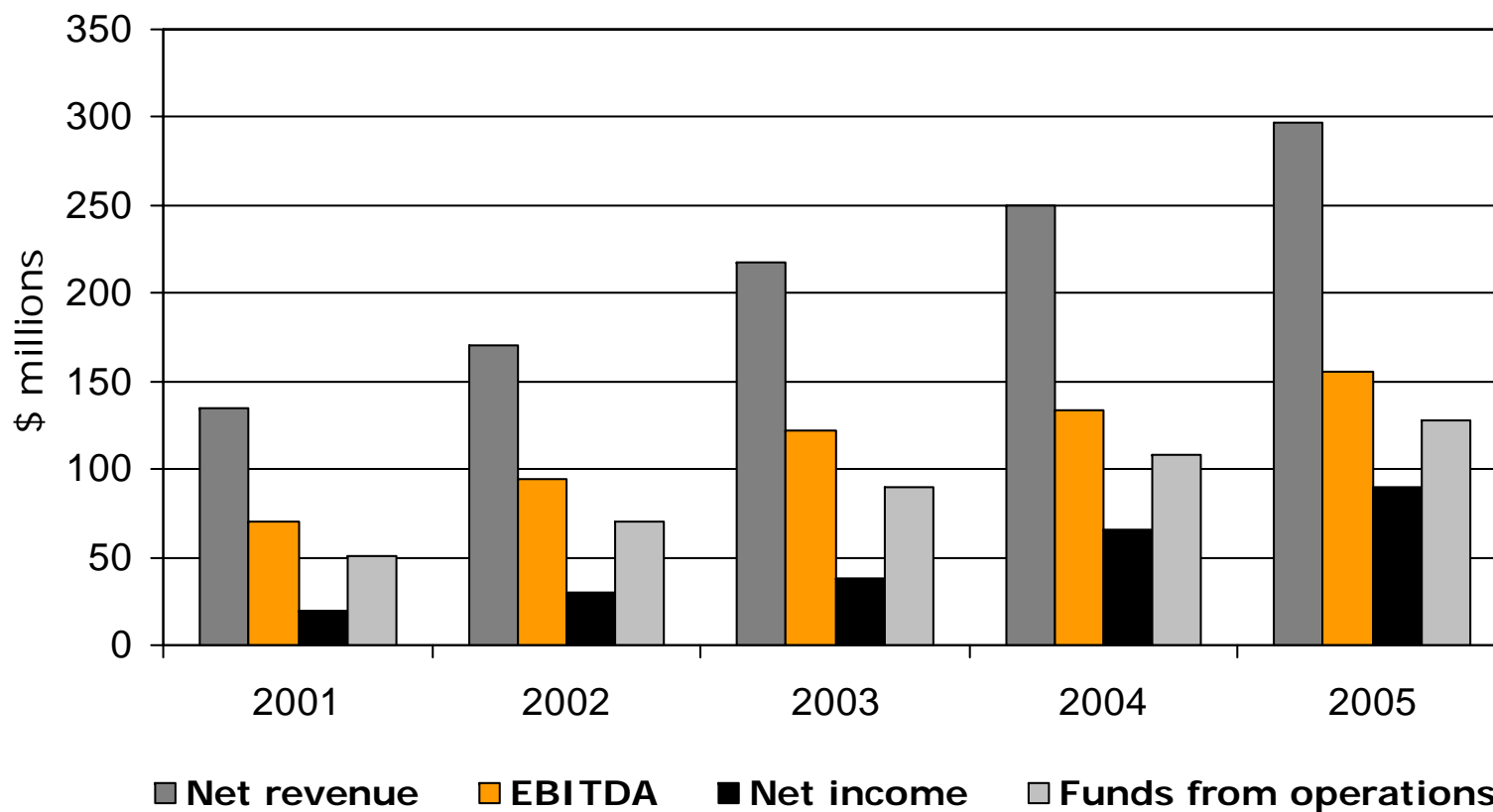


2005 key indicators

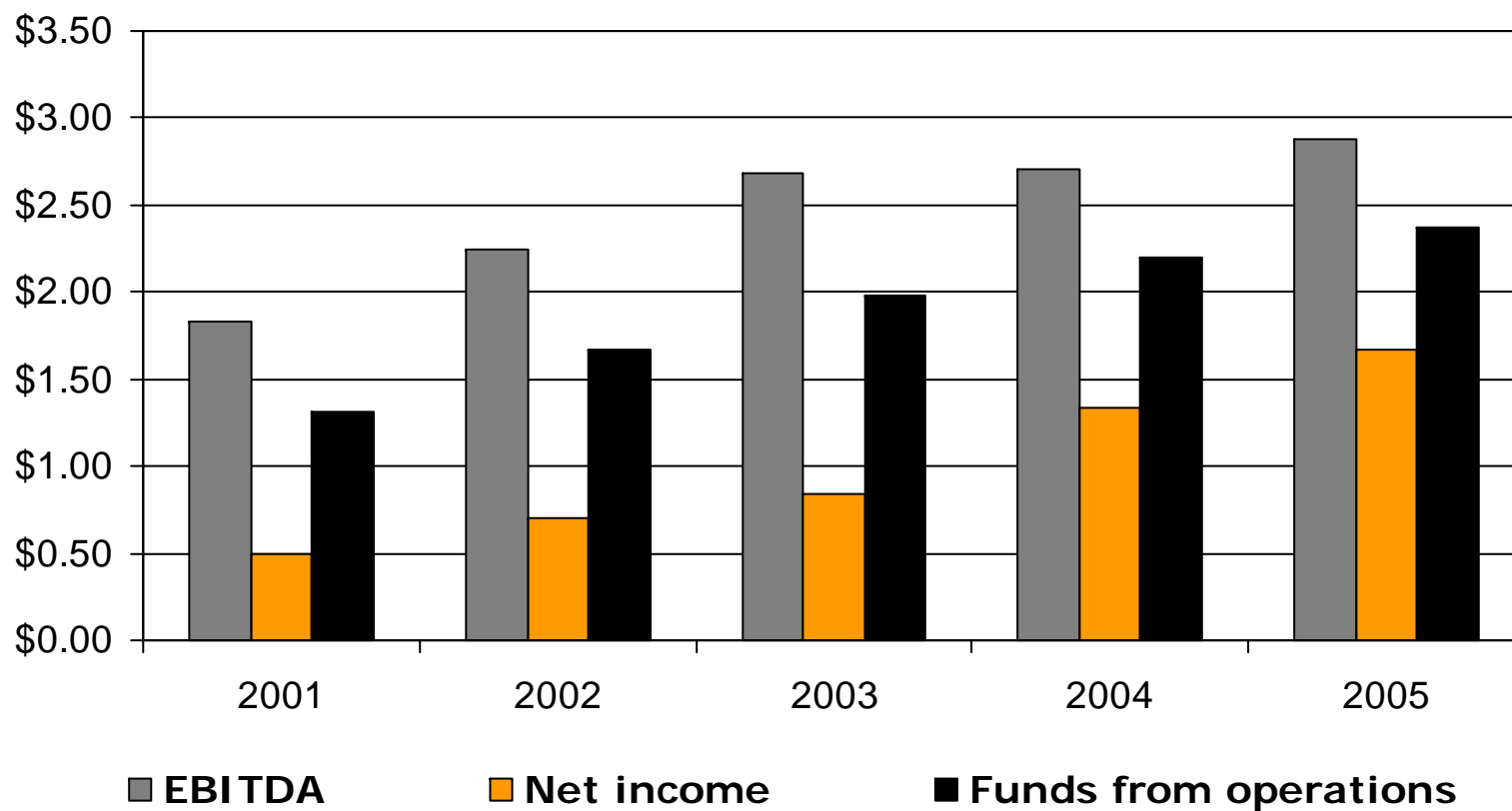


\$ millions	2005 Actual	2004 Actual	Change
Revenue	1,502.3	864.6	74%
Net revenue	296.9	250.4	19%
EBITDA	155.5	133.4	17%
Net income	90.3	65.8	37%
Funds from operations	128.2	108.6	18%
Distributable cash flow	120.2	102.2	18%
Total distributions / dividends declared	1.85	1.31	41%

Five-year highlights



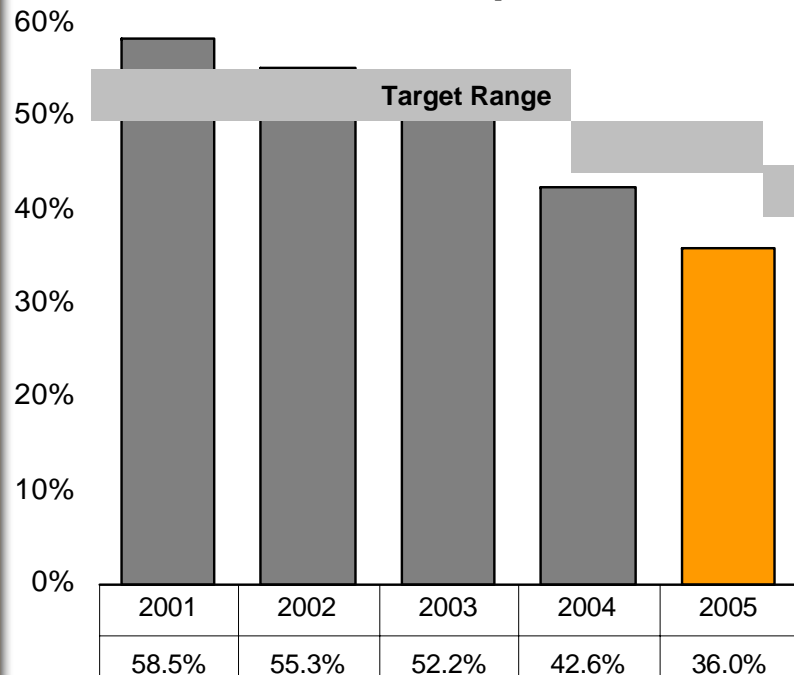
Five-year highlights-per-unit



2005 financial structure



Debt as a percentage of total capital*



* As at period end

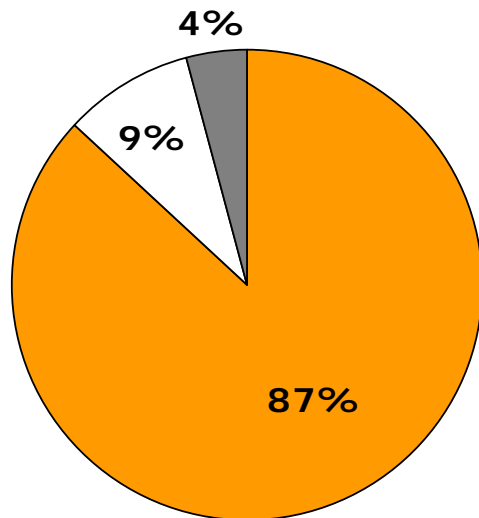
- Committed to investment grade rating
- Trust stability rating
 - S&P: SR-3
 - DBRS: STA-3 (middle)
- Rating on medium-term notes
 - S&P: BBB-
 - DBRS: BBB (low)
- Capital structure
 - December 31, 2005 – 36.0%
 - Trust target: 40 - 45%
- \$100 million MTN issue
 - 4.4% coupon, down from 7.3%
 - September 1, 2010 maturity

2005 invested capital

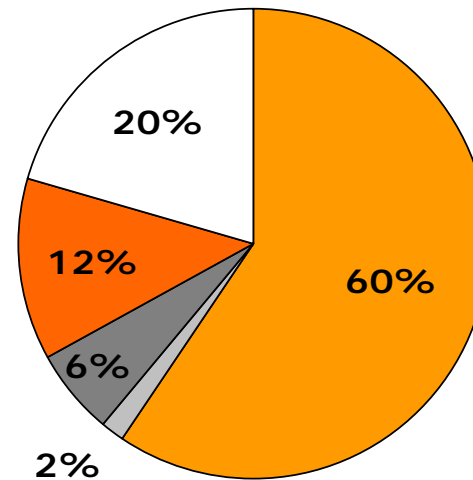


Invested capital of \$90.2 million in 2005

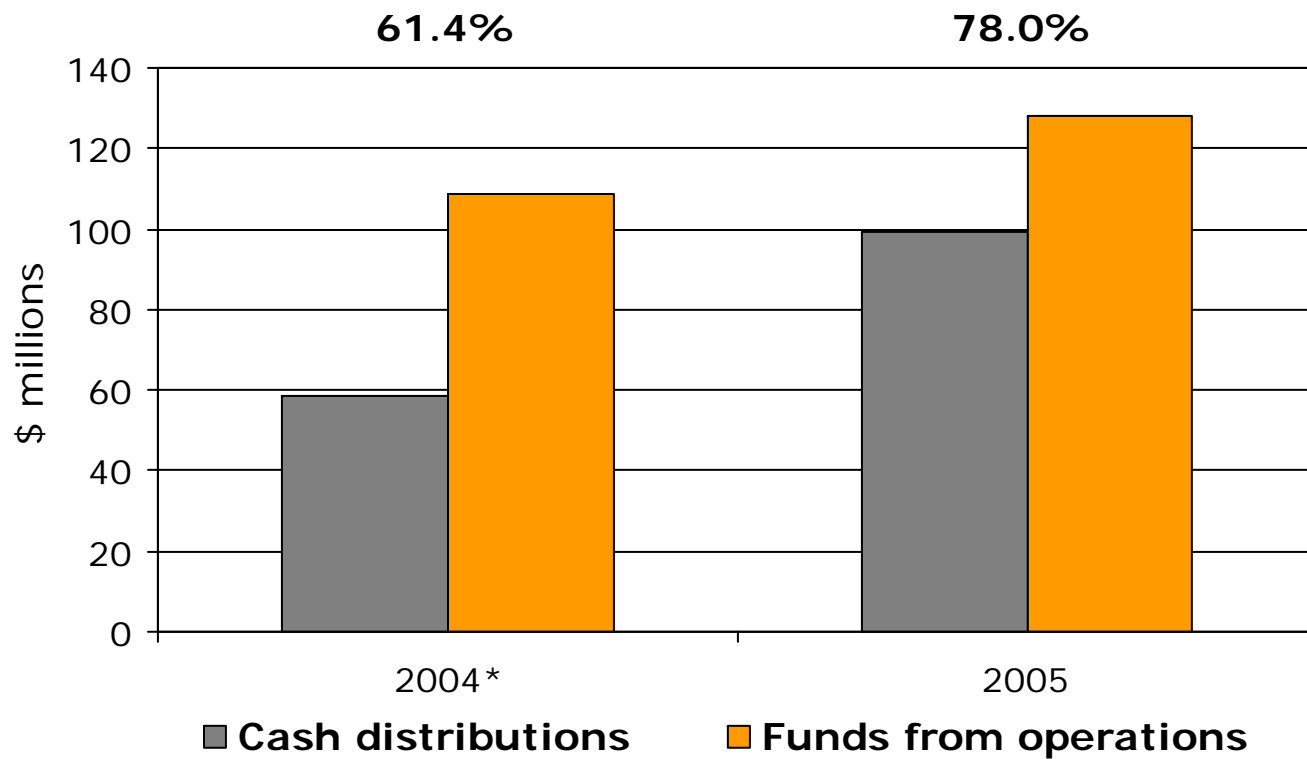
- Growth
- Maintenance
- Administration



- Field Gathering and Processing
- Extraction and Transmission
- Energy Services
- Natural Gas Distribution
- Corporate



Payout ratio



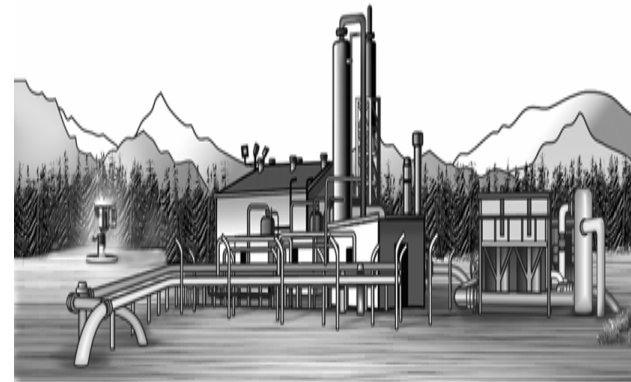
* AltaGas converted to a trust structure in May 2004

2006 - High single digit growth in earnings



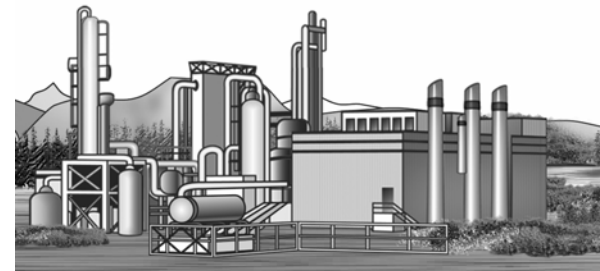
•Field Gathering and Processing

- \$40+ million on organic growth
- Optimize and expand current facilities
- Develop new facilities in areas adjacent to current facilities
- Expand reach westward
- Up to 10% of throughput from coalbed methane by end of year



•Extraction and Transmission

- Steady operations and cash flow

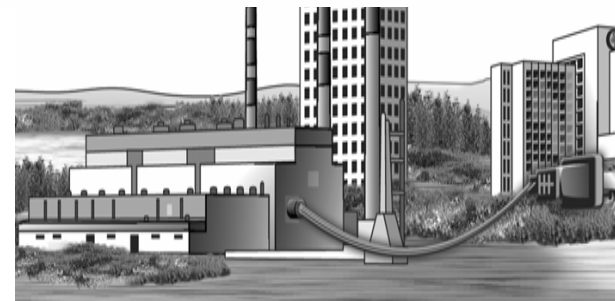


2006 - High single digit growth in earnings



- **Energy Services**
 - Continue growth in customer base in Ontario, B.C. and Alberta
 - Becoming a national supplier of energy management services
 - Single-digit growth in operating income

- **Power Generation**
 - Higher operating income due to higher hedged prices
 - Expand by acquiring, building and operating assets
 - Focus on renewables in Western Canada and Northern U.S.



2006 acquisition strategy



- **Up to \$100 million available for acquisitions over 2006**
- **Disciplined approach to acquisitions in all segments**
 - **Net income accretive**
 - **Cash flow accretive**
 - **Return on equity accretive**
 - **Maintain low risk profile**
 - **Maintain financial flexibility**
 - **Enhance unitholder value**

Premier energy trust



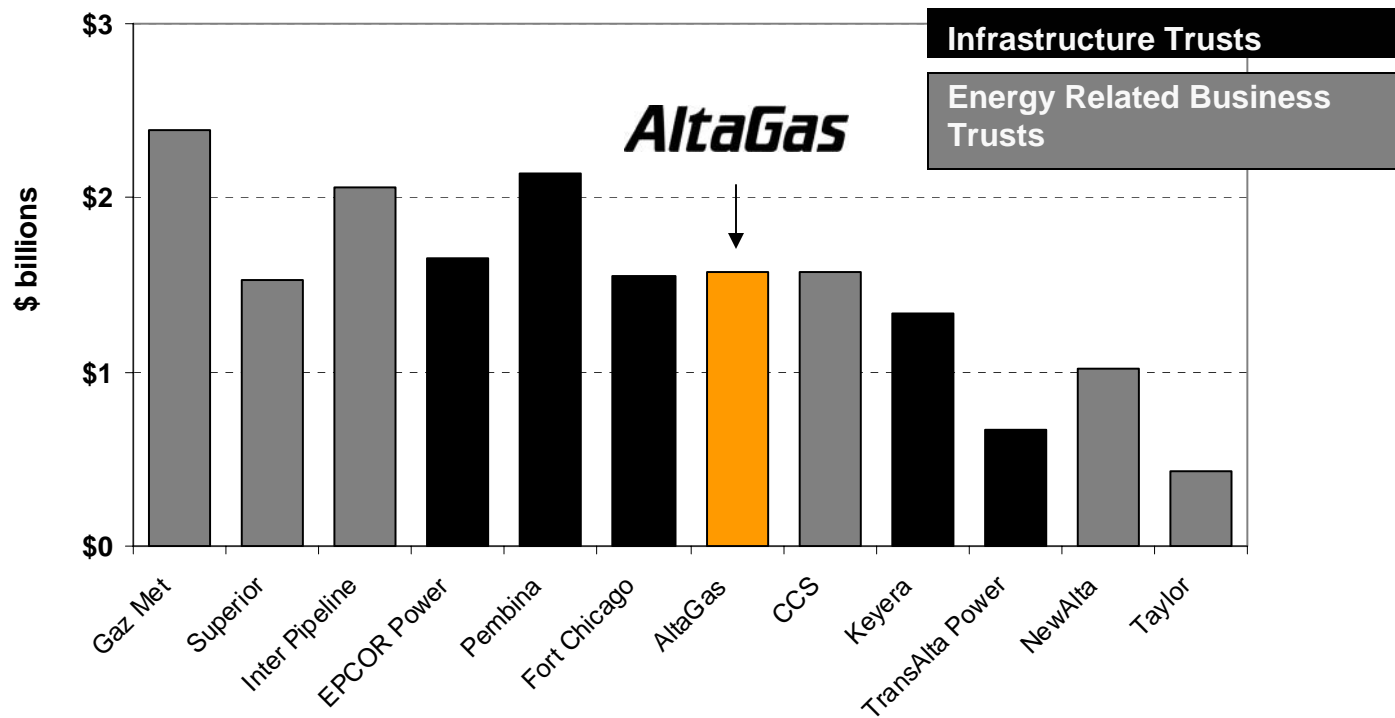
	<i>AltaGas</i>	Enbridge Income Fund	Fort Chicago	Inter Pipeline	Keyera Facilities	Pembina Pipelines	Taylor NGL
Field Gathering and Processing	✓				✓		✓
Extraction	✓		✓	✓			✓
Transmission	✓	✓	✓	✓	✓	✓	✓
Energy Services	✓				✓		
Power Generation	✓						

Large cap liquid income trust



Market Capitalization

At March 23, 2006

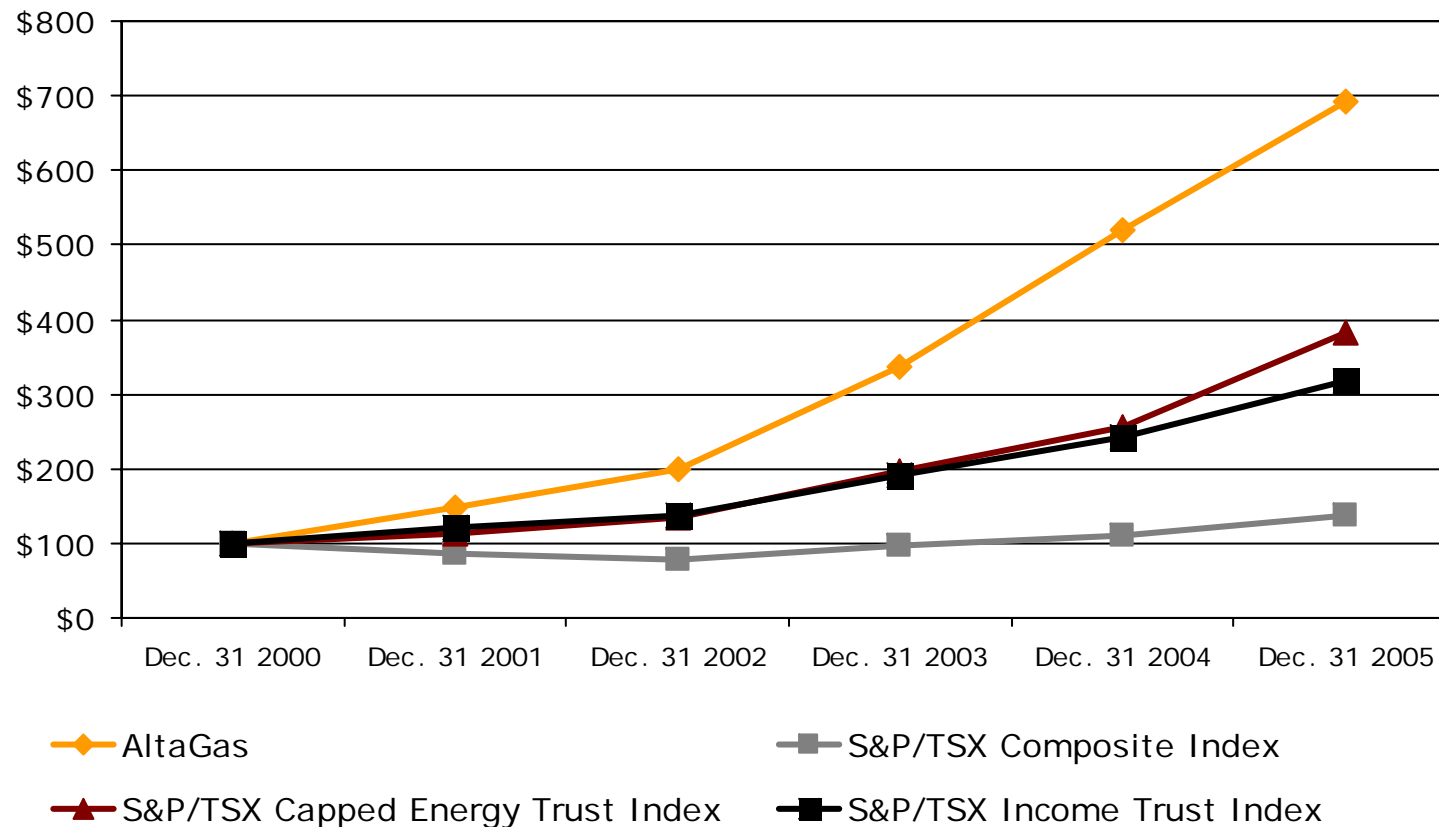


AltaGas has a market capitalization of \$1.6 billion

AltaGas total return vs. indices



Assumes a \$100 investment on Dec. 31, 2000 and reinvestment of dividends/distributions



Investment highlights



- **Demonstrated track record of growth and value creation**
 - Over last 5 years, total return of 700%
- **We expect growth - and have the balance sheet to support it**
- **Well-positioned to create and enhance unitholder value**

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

AltaGas

Well connected. ■