

Forward-looking information



- Certain information presented today may constitute forward-looking statements. Such statements reflect the Trust's current expectations, estimates, projections and assumptions. These forward-looking statements are not guarantees of future performance and are subject to certain risks which could cause actual performance and financial results in the future to vary materially from those contemplated in the forward-looking statements. For additional information on these risks see the Trust's Annual Information Form under the heading "Risk Factors".

2006 in Review

2006 financial highlights

Record net income

- \$114.5 million - \$2.06/unit
- Increase of 27%

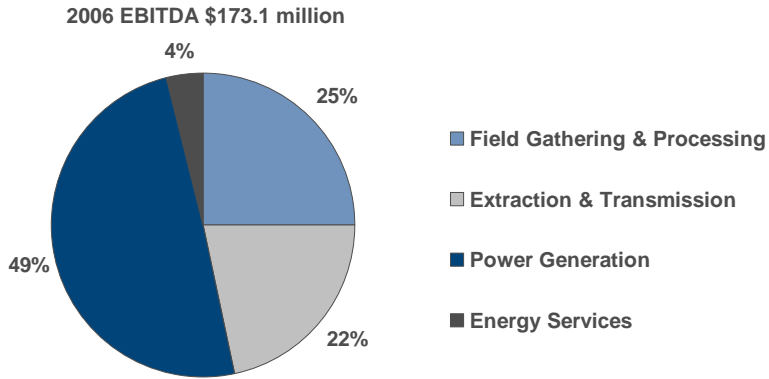
Distributions

- Increased twice to \$0.17/unit/month
- Increased by 6%
- 2006 payout 69% of funds from operations
- Distributions < net income

Positioned for growth and sustainable distributions

- Debt-to-total capitalization 33.4%

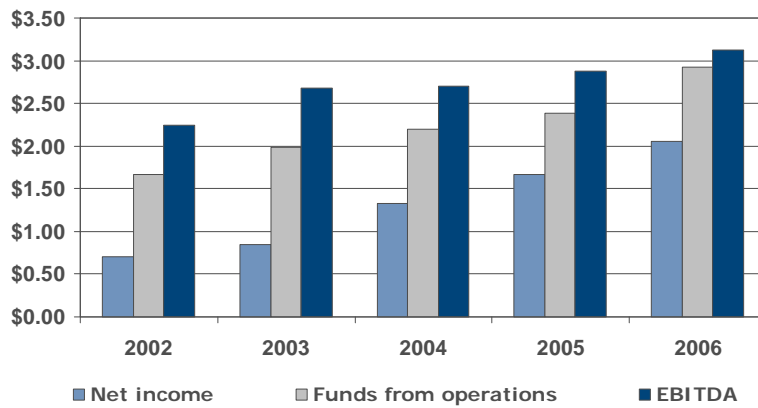
A diversified integrated energy business



Note: Pie chart excludes Corporate, which was (\$25.3) million

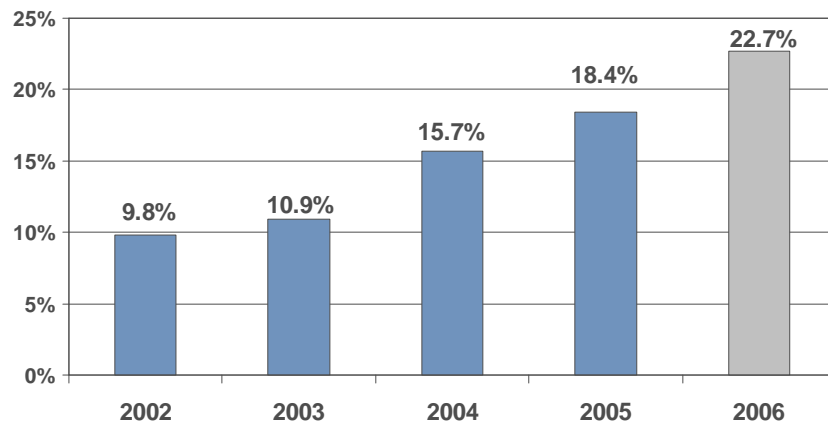
5

Track record of growing earnings and cash flow



6

Track record of growing ROE



7



2007 Outlook

Strong base business with energy to grow *AltaGas*

- AltaGas base business is strong
- Fundamentals for 2007 are looking good
- AltaGas has the projects in place to grow

9

Expectations for 2007 *AltaGas*

Base business is strong

- Power Generation to benefit from strong power prices
- Field Gathering and Processing throughput impacted by lower drilling short-term, but increased acquisition opportunities
- Extraction and Transmission: frac spreads softening from 2006 levels although still higher than historical, increased extraction utilization and commencement of Orion operations
- Energy Services expansion into Ontario electricity market and investment in gas infrastructure

10

Legislation

- Expected in 2007
- AltaGas participating in government consultation process

Impact

- Impacts facilities emitting > 100 kilotonnes/year of GHG emissions
- 50% interest in Sundance B PPAs only AltaGas facility exceeding threshold

Mitigation

- Improvement of operating efficiencies expected at Sundance
- Wind project development
- FG&P generated greenhouse gas credits

energy to GROW

Opportunities to grow all our businesses



13

The next 24 months of growth



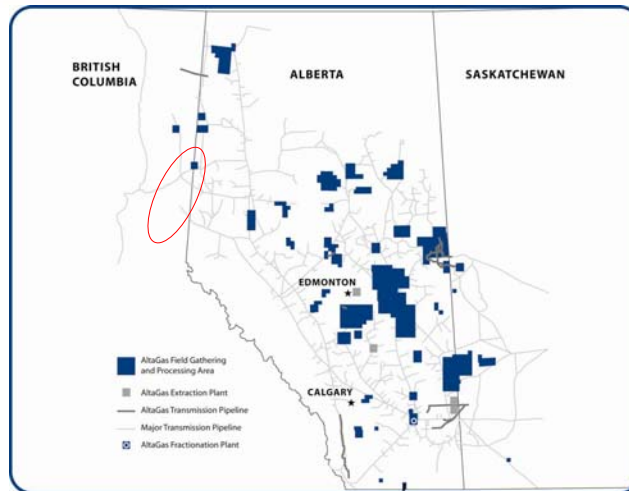
Real projects are in place

- \$225 million over the next 24 months
- Consistent with strategy to grow gas and power infrastructure equally
- Noel Pipeline and Pouce Coupe sour gas plant expansion
- Pipelines and gas storage in Ontario
- Southern Alberta gas-fired generation
- Bear Mountain Wind Park

14

Noel Pipeline and Pouce Coupe expansion projects

AltaGas



15

Noel Pipeline and Pouce Coupe sour gas plant expansion projects

AltaGas

Project details

- New 90 Mmcf/d sour gas pipeline from Noel region of B.C. to 90 Mmcf/d sour gas expansion of existing Pouce Coupe facility in northwest Alberta
- In service April 2008
- \$90 million estimated capital cost
- FG&P throughput expected to increase by more than 10%
- Acid gas injection facility to minimize sulphur and carbon dioxide emissions

16

AltaGas investment in Ontario infrastructure assets

- Expecting investment of approximately \$25 million in short-term
- Pipelines and gas storage
- Anticipated timing - 2008
- Integration with Energy Services capability in Ontario market

Gas infrastructure

- Expect to expand, construct and acquire facilities
- Significant opportunities to acquire processing assets from producers
- Optimize facilities to increase efficiency and product recoveries
- Potential for additional expansion at Pouce Coupe plant

Operation of 14 MW of gas-fired peaking generation

- Diversification of power portfolio
 - Increases gas-fired generation by more than 55%
 - Additional backstopping for coal-fired PPA supply
- Run in conjunction with existing 25 MW of gas-fired generation
 - Capacity expected to be located at existing FG&P sites
 - Operated by FG&P personnel and dispatched from EEEP
 - In service Q4-07
- Adding capacity to southern Alberta market

- 25-year electricity purchase agreement with BC Hydro
- Approval to execute agreement with Enercon to purchase turbines
- Project development, optimization and regulatory approvals being finalized
- Construction expected in 2007, with project in service 2009
- Project cost approximately \$200 million

Power infrastructure

- Diversification of power portfolio by 2009
 - By geographic location (Alberta 89%, B.C. 11%)
 - By fuel type (coal 80%, gas 9%, wind 11%)
- Pursuing coal, gas and renewable (wind and hydro) generation
- Wind projects will be bid into Manitoba Hydro RFP (250 MW)

Ideally positioned to grow our businesses and create long-term unitholder value

- Strong base businesses in 2007
- Real projects totalling \$225 million in service in next 24 months
- Further opportunities to grow all parts of integrated gas and power infrastructure business

AltaGas

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