



## Forward-looking information



Certain information presented today may constitute forward-looking statements with respect to AltaGas Income Trust (AltaGas) and Taylor NGL Limited Partnership (Taylor). Such statements reflect the Trusts' 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 two trusts' Annual Information Forms under the heading "Risk Factors".

## Energy to GROW

Acquisition of Taylor  
*Low-Risk, Long-Life Assets*

### Our business strategy

#### The acquisition of Taylor is aligned with AltaGas strategy

- Optimize existing businesses
- Double total assets over next five years
- Equal split between gas and power infrastructure
- Diversify our business
- Continue to deliver top “total unitholder value”

Aligned to AltaGas strategy

**AltaGas**

**Complimentary assets**

**Strategic fit**

**Combination enhances ability to unlock value of growth opportunities**

**Diversifies our business**

**Enhanced size and liquidity**

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Transaction overview

**AltaGas**

**Take-over bid for Taylor units by AltaGas**

**Consideration:**

- \$11.20 cash (maximum of \$245 mm); or,
- 0.42 of an AltaGas trust unit or exchangeable LP unit (maximum of 8 mm trust units)

**Expect to mail take-over bid circular before November 30, 2007**

**Expected closing January 2008**

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## Complimentary asset base

**AltaGas**

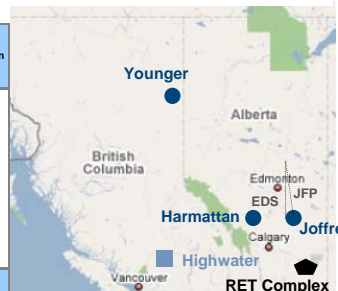
	AltaGas	Taylor	Combined	% Increase
<b>G &amp; P (Mmcf/d)</b>	1,008	152	<b>1,160</b>	<b>15%</b>
<b>Extraction (Mmcf/d)</b>	554	1,040	<b>1,594</b>	<b>188%</b>
(Bbls/d)	26,300	55,200	<b>81,500</b>	<b>210%</b>
<b>Transmission</b>				
Gas (Mmcf/d)	554	0	<b>554</b>	
NGL Liquids (Bbls/d)	11,600	140,000	<b>151,600</b>	<b>1207%</b>
<b>Power (MWs)</b>				
Coal	353		<b>353</b>	
Gas	25		<b>25</b>	
Hydro		1.8	<b>2</b>	

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## Asset overview

**AltaGas**

Facility	Ownership (%)	NGL Extraction (Mmcf/d)	NGL Fractionation & Terminalling (Bbls/d)	Natural Gas Processing (Mmcf/d)	NGL Transportation (Bbls/d)	Power Production (MW)
Younger Extraction Plant <sup>(1)</sup>	56.7	425.0	25,000			
Joffre Extraction Plant	50.0	125.0	5,200			
Harmattan Complex	100.0	490.0	25,000			
RET Complex <sup>(2)</sup>				152		
Ethylene Delivery System	100.0				90,000	
Joffre Feedstock Pipeline	100.0				50,000	
Highwater Power Corp	100.0					1.8
<b>TOTAL</b>		<b>1040.0</b>	<b>55,200</b>	<b>152</b>	<b>140,000</b>	<b>1.8</b>



Source: Google maps

(1) Taylor owns 100% of NGL Fractionation & Terminalling  
 (2) Taylor owns 84% of Retlaw (12.5 mmcf/d net), 100% of Enchant (82 mmcf/d net), and 72.3% of Turin (40 mmcf/d net)

**Business segments comprised of low-risk, long-life assets**

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**AltaGas:**

- Sarnia gas storage:
  - 5.3 Bcf working capacity
  - 52 Mmcf/day of deliverability
  - 50% ownership

**Taylor:**

- Harmattan Complex:
  - Co-streaming
  - Incremental natural gas processing volumes
  - Asset optimization
- Ethylene Delivery System
  - Freeing up spare capacity

**Existing projects to grow power by 34% by 2010**

**AltaGas:**

- Bear Mountain Wind: ~100 MW wind park
- Alberta gas-fired peaking plants: 14.4 MW
- Manitoba Hydro RFP: 3 sites

**Taylor:**

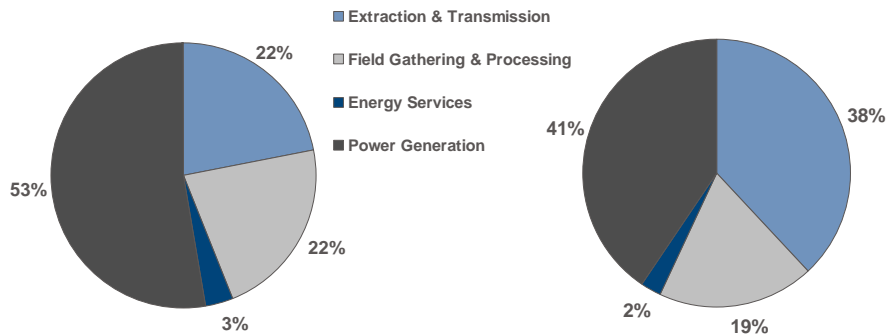
- Log Creek (10MW) run-of-river with 40-year EPA with BC Hydro
- Kookipi Creek (10MW) run-of-river with 40-year EPA with BC Hydro

## A more diversified energy trust

**AltaGas**

AltaGas 2007 EBITDA  
To September 30, 2007

AltaGas EBITDA + Taylor EBITDA  
To September 30, 2007



Business risk profile for AltaGas has improved by the further diversification of cash flows

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## Minimizing integration risk

**AltaGas**

### Existing knowledge of assets

- 50% partner at Joffre facility
- Currently own 9.5% of outstanding units
- Assisted in financing RET complex

### Taylor has approximately ~115 staff

- ~100 in field
- ~15 in corporate head office

### AltaGas plans to retain all staff

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## Investment Highlights

energy to DELIVER unitholder value -  
Well-positioned for 2011 - As a trust or a corporation

### **Focus on traditional metrics**

- Earnings per unit
- ROE

### **Conservative payout targets**

- Distributions: 70-80% of funds from operations
- Grow net income faster than distributions
- Conservative tax planning

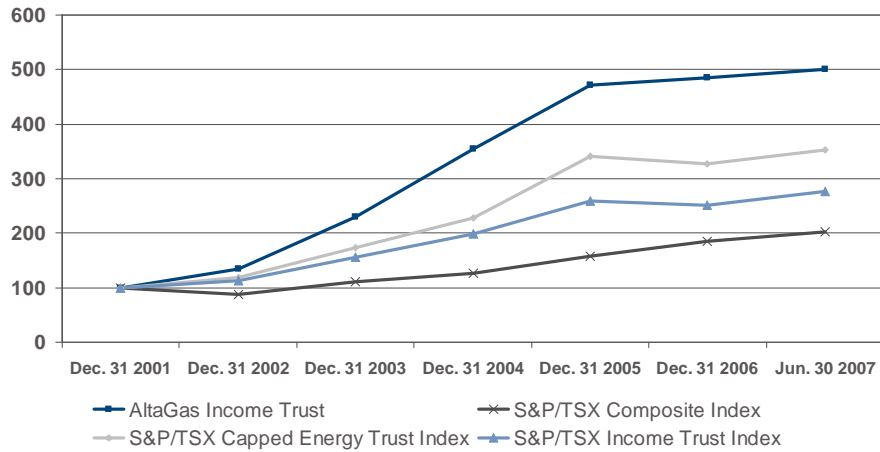
### **Strong financial position**

- Strong balance sheet
- \$600+ million in tax pools

## energy to DELIVER unitholder value



Assumes a \$100 investment on Dec. 31, 2001 and reinvestment of dividends/distributions



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## Strategic fit



### The Taylor acquisition is a strong strategic fit

- Positions AltaGas as market leader and most diversified player in energy infrastructure sector in Canada
- Builds on existing gas and power businesses while presenting substantial opportunities to leverage asset portfolio across energy value chain
- Opportunity to increase scale, reduce business risk, and add attractive assets while enhancing long-term earnings and cash flow strength
- The acquisition creates a balanced portfolio of gas and power infrastructure
- Provides entry into hydro generation projects

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## Investment highlights

**AltaGas**

### **Demonstrated track record of growth and value creation**

- Over last 5 years, total return of almost 500%

### **Business operated in disciplined manner**

- Focus on traditional financial metrics

### **Significant opportunities to continue to create and grow unitholder value**

**AltaGas is in business for the long-haul**

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## Our vision

**AltaGas**

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

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