

AltaGas Analyst Presentation

March 2008



Forward-looking information

AltaGas

Certain information presented today may constitute forward-looking statements with respect to AltaGas Income Trust (AltaGas). 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 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".

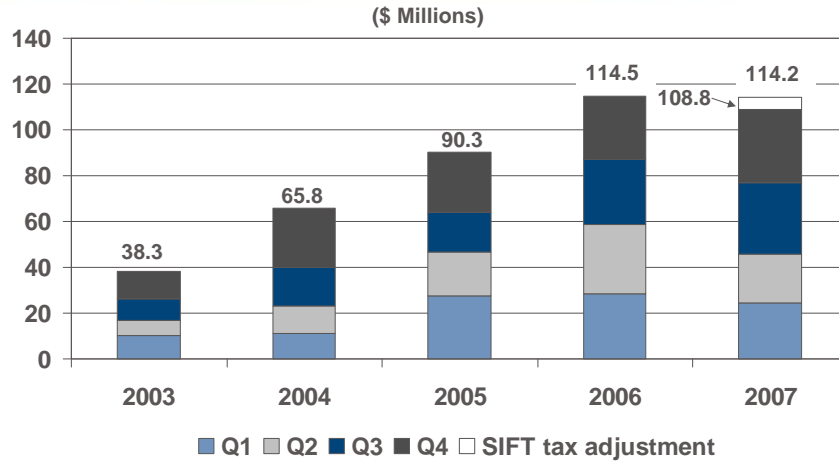
2007 in Review

2007 – Another successful year

- Continued discipline in natural gas and power businesses
- Moving toward greater balance between segments
- Intersegment diversification continues to prove results
 - Extraction and Transmission results higher due to strong frac spreads, higher volumes and the Cold Lake transmission system
 - Lower throughput caused Field Gathering and Processing to be down, but was partially offset by new facilities and higher rates
- Power business results up year-over-year
 - Higher hedge prices and lower costs more than offset lower spot prices and expiration of Genesee in March 2006

Net income

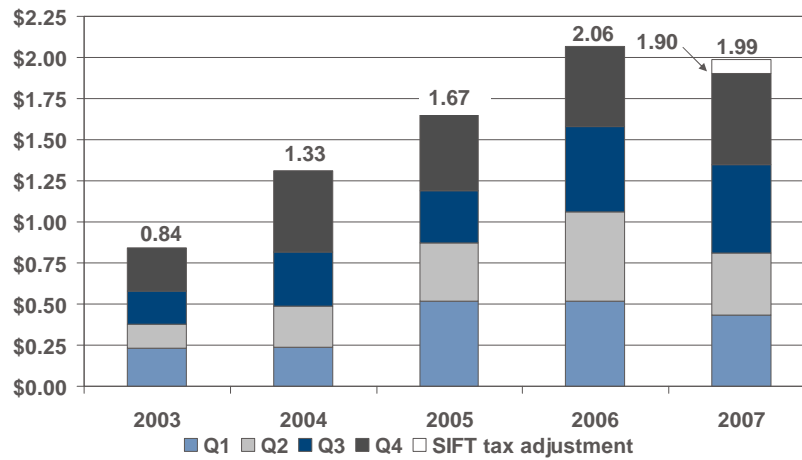
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Net income per unit

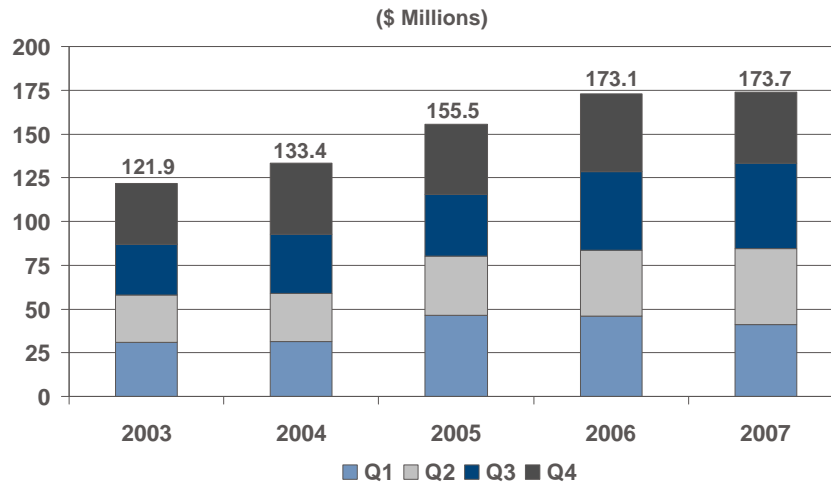
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EBITDA

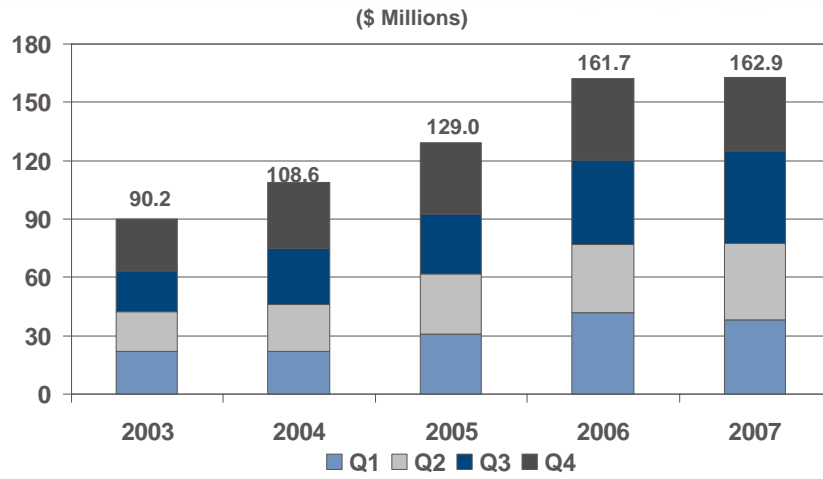
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Funds from operations

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Positioned to Succeed

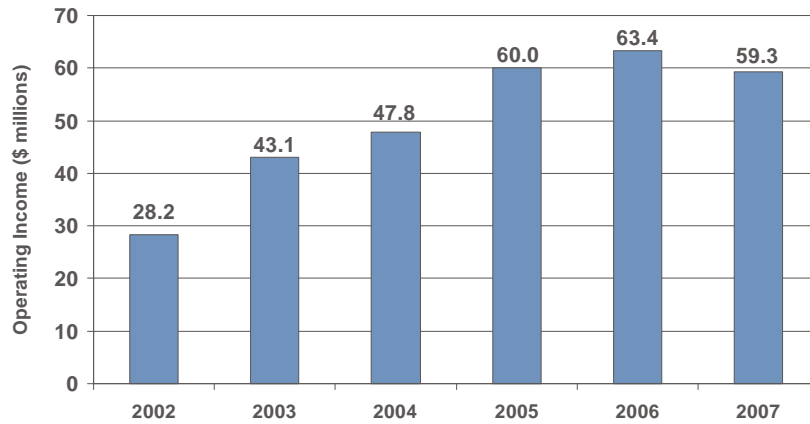
AltaGas today
The gas business

Diversified and integrated infrastructure touching more than 2 Bcf/d of natural gas

- 6 NGL extraction and 3 fractionation facilities with 1.6 Bcf/d of inlet capacity and 86,000 Bbls/d of NGL production capacity
 - Exited 2007 with ~45,700 Bbls/d of net NGL production, including Taylor's record of more than 23,500 Bbls/d
- Transmission pipelines with 554 Mmcf/d of gas transport and 151,600 Bbls/d of NGL transport capacity
- 77 gas processing facilities with 1.2 Bcf/d of capacity and approximately 6,500 km of gathering lines

Gas business results

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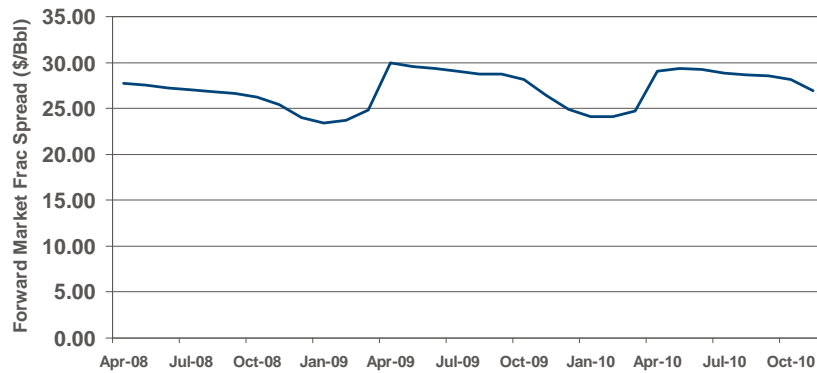


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Strong long-term extraction performance

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Frac hedges for 45% of exposed volumes in place at ~\$21/Bbl for 2008;
15% of 2009 exposed volumes hedged at ~\$23/Bbl



Source: NYMEX March 3. Butane calculated from NYMEX crude prices.
Prices adjusted for product posting in Alberta.

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AltaGas today

The power business

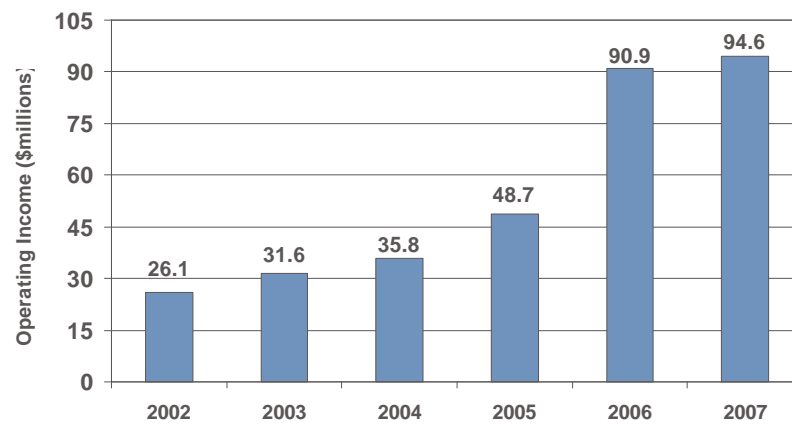
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- Supplies 5% of Alberta's electricity demand
- Rights to 353 MW of coal-fired generation until 2020
- 39.4 MW of gas-fired peaking capacity
- Small run-of-river hydro interest in B.C.
- Strategy to hedge approximately two-thirds of PPA production by end of year for following year

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Power business results

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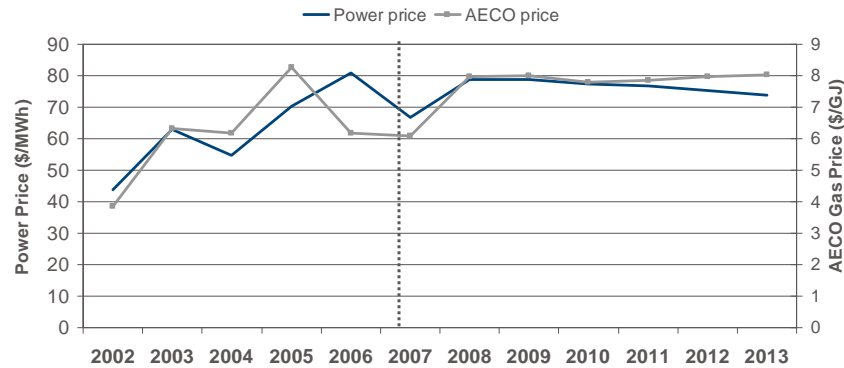


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Strong long-term power performance

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Approximately two-thirds of 2008 PPA volumes hedged at \$76/MWh, up from \$66/MWh in 2007



Sources: Power prices from AESO (historical) and Prebon (forward market) on March 3; Gas prices from NGX (historical) and Prebon (forward market) on March 3.

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Expectations for 2008

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Earnings per unit growth in mid-single digits from \$1.90 reported; cash flow per unit expected to grow

- Based on current commodity price outlook, stable regulatory environment for FG&P, current borrowing costs and no significant tax/regulatory changes
- E&T
 - 40% of business segment operating income, up from 25% in 2007
 - 12% of volumes exposed to frac spreads; 45% of these hedged
- FG&P: Improved results due to addition of RET Complex, optimization of facilities and increased operating cost flowthrough
- Power Generation: Higher results due to \$10/MWh higher hedged power prices and new gas-fired assets online in Q2-08
- Energy Services: Increased opportunities to enhance earnings from assets
- Higher Corporate loss due to growth and lower investment income

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Other major asset growth 2007



Sarnia gas storage – 50% ownership

- 5.3 Bcf working capacity with 52 Mmcf/day of deliverability

FG&P optimization and growth

- \$6.5 million to upgrade and expand existing facilities
- Added 15 Mmcf/d of CBM processing capacity and a 15 Mmcf/d gathering line in southwest Alberta

Bear Mountain Wind Park

- ~100 MW wind park
- Target ownership 45%; discussions with third-party investors ongoing

Alberta gas-fired peaking plants

- 14.4 MW through six units located on two FG&P sites

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2008 capital expenditures



Gas - \$75 million

- FG&P – sour gas plant expansion
- E&T – Harmattan volume additions
- Energy Services – Sarnia gas storage

Power - \$50 million

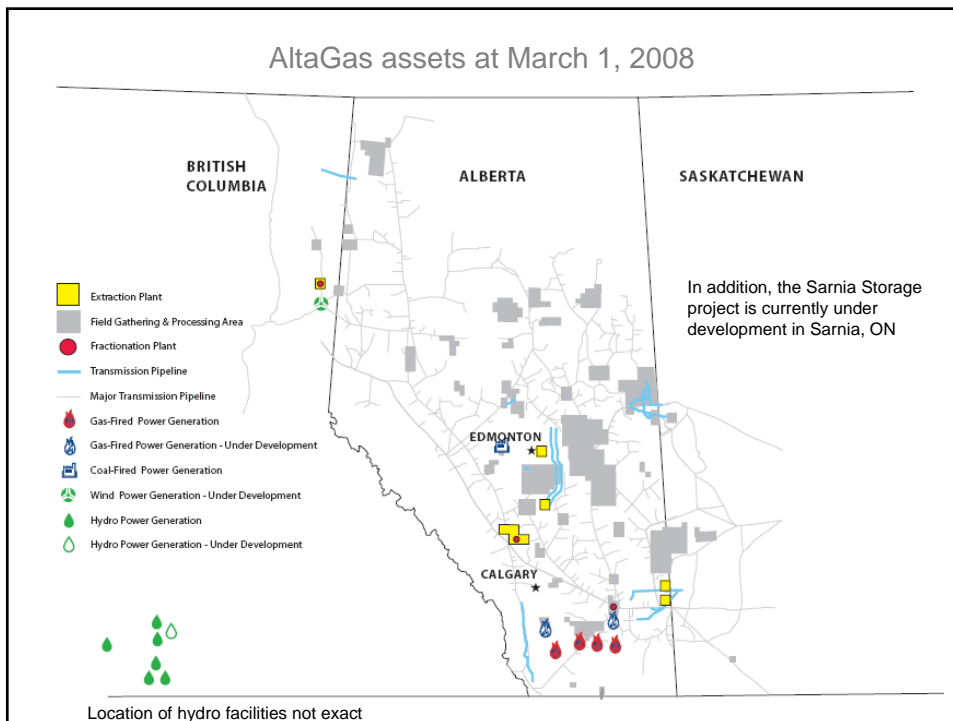
- Wind – Bear Mountain
- Hydro – Log Creek and Kookipi
- Gas-fired generation

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Demonstrated “energy to GROW” in 2007

Acquisitions and Organic

AltaGas assets at March 1, 2008



Taylor assets



Gas

- Harmattan Extraction Plant
- Younger Extraction Plant
- Joffre Extraction Plant (remaining 50%)
- RET Complex
- Ethylene Delivery System
- Joffre Feedstock Pipeline

Power

- Boston Bar run-of-river facility (25% of 7 MW)
- Two 10-MW run-of-river projects under development in B.C.

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Balanced and diversified to grow unitholder value

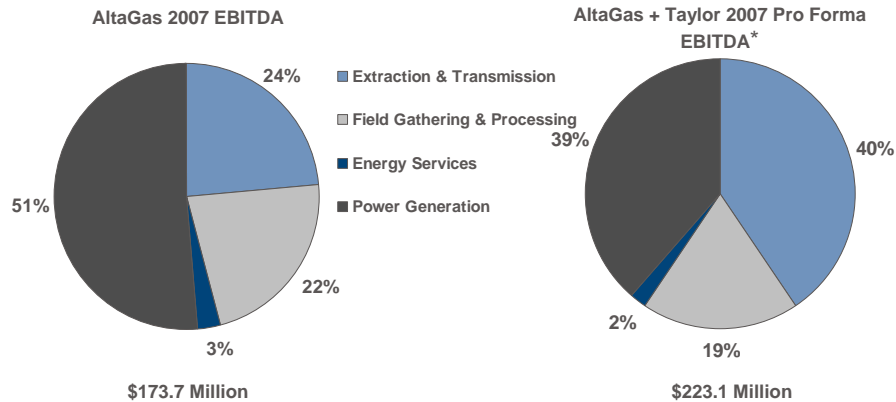


Post-acquisition AltaGas

- We are aligned and balanced, with strong cash flow diversity
- Integration has been seamless and is on track and positive
 - Similar businesses, models and cultures
- Extraction business now considerably larger- provides significant opportunities to optimize frac spreads
- Power business will continue to perform well
- Reliance on FG&P for growth minimized - business will continue to provide stable earnings
- Financial discipline and investment-grade ratings will be maintained

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Improved business diversification



*2007 Pro Forma EBITDA from Business Acquisition Report.
Percentages exclude negative contribution from Corporate segment

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AltaGas and Taylor pro forma Q4 2007 income statement



(\$ millions, except per unit)	AltaGas	Taylor	Pro Forma
Net revenue	76.4	27.4	103.0
EBITDA*	40.3	14.3	53.7
Operating income	28.9	9.9	37.3
Income before tax	26.0	7.8	28.8
Net income	31.8	14.5	41.4
Net income per unit (\$)	0.55	n/a	0.63

* Normalized EBITDA of \$19.9 million, excluding expected synergies.
Source: Business Acquisition Report filed March 3, 2008.

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AltaGas and Taylor pro forma 2007 income statement



(\$ millions, except per unit)	AltaGas	Taylor	Pro Forma
Net revenue	324.0	103.9	425.1
EBITDA*	173.7	52.7	223.1
Operating income	126.6	35.4	156.3
Income before tax	114.7	27.0	122.2
Net income	108.8	(42.1)	(25.5)
Net income per unit (\$)	1.90	n/a	(0.39)

* Normalized EBITDA of \$59.6 million, excluding expected synergies
Source: Business Acquisition Report filed March 3, 2008.

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AltaGas today



	Feb. 8, 2008
Total assets	\$2.0 billion*
Total debt	~\$610 million
Debt-to-total capitalization	~45%
Units outstanding	65.9 million
Target payout ratio	65 – 75%
Tax pools	~\$750 million

Increased size

- EV ~\$2.3 billion
- Increased liquidity and access to lower cost capital

Increased financial strength

- Taylor immediately accretive to cash flow and neutral to accretive to EPU
- Increased free cash flow
- Lower payout ratio

* Pro Forma from Business Acquisition Report filed March 3, 2008.

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What's NEXT.

Planned capital expenditures
\$250 million in 2009

	Project	In-service date	Total estimated project cost
Power \$90 million	Bear Mountain Wind Park	Nov. 2009	\$190 M for 100% of project
	Log Creek and Kookipi Creek	2010	\$60 - \$70 M
Gas \$160 million	Sarnia Airport Gas Storage	Mid-2009	\$25 M for our 50% interest
	Harmattan co-streaming	Mid-2010	\$70 - \$90 M
	E&T and FG&P growth	Annual	\$50 M/year

Continued profitable growth: gas



- Pursuing new gas opportunities
 - Additional gas storage assets in Eastern Canada or U.S.
 - Freeing up spare capacity to move butane on Ethylene Delivery System
 - \$50 million per year to optimize, expand, construct and acquire processing facilities
 - Focus on active northwest Alberta and northeast B.C. areas
 - Additional coal bed methane facilities
 - Acquisition of facilities from producers

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Continued profitable growth: gas



- Pursuing new gas opportunities (continued)
 - Harmattan Co-streaming:
 - Proposal to use spare capacity in Harmattan complex
 - New 70 km pipeline connecting to Alberta System
 - Up to 250 Mmcf/d of incremental natural gas processing volumes
 - Extract an incremental 13,000 to 14,000 Bbl/day of NGLs
 - Application adjourned until EUB NGL extraction inquiry complete
 - Increase extraction volumes by optimizing and upgrading infrastructure and consolidating extraction facilities in AltaGas' operating areas
 - Potential for projects similar to last year's Cold Lake Orion project

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Continued profitable growth: power



- Diversification of power portfolio
 - By geographic location (Alberta 77%, B.C. 23%)
 - By fuel type (coal 69%, gas 8%, wind 9%, hydro 14%)
- Pursuing coal, gas and renewable generation
 - 14.4 MW of gas peaking capacity in Southern Alberta by early 2008
 - Wind and hydro projects in service beginning late 2009/2010
 - Partnership with wind developer focused on western Canada and U.S.
- Log Creek and Kookipi Creek
 - 10-MW run of river projects
 - 40-year EPAs with BC Hydro
- ~50 MW of additional run-of-river development projects purchased Feb-08

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Conservative actions and financial strength *AltaGas*

Focus on traditional metrics

- Earnings per unit
- ROE

Strong financial position

- Strong balance sheet
- Approximately \$750 million in tax pools

Conservative payout targets

- Distributions: 65-75% of funds from operations
- Grow net income faster than distributions
- Conservative tax planning

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Positioned to grow

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- Integration is underway and will be seamless
- Balanced asset base
- Excellent business outlook for gas and power
- Capable and experienced management team
- Excellent portfolio of high-quality growth opportunities
- Financially disciplined

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Appendix

Taylor transaction overview



November 12: Take-over bid for Taylor announced

- \$11.20 cash or 0.42 of an AltaGas trust unit

January 10: Acquisition closed

Final consideration of offer - \$598.7 million

- \$198.9 million in equity
 - 7.7 million additional trust units, including 0.2 million exchangeables
- \$256.3 million in cash
- \$132.5 million of assumed debt, including convertible debentures and bank debt

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Taylor 2007 results



(\$ million unless otherwise indicated)	Q4-07 (Q4-06)	2007 (2006)
Net income	\$14.5 (\$7.7)	-\$42.1 (\$28.7)
Adjusted net income	\$13.5 (\$6.1)	\$33.9 (\$27.9)
Adjusted EBITDA	\$19.9 (\$12.6)	\$59.6 (\$53.8)
NGL sales (Bbls/d)	21,964 (20,397)	21,126 (20,465)
Gas volumes processed (Mmcf/d)	457 (452)	443 (452)

* EBITDA and net income adjusted (as applicable) for income tax recovery/SIFT, mark-to-market valuation of financial instruments and ~\$1 million in higher compensation costs due to acquisition

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