

2004 Characterization of AltaGas payments to Canadian Unitholders

Unitholders should consult their own tax advisors to determine the income tax considerations and consequences applicable to them in their particular circumstances.

AltaGas Income Trust	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2004	%
Record Date	25-May-04	25-Jun-04	26-Jul-04	25-Aug-04	27-Sep-04	25-Oct-04	25-Nov-04	29-Dec-04		
Payment Date	15-Jun-04	15-Jul-04	16-Aug-04	15-Sep-04	15-Oct-04	15-Nov-04	15-Dec-04	17-Jan-05		
Interest income per unit	\$ 0.11941	\$ 0.12266	\$ 0.11407	\$ 0.11394	\$ 0.10996	\$ 0.11586	\$ 0.11288	\$ 0.10510	\$ 0.91389	76.16%
Return of capital per unit	\$ 0.03059	\$ 0.02734	\$ 0.03593	\$ 0.03606	\$ 0.04004	\$ 0.03414	\$ 0.03712	\$ 0.04490	\$ 0.28611	23.84%
Total distribution per unit	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 1.20000	100.00%

AltaGas Holding Limited Partnership No. 1 *	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2004	
Record Date	25-May-04	25-Jun-04	26-Jul-04	25-Aug-04	27-Sep-04	25-Oct-04	25-Nov-04	29-Dec-04		
Payment Date	15-Jun-04	15-Jul-04	16-Aug-04	15-Sep-04	15-Oct-04	15-Nov-04	15-Dec-04	17-Jan-05		
Business income per unit	\$ -	\$ -	\$ -	\$ (0.00000)	\$ (0.00318)	\$ 0.00255	\$ 0.00224	\$ 0.00649	\$ 0.00810	0.68%
Interest income per unit	\$ 0.11941	\$ 0.12266	\$ 0.11407	\$ 0.11394	\$ 0.11313	\$ 0.11331	\$ 0.11064	\$ 0.09861	\$ 0.90579	75.48%
Payment per unit in excess of above income allocation	\$ 0.03059	\$ 0.02734	\$ 0.03593	\$ 0.03606	\$ 0.04004	\$ 0.03414	\$ 0.03712	\$ 0.04490	\$ 0.28611	23.84%
Total payment per unit	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 0.15000	\$ 1.20000	100.00%

* Please see [Article 3 of Appendix D](#) of the Information Circular and Proxy Statement dated March 26, 2004 for details.