



# Toronto Investor Presentation

May 20 & 21, 2008

# Advisory on Forward-looking & Non-GAAP Information



Certain information contained herein relating to, but not limited to, Fort Chicago and its businesses constitutes forward-looking information under applicable securities laws. All statements, other than statements of historical fact, which address activities, events or developments that we expect or anticipate may or will occur in the future, are forward-looking information. Forward-looking information typically contains statements with words such as "may", "estimate", "anticipate", "believe", "expect", "plan", "intend", "target", "project", "forecast" or similar words suggesting future outcomes or outlook. The following discussion is intended to identify certain factors, although not necessarily all factors, which could cause future outcomes to differ materially from those set forth in the forward-looking information. The risks and uncertainties that may affect the operations, performance, development and results of our businesses include, but are not limited to, the following factors: the ability of Fort Chicago to successfully implement its strategic initiatives and achieve expected benefits; the status, credit risk and continued existence of contracted customers; the availability and price of energy commodities; fluctuations in foreign exchange and interest rates; the regulatory environment; competitive factors in the pipeline, NGL power industries; and the prevailing economic conditions in North America. The reader is cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate by Fort Chicago at the time of preparation, may prove to be incorrect or may not occur. Accordingly, readers are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. Readers are also cautioned that the foregoing list of factors and risks is not exhaustive. Additional information on these and other risks, uncertainties and factors that could affect Fort Chicago's operations or financial results are included in our filings with the securities commissions or similar authorities in each of the provinces of Canada, as may be updated from time to time. There is no representation by Fort Chicago that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking statements contained herein are made as of the date hereof, and Fort Chicago does not undertake any obligation to update publicly or to revise any forward-looking information, whether as a result of new information, future events or otherwise. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

Certain financial information contained herein may not be standard measures under Generally Accepted Accounting Principles ("GAAP") in Canada and may not be comparable to similar measures presented by other entities. These measures are considered to be important measures used by the investment community and should be used to supplement other performance measures prepared in accordance with GAAP in Canada. For further information on non-GAAP financial measures used by Fort Chicago see the annual Management Discussion and Analysis posted on Fort Chicago's website – [www.fortchicago.com](http://www.fortchicago.com).



- ❖ Canadian energy partnership with enterprise value of approximately \$3.4 billion
- ❖ TSX Listed Securities
  - ❖ Class A Units – FCE.UN 131.9 Units or \$ 1.4 B
  - ❖ Convertible Debentures – FCE.DB.A \$20.8 M
  - ❖ Convertible Debentures – FCE.DB.B \$24.2 M
  - ❖ Exchangeable Debentures – CSB.DB.U \$23.5 M
- ❖ YTD average daily trading volumes of Class A Units ≈ 170,000
- ❖ Ratings
  - ❖ Stability ratings
    - ❖ S&P – SR-2
    - ❖ DBRS - STA-2 (low)
  - ❖ Credit rating
    - ❖ S&P - BBB
- ❖ Three principal businesses
  - ❖ Pipeline
  - ❖ Natural gas liquids
  - ❖ Power

# Portfolio of High-quality, Long-life Assets



*Each business is underpinned with long-term contracts*

## Pipeline

### **Alliance Pipeline (50%)**

- ❖ 3,000 km, 36 inch high-pressure natural gas pipeline
- ❖ Firm capacity of 1.325 bcf/d

### **Alberta Ethane Gathering System (100%)**

- ❖ 1,342 km
- ❖ Critical link between C\$7B+ of Alberta-based extraction, storage and petrochemical assets

## NGL

### **Aux Sable (approximately 43%)**

- ❖ World-class facilities capable of:
  - ❖ Processing up to 2.1 bcf/d of natural gas
  - ❖ Recovering up to 80 mbbbls/d of NGL
- ❖ Facilities produce ethane, propane, normal butane, iso-butane, natural gasoline

## Power

### **Fort Chicago Power (100%)**

- ❖ Cogeneration and district energy facilities

### **NRGreen (50%)**

- ❖ 4 waste heat cogeneration facilities

### **East Windsor (50%)**

- ❖ 84 MW cogeneration facility





## 2007

- ❖ Record-breaking earnings and cash flows from Aux Sable
- ❖ Steady, reliable performance from Alliance and AEGS
- ❖ Accretive growth through acquisition of Countryside Power Income Fund
- ❖ Significant advancements on a number of greenfield initiatives that are expected to deliver meaningful future growth

## Q1 2008

- ❖ Continued strong NGL market fundamentals produced Aux Sable's strongest first quarter results since inception
- ❖ Ongoing development of portfolio growth projects

# Strong NGL Market Fundamentals Are Generating Higher Earnings



(\$ Millions, except where noted)	Three Months Ended March 31		Year Ended	
	2008	2007	2007	2006
Pipeline	36.2	27.3	105.9	111.6
NGL	10.7	(1.5)	62.0	39.3
Power	5.9	-	3.6	(0.6)
Fort Chicago - corporate	(17.4)	(9.5)	(58.1)	(54.5)
Net income before taxes	35.4	16.3	113.4	95.8
Taxes	3.3	2.4	27.2	14.8
Net income	32.1	13.9	86.2	81.0
Net income per Unit (\$)	0.24	0.11	0.66	0.62
Unrecognized NGL margin-based fees, before taxes	9.8	7.1	-	-

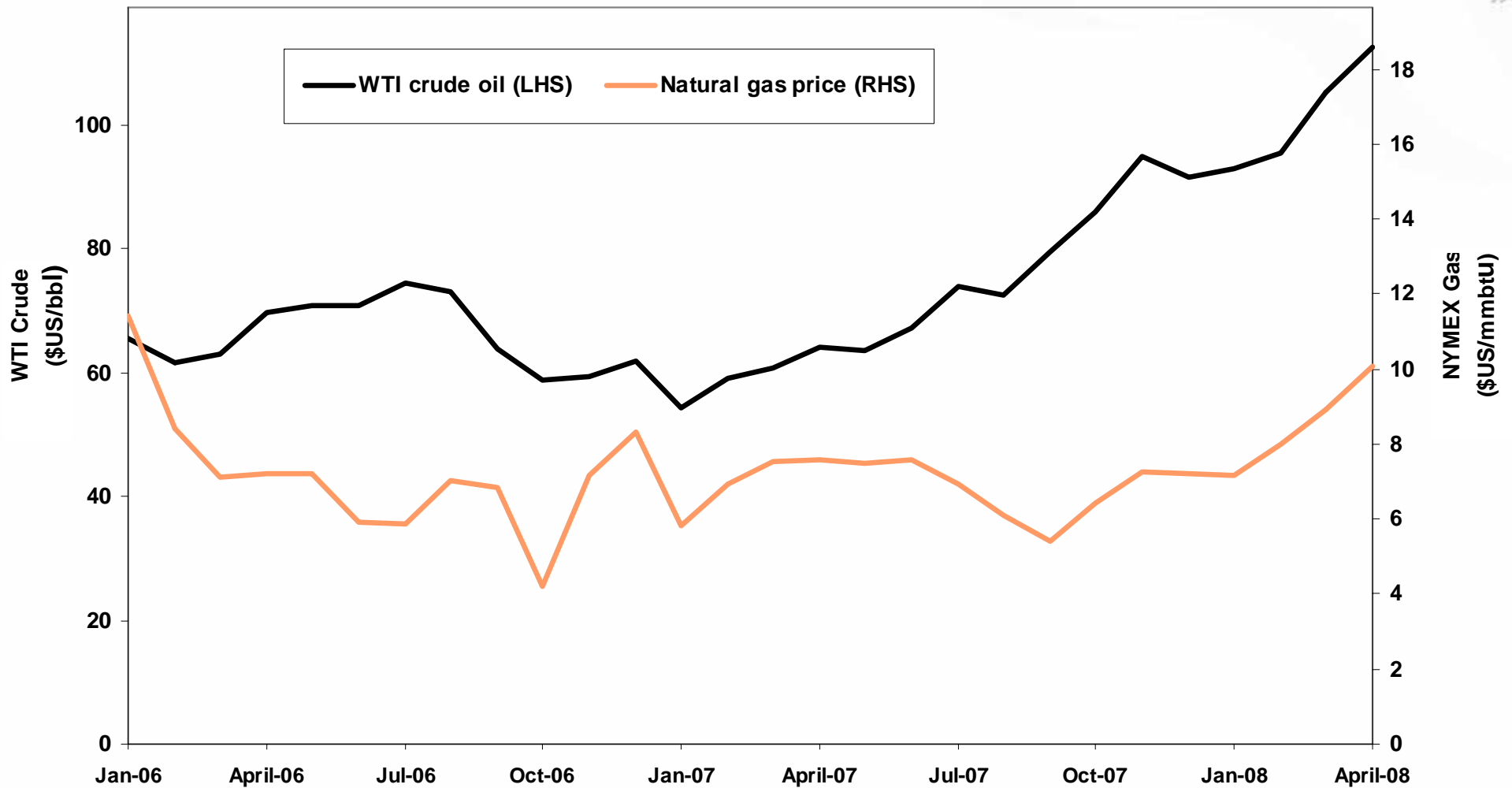
# Distributable Cash Levels Remain Solid <sup>(1)</sup>



(\$ Millions, except where noted)	Three months ended March 31		Year ended December 31	
	2008	2007	2007	2006
<b>Cash Inflows</b>				
Alliance distributions	37.5	30.4	112.6	110.4
AECS distributable cash	3.9	3.8	15.4	17.0
Aux Sable distributions, net of support payments	10.2	1.1	67.6	44.5
FC Power distributable cash	(0.4)	-	5.4	-
NRGreen distributions	0.3	0.3	1.1	-
Interest income	0.3	0.3	2.0	0.8
	51.8	35.9	204.1	172.7
<b>Cash outflows</b>				
General and administrative	3.1	1.7	8.8	6.2
Interest and other finance	5.0	2.5	13.2	10.5
Taxes	0.1	0.1	1.5	1.1
Principal repayments on senior debt	0.8	0.9	3.2	3.4
Distributable cash <sup>(1)</sup>	42.8	30.7	177.4	151.5
Distributable cash per Unit (\$) <sup>(1)</sup>	0.325	0.234	1.350	1.160
Distributions payable/paid	32.9	30.4	123.7	121.4
Distributions payable/paid per Unit (\$)	0.2500	0.2325	0.9416	0.9300

(1) This item is not a standard measure under GAAP and may not be comparable to similar measures presented by other entities. See section entitled "Non-GAAP Financial Measures" contained in 2006 MD&A.

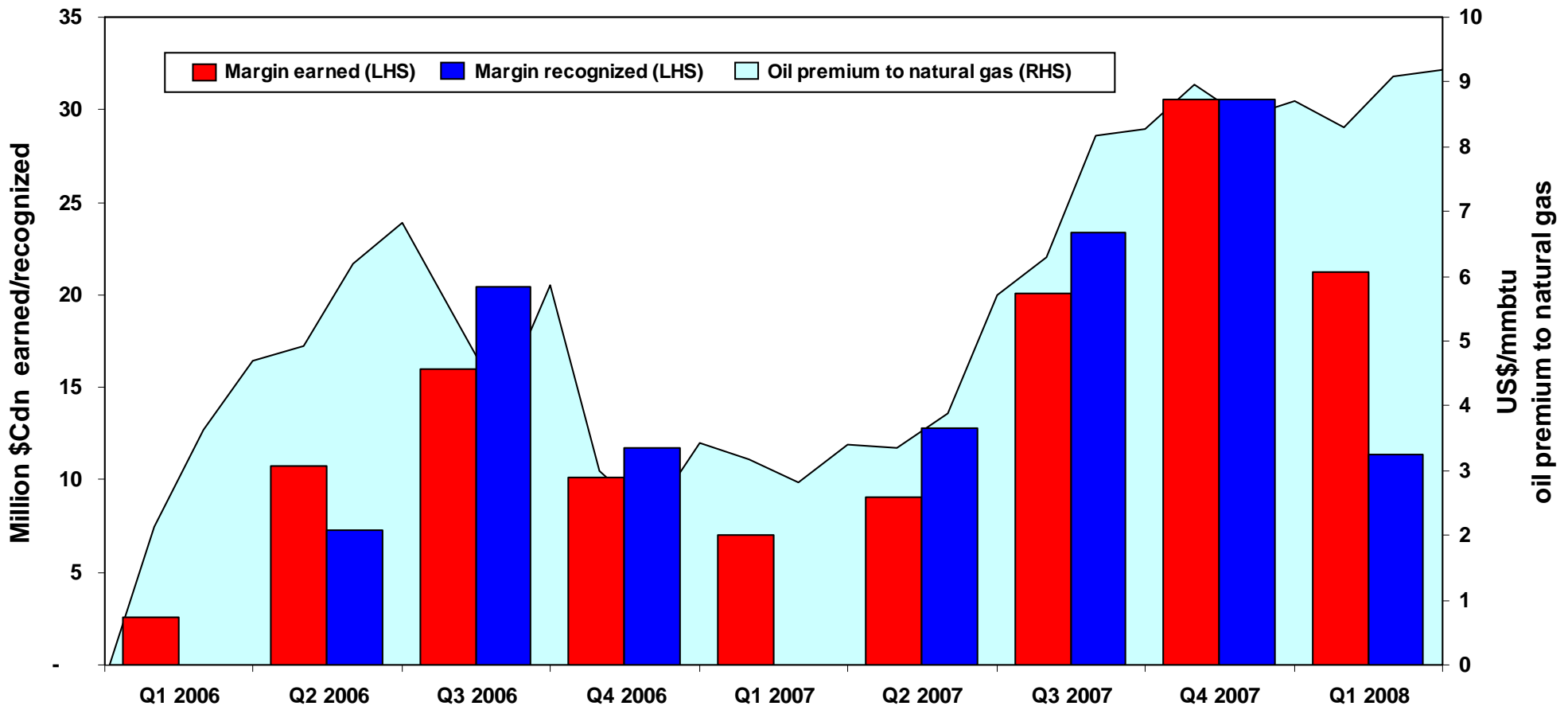
# Divergence of WTI Crude Oil and NYMEX Gas Prices



# NGL Margin Recognition Lags When Earned



- ❖ Oil premium to natural gas widened significantly in the second half of 2007, and has continued in 2008
- ❖ Aux Sable earned \$21.2 million and recognized \$11.4 million in margin-based lease revenues in Q1 2008 compared to \$7.0 million and nil, respectively, in Q1 2007

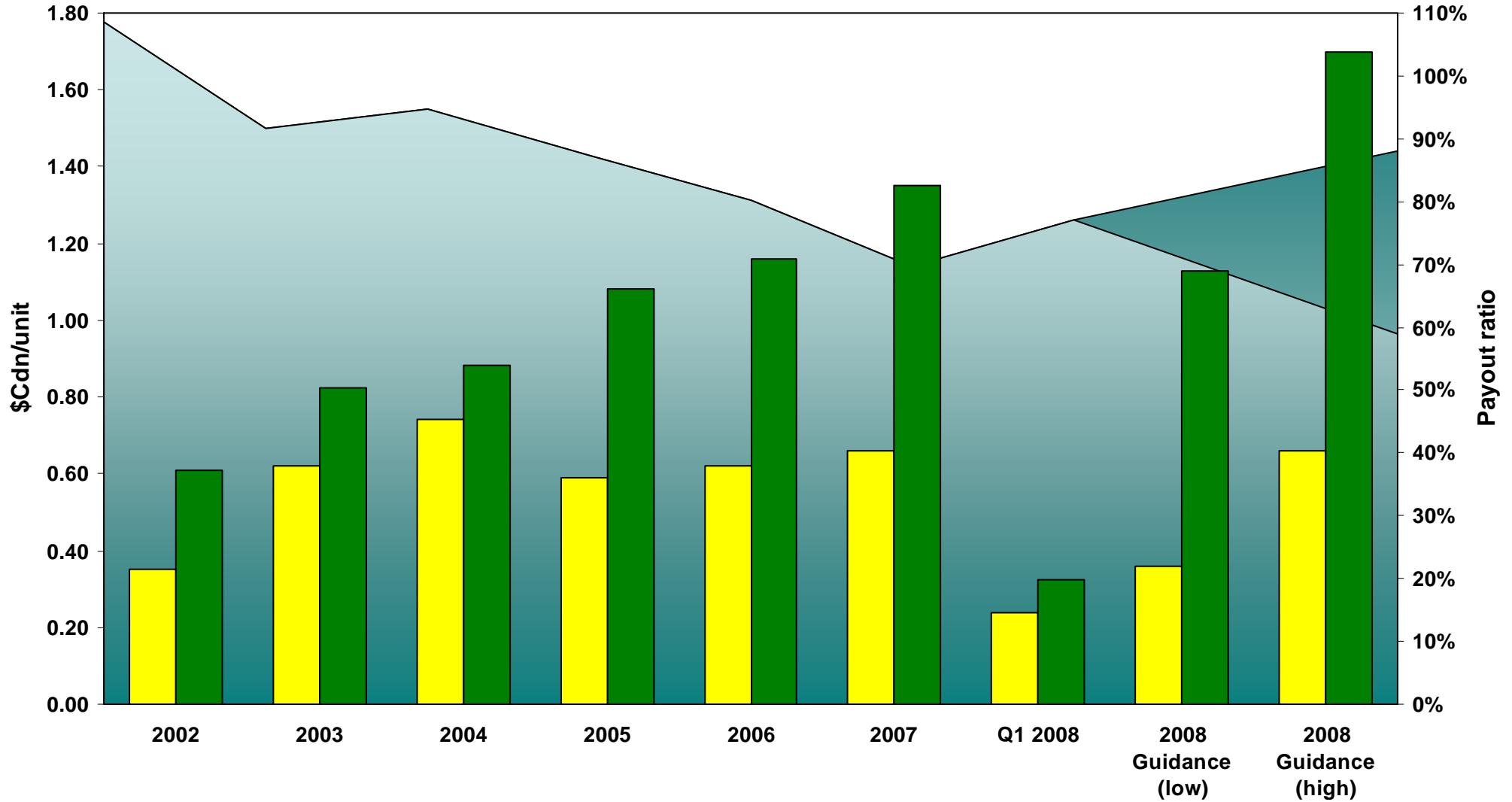


# 2008 Updated Distributable Cash Guidance



(\$ Per Class A Unit, except where noted)	2008 (Guidance)	Q1 2008 (Actual)	Q1 2007 (Actual)
Alliance	0.88 to 0.91	0.284	0.232
AEGS	0.12 to 0.13	0.030	0.029
Aux Sable	0.25 to 0.75	0.077	0.009
Fort Chicago Power	0.10 to 0.11	(0.003)	-
NRGreen	0.01 to 0.02	0.002	0.002
General and administrative	(0.08) to (0.09)	(0.021)	(0.013)
Debt service - principal repayments and interest, net	(0.14) to (0.16)	(0.045)	(0.024)
Taxes	(0.01)	(0.001)	(0.001)
<b>Distributable cash</b>	<b>1.13 to 1.70</b>	<b>0.325</b>	<b>0.234</b>
<b>Payout ratio (%)</b>	<b>59 to 88</b>	<b>77</b>	<b>99</b>
<b>Distribution Account Balance (\$Millions)</b>	<b>75.2 to 146.9</b>	<b>77.1</b>	<b>27.9</b>
<b>Distributable cash per unit sensitivity (annualized)</b>			
Cdn \$0.01 change in Cdn/US exchange rate	0.008 to 0.010	n/a	n/a
US \$5.00 change in WTI crude	0.08 to 0.09	n/a	n/a
US \$1.00 change in Henry Hub natural gas	0.115 to 0.125	n/a	n/a

# Long-Term Track Record of Growth & Stability



# Several Growth Initiatives Under Development



## Alliance (50%)

- ❖ B.C. Expansion
- ❖ BC/Alberta Short Haul Services
- ❖ Rockies Alliance Pipeline

## Aux Sable (50%)

- ❖ Heartland Off-gas – Phase I
- ❖ Fort Saskatchewan Off-gas processing

## Power

- ❖ San Gabriel Distilled Water Project (100%)
- ❖ California repowering opportunity (100%)
- ❖ California expansion opportunity (100%)
- ❖ London Cogeneration (100%)
- ❖ Waste heat facilities – Saskatchewan / Alberta (50%)
- ❖ East Windsor Cogeneration (50%)

## Liquefied Natural Gas

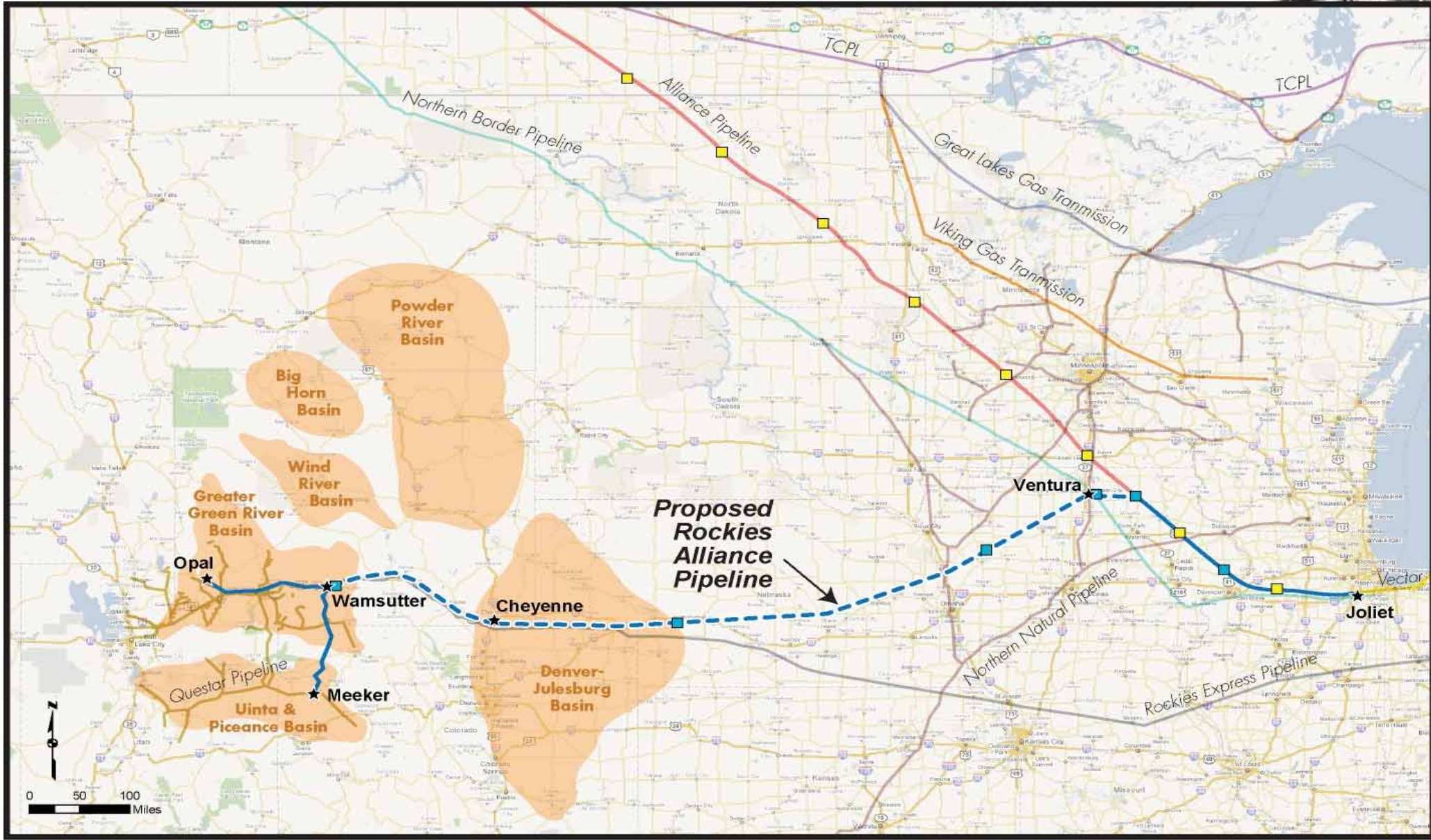
- ❖ Jordan Cove LNG Terminal (90+%)
- ❖ Pacific Connector Gas Pipeline (33⅓%)

## Atlantic Canada

- ❖ Alton Gas Storage (50%)
- ❖ Atlantic Connector Gas Pipeline (50%)



# Rockies Alliance Pipeline



--- Proposed New Facilities

— Existing Facilities

■ Proposed Compression Facilities

# Rockies Alliance Pipeline

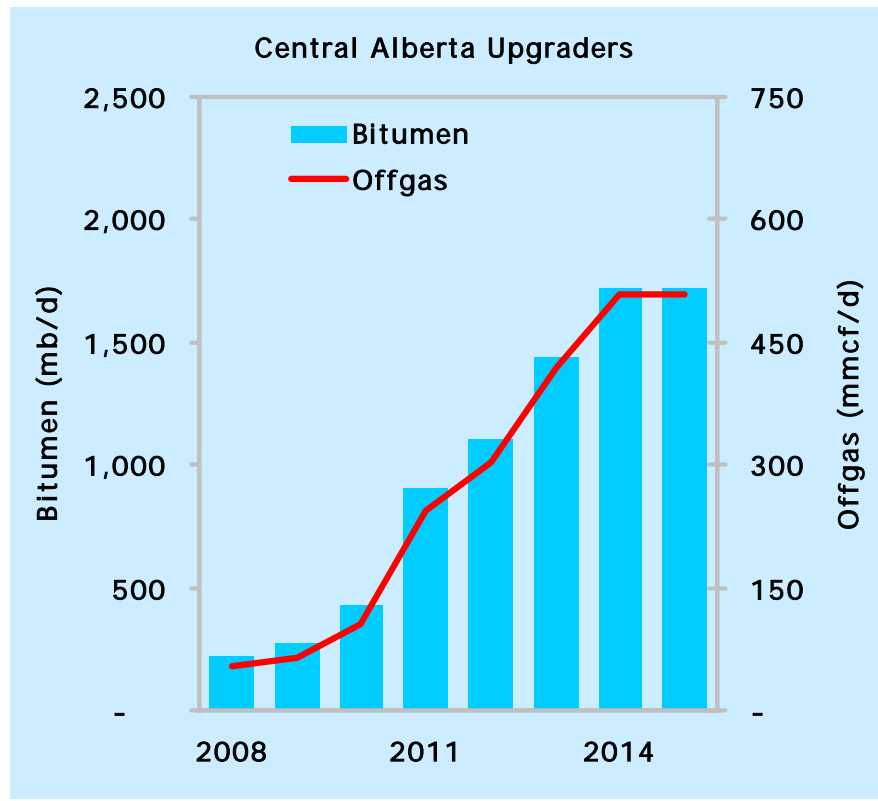


- ❖ Alliance is co-developing with Questar Overthrust Pipeline
- ❖ Connecting key Rockies producing basins of the Greater Green River, Uinta and Piceance with access to others
- ❖ Accessing the Cheyenne, Ventura and Chicago hubs with back haul potential on Alliance Pipeline
- ❖ Price competitive for completion in 2011
- ❖ Open season to commence in May



# Heartland Off-gas Facility

- ❖ Strategically located facility that will recover valuable NGL from off-gas produced in upgrading oil sands bitumen
- ❖ Phase I
  - ❖ Off-gas processed – 15 mmcf/d
  - ❖ NGL recovered – 5 mbbls/d
  - ❖ Estimated cost – \$45 million
- ❖ Fort Chicago ownership – ~ 50%
- ❖ Projected in-service – 2010
- ❖ 2007 focus – Engineering & construction
- ❖ 2008 focus – Construction and start-up planning



# NRGreen Power Facilities



- ❖ Environmentally preferred power facilities
- ❖ Generate power from the waste heat at certain Alliance compressor stations
- ❖ Other projects in western Canada / U.S. being evaluated

Power generation	- 20 MW
Initial contract term	- 10 years, extendible
Estimated cost	- \$70 million
Fort Chicago ownership	- 50%
In-service	- 1 currently in service - 2 projected for Q2 2008; - 1 projected for Q3 2008
2007 focus	- Construction of Saskatchewan sites and development of western Canada / U.S. projects
2008 focus	- Completion and start-up of Saskatchewan sites and continued development of western Canada / U.S. projects



# East Windsor Cogeneration



- ❖ A highly efficient, natural gas-fired cogeneration facility that will generate reliable, clean power for Ontario

Power generation	- 84 MW
Initial contract term	- 20 years
Estimated cost	- \$207 million
Fort Chicago ownership	- 50%
Projected in-service	- Q3 2009
2007 focus	- Regulatory approval, engineering, financing, construction
2008 focus	- Construction and start-up planning



# California Cogeneration Repowering Opportunities



- ❖ Project economics have been confirmed
- ❖ Commenced PPA request for incremental capacity

- Potential power generation - 20 MW
- Contract term - TBD
- Estimated cost - US \$64 million
- Fort Chicago ownership - 100%
- Projected in-service - Q4 2009
- 2008 focus
  - Secure new PPAs
  - Complete permitting
  - Secure engineering, construction and procurement of equipment



# California Expansion Opportunities



- ❖ Expansion of existing San Gabriel and Ripon facilities
- ❖ Preliminary feasibility studies indicate satisfactory returns on equity

- Potential power generation - 200 MW
- Contract term - TBD
- Estimated cost - TBD
- Fort Chicago ownership - 100%
- Projected in-service - 2011 - 2013
- 2008 focus
  - Complete feasibility studies
  - Bid into 2008 RFP process
  - Interconnection and environmental impact studies



# Jordan Cove LNG Terminal and Pacific Connector Gas Pipeline



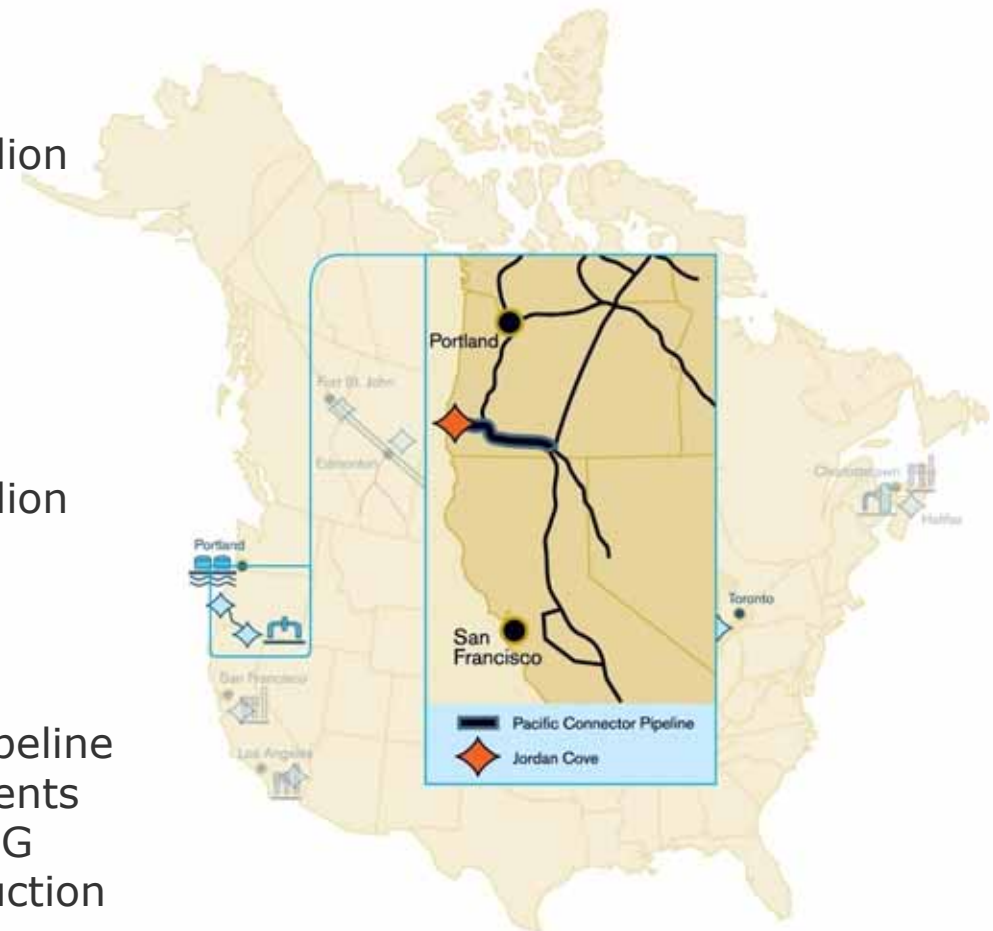
- ❖ LNG regasification terminal and natural gas pipeline to serve existing and growing energy demand in the western United States

## Jordan Cove

Initial capacity	- 1 bcf/d
Estimated cost	- US \$1.2 – \$1.3 billion
Fort Chicago ownership	- 90+%
Projected in-service	- 2012

## Pacific Connector

Length	- 400 km
Initial capacity	- 1 bcf/d
Estimated cost	- US \$1.2 – \$1.3 billion
Fort Chicago ownership	- 33.3%
Projected in-service	- 2012
2007 focus	- FERC application, LNG supply and pipeline capacity commitments
2008 focus	- FERC approval, LNG supply and construction planning



# Alton Natural Gas Storage and Atlantic Connector Gas Pipeline



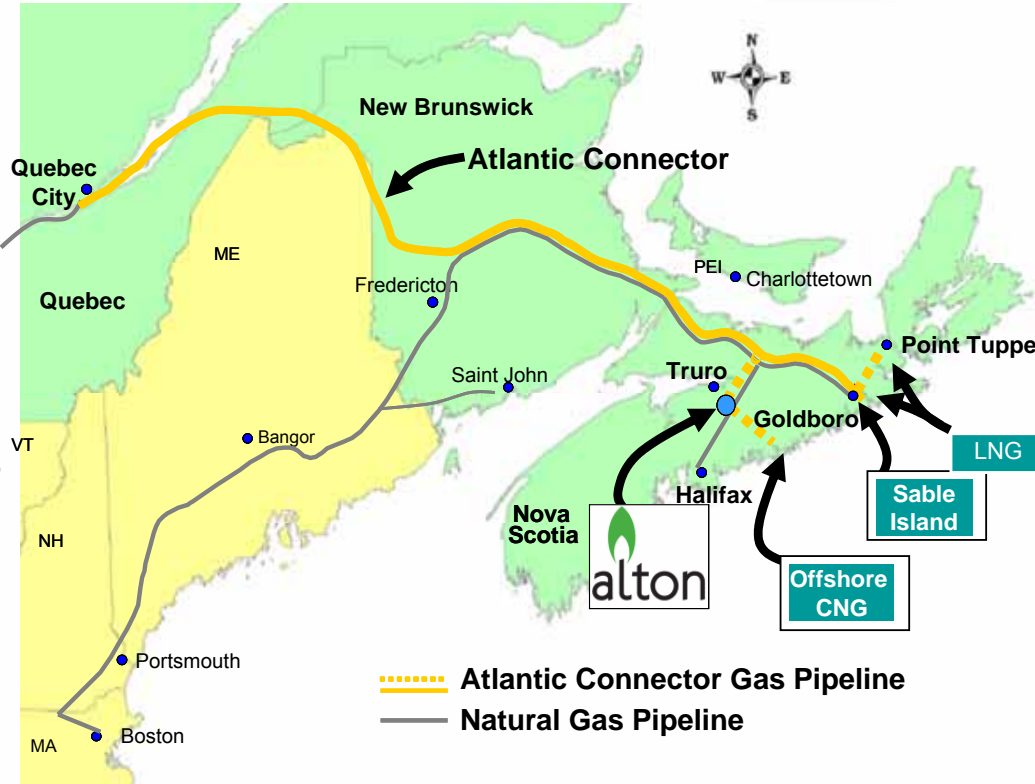
- ❖ Underground storage infrastructure to support energy management requirements of northeastern U.S. and Atlantic Canada
- ❖ Evaluating development of a natural gas pipeline to provide Atlantic-sourced gas supplies to eastern Canada and northeastern U.S markets

## Alton – Gas Storage

- Initial storage capacity - 4 bcf
- Estimated cost - \$50 - \$60 million
- Fort Chicago ownership - 50%
- Projected in-service - 2010
- 2007 focus
  - Engineering and design
  - Regulatory and environmental approvals
- 2008 focus
  - Commercial negotiations
  - Owner approval to construct

## Atlantic Connector

- Initial capacity - 1.2 bcf/d
- Estimated cost - TBD
- Fort Chicago ownership - 50%
- Projected in-service - TBD
- 2008 focus - Project evaluation




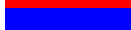

# Sizable and Growing Portfolio of Growth Projects



(Cdn \$millions, unless noted) Projects <sup>(1)</sup>	Fort Chicago's Interest	Estimated Total Capital <sup>(2)</sup>		2005	2006	2007	2008	2009	2010
		Development	Construction						
<b>Alliance</b>									
BC Expansion	50%	-	15.1						
BC/Alberta Short Haul Services	50%	0.1	N/A						
Rockies Alliance Pipeline	50%	0.3	US 375.0						
<b>Aux Sable</b>									
Heartland off-gas - Phase I	50%	0.5	22.5						
Fort Saskatchewan Off-gas Processing	50%	-	N/A						
<b>Power</b>									
San Gabriel Distilled Water Project	100%	-	US 3.5						
California Repowering	100%	-	US 64.0						
California Expansions	100%	-	N/A						
London Cogeneration	100%	-	27.0						
Waste Heat Facilities									
Loreburn, Estlin, Alameda	50%	-	26.4						
Waste Heat Facilities - Alberta	50%	0.1	N/A						
East Windsor Cogeneration	50%	1.1	103.5						
<b>Fort Chicago</b>									
Jordan Cove LNG Terminal	90%+	US 25.0	US 1,250.0						
Pacific Connector Pipeline	33.3%	US 11.7	US 417.0						
Alton Gas Storage	50%	4.1	30.0						
Atlantic Connector Pipeline	50%	N/A	N/A						

(1) The information contained in this table reflects the more significant projects under development in Fort Chicago and each of its businesses. This information, particularly for projects not board approved and which are still in early development, is based on preliminary estimates which require further investigation and refinement. Final cost and return estimates could be materially different.

(2) Reflects Fort Chicago's share of costs. Development costs reflect management's estimate of cost incurred prior to commencement of construction. Construction cost includes development costs and, in the case of East Windsor, estimated financing costs.

 Project Development Phase  
 Construction Phase  
 Commercial Operating Phase  
 N/A - Not available or not approved



# Outlook Remains Promising



- ❖ Quality Long-Life Infrastructure Assets
  - ❖ Cash flows underpinned by long-term contracts
  - ❖ Essential to North American Energy Markets
  - ❖ Each strategically well positioned to grow
- ❖ Excellent Growth Prospects
  - ❖ Sizable portfolio of energy related investment opportunities
  - ❖ Supported by unique operating capabilities and strong energy market fundamentals
  - ❖ Focused on optimizing existing assets and diversifying into new complimentary businesses
  - ❖ Key investment attributes – accretive, long-life, stable cash flow generating
- ❖ Experienced management teams in place committed to growing per unit distributable cash and net asset value
- ❖ Prudent capital structure supported by investment grade credit ratings



**Thank you**