PRESIDENT'S LETTER TO UNITHOLDERS

As President and Chief Executive Officer, I am pleased to report on the financial and operating results of Fort Chicago Energy Partners L.P. for the three months ended March 31, 2009. The first quarter performance of each of our businesses was consistent with our expectations. We are pleased that NGL market conditions began to improve in February, resulting in Aux Sable generating $4.7 million in margin-based lease revenues during the first quarter, although these revenues are not yet reflected in net income or distributable cash.

FINANCIAL RESULTS

For the three months ended March 31, 2009 we reported net income of $11.3 million or $0.08 per Unit compared to $32.0 million or $0.24 per Unit for the same period last year. Alliance Pipeline and AEGS, which comprise our Pipeline Business, continued their steady performance, generating aggregate net income before tax of $28.0 million. Alliance's first quarter earnings also benefited from the effect of the weaker Canadian dollar. Pipeline earnings for the same period last year include $10.3 million of revenues ($6.8 million after-tax) related to the settlement of Alliance's claim against Calpine Energy Services Canada Partnership.

Our NGL Business generated a pre-tax net loss of $2.5 million for the three months ended March 31, 2009 compared to pre-tax net income of $10.7 million during the same period last year. NGL market conditions, which experienced a severe downward shift in the fourth quarter of 2008, began to improve in February 2009. In addition to the ongoing recovery of all operating and capital costs associated with its Channahon facility and receipt of the fixed fee, as provided for under the NGL Sales Agreement with BP, Aux Sable generated $4.7 million in margin-based lease revenues under the profit-sharing mechanism of the agreement. However, under generally accepted accounting principles, the margin-based lease revenues can only be recognized to the extent its realization is certain. Consequently, no portion of this revenue was recognized or distributed during the first quarter of 2009. By comparison, Aux Sable generated $21.2 million of margin-based lease revenues and recognized $11.4 million in the first quarter of 2008. Also during the first quarter, Aux Sable incurred higher costs associated with the purchase, transport and sale of make-up gas compared to the same period last year. A portion of these costs will be recovered over the course of the year through the recognition of the deferred margin-based lease revenue.

For the three months ended March 31, 2009 our Power Business generated a pre-tax net loss of $2.0 million, reflecting our decision to transfer a $2.4 million non-cash expense ($2.3 million after-tax) from other comprehensive income to net income, representing the fair value decrease of our investment in Pristine Power Inc. from Pristine's initial public offering in March 2008. This loss was partially offset by incremental earnings from the Brush II facility, acquired in September 2008, and the London cogeneration facility, which commenced operations in December 2008, as well as the effect of the weaker Canadian dollar. NRGreen also contributed incremental earnings from its four waste heat units. Net income before tax for the same period last year was $5.9 million and included a $4.2 million non-cash dilution gain ($3.7 million after-tax) relating to our investment in Pristine.

Corporate costs for the three months ended March 31, 2009 were $11.4 million compared to $17.4 million for the same period last year, primarily reflecting decreased recognition of foreign exchange losses, previously deferred and recorded in other comprehensive income, resulting from lower amounts of cash distributed by our U.S. businesses and a weaker Canadian dollar.

Excluding non-recurring items, adjusted net income for the three months ended March 31, 2009 was $13.6 million or $0.10 per Unit compared to $21.5 million or $0.16 per Unit for the same period last year. (A reconciliation of adjusted net income can be found in our March 31, 2009 Management's Discussion and Analysis.)

Distributable cash for the three months ended March 31, 2009 was $31.0 million or $0.23 per Unit compared to $42.8 million or $0.33 per Unit for the same period last year, reflecting lower Aux Sable distributions in the first quarter of 2009. Aux Sable generated negative $0.8 million of distributable cash, representing the first quarter fixed fee, net of increased support payments in respect of the purchase, transport and sale of make-up gas. The overall decrease in distributable cash for the quarter also reflects lower distributions from Alliance, as first quarter 2008 distributions included funds received from the Calpine settlement, partially offset by the effect of the weaker Canadian dollar. Fort Chicago Power made a strong contribution to distributable cash this quarter, generating $4.6 million compared to negative $0.4 million during the same period last year. This increase reflects incremental cash generated by Brush II and the London cogeneration facility, as well as significantly lower maintenance capital expenditures as major maintenance was performed at the Ripon and San Gabriel facilities during the first quarter last year. Net corporate costs were $7.9 million this quarter, $0.8 million lower than the same period last year as increases in advisory costs were more than offset by lower borrowing costs associated with our credit facilities.

Cash from operating activities for the three months ended March 31, 2009 was $44.4 million compared to $95.6 million for the same period last year, reflecting decreased cash generated from Aux Sable and Alliance's first quarter 2008 settlement with Calpine. This decrease also reflects a significant decrease in changes in non-cash working capital, resulting from the first quarter 2009 payment of income taxes associated with 2008 NGL earnings and accrued at December 31, 2008.

OPERATING HIGHLIGHTS

During the three months ended March 31, 2009 the Alliance pipeline continued to operate in a reliable manner, fully meeting its contracted 1.325 billion cubic feet per day of firm-service shipping capacity. Actual transportation deliveries averaged 1.690 bcf/d, a new first quarter record for Alliance and a slight increase from volumes of 1.685 bcf/d delivered during the same period last year. AEGS first quarter toll volumes of 284.1 thousand barrels per day decreased slightly relative to 307.8 mbbls/d in the same period last year, due primarily to lower ethane receipts from the Empress-area extraction plants during the quarter. Ethane production in the U.S. Gulf Coast returned to a profitable margin and production at Aux Sable recommenced in early February. NGL average daily volumes were 53.9 mbbls/d during the first quarter of 2009, down from 70.6 mbbls/d for the same period last year, reflecting ethane reinjection during the first part of the quarter. Fort Chicago Power generated 182,686 megawatt hours of electricity, reflecting ambient weather conditions and plant efficiency increases at the Ripon cogeneration facility, and incremental electricity generation at the Brush II and London cogeneration facilities. NRGreen's waste heat electrical generation facilities, which experienced outages in December 2008 and January 2009 due to extremely cold weather, were repaired and placed back on line in January and February 2009. Construction of the East Windsor cogeneration facility continues to make good progress. The project is expected to be completed within its original budget of $103.5 million and to be placed into commercial service early in the third quarter of 2009.

UPDATE ON PROJECTS UNDER DEVELOPMENT

On May 1, 2009, Jordan Cove Energy Project L.P. and Pacific Connector Gas Pipeline L.P. received notification that the Final Environmental Impact Statement had been issued by the Federal Energy Regulatory Commission in the United States. Each of Jordan Cove and Pacific Connector had filed, in September 2007, an application to the FERC for approval to construct a liquefied natural gas import terminal at Coos Bay, Oregon and a 377-kilometre interstate natural gas transmission system from the terminal to Malin, Oregon, respectively. The FERC is expected to issue a Certificate of Public Convenience and Necessity in the third quarter of 2009. Under our current timeline, and subject to securing long-term contractual commitments, construction of the LNG terminal could commence in the second half of 2010, with an in-service date for both projects to be during 2014.

2009 GUIDANCE

Looking toward the balance of the year, the Pipeline Business, which is underpinned by long-term contracts, is expected to continue to generate stable earnings and cash flows. While NGL market conditions are not expected to reach the record levels achieved last year, we are encouraged that margins have strengthened in recent months. Further, we anticipate continued solid cash flow generation from Fort Chicago Power. Based on our year-to-date performance and current outlook, we are maintaining our 2009 distributable cash guidance of $0.96 per Unit to $1.27 per Unit, with our payout ratio expected to be between 79 percent to 104 percent. Further details concerning 2009 guidance can be found in the Investor Information section of our website at www.fortchicago.com.

Respectfully,

Stephen H. White, President and Chief Executive Officer
May 7, 2009