

# 2010 Tax Information for Non-Canadian Residents

The following information is intended to assist Shareholders of Keyera Corp. (formerly Keyera Facilities Income Fund) ("Keyera") who are non-residents of Canada for income tax purposes ("Non-Residents"). The information is provided for general informational purposes only and should not be construed to be legal or tax advice. Non-Residents are encouraged to seek advice from a qualified tax advisor in their country or residence to obtain guidance with respect to the appropriate tax treatment for distributions received from Keyera.

## **Canadian Income Tax (Withholding Tax)**

Distributions payable by Keyera to Non-Residents are subject to Canadian withholding tax. From time to time, the Fund's distributions have been a combination of distributions paid out of income and returns of capital. These two components of Keyera's distributions are subject to different withholding rules.

Distributions paid or credited out of the income of Keyera to Non-Residents will generally be subject to withholding at a rate of 25% unless the rate has been reduced pursuant to a tax treaty between Canada and the Non-Resident's jurisdiction of residence. For example, a holder resident in the U.S. who is entitled to claim the benefit of the Canada-United States Income Tax Convention will be entitled to have the rate of withholding applicable to any portion of a distribution paid out of income reduced to 15%.

Distributions payable to Non-Residents that are a return of capital will generally be subject to a 15% withholding tax.

Therefore, a holder who is a resident of the U.S. would be subject to an overall 15% withholding on distributions from Keyera. However, a holder residing in foreign jurisdiction other than the U.S. may be subject to a higher rate of withholding on that portion of Keyera's distribution paid out of income (25% in the absence of a tax treaty), but will still only be taxed at the 15% withholding rate for that portion of the distribution that is a return of capital.

If a Non-Resident feels that he or she may be eligible to recover all or a portion of the tax withheld in Canada attributable to the distributions from Keyera, he or she should consult with his or her own personal tax advisor to obtain more information.

## **United States Income Tax**

Keyera has made an election to be taxed as a corporation for U.S. tax purposes. As a result, any distribution made by the Fund should be treated as foreign-source dividend income under U.S. federal income tax principles. Keyera believes that a holder who is resident in the U.S. for tax purposes, should report Keyera's distributions as fully subject to United States federal income tax. However, provided that applicable holder-level requirements are met, including satisfaction of the prescribed hold periods, Keyera believes that its distributions should be treated as "qualified dividends" and therefore should be eligible for taxation at reduced rates under U.S. federal income tax legislation.

Keyera is not required to issue a Form 1099 to its U.S. holders. However, a U.S. holder may receive information from his or her stockbroker identifying Keyera's 2010 distributions and the amount of any U.S. or foreign taxes withheld. U.S. holders may also refer to the information provided below, which summarizes Keyera's 2010 distributions.

Record Date	Payment Date	Total Distribution Paid <sup>1</sup> (Cdn\$)	Cdn\$/US\$ Exchange Rate <sup>2</sup>	Total Distribution Paid <sup>3</sup> (US\$)	Taxable Ordinary Dividend (US\$)	Tax Deferred Return of Capital (US\$)
December 22, 2009	January 15, 2010	\$0.150	1.0287	\$0.1458	\$0.1458	\$0.00
January 22, 2010	February 16, 2010	\$0.150	1.0426	\$0.1439	\$0.1439	\$0.00
February 23, 2010	March 15, 2010	\$0.150	1.0217	\$0.1468	\$0.1468	\$0.00
March 22, 2010	April 15, 2010	\$0.150	1.0014	\$0.1498	\$0.1498	\$0.00
April 22, 2010	May 17, 2010	\$0.150	1.0405	\$0.1442	\$0.1442	\$0.00
May 25, 2010	June 15, 2010	\$0.150	1.0288	\$0.1458	\$0.1458	\$0.00
June 22, 2010	July 15, 2010	\$0.150	1.0403	\$0.1442	\$0.1442	\$0.00
July 22, 2010	August 16, 2010	\$0.150	1.0432	\$0.1438	\$0.1438	\$0.00
August 23, 2010	September 15, 2010	\$0.150	1.0282	\$0.1459	\$0.1459	\$0.00
September 22, 2010	October 15, 2010	\$0.150	1.0108	\$0.1484	\$0.1484	\$0.00
October 22, 2010	November 15, 2010	\$0.150	1.0065	\$0.1490	\$0.1490	\$0.00
November 22, 2010	December 15, 2010	\$0.150	1.0035	\$0.1495	\$0.1495	\$0.00
	<b>Total per unit</b>	<b>\$1.80</b>		<b>\$1.7571</b>	<b>\$1.7571</b>	<b>\$0.00</b>

<sup>1</sup> Before any Canadian withholding taxes

<sup>2</sup> As of payment date (Bank of Canada noon rate)

<sup>3</sup> Represents actual distribution amount before gross up