

Updated 2008 Tax Information

Updated 2008 Tax Information –Canadian Resident Unitholders (issued April 9, 2009)

On January 2, 2008, Keyera issued a special distribution of \$0.02329 per unit to unitholders of record on December 31, 2007. This special distribution related to a Reorganization completed on January 2, 2008 and is to be included in the 2008 tax year. The special distribution consisted of:

- Cash in the amount of \$0.003529 per Unit; and
- Securities of certain subsidiaries of the Fund having an aggregate value of \$0.02 per Unit.

The entire special distribution is considered to be a return of capital for Canadian income tax purposes and should not be included in the taxable income of a Unitholder.

1. A Unitholder who is resident in Canada is initially required to reduce the adjusted cost base of each Unit held on December 31, 2007 by an amount equal to the per Unit return of capital (i.e. \$0.023529). This portion of the return of capital was included in Box 42 on the T3 slip provided to unitholders by their financial institution.
2. As a result of transactions completed as part of the Reorganization, a Canadian resident Unitholder is then required to increase the adjusted cost base of the Units held on December 31, 2007 by \$0.02 per Unit. This amount was to be reported on two T5008 slips. Keyera has recently learned that the T5008 slips were not issued to Unitholders. The information in the T5008 slips relates to the calculation of a Unitholder's adjusted cost base and does not affect the determination of taxable income. Although the T5008 has not been issued to Unitholders, the tax consequences remain unchanged.

The net result for Canadian resident Unitholders when both the T3 and T5008 tax slips are considered is a reduction of \$0.003529 per unit to the adjusted cost base of each Unit held on December 31, 2007 as illustrated in the table below.

Adjusted Cost Base (ACB) Adjustment - Special Distribution	\$ per Unit
Cash received (Box 42 - T3 slip)	-0.003529
Value of Securities (Box 42 - T3 slip)	-0.020000
Reorganization impact (T5008*)	-0.003529
Net effect on ACB per unit	

Please visit (by clicking on this link) the "[2008 Special Distribution](#)" portion of Keyera's website for more information on these transactions.

Tax Information

The following information is intended to assist holders of trust units of Keyera Facilities Income Fund ("the Fund") in the preparation of their income tax return. This information is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any unitholder, or potential unitholder of Keyera Facilities Income Fund. Unitholders and potential unitholders should consult with their own tax advisors with respect to their particular circumstances.

General

The Fund is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). Units in the Fund are qualified investments for registered retirement savings plans (RRSP), registered retirement income funds (RRIF), deferred profit sharing plans (DPSP), and registered education savings plans (RESP) under the Act, and are not "foreign property" within the meaning of the Act.