

2005 Tax Information for Non-Canadian Residents

The following information is intended to assist unitholders of Keyera Facilities Income Fund (the Fund) who are not residents of Canada for Income Tax purposes or are United States Citizens. This information is not intended to replace qualified advice from a qualified tax advisor. Unitholders are encouraged to seek advice from a qualified tax advisor in their country of residence for the tax treatment of distributions received from the Fund.

Canadian Income Tax (Withholding Tax)

The taxable portion of the Fund's distributions (as determined under Canadian tax principles) that are payable to non-residents of Canada are subject to a withholding tax of 25% as prescribed by the Income Tax Act of Canada. This 25% withholding tax may be reduced in accordance with reciprocal tax treaties. Commencing in 2005, Canadian tax law was changed such that a 15% withholding tax is applied on the non-taxable portion of the distribution (as determined under Canadian tax principles) made by the Trust to non-Canadian residents.

Under the Canada – United States Income Tax Convention, the Canada Revenue Agency applies withholding tax at a treaty-reduced rate of 15% on the taxable portion of the distribution payments (as determined under Canadian tax principles). The combined effect is a 15% gross withholding tax on the entire amount of distributions received from Keyera.

If an investor feels they may be eligible to recover all or a portion of the tax withheld in Canada attributable to the distributions from Keyera, they should consult with their own personal tax advisor to obtain more information.

United States Income Tax

For U.S. unitholders, the income tax laws of the United States apply. The taxable portion of the Fund's distributions is determined by the Fund based upon the earnings and profits of the Fund calculated in accordance with the U.S. Income Tax Code. The taxable portion of the 2005 distributions is considered a dividend for tax reporting purposes. The difference (if any) between the total distributions paid and the taxable portion is considered to be a return of capital.

For U.S. tax purposes, Keyera's 2005 distributions are "ordinary dividends" and are not eligible for taxation at reduced rates under U.S. federal income tax legislation.

The cost base of the units is used in calculating capital gains or losses on the disposition of trust units. U.S. unitholders are required to reduce the cost base of their trust units by subtracting any return of capital amounts received in a taxation year.

In the event a unitholder's cost base drops below zero during a taxation year, the negative amount is considered to be a capital gain, which must be reported in the taxation year. Form 1099 – DIV's "Dividends and Distributions", are not required to be issued for the Fund investment for the 2005 year however U.S. unitholders may still receive this or a substitute form from their stockbroker detailing the taxable and return of capital portions of the 2005 distributions and the amounts of any U.S. and foreign taxes withheld. If issued, Form 1099's are required to be mailed to unitholders by January 31, 2006.

The table below identifies the portion of the Fund's cash distributions that were ordinary dividends and returns of capital for U.S. tax purposes. Unitholders who do not receive a Form 1099 may use the tax-reporting information provided below.

2005 Tax Information for United States Citizens and Residents

Record Date	Payment Date	Total Distribution Paid ¹ (Cdn\$)	Cdn\$/US\$ Exchange Rate ²	Total Distribution Paid ³ (US\$)	Taxable Ordinary Dividend (US\$)	Tax Deferred Return of Capital (US\$)
December 31, 2004	January 17, 2005	\$0.103	1.2165	\$0.0847	\$0.0847	\$0.000
January 31, 2005	February 15, 2005	\$0.103	1.2336	\$0.0835	\$0.0835	\$0.000
February 28, 2005	March 15, 2005	\$0.103	1.2078	\$0.0853	\$0.0853	\$0.000
March 31, 2005	April 15, 2005	\$0.103	1.2419	\$0.0829	\$0.0829	\$0.000
April 29, 2005	May 16, 2005	\$0.113	1.2704	\$0.0889	\$0.0889	\$0.000
May 31, 2005	June 15, 2005	\$0.113	1.2400	\$0.0911	\$0.0911	\$0.000
June 30, 2005	July 15, 2005	\$0.113	1.2206	\$0.0926	\$0.0926	\$0.000
July 29, 2005	August 15, 2005	\$0.113	1.1970	\$0.0944	\$0.0944	\$0.000
August 31, 2005	September 15, 2005	\$0.113	1.1857	\$0.0953	\$0.0953	\$0.000
September 30, 2005	October 17, 2005	\$0.113	1.1799	\$0.0958	\$0.0958	\$0.000
October 31, 2005	November 15, 2005	\$0.119	1.1940	\$0.0997	\$0.0997	\$0.000
November 30, 2005	December 15, 2005	\$0.119	1.1577	\$0.1028	\$0.1028	\$0.000
Total per unit		\$1.328		\$1.097	\$1.097	\$0.000

¹ Before any Canadian withholding taxes

² As of payment date (Bank of Canada noon rate)

³ Dividend represents actual dividend amount before dividend gross up