

2003 Tax Information for Canadian Residents

The following information is intended to assist a holder of trust units of Keyera Facilities Income Fund who, for the purposes of the Act is a resident of Canada and who holds the units as capital property.

Cash distributions received in 2003 are fully tax deferred as they were paid by way of a return of capital. In future years, cash distributions may be comprised of ordinary income, dividend income or return of capital. The following table identifies the cash distributions paid in 2003 and the taxable portion of each distribution for Income Tax purposes.

Record Date	Payment Date	Taxable		Tax Deferred	Total Distribution Paid (Cdn\$)
		Trust Income (Cdn\$)	Dividend 1 (Cdn\$)	Return of Capital (Cdn\$)	
June 30, 2003	July 15, 2003	\$0.00	\$0.00	\$0.0908	\$0.0908
July 31, 2003	August 15, 2003	\$0.00	\$0.00	\$0.0908	\$0.0908
August 29, 2003	September 15, 2003	\$0.00	\$0.00	\$0.0908	\$0.0908
September 30, 2003	October 15, 2003	\$0.00	\$0.00	\$0.0908	\$0.0908
October 31, 2003	November 17, 2003	\$0.00	\$0.00	\$0.0908	\$0.0908
November 28, 2003	December 15, 2003	\$0.00	\$0.00	\$0.0908	\$0.0908
December 15, 2003	January 15, 2004	\$0.00	\$0.00	\$0.0908	\$0.0908
2003 Total per unit		\$0.00	\$0.00	\$0.6356	\$0.6356

¹ Dividend represents actual dividend amount before dividend gross up

Trust units held within an RRSP, RRIF, DPSP or RESP

Unitholders holding their units within an RRSP, RRIF, DPSP or RESP are not required to report any of the amounts shown in the table above on their 2003 Income Tax Return.

Trust units held outside of an RRSP, RRIF, DPSP or RESP

Unitholders holding their units outside of an RRSP, RRIF, DPSP or RESP will receive a "T3 Supplementary" slip from their stockbroker in years when the cash distribution of the Fund has a component of regular income or taxable dividends. The T3 slips are required to be mailed out by March 31 of the following year. They will indicate the taxable and return of capital components of the distributions. Unitholders are required to include the amounts indicated on the T3 slip on their income tax return.

As the cash distributions in 2003 do not contain any taxable income or dividends, no 2003 T3 slip will be issued. Unitholders filing their 2003 Income Tax return are not required to include any income relating to the Fund's 2003 cash distributions.

Adjusted Cost Base of Units – for Capital Gains Purposes

The Adjusted Cost Base (ACB) is used in calculating capital gains or losses on the disposition of trust units. Unitholders are required to reduce the ACB of their trust units by subtracting the tax deferred (the Return of Capital amount of the cumulative cash distribution) amount that became payable in a taxation year.

In the event a unitholder's ACB drops below zero during a taxation year, the negative amount is treated under the Act as a capital gain, which must be reported in the taxation year. The unitholder's ACB is then considered to be re-set to zero.

Given that there is no taxable income or dividends allocated in 2003, no T3 Income Tax slips will be issued to unitholders.