

2004 Tax information for Canadian Residents

The following information is intended to assist a holder of trust units of the Keyera Facilities Income Fund (the Fund) who, for the purposes of the Income Tax Act of Canada (Act) is a resident of Canada and who holds the units as capital property. Unitholders are encouraged to seek advice from a qualified tax advisor with respect to the tax treatment of distributions received from the Fund in their particular situation.

Cash distributions declared in 2004 are fully tax deferred as they were paid by way of a return of capital. In future years, cash distributions may be comprised of taxable distributions (ordinary income or dividend income) or tax deferred returns of capital.

The table below identifies the portion of the Fund's distributions that were taxable and returns of capital for Canadian Income Tax purposes.

Record Date	Payment Date	Taxable Trust Income (Cdn\$)	Taxable Dividend 1 (Cdn\$)	Tax Deferred Return of Capital (Cdn\$)	Total Distribution Paid (Cdn\$)
Jan 30, 2004	Feb 16, 2004	\$0.00	\$0.00	0.0908	0.0908
Feb 27, 2004	Mar 15, 2004	\$0.00	\$0.00	0.0908	0.0908
Mar 31, 2004	Apr 15, 2004	\$0.00	\$0.00	0.0908	0.0908
Apr 30, 2004	May 17, 2004	\$0.00	\$0.00	0.0908	0.0908
May 31, 2004	Jun 15, 2004	\$0.00	\$0.00	0.0908	0.0908
Jun 30, 2004	Jul 15, 2004	\$0.00	\$0.00	0.0980	0.0980
July 30, 2004	Aug 16, 2004	\$0.00	\$0.00	0.0980	0.0980
Aug 31, 2004	Sep 15, 2004	\$0.00	\$0.00	0.0980	0.0980
Sep 30, 2004	Oct 15, 2004	\$0.00	\$0.00	0.0980	0.0980
Oct 29, 2004	Nov 15, 2004	\$0.00	\$0.00	0.0980	0.0980
Nov 30, 2004	Dec 15, 2004	\$0.00	\$0.00	0.0980	0.0980
Dec 31, 2004	Jan 15, 2005	\$0.00	\$0.00	0.0980	0.0980
	2004 Total per unit	\$0.00	\$0.00	\$1.14	\$1.14

1 Dividend represents actual dividend amount before dividend gross up.

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 Income Tax (T3) slip from their stockbroker. The T3 slips are required to be mailed out by March 31 of the following year and will indicate the taxable and return of capital components of the distributions. Unitholders are required to include the amounts indicated on their T3 slip on their income tax returns.

Given that there is no taxable income or dividends allocated in 2004, unitholders filing their 2004 Canadian Income Tax returns are not required to include any taxable income relating to the Fund's 2004 cash distributions.

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 return of capital amounts that became payable in a taxation year. Unitholders are required to keep a record of the return of capital amounts and their impact on the ACB of their trust units.

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.

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 2004 Income Tax Returns.