

UNION GAS LIMITED
Alberta Border WACOG Pricing Calculation
Year Ending October 31, 2002

Particulars	2001		2002										Total or Average
	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	
1 Days	30	31	31	31	31	30	28	30	31	31	30	31	365
2 Heat Content (1)	37.63	37.63	37.63	37.63	37.63	37.63	37.63	37.63	37.63	37.63	37.63	37.63	37.63
<u>Conversion of Henry Hub (\$US/MMBtu) to Alberta Border (\$Cdn/GJ)</u>													
3 Consensus Henry Hub (\$US/MMBtu) (1)	2.40	2.60	2.73	2.70	2.575	2.48	2.51	2.63	2.74	2.81	2.88	2.98	2.67
4 Basis Differential (Southern Ops. Contracts)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
5 Basis Differential (Northern and Eastern Ops. Contracts)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
6 Exchange Rate	0.658	0.658	0.669	0.669	0.6688	0.675	0.675	0.675	0.678	0.678	0.678	0.682	0.672
7 Conversion (MMBtu to GJ)	1.055	1.055	1.055	1.055	1.055	1.055	1.055	1.055	1.055	1.055	1.055	1.055	1.055
8 Alberta Border Price (\$Cdn/GJ) (Southern Ops.)													
9 Alberta Border Price (\$Cdn/GJ) (Northern and Eastern Ops.)													
10 Consensus Alberta Border (\$Cdn/GJ)	3.06	3.37	3.30	3.32	3.11	2.98	3.00	3.37	3.45	3.53	3.65	3.80	3.33
<u>CGPR Price Based Contracts Price Calculation</u>													
11 Total Volume (Board Approved - Continue to Rollover Volumes)	76,626	79,180	82,763	74,754	82,763	80,820	83,514	80,820	83,514	79,546	76,980	79,546	960,626
12 Cost at Consensus Alberta Border Price (\$000s)	\$ 8,820	\$ 10,047	\$ 10,287	\$ 9,336	\$ 9,689	\$ 9,051	\$ 9,434	\$ 10,255	\$ 10,830	\$ 10,551	\$ 10,564	\$ 11,384	\$ 120,248
13 Impact of Risk Management	2,409	2,022	2,244	1,890	2,436	-	-	-	-	-	-	-	\$ 11,001
14 Total CGPR Based Contracts	\$ 11,229	\$ 12,069	\$ 12,531	\$ 11,226	\$ 12,125	\$ 9,051	\$ 9,434	\$ 10,255	\$ 10,830	\$ 10,551	\$ 10,564	\$ 11,384	\$ 131,249
15 Subtotal: Total Alberta Volume excluding Buy/Sell (10 ³ m3)	76,626	79,180	82,763	74,754	82,763	80,820	83,514	80,820	83,514	79,546	76,980	79,546	960,626
16 Total Supply Cost	\$ 11,229	\$ 12,069	\$ 12,531	\$ 11,226	\$ 12,125	\$ 9,051	\$ 9,434	\$ 10,255	\$ 10,830	\$ 10,551	\$ 10,564	\$ 11,384	\$ 131,249
17 Average Price (\$/10 ³ m ³)	\$ 146.549	\$ 152.421	\$ 151.408	\$ 150.174	\$ 146.498	\$ 111.990	\$ 112.963	\$ 126.887	\$ 129.679	\$ 132.640	\$ 137.230	\$ 143.112	\$ 136.592
18 Average Price (\$/GJ)	\$ 3.89	\$ 4.05	\$ 4.02	\$ 3.99	\$ 3.89	\$ 2.98	\$ 3.00	\$ 3.37	\$ 3.45	\$ 3.52	\$ 3.65	\$ 3.80	\$ 3.63

(1) There are no volumes forecasted to be purchased at the Alberta border with NYMEX based pricing provisions.