

The following summary is intended to assist unitholders in the Westshore Terminals Income Fund (the “Fund”) in understanding the income tax treatment of the distributions made by the Fund in 2004. It does not constitute legal or tax advice nor is it intended as such. Unitholders are encouraged to consult their own tax advisors for appropriate tax advice based on their particular circumstances.

### Year-end Reporting

#### **Individual Canadian Resident Unitholders**

Canadian resident unitholders will receive a “T3 supplementary slip” (the “T3 slip”) outlining the nature of the quarterly fund distributions received during 2004. The T3 slips are prepared by the unitholders’ brokerage firms and are normally available by March 31 of each year.

The following tables summarizes the per-unit distributions for the 2004 calendar year:

| <b>Record date</b> | <b>Payment date</b> | <b>Other trust income (taxable)</b> | <b>Capital gains (50% taxable)</b> | <b>Other capital distributions (non-taxable)</b> | <b>Total distribution</b> |
|--------------------|---------------------|-------------------------------------|------------------------------------|--|---------------------------|
| Mar 31/04          | Apr 15/04           | \$0.12693                           | \$0.14550                          | \$0.02757  | \$0.30000                 |
| Jun 30/04          | Jul 15/04           | \$0.12533                           | Nil                                | \$0.01467  | \$0.14000                 |
| Sep 30/04          | Oct 15/04           | \$0.12889                           | Nil                                | \$0.01111  | \$0.14000                 |
| Dec 31/04          | Jan 15/04           | \$0.23965                           | Nil                                | \$0.00035  | \$0.24000                 |
| <b>Total</b>       |                     | <b>\$0.62080</b>                    | <b>\$0.14550</b>                   | <b>\$0.05370</b>                                 | <b>\$0.82000</b>          |

The “other trust income” and the “capital gains” are reported on the T3 slip. “Other trust income” is fully taxable to unitholders, while only 50% of capital gains are included in the income of unitholders. The remaining 50% of capital gains received by unitholders are not taxable.

The “other capital distributions” are reported in an information box on the T3 slip. These distributions represent the payment of the non-taxable portion of capital gains realized from the sale of Fording Canadian Coal Trust units in prior years. These amounts were not distributed in prior years as the Fund required cash to service the debt arising from the acquisition of the Fording Trust units. Although these amounts are disclosed as a return of capital on the T3 slip, they are not taxable to unitholders and will not reduce the adjusted cost base of the fund units.

#### **U.S. Unitholders**

Information will be provided at a later date.

#### **Other Non-Resident Unitholders**

Fund distributions to non-resident unitholders are subject to the general Canadian withholding tax of 25%. However, this withholding rate may be reduced if an income tax treaty or convention has been entered into between Canada and the foreign jurisdiction.