



FOR IMMEDIATE RELEASE

FORT CHICAGO ANNOUNCES AUX SABLE MARKETING AGREEMENT, MONTHLY CASH DISTRIBUTION FOR JANUARY 2006, 2006 GUIDANCE AND UPDATED 2005 GUIDANCE

**Trading Symbol: FCE.UN
Exchange: TSX**

Calgary, Alberta – January 19, 2006 Fort Chicago Energy Partners L.P. ("Fort Chicago") announced today that Aux Sable Liquid Products LP and its affiliates, Aux Sable Canada LP, Aux Sable Extraction LP, Aux Sable Liquid Products Inc. and Aux Sable Canada Ltd. (collectively, "Aux Sable") have entered into a binding memorandum of agreement with BP Products North America, Inc., and affiliates thereof ("BP"), pursuant to which Aux Sable will sell all of its natural gas liquids ("NGL") production at its facilities near Chicago, Illinois to BP in exchange for greater stability to Aux Sable's future earnings stream going forward. Fort Chicago also announced today the declaration of its cash distribution for January, 2006, 2006 guidance and updated 2005 guidance regarding forecast distributable cash earned.

Aux Sable-BP Agreement

Under the agreement between BP and Aux Sable, BP will purchase all of the NGL produced by Aux Sable at its facilities near Chicago and in return pay Aux Sable a fixed annual fee and a percentage share of any net margin generated from the business in excess of specified thresholds. In addition, BP will compensate Aux Sable for all operating, maintenance and capital costs associated with the Chicago facilities, subject to certain limits in the case of capital costs. BP will supply, at its cost, all make-up and fuel natural gas to the Aux Sable facilities and will assume responsibility for the capacity on the Alliance Pipeline held by Alliance Canada Marketing, an affiliate of Aux Sable, and pay market rates to use this capacity. The agreement will be for an initial term of 20 years commencing December 31, 2005, and may be extended by mutual agreement for 10 year terms on an evergreen basis. BP will have the option in certain limited circumstances to terminate the agreement if cumulative losses from the business exceed a specified amount, however Aux Sable retains the right to reduce such losses and thereby avoid termination. Mr. Stephen H. White, President and Chief Executive Officer of Fort Chicago commented that "although over the past few years Aux Sable has substantially improved its operating results, its financial outlook was volatile. This agreement with BP provides a much more stabilized financial outlook for Aux Sable. The agreement also puts it in a better position to pursue a broader range of growth opportunities as it allows Aux Sable to pursue other business in the NGL industry such as the development of new extraction facilities, including facilities involving the rich gas stream of the Alliance Pipeline."

BP and Aux Sable will be pursuing the completion and execution of formal agreements incorporating the terms of the memorandum of agreement with a goal of completing same by March 31, 2006, however in the absence of such completion the binding memorandum of agreement shall serve as the agreement between the parties. Each of BP and Aux Sable may terminate the binding memorandum of agreement on or before March 31, 2006 by electing to pay the other party US \$20 million.

January Distribution

Fort Chicago also announced that the board of directors of Fort Chicago Energy Management Ltd., the general partner of Fort Chicago, has declared a cash distribution for January 2006 of \$0.0775 per Class A Unit. The distribution will be paid on February 23, 2006 to unitholders of record at the close of business on January 31, 2006. Mr. White commented that "the decision to reduce Fort Chicago's distribution to an annualized amount of \$0.93 per Class A Unit was driven largely by the appreciation of the Canadian dollar relative to the U.S. dollar. The Aux Sable transaction is very positive for Fort Chicago and its

unitholders as it provides a more predictable source of distributions from Aux Sable going forward.” Of this distribution, \$0.005 per Class A Unit will be considered U.S. source interest income and \$0.015 per Class A Unit will be considered U.S. source dividend income. The balance of the cash distribution of \$0.0575 per Class A Unit will be distributed without any deduction for U.S. withholding taxes. While this distribution is considered to be a return of capital for Canadian income tax purposes, unitholders are allocated a proportionate share of Fort Chicago’s taxable income. As a percent of projected cash distributions paid, taxable income allocations are expected to be in the range of 70% to 85% in 2006. Unitholders enrolled in the Premium Distribution, Distribution Reinvestment and Optional Unit Purchase Plan (the “Plan”) can direct that the \$0.0575 per Class A Unit be reinvested, at a 5% discount, in additional Class A units held for their account under the Plan. No portion of this distribution will be eligible for a premium cash payment under the premium distribution component of the Plan. Unitholders may enroll in the Plan by completing and delivering, or by having their broker or nominee complete and deliver (through CDS, if applicable), an Authorization Form to Computershare Trust Company of Canada, as Plan Agent. The Authorization Form must be delivered to the Plan Agent no later than 5:00 p.m. (E.S.T.) on January 27, 2006. Beneficial owners of Class A Units who wish to participate in the Plan should contact their broker or nominee to ensure that the enrolment deadline is met.

U.S. source dividends and U.S. source interest received by tax exempt unitholders should not be subject to U.S. withholding tax under the income tax treaty between the United States and Canada (the “Treaty”). U.S. source interest received by taxable unitholders owning less than 10% of Fort Chicago’s Class A Units, should be exempt from U.S. withholding tax under what is referred to as the portfolio interest exemption. If a taxable unitholder does not qualify for this exemption, they should qualify for a reduced U.S. withholding tax rate of 10%. U.S. source dividends received by taxable unitholders should qualify for a reduced U.S. withholding tax rate of 15% (5% for certain corporate unitholders owning more than 10% of Fort Chicago’s Class A Units). If neither the reduced Treaty rates nor the portfolio interest exemption apply, all U.S. source income for U.S. tax purposes will be subject to U.S. withholding tax at the statutory rate of 30%. Unitholders subject to U.S. withholding tax should be able to claim a foreign tax credit to the extent of Canadian taxes paid on the U.S. source income allocated to them. If you are unsure of the taxable status of your account or are currently subject to the statutory withholding tax rate of 30%, please check with our transfer agent, Computershare Trust Company of Canada, or your broker representative, as applicable, to ensure the applicable U.S. Internal Revenue Service form W8-BEN, W8-IMY, W-8EXP or other relevant form has been completed so that you are eligible to take advantage of the reduced Treaty rates.

2006 Guidance and Updated 2005 Guidance

Based on current market conditions, including current foreign exchange rates, and taking into account the Aux Sable and BP agreement, the guidance regarding forecast distributable cash earned is expected to be in the range of \$0.89 to \$0.96 per Class A Unit for 2006. The range for 2006 is primarily attributable to the expected variability associated with the U.S. dollar relative to the Canadian dollar and the profit sharing under the Aux Sable-BP Agreement. For 2005, the guidance for the range of distributable cash earned has been narrowed to \$1.08 to \$1.10 per Class A Unit. Further details concerning the 2006 guidance and the updated 2005 guidance can be found in the Investor Information section of Fort Chicago’s website – www.fortchicago.com.

Fort Chicago is a publicly traded limited partnership. Its Class A Units are listed on the TSX under the symbol FCE.UN and have been assigned a stability rating by Dominion Bond Rating Service and Standard & Poor’s of STA-2 (low) and SR-2, respectively. Together with its affiliates, Fort Chicago presently owns a 50.0% interest in the Alliance Pipeline, an approximate 42.7% interest in Aux Sable and Alliance Canada Marketing and a 100% interest in the Alberta Ethane Gathering System (“AEGS”). The Alliance Pipeline is a 3,000 kilometre mainline natural gas pipeline, which extends from northeastern British Columbia to delivery points near Chicago, Illinois. Aux Sable operates natural gas liquids extraction, fractionation and delivery facilities near Chicago. AEGS is a 1,324 kilometre ethane pipeline system, which delivers ethane feedstock to Alberta’s petro-chemical industry.

Class A Unit Ownership Restrictions

Fort Chicago is organized in accordance with the terms and conditions of a limited partnership agreement which provides that no Class A Units may be transferred to, among other things, a person who is a "non-resident" of Canada, a person in which an interest would be a "tax shelter investment" or a partnership which is not a "Canadian partnership" for purposes of the *Income Tax Act (Canada)*.

Certain information contained herein relating to, but not limited to, Fort Chicago and its Pipeline and NGL businesses constitutes forward-looking information under applicable securities laws. All statements, other than statements of historical fact, which address activities, events or developments that we expect or anticipate may or will occur in the future, are forward-looking information. Forward-looking information typically contains statements with words such as "may", "estimate", "anticipate", "believe", "expect", "plan", "intend", "target", "project", "forecast" or similar words suggesting future outcomes or outlook. The following discussion is intended to identify certain factors, although not necessarily all factors, which could cause future outcomes to differ materially from those set forth in the forward-looking information. The risks and uncertainties that may affect the operations, performance, development and results of our businesses include, but are not limited to, the following factors: the ability of Fort Chicago to successfully implement its strategic initiatives and achieve expected benefits; the status, credit risk and continued existence of customers having contracts with Alliance, Aux Sable or AEGS; the availability and price of energy commodities; fluctuations in foreign exchange and interest rates; the regulatory environment; competitive factors in the pipeline and NGL extraction industries; and the prevailing economic conditions in North America. The reader is cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate by Fort Chicago at the time of preparation, may prove to be incorrect or may not occur. Accordingly, readers are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. Readers are also cautioned that the foregoing list of factors and risks is not exhaustive. Additional information on these and other risks, uncertainties and factors that could affect Fort Chicago's operations or financial results are included in our filings with the securities commissions or similar authorities in each of the provinces of Canada, as may be updated from time to time. There is no representation by Fort Chicago that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking statements contained herein are made as of the date hereof, and Fort Chicago does not undertake any obligation to update publicly or to revise any forward-looking information, whether as a result of new information, future events or otherwise. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

Certain financial information contained in this news release may not be standard measures under Generally Accepted Accounting Principles ("GAAP") in Canada and may not be comparable to similar measures presented by other entities. These measures are considered to be important measures used by the investment community and should be used to supplement other performance measures prepared in accordance with GAAP in Canada. For further information on non-GAAP financial measures used by Fort Chicago see the annual and quarterly Management Discussion and Analysis and the notes to the annual and quarterly financial statements filed by Fort Chicago with Canadian securities regulators.

- 30 -

For further information, please contact:

Stephen H. White
President and C.E.O.

Hume D. Kyle
Vice President, Finance and C.F.O.

Fort Chicago Energy Partners L.P.
Stock Exchange Tower
2150, 300 Fifth Avenue S.W.
Calgary, AB T2P 3C4
Phone: (403) 296-0140; Fax: (403) 213-3648
www.fortchicago.com

*NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES.*