

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2005 and 2004 (in thousands of dollars)	2005	2004
Cash flows from (used in) operating activities:		
Net income	\$ 103,353	\$ 68,490
Items not involving cash:		
Amortization	13,477	12,976
Loss from investment in affiliate	693	1,210
Cost of share option plan	2,023	1,424
Loss on disposal of equipment	7	227
Decrease (increase) in future tax asset	(26,022)	(20,623)
	<u>93,531</u>	<u>63,704</u>
Change in non-cash operating items:		
Increase in energy contracts receivable	(395,937)	(211,826)
Increase in accounts receivable and prepaid expenses	(4,981)	(5,471)
Decrease (increase) in other assets	1,782	(2,443)
Increase in accounts payable and accrued liabilities	2,264	5,091
Increase in energy contracts payable	396,783	210,819
Increase (decrease) in long term other liabilities	6,601	(13)
Increase in deferred revenue	58,798	53,481
Increase in income taxes payable	8,285	13,679
	<u>167,126</u>	<u>127,021</u>
Cash flows from (used in) financing activities:		
Reduction in obligation under capital lease	(770)	(288)
Proceeds on options exercised	4,144	2,981
Dividends on common shares	(61,241)	(39,282)
	<u>(57,867)</u>	<u>(36,589)</u>
Cash flows from (used in) investing activities:		
Additions to premises and equipment	(4,677)	(9,347)
Proceeds on disposal of equipment	100	18
Purchase of NGX Canada Inc., net of cash acquired (note 2)	-	(27,183)
Decrease (increase) in marketable securities	(93,621)	(44,726)
	<u>(98,198)</u>	<u>(81,238)</u>
Increase in cash	11,061	9,194
Cash, beginning of year	17,424	8,230
Cash, end of year	<u>\$ 28,485</u>	<u>\$ 17,424</u>
Supplemental cash flow information:		
Interest paid	\$ 489	\$ 502
Interest received	\$ 8,174	\$ 4,880
Income taxes paid	<u>\$ 74,230</u>	<u>\$ 42,441</u>

See accompanying notes to consolidated financial statements