



NEWS RELEASE

ALTAGAS ACQUIRES GAS PROCESSING FACILITY IN BRITISH COLUMBIA

Calgary, Alberta (October 11, 2005) -- AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced it has acquired a 100 percent working interest in a 24 MMcf/d sweet gas processing facility for approximately \$9.5 million. The Blair Creek Gas Plant is located approximately 90 kilometres northwest of Fort St. John, B.C. It is currently under construction and is expected to be in service November 1, 2005.

AltaGas will operate the plant and will initially gather and process sweet natural gas under long-term contracts with two junior oil and gas exploration and production companies operating in the area. AltaGas, through its PremStar gas marketing division, will manage the sale of a portion of the plant's output.

David Cornhill, Chairman and CEO of AltaGas remarked, "In the last two weeks, AltaGas has announced three gas processing projects with capital expenditures totaling approximately \$30 million, and capacity of 59 MMcf/d. These projects illustrate our strategy in action and continued focus on the energy value chain. We provide reliable and cost-effective gas processing and marketing services for our producer customers."

Marshal Thompson, Vice President Gathering and Processing added, "The Blair Creek Gas Plant will bring much needed sweet gas processing capacity to the northeast area of British Columbia, while allowing AltaGas to move into new production areas in B.C. that have excellent potential for continued growth."

AltaGas moves energy from its source to the end-user, adding value through the process. The Trust has consolidated assets totalling over \$1 billion and a market capitalization of approximately \$1.5 billion. Its steadily expanding asset base today includes natural gas gathering and processing facilities, interests in ethane and natural gas liquids extraction plants, and transmission pipelines. AltaGas distributes natural gas to Alberta customers through AltaGas Utilities Inc., to customers in the Northwest Territories through Inuvik Gas Ltd. and in Nova Scotia through its interest in Heritage Gas Limited. The Trust provides energy services to customers, including marketing of natural gas and natural gas liquids, sale of power from its power purchase based arrangements and, as a leading energy agency business, specializes in the procurement and supply of energy to end-users.

AltaGas' Trust Units are listed on the Toronto Stock Exchange under the symbol ALA.UN. The Trust is included in the S&P/TSX Capped Income Trust Index and the S&P/TSX Capped Energy Trust Index.

When used in this news release, the words "anticipate," "estimate," and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in the forward-looking statements. These risks and uncertainties include operating performance, regulatory and environmental issues, weather and economic conditions, competition and financing availability. For additional information on these and other factors, see the reports filed by AltaGas with Canadian securities regulators. AltaGas disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information or future event.

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