



NEWS RELEASE

ALTAGAS INCOME TRUST TO BUILD NEW GAS PROCESSING FACILITY NEAR ACME, ALBERTA

Calgary, Alberta (May 24, 2007) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced that it will construct a new gas processing facility and associated gathering and sales lines near Acme, Alberta, approximately 85 kilometres northeast of Calgary. Capable of processing 10 Mmcf/d of natural gas, the facility will process coal bed methane (CBM) for Ember Resources Inc. (Ember). The construction of the pipelines and facility is expected to cost approximately \$11 million.

“We are pleased to partner with Ember, an existing AltaGas customer,” said David Cornhill, Chairman, President and CEO of AltaGas. He added, “The Acme project is in a prolific CBM area with significant reserves potential. This project is part of the \$50 million AltaGas expects to spend in our Field Gathering and Processing segment this year, over and above the 90 Mmcf/d Noel Pipeline and Pouce Coupe gas processing plant expansion project we announced in April.”

AltaGas will own 100 percent of the Acme plant, which will consist of 21 kilometres of 10-inch plastic gathering pipelines and 10 kilometres of 6-inch steel sales pipelines, as well as compression and dehydration facilities. The Trust will operate the plant, which is expected to be in service in the fourth quarter of 2007. The project is subject to provincial regulatory approvals.

Underpinning the project is a binding agreement for firm gas gathering and processing capacity with Ember, including a dedication of reserves provision which covers approximately 165 sections of land. Ember has active development plans for drilling CBM wells within the gathering area of the pipeline system. The binding agreement is subject to certain regulatory conditions precedent.

AltaGas Income Trust is one of Canada's largest and fastest growing integrated energy infrastructure and services organizations. The Trust creates value by growing and optimizing assets and services across the energy value chain to serve North America's energy demand. Since 1994, AltaGas Income Trust has expanded its business to include natural gas gathering, processing and transmission, extraction of ethane and natural gas liquids, power generation, marketing of natural gas and natural gas liquids, as well as retail energy services to commercial, industrial and institutional end-users across Canada.

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

This news release contains forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Trust or an affiliate of the Trust, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Trust's current views with respect to future events based on certain material factors and assumptions and are subject to

certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Trust's public disclosure documents. Many factors could cause the Trust's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Trust does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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