



## NEWS RELEASE

### **ALTAGAS INCOME TRUST TO BUILD NEW PIPELINE FROM B.C. AND TO EXPAND POUCE COUPE PLANT BY 90 MMCF/D**

**Calgary, Alberta (April 10, 2007)** – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced that it will construct a new natural gas pipeline to bring 90 Mmcf/d of natural gas from the Noel region of British Columbia to its Pouce Coupe gas processing facility in northwest Alberta. AltaGas will also add 90 Mmcf/d of sour gas processing capability to the Pouce Coupe facility, which currently processes approximately 8 Mmcf of sweet gas daily. The acid gas recovered from the sour gas processed at the Pouce Coupe facility will be re-injected into existing wells in the vicinity of the facility, minimizing the facility's sulphur emissions. The Noel pipeline construction project and the Pouce Coupe facility expansion project are in total expected to cost approximately \$90 million.

"AltaGas is excited about the Noel pipeline construction project and the Pouce Coupe facility expansion project," said David Cornhill, Chairman, President and CEO of AltaGas. He added, "The Noel region is an under-developed area with significant potential for reserves of sour gas. These projects will provide producers in the Noel region with the most competitive, economic and environmentally friendly option to process their gas. The Pouce Coupe facility will use acid gas injection to minimize the emissions that result from gas processing."

"These projects fit AltaGas' strategy for our Field Gathering and Processing segment and when completed should increase our throughput in this segment by over ten percent."

Underpinning the project is a binding contract for firm gas gathering and processing capacity with Devon Canada Corporation (Devon). Devon has active development plans for drilling wells within the gathering area of the pipeline system. The binding contract is subject to certain economic and regulatory conditions precedent. Additional capacity in the Noel pipeline and the expanded Pouce Coupe facility is available for other gas producers.

As currently proposed, a 12-inch pipeline will be built from the north Noel region. The diameter of the pipeline will increase to 16 inches for the portion crossing the Alberta-B.C. border and ending at the Pouce Coupe plant in Alberta.

The projects are subject to provincial and federal regulatory approvals, are expected to begin construction in mid-2007 and are expected to be in service by April 2008.

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 Capped 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.

For further information contact:

Media

Dennis Dawson

(403) 691-7534

[dennis.dawson@altagas.ca](mailto:dennis.dawson@altagas.ca)

Investment Community

Stephanie Labowka-Poulin

(403) 691-7136

[stephanie.labowka-poulin@altagas.ca](mailto:stephanie.labowka-poulin@altagas.ca)

Website: [www.altagas.ca](http://www.altagas.ca)

Investor Relations

1-877-691-7199

[investor.relations@altagas.ca](mailto:investor.relations@altagas.ca)