



NEWS RELEASE

ALTAGAS BOOSTS RENEWABLE ENERGY PORTFOLIO

Calgary, Alberta (July 31, 2008) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced that it has significantly added to its renewable energy initiatives with the addition of both hydroelectric and wind power development projects. Two acquisitions will add approximately 325 MW of run-of-river hydroelectric development projects and approximately 600 MW of wind development projects to AltaGas' current renewable energy portfolio. The acquisitions bring AltaGas' total renewable energy capacity under construction and development to approximately 1,900 MW.

"These acquisitions demonstrate our commitment to prudently grow and diversify our power infrastructure business through the development of significant renewable energy projects in Western Canada and the Western U.S.," said David Cornhill, Chairman and CEO of AltaGas. "These opportunities help to strategically balance AltaGas as a gas and power infrastructure builder and operator, and demonstrate our commitment to ensuring long-term, sustainable returns in the power business through a portfolio of renewable energy assets."

AltaGas entered into an agreement to acquire NovaGreenPower Inc. (NovaGreen), a wholly-owned subsidiary of NovaGold Resources Inc. (NovaGold), for \$35 million on closing. The acquisition is expected to close later today. AltaGas will pay an additional \$5 million to NovaGold on completion of certain conditions subsequent. NovaGreen is developing the Forrest Kerr run-of-river hydroelectric project, which is expected to have a capacity of 195 MW, in Northwest B.C. NovaGreen is also pursuing three other development projects all within the same region as Forrest Kerr with a total potential run-of-river hydroelectric capacity of approximately 130 MW.

When constructed, these projects are expected to be secured by long-term contracts and provide long-term, stable and predictable returns. With a hydrological database exceeding 40 years, including the Water Survey Branch of Canada, the Forrest Kerr project is one of the largest single location run-of-river hydroelectric development projects in North America. Water data, geologic sampling and engineering studies support this. An independent feasibility study completed in early 2008 supports a 195-MW run-of-river hydro project. A water license is secured to this site and is included in the acquired assets. Environmental Assessment certification was awarded and an application for amendment is pending. Power from the project is expected to be delivered through an extension and tie-in to the BCTC grid. Much of the construction support infrastructure, including access roads, is in place. First Nations continue to actively support this project. When developed, the Forrest Kerr project is expected to provide support for the construction of transmission facilities to assist economic growth and development in the rural areas of Northwest B.C. Since acquiring the assets, NovaGold has invested approximately \$6 million in advancing their development.

"Given the size and quality of this project, we believe this acquisition represents good value for our unitholders," said Mr. Cornhill. "Development of Forrest Kerr will help AltaGas achieve its growth targets over the next five years, and will increase our presence in British Columbia where there is strong government support for renewable power development."

AltaGas is pleased to welcome the NovaGreen development team. This team will be based in AltaGas' new Vancouver offices and will collaborate with AltaGas' current run-of-river development team to form the foundation of AltaGas' renewable energy expertise and drive these renewable energy development projects forward.

In a separate transaction, AltaGas has agreed with GreenWing Energy Management Ltd. (GreenWing) to acquire GreenWing's 45 percent interest in GreenWing Energy Development Limited Partnership (GEDLP) for \$12.3 million. As a result, the Trust will own 100 percent of GEDLP. This acquisition is expected to close on August 15, 2008.

These acquisitions strengthen AltaGas' renewable energy construction and development efforts. Presently, foundations are under construction for turbines in the Trust's 100-MW Bear Mountain Wind Park in B.C. The NovaGreen acquisition will add 195 MW with Forest Kerr and 130 MW in additional run-of-river development projects. This significantly boosts AltaGas' existing 70 MW of run-of-river hydroelectric development projects in operation or under development in B.C. The acquisition of the remainder of GEDLP results in AltaGas holding 640 MW of mature wind development projects and approximately 800 MW of early development wind projects in Western Canada and the Western U.S. AltaGas' portfolio of renewable energy assets under construction or development now consists of approximately 1,500 MW of wind power and approximately 400 MW of run-of-river hydroelectric power. With these acquisitions, AltaGas is emerging as a leader in renewable energy development.

AltaGas Income Trust is one of Canada's largest and fastest growing energy infrastructure organizations. The Trust creates value by acquiring, growing and optimizing gas and power infrastructure, including a focus on renewable energy sources.

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.

For further information contact:

Media
Adrienne Hartley
(403) 691-9873
adrienne.hartley@altagas.ca

Investment Community
Sheena McKellar
(403) 691-9855
sheena.mckellar@altagas.ca

Website: www.altagas.ca
Investor Relations
1-877-691-7199
investor.relations@altagas.ca