



## NEWS RELEASE



### ALTAGAS INCOME TRUST TO ACQUIRE TAYLOR NGL LIMITED PARTNERSHIP

**Calgary, Alberta (November 12, 2007)** – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) and Taylor NGL Limited Partnership (Taylor) (TSX: TAY.UN, TAY.DB) are pleased to announce that AltaGas has agreed to offer to acquire all of the outstanding units of Taylor and that both parties have executed an agreement in support of the transaction (the Agreement).

AltaGas has agreed to offer Taylor unitholders \$11.20 in cash or 0.42 units of AltaGas per unit of Taylor, subject to maximum aggregate cash consideration of \$245 million. This represents a 24 percent premium based on the \$9.00 closing price of Taylor units on November 9, 2007. The transaction is valued at approximately Cdn \$590 million, including assumed debt of \$142 million and excluding the 9.6 percent interest in Taylor units that AltaGas currently owns.

"The Taylor acquisition is an outstanding strategic fit for AltaGas," said David Cornhill, Chairman, President and CEO of AltaGas. "It positions AltaGas as a market leader and the most diversified player in the energy infrastructure sector in Canada. Further, acquiring Taylor builds on our existing natural gas and power businesses while presenting substantial opportunities to leverage our portfolio of assets across the energy value chain."

"Taylor has enjoyed a long business relationship with AltaGas, including as partners in the Joffre Extraction Plant. Looking forward, a single, larger entity will be well positioned to create unitholder value through growth," said Bob Pritchard, President and CEO of Taylor. "Both Taylor and AltaGas have a large inventory of projects that can now be jointly developed. Taylor's management and staff plan to continue working within the combined entity."

The Board of Directors of AltaGas has unanimously approved the Agreement. Likewise, the Board of Directors of Taylor has unanimously approved the Agreement and has concluded the transaction is in the best interest of Taylor unitholders. The Board of Directors of Taylor has unanimously resolved to recommend that the Taylor unitholders tender their units in acceptance of the offer.

"Adding Taylor's assets, people and growth opportunities to our portfolio represents significant expansion of our gas and power businesses while maintaining strong financial discipline. The acquisition is expected to be immediately accretive to AltaGas unitholders on a cash flow per unit basis and accretive on an earnings per unit basis beginning in 2009," said Cornhill. "Taylor's management team and employees have a strong track record of success. We are pleased to offer all employees of Taylor employment with AltaGas and welcome them to our team."

Under the terms of the Agreement, Taylor unitholders will be able to elect to receive \$11.20 in cash or 0.42 Trust units per Taylor unit. Taxable Taylor unitholders will be able to elect to receive 0.42 AltaGas limited partnership units (exchangeable units). The offer consideration will be subject to aggregate limits of Cdn \$245 million in cash

and 8 million Trust units, including up to approximately 1.9 million exchangeable units. The acquisition will be funded through existing credit facilities. The Agreement provides for a \$12 million termination fee.

Successful completion of the acquisition is subject to two-thirds of Taylor units excluding those owned by AltaGas being tendered, as well as customary regulatory approvals. The offer documents and directors' circular are expected to be mailed to Taylor unitholders in late November 2007. Expiry of the offer and closing are expected in January 2008.

Scotia Waterous Inc. and Clarus Securities Inc. are acting as financial advisors to AltaGas with respect to the transaction. They have advised the Board of Directors of AltaGas that they are of the opinion, as of the date hereof, that the consideration to be offered to Taylor unitholders pursuant to the proposed acquisition is fair to AltaGas unitholders from a financial point of view. Stikeman Elliott LLP and Felesky Flynn LLP are acting as legal and tax advisors to AltaGas.

Peters & Co. Limited is acting as financial advisor to Taylor with respect to the transaction. It has advised the Board of Directors of Taylor that it is of the opinion, as of the date hereof, that the consideration received by Taylor unitholders pursuant to the proposed acquisition is fair from a financial point of view. Macleod Dixon LLP is acting as legal advisor to Taylor.

AltaGas and Taylor will hold a teleconference today at 9:00 a.m. MST (11:00 a.m. EST) to discuss the acquisition. Members of the investment community, media and other interested parties may dial (416) 340-2216 or call toll free at 1 866 898-9626. No passcode is required.

Shortly after the conclusion of the call, a replay will be available by dialling (416) 695-5800 or 1 800 408-3053. The passcode for this replay is 3242140. The replay will expire at midnight (EST) on February 12, 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.

Taylor currently owns and operates the Harmattan Complex, the RET Complex and the Joffre Extraction Plant in Alberta, and the Younger Extraction Plant in British Columbia. The Joffre and Younger plants are natural gas liquids extraction facilities that produce ethane, propane, butane and condensate. The Harmattan Complex and the RET Complex are natural gas processing facilities that provide services to oil and natural gas producers. Taylor also owns two NGL pipelines - the Ethylene Delivery System and the Joffre Feedstock Pipeline, both of which move products between Joffre, Alberta and Fort Saskatchewan, Alberta. In addition, Taylor has an interest in a run-of-river power generation facility located in British Columbia.

AltaGas Income Trust's units are listed on the Toronto Stock Exchange under the symbol ALA.UN. Taylor NGL Limited Partnership units and convertible debentures trade on the Toronto Stock Exchange under the symbols TAY.UN and TAY.DB. 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.

## **Not for distribution to U.S. newswire services or for dissemination in the United States.**

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.

- 30 -

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