



NEWS RELEASE

ALTAGAS INCOME TRUST ANNOUNCES MAILING OF OFFER TO PURCHASE AND TAKE-OVER BID CIRCULAR

Calgary, Alberta (September 1, 2009) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) is pleased to announce that the offer to purchase and take-over bid circular (the Offer) and other related documents associated with the Trust's previously announced offer to acquire, through a newly-incorporated acquisition subsidiary, all outstanding shares of AltaGas Utility Group Inc. (Utility Group) not already owned by AltaGas have been mailed to Utility Group shareholders and are available on SEDAR (www.sedar.com).

Under the Offer, depositing Utility Group shareholders whose Utility Group shares have been taken up under the Offer will receive \$9.05 in cash per Utility Group share. The Offer will be open for acceptance until 5:00 p.m. (Calgary time) on October 7, 2009, unless extended or withdrawn. The acquisition will be funded through existing credit facilities.

The Utility Group acquisition is an excellent strategic fit for AltaGas. Utility Group's steady, measured approach to doing business parallels AltaGas' strategy of investing in energy infrastructure that provides long-term, stable cash flow and solid returns. The addition of Utility Group's investments, people and growth opportunities to AltaGas will expand, diversify and strengthen the Trust's gas division and overall business.

The Offer is subject to certain conditions, including its acceptance by the holders of at least two-thirds of the outstanding common shares of Utility Group, excluding those held by AltaGas and its affiliates. In addition, the Offer is subject to receipt of customary regulatory approvals, including that of the Alberta Utilities Commission.

AltaGas has retained Georgeson as information agent to respond to inquiries from shareholders regarding the transaction. Georgeson may be contacted toll-free at 1-866-725-6571. AltaGas has also retained CIBC World Markets Inc. as the dealer manager for the transaction. CIBC World Markets may be contacted toll-free at 1-866-744-2030. The Depository for the Offer is Olympia Trust Company. Olympia may be contacted toll-free at 1-888-767-7277 or corporateactions@olympiustrust.com.

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.

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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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