



NEWS RELEASE

ALTAGAS INCOME TRUST ENTERS INTO AGREEMENT TO DEVELOP WIND POWER PROJECT IN B.C.

Calgary, Alberta (January 10, 2006) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced it has entered into an agreement with Aeolis Wind Power Corporation (Aeolis) to form a limited partnership for the purpose of developing a wind power project at Bear Mountain in northeast British Columbia, near Dawson Creek. The limited partnership intends to bid in the British Columbia Hydro and Power Authority (BC Hydro) Fiscal 2006 Open Call for Power, which was announced on December 8, 2005.

David Cornhill, Chairman, President and CEO of AltaGas said, “The proposed wind power project fits our strategy to expand power generation capacity, and would move AltaGas into the development and operation of long-term renewable wind power generation in B.C.” He added, “The Bear Mountain project is a first small step in adding renewable wind power generation to our portfolio, while providing further renewable energy in Canada.”

If the bid in the BC Hydro process is successful, the Bear Mountain wind power project would be constructed with an expected nameplate capacity of approximately 120 MW, and the power from the project would be sold under long-term electricity purchase arrangements with BC Hydro.

Peace Energy A Renewable Energy Cooperative (Peace Energy) has been a significant proponent for the development of the Bear Mountain project and has provided the project with local support. Peace Energy’s mandate as a cooperative is to popularize, promote and assist with implementing renewable energy and conservation in the British Columbia and Alberta Peace region. Peace Energy is based in Dawson Creek.

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 and processing, extraction of ethane and natural gas liquids, transmission, sale of wholesale power from its gas-fired generation and power purchase-based arrangements, 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.

When used in this news release, the words "anticipate," "estimate," and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in the forward-looking statements. These risks and uncertainties include operating performance, regulatory and environmental issues, weather and economic conditions, competition and financing availability. For additional information on these and other factors, see the reports filed by AltaGas with Canadian securities regulators. AltaGas disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information or future event.

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