



NEWS RELEASE

ALTAGAS TO EXPAND COLD LAKE TRANSMISSION SYSTEM

Calgary, Alberta (November 9, 2006) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced that it will expand its Cold Lake natural gas transmission system located in the Cold Lake area of northeastern Alberta by approximately 18 Mmcf/d. AltaGas will install compression and construct 4 kilometres of 8-inch diameter natural gas pipeline from its existing Cold Lake transmission system to BlackRock Ventures Inc.'s (BlackRock) Orion steam assisted gravity drainage (SAGD) plant.

AltaGas has entered into an agreement with BlackRock, a subsidiary of Shell Canada Limited, for pipeline transportation capacity to serve the Orion plant. Additionally, AltaGas will provide BlackRock with natural gas supply of up to 17,000 GJ per day. Natural gas deliveries to Orion are expected to commence by May 1, 2007. The project will include modifications to AltaGas' existing field gathering and processing and transmission systems in the area, which will reduce overall Cold Lake system compression requirements.

David Cornhill, Chairman, President and CEO of AltaGas said, "This expansion project, while small, is a key example of AltaGas' integrated energy business strategy in action." He added, "Our Energy Services, Transmission and Field Gathering and Processing businesses worked together to develop this project with BlackRock."

AltaGas' Cold Lake operating area integrates the Transmission, Field Gathering and Processing and Energy Services components of AltaGas' business. The Field Gathering and Processing component of the Cold Lake operating area includes over 646 kilometres of gathering pipelines and 27 facilities, including gas plants and compressor stations that gather and process sweet natural gas. After the natural gas is processed it enters AltaGas' Cold Lake natural gas transmission system, which is approximately 250 kilometres in length and has current operating capacity of 80 Mmcf/d. The majority of the gas entering the system is delivered to off-system residential and heavy oil markets. Any gas not sold to off-system markets is compressed and delivered to downstream pipeline systems. AltaGas' Energy Services business markets or exchanges essentially all of the volumes that flow through the AltaGas Cold Lake transmission system.

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.

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