



NEWS RELEASE

ALTAGAS ENTERS MOU WITH NOVA CHEMICALS FOR LIQUIDS EXTRACTED AT HARMATTAN

Calgary, Alberta (July 6, 2009) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced that it has entered into a Memorandum of Understanding (MOU) with NOVA Chemicals Corporation (NOVA Chemicals). As part of the proposed Harmattan Co-Stream Project, AltaGas is planning to process an initial 250 Mmcf/d of additional natural gas using spare capacity at the Harmattan Complex to extract ethane and natural gas liquids (NGL). Currently, AltaGas processes approximately 150 Mmcf/d at the Harmattan Complex.

“The Harmattan Co-Stream Project will allow AltaGas to realize an initial incremental 250 Mmcf/d of existing processing and extraction capacity at our highly efficient Harmattan Complex,” said David Cornhill, Chairman and CEO of the Trust. “Furthermore, the Harmattan Co-Stream Project will expand the availability of valuable feedstock for Alberta’s petrochemical industry, and retain extraction revenues and value in Alberta in a most economical manner.”

The MOU provides that the definitive agreements between AltaGas and NOVA Chemicals would be for an initial term of 20 years, would have AltaGas deliver all liquids or co-stream gas products on a full cost-of-service basis to NOVA Chemicals, and would provide that all capital expenditures and operating costs related to the proposed project will be fully recovered through fees under normal operations. The MOU is subject to normal conditions precedent, including execution and delivery of mutually satisfactory definitive agreements between AltaGas and NOVA Chemicals, a favourable decision on the Harmattan Co-Stream application made by AltaGas and currently before the Alberta Energy Resources Conservation Board, and approval by the boards of directors of AltaGas and NOVA Chemicals.

The proposed Harmattan Co-Stream Project promotes responsible competition by creating a competitive option for shippers similar to the competitive environment at Empress, Alberta, where shippers have multiple extraction options.

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.

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