



## NEWS RELEASE

### **ALTAGAS INCOME TRUST TO ADD 14.4 MW OF GAS-FIRED POWER GENERATION IN SOUTHERN ALBERTA**

**Calgary, Alberta (April 24, 2007)** – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) today announced that it has acquired an additional 14.4 megawatts of power generation capacity, comprised of six 2.4-MW Superior gas-fired units, which will be installed in southern Alberta locations with access to natural gas supply and the electricity transmission system. The new generation is expected to cost approximately \$8 million, including installation, and be in service by the end of 2007.

“AltaGas continues to grow its integrated gas and power infrastructure business,” said David Cornhill, Chairman, President and CEO of AltaGas. “We are excited to make this announcement about the growth in our power generation portfolio, which follows our recent announcement about the new Noel pipeline and Pouce Coupe sour gas processing expansion.”

“This peaking capacity further diversifies our power portfolio by increasing the gas-fired component by approximately 55 percent and by backstopping our coal-fired generation. It complements our existing 25 MW of gas-fired peaking assets in southern Alberta and will add energy and reserve capacity at minimal additional operating cost. We are currently finalizing the location of the units, but expect some of the new generation to be located at existing AltaGas field gathering and processing sites.”

“In addition to enhancing unitholder value by adding assets under a proven business model, these projects will bring new capacity to the Alberta power market.”

Once in service, AltaGas’ total gas-fired power generation under operation will be 39.4 MW. AltaGas will operate the facilities using Field Gathering and Processing personnel and will dispatch the facilities from its control centre at the Edmonton Ethane Extraction Plant, as it does for its four existing gas-fired peaking plants in southern Alberta. Integration of the assets is expected to be straightforward, given that existing operators, dispatch and accounting systems are in place. When operational, the project is expected to be immediately accretive to net income and cash flow.

This is the second growth announcement by AltaGas in the last two weeks. On April 10<sup>th</sup> AltaGas announced an investment of approximately \$90 million for the construction of a new natural gas pipeline to bring 90 Mmcf/d of natural gas from the Noel region of British Columbia to a 90 Mmcf/d sour gas expansion of its Pouce Coupe gas processing facility in northwest Alberta by April.

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 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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