



## NEWS RELEASE



# ALTAGAS INCOME TRUST AGREES TO MAKE OFFER TO ACQUIRE LANDIS ENERGY CORPORATION

**Calgary, Alberta (January 15, 2010)** – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) and Landis Energy Corporation (Landis) (TSXV: LIS) jointly announce that AltaGas Ltd., a wholly-owned subsidiary of AltaGas, and Landis have entered into a support agreement (the Agreement) pursuant to which AltaGas Ltd. will, subject to certain conditions, make a cash offer for all of the outstanding common shares of Landis. AltaGas Ltd. has agreed to offer \$0.80 per common share (the Offer).

The Offer represents a 6.7 percent premium based on the \$0.75 closing price of Landis common shares on January 14, 2010 and a 22.7 percent premium to the volume weighted average trading price at which Landis shares have traded for the past 30 days. The acquisition is valued at approximately \$22 million. The transaction will be funded through AltaGas' existing credit facilities.

"The Landis acquisition is a good strategic fit for AltaGas," said David Cornhill, Chairman and CEO of the Trust. "Landis is a developer of underground natural gas storage facilities, focused on opportunities in Atlantic Canada. Gas storage is a business that AltaGas entered last year with the successful commissioning of a 5.3 Bcf gas storage asset in Sarnia, Ontario. Landis adds good opportunities for AltaGas to grow its storage capacity, including the Alton natural gas storage facility, which is in the advanced development phase."

The Alton natural gas storage project, located near Truro, Nova Scotia, is expected to serve customers seeking to manage supply requirements in eastern Canada and the United States. Today there are no underground natural gas storage facilities north of Boston along the Maritimes and Northeast Pipeline route, which runs from Nova Scotia to the northeast United States. Alton Natural Gas Storage L.P. is a limited partnership owned equally by Landis and Fort Chicago Energy Partners L.P. In addition, Landis is pursuing several other projects including underground natural gas storage and underground compressed air energy storage (CAES).

"Over the past several years, the Landis team has made progress with the development of various storage projects," said David Birkett, President and CEO of Landis. "As part of a larger entity, we look forward to proceeding with exciting development opportunities."

The Board of Directors of AltaGas has unanimously approved the Agreement. Likewise, the Board of Directors of Landis has unanimously approved the Agreement and has concluded that the transaction is in the best interest of Landis and is fair to its shareholders. The Board of Directors of Landis has unanimously resolved to recommend that the Landis shareholders tender their common shares in acceptance of the Offer.

The Offer is subject to certain conditions, including its acceptance by the holders of at least two-thirds of the outstanding common shares of Landis, and regulatory approval.

Pursuant to the Agreement, Landis has agreed to terminate any discussions with other parties, not to solicit or initiate discussions or negotiations with any third party with respect to alternative transactions and to grant AltaGas Ltd. a right to match any other proposals. Landis has also agreed to pay AltaGas Ltd. a termination fee of \$1 million in certain circumstances if the Offer is not completed. AltaGas has been advised and expects that insiders who currently own approximately 32 percent of the outstanding common shares of Landis intend to tender to the Offer. The Agreement is available through SEDAR at [www.sedar.com](http://www.sedar.com).

The Offer documents and Directors' Circular are expected to be mailed to Landis' shareholders by February 5, 2010. Expiry of the Offer and closing are expected in early March 2010.

Clarus Securities Inc. is acting as financial advisor to AltaGas with respect to the transaction.

Pollitt & Co. Inc. is acting as financial advisor to Landis and an Independent Committee of its Board with respect to the transaction. It has advised the Board of Directors of Landis that it is of the opinion, as of the date hereof, that the consideration to be received by Landis shareholders pursuant to the proposed acquisition is fair from a financial point of view.

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 and are included in the S&P/TSX Composite Index, the S&P/TSX Income Trust Index and the S&P/TSX Capped Energy Trust Index.

Landis Energy Corporation is an energy infrastructure developer, with a focus on hydrocarbon storage and complementary assets. Landis is listed on the TSX Venture Exchange under the symbol LIS.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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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 or Landis or an affiliate of Landis, 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 or Landis' 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 or Landis' public disclosure documents. Many factors could cause the Trust's or Landis' 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 and Landis do not intend, and do 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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For further information contact:

### **AltaGas Income Trust:**

Media  
Adrienne Lovric  
(403) 691-9873  
[adrienne.lovric@altagas.ca](mailto:adrienne.lovric@altagas.ca)

Investment Community  
Sheena McKellar  
(403) 691-9855  
[sheena.mckellar@altagas.ca](mailto:sheena.mckellar@altagas.ca)

[www.altagas.ca](http://www.altagas.ca)  
Investor Relations  
1-877-691-7199  
[investor.relations@altagas.ca](mailto:investor.relations@altagas.ca)

### **Landis Energy Corporation:**

David Birkett  
President and CEO  
(403) 263-2118  
[investor-relations@landis.ca](mailto:investor-relations@landis.ca)  
[www.landisenergy.com](http://www.landisenergy.com)