



NEWS RELEASE



ALTAGAS UTILITY GROUP INC. RECEIVES ALBERTA UTILITIES COMMISSION APPROVAL FOR TRANSFER OF SHARES

Calgary, Alberta (October 2, 2009) – AltaGas Income Trust (AltaGas or the Trust) (TSX: ALA.UN) and AltaGas Utility Group Inc. (Utility Group) (TSX: AUI) announced today that Utility Group has received approval from the Alberta Utilities Commission (AUC) for the transfer of all outstanding shares of Utility Group to AltaGas Holdings #3 Inc., an indirect wholly-owned subsidiary of AltaGas, pursuant to its cash offer for all of the outstanding common shares of Utility Group not already owned by AltaGas and its affiliates (the Offer). Further details on the terms of the approval are available on the AUC's website at <http://www.auc.ab.ca/applications/decisions/Decisions/2009/2009-152.pdf>.

All regulatory approvals necessary to complete the Offer have now been obtained. The Offer remains subject to certain other conditions, including acceptance by the holders of at least two-thirds of the outstanding Utility Group common shares, excluding those held by AltaGas and its affiliates. **The expiry time of the Offer remains 5:00 p.m. (Calgary time) on October 7, 2009, unless withdrawn or extended.**

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 Utility Group Inc. is a publicly traded company holding interests in AltaGas Utilities Inc., Heritage Gas Limited and Inuvik Gas Ltd. Combined these regulated natural gas distribution businesses serve more than 71,000 customers in three areas of Canada through an infrastructure of over 20,000 kilometres of pipelines. Utility Group also holds an interest in the Ikhil Joint Venture which produces and supplies natural gas in Inuvik, Northwest Territories.

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. AltaGas Utility Group Inc. common shares trade on the Toronto Stock Exchange under the symbol AUI.

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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 to Utility Group or an affiliate of Utility Group, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, the Trust's and Utility Group's respective 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 the Trust's or Utility Group's respective actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Trust's and Utility Group's respective 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 and Utility Group's respective public disclosure documents. Many factors could cause the Trust's or Utility Groups respective 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, the Trust's or Utility Group's 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 Utility Group 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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